

ARBITRAL AWARD

(BAT 2006/23)

by the

BASKETBALL ARBITRAL TRIBUNAL (BAT)

Mr. Benny Lo

in the arbitration proceedings between

Mr. Harvey Jerai Grant

- Claimant -

represented by Mr. Antanas Paulauskas, attorney at law

vs.

Basketball Club Budivelnyk (BC Budivelnyk LLC) Kruglouniversytetska 7, office 28, 01024 Kyiv, Ukraine

- Respondent -



1. The Parties

1.1. The Claimant

 Mr. Harvey Jerai Grant ("Player" or "Claimant") is an American professional basketball player.

1.2. The Respondent

2. Basketball Club Budivelnyk (BC Budivelnyk LLC) ("Club" or "Respondent") is a Ukrainian professional basketball club.

2. The Arbitrator

3. On 9 August 2023, Mr. Raj Parker, the Vice-President of the Basketball Arbitral Tribunal ("BAT"), appointed Mr. Benny Lo as arbitrator ("Arbitrator") pursuant to Articles 0.4 and 8.1 of the Arbitration Rules of the Basketball Arbitral Tribunal in force as from 1 January 2022 ("BAT Rules"). Neither of the Parties has raised any objections to the appointment of the Arbitrator or to his declaration of independence.

3. Facts and Proceedings

3.1. Summary of the Dispute

- 4. On 1 August 2022, the Club and the Player entered into a written agreement entitled "CONTRACT No N/7" providing for the Club's employment of the Player as a professional basketball player for the 2022-2023 season ("Agreement").1
- 5. The Agreement provides for a fully guaranteed net payment to the Player under clause

¹ RfA, Exhibit 1.



1 in the following terms:

"For the provision of the services set in this Contract, the Club shall pay to the Player a fully guaranteed net payment in accordance with the schedule for the total amount determined in Article III, for the entire contract's period, unless otherwise specified in this contract."

6. Clause 3 of the Agreement lays down the following payment terms:

"2022/2023 Basketball Season

All payments said below shall be NET of any Ukrainian taxes, charges and deduction according to domestic law.

The Club agrees to pay the Player a NET salary in the amount of \$230,000 (Two Hundred and thirty thousand US Dollars) payable as follows:

- \$23,000 on September 15, 2022
- \$23,000 on October 15, 2023
- \$23,000 on November 15, 2023
- \$23,000 on December 15, 2023
- \$23,000 on January 15, 2023
- \$23,000 on February 15, 2023
- \$23,000 on March 15, 2023
- \$23,000 on April 15, 2023
- \$23,000 on May 15, 2023
- \$23,000 on June 15, 2023

If any scheduled payment is not received by Player within thirty (30) days as of the relevant due date, the Player shall suspend its duties and obligations under of [sic] this Contract until such time as all scheduled payments have been made. In such case, the Player or his representatives may give a notice of 15 days to the Club for the termination of the Contract.

If the debt will not [sic] cured by the Club within 15 days, the Contract shall be terminated by the Player and the outstanding amounts stipulated for the whole season, shall be immediately due and payable to the Player and his representative for the entire basketball season, same as the Player played all the time whole season."

7. Clause 2 of the Agreement, entitled "TERM OF CONTRACT", also provides:



"The Club hereby employs the Player as a professional basketball player to perform his services to the Club during the term of this Contract. The Club will be located in one of the country [sic] of Europe and will be playing in Basketball Champions League (qualification), European North Basketball League and FIBA Europe Cup (optional) and in other European championships and tournaments season 2022-2023.

[...]

The Player will be free to leave the Club after the last official game of the 2022/2023 season."

- 8. Under clause 6 of the Agreement, the Club agreed to provide "to the Player a furnished apartment at the location of the Club with toilet and shower, cable TV, wi-fi, refrigerator, washing machine".
- 9. On the other hand, pursuant to clause 5 of the Agreement, the Player agreed to comply with the "Internal Regulations of the Club", which are "an integral part of" the Agreement in Annex 1 thereto and signed by both Parties ("Internal Rules").²
- 10. Under Clause 1 of the Internal Rules:
 - "[...] in case of violation of the Contract and the Club Rules by the Player, the Club has to immediately (how it's possible) to inform Player's Agent in a written form of his violation (by email, WhatsApp, Viber and other). The Club may impose a fine for such violation according [sic] this Contract. (see Article XII and XIII this Contract, Article XIV this Rules".
- 11. Clause 8 of the Agreement sets out the "CONDITIONS FOR TERMINATION OF THE CONTRACT" which provides that "[t]he Parties have the right to terminate this Contract [...] in case of unauthorized abandonment of the team, without official notification of the Club's management (see Annex 1, Article XIV, points 3 and 4 of this Contract). [...]"
- 12. Clause 14 of the Internal Rules specifies the "SANCTIONS THAT THE CLUB CAN IMPOSE ON PLAYERS IN ONE SEASON", which includes termination of the Agreement without any compensation when the players are, inter alia, (i) absent from practice without any reason for a "third time and more"; or (ii) absent from the game

² RfA, Exhibit 1.



without any reason for a "second time and more".

- 13. Although the Club is a Ukrainian club, in light of the ongoing military conflict between Russia and Ukraine, some of the Club's players and staff moved to Rome, Italy in September 2022 to train and play in the international games for the 2022-2023 season, while other members of the Club stayed in Kyiv to play in the domestic league.³
- 14. The Player is one of the Club's players assigned to train and play in Rome. In particular, on 22 September 2022, the Club provided the Player with the following letter about his employment with the Club for the 2022-2023 season ("September 2022 Letter")⁴:

"By this letter, we would like to inform the Basketball Club "Budivelnyk" has the valid Contract with the basketball player Jerai Grant on season 2022/23. The place of located our team in this season will be in Rome, Italy. The player Jerai Grant will be living, playing (home games) and training in Rome during the duration of the Contract."

- 15. Thereafter, the Club's team (including the Player) based in Rome participated in the international games of the 2022-2023 season, such as the FIBA Champions League Qualifying Round, the FIBA Europe Cup⁵, the Balkan League and the European North Basketball League.⁶
- 16. On 19 March 2023, the Club stopped its participation in the Balkan League due to the lack of funding, as a result of which all the remaining games of the Club in that League were cancelled.⁷
- 17. Consequently, the Club's game in the European North Basketball League against BC Wolves on 18 March 2023 became its last official international game in the 2022-2023 season.8

³ RfA, Exhibit 2.

⁴ Player's submissions of 10 October 2023, Exhibit 6.

⁵ RfA, Exhibit 3.

⁶ RfA, paras. 5, 10.

⁷ RfA, Exhibit 4.

⁸ RfA, Exhibit 5.



18. By the following letter dated 20 March 2023, the Club informed the Player and his teammates based in Rome of their relocation back to Kyiv and requested them to report and start training at the Club's base in Kyiv by 24 March 2023 ("March 2023 Letter"):9

"Regarding the location of the Club

We would like to inform you that according to the decision of the Director of the club, due to the need to participate in official games in March and April in Ukraine, starting from March 20th 2023, the place of permanent location and trainings of all players of the basketball club "Budivelnyk" will be in Kyiv.

By this we inform you that according with [sic] the terms of the Contract and the provisions of the "Club's Internal Procedure Rules", the players are required to appear at the location of the club in Kyiv no later than March 24, 2023 and are obliged to participate in all training sessions and official games of the Club.

The nearest official games of the "Budivelnyk" basketball club in Ukraine will be held on March 28-29 in Dnipro and on April 7-9 in Kyiv.

The address of the residence in the city of Kyiv will be notified to each of the players separately in response to a written request to the Club's Administration.

We draw your attention to the fact that if the Player is absent from training sessions or official matches of the Club, such Player will be subject to the sanctions provided for in the Contract and in the "Club's Internal Rules"."

- 19. On 22 March 2023, the Player through his counsel responded to the Club's March 2023 Letter that he refused to go to Kyiv because he had never agreed to play in Ukraine or participate in the national championship for the 2022-2023 season. The Player emphasised that, as the Club's had no more official games in any European competitions or tournaments for the 2022-2023 season, the Player had completed his obligations under the Agreement and was thus free to leave the Club.¹⁰
- 20. By a letter to the players and coaching staff of 27 March 2023, the Club threated to terminate the players' respective contracts if they should fail to participate in the Club's training sessions in Kyiv on 26 and 27 March 2023 or its official games in Dnipro on 28 and 29 March 2023. The Club cited, among others, clauses 2 and 8 of the Agreement

⁹ RfA, Exhibit 6.

¹⁰ RfA, Exhibit 7.



and clauses 1 and 14 of the Internal Rules, which were alleged to have been agreed to by each of its players.¹¹

- 21. By a letter of 31 March 2023, the Club warned, *inter alios*, the Player that it would impose sanctions for his alleged contractual violations by failing to arrive in Kyiv and participate in the Club's games in Dnipro. However, the Club also expressed its readiness to negotiate about an amicable settlement and offered to pay the Player his salary up to the Club's relocation to Kyiv and his flight costs to his chosen destination.¹²
- 22. On 4 April 2023, the Player replied through his counsel. Essentially, it was reiterated that the Player never undertook to play for the Club in the national championship, but was engaged only for the European championships and tournaments on the basis that the Club would be located in Rome, Italy. The Player alleged that the Club itself was in breach by failing to pay his salary instalment due on 15 March 2023, for which reason he sought to rely on the defence of non-performance or right to suspend performance of obligations to justify his refusal to arrive in Kyiv. The Player requested the Club to pay the outstanding salary and compensate him for his flight tickets and accommodation costs in Rome from October to December 2022.¹³
- 23. By a letter of 14 April 2023, the Club terminated the Agreement ("**Termination Notice**") as follows:¹⁴

"According to the official letters of the Club you have been informed that the Club has been relocated for its permanent place of training and home games to Kyiv, Ukraine.

As of 11th of April 2023 you have not arrived to [sic] the Club's location on time and missed more than three training sessions of the Club in March and in April 2023.

Apart from this you have missed more than two official games which took place on 28th and 29th of March 2023 against BC "Dnipro" in the Dnipro city and it was compulsory for every player of BC "Budivelnyk" to participate in those games.

¹¹ RfA, Exhibit 8.

¹² RfA, Exhibit 9.

¹³ RfA, Exhibit 10.

¹⁴ RfA, Exhibit 11.



Missing of training sessions and official games of the Club is a gross violation of the contract signed between the Club and the Player. For absence on two and more training sessions and for absence on two and more official games of the Club sanctions by the Club can be applied in the form of 100% deduction of the monthly salary and termination of the Club without any compensation.

According to the Annex 1 to the Contract "Internal Regulations of the Club further (the Rules)" in case of violation of the Contract and the Club Rules by the Player, The Club may impose a sanctions [sic] for such violation according to the Contract. (see Article XII and XIII of the Contract, Article XIV of the Rules). The President, Director and General Manager of the Club have the right to apply sanctions toward to [sic] the Players.

This is the OFFICIAL NOTICE OF TERMINATION of the Contract No. N/7 signed 01.08.2022 due to the violation of the Contract.

Nevertheless, the Club would like to express its gratitude for your services as a professional basketball player during this season and the Club's Management would like to emphasize that is open for negotiation and is ready to consider with you and possibility of amicable settlement of the dispute and termination of the contract by mutual agreement.

In this case termination could be formalized in a separate Settlement Agreement under which all of the Club's obligations and deadlines will be fixed.

Please inform the Club's Management by email if you are ready to consider and negotiate a Settlement Agreement and its conditions."

- 24. On 24 April 2023, the Player's counsel responded to the Termination Notice that the Club's termination was unjustified, and proposal by 30 April 2023.¹⁵
- 25. On 12 May 2023, the Player through his counsel demanded the Club to pay his outstanding salary and compensate him for his accommodation costs in Rome from 22 October to 30 December 2022.¹⁶
- 26. On 31 May 2023, the Player's counsel informed the Club that, as no reply had been received from the Club, the Player had no other option but to initiate proceedings before the BAT.¹⁷

¹⁵ RfA, Exhibit 12.

¹⁶ RfA, Exhibit 13.

¹⁷ RfA, Exhibit 14.



- 27. Against the foregoing background, it is the Player's case that, pursuant to clause 2 of the Agreement, the Club's team would be located outside Ukraine and his obligations were limited to participation in international competitions. In other words, the Player was not obliged to play in the national competitions in Ukraine. As the Club's last official game in the international tournaments of the 2022-2023 season took place on 18 March 2023, he became free to leave the Club from 19 March 2023. Thus, the Club's purported justification for terminating the Agreement based on the Player's refusal to relocate to Kyiv and participate in the national championship was invalid. The Club is therefore liable to pay the Player his last four salary instalments and his accommodation costs in Rome.¹⁸
- On the other hand, the Club contends that the Player had breached the Agreement by failing to relocate to Kyiv and participate in the Club's training sessions and official games upon request. Pursuant to clause 8 of the Agreement and clauses 1, 8 and 14 of the Internal Rules, the Club was thus entitled to sanction the Player by deducting his monthly salary and terminating the Agreement without any compensation. The Club also takes issue with the amount of accommodation costs sought by the Player in any event.
- 29. Accordingly, the focus of this dispute turns on whether the Agreement was validly terminated for a just cause, and whether the Player is entitled to his relief sought.

3.2. The Proceedings before the BAT

- 30. On 2 August 2023, the Player filed his Request for Arbitration ("**RfA**") in accordance with the BAT Rules and made part payment of the non-reimbursable handling fee of EUR 3,797.06¹⁹ on 3 August 2022.
- 31. On 16 August 2023, the BAT informed the Parties that Mr. Benny Lo had been

¹⁸ RfA, paras. 4, 12, 17, 19, 26, 33.

¹⁹ The outstanding amount of EUR 202.91 was added to the Player's share of the advance on costs.



appointed as the arbitrator in this case, invited the Club to file its Answer to the RfA by 6 September 2023, and fixed the advance on costs to be paid by the Parties by 28 August 2023 as follows:

"Claimant (Mr. Harvey Jerai Grant) EUR 4,000.00 + 202.91

Respondent (BC Budivelnyk LLC) EUR 4,000.00"

- 32. On 25 August 2023, the BAT received from the Player the amount of EUR 4,282.16, of which EUR 202.91 was applied towards the shortfall in the non-reimbursable handling fee, and the balance (EUR 4,079.25) was applied as his share of the advance on costs.
- 33. The Club filed its Answer ("Answer") on 6 September 2023.
- 34. On 12 September 2023, the BAT received the Club's share of the advance on costs paid by the Player in the amount of EUR 4,117.18. Accordingly, the Player has paid a total advance on costs of EUR 8,196.43, being EUR 196.43 over the requested amount.
- 35. On 27 September 2023, the BAT invited the Parties to provide their answers to various questions by the Arbitrator by 4 October 2023.
- 36. On 10 October 2023, after the BAT had extended the relevant time limit upon the Player's request, the Parties filed their submissions in reply to the BAT's procedural order of 27 September 2023.
- 37. On 11 October 2023, the BAT invited each Party to file a rejoinder in response to the other Party's reply submissions of 10 October 2023 by 18 October 2023.
- 38. On 18 October 2023, the Player filed his rejoinder. The Club did not do so.
- On 23 October 2023, the BAT invited the Club to respond to the Player's rejoinder submissions of 18 October 2023 by 30 October 2023.
- On 30 October 2023, the Club filed its submissions in response to the BAT's procedural



order of 23 October 2023.

- 41. On 31 October 2023, the BAT invited the Player to provide his answers to various questions regarding his alternative employment by 7 November 2023.
- 42. On 7 November 2023, the Player filed his submissions in response to the BAT's procedural order of 31 October 2023.
- 43. On 13 November 2023, the BAT invited the Player to supply further evidence of his alternative employment by 20 November 2023. Despite this, the Player did not do so.
- 44. On 21 November 2023, the BAT declared that the exchange of submissions was completed and directed the Parties to file their respective costs submissions by 28 November 2023, including a detailed account of their costs and any supporting documentation in relation thereto.
- 45. On 28 November 2023, the Player filed his costs submissions. The Club did not do so.

4. The Positions of the Parties

46. The Arbitrator has fully considered the entirety of the Parties' arguments set out in their written submissions. To keep the length of this Award manageable, only the key points of the Parties' respective cases are highlighted below.

4.1. The Player's Position

- 47. The Player contends that the Club's termination of the Agreement was unjustified.²⁰
- 48. In his RfA at para. 4, the Player initially takes the position that, pursuant to clause 2 of the Agreement, the Club's team would be located outside Ukraine and the Player's obligations were limited to participation in international competitions. The Player

²⁰ RfA, para. 27.



stresses that he had never agreed to play in Ukraine or participate in the national championship during the 2022-2023 season.²¹

- 49. Subsequently, in his submissions of 10 October 2023 at para. 1, the Player however concedes that the Agreement does not have an *explicit* provision which unequivocally provides that the Club's team would be located outside Ukraine.
- 50. Nevertheless, the Player maintains his position by contending that the Club's obligations to locate its team outside Ukraine can be "inferred" from clause 2 of the Agreement, which provides that "The Club will be located in one of the country of Europe". 22 That provision, the Player argues, does not suggest that the Club's team could be located in multiple countries within Europe, and there is no provision which entitles the Club to change the location of its team once it is established. 23
- 51. The Player further submits that, by applying the principles on contractual interpretation as set out in para. 100-101 of BAT 0641/15 to construe clause 2 of the Agreement, it is clear that the Parties never intended to play, train and reside in Ukraine and the Agreement was never intended to encompass any national championships in Ukraine. In particular, the Player draws support from the context and objective of the Agreement, and the Parties' conduct both before and after signing the Agreement as follows²⁴:
 - (a) First, the Club was specifically made aware of and did agree to the Player's prerequisite to sign the Agreement that the Club's team should be based outside Ukraine. ²⁵ In support, the Player filed an affidavit of his agent Mr. Saulius Švetkauskas dated 9 October 2023 who represented him in the negotiations and signing of the Agreement with the Club;²⁶

²¹ RfA, para. 14.

²² Player's submissions of 10 October 2023, para. 3.

²³ Player's submissions of 10 October 2023, para. 7.

²⁴ Player's submissions of 10 October 2023, paras. 13-14, 24.

²⁵ Player's submissions of 10 October 2023, para. 1.

²⁶ Player's submissions of 10 October 2023, Exhibit 1.



- (b) Second, the Player refers to the travel advisories issued by the U.S. Embassy in Ukraine dated 30 March 2022, 4 October 2022 and 22 May 2023, which advised against traveling to Ukraine. The Player asserts that he had a duty to act in accordance with such advisories;²⁷
- (c) Third, on 14 June 2022, the Club's general manager, Mr. Gediminas Navikauskas, specifically told the Player's agent, Mr. Saulius Švetkauskas, on WhatsApp that the Club would establish its base of operations in Rome for its participation in the European competitions;²⁸
- (d) Fourth, in September 2022, the Club provided the Player with the September 2022 Letter (see para. 14 above), whereby the Club explicitly confirmed that its team would be based in Italy for the 2022-2023 seasons, and the Player would reside, play home games, and undergo training in Rome throughout the duration of the Agreement;²⁹
- (e) Fifth, the Club conducted all its FIBA Europe Cup matches in Veroli, Italy, while the Player had been residing in Rome throughout the term of the Agreement and was not requested to move to or play any match in Ukraine until 20 March 2023;³⁰
- (f) Sixth, the word "European" within the phrase "other European championships and tournaments" in clause 2 of the Agreement inherently encompasses an international context, involving multiple countries within Europe. The Club's general manager Mr. Gediminas Navikauskas had furnished the Player and other players with the team's game schedules via WhatsApp, none of which ever included any national matches in Ukraine;³¹
- (g) Seventh, throughout the 2022-2023 season, the Club had a separate team

²⁷ Player's submissions of 10 October 2023, para. 2.

²⁸ Player's submissions of 10 October 2023, para. 8; Exhibit 5.

²⁹ Player's submissions of 10 October 2023, para. 9; Exhibit 6.

³⁰ Player's submissions of 10 October 2023, para. 10; Exhibit 7.

³¹ Player's submissions of 10 October 2023, paras. 21-23; Exhibit 11.



comprising exclusively Ukrainian citizens to represent the Club in the Ukrainian national championship (FBU Superleague) organised by the Ukrainian Basketball Federation.³²

- 52. In any event, the Player argues that by virtue of the *contra proferentem* principle, any uncertainty regarding the interpretation of clause 2 of the Agreement should be resolved against the Club, being the drafter of the Agreement.³³
- 53. The Player further submits that, since the Club's last official game in the international tournaments of the 2022-2023 season took place on 18 March 2023, pursuant to clause 2 of the Agreement, the Player had fulfilled his obligations and was free to leave the Club from 19 March 2023.³⁴
- 54. In light of the foregoing, the Player contends that the Club's instructions that the Player relocate to Kyiv to train and play in the national championship were devoid of contractual basis. In refusing to comply with such baseless instructions, the Player thus asserts that he committed no breach.³⁵
- 55. The Player contends that, even if the Club's instructions to move to Kyiv were lawful, given its failure to pay the salary instalment due on 15 March 2023, he is entitled to rely on the defence of non-performance or the right to suspend performance of obligation.³⁶
- As to his claim for the accommodation costs, the Player submits that he had to rent a flat in Rome through Airbnb from 22 October 2022 to 30 December 2022 because the Club failed to provide him with an apartment for that period. As a result, the Player incurred USD 15,928.91. Having paid only USD 3,000.00, the Club is liable to

³² Player's submissions of 10 October 2023, para. 20; Exhibits 9-10.

³³ Player's submissions of 10 October 2023, paras. 14-17.

³⁴ RfA, paras. 12, 14; Player's submissions of 10 October 2023, para. 30.

³⁵ RfA, para. 19, Player's submissions of 10 October 2023, paras. 26-29.

³⁶ RfA, para. 17.



reimburse the Player the remaining amount of USD 12,928.91.37

- 57. In the RfA, the Player seeks the following relief:
 - "- To order the Respondent to pay the Claimant the outstanding amount of USD 92,000.00 (ninety-two thousand US dollars) net of unpaid salaries plus interest at rate of 5% per annum on this amount, starting from submission of the present Request for Arbitration until its payment;
 - To order the Respondent to pay the Claimant the compensation of USD 12,928.91 (twelve thousand nine hundred and twenty-eight US dollars, ninety-one cents) for its rental costs plus interest at rate of 5% per annum on this amount, starting from submission of the present Request for Arbitration until its payment;
 - To order the Respondent to pay legal fees and other expenses incurred by the Claimant in connection with the proceedings of arbitration."

4.2. The Club's Position

- 58. In its Answer, the Club submits that, by its letters of 20 and 27 March 2023 (see paras. 18 and 20 above), the Player was well informed that the Club would be relocated to its permanent place of training and home games in Kyiv. Transfer to Kyiv by means of airplane and train has been successfully organised by the Club on 23 March 2023.
- 59. It is the Club's case that it was compulsory for every player of the Club to participate in every training session of the Club in Kyiv which started from 25 March 2023. The Player, however, did not arrive in Kyiv and missed multiple training sessions in March and April 2023.
- The Club also submits that it was compulsory for every player of the Club to participate in its official games, but the Player has missed multiple games, including against BC Dnipro on 28 and 29 March 2023.
- 61. Given the Player's absence in the training sessions and official games, the Club submits that the Player committed a gross violation of the Agreement, which entitled

³⁷ RfA, paras. 9, 31-33.



the Club to sanction him by applying a 100% deduction of his monthly salary and terminating the Agreement without any compensation. Hence, it is the Club's position that it lawfully terminated the Agreement on 14 April 2023.

- 62. The Club also denies the Player's claim for compensation for his accommodation costs, essentially on two grounds:
 - (a) First, the Club disputes the rental price of the Player's Airbnb apartment;
 - (b) Second, the Club has already paid the Player (i) USD 6,000.00 by bank transfer to rent an apartment for October and November 2022 and (ii) EUR 3,000.00 in cash to rent an apartment in December 2022.
- 63. Accordingly, in its Answer, the Club requests the BAT "to refuse in [sic] the Claimants Request for Arbitration."

5. The Jurisdiction of the BAT

- 64. Pursuant to Article 2.1 of the BAT Rules, "[t] he seat of the BAT and of each arbitral proceeding before the Arbitrator shall be Geneva, Switzerland, even if hearings, if any, are held in another place". Hence, the BAT arbitration is governed by Chapter 12 of the Swiss Act on Private International Law (PILA).
- 65. The jurisdiction of the BAT presupposes the arbitrability of the dispute and the exercise of a valid arbitration agreement between the parties.
- The Arbitrator finds that the dispute referred to him is of a financial nature and is thus arbitrable within the meaning of Article 177(1) PILA.³⁸
- 67. The jurisdiction of the BAT over the dispute results from the arbitration clause contained

³⁸ Decision of the Federal Tribunal 4P.230/2000 of 7 February 2001 reported in ASA Bulletin 2001, p. 523



under clause 11 of the Agreement, which reads as follows:

"Any dispute arising from or relating to this Contract shall be resolved through negotiations. If it is impossible to resolve the dispute through negotiations, then such a dispute is subject to resolution in the FBU authorities in accordance with the provisions provided for by the charter and regulatory documents of the FBU or the Basketball Arbitration Tribunal (hereinafter BAT) in Geneva, Switzerland. In such case, it shall be resolved in accordance with the BAT Arbitration Rules by a single arbitrator appointed by the BAT President. The seat of the arbitration shall be Geneva, Switzerland. The arbitration shall be governing [sic] by Chapter 12 of the Swiss Act on Private International Law, irrespective of the parties' domicile. The language of the arbitration of FIBA shall be English. The arbitrator shall decide the dispute ex aequo et bono."

- 68. The Agreement is in writing and thus the arbitration agreement fulfils the formal requirements of Article 178(1) PILA.
- 69. With respect to substantive validity, the Arbitrator considers that there is no indication in the file that could cast doubt on the validity of the arbitration agreement under Swiss Law (referred to by Article 178(2) PILA).
- 70. While the arbitration agreement contains a pre-arbitration negotiation requirement, based on the Parties' correspondence (see paras. 23-26 above), the Arbitrator is satisfied that such requirement is fulfilled. And in any event, the Club has not disputed the jurisdiction of the BAT in this arbitration based on this requirement or otherwise.
- 71. For the above reasons, the Arbitrator rules and finds, pursuant to Article 1.3 of the BAT Rules, that he has jurisdiction to finally decide and rule upon the Player's claims.

6. Other Procedural Issues

72. Neither Party has requested a hearing to be held, nor does the Arbitrator consider a hearing necessary. The Arbitrator will therefore decide the Player's claims based on the written submissions and the evidence on record.

7. Discussion



7.1 Applicable Law – ex aequo et bono

73. With respect to the law governing the merits of the dispute, Article 187(1) PILA provides that the arbitral tribunal must decide the case according to the rules of law chosen by the parties or, in the absence of a choice, according to the rules of law with which the case has the closest connection. Article 187(2) PILA adds that the parties may authorize the arbitrators to decide "en équité" instead of choosing the application of rules of law. Article 187(2) PILA is generally translated into English as follows:

"the parties may authorize the arbitral tribunal to decide ex aequo et bono".

- 74. Under the heading "Law Applicable to the Merits", Article 15 of the BAT Rules reads as follows:
 - "15.1 The Arbitrator shall decide the dispute ex aequo et bono, applying general considerations of justice and fairness without reference to any particular national or international law.
 - 15.2 If, according to an express and specific agreement of the parties, the Arbitrator is not authorised to decide ex aequo et bono, he/she shall decide the dispute according to the rules of law chosen by the parties or, in the absence of such a choice, according to such rules of law he/she deems appropriate. In both cases, the parties shall establish the contents of such rules of law. If the contents of the applicable rules of law have not been established, Swiss law shall apply instead."
- 75. Clause 11 of the Agreement expressly provides that the Arbitrator shall decide the dispute ex aequo et bono.
- 76. Consequently, the Arbitrator shall decide ex aequo et bono the issues submitted to him in these proceedings, without references to any particular national or international law.
- 77. The concept of "équité" (or ex aequo et bono) used in Article 187(2) PILA originates from Article 31(3) of the Concordat intercantonal sur l'arbitrage³⁹ (Concordat),⁴⁰ under

³⁹ That is the Swiss statute that governed international and domestic arbitration before the enactment of the PILA (governing international arbitration) and, most recently, the Swiss Code of Civil Procedure (governing domestic arbitration).

⁴⁰ P.A. Karrer, Basler Kommentar, No. 289 ad Art. 187 PILA.



which Swiss courts have held that arbitration "en équité" is fundamentally different from arbitration "en droit":-

"When deciding ex aequo et bono, the Arbitrators pursue a conception of justice which is not inspired by the rules of law which are in force and which might even be contrary to those rules."41

- 78. This is confirmed by Article 15.1 of the BAT Rules in fine, according to which the Arbitrator applies "general considerations of justice and fairness without reference to any particular national or international law".
- 79. In light of the foregoing considerations, the Arbitrator makes the findings below.

7.2 Findings

- 80. As the Player's claims are to enforce contractual payment obligations, the doctrine of pacta sunt servanda (which provides that parties who make a bargain are expected to stick to that bargain) is the principle by which the Arbitrator will examine their merits.
- 81. In the Arbitrator's view, the factual and legal issues presented by the Parties outlined under Section 4 above give rise to two broad issues for consideration, namely:
 - (a) First, did the Club validly terminate the Agreement in April 2023?
 - (b) Second, what if any relief should be awarded in the Player's claims?

Arbitral Award (BAT 2006/23)

⁴¹ JdT 1981 III, p. 93 (free translation).



7.2.1. Did the Club validly terminate the Agreement in April 2023?

- 82. It is the Club's case that, by the Termination Notice of 14 April 2023 (see para. 23 above), the Agreement was validly terminated on account of the Player's breach by his failure to attend training sessions and official games in Ukraine in March and April 2023.
- 83. Relying on clause 2 of the Agreement, the Player denies breach as he was under no duty to relocate to Kyiv and participate in the Club's training sessions or official games in Ukraine. Rather, the Player contends that he was free to leave the Club on 19 March 2023 after the Club's last official game in the international competitions took place. Hence, there was no just cause for the termination of the Agreement by the Club.
- 84. In the Arbitrator's view, the first issue turns on the interpretation of clause 2 of the Agreement and its application to the facts of the case, particularly on the question whether the Club was entitled to relocate its team to Kyiv after having based it in Rome and to require the Player to train and play for its official games in Ukraine.
- 85. In his submissions of 10 October 2022 at para. 13, the Player relies on the principles of contractual interpretation as explained in paras. 100-101 of BAT 0641/15. Essentially, it was held that all individual circumstances pertaining to the parties' declarations of intent may be relevant for the purpose of contractual interpretation. They include (i) the purpose of contract; (ii) overall conduct of the parties, prior negotiating history and post-signing conduct; and (iii) systematic structure of the contract. The Club does not dispute these principles. The Arbitrator accepts that they are applicable to the present case.
- 86. The focus of the interpretation is on clause 2 of the Agreement, which provides that the Club "will be located in one of the country [sic] of Europe and will be playing [...] in other European championships and tournaments season 2022-2023", and the Player "will be free to leave the Club after the last official game of the 2022/2023 season".
- 87. Accordingly, three key phrases in clause 2 should be considered: "country of Europe", "other European championships and tournaments" and "official game".



- 88. Starting with "country of Europe", it is indisputable that Ukraine is a country located in Europe. The Player has made no submissions to the contrary. On the face of clause 2, therefore, the Club is free to base its team in any European countries, including Ukraine.
- 89. While the Arbitrator agrees with the Player that clause 2 does not allow the Club to base its team in multiple countries within Europe at a single point in time, that provision does not forbid the Club from changing the base of its team. In other words, the Club is *prima facie* entitled to relocate its team to Kyiv after having established it in Rome.
- 90. Nonetheless, one must not lose sight of the fact that the Agreement was entered into amid the ongoing military conflict between Russia and Ukraine. It was against such background, as widely reported in the sports news,⁴² that the Club sought to establish a *new* team to campaign in the international games in Europe, while keeping a *separate* team to compete in the national games in Ukraine. This was not disputed by the Club.
- 91. On the evidence, well before the Agreement was signed, the Player had expressed his desire not to train and play in Ukraine.⁴³ During the negotiation stage, the Club said to the Player's agent that it would establish the base of its new team in Rome to play in Europe.⁴⁴
- 92. In fact, even after the Agreement had been signed, the Club provided the Player with the September 2022 Letter (see para. 14 above), in which the Club expressly and unequivocally confirmed that the new team would be based in Italy for the whole 2022-2023 season, and the Player would reside, play home games, and undergo training in Rome throughout the duration of the Agreement.
- 93. All these evince the Parties' clear common intention for the new team of the Club, which the Player was engaged to join, to be based outside Ukraine, and specifically in Rome, Italy. In light of this common intention, it is plain that the phrase "country of Europe" in

⁴² RfA, Exhibit 2.

⁴³ Player's submissions of 10 October 2023, Exhibit 1.

⁴⁴ Player's submissions of 10 October 2023, Exhibit 5.



the context of clause 2 the Agreement does not literally refer to every country in Europe. Rather, in light of the military conflict in Ukraine and the Club's intention to establish a second team for international competitions, the phrase should be understood as referring to Italy alone, or at any rate any country in Europe other than Ukraine.

- 94. Accordingly, pursuant to clause 2 of the Agreement, the Club was obliged to base its new team in Italy, and was not allowed to change the base to Ukraine. It follows that the Club had no basis to require the Player to relocate to Kyiv and to play and train there, and the Player's refusal to do so does not amount to a breach of the Agreement.
- 95. Turning to the second phrase "other European championships and tournaments" in clause 2, the Arbitrator agrees with the Player that the word "European" is inherently capable of referring to multiple countries within Europe. That phrase comes after the specific references to "Basketball Champions League (qualification), European North Basketball League and FIBA Europe Cup(optional)", which are international competitions in Europe. When these phrases are read together, it is clear that the second phrase (starting with the word "other") refers to international competitions in Europe that are additional to or different from those that have been mentioned.
- 96. Further, evidence establishes that the Club had all along maintained a team in Kyiv to play in the national games in Ukraine. And it was for the purpose of competing in the international games outside Ukraine that the Club established a new team and based it in Rome, Italy. 45 Thus, the phrase "European championships and tournaments" in the context of the Agreement necessarily refers to international games in Europe, not the national games taking place within Ukraine.
- 97. Therefore, insofar as the Agreement is concerned, the Club would only participate in the international competitions in Europe, and the Player would provide his services pertaining to such competitions alone. Competitions within a league of a particular European country, such as the FBU Superleague in Ukraine, do not fall within the scope

⁴⁵ RfA, Exhibit 2.



of the Agreement. It follows that the Player has no obligation to play in the Club's national games in Ukraine. Nor does the Club have the right to compel him to do so.

- 98. In line with the above interpretation, the third phrase "official game" in clause 2 must also refer to the Club's international games in Europe, as opposed to its national games within Ukraine. Thus, the Player's right to leave the Club under clause 2 would be activated the moment after the Club's last *international* game in Europe finished.
- 99. There is no dispute that, following the Club's withdrawal from the Balkan League on 19 March 2023, its remaining international games in the 2022-2023 season were cancelled, such that the Club's game in the European North Basketball League against BC Wolves on 18 March 2023 was its last international game in Europe in that season.
- 100. In the premises, the Arbitrator accepts the Player's submission that, pursuant to clause 2 of the Agreement, he became free to leave the Club from 19 March 2023 when the Club had no more international games to play in the 2022-2023 season.
- 101. Accordingly, by the time the Club sent its March 2023 Letter (dated 20 March 2023) demanding the Player to move to Kyiv to train and play for its national games (see para. 18 above), the Player was already a free agent with no more obligations towards the Club, not to mention that the Player was not obliged to render his services for the Club's national games within Ukraine in the first place.
- 102. Therefore, the Player's refusal and failure to move to Kyiv to train and play for the Club's national games did not amount to a breach of the Agreement. The Club's purported grounds of termination based on the Player's absence in the training sessions and official games in Ukraine are invalid and hereby rejected. It follows that the Arbitrator finds that the Agreement was unlawfully terminated by the Club without a just cause.
- 103. In passing, the Arbitrator would further observe that the Club's September 2022 Letter (see para. 14 above) amounted to an unequivocal representation that its new team would be based in Rome for the 2022-2023 season, while the Player would be living,



playing (home games) and training in Rome throughout the contractual term. By virtue of the estoppel principle, it would be inequitable that the Club should be allowed to demand the Player's relocation to Kyiv to train and play for its national games in Ukraine. This is a further reason why the Player's termination by the Club was plainly invalid.

104. Given the above findings that the Club could not require the Player to train and play for its national games in Ukraine, it is not necessary to consider the Player's alternative defence of non-performance or the right to suspend performance of obligation.

7.2.2. What if any relief should be awarded in the Player's claims?

105. Turning to relief, the Player claims (i) outstanding salary of USD 92,000.00 net; (ii) housing expenses of USD 12,928.91; and (iii) interest on the foregoing amounts.

Salary

- 106. Starting with the claim for salary, the Player submits that out of the agreed salaries under clause 3 of the Agreement, the Club has only paid USD 138,000.00, while the last four instalments in the total amount of USD 92,000.00 remain outstanding. As the Club's termination was unjustified, it remains obligated to pay USD 92,000.00 in full.
- 107. In its submissions of 10 October 2023, the Club concedes that the salary instalment due on 15 March 2023 was not paid. The Club also does not dispute that the subsequent instalments were unpaid. The Club's contention is that, due to the Player's breach, it was entitled to sanction the Player by deducting 100% of his monthly salary and terminating the Agreement without giving any compensation.
- 108. Given the above finding that the Player committed no breach, the Club had no basis to deduct the Player's salary or terminate the Agreement. Further, clause 1 of the Agreement provides for a fully guaranteed net payment (see para. 5 above). The Arbitrator therefore finds that the Club is *prima facie* liable to pay the Player his last four salary instalments in the amount of USD 92,000.00.



- 109. On the question of mitigation, the Player accepts, in his submissions of 7 November 2022 that, he was engaged by BC Wolves in late April or early May 2023 after being terminated by the Club, earning no more than EUR 10,000.00 for the rest of 2022-2023 season. That said, the Player submits that his new employment with BC Wolves has no bearing on his claim because (i) the Agreement is silent on this; and (ii) the claimed salaries correspond to the services as fully rendered by him under the Agreement.
- 110. The mitigation principle is universally accepted in BAT jurisprudence. It serves to prevent double earnings which would not be practically available to a player who in most cases cannot play for more than one club at a time. Hence, any amounts which a player earned or might earn by exercising reasonable care during the remaining term of the contract must be deducted. Any such deduction is grounded on the general principles of law, but not a specific provision in contract. Hence, the fact that the Agreement is silent on mitigation does not affect the application of the mitigation principle if it ought to apply. The Player's contrary submission is therefore rejected.
- 111. The next question is whether the mitigation principle should apply to deduct the Player's salary when, pursuant to clause 2, he has become contractually entitled to leave the Club from 19 March 2023.
- In the Arbitrator's view, the mitigation principle has no application in the present case. In most cases when the club terminates the agreement without a just case, the player become free to play for another club for the remaining term of the contract, and thus comes under a duty to mitigate the loss resulting from the unlawful termination.
- 113. By contrast, clause 2 expressly allows the Player to unilaterally leave the Club once it finishes its last official game, even when the Agreement remains in full force. In other words, the duration for which the Player was engaged by the Club is only up to the moment when the Club's last official game ends. Thereafter, the Player becomes a free agent, while the Club remains obliged to pay the Player the full amount of his salary as guaranteed under clause 1 of the Agreement. Such guaranteed salary aims to



compensate the Player for his services up to the end of the Club's last official game.

- 114. Accordingly, whether or not the Agreement was terminated by the Club, the Player had all along been entitled to seek an alternative employment and make additional earnings with another club. Hence, his income made after the Club's termination of the Agreement is not a windfall, but something he is contractually entitled to earn upon exercising his right to leave under clause 2. There is nothing in the Agreement which prohibits the Player from playing for another club after the Club's last official game ends.
- 115. For these reasons, the Arbitrator finds that there should be no deduction of the Player's entitlement to the outstanding salary under the Agreement. The Club is liable to pay the Player outstanding salary in the total amount of **USD 92,000.00 net**.

Housing Expenses

- 116. Turning to the claim for housing expenses, the Player submits the Club assumed the responsibility under clause 6 of the Agreement to provide him with a furnished apartment in Rome, but has failed to do so for the period from 22 October to December 2022. As a result, the Player had to rent a flat, incurring in total USD 15,928.91. Since the Club has only partially reimbursed the Player USD 3,000.00, the Club is liable to pay the remainder of USD 12,928.91.
- 117. The Club does not dispute that it is liable to reimburse the Player his expenses incurred in renting an apartment in Rome. Yet, the Club raises two defences. First, the Club disputes the rental amount. Second, the Club contends that it has reimbursed the Player the amounts of USD 6,000.00 (by bank transfer) and EUR 3,000.00 (in cash).
- 118. Based on receipt from Airbnb as filed by the Player,⁴⁶ the Arbitrator is satisfied and finds that the Player has incurred a total amount of USD 15,928.91 for rental expenses in Rome. No evidence was filed by the Club to cast doubt over such amount.

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⁴⁶ RfA, Exhibit 15.



- 119. As to the Club's alleged partial reimbursement, the Club adduced a handwritten note purportedly signed by Player, where he acknowledges receipt of EUR 3,000.00 from the Club as payment for his apartment on 18 December 2022.⁴⁷ The Player has not challenged the authenticity of this note. Hence, the Arbitrator finds that the Player was already reimbursed EUR 3,000.00 for his rental expenses out of the total amount of USD 15,928.91 incurred. This partial reimbursement is equivalent to USD 3,185.70. ⁴⁸
- 120. However, the Club has filed no evidence to substantiate its assertion that the amount of USD 29,000.00 paid to the Player on 21 November 2022 by bank transfer was partly for his salary and partly for his rental expenses. Although the Club filed a bank record showing a transfer of USD 29,000.00 from the Club to the Player, the record is silent on the nature of such payment.⁴⁹ Accordingly, the Arbitrator rejects the Club's argument that it has also reimbursed the Player USD 6,000.00 for his housing expenses.
- 121. As the Player has incurred USD 15,928.91 in total for housing expenses, and given the Club's proved reimbursement of USD 3,185.70, the amount of <u>USD 12,743.21</u> remains unpaid by the Club. This is the amount that the Club ought to reimburse the Player.

<u>Interest</u>

- 122. As to interest, the Player claims interest at 5% per annum from the date of filing its RfA.

 The Club made no specific submissions against the award of such interest.
- 123. The Arbitrator is prepared to accept the usual rate of 5% per annum under wellestablished BAT jurisprudence from the date of 2 August 2023 as claimed until payment of the outstanding amounts in full.

⁴⁷ Answer, Exhibit 5.

⁴⁸ Based on the Euro foreign exchange reference rates as published by the European Central Bank at https://www.ecb.europa.eu/stats/exchange/eurofxref/shared/pdf/2022/12/20221216.pdf, EUR 1.00 was equivalent to USD 1.0619 on 16 December 2022. There were no Euro foreign exchange reference rates published on 18 December 2022, which was a Sunday.

⁴⁹ Exhibit to the Club's submissions of 10 October 2023.



7.2.3. Conclusion on Liability

- 124. In conclusion, deciding the case *ex aequo et bono*, the Arbitrator finds that the Club is liable to pay the Player the amounts of **USD 92,000.00** net and **USD 12,743.21**.
- 125. In line with established jurisprudence of the BAT, the Arbitrator also finds it fair and reasonable to award interest on the foregoing amounts at the rate of 5% per annum from the date of filing of the RfA (2 August 2023) until payment in full.

8. Costs

126. In respect of arbitration costs, Article 17.2 of the BAT Rules provides:

"At the end of the proceedings, the BAT President shall determine the final amount of the arbitration costs, which shall include the administrative and other costs of the BAT, the contribution to the BAT Fund (see Article 18), the fees and costs of the BAT President and the Arbitrator, and any abeyance fee paid by the parties (see Article 12.4). [...]"

- 127. On 14 December 2023, the BAT Vice-President determined the arbitration costs in the present matter to be EUR 8,000.00.
- 128. As regards the allocation of the arbitration costs as between the Parties, Article 17.3 of the BAT Rules provides:

"The award shall determine which party shall bear the arbitration costs and in which proportion. [...] When deciding on the arbitration costs [...], the Arbitrator shall primarily take into account the relief(s) granted compared with the relief(s) sought and, secondarily, the conduct and the financial resources of the parties."

129. Apart from a small deduction from his claim for rental expenses, the Player is successful in his claims against the Club. Taking this into account, and in the exercise of his discretion pursuant to Article 17.3 of the BAT Rules, the Arbitrator determines that the costs of the arbitration shall be borne by the Club alone. As the Player has paid a total advance on costs of EUR 8,196.43 (of which EUR 196.43 were an overpayment by the Player), the Club shall reimburse the Player the amount of **EUR 8,000.00** as arbitration



costs, and the BAT will reimburse the balance in the amount of EUR 196.43 to the Player.

130. In relation to the Parties' legal fees and expenses, Article 17.3 of the BAT Rules provides:

"as a general rule, the award shall grant the prevailing party a contribution towards any reasonable legal fees and other expenses incurred in connection with the proceedings (including any reasonable costs of witnesses and interpreters). When deciding [...] on the amount of any contribution to the parties' reasonable legal fees and expenses, the Arbitrator shall primarily take into account the relief(s) granted compared with the relief(s) sought and, secondarily, the conduct and the financial resources of the parties."

- 131. Moreover, Article 17.4 of the BAT Rules provides for the maximum amounts a party can receive as a contribution towards its reasonable legal fees and other expenses (excluding the non-reimbursable handling fee). Considering the aggregate amount of USD 104,928.91 as claimed by the Player in this arbitration, which is equivalent to EUR 95,520.17,50 the maximum amount of contribution payable to the Player's reasonable legal fees and other expenses is EUR 7,500.00.
- 132. The Player claims contribution of legal fees in the amount of EUR 4,500.00. The Player also claims reimbursement of the non-reimbursable handling fee paid in the total amount of EUR 4,000.00 to bring his claim before the BAT.
- 133. Considering the relative complexity of the matter, and the reasons as stated in para. 129 above, the Arbitrator determines that it is fair and reasonable that the Player is entitled to a contribution to its legal fees and expenses in the amount of **EUR 4,500.00**.
- 134. Finally, given the above, the Arbitrator further finds that the Player is entitled to be reimbursed the non-reimbursable handling fee in the amount of **EUR 4,000.00**.

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⁵⁰ Based on the Euro foreign exchange reference rates as published by the European Central Bank at https://www.ecb.europa.eu/stats/exchange/eurofxref/shared/pdf/2023/08/20230802.pdf, EUR 1.00 equated USD 1.0985 on the date of filing the RfA on 2 August 2023.



9. AWARD

For the reasons set forth above, the Arbitrator decides as follows:

- Basketball Club Budivelnyk (BC Budivelnyk LLC) shall pay Mr. Harvey Jerai Grant the amount of USD 92,000.00 net together with interest at 5% per annum on any outstanding balance (as may be the case from time to time) thereof from 2 August 2023 until payment in full.
- Basketball Club Budivelnyk (BC Budivelnyk LLC) shall pay Mr. Harvey Jerai Grant the amount of USD 12,743.21 together with interest at 5% per annum on any outstanding balance (as may be the case from time to time) thereof from 2 August 2023 until payment in full.
- 3. The costs of this arbitration until the present Award, which were determined by the Vice-President of the BAT to be in the amount of EUR 8,196.43, shall be borne by Basketball Club Budivelnyk (BC Budivelnyk LLC) alone. Accordingly, Basketball Club Budivelnyk (BC Budivelnyk LLC) shall reimburse the amount of EUR 8,000.00 to Mr. Harvey Jerai Grant as the costs of arbitration.
- 4. Basketball Club Budivelnyk (BC Budivelnyk LLC) shall pay Mr. Harvey Jerai Grant the further amount of EUR 8,500.00 as a contribution towards his legal fees and expenses (including the non-reimbursable handling fee).
- 5. Any other or further-reaching requests for relief are dismissed.

Geneva, seat of the arbitration, 14 December 2023

Benny Lo (Arbitrator)