CAS 2024/A/10601 FC Dinamo City v. FK Laçi

ARBITRAL AWARD

delivered by the

COURT OF ARBITRATION FOR SPORT

sitting in the following composition:

Sole Arbitrator: Mr. Eirik Monsen, Attorney-at-Law, Oslo, Norway

In the arbitration between

Football Club Dinamo City, Durres, Albania

Represented by Mrs. Patrizia Diacci and Mr. Jacopo Bonsi, Attorneys-at-Law at Andersen, Venice, Italy

Appellant

and

Klubi Futbollit Laçi, Lac, Albania

Represented by Mr. Jan Schweele, Attorney-at-Law at Berlin Sports Law, Lisbon, Portugal

Respondent

I. PARTIES

1. Football Club Dinamo City (the "Appellant") is a professional football club affiliated to the Albanian Football Association, Federata Shqiptare e Futbollit ("FSHF"), which in turn is affiliated with the Fédération Internationale de Football Association ("FIFA").

2. Klubi Futbollit Laçi (the "Respondent") is a professional football club, also affiliated to the FSHF, which in turn is affiliated with FIFA.

3. The Appellant and the Respondent are jointly referred to as the Parties.

II. FACTUAL BACKGROUND

4. Below is a summary of the main relevant facts and allegations based on the Parties´ written submissions and relevant documentation produced in this appeal. 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, legal arguments, and evidence submitted by the Parties in the present proceedings, it refers in this Award only to the submissions and evidence it considers necessary to explain its reasoning.

5. The present dispute concerns the entitlement to payment of training compensation regarding the Albanian player, Mr. Albion Marku, born on 14 October 2000 (the "Player").

A. Registration of the Player – Player Passport

6. According to the player passport issued by the FSHF ("Player Passport"), the Player was registered with the club, NK Lokomotiva Kroaci (Croatia) as a professional between 6 July 2019 and 28 August 2022, save for loan periods with the Respondent as from 31 January 2020 until 15 September 2020 and from 2 October 2020 until 13 June 2021, and save for loan period with the club, NK Partizan Tirane, as from 3 September 2021 until 14 June 2022.

7. Further, according to the Player Passport, on 30 August 2022 the Player was transferred from the Croatian club, NK Lokomotiva Kroaci to the Appellant where he was registered as a professional. The transfer took place during the Player´s 22nd birthday.

8. Also, based on the information available in the FIFA TMS regarding FIFA categorization in connection with player´s training costs, the Appellant belonged to the UEFA clubs 'category III at the time the Player was registered with it, i.e., on 30 August 2022.

B. Proceedings before the FIFA Dispute Resolution Chamber (FIFA DRC)

9. On 2 February 2023, the Respondent lodged a claim before the FIFA DRC claiming the payment of training compensation on the basis of the registration of the Player as a professional with the Appellant. The Respondent requested EUR 41,095.89 plus 5% interest p.a. as of the due dates of payment.

10. On 7 February 2023, the FIFA general secretariat addressed the Parties with a proposal for settlement, suggesting that FC Dinamo should pay the sum of EUR 39,780.82 as training compensation plus 5% interest per annum as from 30 September 2022 until the date of effective payment, to Klubi Futbollit Laçi.

11. On 27 February 2023, the Appellant rejected the claim and proposal, arguing it was a category IV club by the time it registered the Player and therefore no training compensation was due.

12. On 19 December 2023, the single judge of the FIFA DRC decided on the dispute between the Parties and rendered the following decision (the "Appealed Decision"):

> 1. *The claim of the Claimant, Laçi, is partially accepted.*
>
> 2. *The Respondent, Dinamo City, has to pay to the Claimant the amount of EUR 39,780.82 as training compensation plus 5% interest p.a. as from 30 September 2022 until the date of effective payment.*
>
> 3. *Any further claims of the Claimant are rejected.*
>
> 4. *Full payment (including all applicable interest) shall be made to the bank account indicated in the enclosed Bank Account Registration Form.*
>
> 5. *Pursuant to article 24 of the Regulations on the Status and Transfer of Players if full payment (including all applicable interest) is not paid within 45 days of notification of this decision, the following consequences shall apply:*
>
>> 1. *The Respondent shall be banned from registering any new players, either nationally or internationally, up until the due amount is paid. The maximum duration of the ban shall be of three entire and consecutive registration periods.*
>>
>> 2. *The present matter shall be submitted, upon request, to the FIFA Disciplinary Committee in the event that full payment (including all applicable interest) is still not paid by the end of the three entire and consecutive registration periods.*

6. *The consequences shall only be enforced at the request of the Claimant in accordance with article 24 paragraphs 7 and 8 and article 25 of the Regulations on the Status and Transfer of Players.*

7. *The final costs of the proceedings in the amount of USD 4,500 are to be paid to FIFA reference to case no. TMS 12281 (cf. note relation to payment of the procedural costs below) as follows:*

- *the amount of USD 1,500 shall be paid by the Claimant; and*
- *the amount of USD 3,000 shall be paid by the Respondent.*

13. On 25 April 2024, the FIFA DRC notified the grounds of the Appealed Decision to the Parties.

C. Grounds of the Appealed Decision

14. Firstly, the Single Judge established that it had jurisdiction and that the claim was admissible, which was undisputed by the Parties.

15. Furthermore, the Single Judge decided that applicable law was the July 2022 edition of the Regulations on the Status and Transfer of Players ("RSTP"), and the March 2023 edition of the Procedural Rules Governing the Football Tribunal ("Procedural Rules").

16. Having established the above the Single Judge referred to art. 2 par. 1 lit. ii) of Annexe 4 of the RSTP which state that training compensation is due when: "*a professional is transferred between clubs of two different associations (whether during or at the end of his contract) before the end of the calendar year of his 23rd birthday*".

17. With reference to the information available on TMS, the Single Judge stated as the Respondent was not the Player´s former club *in casu*, no training compensation should in principle be due. However, the Single Judge stated that in accordance with established jurisprudence of the FIFA DRC, any club(s) that may have had the player on loan from the player´s former club should be entitled to claim training compensation from the new club. Thus, any loans which took place during a player´s registration with the former club do not interrupt the chain of entitlement of training compensation. Consequently, a club shall be entitled to training compensation for the period during which it had the player registered directly on loan from the former club.

18. Based on the above, the Single Judge concluded that as the international transfer of the Player, from NK Lokomotiva Kroaci to the Appellant took place before the end of the calendar year of the Player´s 23rd birthday and as the Respondent had the Player on loan from NK Lokomotiva Kroaci for two subsequent periods, training compensation was in principle due.

19. The Single Judge thereafter took note that when the Appellant registered the Player on 30 August 2022, the training category attributed to it by the FSHF on FIFA TMS was UEFA

category III. Further, the Player Passport issued by the FSHF on 19 January 2023 showed that the Appellant was a UEFA category III club. It was not before January 2023, more than four months after the registration of the Player with the Appellant, FSHF modified the Appellant´s category on FIFA TMS to UEFA category IV.

20. Referring to art. 7 of the FIFA RSTP, the Single Judge stated that the *raison d´étre* of player passports is inextricably linked to the training rewards regime and the official player passport, as issued and confirmed by the relevant association, will be considered by the DRC in the event of any dispute. Moreover, the Single Judge held, with reference to CAS 2015/A/4060, that clubs must do their due diligence before signing players and can only rely in good faith on player passports issued by the associations, as being accurate representation of the player´s registration history.

21. The Appellant´s category available on TMS when registering the player on 30 August 2022 and on the FSHF player passport, issued in January 2023, was UEFA category III. Moreover, the Single Judge stated that in accordance with the information inserted by the FSHF into TMS, the Appellant was a UEFA category III club between 2 March 2009 and 16 January 2023. Thus, the Single Judge concluded that the Appellant was to be considered a UEFA category III club and decided that training compensation was due, in accordance with art. 2 par. 1 lit. ii) and art. 3 par. 1 of Annexe 4 of the RSTP.

22. In regard to the calculation of training compensation, the Single Judge stated that as the Appellant belonged to club category III within UEFA and considering the training period which the Player have had with the Respondent, a total of 484 days during the Player´s 20th and 21st birthday, the Single Judge decided that the Appellant had to pay training compensation to the Respondent in the amount of EUR 39,780.82, plus 5% interest, as of 30 September 2022, that is the 31st day of registration of the Player with the Appellant, until the date of effective payment.

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

23. Following the notifications of grounds, on 16 May 2024, the Appellant filed a Statement of Appeal at the Court of Arbitration for Sport (the "CAS") against the Appealed Decision, in accordance with article 57.1 of the FIFA Statutes.

24. In its Statement of Appeal, the Appellant requested the present case to be submitted to a Sole Arbitrator.

25. On 22 May 2024, the CAS Court Office acknowledge receipt of the Statement of Appeal, initiating the arbitral proceedings and informed the Appellant of its time limit to file its Appeal Brief, in accordance with art. R51 of the CAS Code of Sports-related Arbitration (the "CAS Code"). By the same letter, the CAS Court Office invited the Respondent to inform the CAS Court Office whether it agreed to the appointment of a Sole Arbitrator and it drew both Parties attention to the possibility of submitting the dispute to CAS mediation.

26. Also on 22 May 2024, the CAS Court Office informed FIFA of the initiated proceedings by the Appellant and asked FIFA if it would request an intervention in the present proceedings, pursuant to art. R41.3 of the CAS Code.

27. On 23 May 2024, the Appellant informed the CAS Court Office that it was not interested in mediation. Further, pursuant to art. R32, para. 2 of the CAS Code, the Appellant requested an extension of deadline to submit its Appeal Brief, to 14 June 2024, subordinately, to be granted an additional ten days to file its Appeal Brief.

28. On 27 May 2024, the Respondent informed the CAS Court Office inter alia that it was not interested in mediation, that it agreed with an appointment of a Sole Arbitrator and that it did not object to the Appellants request of additional time to file its Appeal Brief.

29. On 3 June 2024, FIFA informed the CAS Court Office that it renounces its rights to request its possible intervention in the present proceedings.

30. On 14 June 2024, the Appellant filed its Appeal Brief in accordance with art. R51 of the CAS Code.

31. On 8 August 2024, the Respondent, following an agreed-upon extension of time, filed its Answer in accordance with art. R55 of the CAS Code.

32. On 16 August 2024, the CAS Court Office acknowledge receipt of the Answer and requested the Parties to notify the CAS Court Office on whether they preferred a hearing to be held on the matter, or for the Sole Arbitrator to issue an award solely on the Parties´ written submissions. Further, the CAS Court Office informed the Parties, pursuant to art. R54 of the Code and on behalf of the Deputy President of the CAS Appeals Arbitration Division, that the Arbitral Tribunal appointed to decide the dispute was constituted as follows:

    Sole Arbitrator: Mr Eirik Monsen, Attorney-at-Law in Oslo, Norway

33. On 20 August 2024, FIFA, upon request from the Sole Arbitrator, submitted the complete FIFA file regarding the Appealed decision.

34. On the same day, 20 August 2024, the Respondent informed the CAS Court Office that it preferred the Sole Arbitrator to issue an award based solely on the Parties´ written submissions.

35. On 22 August 2024, the Appellant agreed that an award could be rendered based on the Parties 'written submissions, conditioned that the Sole Arbitrator would grant a second round of submission, so the Appellant could "*give an explanation about the submission of evidence before the CAS and emphasize the jurisprudence and the ratio of the Article 57.3 of the CAS Code, which the Appellant deems essential to decide on the admissibility of the evidence"*. The Respondent, invited by the CAS Court Office to comment on the Appellant's request, opposed to it.

36. On 11 September 2024, the CAS Court Office informed the Parties that the Sole Arbitrator had granted the request for a second round of submission, limited to exclusively the issue of the Respondent´s objection related to the admissibility of exhibits 6 – 12 in the Appeal Brief. Further, the CAS Court Office informed the Parties that due to the acceptance of a second round of submission and as the Parties didn't find a hearing necessary, the Sole Arbitrator would decide the matter solely on the Parties' written submissions.

37. In accordance with the instructions of the Sole Arbitrator, the Appellant filed its Reply on 20 September 2024, followed on 27 September 2024 by the Rejoinder of the Respondent.

38. On 30 September 2024, the CAS Court Office informed the Parties that the evidentiary proceedings were closed.

39. On 11 Novemebr 2024, the CAS Court Office sent the to the Parties the Order of Procedure, which they signed, without any reservation within the given deadline.

IV. THE PARTIES SUBMISSIONS

40. The following summary of the Parties´ positions is illustrative only and does not necessarily comprise each and every contention put forward by the Parties. The Sole Arbitrator, however, has carefully considered all the submissions made by the Parties, even if no explicit reference is made in what immediately follows.

A. The Appellant´s position

41. The Appeal Brief contained the following prayers for relief:

"The Appellant hereby respectfully request the Sole Arbitrator to:

a) Admit the Appeal filed by FC Dinamo City.

b) Uphold the Appeal filed by FC Dinamo and set aside the decision Ref. TMS n. 12281 of the FIFA Dispute Resolution Chamber of the FIFA Football Tribunal passed on 19.12.2023.

c) Declare that, at the time of the transfer, FC Dinamo City was a Category IV club and, therefore, that FC Dinamo City does not owe any amount to Klubi Futbollit Laçi as training compensation for the player Albion Marku.

d) Order the Respondent to bear all the costs of the proceedings before CAS and, therefore, to reimburse to the Appellant the costs that have been anticipated.

e) Order the Respondent to pay to the Appellant a contribution for the legal fees sustained for the proceedings before CAS.

42. The Appellant´s submission, in essence, may be summarized as follows:

The Appellant was a UEFA Category IV club by the time the Player was transferred to it and therefore no training compensation is due.

43. In accordance with FIFA Circular no. 1805, *Regulations on the Status and Transfer of Players – categorization of clubs and registrations periods*, issued on 8 July 2022, the FSHF should categorise its affiliated clubs in either UEFA category III or category IV.

44. The Appellant argued that by time the Player was registered with it, i.e., on 30 August 2022, which was during the 2022/23 football season, it participated in *Kategoria e Parë*, the 2nd tier in Albanian football. The Appellant had been relegated from the *Kategoria Superiore*, the 1st tier in Albanian football, at the end of the 2021/22 football season. Therefore, for the 2022/23 football season it should have been placed in Category IV by the FSHF, whereafter it should be exempted to pay training compensation, pursuant to art. 2, para. 2 b) of Annexe 4 FIFA RSTP.

45. According to the Appellant, the FSHF has consistently categorized its affiliated clubs in *Kategoria Superiore* in Category III, and its affiliated clubs in *Kategoria e Parë* in Category IV.

46. For the 2022/23 football season, the FSHF categorize 12 out of 14 clubs in *Kategoria e Parë* in Category IV. Two clubs, KF Skënderbeu and the Appellant, was categorized in Category III.

47. The Appellant argued that the reason why KF Skënderbeu was placed in Category III, even being relegated to *Kategoria e Parë*, must be found in the fact that it is a bigger club, with better sporting criteria, infrastructure etc., than other clubs in *Kategoria e Parë*, including the Appellant.

48. How Albanians clubs are categorized is, according to the Appellant, well known by all Albanian clubs, including the Respondent.

49. Further, the Appellant submitted that although the FSHF, pursuant to the FIFA Circular no.1805, should have updated the categorisation of its affiliated clubs for the 2022/23 football season by 31 July 2022, and by that updated the categorisation of the Appellant after its relegation, it only did so in January 2023. This was after the FSHF had recognized its mistake and after the relevant transfer of the Player. Thus, by the time of the transfer, the Appellant was wrongly categorised in the FIFA TMS as a Category III club. The Appellant stated that it cannot be held liable for the mistake made by the FSHF as for the wrongful categorisation.

50. The correct categorisation of the Appellant for the 2022/23 football season has also been confirmed by the FSHF itself.

51. The Appellant argued that the legal arguments on which the FIFA DRC has based its decision clearly does not fit the dispute as the dispute did not arise from the information contained in the Player´s Passport but from the wrongful categorisation of the Appellant in the FIFA TMS. Thus, the considerations made by the FIFA DRC based on the jurisprudence it referred to, shall be disregarded by the Sole Arbitrator.

52. Beyond the fact that the Appellant was participating in *Kategoria e Parë*, which, according to the Appellant, in itself is sufficient to be placed in Category IV, it argued that the characteristic of the Appellant substantiates that it should have been categorized in Category IV. In support of its allegation, the Appellant state that from the football season 2012/13 until the football season 2023/24, the Appellant has played in *Kategoria e Parë,* save for the for the football season 2021/22 and 2023/24. Moreover, the Appellant state that it for the last eleven years suffered economic difficulties, not owing its own training facilities, a stadium or accommodations for its players. The Appellant has constantly changed stadium and training facilities due to its financial difficulties. It further argues that a club which pays only EUR 20,000,00 to rent a stadium for an entire season, cannot have training costs for its players, amounting to EUR 30,000,00 per year and thus be considered a Category III club.

53. The Appellant further states that the right categorisation of the Appellant is proven by the circulars on the categorization for internal (national) training compensation purposes, published by the FSHF. The classification of clubs is carried out according to a scoring system that aims to rank all the clubs participating in the activities organized by the FSHF, based on financial investments in training of players as well as other criteria's (e.g., sporting criteria (number of youth teams, female teams, league which the first team participate), infrastructure and administration). Criteria which, according to the Appellant, are close to the criteria FIFA use for training compensation.

54. On 16 July 2022 the FSHF published the official ranking of the Albanian clubs pursuant to the abovementioned criteria, after which the Appellant was placed in Albanian Category III, with an average training cost amounting to EUR 10,000,000, which, as per the FIFA Circular no. 1805, correspond to the training costs of a UEFA Category IV club.

55. In light of the above, the Appellant submitted that it had the legitimate reliance that FSHF would correctly place the Appellant in UEFA category IV, without the need to check this circumstance in the TMS, which they are not obliged to, referring to Article 8, pargraph.1, Article 7 and Article 4 paragraph 2 of Annexe 3, FIFA RSTP. Thus, the responsibility to enter training category of the clubs in the TMS and to keep those data up to date, lies exclusively on the associations.

56. Even though the Appellant participate in *Kategoria Superiore* for the 2023/24 football season it is categorized in Category IV for the relevant season.

57. Considering the above, the Appellant argued that it would be manifestly disproportionate to consider the Appellant as a UEFA Category III club and, therefore, the Appellant must be re-categorised into Category IV, as already done and admitted by the FSHF, not being liable to pay any training compensation to the Respondent for the transfer of the Player.

58. Lastly, the Appellant submitted that the Respondent, which are well familiar with the categorisation of clubs in Albania, decided to submit a claim before the FIFA DRC on 2 February 2023, i.e., after the rectification of the Appellants categorisation in the TMS, which was made by the FSHF on 17 January 2023. By this action the Appellant is of the opinion that the Respondent took advantage of the mistake made by the FSHF and acted in bad faith.

B. The Respondent´s position

59. The Respondents Answer to the Appeal requested the following prayers for relief:

a) That the Appeal be rejected in totum;

b) That the Appealed Decision be conformed in totum and that the initial claim of the Respondent be fully accepted;

c) That the Appellant be ordered to bear the entire costs and fees of the present arbitration, as well as to the proceedings before the FIFA DRC;

d) That the Appellant be ordered to pay to the Respondent a contribution towards legal fees and other expenses incurred in connection with the proceedings in an amount deemed proportionate by the Sole Arbitrator.

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

The information contained in the Player Passport and in the FIFA TMS shall be considered accurate and there is no reason to deviate from such information.

61. The Respondent argues that the Appealed Decision must be upheld, as it is entitled to training compensation. The Player was registered with the Respondent from 31 January 2020 until 15 September 2020 and from 2 October 2020 until 13 June 2021, for a total of 484 days, always on loan from the Croatian club, NK Lokomotiva.

62. The Respondent argues that on 30 August 2022, the Player was transferred from NK Lokomotiva to the Appellant, which, according to the information contained in the Player Passport and in the FIFA TMS, was a UEFA category III club by the time of said transfer. An international transfer which took place during the calendar year of the Player´s 22nd birthday.

63. With reference to Article 3, paragraph 1 of Annexe 4, FIFA RSTP, the Respondent state that training compensation shall be paid to the club in accordance with the player´s career

history as demonstrated by the Player Passport. Moreover, it argues, that the only official document validating the registration history of the player in the context of the present proceedings is the official Player Passport, issued by the FSHF.

64. According to the Player Passport, issued by the FSHF on 19 January 2023, the Appellant was categorized as a UEFA Category III club, which also corroborate by the information available in the FIFA TMS.

65. The Respondent argues that it relied on the Player Passport issued on 19 January 2023, which was approximately five months after the Player´s registration. It was first afterwards in January 2023 that the FSHF modified the Appellants category in the FIFA TMS to a UEFA category IV club.

66. In support of the above mentioned, the Respondent inter alia refer to Article 7 of the RSTP and CAS 2015/A/4214, which, according to the Respondent, establish that the main evidence of a player´s registrations throughout his career is the Player Passport and that the information contained in the Player Passport has the presumption to be accurate.

67. The Respondent further argues that there is no reason to deviate from the information contained in the Player Passport, corroborated by the information available in the FIFA TMS. The Respondent refer to pg. 380 of the FIFA Commentary on the RSTP, 2023 edition and CAS 2015/A/4060 to back its position.

68. Based on the above, the Respondent argues that the classification displayed on the official documents and FIFA´s platform, is what justifies the Respondents entitlement to training compensation, in accordance with Article 20 and Annexe 4, FIFA RSTP.

69. The Respondent stated that it trusted the information provided by the official documents and cannot be impaired by any alleged lack of accuracy of the data contained in such official documentation. According to the Respondent, the Appellant must accept the consequences of not guaranteeing the accuracy of such data.

70. With regard to the Appellant´s training category over the years, the Respondent argues that the Appellant was a UEFA Category III club between 2 March 2009 and 16 January 2023, also according to the information inserted by the FSHF in the FIFA TMS and such categorization must be reasoned by the fact that the FSHF has recognized it within such category because the Appellant´s investment in training and education aligns with a UEFA category III club.

71. According to the Respondent, the Appellant has, by its submitted evidence, proven that it clearly invested in training of players, with reference to the expenditure on hotel accommodation for players and staff and money spent on renting the stadium for home games, which to the Respondents understanding show a heavily investment in a professional infrastructure for the training and developments of its players, consistent with the standards of a UEFA category III club. Further, in support of its position, the

Respondent make reference to the sporting result of the Appellants U-16 team and its investments in qualified technical staff for their youth teams.

72. With reference to Article 4 of Annexe 4, FIFA RSTP, the Respondent state that financial investments are the key indicator to assess the category of a club and that the Appellant is in a position where they can afford significant costs for the training and development of its players and staff.

73. The Respondent argues that the Appellant shall be held responsible for not guaranteeing that the transfer process was completed with accurate information and held that for the completion of any international transfers through the TMS, the club´s category is systematically displayed. Thus, to complete the transfer, the Appellant consistently sees and acknowledge the category which has been attributed to it. If the Appellant disagreed with such category, it was its responsibility to inform the FSHF about it and request the desired amendment before concluding the transfer process.

74. Finally, the Respondent stated that it had acted in good faith, and it request the Sole Arbitrator to completely disregard the accusation made by the Appellant that it acted with bad faith.

V. JURISDICTION

75. Article R47, first paragraph of the CAS Code provides as follows:

"*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 it prior to the appeal, in accordance with the statutes or regulations of that body*".

76. This jurisdiction of the CAS derives from Article 57(1) of the FIFA Statutes (2022 edition), which reads:

"*Appeals against final decisions passed by FIFA´s legal bodies and against decisions passed by confederations, member associations or leagues shall be lodged with CAS within 21 days of receipt of the decision in question*".

77. The jurisdiction of CAS was not disputed by the Parties.

78. It follows that the CAS has jurisdiction to decide on the present dispute.

VI. ADMISSIBILITY

79. Article R49 of the CAS Code provide 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 previous agreement, the time limit for appeal shall be twenty-one days from the receipt of the decision appealed against. The Division President shall not initiate a procedure if the statement of appeal is, on its face, late and shall so notify the person who filed the document. When a procedure is initiated, a party may request the Division President or the President of the Panel, if a Panel has been already constituted, to terminate it if the statement of appeal is late. The Division President or the President of the Panel renders her/his decision after considering any submission made by the other parties*".

80. According to Article 57(1) of the FIFA Statutes, the time limit to file an appeal is 21 days of receipt of the Appealed Decision.

81. FIFA notified the grounds of the Appealed Decision on 25 April 2024. The Appellant lodged its Statement of Appeal with CAS on 16 May 2024, i.e., within the 21 days deadline. The Statement of Appeal also complied with the requirements of Article R47 and R48 of the CAS Code, including the payment of the CAS Court Office fee.

82. It follows that the Appeal is admissible. The admissibility of the Appellant´s appeal is not contested by the Respondent.

VII. APPLICABLE LAW

83. Article R58 of the CAS Code provides 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 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*".

84. Article 56(2) of the FIFA Statues provides the following:

> "*The provision 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*".

85. The Parties submitted that the FIFA regulations should apply, with Swiss law applying on a subsidiary basis.

86. In light of the above and given that the Appealed Decision was rendered by the FIFA DRC, the FIFA statutes and regulations – in particular the FIFA Regulations on the Status and Transfer of Players (RSTP), are applicable, with Swiss law applying on a subsidiary basis, to fill any possible gaps in those regulations.

VIII. OTHER PROCEDURAL MATTERS

A. Admissibility of the Appellant's new evidence

87. It is undisputed that the Appellant in its Appeal Brief presented new evidence before the CAS. Evidence which it had not filed during the proceedings before the FIFA DRC, even though such evidence was available to it before the Appeal Decision was rendered.

88. Article R57 (3) of the CAS Code reads as follows:

"*The Panel has discretion to exclude evidence presented by the parties if it was available to them or could reasonably have been discovered by them before the challenged decision was rendered*".

89. The Respondent argues that the new evidence submitted by the Appellant shall be excluded as such evidence was available to the Appellant before the Appeal Decision was rendered. The Respondent further argues that the Appellant deliberately opted not to enclose such evidence before the FIFA DRC and therefore acted in bad faith and that the criteria for the application of Article R57 (3) of the CAS Code are met.

90. The Appellant argues that it could only been favoured should it had submitted the relevant evidence before the FIFA DRC. Thus, it argues it clearly did not act with bad faith. Furthermore, the Appellant relies on the decision CAS 2022/A/9170. The Sole Arbitrator in that case stated inter alia as follows in par. 60:

"The Sole Arbitrator notes that according to Article R57 (1) of the Code and in line with consistent CAS jurisprudence, the Sole Arbitrator has, in principle, full power to review the facts and the law of the case. Article R57 (3) of the Code provides for an exception to the de novo-power of the Sole Arbitrator. The provision, however, accords the Sole Arbitrator with a wide margin of discretion whether to exclude evidence that was already available at the first instance. The provision is interpreted restrictively in CAS jurisprudence (RIGOZZI/HASLER, in Arroyo (ed.) Arbitration in Switzerland, 2 nd ed. 2018, Art. 57 CAS Code no, 11 et seq.) and is designed for cases only in which

"(i.) the party requesting the exclusion of evidence that was not presented in the first instance (non-arbitral) proceedings will have to establish (i) not only that the new evidence was already available or could reasonably have been discovered at the first instance level, but also (ii) why admitting the evidence would constitute an abuse of process" (RIGOZZI/HASLER, in ARROYO M. (ed.) Arbitration in Switzerland, 2nd ed. 2018, Art. 57 CAS Code, no 13*).*

91. The Sole Arbitrator concurs with the view expressed in CAS 2022/A/9170. A restrictive interpretation of Article R57 (3) has also been consistently applied in CAS jurisprudence. Exclusion of evidence shall be made with restraint and only when there is a clear showing of bad faith and/or where there is a clear showing of abusive or inappropriate behaviour (see e.g., CAS 2022/A/8651, para. 109; CAS 2022/A/8835. para. 52).

92. The Sole Arbitrator remarks that the burden of proof behoves on the party claiming certain facts, according to well-established CAS jurisprudence (see e.g., CAS 2016/A/4580, para. 91, with further references to CAS 2015/A/309; CAS 2007/A/1380, CAS 2005/A/968 and CAS 2004/A/730)

93. In the present case, the Sole Arbitrator agrees with the Respondent that the relevant evidence was available to the Appellant at the first instance. However, the Respondent has not, to the Sole Arbitrator's comfortable satisfaction, explained why the Appellant allegedly acted in bad faith, or that the Appellant clearly showed an abusive or inappropriate behaviour, or why admitting such evidence would constitute an abuse of process. Therefore, the Sole Arbitrator does not find sufficient grounds to exclude any of the new evidence presented by the Appellant in these proceedings. The new evidence shall therefore be considered admissible.

IX. MERITS

94. The Sole Arbitrator notes that the object of the present dispute is whether or not the Appellant is obliged to pay training compensation to the Respondent as a result of the registration of the Player with the Appellant.

    The dispute as such revolves around the UEFA club categorisation of the Appellant at the time of the relevant transfer, as this is decisive on whether or not training compensation is due.

95. To address the relevant issue, the legal framework must first be established.

A. The legal framework for the dispute in hand

1. The prerequisites for claiming training compensation.

96. The training compensation mechanism is established by Article 20 and Annexe 4 of the FIFA RSTP. Article 20, FIFA RSTP reads as follows:

    "Training compensation shall be paid to a player's training club(s): (1) when a player is registered for the first time as a professional, and (2) each time a professional is transferred until the end of the calendar year of his 23rd birthday. The obligation to pay training compensation arises whether the transfer takes place during or at the end of the player's contract. The provisions concerning training compensation are set out in Annexe 4 of these regulations. The principles of training compensation shall not apply to women's football".

97. In Article 1, paragraph 1, of Annexe 4, FIFA RSTP, it is inter alia stated that:

"*A player´s training and education takes place between the age of 12 and 23. Training compensation is payable, as a general rule, up to the age of 23 for training incurred up to the age of 21[…]"*

98. Article 2, paragraph 1 of Annexe 4, FIFA RSTP determines the situations in which training compensation becomes payable. The relevant paragraph reads:

"Training compensation is due when:

a) a player is registered for the first time as a professional; or

b) a professional is transferred between clubs of two different associations (whether during or at the end of his contract)

before the end of the calendar year of his 23rd birthday.

99. Regarding the payment of training compensation, the last sentence of Article 3, paragraph 1 of Annexe 4, FIFA RSTP state:

"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".

100. In light of the above it can be established that training compensation is payable to the former club, as a general rule, for training incurred between the age of 12 and 21, when a professional player is transferred between clubs of two different associations before the end of the season of the player´s 23rd birthday.

101. It is undisputed that the Player was transferred between clubs of two different associations, when he was registered as a professional with the Appellant and that the transfer took place during the Player´s 22nd birthday.

102. It is further undisputed that the Player was registered with the Respondent as a professional, as indicated in the Player Passport issued by the FSHF. The Player was registered with the Respondent on loan from NK Lokomotiva Kroaci for two subsequent periods, from 31 January 2020 until 15 September 2020 and from 2 October 2020 until 13 June 2021.

103. In accordance with the wording of Article 3, paragraph 1 of Annexe 4, FIFA RSTP, quoted above, the Respondent, who had the Player on loan for two subsequent periods, was not the Player´s *former club*. Thus, no training compensation should in principle be due.

104. However, as correctly held by the Single Judge in the Appealed Decision, with support from well-established jurisprudence: "*any club(s) that may have had the player on loan from the player´s former club should be entitled to claim training compensation from the new club"* (*in casu* the Appellant), and further, "*it is considered that any loan(s) that took place during the player´s registration with the former club did not interrupt the chain of entitlement of training compensation*". In support of this approach the Sole Arbitrator refers to inter alia CAS 2016/A/4543 and CAS 2013/A/3119. The Sole Arbitrator further notes that the Appellant has not disputed a lending club(s)' entitlement to training compensation as such.

105. As set out above, the Player was internationally transferred to the Appellant as a professional player before the end of the season of the Player´s 23rd birthday. Thus, the entitlement to training compensation was *in principle* triggered.

2. Events precluding any entitlement of training compensation.

106. Article 2, paragraph 2 of Annexe 4, FIFA RSTP contains limitations which preclude any entitlement to training compensation. The relevant paragraph reads as follows:

Training compensation is not due if:

a) the former club terminates the player's contract without just cause (without prejudice to the rights of the previous clubs); or

b) the player is transferred to a category 4 club; or

c) a professional reacquires amateur status on being transferred.

107. The Sole Arbitrator notes that it is letter b) which is the relevant provision to the dispute at hand. More specifically, the dispute between the Parties is whether the Appellant was a category III or category IV club when the Player was transferred to it. If the Appellant was a category IV club, no training compensation is due.

108. In order to determine the correct categorisation of the Appellant, the Sole Arbitrator first needs to assess the applicable regulations concerning categorisation of clubs.

3. Applicable regulations to the categorisation of clubs.

109. Article 4 of Annexe 4, FIFA RSTP read:

"1. In order to calculate the compensation due for training and education costs, associations are instructed to divide their clubs into a maximum of four categories in accordance with the clubs' financial investment in training players. The training costs are set for each category and correspond to the amount needed to train one player for one year multiplied by an average "player factor", which is the ratio of players who need to be trained to produce one professional player.

2. The training costs, which are established on a confederation basis for each category of club, as well as the categorisation of clubs for each association, are published on the FIFA website (www.FIFA.com). They are updated at the end of every calendar year. Associations are required to keep the data regarding the training category of their clubs inserted in TMS up to date at all times (cf. Annexe 3, article 5.1 paragraph 2)".

110. As set out in the above provision and as argued by the Appellant, it is the responsibility of the association to categorise its affiliated clubs "*in accordance with the clubs' financial investment in training players*". The associations are further obliged to "*keep the data regarding the training category of their clubs inserted in TMS up to date at all times*".

111. Article 4 of Annexe 4, FIFA RSTP do not provide the associations with further guidance as for how to categorise its affiliated clubs. However, such guidance has been given by FIFA, first through its 2001 edition of the Regulations which contained an explicit description of the various categories. Thereafter by its circular no. 769 of 24 August 2001, which, according to the FIFA Commentary, 2023 ed. pg. 384, was reproduced without modifications in FIFA circular no. 799 of 19 March 2002. In the latter circular and with regard to the *financial investment in training players*, referred to in Article 4 of Annexe 4, FIFA RSTP, FIFA has provided its associations with a non-exhaustive list of criteria's which shall be taken into consideration. Among the criteria's listed is:

i. salaries/allowance/benefits paid to players, coaches, medical staff etc.,
ii. accommodation expenses,
iii. tuition fees and costs incurred in providing academic education programmes,
iv. travel costs incurred in connection with the players' education,
v. training camps,
vi. travel costs for training and matches/competitions,
vii. expenses incurred for use of facilities for training and in playing competitive matches,

112. The FIFA circular no. 799 of 19 March 2002 further states that national associations shall use these guidelines as a basis upon which to calculate the training cost for each category of clubs and request its associations to categorise its affiliated clubs into different categories, depending on the financial investments that these clubs make in training players. When categorising its clubs, the following shall be used as guideline:

Category 1 (top level, e.g. club possesses high-quality training centre):
-all first-divisions clubs of national associations investing on average a similar amount in training players.

Category 2 (still professional, but at a lower level):
-all second-divisions clubs of national associations in category I and all first-division clubs in all other countries with professional football.

Category 3:
-all third-divisions clubs of national associations in category I and all second-division clubs in all other countries with professional football.

Category 4:
-all fourth- and lower-division clubs of national associations in category I, all third-divisions clubs in all other countries with professional football and all clubs in countries with only amateur football

113. By FIFA Circular no. 1249 of 6 December 2010, FIFA provided the (to date) last circular with guidance related to categorisation of clubs. Said circular has reproduced the guidelines as for categorisation, as mentioned above and contains slight modifications to the previous circular.

114. In said circular, FIFA further state that:

"There is some degree of flexibility in these guidelines. For example, a club in a lower division may be placed in a category with clubs of a higher division if it makes a similar investment as those clubs in training young players".

And:

"Furthermore, the FIFA Executive Committee acknowledge that in recent times, the Dispute Resolution Chamber (DRC) has been facing an increasing number of cases in which there has been a manifest discrepancy between the above-mentioned guidelines and the actual assignment of a specific respondent […]

In such cases of manifest discrepancy, the DRC normally applies the training category in accordance with the guidelines, despite the fact that the member associations concerned has indicated a different categorisation."

115. In Article 5, paragraph 4 of Annexe 4, FIFA RSTP, it is also stated that FIFA by the DRC, "*may review disputes concerning the amount of training compensation payable and shall have discretion to adjust this amount if it is clearly disproportionate to the case under review*".

116. In the FIFA Commentary, 2023 ed., page 390, with reference to Article 5 paragraph 4 of Annexe 4, FIFA RSTP it is stated:

"In this respect, given the wording of the provision ("clearly disproportionate"), the DRC will only proceed to adjust the training compensation due if evidence is provided to prove unequivocally that the amount calculated based on indicative average training costs is disproportionate […] As such, the DRC applies a high threshold and a strict approach vis-à-vis the proof to be submitted by the respective party".

117. Further, it shall be mentioned that FIFA annually provide its member associations with circulars related to categorizations of its affiliated clubs, which shall be based on these applicable guidelines for categorisation.

118. By FIFA circular no. 1805, issued on 8 July 2022, addressed to member associations of FIFA, associations were required to categorise its affiliated clubs and record it in TMS. The circular state, inter alia, that:

"Each affiliated club that exists in TMS must be classified by the relevant association into different categories in TMS by 31 July 2022 based on the club´s financial investment in training players (cf. art. 4 par. 1 of Annexe 4 to the Regulations) […]

The category specified shall be valid for the entirety of the relevant season. Associations are not permitted to amend the category of a club during a season".

119. Based on the above regulations and circulars, it can be established that it is the responsibility of the national associations to categorise its affiliated clubs. Further, that FIFA may review and correct the categorisation of a club in case of *manifest discrepancy* or adjust the amount of training compensation if it is *clearly disproportionate*.

120. In this context, the Sole Arbitrator refers to Article R57 of the CAS Code, which provide the CAS Panel with a mandate to review the facts and the law. By this provision, CAS also has the power to review the re-categorisation of clubs. However, the Sole Arbitrator finds that he should only do so exceptionally and with care based on the above and considering i) that the associations has a margin of appreciation when categorising its affiliated clubs, ii) as clubs and associations in good faith must rely on the mandatory TMS system, in which associations are inter alia required to keep its affiliated clubs training category up to date at all times (see Article 5, paragraph 2, Annexe 3, FIFA RSTP), and iii) as the wording "manifestly discrepancy" clearly indicates that the threshold to re-categorise clubs must be set high.

121. In relation to Article 3 of the Annexe 4, FIFA RSTP, *responsibility to pay training compensation*, it follows from the FIFA Commentary, 2023 edition, pg. 380, that:

"From a practical perspective, only the official player passport (or EPP), as issued and confirmed by the relevant member association, will be considered by the DRC in the event of any dispute. This has been consistently upheld by the DRC; clubs must do their due diligence before signing players and can only rely in good faith on player passports issued by a member association as being accurate representation of the player´s registration history.

In addition, jurisprudence emphasises the importance of data entered into TMS. In one example, according to TMS, the club concerned was a category 3 club at the time. However, the club´s member association later admitted that it had made an error when entering data into TMS, and that the club was actually a category 4 club at the time it registered the player. However, the DRC had awarded training compensation based on

the the club´s category in TMS. In the subsequent appeal, CAS confirmed the DRC decision, emphasising that the rules regarding TMS were clear and had to be applied. It noted that "allowing [clubs] to question each and every aspect [of the information] contained in TMS would lead to chaos and an unworkable system".

122. The above cited is in line with the reasoning given in the Appealed Decision and the example given from FIFA follows from CAS 2015/A/4060.

123. To further substantiate the necessity of the high threshold which must be established, the Sole Arbitrator refers to CAS 2015/A/4214, which, inter alia, state that:

"*The fundamental role in establishing the entitlement of the clubs to training compensation that is played by the player´s passport naturally assume, as a general rule, that the information contained in the player´s passport is correct and adequate to ensure that the different stakeholders from the football community are able to rely in good faith on such information*".

124. The Sole Arbitrator concurs with the view expressed in CAS 2015/A/4214 and CAS 2015/A/4060, the latter quoted in the FIFA Commentary, 2023 ed. page 380, above. When considering whether there is a manifest discrepancy the above shall be taken into consideration. Clubs must, as a general rule, be able to rely on the information contained in the Player Passport and in FIFA TMS and to open the door for clubs to question its assigned category could only be accepted in very limited circumstances. This to avoid what the panel in CAS 2015/A/4060 described as an "*unworkable system*" and to ensure that associations strictly comply with the requirement set forth in Article 4 paragraph 2 of Annexe 4, FIFA RSTP, which inter alia state: *"Associations are required to keep the data regarding the training category of their clubs inserted in TMS up to date at all times (cf. Annexe 3, article 5.1 paragraph 2)".*

4. The burden- and standard of proof applicable

125. It is undisputed between the Parties that by the time of the relevant transfer, i.e., on 30 August 2022, the Appellant belonged to the UEFA club category III, according to the Player Passport and in the FIFA TMS.

126. The Appellant has inter alia argued that this was due to a mistake made by the FSHF, as it, according to the Appellant, should have been categorised in category IV, whereafter no training compensation should be due.

127. It follows from Article 13, paragraph 5 of the FIFA Procedural Rules Governing the Football Tribunal, that:

"*A party that asserts a fact has the burden of proving it*".

128. Further, it follows from Article 8 of the Swiss civil code that:

"*Unless the law provides otherwise, the burden of proving the existence of an alleged fact shall rest on the person who derives rights from that fact*".

129. As the Appellant has filed an appeal based on what the Appellant argue is a wrongful Appealed Decision and claim to be free from liability to pay training compensation based on Article, 2 paragraph 2, letter b) of Annexe 4, FIFA RSTP, contrary to the information available in the Player Passport and in TMS and contrary to the Appealed Decision - the burden of proof rest on the Appellant.

130. As to the standard of proof, the Sole Arbitrator notes the FIFA regulations do not set out such standard. Thus, the Sole Arbitrator refers to what was established in CAS 2022/A/8960, paragraph 90:

"*As to the standard of proof, it is a well-established practice that in the lack of any specific legal or regulatory requirement, in a civil dispute a CAS Panel has to apply the usual standard of proof for civil matters, i.e. the one of comfortable satisfaction […].*

And further, in paragraph 91:

The "comfortable satisfaction" standard of proof may be defined "(…) as being greater than a mere balance of probability but less than proof beyond a reasonable doubt (CAS 2014/A/3625, with further reference to CAS 2009/A/1920, CAS 2013/A/3258, CAS 2010/A/2267, CAS 2010/A/2172) […]

131. The Sole Arbitrator is content to adopt the standard of comfortable satisfaction, which also is commonly adopted in CAS jurisprudence, as the standard of proof to apply in this case. Thus, the party claiming a right on an alleged fact, must produce sufficient evidence capable of convincing the deciding body to a comfortable satisfaction that the alleged fact is true and accurate.

132. In line with the above, it is up to the Appellant to demonstrate, to the level of comfortable satisfaction, that i) the FSHF did a mistake when categorising the Appellant in category III for the relevant season, and ii) that such mistake in categorisation must be considered a case of manifestly discrepancy.

B. Assessment of the relevant facts in relation to the jurisprudence

133. Based on the above, it is not sufficient to establish that the FSHF did a mistake when categorising the Appellant in UEFA category III for the 2022/23 season. For the Sole Arbitrator to set aside or annul the Appealed Decision, there must be established that when the FSHF attributed the Appellant in category III for the relevant season, this was not only incorrect, but it was also a case of manifestly discrepancy.

134. Thus, the main issue for the Sole Arbitrator to resolve is:

1. Was the attributed categorisation of the Appellant a case of manifestly discrepancy?

135. As a starting point, the Sole Arbitrator observes that by FIFA Circular no. 1805, each association was requested to classify its affiliated clubs into different categories in TMS by 31 July 2022. Further, according to said circular and as argued by the Appellant; for the year 2022 clubs in Albania should be categorised by the FSHF either in category III or category IV. The FSHF categorised the Appellant in UEFA category III. Moreover, the Player Passport issued by the FSHF on 19 January 2023 shows the Appellant as a UEFA category III club.

136. The Sole Arbitrator further observes that almost six months after the relevant transfer, on 22 February 2023, the FSHF addressed the Appellant with a letter where it stated that the Appellant belonged to UEFA category IV due to its participation in FSHF´s Kategoria e Parë and that: *"All international transfers made by FC Dinamo for the 2022-2023 season will be considered as a transfer from a club classified in Training Category IV"*. The Sole Arbitrator remarks that letter from FSHF is given as a reply to a letter addressed from the Appellant to the FSHF, dated 17 February 2023 and sent only one month after the FSHF themselves issued the Player Passport where the Appellant was confirmed to be a UEFA category III club.

137. The Sole Arbitrator finds that the letter from the FSHF can be understood as an acknowledgment by the association itself that they did a mistake when they categorise the Appellant as a category III club. This is substantiated by the fact that it is in direct contrast to the categorisation previously attributed to the Appellant by the FSHF, who was the sole responsible for categorisation of its affiliated clubs.

138. As a side note, the Sole Arbitrator refers to the above quoted FIFA circular no. 1805 in which it is stated that the category specified by the association shall be valid for the entirety of the relevant season and associations are thereby not permitted to amend the category of a club during a season. Thus, the re-categorisation made by the FSHS in January 2023, after the relevant transfer, was as such contrary to said circular. For the sake of good order, this will not prevent the Sole Arbitrator to assess whether there is a case of manifestly discrepancy and if so, set aside or annul the Appealed Decision.

139. Before a further analyse of the relevant facts, the Sole Arbitrator needs to reiterate that the list of criteria's which FIFA guide its association to take into account when determine a club's *financial investment in training players*, is non-exhaustive (see par. 114). Thus, it leaves some discretion to each association to determine the correct categorisation of its affiliated clubs. Further and to substantiate this, the FIFA circular state that there is some degree of flexibility in these guidelines, whereafter it is given a specific example: "*a club in a lower division may be placed in a category with clubs of a higher division if it makes a similar investment as those clubs in training young players*".

140. The Sole Arbitrator notes that for the season 2022/23, the FSHF categorised all clubs participating in Kategoria Superiore (highest level) in UEFA category III and 12 out of 14 teams in Kategoria a Parë (second level) in UEFA category IV. The remaining two clubs, the Appellant and KF Skënderbeu was categorised in category III. The Sole Arbitrator further observes that both the Appellant and KF Skënderbeu was relegated from Kategoria Superiore before the relevant season.

141. The Sole Arbitrator remarks that the confirmation given by the FSHF in its letter dated 22 February 2023 does not expressly state that all clubs participating in Kategoria e Parë shall automatically be categorised in category IV. Such conclusion cannot be drawn from how the FSHF has categorised its affiliated clubs. As seen from above, the club KF Skënderbeu, participating in Kategoria e Parë for the relevant season, was also categorised in UEFA category III. Further, the Appellant has been categorized in UEFA category IV for the 2023/24 season, although it participated in Kategoria Superiore. The Sole Arbitrator is therefore not confident that the FSHF has constantly categorised the clubs participating in the Kategoria Superiore in category III, and the clubs from the Kategoria e Parë in category IV, as argued by the Appellant.

142. Further, the Sole Arbitrator remarks that in accordance with the margin of discretion the associations are provided with through the above referred FIFA circulars (FIFA circular no. 799 of 19 March 2002 and FIFA circular no. 1249 of 6 December 2010) an association must take the different criteria into consideration when categorising its affiliated clubs based on the financial investment in training players and not only and thereby automatically rely on the division in which the club participate. Exactly this appears to have been the case when the FSHF categorised its affiliated clubs, as the FSHF have not automatically placed all clubs in the Kategoria Superiore in UEFA category III or all the clubs in Kategoria e Parë in UEFA category IV. The fact that both the Appellant and KF Skënderbeu was relegated and placed in category III, indicates that the FSHF considered these two clubs as clubs which made similar financial investment in training players as clubs participating at Kategoria Superiore.

143. Based on the above, the Sole Arbitrator cannot give decisive weight to the reasoning for re-categorisation given by the FSHF, as it, to the understanding of the Sole Arbitrator, is not fully consistent with the practice from FSHF itself. Further, the Sole Arbitrator notes that the FSHF have not explained why it initially categorised the Appellant in UEFA category III or why it categorised KF Skënderbeu in UEFA category III for the relevant season.

144. In line with the aforementioned and in consideration of the given guidelines in FIFA circular no 799 of 19 March 2022 and FIFA circular no. 1249 of 6 December 2010 respectively, the Sole Arbitrator is not comfortable satisfied that due to the Appellant participation in Kategoria e Parë for the 2022/23 season, this alone should be considered sufficient to establish that it was a UEFA category IV club by the time of the transfer, or even less that it was a case of manifestly discrepancy to categorise the Appellant in category III.

145. The Sole Arbitrator further observes that after the Appellant was relegated from the Kategoria Superiore at the end of the 2021/22 season, it thereafter was promoted to the Kategoria Superiore at the end of the 2022/23 season. To the understanding of the Sole Arbitrator, this fact substantiates that the Appellant for the recent years has established itself as a club which is among those clubs who compete for a position at the highest level in the country.

146. In extension of the above, the Sole Arbitrator refers to the Appealed Decision and its par. 18, under *Legal Considerations*, where the Single Judge state:

"*In accordance with the information inserted by the FSHF into TMS, the Respondent [here, Appellant] is a UEFA category III club between 2 March 2009 and 16 January 2023.*"

147. The Sole Arbitrator notes that the Appellants categorisation between March 2009 and January 2023 is undisputed and further observes that the Appellant has argued that it participated in Kategoria e Parë between 2012/13 and 2020/2021. Even though the situation of the Appellant five to ten years back must be considered irrelevant, as the associations annually shall categorise its affiliated clubs based on its financial investment in training players and as clubs situation may change dramatically within a few years, the Sole Arbitrator cannot but question why the Appellant has previously accepted its assigned category III, during its years in Kategoria e Parë, but not accepted this categorisation upon its relegation before the 2022/23 season. Further, this categorisation by the FSHF must be reasoned, to the understanding of the Sole Arbitrator, by the fact that the FSHF has recognized the Appellant within such category due to its financial investment in training players, as argued by the Respondent.

148. Further, the Sole Arbitrator notes that the Appellant has argued inter alia that for the last eleven years it has suffered economic difficulties, not owing their own training facilities, a stadium or accommodation for its players. Although the Sole Arbitrator respects that the Appellant might have economic difficulties and that these elements can be taken into account, it is not sufficient for the Sole Arbitrator to conclude that it does not invest in training in players equivalent to a category III club in Albania, taken into consideration the criteria named in FIFA circular no. 799 of 19 March 2002. Even less, that due to these circumstances, the attributed categorisation by the FSHF shall be considered as a case of manifestly discrepancy.

149. Based on the above established, the Sole Arbitrator has not found that the Respondent acted in bad faith, as argued by the Appellant. Although the Respondent is a club of the same nationality as the Appellant and by that can be considered to have knowledge of the categorisation of clubs in Albania, it is in no position to determine whether a club shall be categorised a category III or category IV club, especially not when the club in question in principle could be placed in both categories. In addition, the sole responsibility to categorise clubs rest on the associations. Also, as previously pointed out by the Sole Arbitrator, a club shall, as a general rule, be able to rely on the information contained in the FIFA TMS.

150. The Sole Arbitrator has observed that the Respondent did submit the claim for training compensation at the FIFA DRC *after* the FSHF had re-categorised the Appellant. However, the Sole Arbitrator has not found proven that the Respondent took advantage of what the FSHF themselves acknowledge to be an error or found proven that the Respondent acted in bad faith.

151. Finally, the Sole Arbitrator remarks that by the time of the relevant transfer the Appellant did have access to its assigned category in the FIFA TMS, as its category is displayed in the system. Thus, as argued by the Respondent, to complete a transfer the Appellant consistently sees the category which has been attributed to it. If the Appellant disagreed with such category, it could inform the FSHF and requested them to re-categorise its category if the FSHF agreed that the Appellant was wrongfully categorised – before the Appellant decided to conclude the transfer process. Although it is the sole responsibility of the associations to categorise its affiliated clubs and clubs should have a legitimate reliance in such categorisation, this do not prevent clubs from making the associations aware of any errors which may have occurred. It is in this context the Appellant had to do their due diligence. As stated in CAS 2015/A/4060 and its par. 103, cited in the Appealed Decision:

"*Therefore, the Sole Arbitrator finds that since it was the club that was interested in registering the Player, the Appellant was the party who should rightfully bear the risk that the information on the basis of which the transfer process was completed was not accurate and adequate".*

152. Taken all the above into consideration, and based on the evidence on file, the Sole Arbitrator has not, to a comfortable satisfaction been convinced that it is a case of manifestly discrepancy, when the Appellant was categorized as a UEFA category III club for the 2022/23 season, and which was the categorisation attributed to the Appellant by the time of the relevant transfer.

153. Finally, the Sole Arbitrator remarks that the amount of training compensation as such is not disputed, whereafter the Single Jugde concluded that the amount due was EUR 39,780.82, plus 5% interest, as of 30 September 2022 until the date of effective payment.

C. Conclusion

154. Based on the foregoing, and after taking into account due consideration all the evidence produced and submissions made, the Sole Arbitrator dismisses the Appeal by the Appellant and upholds the Appealed Decision.

155. Any further claims or requested for relief are dismissed.

X. COSTS

(…).

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The Appeal filed by FC Dinamo City on 16 May 2024 against the decision of the FIFA Dispute Resolution Chamber, passed on 19 December 2023 is dismissed.

2. The decision passed on 19 December 2023 by the FIFA Dispute Resolution Chamber is confirmed.

3. (…).

4. (…).

5. All other motions or prayers for relief are dismissed.

Seat of arbitration: Lausanne, Switzerland
Date: 4 March 2025

THE COURT OF ARBITRATION FOR SPORT

Eirik Monsen
Sole Arbitrator