Arbitration CAS 2007/A/1232 FC Universitatea Craiova v. Alexandre Negri, award of 5 June 2008

Panel: Mr Hendrik Willem Kesler (Netherlands), President; Mr Jean-Philippe Rochat (Switzerland); Mr Bård Racin Meltvedt (Norway)

Football
Unilateral termination of the employment contract without just cause
Formal warning
Just cause
Work permit
Application of the ne ultra petita *rule in assessing the amount of compensation due*

1. **According to Swiss law and normal practice, the FIFA Regulations require a formal warning to be served before a contract is terminated. A written warning sent to the party in breach of the contract constitutes an official notice to properly execute the contract concerned and must be accompanied by a reasonable deadline in the sense of Article 107 of the Code of Obligations (CO). However, it is only necessary to set a reasonable deadline if it appears that such a warning will not be heeded (Art. 108 CO). Only a breach, which is of a certain severity, justifies termination of a contract without a prior warning. In principle, a breach is considered to be of a certain severity when there are objective criteria, which do not reasonably permit the continuation of the employment relationship between the parties such as a serious breach of confidence.**

2. **After sending a warning, a player has just cause to terminate his contract if the club fails to comply or if it appears from the circumstances that such a warning will not have the desired effect. Such is the case where the club merely summons the player and asks him to leave the club without showing any intention of wanting to fulfil the contract at any moment, that is to pay the salary contractually agreed upon between the parties to the player.**

3. **It is a club's responsibility to take any appropriate action before concluding the contract, in particular to ensure that the contractual party, i.e. the player, is provided with the required work permit. The validity of an employment contract may not be subject to the granting of that work permit.**

4. **If the respondent has concluded in its submissions that the appealed decision should be upheld, a CAS panel is bound by the conclusions of that decision. Even though a higher level of compensation might possibly be awarded under Swiss law, the panel cannot rule *ultra petita*.**

FC Universitatea Craiova ("the Appellant", or "the Club") is a Romanian second division football club with its headquarters in Craiova. The club is a member of the Romanian Football Association, which, in turn, is affiliated to the Fédération Internationale de Football Association (FIFA).

Mr Alexandre Negri ("the Respondent", or "the Player") is a Brazilian professional footballer, born on 27 March 1981, in Vinhedo, Brazil.

The Appellant and Respondent are subject to and bound by the applicable Rules and Regulations of the FIFA. FIFA is the governing body of international football. It exercises regulatory, supervisory and disciplinary functions over continental confederations, national associations, clubs, officials, players and players' agents worldwide. FIFA is an association under Swiss law and has its headquarters in Zurich (Switzerland).

On 10 March 2005, the player Negri and the Romanian club FC Universitatea Craiova signed an employment contract with an undetermined duration starting on 10 March 2005.

According to an additional act to the employment contract duly signed between the Respondent and the Appellant on 10 March 2005 the duration of the employment contract was as from 10 March 2005 until 30 June 2007.

The contract, written in Romanian, was countersigned by S., the FIFA agent representing the Player.

Article 9 of the contract mentioned a gross monthly salary of […] lei payable on the 15th of each month.

Article 11(1) of the contract listed the player's rights, which particularly included the right to payment for services provided and the right to professional training.

Article 11(2) of the contract laid down the obligations of the player, which included the obligation to carry out the work required, the obligation to observe training and match schedules, current regulations and the collective employment contract.

Article 11(4) of the contract listed the employer's obligations, particularly mentioned the employer's duty to pay the player and to provide at all times the technical and organisational supervision, discussed when the contract was concluded.

The Player was not given a copy of the employment contract when he signed it.

The additional act, mentioned above, is also not contested by the parties as from the point of the signing of it.

Article 1 of the additional act stipulated the following:

> *"Article 2 of the individual labour contract shall be modified, in the sense that the duration of the contract will be determined* ***of 2 (two) years and 4 (four) months****, in the period between* ***10th of March, 2005 and 30th of June, 2007****. The contract comes into force after the completion of the medical check-out by the player*

and after he is declared medically fit to carry out high-performance sports activity. Otherwise, the contract becomes null".

According to Article 2 of the additional act to the employment contract, the Appellant agreed to pay to the Respondent from March 2005 up to June 2005 the amount of EUR 3,000 net per month. For the time as from July 2005 until 30 June 2006, the Respondent was entitled to the amount of EUR 60,000 of which EUR 6,000 net in advance and a remaining amount of EUR 54,000 in equal monthly instalments.

For the time as from 1 July 2006 until 30 June 2007, the Respondent was entitled to the amount of EUR […]. In addition, the Respondent would receive two return flight tickets Bucharest to Sao Paolo paid by the Appellant, for each year of the contract.

Article 3 of the additional act stipulated the following:

"All the amounts stipulated to be paid in EURO are net and are to be paid to the player, at the exchange value of the Romanian National Bank (BNR) on the day of the payment, on the 15th of each month".

Article 5 of the additional act stipulated the following:

"The player can benefit from the unilateral termination clause of the individual labour contract only until June 30th, 2005 and only after payment by Stiinta U Craoiva of the amount of Euro […] net, amount which is due exclusively to the club, with both the agent and the player not benefiting from any percentage of that amount".

On 26 March 2005, less than 3 weeks after the additional act had been signed, the club coaches, […], wrote to the club President in the following terms:

"The short time that we had at our disposal in our attempt to maintain the team in the Division A obliges us to urgently find a solution to make activities easier.

Since we have a large and very heterogeneous team of player – as many as 7 foreign players – I believe that the first step to take would be an increase in the number of the players, with us counting only on those players working together for at least one year.

So, we cannot consider the 5 foreign players who only came a few weeks ago. They are: Alexandre Negri, […], […], […] and […]. They were closely watched both in the training sessions and also in the friendly matches, the conclusion being unequivocal: they cannot help the team under the circumstances. The Romanian player […] is in the same situation.

Please act in accordance".

At the end of March 2005, the Respondent was told to train with the Club's second team.

The Respondent actually started to practice with the second team until a certain moment in which the Appellant tried to press the Respondent to sign an agreement for the termination of the contract, waving his rights to receive all the outstanding payments.

The Respondent refused to sign and then left the club. On 5 April 2005 his lawyer, Ms Lucia Bianco, sent a letter to the Club requesting payment of the salaries owed for February and March 2005.

On 8 April 2005, the afore mentioned counsel asked the FIFA Players' Status Committee to take all necessary measures against the Club in view of the Player's situation. She pointed out that the Club had summoned the Player and had submitted a notice of termination of the employment contract after having encouraged the Player to give up his claim to all the salary payments due to him.

At the end of April 2005, the Respondent left the Club and travelled to the Brazilian embassy in Bucharest, from where it seems he flew to Brazil a few days later.

On returning to Brazil, the Player did not find work until March 2006.

On 5 April 2005, Ms Bianco informed the FIFA Players' Status Committee that the Club had not paid the Player's salary for February and March 2005 and that it had asked the Player to leave the Club and the country. The Player's counsel asked the Committee to take the necessary disciplinary measures against the Club.

At that time, the Respondent's counsel also represented two other players that were facing problems with the Club. The Court of Arbitration for Sport (hereinafter "the CAS") has rendered an award with respect to these two players, *CAS 2007/A/1233* and *CAS 2007/A/1234*. Since the two procedures were consolidated, one award was rendered.

On 8 April 2005, Ms Bianco added that the Club had tried to pressurise the Player into signing a document renouncing his financial claims against the Club.

On 2 May 2005, Ms Bianco sent to the FIFA Players' Status Committee some additional explanations concerning the situation of the Respondent and the summon that the Club should immediately pay EUR 6,000 net to the Respondent.

Having been asked to resolve the matter, the FIFA Dispute Resolution Chamber (the "DRC") invited the club to respond to the appeal lodged by the Player, enclosing any relevant evidence. Then both the Respondent and the Appellant informed the DRC about their statements and explanations of them.

On 5 July 2005, the DRC having noted the parties' explanations made the following recommendation to them:

> *"In view of this situation, we advise the parties involved in this matter to consider their labour relationship as terminated and to focus on the financial aspects of the dispute. Furthermore, should the players enter into a new contractual relationship with a Club and should the Association(s) of this club ask for the issuance of the International Transfer Certificate, the former Association is asked to comply with this request, so as not to hinder the players' career".*

The DRC then issued a decision on 28 September 2006 ("the Decision"), accepting the Player's claim and requiring the Club to pay EUR 59,000 to the Player within 30 days. The Decision also banned the Club from registering any new players, either nationally or internationally, until the end of the second transfer period following the notification of the Decision.

The Decision was – briefly summarized – based on the following considerations:

First of all the DRC analyzed that it was competent to deal with the matter at stake regarding a claim concerning outstanding remuneration in connection with an employment contract between a club from Romania and a Brazilian player.

Furthermore the DRC considered that the former FIFA Regulations for the Status and Transfer of Players (edition 2001), hereinafter the Regulations, are applicable to the case at hand as to the substance.

The DRC referred to the fact that the Respondent requested the total amount of EUR 9,000 for the time as from 10 March until 30 June 2005 plus compensation.

The DRC then noted that the Appellant argued that it does not owe any further amount at all to the Respondent since the contract was void and it already paid to the Respondent the amount of USD 1,000 so that he could cover his travel expenses.

The DRC then had to answer the question of which party had committed a unilateral breach of the employment contract without just cause.

The DRC referred to its constant jurisprudence according to which it is a club's responsibility to take any appropriate action before concluding the contract, in particular to ensure that the contractual party, i.e. the player, is provided with the required work permit.

The DRC then unanimously concluded that the validity of the contract may not be made subject to granting of a work permit.

Furthermore, the DRC concluded that the Appellant did not make any salary payments to the Respondent on the basis of the relevant employment contract. In addition, the DRC decided that the Appellant did not pay any salary to the Respondent according to the Respondent's request of total amount of EUR 9,000 due for the period as from 10 March until 30 June 2005 was awarded for the unilateral breach of contract.

Finally, the DRC established that the Appellant was liable to pay compensation to the Respondent for his breach of the contract.

The DRC then referred to article 22 of the FIFA Regulations and considered the remuneration and other benefits due to the Player under the existing contract and or new contracts with specificities of the case at hand, the time remaining on the existing contract as well as the Player's obligation to mitigate his damages.

In view of all above the DRC concluded that the Appellant was liable to pay compensation amounting to EUR 59,000 to the Respondent.

The DRC also concluded that sporting sanctions should be imposed on the Appellant.

The DRC decided therefore as follows:

> *"1. The claim lodged by the Appellant, Mr. Alexandre Negri, is accepted;*
>
> *2. The Respondent, F.C. Universitatea Craiova, must pay the total amount of EUR 59,000 to the Appellant **within 30 days** as from the date of notification of this decision;*
>
> *3. If the aforementioned sum is not paid within the aforementioned deadline an interest rate of 5% per year as of expiry of the aforementioned deadline will apply and the present matter shall be submitted to FIFA's Disciplinary Committee, so that the necessary disciplinary sanctions may be imposed;*
>
> *4. The Claimant is directed to inform the Respondent directly and immediately of the account number to which the remittance is to be made and to notify the Dispute Resolution Chamber of every payment received;*
>
> *5. The club F.C. Universitatea Craiova is banned from registering any new player, either nationally or internationally, until the expiry of the second transfer period following the notification of this decision;*
>
> *6. According to art. 61 par. 1 of the FIFA Statutes, this decision may be appealed against before the Court of Arbitration for Sport (CAS). The statement of appeal must be sent to the CAS directly within 21 days of receipt of notification of this decision and shall contain all the elements in accordance with point 2 of the directives issued by the CAS, a copy of which we enclose hereto. Within another 10 days following the expiry of the time limit for filing the statement of appeal, the Appellant shall file a brief stating the facts and legal arguments giving rise to the appeal with the CAS (cf. point 4 of the directives)".*

By letter of 8 March 2007, the Appellant filed his statements of appeal with CAS against the Decision. An application to stay the execution of the Decision was enclosed with the statement of appeal.

On 14 March 2007, the Appellant withdrew the application to stay the execution of the Decision.

On 19 March 2007, the Appellant submitted its appeal brief with 19 exhibits.

On 5 November 2007, the Player filed his statement of defence, concluding that the appeal by FC Universitatea Craiova should be rejected.

The parties decided afterwards to renounce to hold a hearing and asked for an award to be rendered by the CAS Panel on the basis of the file and their written submissions.

LAW

CAS Jurisdiction

1. The jurisdiction of the CAS is based on Articles 60 ff of the FIFA Statutes and Article R47 of the Code of Sports-related Arbitration ("the Code"). It is also confirmed by the proceedings order, which was duly signed by all the parties.

2. The CAS therefore has jurisdiction to deal with this dispute.

3. Pursuant to Article R57 of the Code, the Panel has full power to review the facts and the law.

Applicable law

4. Article R58 of the Code stipulates the following:

   "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".

5. According to Article 59 of the FIFA Statutes:

   "The CAS Code of Sports-related Arbitration governs the arbitration proceedings. With regard to substance, CAS applies the various regulations of FIFA or, if applicable, of the Confederations, Members, Leagues and clubs and, additionally, Swiss law".

6. In this case, the parties expressly confirmed that they intended to make the present dispute subject to the FIFA regulations and, additionally, Swiss law by signing the Order of procedure.

Admissibility

7. The Decision was notified to the parties on 16 February 2007. The appeal was lodged on 8 March 2007, within the deadline laid down in the FIFA Statutes and referred to in the Decision itself. The statements of appeal and the appeal brief subsequently submitted fulfil the requirements of the Code. The appeal therefore is admissible.

Legal merits

8. The main questions to be answered by the Panel are as follows:
   a) Was the employment contract breached or terminated?
   b) Was there just cause to terminate the contract in the present case?

c) Is either party entitled to compensation and, if so, on what basis?

d) Is an administrative sanction against the club justified?

In its considerations, the Panel took again note of the CAS awards indicated above [CAS 2007/A/1233 and CAS 2007/A/1234].

A. Was the employment contract breached or terminated?

9. It is not disputed that there was an employment contract concluded between the Appellant on the one side and the Player on the other side. The employment contract and its additional act were signed on 10 March 2005 (Although there is reference made in the Appellant's appeal brief to a signed contract on 21 February 2005 and an additional act concluded on 7 March 2005, the contracts that were produced as exhibits by the Appellant clearly show as signing date 10 March 2005!).

10. It is also not contested that the employment contract was breached. The Appellant claims that the Respondent breached the contract without just cause, not only by missing training and then leaving the Club without permission, but the Appellant further states that the contract was null and void because of the lack of a work permit.

11. However, the Respondent argues that it was the Appellant who breached the contract without just cause by not paying the full amount of the salary due to him and by violating the contractual obligations or promises made to him, particularly concerning accommodation and training conditions.

12. The Panel considers that the Appellant's allegations cannot be treated as established insofar as they are only supported by the written statements of persons closely linked to the Appellant – statements which are not corroborated by any other elements of the case file.

13. At the same time, regarding the evidence given by M. during the FIFA proceedings, who worked at the time with and remains linked to the Respondent's agent, the Panel took only into account elements confirmed by other evidence.

14. By letter of 17 July 2005, FIFA advised the parties that they could terminate the employment contract.

15. Considering the above, and since both parties agree that the contract was breached, it is necessary to decide whether either had just cause to terminate the employment contract.

B. Was there just cause to terminate the contract in this case?

16. Article 21 of the FIFA Regulations for the Status and Transfer of Players of 5 July 2001 ("FIFA Regulations") states that a contract may be terminated by either party without consequences of any kind in the case of just cause.

17. According to the Commentary on the FIFA Regulations, the definition of "just cause" and whether "just cause" exists must be established in accordance with the merits of each particular case (Art. 14 para. 2, page 39).

18. As an example, the Commentary refers to the case of a player who is not paid his salary even though the club has been informed of its default. According to this example, the player would be entitled to terminate his contract with immediate effect. The Commentary explains that the fact that the player has not received his salary for a relatively long period of time entitles him to terminate the contract, particularly because persistent non-compliance with the financial terms of the contract could severely endanger the position and existence of the player concerned (Art. 14 para. 3, page 39).

19. As the notion of "just cause" is not expressly defined by FIFA regulations, it is therefore necessary to rely on Swiss law. According to Swiss law and normal practice, the FIFA Regulations therefore require a formal warning to be served before a contract is terminated. The Federal Tribunal has also ruled that a written warning sent to the party in breach of the contract constitutes an official notice to properly execute the contract concerned and must be accompanied by a reasonable deadline in the sense of Article 107 of the Code of Obligations (CO). However, it is only necessary to set a reasonable deadline if it appears that such a warning will not be heeded (Art. 108 CO, ATF 127 III 153). The Swiss Federal Tribunal has confirmed that only a breach, which is of a certain severity, justifies termination of a contract without a prior warning. In principle, a breach is considered to be of a certain severity when there are objective criteria, which do not reasonably permit the continuation of the employment relationship between the parties such as a serious breach of confidence (TERCIER P., Les contrats spéciaux, Zurich, Basle, Geneva 2003, n° 3394, p. 495).

20. According to the Respondent, the Club never paid, or at least never paid in full, the Player's salary for February and March 2005. The evidence shows that, in a letter dated 5 April 2005, the Player's counsel requested that the Club pays the salaries for February and March 2005, adding that the Player would be forced to leave the Club if his contract was not respected. M. also confirmed before FIFA that, during the same period, the regular telephone conversations he had with the Player confirmed that this was the case. Furthermore, the Appellant admits that it did not pay the Player's salaries for March because he had not attended training from 31 March 2005 onwards. However, it appears that on 31 March 2005, the day on which the Player was accused of missing training, his salaries for March 2005 became due and should therefore have been paid.

21. The Panel therefore concludes that, after sending a warning, the Player could have just cause to terminate his contract if the Club failed to comply or if it appeared from the circumstances that

such a warning would not have the desired effect. It is clear that the letters sent by the Player's counsel to the Club on 5 and 8 April 2005 constituted an official notice in the sense of Article 107 CO.

22. It should be noted that, following the official notice sent to the Club, the latter merely summoned the Player and asked him to leave the Club without showing any intention of wanting to fulfil the contract at any moment. In the light of the evidence, the Panel is also convinced that the Club was trying to break its ties with the Respondent at that time. The letter sent by the coaches to the Club's President on 26 March 2005 clearly demonstrates a difference of opinion between the Club management and the coaching staff. The coaches clearly did not know what to do with surplus players whom they considered incapable of helping the relegation-threatened club.

23. The Respondent's claim that the Club was trying to find a way of terminating his contract is therefore plausible and it appears from the Appellant's attitude that setting a reasonable deadline for the execution of the contract would not have had any effect.

24. In the Panel's opinion, following the letters sent by the Respondent's counsel on 5 and 8 April 2005, the Player had just cause to terminate his employment contract in the sense of Article 21 of the FIFA Regulations.

25. The Appellant, meanwhile, claims that the contract concluded between the Appellant and the Respondent was null and void because of the fact that the Respondent was not able to provide a required work permit.

26. Regarding this submission from the Appellant the Panel confirms the consideration of the DRC that the obligation to register an employment contract at the member association is solely incumbent upon the club.

27. Considering the above and referring to art. 30 of the FIFA Regulations, the Panel concludes that the validity of the contract may not be subject to granting of a work permit, confirming thus the consideration of the DRC on this point.

28. The Appellant, meanwhile, also claims that the Player's absence from training from 31 March 2005 onwards provided also just cause to terminate the contract if valid. It argues that this constituted a serious breach of the employment contract and entitled the Club to terminate the contract with immediate effect.

29. According to the Commentary on the FIFA Regulations (Art. 14 para. 4, page 40), if a player misses training and shows a lack of motivation, his club can impose sanctions such as a reprimand or a fine. The club can only terminate the player's contract with immediate effect if his attitude continues or if he is repeatedly absent without a valid reason.

30. In the present case, there is no evidence that the Club issued any warning to the Player and no reprimand or other sanction appears to have been imposed on him. Since the Player had just

cause to terminate his contract by 8 April 2005 at the latest, the employment contract was in fact terminated and the Club was unable to cite just cause to terminate a contract that had already been validly terminated.

31. The Panel of course notes that there is a slight difference with the other cases, CAS 2007/A/1233 and CAS 2007/A/1234, since the Respondent in the case at stake is only entitled to claim his salary as from 10 March 2005 until the end of March 2005. However, the Appellant, brings forward the same arguments regarding the missing of trainings and on top of it the lack of a work permit, it seems to the Panel that the attitude of the Appellant in this case towards the Respondent is to be considered as exactly the same as in the two other cases.

32. The Panel in the present case underlines the conclusions under para 65 of the abovementioned award (see above). In particular the following:

    1. *"The Appellant then refers to para. 4 of the additional act to the contract in order to justify terminating the contract with immediate effect. According to the club's interpretation, this article authorised it to terminate the employment contract with just cause as soon as the player's performances failed to meet the club's expectations. In this case, the coaches who acted as witnesses certainly confirmed that the players had not reached the required standard, but the credibility of these statements leaves something to be desired; it should be recalled that these witnesses had signed the letter of 26 March 2005, which put all the club's foreign players in the same boat by suggesting that they were unable to make any useful contribution to the team. However, the witness […], first team assistant coach and reserve team coach, confirmed that the players had been observed prior to their transfer. The club was therefore aware of their abilities before signing it.*
    2. *Furthermore, according to the established precedents of the DRC, the premature and immediate termination of an employment contract by a club because of a player's inadequate performances should be considered a termination without just cause. The DRC also pointed out in the disputed decision that Article 4 of the contract was considered arbitrary and not based on objective criteria. The Panel also notes that such an article is contrary to the principles of the protection of personality as enshrined in Swiss law and, more specifically, in Article 27 of the Civil Code. Article 4 of the additional act should not therefore apply and should be considered null and void".*

33. Finally, the Appellant refers again to Article 51 of the Romanian Regulations, under which a Club may terminate a contract with a player if the latter misses training for a period of more than 30 days. The Panel is not convinced by the evidence filed by the Appellant to show that the Player actually missed training. However, it is indisputable that, if the Player did not participate in training from 31 March 2005, the 30-day deadline laid down in Article 51 of the Romanian Regulations had not expired by 8 April 2005, the date on which the Panel believes the Player had just cause to terminate his contract. The article mentioned by the Appellant therefore does not apply.

34. In conclusion – following the line of the abovementioned award – the Panel notes on the basis of the proceedings that the Respondent had just cause to terminate his employment contract, since the Club was unable to establish just cause to do so and it never intended to pay the salary that was contractually agreed upon between the parties to the Respondent. The mere fact that the Appellant subsidiarily brought forward the argument that the lack of a working permit made

the contract between the Appellant and Respondent null and void, underlines this conclusion. The Appellant therefore breached the contract by failing to pay the Player's salary.

C. Is compensation due and, if so, on what basis?

35. Articles 21 ff of the FIFA Regulations stipulates that compensation is owed by the party which unilaterally terminates an employment contract. In this case, the Panel believes that the Club's failure to pay the Player's salary in combination with the conduct towards the Player on the basis of the letter of the technical staff of 26 March 2005, represents a unilateral breach of the employment contract, giving rise to compensation.

36. According to Article 22 of the FIFA Regulations, compensation for breach of contract shall be calculated with due respect to the national law applicable, the specificity of sport and all objective criteria which may be relevant to the case.

37. Since the Player concluded that the Decision should be upheld, the Panel is bound by the conclusions of that Decision. Even though a higher level of compensation might possibly be awarded under Swiss law, the Panel cannot rule *ultra petita* and will adhere to the amount of compensation laid down by the DRC.

38. The Panel also notes that the level of compensation calculated by FIFA appears neither arbitrary nor excessive. The sum of EUR 59,000 payable by the Appellant to the Respondent is therefore well-founded. The Player asked for the salary for the months April, May and June 2005 i.e. EUR 9,000.

39. Actually, he was entitled to the salary over the month March as from the 10th on, but he obviously considered the amount of EUR 1,000 paid by the Appellant to him as enough for this month.

40. The Decision refers to a total compensation sum of EUR 59,000, thus comprising EUR 9,000 for the salary due for the period from 10 February to June 2005, plus EUR 50,000 for unjustified breach of contract.

41. The Respondent was entitled to a monthly salary as from 1 July 2005 until 30 June 2006 of EUR 5,000 net per month.

42. The Respondent signed a new contract with a Brazilian club in December 2005.

43. Still there was a discussion about the release of the Player because the Romanian Football Association refused to provide the ITC to the Brazilian Football Association.

44. It seems from the FIFA file that this discussion was not ended in January 2006 so that it was quite unclear when the Respondent could play for his new club.

45. It follows that a compensation of 10 months, up to April 2006, seems fair and reasonable and the Panel therefore will confirm the Decision of the DRC, regarding the amount of the compensation.

D. Is an administrative sanction against the club justified?

46. Article 23 of the FIFA Regulations stipulates that, other than in exceptional circumstances, sports sanctions for unilateral breach of contract without just cause may be applied by FIFA.

47. According to para. 2 of this provision, if the breach occurs before the end of the second year of the contract, the sanction is a ban on registering any new player, either nationally or internationally, until the expiry of the second transfer period following the date on which the breach became effective. In all cases, the ban may not exceed a period of 12 months following the breach. In the present case, and bearing in mind the circumstances, the Panel believes that the Appellant deserves such a sanction in view of its treatment of the Respondent and the thoughtless way in which it appears to have conducted the transfer.

48. The sanction imposed by FIFA does not appear to be arbitrary.

49. However, considering that the facts and circumstances of the present case are very similar to the disputes in the cases CAS 2007/A/1233 and CAS 2007/A/1234, and since the Appellant has already been sanctioned as a result of the award in the aforementioned cases, a new sanction seems to be in this case inappropriate. Therefore, no extra supporting sanction is imposed on the Appellant.

50. Finally, in view of all the elements of this case, the Panel rejects all other claims of the parties.

The Court of Arbitration for Sport rules:

1. The appeal lodged by FC Universitatea Craiova on 8 March 2007 against the decision issued on 28 September 2006 by the FIFA Dispute Resolution Chamber is dismissed.

2. The decision issued by the FIFA Dispute Resolution Chamber on 28 September 2006 in the dispute between Mr Alexandre Negri and FC Universitatea Craiova is confirmed.

3. (…).

4. All other claims are dismissed.