



Arbitration CAS 2014/A/3741 PFC CSKA Sofia v. David Bernardo Tengarrinha, award of 8 September 2015

Panel: Mr Sofoklis Pilavios (Greece), President; Mr Bernhard Heusler (Switzerland); Mr Manfred Nan (The Netherlands)

Football

Termination of employment contract without just cause

Just cause

Burden of proof

Compensation for damages caused by the unlawful termination of employment contract

1. The FIFA Regulations do not define what constitutes “just cause”. As a result, the definition of just cause and whether just cause exists is established on a case-by-case basis. Swiss law defines good cause as any circumstance which renders the continuation of the employment relationship in good faith unconscionable for the party giving notice. Furthermore it is important to highlight that pursuant to well-established jurisprudence of the CAS, a party will only be able to establish a just cause to terminate the employment contract if it had previously warned the other party of its unacceptable conduct or attitude.
2. In accordance with the principle of the burden of proof, which is a basic principle in every legal system, each party to a legal procedure bears the burden of corroborating its allegations. In other words, any party deriving a right from an alleged fact shall carry the burden of proof and, in the matter at hand, it is up to the party invoking a “just cause” to establish the existence of the facts founding this “just cause”.
3. According to Article 17 para.1 of the FIFA Regulations, a player has to be compensated for the damages caused by the unlawful termination of an employment contract. In principle the harmed party should be restored to the position in which the same party would have been had the contract been properly fulfilled. However the harmed party has a duty to mitigate its damage.

I. PARTIES

1. PFC CSKA Sofia (“CSKA Sofia” or the “Appellant”) is a professional football club, with its registered seat in Sofia, Bulgaria. CSKA Sofia is affiliated to the Football Federation of

Bulgaria, which is, in turn, a member of the Fédération Internationale de Football Association (FIFA).

2. Mr David Bernardo Tengarrinha (the “Player” or the “Respondent”) is a professional football player of Portuguese nationality.

II. FACTUAL BACKGROUND

A. Background Facts

3. Below is a summary of the relevant facts and allegations based on the parties’ written submissions, pleadings and evidence adduced at the hearing. Additional facts and allegations found in the parties’ written submissions, pleadings and evidence may be set out, where relevant, in connection with the legal discussion that follows. While the Panel has considered all the facts, allegations, legal arguments and evidence submitted by the parties in the present proceedings, it refers in its Award only to the submissions and evidence it considers necessary to explain its reasoning.
4. On 13 July 2012, CSKA Sofia and the Player entered into a contract (the “Contract”) under which the Player would render his professional services to the Appellant for the period between 13 July 2012 and 30 June 2015.
5. The Contract contained, *inter alia*, the following provisions:

“III. REMUNERATION AND PAYMENT CONDITIONS

III.1. *For exercising football as a profession, the CLUB shall pay to the FOOTBALL PLAYER remuneration for the entire term of validity of the contract. Such remuneration shall comprise of all additional employment considerations pursuant to the legal regulations.*

III.2. *The remuneration under item III.1 shall be paid to the FOOTBALL PLAYER as follows:*

- *For the season 2012/2013 the Player shall receive monthly remuneration [sic] of 7800 Euro net*
- *For the season 2013/2014 the Player shall receive monthly remuneration [sic] of 8600 Euro net*
- *For the season 2014/2015 the Player shall receive monthly remuneration [sic] of 9400 Euro net*

The monthly remuneration is payable not later than 25-th day of the month following the month the remuneration refers to.

III.3. *Remunerations shall be made in cash or by means of bank transfer, which shall be explicitly stated by the FOOTBALL PLAYER.*

[...]

XII. FINAL PROVISIONS

[...]

XII.2. *Any issues that are not provided herein shall be governed by the provisions of the Labor Code, the BFU's regulations and the Bulgarian legislation.*

[...]

Option A:

The FOOTBALL PLAYER under this contract shall be represented by Player's Agent JUAN FRANCISCO RUANO MORENO [...].

6. On 4 October 2012, the Player sent to CSKA Sofia a default letter requesting payment of his outstanding salaries for the months of July and August 2012 in the amount of EUR 15,600.
7. Following such reminder, but at an unspecified date, CSKA Sofia finally paid to the Player the salaries corresponding to the months of July, August, September and October 2012.
8. The Player asserts that, on 10 December 2012, all players of CSKA Sofia received an internal document informing them that the period from 16 December 2012 until 4 January 2013 had been fixed as holidays.
9. The Player asserts that, on 17 December 2012, the Director of CSKA Sofia proposed him to agree to the termination of the Contract upon payment of salaries of two months. The Player refused the alleged proposal.
10. On 17 December 2012, CSKA Sofia sent an email to Mr Juan Francisco Ruano Moreno (the "Player's Agent"), which stated *inter alia*:

"As a manager and representative of Mr Tengarrinha, please inform the player about the decision taken by the sport-technical management of PFC CSKA Sofia, that the player needs to proceed to training activities.

The player is obliged to be tomorrow, 18 of December 2012 at 09:00 h. at "Bulgarska armia" stadium for training.

The player will be informed additionally, regarding the trainings schedule [...].

11. The Player maintains that he did not leave Sofia but together with his teammate, Mr Nilson Antonio De Veiga Barros, and an official of the Portuguese Embassy in Sofia allegedly visited the Appellant's premises every day from 19 December 2012 until 4 January 2013 except for 25 December 2012 and 1 January 2013, in order to demonstrate that he was at the Appellant's disposal.

12. On 18, 21, 23, 27 and 29 December 2012 and on 3 January 2013 respectively, the Player requested via his legal counsel the payment from CSKA Sofia of his outstanding salaries for the months of October and November 2012.
13. On 11 January 2013, CSKA Sofia issued an order effectively terminating the Contract of the Player because the latter *“did not appear in his work place from 18.12.2012 until 06.01.2013”*, thereby violating the provisions of the Contract and of the Bulgarian Labour Code. Said order states that the Player *“was invited to reunite with the PFK CSKA EAD Executive Director (...) where was requested an oral or written justification about his non-attendance. Mr Tengarrinha folded to offer whatever explanations regarding its lack, act that was duly confirmed by the signed minute by three witnesses”*.
14. On 28 January 2013, the Player sent a letter to the Appellant rejecting the facts alleged in the abovementioned order and refusing the termination of the Contract.
15. On 27 March 2013, CSKA Sofia reportedly paid to the Player’s Agent the amount of EUR 47,000 in cash, allegedly corresponding to the outstanding salaries of the Player for the months of October, November, December 2012 and part of January 2013, as well as to the outstanding salaries of a teammate of the Player, Mr Barros, on the basis of a written authorisation (*“Mandate”*) which was dated 25 March 2013 and stated *inter alia*:

“Bernardo David Mendes de Campos Tengarrinha passport no L338420, hereby declares that authorizes JUAN FRANCISCO MORENO RUANO, Players Agent from RFEF with ID number 41987282T with the following bank details: [...] to receive the transfer from PFC CSKA Sofia according the work relation with the mentioned club”.
16. On the same day, the Player’s Agent apparently signed a *“Declaration”* confirming the abovementioned payment.

B. Proceedings before the FIFA Dispute Resolution Chamber

17. On 23 May 2013, the Player lodged a claim with the Dispute Resolution Chamber of FIFA (the *“FIFA DRC”*), maintaining that the Appellant had breached the Contract without just cause, requesting the payment of EUR 15,600 corresponding to outstanding salaries of November and December 2012, EUR 262,800 corresponding to the remaining value of the Contract and EUR 50,000 corresponding to damages for the early termination.
18. By way of its response dated 15 October 2013, CSKA Sofia rejected the Player’s claim arguing that the outstanding payments to the Player had been received by the Player’s Agent on the basis of an authorisation provided by the former to the latter and that the rest of the claims was irrelevant because the Player had concluded an employment agreement with the Portuguese football club SC Freamunde.
19. On 27 May 2014, the FIFA DRC rendered its decision (the *“Appealed Decision”*), pursuant to which it partially upheld the Player’s claim. The operative part of the Appealed Decision reads as follows:

- “1. *The claim of the Claimant, David Bernardo Tengarrinha, is partially accepted.*
 2. *The Respondent, CSKA Sofia, has to pay to the Claimant, **within 30 days** as from the date of notification of this decision, outstanding remuneration in the amount of EUR 15,600.*
 3. *The Respondent has to pay to the Claimant, **within 30 days** as from the date of notification of this decision, compensation for breach of contract in the amount of EUR 236,859.*
 4. *In the event that the aforementioned amounts are not paid within the stated time limit, interest at the rate of 5% p.a. will apply as of the expiry of the stipulated time limits and the present matter shall be submitted, upon request, to the FIFA Disciplinary Committee for its consideration and a formal decision.*
 5. *Any further request filed by the Claimant is rejected.*
 6. *The Claimant is directed to inform the Respondent immediately and directly of the account number to which the remittances are to be made and to notify the Dispute Resolution Chamber of every payment received”.*
20. On 19 August 2014, FIFA communicated to the parties the grounds of the Appealed Decision of the FIFA DRC, following a request of the Appellant, *inter alia*, determining the following:
8. “[...] [T]he Chamber acknowledged that it had to examine whether the reasons put forward by the Respondent could justify the termination of the contract on 18 January 2013.
 9. *In this respect, the Chamber was eager to emphasise that only a breach or misconduct which is of a certain severity justifies the termination of a contract. In other words, only when there are objective criteria which do not reasonably permit to expect a continuation of the employment relationship between the parties, a contract may be terminated prematurely. Hence, if there are more lenient measures which can be taken in order for an employer to ensure the employee’s fulfilment of his contractual duties, such measures must be taken before terminating an employment contract. A premature termination of an employment contract can only ever be an ultima ratio measure.*
 10. *In view of the above, the Chamber thoroughly examined the “order of dismissal” dated 11 January 2013, which was handed to the Claimant on 18 January 2013, and by means of which the latter was informed about the termination of the contract. The Chamber pointed out that said document stipulates that the Claimant was dismissed since he “didn’t appear in his work place from 18.12.2012 until 06.01.2013, including. His absence is duly confirmed by Notary no. 594, with activity area of the Regional Court of Sofia the constative minutes of the dates 18, 19 and 20 December 2012 and 2 and 3 January 2013. Mr. Bernardo Davis Mendes C. De Campos Tengarrinha wasn’t found during all the mentioned absence period despite several attempts by the PFS CSKA EAD (...), contacting him. Until 11.01.2013 Mr. Bernardo Davis Mendes C. De Campos Tengarrinha didn’t present in PFK CSKA EAD justifiable evidence for his absence”.*
 11. *Therefore, it is clear for the Chamber that the actual reason for the termination of the contract was the Claimant’s absence from the Respondent between 18 December 2012 and 4 January 2013. Having established the foregoing, the Chamber turned its attention to the document submitted by the Claimant concerning the Respondent’s “program” for the period between 16 December 2012 and 4 January 2013.*

Said document clearly indicates that the period between 16 December 2012 until and including 4 January 2013 were declared as holidays. What is more, the Chamber stressed that the Respondent, in its reply to the claim, had confirmed that the Claimant's visits to the stadium between 19 December 2012 and 4 January 2013 could not be taken into consideration since the aforementioned period of time had been declared as holidays. Hence, the Chamber came to the unanimous conclusion that the Claimant was in fact authorized to be absent from the club between 18 December 2012 and 3 January 2013, i.e. on the dates that, in the "order of dismissal", were indicated as the dates on which the Claimant was absent from the club without a valid reason and which lay at the basis of the dismissal.

12. *As a result, the Chamber concluded that the Respondent did not have a just cause to prematurely terminate the employment contract with the Claimant, since the latter was authorized to be absent from the club in view of the fact that the relevant period was declared as holidays.*
13. *Having established the aforementioned, the Chamber went on to deliberate as to whether, as alleged by the Claimant, the Respondent had, prior to the termination of the contract, failed to fulfil its financial obligations towards the Claimant. In this regard, the Chamber pointed out that the Respondent had not contested that it had not made payment of the Claimant's salaries for the month of November 2012. Indeed, the Respondent had indirectly confirmed such fact by alleging having paid the salary in March 2013, i.e. after having terminated the contract.*
14. *Consequently, the Chamber came to the unanimous conclusion that the Respondent had breached the contract by failing to pay the Claimant's salary for the month of November 2012.*
15. *On account of the above, the Chamber decided that the Respondent had no just cause to unilaterally terminate the employment relationship between the Claimant and the Respondent and, therefore, concluded that the Respondent had terminated the employment contract without just cause on 18 January 2013. Equally, the Chamber reiterated that, prior to terminating the contract, the Respondent had breached its contractual obligations by failing to pay 2 monthly salaries to the Claimant. Consequently, the Respondent is to be held liable for the early termination of the employment contract without just cause.*
16. *Bearing in mind the previous considerations, the Chamber went on to deal with the consequences of the early termination of the employment contract without just cause by the Respondent".*
18. *As to the Appellant's argument that it had already paid the outstanding salaries claimed by the Player to the Player's Agent, "the Chamber duly noted that it had to examine if the Claimant's remuneration for November and December 2012 was still outstanding. In this regard, the Chamber referred to the rule of the burden of proof mentioned in art. 12 par. 3 of the Procedural Rules, according to which any party claiming a right on the basis of an alleged fact shall carry the burden of proof.*
19. *With due consideration to the above and while examining the content of the "Mandate", the Chamber established that it did not have to enter into the question whether or not the signature of the Claimant on the "Mandate" was forged. The Chamber stressed that the content of the "Mandate" could not be interpreted in the sense that the Claimant had authorized the Respondent to pay his remuneration to Mr Ruano. Indeed, the "Mandate" merely stipulates that the agent could "receive the transfer from PFC CSKA SOFIA according to his work relations with the mentioned club". In the Chamber's view, the aforementioned statement does not specifically refer to the Claimant's salaries and, as a consequence, the*

Chamber decided that the Respondent had not provided any document from which it could unambiguously be established that the Claimant had authorised the Respondent to pay his outstanding salaries to Mr Ruano. In other words, the Respondent had not proved to the Chamber's satisfaction that, with the alleged payment transferred to the agent, it had in fact settled its debt it had towards the Claimant.

20. *As a result, the Chamber decided that the Respondent is liable to pay to the Claimant the remuneration for the months during which the Claimant was employed by the Respondent but had not yet been paid at the time of the termination i.e. the amount of EUR 15,600, consisting of the two monthly salaries of EUR 7,800 for the months of November and December 2012. In this respect, the Chamber clarified that although the salary for December 2012 only fell due on 25 January 2013, it should be included in the calculation for the outstanding remuneration since the relevant payment corresponded to the remuneration earned in a month prior to the termination of the contract.*
21. *In continuation, the Chamber decided that, taking into consideration art. 17 par. 1 of the Regulations, the Claimant is entitled to receive from the Respondent compensation for breach of contract in addition to any outstanding salaries on the basis of the relevant employment contract”.*
24. *“[...] [T]he members of the Chamber determined that the amount of compensation payable by the Respondent to the Claimant had to be assessed in application of the other parameters set out in art. 17 par. 1 of the Regulations. The Chamber recalled that said provision provides for a non-exhaustive enumeration of criteria to be taken into consideration when calculating the amount of compensation payable.*
25. *Bearing in mind the foregoing as well as the claim of the Claimant, the Chamber proceeded with the calculation of the monies payable to the player under the terms of the employment contract until 30 June 2015, taking into account that the player's remuneration until December 2012 is included in the calculation of the outstanding remuneration (cf. no. II./ 20. above). Consequently, the Chamber concluded that the amount of EUR 262,800 (i.e. the remuneration as from January 2013 until 20 June 2015) serves as the basis for the determination of the amount of compensation for breach of contract.*
26. *In continuation, the Chamber verified as to whether the Claimant had signed an employment with another club during the relevant period of time, by means of which he would have been enabled to reduce his loss of income. According to the constant practice of the DRC, such remuneration under a new employment contract shall be taken into account in the calculation of the amount of compensation for breach of contract in connection with the player's general obligation to mitigate his damages.*
27. *Indeed, on 31 January 2013, the Claimant signed a new contract with the Portuguese club, Freamunde, for five months receiving a gross monthly salary of EUR 1,188.25, totalling the amount of EUR 5,941.25. On 3 June 2013, the Claimant signed a contract with the Portuguese club, Chaves, valid from 1 July 2013 until 30 June 2014 in accordance with which he would receive the total amount of EUR 20,000. Altogether, this would cumulate to the total amount of EUR 25,491.*
28. *Consequently, on account of all the above-mentioned considerations and the specificities of the case at hand, the Chamber decided that the Respondent must pay the amount of EUR 236,859 to the Claimant, which was to be considered a reasonable and justified amount of compensation for breach of contract in the present matter”.*

III. PROCEEDINGS BEFORE THE COURT OF ARBITRATION FOR SPORT

21. On 9 September 2014, the Appellant lodged a statement of appeal in accordance with Articles R47 and R48 of the Code of Sports-related Arbitration (the “Code”) with the Court of Arbitration for Sport (the “CAS”), challenging the Appealed Decision.
22. Together with its statement of appeal, the Appellant called also the Fédération Internationale de Football Association (“FIFA”) as a second Respondent and nominated Mr Bernhard Heusler, Attorney-at-law in Basel, Switzerland, as arbitrator.
23. On 12 September 2014, the CAS Court Office acknowledged receipt of the statement of appeal.
24. On 19 September 2014, the Appellant filed its appeal brief requesting from the CAS:
 - “1. To set aside the decision passed on 27 May 2014 by the FIFA Dispute Resolution Chamber.*
 - 2. To order the Respondent 1 and Respondent 2 to bear all the costs incurred with the present procedure.*
 - 3. To order the Respondent 1 and Respondent 2 to cover all legal and other expenses of the Appellant related to the present procedure”.*
25. In its appeal brief, the Appellant also included a request that this arbitration be referred to the same Panel as the one in the procedure *CAS 2014/A/3740 PFC CSKA Sofia v. Nilson Antonio De Veiga Barros & FIFA*, in accordance with Article R50 of the Code, as the two cases involve the same issues.
26. On 25 September 2014, FIFA requested from the CAS Court Office that, as the present arbitration related to a pure contractual dispute, FIFA be excluded from it.
27. On 25 September 2014, the CAS invited the Appellant to advise the CAS Court Office whether it maintained its appeal against FIFA.
28. On 29 September 2014, the Appellant withdrew its appeal against FIFA.
29. On 6 October 2014, the CAS Court Office further invited the Respondent to confirm the nomination of Mr Manfred Nan, who was appointed by FIFA in the procedure *CAS 2014/A/3740 PFC CSKA Sofia v. Nilson Antonio De Veiga Barros & FIFA*, as arbitrator and to state whether he agreed with the Appellant’s suggestion to submit the present matter to the same Panel as the one in the procedure *CAS 2014/A/3740 PFC CSKA Sofia v. Nilson Antonio De Veiga Barros & FIFA*.
30. The Respondent failed to respond to any of the above requests and, as a result, by letter of 15 October 2014 the CAS Court Office confirmed Mr Manfred Nan’s nomination as arbitrator in the present matter and informed the parties that the present case shall be submitted to the

same Panel as the one in the procedure *CAS 2014/A/3740 PFC CSKA Sofia v. Nilson Antonio De Veiga Barros & FIFA*.

31. On 3 November 2014, the CAS Court Office advised the Respondent that, it had received no answer from the latter. The CAS Court Office further indicated to the Respondent the consequences of Article R55 para. 2 of the Code, which provides that *“If the Respondent fails to submit its answer by the stated time limit, the Panel may nevertheless proceed with the arbitration and deliver an award”*.
32. On 8 December 2014, and in accordance with article R54 para. 2 of the Code, the CAS Court Office informed the parties that the Panel appointed to adjudicate the present matter will be constituted as follows:
 - President: Mr Sofoklis P. Pilavios, Attorney-at-law in Athens, Greece
 - Arbitrators: Mr Bernhard Heusler, Attorney-at-law in Basel, Switzerland
Mr Manfred Nan, Attorney-at-law in Arnhem, the Netherlands
33. On 8 January 2015, the Respondent agreed that the Panel issue an award solely based on the parties’ written submissions.
34. On 9 January 2015, the Appellant advised the CAS Court Office that it prefers that a hearing be held in the present matter.
35. On 26 January 2015, the CAS Court Office informed the parties that the Panel had decided that a hearing shall be held in accordance with Article R57 of the Code and invited FIFA to provide the CAS with a copy of the case file related to the present arbitration.
36. On 4 February 2015, FIFA provided CAS with a copy of its file related to the present matter.
37. On 30 March 2015, the CAS Court Office issued an order of procedure, which was signed and returned to the CAS by the parties on 3, respectively, 6 April 2015.
38. On 13 May 2015, a hearing took place at the CAS Court Office in Lausanne, Switzerland.
39. The Panel sat in the following composition:
 - President: Mr Sofoklis P. Pilavios, Attorney-at-law in Athens, Greece
 - Arbitrators: Mr Bernhard Heusler, Attorney-at-law in Basel, Switzerland
Mr Manfred Nan, Attorney-at-law Arnhem, The Netherlands
40. The Panel was assisted by Mr Fabien Cagneux, Counsel to the CAS.
41. The following persons attended the hearing:

- The Appellant was represented by its legal counsel, Mr Boris E. Kolev, Ms Elena Todorovska and Mr Georgi Gaidarov.
 - The Respondent was represented by his legal counsel, Mr Paulo Assis Vieira.
42. At the outset of the hearing, the parties confirmed that they did not have any objection as to the constitution and composition of the Panel.
43. The Panel heard evidence by Mr Dimitar Dimitrov, administrative secretary of the Appellant's "A" football team, who attended the hearing in person.
44. At the conclusion of the hearing, the parties confirmed that their right to be heard and to be treated equally in the present proceedings before the Panel had been fully respected, following which the Panel closed the hearing and announced that its award would be rendered in due course.

IV. SUBMISSIONS OF THE PARTIES

45. The following outline of the parties' positions is illustrative only and does not necessarily comprise every submission advanced by the Appellant and the Respondent. The Panel has nonetheless carefully considered all the submissions made by the parties, whether or not there is specific reference to them in the following summary.
46. The Appellant's submissions, in essence, may be summarized as follows:
- The Appellant made the payment of the Player's outstanding salaries to the Player's Agent on 27 March 2013 on the basis of a written authorization signed by the Player ("*Mandate*") which was sent to the Appellant by the Player's Agent by email on 25 March 2013.
 - The "*Mandate*", albeit drafted in poor English, contains a clear authorization on the part of the Player towards the Player's Agent to collect money from the Appellant, which is related to the Player's employment relationship with the Appellant.
 - Such payment method was the single option for the Appellant considering that it was unable to reach the Player who was not in Bulgaria at that time and that 31 March 2013 was the time limit set by the Bulgarian football licensing authorities for the clubs affiliated with the Bulgarian football association to settle their debts towards their employees.
 - The Player's Agent signed a "*Declaration*" on 27 March 2013, which proves that said payment was indeed made.
 - The period from 16 December 2012 until 4 January 2013 had not been fixed as holidays for the Player as he was under the obligation to follow an individual training program during the stated period, which was communicated to him through the Player's Agent by email on 17 December 2012. In addition, the Player did not submit a request in writing

to the Appellant with respect to his right to make use of his annual paid leave, in accordance with the relevant provisions of the Bulgarian Labour Code and, therefore, he was to appear at the Appellant's premises on 18 December 2012.

- The Player's absence from the Appellant's premises within the stated time period is confirmed by the notarial acts of Ms Tsvetelina Gecheva.
- The Portuguese Embassy in Sofia confirmed that the documents of the Portuguese Embassy in Sofia filed by the Player with the FIFA DRC allegedly confirming his presence in the Appellant's premises during the stated period are not genuine.
- It was not possible for the Appellant to pay the Player's salary of November 2012 prior to 5 January 2013 because of the holidays.
- The termination of the Player's Contract by the Appellant was justified and the FIFA DRC erred in rendering the Appealed Decision in this respect. As a result, no compensation is due by the Appellant to the Player.

47. The Respondent did not submit a written answer within the time limit provided by the Code. His oral submissions during the hearing, in essence, may be summarized as follows:

- During a meeting that took place in December 2012, the Appellant made a proposal to the Respondent to agree to a mutual termination of the Contract and come to a settlement as to the amount of compensation payable to the latter.
- The Appellant had informed all players that the time period from 16 December 2012 until 4 January 2013 had been fixed as holidays.
- The Respondent contests having authorised the Player's Agent to collect money from the Appellant with regard to the outstanding amounts of his salaries.
- The Respondent disputes the validity of the "*Declaration*" of 27 March 2013 submitted by the Appellant.

V. JURISDICTION

48. The jurisdiction of the CAS, which is not disputed, derives from article 67 para. 1 of the FIFA Statutes (2013 edition) as it determines that "*[a]ppeals against final decisions passed by FIFA's legal bodies and against decisions passed by Confederations, Members or Leagues shall be lodged with CAS within 21 days of notification of the decision in question*" and Article R47 of the Code.
49. The jurisdiction of CAS is further confirmed by the Order of Procedure duly signed by the parties.
50. It follows that CAS has jurisdiction to decide on the present dispute.

VI. ADMISSIBILITY

51. The appeal was filed within the 21 days set by article 67 para. 1 of the FIFA Statutes (2013 edition) and article R49 of the Code. The appeal complied with all other requirements of Article R48 of the Code, including the payment of the CAS Court Office fee.
52. It follows that the appeal is admissible.

VII. APPLICABLE LAW

53. Article R58 of the 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 a choice, according to the law of the country in which the federation, association or sports-related body which has issued the challenged decision is domiciled or according to the rules of law the Panel deems appropriate. In the latter case, the Panel shall give reasons for its decision”.

54. Article R58 of the Code indicates how the Panel must determine which substantive rules/laws are to be applied to the merits of the dispute. This provision recognizes the pre-eminence of the “*applicable regulations*” to the “*rules of law chosen by the parties*”, which are only applicable “*subsidiarily*”. Article R58 of the Code does not admit any derogation and imposes a hierarchy of norms, which implies for the Panel the obligation to resolve the matter pursuant to the regulations of the relevant “*federation, association or sports-related body*”.
55. The Panel observes that on the one hand, according to Article 66 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”.
56. On the other hand, pursuant to Article R58 of the Code, the dispute is to be decided subsidiarily by the “*rules of law chosen by the parties*”, which in the present matter are “*the provisions of the Labor Code, the BFU’s regulations and the Bulgarian legislation*” (Article XII.2 of the Contract).
57. The case at hand was submitted to the DRC on 22 May 2013, hence after 1 December 2012 and 25 July 2012, which are the dates when the revised Regulations for Status and Transfer of Players (2012 edition) (the “FIFA Regulations”) and the FIFA Statutes (2012 edition) came into force respectively. These are the editions of the rules and regulations under which the case shall be assessed (see Article 26 of the FIFA Regulations and Article 87 of the FIFA Statutes).
58. Since the parties elected to submit their dispute to the FIFA DRC and since it remained undisputed that the present matter is to be resolved on the basis of the regulations of FIFA, including Article 66 para. 2 of the FIFA Statutes, the Panel will, subject to the primacy of the applicable regulations of FIFA, subsidiarily apply Swiss law in case of a lacuna and Bulgarian legislation to the extent warranted, *i.e.* particularly insofar the parties specifically elected certain contractual provisions to be governed by Bulgarian legislation.

VIII. MERITS

59. According to Article R57 of the Code, the Panel has “*full power to review the facts and the law*”. As repeatedly stated in the jurisprudence of the CAS, by reference to this provision, the CAS appellate arbitration procedure entails a *de novo* review of the merits of the case, and is not confined merely to deciding whether the ruling appealed was correct or not. Accordingly, it is the function of this Panel to make an independent determination as to merits (see CAS 2007/A/1394, para. 21).

60. In light of the facts of the case and the arguments of the parties, the Panel shall firstly examine whether the Appellant terminated the Contract with just cause or not and, secondly, shall deal with the financial consequences resulting from the termination of the Contract.

A. The termination of the Contract by the Appellant

61. The first issue to be resolved is whether the Appellant terminated the Contract with just cause or not.

62. The Appellant justifies its termination of the Contract by claiming that the Respondent was not fulfilling his contractual obligations, as he missed the individual training sessions which were scheduled for him and several other players in Sofia from 18 December 2012 onwards.

63. In particular, the Appellant issued an order for the termination of the Contract on 11 January 2013, which states that the reason for the termination was the fact that the Player “*did not appear in his work place from 18.12.2012 until 06.01.2013*”.

64. The Appellant contests that said time period had been fixed as holidays and argues that, in any event, and in accordance with the provisions of the Bulgarian labour law, the Player should have made a request in writing in order to be granted paid leave during that time.

65. The Appellant further reports in his termination order that the Player “*was invited to reunite with the PFK CSKA EAD Executive Director (...) where was requested an oral or written justification about his non-attendance. Mr Tengarrinha folded to offer whatever explanations regarding its lack, act that was duly confirmed by the signed minute by three witnesses*”.

66. As a result, in view of the fact that the abovementioned conduct on the part of the Player constituted a violation of the provisions of the Contract and of the Bulgarian Labour Code, the Appellant submits that its decision to terminate the Contract of the Respondent in January 2013 was justified.

67. In this respect and as a preliminary remark, the Panel notes that, on the basis of the facts and on what has been stated at the hearing, the Appellant in any event had demonstrated to the Respondent that it did not wish to continue the employment relationship with the latter under the same terms provided for in the existing Contract.

68. In this respect and in order for the Panel to determine whether the facts alleged by the Appellant justify the early termination of the Contract, the Panel refers to Article 14 of the FIFA Regulations, which states “*A contract may be terminated unilaterally by either party without consequences, where there is just cause*”.
69. Nevertheless, the FIFA Regulations do not define what constitutes “*just cause*”. As a result, the definition of just cause and whether just cause exists is established on a case-by-case basis.
70. Therefore, the Panel turns its attention to the relevant provisions of the applicable law and the case law developed by the CAS on this question.
71. In this context, because of the subsidiary application of Swiss law and in view of the fact that this is not governed by the FIFA Regulations, Article 337 para.2 of the Swiss Code of Obligations (“SCO”) provides that:

“In particular, good cause is any circumstance which renders the continuation of the employment relationship in good faith unconscionable for the party giving notice”.
72. Furthermore, pursuant to the well-established jurisprudence of the CAS, only material breaches of an employment contract constitute just cause for its termination. The breach must be material in the sense that, in the circumstances of the breach at stake, the other party cannot be expected to continue the contract while the first party is in breach (CAS 2004/A/587; CAS 2006/A/1180; CAS 2006/A/1100; and CAS 2011/A/2567).
73. In addition, in accordance with the principle of the burden of proof, which is a basic principle in every legal system that is also established in Article 8 of the Swiss Civil Code (“SCC”), each party to a legal procedure bears the burden of corroborating its allegations. In other words, any party deriving a right from an alleged fact shall carry the burden of proof and, in the matter at hand, it is up to the party invoking a “just cause” to establish the existence of the facts founding this “just cause” (see IBARROLA J., *La jurisprudence du TAS en matière de football – Questions de procédure et de droit de fond*, in BERNASCONI/RIGOZZI (eds.), *The Proceedings before the Court of Arbitration for Sports*, Berne 2007, p. 252 and also, *ex multis*, CAS 2009/A/1810 & 1811).
74. Therefore, the questions for the Panel to decide are whether the Appellant has discharged its burden of proof in establishing the facts it alleged in its appeal brief and then, in the affirmative, whether the material-breach threshold was crossed by the Respondent’s alleged conduct.
75. Based on the facts and evidence adduced, the Panel is of the opinion that it remains undisputed that the Appellant informed all its players, including the Respondent, that the time period from 16 December 2012 until 4 January 2013 had been fixed as holidays and, therefore, the players were under no obligation to be present at the Appellant’s premises at that time.
76. In this context, the Panel rejects the Appellant’s argument that the Respondent was under the obligation to submit a request in writing in order to make use of his paid leave during the

stated time period, noting that there is no element in the file which corroborates the Appellant's submission and that this was not made a condition under the Contract by the parties.

77. It is hence manifest that according to the Appellant's instructions, the Respondent had every right to be away from Sofia and absent from the training sessions during the stated time period.
78. Moreover, with regard to the alleged invitation sent by the Appellant to the Respondent through his agent, Mr Juan Francisco Ruano Moreno, on the evening of 17 December 2012 by email, the Panel notes that it has not been proven that the notice was sent directly to the Respondent, or that the latter had direct knowledge of the content thereof on the date the Appellant alleges it sent the notice. It is stressed in the latter regard that the Appellant, in his email dated 17 December 2012, did not expressly request from the Player's Agent to confirm to the Appellant that he had indeed forwarded said notice to the Respondent, neither did the Appellant attempt to request such confirmation after the Respondent's alleged absence from the scheduled training sessions.
79. The Panel also notes that the Appellant did not attempt to call the Player's Agent as a witness in this arbitration, in order for the Appellant to be able to discharge his burden of proof in that regard.
80. As a result, from the facts established by the Panel and presented by the parties, the Appellant has not adduced evidence proving the allegation that the Respondent missed the training sessions in Sofia from 18 December 2012 onwards on his own initiative and without any permission.
81. As a result, the Panel is convinced that the Appellant has not discharged its burden of proof in establishing the facts alleged in its appeal brief, which are relevant to the circumstances of the Respondent's absence from the assumed training sessions of the Appellant from 18 December 2012 onwards.
82. Therefore, the Panel does not find it necessary to examine whether the Respondent's alleged conduct constitutes a material breach which was severe enough to justify an early termination of the Contract.
83. However, given the debate, the Panel wishes to make the following observations.
84. It is important to highlight that pursuant to well-established jurisprudence of the CAS, a party will only be able to establish a just cause to terminate the employment contract if it had previously warned the other party of its unacceptable conduct or attitude (CAS 2012/A/2698).
85. In particular, as the CAS Panel established in the case CAS 2009/A/1956:

"According to Swiss law, which applies additionally, and as emphasized by the FIFA Dispute DRC in the appealed decision, the termination of the contract with immediate effect is to be applied as ultima ratio. When

the breaches of the contract by a player are not serious, for instance in case of disciplinary problems resulting from the behaviour of such player, a termination with immediate effect shall only occur when the employee has been warned beforehand and made aware that a repetition of the act for which warnings have been issued might lead to the termination of the contract (on this point, see for instance the decision of the Swiss Supreme Court published in DTF 121 III 467)”.

86. In the present case, the Panel finds that there is no evidence that the Respondent has been warned of a possible termination of the Contract because of his alleged incorrect behavior, prior to rescission of the Contract in January 2013.
87. Consequently, irrespective of the issue of the burden of proof, which the Appellant failed to discharge, the Panel is of the opinion that the Appellant in any event did not have sufficient reasons to prematurely and unilaterally terminate the Contract with the Respondent.
88. In light of the foregoing, the Panel concurs with the FIFA DRC and is clearly of the opinion that the Appellant did not establish the existence of a just cause. The Panel does not consider that the Appellant has produced convincing evidence on this point and considers this to be sufficient ground to reject the appeal.

B. The financial consequences

89. The Panel has no hesitation to confirm the Appealed Decision on this point, which ruled that the Respondent was entitled to claim payment of outstanding remuneration in the amount of EUR 15,600 as well as compensation for breach of contract in the amount of EUR 236,859.
90. With respect to the payment of the Respondent’s outstanding remuneration, the Panel notes that the Appellant is under the obligation to fulfil his duties under the Contract until the expected date of termination, *i.e.* 30 June 2015, in accordance with the general principle of “*pacta sunt servanda*”.
91. In support of its appeal, the Appellant contends that it paid the outstanding salaries of the Respondent to the Player’s Agent in cash on 27 March 2013, on the basis of an authorisation in writing given by the Respondent to the Player’s Agent for that purpose (“*Mandate*”). The Appellant further submits that the reasons it opted for this payment method were that it was under pressure of time to settle outstanding debts to several employees due to the licensing requirements of the Bulgarian football authorities and that it was unable to locate the Respondent as he was no longer its employee.
92. The Respondent contests having signed any authorisation to the Player’s Agent and having received any money from the latter corresponding to the outstanding salaries from his employment relationship with the Appellant.
93. The Panel refers to the general principle of the burden of proof, which is further established by Article 8 of the SCC, according to which a party deriving a right from an alleged fact has the obligation to prove such relevant fact.

94. In this respect, the Panel first and foremost notes that the text of the “*Mandate*” (i.e. “[...] *to receive the transfer from PFC CSKA Sofia according to his work relation with the mentioned club*”) cannot be interpreted as a clear and outright authorisation on the part of the Respondent to his agent to receive money from the Appellant on his behalf.
95. Furthermore, and in light of the Respondent’s refusal to confirm the facts adduced by the Appellant, the Panel notes that the Appellant was unable to submit any solid reason as to why it was unable to locate the Respondent prior to 27 March 2013 or to execute the payment by transferring the relevant amounts directly into the Respondent’s bank account.
96. Additionally, the circumstances of the communication between the Appellant and the Player’s Agent remain unclear as the Appellant does not submit any correspondence between them prior to the date the disputed “*Mandate*” was signed and sent to the Appellant.
97. As a result, the Appellant was unable or at least did not exercise all reasonable efforts to verify whether the Player’s Agent was indeed acting still as a representative of the Respondent, in view of the fact that the Contract which contained a representation clause had at that time been terminated.
98. On the other hand, the Appellant does not explain why it did not attempt to make contact with Mr Duarte Costa, the legal counsel representing the Respondent, who, as opposed to the Player’s Agent, was actively involved in the dispute between the parties and had sent several default letters to the Appellant in relation to the Respondent’s outstanding salaries in December 2012 and January 2013.
99. The Appellant also did not attempt to call the Player’s Agent as a witness in this arbitration in order for the latter to be able to confirm the facts alleged by the Appellant with regard to the disputed “*Mandate*” and the circumstances of the alleged payment made to the former in March 2013.
100. As a result, the Panel concludes that it was not convinced that the Appellant paid to the Player his outstanding remuneration, namely his salary for the months November and December 2012, which corresponds to a total amount of EUR 1,600.
101. As far as the matter of the Player’s compensation is concerned, according to Article 17 para.1 of the FIFA Regulations, a player has to be compensated for the damages caused by the unlawful termination of an employment contract.
102. Article 97 para. 1 of the SCO also stipulates that:

“An obligor who fails to discharge an obligation at all or as required must make amends for the resulting loss or damage, unless he can prove that he was not at fault”.
103. According to the jurisprudence of the CAS, “*in principle the harmed party should be restored to the position in which the same party would have been had the contract been properly fulfilled*” (CAS 2005/A/801, para 66; CAS 2006/A/1061, para. 15; and CAS 2006/A/1062, para. 22).

104. At this stage, the Panel confirms that a deduction of EUR 25,491 is to be operated, which corresponds to the amount of the salary received by the Player pursuant to his employment relationships with the Portuguese football clubs SC Freamunde, from 31 January to 30 June 2013, and Chaves, from 1 July 2013 until 30 June 2014, as evidenced by the relevant employment agreements which were submitted by the Player during the FIFA proceedings and are included in the FIFA case file.
105. In light of the foregoing and taking into account the relevant provisions of the Contract, the FIFA Regulations, as well as the relevant jurisprudence of the CAS, the Panel considers that the Respondent is entitled to the payment of outstanding remuneration and to the entire amount he could have earned under the Contract after a deduction of EUR 25,491, as compensation for its early termination, as follows:
- a) EUR 15,600 as outstanding remuneration for the months of November and December 2012, on the basis of Article III.2 of the Contract, which provides for a monthly salary in the amount of EUR 7,800; and
 - b) EUR 236,859 as compensation corresponding to the Respondent's salary between January 2012 and June 2015 after a deduction of EUR 25,491 (which amounts to the remuneration received by the Player from his new employer until June 2014).

ON THESE GROUNDS

The Court of Arbitration for Sport rules that:

1. The appeal filed by the PFC CSKA Sofia on 9 September 2014 against the decision issued on 27 May 2014 by the Dispute Resolution Chamber of the Fédération Internationale de Football Association is dismissed.
 2. The decision issued on 27 May 2014 by the Dispute Resolution Chamber of the Fédération Internationale de Football Association is confirmed.
- (...).
6. All other motions or prayers for relief are dismissed.