



Review of Court of Arbitration for Sports Cases – July 2025



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1. CAS 2023/A/10032 WOLVERHAMPTON WANDERERS FC v. FÉDÉRATION INTERNATIONALE DE FOOTBALL ASSOCIATION (FIFA)

The Appellant, Wolverhampton Wanderers FC, is a professional football club with its registered office in Wolverhampton, United Kingdom. The Club is affiliated with the English Football Association Limited (“The FA”), which in turn is affiliated with the Fédération Internationale de Football Association (“FIFA”).

The Respondent, Fédération Internationale de Football Association (FIFA), is the international governing body of football.

The issue for consideration arises from the attempted transfer of a minor British player, L.F.O., born on June 27, 2007. He is registered as an amateur player under the Derry City Academy. Although Derry City is located in Northern Ireland, which is part of the United Kingdom, the club is affiliated with the Football Association of Ireland (FAI).

On July 4, 2023, Wolverhampton Wanderers FC, through the FA, submitted an application in the Transfer Matching System (TMS) for the international transfer of L.F.O., who was 16 years old at the time.

However, pursuant to the provisions of the FIFA Regulations on the Status and Transfer of Players (RSTP), the international transfer of minors under the age of 18 is generally prohibited, subject to specific exceptions¹.

The application for the transfer of L.F.O. was submitted pursuant to an exception to the general prohibition under Article 19 of the FIFA Regulations on the Status and Transfer of Players. This exception permits the international transfer of players aged between 16 and 18 if: the transfer takes place within the territory of the European Union (EU) or the European Economic Area (EEA); or the transfer occurs between two associations within the same country.² There are also obligations which the club must fulfil before such transfer can occur³. The FA, acting on behalf of Wolverhampton Wanderers FC, submitted evidence to FIFA demonstrating that the club had fulfilled all necessary obligations required for the application to be granted.

The Football Association of Ireland (FAI), however, opposed the application. FAI relied on a prior agreement between FIFA and itself, which established that the exception under Article 19(2)(b) of the RSTP could only apply to minors who had resided and received education in Northern Ireland for a continuous period of five years prior to the proposed transfer. The FAI argued that this exception does not extend to players of Derry City FC who reside or are educated in the Republic of Ireland. In support of their objection, the FAI submitted evidence confirming that L.F.O. was educated in the

¹ Article 19(1) of RSTP

² Article 19(2) (b) of RSTP

³ Article 19(2) (b) iii-vi



Republic of Ireland. Based on this, the FAI maintained that the agreement must be upheld, and no exception should be allowed in this case.

On 3 August 2023, a Single Judge of the FIFA Players' Status Chamber rejected the FA's application, basing the decision on the provisions of Article 19 of the RSTP. The Judge held that, although Derry City FC is geographically based in Northern Ireland (United Kingdom), the club is affiliated with the FAI, which is the football association of the Republic of Ireland. As a result, the transfer was not considered to be taking place within the European Union (EU) or European Economic Area (EEA), nor was it occurring between two associations within the same country. Consequently, the transfer was not covered under the exceptions provided in Article 19(2)(b) of the RSTP.

The Judge also relied on an earlier decision issued by the Chairman of the Players' Status Committee on 2 August 2023, which clarified that the exception under Article 19(2)(b) could only apply to minors from Derry City FC if the player had lived continuously in the United Kingdom for at least five years and fulfilled all other requirements under the provision.

CAS PROCEEDINGS

On 5 October 2023, the Club filed a Statement of Appeal with the Court of Arbitration for Sport (CAS) against the Respondent in relation to the Appealed Decision. The appeal was based on several grounds, with particular emphasis on the fact that the purported agreement between FIFA and the FAI, which introduced a five-year residency and education requirement, was exclusively between FIFA and the FAI. The Club asserted that it was not informed of such a requirement prior to submitting the transfer application.

The Club also formally requested a copy of the alleged agreement between FIFA and the FAI. However, this request was initially denied. The Appellant persisted in its demand for disclosure, and on 2 February 2024, the Respondent responded, confirming that no written agreement between FIFA and the FAI regarding the transfer of players between Ireland and the United Kingdom exists. Instead, FIFA explained that the matter had been discussed during multilateral telephone conversations among representatives of the relevant federations.

The Panel, in its deliberation, considered the exception under Article 19(2)(b) of the FIFA Regulations on the Status and Transfer of Players (RSTP). The core issue before the Panel was whether a player holding dual citizenship, specifically, passports from both the Republic of Ireland and the United Kingdom, could be registered as a minor with the Club, in light of the unique circumstances surrounding Derry City FC, the club with which the player is registered.

The Panel reaffirmed that, as a general rule, the international transfer of minors is prohibited, the objective being to safeguard the welfare and interests of young players. However, an exception to this general rule exists under Article 19(2)(b), which permits such transfers when the move occurs within the territory of the European Union (EU)



or European Economic Area (EEA), or between two associations within the same country.

The Panel finds that the appealed decision, based solely on a rigid application of the rules without consideration of the individual's rights, has in fact led to an incorrect determination regarding the Player's status. However, the Respondent sees this strict application of Article 19 of the RSTP as necessary to protect minors involved in potential transfers.

The Panel considers that the Player has dual citizenship, which entitles him to the rights of both countries, including the freedom to live and travel between them without restraint. The Panel refers to Article 3 of the FIFA Statutes, which states: "FIFA is committed to respecting all internationally recognized human rights and shall strive to promote the protection of these rights." The Panel deems the denial of the transfer not merely as a restriction on club registration, but as a breach of the Player's personal rights, despite his nationality in both countries.

The Respondent argued that the rationale behind the five-year rule is to ensure that the Player has been a genuine resident of Northern Ireland for a substantial period, thereby avoiding situations where players relocate to Northern Ireland solely for the purpose of international transfers through Derry City FC. However, since the Player is a national of both countries, the Panel finds that there is a strong and stable connection to Northern Ireland.

In addition, evidence was provided confirming that the other requirements under Article 19(2)(iii–vi) have been satisfied, and that the Player has been adequately supported to thrive in the new environment.

By a majority, the Panel holds that the appeal is upheld. The Player is permitted to be registered with the English football club. The Respondent is ordered to bear the costs of arbitration and to pay a contribution toward the Appellant's legal fees.

2. CAS 2024/A/10505 ADANA DEMIRSPOR V. GORAN KARACIC

This case concerns a contractual dispute between the Turkish club Adana Demirspor and its player, Goran Karacic, which culminated in a claim before the FIFA Dispute Resolution Chamber (DRC).

On 3 August 2022, Karacic signed a three-season professional employment contract with Adana Demirspor, earning EUR 300,000 annually in 10 monthly instalments, alongside bonuses and additional benefits. During September 2023, the club issued two "Permission Letters" excusing him from training, after which Karacic discovered that he was not registered on the club's official "A" team list for the 2023/2024 season, effectively excluding him from participating in official matches. On 25 September 2023, citing this exclusion, lack of communication, and the impact on his career, the player terminated the contract with immediate effect. The club denied any wrongdoing, arguing



that his non-registration was temporary due to foreign player limits, that he had agreed to it, and that he could continue training.

On 20 October 2023, Karacic lodged a claim before FIFA alleging breach of contract without just cause. The club counterclaimed, alleging wrongful termination and seeking compensation. After reviewing the parties' submissions, the FIFA DRC found that Adana Demirspor had failed to meet its contractual obligations by excluding Karacic from the A team and thereby preventing him from playing, which amounted to a serious breach of contract.

In its decision of 21 March 2024, the FIFA DRC upheld Karacic's claim, ordering Adana Demirspor to pay him EUR 60,000 as outstanding remuneration and EUR 728,870 as compensation for breach of contract, both with 5% interest from 25 September 2023. The club was also warned of a transfer ban if payment was not made within 45 days. The DRC rejected the club's counterclaims.

CAS PROCEEDINGS.

In its reasoning, the CAS Panel found that Adana Demirspor had engaged in a deliberate course of conduct aimed at excluding the Player from the first team, which clearly demonstrated bad faith and a lack of interest in keeping him. The Panel held that the two Permission Letters issued without any evidence that the Player had requested them were clear indications of the Club's intention to push him out, particularly given that the Club had already signed another goalkeeper on 8 September 2023.

These letters, according to the Panel, were a prelude to the decision not to register the Player. The Panel emphasized that Article 14(2) of the FIFA Regulations on the Status and Transfer of Players (RSTP) allows termination with just cause where a party uses abusive conduct to force the counterparty to leave or change contractual terms.

The Panel rejected the Club's assertion that the deregistration was temporary or caused by exceptional circumstances such as the foreign player quota, noting that these claims were unsubstantiated. It held that the Club's conduct, including knowingly exceeding the foreign players' limit, was intentional and designed to replace the Player, inducing him to terminate the contract. The Panel also recalled prior CAS jurisprudence that national quotas cannot justify removing a player from the first team or relegating them to reserves, as a professional football club's basic obligation is to employ the player in accordance with the contract.

Having reviewed the evidence, the Panel concluded that by the time of the deregistration, the Club was no longer respecting the essential terms of the Employment Contract and no longer wished to keep the Player. These actions destroyed the relationship of trust between the parties and provided the Player with just cause to terminate the contract on 25 September 2023 under Article 14 RSTP. The Panel also stated that even if the Club no longer wanted the Player, it should have sought a good faith solution, such as arranging a loan or a mutually beneficial transfer. Finally, the Panel rejected the Club's argument that the Player needed to issue prior notice, holding that the severity of the breach and the



impossibility of remedying it after the registration window justified immediate termination without prior warning.

Overall, the CAS dismissed the appeal, confirming that the Club's actions including exclusion from first-team training, unjustified permission letters, and failure to register constituted a serious breach of the Player's contractual rights, entitling him to terminate the contract with just cause and upholding the decision of the FIFA DRC.

3. CAS 2024/A/10957 FC CHORNOMORETS ODESA V. LA GALAXY II

Training compensation is a system under FIFA rules designed to reward clubs that have invested in the training and development of a player between the ages of 12 and 21. When a professional player is registered for the first time with a club in a new association, or when a player is transferred between associations before the end of the season of his 23rd birthday, the new club must pay training compensation to the club(s) that trained the player. The amount is calculated based on the training costs of the new club and the length of time the player was registered with the training clubs.

In this case, the Mexican player Jorge Hernández, born on 8 November 2000, was developed and trained by LA Galaxy II ("Galaxy") in the United States, where he remained registered until 30 November 2021, when his contract expired. On 18 February 2022, during the calendar year of his 22nd birthday, the player was registered as an out-of-contract professional with Chornomorets Odesa ("Chornomorets") of Ukraine under a contract running until 30 June 2023. Less than a month later, on 8 March 2022, this contract was terminated, and by May 2022 the player had signed with the Belgian club KV Mechelen.

SOLICITORS ADVOCATES & ARBITRATORS

Following these registrations, Galaxy sought payment of training compensation. After its demand to KV Mechelen was rejected, Galaxy directed its claim to Chornomorets, asserting that under FIFA's Regulations on the Status and Transfer of Players (RSTP) Chornomorets was responsible as the first club outside the United States to register the player as a professional. When Chornomorets failed to respond, Galaxy filed a formal claim before the FIFA Dispute Resolution Chamber (FIFA DRC) in May 2023, initially naming both Chornomorets and KV Mechelen. FIFA, however, advised that it was not technically possible to bring the case against two clubs and indicated that if Galaxy did not choose, the matter would proceed against Chornomorets only. Galaxy did not respond, so the claim continued solely against Chornomorets.

During the proceedings, FIFA made two separate settlement proposals: first, on 25 May 2023, suggesting that Chornomorets pay EUR 198,754.10; and later, on 25 August 2023, correcting the calculation and proposing EUR 234,800.81. While Galaxy accepted the corrected amount, Chornomorets rejected it. Consequently, the matter was referred to the FIFA DRC for a final decision.

On 8 January 2024, the FIFA DRC rendered its decision. It ruled that Chornomorets was liable to pay Galaxy EUR 224,472.94 as training compensation, plus 5% interest per



annum from 21 March 2022 until full payment. The DRC stressed that the obligation to pay training compensation arises from the registration of the player, regardless of whether the club benefited from the player's services or for how long he stayed. The DRC also imposed procedural costs of USD 20,000 on Chornomorets and indicated that, in the event of non-payment within 45 days, a transfer ban would be imposed on the club. The grounds of this decision were notified to the parties on 3 October 2024, and Chornomorets has now appealed to CAS.

PROCEEDINGS BEFORE CAS

In the appeal before the Court of Arbitration for Sport (CAS), Chornomorets (the Appellant) argued that the FIFA DRC decision was flawed both procedurally and substantively. The club contended that FIFA breached due process by failing to include KV Mechelen (KVM) as a co-respondent despite the fact that KVM was also involved in the player's subsequent registration. Chornomorets submitted that under Article 20 and Annex 4 of the FIFA RSTP, training compensation should be borne by the "new club," defined as the club that benefits from a player's services. Since the Player was registered with Chornomorets for only 20 days, did not play any official matches, and the club derived no benefit from his services due to extraordinary circumstances, it argued that it had no standing to be sued and no obligation to pay training compensation. Furthermore, Chornomorets requested that if the decision was annulled, FIFA be ordered to refund the procedural costs of USD 20,000 imposed by the DRC.

On the other hand, Galaxy (the Respondent) opposed the appeal, emphasizing that the regulations on training compensation are clear: liability arises from the registration of a player with a new club, not from the length of time he stays or the benefit obtained from him. Galaxy argued that there is no exception in the FIFA RSTP allowing a club to escape payment based on lack of profit or short duration of the player's registration. It further submitted that the jurisprudence cited by Chornomorets relating to "bridge transfers" is irrelevant here, as there was no such allegation in this matter. Galaxy contended that the absence of KVM as a respondent had no impact on the proceedings, because FIFA was competent to assess liability and hold the correct party responsible, which in this case was Chornomorets.

The Sole Arbitrator noted that the jurisdiction of CAS was not disputed by either party. Applying the 2024 edition of the FIFA Statutes (as procedural rules in force at the time of the appeal), he held that CAS has jurisdiction to hear the case pursuant to Article 50(1) of the FIFA Statutes and Article R47 of the CAS Code. The Arbitrator also confirmed that the appeal was filed within the prescribed 21-day deadline, complied with all procedural requirements, and that the payment of the CAS Court Office fee had been made. Accordingly, the appeal was found to be admissible.



DECISION OF THE COURT OF ARBITRATION FOR SPORTS.

The Sole Arbitrator first considered the regulatory framework under Articles 1, 2, 3 and 5 of Annex 4 to the FIFA Regulations on the Status and Transfer of Players (RSTP). These provisions establish that training and education take place between the ages of 12 and 23, and that training compensation is payable when a player is registered for the first time as a professional or when a professional player is transferred internationally before the end of the season of his 23rd birthday. In both scenarios, the new club with which the player is registered bears the responsibility to pay the training compensation to the club(s) that trained the player.

Against this background, the Sole Arbitrator addressed four main issues.

First, on the question of standing to be sued, he held that Chornomorets clearly had standing, as Galaxy's claim before the FIFA Dispute Resolution Chamber (DRC) was directed specifically at Chornomorets seeking payment of training compensation. The fact that a financial claim was sought against it was enough to establish standing.

Second, the Arbitrator considered Chornomorets' argument that Galaxy acted inconsistently (*venire contra factum proprium*) by initially presenting alternative claims against KVM. He rejected this argument, finding that Galaxy had maintained its primary claim against Chornomorets throughout and had not breached principles of fairness or consistency.

Third, regarding alleged procedural flaws in the FIFA DRC proceedings particularly FIFA's decision to proceed only against Chornomorets due to technical issues—the Arbitrator confirmed that any such deficiencies were cured by the *de novo* nature of the CAS proceedings. Moreover, FIFA had given Galaxy a choice to proceed against either Chornomorets or KVM, and Galaxy's tacit choice to pursue Chornomorets was valid.

Fourth, on the substance of the dispute, the Sole Arbitrator examined whether Galaxy was entitled to training compensation. He emphasized that the purpose of the training compensation system is to ensure that clubs that have trained a player between ages 12 and 21 are compensated when the player signs his first professional contract or is subsequently transferred to a new club before the end of the season of his 23rd birthday. The Arbitrator confirmed that the "new club" is responsible for paying compensation, and there is no distinction in liability whether it is a first registration or a subsequent transfer. Relying on the RSTP and the official FIFA Commentary, he found that since the player was registered with Chornomorets as a professional on 18 February 2022 (before his 23rd birthday), Chornomorets was in principle the "new club" and thus liable to pay Galaxy training compensation.

Finally, the Arbitrator noted that exceptions to the payment of training compensation (such as under Article 6(3) of Annex 4 for transfers within the EU/EEA) did not apply in this case because Galaxy's association was not in the EU/EEA.



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