



Arbitration CAS 2019/A/6196 Sport Club Corinthians Paulista v. Clube de Regatas do Flamengo, award of 23 September 2019

Panel: Mr Francisco Müssnich (Brazil), Sole Arbitrator

Football

Solidarity contribution

Amount of compensation subject to the deduction of 5% related to the distribution of solidarity contribution

Distinction between an amount of compensation and the payments made to perform this compensation

- 1. Solidarity contribution is deducted from the total amount of any compensation (excluding training compensation) paid by a player's new club. It therefore not only encompasses the main and fixed transfer fee, but all the portions of the price that add up to the transfer fee, such as conditional fees (e.g. performance bonus) and/or players exchanged as part of the compensation, all globally considered.**
- 2. One must not confuse the compensation for a player's transfer with the payments made to perform this compensation. Compensation encompasses the remuneration and other benefits received in return for services rendered, while payment is the performance of an obligation, usually by the delivery of money. Thus, the amount paid as compensation must correspond to the value received in return. In the case of transfers of players, the compensation is the total amount given in return for registering a player in a new club and it can be split among parties in several payments. The only amount to be taken as the calculation basis of the solidarity mechanism is the total amount given as compensation. If the payments made within the holders of the players' economic rights were added, it would violate the principle of *ne bis in idem*, as those payments are nothing more than part of the total value.**

I. PARTIES

1. Sport Club Corinthians Paulista (the "Corinthians" or the "Appellant") is a professional Brazilian football club affiliated with the Confederação Brasileira de Futebol (the "CBF"), which in turn is affiliated with the Fédération Internationale de Football Association ("FIFA").
2. Clube de Regatas do Flamengo (the "Flamengo" or the "Respondent") is a professional Brazilian football club affiliated with the Confederação Brasileira de Futebol (the "CBF"), which in turn is affiliated with the Fédération Internationale de Football Association ("FIFA").
3. Corinthians and Flamengo are collectively named the "Parties".

II. BACKGROUND FACTS

- Below is a summary of the facts, as presented in the parties' written submissions in the course of this proceeding. Additional facts may be set out, where relevant, in connection with the legal discussion that follows. Although the Sole Arbitrator has considered all the facts, allegations, legal arguments and evidence submitted by the Parties in the proceedings, the award refers only to the submissions and evidence considered necessary to explain the reasoning.

A. The transfers of the Player

- [The player R.] ("R." or the "Player") was born on 8 February 1988. He was registered as an amateur player with the Respondent from 9 May 2001 until 10 July 2008, *i.e.* from the age of 13 until the age of 20.
- On 7 August 2008, the Player was transferred to Bayer 04 Leverkusen ("Leverkusen").
- Later, on 20 December 2012, Leverkusen and Corinthians entered into a contract regarding the transfer of the Player to Corinthians. They agreed upon a transfer compensation of EUR 3,500,000 and a sell-on clause that granted Leverkusen the right to receive 50% of the future transfer of the Player from Corinthians to any other club. The clause reads as follows:

- "3. (...) In case SC Corinthians receives an offer for the transfer of the player R. to another club, SC Corinthians shall inform Bayer 04 Leverkusen immediately about the offer and its contents. SC Corinthians is obligated to accept the offer to transfer the player, if the transfer sum amounts to EUR 8.000.000, – or higher.*
- 4. In case the player R. will be transferred to a third club, Bayer 04 Leverkusen is entitled to receive 50% of the transfer sum including all payments related to the transfer, but at least EUR 3.000.000, –. This means, in case the transfer sum is EUR 3.000.000, – or lower, Bayer 04 Leverkusen will receive the full amount. In case the transfer sum is EUR 6.000.000, – or higher, Bayer 04 Leverkusen will receive 50%.*

The payment is due within 10 days after execution of the Transfer Agreement between SC Corinthians and the third club and after proper invoice by Bayer 04 Leverkusen".

- On 8 January 2016, Corinthians and Beijing Guon FC ("Beijing") agreed upon the transfer of the Player to Beijing (the "Transfer Agreement") and a total transfer compensation of EUR 8,000,000 net worth. Due to the sell-on clause agreed between Leverkusen and Corinthians, Beijing agreed to pay EUR 5,000,000 net to Corinthians and EUR 3,000,000 net straight to Leverkusen, on behalf of Corinthians, as it can be read on Clause 3 below:

- "3. [Beijing] shall pay [Corinthians] Euro 8,000,000 (eight million) net as the fees of the permanent transfer before the release of the ITC, on the basis of both parties and player sign this contract. Considering that Bayer 04 Leverkusen, a German football club, hold part of the economic rights of the Player, as already informed by [Corinthians] to FIFA, the payment has to be split by [Beijing] as the following:*

Euro 5,000,000 [five million] net to [Corinthians] (...)

Euro 3,000,000 [three million] net to Bayer 04 Leverkusen Fussball GmbH”.

9. Furthermore, Beijing and Corinthians agreed that Beijing would be responsible to pay the solidarity contribution to Flamengo on Clause 4, as transcribed below:
 - “4. [Corinthians] and Bayer 04 Leverkusen shall provide [Beijing] original invoices and copy of business certificates (business registration form) with the transfer compensation amount. This amount is net of any taxes, retentions or deductions. Besides the transfer fee, [Beijing] shall pay solidarity contribution to the player’s training clubs (but not including [Corinthians] and/ or Bayer 04 Leverkusen), without any retention or deduction over the transfer fee”.
 10. On the view of Flamengo, the transfer of the Player to Beijing triggered not one but two separate payment obligations: (a) one for Beijing in favor of Corinthians (in the total amount of EUR 8,000,000 net), (b) and one for Corinthians to Leverkusen (in the amount of EUR 3,000,000 net). Flamengo argues that there were two different *compensations* that triggered two solidarity contributions.
 11. Thus, on 29 March 2016, Flamengo filed a claim before FIFA Dispute Resolution Chamber (“FIFA DRC”) against Beijing requesting the payment of the first solidarity contribution in connection with the *entire amount* of EUR 8,000,000 (case ref. TMS 441/pam). FIFA DRC granted the request on 18 August 2016 and it is undisputed that Beijing already fulfilled the obligation.
 12. On 24 July 2017, Flamengo filed a second claim before FIFA DRC (case ref. TMS 1700/pam), that led to this dispute submitted to CAS. The club requested Corinthians to pay Flamengo the second solidarity contribution based on the amount related to the *sell-on clause*, as detailed in the following section.
- B. Proceedings before the FIFA Dispute Resolution Chamber (TMS 1700/pam)**
13. On its claim, Flamengo argues it is entitled to a solidarity contribution, because the transfer of the Player to Beijing triggered two different payment obligations, one of them related to the net amount of EUR 3,000,000 to be paid to Corinthians in relation to the sell-on clause.
 14. Moreover, as reported by FIFA DRC, Flamengo argues that “*in order to generate a net payment of EUR 3,000,000*”, “*the actual transfer fee should have been fixed in the total amount of EUR 3,157,894.73*” and because of that its share of the solidarity contribution should be calculated over this amount.
 15. Thus, Flamengo requests Corinthians to pay 58.48% of 5% of EUR 3,157,894.73, plus interest of 5% *per annum* as of the due date. In absolute numbers, Flamengo requests the payment of EUR 92,336.84, plus interest. Alternatively, it requests 58.48% of 5% of EUR 3,000,000, *i.e.* the amount of EUR 83,720, plus 5% interest *per annum* as of the due date.

16. In its reply, Corinthians explains in short that (a) the transfer to Beijing did not trigger two different obligations, (b) Flamengo already received its solidarity contribution in the transfer and (c) any payments related to solidarity contribution should be made by Beijing. Moreover, Corinthians argues that if any contribution should be paid based on the EUR 3,000,000 amount, Corinthians should not be held responsible for it because Leverkusen was the only club financially interested in the amount.
17. In its replica, Flamengo argues that, according to Annexe 5, article 1, of the FIFA Regulations on the Status and Transfer of Players, 2015 edition, (“FIFA RSTP”), solidarity contribution is payable on “*any compensation*”, which includes the amounts received by the selling club in relation to a sell-on clause. The club also argues that the fact that Beijing, Leverkusen and Corinthians agreed that the sell-on fee should be paid directly by Beijing to Leverkusen, “*shall not influence or circumvent Flamengo’s right to solidarity contribution*”.
18. In its duplica, Corinthians states that the EUR 3,000,000 Beijing paid to Leverkusen was part of the total transfer fee of EUR 8,000,000. As Flamengo has already received its share of the solidarity contribution in relation to this transfer amount, Corinthians holds that Flamengo’s claim should be rejected.
19. The FIFA DRC held that:
 - (a) the Transfer Agreement produced two different payment obligations: Beijing’s obligation to pay Corinthians the transfer fee of EUR 8,000,000 and Corinthians’ subsequent obligation to pay an amount of EUR 3,000,000 to Leverkusen.
 - (b) for mere practical reasons, Corinthians and Beijing agreed on a different payment plan and it could not circumvent the payment of solidarity contributions;
 - (c) article 21 and Annexe 5, article 1, of FIFA RSTP stipulate that the solidarity contribution shall be deducted from *any compensation*. It includes the amount of the sell-on agreed upon between Corinthians and Leverkusen;
 - (d) as the obligation to pay the sell-on fee arose directly from the subsequent transfer of the Player from Corinthians to Beijing, it must be considered as a payment made in the scope of that transfer;
 - (e) the Transfer Agreement stipulates the payment of a *net* amount of EUR 3,000,000 related to the sell-on clause. However, the solidarity contribution must be deducted from the *gross* transfer value of EUR 3,157,894.73, according with Annexe 5, article 1, of FIFA RSTP and CAS case law.
 - (f) Flamengo is entitled to receive solidarity contribution for the periods as from 9 May 2001 until 10 July 2008 (*i.e.* for 8 months of the season of the Player’s 13th birthday and the entire seasons of the Player’s 14th to 20th birthdays).

20. As a result, on 10 August 2018, FIFA DRC decided the following:

- “1. *The claim of the (...) Clube Regatas do Flamengo, is accepted.*
2. *(...) Sport Club Corinthians Paulista, has to pay [Flamengo], within 30 days as from the date of notification of this decision, the amount of EUR 92,336.84 plus 5% interest p.a. on said amount as from 18 February 2016 until the date of effective payment.*
3. *In the event that the aforementioned sum plus interest is not paid by [Corinthians] within the stated time limit, the present matter shall be submitted, upon request, to FIFA’s Disciplinary Committee for consideration and a formal decision.*
4. *The final amount of costs of the proceedings in the amount of CHF 8,000 are to be paid by [Corinthians] within 30 days from the date of notification of the present decisions as follows:*
 - 4.1 *The amount of CHF 2,000 has to be paid to [Flamengo].*
 - 4.2 *The amount of CHF 6,000 has to be paid to FIFA”.*

21. On 18 February 2019, FIFA DRC’s decision was communicated to the parties.

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

22. On 8 March 2019, the Appellant filed its Statement of Appeal in accordance with articles R47 and R48 of the CAS Code of Sports-related Arbitration (the “CAS Code”) against Flamengo and FIFA. The Appellant challenged the decision delivered by FIFA DRC on 10 August 2018 (the “Appealed Decision”).
23. On 19 March 2019, the Appellant filed its Appeal Brief in accordance with Article R51 of the CAS Code.
24. On 22 March 2019, FIFA requested to be excluded from the procedure, claiming that it had acted in his role as the competent deciding body of the first instance, and not a party to the dispute. On 28 March 2019, the Appellant agreed to exclude FIFA from the procedure, so that Flamengo remained as the only respondent.
25. On 16 April 2019, the President of the CAS Appeals Arbitration Division (the “Division President”) decided to submit the case to a sole arbitrator, whose name would be communicated to the Parties in due course.
26. On 26 April 2019, the Division President appointed Mr Francisco Müssnich as the Sole Arbitrator.
27. On 16 May 2019, the Respondent filed its Answer in accordance with Article R55 of the CAS Code.

28. On 24 May 2019, the CAS Court Office invited the Parties to inform if they preferred a hearing to be held on the procedure. On 27 and 31 May 2019, respectively, the Respondent and the Appellant stated that they preferred the award to be based solely on the Parties' written submissions.
29. On 20 June 2019, the CAS Court Office sent the Parties the Order of Procedure, which was returned duly signed on 24 and 25 June 2019 by the Respondent and the Appellant respectively. By the signature of the Order of Procedure, the Parties confirmed that their right to be heard had been respected.

IV. SUBMISSIONS OF THE PARTIES

A. The Appellant

30. Corinthians submitted the following requests for relief:
- “(i) To fully dismiss and annul the decision issued by the FIFA DRC since it violates principles of laws, as well as the mandatory rules set out in its own regulation, in order to absolve Corinthians of the payment in favor of [Flamengo], taking into consideration that Flamengo has already claimed the solidarity contribution over the full amounts of EUR 3,500,000 (transfer from Leverkusen to Corinthians) and EUR 8,000,000 (transfer from Corinthians to Beijing Guoan FC).*
 - “(ii) To condemn the [Respondent] to the payment of the legal expenses incurred by the Appellant; and*
 - “(iii) To establish that the costs of the ongoing arbitration will be borne by the [Respondent]”.*
31. Alternatively, in case the previous requests are rejected, the Appellant requests the Tribunal:
- “(iv) To alter the decision passed by FIFA DRC, to determine that the solidarity contribution claimed by [Flamengo] shall be based on the amount of EUR 3,000,000, and not deducted from the amount of EUR 3,157,894.73”.*
32. The Appellant's submissions, in essence, may be summarized as follows:
- (a) the solidarity contribution is made over the *full compensation* paid by the new club to the former club. The full compensation for the Player's transfer to Beijing was EUR 8,000,000 and Flamengo has already received solidarity contribution based on the entire amount of EUR 8,000,000;
 - (b) the expression “*any compensation*” of Annexe 5, article 1, of FIFA RSTP is twofold: it can mean “any forms of payment”, such as money or exchange of players, or it can be related to a “conditional transfer fee” that could possibly be added to the fixed transfer fee. It does not encompass the sell-on fee paid to Leverkusen, especially because it is a mere part of the full compensation;

- (c) the solidarity contribution is due when there is a transfer of a player and not when there is a simple transfer of money;
- (d) Flamengo wishes to receive three times the solidarity contribution over two transfers of the Player, with no legal basis;
- (e) Flamengo's requests are unreasonable and constitute *bis in idem* and unjust enrichment.
- (f) if the solidarity contribution was also based on the sell-on fee, Beijing would be the one responsible to pay it, as it is the Player's new club and as it assumed the obligation to pay the solidarity contributions on Clause 4 of the Transfer Agreement. Corinthians cannot be considered the "new club" for that matter, because the sell-on clause grants Leverkusen a right to a payment over the transfer of the Player from Corinthians to Beijing, and not from Leverkusen to Corinthians. Furthermore, the amount of EUR 3,000,000 to be paid by Corinthians to Leverkusen did not belong to Corinthians, since Leverkusen kept 50% of the financial and economic rights of the Player;
- (g) alternatively, if Corinthians is considered liable to pay Flamengo the solidarity contribution based on the sell-on fee, it should be calculated over the amount of EUR 3,000,000 and not EUR 3,157,894.73, as the total amount of the sell-on fee was EUR 3,000,000.

B. The Respondent

33. The Respondent submitted the following requests for relief:

- "a) Dismiss all the allegations put forward by Sport Club Corinthians Paulista;*
- b) Dismiss the present appeal and confirm the decision rendered by the FIFA Dispute Resolution Chamber on 10 August 2018 in totum;*
- c) Order Sport Club Corinthians Paulista to bear any and all CAS administrative and procedural costs, which have already been incurred or may eventually be incurred in connection with this arbitration; and*
- d) Grant Clube de Regatas do Flamengo a contribution towards its legal fees and other expenses incurred in connection with these proceedings, pursuant to Article R64.5 of the CAS Code, in an amount to be fixed by the Panel".*

34. The submissions of the Respondent may, in essence, be summarized as follows:

- (a) upon the inclusion of the sell-on clause in the Leverkusen agreement, the subsequent transfer of the Player to China triggered two separate payment obligations: one for Beijing in favor of Corinthians (in the total amount of EUR 8,000,000) and one for Corinthians to Leverkusen (in the amount of EUR 3,000,000). Both give rise to the distribution of the solidarity contribution;

- (b) article 21 and Annexe 5, article 1, of the FIFA RSTP establish that “*any compensation*” paid in connection with the transfer of the player shall be taken into account in the calculation of the solidarity mechanism. CAS and FIFA interpret this provision as encompassing any type of consideration given by a party in exchange for the transfer of a player, including any fixed or *conditional fees* – and the sell-on clause is a *conditional fee*;
- (c) scholars have remarked that the solidarity contribution is to be calculated on the actual payment of any amount of compensation, which may be defined broadly so as to include amongst others the amounts received by the selling club in relation to a sell-on clause triggered when the buying club transfers the player to a third club;
- (d) the fact that the three clubs agreed the sell-on fee should be paid by Beijing straight to Leverkusen shall not influence or anyhow circumvent Flamengo’s right to the solidarity contribution over the fee;
- (e) if any reason existed for Beijing to make a payment in favor of Leverkusen, it was exclusively the sell-on fee promised by Corinthians under the agreement with Leverkusen;
- (f) according to CAS case law, the solidarity contribution must be deducted over the gross transfer value. Thus, Flamengo is entitled to receive 58.48% of 5% of the gross value of EUR 3,157,894.73.

V. JURISDICTION

35. Pursuant to article R47 of the Code:

“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 that body”.

- 36. The jurisdiction of CAS, which is not disputed, derives from articles 57 ff. of the FIFA Statutes, which state in particular that CAS has jurisdiction to consider appeals against a decision of the FIFA DRC.
- 37. It is further confirmed by the order of procedure duly signed by the parties.
- 38. It follows that CAS has jurisdiction to decide the dispute. Thus, under article R57 of the Code, the Sole Arbitrator has the full power to review the facts and the law.

VI. ADMISSIBILITY

39. The appeal is admissible as the Appellant submitted it within the deadline provided by article R49 of the Code as well as by article 58, para. 1, of the 2018 edition of the FIFA Statutes (“FIFA Statutes”). It complies with all the other requirements set forth by article R48 of the Code.

VII. APPLICABLE LAW

40. Article R58 of the Code provides the following:

“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”.

41. Pursuant to article 57, para. 2, of the FIFA Statutes, “[t]he provisions of the CAS Code of Sports-related Arbitration shall apply to the proceedings. CAS shall primarily apply the various regulations of FIFA and, additionally, Swiss law”.
42. Regarding the issue at stake, the appeal is directed against a decision of FIFA DRC and the parties have not agreed to apply any specific national law. As a result, the dispute is subject to the primacy of FIFA Statutes and regulations, especially the 2015 edition of the FIFA RSTP, and Swiss Law shall apply subsidiarily.
43. The parties do not contest the application of FIFA RSTP and the complementary application of Swiss Law or CAS jurisdiction.

VIII. MERITS

44. The parties do not contest that R. was registered as amateur player with Flamengo from 9 May 2001 until 10 July 2008 (from the age of 13 until the age of 20). It is also undisputed that Beijing has paid to Flamengo the share of solidarity contribution in connection with the amount of EUR 8,000,000. Thus, these aspects do not need to be addressed any further.
45. As a result, the issues to be resolved by the Sole Arbitrator are:
- (a) Beijing paid a transfer fee of EUR 8,000,000 net worth on the transfer of R.: EUR 5,000,000 to Corinthians and EUR 3,000,000 to Leverkusen. Flamengo received a share of solidarity contribution in connection with the total amount of the transfer fee. Annexe 5, article 1, of FIFA RSTP establishes the obligation of the new club to pay the solidarity contribution over “any compensation” received by the former club. In view of that, is Flamengo entitled to receive a new share of solidarity contribution over the amount paid by Beijing, on behalf of Corinthians, to Leverkusen?

- (b) If Flamengo is entitled to receive its share of solidarity contribution over the sell-on fee, should it be based on the net value of EUR 3,000,000 or on the gross value of EUR 3,157,894.73?

A. Is Flamengo entitled to receive a new share of solidarity contribution over the amount paid by Beijing, on behalf of Corinthians, to Leverkusen?

46. Flamengo is not entitled to receive a new share of solidarity contribution over the amount paid by Beijing, on behalf of Corinthians, to Leverkusen, because this share was included in the solidarity contribution Flamengo received from Beijing. In this specific case, accepting Flamengo's claim would result in *bis in idem*.
47. The solidarity mechanism is meant to redistribute the value of the training given to the players. It promotes the formation of young players by financially rewarding the clubs (particularly grassroots clubs) that invest in their training and education. The clubs that formed the player benefit from the compensation paid by new clubs to whom the player is transferred (CAS 2012/A/2929 and CAS 2012/A/2944).
48. Indeed, article 21 and Annexe 5, article 1, of FIFA RSTP set forth that, when a player is transferred before the expiration of his contract, the new club must withhold 5% of the *transfer compensation* paid and split the amount withheld among the clubs where the player was registered as amateur (*i.e.* between the ages of 12 and 23). Article 1, specifically, clarifies that the calculation basis of the solidarity mechanism is the "*total amount*" of "*any compensation*" paid by the new club. The provision reads as follows:
- "If a professional moves during the course of a contract, 5% of any compensation, not including training compensation paid to his former club, shall be deducted from the total amount of this compensation and distributed by the new club as a solidarity contribution to the club(s) involved in his training and education over the years".*
49. Thus, when article 1 provides that the solidarity contribution is deducted from the "*total amount*" of "*any compensation*" paid by the new club, it refers to the *entire amount* negotiated for the transfer of the player – not only the main and fixed transfer fee, but all the portions of the price that add up to the transfer fee, such as conditional fees (*e.g.*: performance bonus) and players exchanged as part of the compensation, all globally considered.
50. CAS case law confirms it is the whole "*price or value of the transaction*" that must be taken into account "*for the purposes of the solidarity contribution mechanism*" (CAS 2011/A/2356). The calculation basis is the "*total amount of compensation negotiated for the player transfer*" (CAS 2015/A/4137).
51. In the case at hand, the total amount negotiated for the Player's transfer was EUR 8,000,000, thus this is the calculation basis of the solidarity contribution. It is a sum of two steps: (a) a EUR 5,000,000 payment to Corinthians (then the Player's current club) and (b) a EUR 3,000,000 payment to Leverkusen (the club to which the Player was previously registered), that Beijing paid *on behalf* of Corinthians (the Sole Arbitrator notes that, even in light of the recent FIFA's ban on third party ownership, a former club where the player was registered can own

economic rights over the player's transfer and thus receive amounts of the transfer fee, in light of the current FIFA RSTP's definition of "*third party*").

52. It is true that these payments could have been made in two different transactions: a first transaction of EUR 8,000,000 from Beijing to Corinthians and a second transaction from Corinthians to Leverkusen, splitting EUR 3,000,000 of the EUR 8,000,000 to Leverkusen. It is also true that the clubs agreed that Beijing would pay EUR 3,000,000 straight to Leverkusen for practical and convenience reasons only.
53. However, one must not confuse the *compensation* for the transfer of a player (to which Annexe 5, article 1 refers) with the *payments* made to perform this compensation.
54. Compensation encompasses the remuneration and other benefits received in return for services rendered, while payment is the performance of an obligation, usually by the delivery of money.
55. Thus, the amount paid as *compensation* must correspond to the value received in return; in other words, the compensation has a *corresponding nature*. In the case of transfers of players, the compensation is the total amount given in return for registering the player in a new club and it can be split among parties in several different *payments*.
56. The *only* amount to be taken as the calculation basis of the solidarity mechanism is the total amount given as *compensation*, as states article 1 of Annexe 5 of FIFA RSTP. Otherwise, if we add the payments made within the holders of the players' economic rights, we would incur in *bis in idem*, as those are nothing more than *part* of the total value.
57. This would lead to unprecedented scenarios in which the solidarity contribution would be disproportionately high, violating the spirit of FIFA RSTP, which established the maximum of 5% of the total compensation in each transfer. For the sake of reasoning, let's assume that Club K formed a player. Let's assume further that after the player turned 24, he worked in three other clubs and each of them owns part of the economic rights related to the player, waiting for an international transfer to realize the investment. Club A owns 10%, Club B, 20%, and Club C, 70%. Finally, the player is transferred to an international club, Club D, for EUR 10 million. If Flamengo's argument prevailed, we would have the following situation:
 - Club D, new club, would pay EUR 10 million to Club C and Club K would receive EUR 500,000 as solidarity contribution;
 - Club C would pay EUR 2 million out of these EUR 10 million to Club B and Club K would receive EUR 100,000 as solidarity contribution;
 - Club C would also pay EUR 1 million out of these EUR 10 million to Club A and Club K would receive EUR 50,000 as solidarity contribution;
58. In the end, Club K that formed the player would receive a total of EUR 650,000 as solidarity contribution. A total of 6,5% of the *compensation*, way more than the 5% established in FIFA RSTP, that would sum only EUR 500,000. In other words: Flamengo's argument would lead to

an illogical situation and, as it is common knowledge, the interpretation of any given law cannot lead to an absurd conclusion.

59. Thus, Flamengo is correct when it argues that payment of conditional fees, such as the sell-on fee to Leverkusen, must be taken into account when assessing the amount of the solidarity contribution. But in the case at hand, the sell-on fee *has already been taken into account*.
60. The EUR 8,000,000 transfer fee amount encompasses both the fee paid to Corinthians and the sell-on fee paid to Leverkusen. Thus, when Beijing paid to Flamengo the solidarity contribution in connection with the EUR 8,000,000 compensation, *the sell-on fee was taken into account*.
61. It is not reasonable to claim, although creatively argued, a new share of solidarity contribution based once again on the same sell-on fee just because the former club split part of the compensation with a third club. Accepting such claim would violate the principle of *ne bis in idem*, as the same triggering event cannot lead to two different solidarity contributions.
62. Thus, Flamengo is not entitled to receive a new share of solidarity contribution over the sell-on fee paid by Beijing, on behalf of Corinthians, to Leverkusen, because it has already received the amount to which Flamengo was entitled.

B. If Flamengo is entitled to receive its share of solidarity contribution over the sell-on fee, should it be based on the net value of EUR 3 million or on the gross value of EUR 3,157,894.73?

63. Considering that the Sole Arbitrator deems that Flamengo is not entitled to receive a new share of solidarity contribution over the sell-on fee paid to Leverkusen, the discussion regarding the fee's gross-up is moot.

IX. CONCLUSION

64. In its request for relief, the Appellant asked the Sole Arbitrator to *“fully dismiss and annul the decision issued by the FIFA DRC” “in order to absolve Corinthians of the payment in favor of [Flamengo]”*.
65. Based on the foregoing, the Sole Arbitrator holds that the Appealed Decision and the obligation to collect the solidarity contribution FIFA DRC imposed on Corinthians are not valid.
66. Thus, the Sole Arbitrator grants the request to uphold the appeal and set aside in full the Appealed Decision. All other and further motions or prayers for relief are dismissed.

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by Sport Club Corinthians Paulista on 8 March 2019 against Clube de Regatas do Flamengo with respect to the decision issued on 10 August 2018 by the Dispute Resolution Chamber of FIFA is upheld.
2. The decision issued on 10 August 2018 by the Dispute Resolution Chamber of FIFA is set aside.
3. (...).
4. (...).
5. All other and further motions or prayers for relief are dismissed.