Arbitration CAS 2013/A/3082 Budapest Honvéd FC v. América FC, award of 3 September 2013

Panel: Mr Michele Bernasconi (Switzerland), Sole Arbitrator

Football
Training compensation
Burden of proof
Reduction of the training compensation

1. **Any party wishing to prevail on a disputed issue, or wishing to draw legal consequences from factual circumstances it alleges, must discharge its respective burden of proof. This is, it must meet the onus to substantiate its allegations and to affirmatively prove the facts or circumstances on which it relies its argumentation on that issue.**

2. **There is the possibility to object to an amount of training compensation calculated on the basis of the indicative amounts mentioned in the FIFA Circular Letters and to prove that such compensation is disproportionate. This must be done on the basis of concrete evidentiary documents, such as invoices, costs of training centres, budgets etc. In case such evidence cannot be brought forward and in case the lack of proportionality cannot be proven, the general indicative amounts apply. In order to evaluate the training costs, and to evaluate whether the indicative amounts may be disproportionate, only economic factors, but not (subsequent) time factors such as an alleged short contractual relationship of a player with his new club may be taken into account.**

I. PARTIES

1. Budapest Honvéd FC is a football club with its registered office in Budapest, Hungary (the "Appellant"). It is a member of the Hungarian Football Federation (MLSZ), which is in turn affiliated to the Fédération Internationale de Football Association (FIFA).

2. América FC is a football club with its registered office in Belo Horizonte, Brazil (the "Respondent"). It is a member of the Brazilian Football Confederation (CBF), which is in turn affiliated to FIFA.

II. FACTUAL BACKGROUND

A. Background Facts

3. Below is a summary of the relevant facts and allegations based on the parties' written submissions and evidence adduced. Additional facts and allegations found in the parties' written submissions and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Sole Arbitrator has considered all the facts, allegations, legal arguments, and evidence submitted by the parties in the present proceedings, he refers in his Award only to the submissions and evidence he considers necessary to explain his reasoning.

4. The player B. (the "Player") was born in 1990. He was registered with Respondent as from 17 August 2005 until 23 March 2007 as an amateur player.

5. According to a confirmation issued by the MLSZ, the Player was registered with Appellant on 26 February 2010 as a professional player.

B. Proceedings before the FIFA Dispute Resolution Chamber

6. On 31 January 2012, Respondent initiated proceedings in front of the FIFA Dispute Resolution Chamber (the "FIFA DRC") to order Appellant to pay an amount of EUR 77,408 plus interest as from 30 days of the Player's Registration with Appellant as training compensation pursuant to the FIFA Regulations on the Status and Transfer of Players (the "FIFA RSTP").

7. On 27 August 2012, the FIFA DRC Single Judge accepted Respondent's claim in full on the following grounds:

- The MLSZ had unequivocally confirmed that the Player was registered with Appellant as a professional on 26 February 2010, while Appellant had not produced any evidence to the contrary;

- Considering the date of birth and the career history of the Player, the Player was registered for the first time as a professional with Appellant before the end of the season of the Player's 23rd birthday;

- Appellant did not submit any documents which demonstrated that it had requested the CBF to inform it about the Player's career history and that the CBF had confirmed to Appellant that prior to registering the Player, the latter had not been registered with any Brazilian club;

- The obligation to offer a professional contract to a player, pursuant to art. 6 para. 3 of Annexe 4 of the FIFA RSTP, is limited to a well-defined geographical scope. Since Brazil is neither a member of the EU, nor of the EEA, art. 6 of Annexe 4 of the FIFA RSTP does not apply in the present matter and thus, Respondent did not have the obligation to offer a contract to the Player in order to preserve its entitlement to training compensation.

8. As a result, on 27 August 2012, the FIFA DRC Single Judge rendered a decision as follows (the "FIFA DRC Decision"):

"1. The claim of the Claimant, América FC, is accepted.

2. The Respondent, Budapest Honvéd FC, has to pay to the Claimant, ***within 30 days*** *as from the date of notification of this decision, the amount of EUR 77,408 plus default interest of 5%* p.a. *on said amount as from 29 March 2010 until the date of effective payment.*

3. In the event that the aforementioned sum plus interest is not paid within the stated time limit, the present matter shall be submitted, upon request, to FIFA's Disciplinary Committee for consideration and a formal decision.

4. The final amount of costs of the proceedings in the amount of CHF 6,000 are to be paid by the Respondent ***within 30 days*** *as from the date of notification of the present decision as follows*

4.1. The amount of CHF 4,000 has to be paid to FIFA (...)

4.2. The amount of CHF 2,000 has to be paid to the Claimant.

5. The Claimant is directed to inform the Respondent immediately and directly of the account number to which the remittances under points 2. and 4.2. above are to be made and to notify the DRC judge of every payment received".

9. On 18 January 2013, Appellant and Respondent were notified of the FIFA DRC Decision.

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

10. On 7 February 2013, Appellant filed a statement of appeal with the Court of Arbitration for Sport (the "CAS") against the FIFA DRC Decision.

11. On 18 February 2013, Appellant filed its appeal brief, which contained further arguments and supporting documents.

12. On 3 May 2013, Respondent filed its answer to the appeal.

13. Both parties agreed to the appointment of Mr. Michele A.R. Bernasconi, Attorney-at-law in Zurich, Switzerland, as Sole Arbitrator.

14. In addition, both parties agreed that the Sole Arbitrator shall render an award based on the parties' written submissions.

15. On 17 May 2013, Appellant submitted a *"Request for Judicial Notice",* which was admitted by the Sole Arbitrator for consideration. Respondent was granted a deadline to comment, but did not submit any additional remarks.

IV. SUBMISSIONS OF THE PARTIES

A. Appellant's Submission

16. Appellant's submissions, in essence, can be summarised as follows:

17. Appellant argues that the Player was under contract with it for four months only. In addition, Appellant holds that the Player was trained at the Hungarian Football Academy, which is primarily an educational institution where young players are trained for a future career in football and where they attend a four year high school, but that he did not play or train with Appellant's adult or first division team. However, since the Player is a Brazilian citizen, Appellant argues that it was obliged under Hungarian law to sign an employment agreement with him with a monthly gross salary of HUF (Hungarian Forint) 75,000, *i.e.* approximately EUR 250.

18. Further, Appellant holds that when the Player arrived, the Player, his agent and the CBF confirmed that the Player had been registered only at the club Volta Redonda FC in Brazil. Therefore, in order to be *"on the safe side",* Appellant requested and received a statement from said club, waiving all claims for training compensation and solidarity contribution. In addition, Appellant submits that the Player confirmed that he had never been registered to Respondent and never signed any contract with it.

19. Appellant is of the view that the FIFA DRC Decision is unsubstantiated and unfair. In particular, Appellant is of the view that if there had never been a contract between the Player and Respondent – which Appellant argues has never been the case – Respondent's claim is groundless. Further, Appellant holds that the amount payable as per the FIFA DRC Decision is unfair because the Player only spent half a season with Appellant, during which Appellant *"helped and supported"* the Player, while the latter never played in the first team and was only with Appellant to be trained at Appellant's football academy. In this respect, Appellant holds that FIFA's own *"guideline"* states that an amount of training compensation must be in a reasonable relationship to the amount which it would have cost the receiving club to train the Player itself. Appellant submits that the development costs in Hungary of a football player between the age of 15 and 17 are approximately of EUR 1,000 per year. In addition, Appellant brings forward that football players at the age of the Player change clubs at no compensation or *"most certainly under EUR 10,000 in total"*.

20. Finally, Appellant argues that according to the applicable FIFA regulations, a club must demand training compensation not more than 18 months after the alleged transfer and that after this timeframe, the entitlement is of the respective national federation. Appellant holds that Respondent missed this deadline since it submitted its demand on 31 January 2012 only, whereas Appellant signed the contract with the Player on 10 February 2010. Therefore, Appellant holds that only the CBF could have lodged a claim for training compensation.

21. Overall, Appellant requests the following:

"We would kindly ask the CAS to change FIFA's above referenced decision and in absence of complete proof dismiss América FC's demand and oblige them to pay the cost of litigation. In case CAS decides that Honvéd must pay training compensation for the Player we kindly ask the CAS to substantially reduce the amount determined by FIFA".

B. Respondent's Submission

22. The arguments submitted by Respondent can be best summarized as follows:

23. Respondent holds that training compensation is due when a football player enters for the first time into a professional contract. Since the Player had only been registered as an amateur in Brazil when he left to play in Hungary, the Player signed his first professional contract with Appellant, which triggers the latter's obligation to pay training compensation to the Player's former clubs.

24. Respondent states that the MLSZ confirmed that the Player was registered with Appellant as a professional. In addition, the player passport, being the sole and official document recognized by FIFA to establish the entitlement to claim training compensation, displays the Player's previous registration with Respondent. Respondent holds that Appellant challenges the validity of said passport without, however, bringing forward any real evidence capable to sustain its allegations.

25. Consequently, Respondent holds that the amount of training compensation, as calculated in the FIFA DRC Decision, is entirely due.

26. Respondent also brings forward that Appellant never denied that a professional contract had been signed with the Player. In addition, Respondent disputes the alleged waiver of the Brazilian club Volta Redonda FC and it holds that in any case, such waiver does not contain anything in favour of Appellant. Further, Respondent argues that the duration of the contract between the Player and Appellant is of no relevance for Respondent's entitlement to claim training compensation.

27. Finally, Respondent rejects Appellant's argument with regard to the time-limit applicable to Respondent's claim for training compensation. Respondent argues that art. 25 para. 5 of the FIFA RSTP was the applicable provision in this respect, according to which the respective time-frame for prescription elapses after two years only. As a consequence, Respondent holds that it had lodged its claim for training compensation in due time.

28. With regard to the alleged lack of proportionality of the amount of training compensation awarded by the FIFA DRC Decision, Respondent states that Appellant has not presented any evidence to sustain its position and that the request for a reduction of the amount due shall thus be fully rejected.

29. Overall, Respondent therefore submits the following requests for relief:

"1) The Appeal is fully dismissed and the decision from the FIFA DRC is confirmed;

2) The Appellant is condemned to pay the entire procedural costs.

3) The Appellant is condemned to pay CHF 15,000 as legal expenses of the Respondent, as well as all other costs incurred by the Respondent during this appeal".

C. Appellant's Supplemental Submission

30. On 17 May 2013, as mentioned above, Appellant filed a further short submission called *"Request for Judicial Notice",* which was accepted by the Sole Arbitrator as part of the file. In this submission, Appellant again refers to the issue of prescription and reiterates, in essence, that the time-limit for a club to lodge a claim for training compensation is of 18 months and that therefore, Respondent's claim is time-barred. Respondent was offered the possibility to, but did not file any additional comments to this request.

V. ADMISSIBILITY

31. Article R49 of Code of Sports-related Arbitration (the "Code") provides as follows:

In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or of a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. After having consulted the parties, the Division President may refuse to entertain an appeal if it is manifestly late.

32. The appeal was filed within the deadline as stipulated in art. 67 para. 1 of the FIFA Statutes, and it complied with all the other requirements as per art. R48 of the Code. It follows that the appeal is admissible.

VI. JURISDICTION

33. Article R47 of the Code provides as follows:

An appeal against the decision of a federation, association or sports-related body may be filed with the CAS insofar as the statutes or regulations of the said body so provide or as the parties have concluded a specific arbitration agreement and insofar as the Appellant has exhausted the legal remedies available to him prior to the appeal, in accordance with the statutes or regulations of the said sports-related body.

34. The jurisdiction of CAS, which is not disputed, derives from art. 66 *et seq.* of the FIFA Statutes, in conjunction with art. R47 of the Code. It is further confirmed by the Order of Procedure duly signed by the parties.

VII. APPLICABLE LAW

35. Article R58 of the Code provides as follows:

The Panel shall decide the dispute according to the applicable regulations and the rules of law chosen by the parties or, in the absence of such a choice, according to the law of the country in which the federation, association or sports-related body which has issued the challenged decision is domiciled or according to the rules of law, the application of which the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision.

36. Pursuant to art. 66 para. 2 of the FIFA Statutes, *"CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law"*. In addition, the Sole Arbitrator notes that in their respective submissions, the parties refer, with regard to the core issues at stake, exclusively to the applicable regulations of FIFA.

37. Therefore, in line with art. 66 para. 2 of the FIFA Statutes, the Sole Arbitrator shall base his award primarily on the applicable regulations of FIFA and, where necessary, on Swiss law.

38. The matter at hand was brought to FIFA on 31 January 2012, *i.e.* before the 2012 version of the FIFA RSTP entered into force. The relevant facts at the centre of the dispute, *i.e.* the registration of the Player with Appellant, occurred on 26 February 2010; this is, before the 2010 revision of the FIFA RSTP entered into force. As a consequence, the FIFA RSTP, with the amendments and revisions into force as per 1 October 2009, is the applicable set of regulations for the matter at hand.

VIII. MERITS

39. In the Sole Arbitrator's view, the main issues to be resolved in the present matter are the questions (i) whether Appellant is obliged to pay training compensation to Respondent and, if so, (ii) which is the amount of training compensation due; and (iii) whether there are reasons based on which such amount may have to be reduced.

A. The regulatory prerequisites for a claim for training compensation

40. At the outset, the Sole Arbitrator deems it appropriate to outline, in general, the regulatory prerequisites for a claim for training compensation in a set of circumstances as the one at hand, *i.e.* for a training compensation claim based on the alleged first registration of a player as a professional.

As a general rule, art. 20 of the FIFA RSTP provides that *"Training compensation shall be paid (...) when a player signs his first contract as a professional (...)"*. Art. 2 para. 1 subpara. i) of Annexe 4 of the FIFA RSTP contains a materially identical provision, however clarifying that such registration must take place before the end of the season of a player's 23rd birthday.

41. In addition, art. 3 para. 1 of Annexe 4 of the FIFA RSTP provides for the following:

On registering as a professional for the first time, the club with which the player is registered is responsible for paying training compensation within 30 days of registration to every club with which the player has previously been registered (in accordance with the player's career history as provided in the player passport) and that has contributed to his training starting from the season of his 12th birthday. The amount payable is calculated on a pro rata basis according to the period of training that the player spent with each club (...).

42. Against the above regulatory background, the Sole Arbitrator will now assess the arguments brought forward by the parties, in order to establish if in the present case the prerequisites for a claim for training compensation are fulfilled.

B. Respondent's entitlement to claim training compensation

43. In order to establish whether Respondent is entitled to claim training compensation from Appellant, the Sole Arbitrator must examine whether the Player has been registered with Appellant for the first time as a professional, after having been registered with Respondent as an amateur.

a. The Player's registration with Respondent as an amateur

44. First, the Sole Arbitrator shall establish whether the Player has been registered with Respondent as an amateur.

45. In this respect, the Sole Arbitrator acknowledges that the player passport, issued by the CBF, confirms that the Player has been registered with Respondent as an amateur player as from 17 August 2005 until 23 March 2007. In addition, the Sole Arbitrator notes that art. 3 para. 1 of Annexe 4 of the FIFA RSTP explicitly refers to an association's player passport as a means to establish *"the player's career history"*.

46. The Sole Arbitrator notes that in this respect, Appellant brings forward that there has been no contractual relationship between the Player and Respondent and that therefore, Respondent cannot be entitled to claim training compensation.

47. In this respect, the Sole Arbitrators considers the content of art. 2 para. 2 of the RSTP, which provides for the following:

A professional player is a player who has a written contract with a club and is paid more for his footballing activity than the expenses he effectively incurs. All other players are considered to be amateurs.

48. As a consequence, the Sole Arbitrator is of the view that – in addition to the fact that the relevant player passport already confirms the Player's registration with Respondent as an amateur – art. 2 para. 2 of the FIFA RSTP provides for no reason why an alleged lack of contractual relationship between Respondent and the Player could put into question the Player's registration with Respondent as an amateur.

49. Further, the Sole Arbitrator notes that Appellant has submitted a statement of the Player, in which the Player confirms that he *played* for Respondent, but, to the best of his knowledge, he was never a registered player and that Respondent did *"nothing to contribute to* [the Player's] *training progress or education"*.

50. Being confronted with conflicting pieces of evidence such as, in the matter at hand, the player passport issued by the CBF, on the one hand, and the Player's statement on the other hand, the Sole Arbitrator needs to weigh the evidence before him. In doing so, the Sole Arbitrator considers that an official document issued by a national federation is, in principle, a credible piece of evidence of considerable weight. Likewise, the Sole Arbitrator cannot share the view explained in the Player's rather unsubstantiated statement that Respondent, during all the time the Player was – in whatever form – a part of Respondent's organisation, did *"nothing to contribute to* [the Player's] *training progress or education"*. Overall, the Sole Arbitrator is therefore of the view that Appellant did not bring forward convincing evidence to outweigh the unambiguous documentary evidence presented by Respondent, *i.e.* the player passport issued by the CBF.

51. As a consequence, in lack of any other reliable evidence, the Sole Arbitrator is satisfied that the Player has indeed been registered as an amateur with Respondent as from 17 August 2005 until 23 March 2007.

b. The Player's registration with Respondent as a professional

52. With regard to the question whether the Player has been registered with Appellant as a professional, the Sole Arbitrator notes that Appellant did not dispute such registration in principle and that Appellant did also not dispute that it signed an employment contract with the Player. In addition, the Sole Arbitrator acknowledges that the MLSZ has confirmed that on 26 February 2010 the Player has been registered with Appellant as a professional.

53. However, the Sole Arbitrator acknowledges that Appellant brings forward that it was somehow forced by the applicable national legislation to conclude an employment relationship with the Player. Likewise, the Sole Arbitrator notes that Appellant argues that the Player was solely trained at the Hungarian Football Academy and neither played nor trained with Appellant's first division or adult team.

54. In this respect, the Sole Arbitrator points out that any party wishing to prevail on a disputed issue, or wishing to draw legal consequences from factual circumstances it alleges, must discharge its respective burden of proof. This is, it must meet the onus to substantiate its allegations and to affirmatively prove the facts or circumstances on which it relies its argumentation on that issue (CAS 2009/A/1810 & 1811, para. 18). This principle is equally enshrined in art. 8 of the Swiss Civil Code: *"Unless the law provides otherwise, the burden of proving the existence of an alleged fact shall rest on the person who derives rights from that fact"* (see also Swiss Federal Tribunal, ATF 130 III 417; ATF 123 III 60).

55. The Sole Arbitrator notes that Appellant has neither corroborated its allegation with regard to its alleged legal obligation to conclude an employment contract with the Player, nor backed its allegation that the Player was solely trained at the Hungarian Football Academy by any evidentiary means. Therefore, the Sole Arbitrator does not see any reason to admit the respective argumentation of Appellant.

56. Further, the Sole Arbitrator notes that Appellant brings forward a waiver of another Brazilian club, Volta Redonda FC, and that Appellant also alleges that the CBF had confirmed that the Player had not been registered with any other club in Brazil prior to his transfer to Appellant. In this respect, the Sole Arbitrator, on the one hand, holds that any possible waiver of a third club is of no relevance for the relationship between Appellant and Respondent. With regard to the alleged confirmation of the CBF, the Sole Arbitrator again points out that it is Appellant's burden to substantiate its respective allegation and to affirmatively prove it *(cf. supra* note 54; art. 8 of the Swiss Civil Code; Swiss Federal Tribunal, ATF 130 III 417; ATF 123 III 60; CAS 2009/A/1810 & 1811, para. 18). Since Appellant has not brought forward any evidence to back its allegation with regard to such alleged confirmation of the CBF, the Sole Arbitrator rejects the respective arguments submitted by Appellant.

57. Overall, the Sole Arbitrator finds that the professional status of the Player with Appellant as from 26 February 2010 is sufficiently demonstrated and established by the confirmation of his respective registration by the MLSZ, and by the lack of any convincing counter-evidence *(cf.* CAS 2009/A/1810 & 1811, para. 19).

58. Therefore, it is established that the Player has been registered as a professional with Appellant.

59. Finally, the Sole Arbitrator notes that no party has argued that there has ever been a previous registration of the Player as a professional with another club prior to the Player's registration with Appellant. As a consequence, the Sole Arbitrator deems it established that the Player has been registered for the first time as a professional with Appellant on 26 February 2010, *i.e.* before the end of the season of the Player's 23rd birthday.

60. Therefore, the regulatory prerequisites for Respondent's claim for training compensation are fulfilled.

C. The calculation of the amount due

61. Having established that the regulatory conditions for Respondent's entitlement for training compensation are met, the Sole Arbitrator shall now calculate the exact amount due.

62. In this respect, art. 5 of Annexe 4 of the FIFA RSTP states:

> *1. As a general rule, to calculate the training compensation due to a player's former club(s), it is necessary to take the costs that would have been incurred by the new club if it had trained the player itself.*

2. Accordingly, the first time a player registers as a professional, the training compensation payable is calculated by taking the training costs of the new club multiplied by the number of years of training, in principle from the season of the player's 12th birthday to the season of his 21st birthday. In the case of subsequent transfers, training compensation is calculated based on the training costs of the new club multiplied by the number of years of training with the former club.

3. To ensure that training compensation for very young players is not set at unreasonably high levels, the training costs for players for the seasons between their 12th and 15th birthdays (i.e. four seasons) shall be based on the training and education costs of category 4 clubs. This exception shall, however, not be applicable where the event giving rise to the right to training compensation (cf. Annexe 4 article 2 paragraph 1) occurs before the end of the season of the player's 18th birthday.

4. The Dispute Resolution Chamber may review disputes concerning the amount of training compensation payable and shall have discretion to adjust this amount if it is clearly disproportionate to the case under review.

63. Further, art. 4 para. 1 of Annexe 4 of the FIFA RSTP holds the following:

In order to calculate the compensation due for training and education costs, associations are instructed to divide their clubs into a maximum of four categories in accordance with the clubs' financial investment in training players. The training costs are set for each category (...).

64. The Sole Arbitrator notes from the player passport issued by the CBF, that the Player was registered with Respondent as follows:

2005 (season of the Player's 15th birthday):	17 August until 31 December, *i.e.* 137 days;
2006 (season of the Player's 16th birthday):	1 January until 31 December, *i.e.* throughout the whole season;
2007 (season of the Player's 17th birthday):	1 January until 23 March, *i.e.* 82 days.

65. Further, the Sole Arbitrator notes that it is undisputed that Appellant belonged to the UEFA category II at the time the Player was registered with it. Likewise, the Sole Arbitrator acknowledges that no party has disputed that the indicative amount for the training costs of a UEFA category II club is of EUR 60,000 per year and that of a UEFA category IV club of EUR 10,000 per year, as it is stated in the FIFA Circular Letter N° 1185.

66. As a consequence, the Sole Arbitrator calculates for the season 2005, *i.e.* for the season of the Player's 15th birthday, based on the training costs of a UEFA category IV club *(cf.* art. 5 para. 3 of Annexe 4 of the FIFA RSTP) an amount of training compensation of EUR 3753; for the season 2006, *i.e.* for the season of the Player's 16th birthday, a full amount of EUR 60,000; and for the season 2007, *i.e.* for the season of the Player's 17th birthday, an amount of EUR 13,479.

67. Overall, the Sole Arbitrator therefore concludes that the amount of training compensation calculated pursuant to the applicable FIFA regulations is of EUR 77,232.

D. Reasons to reduce the training compensation

68. The Sole Arbitrator notes that art. 5 para. 4 of Annexe 4 of the FIFA RSTP allows for the amount, as calculated pursuant to the applicable provisions of the FIFA RSTP, to be reduced in case *"it is clearly disproportionate to the case under review"*. Likewise, the Sole Arbitrator acknowledges that Appellant requests that, in case training compensation is awarded to Respondent, the respective amount shall be substantially reduced for being *"unfair, unreasonable and unacceptable"*.

69. Accordingly, the Sole Arbitrator shall assess whether there are, in the matter at hand, reasons for such reduction, in accordance with the applicable regulatory framework.

70. In this respect, as a preliminary remark, the Sole Arbitrator recalls that the indicative amounts, as mentioned in the respective FIFA Circular Letters *(cf. supra* para. 65), are a general average, supposed to facilitate the handling of transfer cases by making specific calculations unnecessary, thereby simplifying and speeding up the compensation and transfer process (CAS 2009/A/1810 & 1811, para. 55; CAS 2003/O/500, para. 7.7). However, as mentioned above, there is the possibility to object to an amount of training compensation calculated on the basis of these indicative amounts and to prove that such compensation is disproportionate. This must be done on the basis of concrete evidentiary documents, such as invoices, costs of training centres, budgets etc. In case such evidence cannot be brought forward and in case the lack of proportionality cannot be proven, the general indicative amounts apply (CAS 2009/A/1810 & 1811, para. 55, with further references; CAS 2007/A/1218, para. 82; CAS 2006/A/1027, para. 8.40; CAS 2004/A/560, para. 7.6.2).

71. The Appellant brings forward that the Player was under contract with it for four months only. In this regard, the Sole Arbitrator is of the view that to bring forward an alleged short contractual relationship of a player with his new club is not suitable to evaluate the training costs which such new club had incurred, if it had trained the Player itself. The Sole Arbitrator considers that in order to evaluate these costs, and to evaluate whether the indicative amounts may be disproportionate, only economic factors, but not (subsequent) time factors may be taken into account (CAS 2009/A/1810 & 1811, para. 60; CAS 2003/A/527, para. 7.4.4). Moreover, the Sole Arbitrator sees no connection between the costs Appellant would have incurred to train the Player (and on which a respective amount of training compensation must be based) and the time period for which Appellant has entered into a contract with the Player *(cf.* CAS 2009/A/1810 & 1811, para. 60). As a consequence, the Sole Arbitrator holds that the duration of the contract between Appellant and the Player is of no relevance in order to evaluate a possible reduction of the amount due.

72. Further, the Sole Arbitrator acknowledges that Appellant generally submits that the amount calculated by the FIFA DRC is *"unfair, unreasonable and unacceptable"*. In support of this, Appellant brings forward that the development costs in Hungary of a player of the respective age are of approximately EUR 1,000, and that players of such age are transferred either at no compensation or *"certainly under EUR 10,000"*.

73. The Sole Arbitrator recalls, as already established above, that a party requesting the reduction of an amount of training compensation must bring forward specific evidence in order to corroborate its allegation that the compensation calculated on the basis of the indicative amounts is disproportionate *(cf. supra* para. 70; CAS 2009/A/1810 & 1811, para. 55, with further references; CAS 2007/A/1218, para. 82; CAS 2006/A/1027, para. 8.40; CAS 2004/A/560, para. 7.6.2). Appellant has neither brought forward evidentiary documents nor other evidence to prove its allegation with regard to the training costs, nor has it produced evidence with regard to the alleged transfer costs of players of the respective age in Hungary. Therefore, on the basis of the applicable rules set out above, the Sole Arbitrator sees no reason to deviate from the indicative amounts, as established in the aforementioned FIFA Circular.

74. Overall, the Sole Arbitrator concludes that the amount, as calculated in accordance with the applicable FIFA RSTP, shall not be reduced.

E. The time-limit for a claim for training compensation

75. Finally, the Sole Arbitrator notes that Appellant invokes alleged provisions of the FIFA RSTP, according to which, if a link between a player and any of the clubs that trained him cannot be established, or if those clubs do not make themselves known within 18 months of the player's first registration as a professional, the training compensation shall be paid to the association(s) of the country (or countries) where the professional was trained. As a consequence, Appellant holds that Respondent's claim in front of the FIFA DRC had not been timely lodged.

76. However, the Sole Arbitrator does not agree with Appellant's reading of the applicable provisions of the FIFA RSTP. In particular, the Sole Arbitrator believes that Appellant mistakes provisions which may be, if at all, applicable to claims related to the solidarity mechanism, to also be applicable to disputes concerning training compensation. This is, however, not the case.

77. Rather, the Sole Arbitrator is of the view that the applicable provision governing the issue of prescription in the matter at hand is solely art. 25 para. 5 of the FIFA RSTP, according to which the FIFA DRC Single Judge shall not hear any case subject to the FIFA RSTP if more than two years have elapsed since the event giving rise to the dispute. The Sole Arbitrator considers the event giving rise to the present dispute to be the Player's registration with Appellant on 26 February 2010. Since Respondent lodged its claim in front of the FIFA DRC on 31 January 2012, the deadline for prescription, pursuant to art. 25 para. 5 of the FIFA RSTP, has been met.

F. Interest

78. With regard to the interest claimed by Respondent, in the absence of a specific regulatory provision, the Sole Arbitrator can only apply the legal interest due pursuant to article 104 of the Swiss Code of Obligations (CAS 2009/A/1810 & 1811, para. 66). This article provides

that the debtor, on notice to pay an amount of money, owes interest at a rate of 5% *per annum*, so as determined also in the FIFA DRC Decision.

79. Regarding the *dies a quo* for the payment of interest, the Sole Arbitrator notes that art. 3 para. 2 of Annexe 4 of the FIFA RSTP provides that the deadline for payment of training compensation is 30 days following the registration of the Player with the new association. As a consequence, interest is due as from the 31st day of registration, *i.e.,* in the matter at hand, as calculated by the FIFA DRC, i.e. from 29 March 2010.

G. Conclusion

80. The Sole Arbitrator concludes that the regulatory prerequisites for Respondent's claim for training compensation have been met.

81. The Sole Arbitrator sees no reason to reduce the amount, as calculated in accordance with the applicable FIFA regulations.

82. Accordingly, Respondent is entitled to an amount of EUR 77,232, plus interest at a rate of 5% *per annum* as from 29 March 2010.

83. As a consequence, and since the FIFA DRC Decision awarded an amount of EUR 77,408, plus interest, to Respondent, the appeal of Appellant is partially upheld, in line with the above, i.e. with the amount to be paid by Appellant as being partially corrected, and with all the other parts of the FIFA DRC Decision being confirmed.

84. This conclusion, finally, makes it unnecessary for the Sole Arbitrator to consider the other requests submitted by the parties. Accordingly, all other prayers for relief are rejected.

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by Budapest Honvéd FC on 7 February 2013 against the decision issued on 27 August 2012 by the Single Judge of the FIFA Dispute Resolution Chamber is partially upheld: The decision issued on 27 August 2012 by the Single Judge of the FIFA Dispute Resolution Chamber is confirmed, except for ruling no. 2, which is replaced by the following:

   Budapest Honvéd FC is ordered to pay to América FC the amount of EUR 77,232 plus interest at a rate of 5% *per annum* as from 29 March 2010.

2. (…).

3. (…).

4. All other motions or prayers for relief are dismissed.