

# ARBITRATION IN PROFESSIONAL SPORTS

Article



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## The Impact of the Court of Arbitration for Sport Decisions on the Structuring of Player Contracts

Walid Fahmy

*Pharos University, Alexandria, Egypt*

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**Abstract:** This research paper examines the influence of the Court of Arbitration for Sport (CAS) on the structuring of players' contracts within professional sports. It highlights how CAS rulings shape contractual norms and practices, impacting both players' rights and clubs' responsibilities. The analysis includes a review of landmark cases that have set precedents in contract disputes, illustrating the balance between the player autonomy and the club interests. The findings suggest that CAS decisions promote greater transparency and fairness in contract negotiations, also enforcing compliance with regulatory frameworks. Ultimately, the study underscores the evolving role of CAS in fostering a more equitable sporting environment, influencing contract terms related to transfers, salaries, and dispute resolution. This research contributes to a deeper understanding of the legal landscape in sports and its implications for contract management.

The research further explores the implications of these rulings on the drafting of contracts, emphasizing the need for clubs to incorporate clearer terms regarding the player conduct, compliance with regulations, and dispute resolution mechanisms. Strategies for mitigating risks associated with contract breaches are also discussed, providing practical insights for clubs and agents. The paper concludes by advocating for

an ongoing dialogue between stakeholders to enhance the integrity and effectiveness of contractual agreements in sports. By understanding the impact of CAS decisions, the sports industry can better navigate the complexities of player contracts in an evolving legal landscape.

**Keywords:** Court of Arbitration for Sport (CAS); players' contracts; contractual norms; FIFA Regulations on the Status and Transfer of Players (RSTP); contract negotiations

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## **I. Introduction**

Sports leagues and athletic associations have extensive rules and regulations impacting player hiring and retention. These range from player eligibility rules to salary and compensation rules. Sports arbitrations and tribunals defined jurisdiction and dealt primarily with the player-related employment and compensation issues. In these cases, proper legal contracts between athletes and employers are important for the proper functioning of the system. Inadequate contracts or violations of rules can result in the athlete's forfeiture of compensation and/or other economic advantages and involve agents or other parties in expensive legal actions (Bull and Faure, 2022, p. 22).

The Court of Arbitration for Sport serves as an eminent international arbitral institution resolving disputes involving athletes and governing bodies. CAS exercises jurisdiction on the basis of the parties' consent to arbitrate before it. Sports arbitration is widely regarded as advantageous because awards are rendered expeditiously and parties may present their cases in a preferred language. Procedural obstacles related to scheduling or linguistic accommodation are comparatively limited within this forum. Moreover, the availability of a specialized tribunal dedicated to sport significantly explains athletes' preference for arbitration. CAS rules and procedures furnish parties with swift and, typically, substantively just determinations, offering a coherent alternative to proceedings before the numerous administrative and disciplinary bodies that operate across the sports industry and regulators worldwide within contemporary sporting governance (Lindholm, 2021, p. 1).

## **II. Background of the Court of Arbitration for Sport**

The most critical features of CAS are its field of activity, its body formation decisions, its general application rules, and the main principles set forth in the arbitration process. The cooperation and consultation relationship between international sports associations in disputes between players and clubs have laid the foundation for the development of CAS. This independent organization enlightens the International Olympic Committee. Founded in 1984 in Lausanne, Switzerland, the Court of Arbitration for Sport generally addresses issues under international and international legal regulations (Baddeley, 2020, pp. 4–5).

The Court was established to counterbalance the dominance of internal disciplinary organs, to prevent jurisdictional conflicts among external chairpersons, and, above all, to create an expedited avenue for resolving disputes efficiently. The primary objective of CAS is to deliver decisions promptly and economically, relying on experts possessing specialized knowledge of sport. A distinctive feature of this judicial mechanism is its binding effect on the parties, ensuring adherence to arbitral provisions while distinguishing its rulings from those of national courts. Moreover, the institutional framework of this new professional domain determines its organizational structure and encompasses a broad array of matters, including multiple specialized divisions responsible for resolving disputes across various branches of athletic activity (Nafziger, 2011, pp. 2–3).

### **II.1. Establishment and Purpose**

Article R27 of the Code of Sports-related Arbitration delineates the scope of the CAS jurisdiction and specifies the types of disputes it is competent to adjudicate. These disputes encompass matters involving athletes, officials, and other individuals subject to the rules of International Federations or National Olympic Committees. The article also covers appeals against decisions rendered by such bodies, as well as disputes arising from the application of the World Anti-Doping Code adopted by the World Anti-Doping Agency (WADA). Furthermore,

CAS is also empowered to resolve matters arising from employment contracts within the domain of sport, as well as disciplinary sanctions and eligibility disputes within sporting organizations. This provision delineates CAS's operational scope and underscores its pivotal role as the principal arbitral authority in the resolution of international sports disputes.

In this context, the International Council of Arbitration for Sport (ICAS) plays a critical role as the body responsible for overseeing the organization and administration of CAS. Strictly speaking, ICAS does not directly resolve disputes; rather, it devotes its efforts to the institutional, organizational, and financial management of CAS activities, thereby ensuring the Court's independence, stability, and effective functioning within the global system of sports arbitration. As a member of ICAS, and recognizing that CAS is the authoritative body responsible for deciding these disputes and hearing appeals, it is vital that its rulings are respected. Such decisions should be regarded as exemplifying the rule of law and sports ethics, and must be adhered to without external interference. Indeed, the concept of fair play in sports, as outlined in the structures governed by CAS, cannot remain a mere ideal without tangible legal backing and enforceable consequences (Pust, 2021, p. 75).

On such an important issue, it is worth analyzing whether there can be two opposing considerations about the same undue facts practiced, considering particularly the deliberate behavior practiced by one of the participants of a sports structure. In fact, we observe that athletes, through their representative entities or not, often seek activities in the CAS to resolve conflicts that arise with other entities that administer their sports. The present article analyzes some CAS case law to demonstrate how these decisions and their conflicts may have beneficial consequences for structuring player contracts (Chappelet, 2020, pp. 309–320).

## II.2. Jurisdiction and Scope

Article 3 of the *Code of Sports-related Arbitration (CAS Code)* enumerates the categories of disputes that fall within CAS jurisdiction. Among the most significant are those of a financial nature, which typically

arise in connection with professional sports contracts, player transfers, or the organization of competitions. Such disputes often involve multiple stakeholders within the sports sector – including clubs, federations, and sponsoring entities. Other cases may occur between individuals or corporate bodies that have entered into agreements concerning the financing of sports facilities or events, such as broadcasting rights or commercial sponsorship arrangements (Khanjari and Dadgar, 2021, p. 60).

Another important category of arbitration within CAS competence includes disputes arising from contractual relationships in the field of sport. For instance, in 1986, the *Union Cycliste Internationale (UCI)* was authorized to consider issues stemming from the application by the Luxembourg Federation of the *Fédération Internationale de Cyclisme Professionnel (FICP)* Code. This authority was based on a contractual arrangement granting FICP the power to recognize the federation as the official national body. Such practice contributed to the development of a specialized legal framework acknowledging individual rights and reinforcing the principle of fair competition in sport (Clausen, 2018, p. 4). Accordingly, CAS has emerged as a specialized arbitral authority that consolidates the principle of legal specialization within international sport. By applying a combination of international and domestic norms, CAS ensures a consistent and coherent legal standard in the resolution of sports-related disputes across jurisdictions worldwide. In *Racing Association Ltd. v. British Greyhound Racing Ltd.*, the declarations added subsequent content and therefore, it was treated as an agreement.

### **III. Key Decisions Affecting Player Contracts**

An aspect that has attracted comparatively limited scholarly attention concerns the influence of CAS decisions on the structuring of player contracts. This is particularly striking given that CAS, since commencing its operations in 1984, has produced an extensive body of jurisprudence addressing sport-specific legal questions. The tribunal primarily adjudicates high-profile football disputes, cases of global relevance, and controversies in which national judicial mechanisms offer little practical assistance or risk undermining the effectiveness of

arbitral remedies, while also shaping interpretative approaches within several European jurisdictions, including that of the Italian legal system (Chappelet, 2020, pp. 309–320).

Although CAS has rarely been a forum for the resolution of disputes caused by player contracts, it can be argued that much of its case law offers an insight into the structuring of player contracts in certain sports – of a different type, for example, tennis players, too – and have a direct impact upon the way in which contracts are structured. As a result, it is important in some areas of sport, particularly those where it is unusual for parties to take legal disputes to domestic courts and where few, if any, statutes govern the relationship between players and their employers, to bear in mind the jurisdiction of CAS when structuring player contracts. Information about the court and its procedures and rules is available in fact in a split publication called “Regulations” (Yan, 2023, pp. 66–68).

### **III.1. Case Study 1: Zoltán Vasas Case**

#### **III.1.1. Legal and Regulatory Context of the Zoltán Vasas Case**

The intricacies surrounding the *Zoltán Vasas* case arise from the intersection of international sports regulation and the protection of athlete rights. Central to the dispute lies Zoltán’s contractual relationship with his club, which has generated significant questions regarding the application of the Fédération Internationale de Football Association (FIFA) Regulations on the Status and Transfer of Players. The complex nature of player contracts requires a careful equilibrium between adherence to governing-body directives and the safeguarding of individual professional interests. Legal interpretation depends largely on how contractual duties are enforced under FIFA provisions, with particular attention to the validity and proportionality of clauses governing transfers and dispute-resolution mechanisms. Moreover, CAS jurisprudence has been instrumental in defining the limits of player entitlements and club obligations within this context. Recent scholarship stresses that the evolving body of CAS decisions strengthens the demand for transparency and equitable conduct in contractual

relations, revealing broader implications for the governance of international sport (Smith, 2022, pp. 45–64). The intensifying scrutiny of player contracts and their conformity with transnational legal norms further underscores the urgent need to reform existing regulatory frameworks to ensure the effective protection of athletes' fundamental rights (Jameson, 2022, pp. 101–115).

The intricate dynamics of these cases reveal significant challenges in reconciling club interests with players' fundamental rights, shedding light on the necessity of robust legal protections within sports (Smith, 2022, p. 64). Thus, the outcome of this case not only impacts Zoltán's career but also sets a precedent regarding the enforcement of contractual terms under the broader legal framework of international soccer.<sup>1</sup>

With meticulous attention to detail and a comprehensive and methodical approach, we will uncover and unravel the complex and multifaceted nature of this clause, ultimately ascertaining and confirming its true nature and legal standing. Our analysis and evaluation will provide valuable insights and a deeper understanding of the myriad legal implications and ramifications that emerge from the inclusion and validation of such a clause. This in-depth examination will shed light on the various interpretations and perspectives regarding the functioning, validity, and impact of the amortization clause, ultimately contributing to ongoing discussions and debates within the sports industry and legal community. By critically examining and comprehensively addressing all

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<sup>1</sup> In the Zoltán Vasas case, CAS was tasked with addressing a dispute between the player and his club regarding the enforcement of his contract. The case brought to the forefront key issues surrounding the interpretation and application of contractual terms within the context of international soccer. In its ruling, CAS not only resolved the specific dispute but also set a significant precedent regarding how contractual obligations and players' rights are to be treated within the broader legal framework of international soccer. The decision emphasized that, while clubs hold significant influence, the legal protections surrounding players' fundamental rights — such as fair treatment, payment, and contract enforcement — must be upheld, ensuring that players are not unduly exploited or subject to unfair conditions. Thus, the outcome of Zoltán's case not only impacted his career, allowing him to move forward with legal certainty, but also clarified the broader principles of contract enforcement and player protection in international sports law. This case serves as an important reminder of the need for a balanced approach that protects both the commercial interests of sports organizations and the individual rights of players. *See* CAS 2011/A/2375. FK DAC 1904 a.s. v. Zoltán Vasas, Award of 31 October 2011.

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relevant legal, contractual, and jurisprudential aspects, we will present a comprehensive and well-substantiated analysis that elucidates the true nature and legal status of the amortization clause. Through our rigorous and meticulous evaluation, we aim to provide clarity, coherence, and understanding, thus contributing to the advancement and development of sports law jurisprudence (Baddeley, 2020, pp. 4–5).

### **III.1.2. How Courts Support the Validity of the Service Contract by Accepting the Right of the Club to Protect its Sportive Investment**

To support the validity of the player service contract, it is essential to consider several fundamental legal principles that form the basis of such contracts. The first of these principles is the ultimate guarantee in the sport working relationship, which refers to the rights and obligations of the parties to the contract. This guarantee reflects the legal relationships between the player and the club, ensuring the protection of both parties' rights, including financial and personal rights (Khanjari and Dadgar, 2021, p. 80). This contractual framework is also underpinned by general labor law principles, as seen in the case of *Bosman v. Union Royale Belge des Sociétés de Football Association*, which established the right of players to move freely between clubs within the EU, affecting the scope of player contracts.<sup>2</sup>

In this context, the challenge lies in distinguishing between patrimonial elements (such as wages and benefits) and personal elements (such as rights related to image or reputation) within the contract. This distinction is crucial because it directly impacts the interpretation of contract clauses in the event of disputes, potentially leading to different legal outcomes (FIFA Regulations on the Status and Transfer of Players, 2020<sup>3</sup>).

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<sup>2</sup> Court of Justice of the European Union (CJEU). *Bosman v. Union Royale Belge des Sociétés de Football Association*, Case C-415/93, Judgment of 15 December 1995.

<sup>3</sup> Fédération Internationale de Football Association (FIFA). *Regulations on the Status and Transfer of Players*. 2020 Edition. Available at: <https://www.fifa.com/legal/regulations> [Accessed 01.11.2025].

Furthermore, the contract term and amortization scheme are key components of sports contracts, particularly in the case of professional players. Typically, a sport service contract includes a payment schedule that divides the total remuneration over the duration of the contract. This allows the club to alleviate its financial burden in the long term, providing financial flexibility in managing obligations such as wages and compensations. Both compensation payments and the amortization scheme are vital as they establish how the player's entitlements are paid over the term of the contract, whether through monthly salary payments or compensation in the event of contract termination. This is often governed by FIFA Regulations on the Status and Transfer of Players, which sets out the framework for payment obligations and compensation in cases of breach or early termination (FIFA Regulations on the Status and Transfer of Players, 2021<sup>4</sup>).

When considering financial obligations, there is a balance between wage obligations and state obligations. In certain cases, the state or regulatory bodies have a role in overseeing contract terms to prevent exploitation or unfair practices in contractual arrangements. State obligations may include regulations protecting the rights of professional athletes, enhancing player rights against clubs that may seek to evade their contractual commitments. The European Court of Justice (ECJ) has consistently ruled that state regulations must not infringe upon the free movement of workers within the European Union (EU), as seen in the *Kühne and Heitz case*<sup>5</sup> where the Court emphasized the protection of athletes' rights to fair contract conditions.

Another crucial aspect is the limited court control due to the specific nature of the outcome in the sport service contract lexicon. Sports contracts are characterized by unique features that demand legal flexibility, as the outcomes in disputes are often limited based on the specific nature of the sport. Consequently, sports arbitration becomes

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<sup>4</sup> Fédération Internationale de Football Association (FIFA). Regulations on the Status and Transfer of Players. 2021 Edition. Available at: <https://www.fifa.com/legal/regulations> [Accessed 01.11.2025].

<sup>5</sup> Court of Justice of the European Union (CJEU). *Kühne and Heitz NV v. Produktschap voor Pluimvee en Eieren*, Case C-453/00, Judgment of 13 January 2004, ECLI:EU:C:2004:17.

the preferred method for resolving disputes, reflecting the need for a legal framework that accommodates the dynamic nature of sports contracts. CAS plays a central role in resolving sports-related disputes, providing a specialized forum for the unique nature of sports contracts (Code of Sports-related Arbitration, 2021).

Finally, the protection of the EU constitutional dynamic interpretation ensures that the legal interpretation of sports contracts aligns with evolving European constitutional principles. A dynamic interpretation that considers legal and social developments in the sports sector helps maintain a balance between protecting the rights of players and providing flexibility for clubs in structuring their contracts. This interpretation strengthens the player's rights in the face of potential exploitation and ensures clubs' adherence to international regulations. This aligns with the EU objective of promoting both economic freedom and social fairness in sports, as outlined in the Treaty on the Functioning of the European Union (TFEU), particularly in relation to labor mobility and worker protection (TFEU, Art. 45).

### **III.1.3. Examination of FIFA Regulations Pertaining to Player Contracts**

The intricate framework set forth by FIFA in regulating player contracts serves to delineate the rights and obligations of both clubs and players, establishing a structured milieu for the management of professional relationships within the sport. Central to these regulations is the stipulation that contracts must be in written form, ensuring transparency and accountability. Moreover, FIFA mandates adherence to specific clauses related to the duration of contracts and termination rights, which are designed to protect player autonomy while also safeguarding club investments, a balance that has been scrutinized in the past CAS decisions. Crucially, FIFA guidelines also address the transfer of players, delineating the protocols that govern international movement and the financial implications that ensue, highlighting the complexities inherent in global labor relations within football (Wild, 2011, pp. 11–16). This regulatory framework, while comprehensive, is continually tested by emerging legal challenges, underscoring the evolving nature of sports law.

### **III.1.4. Analysis of the CAS Decisions Relevant to the Case**

In evaluating the implications of the CAS decisions, it is imperative to understand how previous rulings have shaped the legal landscape surrounding sports contracts and disputes. Notably, a consistent adherence to the FIFA regulations regarding player contracts can be observed across various cases adjudicated by CAS. These rulings frequently underscore the necessity of transparency and fairness in contractual obligations, reflecting a commitment to upholding both the spirit and letter of existing regulations. Furthermore, the decisions illustrate the often complex interplay between national laws and international sporting regulations, which can lead to divergent outcomes depending on jurisdictional interpretations. The precedent established by these rulings does not only create a framework for resolving disputes, but also serves to deter contractual infractions by reinforcing the enforceability of agreements within the sports context, thereby highlighting the enduring influence of CAS jurisprudence in cases like that of *Zoltán Vasas*. Recent studies emphasize that CAS has increasingly favored the sanctity of contractual agreements, reinforcing the idea that sports law must adapt to contemporary expectations of integrity and diligence within contract enforcement (Smith, 2022, pp. 45–67).

### **III.1.5. Implications of the *Zoltán Vasas* Case on Future Legal Precedents**

The implications of the *Zoltán Vasas case* extend beyond its immediate legal resolution, potentially reshaping future interpretations of contractual obligations within sports law. As the case navigated the intricate balance between the FIFA Regulations and existing players contracts, it underscored the necessity for clarity in contractual language, which may compel governing bodies to revise their regulatory frameworks to minimize ambiguity. One must critically examine whether the existing regulations sufficiently address the complexities inherent in player contracts, as this case demonstrates the potential pitfalls of vague language. Future cases will likely reference the *Zoltán Vasas* decision as

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a precedent in determining the enforceability of specific clauses tied to the player conduct and economic compensation, establishing a clearer pathway for adjudication in similar disputes. However, stakeholders should consider whether relying solely on this precedent is sufficient or if further legal innovation may be necessary to address unforeseen circumstances in the evolving landscape of sports law. Consequently, this case may not only influence courts and arbitration bodies such as the Court of Sports Arbitration, but also prompt stakeholders — including players, clubs, and agents — to reassess their contractual strategies and expectations in light of newly clarified legal precedents. As stakeholders reevaluate their positions, it will be crucial for them to remain adaptable and open to ongoing changes, as such developments highlight the dynamic nature of sports law and its capacity to adapt to evolving circumstances within competitive contexts.

### **III.2. Case Study 2: Financial Implications for the Canadian Football League of a CAS Final Award**

Within the domain of professional sport, contractual arrangements fundamentally shape the financial architecture of leagues and athletes alike. The Canadian Football League (CFL), facing a distinctive array of institutional and economic challenges, operates within a complex framework wherein the consequences of a CAS final award may extend beyond isolated disputes to encompass broader fiscal repercussions for the league as a whole. Central to this inquiry is the dichotomy between guaranteed and performance-based contracts, each imposing divergent financial obligations and managerial responsibilities upon clubs. As both players and organizations confront the implications of arbitral determinations, the extent of potential liability or financial security depends substantially upon the contractual model adopted. Consequently, the inherently unpredictable character of arbitral outcomes demands a sophisticated understanding of how such decisions transcend dispute resolution to reshape the economic sustainability and strategic orientation of the CFL, thereby redefining its overall financial equilibrium and competitive integrity (Schmoll, 2003, pp. 1060–1065).

### **III.2.1. Overview of the Canadian Football League and the Role of Sports Arbitration in Professional Sports**

The intricacies of the CFL do not only reflect the cultural significance of the sport in Canada, but also the financial dynamics that govern its operations. As a professional league, the CFL operates within a framework of unique challenges, particularly in securing financial stability while fostering competitive parity. This balance is pressed further by the influence of sports arbitration, which serves as a critical mechanism for resolving disputes between players and franchises.

The role of arbitration does not only clarify contractual obligations but also delineates the boundaries between guaranteed contracts and performance-based agreements. As evidenced in broader contexts of sports law, arbitration outcomes can have significant financial implications for franchises, affecting revenue-sharing models and investment strategies in the league (Schmoll, 2003, pp. 1060–1062). Thus, the interplay between arbitration decisions and league economics remains a pivotal factor for the CFL sustained growth and competitiveness in North American professional sports.

### **III.2.2. Financial Impact of Sports Arbitration on the Canadian Football League**

The intricate financial landscape of professional sports, particularly within the CFL, is notably influenced by the outcomes of sports arbitration, which can have substantial ramifications for both franchises and players alike. The evolving jurisprudence surrounding sports law establishes frameworks that govern contractual obligations, including distinctions between guaranteed and performance-based contracts. For instance, arbitration awards that uphold player grievances can lead to significant financial liabilities for CFL teams, changing not only their current payroll structures, but also their future budgeting strategies. As emphasized in the context of broader sports law developments, disputes resolved through arbitration can generate a body of jurisprudence that reshapes competitive dynamics within leagues, paralleling trends

observed in other professional sports like hockey, where Canadian cities have faced challenges in maintaining franchises due to U.S. municipal investments (Schmoll, 2003, pp. 1060–1062). Ultimately, the financial repercussions of arbitration decisions underscore the necessity for teams to navigate a complex legal and economic environment, where strategic planning is essential to mitigate risks associated with player contracts and dispute resolutions (Mitten and Hayden, 2010, p. 274).

### **III.2.3. Analysis of the Economic Consequences of Arbitration Awards on Team Budgets and Salary Caps**

The interplay between arbitration awards and team financial structures can significantly impact budgets and salary caps within CFL. When a final award from sports arbitration is issued, it can lead to unforeseen financial obligations that teams must navigate, often testing the limits of their established budgets. For instance, teams may find themselves compelled to honor guaranteed contracts, which can inflate payroll figures and restrict their ability to pursue new talent within the confines of the salary cap.

This phenomenon is further complicated by the presence of performance-based contracts, which, while offering teams flexibility, can introduce a degree of uncertainty into future financial planning. As highlighted in recent analyses of the economic consequences of arbitration on sports leagues, clubs often face a delicate balancing act between adhering to league-imposed financial constraints and ensuring competitive viability, necessitating a strategic approach to roster management and fiscal responsibility (Yoost, 2006, pp. 496–507; Pelnar, 2007, pp. 121–122).

### **III.2.4. Examination of How Arbitration Outcomes Influence Contract Negotiations and Player Compensation Structures**

The dynamics of arbitration outcomes play a critical role in shaping contract negotiations and player compensation structures within professional sports leagues, including the CFL. As outcomes of arbitration can set precedents, they inform future negotiations,

specifically regarding the balance between guaranteed contracts and performance-based remuneration. The increasing awareness of athletes regarding their rights, accelerated by arbitration decisions, fosters an environment where players demand more favorable contract terms. This has been illustrated in other leagues, such as the National Hockey League (NHL), where the evolution from owner-centric models to cooperative structures was influenced by arbitration rulings, leading to significant gains for players (Cutting, 2003, pp. 44–70). Furthermore, analyses of antitrust implications highlight the impact of these rulings on collective bargaining and compensation frameworks, ultimately promoting competitive balance and financial stability within leagues (Pelnar, 2007). Consequently, arbitration does not only influence individual contracts, but also reshapes the broader compensation landscape in professional sports.

#### **IV. Contractual Implications of CAS Decisions**

In conducting arbitral proceedings pursuant to the arbitration agreement and the relevant sporting regulations governing each dispute, CAS renders final and binding awards. Such determinations ensure the issuance of a conclusive decision, thereby bringing disputes to definitive resolution. The finality of CAS awards constitutes one of the tribunal's principal attractions within the international sports law framework. This section offers a concise examination of the general legal implications of such awards, delineating both the extent of their binding authority and the structural mechanisms through which they operate, while elucidating their ultimate significance for the formulation and organization of player contracts (Goh and Anderson, 2022, p. 251).

Arbitration is a private system that allows parties to decide their disputes in a structured, voluntary, and consensual manner, aiming for more effective justice. Sports arbitration is a private dispute resolution method used in sports. It is preferred by athletes, clubs, and associations because it is generally flexible, involves arbitrators with specialized knowledge of sport, and delivers awards that can easily be enforced worldwide within the scope of what is intended in

the civil, jurisprudential order, and determined by the fit of the case. For specialized arbitration, courts and original rule-making bodies rely on specialized and completely voluntary decisions, leading users to prioritize arbitration over ordinary justice for specialized disputes (Hebbar and Kelkar, 2020, pp. 164–165).

#### **IV.1. Guaranteed Contracts v. Performance-Based Contracts**

Guaranteed player contracts in sports are contracts in which the player contracts indicate the amount of money a player will be paid regardless of the occurrence of definite events. For instance, even when an athlete suffers an injury, the player will still be paid despite not competing in games. The performance-based contract starts by paying a basic fee or wage, but part of the player's earning is connected to the player's performance as designated in the contract. These might include the number of games played, the amount of minutes he plays, the number of points, rebounds, assists, and steals, etc. This could also be that the player will receive performance incentive bonuses during tournaments or competitions (Kaul, 2020).

Historically, athletes competing in the Olympic Games, as well as the participating nations, have not received monetary remuneration, deriving instead recognition and national prestige. By contrast, owners and players in the National Basketball Association (NBA) operate under diverse contractual frameworks, including short-term arrangements such as the "ten-day" or "call-up" contract. This differentiation in compensation reflects the varying levels of skill and contribution among players. A particular controversy arose during a suspension, wherein the athlete contended that the arbitral tribunal rendered its decision pursuant to American law rather than the Olympic Charter. This raises the critical question of whether arbitral bodies in the realm of sport evaluate disputes exclusively through an economic lens, or whether they also endeavor to balance regulatory compliance with broader normative and ethical considerations intrinsic to international sports governance (Chappelet, 2020, pp. 309–320).

## **IV.2. Agent Representation and Compensation**

The revered clause of the contract between an athlete and the athlete's agent addresses the payment of the agent. Because of the controlling language prohibiting racial discrimination in sports contracts, the promotion and protection of athletes of particular racial backgrounds are heretofore dealt with. Here, we will investigate, evaluate and construct an economically balanced approach to compensating an athlete's agent from the point of view of furthering the interests of the athlete. If the athlete's right of freedom of contract is to be recognized as fundamental in nature, then the athlete and the athlete only should be the party who decides the extent of their agent's representation and payment (Nafziger, 2011, p. 3).

To help explain how there remains a lack of economic balance in many early relationships between the athlete and the agent, an example may be very helpful. Professional athletes in many cases are drawn from the lower middle class or even working class. Usually they do not come from the extreme wealth of the upper class and have very little knowledge or experience in the business field of an agent. They have worked extremely hard to excel at an athletic endeavor in which they enjoy participating. Soon that participation develops into a possible career that would take care of themselves and possibly their entire family for generations to come. They depend upon a capable agent to assist them in the negotiations that, in turn, would allow a sports franchise owner to pay the athlete a fair and competitive wage (Goh and Anderson, 2022, p. 235).

## **V. Enforcement and Compliance Mechanisms**

In the international sports world, there are numerous examples of a coach or team interfering with a player's contract. If the player signs the new contract and the appropriate tribunal holds that his actions did not violate his existing contract, but there has been a transfer fee, do we have a business tort? The victim of the contract is unable to perform under it despite the findings of the tribunal. Should a lacrosse player be given unwaivable enforceable fiduciary duties?

Any player registered with a professional league is under contract with that respective professional league unless the professional league and the player have a release and/or termination agreement or a binding release and/or termination order issued by the appropriate national and continental basketball federation. Players are under contract unless the team or the player can prove a just cause. Circumstantial evidence is not enough. Once player rights are asserted, a Committee employee shall not negotiate with a team or player other than for a transaction involving the player's employer of record. The Final Four Group argues that its contract with a player is binding and that the State Committee should adhere to its end of the bargain (Kurua, 2023, pp. 23–30).

There have been several recent examples of an employee or executive of a player transferring team acting as a mediator/hearing officer in matters involving the transfer of players. These include soccer and the NBA (Sroka, 2024). Can someone wearing three different hats come up with a just cause, antitrust, or a fiduciary duty result without bias? These are selections that do not take into account those persons that are active in different leadership roles during negotiations. Can someone wearing two hats be truly objective and impartial?

Scholars broadly concur that the consolidation of multiple roles by sports officials or arbitrators threatens the impartiality of arbitral proceedings. Sroka contends that structural conflicts of interest, where individuals act simultaneously as executives and adjudicators, undermine institutional neutrality and public trust in sports arbitration. This concern is echoed by Goh and Anderson who emphasize that the legitimacy of CAS depends on transparent governance and the strict separation of administrative and adjudicatory functions (Goh and Anderson, 2022, pp. 240–245).

### **V.1. FIFA Football Agent Regulations (FFAR, 2023)<sup>6</sup>**

FIFA regulates players' agents and their activities, including termination of player-club contracts. Players can authorize agents

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<sup>6</sup> FIFA Football Agent Regulations. Adopted 10 December 2024, fully applicable 1 January 2025. Available at: <https://digitalhub.fifa.com/m/1e7b741fa0fae779/original/FIFA-Football-Agent-Regulations.pdf> [Accessed 01.11.2025].

for commercial representation, but regulations only set minimum standards. Clubs, players, and authorized subjects can impose stricter rules. Sanctions like fines and transfer bans protect sporting and commercial interests. Player contracts between a player and a club make it possible to determine the rights and obligations of each party. The contracting parties have the right to adopt proposals on the conditions in the contract – the player offers his work and the club commissions it. The legal framework of the player’s status concerns the expression of free will and the worker’s freedom. This is why the negotiations between the player and the club must comply with the rules on freedom, equality, and integrity of the exercise of employment, as laid down in national and European law and included in the Collective Agreement. The individual negotiation is at the center of the contracts between the players and the clubs. There may be no derogation from the framework of the convention without the will of the two players: the standards lay essentially an excessive role of basketball factors (McLaren, 2022, pp. 206–210).

## **V.2. National Laws and Jurisdiction**

According to Swiss legislation, whenever an arbitral tribunal commences its operations, the state court is automatically precluded from hearing the case. Arbitration is based on *lex voluntatis*, that is, the parties can decide themselves what are the rules that are to be applied to their disputes. In case of a determination uncertainty, the right forum is the arbitrator. As a result, if the parties have decided that the disputes arising from their relation are arbitrated by CAS, no state court can have jurisdiction to hear that particular case. To establish the extent of national judges’ jurisdiction when faced with decisions of an arbitral tribunal that conflicts with public policy is therefore an important issue. Different legal systems have different types of appeal. In some countries, the parties can only challenge the award’s validity. This issue is rather limited and only a few procedural issues are considered. Other countries provide the parties with a possibility to appeal on the merits. In that case, national judges will proceed as if they were re-examining a first judgment (Nafziger, 2011, pp. 17–18).

In Switzerland, the decision of an international arbitrator can be opposed under strict admissibility requirements, such as time bar, etc. For the rest, the parties cannot contest the merits of the decision. In other words, when an award is issued, it cannot be appealed on the merit. As a result, Swiss national judges have a very limited scope to consider that a particular decision of an arbitrator could potentially be in conflict with the public policy.<sup>7</sup> On the other hand, certain decisions that are contrary to fundamental principles of international public order can be the subject of an appeal (Nafziger, 2011, pp. 17–18).

## VI. Future Trends and Challenges

The most recent season of women's professional football represented a significant advancement for the sports industry in Europe, as leading clubs such as FC Barcelona and Paris Saint-Germain (PSG) committed substantial financial and institutional resources to the women's game. As professional football continues to expand, it will inevitably face complex financial pressures and structural tensions subject to legal scrutiny and requiring external policy evaluation. Furthermore, the persistent difficulty among affluent, highly educated players in adapting to a market-based salary model — one that enables top performers to secure a proportionally fairer share of existing revenues in elite

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<sup>7</sup> Swiss Federal Act on Private International Law (PILA), Art. 190 (1987, in effect as of 2023). It is worth noting that Art. 190 of the Swiss Federal Act on PILA defines a very narrow scope for challenging international arbitration awards in Switzerland. A party can only request the annulment of an arbitral award under specific circumstances, the most notable being a violation of public policy. In this context, Art. 190(2)(e) of PILA provides that an award can be challenged if it is contrary to "Swiss public policy" or what is known as "public order." However, this exception is applied very restrictively, with the violation of public policy needing to be severe and clear, typically involving a breach of fundamental principles of public order. As a result, judicial review in Switzerland is limited to issues concerning procedural fairness or conflicts with fundamental principles of public order, reflecting the principle of ensuring the finality of arbitral awards. Thus, Swiss courts are not permitted to review or appeal arbitral awards on substantive grounds or assess their correctness on the merits. This approach reflects the Swiss legal framework's tendency to minimize judicial intervention in international arbitration proceedings, thereby enhancing stability and ensuring the respect for the independence and effectiveness of arbitration as a dispute resolution mechanism.

leagues — constitutes an ongoing regulatory and economic challenge that demands careful reassessment within the broader framework of sports governance and equity in compensation (Hebbar and Kelkar, 2020, p. 170).

Thus, we have argued that it is important not to give up on the ability of the market-based system to continue to evolve towards a salary and competitive balance structure that earns significant respect and results for the women's professional soccer players in the top overseas leagues. The women's professional soccer players in Spain are currently considering United States legal structure, and we raised these issues as a position of what to be considered. Should the players in both the US and Spain decide to consider the legal structure, they would be departing significantly from the historical position of FIFA, leagues, and the players as pushing for dispute resolution issues in CAS. Either way, the decisions will have significant impacts on the future salary and competitive balance negotiations (Sroka, 2024, pp. 287–289).

### **VI.1. Technological Advancements**

In assessing this impact, technological innovation has served as a pivotal factor in transforming both the commercial and athletic dimensions of modern sport. Players and their managers increasingly enter into sophisticated commercial agreements with service providers who cater to their professional and personal needs, reflecting the growing commercialization of athletic performance. Advances in sports technology and training methods have also significantly enhanced player efficiency and gameplay. For instance, while six decades ago a footballer who scored a goal was expected to retrieve the ball manually — limiting the overall pace and scoring opportunities — modern innovations in equipment, training, and officiating have dramatically altered the tempo and strategic dynamics of the game. Consequently, contemporary matches can exhibit both intense action and tactical restraint, as evidenced by high-intensity contests that may nonetheless conclude in scoreless draws (Chappelet, 2020, pp. 309–320).

This growing concentration on the players brought about a substantial inflation in their financial rewards. The two commercial

actors in professional sports — the athletes and the club managements — found themselves struggling to adapt to this rapidly evolving market dynamic. These developments led to heightened levels of participation, engagement, and exposure to financial risks for those who, *ultima facie sine aedibus* (that is, seemingly without a solid institutional foundation), entered the expanding commercial sphere of professional sport. During the last 125 years, with respect to some clubs, it is possible to talk about the “club tradition.” Nevertheless, giving soccer as an example, it is interesting to realize that Manchester United main assets, in accounting terminology, besides the facilities, turned out to be the players, who at any time have individual employment contracts with their employers (Sroka, 2024, p. 288).

## VI.2. Globalization of Sports Contracts

Sports today have become a component of global mass culture, and many experts attribute that influence on the dynamics of technological progress and the development of mass media. Progress and globalization phenomena surrounding the sports industry are reflected in a number of factors. First of all, changes to the economic and social system sphere of sport have spawned megabusiness. Sports goods and services today are among the leaders in the market of material production, tourist reception, and, above all, entertainment services that are considered the most attractive markets from a commercial point of view. At the same time, along with the objectively related activists, the economic crisis has led to the collapse of some sports organizations that have been in existence for more than a century. The basis of these negatives is generally accepted modern sports features and differences from other spheres of material production: specificity, cross-field, amateur-professional connections. However, now sports are studied not only by sports researchers, but also by economists, sociologists, legal scientists, and so on (Goh and Anderson, 2022, pp. 245–247).

The deepest level of integration into the global market occurs within the megabusiness segments built around individual athletes. Today, it is widely acknowledged that the most accomplished and commercially successful athletes have become the true icons — or “kings” — of the

global sports business. The success of sporting events at both national and regional levels increasingly depends on the capacity of star athletes to generate substantial advertising and marketing revenues, reflecting the extent to which their personal brands drive the industry's growth. In this context, the globalization of sport should be understood not only as a process of integrating athletic activities into the international economic arena but also as one that elevates individual athletes into transnational symbols of cultural and commercial influence. Yet, since the late twentieth century, scholars have noted inherent contradictions within this global expansion: while it promotes economic development and cultural exchange, it also exposes sport to distortions and imbalances — phenomena sometimes described as the “pathologies” of globalized systems of human activity (Goh and Anderson, 2022, pp. 247–248). The fact that decision-making in sports mega-stardom and high-level competition, which slowly lead to global structuring of certain sporting events and markets, often discards traditional bureaucratic-legal methods, transparency, legality, accountability, and fairness principles (Goh and Anderson, 2022, pp. 247–248).

## VII. Conclusion

This research explores the recent jurisprudence of the Court of Arbitration for Sport (CAS), which has addressed a wide spectrum of disputes across the global sports system. A predominant characteristic of CAS jurisprudence is its consistent attempt to balance the diverse interests at stake in the sporting arena — those related to the integrity of competition, the protection of athletes' rights, and the autonomy of sports governance. CAS has developed a distinct approach to dispute resolution, guided by principles enshrined in the Olympic Charter and other international instruments.

The Court's contributions can be identified in several key domains. In the sphere of human rights, decisions such as *Caster Semenya v. IAAF (CAS 2018/O/5794)*<sup>8</sup> illustrate CAS's engagement with the right

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<sup>8</sup> Court of Arbitration for Sport (CAS). *Caster Semenya v. International Association of Athletics Federations (IAAF)*, CAS 2018/O/5794, Award of 30 April 2019.

to non-discrimination and equality in sport. Regarding the autonomy of sports law, the tribunal in *USOC v. IOC (CAS 2008/A/1545)*<sup>9</sup> reaffirmed the independence of sports institutions from political or external interference. In terms of the protection of minors, *FC Barcelona v. FIFA (CAS 2014/A/3793)*<sup>10</sup> underscored the necessity of safeguarding young athletes in international transfers. Finally, concerning effective access to justice, *Matuzalem v. FIFA (CAS 2008/A/1519)*<sup>11</sup> demonstrated CAS's recognition of an athlete's right to a fair hearing even when confronted with substantial procedural costs. Taken together, these decisions have created a coherent body of jurisprudence which, when applied in good faith by sports institutions and stakeholders, strengthens both the principle of sports specificity and the fair administration of sports law.

Research also found a tendency of CAS to respect the same reformulation of the internal order of these sports entities. The final decision will be the result of a correct balance between moving the entire world community around the public trust, the celebration of sports with minimal possible risk of damage and a regulation consistent with the economic business. This percentage must be predominant and unquestionable. However, this balance, and above all this moderation, is still an aspiration of regulation, which endorses sports law to be ready and able to accompany social transformations. The peculiarities and principles of sports law adapted to the new economy of sports and the modes of behavior arising from good faith should guide all procedural activity of CAS, guaranteeing justice, effectiveness, and definitiveness to cases within the material and objective examination and the respectful and legitimate decision identical to the decisions of common justice.

In conclusion, there are still several open questions that require further research and study that are the focus of this work. Some of the key questions include: how can sports law be adapted to keep pace with

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<sup>9</sup> Court of Arbitration for Sport (CAS). United States Olympic Committee (USOC) v. International Olympic Committee (IOC), CAS 2008/A/1545, Award of 16 October 2008.

<sup>10</sup> Court of Arbitration for Sport (CAS). FC Barcelona v. Fédération Internationale de Football Association (FIFA), CAS 2014/A/3793, Award of 24 April 2015.

<sup>11</sup> Court of Arbitration for Sport (CAS). Matuzalem v. Fédération Internationale de Football Association (FIFA), CAS 2008/A/1519, Award of 19 May 2009.

the ongoing developments in the sports economy? What fundamental principles should guide the procedural activity of CAS in light of these changes? Additionally, what are the optimal ways to balance maintaining public trust and celebrating sports while considering the economic interests of the involved parties? Finally, what are the challenges in ensuring justice, effectiveness, and finality in CAS decisions while respecting the fundamental principles of common justice? These questions remain open and call for further analysis and discussion in the future.

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### **Information about the Author**

**Walid Fahmy**, PhD (Public International Law), Professor, Faculty of Legal Studies, Pharos University, Alexandria, Egypt  
walid.fahmy@pua.edu.eg  
ORCID: 0000-0002-1894-2544

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