Arbitration CAS 2016/A/4663 FC ASA 2013 Targu Mures v. Romanian Football Federation (RFF), award of 3 March 2017

Panel: Mr András Gurovits (Switzerland), Sole Arbitrator

Football
Disciplinary sanction against a club for overdue payables
Overdue payables with regard to training compensation
Sanction

1. **According to the RFF National Club Licensing and Financial Fair Play Regulations (NCL&FFPR), any applicant for a Liga 1 licence that owes a training compensation towards another club has to demonstrate by 31 March that it either paid the amount in full, or concluded an agreement with or received protection from its creditors, or contested within the legal time limit liability in relation to the overdue payables, or that it paid its debt by 30 April of the relevant year. Otherwise, the debt is deemed overdue in the sense of Article 46 of the NCL&FFRP.**

2. **According to the NCL&FFRP, the appropriate sanction in case of an overdue payable in the sense of Article 46 NCL&FFRP is a deduction of three points for the next following season. Therefore, a decision to deduct such amount of points from the club's ranking is a sanction that is in compliance with the NCL&FFRP.**

I. THE PARTIES

1. Asociatia Fotbal Club ASA 2013 Targu Mures (the "Appellant"), is a football club that participates in the Liga 1 national football championship of Romania.

2. The Romanian Football Federation ("RFF" or the "Respondent") is the national football association of Romania and affiliated to the Fédération Internationale de Football Association ("FIFA").

II. FACTS

3. In the following paragraphs a summary of the main relevant facts and allegations is provided on the basis of the parties' written submissions and evidence adduced during these proceedings. Additional facts and allegations may be set out, where relevant, in connection with the legal discussion that follows. Although the Sole Arbitrator has considered all the facts, allegations and legal arguments and evidence submitted by the parties in the present

proceedings, he refers in this Award only to the submissions and evidence he considers necessary to explain the reasoning.

4. On 16 July 2015, the Appellant concluded a transfer agreement (the "Transfer Agreement") with Asociatia Clubul Sportiv Speranta Targu Mures ("Speranta") in relation to the player N. (the "Player") which was registered at the RFF under the no. 113/17.07.2015.

5. The Transfer Agreement was the first agreement that conferred the Player, who was born on 13 June 1996, professional status. Before transferring to the Appellant, the Player had played, inter alia, for the Hungarian club Honved Budapest ("Honved").

6. On 26 October 2015, Honved sent an invoice to the Appellant requesting payment of a training compensation in relation to the Player in the amount of EUR 60'000, plus VAT in the amount of EUR 16'200.

7. On 20 May 2016, the RFF Club Licensing Committee approved the Appellant's application for participation in the 2016/17 season of Liga 1 national football championship of Romania, subject, however, to deduction of three points from the Appellant's 2016/17 season's ranking for violation of Article 46 of the RFF National Club Licensing and Financial Fair Play Regulations ("NCL&FFPR") and deduction of another three points for violation of Article 47 of the NCL&FFPR. The Club Licensing Committee found that the Appellant had outstanding debts, inter alia, towards Honved in relation to the Player.

8. On 27 May 2016, the RFF Club Licensing Appeal Committee issued a decision (the "Challenged Decision") rejecting the appeal that the Appellant had lodged and upheld the Club Licensing Committee's decision of 20 May 2016.

9. The Appellant decided to challenge the Challenged Decision before the Court of Arbitration for Sport ("CAS") insofar it relates to the deduction of three points for violation of Article 46 of the NCL&FFPR. The Appellant did not dispute the remainder of the Challenged Decision.

III. PROCEEDINGS BEFORE THE CAS

10. On 16 June 2016, the Appellant lodged its statement of appeal with the CAS.

11. On 27 June 2016, the Appellant filed its appeal brief.

12. By letter dated 6 October 2016, the CAS Court Office informed the parties about the appointment of the present sole arbitrator.

13. The Respondent filed its answer on 18 October 2016.

14. On 1 December 2016, the CAS Court Office informed the parties that the Sole Arbitrator had considered the parties' requests that no hearing be held and that he had decided that the present arbitration would proceed without a hearing.

15. On 24 January 2017, the CAS Court Office informed the Parties that the Sole Arbitrator had decided to grant them the possibility to submit those documents of the previous instance proceedings that they had not yet submitted and that they wished to be considered by the Sole Arbitrator. To this end, the parties were granted a deadline of 15 days. The Respondent made its relevant submission on 2 February 2017 attaching a number of documents, while the Appellant explained by letter of 7 February 2017 that it would not submit any further documents.

16. By letter, dated 9 February 2017, the CAS Court Office forwarded these submissions to the relevant other party and granted the parties a deadline of 15 days to comment on the other party's submission.

17. On 24 February 2017, the Respondent sent a letter to the CAS Court Office requesting that the operative part of the award of the award of the CAS be issued by 4 March 2017. In the same letter the Respondent explained that no further comments were required in respect of the documents submitted on file. The Appellant did not file any further response.

18. On 27 February 2017, the CAS Court Office sent the Order of Procedure to the parties requesting them to return a signed copy. Both the Appellant and the Respondent signed an returned the Order of Procedure on 1 March 2017.

IV. THE PARTIES' POSITION

A. THE APPELLANT

19. In its statement of appeal the Appellant requested the CAS to

"deem this STATEMENT OF APPEAL in relation to the appealed Decision, to issue a new decision partially replacing the decision challenged so that, in due course, the designated Sole Arbitrator, as a result of the contents of this request and the information which comes to light in the arbitration proceeding, render an award by which:

A. The Decision no. 5 of 27 May 2016 rendered by the Club Licensing Appeals Committee of the Romanian Football Federation deducting three points from the ranking of the 2016-2017 season of the Liga 1 National Championship, for the violation of article 46 of the NCL&FFPR is set aside, the remainder of the decision remaining undisturbed;

B. The Respondent is ordered to pay all costs and expenses relating to these arbitration proceedings before the CAS".

20. In its appeal brief the Appellant re-iterated its above prayers for relief.

21. The Appellant's submissions may be summarized as follows.

a. The Player had joined Honved in June/July 2012 where he played based on a contract that provided a salary of HUF 76'000 or approx. EUR 300.

b. The Player and Honved entered into an Amateur Sports Agreement for the duration of 1 July 2014 to 30 June 2015. The Player was, however, never registered with Honved. As Honved had failed to increase the Player's salary the Player, however, returned to Speranta.

c. Between 5 September 2014 to 15 July 2015, the Player was on loan from Speranta to ACS Viitorul Ungheni, and after his return to Speranta in 2015 he was permanently transferred from Speranta to the Appellant where he currently plays.

d. The FFR Club Licensing Committee and the FFR Club Licensing Appeal Committee wrongly deducted three points from the Appellant's ranking in the 2016/17 Liga 1 season for violation of Article 46 of the NCL&FFPR as the Appellant does not owe any training compensation to Honved.

e. The Transfer Agreement fulfills all relevant requirements of the FIFA Regulations on the Status and Transfer of Players ("FIFA RSTP") and is perfectly valid both formally as well as far as the substantial, essential conditions are concerned.

f. Honved has never offered the Player any contract so that in accordance with Article 6 para. 3 of Annexe 4 of the FIFA RSTP Honved has no entitlement to any training compensation.

g. While on 17 May 2016 FIFA had rendered a decision according to which the Appellant was to pay to Honved an amount of EUR 60'000, this decision had not yet become final and the decision with grounds had not yet been communicated to the parties (at the moment of the filing of the appeal brief).

h. The Transfer Agreement is the first transfer agreement which confers the Player professional status. Therefore, the only club potentially entitled to request training compensation from the Appellant is the Player's former club Speranta, and not Honved.

i. On 8 April 2016, the Appellant entered insolvency proceedings (administration) and was from then on under protection from creditors in accordance with Romanian insolvency law. Romanian law also provides that the managerial duties of a debtor belong to a judicial receiver or liquidator. The RFF Club Licensing Appeal Committee, therefore, wrongly stated that the Appellant had not defended itself before FIFA as the Appellant had started to defend itself after it had entered administration on 8 April 2016.

j. The Challenged Decision is unfounded as far as the sanction of a three points deduction for violation of Article 46 of the NCL&FFPR is concerned.

B. THE RESPONDENT

22. In its answer the Respondent requested the CAS

"A. to dismiss the appeal lodged by the Appellant against the Decision no. 5 of 27 May 2016 issued by the Club Licensing Appeals Committee of the Romanian Football Federation;

B. to maintain and consider the challenged Decision undisturbed;

C. to order the Appellant to pay all costs, expenses and legal fees relating to the arbitration proceedings before CAS encumbered by the Respondent".

23. The Respondent's submissions may be summarized as follows.

a. On 25 March 2016, the Appellant had filed its request for a license in the national championship Liga 1 for the 2016/17 season, together with supporting documentation.

b. The licensing manager of the Club Licensing Committee reviewed the application and prepared a report which he presented to the Club Licensing Committee. Based on this report the Club Licensing Committee noted that the Appellant did not fulfill all relevant requirements under the NCL&FFPR as it had an outstanding debt against Honved for training compensation in respect of the Player.

c. The Appellant had acknowledged both, the due date and the payment obligation. The Appellant only challenged the VAT that Honved had invoiced on top of the training compensation. The payment obligation of the Appellant is further also confirmed in the FIFA decision of 17 May 2016.

d. In accordance with Article 2 of Annex IV of the NLC&FFPR, the Appellant should have provided its arguments and evidence of having challenged the debts before competent courts prior to or on 31 March 2016, but the Appellant failed to do so.

e. As in its decision of 17 May 2016 FIFA had established the Appellant's obligation to pay a training compensation to Honved in the amount of EUR 60'000 in relation to the Player, the merits of the present case have already been analyzed and decided by a competent body in favor of the Respondent's arguments.

f. Since the Appellant's duty to pay the training compensation and, thus, the Appellant's debt was duly established, the Challenged Decision should remain unchanged.

V. JURISDICTION

24. According to Article R47 para. 1 of the Code of Sports-related Arbitration (the "Code"), *"An appeal against the decision of a federation, association or sports related body may be filed with 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 that body".*

25. Annex VIII to the NCL&RFPP provides an arbitration agreement, pursuant to which the Respondent and each club applying for a license *"agree that any dispute arising from undergoing the club licensing process/financial monitoring process before the decision-making bodies of FRF, shall be resolved in the last instance by the Court of Arbitration for Sport (CAS) in Lausanne".* Both parties have made express reference to such arbitration agreement in their submissions and have accepted

jurisdiction of the CAS. Further, both parties have confirmed that the Challenged Decision is final on the level of the RFF.

26. The Sole Arbitrator further notes that both parties singed the order of procedure and, thus, expressly confirmed the jurisdiction of the CAS.

27. For these reasons, the Sole Arbitrator holds that the Challenged Decision is a final decision in the sense of Article R47 para. 1 of the Code, and that the CAS has jurisdiction to hear the present dispute.

VI. ADMISSIBILITY

28. Article R49 of the Code provides as follows:

"In the absence of a time limit set in the statutes or regulations of the federation, association or sports-related body concerned, or in a previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against […]".

29. The Challenged Decision was rendered on 27 May 2016, and the Appellant filed its statement of appeal on 16 June 2016. Therefore, the 21-day deadline to file the appeal was respected. Likewise, the appeal brief was timely filed on 27 June 2016.

30. The Sole Arbitrator, therefore, holds that the appeal is admissible.

VII. APPLICABLE RULES OF LAW

31. Pursuant to Article R58 of the Code, the dispute must be decided *"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 the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision".*

32. Both parties argue that that the present case shall be determined in accordance with the rules of the RFF, with due regard to the regulations of UEFA and FIFA. In addition, the national insolvency law of Romania shall apply.

33. The Sole Arbitrator holds that the case at hand is a dispute between a Romanian football club and the RFF, which is domiciled in Romania. The *"applicable regulations"* in the sense of Article R58 of the Code are, therefore, the statutes and regulations of the FFR which is the Respondent. Further, the above-mentioned arbitration clause in Annex VIII to the NCL&FFPR provides that *"the case shall be resolved in accordance with the Romanian law (FRF Statutes and Regulations, as well as national law, if applicable)".*

34. The Sole Arbitrator, thus, holds that the dispute is to be determined by applying the statutes and regulations of the FFR, in particular, the NCL&FFPR, and Romanian law, to the extent

applicable. In addition, by way of reference in Article 42 of the NCL&FFPR, the relevant regulations of FIFA and UEFA shall apply, in particular, the FIFA RSTP.

VIII. MERITS

A. SCOPE OF THE PANEL'S REVIEW

35. Pursuant to Article R57 of the Code, the Sole Arbitrator has full power to review the facts and the law. He may issue a new decision which replaces the decision challenged or annul the decision and refer the case back to the previous instance.

B. THE BURDEN OF PROOF

36. According to general principles of law, each party must provide evidence for any fact on which it intends to rely.

37. This means, in the case at hand, that the Appellant has the burden of proof to demonstrate, in particular, that it has grounds to request the CAS to partly annul the Challenged Decision because the deduction of three points for the Liga 1 2016/17 season was not justified.

C. LEGAL ANALYSIS

C.1 The legal issues at hand

38. The Sole Arbitrator has identified and analysed the following main legal questions

(i) Did the Appellant have an overdue payable against Honved in the sense of Article 46 of the NCL&FFPR?

(ii) In the affirmative, does an outstanding debt against another football club entail a sanction of three points deduction for the next following season?

C.2 Did the Appellant have an overdue debt against Honved?

39. In order to answer this question the Sole Arbitrator first analyzed the relevant provisions under the NCL&FFRP in respect of a debt towards another club being overdue.

a) The relevant provisions under the NCL&FFPR in respect of an overdue payable

40. Article 46 of the NCL&FFRP, headed *"No overdue payables towards clubs"* provides, *inter alia*, that:

"[…] 2 The applicant for the First League licence must prove that any overdue payables as at 31 March (as defined in Annex VI) that refer to transfer activities that occurred prior to 31 December of the year preceding

the licence season were paid by 30 April or that by said date the creditors accepted, in writing, the extension of the due date of such payables.

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

41. Further, Clause 2 of Annex VI of the NCL&FFPR provides that

"1 Payables are considered as overdue if they are not paid according to the agreed terms, as per the contracts or legal obligations in force. For the avoidance of doubt, the deadlines stipulated by the applicable laws exclusively refer to payables to tax/social authorities.

2 Payables are not considered as overdue, within the meaning of these Regulations, if the licence applicant (i.e. debtor) is able to prove by 31 March (in respect of Articles 46 and 47 and 47bis, as applicable) […] that

a) it has paid the amount in full; or

b) it has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline […]; or

b') it has received protection from its creditors pursuant to the applicable laws on insolvency and the insolvency judge approved the reorganization plan of the debtor club, by passing a judgment in this regards prior to 31 March (in respect of Articles 46 and 47) […] or

c) it has brought, within the legal time limit, a claim which has been deemed admissible by the competent authority under national law or has opened proceedings, within the required time limit, with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables […]; or

d) it has contested, within the legal/required time limit, to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the reasonable satisfaction of the decision-making bodies of the national club licensing system that it has established reasons for contesting the claim which has been brought or the proceedings which have been opened".

42. Against this background, the Sole Arbitrator concludes that any applicant for a Liga 1 licence that owes a training compensation towards another club has to demonstrate that it undertook any of the actions set out in Clause 2 of Annex VI, paras. a) to d) by 31 March, or paid its debt by 30 April of the relevant year. Otherwise, the debt is deemed overdue in the sense of Article 46 of the NCL&FFRP.

b) Application in the case at hand

43. After reviewing the relevant provisions under the NCL&FFPR the Sole Arbitrator moved on to review the facts of the present matter in light of the above-cited provisions to assess whether or not the Appellant had an overdue payable in the sense of Article 46 of the NCL&FFPR.

44. The Sole Arbitrator thereby first noted that pursuant to Article 20 of the relevant FIFA RSTP, training compensation *"shall be paid to a player's training club(s): (1) when a player signs his first contract as a professional, and (2) each time a professional is transferred until the end of the season of his 23th birthday"*. According to the Appellant's own submissions, the Player was registered as a professional player for the first time when he signed-up with the Appellant on 17 July 2015. At that time, the Player, who was born in June 1996, was 19 years old. The registration of the Player with the Appellant, thus, triggered the obligation to pay training compensation to his former club(s). The Appellant confirmed that the Player was playing with Honved as an amateur player between June/July 2012 until 2014. The Single Jude of the sub-Committee of the FIFA Dispute Resolution Chamber further specified in his decision of 17 May 2016 that the Player was with Honved and registered by the Hungarian Football Federation as an amateur as from 23 August 2012 until 15 September 2014. The Sole Arbitrator, therefore, concludes that the Appellant's obligation to pay training compensation to Honved is established.

45. As regards the amount of the training compensation and due date of payment the Sole Arbitrator considered the following.

46. In its decision of 20 May 2016 the RFF Club Licensing Committee held, *inter alia*, that *"according to the documents filed by the licence applicant, specifically from the explanatory note at tab 105 in the financial criteria file, the club admits that it owes to Honved Budapest football club EUR 60'000 as training compensation for the player N. FIFA requested information on the training compensation for the player N., but without filing a case with the DRC. Therefore, according to art. 20 and Annex 4 of the UEFA Regulations on the Status and Transfer of Players, the amount is considered overdue 30 days after the date of registration of the player's transfer, i.e. 16.07.2015. The Committee finds that the amount of EUR 60,000 was payable on 31.12.2015 and was not paid by 30.04.2016, being considered overdue under item 1 of Annex VI to NCL&FFPR"*. The RFF Club Licensing Committee found, in other words, that in the licence application procedure, and in particular in an "explanatory note", the Appellant had admitted to owe to Honved a training compensation in the amount of EUR 60'000.

47. In its supplementary submission of 2 February 2017 the Respondent submitted a copy of the above-mentioned explanatory note ("Explanatory Note") of the Appellant. In that Explanatory Note the Appellant explains, among others, that

> *"On 26.10.2015, Honved Budapest issued to ASA Tg. Mures Fiscal Invoice No. […] for the amount of 60,000 Euro + VAT, representing the training compensation claimed for the player N. for the period from 2012 to 2014. The invoice was due on 03.11.2015. The invoice was not entered in the accounts, as it had not been properly prepared according to the applicable legal provisions. Moreover, from a sporting point of view, it was not endorsed by the relevant department and the amount was considered not due. On 17.03.2016, ASA 2013 Tg. Mures, learning from the TMS platform of FIFA of the existence of the debt to Honved,*

sent through the Individual Law Practice of Balta Dragos an e-mail to Honved Budapest, requesting the re-issuing of the aforementioned invoice, considering that it had been initially issued with VAT, while the VAT should not have been included, as both clubs are registered as VAT payers in the register of Intra Community Operators. In response to our request of 17.03.2016, Honved Budapest sent us by e-mail the re-issued invoice for the amount of EUR 60,000, as well as the reversal of the amount of EUR 16,200 representing VAT. The new invoice, although sent on 18.03.2016, was dated 17.12.2015 and the due date was 25.12.2015 […] Therefore, with regard to this aspect, please note that the aforementioned amount stated in the invoice issued by 25.04.2016 and notified to our club on 18.03.2016 was neither certain nor due and payable on the date mentioned in the invoice (25.02.2016). Thus, please note that the amount was not certain, considering that, at the due date mentioned in the invoice, the amount to be paid by our club was EUR 60,000, not EUR 76,200, as specified in the initial invoice. With regard to the fact that the amount was not due and payable, we mention that an invoice's due date cannot be three (3) months before its date of communication. Considering that the proper invoice was modified on 18.03.2016, the due date of such invoice should have been after that date and could not have been relevant for the period prior to 31.12.2015".

48. The Sole Arbitrator concluded on the basis of the Explanatory Note that on 26 October 2015 the Appellant had received from Honved an invoice for training compensation in the amount of EUR 60'000, but did not process the invoice because it also contained VAT in the amount of EUR 16'200 which in the Appellant's view was not payable. On 17 March 2016 (only) the Appellant reverted to Honved and asked for a correction of the invoice, i.e. for elimination of the VAT amount of EUR 16'200, but not of the amount of the training compensation of EUR 60'000, thus confirming that an amount of EUR 60'000 was payable. On the same day Honved sent a revised invoice for EUR 60'000 with no VAT. This is also confirmed by a letter which Honved sent on 18 March 2016 to the legal representative of the Appellant.

49. In its appeal brief the Appellant seems to argue that because it had received the corrected invoice on 18 March 2016 only it was not in a position to process it properly in accordance the provisions the NCL&FFPR, in particular, Clause 2 of Annex VI. The Sole Arbitrator finds, however, that it is not relevant whether the Appellant received the relevant invoice from Honved on 26 October 2015 or on 18 March 2016 as the Appellant contends because Article 3 para. 1 of Annexe IV of the FIFA RSTP provides that

"On registering as a professional player for the first time, the club with which the player is registered is responsible for paying training compensation within 30 days from registration to every club with which the player has previously been registered […]. In the case of subsequent transfers of the professional, training compensation will only be owed to his former club for the time he was effectively trained by that club",

and because para. 2 of said Article sets out

"In both of the above cases, the deadline for payment of training compensation is 30 days following the registration of the professional with the new association".

50. Pursuant to the FIFA RSTP, which are also applicable in the case at hand as discussed in Section VII above, the training compensation is due within 30 days from registration of the relevant player. As the Appellant had confirmed, the Player was registered by the RFF as a professional player on 17 July 2015. Therefore, the training compensation to Honved should

have been paid before 17 August 2015, and in any case it should have been paid well before 30 April 2016 which is the latest possible payment date for purposes of the licencing procedure in accordance with Article 46 of the NCL&FFPR.

51. Because the established due date of the payment to Honved and because the Appellant has neither provided any evidence that would demonstrate that it had undertaken, prior to 31 March 2016, any of the actions listed in Annex VI, Clause 2, paras. a) do d) of the NCL&FFPR nor that it had paid the training compensation by 30 April 2016, the Sole Arbitrator holds that the training compensation payable to Honved is to be deemed overdue in the sense of Article 46 of the NCL&FFPR.

52. When making this assessment, the Sole Arbitrator also considered all other arguments that the Appellant has brought forward in its appeal to contest the existence of an (overdue) payable towards Honved. The Sole Arbitrator, however, came to the conclusion that these arguments do not alter the Sole Arbitrator's above findings, in particular, for the following reasons.

53. In its appeal brief the Appellant argues, among others, that the Player was never registered with Honved, thereby indicating that for this reason no training compensation is payable towards Honved. In this respect, the Sole Arbitrator first noted that the Appellant did not provide any evidence for this allegation. The Sole Arbitrator also noted that the Single Judge of the sub-Committee of the FIFA Dispute Resolution Chamber in its decision of 17 May 2016 not only held that the Appellant was to pay a training compensation of EUR 60'000 to Honved, but also expressly confirmed that the Player was registered with Honved as from 23 August 2012 until 15 September 2014 as an amateur.

54. The Appellant further argues that no training compensation is due to Honved based on Article 6 of Annexe IV to the FIFA RSTP, because Honved had not offered a contract to the Player. While the Sole Arbitrator notes that said Article 6 of Annexe IV to the FIFA RSTP provides, indeed, *lex specialis* for *"players moving from one association to another inside the territory of the EU/EEA"*, he does not follow the Appellant's position that this provision would have released the Appellant from the obligation to pay a training compensation to Honved. The Sole Arbitrator, rather, considered the following.

55. Article 6 para. 3 of Annexe IV of the FIFA RSTP provides that

"If the former club does not offer the player a contract, no training compensation is payable unless the former club can justify that it is entitled to such compensation. The former club must offer the player a contract in writing via registered post at least 60 days before the expiry of his current contract. Such an offer shall furthermore be at least of an equivalent value to the current contract. This provision is without prejudice to the right to training compensation of the player's previous club(s)".

56. In other words, no training compensation is payable to the "former club" if such "former club" did not offer a contract to a player. The "former club" in the sense of the above cited provision is, however, Speranta and not Honved. This means that even if one was to assume that Honved had not offered a contract to the Player, Honved would not have forfeited its

right for a training compensation. In addition, Article 6 para. 3 of Annexe IV of the FIFA RSTP expressly reserves the right to training compensation of the Player's previous club(s). In the case at hand, one of these former clubs is Honved.

57. Moreover, the Appellant argues that the FIFA decision of 17 May 2016 ordering it to pay a training compensation of EUR 60'000 to Honved was not yet final. The Sole Arbitrator, however, finds that this is irrelevant in the case at hand in light of the applicable provisions of the NCL&FFRP, in particular, Clause 2 of Annex VI of the NCL&FFPR. In accordance with said provision, the Appellant applying for a licence for the 2016/17 season should have demonstrated by 31 March 2016 that it had undertaken any of the actions listed in paras. a) to d) of said Article in order to avoid the training compensation falling overdue in accordance with Article 46 of the NCL&FFRP. The Appellant, however, did not provide any evidence, nor did it make any allegation, that it would have done so.

58. Finally, the Appellant also argues that it had entered administration on 8 April 2016 and that from then on it objected to the debt towards Honved as can be clearly seen from the correspondence with FIFA from 9, 11 and 13 May 2016. The Sole Arbitrator, however, finds that this is irrelevant too, as the Appellant should have acted in accordance with Clause 2 of Annex VI of the NCL&FFPR before 31 March 2016, or administration should have started and the insolvency judge should have approved a reorganization plan prior to 31 March 2016, in order to avoid that the training compensation became overdue in the sense of Article 46 of the NCL&FFPR. The Appellant, however, did not provide any evidence that it would done so or that an insolvency judge would have approved a reorganization plan before 31 March 2016.

59. For these reasons the Sole Arbitrator finds that the RFF Club Licensing Committee's decision of 20 May 2016 according to which the payment to Honved was overdue, as well as the Challenged Decision confirming the decision of the Club Licensing Committee, were in compliance with the NCL&FFPR. The Appellant owed a training compensation to a third club and such training compensation was overdue in accordance with Article 46 of the NCL&FFRP.

C.3 What is the consequence of an overdue payable?

60. After having established that the Appellant had an overdue payable against another club in accordance with Article 46 of the NCL&FFPR, the Sole Arbitrator went on to analyze the consequences of such overdue payable, i.e., in particular, whether an overdue payable entails a sanction of three points deduction for the next following season.

61. In this context he noted the following.

62. Article 7 of the NCL&FFPR, headed *"List of sanctions"* provides

"In order to guarantee an appropriate assessment process, in the event of non-observance of the criteria under Article 15 paragraph (2), the sanctions described in Annex II shall be applied. The Club Licensing

Commission and the Appeal Commission for the Licensing of Clubs are responsible with the fixing and enforcement of said sanctions against the licence applicants/licenses".

63. Furthermore, Article 15 of the NCL&FFPR, headed *"General Criteria"* sets out

"1 With the exception of those defined in paragraph 2 below, the criteria defined in this chapter must be fulfilled by clubs in order for them to be granted the licence to enter the UEFA club competitions.

2 Non-fulfilment of the criteria defined in Articles 21, 22, 25, 25, 34, 34bis, 38, 40 and 41 does not lead to the refusal of the UEFA licence but to a sanction defined by the decision-making bodies (see Article 7) according to the list of sanctions set out in Annex II.

3 Non-fulfilment of the licensing criteria for the granting of the First League licence, with the exception of art. 42, for which the licence is refused, does not lead to the refusal of the licence but to a sanction defined by the decision-making bodies, according to the list of sanctions set out in Annex II. The point deductions applied to the rankings of the season for which the licence was granted with the sanctions and/or the fines are only enforced against clubs participating in the First league in that season […]".

64. And, finally, Annex II to the NCL&FFRP provides

"Violation of art. 46 – No overdue payables towards football clubs: three-point deduction applied to the ranking of the First league club in the licence season".

65. In light of the above provisions, the Sole Arbitrator concludes that the appropriate sanction in case of an overdue payable in the sense of Article 46 of the NCL&FFRP is a deduction of three points for the next following season. Therefore, the RFF Club Licensing Committee's decision to deduct three points from the Appellant's ranking in the 2016/17 Liga 1 season, as well as the Challenged Decision confirming the decision of the RFF Club Licensing Committee of 20 May 2016, were in compliance with the NCL&FFRP.

C.4 Conclusion

66. In sum, the Sole Arbitrator holds that the RFF Club Licensing Committee's decision of 20 May 2016 to deduct three points of the Appellant's ranking in the Liga 1 2016/17 season was in compliance with the NCL&FFRP. The same is true in respect of the Challenged Decision that confirmed the decision of the RFF Club Licensing Committee of 20 May 2016.

67. Therefore, the present appeal must be rejected.

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed on 16 June 2016 by Asociatia Fotbal Club ASA 2013 Targu Mures against the decision issued by the Club Licensing Appeal Committee of the Romanian Football Federation on 27 May 2016 is dismissed.

2. The decision issued by the Club Licensing Appeal Committee of the Romanian Football Federation on 27 May 2016 is confirmed.

(…)

5. All other and further claims for relief are dismissed.