



Arbitration CAS 2014/A/3622 S.C. Football Club Rapid S.A. v. Romanian Football Federation (RFF) & Romanian Professional Football League (RPFL), award of 1 September 2014 (operative part of 30 June 2014)

Panel: Mr Lars Hilliger (Denmark), Sole Arbitrator

Football

Club licensing

Refusal to grant a license to a club undergoing an insolvency procedure

Burden of proof to demonstrate the club's ability to guarantee the necessary financial stability during the licensing period

1. A club undergoing an insolvency procedure is not precluded from obtaining a license to participate in the Liga 1 national championship if only it meets all the minimum criteria set out by the applicable National Club Licensing Regulations (the Regulations) adopted by the national football federation. However, in line with CAS jurisprudence, the mere fact that the club is to a certain extent protected from its creditors as a result of the pending insolvency procedure is not enough to sufficiently guarantee the necessary financial stability of the club during the licensing period.

2. According to the applicable regulations and to CAS jurisprudence, it is up to the club to discharge the burden of proof to demonstrate its ability to continue as a going concern until the end of the license season. If the club submits the material requested by the Regulations and presents a reorganization plan confirmed by a syndic judge, it has *prima facie* discharged the burden of proof to demonstrate its ability to continue as a going concern until the end of the license season in accordance with the Regulations as, by approving the reorganization plan, the syndic judge made an unbiased assessment that the club would be capable of meeting the requirement of the Regulations.

1. THE PARTIES

- 1.1 SC Football Club Rapid S.A. (the “Appellant”) is a Romanian football club affiliated with the Romanian Football Federation (the “RFF” or the “First Respondent”), which in turn is affiliated with FIFA. The Appellant is also affiliated with the Romanian Professional Football League (the “RPFL” or the “Second Respondent”).

- 1.2 The RFF is the governing body of Romanian football and exercises regulatory, supervisory and disciplinary functions over clubs, officials and football players in Romania. The RPFL manages the First and Second Leagues of the Romanian football league system.

2. FACTUAL BACKGROUND

- 2.1 The elements set out below provide a summary of the main relevant facts as established by the Sole Arbitrator on the basis of the decision rendered by the Appeal Committee for the Licensing of Clubs of the Romanian Football Federation on 16 May 2014 – Decision no 6/16-05-2014 (“the Decision”), the written and oral submissions of the Parties and the exhibits filed. Additional facts may be set out, where relevant, in the legal considerations of the present Award.
- 2.2 During the champion season 2012/2013, the Appellant faced serious problems in running its business, which reached its climax on 7 December 2012 when the syndic judge of the Bucharest Court decided to open an insolvency procedure against the Appellant.
- 2.3 The court appointed Mrs Christina Andronache as legal administrator of the Appellant with the powers described in Article 20 of Romanian law no. 85/3006 (the “Insolvency Law”). Furthermore, the court set the deadline for the submission and admission of claims and creditors.
- 2.4 After the opening of the insolvency proceedings against it, the Appellant had a stable sporting season in the Romanian League II, and, based on the sporting results, the Appellant was entitled to play in the Liga 1 national championship for the 2014/2015 season.
- 2.5 On 18 December 2012 and on 4 October 2013, FIFA issued two decisions ruling that the Appellant had to pay damages in a total amount of EUR 900,000 plus legal interests to two former players, which decisions the Appellant did not challenge before the CAS.
- 2.6 However, on 21 March 2014, the Appellant filed a declaratory action with the insolvency judge requesting the insolvency judge to rule that said amount represented a debt arising prior to the opening of the insolvency proceedings.
- 2.7. On 28 March 2014, the Bucharest Court syndic judge confirmed the Appellant’s reorganization plan (the “Reorganization Plan”), thus irrevocably establishing the amounts payable to creditors according to the distribution schedule approved by them. However, the Reorganization Plan did not include the Appellant’s debts arising in the period between the opening of the insolvency proceeding and 31 December 2013, which is the reference date for the assessment of the financial criteria with a view to the granting of the licence required to participate in the Liga 1 national championship for the 2014/2015 season.
- 2.8 On 31 March 2014, and in accordance with the National Club Licensing Regulations, edition 2013 (the “Regulations”), which had been adopted by the First Respondent, the Appellant submitted its application for a licence to participate in the Liga 1 national championship for the 2014/2015 season.
- 2.9 By Decision no 22 of 9 May 2014 (the “CLC Decision”), the Club Licensing Commission of the RFF decided that the Appellant’s application should be refused as a result of its failure to meet the requirements under Articles 46, 47 and 49 of the Regulations.

2.10 The licence application was refused on the following grounds:

- as of 31 March 2014, the Appellant had overdue payables to other clubs involved in the training and education of players, in accordance with the solidarity mechanism provided for in the FIFA/RFF Regulations on the Status and Transfer of Players (Article 46 of the Regulations); since *“the licence applicant did not file any documents which would allow the Commission to check the payables resulting from transfers as well as the dates when the transfer agreements were entered into, the Commission finds that it cannot assess said debts. Therefore, the Commission finds that the licence applicant failed to provide evidence that it had no overdue payables within the meaning of Article 46 of NCLR, as at 31 March 2014”*.
- the licence applicant had overdue payables to employees as of 31 March 2014 under FIFA decisions ordering the club to pay damages to former players (Article 47 of the Regulations) since the amounts established under the FIFA decisions ordering the Appellant to pay damages were not challenged by the Appellant before the CAS, in accordance with the applicable FIFA regulations. *“The Commission considers that the debts established under the FIFA Decisions are current debts, arising after the opening of the insolvency proceedings and that the amounts became uncontested, quantifiable and outstanding at the date said Decisions were passed”*. The Commission found that the licence applicant launched court proceedings on 21 March 2014 *“only for the purpose to avoid the deadline set out in the Regulations. Therefore, the debts established under the FIFA Decisions of 4 October and of 18 December 2012 are deemed overdue payables in accordance with the provisions of letter c) ite 2 of Annex VI of NCLR”*.
- the licence applicant failed to prove on 31 March 2014 that it could continue as a going concern at least until the end of the licence season (Article 49 of the Regulations); the future financial information prepared by the licence applicant was assessed by the financial auditor of the club, which on 31 March 2014 issued a report on the future financial information, and which contained a paragraph entitled *“Basis for qualified opinion”*, stating that *“If the Club does not comply with the reorganisation plan, there is a significant doubt about the ability of the club to continue as a going concern”*. The financial expert of the RFF concluded in his report submitted to the Licensing Manager on 6 May 2014 that based on the assessment of the financial document submitted by the licence applicant as evidence for the fulfilment of the requirements under Article 49 – Future Financial Information – in accordance with the provisions of Annex XII of the Regulations, the Appellant *“did not prove to the licensor that it had the ability to continue as a going concern until the end of the licence season”*, and as a result recommended that the licence be refused.

2.11 The Appellant challenged the CLC Decision before the Appeal Commission for the Licensing of Clubs of the RFF (the “Appeal Commission”), alleging that it had fulfilled the requirements under Articles 46, 47 and 49 of the Regulations and that *“the findings of the first instance body with regard to the principle of going concern are ill-founded as they are grounded on subjective considerations”*.

- 2.12 On 16 May 2014, the Appeal Commission issued the Decision rejecting as groundless the appeal of the Appellant, thus refusing the issuing of the licence for the Appellant to participate in the Liga 1 national championship for the 2014/2015 season.
- 2.13 The Appeal Commission found that the Appellant was unable to continue as a going concern in accordance with the provisions of Article 49 of the Regulations, read in conjunction with paragraph F of Annex VII of the same, and that the Appellant had not fulfilled the minimum conditions provided for in said provisions.
- 2.14 However, the Appeal Commission dismissed the stipulations of the CLC Decision arguing that the Appellant had failed to meet the requirements set out in Articles 46 and 47 of the Regulations, since the ruling concerning the issues in dispute under these provisions fell within the competence of the syndic judge.

3. SUMMARY OF THE ARBITRAL PROCEEDINGS BEFORE THE CAS

- 3.1 On 6 June 2014, the Appellant filed a Statement of Appeal against the Decision. Included in the Statement of Appeal was a Request for a Stay of Execution of the Decision. On the same date the Appellant filed its Appeal Brief. The Appellant requested that the present matter be submitted to a Panel of three arbitrators.
- 3.2 The Appeal was directed against the RFF and the RPFL and the Appellant requested that the matter be expedited in accordance with Article R52 of the Code of Sports-related Arbitration (2013 edition) (the “CAS Code”).
- 3.3 By letters of 12 June 2014, the Respondents both agreed with the expedited procedure, and the Parties were therefore informed by the CAS Court Office that the Appellant’s request for a stay would be deemed to have no object and no Order on Provisional Measures would be rendered by the CAS in this respect.
- 3.4 In its letter of 12 June, the First Respondent referred to an Arbitral Agreement dated 31 May 2014 (the “Arbitral Agreement”) entered into between the Appellant and the First Respondent pursuant to Article 42, paragraph 3, of the Regulations, according to which the matter was to be decided by a Sole Arbitrator.
- 3.5 By letter of 13 June 2014, the Appellant and the Second Respondent were asked to confirm the content of the Arbitral Agreement.
- 3.6 On the same date the Appellant informed the CAS Court Office that it confirmed its request to have a Panel of three arbitrators to decide the case.
- 3.6 On 17 June 2014, the RPFL informed the CAS Court Office that it agrees with the Arbitral Agreement *“in so far it refers to the arbitral court, time limit for the appeal, character of the decision issued by the arbitral court, language of the proceedings and the object of the appeal”*. However, the RPFL did not

agree with the appointment of a Sole Arbitrator and asked the CAS to decide in favour of a Panel composed by three arbitrators.

- 3.7 Later on 17 June 2014, the CAS Court Office informed the Parties that the President of the CAS Appeals Arbitration Division had decided that, pursuant to Article R50 of the Code, the matter should be submitted to a Sole Arbitrator.
- 3.8 By letter of 18 June 2014, the Parties were informed by the CAS Court Office that Mr Lars Hilliger, Attorney-at-law, Copenhagen, Denmark, had been appointed as Sole Arbitrator, which appointment was not challenged.
- 3.9 On 20 June 2014, the Respondents filed their respective answers to the appeal, but the original answer from the First Respondent together with its exhibits were only received by the CAS Court Office after the hearing was concluded.

4. HEARING

- 4.1 A hearing was held on 25 June 2014 in Lausanne, Switzerland.
- 4.2 The Appellant was represented at the hearing by its counsel, Mr Thomas Grimm, Mrs Christina Andronache, judicial administrator, and Mrs Liliana Necsoiu.
- 4.3 The Second Respondent was represented by Mr Mincu Paul Alexandru, coordinator attorney to the Competition Department of RPFL.
- 4.4 The First Respondent was not present at the hearing, which the First Respondent informed the CAS Court Office about after the beginning of the hearing.
- 4.5 The Parties confirmed that they did not have any objections to the appointment of the Sole Arbitrator.
- 4.6 At the beginning of the hearing the Appellant asked the Sole Arbitrator to admit the submission of further exhibits into the file.
- 4.7 With reference to Article R44.1 and since the First Respondent was not attending the hearing, the Sole Arbitrator decided not to allow the submission of further exhibits into the file at this time.
- 4.8 The Appellant and the Second Respondent had ample opportunity to present their cases, submit their arguments and answer the questions posed by the Sole Arbitrator. After the Appellant's and the Second Respondent's final submissions, the Sole Arbitrator closed the hearing and reserved his final award. The Sole Arbitrator listened carefully and took into account in his subsequent deliberations all the evidence and arguments presented by the Parties although they

have not been expressly summarised in the present Award. Upon closure, the Appellant and the Second Respondent expressly stated that they did not have any objections in respect of their right to be heard and to be treated equally in these arbitration proceedings.

5. CAS JURISDICTION AND ADMISSIBILITY OF THE APPEAL

- 5.1 Article R47 of the CAS Code states as follows: *“An appeal against the decision of a federation, association or sports-related body may be filed with the CAS if the statutes or regulations of the said body so provide or if the parties have concluded a specific arbitration agreement and if 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”*.
- 5.2 According to the Arbitral Agreement between the Appellant and the RFF *“...any dispute resulting from the licensing process carried out before the judicial bodies of FRF shall be resolved by the Court of Arbitration for Sport in Lausanne (CAS) as a last instance authority.*
- The time limit for the challenging of the appeal decision rendered by the FRF jurisdictional bodies is set in the National Club Licensing Regulations, edition 2013, under article 6 paragraph 11 letter b)”*.
- 5.3 The Sole Arbitrator finds this agreement in line with the regulation in the National Club Licensing Regulations and the Statutes of the RFF. In addition, neither the Appellant nor the Respondents objected to the jurisdiction of the CAS.
- 5.4 The Decision was notified to the Appellant on 16 May 2014 and the Appellant’s Statement of Appeal and Appeal Brief were lodged on 6 June 2014, i.e. within the statutory time limit set forth by the Regulations, under Article 6, paragraph 11, letter h), of the Arbitral Agreement, which is not disputed. Furthermore, the Statement of Appeal and the Appeal Brief complied with all the requirements of Articles R48 and R51 of the CAS Code.
- 5.5 The First Respondent objects to the admissibility of the appeal of the Decision since according to Article 6, paragraph 11, letter m), of the Regulations *“Any request or complaint submitted to the club licensing jurisdictional bodies by the license applicant/licensee or the Licensing Manager must be grounded on the provision of the National Club Licensing Regulation in force; otherwise, said request or complaint shall be dismissed as inadmissible”*.
- 5.6 Already by reference to the Arbitral Agreement, the Sole Arbitrator finds that the appeal cannot be rejected as inadmissible for the reason stated by the First Respondent. Furthermore, the Sole Arbitrator notes that the appeal of the Decision is actually seen to be grounded on the provisions of the Regulations.
- 5.7 It follows that the CAS has jurisdiction to decide on the appeal of the Decision and that the appeal of the Decision is admissible.

5.8 Under Article R57 of the CAS Code, the Sole Arbitrator has full power to review the facts and the law and may issue a de novo decision superseding, entirely or partially, the decision appealed against.

6. APPLICABLE LAW

6.1 Article R58 of the CAS Code states as follows: *“The Panel shall decide the dispute according to the applicable regulations and, subsidiarily, to 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 that the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision”*.

6.2 According to the Arbitral Agreement *“... the case shall be solved in accordance with the Romanian law (the FRF statutes and regulations, as well as the national legislation, as the case may be) ...”*.

6.3 This agreement on the choice of law between the Appellant and the First Respondent was confirmed by the Second Respondent on 17 June 2014.

6.4 Based on the Arbitral Agreement and this subsequent confirmation by the Second Respondent, the applicable law in this case will consequently be Romanian law and the Statutes and Regulations of the RFF.

7. THE PARTIES' REQUESTS FOR RELIEF AND POSITIONS

7.1 The following outline of the Parties' requests for relief and positions is illustrative only and does not necessarily comprise every contention put forward by the Parties. The Sole Arbitrator, however, has carefully considered all the submissions and evidence filed by the Parties with the CAS, even if there is no specific reference to those submissions or evidence in the following summary.

7.2 *The Appellant*

7.2.1 In its Statement of Appeal and in its Appeal Brief, both filed on 6 June 2014, the Appellant requested the following from the CAS:

1. To accept the appeal against the Decision;
2. to set aside the Decision;
3. to order the First Respondent to issue the licence authorising the Appellant to participate in the Romanian Liga 1 national championship for the 2014/2015 football season;

4. to order the Respondents to include the Appellant in the Romanian Liga 1 national championship for the 2014/2015 football season;
5. to order the First Respondent to pay the legal costs; and
6. to order the First Respondent to pay the costs of the arbitration procedure.

7.2.2 In support of its request for relief, the Appellant submitted as follows:

- a) The Appellant satisfies the sports-related criteria for obtaining a licence to be authorised to participate in the Romanian Liga 1 national championship for the 2014/2015 football season. The dispute arose because of the failure of the RFF to comply with and correctly apply the national Romanian Law on Insolvency and the Regulations.
- b) By deciding that the Appellant did not satisfy the conditions under Article 49 of the Regulations, the Decision ignored the imperative law of the state, including the Insolvency Law. The Regulations were issued in 2013 by the RFF to determine the rights, duties and responsibilities of all parties involved in the licensing system. The Regulations set forth the minimum requirements to be met by a football club requesting to obtain a licence from the RFF as part of the admission procedure in the UEFA club competitions and the national Liga I and Liga II. Applications regarding participation in the national leagues are conditional on compliance with the mandatory provisions of national law in general and the Insolvency Law in particular. The Regulations must be interpreted in accordance with e.g. the Insolvency Law.
- c) Due to serious financial problems, in December 2012 the Appellant submitted an application for opening insolvency proceedings in order to overcome its financial difficulties. According to Article 36 of the Insolvency Law *“from the date of the opening of the legal proceedings all judicial proceeding, non-judicial or enforcement measures for recovery of debts from the debtor or his property are suspended”*. During the insolvency proceedings, following the confirmation of the Appellant’s Reorganization Plan by the syndic judge on 28 March 2014, work was properly reorganised as required by the Insolvency Law, and claims and rights of creditors were modified as provided for in the Reorganization Plan. Furthermore, from the opening of the insolvency proceedings, the appointed legal administrator of the Appellant has guaranteed that the operation of the Appellant has been conducted in a financially viable manner.
- d) The key argument of the First Respondent and the exclusive ground in the Decision for the licence application refusal for Liga I was that the Appellant does not meet the financial guarantees to give effectiveness to the principle of continuity in its activity for the whole 2014/2015 season. The Decision states e.g. as follows: *“... we consider that the additional supporting arguments and documents, presented in appeal in relation with article 49 are not sufficient in order to clear the doubt expressed by the financial expert of FRF concerning the possibility that FC Rapid will develop its activity according to the continuity principle in 2014/2015-season”*. The Appellant objects to that argument, which is not in line with the principles decided by the CAS in its jurisprudence. In CAS 2013/A/3194, the Panel found that only a postponement of debt

related to the insolvency proceedings does not guarantee the financial stability of the licence applicant. Thus, the Panel further found that in a case where an applicant is protected by insolvency law, a licence must be granted if a reorganization plan is approved by the applicant's creditors and confirmed by a syndic judge before 31 May of the year of the application.

- e) According to Article 49, para 1, of the Regulations, the applicant must prepare and submit future financial information in order to demonstrate to the licensor the ability to continue till the end of the licence season. The Panel considered in CAS 2013/A/3194 that the approval of the reorganization plan within the deadline for the grant of licence is a necessary and sufficient legal guarantee for the licence applicant to ensure financial viability standards. The Appellant satisfies all these conditions and should therefore be granted a licence to participate in the Liga 1 national championship for the 2014/2015 season. By confirming the reorganization plan, the syndic judge abolished all stipulations about infringement of the principle of continuity under Article 49 of the Regulations for a period of 3 years. The reorganization plan does not provide for the complete liquidation of the assets of the Appellant, but is drafted for the purpose of the Appellant's financial recovery and disposal of the insolvency status, being considered effective by a specialized court and by the creditors of the Appellant. Since the Appellant in this way meets the requirements of Article 49 of the Regulations, and since the Appellant's debts to its creditors were rescheduled by approving and confirming the reorganization plan, this is a sufficient basis for predicting compliance with the obligations under the Regulations in regard to the license for the Liga 1 national championship for the 2014-/2015 season, and the licence must therefore be granted.
- f) Furthermore, the Decision disregarded the principle of equal treatment since other clubs which are or were in identical situations have been granted a licence to participate in the Liga 1 national championship, which is another reason why the Decision should be set aside.

7.3 *The First Respondent*

7.3.1 In its Answer filed on 20 June 2014, the First Respondent requested the following from the CAS:

1. to reject the appeal against the Decision as inadmissible;
2. to reject the appeal against the Decision as ungrounded;
3. to uphold the Decision
4. to award the First Respondent procedural costs in an amount decided by the CAS.

7.3.2 In support of its request for relief, the First Respondent submitted as follows:

- a) The licensing system is established (i) to improve the economic and financial capability of the clubs, increasing their transparency and credibility; (ii) to place the necessary importance

on the protection of creditors and to ensure that clubs settle their liabilities with players, social/tax authorities and other clubs punctually; (iii) to introduce more discipline and rationality in football clubs' finances; and (iv) to protect the integrity and smooth running of the Liga 1 national championship and of the UEFA club competitions.

- b) Pursuant to the UEFA *“the license must be refused if there is any doubt as to the ability of a license applicant to continue as a going concern”*. According to para F, item 2, of Annex VII of the Regulations: *“The licensor must assess the club’s ability to continue as a going concern until at least the end of the licence season (i.e. the license must be refused if, based on the financial information that the licensor has assessed, in the licensor’s judgement, the license applicant may not be able to continue as a going concern until at least the end of the licence season)”*. Pursuant to para E, item 4, of the same Annex, license applicants undergoing insolvency proceedings may be granted license for participation in the Liga 1 national championship provided that *“the insolvency judge passes the judgement of approval of the reorganization plan prior to 31 March which is the deadline until when the license applicant must prove that it has no overdue payables, and provided that they meet all the other minimum licensing criteria”*.
- c) Based on that, the First Respondent did not ignore the provisions governing insolvency and refused to issue the licence because the Appellant was receiving protection from its creditors. As it is, the opening of insolvency proceedings does not automatically lead to the granting of the licence without prior assessment of all relevant criteria in accordance with the Regulations. The allegation that in accordance with the Regulations and the Insolvency Law, the First Respondent must unconditionally grant the licence should be disregarded as it would encourage preferential treatment of insolvent licence applicants to the detriment of solvent licence applicants who must prove that they fulfil the minimum financial requirements in order to be granted a licence for participation in the national and European competitions for the following season.
- d) The licence for participation in the Liga 1 national championship is subject to the fulfilment of all minimum criteria set out in the Regulations for this type of licence, no matter whether the licence applicant is undergoing insolvency procedures or not. Other clubs have been granted licences while undergoing insolvency proceedings since these clubs fulfilled all minimum financial criteria required to be granted the licence, including the demonstration of their ability to continue as a going concern until the end of the licence season as of 31 March preceding the licence season. Contrary to the treatment of the Appellant’s application, the reports submitted by the independent auditors and by the financial expert of the RFF contained no doubts in respect of the ability of these clubs to continue as going concerns.
- e) The reports regarding the Appellant from the independent auditors and by the financial expert of the RFF did contain significant doubt about the ability of the club to continue as a going concern. Furthermore, the reorganization plan of the Appellant does not make any reference to the debts arising after the opening of the insolvency proceedings.
- f) It is incorrect to say that all provisions concerning inability to continue as a going concern in accordance with the provisions of Article 49 of the Regulations were cancelled for a period

of three years as of the date when the reorganization plan was confirmed by the insolvency judge since non-observance of the payment schedule during the implementation of the plan may lead to bankruptcy.

- g) Moreover, the First Respondent finds that all other assessments made by the Appellant have not been sufficiently documented to provide an adequate foundation for the future financial situation.
- h) In conclusion, in consideration of the unstable financial situation of the Appellant and of the fact that it is facing a major risk in respect of the ability to continue as a going concern until the end of the licence season, the First Respondent maintains that the Appellant failed to meet the minimum financial criteria and that the Decision was correct when refusing to grant the licence for participating in the Liga 1 national championship for the 2014/2015 season.

7.4 *The Second Respondent*

7.4.1 In its Answer filed on 20 June 2014, the Second Respondent requested the CAS to decide to have the Appellant included in the Liga 1 national championship for the 2014/2015 season.

7.4.2 In support of its request for relief, the Second Respondent submitted as follows

- a) The Appellant is a team with a longstanding tradition in Romania and the presence of the club in the Liga 1 national championship will decisively increase the quality of Romanian football. Furthermore, the presence of the Appellant in the Liga 1 will increase income from television rights etc. for the participating clubs.
- b) Due to the confirmation of the Reorganization Plan by the syndic judge, the Appellant is no longer subject to the risk of inability to pay or bankruptcy since the plan establishes a schedule for liabilities and lays the foundation for a restart of activity for the Appellant. The only ground for the refusal of the licence according to the Decision was the uncertainty expressed by the RFF financial expert regarding the possibility for the Appellant to carry out its activity in the entire 2014/2015 season. However, in accordance with CAS jurisprudence, the approval of a reorganization plan before the deadline for granting a licence is a necessary and sufficient legal warranty for the licence applicant to ensure the standards of financial viability.
- c) A licence applicant must compile and present prospective financial information with the aim to prove to the licensing authority its capacity to continue until the end of the licensing period. Once the Reorganization Plan is adopted, the applicant is adequately reorganized in a manner allowing it to recover financially and regain its creditworthiness within the meaning of the Insolvency Law. If the applicant's financial forecast was not promising, the Reorganization Plan would instead stipulate either the liquidation of its entire estate, or the

syndic judged would not have approved the plan. As the insolvency proceedings were opened and the Reorganization Plan was approved by the syndic judge before the deadline according to the Regulations, the Appellant complies with the criteria stipulated in Article 49 of the Regulations and the licence should be granted.

- d) Furthermore, the financial audit performed during the licensing proceedings must take into account the specificity of sporting clubs. When drawing financial forecasts for a football club, in addition to the criteria strictly related to the financial audit, elements related to the club's traditions, the numbers of supporters and its desire to survive financially must be taken into account. All these elements are in favour of the financial situation of the Appellant.
- e) Finally, the refusal of licence to the Appellant seems to be a violation of the principle of equal treatment since other Romanian club have been granted a licence to participate in the Liga 1 in the past in similar situations.

8. RELEVANT PROVISIONS

A) National Club Licensing Regulations – Edition 2013:

8.1 Article 6, Para 11:

The club licensing commissions perform their activity according to the rules of procedure defined by these Regulations and the Rules of procedure of the Club Licensing Commissions of FRF, that are an integral part of these Regulations and that govern, among others, the following aspects:

b) Guarantee of fundamental procedural rights

The parties appearing before the club licensing commissions are guaranteed the following fundamental procedural rights: the right to equal treatment and fair hearing, the right to a defence, the right to submit and participate in the submitting of evidence, the right to a decision rendered in accordance with all applicable regulations.

h) Time limit for review proceedings

...

The decisions passed by the Appeal Commission for the Licensing of Clubs regarding the licence applicants seeking to obtain the licence for participation in the First League national championship may be challenged at CAS within 21 days as of the serving of the challenged decision by fax or email.

...

k) Burden of proof

The licence applicant has the burden of proof. All documents shall be submitted as copies, shall be numbered and sealed in files for each licensing criterion. The licence applicant shall mention on each page that the copy is certified as a true copy of the original, and shall apply a signature and stamp in the original. Any document that is not certified and/or numbered shall be discarded from the analysis of the fulfilment of the minimum criteria. Any document that contains texts in other language than Romanian shall be accompanied by translations made by

certified translators and submitted in original form or as certified copies. If the relevant translations are not submitted, the documents shall be discarded from the analysis of the fulfilment of the minimum licensing criteria.

...

8.2 *Article 45 – Annual financial statements*

1 Annual financial statements in respect of the statutory closing date i.e. 21 December of the year preceding the deadline for submission of the application to the licensor i.e. 31 March of each year and prior to the deadline for submission of the list of licensing decisions to UEFA i.e. 31 May of each year must be prepared and submitted.

2 Annual financial statements must be audited by an independent auditor as defined in Annex III.

3 The annual financial statements must consist of:

a) a balance sheet;

b) a profit and loss account;

c) a statement of changes in equity;

d) a cash flow statement;

e) explanatory notes, comprising a detailed description of the significant accounting policies and other explanation (including notes relating to the information not included in the balance sheet); and

f) a financial review by the directors.

4 The annual financial statements must meet the minimum disclosure requirements as set out in Annex IV and the accounting and reporting principles as set out in Annex V. Comparative figures in respect of the prior statutory closing date must be provided.

5 If the minimum requirements for content and accounting principles as set out in paragraph 4 above are not met in the statutory annual financial statements, then the licence applicant must prepare restated financial statements in order to meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex III. The restated financial statements must comply with all the requirements of the National Club Licensing Regulations.

6 If the licence applicant prepares financial statements that are different from those complying with the statutory provisions in order to meet the minimum reporting requirements, only the restated financial statements must be audited.

7 The licence applicant prepares and submits to the independent auditor and to the licensor a players' identification table according to the provisions in Annex V C.

8.3 *Article 46 – No overdue payables towards football clubs*

1 The licence applicant must prove that as at 31 March the licence season it has no overdue payables (as defined in Annex VI) that refer to transfer activities that occurred prior to 31 December of the year preceding the licence season.

2 Payables are those amounts due to football clubs as a result of transfer activities, including training/ development compensation and solidarity mechanism as defined in the FIFA/FRF Regulations on the Status and Transfer of Players, as well as any amount due to upon fulfilment of certain conditions (such as the supplementing of the transfer fee upon the fulfilment of certain conditions).

3 The licence applicant must prepare and submit to the licensor a transfer payables table. This table must be prepared even if there have been no transfers/ loans during the relevant period.

4 The licence applicant must disclose all transfer activities (including loans) undertaken up to 31 December of the year preceding the licence season, irrespective of whether there is an amount outstanding to be paid at this

date. In addition, the licence applicant must disclose all transfers subject to a claim pending before the competent authority or relevant arbitration tribunal, even if the proceedings were opened in the previous years.

5 The transfer payables table must contain the following information as a minimum (in respect of each player transfer, including loans):

a) Player (full name and nickname, if any);

b) Date of the transfer/ loan agreement;

c) The name of the football club that formerly held the registration;

d) Transfer/ loan fee paid and/or payable (including training/ development compensation and solidarity mechanism), even if payment has not been requested by the creditor;

e) Other direct costs of acquiring the registration paid and/or payable;

f) Amount settled and payment date;

g) The balance payable at 31 December of the year preceding the licence season in respect of each player transfer including the due date for each unpaid element;

h) Any payable as at 31 March of each year (rolled forward from 31 December of the year preceding the licence season) including the due date for each unpaid element, along with explanatory comments; and

i) Contingent liabilities, including amounts in dispute, not yet recognised in the balance sheet as at 31 December of the year preceding the licence season. The contingent liabilities shall also be disclosed in the notes to the financial statements.

j) Contingent liabilities, including amounts in dispute, existing as at 31 March of the year preceding the licence season and which concern transfer activities undertaken prior to 31 December.

6 The licence applicant must reconcile the total liability as per the transfer payables table to the figure in the balance sheet for 'Accounts payable relating to player transfers'. The licence applicant is required to report in this table all payables even if the payment has not been requested by the creditor.

7 The transfer payables table must be approved by the management of the licence applicant and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant, included in the list of authorised signatories prepared in accordance with Article 43 (2).

8 The licence applicant must submit to the independent auditor and to the licensor the letter(s) prepared by its lawyers with regard to all current disputes in which it is involved, relating to player transfers to other clubs, as well as the contestations against the proceedings opened against the licence applicant by its creditors, for overdue payables from player transfers, existing at the date of submission of the licensing documentation. The licensor shall be provided with the documents attesting the object and stage of each dispute, as well as its registration with the relevant authorities or courts. Specifically, the licence applicant shall provide registry certificates issued by the relevant authorities or courts, which must show as a minimum: the parties, the object of the dispute and the stage of the proceedings (see Annex VI). The licence applicant has the obligation to certify that it is not involved in any other disputes relating to player transfers besides those specified in the lawyers' letter(s). A declaration by the management of the licence applicant must be provided even if the licence applicant is not currently involved in any dispute proceedings opened by it nor has it filed contestations against proceedings opened against it.

9 The financial information regarding payables from transfer activities towards other clubs must be checked, as per ISRS 4400 – related services, in accordance with the verification procedures defined in Annex VI, by the same auditor who audited the annual financial statements.

10 The licence applicant must submit to the licensor information on the receivables resulting from transfers to other football clubs.

11 The transfer receivables table must include a separate column for the transfer of each player (the provision is applicable for loans as well), with the specification of the receivable amount as at 31 December of the year preceding the licence season. The following minimum information must be disclosed:

- a) Player (full name and nickname, if any);
- b) Date of the transfer/ loan agreement;
- c) The name of the football club that formerly held the registration;
- d) Transfer/ loan fee paid and/ or payable (including training/ development compensation and solidarity mechanism, as the case may be)
- e) Amount received prior to 31 December of the year preceding the licence season; and
- f) Accounts receivable as the 31 December of the year preceding the licence season each player's transfer and due date for each receivable resulting from transfer activities.

12 The transfer receivables table must be approved by the management of the licence applicant and this must be evidenced by way of a brief statement signed on behalf of the executive body of the licence applicant, included in the list of authorised signatories prepared in accordance with Article 43(2).

8.4 Article 47 – No overdue payables towards employees and social/ tax authorities

1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VI) towards its employees or social and tax authorities as a result of contractual and legal obligations towards its employees that arose prior to 31 December of the year preceding the licence season.

Starting with the 2014/ 2015 season, the applicants for the licence granting access to the First League national championship are not required to prove that they have no overdue payables towards the social/ tax authorities. This exception is not applicable to the applicants requesting the licence for participation in the UEFA club competitions.

2 Payables are those amounts due to employees or social and tax authorities as a result of contractual or legal obligations towards employees, irrespective of the manner in which they have arisen (e.g. employment contract, services contract, image rights contract, etc.). The amounts payable to people who, for various reasons, are no longer employed by the applicant, fall within the scope of the criterion and must be settled within the period stipulated in the contract and/ or defined by law, regardless of how such payables are accounted for in the annual financial statements.

3 The term “employees” includes the following persons:

- a) All professional players, whether they are part of the first team squad of the licence applicant or of its other teams' squads, according to the FIFA/ FRF Regulations on the Status and Transfers of Players; and
- b) All the members of the administrative, technical, medical and security staff as defined in Articles 27 to 32 and 34 to 38.

4 The licence applicant must prepare a table showing all employees who were employed at any time during the year up to 31 December preceding the licence season i.e. not just those who remain at year end. This table must be submitted to the independent auditor and to the licensor.

5 The following information must be given, as a minimum, in respect of each employee:

- a) Full name of the employee;
- b) Position/ function of the employee;
- c) Start date;
- d) End date;
- e) The balance payable as at 31 December of the year preceding the licence season, including the due date for each unpaid element;

f) Any payable as at 31 March preceding the licence season (rolled forward from 31 December of the preceding year), including the due date for each unpaid element, along with explanatory comments;

g) Contingent liabilities, including amounts in dispute, not yet recognised in the balance sheet as at 31 December of the year preceding the licence season. The contingent liabilities shall also be disclosed in the notes to the financial statements.

h) Contingent liabilities, including amounts in dispute, existing as at 31 March of the year preceding the licence season and which concern payables towards employees undertaken prior to 31 December.

6 The employees table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant, included in the list of authorised signatories prepared in accordance with Article 43(2).

7 The licence applicant must reconcile the total liability as per the employees table to the figure in the balance sheet for 'Accounts payable towards employees'.

8 The licence applicant must submit to the auditor and the licensor a table showing the amount payable (if any), as at 31 December of the year preceding the licence season as well as any payable as at 31 March preceding the licence season (rolled forward from 31 December of the preceding year), to the social (tax authorities as a result of contractual and legal obligations towards its employees.

9 The follow information must be given, as a minimum, in respect of each payable towards social/ tax authorities, along with explanatory comments:

a) Name of the creditor;

b) Any payable as at 31 December of the year preceding the licence season, including the due date for each unpaid element;

d) Contingent liabilities, including amounts in dispute, not yet recognised in the balance sheet as at 31 December of the year preceding the licence season. The contingent liabilities shall also be disclosed in the notes to the financial statements.

e) Contingent liabilities, including amounts in dispute, existing as at 31 March of the year preceding the licence season and which concern payables towards employees undertaken prior to 31 December.

10 The licence applicant must reconcile the total liability as per the social/ tax table to the figure in the balance sheet for 'Accounts payable to social/ tax authorities' or to the underlying accounting records.

11 The employees table as well as the social/ tax table must be approved by the management of the licence applicant and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant, included in the list of authorised signatories prepared in accordance with Article 43(2).

12 The licence applicant must submit to the independent auditor and the licensor the letter(s) prepared by its lawyers with regard to all current disputes in which it is involved, relating to overdue payables towards its employees or social/ tax authorities, as well as the contestations against the proceedings opened against the licence applicant by its creditors, for overdue payables towards its employees or social/ tax authorities. The licensor shall be provided with the documents attesting the object and stage of each dispute, as well as its registration with the relevant authorities or courts. Specifically, the licence applicant shall provide registry certificates issued by the relevant authorities or courts, which must show as a minimum: the parties, the object of the dispute and the stage of the proceedings (see Annex VI). The licence applicant has the obligation to certify that it is not involved in any other disputes relating to overdue payables towards its employees or social/ tax authorities besides those specified in the lawyer's letter(s).

A declaration by the management of the licence applicant must be provided even if the licence applicant is not currently involved in any dispute proceeding opened by it nor has it brought contestations against proceedings opened against it.

13 The financial information regarding overdue payables towards employees or social and tax authorities, resulting from contractual and legal obligations towards employees, must be checked, as per ISRS 4400 – related services, in accordance with the verification procedures defined in Annex VII, by the same auditor who audited the annual financial statements.

8.5 Article 49 – Future financial information

1 The licence applicant must prepare and submit future financial information in order to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season. If any of the indicators defined in paragraph 2 below are breached, the future financial information shall be assessed by the same auditor who has audited the annual financial statements.

2 If a licence applicant exhibits any of the conditions described by indicator 1 or 2, it is considered in breach of the indicator:

a) Indicator 1: Going Concern

The auditor's report in respect of the annual financial statements submitted in accordance with Article 45 includes an emphasis of matter or a qualified opinion in respect of going concern.

b) Indicator 2: Negative equity

The annual financial statements (or, where required, the restated financial statements according to the reporting requirements in these Regulations) submitted in accordance with Article 45 disclose a negative equity position that has deteriorated relative to the comparative figure contained in the previous year's annual financial statements. In the event that consolidated/ combined financial statements are prepared, Indicator 2 shall be taken into account at consolidated/ combined level, as well as at individual level for the licence applicant. In this case, the licence applicant must prepare and submit future financial information both at individual level and at consolidated/ combined level.

3 The non observance of the indicators must be determined by the author of the licence applicant, who shall specify this in a separate paragraph of his report on the audited annual financial statements.

4 Future financial information must cover the period commencing immediately after the statutory closing date of the annual financial statements, and it must cover at least the entire licence season.

5 Future financial information consists of:

a) a budgeted profit and loss account, with comparative figures for the immediately preceding financial year;

b) a budgeted cash flow, with comparative figures for the immediately preceding financial year.

c) explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.

6 Future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed.

7 Future financial information must meet the minimum disclosure requirements as set out in Annex IV. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading.

8 Future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity, included in the list of authorised signatories prepared in accordance with Article 43(2).

9 Individual and/or consolidated/ combined future financial information, as the case may be, must be checked, as per ISAE 3400 – Examination of future financial information, in accordance with the minimum verification procedures defined in Annex VII (without limitation thereto), by the same auditor who audited the annual financial statements.

- 8.6 *Annex VII - F. Assessment of the future financial information*
1. *In respect of the future financial information, the auditor and the licensor must assess whether or not an indicator as defined in Article 49 has been breached.*
If any indicator has been breached, the auditor must check the future financial information as defined in paragraph 2 below and prepare a report according to ISAW 3400 – examinations of future financial information.
The licensor shall examine the audit report in the case of licence applicants that have breached one or both indicators.
 2. *The licensor must assess the club’s ability to continue as a going concern until at least the end of the licence season (i.e. the licence must be refused if, based on the financial information that the licensor has assessed, in the licensor’s judgement, the license applicant may not be able to continue as a going concern until at least the end of the licence season).*

B. Law no. 85/2006 Regarding insolvency procedure (the “Insolvency Law”)

- 8.7 *Article 36*
From the date of opening the procedure is suspended of right all the judicial actions, extrajudicial or the measures of forced enforcement for the performance of the receivables on the debtor or his assets.
- 8.8 *Article 64 (6)*
The receivables after the date of the opening of the procedure, in the period of observation or in the procedure of judicial reorganization will be paid according to the documents from which it results, without being necessary the registering in the statement of affairs. The provision is applied as it should for the receivables created in the procedure of bankruptcy.
- 8.9 *Article 76*
With the exception of the case when the notification of the procedure was made breaking the dispositions of art. 7, the titular of the receivable previous to the opening of the procedure, who submits the request of admitting the receivables until the expiration of the term provided at art. 62 parag. (1) letter b), will be lapsed, in relation with those receivables, from the right to be registered in the table of the creditors and will not achieve the quality of creditor with right to participate in the procedure. He won’t have the right to perform his receivables against the debtor or the members or the shareholders with unlimited liability of the debtor juridical person after the closing or the procedure, with the condition that the debtor would not be condemned for simple or fraudulent bankruptcy or would not be established the liability for making payments or fraudulent transfers.
The lapse can be invoked anytime, by any interested part, by way of action of exception.
- 8.10 *Article 102 (1)*
When the decision that confirms a plan is enforced, the activity of the debtor is reorganized appropriately; the receivables and the rights of the creditors and of the other interested parties are modified as it is provided in the plan. In case of entering in bankruptcy following the failing of the plan or of a forced execution, the confirmed plan will be considered as a definitive and irrevocable decision against the debtor. For the forced execution of these receivables the quality of executor title will have the decision of confirmation the plan.

9. DISCUSSION ON THE MERITS

- 9.1 Initially, the Sole Arbitrator notes that it is undisputed between the Parties that the only ground for refusing to grant a licence to the Appellant to participate in the Liga 1 national championship in the 2014/2015 season, as set out in the Decision, is that the Appellant is not seen to have submitted future financial information to the First Respondent which demonstrates with sufficient certainty the Appellant's ability to continue as a going concern until the end of the 2014/2015 season/the licence season in accordance with Article 49 of the Regulations.
- 9.2 Furthermore, it is considered undisputed that the Appellant, at least based on its sporting results achieved, would be entitled to obtain a licence to participate in the Liga 1 national championship in the 2014/2015 season if the Appellant is found to have fulfilled the requirements of Article 49 of the Regulations since all other minimum requirements for obtaining such a licence are already found to have been met.
- 9.3 Against the background of these circumstances, the Parties agree that it is up to the Sole Arbitrator to assess whether the Appellant can be assumed to have submitted such future financial information to the First Respondent, which demonstrates with sufficient certainty the Appellant's ability to continue as a going concern until the end of the 2014/2015 season.
- 9.4 The Sole Arbitrator further notes that it is undisputed between the Parties that the Regulations must be interpreted and applied under national Romanian law, including in particular in accordance with the Insolvency Law.
- 9.5 Article 49 of the Regulations lays down that "*1 The licence applicant must prepare and submit future financial information in order to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season*".
- 9.6 It further follows from F, 2 of Annex VII of the Regulations that "*2. The licensor must assess the club's ability to continue as a going concern until at least the end of the licence season (i.e. the licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the license applicant may not be able to continue as a going concern until at least the end of the licence season)*".
- 9.7 Finally, it appears from Article 6, para 11, 6 of the Regulations that "*The licence applicant has the burden of proof. ...*".
- 9.8 The Sole Arbitrator can thus conclude initially that it is up to the Appellant to discharge the burden of proof to demonstrate its ability to continue as a going concern until the end of the licence season.
- 9.9 This is in accordance with the general legal principle of burden of proof, according to which any party claiming a right on the basis of an alleged fact must carry the burden of proof, proving that the alleged fact is as claimed, which principle has already been established by CAS

jurisprudence (e.g. CAS 2003/A/506, para. 54; CAS 2009/A/1810 & 1811, para. 46 and CAS 2009/A/1975, para. 71ff).

- 9.10 The Appellant is indisputably subject to an insolvency procedure and, as such, is covered by the protection rule under Article 36 of the Insolvency Law.
- 9.11 It was undisputed during the present proceedings that a club undergoing an insolvency procedure is not precluded from obtaining a licence to participate in the Liga 1 national championship if only it meets all the minimum criteria set out the Regulations.
- 9.12 The Sole Arbitrator does not find, however, that the mere fact that the Appellant is to a certain extent protected from its creditors as a result of the pending insolvency procedure is enough to sufficiently guarantee the necessary financial stability of the Appellant during the licensing period, which finding is in line with the conclusion drawn by the Panel in CAS 2013/A/3194.
- 9.13 In addition to the material requested in the Regulations, the Appellant has submitted the Reorganization Plan confirmed by the syndic judge of the Bucharest Court on 28 March 2014.
- 9.14 This Reorganization Plan does not foresee the liquidation of the Appellant.
- 9.15 On the contrary, the Reorganization Plan contains a thoroughly prepared financial model for how the Appellant can repay its debts to its creditors for the purpose of recovering financially and becoming financially sound again and, in that manner, ensuring viable financial operations in the years ahead, and in that connection the Sole Arbitrator notes that the Appellant's financial situation, since the opening of the insolvency procedure, has been handled and monitored by the appointed legal administrator.
- 9.16 The Sole Arbitrator notes in that connection that it can be concluded, with reference to the Insolvency Law, that in the context of both the preparation and the subsequent approval of the Reorganization Plan, the Appellant's financial situation has been subjected to an in-depth and unbiased examination, retrospectively as well as prospectively, with a view to assessing whether the Reorganization Plan was based on objective facts and, consequently, whether a reorganization of the Appellant should be regarded as financially likely in the circumstances of the present case.
- 9.17 The Sole Arbitrator further notes that the focus in this process has not only been on whether the Appellant could be assumed to be capable of continuing as a going concern for one sporting season, but on whether the Appellant, in relation to all its cooperation partners, could be expected to be able to carry on operations for a minimum of three years.
- 9.18 Given these circumstances, and following a review of the material submitted, the Sole Arbitrator finds, in line with the principles decided by the Panel in CAS 2013/A/3194, that the Appellant, by presenting the Reorganization Plan confirmed by the syndic judge, has *prima facie* discharged

the burden of proof to demonstrate its ability to continue as a going concern until the end of the licence season.

- 9.19 The First Respondent has mentioned in this context that both the Appellant's own financial auditor and the independent auditor appointed by the First Appellant have stated that there is "*significant doubt about the ability of the club to continue as a going concern*" if the Appellant does not comply with the Reorganization Plan.
- 9.20 However, the Sole Arbitrator finds that these views/reservations cannot be accorded substantial weight as an argument for setting aside the validity of the Reorganization Plan.
- 9.21 Thus, it will evidently apply to all licence applicants that one of the conditions for the ability to continue as a going concern is timely payment of creditors.
- 9.22 Indeed, by approving the Reorganization Plan, an unbiased assessment has been made of whether the Appellant will be capable of meeting this requirement, and the syndic judge, by confirming the plan, has been confident that this could be the case.
- 9.23 The First Respondent and the Decision rely on a purely hypothetical scenario if the Appellant does not comply with the Reorganization Plan but do not prove that it is even remotely likely that the Appellant will fail to comply with such plan.
- 9.24 The Sole Arbitrator therefore finds that the Appellant must be found to have demonstrated to the licensor its ability to continue as a going concern until the end of the licence season in accordance with Article 49 of the Regulations, and the First Respondent should accordingly have issued a licence to the Appellant, authorising the Appellant to participate in the Liga 1 national championship in the 2014/2015 season.

10. SUMMARY

- 10.1 Based on the foregoing and after taking into consideration all evidence produced and all arguments made, the Sole Arbitrator finds that the Appellant has demonstrated to the First Respondent as licensor its ability to continue as a going concern until the end of the licence season in accordance with Article 49 of the Regulations.
- 10.2 Since it is undisputed between the Parties that the Appellant incidentally meets all other minimum requirements, including the sporting requirements, for issuing a licence to participate in the Liga 1 national championship in the 2014/2015 season, the Sole Arbitrator finds that the First Respondent should have issued such a licence and therefore rules that such a licence be issued now, which will include the Appellant in the league for the 2014/2015 season.

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed on 6 June 2014 by S.C. Football Club Rapid S.A. against the decision adopted by the Appeal Committee for the Licensing of Clubs of the Romanian Football Federation on 16 May 2014 is upheld.
 2. The decision adopted by the Appeal Committee for the Licensing of Clubs of the Romanian Football Federation on 16 May 2014 is set aside.
 3. The Romanian Football Federation shall issue the licence authorizing S.C. Football Club Rapid S.A. to participate in the Romanian Liga I for the 2014/2015 football season.
 4. The Romanian Professional Football League and the Romanian Football Federation shall include S.C. Football Club Rapid S.A. in the Liga I championship for the 2014/2015 football season.
- (...)
8. All other motions or prayers for relief are dismissed.