INTERNATIONAL COURT OF APPEAL (ICA)

of the

FEDERATION INTERNATIONALE DE L'AUTOMOBILE

Appeal brought by Miko Marczyk Team

against

Decision No. 6 dated 4 May 2024 of the Stewards of the 2024 Rally Islas Canarias counting towards the 2024 FIA European Rally Championship

Case ICA-2024-05

Hearing of 18 July 2024

Decision of 1st August 2024

The FIA INTERNATIONAL COURT OF APPEAL (the "Court"), which comprised Mr Rui Botica Santos (Portugal), who was designated President, Mr Marcelo Coelho de Souza (Brazil), Mr Gary Crotty (USA) and Mr Thierry Julliard (Switzerland), held a hearing at the FIA offices in Geneva on Thursday, 18 July 2024.

Nobody challenged the composition of the Court, nor submitted a request for recusation of any of the judges.

Prior to the hearing, the Court received and considered submissions and attachments thereto made by Miko Marczyk Team ("the Appellant") and the FIA (the "Respondent") (collectively referred to as "the Parties").

The following persons attended the hearing:

On behalf of the Appellant, Miko Marczyk Team:

Mr Miko Marczyk Team, Owner and Driver
Mr Tim Hoare, Michelin Motorsport Manager (Witness)

On behalf of the Respondent, FIA:

Ms Alejandra Salmerón García, Head of Regulatory
Ms Prisca Mauriello, Senior Legal Counsel
Ms Marianne Saroli, Senior Legal Counsel
Mr Alejandro Artiles, Legal Counsel
Mr Andrew Wheatley, Category Manager, WRC
Mr Jérôme Roussel, Category Manager – Cross-Country & Regional Rally Championships (via videoconference)

Also attending the hearing:

Mr Jean-Christophe Breillat (Secretary General of the FIA Courts)
Mr Nicolas Cottier (Clerk of the FIA Courts)
Ms Sandrine Gomez (Administrator of the FIA Courts)

The Parties filed written submissions and, at the hearing on 18 July 2024, set out oral arguments and addressed the questions asked by the Court. The hearing took place in accordance with the adversarial principle, with the aid of simultaneous interpretation in French and English. None of the Parties raised any objections, in relation either to the composition of the Court or to the manner in which the proceedings and the hearing were conducted, notably concerning the respect of the adversarial principle or the simultaneous interpretation.

I. REMINDER OF THE FACTS

1. The Rally Islas Canarias held in Gran Canaria between 2nd and 4th May 2024 ("the Competition") is one of the eight competitions which are part of the FIA European Rally Championship ("the Championship").

2. Each competition is divided into several legs, each leg being split into sections containing a group of special stages with competitors driving from one special stage to another. Cars may enter the service parks for repairs and maintenance between two sections.

3. The Championship is made up of three main categories, namely ERC2 (for Rally2 cars), ERC3 (for Rally3 cars) and ERC4 (for Rally4 and Rally5 cars).

4. The Competition was divided into two legs, seven Sections and 13 Special Stages and Miko Marczyk Team took part to the Competition in the ERC2 category.

5. As for tyres, each competitor must choose a supplier ("the Supplier") between four FIA-nominated tyre companies, i.e. Hankook Tire & Technology Co., Ltd., Manufacture Française des Pneumatiques Michelin ("Michelin"), MRF Limited, and Pirelli ("the Suppliers"). The Appellant chose Michelin.

6. Before the start of the Competition, Miko Marczyk Team's tyres were checked and registered by its supplier Michelin in the so called "Supplier's List" during the pre-rally scrutineering which took place before the shakedown and the rally. The "Supplier's List" was then submitted to the Technical Delegate at the end of the scrutineering, on 1st May 2024.

7. Miko Marczyk Team bought 15 tyres from Michelin's local distributor, and one was bought off-site from Pneu Sport s.r.o., the Michelin distributor located in the Czech Republic (the "Czech Michelin Supplier"). The tyre bought off-site was a H31 tyre.

8. Mr Tim Hoare and Michelin's local distributor conducted a final on-site check to ensure that all tyres brought by competitors, the so-called "off-site tyres", were recorded. As a result, 10 off-site purchased tyres were declared and added to the lines 683 to 692 of the Supplier's list of Michelin. However, one Miko Marczyk Team's off-site tyre was not on the list.

9. As a consequence, altogether 666 tyres were reported on the Supplier's List issued by Michelin and, among those 666 tyres, only 15 tyres on behalf of Miko Marczyk Team were listed.

10. On 3 May 2024, Miko Marczyk Team notified the Stewards that one off-site tyre was not on the list. It also informed the FIA Technical Delegate, Mr Emanuele Saglia who, in turn, emailed Mr Hoare.

11. On the same day, at 17:48, Mr Hoare sent an email to Mr Saglia confirming that the off-site tyre announced by the Miko Marczyk Team was a H31 tyre produced on 21 June 2023, but that it had not been declared by the teams and was not on the stock of Michelin at the event. Mr Hoare confirmed further that "*this tyre must be a tyre that the competitor brought to the event and for some reason did not let me know it was part of their tyre package. I checked with all teams on Wednesday and I had every tyre included on the list.*"

12. The FIA Technical Delegate having performed previously tyre checks in the truck of the Miko Marczyk Team, it was found through the Tyre Table issued by the FIA Technical Delegate that the Team had used 16 tyres during the Competition and that the off-site unregistered tyre was used as a spare during the Special Stage 1 and was then found in the truck in Parc Fermé and was used during the Special Stages 2 to 4, the Special Stage Finish 4, the Special Stage 5 and the Special Stage Finish 7.

13. On 3rd May 2024, the FIA Technical Delegate issued his report No. 6 ("the Report") where he confirmed that Miko Marczyk Team had used a tyre not registered in Michelin Supplier's List provided to the FIA on 1st May 2024 and that this tyre was used on 2nd May during Special Stage 1 and on 3rd May, the whole day.

14. On 4th May 2024, Mr Edoardo Delleani, Ms Emilia Abel and Mr David Domingo (the "Stewards") received the Report and summoned Miko Marczyk Team's representative for a hearing. The hearing took place on 4 May 2024 at 10:00 in the presence of the Stewards.

15. The Stewards then issued their Decision No. 6 ("the Decision"), which was published at 12:35 on the organiser's digital notice board and which reads as follows in its relevant parts:

> "*Mr. Marcis stated that due to a mistake they had used on tyre in their stock that was used earlier for a test and he apologised for their lapse.*
>
> *As stipulated in Art. 13.3 of the 2024 FIA Regional Rally Sporting Regulations V1A, tyres' suppliers must keep an up-to-date list of barcodes and matching tyres (including compound) and provide it to the FIA Technical Delegate before the end of each pre-rally scrutineering. The relevant list was provided by the tyre supplier to the FIA technical Delegate on 1st May 2024.*
>
> *The tyre found on the car of the competitor No. 6 had the barcode number FIA04628064.*
>
> *The tyres' supplier declared that this tyre was not declared by any team before the ERC Rally Islas Canarias and was not part of their stock on their truck at the event.*
>
> *The Stewards conclude that this is a breach of the above regulations and that the penalty imposed is proportional to the infringement.*"

16. As a result, the Stewards found that Miko Marczyk Team breached article 13.3 of the 2024 FIA Regional Rally Sporting Regulations V1A ("the RRSR V1A") in conjunction with article 7.1 of the Supplementary Regulations ("the SR") and imposed on the said team a 2-minute penalty.

17. Miko Marczyk Team, which as a consequence of the Decision finished 15 in the final classification of the Competition, notified on 4th May 2024 at 12:39 its intention to appeal.

II. PROCEDURE BEFORE THE COURT

18. On 8 May 2024, the Appellant filed its notification of appeal against the Decision and notified its Grounds for appeal on 30 May 2024.

19. On 23 May 2024, by Procedural Decision No. 1, the President of the Hearing decided that, given that the Olympic Games were being held in Paris on the date of the hearing, it would be relocated to Geneva (Switzerland).

20. On 12 June 2024, by Procedural Decision No. 2, the Presiding of the Hearing granted the request filed by the FIA and ordered the Appellant to confirm the identity of its witness(es) and to provide a written witness statement concerning them, which the Appellant subsequently complied with.

21. On 3 July 2024, the FIA filed its Grounds in response.

22. On 18 July 2024, during the hearing held, the Court heard the Parties and Mr Tim Hoare, the Appellant's witness, who basically confirmed the content of the email he sent to the FIA Technical Delegate and stressed that the suppliers took their mission very seriously as they knew that it could lead to harsh penalties for the competitors in case of breach of the applicable regulations. In the case of the Appellant, the witness confirmed that the off-site tyre had indeed been bought to a Michelin distributor in Czech Republic and was indeed compliant with the applicable regulations for the Competition.

III. REQUESTS OF THE PARTIES

23. In essence, the Appellant asks the Court to set aside the Decision or, as an alternative, that the penalty issued by the Stewards be substituted "*with a different one that will not affect the sport result and will maintain the spirit of competitive racing and sportsmanship.*"

24. In its Response, the FIA asks the Court to dismiss the appeal and to confirm the Decision in its entirety and to order the Appellant to pay the costs of the appeal referenced in article 11.2 of the Judicial and Disciplinary Rules ("the JDR").

IV. ADMISSIBILITY OF THE APPEAL BEFORE THE COURT

25. The Court notes that the Appellant brought its appeal in accordance with the provisions of the 2024 JDR.

26. The Court also considers that it has jurisdiction to hear this appeal.

27. Therefore, the Court deems the appeal admissible, which is undisputed.

V. ON THE SUBSTANCE

a) Arguments of the Parties

28. The Appellant put forward in essence the following grounds in support of the appeal:

    (i) The applicable regulations do not explain how a competitor must inform a tyre supplier, present at the rally, of his intention to use a tyre which was bought off-site, even though the use of such tyre is fully permitted.

(ii) The Appellant contended further that there is no written rule that makes a competitor responsible if a Supplier's List is not up-to-date.

(iii) The use of one off-site tyre by the Appellant was accidental and the Appellant had actually no intention to use it. As this tyre was authorised it did not procure any sporting advantage to the Appellant which did also not use more than the admitted total of 16 tyres during the Competition, as it had acquired 15 tyres on-site and did use, inadvertently, one more off-site tyre.

(iv) The Appellant put forward that what happened was an "*administrative mistake*" and that it did not wait until such mistake was detected by the Technical Delegates. On the contrary, the Appellant himself disclosed the issue to the Stewards with whom he fully cooperated.

(v) The Appellant then stressed that there is no ERC precedent comparable to the present case whereas a competitor got sanctioned with a 2-minute penalty in 2023 for having used more than the permitted number of tyres, which, in that case, triggers a sporting advantage.

(vi) Should the Court find that a breach was indeed committed, the Appellant argued that the sanction would then be disproportionate and that the Court should apply a milder one having no sporting impact.

29. The FIA contended in its Grounds in response, in essence, the following:

(i) The Appellant failed to notify its supplier, Michelin, that it had brought to the Competition an off-site tyre so that such tyre was not registered and was thus not included on the Michelin's Supplier's List submitted on 1st May 2024.

(ii) As the Appellant is bound by the applicable regulations and as the Supplier's List was not up to date as required under article 13.3.1 par. 2 of the RRSR V1A, the FIA contended that the Appellant breached the applicable regulations.

(iii) As to the proportionality of the sanction, the FIA put forward that "*the Appellant when failing to declare the barcode of a tyre used by the latter during the Competition is a serious violation of Article 13.3 of the RRSR and Article 7.1 of the SR. thus the sanction to be imposed shall address the need for compliance, deter future breaches and ensure fairness in the Championship.*"

(iv) The FIA then explained that "*the deciding bodies should analyse the gravity of the specific facts and the degree of culpability of the accused.*"

(v) The FIA put forward that "*the breach* [committed by the Appellant] *is fundamentally sporting in nature because it directly contravenes the RRSR. Failing to declare a tyre barcode is not a minor administrative oversight; it undermines the FIA's system designed to maintain the integrity of the Championship. Accurate tyre declarations are essential to ensure fairness and trust among all competitors. Indeed, the use of unregistered tyres can lead to unregulated performance benefits, potentially providing an unfair advantage. Barcode registration is crucial to prevent unauthorised or modified tyres from being used, ensuring all competitors adhere to the same sporting standards. In contrast registering tyres allow the FIA to verify that they are listed on the FIA-Authorised List, subject to consistent conditions, controls and regulations. This promotes a level playing field, as tyres significantly impact a rally car's handling, traction and overall performance. The FIA cannot accept unregistered tyres in the Championship because it cannot confirm whether these tyres meet the required safety and performance criteria for rally conditions. In fact, allowing unregistered tyres would bypass the FIA's rigorous testing and approval processes, posing potentially safety risks to drivers and spectators. The registration system mitigates these risks by ensuring only approved tyres are used during competitions. Additionally, barcode registration helps competitors manage their tyre inventory efficiently, ensuring they use the correct number and type of tyres as permitted for each competitor.* (…) *Although the Appellant ultimately used a tyre type that was authorized for the Competition* (…) *this does not exempt the Appellant form its obligation to declare the tyres intended for use throughout the Competition before pre-rally scrutineering. Because of the Appellant's failure to declare Tyre E, an unregistered tyre was used during the initial seven Special Stages of the Competition without the FIA's knowledge of its compliance with the RRSR and SR."*

(vi) The FIA also argued that the breach prevented the FIA Technical Delegate from exercising its regulatory discretion to assign or prohibit to use the off-site tyre as provided under article 13.3.1 par. 3 of the RRSR V1A. The FIA explains on this point that "*this authority exists due to the difficulty in distinguishing whether a tyre complies with the patterns and compounds required by the SSRS and SR, as most tyres have similar appearances.*"

(vii) The FIA then contended that the duration of the breach should be taken into consideration. The FIA explained that the Appellant should have withdrawn itself from the Competition as from Special Stage Finish 4, when it noted the breach, as it could not get the off-site tyre off the car until the Special Stage Finish 7, due to the lack of any Service Park entries in between. According to the FIA, it was in any event proven from the data collected by the FIA during the Competition that the off-site tyre was used during more than half of the Competition. The FIA contended therefore that "*such extensive usage of an unregistered tyre cannot be overlooked. It highlights a significant breach of the regulations, impacting the fairness and integrity of the Championship."*

(viii) Assessing further the Appellant's degree of fault, the FIA stressed that the Appellant is an experienced competitor and should have been aware of the requirement to declare all tyres. According to the FIA "*while the Appellant claims the use of the Unregistered Tyre was unintentional, this does not mitigate its degree of fault.* (..) *the Appellant was negligent and this negligence cannot justify a reduction in the 2-minute time penalty.*"

(ix) Then the FIA put forward a list of abuses which could be committed by not registering a tyre such as "a competitor could *use tyres not on the FIA-Authorised List, gaining better traction and faster stage times"; "a competitor could register a limited number of tyres but secretly use additional, unregistered tyres, maintaining optimal performance contrary to tyre usage regulations*"; "*a competitor could modify unregistered tyres with unique compounds or tread patterns, providing performance advantages not available with registered tyres.*"

(x) The FIA relied then on various previous cases which allegedly support the Decision in terms of proportionality of the sanction. The FIA stressed eventually on the "*importance of the sanction to prevent future infringements*".

b) Applicable Regulations

30. The applicable rules are the FIA Regulations in force at the time when the Competition took place, namely between 2nd and 4th May 2024.

31. As a result, the applicable regulations relevant to the merits of the present case are the 2024 Edition of the FIA International Sporting Code ("the Code"), the 2024 FIA Regional Rally Sporting Regulations ("the RRSR") and its Appendix V1A governing the FIA European Rally Championship ("the RRSR V1A") as well as the 2024 Supplementary Regulations (SR) (collectively referred to as "the Regulations").

32. As to the Procedural Rules, and since the Notification of appeal was filed on 8 May 2024, the applicable regulations are the 2024 Edition of the FIA Judicial and Disciplinary Rules (JDR). As determined under article 14.4 JDR, French law applies to the present proceedings.

33. Furthermore, notwithstanding Procedural Decision No. 1, according to which the hearing was relocated to Geneva, Switzerland, the applicable law on a complementary basis remains French law, pursuant to Articles 14.2 and 14.4 JDR.

34. Neither the Appellant nor the FIA dispute the above.

c) Conclusions of the Court

35. Having carefully considered the written submissions presented by the Parties, and the oral pleadings and evidence addressed at the hearing, the Court rules as follows.

a. On the question of the breach of article 13.3.1 of the RRSR V1A

36. It is undisputed that the Appellant is bound by the RRSR V1A, as well as the other FIA Regulations above mentioned.

37. The Court notes in particular that the Appellant signed the entry form of the Competition which contains the following statement to be signed by each Competitor:

> "*We confirm that we have read and understood the provisions of the International Sporting Code, the Technical Regulations applicable to the group of cars scoring points in the 2024 FIA Regional Rally Championships and the 2024 FIA European Rally Championship Sporting Regulations. We agree to be bound by them (as supplemented or amended) and furthermore we agree on our own behalf and on behalf of everyone associated with our participation in the 2024 FIA European Rally Championship to observe them.*"

38. The Stewards considered that the Appellant committed a breach of article 13.3 of the RRSR V1A in conjunction with article 7.1 of the SR which read as follows:

> ***Art. 13.3 RRSR V1A***
>
> ***"13.3.1 All types of tyres***
>
> *- Only the types of tyres specified in the list published by the FIA are authorised.*
>
> *- Suppliers must keep an up-to-date list of barcodes and matching tyre types (including compound) and provide it to the FIA Technical Delegate before the end of each pre-rally scrutineering.*
>
> *- The FIA Technical Delegate may assign or prohibit certain barcode numbers to certain competitors.*
>
> *- The FIA Technical Delegate may pick up new or used tyres for a comparative analysis with reference samples submitted to the FIA.*

13.3.2 Tarmac tyres

- Each supplier can designate in the list published by the FIA one specification of dry tyre (same pattern), supplied in three compounds.

- Each supplier can designate in the list published by the FIA one specification of wet tyre.

13.3.3 Gravel tyres

Each supplier can designate in the list published by the FIA one specification of gravel tyre (same pattern), supplied in three compounds."

Article 7.1 SR

"At all times during the event in Spain, the tread depth of the tyres fitted on the car, must not be less than 1.6 mm. All tyres used during the rally must be in conformity with RRSR Art. 13 and with Appendix V.

Tyre quantity for competitors:

- For all drivers entered in class RC2, RC3 and RGT, a maximum of 16 tyres may be used during each rally (without free practice and shakedown).

(…)".

39. The Court notes first that the breach found by Stewards relates to the list of barcodes that the "*Suppliers must keep up-to-date*".

40. The Appellant argues that according to the wording of the Regulations, the regulatory duty is on the Suppliers and not on the competitors.

41. In that context, the Court took note of article 1.1.1 par. 2 of the RRSR which provides that "*for the purpose of the current Sporting Regulations, the championship promoters, tyre manufacturers* (red.), *fuel suppliers or any suppliers* (red.) *connected with competitive cars are considered to be rally participants in accordance with Art. 1.3 of the Code, and as such must adhere to the obligations imposed on them* (red.)"

42. *Prima facie*, one could find sympathy for the interpretation of the Appellant of article 13.3.1, second paragraph, and conclude that it was only Michelin's duty to ensure that its list was up to date and that the Appellant cannot be sanctioned for the breach of a duty imposed on a third party, i.e. to the Supplier.

43. Yet, the Court refers to article 7.1 SR par. 1, second sentence which provides that: "*All tyres used during the rally must be in conformity with RRSR Art. 13 and with Appendix V.*"

44. The Court finds that this obligation is imposed on all parties, including the Appellant, which means that the latter must ensure that the Supplier's List be constantly up-to-date, which implicitly, and necessarily, implies that any competitor has the obligation to provide to the Supplier of its choice - in this case Michelin – with any information in its possession, in order for the said Supplier to keep an up-to-date "Supplier's List".

45. Indeed, given the particularity and somehow complexity of the tyre regulations applicable to the ERC Championship, this interpretation of the applicable Regulations is necessary and therefore correct from a systemic point of view.

46. As the competitors are authorised to bring their own tyres acquired "off-site", it is logical that they must ensure that those are compliant with article 7.1 SR par 1, second sentence, by announcing them to their respective Suppliers so that the latter can issue a list which is up-to-date as required under article 13.3.1 RRSR V1A.

47. Mr Hoare explained at the hearing that Michelin visited all competitors asking them which off-site tyres they might have brought to the Competition in order to update Michelin's Supplier's List. After this inquiry, 10 additional off-site tyres were added. There is no doubt that the Appellant, which is an experienced Competitor, knew that he should have disclosed the off-site tyre.

48. The Court believes however the Appellant's version according to which, the off-site tyre was mixed by mistake with another tyre, which was properly listed.

49. This explains the breach but does not excuse it.

50. The Court thus concludes that the Appellant indeed committed a breach of article 13.3 of the RRSR V1A in conjunction with article 7.1 of the SR and confirms the Decision on this point.

b. <u>On the question of the sanction and its proportionality</u>

51. Having concluded that the Appellant had committed a breach of article 13.3 of the RRSR V1A in conjunction with article 7.1 of the SR, the Court now considers the sanction and the question of its proportionality.

52. The Appellant argues that, considering the facts of the case, the Sanction is excessive and disproportional, as it will seriously compromise its sporting competitiveness and its relationship with its main sponsors. FIA argues that the sanction is adequate and proportional due to the significant interest of the FIA and the sporting system in deterring similar misconduct.

53. The Court finds that it must analyse (i) the gravity of the facts, (ii) the Appellant's degree of culpability, (iii) the Appellant's attitude towards the breach in question, (iv) the Appellant's past record, and (v) the previous sanctions inflicted by the Stewards in similar cases.

b.1. <u>The gravity of the facts</u>

54. The Court notes first that as far as the technical properties of the tyres are concerned the Appellant used an authorised tyre – even non-registered on the Supplier's List - and that if the latter had been announced to Michelin, it would have been registered on the Supplier's List without any further remark, which is undisputed.

55. The Court notes also that the Appellant did use the exact number of tyres which he was allowed to use, namely 16 tyres.

56. The Court thus concludes that the Appellant did not draw any sporting advantage from the breach.

57. The Court then turns to the FIA's submissions on the importance of the breach with regard to the need to ensure that the Suppliers' Lists be up-to-date.

58. In the specific case, it appears that the Technical Delegates noted the use of the unlisted tyre from almost the beginning of the Competition as the barcode of the off-site tyre was scanned several times.

59. The Court finds that if the regulations are that important for safety reasons, as put forward by the FIA, one would expect the breach to be detected as soon as an unlisted barcode is scanned by an FIA official.

60. Besides, the off-site tyre used by the Appellant was authorised and therefore its use did not trigger any safety risk.

b.2. <u>The Appellant's degree of culpability</u>

61. Based on the assessment of the sequence of the facts and the evidence, in particular the testimony of the witness who was present at the Competition, it become clear that the Appellant's conduct was merely negligent or, as the witness stated, a "logistical error". It was not proven that the Appellant had any interest in "hiding" the situation or how his action could benefit him or granting him any sporting advantage.

62. The Court is of the opinion that (i) the non-registration of the off-site tyre was caused by negligence and not by intent or fraud, (ii) that this tyre was as such fully compliant with the Regulations for the Competition and would thus have been put on the list if it had been declared, and (iii) that the Appellant did announce the issue itself whereas the FIA Technical Delegates were themselves in a position to mention the breach early in the Competition but did not do so.

63. Therefore, the Court reaffirms its conclusion that the Appellant did not gain any sporting advantage that would have jeopardized the fairness of the Competition, nor did it create any safety risk, and in any event not one that could not have been detected by the FIA Technical Delegates.

b.3. The Appellant's attitude towards the breach in question

64. The Court notes further that the Appellant spontaneously took the initiative to disclose the issue to the Stewards and apologized several times for the "mistake" committed and that he genuinely reiterated these apologies during the hearing.

b.4. The Appellant's past record

65. The Court has not been informed that the Appellant would have committed a similar violation in the past or would have engaged in conduct that could be considered an aggravating circumstance. In other words, it appears to be the Appellant's first violation.

b.5. The previous sanctions inflicted by the Stewards in similar cases

66. The FIA puts forward that the sanction must be exemplary to prevent future breaches.

67. The Court finds first that the examples put forward by the FIA are not to be used in the present case.

68. Indeed, the FIA gives examples of voluntary and fraudulent acts to support a sanction against the Appellant which appears to have been indeed negligent, but not at all willing breach any regulation.

69. The Court does not see how a mild sanction against the Appellant could instigate a competitor to act fraudulently in announcing tyres and using others, or in modifying unregistered tyres or even in using unauthorised tyres, all severe breaches which were not committed by the Appellant. In all those examples given by the FIA, any competitor

that would be caught could not benefit as a binding precedent from the decision issued by the Court in the present case.

70. More importantly, the principle of the individual nature of penalties is a common principle of law, and fairness requires to sanction a competitor for what it did and not for what others might do in the future.

71. The Court then considered the precedents put forward by the Parties. It considered notably the Decision No. 18 issued on 14 May 2023 by the stewards of the Vodafone Rally of Portugal 2023 where a competitor used one tyre in excess of the permitted number and was sanctioned with the same penalty as the one imposed on the Appellant, although the competitor in Portugal had gained a sporting advantage with its breach.

b.6. Conclusion

72. The Court agrees with the FIA that the sanction must be exemplary to prevent future similar breaches. However, it believes that in this specific case, the FIA's objective is adequately met with a sanction that does not impose a direct sporting disadvantage on the Competitor.

73. Considering the list of sanctions established in article 12.4.1.h of the Code, the Court concludes that a time penalty would be disproportionate given the particularities of the present case.

74. The Court finds though that the Appellant must be sanctioned for the breach and that a fine would be a more adequate sanction. Given that the Appellant announced a budget of 1 million Euro, the Court finds that a fine of 10,000 (ten thousand) Euro is appropriate.

75. In modifying the sanction imposed by the Stewards, the Court took into account the violation in question, as well as the facts and considerations mentioned above.

76. Based on all the above and given its *de novo* power, the Court upholds partially the appeal and replaces the Decision with the present decision.

VI. COSTS

77. Considering the outcome of the proceedings, notably that the Appellant's breach of the applicable regulations was confirmed by the Court, but also that the latter had to lodge an appeal before the Court to get a fair decision, the Court decides that each Party shall bear half of the costs.

ON THESE GROUNDS,

THE FIA INTERNATIONAL COURT OF APPEAL:

1. **Declares the appeal admissible;**

2. **Upholds partially the appeal and sets aside the Decision No.6 of the Stewards of the 2024 Rally Islas Canarias counting towards the 2024 FIA European Rally Championship;**

3. **Sanctions the Miko Marczyk Team with a fine of 10,000 (ten thousand) Euro**

4. **Orders the competent Sporting Authority to draw, as appropriate, the consequences of this ruling;**

5. **Awards to each Party half of the costs, in accordance with Article 11.2 of the Judicial and Disciplinary Rules of the FIA, to be calculated by the General Secretariat of the Courts and notified later on; and**

6. **Dismiss all other and further motions or prayers for relief.**

Paris, 1st August 2024

The President

Rui Botica Santos