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Space Law 2026

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Cécile Théard-Jallu, Laetitia Cesari
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Chambers

Global Practice Guides

Space Law

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2026

Chambers Global Practice Guides

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INTRODUCTION

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De Gaulle Fleurance

De Gaulle Fleurance is a leading player in business law, with offices in Paris, Brussels, Geneva, Abu Dhabi, Abidjan and Dakar. The firm supports its clients with all their operations, both domestically and internationally. The team of 200 professionals brings together diverse experiences to build relationships based on excellence, responsiveness, and creativity. The firm's full-service practice enables it to address all legal and notarial challenges, and its expertise, notably in space law, is recognised by the business community through accolades from several well-

known professional guides. The firm's international culture allows it to mobilise a network of correspondents across every continent, ensuring comprehensive support for its clients worldwide. Among its activities to sustain the space economy, it has been part of the European Space Agency's acceleration programme as members of the Business in Space Growth Network and selected as experts in the ESA's working programme for the governance of the future European Space Data Space.

Contributing Editors



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INTRODUCTION

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INTRODUCTION

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Introduction

In recent years, space has rapidly evolved from a domain reserved for a few pioneering states into a dynamic and contested environment of economic, technological, and geopolitical significance. This transformation brings with it a host of regulatory, ethical, and strategic challenges that legal frameworks around the world are only beginning to address.

The Chambers and Partners Space Law 2026 Guide captures this global shift, offering a cross-jurisdictional perspective on how law is adapting to the new realities of space activities – from satellite constellations and launch services to space data, cybersecurity, orbital sustainability and some sectoral activities like health-care and life sciences.

Across the jurisdictions featured in this guide, several key themes emerge. The first, among others, is the increasing need for legal certainty and international co-ordination as commercial actors enter a field traditionally dominated by public institutions. The rise of “NewSpace” players, offering everything from micro-launch capabilities to space-as-a-service platforms, demands flexible yet robust legal tools that reconcile innovation with responsibility. Two key dynamics underpin the claim. First, legal certainty, as private actors require predictable rules on issues like licensing, data security and validity, liability, insurance, and property rights to make long-term investments. Second, international co-ordination for space activities that are inherently transnational. Space activities across jurisdictions, debris affects all operators, and radio spectrum is globally managed. As more private entities enter the field, inconsistencies between national regulations can create conflicts or gaps (for example, in space traffic management or debris mitigation standards). This situation increases pressure for harmonisation or, at least, interoperability between legal regimes.

Second, sustainability is no longer a rhetorical concern but a central legal obligation. As orbital traffic intensifies and space debris accumulates, regulators are moving towards enforceable norms for debris mitigation, end-of-life procedures, and responsible behaviour in orbit. These norms are often implement-

ed at the national level but must align with evolving international principles.

Third, space law is becoming deeply intertwined with cybersecurity, data protection, and dual-use technology regulation. The increasing reliance on space-based infrastructure for essential services – communication, navigation, climate monitoring, and defence – makes the legal framework for space operations inseparable from broader legal regimes governing critical infrastructure and digital sovereignty.

Each chapter offers a unique insight into how countries are responding to these challenges – whether by adapting existing airspace and telecommunications law, creating bespoke licensing regimes for space operators, or participating in international forums shaping the future legal order. The Trends and Developments articles, in particular, highlight the evolution of national policies and the emergence of new legal thinking in response to rapid technological advances.

While some states have well-established legal frameworks for space activities, others are new entrants with dynamic strategies and comprehensive legal, industrial, and investment support programmes.

Some states actively participate in multilateral discussions aimed at developing international legal instruments for space activities. Others, or even the same states concurrently, are working towards regional legal frameworks, as exemplified by the EU’s proposed EU Space Act. Some states even take the initiative to accommodate some of their Earth-based sectoral legislations to space activities, in particular the UK with its new March 2026 regulatory move in support of in-orbit pharmaceutical manufacturing, with a view to setting out a clearer route to bring drugs manufactured in space safely to market.

As clients and stakeholders increasingly look to space not just as a frontier, but as a domain for sustainable investment, this guide aims to provide both clarity and foresight. Legal systems may not be moving at the speed of innovation, but they are beginning to reflect the complexity and ambition of today’s space activities.

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We extend our sincere gratitude to all other contributors, from all countries and law firms participating in this new edition of the Chambers and Partners Space Law Guide, for their insightful perspectives and sharing of experience. Each is an expert in their respective national jurisdiction, while also bringing a regional and international perspective. This is true of firms based in EU member states, all of which are able to advise on broader developments and trends in European law, and equally of firms in other regions, which provide guidance informed by the legal frameworks and developments within their own jurisdictions.

Thank you as well to Chambers and Partners for their continued trust and editorial co-ordination in bringing this guide to life. We are honoured to have been introducing and co-ordinating it since its creation.

ECUADOR



Law and Practice

Contributed by:

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HEKA Law is a full-service Ecuadorian firm with offices in Quito, Cuenca and Guayaquil, and correspondents across the country's major cities. With over seventy professionals, the firm advises on corporate and commercial matters, mergers and acquisitions, regulatory compliance, and dispute resolution. HEKA is particularly recognised for its work in technology, telecommunications, data protection and cybersecurity. The firm's space law practice sits at the forefront of Ecuador's emerging space economy, advising on

regulatory and licensing matters before ARCOTEL, satellite capacity contracts, spectrum protection, orbital sustainability and the structuring of investment vehicles for space infrastructure including spaceports. HEKA has advised on international space operations, negotiated satellite capacity agreements and structured foreign direct investment in critical infrastructure, and actively participates in the forums shaping Ecuador's space regulatory framework.

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1. Global Trends

1.1 International Legal and Regulatory Developments

Ecuador is progressively aligning itself with international space governance frameworks, although it does not yet have a dedicated national space law. The country ratified the 1967 Outer Space Treaty, which establishes the foundational principles for the exploration and use of outer space. In March 2025, Ecuador acceded to the Registration Convention, marking a significant step towards enhanced transparency regarding space objects.

Ecuador signed the Artemis Accords in June 2023, becoming the 26th signatory and the third South American nation to do so. This signalled Ecuador's commitment to sustainable and transparent space activity, as well as its openness to international cooperation in civil space exploration.

At the domestic level, no formal legislative proposal has been tabled as of mid-2026. The regulatory gap means that space activities are currently governed by a patchwork of existing telecommunications, constitutional and international treaty provisions.

Ecuador is a member of the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) and participates in both its Scientific and Technical Subcommittee and its Legal Subcommittee. The country's engagement in these multilateral forums is expected to inform future domestic legislative efforts.

1.2 NewSpace and the Space Tech Economy

The NewSpace economy in Ecuador is at a nascent stage. The country's equatorial location provides a significant natural advantage for space activities: launches from the equator benefit from the Earth's rotational velocity, reducing fuel costs and increasing payload capacity for eastward orbital insertions.

In October 2025, Astralintu Space Technologies secured Ecuador's first-ever private investment in the space industry from Grupo Futuro, one of the country's leading business groups. This investment is funding the construction of the Equatorial Stargate Ground

Station, Ecuador's first high-capacity private teleport operating at latitude 0.

The facility would support both horizontal and vertical launches, re-entry operations and specialised runway capabilities.

The legal and regulatory framework remains under construction, creating uncertainty for investors and operators who require predictable licensing and oversight regimes.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

Ecuador's space industry is characterised by its emerging nature. The country does not have a mature launch capability, a national satellite programme or a governmental space agency. However, it possesses several distinctive features that define its space sector.

First, Ecuador's equatorial geography is its most significant asset. The country straddles the equator, providing optimal conditions for orbital launches, particularly into geostationary and low-Earth orbits. This geographic advantage has attracted private-sector interest in establishing ground station infrastructure and launch facilities.

Second, Ecuador has a historical connection to space activities through the Cotopaxi Satellite Tracking Station, which was established by NASA in 1957 and operated as part of the Minitrack network until it was transferred to the Ecuadorian government in 1982. The station participated in the Apollo-Soyuz mission and the Space Shuttle Columbia's second flight.

Third, the country's space sector is primarily driven by private actors rather than the state. Current private-sector activity focuses on ground station infrastructure and spaceport development.

2.2 Legal System and Sources of Space Law and Regulation

Ecuador's legal system is based on civil law, with the Constitution of the Republic (2008) as the supreme legal instrument. International treaties ratified by Ecuador form part of the domestic legal order.

The main sources of rules relevant to space activities are as follows. The Constitution establishes in Article 4 that the Ecuadorian State shall exercise rights over the corresponding segments of the geostationary synchronous orbit, maritime spaces and Antarctica. Article 313 declares telecommunications and the radio-frequency spectrum as strategic sectors under exclusive state control. Article 66 (19) recognises the right to protection of personal data.

The Organic Law of Telecommunications (LOT, 2015) and its General Regulation govern the telecommunications sector, including the use and exploitation of the radio-frequency spectrum. The LOT establishes ARCOTEL as the regulatory and control authority and requires enabling titles (concessions or authorisations) for the use of spectrum.

Ecuador lacks a dedicated national space law. Space activities are therefore governed by the interplay of constitutional provisions, telecommunications regulation, data protection legislation and international treaty obligations. No specific case law on space matters has developed in Ecuador, as the sector is too nascent to have generated disputes adjudicated by national courts.

There is no coming legislative evolution that has been formally announced, although discussions regarding a national space law framework have taken place within government circles since 2023.

2.3 Role of the State in Space Law and Regulations

The Ecuadorian State plays a predominantly regulatory role in space activities through its telecommunications authority, though it also participates through international commitments and facilitates private-sector development.

ARCOTEL (*Agencia de Regulación y Control de las Telecomunicaciones*) is the primary governmental authority with relevance to space activities. Created by the LOT in 2015, ARCOTEL administers, regulates, and controls the radio-frequency spectrum and telecommunications services. It is responsible for granting enabling titles for the use of spectrum, including frequencies allocated to satellite services, and for coordinating with the International Telecommunication Union (ITU).

The Ministry of Telecommunications and the Information Society (MINTEL) is the sector's governing body, responsible for issuing public policy, approving national plans, and directing ARCOTEL in the application of those policies.

There is no specific governmental agency or ministry dedicated exclusively to space affairs. The Ecuadorian Space Institute (IEE), which was created in 2012 under the Ministry of Defence with responsibilities for scientific research, satellite information management and international space cooperation, was dissolved by presidential decree in 2019. Its dissolution left Ecuador without a formal institutional anchor for space policy.

The Ecuadorian Civilian Space Agency (EXA) is a private, non-governmental organisation and does not exercise governmental authority. EXA's role is limited to research, education and the execution of its civilian space programme.

2.4 Role of the State in the Licensing Process for Space Activities

Ecuador does not have a specific authorisation or licensing regime for space activities such as launch, in-orbit operations or re-entry. There is no dedicated space activities act establishing a licensing framework comparable to those found in the United States, the United Kingdom or France.

However, to the extent that space activities involve the use of the radio-frequency spectrum (as is the case for virtually all satellite operations), operators must obtain enabling titles from ARCOTEL. The LOT establishes three types of enabling titles: concessions, authorisations (for specific activities) and registrations. The

granting process involves technical and legal review by ARCOTEL's directorate.

As there is no space-specific licensing regime, any future launch or re-entry activities from Ecuadorian territory would require the development of new regulatory instruments addressing launch-site safety, aviation coordination and environmental permitting, in addition to ARCOTEL's spectrum-related authorisations.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

The use of radio frequencies by space operators is governed by the general telecommunications regulatory framework under the LOT and its implementing regulations.

ARCOTEL is the government entity responsible for the administration, regulation and control of the radio-frequency spectrum. Under Article 313 of the Constitution and the LOT framework, spectrum is treated as a strategic resource and a limited public-domain asset that is inalienable, imprescriptible and non-attachable.

ARCOTEL manages frequency allocations through the National Frequency Plan (*Plan Nacional de Frecuencias*), which is aligned with the ITU's Radio Regulations and the decisions of the World Radiocommunication Conference (WRC). Ecuador, as a member of the ITU, coordinates its frequency and orbital slot allocations through the ITU's Radiocommunication Bureau, following the procedures established in the Radio Regulations for advance publication, coordination and notification of satellite networks.

For satellite services, operators must obtain a concession of frequencies from ARCOTEL. The enabling title specifies the frequencies, orbital parameters, technical conditions and duration of use. ARCOTEL verifies that proposed satellite networks do not cause harmful interference to existing assignments.

At the domestic level, ARCOTEL has the authority to investigate and resolve interference complaints. Ecuador also participates in the Andean Community's coordination mechanisms for satellite systems, under the principle of reciprocity in Andean satellite systems.

2.6 Role of the State in the Launching Process

Ecuador does not currently have the infrastructure or regulatory framework for launching space assets from its territory. There is no operational spaceport, launch pad or dedicated launch-services regime.

The state's role in launch activities is therefore best described as a potential facilitator rather than a provider or active user. The government has signalled openness to the development of private launch infrastructure through its engagement with international frameworks (the Artemis Accords) and preliminary regulatory discussions within government.

Should launch activities commence from Ecuadorian territory, the regulatory process would likely involve multiple governmental agencies: ARCOTEL for spectrum-related matters, the Directorate General of Civil Aviation (DGAC) for airspace coordination and safety, the Ministry of Environment for environmental impact assessment, and potentially the Ministry of Defence given the dual-use implications of launch technology.

Ecuador's accession to the Registration Convention in 2025 is a preparatory step, as it establishes the obligation to register space objects launched from its territory with the United Nations.

2.7 Commitment to International Treaties and Multilateral Discussions

Ecuador is party to the following main space treaties.

- The 1967 Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (Outer Space Treaty). Ecuador ratified this treaty, which forms the cornerstone of the international space law regime.
- The 1972 Convention on International Liability for Damage Caused by Space Objects (Liability Convention). Ecuador acceded to this treaty, which establishes the liability framework for damage caused by space objects.
- The 1975 Convention on Registration of Objects Launched into Outer Space (Registration Convention). Ecuador acceded to this convention, which entered into force for Ecuador on 17 March 2025.

Ecuador has not ratified the 1968 Rescue Agreement or the 1979 Moon Agreement.

Ecuador is a member of COPUOS and participates in its Legal Subcommittee and Scientific and Technical Subcommittee. Ecuador also signed the Artemis Accords on 21 June 2023.

Regarding the implementation of international instruments, Ecuador's Constitution recognises ratified international treaties as part of the domestic legal order. The practical implementation of space-specific obligations, however, remains limited due to the absence of domestic space legislation.

2.8 Insurance and State Measures on Liability for Damages

Ecuador does not have space-specific insurance requirements, liability caps or indemnification mechanisms. No domestic legislation establishes mandatory insurance for space operators, minimum coverage thresholds, or state-backed indemnification schemes for damage caused by space activities.

The general civil liability framework under Ecuador's Civil Code applies to damage caused by any activity, including space activities where a domestic nexus exists. However, this framework was not designed to address the unique risk profile of space operations.

Under the international regime, Ecuador's obligations under the Liability Convention would apply. This Convention establishes absolute liability for damage caused on the surface of the Earth by a space object, and fault-based liability for damage caused in outer space.

There are no domestic rules regarding risk assessment, insurance premium determination or liability thresholds specific to space missions. Any operator conducting space activities with an Ecuadorian nexus (eg, a launch from Ecuadorian territory or an operator licensed or supervised by Ecuador) would need to manage risk through contractual arrangements, including private insurance, indemnification provisions and cross-waivers of liability, in the absence of a prescriptive domestic framework.

2.9 Very High Altitude Legal and Regulatory Framework

Very high altitude (VHA) activities, including the deployment of stratospheric balloons and high-altitude platform stations (HAPS), are not specifically regulated in Ecuador. There is no domestic legal framework addressing the boundary zone between airspace (governed by aviation law) and outer space (governed by space law).

The Directorate General of Civil Aviation (DGAC) regulates all activities within Ecuadorian airspace under the Civil Aviation Code. ARCOTEL regulates spectrum use for any communications platform, including HAPS. However, there is no specific regulatory pathway for VHA operations that bridges the gap between aviation and space regulation.

It is worth noting that Ecuador's constitutional claim over the geostationary orbit (Article 4) implicitly acknowledges the significance of different altitudinal zones for national interest, but this provision has not been developed into a comprehensive framework covering VHA activities.

3. Rules Applicable to Space Operators' Activities

3.1 General Rules on Space Activities

The general regulatory framework imposes certain requirements that would apply to space operators.

Ecuador does not have a specific regime governing the generation, collection or processing of space-derived data as a distinct category. Where such data contains personal data, for example in Earth observation imagery, the general regime of the Organic Law on the Protection of Personal Data (LOPDP, 2021) applies. The LOPDP establishes principles of lawfulness, consent, purpose limitation, data minimisation and security for the processing of personal data.

Tenure security for spectrum concessions is established in the LOT. Concessions have defined terms (typically up to 15 years for telecommunications services) and may be renewed subject to compliance. The LOT establishes grounds for revocation, includ-

ing non-payment, interference, non-compliance with technical conditions and cessation of operations. Progress rights (ie, protection of investments made in reliance on a concession) are not explicitly addressed in the LOT, though general principles of legitimate expectations under administrative law would apply.

Regarding cybersecurity, the Organic Law for the Strengthening of Cybersecurity entered into force on 22 May 2026 (Official Registry, Fifth Supplement No. 290). The law establishes a framework for the protection of critical digital infrastructure, mandatory incident notification, and risk management obligations for operators of essential services, aligned with ISO/IEC 27000 and National Institute of Standards and Technology (NIST) standards. The Ministry of Telecommunications and the Information Society (MINTEL) serves as the governing authority. While the law does not contain space-specific provisions, its requirements regarding critical infrastructure protection and security management systems will apply to ground-segment operations of space systems as these are developed in Ecuador. The Criminal Code (COIP) additionally criminalises cybercrimes, and the LOPDP establishes security obligations for data controllers and processors

3.2 Principles of Non-Interference and Prevention of Harmful Interference

Ecuador's domestic legal framework addresses non-interference primarily through the telecommunications regulatory regime. The LOT and ARCOTEL's regulations require that spectrum users operate within their assigned parameters and do not cause harmful interference to other authorised users or international assignments.

ARCOTEL has the authority to investigate interference complaints, order corrective measures, and impose sanctions on operators causing harmful interference. The National Frequency Plan is aligned with the ITU's Table of Frequency Allocations, ensuring compatibility with international assignments.

At the international level, Ecuador's obligations under the Outer Space Treaty (Article IX) require the avoidance of harmful contamination and the conduct of activities with due regard to the interests of other

States. The ITU coordination procedures, which Ecuador follows as a Member State, serve as the primary mechanism for preventing interference between satellite networks.

3.3 Operators' Responsibilities

Ecuador does not have specific regulations establishing operators' obligations regarding behaviour in outer space, launch preparation or return to Earth. In the absence of a national space law, there are no domestic ESG guidelines for space activities, no specific regulations on space debris mitigation, and no rules protecting areas of special interest such as lunar heritage sites or scientific research zones.

However, Ecuador's international commitments provide a baseline. The Outer Space Treaty requires that activities be conducted in accordance with international law, with due regard for the interests of other states, and with avoidance of harmful contamination. The Artemis Accords, while non-binding, commit signatories to principles of transparency, interoperability, registration of space objects, preservation of outer space heritage, sustainable utilisation of space resources and orbital debris mitigation.

The absence of domestic environmental regulations specific to space activities (including debris mitigation requirements) is a gap that a future national space law would need to address. Ecuador has endorsed the UN Guidelines for the Long-term Sustainability of Outer Space Activities through its COPUOS membership.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

The Organic Law on the Protection of Personal Data (LOPDP), published in the Official Registry on 26 May 2021, is Ecuador's primary data protection legislation. It establishes a comprehensive framework for the processing of personal data, modelled in many respects on the European Union's General Data Protection Regulation (GDPR).

There are no specific national rules on the processing, generation, collection or protection of space data as a distinct legal category. Space data that does not con-

stitute personal data (eg, satellite imagery of terrain, weather data or technical telemetry) falls outside the LOPDP's scope. However, to the extent that space-generated data can identify or make identifiable a natural person (eg, high-resolution imagery capturing individuals, geolocation data), the LOPDP applies in full.

The State's role in controlling and accessing data is governed by constitutional provisions and sectoral legislation. Article 66 (19) of the Constitution recognises the right to the protection of personal data and the right to access public information. The LOPDP authorises processing for reasons of public interest, national security and defence, subject to proportionality requirements.

From a business-to-business perspective, the LOPDP's provisions on data processing agreements, data protection officers and data protection impact assessments apply to commercial arrangements involving space data that includes personal data. Data sharing and interoperability of space data sets are governed by the general contractual freedom regime under the Civil Code, subject to the LOPDP's constraints.

Regarding international data transfers, the LOPDP requires that transfers to third countries meet adequacy standards, rely on contractual safeguards (such as standard contractual clauses), or be based on explicit consent. The Superintendence of Personal Data Protection (SPDP) has authority to assess adequacy and may issue binding corporate rules.

4.2 Space Data Spaces

Space data spaces are not specifically governed in Ecuadorian national legislation. The concept of dedicated data spaces as legally structured repositories with defined rules of governance, access and interoperability has not been adopted in Ecuador's legal framework.

Ecuador does not have a national space data space of its own.

The development of a national space data infrastructure could form part of a future national space strate-

gy, potentially structured around Ecuador's equatorial position and its ground station capabilities.

4.3 Cybersecurity and Space

Ecuador's cybersecurity framework has evolved significantly in recent months. The foundational layer consists of the Criminal Code (COIP), which criminalises cybercrimes such as unauthorised access, data interception and system sabotage, and the Organic Law on the Protection of Personal Data (LOPDP, 2021), which establishes security obligations for data controllers and processors.

On 22 May 2026, the Organic Law for the Strengthening of Cybersecurity entered into force (Official Registry, Fifth Supplement No. 290). This law establishes a comprehensive framework for the protection of critical digital infrastructure, mandatory incident notification within prescribed timeframes and risk management obligations for operators of essential services. The law is aligned with international standards such as ISO/IEC 27000 and NIST, and designates MINTEL as the governing authority for cybersecurity. It also reforms several existing statutes, including the LOT, the LOPDP and the COIP, and introduces legal authorisation for ethical hacking and penetration testing under principles of consent, legitimate purpose and personal data protection.

None of these instruments contain provisions specifically addressing space infrastructure cybersecurity, whether on Earth (ground stations and control centres), in space (satellites and spacecraft) or during data transmission between space and Earth. However, the Cybersecurity Law's requirements regarding critical infrastructure protection, security management systems and incident notification are broad enough to apply to ground-segment operations of space systems as these are developed in Ecuador. Operators of ground stations and satellite control centres that qualify as critical infrastructure or essential services under the law will be subject to its obligations.

General cybersecurity standards applicable to telecommunications infrastructure, including ISO/IEC 27001 compliance encouraged by ARCOTEL, would additionally apply to the telecommunications component of space operations. There are no space-specific

cybersecurity standards or certification requirements at the national level.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

Ecuador's legal framework does not contain specific measures for environmental protection in orbit or on celestial bodies related to space activities. There are no domestic provisions establishing protected zones in outer space or around satellites.

Ecuador's Constitution establishes robust environmental protection principles (Articles 71–74, recognising the rights of nature), and the Environmental Code (*Código Orgánico del Ambiente*, 2017) provides the general framework for environmental impact assessment. Any space activity conducted from Ecuadorian territory, such as a launch, would be subject to environmental impact assessment requirements under this Code.

There are no government or legislative initiatives regarding critical space minerals such as helium-3. Ecuador has not taken a position on the extraction of space resources beyond its general adherence to the Outer Space Treaty's non-appropriation principle and the resource utilisation principles in the Artemis Accords.

5.2 Climate Change and Space Activities

Ecuador does not have specific legislation addressing climate change in direct relation to space activities. However, the country has a comprehensive climate change policy framework under the Environmental Code and the National Climate Change Strategy, which could intersect with space activities in several ways.

Sustainable development initiatives relevant to space activities include the potential use of satellite-based Earth observation for climate monitoring, deforestation tracking and agricultural management. Ecuador's engagement with the Copernicus programme and other international Earth observation initiatives supports these objectives.

The emerging space industry has emphasised sustainability as a guiding principle. Private actors such as Astralintu have framed their infrastructure development in terms of equatorial network efficiency and reduced energy consumption, though these claims have not been independently verified under domestic regulatory standards.

5.3 Orbital Debris

Ecuador does not have a national law or regulation specifically addressing orbital debris. There is no national plan targeting space debris mitigation, no domestic requirement for end-of-life disposal of satellites and no rules mandating collision avoidance measures.

Ecuador has endorsed the UN Guidelines for the Long-term Sustainability of Outer Space Activities and the Inter-Agency Space Debris Coordination Committee (IADC) guidelines through its COPUOS participation, but these are not binding instruments and have not been transposed into domestic law.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

Ecuador does not have a specific tax regime for space activities. Space operators and investors are subject to the general tax framework, which includes the following principal taxes.

- **Corporate Income Tax** – companies domiciled in Ecuador are subject to a general corporate income tax rate of 25% on worldwide income. This rate increases to 28% for companies owned by shareholders resident in tax havens. A reduced rate of 15% is available for micro and small enterprises.
- **Value Added Tax (VAT)** – the standard rate is 15% on the supply of goods and services. Certain exports and international services may be zero-rated.
- **Foreign Remittance Tax (*Impuesto a la Salida de Divisas*, ISD)** – transfers of funds abroad are subject to a rate that has varied between 3.5% and 5% in recent years.

Withholding taxes apply to payments to non-residents, including dividends, interest, royalties and service fees, at rates varying from 10% to 25% depending on the nature of the payment and the existence of double tax treaties.

Ecuador has a limited network of double tax treaties, which may be relevant for international space operations involving multiple jurisdictions.

6.2 Tax Incentives for Space Investors

Ecuador offers general investment incentives that may apply to space activities, though no space-specific tax incentives exist.

The Organic Law for Economic Development and Fiscal Sustainability (2021) and the Production Code establish incentive regimes including income tax reductions for new productive investments outside the metropolitan districts of Quito and Guayaquil, tax holidays for investments in priority sectors (though space is not currently designated as a priority sector) and exemptions from the foreign remittance tax for certain types of financing.

Free trade zones (*Zonas Especiales de Desarrollo Económico*, ZEDEs) offer preferential regimes including reduced income tax rates, VAT exemptions on inputs and customs duty exemptions. A spaceport or ground station could potentially be structured within a ZEDE, subject to approval.

Ecuador's investment promotion agency, the Ministry of Production, as well as the new technology free zones in the country and bilateral investment treaties, may provide additional protection and benefits for foreign investors in the space sector.

6.3 Taxation on Sale or Transfer of Space Assets

The sale or transfer of space assets (such as satellites, ground stations or spectrum rights) is subject to Ecuador's general tax framework. Gains from the sale of assets are included in taxable income and subject to corporate income tax at the applicable rate.

The transfer of spectrum concessions requires prior authorisation from ARCOTEL, and the LOT establish-

es penalties (up to 50% of the transaction value) for unauthorised transfers. The tax implications of such transfers would depend on whether the transaction is structured as an asset sale, a share sale or a contractual assignment.

Transfers involving non-resident parties may trigger withholding tax obligations and, depending on the structure, the foreign remittance tax. Transfer pricing rules under the Internal Tax Regime Law require that transactions between related parties be conducted at arm's length.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

NewSpace in Ecuador is at a very early stage from an investment and financing standpoint. The sector has only recently attracted its first significant private investment, with Astralintu Space Technologies securing backing from Grupo Futuro in October 2025 for ground station infrastructure.

Spin-offs from established businesses into the space sector are not yet a trend in Ecuador, though the involvement of Grupo Futuro (a diversified conglomerate with interests in insurance, finance and technology) represents a form of corporate venture activity.

Venture capital fund activity in Ecuador's space sector is minimal. The country's broader venture capital ecosystem is still developing, with most activity concentrated in fintech, agritech and software. However, the announcement of spaceport plans and ground station investments has generated interest among international space-sector investors who see Ecuador's equatorial position as a strategic asset.

7.2 Finance Sources for Space Activities

The main sources of finance for space activities in Ecuador are currently private equity and corporate investment. Public funding for space activities is effectively non-existent following the dissolution of the IEE and the absence of a national space budget.

Private funding has taken the form of direct equity investment (as in the Grupo Futuro/Astralintu transaction), and potentially venture capital and project finance for infrastructure development such as the proposed spaceport.

Ecuador's public-private partnership (PPP) framework under the Organic Law for Public-Private Partnerships could provide a vehicle for infrastructure investment, including spaceports or ground station networks, though no space-related PPP has been structured to date.

7.3 Attracting Investment for Space Activities

Ecuador's main features designed to attract investment in general, which would also be relevant to space activities, include a stable bilateral investment treaty framework, the legal framework for foreign investment under the Production Code, the availability of special economic development zones (ZEDEs) and the development of technology-oriented free zone regimes aimed at attracting innovation, R&D, digital services, high-tech infrastructure and export-oriented technology projects.

These mechanisms are not space-specific, but they could be relevant for space-related activities such as ground stations, satellite data processing facilities, space-tech R&D centres, component manufacturing, software development, mission-support services and other high-value technology operations, provided that the relevant eligibility and regulatory requirements are met.

The signature of the Artemis Accords in 2023 has also sent a signal to the international space community regarding Ecuador's commitment to a rules-based space governance framework, which is relevant for investor confidence.

Ecuador's equatorial location is itself a major attracting feature, providing natural competitive advantages for launch-related activities, satellite tracking, ground station operations and other space infrastructure.

7.4 Foreign Investment in Space Activities

Ecuador does not impose sector-specific restrictions on foreign investment in space activities. The gen-

eral regime under the Production Code allows foreign investment on equal terms with domestic investment, with certain exceptions in strategic sectors.

Article 313 of the Constitution classifies telecommunications and the radio-frequency spectrum as strategic sectors subject to exclusive state control. This means that the State retains ultimate authority over spectrum allocation and telecommunications regulation, though private-sector participation through concessions and authorisations is expressly permitted.

Foreign entities seeking to provide satellite segment capacity or telecommunications services must be domiciled in Ecuador or maintain a permanent representative in the country. This is a general requirement for all foreign telecommunications service providers, not a space-specific restriction.

7.5 Documentation

General fundraising documentation for equity investments in Ecuador follows standard corporate law practices under the Companies Law and the Production Code, including share subscription agreements, shareholders' agreements, articles of association and due diligence reports. For venture capital and growth-stage investments, documentation would also typically include anti-dilution provisions, liquidation preferences and governance arrangements.

7.6 Due Diligence

Due diligence in NewSpace fundraising or M&A transactions in Ecuador requires mapping the target's exposure across multiple legal regimes, as there is no single space licensing framework. The key areas are as follows.

- Corporate matters – compliance with the Companies Law regarding share transfer restrictions, change-of-control clauses, prior authorisations from the Superintendence of Companies and any shareholder agreement provisions such as anti-dilution, drag-along, or tag-along rights.
- Spectrum and telecommunications – the status and transferability of ARCOTEL-issued enabling titles, noting that the LOT imposes penalties of up to 50% of the transaction value for unauthorised transfers of spectrum concessions.

- Data and cybersecurity – compliance with the LOPDP and the Cybersecurity Law for any infrastructure qualifying as critical.
- International obligations – alignment with Ecuador's commitments under the Outer Space Treaty, the Liability Convention, the Registration Convention and the Artemis Accords, particularly regarding transparency, registration of space objects and State responsibility for private-sector activities.
- Intellectual property – any patents, trade secrets, or proprietary technology related to satellite systems or ground infrastructure.
- Environmental and operational matters – environmental permits and airspace coordination for planned launch or ground station operations.

The absence of a consolidated space regulatory authority makes diligence more complex: advisers must assemble a regulatory picture from each applicable regime rather than reviewing a single licence file.

7.7 Liquidity Events

Liquidity events in Ecuador's nascent space sector are not yet a feature of the market. No space company has conducted an initial public offering, a trade sale to a strategic acquirer or a secondary sale of investor interests.

The general framework for liquidity events under Ecuadorian law covers trade sales, initial public offerings and shareholder-led exits. Trade sales are governed by the Companies Law and the Production Code, while initial public offerings are subject to the Securities Market Law and the Superintendence of Companies' regulations. Shareholder buybacks and drag-along or tag-along arrangements governed by the shareholders' agreement.

7.8 Role of Securities Markets in Space Financing

Ecuador's securities market plays a minimal role in financing space activities at present. The Quito and Guayaquil stock exchanges are small by regional standards, and no space company is publicly listed.

The Securities Market Law (*Ley del Mercado de Valores*) establishes the framework for public offerings, which could in principle be used by a space

company seeking to raise capital from the public. However, the practical likelihood of a space-sector IPO in Ecuador in the near term is low.

Debt instruments, such as corporate bonds or securitised instruments backed by satellite capacity contracts or ground station revenues, could theoretically be issued on the Ecuadorian securities market, though no such instruments have been structured to date.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Ecuador's intellectual property framework is established by the Organic Code of the Social Economy of Knowledge, Creativity and Innovation (*Código Ingenios*, 2016), which governs patents, trademarks, copyright, industrial designs and related rights. Ecuador is a member of the World Intellectual Property Organisation (WIPO), the Andean Community (which establishes a supranational IP regime through Decision 486) and the Paris Convention.

There are no specific intellectual property rules applying to space activities or space assets. The general patent regime applies, including the requirement for novelty, inventive step and industrial applicability. Patents are territorial in scope and confer protection only within Ecuador.

The fundamental principles of international space law, including the freedom of exploration and use of outer space and the non-appropriation principle, create tension with territorial patent systems. An invention made or used in outer space, on a space object registered by Ecuador, would not automatically fall within the territorial scope of Ecuadorian patent protection absent specific legislation (such as exists in the United States or under the European Space Agency's framework).

IP enforcement in Ecuador is through administrative proceedings before the National Service of Intellectual Rights (SENADI) and judicial proceedings before civil courts. Enforcement effectiveness has improved in recent years but remains a concern for technology-intensive industries.

8.2 Invention Protection Dynamics

Given the nascent state of Ecuador's space sector, there is no established pattern of innovation protection strategies among NewSpace companies based in Ecuador.

In general, companies operating in technology-intensive sectors in Ecuador rely on a combination of patent protection (typically filed first in the United States or Europe and then extended through the Patent Cooperation Treaty), trade secret protection and contractual arrangements (non-disclosure agreements and assignment of IP rights).

8.3 Enforcement of the Patentee's Rights in Space

Ecuador does not have specific intellectual property enforcement rules applying to space activities or space assets. The general enforcement regime under the *Código Ingenios* applies.

The question of applying patent law to devices manufactured or activities performed in space is not currently being discussed in Ecuador, given the early stage of the space sector. There are no legislative proposals, academic studies or governmental initiatives addressing this issue.

The quasi-territoriality principle for registered space objects, recognised under Article VIII of the Outer Space Treaty (which provides that the state of registry retains jurisdiction and control over a space object), could in theory provide a basis for extending patent protection to inventions used on Ecuadorian-registered space objects. However, Ecuador has not enacted legislation implementing this principle for IP purposes.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

There are no publicly reported records of arbitration agreements in space-related commercial contracts specifically involving Ecuador. The space sector is too nascent to have generated a body of contractual practice from which patterns could be observed.

However, it is standard practice in international commercial contracts related to satellite capacity, launch services and ground station agreements to include arbitration clauses. Ecuadorian law (the Arbitration and Mediation Law) provides a robust framework for domestic and international arbitration, and Ecuador is party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

9.2 Investor-State Arbitration

There are no reported claims lodged by foreign investors against Ecuador in space-related investment arbitration. Ecuador's investment arbitration history has been primarily related to the oil, mining and infrastructure sectors.

Ecuador was previously a signatory to the ICSID Convention but denounced it in 2009 under the Correa administration. In 2021, Ecuador re-acceded to the ICSID Convention, restoring access to this dispute resolution mechanism for future investments. Ecuador's bilateral investment treaties provide additional bases for investor-state arbitration.

9.3 Space Litigation

There is no history of space-related litigation in Ecuador. The absence of a national space law, combined with the nascent nature of the space sector, means that no disputes have arisen that would constitute space litigation in the traditional sense.

Telecommunications-related disputes before ARCO-TEL and the administrative courts have addressed spectrum allocation, interference, and licensing matters, which could be considered adjacent to space law. However, these cases have not involved space-specific legal issues.

As the space sector develops, potential areas for litigation could include disputes over spectrum rights for satellite services, environmental challenges to launch-site development, contractual disputes regarding satellite capacity and ground station services, and intellectual property disputes related to space technology.

Trends and Developments

Contributed by:

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HEKA Law is a full-service Ecuadorian firm with offices in Quito, Cuenca and Guayaquil, and correspondents across the country's major cities. With over seventy professionals, the firm advises on corporate and commercial matters, mergers and acquisitions, regulatory compliance, and dispute resolution. HEKA is particularly recognised for its work in technology, telecommunications, data protection and cybersecurity. The firm's space law practice sits at the forefront of Ecuador's emerging space economy, advising on

regulatory and licensing matters before ARCOTEL, satellite capacity contracts, spectrum protection, orbital sustainability and the structuring of investment vehicles for space infrastructure including spaceports. HEKA has advised on international space operations, negotiated satellite capacity agreements and structured foreign direct investment in critical infrastructure, and actively participates in the forums shaping Ecuador's space regulatory framework.

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Ecuador at the Equator: Building a Space Ecosystem from the Ground Up

Ecuador is emerging as an unexpected but increasingly credible participant in the global space economy. Straddling the equator at latitude 0, the country possesses a geographic advantage that no amount of capital investment can replicate: the rotational velocity of the Earth at the equatorial line provides a natural boost for eastward orbital insertions, reducing fuel costs and increasing payload capacity for rockets launched from its territory. This advantage has driven the establishment of Europe's primary launch site in Kourou, French Guiana and underpins Brazil's continued investment in the Alcântara Space Centre.

In 2023, Ecuador signed the Artemis Accords, signalling its commitment to responsible and transparent space governance. In March 2025, the country acceded to the Convention on Registration of Objects Launched into Outer Space, adding substance to that commitment. These steps, taken together with the first private investment in Ecuador's space sector in late 2025, suggest that the country is positioning itself not merely as an observer of the global space economy but as an active participant seeking to attract infrastructure, capital and technology.

This article examines the trends and developments shaping Ecuador's space landscape as of mid-2026, with a focus on the regulatory environment, private-sector momentum, the intersection of data protection and space operations, and the challenges that must be addressed if Ecuador is to convert its natural advantages into a sustainable competitive position.

The regulatory gap: governing space without a space law

Ecuador does not have a national space law. This is the single most important fact for any client considering space-related business in the country. Unlike France (which enacted its Space Operations Act in 2008), the United Kingdom (with its Space Industry Act 2018) or even neighbouring Colombia (which ratified the Outer Space Treaty in 2024 and is reportedly developing national legislation), Ecuador has not codified a comprehensive legal framework for the authorisation, supervision and regulation of space activities.

The existing regulatory architecture rests on three pillars. The first is the Constitution of the Republic (2008), which in Article 4 declares that the Ecuadorian State shall exercise rights over the corresponding segments of the geostationary synchronous orbit, and in Article 313 designates telecommunications and the radio-frequency spectrum as strategic sectors under exclusive state control. The second is the Organic Law of Telecommunications (LOT, 2015) and its implementing regulations, which establish ARCOTEL (the Telecommunications Regulation and Control Agency) as the authority responsible for spectrum administration, licensing and enforcement. The third pillar consists of Ecuador's international treaty obligations, principally the Outer Space Treaty, the Liability Convention and the Registration Convention.

This framework was designed for terrestrial telecommunications, not for the regulation of launch operations, in-orbit services, re-entry or the full spectrum of NewSpace activities. The practical consequence is that operators face uncertainty regarding licensing pathways, liability allocation, insurance requirements and supervisory oversight. For a sector that depends on predictable regulation to attract long-term investment, this gap is significant.

The geostationary orbit: a constitutional claim meets the NewSpace era

Ecuador's relationship with outer space has a distinctive historical dimension. In 1976, Ecuador was among the eight equatorial states that signed the Declaration of Bogotá, asserting sovereignty over the segments of the geostationary orbit corresponding to their territories. The Declaration argued that the geostationary orbit was a natural resource linked to the physical reality of the equator and therefore not subject to the non-appropriation principle of the Outer Space Treaty.

This position was not accepted by the broader international community, and the prevailing view remains that the geostationary orbit falls within the scope of the Outer Space Treaty's Article II prohibition on national appropriation. Nevertheless, Ecuador has maintained its claim at the constitutional level: Article 4 of the 2008 Constitution expressly provides that the state shall exercise rights over the corresponding segments of the geostationary synchronous orbit.

The legal tension between this constitutional provision and Ecuador's obligations under the Outer Space Treaty (which it has ratified) creates an intriguing doctrinal question. In practice, the constitutional claim has not been developed through implementing legislation or exercised through concrete regulatory action. Its modern significance may be more symbolic and strategic than operational, it positions Ecuador as a jurisdiction with a constitutionally grounded interest in orbital governance, which could prove relevant as international discussions on space traffic management, orbital sustainability and spectrum-orbit coordination intensify.

For clients, the practical takeaway is that Ecuador's constitutional framework explicitly acknowledges the strategic value of orbital positions, and any future national space law will need to reconcile this provision with the country's international treaty obligations.

Private investment and infrastructure: momentum at latitude 0

The most tangible development in Ecuador's space sector has been the arrival of private capital. In October 2025, Astralintu Space Technologies secured the country's first private investment in the space industry from Grupo Futuro, one of Ecuador's most established business conglomerates. The investment is funding the construction of the Equatorial Stargate Ground Station, a high-capacity private teleport that will operate at latitude 0. Astralintu has stated its intention to expand the equatorial ground station network over the following two years, creating a distributed infrastructure for the global satellite ecosystem.

This initiative is significant not only for its scale but for what it represents structurally: the emergence of a private-sector-led space ecosystem in a country where the government dissolved its own space institute in 2019. The involvement of a major domestic business group (Grupo Futuro) alongside international space companies suggests growing confidence in Ecuador's potential, driven by geographic fundamentals rather than government subsidies.

For investors and operators, the key consideration is that both projects are proceeding in a regulatory environment that lacks a dedicated space law. Their

success will depend in part on the government's ability to provide the licensing, safety and environmental frameworks that these operations will require.

Data protection, cybersecurity and the downstream opportunity

Ecuador's Organic Law on the Protection of Personal Data (LOPDP, 2021) is one of the more advanced data protection regimes in Latin America, modelled substantially on the EU's General Data Protection Regulation. The Superintendence of Personal Data Protection (SPDP), the supervisory authority, is operational and has begun conducting audits and imposing sanctions.

The LOPDP's relevance to the space sector lies in the processing of space-generated data. High-resolution Earth observation imagery, geolocation data and environmental monitoring data may qualify as personal data if they can identify or make identifiable a natural person. Operators collecting or processing such data with an Ecuadorian nexus must comply with the LOPDP's requirements regarding consent, purpose limitation, data protection impact assessments, data protection officers and international data transfers.

On 22 May 2026, Ecuador enacted the Organic Law for the Strengthening of Cybersecurity, published in the Official Registry (Fifth Supplement No. 290). The law establishes a comprehensive framework for the protection of critical digital infrastructure, mandatory incident notification and risk management obligations for operators of essential services, aligned with international standards such as ISO/IEC 27000 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework. The Ministry of Telecommunications and the Information Society (MINTEL) serves as the governing authority for cybersecurity. While the law does not contain space-specific provisions, its requirements regarding critical infrastructure protection and security management systems are directly relevant to ground stations, satellite control centres and data downlink operations as these are developed in Ecuador. The law also reforms several existing statutes, including the LOT, the LOPDP and the Criminal Code, strengthening the overall digital governance ecosystem.

The downstream opportunity is perhaps the most immediate commercial prospect. Ecuador's combination of equatorial ground station capability, a robust data protection framework and a newly enacted cybersecurity regime positions it as a potential hub for geospatial intelligence services, satellite data analytics and environmental monitoring products. The country's geographic diversity, spanning coastal areas, the Andes, the Amazon, and the Galápagos, makes it a natural laboratory for Earth observation applications in agriculture, climate resilience, fisheries management and biodiversity conservation.

Challenges and the path forward

Ecuador's space ambitions face several structural challenges. The most pressing is the absence of a national space law, without which the country cannot provide the regulatory predictability that investors, insurers and international partners require. A comprehensive legislative framework would need to address licensing and authorisation for space activities, liability and insurance requirements, registration of space objects, environmental protection and debris mitigation, spectrum coordination for satellite services and the institutional architecture for space governance.

The institutional gap is equally significant. The dissolution of the Ecuadorian Space Institute (IEE) in 2019 left Ecuador without a governmental body responsible for space policy, international coordination or strategic planning. The creation of a national space agency, or at minimum a dedicated office within an existing ministry, is essential for the coherent development of the sector. Human capital development presents a longer-term challenge. Ecuador's universities do not currently offer specialised programmes in space engineering, satellite technology or space law. Collaborations between Ecuadorian academic institutions and international space organisations have begun to address this gap, but they remain insufficient in scale to support a growing national space ecosystem.

Finally, political and macroeconomic stability will determine whether Ecuador's space-sector momentum is sustained. The space economy rewards long-term investment horizons and institutional consistency. The jurisdictions that have successfully attracted space infrastructure, from Luxembourg to the United Arab Emirates, have done so by combining favourable geography or market access with stable, transparent and investor-friendly regulatory environments.

Ecuador possesses a natural advantage that is genuinely scarce in the global space market. Recent steps, including accession to the Registration Convention and the enactment of the Organic Law for the Strengthening of Cybersecurity, suggest growing institutional commitment. Whether the country can sustain this momentum and deliver the comprehensive space legislation that the sector requires will define its trajectory over the coming years.



Law and Practice

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Hannes Snellman is a top-tier Finnish business law firm with a ten-strong team that advises companies, investors and public authorities on strategic legal and regulatory matters arising across the rapidly evolving space sector. The firm has extensive expertise in highly regulated, security-sensitive and technology-driven industries, supporting participants – from new space companies and growth-stage businesses to established operators and public sector players – across the space ecosystem throughout the full lifecycle of their activities. Hannes Snellman's legal advice

covers regulatory and licensing regimes, government contracting and public procurement, the protection of critical intellectual property, and commercial contracting, as well as corporate transactions, investments, financing, and dispute resolution. Its team also counsels clients on data and AI-related matters – areas of growing importance as space businesses generate, process, and commercialise vast quantities of data across complex international structures. Recently, the firm advised Lifeline Ventures in ICEYE's financing rounds, the latest in 2026 at a EUR10 billion valuation.

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1. Global Trends

1.1 International Legal and Regulatory Developments

The international system is evolving, and technological development is advancing rapidly. Space and satellite technologies already play a significant role in both civilian and military infrastructure, and their importance is expected to increase further. Against this backdrop, international regulatory developments are increasingly focused on security, resilience, and strategic autonomy, alongside the need to foster innovation and commercial activity. To remain internationally competitive, actors in the space sector must be able to operate with agility, which, in turn, underscores the importance of coherent national regulatory frameworks and efficient, predictable licensing regimes.

The growing importance of space across all sectors of society, particularly from a security and defence perspective, means that licensing and supervisory procedures are increasingly linked to national security and foreign and security policy considerations.

Finland has sought to position itself in line with these international developments by maintaining a clear and empowering regulatory framework while simultaneously strengthening supervision of national security. National space legislation has been in place since 2018, and is currently undergoing reform. The evolving legislative system seeks to enhance the appeal of Finland's investment environment and increase investment inflows by establishing a national operating model for the implementation of investment projects.

Key measures under consideration include streamlined regulatory and licensing procedures based on a “one-stop-shop” principle, as well as accelerated and predetermined processing times.

A draft Government Bill for revised Finnish space legislation was published in January 2026, proposing amendments to the Act on Space Activities (63/2018, as amended) and the Act on Ground Stations and Certain Radars (96/2023 as amended). The key proposed reform is the transfer of responsibilities under the Act on Space Activities from the Ministry of Economic Affairs and Employment to the Finnish Transport and Communications Agency (Traficom). The amendments were initially scheduled to enter into force in July 2026. However, this transfer of duties has faced opposition from major Finnish space sector companies and, at the time of writing, the Government Bill has not yet been submitted to Parliament.

1.2 NewSpace and the Space Tech Economy

Finland's NewSpace sector has expanded rapidly over the past decade, driven by sustained public investment in innovation, research, and a supportive business environment. The ecosystem now comprises approximately 200 space-related companies, ranging from start-ups to globally significant operators. Finland has emerged as one of Europe's leading NewSpace hubs, ranking among the top countries for private space investment, driven by large-scale funding rounds such as ICEYE's Series F. By 2026, ICEYE's valuation, exceeding EUR10 billion, illustrates both the maturity of the ecosystem and the global competitiveness of Finnish space technology.

This development reflects a broader structural shift in the global space economy towards commercialisation and private-sector leadership. Finnish stakeholders, both public and private, have actively positioned themselves in line with this trend. The state has taken a more strategic role, including reinforcing domestic ownership in key companies such as ICEYE, signalling a growing emphasis on retaining influence over critical space capabilities. At policy level, the Finnish Space Strategy 2030 aims to position Finland as one of the world's most advanced space operating environments, with a focus on predictability, security, and innovation.

Finnish companies are well positioned to benefit from the NewSpace shift, supported by established strengths in radar technology, hyperspectral imaging, RF technology, AI, cybersecurity and software. Finland's geographic advantages, including political stability and favourable positioning for polar-orbit ground station operations, further enhance its structural competitiveness.

Public actors play a central and strategic role in the Finnish NewSpace ecosystem. Business Finland (the Finnish government agency responsible for innovation funding and investment promotion) is a key instrument in supporting the growth of space companies through targeted R&D funding, exemplified by ICEYE's EUR28.3 million continuation grant in June 2026, completing a major funding programme. Complementary financing is provided by Finnvera (the state-owned export credit agency) and Suomen Teollisuussijoitus (Tesi, the state-owned investment company), while the government has also signalled a policy objective of maintaining domestic ownership in strategically significant space capabilities.

The rapid commercialisation of the sector has increased regulatory pressure, reflected in the growing volume of licence applications submitted to the Ministry of Economic Affairs and Employment. The ongoing legislative reform, including the proposed transfer of licensing responsibilities to national sectoral regulator Traficom, seeks to address this by centralising decision-making and introducing a streamlined one-stop-shop that can handle higher volumes of applications more efficiently and with greater consistency.

The reform also addresses increasing legal complexity, particularly in relation to international transfers of space objects or space activities. More broadly, the NewSpace transition has introduced greater contractual and transactional complexity. Finnish operators routinely engage in cross-border launch procurement, satellite operations from Finnish ground stations, international data licensing, and foreign investment arrangements, requiring coordination across applicable regulatory regimes, export control rules, and international treaty obligations. Dual-use considerations have become a defining feature, as the same assets increasingly serve both civilian and defence purposes.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

Finland's space sector has expanded rapidly in line with global growth trends and has emerged as a relatively concentrated but high-performing European ecosystem. According to the European Space Policy Institute's (ESPI) *Space Venture 2024* report, between 2014 and 2024, Finnish space companies raised approximately EUR458 million in funding, placing the Finland among the top four countries in Europe in terms of total investment. Based on the *Space Venture 2025* report, Finland had risen to the top two countries in Europe in terms of total investment. The sector continues to attract significant foreign investment, while its strategic importance from a security and defence perspective has increased markedly in recent years.

A defining feature of the Finnish ecosystem is its strong research and innovation base. Many leading companies, including ICEYE and Kuva Space, originate from university spin-offs, such as Aalto University. Finnish universities and research institutes, such as the VTT Technical Research Centre of Finland, provide advanced capabilities in imaging technologies, satellite platforms, and AI-driven data analytics. This close integration between research, education and commercialisation has been a key driver of ecosystem development.

The Finnish space sector is also noted for a growing defence and security element. Space-based servic-

es, such as satellite positioning, remote sensing, and secure satellite communications, are integral to the operations of Finnish defence and security authorities. The Finnish Defence Forces have also developed their own space capabilities, including a SAR satellite constellation with a second satellite launched in January 2026.

Finland's space offering can be broadly structured into four interconnected segments, as identified by Business Finland ("Finnish Solutions for New Space Economy").

- First, Finland has a strong upstream capability in small satellites, subsystems and components. The country benefits from a well-established technology base, with companies designing, manufacturing and operating small satellites, several of which have already reached orbit. A broader industrial ecosystem supplies critical components across the value chain, including electronics, radio frequency systems, propulsion technologies and high-precision optical instruments. This is supported by specialised testing infrastructure, particularly in radio technology, reliability and radiation resilience, providing a competitive advantage in high-performance environments.
- Second, downstream satellite data-based services make up a rapidly expanding segment. Finnish companies combine Earth observation data with advanced analytics and AI to deliver services across sectors such as forestry, agriculture, maritime operations and smart cities. This data-driven layer is a key driver of value creation in the Finnish space economy and reflects the broader global shift towards downstream applications. Finland is also home to the PECASUS space weather service.
- Third, software and secure connectivity represent a core horizontal strength underpinning both upstream and downstream activities. Finnish expertise in embedded systems, communication protocols, imaging software and AI-enabled analytics supports high-reliability applications across the space value chain. This capability is reinforced by a strong national software tradition and a high standard of education in computer science and artificial intelligence.

- Finally, the ecosystem is anchored in a robust research and education base. Finnish universities and research institutes have a long-standing role in space research and the development of scientific instruments, with participation in numerous international missions. Research spans a wide range of fields, from Earth observation and atmospheric science to space weather and astrophysics. Strong university-industry linkages continue to drive innovation, talent development and the creation of new companies.

2.2 Legal System and Sources of Space Law and Regulation

Legal System and Sources of Law

Finland is a civil law jurisdiction, where legislation constitutes the primary source of law and judicial precedents are not formally binding in the same way as in common law systems. However, judgments of the Finnish Supreme Court carry significant precedential weight in practice, and decisions of the Courts of Appeal are also persuasive. Legislative preparatory works, particularly Government Bills, play an important interpretative role, reflecting the legislator's intent. In addition, academic legal doctrine is recognised as a supplementary source of law, especially in more novel or developing areas such as space law.

Current Legal Framework and Anticipated Developments

Finland's space activities are primarily governed by the Act on Space Activities, which sets out the core framework for licensing, supervision, registration, operator obligations (including insurance), and liability. The regime is complemented by secondary legislation and the Act on Ground Stations and Certain Radars, as well as broader legislation on electronic communications, foreign investment screening, cybersecurity and export control, reflecting the cross-sectoral and security-sensitive nature of space activities.

As noted above, the framework is currently subject to reform. The January 2026 draft Government Bill proposes amendments to both the Act on Space Activities and the Act on Ground Stations and Certain Radars, with a central element being the transfer of key regulatory responsibilities from the Ministry of Economic Affairs and Employment to Traficom. While

the reform aims to streamline and centralise licensing and supervision, its timing and scope remain uncertain, as the proposal has not yet been submitted to Parliament.

Up-to-date information on the project is available on the [Finnish Ministry of Economic Affairs and Employment's](#) website.

2.3 Role of the State in Space Law and Regulations

The Finnish state plays a multi-faceted role in space activities, acting simultaneously as regulator, participant and facilitator. Public authorities are closely involved across the entire ecosystem, from regulatory oversight and policy development to funding, strategic investment and operational use of space-based capabilities.

The Ministry of Economic Affairs and Employment serves as the central authority for space policy and regulation. It acts as the Finnish Space Agency and is responsible for national space legislation, overall coordination of space administration, and Finland's participation in the development of international space regulation. It currently functions as the licensing authority under the Act on Space Activities.

The role of Traficom is already significant and is expected to expand further. At present, Traficom acts as the regulatory authority for radio frequencies used by both space objects and ground-based systems, as well as for ground stations and certain radars. As discussed above, the ongoing legislative reform proposes transferring core licensing, supervisory and registration tasks to Traficom, which would further centralise regulatory functions.

Other ministries also play defined roles reflecting the cross-sectoral nature of space activities. The Ministry of Defence is responsible for defence-related space policy and oversees the space activities of the Finnish Defence Forces. The Ministry of Transport and Communications is responsible for satellite navigation systems, while the Ministry of Foreign Affairs administers export control licensing, which is particularly relevant given the prevalence of dual-use technologies in the sector.

In addition to its regulatory role, the state acts as a facilitator and investor. Business Finland supports companies through R&D and internationalisation funding, while Finnvera and Tesi provide growth financing. The Finnish government has signalled its intent to support domestic ownership of strategic space assets. The state has also taken a more active strategic role, including reinforcing its ownership in key companies such as ICEYE, signalling an intention to maintain influence over nationally significant space capabilities.

Finally, the Finnish Space Committee (*avaruusasiain neuvottelukunta*), operating under the Ministry of Economic Affairs and Employment, functions as an advisory and coordinating body. It facilitates cross-governmental policy alignment and serves as an interface between public administration, research institutions and industry.

2.4 Role of the State in the Licensing Process for Space Activities

Finland operates a comprehensive authorisation regime for space activities under the Act on Space Activities. Space activities may only be conducted with prior authorisation from the Ministry of Economic Affairs and Employment (the current competent authority). As noted above, legislative reforms propose transferring these responsibilities to Traficom.

Authorisations may be granted for a fixed or indefinite period and conditions necessary for the safe conduct and supervision of space activities may be attached to the authorisation.

Finland is party to the UN Registration Convention, and the Ministry of Economic Affairs and Employment maintains the national register of space objects. Operators are required to register space objects under Finnish jurisdiction and provide the information specified in the Act on Space Activities. This information is subsequently transmitted to the United Nations Register of Objects Launched into Outer Space.

Supervision is based on a combination of licensing conditions and ongoing regulatory oversight. Operators are subject to continuous monitoring obligations, including the requirement to submit annual reports

on their activities. In addition, the Ministry has broad powers to request further information and to carry out inspections of space activities and associated infrastructure where necessary to ensure compliance.

Overall, the Finnish regime combines a relatively centralised licensing model with ongoing reporting and inspection powers, reflecting both international obligations and the increasing regulatory scrutiny associated with commercial and dual-use space activities.

2.5 Role of the State in Co-ordinating the Use of Radio Frequencies and Orbital Slots

Finland has a structured regime for radio frequency use, with Traficom acting as the competent licensing and regulatory authority for both space-based and terrestrial systems. Traficom coordinates national and international frequency use and participates in international frequency management preparations, including within the International Telecommunication Union (ITU) and the European Conference of Postal and Telecommunications Administrations (CEPT).

Traficom is responsible for monitoring and investigating radio interference, and notifications can be submitted through its online reporting system. In addition, a legislative initiative to criminalise the unauthorised possession of devices intended for the deliberate interference of radio communications was approved in April and will enter into force on 1 July 2026.

2.6 Role of the State in the Launching Process

Finland does not have a dedicated rocket launch site, but the state acts as a regulator and authorises space operations. As discussed above, the Act on Space Activities includes the regulatory framework for, inter alia, licensing, supervision and registration related to space activities. Thus, the role of the state is mainly connected to this framework enabling and regulating space operations.

2.7 Commitment to International Treaties and Multilateral Discussions

International Framework and National Implementation

Finland is party to four of the five core UN space treaties:

- the Outer Space Treaty (1967);
- the Rescue Agreement (1968);
- the Liability Convention (1972); and
- the Registration Convention (1976).

Finland is not party to the 1979 Moon Agreement.

In accordance with its obligations under the Registration Convention, the Ministry of Economic Affairs and Employment maintains the national register of space objects and reports relevant information to the United Nations.

Finnish space legislation is grounded in these international treaties, and a central objective of the national framework is to ensure that Finland can fulfil its international obligations, including the principle of due regard under Article IX of the Outer Space Treaty.

In practice, this is implemented through the statutory authorisation and registration regime, which enables the authorities to obtain information on space activities conducted within Finland's jurisdiction or by its nationals and legal entities. This, in turn, allows Finland to discharge its obligation under the Outer Space Treaty to supervise activities falling under its responsibility. Correspondingly, key elements of the treaty framework, such as registration, supervision and liability, have been incorporated into national legislation.

Responsibility and Liability

In accordance with Finland's international obligations, the Act on Space Activities provides that compensation for damage caused by a space object is, as a starting point, paid from state funds, excluding damage suffered by the operator itself. The state is entitled to recover such compensation from the operator to the extent that the operator would have been liable under the Finnish Damages Act (412/1974, as amended).

However, in cases where damage occurs on Earth or to an aircraft in flight, including its passengers or crew, the state's right of recourse is broader. In such situations, the state may recover compensation from the operator even in the absence of intent or negligence as required under Chapter 2, Section 1 (1) of the Damages Act.

2.8 Insurance and State Measures on Liability for Damages

Under the Act on Space Activities, the operator must take out insurance against damage caused by space activities to third parties at least up to the maximum amount of the State's right of recourse (ie, EUR60 million). Compliance with this insurance requirement is a precondition for obtaining a licence.

Exceptions nevertheless apply. This is significant in practice, as insurance costs may be high for smaller operators and may therefore act as a barrier to market entry. The Ministry of Economic Affairs and Employment may refrain from requiring the insurance if: i) the insurance of the launching company or a corresponding insurance substantially covers the operator's and the State's liability for damage caused by the space activities to third parties; or ii) on the basis of the risk assessment conducted on the space activities, the Ministry can accept the risk of damage caused by the space activities on Earth, in the airspace and in outer space.

Further provisions on the insurance are laid down by a decree of the Ministry of Economic Affairs and Employment. In said decree, with regard to the exception under subpoint 2 above, insurance must at a minimum cover the launch phase and related operations until the space object has reached its intended orbit. The requirement may also be waived where, over the entire life cycle of the space object, the probability of collision with another object of at least ten centimetres in diameter is less than 1 in 1,000, and the probability of the object or its parts causing personal injury upon re-entry is less than 1 in 10,000.

The maximum amount of the State's right of recourse for the compensation of damages is EUR60 million. However, the maximum amount does not apply if the operator has failed to comply with the Act on Space Activities or the conditions attached to the authorisation.

In practice, legislative preparatory works note that operators incur direct costs from obtaining third-party liability insurance. The typical insured amount is EUR60 million, with annual premiums generally around EUR30,000. However, in the early stages of

development, most Finnish space objects have been small satellites operating in low Earth orbit with relatively short life spans. The associated risk of damage is therefore limited, and the launch phase, as well as the first year in orbit, are typically covered by the launch provider's liability insurance. In such cases, the Ministry of Economic Affairs and Employment may waive the operator's insurance requirement. Notwithstanding this practice, the legislation does not provide for a categorical exemption from the insurance requirement for small satellites.

As part of the legislative reform, it is proposed that the State's right of recourse, in the context of international transfers of space objects, be increased to EUR100 million, which would correspondingly raise the applicable insurance requirement.

2.9 Very High Altitude Legal and Regulatory Framework

Very high altitude (VHA) means a "border" zone between the lower limit of outer space (governed by space law) and the upper limit of aeronautical space (governed by aviation law).

Finnish law, in line with international law, does not define where airspace ends and outer space begins. The Act on Space Activities does not include such a definition, reflecting the absence of international consensus on the matter.

Under the Act on Space Activities, provisions on civil aviation apply, *mutatis mutandis*, to space objects moving within Finnish airspace. This primarily refers to aviation safety rules set out in the Aviation Act (864/2014, as amended), particularly those concerning activities that may pose risks to flight safety. Legislative preparatory works note that space objects may be launched from Finnish territory in the future, in which case ensuring aviation safety becomes essential.

3. Rules Applicable to Space Operators' Activities

3.1 General Rules on Space Activities

The Act on Space Activities applies to space operations irrespective of the specific nature of the activity.

Only limited exceptions exist, particularly in relation to satellite remote sensing carried out by public authorities.

The Act primarily applies to space activities conducted within the territory of Finland. It also extends to activities carried out outside Finland where they are conducted: (i) on board a vessel or aircraft registered in Finland; or (ii) by a Finnish national or a legal entity incorporated in Finland.

There are no sector-specific rules governing space activities in areas such as healthcare and life sciences, agri-food, mobility, environment or energy.

With regard to cybersecurity and space data, reference is made to **4. Data Protection and Cybersecurity** below.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

Under the Act on Space Activities, space activities must be carried out in a manner that does not pose any particular risk to persons, property or public safety.

In addition, any person involved in the launch, operation or return of a space object must possess the necessary knowledge and experience to ensure proper control of the activities under their responsibility.

These safety and competence requirements form part of the authorisation conditions under the Act on Space Activities. The forthcoming EU Space Act is also expected to further address issues related to safety and the prevention of harmful interference.

3.3 Operators' Responsibilities

Under the Act on Space Activities, space activities may only be conducted with prior authorisation from the Ministry of Economic Affairs and Employment. The authorisation is subject to specific conditions, including the requirement for the operator to have a plan for discontinuing the space activities and implementing related measures.

In the licensing process, national security considerations play a central role. Authorisation will only be

granted where the proposed activities are compatible with national security interests, Finland's international obligations and its foreign policy objectives. In addition, the operations shall be consistent with the applicable UN space treaties.

With regard to environmental protection, please see **5.1 Environmental Protection in Space**. For space debris, please see **5.3 Orbital Debris**.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space Categories of Space Data Under Finnish Law

Space data does not constitute a distinct legal category under Finnish law and is subject to a general, technology-neutral regulatory framework applicable across sectors. Finnish law does, however, specifically recognise two categories, remote sensing data and ground station data, and imposes certain additional requirements on each. Regardless of whether space data falls within either of those categories, the general rules applicable to space data vary according to its nature and may encompass provisions governing intellectual property, trade secrets, and personal data.

Both remote sensing data and ground station data are defined by reference to their source and derivation. Under the Act on Space Activities, remote sensing data refers to signals transmitted or data recorded by a device or system used in satellite remote sensing that are in possession of a remote sensing operator, together with products derived therefrom, excluding products that are not primarily based on those signals or data but have instead been obtained as conclusions through the combination or manipulation of different data or through calculations based thereon. Under the Act on Ground Stations and Certain Radars (96/2023, as amended), ground station data refers to signals and data transmitted or received by a ground station or radar, together with products derived therefrom, excluding products that are not primarily based on those signals or data but on conclusions reached through the combination or manipulation of different data or through calculations based thereon. In both cases, the definition applies regardless of the pro-

cessing or storage stage or the mode of transmission or presentation of the signals and recorded data.

Personal Data in the Space Data Context

Where space-derived data qualifies as personal data, the applicable legal regime is the General Data Protection Regulation (EU 2016/679, “GDPR”), which requires, among other things, a lawful basis for processing, compliance with data security obligations, and transparency towards data subjects. The GDPR is complemented at national level by the Finnish Data Protection Act (1050/2018, as amended). Public sector entities are additionally subject to the Act on Information Management in Public Administration (906/2019, as amended). The national supervisory authority is the Office of the Data Protection Ombudsman.

The State’s Access to Space Data

Finnish law contains both direct and indirect mechanisms through which the state may control or access space data. Under the Act on Space Activities, where an emergency condition under the Emergency Powers Act (1552/2011, as amended) exists, a remote sensing operator must secure priority access to remote sensing data for the relevant Finnish authorities when those authorities consider it necessary for the protection of national security or Finland’s foreign or security policy interests. In such circumstances, the operator is entitled to receive compensation for fulfilling that priority obligation.

Beyond this direct instrument, the state may also exercise control or access through indirect mechanisms, including but not limited to ongoing reporting obligations under the Act on Space Activities and the supplementary Decree (as discussed above), and export controls on space data transfers under the Act on the Export Control of Dual-Use Items (500/2024, as amended) and the Act on the Export of the Defence Materiel (282/2012, as amended). In addition, the Act on the Openness of Government Activities (621/1999) governs public access to government-held documents and may, in certain circumstances, restrict access to space data held by public authorities.

Sharing of Space Data

The handling of space-related data in business-to-business relationships is governed primarily by con-

tract law and sector-agnostic legislation, rather than space-specific rules. Parties are generally free to agree on the terms of the data exchange, subject to compliance with applicable laws related to, inter alia, data protection, competition law, and confidentiality. However, remote sensing data and ground station data are subject to certain restrictions and notification obligations imposed upon applicable authorities – the Ministry of Economic Affairs and Employment for remote sensing data and Traficom for ground station data – as follows.

- Remote sensing data may only be disclosed to customers that have been identified and verified by the remote sensing operator.
- Remote sensing data or ground station data cannot be supplied for military use to any country subject to European Union or United Nations arms export bans or other sanctions.

If the operator has reason to suspect that it has disclosed remote sensing data for such use, it must notify without delay.

- If operator suspects that the disclosure of remote sensing data or ground station data may otherwise compromise national security, Finland’s compliance with its international obligations, or Finland’s foreign or security policy, it must notify the applicable authority without delay.
- The same notification obligation applies where the operator discovers that remote sensing data or ground station data has been accessed by a person not authorised to do so.

There is currently no specific Finnish legislative framework addressing the interoperability of space data sets in a business-to-business context, though EU-level data governance instruments, such as the Data Act (EU 2023/2854) and the Data Governance Act (EU 2022/868), may apply depending on the nature and origin of the data.

Transfer of Space Data

The transfer of space data to third countries is regulated through two principal frameworks.

- Where the space data also constitutes personal data, transfers outside the European Economic Area are governed by Chapter V of the GDPR, which permits such transfers only where an adequacy decision applies, appropriate safeguards – such as Standard Contract Clauses approved by the Commission – are in place, or a specific derogation is applicable.
- Where the space data is of a dual-use nature, transfers are subject to the Act on the Export Control of Dual-Use Items. Where space data constitutes manufacturing know-how relating to products listed on the Common Military List of the European Union, it qualifies as defence materiel, and its transfer is additionally subject to the Act on the Export of the Defence Materiel. In each case, prior authorisation may be required depending on the classification of the data and the destination country.

4.2 Space Data Spaces

Finland does not have separate national legislation on space data spaces. It has seen growing activity in sector-specific data spaces across areas such as mobility, agriculture and location data, all of which are well-positioned to leverage space-derived data. However, a dedicated space data space has yet to emerge.

Relevant developments are occurring primarily within the EU's common framework. A central platform in this respect is the Copernicus Data Space Ecosystem, which provides extensive open and free access to satellite data, alongside tools for its processing and analysis. The country contributes to this initiative through its participation in EU and ESA cooperation, including by hosting infrastructure for the processing and distribution of Copernicus data at the Sodankylä Satellite Data Centre in Northern Finland. ESA is also planning with the Finnish Meteorological Institute and Finnish industrial partners to develop an advanced Earth observation facility.

4.3 Cybersecurity and Space Regulatory Overview

Regulation on cybersecurity is derived principally from two EU directives: the NIS2 Directive (EU 2022/2555) and the Critical Entities Resilience Directive (EU 2022/2557), implemented in Finland by the Cyberse-

curity Act (124/2025, as amended) and the Act on the Protection and Resilience of Critical Infrastructure in Society (310/2025, as amended), respectively. Within the space sector context, both directives apply to operators of terrestrially located infrastructure that support the provision of space-based services that meet the separately prescribed criteria.

The competent authority responsible for supervising the cybersecurity of space sector in Finland is Traficom. The National Cyber Security Centre, which operates within Traficom, functions as Finland's CSIRT unit and is responsible for responding to and investigating cybersecurity incidents. Where a ground station operator identifies a cyber threat or incident, it is required to report it to Traficom.

Under the Act on the Protection and Resilience of Critical Infrastructure in Society, a space sector operator may be designated as a critical entity where:

- it provides a service essential to the functioning of society;
- the critical infrastructure it owns, controls, or operates is situated within Finnish territory; and
- disruption would have significant adverse effects on the provision of one or more of those essential services or on the provision of other essential services in sectors dependent thereon.

In assessing significant adverse effects in the space sector, two factors must be considered: first, the operator's role in providing services or producing information that is critical to society and dependent on space-based services; and second, the operator's role in providing services that are significant for the production of information relating to space situational awareness or interference in the radio environment. If a space sector operator is designated as a critical entity, additional obligations related to risk assessments, resilience, security and notifications apply.

Security Requirements

Additionally, the Act on Space Activities and the Act on Ground Stations and Certain Radars place certain security requirements on remote sensing and ground station operators regarding the management of risks concerning the security of their operation and relat-

ed equipment. Specifically, operators must ensure that remote sensing data and ground station and radar data are transmitted, received, and processed securely, with adequate protection against external interference and cyber threats, unauthorised access to facilities and equipment, and detectable security breaches and faults. For ground station data, logs of commands, encryption methods and keys, timestamps, and routing must be retained for four years, and operators must also maintain business continuity and crisis management plans, secure their supply chains for critical electronic systems, and document their risk management and information security practices.

The forthcoming EU Space Act is expected to introduce additional requirements for on-orbit security due to a concern that the existing framework could primarily be focused on ground-based operations. However, the legislative process is ongoing, and the relationship between the current cybersecurity legislative framework and EU Space Act requirements remains open.

Standards and Rules

More detailed standards, rules and minimum requirements on security may be provided by government decrees or Traficom regulations.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

Under the Act on Space Activities, space activities must be carried out in a manner that is environmentally sustainable and promotes an enduring sustainable use of outer space. In its application for authorisation of space activities, the operator must assess the environmental impacts of the activities on the earth, in the atmosphere and in outer space, and present a plan for measures to counter and reduce adverse environmental effects. Any nuclear materials and other radioactive materials used in the space object must be specified in the application for authorisation.

In addition, it has been mentioned in the Act that, in accordance with generally accepted international guidelines, the operator must seek to ensure that

the space activities do not generate space debris. In particular, the operator must restrict the generation of space debris during the normal operations of the space object, reduce the risks of in-orbit break-ups and in-orbit collisions and, after the space object has completed its mission, seek to move it into a less used orbit or into the atmosphere.

5.2 Climate Change and Space Activities

This section does not apply within this jurisdiction.

5.3 Orbital Debris

Statutory Obligations

The Act on Space Activities addresses orbital debris mitigation directly. In accordance with generally accepted international guidelines, operators are required to seek to ensure that their space activities do not generate space debris. In particular, operators must restrict the generation of debris during the normal operation of a space object, reduce the risks of in-orbit break-ups and collisions, and seek to move a space object that has completed its mission to a less-used orbit or into the atmosphere.

Post-Mission Disposal

The Decree of the Ministry of Economic Affairs and Employment on Space Activities (74/2018, as amended) supplements this framework with a specific disposal requirement. Operators must seek to ensure that, within 25 years of the end of the operational lifetime of a space object, it re-enters the atmosphere or is transferred to an orbit where it is not expected to pose a risk or hazard to other space objects or space activities.

Relationship to The Licensing Process

Debris mitigation obligations are integrated into the licensing process. Compliance with applicable debris-related requirements forms part of the conditions that operators must satisfy in order to obtain and maintain a licence under the Act on Space Activities.

National Planning

Finland does not have a standalone national plan dedicated specifically to orbital debris. However, the sustainable use of outer space, including debris mitigation, is addressed as part of Finland's broader space policy framework.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

Finland does not have a specific tax system for space activities, but the taxation of space-related operations falls under the general Finnish tax framework, including corporate income tax, value added tax, and other applicable taxes and duties. The Finnish corporate income tax rate is currently 20%, and it has been proposed to be reduced to 18% as of 2027. The standard value added tax rate is 25.5%; whereas lower rates apply to specific supplies.

6.2 Tax Incentives for Space Investors

Finland does not have specific tax incentives aimed at space activities. However, it offers several tax incentives which may also be available for space investors. Such tax incentives may include, for example, R&D tax incentives for companies involved in research or development activities, and a key employee tax regime offering beneficial taxation for employees moving or returning to the country.

6.3 Taxation on Sale or Transfer of Space Assets

Finland does not have specific tax regime for sale or transfer of space assets.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace Investment and Financing Standpoint

Finland has emerged as a notable destination for NewSpace investment in Europe. The country has attracted significant capital in the space sector in recent years, reflecting a broader shift in European space investment dynamics, with a growing number of jurisdictions becoming active participants alongside the historically dominant space economies.

Financing in the Finnish NewSpace sector draws on both public and private sources. Public instruments include ESA BIC Finland, Business Finland, the EIB Space TechEU programme, and Horizon Europe. On the private side, venture capital activity in the sector

has grown in recent years, with capital originating from both domestic and international sources.

Spin-Offs

Academic and research institution spin-offs are one of the defining structural features of the Finnish NewSpace ecosystem. Several companies in the sector have originated from university research environments, particularly Aalto University, often supported initially by public funding and incubation programmes before progressing to private investment rounds.

ESA BIC Finland has also supported a range of early-stage companies in areas such as satellite technology, Earth observation, and space-related data services. In some segments, including remote sensing and imaging technologies, Finnish research-based companies have attracted international interest at later funding stages.

Venture Capital Interest

Venture capital interest in Finnish space-related companies has increased in line with broader European space investment trends, with a gradual increase in both the number of investors and the scale of funding rounds.

The typical financing trajectory often begins with public support instruments and early-stage grants, followed by domestic venture capital participation at the seed stage and increasing involvement of international and institutional investors at later stages. There is also a growing intersection between space technologies and defence or dual-use applications, which may influence investor interest and structuring considerations in certain transactions.

7.2 Finance Sources for Space Activities

Finnish NewSpace companies are typically financed through a layered combination of public funding, private capital, and selected alternative and hybrid mechanisms, with the relative importance of each source evolving as companies mature.

Public funding is particularly significant at early stages. Business Finland plays a central role in this ecosystem, providing both R&D grants and development loans. In some cases, funding can be substantial: for

example, Business Finland has provided individual financing packages of approximately EUR41 million to Finnish space companies, combining grants and development loans to support large-scale R&D programmes. ESA-related support also contributes to early-stage development through programmes such as ESA BIC Finland and other ESA innovation and procurement mechanisms, which are typically used alongside national funding instruments.

At the growth stage, Tesi typically functions as a key public co-investor in the capital stack. It generally invests alongside private investors on market terms, either directly or via fund structures, acting as an anchor investor in rounds where private capital alone may still be limited. Finnvera complements this ecosystem by providing loans, guarantees, and export credit guarantees, which become particularly relevant as companies begin to scale into international and institutional markets. Export credit instruments are especially important for space companies entering sovereign or government-driven procurement structures.

Private financing is primarily equity-based. Venture capital participation typically includes domestic and Nordic investors at seed and Series A level, while international and institutional investors become increasingly important in later-stage rounds. According to ESPI's Space Venture 2025 report, Finland ranked second in Europe for space investment secured in 2025, reflecting the increasing visibility of the sector in European deep-tech capital flows.

Debt financing remains relatively limited at early stages but becomes more relevant for mature companies with predictable revenues, contracted institutional customers, or infrastructure-like business models. In such cases, long-term government or defence-related contracts may further enhance bankability and support additional financing capacity.

At EU level, programmes such as Horizon Europe and CASSINI provide additional non-dilutive funding and ecosystem support. In Finland, these instruments generally operate as complementary rather than primary sources of transaction financing, particularly in R&D-intensive or consortium-based projects.

Overall, Finnish NewSpace financing is characterised by a structured progression from public de-risking at early stages towards increasing reliance on private and institutional capital as companies scale, with a growing but still secondary role for EU-level programmes and alternative procurement-linked funding structures.

7.3 Attracting Investment for Space Activities Regulatory Framework and Ongoing Reform

The Finnish framework for space activities is based on the Act on Space Activities, which establishes a licensing regime and operator obligations designed to provide legal certainty and a predictable regulatory environment for commercial operators. This regulatory clarity is generally viewed as supportive of investment activity (see 2.2 Legal System and Sources of Space Law and Regulation).

A legislative reform process initiated in 2025 aims to streamline the permitting framework further, including by centralising administrative responsibilities, introducing a one-stop-shop approach, and improving processing efficiency. The Finnish Space Strategy 2030 similarly supports a more coordinated regulatory framework for space activities (see 1.1 International Legal and Regulatory Developments and 1.2 NewSpace and the Space Tech Economy).

Public Funding and Co-Investment

Public funding plays a significant role in de-risking early-stage investment. Business Finland and other public actors provide grants and co-investment instruments that often complement private venture capital, supporting the development of early-stage space technologies and services. Finland has committed an additional EUR280 million per year in public funding for 2024–2030, targeting 4% of GDP in total R&D investment. With regard to finance sources for space activities, please see 7.2 Finance Sources for Space Activities.

Technology Ecosystem

Finland's university and applied research institutions generate spin-off activity in the space sector and provide a deep engineering and software talent pool for deep tech development. The Finnish innovation environment encourages and supports the develop-

ment of space services and applications, with public funding helping to launch new innovations and attract private sector financing alongside.

Investment Environment

Finland's broader investment environment – characterised by EU membership, a stable regulatory framework, transparent corporate governance, and well-established shareholder protection – supports cross-border investment and integration into European space and technology markets.

7.4 Foreign Investment in Space Activities

Finland does not have a sector-specific foreign investment regime for space activities. Its two general frameworks are nonetheless relevant.

The Act on the Screening of Foreign Corporate Acquisitions (172/2012, as amended) operates as a targeted monitoring mechanism rather than a general approval gateway: the Act's stated purpose is to monitor and, where required due to extremely significant national interest, to restrict the transfer of influence to foreigners and foreign entities in monitored companies. Confirmation may be refused only where necessary by reason of very high national interest. Space companies fall within the scope of monitored targets in two situations: (i) where they produce or supply critical products or services, related to those authorities' statutory functions, to Finnish authorities that are themselves central to the safety of society; and (ii) where the company is, when assessed overall on the basis of its sector, business, or commitments, considered critical for the safeguarding of vital societal functions. Acquisitions through which a foreign owner reaches one-tenth, one-third, or one-half of an entity's total voting rights, or the corresponding actual influence, cross the thresholds at which procedural obligations arise. The nature of these obligations depends on the category of the target. For defence sector companies and companies supplying critical products or services to Finnish authorities, the foreign owner must apply for prior confirmation from the Ministry of Economic Affairs and Employment before completing the acquisition. For other monitored companies that are critical to vital societal functions, the foreign owner may voluntarily notify the Ministry, which may also indepen-

dently request information once it becomes aware of the transaction.

A space activities licence may only be granted if the activity does not conflict with national security, Finland's international obligations, or its foreign policy interests. Ground station licences are subject to the same conditions. These licensing conditions apply regardless of ownership structure and function as an indirect filter on foreign involvement in space operations.

7.5 Documentation

NewSpace fundraising in Finland broadly follows the same documentation practices as venture capital financing in other technology sectors. Typical documents include a term sheet, investment or subscription agreement, shareholders' agreement and corporate resolutions, together with standard due diligence materials.

That said, space-sector companies often require more extensive, sector-specific due diligence reflecting their regulatory and technical profile. Investors commonly focus on intellectual property ownership, export control and sanctions compliance, applicable licensing requirements under Finnish and EU law, satellite operations where relevant, spectrum and frequency authorisations, government funding arrangements, and key contractual relationships with public authorities or major aerospace customers.

Where the business involves satellite launches or in-orbit operations, investors will typically also review liability allocation, insurance coverage, and the status of required regulatory approvals.

In summary, while the core fundraising documentation is broadly similar to that used in other venture-backed technology companies, NewSpace transactions typically involve more extensive technical, regulatory, and compliance-focused due diligence, as well as more tailored representations and warranties.

7.6 Due Diligence

Due diligence in Finnish NewSpace fundraisings and M&A transactions generally follows the same structure as in other technology sectors, but typically involves

additional regulatory dimensions arising from the sector's layered licensing framework.

Key areas may include the following.

- *Licensing*: Status, conditions, and transferability of applicable space sector licences, including any national security considerations relevant to a change of ownership or control.
- *Security and resilience compliance*: Applicability and compliance with security requirements stemming from national space legislation.
- *Export control and dual-use compliance*: Classification of products and technologies, export licensing history, and compliance frameworks.
- *Foreign investment screening*: Applicability of the foreign investment screening regime and any timing implications for the transaction.
- *Public funding and government contracts*: Where present, any provisions that could be affected by a change in ownership or control.

7.7 Liquidity Events

Finnish space companies typically access liquidity through the same routes as other technology companies, including trade sales, secondary share transactions, and public listings, under the general Finnish corporate and securities law framework. Trade sales are the most common exit route, while secondary transactions may enable partial liquidity for existing investors and IPOs may become relevant at later stages of maturity.

There is generally no sector-specific liquidity event process as such for space activities, although transactions may in practice be affected by regulatory considerations such as foreign investment screening, licensing requirements, and other change-of-control related approvals where applicable.

7.8 Role of Securities Markets in Space Financing

Public securities markets have played a limited role in financing Finnish space activities to date. The sector has primarily relied on public grants, venture capital, and institutional private equity, and no Finnish space company has completed a public listing, at the time of writing.

The main venues are Nasdaq Helsinki, a regulated market, and Nasdaq First North Growth Market, an SME-focused growth market for smaller and growth-stage companies.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Finland does not have space-specific intellectual property (IP) legislation. IP rights arising from space activities are protected under the same general legal framework that applies in other technology sectors, principally the Patents Act (550/1967, as amended), the Copyright Act (404/1961, as amended), Trademarks Act (544/2019, as amended) and the Trade Secrets Act (595/2018, as amended).

Finland is generally regarded as offering a reliable and effective enforcement environment, with an independent judiciary and access to interim measures such as injunctions. The enforcement framework applies equally regardless of whether the underlying innovation relates to space activities.

There is no inherent tension between Finnish IP law and the principles of freedom of exploration and use of outer space. IP rights are territorial and apply to activities within Finnish jurisdiction, and they do not purport to extend to outer space as such. The open-access principles applicable to space exploration under international law operate at a different level and do not restrict the protection of privately developed innovations under domestic IP law.

8.2 Invention Protection Dynamics

Intellectual property protection in the Finnish NewSpace sector is rarely built around a single right. Companies typically combine patents, trade secrets, data-related protections and contractual arrangements to create overlapping layers of protection, with each instrument addressing vulnerabilities that the others do not cover in isolation.

Patent filings are generally focused on Finland, the European patent system, and key commercial markets, with jurisdiction selection driven by where the

technology is expected to be deployed or commercialised. Cost-efficiency considerations inform jurisdiction strategy, with protection prioritised in markets where the risk of imitation is the greatest rather than in every country of launch.

Finnish companies regularly assess, on a case-by-case basis, whether patent protection or trade secret protection is the more appropriate strategy. Patents confer enforceable exclusive rights but require public disclosure of the underlying technology, which may be commercially or strategically undesirable. For example, this concern is particularly relevant in the dual-use and defence materiel realm. Trade secret protection avoids disclosure and may subsist indefinitely, but affords no protection against independent development or reverse engineering by competitors.

Collaboration is a defining feature of the Finnish space sector, with start-ups, universities, research organisations, and public actors frequently developing new technologies jointly. Ownership and usage rights in such arrangements are typically addressed in advance through co-ownership agreements or licensing structures.

8.3 Enforcement of the Patentee's Rights in Space

Finland has no space-specific intellectual property enforcement rules, and IP rights are instead governed by the general Finnish and EU legal framework, which operates on territorial principles.

Disputes concerning IP rights arising from space activities are therefore handled within the ordinary legal system, with the Market Court holding exclusive jurisdiction over patent, copyright, and trademark disputes.

The geographical scope of Finnish IP rights is determined by the general principle of territoriality. A Finnish patent confers exclusive rights within Finland, a European patent designating Finland confers rights within Finland, and so on. This framework is, however, supplemented by the quasi-territorial extension established under the Outer Space Treaty, to which Finland is a party. Under the Treaty, a state retains

jurisdiction and control over objects registered in its national registry and personnel aboard such objects.

Finnish IP rights therefore extend to Finnish registered spacecrafts, and for example, unauthorised use of a Finnish-patented invention aboard such a spacecraft could give rise to an infringement claim under Finnish law in the same way as an equivalent act on Finnish territory. Where an infringing product or data derived from space activities enters Finnish territory, such as via commercialisation on the Finnish market, ordinary enforcement mechanisms are available.

However, beyond these two connecting factors, Finnish IP law has no reach in outer space. Where infringing activity occurs on an unregistered object or a celestial body and produces no effect within Finnish jurisdiction, Finnish IP rights cannot be enforced. Enforcement is therefore available within national borders and aboard Finnish-registered spacecraft but lacks broader extraterritorial effect absent a territorial or registry nexus.

Finnish companies have begun entering into commercial arrangements with non-Finnish counterparties to extract resources from space for use on Earth, reflecting the growing commercial activity in this area. However, we are not aware of any Finnish legislative developments or judicial decisions addressing the application of patent law to devices manufactured or processes performed in orbit. The question is acknowledged in legal and academic commentary more broadly, but it has not, to our knowledge, given rise to specific national debate or reform initiatives in Finland. In the absence of dedicated rules, the existing framework would apply by default.

In relation to artificial intelligence-generated innovations, Finnish patent law, in line with the European Patent Convention, requires a human inventor. Inventions generated autonomously by artificial intelligence systems cannot currently be patented without attribution to a natural person.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

Arbitration offers an effective means of resolving disputes between operators and is a common way of resolving disputes in space-related contracts. Finnish parties usually prefer arbitration under the Arbitration Rules of the Finland Chamber of Commerce and seated in Finland.

However, in international relationships in particular, other institutional rules and seats are also customarily being selected, such as the SCC Arbitration Institute and Sweden as a neutral seat.

9.2 Investor-State Arbitration

There is no public information on such.

9.3 Space Litigation

Despite the technical complexity and high-risk nature of the sector, disputes in the Finnish space industry have so far remained relatively rare. In practice, disagreements are typically resolved through negotiations between the parties, and there is a general reluctance to resort to formal dispute resolution mechanisms.

However, the evolving regulatory landscape, the increasing number of operators, and the rapid growth of the sector are contributing to a gradual rise in disputes that cannot be resolved without recourse to external dispute resolution methods.

Where formal proceedings are required, operators tend to favour arbitration over court litigation, primarily due to its advantages in international enforceability, confidentiality, procedural efficiency, and access to specialised expertise.

Trends and Developments

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Hannes Snellman is a top-tier Finnish business law firm with a ten-strong team that advises companies, investors and public authorities on strategic legal and regulatory matters arising across the rapidly evolving space sector. The firm has extensive expertise in highly regulated, security-sensitive and technology-driven industries, supporting participants – from new space companies and growth-stage businesses to established operators and public sector players – across the space ecosystem throughout the full lifecycle of their activities. Hannes Snellman's legal advice

covers regulatory and licensing regimes, government contracting and public procurement, the protection of critical intellectual property, and commercial contracting, as well as corporate transactions, investments, financing, and dispute resolution. Its team also counsels clients on data and AI-related matters – areas of growing importance as space businesses generate, process, and commercialise vast quantities of data across complex international structures. Recently, the firm advised Lifeline Ventures in ICEYE's financing rounds, the latest in 2026 at a EUR10 billion valuation.

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Finland's Space Sector: Regulatory Reform, Rising Industry and Strategic Ambition

Finland has become a significant participant in the global space economy, and the pace of change in 2025–26 has accelerated on multiple fronts. A reform of the national space licensing framework is advancing through government, a new EU-wide regulatory tool has been proposed, and Finnish space companies have continued to attract record investment. Taken together, these developments are reshaping the legal and commercial environment for every participant in Finland's space ecosystem from emerging new space start-ups to established operators and public sector clients.

A rapidly growing sector

The scale of global and Finnish space activity provides essential context for understanding the regulatory developments underway. The global space economy reached approximately USD630 billion in 2023, with forecasts pointing to USD1.8 trillion by 2035. Public investment in space globally stood at EUR122 billion in 2024, a year-on-year increase of 9%; private investment worldwide was up 20% to EUR7 billion. Europe accounted for 22% of global private space investment, with European companies collectively raising EUR1.5 billion – a 56% increase on 2023.

Finland's position within this landscape is striking. In 2025, the country ranked second in Europe for space investment, attracting EUR244 million across five transactions. The most prominent of these was ICEYE's EUR185 million Series E round and debt financing. By 2026, ICEYE's valuation had exceeded

EUR10 billion in a subsequent financing round in which the Finnish state reinforced its roughly 12% stake. The Finnish Defence Forces launched their second SAR satellite in January 2026, and, as of March 2026, there were 26 Finnish satellites in orbit – four university and 22 commercial. Finland has now established itself as one of Europe's foremost destinations for new space investment.

The transition from a state-dominated to a commercially driven sector has introduced a range of legal complexities as satellites are increasingly dual-use, serving both civilian and defence purposes simultaneously; space has become critical infrastructure and a domain of geopolitical competition; and the volume of licensing activity is growing rapidly as more Finnish companies seek to operate, transfer, or acquire space objects.

Reform of the Finnish Act on space activities

The most significant domestic development is the proposed reform of the Finnish Act on Space Activities (63/2018, as amended). The Ministry of Economic Affairs and Employment (TEM) published a legislative proposal for consultation between 22 January and 23 February 2026, and a government bill was expected to be issued during spring 2026 with the legislation entering into force in July 2026. However, the bill has yet to be presented to the Finnish parliament at the time of writing.

The central goals of the reform are to improve the operating conditions for the space sector, to have a uniform and clear licensing and monitoring system,

and to combine national security, foreign and security policy and growth considerations for space sector actors.

The centrepiece of the planned reform would be the transfer of the role of a licensing and supervisory authority for space activities and satellite remote sensing from the Ministry of Economic Affairs and Employment to the Finnish Transport and Communications Agency (Traficom). The rationale is to concentrate licensing within a single specialist authority applying a one-stop-shop model, thereby reducing administrative burdens on operators, creating consistent interpretative practices, and making processes more agile and predictable. Traficom already acts as the licensing authority for ground station and radio licence matters connected to space activities, making it the natural institutional home for consolidated space licensing.

Under the proposed framework, Traficom would become the competent authority for granting, amending and revoking licences under the Act on Space Activities, maintaining the public register of space objects and conducting ongoing supervision. In situations where licensed activities would have an obvious impact on national security, the licensing decision would be taken by the Finnish government rather than by Traficom. This bifurcated model, with routine licensing at agency level and security-sensitive decisions at government level, reflects the legislature's aim of balancing operational efficiency with robust national security oversight.

The reform also introduces changes to the rules on international transfers of space objects and space activities. Transfers to operators domiciled in other states will require a liability insurance policy of at least EUR100 million, and the state's right of recourse is raised correspondingly to EUR100 million. The receiving state must be a party to the Outer Space Treaty, the transfer must not conflict with national security, foreign and security policy or Finland's international obligations, and the receiving state must confirm that it accepts international obligations in respect of the space object being transferred. These changes are intended to facilitate commercial transactions, enabling faster transfers and enhancing Finnish space technology exports, while maintaining Finland's liabil-

ity position as a launching state under the UN space treaties.

The reform further raises the maximum administrative fine for legal persons that breach the Act on Space Activities from EUR500,000 to EUR5 million (capped at 4% of the preceding year's turnover). Fines exceeding EUR100,000 will be imposed by a specialist sanctions board operating within Traficom, providing an additional layer of procedural safeguard for operators. Equivalent sanctioning rules are introduced for the Act on Ground Stations and Certain Radars (96/2023, as amended) for the first time.

The reform also clarifies the scope of the Act on Space Activities with respect to situations where another state exercises jurisdiction and bears international responsibility as a launching state, thereby removing overlap with foreign regulatory regimes.

Refinements are also made to the reliability assessment procedure, including flexibility to waive certain documentary requirements where reliability has otherwise been sufficiently demonstrated.

Research on space sector growth and risk management

Complementing the legislative reform, TEM launched a new VN Tutkiva research project in June 2026 to develop a model for an internationally competitive growth and risk management ecosystem for Finland's space sector. The project is led by Pellervo Economic Research (PTT) in a consortium that includes Aalto University and the University of Vaasa. Among the questions the research will examine is the feasibility of a national space insurance fund or equivalent tool to manage residual state risks and accelerate sector growth. The project's steering group includes TEM, the Ministry of Defence, the Ministry of Finance, and the Ministry of Transport and Communications, and the project runs until 31 July 2027. The work will produce data to support regulatory development and to strengthen Finland's position as a responsible space nation.

The EU Space Act

On 25 June 2025, the European Commission published its proposal for a Regulation on the safety, resil-

ience and sustainability of space activities in the EU, widely referred to as the EU Space Act. The proposal is the first comprehensive EU-level regulation of space activities, covering authorisation conditions, launch safety, orbital sustainability and debris mitigation. Its stated objectives are safety, resilience, sustainability and competitiveness.

Thirteen EU member states already have national space laws, which creates divergent conditions for cross-border activities and adds cost for operators working across jurisdictions. The EU Space Act aims to harmonise these frameworks at Union level. The timing is significant for Finland: the proposed EU regulation will need to be reconciled with the reformed national framework now being adopted. Operators and advisers should monitor the EU legislative process closely, as the final regulation will affect the conditions under which space activities may be authorised and the manner in which member states must organise their licensing and supervisory procedures.

Finland's Space Strategy 2030

The legislative reforms take place against the backdrop of Finland's National Space Strategy 2030, adopted by government decision on 30 December 2024 and published on 21 January 2025. The strategy sets out Finland's vision of becoming the world's most advanced space operating environment by 2030, generating benefits for society as a whole. Compared to earlier policy documents, the 2030 strategy elevates security, defence, and security of supply to a more prominent position among Finland's space objectives.

The strategy is built around four strategic goals: utilising space services across all sectors of society; developing Finland's space operating environment; strengthening capabilities for producing and utilising space services; and deepening international cooperation. Underpinning these goals are three core values: sustainable use of space, equal access to space in accordance with international agreements, and rules-based international cooperation.

The strategy recognises that space has become a domain of intensifying power competition and that space capabilities are now an integral part of modern warfare. Space-based services support military

situational awareness and secure command and communications, precision navigation and targeting. Defence and security authorities already rely extensively on satellite positioning, remote sensing, and satellite communications for border surveillance, maritime monitoring, and crisis management. The strategy explicitly tasks the Ministry of Defence with preparing a dedicated defence space strategy, setting out more detailed objectives and priorities for the defence sector. Space situational awareness is identified as a national capability requirement, with the goal of establishing a national centre drawing on the EU Space Surveillance and Tracking (SST) partnership, international cooperation, and domestic resources.

Finland's northern geographic location gives it particular value as a host for ground stations operating close to polar orbit, a feature the strategy highlights as a specific competitive advantage to be leveraged in international cooperation and commercial activity.

In connection with the Space Strategy, the Ministry of Economic Affairs and Employment established a working group to evaluate alternative governance models for the Finnish space administration. The working group's report was published on 15 June 2026. The report's starting point is that the strategic and economic importance of space activities to Finland is growing rapidly, driven by technological development, geopolitical tensions, and digitalisation, with space services now critical to national security, supply security, business competitiveness, and research. The report assessed various governance models, including establishing a dedicated Space Agency. As a conclusion, the working group presents that the current Finnish model should be strengthened further and that, in the long term, a national space programme and a specific Space Policy and Strategy unit could be established within one of the Ministries. However, the concrete actions regarding Finnish space administration's enhancement have been left to be decided at political level.

Outlook

The legislative reform, new EU regulatory framework, record investment flows, and Finland's growing strategic commitment to space create both opportunities and new compliance demands for market participants.

The potential consolidation of licensing in Traficom is expected to bring greater speed and consistency to routine authorisations. The new international transfer rules should also facilitate commercial transactions.

At the same time, operators should plan for the transition period of the new space legislation and monitor the EU Space Act's progress through the legislative process. The TEM research initiative on space sector growth and risk management, including the potential introduction of a national space insurance fund, may, in due course, result in further regulatory proposals that reshape the risk-allocation landscape for the sector. Companies operating in Finland, or contemplating entry, are well-advised to engage with these developments at an early stage.

FRANCE



Law and Practice

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De Gaulle Fleurance is a leading player in business law, with offices in Paris, Brussels, Geneva, Abu Dhabi, Abidjan and Dakar. The firm supports its clients with all their operations, both domestically and internationally. The team of 200 professionals brings together diverse experiences to build relationships based on excellence, responsiveness, and creativity. The firm's full-service practice enables it to address all legal and notarial challenges, and its expertise, notably in space law, is recognised by the business community through accolades from several well-

known professional guides. The firm's international culture allows it to mobilise a network of correspondents across every continent, ensuring comprehensive support for its clients worldwide. Among its activities to sustain the space economy, it has been part of the European Space Agency's acceleration programme as members of the Business in Space Growth Network and selected as experts in the ESA's working programme for the governance of the future European Space Data Space.

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1. Global Trends

1.1 International Legal and Regulatory Developments

France is involved in multilateral discussions concerning the space sector. In compliance with its international obligations, France has adopted national legal instruments that include measures relating to launching and operating space objects. Moreover, France participates in discussions at the multilateral level, including the United Nations, at the Committee on the Peaceful Uses of Outer Space and the Conference on Disarmament. France also has a varied industry that provides services to both its national and its international partners. It includes civil, scientific, military and governmental activities.

The French space legal framework is broadly stable (see below) but is refined/updated from time to time and may again be updated to comply with new space activities and applications and to include technical regulations fit to the industry's needs. As an EU member state, France will be impacted by legislative changes brought about at EU level by the announced EU Space Act if and when passed.

France demonstrates a strong commitment to the space sector through targeted funding at both the national and European levels. In particular, it actively contributes to the budgets of the European Union and the European Space Agency, enabling it to participate in major collaborative space projects while supporting technological innovation within its territory.

EU space policy and governance reform is a major trend shaping the French space sector economically, industrially, and strategically. France is not merely affected by this trend; it is one of the principal actors driving it. The EU is actively developing a more integrated space programme, with objectives including greater autonomy, competitiveness, and security, supported by increasing political and financial commitment through substantial budget increases at the level of the European Space Agency and new EU initiatives. France's space industry is deeply embedded in EU space policy, as France not only plays an active role in Galileo and Copernicus, but many large-scale projects are also only feasible at the European level. First, the

development of the Ariane 6 launcher provides European states with independent access to space. Second, France invests in the European satellite constellation IRIS². Third, French technologies help reduce reliance on non-EU technologies.

Furthermore, France supports initiatives to understand the space sector, particularly in connection with the insurance industry. Indeed, the complexity of space operations, the risks associated with launches and satellites, and the challenges related to orbital debris management require insurers and economic operators to possess sound technical and regulatory knowledge.

At the 2025 Council of Ministers, the highest decision-making body of the European Space Agency (ESA), bringing together the ministers responsible for space from each member state, usually every three years, France confirmed a contribution of roughly EUR3.6-3.8 billion to the ESA's budget for the 2026-2028 period. This level of funding is consistent with France's historical position as one of the ESA's "big three" industrial states, along with Germany and Italy, and reflects its strategic priority of maintaining leadership in European launchers, Earth observation, and defence-related space systems.

1.2 NewSpace and the Space Tech Economy

Today, France is questioning its ability to participate in the new global space race fully. Industrially, it has a solid space industry capable of producing high-performance satellites and launchers. However, what it lacks is a technological and digital ecosystem adapted to its needs. This absence of major digital players limits the economic development of its space sector. Another essential pillar is political support, which should play a driving role by being a client of these infrastructures while also guiding and massively financing the space effort, with the examples of France 2030 and the "*Première Usine*" initiative ["First Factory" in English] to support industrial start-ups.

The "Bromo" consortium, bringing together Thales, Leonardo, and Airbus, illustrates the exact industrial trend France is pushing for: a shift toward pan-European consolidation in the space sector to remain competitive and strategically autonomous. By aligning

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major national champions across France, Italy, and the broader EU, such a consortium reflects the need to pool resources, reduce fragmentation, and compete with vertically integrated global competitors.

In Europe, political fragmentation complicates the implementation of a coherent strategy, as 27 countries must be aligned, each with its distinct national interests. This requires a common political project capable of implementing a clear strategic ambition. From a legal perspective, this implies not only a regulatory framework adopted at the national level but also the involvement of European institutions, including the European Union with the draft EU Space Act and the adaptation of future calls for tenders for institutional programmes, as well as the European Space Agency and its related contractual processes.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

The French space industry is closely linked to the nation's aviation industry, and generates substantial revenue across civil, military and export markets. Major manufacturers such as Dassault Aviation and the Airbus, Thales and Safran groups are the main systems integrators in the defence aerospace industry, shaping the ecosystem directly or through joint ventures. France also has an integrated launch services provider, ArianeGroup, which faces challenges due to the decreasing launch costs driven by NewSpace entrants leveraging institutional contracts on a scale dwarfing those of European manufacturers.

The example of the “Bromo consortium” shows that EU policy is pushing industry toward large-scale co-operation rather than purely national approaches, particularly in critical areas like satellite systems, secure communications, and defence-related space infrastructure. At the same time, this model introduces internal tensions, balancing national French interests, industrial leadership, and governance complexity, making consortia like Bromo both a solution to Europe's structural weaknesses and a reflection of them.

France remains committed to the Ariane sector, a symbol of strategic autonomy in space based on heavy-duty, multipurpose launchers. Even if the launch rate remains limited to ten to eleven launches per year, it will enable the launch of strategic satellites, such as Galileo or CSO, without relying on foreign launchers.

The French Eutelsat Group is one of the world's leading satellite telecommunications operators and has been a European pioneer in space-based infrastructure for the transmission of television and radio content for more than 40 years. It works in concert with other national operators to deploy satellites across the country and offers a number of services. Moreover, it recently merged with OneWeb to expand its satellite offering.

Large groups such as Airbus also provide remote detection and satellite imagery services.

The market is supported by the France 2030 investment plan, which aims to modernise the French economy by supporting strategic sectors, including space. This plan specifically aims to enhance the competitiveness of French companies in key areas, including satellite constellations, and in-orbit services and mobility in outer space, such as the company Exotrail. France also fosters national space situational awareness capabilities and recently, Aldoria and Look Up Space became key actors in this industry.

Start-ups have proliferated in recent years, reflecting a dynamic and increasingly innovative entrepreneurial landscape. However, many start-ups continue to face difficulties in securing substantial funding, which can constrain their growth and limit their capacity to scale. At the same time, French start-ups are increasingly expanding beyond their domestic market, establishing a presence across Europe and worldwide through the creation of subsidiaries and strategic acquisitions.

France is also much involved in European space research and development through the French Space Agency – ie, the National Centre for Space Studies (Centre National d'Etudes Spatiales, CNES) – and strong partnership links with the ESA – eg, the ESA's Business in Space Growth Network accelerator of innovative projects being run by the Institute for Space

Medicine and Physiology (MEDES), which for nearly 35 years has sought to maintain and develop French know-how in space medicine and physiology and to promote the applications of space research for health-care.

2.2 Legal System and Sources of Space Law and Regulation

The French legal system is based on civil law. France has a legal framework applicable to space activities in the form of the Space Operations Act, which dates from 2008. There are also texts relating to the Guiana Space Centre and the conduct of the CNES's activities. Some guidelines govern certain satellite services, in particular the use of space data. French space law is essentially based on rules and the codification of measures dedicated to the space sector, notably including the French Research Code, the Post and Communications Code, the Intellectual Property Code, and the Defence Code.

At the European Union (EU) level, in 2025, the draft EU Space Act was presented by the European Commission to set out a regulatory framework for space data and services. Relatively “integrative”, this first version aimed to create a single internal market for space data and services, with common rules on safety, resilience, and sustainability. The Council of the EU then responded in late 2025 with its negotiating position, under the Danish presidency. Its approach generally reflects national sensitivities: it tends to narrow the scope of the regulation, reduce regulatory burden, and ensure that member states retain more control over licensing and implementation. The Council version focuses on feasibility for national space industries and limits overly prescriptive EU-level rules. The European Parliament, adopting a position in early 2026, took a more integration- and market-building-oriented stance, supporting the Commission's ambition but pushing in two directions, namely strengthening simplification and predictability for operators, and reinforcing EU-level strategic objectives such as competitiveness, autonomy, and security. In the first half of 2026, these versions are at the stage of trilogue negotiations, where the Commission, Parliament, and Council reconcile their differences into a single final text.

The commercial space industry is also particularly exposed to export control regulations, most space technologies being listed as either military or dual-use items under applicable laws (for EU-origin items, respectively under the national munition list and Regulation (EU) 2021/821 of the European Parliament and of the Council of 20 May 2021 setting up an EU regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items). The complexity and extraterritorial effect of some national export control laws (in the case of the US International Traffic in Arms Regulations and Export Administration Regulations, for example) may create a substantial regulatory burden and trigger important compliance risks with consecutive penalties for companies and their managers. Among other things, releasing technical data and staff training, tests and maintenance and repair operations can all be deemed as export or re-export. It is thus crucial that export control is taken care of in the commercial decision-making process in the initial stages of project design.

To guide this policy, the government provides companies with specific conditions. These include strict requirements in public tenders, constraints stemming from the Military Planning Act, the implementation of EU directives such as NIS2 and CER, and specific contractual obligations that guarantee compliance with sovereignty, cyber and physical security, and performance standards. This regulation ensures both the security of French space infrastructure and the development of a solid industrial base.

Finally, to support the entry into force of new decrees and orders in 2024, the CNES has published a series of best practice guides. These documents govern space operations and launches in accordance with the Space Operations Act and provide recommendations on cybersecurity, technical hygiene, and system security. The CNES also provides compliance matrices, enabling operators to obtain the necessary authorisations, particularly with regard to the technical requirements that must be met to ensure the safety and reliability of space missions.

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2.3 Role of the State in Space Law and Regulations

The French state is an operator, a facilitator and regulator of space activities. It participates in the work of the CNES and also has dedicated government military capabilities. It supports companies in the early stages of their activities, to ensure that their operations comply with the national legal framework. Additionally, the French state carries out scientific activities, notably in co-operation with other states or international organisations, as is the case with the European Space Agency, for example. While the French Ministry of Economy bears primary responsibility for space activities (including by authorising launches in outer space), the Ministry of Higher Education and Research oversees certain aspects, and the Ministry of the Armed Forces retains prerogatives concerning strategic and military operations in relation to outer space.

2.4 Role of the State in the Licensing Process for Space Activities

The authorisation and ongoing supervision of space activities are carried out under the Law on Space Operations, which dates back to 2008. Operators are subject to an authorisation from the French Ministry of the Economy on the basis of a number of factors, including criteria relating to internal organisation, technical capabilities and financial resources, in order to ensure the reliability of their project. CNES supervises the review of launch authorisation applications and the work of the operators. With regard to their space objects, dedicated technical regulations exist to ensure their reliability and meeting technical criteria.

The administrative part of the authorisation is where the applicant is to be identified. They also need to provide moral, financial and professional guarantees, which themselves need to be assessed. The technical part includes a description of the space operation, systems and procedures envisaged. The third part is where the mission of the payload and its characteristics are described, while checking that the operation is not likely to compromise national defence interests.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

France's activities with regard to the distribution of radio frequencies fall within the framework of the

International Telecommunications Union (ITU). The National Frequency Agency (Agence Nationale des Fréquences, ANFR) provides stakeholders in space activities with a number of models to be completed in order to meet the requirements for the distribution of radio frequencies in orbit. This enables France to co-ordinate its national activities and reduce the risk of interference between space activities. The ANFR manages requests for frequency assignments relating to satellite systems. More specifically, it receives French requests, checks that they are compatible with the Radio Regulations and the National Table of Frequency Band Allocations, and then sends them to the ITU. ARCEP, the French regulatory authority for electronic communications, post and telecommunications, manages the market for satellite communications services.

Dispute resolution mechanisms are regularly based on diplomatic procedures within the ITU.

2.6 Role of the State in the Launching Process

In France, ArianeGroup provides launch services for governmental and non-governmental entities. Regardless of whether the activity is public or private, France offers its nationals – as well as its international partners – a dedicated launch platform in French Guiana. This facility is subject to specific regulations and oversight by the CNES, with launch authorisations granted by the French state.

The French state acts as host and licensing authority rather than commercial operator for activities conducted at and from the Guiana Space Centre. On 19 August 2025, the French Ministry of the Economy and Finance granted the Italian company AVIO a ten-year licence for Vega operations. For the first time, an Italian company has been entrusted with access-to-space services from Kourou. This sits within a tri-lateral Italian–French–German framework agreed at the ESA's 2023 Seville ministerial and formalised by the Launcher Exploitation Declaration signed on 10 July 2025, which began transferring Vega C operations to AVIO. AVIO remains Italian-incorporated and ESA-governed, but its launch activity is bound by the French licence and range-safety rules. The last Vega C flight managed by Arianespace took place on 1

December 2025 (VV28/KOMPSAT-7), after which AVIO assumed responsibility. The first mission operated by AVIO is VV29, carrying the ESA-Chinese Academy of Sciences Smile satellite, which took place on 19 May 2026.

2.7 Commitment to International Treaties and Multilateral Discussions

France has signed and ratified the main international legal instruments relating to outer space, including the Outer Space Treaty (1967), the Rescue Agreement (1968), the Liability Convention (1976), and the Convention on Registration (1977). France has also signed – but not ratified – the Moon Agreement. Furthermore, France has implemented the Space Debris Mitigation Guidelines adopted by the United Nations Committee on the Peaceful Uses of Outer Space (UN COPUOS), which include measures to minimise the creation of debris (ie, passivation and de-orbiting of satellites at the end of their lives). Moreover, France is also a party to the Guidelines for the Long-term Sustainability of Outer Space Activities, also adopted by the UN COPUOS, which aim to promote responsible practices when conducting space activities to ensure their sustainability and safety. France complies with several of the recommendations of these guidelines. It also works with other countries and entities to enhance the safety of space activities and share critical data on space conditions and orbital events.

Space operators must obtain authorisation from the French government before carrying out space activities. This authorisation is granted after a rigorous assessment of the activities' compliance with international and national obligations. The CNES is responsible for monitoring space activities to ensure that they comply with safety standards and international obligations.

2.8 Insurance and State Measures on Liability for Damages

The French state is responsible for space activities carried out by its entities, whether public or private. This means that, in the event of damage caused by a French space activity, the state can be held liable at the international level. The 2008 LOS provides a mechanism for transferring liability from the state to private operators. This enables the state to protect

itself financially by transferring part of the liability to the companies carrying out space operations. However, this transfer is limited and subject to strict conditions. Companies must demonstrate their financial capacity to cover potential liabilities. The law also allows operators to include liability clauses in their contracts with partners and subcontractors. This includes indemnification and limitation of liability clauses aimed at clarifying respective responsibilities in the event of damage. The CNES plays a crucial role in the implementation of this law. It is responsible for preparing the issuance of authorisations for space operations and checking that operators comply with financial and insurance requirements.

In the context of the growing development of space activities, insurers are increasingly confronted with complex and sector-specific technical challenges. To properly assess the risks associated with launches, satellite operations, constellations, and space debris, these players need to understand the specific characteristics of the space environment. Therefore, insurers may have explicit or implicit obligations to rely on specialised services or technical expertise to ensure the reliability of their risk analyses and insurance offerings. These obligations may be incorporated into contracts with space operators, particularly when these require the insurer to understand the technical aspects of the insured space missions. Thus, questions arise as to whether insurers should include the requirement to utilise space situational awareness capabilities to track and monitor the situation in orbit and mitigate orbital risks.

Insurance Requirements

France imposes strict insurance and liability regulations for space activities aimed at providing a framework and security for this constantly evolving sector. French nationals and companies carrying out space activities under French sovereignty must be covered by insurance or have other financial guarantees approved by the competent authority. The 2008 LOS establishes a liability ceiling for space operators. Above this ceiling, the state guarantees cover for damage depending on the phase of occurrence (either during launch or after launch, including return to Earth). In fact, when the state compensates damage under the 1967 and 1972 Outer Space Treaties, it

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can take action against the operator responsible, provided that it has not already benefited from the operator's financial or insurance guarantees to the extent of the compensation. In the case of intentional fault, the ceilings do not apply. No recourse is available for damage resulting from acts against state interests. This authorisation and control system helps to reduce the risk of failure and to control other risks to people, property, the environment and public health, even in the event of failure. Reducing risks also improves the reliability of launch and orbital systems, which in turn optimises their technical and economic performance.

French space law defines damage as “any harm to persons, property, and in particular public health or the environment directly caused by a space object in the context of a space operation, excluding the consequences for users of the signal emitted by this object”. For example, cover for Ariane launchers is a minimum of EUR60 million, including no-fault liability for terrestrial damage and fault liability for outer space damage.

The LOS provides for a clear division of liability between the participants in a space operation. There is no possibility of recourse between participants in the event of damage caused to each other or third parties in order to avoid a snowball effect. Contracts must, therefore, include clauses waiving recourse and warranty agreements. In the event of damage caused by a space operation or the production of a space object, the participants bound by a contract cannot be held liable unless otherwise stipulated for damage occurring during production or in the event of an intentional fault. This practice of waiving recourse clauses is common in the space industry.

In addition to the technical aspects, space insurance includes specific clauses on the performance of space equipment. The notion of “intended commercial purpose” requires the insured to prove that the satellite can no longer fulfil its commercial mission in order to receive compensation. Deviations in performance from a standard are covered, with compensation adjusted according to the percentage of failure. French law does not cover damage caused by pollution unless it results in damage to the ground, an explosion or a fire. However, environmental damage

is included in the cover – up to EUR 750 million. The insurance cover must be linked to the insured event. The loss must occur during the period of cover specified in the insurance contract. According to the French Insurance Code, insurance on assets must comply with the principle of indemnity, according to which the insured can only be compensated up to the amount of the loss. The compensation paid by the insurer is intended to restore the policyholder to the situation he or she was in before the loss occurred. The fundamental principle is that a person or company cannot enrich itself as a result of damage to the property it owns or operates. Consequently, the insurer's maximum liability is determined by the value of the insured property. However, where the law applicable to the contract permits, it is possible to choose between cover based on the principle of indemnity or cover based on the “agreed value”. The agreed value, which is often used for high-value items, is the value of the insured property as agreed between the insured and the insurer at the time the policy is taken out or during the term of the policy. Goods are generally valued by an expert, particularly in the space industry, due to the complex technologies involved.

At the European level, Directive 85/374/EEC of 25 July 1985 harmonises the laws of the member states concerning product liability. Transposed into French law by Law No 98-389 of 19 May 1998, this directive establishes the producer's no-fault liability for safety defects in the products it puts into circulation. This means that the producer is liable as soon as a defect in its product causes damage without the victim having to prove fault on its part. However, the victim must prove the causal link between the product defect and the damage. A product is considered defective when it does not offer the safety that can legitimately be expected and not because it is unsuitable for use. With regard to the space sector. Manufacturers and operators of space equipment must guarantee that their products comply with safety standards. In the event of the failure of a satellite or other space object, which results in damage, the principles of strict liability apply. This strengthens the obligations of space operators in terms of product safety and quality.

2.9 Very High Altitude Legal and Regulatory Framework

Very high altitude (VHA) refers to a zone ranging from 20 to 100 km above sea level, corresponding to a nebulous transition layer between the lower boundary of extra-atmospheric space and the upper boundary of atmospheric space.

Historically, the VHA zone has remained largely unexploited, since conventional aircraft, whether civilian or military, are not designed to fly at such altitudes, and gravity is still too significant to accommodate satellites.

Thanks to technological advances, the use of VHA is increasing considerably, particularly with military drones, but also with stratospheric balloons. For instance, stratospheric balloons have been considered arranged in series to provide Internet access to rural and remote areas by Alphabet company (formerly Google X), the signal travelling from balloon to balloon to reach a ground-based station connected to an internet service provider.

International law provides legal standards for aviation and space law, but it is difficult to say whether VHA falls within the scope of either of these legal regimes. Indeed, aviation law is governed by the 1944 Chicago Convention on International Civil Aviation, which recognises in Article 1 that “The Contracting States recognize that each State has complete and exclusive sovereignty over the airspace above its territory.” However, the Convention does not provide for any limit to a country’s sovereign airspace. It is therefore legitimate to ask whether VHA are part of sovereign airspace.

In terms of space law, treaties such as the 1967 Outer Space Treaty, which provides for the free use and access to space, also fail to clarify the legal regime governing VHA.

Activities taking place between 20 and 100 km therefore appear to fall outside the scope of the international legal regulatory framework. It is therefore difficult to say whether objects operating at this altitude are subject to the unique freedom of outer space, the

strict rules governing aviation, or a legal regime specific to VHA.

The legal uncertainty surrounding this zone is creating new tensions between countries when dealing with potentially military surveillance, just like in February 2023 when the United States decided in the name of force majeure to shoot down a Chinese stratospheric balloon flying over North America, on suspicion of gathering intelligence.

Since no international consensus seems to have been reached at this stage, and with the destruction of the Chinese balloon highlighting the importance of regulating VHA, the French Ministry of the Armed Forces is currently leaning toward establishing a military doctrine as reported by General Stéphane Mille: “Until now, very high altitudes have been exploited very little or not at all, but with the proliferation of atmospheric balloon projects, very high-altitude drones, hypersonic gliders, and low-orbit satellites, we need to start thinking about this and avoid a potential capability gap in the future”.

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities

Under French law, there are no space-specific rules with an economic sector orientation. With NewSpace projects, for instance in the life sciences or agrifood sectors, the legal framework needs to evolve to adapt the existing Earth-orientated rules and guidelines to activities conducted in outer space or to the use of results or data triggered by such activities (for instance, healthcare in or from space). International guidelines (for instance, Good Manufacturing Practices, Good Laboratory Practices or Good Clinical Practices) or national legislation (for instance, the French Public Health Code) may partially be used but are not substantially adapted. Innovative NewSpace project owners require such adaptations in order for their projects to get legally secured and thus become eligible for private or public financing (and potentially continue their journey back on Earth). Inspiration may come from the UK, whose government announced in March 2026 a landmark regulatory roadmap, confirm-

ing that existing medicines regulations can be adapted to accommodate in-orbit manufacturing.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

In France, the use of radio frequencies by licence holders is a private occupation of the state's public domain. These frequencies are subject to specific regulations, which are particularly influenced by international law. The frequency assignments necessary for the operation of satellite systems can only be used once they have been successfully declared to the ITU by a national administration. Title 4 of Law No 2004-575 of 21 June 2004 on confidence in the digital economy introduced a new Title 8 into Book II of the French Post and Electronic Communications Code, entitled "Assignment of frequencies relating to the satellite system". The Code now includes specific provisions for satellite systems (including space and earth stations). This law fills a gap in communications law by making the occupation of orbit-spectrum pairs subject to an authorisation regime. It transfers the rights to use these resources, which France has been allocated by the ITU, to satellite system operators. It provides companies developing satellite system projects with a clear legal framework, guaranteeing at an early stage the availability of one of the resources essential to their realisation.

Authorisations are subject to proof of the operator's ability to control the transmission of all the stations using the frequency assignment, and may only be refused in certain cases listed in the French Post and Electronic Communications Code. This is without prejudice to the other authorisation formalities required by applicable laws and regulations, in particular those issued by ARCEP for electronic communications, or by ARCOM for audio-visual communications.

3.3 Operators' Responsibilities

The operator is the person who carries out or undertakes to carry out the activities covered by the law by ensuring, alone or jointly, the effective control of the space object. There is no legal requirement for operators (beyond the space debris management principles and other rules already mentioned in **2.8 Insurance and State Measures on Liability for Damages**). However, the documents drawn up by CNES relating to the

safeguarding of the Kourou Guiana Space Centre aim to protect the safety of people, property, public health and the environment for launches from the centre and contain prescriptions designed to limit the risks associated with space debris.

Additionally, French law also refers to two other concepts:

- deployers – ie, "devices that carry one or more space objects as part of a multiple launch and inject them into the orbits requested by the customer(s)"; and
- reusable launchers – ie, "self-propelled vehicles designed to place space objects into orbit [...] some or all of whose components undergo a recovery phase on Earth in order to be reused during a subsequent launch operation".

Moreover, the French intellectual property code states that objects intended to be launched into outer space introduced into French territory are not subject to patent protection (see Article L.613-5), in line with Article 5 ter of the Paris Convention of 1883 and with similar US provisions in order to prevent any risk of IP litigation for foreign satellites launched from French Guiana.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

While now enshrining itself in the evolving general EU legal framework on the unique digital and data market and free data circulation in Europe, France has developed a comprehensive legal regime for space data, balancing the promotion of innovation and open access, the protection of privacy and personal data, and national security interests.

This framework is expected to evolve further as new technologies emerge (AI, high-res imaging, signal intelligence, etc) and as space activities become increasingly commercial, strategic and international.

Some space data may have implications for national security, especially in defence or intelligence contexts. Hence, space data that may affect national defence

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interests is subject to review by the French state while space data with dual-use characteristics (civil/military) may fall under EU Regulation 2021/821 (on dual-use goods), requiring export licences. Operators may need additional approvals to distribute certain space data outside of France or to private entities. At the same time, France promotes public access to non-sensitive public space data, particularly for research, innovation, and environmental monitoring. In this respect, France participates in the EU's Earth observation programme, which provides satellite data (eg, from Sentinel missions) freely and openly, while under the French Open Data Law (2016) (ie, the Digital Republic Act), public institutions such as the CNES shall make satellite data available for reuse, unless classified or restricted.

4.2 Space Data Spaces

In the space sector, particularly within the ESA, the ownership, access, use, and disclosure of data – whether pre-existing or generated under ESA contracts – are governed by the Regulation on Information, Data, and Intellectual Property and the General Clauses Applicable to ESA Contracts. These texts stipulate that ownership of information, data, and intellectual property rights remains with the economic operator that developed them.

A space data space would need to be fully GDPR compliant, as it potentially processes personal data, including sensitive data. The use and reuse of this data are based on the legal bases of Articles 6 and 9 of the GDPR. Among other principles of the GDPR, the framework mandates the clear definition of specific, lawful, and legitimate purposes for processing. Furthermore, it places responsibility on the entities, whether they be data controllers or data processors, who are involved in processing the data and liaising with national data protection authorities. The data will preferably be anonymised or pseudonymised and processed in secure environments that guarantee protection and compliance, including when the data is reused.

The EU Space Data Space, currently being built with the support of a working programme financed by the ESA in co-operation with the European Union, needs to comply with the EU data spaces legal framework,

including the Data Governance Act (DGA) and the Data Act (DA) with rules tailored to the specificities of the space sector (and subject to changes that will soon be brought to these texts by the EU Omnibus Digital rules). It aims at introducing technical, operational, legal and governance standards for the security, portability, and interoperability of space data, particularly sensitive data, which the DGA or the DA do not specifically cover. It may also provide for the creation of data access bodies and a secure framework for utilising data from space devices or services and interaction with other data spaces in the EU, feeding users' needs on earth or in space, including for public purposes.

The Space Data Space is designed to support artificial intelligence (AI) stakeholders in the space sector in meeting their legal obligations under the AI Act. The purpose is to provide high-quality spatial data essential for training, validation, and monitoring AI algorithms while ensuring their ethical and non-discriminatory use. By facilitating access to diverse and transparent data, it intends to accelerate the development of reliable and compliant AI while supporting the authorities responsible for monitoring and regulation in this field.

The NIS2 Directive establishes common European rules for cybersecurity, now including the space sector. The Space Data Space initiative aims to apply and strengthen these measures to ensure the security of space information systems. Furthermore, the Cyber Resilience Act (CRA) imposes cross-cutting cybersecurity requirements for digital products throughout their life cycle. The CER (Critical Entities Resilience) Directive establishes a key regulatory framework to strengthen the resilience of critical entities in the face of various threats, such as physical attacks, pandemics, and natural disasters.

By aligning with these frameworks, the Space Data Space will hopefully ensure the security, integrity, and resilience of space infrastructures, thus fostering trust and innovation.

The INSPIRE Directive (2007/2/EC) establishes a European infrastructure to facilitate the sharing of environmental spatial data among member states,

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emphasising interoperability, standardisation, and data access. Based on these principles, the Space Data Space intends to ensure seamless integration and optimal accessibility of spatial data, ensuring compatibility with other datasets. This harmonisation promotes collaboration, innovation, and the development of diverse applications, ranging from environmental monitoring to disaster management. INSPIRE's legal framework and transparency principles also guide the ethical, secure, and compliant management of spatial data, thus strengthening governance, trust, and engagement among stakeholders in the European space sector.

Among other provisions, the contractual framework of a data space shall define the rights and obligations of participants (data providers, data processors, other services providers, governance authorities, etc), ensuring legal compliance and secure exchanges. It shall specify the conditions of data use (purpose, duration, sharing, and remuneration), responsibilities regarding confidentiality, security, and deletion, and ensure compliance with relevant regulations (the GDPR, intellectual property, and space law).

Based on an effective governance and adapted contractual flow mapping, contract templates and automation tools would facilitate the implementation and deployment of the Space Data Space.

4.3 Cybersecurity and Space

In terms of cybersecurity, the launch operator must implement measures to protect itself against malicious cyber operations that could threaten regulatory compliance. Justifications for this approach and a summary of the security measures must be filed with the CNES. Cybersecurity measures must also be implemented to prevent reception and conduct of unauthorised or unauthenticated remote controls on board. These provisions are supplemented by measures to secure on-board/ground and on-board/on-board in-orbit communication links, and to ensure that they are resilient to any corruption that could jeopardise the safety of operations.

The decree of 28 June 2024, amending the decree of 31 March 2011, relating to the technical regulations for space operations, introduces enhanced cybersecurity

requirements, particularly for command, control, and telemetry (TT&C) systems. These systems, essential for satellite management, must now incorporate specific security measures to prevent intrusions and ensure the integrity of communications. Operators are required to implement robust encryption protocols, strengthened authentication mechanisms, and continuous monitoring procedures to detect and respond to security incidents.

In addition, the decree requires the security of ground stations, considered critical access points to space systems. Operators must ensure strict partitioning of TT&C networks, implement regular security audits, and establish detailed incident response plans. These measures aim to protect space infrastructure against cyber threats, in compliance with international standards and future European regulations.

The NIS2 Directive explicitly includes space among the essential sectors, marking a significant advancement compared to the first NIS Directive of 2016. Article 3 (1) of the Directive and Annex I (essential sectors) designate space service operators, particularly those related to satellite operations and critical downstream services (navigation, Earth observation, telecommunications, etc), as entities subject to strict cybersecurity obligations. This particularly concerns public or private space service providers whose failure could have a significant impact on public security, defence, the economy, or society. Space ecosystem operators will now be required to implement technical and organisational measures to manage risks to their information systems. In addition, they must notify the competent national authority of any major cybersecurity incident within 24 hours. In all cases, operators are required to ensure that their supply chain (manufacturers, integrators, cybersecurity providers, etc) also complies with adequate security standards.

Finally, they must co-operate with national cybersecurity authorities and with the relevant space authorities (such as national space agencies or the ESA, if applicable).

The directive covers space data services, ground infrastructure (stations, command networks), and the

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satellites themselves. France is currently implementing the directive.

CER takes a coherent approach with NIS2 and requires co-ordination and information sharing on security risks, threats, and incidents between the respective competent authorities. Member states' national CER strategies must include a policy framework for co-ordination with NIS2 authorities for information sharing and supervision in order to avoid overlaps. Critical entities are required to conduct risk assessments and implement appropriate and proportionate technical, security, and organisational measures addressing cyber-physical risks. Information exchanged by single points of contact under CER must respect confidentiality and protect the security and commercial interests of the entity concerned. For entities of particular European significance, the Commission may arrange advisory missions and issue opinions on compliance with resilience obligations relevant to their security. CER operates without prejudice to EU data-protection law, including the GDPR and ePrivacy rules, when security co-operation involves personal data.

The French transposition act for NIS2 will also transpose the CER Directive (as well as the Digital Operational Resilience Act (DORA) focusing on resilience of entities in the finance sector).

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

Article 13 of the 2008 Space Operations Act stipulates that the operator is solely liable for damage caused to third parties by space operations. This includes any damage to persons, property, or the environment directly caused by a space object. Article 5 specifies that authorisations and licences issued under this law may be subject to requirements designed to protect public health and the environment, in particular, to limit the risks associated with space debris.

The Order of 31 March 2011 on technical regulations imposes specific measures to limit space debris, in particular during the launch of one or more space objects. The design, production and operation of

launch systems must not present excessive risks to the environment, particularly with regard to pollution by hazardous substances. The launcher must be designed and implemented in such a way that, at the end of its service phase, all onboard energy reserves are permanently depleted or placed in a state where such depletion is unavoidable or in a state where they present no risk of generating debris. Moreover, all onboard energy production systems must be permanently deactivated.

After the launch phase, the components of the launcher placed in orbit must be de-orbited in a controlled manner. If this cannot be achieved, the components must leave Protected Region A within 25 years of the end of the launch phase, ideally by uncontrolled atmospheric re-entry or, failing that, by remaining in an orbit whose perigee remains above the Protected Region for one hundred years after operation.

The systems must be designed and implemented to limit the risks of accidental collision with human-made objects whose orbital parameters are precisely known and available during the space operation and the three days following the end of the withdrawal from the service phase.

The launch operator must control the re-entry zone for launcher components designed to detach during the launch phase or for the propulsion component placed in orbit as part of a controlled atmospheric re-entry. This zone, associated with a probability of 99.999%, must not interfere with the territory or territorial waters of any state unless agreed by the latter.

Any operator carrying out a launch to another celestial body, whether or not this includes a return of extra-terrestrial matter, must comply with the International Standard for Planetary Protection Policy published by the Committee on Space Research (COSPAR), in accordance with Article IX of the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies.

With regard to retirement, satellites in the same constellation must incorporate measures to reduce the risk of intra-constellation collisions until their atmos-

pheric re-entry or for 100 years in the approved graveyard zone. For mega-constellations, satellites must have an on-board propulsion system to enable anti-collision manoeuvres to be carried out effectively and in a timely manner until the end of their retirement. The measures also include the objective of limiting optical disturbances for astronomical observations from the ground or space.

For re-entries, the description in the authorisation file must include:

- a re-entry authorisation issued by the authorities responsible for the landing site;
- a description of the critical systems and sub-systems for the rescue mission;
- a description of the landing site and its facilities; and
- re-entry trajectories, flight sequence and triggering events, provisional date and re-entry window.

5.2 Climate Change and Space Activities

The CNES works on addressing climate change through space-based technologies. Notably, it spearheads the Space for Climate Observatory (SCO), which unites international partners to develop decision support tools using satellite and ground data to monitor and adapt to local climate impacts. The CNES also co-leads major Earth observation missions such as SWOT (Surface Water and Ocean Topography) to track global water levels and ocean dynamics, and MicroCarb, launched in July 2025 to map global CO₂ concentrations to better understand carbon sources and sinks.

5.3 Orbital Debris

France aligns with international recommendations (UN, COPUOS Space Debris Mitigation Guidelines and Long-Term Sustainability Guidelines) regarding the control of space debris. However, national legislation specifies these obligations in domestic law, particularly to ensure the responsibility of operators and the safety of space activities. The law governing space activities in France imposes strict obligations on space operators to manage risks related to space debris, including measures to minimise the production of debris during the design, launch, and operation of satellites. In addition, operators must provide end-of-

life procedures for spacecraft (deorbiting, placing in graveyard orbit) to limit orbital pollution. Where applicable, operators must inform the French authorities and obtain prior authorisation before conducting any space operation, including an assessment of the risks related to debris.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

The standard French corporate income tax (CIT) is 25%. A 15% reduced CIT rate applies to SMEs on taxable income up to EUR42,500 (subject to various conditions, including EU thresholds and a maximum turnover of EUR10 million).

Under the participation exemption regime on capital gains, 88% of capital gains can be exempt, resulting in an effective CIT rate of up to 4%.

For dividends, the participation exemption regime allows for exemptions of 99% or 95%, making the effective CIT rate between 0.25% and 1.25% for the 2024 fiscal year, provided the company is subject to the 25% CIT rate.

Under the tax consolidation regime, CIT is imposed on aggregate income, including the taxable profits and losses of all French companies within the consolidated group, necessitating a single CIT payment by the parent company.

6.2 Tax Incentives for Space Investors

As space cannot be considered a taxable territory by any country and is not covered by any international tax treaty, the taxation of profits from satellite operations is assessed solely by national tax laws. A French administrative court recently ruled that, in the absence of satellite autonomy from an operational management perspective, profits generated are taxable in France if substantial operations are conducted within French territory. This includes technical human interventions required in France for satellite maintenance, monitoring, operating performance, and commercialisation activities, particularly those involving the negotiation and conclusion of contracts with clients. The courts have deemed the satellite's value, even if significantly

exceeding the cost of the French services rendered, to be irrelevant to the determination of tax liability in France.

Companies that are involved in research or innovation development activities may benefit from various CIT credit. Research activities include mainly fundamental research, applied research and experimental development. The tax credit is calculated based on the research expenses (eg, staff expenses, depreciation of fixed assets used in research), with specific adjustments. The research tax credit rate is 30% for expenses up to EUR100 million, and 5% for expenses exceeding this threshold. In cases of collaborative research involving subcontracting with special public research entities, the tax credit can reach 40% to 50% (for small companies) under certain conditions, calculated on a maximum of EUR6 million in expenses.

The innovation tax credit, available exclusively to small companies, primarily covers the design of prototypes and pilot plants for new products and is calculated at a rate of 30% on a maximum of EUR400,000 in expenses.

Finally, a reduced CIT rate of 10% may be optionally applied, subject to specific conditions, to the net income (royalties and capital gains) derived from patents and industrial property rights, including IT developments.

6.3 Taxation on Sale or Transfer of Space Assets

There is no specific tax regime that applies to space assets.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

France's NewSpace is dynamic and expanding, albeit at a more modest pace compared to the United States. The volume of NewSpace companies has much increased over the years, encouraged in particular by the CNES project "Connect by CNES" (which plays a central role in early-stage support) and the French government's France 2030 Plan, which has

already committed EUR930 million as of 2024 (out of a total envelope dedicated to space of EUR 1.5 billion) to support NewSpace start-ups and foster a competitive ecosystem. The funding ecosystem has also gained depth, with specialised funds investing in early-stage funding as well as recently in later funding rounds (Series B, C and D). Four start-ups have already completed major funding rounds. Latitude, a developer of small launch vehicles, led the way with a EUR27.5 million raise in January 2024. Unseenlabs, specialising in radio-frequency geolocation, followed in February with an EUR85 million round. The Exploration Company, which is developing a reusable space capsule, closed the largest Series B round in Europe in November 2024, raising EUR150 million. As for Loft Orbital, it secured a EUR170 million Series C round in January 2025.

On 20 June 2025, French President Emmanuel Macron unveiled France's new national space strategy at the Paris Air and Space Show at Le Bourget, announcing an increased military space budget, full support for Eutelsat's capital increased, and an international space summit to be held in France in September 2026. This strategy is expected to further strengthen an already favourable framework, potentially unlocking additional investment as well as the proliferation of NewSpace players, with traditional aerospace giants and emerging start-ups increasingly collaborating. France remains one of Europe's leading space nations, and its space sector continues to play a major role in the continent's investment landscape.

7.2 Finance Sources for Space Activities

Overall, investment in the sector remains predominantly public, with the French government playing a key role. This support is channelled notably through Bpifrance, the French sovereign investment bank, which contributes via direct investments, fund-of-funds operations, and dedicated allocations to New Space initiatives under the France 2030 Plan. Nonetheless, opportunities to attract major private equity funds into space activities are growing, even though landmark exits remain awaited in an emerging market. Specialised funds like Expansion Ventures (backed by Audacia) and Cosmos Capital are supporting early-stage financing, alongside Karista and Omnes Capital, while larger players such as Red River West, Tike-

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hau Capital, Supernova, Balderton Capital, and Plural are increasingly participating in later-stage funding rounds. The defence dimension of the sector is also attracting public dedicated vehicles: Bpifrance's Fonds Innovation Défense (FID), managed on behalf of the Ministry of the Armed Forces, has made strategic minority investments in dual-use NewSpace companies such as Exotrail, while the fonds Société de Projets Industriels (SPI), funded through France 2030, has backed the development of Kineis' IoT nanosatellite constellation.

Beyond fundraising rounds, the French NewSpace sector has witnessed several significant M&A transactions. Most notably, Eutelsat completed its merger with OneWeb in September 2023, creating the world's first integrated GEO-LEO satellite operator for a combined valuation of approximately EUR4.6 billion. CMA CGM, the French shipping group, acquired a 10% stake in the merged entity to secure maritime connectivity for its fleet. Separately, ArianeGroup divested its laser subsidiary Cilas to a Safran/MBDA consortium in 2022, reflecting a broader rationalisation of dual-use asset portfolios among the major industrial primes.

7.3 Attracting Investment for Space Activities

The EU also acts as a lever for intra-European private investment, although public-private partnerships are not always effective, as shown by the failure of the partnership envisaged for the Galileo programme. At present, the EU gives priority to funding programmes. In the current multiannual financial framework, several funds have been created, such as the European Fund for Strategic Investments, the European Regional Development Fund and the COSME programme for the competitiveness of businesses and SMEs. However, the diversity of funds available for private investment in the space sector lacks clarity, with no single fund clearly dedicated to this sector. To remedy this, in January 2020, the European Commission and the European Investment Bank Group launched the "Innovation Space Equity" pilot scheme to support the innovation and growth of European SMEs in space technologies. Since the Lisbon Treaty, the EU has actively sought to assert its ambitions in the space sector. However, there remains room for improvement compared to the European Space Agency, which demonstrates a clearer and more coherent approach.

7.4 Foreign Investment in Space Activities

Foreign investment in the space sector is subject to a two-level regulatory framework comprising EU-level co-ordination and national screening mechanisms. At the European level, Regulation (EU) 2019/452 of 19 March 2019 establishes a framework for the screening of foreign direct investments into the European Union. While it does not create a centralised screening mechanism, it provides a co-operation procedure between member states and the Commission, and identifies sectors of potential concern, including space operations, critical infrastructure (transport, communications, aerospace), critical technologies, and dual-use goods. The applicable regulation enables the Commission to issue opinions where an investment may affect projects or programmes of Union interest, such as Galileo or Copernicus.

At the national level, France operates one of the most active FDI screening regimes in Europe. The legal framework is principally governed by Articles L. 151-3 et seq. of the Monetary and Financial Code, as substantially reformed by the PACTE Law (Loi No 2019-486 of 22 May 2019) and its implementing Decree No 2019-1590 of 31 December 2019. Under this regime, any foreign investment in a sensitive sector requires prior authorisation from the Minister for the Economy. The PACTE Law and its implementing measures significantly strengthened the French FDI regime by: (i) expanding the list of strategic sectors to include, inter alia, space operations, aerospace, cybersecurity, artificial intelligence, and dual-use technologies; (ii) lowering the triggering threshold from 33.33% to 25% of voting rights for non-EU/EEA investors in unlisted companies; (iii) reinforcing the Minister's enforcement and sanction powers; and (iv) introducing enhanced procedural transparency through annual parliamentary reporting.

Authorisations in the space sector may be granted subject to specific conditions. These may typically include commitments to maintain French operations and industrial capacity, preserve key know-how on national territory, ensure continuity of sensitive activities, adapt governance arrangements, and notify the authorities of any subsequent restructuring or change of control. According to the most recent annual report of the French Treasury (published July 2025), approxi-

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mately 54% of authorisation decisions were subject to conditions in 2024, representing a 65% increase compared to 2023. The proportion rises to over 60% for transactions involving critical technologies and R&D activities. As a result, approximately 500 companies in France are currently operating under conditions imposed as part of the FDI screening process, a figure that continues to grow as conditional authorisations accumulate. This underscores the substantive nature of the screening process for any investor contemplating an acquisition in the French space sector.

Investors should also note that the scope of the French FDI regime has been incrementally broadened since 2019. Decree No 2023-1293 of 28 December 2023 further extended the regime to cover acquisitions of French branches of foreign entities and the extraction and processing of critical raw materials, while the definition of critical technologies has been expanded to include photonics and low-carbon energy production technologies. In the space sector specifically, transactions involving satellite operators, ground infrastructure, launch services, or companies holding authorisations under the French Law on Space Operations (LOS) will almost invariably trigger a filing obligation. The French authorities have demonstrated a willingness to exercise their veto power where strategic space assets are concerned, as illustrated by the blocking of the proposed sale of Eutelsat's ground antenna business to EQT Infrastructure VI in January 2026.

7.5 Documentation

The negotiation of the transaction documentation for a NewSpace investment typically starts with of a non-binding term sheet summarising the key commercial and legal terms of the contemplated fundraising transaction. This is subsequently followed by the negotiation of a shareholders' agreement (*pacte d'associés*) and, in more complex transactions, a separate investment agreement setting out where applicable, conditions precedent, subscription mechanisms for the relevant instruments, representations and warranties and, if applicable, specific warranties.

Where the investment involves structured instruments, such as convertible bonds (obligations convertibles) or preferred shares (*actions de préférence*), the terms

and conditions of such instruments require separate terms and conditions. In practice, these instruments frequently provide for ratchet mechanisms indexed to technical milestones such as successful launch or in-orbit demonstration, automatic conversion triggers upon achievement of defined operational or financial objectives, anti-dilution protections and liquidity preference mechanisms. The shareholders' agreement is the cornerstone agreement governing the relationship between investors and founders. Key provisions include governance arrangements (board composition, reserved matters and veto rights), ownership protection (including anti-dilution mechanisms and priority right to next funding), share transfer restrictions (in particular lock-up, right of first offer and right of first refusal, tag- and drag-along), dividend policy, IP and IT ownership, data privacy and licensing arrangements, non-compete/exclusivity, dispute resolution mechanisms, exit strategy (liquidity events) and, where applicable, development funding obligations.

A management package is generally negotiated alongside the fundraising documentation and requires dedicated legal and tax expertise. BSPCEs (*bons de souscription de parts de créateur d'entreprise*) and free shares (*actions gratuites*) are the preferred equity incentive instruments for eligible companies, subject to statutory eligibility criteria. Given the concentration of scientific and technical know-how in NewSpace founding teams, the structuring of management packages is particularly critical to ensure long-term retention of key personnel. The parties should pay close attention to vesting schedules, good/bad leaver provisions, and acceleration provisions in the event of a change of control, as the departure of key engineers or scientists may have a material adverse effect on the target's ability to perform its obligations under space agency contracts or to maintain its authorisations under the LOS, given that such authorisations are conditioned on the operator demonstrating adequate professional guarantees and qualified personnel (Article 4 of the LOS; Article 1 (l)(2°) of Decree No 2009-643 of 9 June 2009).

Regarding the negotiation of transaction documentation for a NewSpace acquisition, given the milestone-driven value creation characteristic of space activities, transactions in the sector frequently involve earn-out

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mechanisms to bridge valuation gaps between parties, such as earn-outs indexed on a combination of technical milestones (first successful launch, constellation deployment, in-orbit demonstration) and/or financial metrics (revenue, ARR, or EBITDA). The parties should also factor the potential regulatory timeline into the transaction timetable (where applicable, FDI screening and/or anti-trust screening), reflected in the conditions precedent of the transaction documentation. W&I (Warranty & Indemnity) insurance is expected to be increasingly used in NewSpace M&A transactions, driven by private equity practices and their preference for facilitating clean exits. Careful attention should be paid to the wording of the insurance policy, in particular to exclusions and coverage conditions, as insurers will not cover all warranties under the SPA and may exclude, *inter alia*, matters relating to bribery and corruption, certain environmental risks, and specific regulatory issues.

7.6 Due Diligence

Due diligence in New Space fundraisings and M&A transactions presents distinct challenges due to the complexity of the global ecosystem and the sector's highly technical and regulated nature, requiring a deep understanding of its technical, financial, and legal dimensions. Legal due diligence should encompass a thorough analysis of, *inter alia*:

- regulatory compliance, including adherence to European and French space laws as well as applicable US regulations;
- a review of intellectual property and data rights to ensure key technologies are properly protected through patents or trade secrets and that data ownership complies with relevant legal frameworks; and
- an assessment of environmental impact;

and, where applicable:

- a review of authorisations held under the French Law on Space Operations (Loi No 2008-518 of 3 June 2008, "LOS"), including verification that any transfer of operational control over a space object will require prior administrative authorisation, and that such authorisation is treated as a condition precedent in the transaction documentation;

- an assessment of export control compliance, including mapping of ITAR/EAR-controlled components incorporated in the target's products, identification of any technical assistance agreements (TAA) or manufacturing licence agreements (MLA) with US parties, and verification of the absence of undisclosed violations, given the potentially severe financial penalties and reputational consequences of non-compliance; and
- a review of radio-frequency licences and orbital slot allocations (co-ordinated through the ITU via ANFR), which constitute non-substitutable regulatory assets whose transferability must be verified, particularly in cross-border transactions involving a change in the administrative nationality of the operator.

In NewSpace transactions, particular attention should also be paid to change-of-control provisions embedded in public procurement contracts with the CNES, ESA, or the DGA, which may be triggered by an investor acquiring a controlling stake, and to any pre-emption rights or consent requirements held by public shareholders such as Bpifrance, or by institutional shareholders such as the CNES where applicable, in existing shareholders' agreements.

7.7 Liquidity Events

Exit planning shall be addressed at the outset of the investment. In private NewSpace companies where share transfers are typically restricted by lock-up provisions, pre-emption rights, rights of first refusal or right of first offer, the shareholders' agreement should establish clear liquidity mechanisms that align the interests of founders and investors over the long development cycles inherent to the sector. Given that many space ventures require several years to reach operational maturity, the contractual framework should anticipate the full range of exit scenarios, including M&A sale, IPOs and secondary transactions.

Liquidity mechanisms are generally set out in the shareholders' agreement and comprise both contractual exit rights and structured exit processes. Drag-along provisions, enabling majority shareholders to compel minority shareholders to participate in a change-of-control transaction, and tag-along rights protecting minority investors, are standard features,

but in the NewSpace context, their exercise may be constrained by FDI screening requirements (see **7.4 Foreign Investment in Space Activities**) and by change-of-control restrictions in institutional contracts with the CNES, the ESA and/or the DGA. Structured exit processes typically include an IPO, allowing shareholders to sell their shares on a public market, or an M&A exit managed by a dedicated financial adviser. It is strongly recommended to appoint a financial advisor with deep expertise in the NewSpace economy to help ensure the success of any IPO or M&A exit. Liquidity mechanisms will typically also include a liquidation preference in favour of investors, providing for a preferential distribution of proceeds in the event of a company's liquidation or certain deemed liquidation events, such as a merger, a sale of substantially all assets, or change-of-control transactions.

7.8 Role of Securities Markets in Space Financing

Eutelsat is listed on Euronext Paris and represents the primary publicly traded vehicle for NewSpace exposure in France. The French state exercises influence through its significant equity stake (approximately 29.65% as of mid-2025) and through FDI screening powers. In January 2026, the French government blocked the sale of Eutelsat's ground antenna business using FDI powers. No other major French NewSpace company is currently publicly listed, though IPO processes may emerge as the ecosystem matures and valuations stabilise. The IPO of SpaceX has already had a measurable impact on the European space sector, driving up the share prices of French operators as investors anticipate a broader re-rating of space valuations across the industry.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

A patent provides the patentee with the right to prohibit the exploitation of the concerned invention without his/her consent. This right to prohibit has a territorial dimension: it is limited to acts of manufacture, use, sale or offer for sale, or importation of the invention on the territory of the state for which the patent was granted.

The territorial dimension of patent law comes into direct collision with the fundamental principle of “outer space is not subject to national appropriation”, established in 1967 by the Space Treaty, to guarantee every nation equal access to space resources.

Indeed, it is therefore relevant to ask: is the right to prohibit granted to the patentee rendered inoperable when the invention protected is used in outer space?

With the introduction of the Convention on the Registration of Objects Launched into Outer Space in 1974, Article I of which implements Article VIII of the Outer Space Treaty by qualifying areas of jurisdictional control over space objects through the concept of a “launching state”, a state party to the treaty retains jurisdiction over objects launched into space which have been registered in its name.

For example, a satellite launched from the Space Centre in French Guiana is considered, in practice, to have a volume – defined by the satellite's physical boundaries – that falls under French jurisdiction. Accordingly, patent rights are understood to apply within this volume. In line with this, France has amended its patent law in its capacity as a launching state, extending patent protection to registered objects launched into space, as stipulated under Article L611-1 of the French Intellectual Property Code. These provisions allow a French court to hear an infringement case involving acts committed aboard a French-registered satellite in outer space, and to award compensation for resulting damages.

Article L613-5 of the Code introduces certain exceptions to patent protection. Two of these are particularly pertinent in the context of space activity: clauses (b) and (e).

Clause (b)

Clause (b) is common to the patent laws of most countries.

Under this clause, the use of a patented invention does not constitute infringement if the activity is carried out for experimental purposes. The rationale is that patent rights, which are intended to foster scientific progress, should not hinder innovation.

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In practice, this exception is not limited to any particular sector of innovation, but is particularly notable in the space sector, since by its very nature, a significant proportion of missions are experimental in nature.

There is broad international agreement that for this exception to apply, the tests must relate to the invention as described in the patent – the invention must be the subject of the tests, not merely a means of conducting them.

In some cases, it can be difficult to determine whether a patented invention is being used simply to collect spatial data – which would not fall under the experimental use exception – or whether the use is genuinely intended to generate new knowledge about the invention itself, which would be exempt and thus not constitute infringement.

Clause (e)

Clause (e), which may initially seem problematic for space companies, states that patent rights do not apply to objects intended for launch into outer space that are temporarily introduced into French territory.

Introduced for both practical and competitive reasons, this clause should not be interpreted as denying all patent enforcement where inventions have space applications.

According to the 2008 Senate Report, the clause specifically refers to the temporary presence of space-bound objects in France prior to launch. The legislature included it for two main reasons. First, it seeks to avoid a potential legal risk where patentees might bring infringement actions based on the short-term presence of satellites in French territory – particularly in Kourou, French Guiana – before launch. The absence of such a provision would harm the competitiveness of Arianespace, as foreign clients might be deterred from using its services for fear of infringement claims.

Second, the clause was introduced on the basis of reciprocity with United States law. The USA offers this exemption to foreign nationals only if their governments offer equivalent protection to American nationals.

If France had not adopted a reciprocal clause, French operators using unpatented technology in France but subject to a US patent could have been exposed to infringement actions when using services such as those offered by SpaceX.

This mutual arrangement benefits all parties. As a result, for reasons of both competitiveness and legal reciprocity, it is unsurprising that most launching states have adopted similar legislative provisions.

8.2 Invention Protection Dynamics

In industry, patents play a key role in securing research and development results, while increasing attractiveness and potential return on investment. The space sector is no exception: in the past two decades, there has been a remarkable increase in the number of patent applications filed for space-applied inventions, following an exponential dynamic.

Companies traditionally file an initial patent application before the national office of their country. This is even more the case in the space sector given the generally widespread legal requirement to file patent applications before the national office for technologies that could be of interest to national defence. It is intended to avoid any uncontrolled sensitive disclosure.

On this basis, we can reasonably correlate the number of patent applications filed before the French National Institute of Industrial Property (INPI) to the activities of French companies. Accordingly, we can report that French companies are very involved in securing innovation efforts through the patent mechanism, although a substantial portion of filings are issued by established industrial players such as ArianeGroup (launchers), Thales (satellites), rather than start-ups.

When examining the few – or sometimes only – patent families held by a representative sample of French start-ups, it is frequently observed that protection is sought in key launching states. These typically include France (via a European patent), the United States, China, South Korea, Japan, and Israel.

This pattern supports the idea that companies have increasingly understood the strategic value of securing patent rights in launching states as a means of

preventing unauthorised use of their inventions in space, since these states retain jurisdiction over space objects registered in their name.

8.3 Enforcement of the Patentee's Rights in Space

There is no applicable information in this jurisdiction.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

Given that most commercial contracts and related arbitration proceedings are confidential, records are scarce. Court proceedings seeking the annulment of arbitral awards are an interesting, yet limited, source of information.

A decision from the Paris Court of Appeals from 10 May 2007 (05/19814) is a rare example of one of these cases. The Court of Appeals ruled on the request for annulment of an award rendered *ex aequo et bono* in an *ad hoc* arbitration between a reinsurer and Ariane-space. The court confirmed that the arbitration was international because the contract, which related to satellite launches, was not exclusively French according to the meaning of Article 1492 of the French Code of Civil Proceedings. The choice of an *ad hoc* arbitration and of an *ex aequo et bono* ruling is, however, an outlier in the field of space activities.

Indeed, authors and commentators report on the sector's preference when it comes to dispute resolution clauses. It is generally accepted that arbitration is the preferred forum for dispute resolution in the space sector and that users refer to generalist arbitral institutions such as the ICC, AAA or the LCIA.

An example of this preference for institutional arbitration is the Devas/Antrix dispute, arising from a satellite capacity contract, and which resulted in ICC arbitration proceedings, seated in India. An award was rendered in 2015. The Paris Court of Appeal in 2022 rejected an appeal against the *exequatur* of this award, and this decision was confirmed in 2024 by the Cour de cassation.

9.2 Investor-State Arbitration

There are no public records of investment claims launched by foreign investors against France for space-related activities.

9.3 Space Litigation

Space-related disputes are generally referred to confidential arbitration. The limited information available concerns (i) telecommunications disputes and (ii) disputes related to the insurance and reinsurance of space activities. These include claims by insurance companies against satellite manufacturers related to technical malfunctions.

Trends and Developments

Contributed by:

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De Gaulle Fleurance is a leading player in business law, with offices in Paris, Brussels, Geneva, Abu Dhabi, Abidjan and Dakar. The firm supports its clients with all their operations, both domestically and internationally. The team of 200 professionals brings together diverse experiences to build relationships based on excellence, responsiveness, and creativity. The firm's full-service practice enables it to address all legal and notarial challenges, and its expertise, notably in space law, is recognised by the business community through accolades from several well-

known professional guides. The firm's international culture allows it to mobilise a network of correspondents across every continent, ensuring comprehensive support for its clients worldwide. Among its activities to sustain the space economy, it has been part of the European Space Agency's acceleration programme as members of the Business in Space Growth Network and selected as experts in the ESA's working programme for the governance of the future European Space Data Space.

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FRANCE TRENDS AND DEVELOPMENTS

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In recent years, France has established itself as one of the most structured players in space regulation. It combines a strong tradition of state intervention, a culture of multilateralism and a desire to adapt its legal framework to the challenges of the 21st century. As orbital activity intensifies, with the proliferation of constellations, nanosatellites, and private players, the French government is modernising its tools while ensuring the continuity of its international commitments.

The decree of 28 June 2024 on space operations illustrates this dynamic. It specifies the authorisation regime applicable to constellations, introduces enhanced cybersecurity requirements for ground and on-board systems, and requires a clear debris management strategy for all new operations. This update to the regulatory framework anticipates the entry into force of future European legislation, the Space Law Act, and is part of a desire for harmonisation at the continental level.

One of the key pillars of this evolution lies in the management of space risks. As orbital debris is now recognised as a structural threat to the sustainability of space operations, France requires operators to integrate de-orbiting plans from the design phase onwards. The burden of proof lies with the operator, who must demonstrate their ability to neutralise their objects at end of life within a 25-year timeframe – or less for low-Earth orbit satellites with shorter missions. This requirement goes beyond mere technical compliance: it reflects an ethical vision of space as a common good to be preserved.

Cybersecurity is also emerging as a strategic priority. In anticipation of the implementation of the NIS2 directive, the French legislature has placed at the heart of space activity authorisation the requirement to protect command and control links, encrypt sensitive data, implement intrusion detection systems and secure the whole value chain. The French National Cybersecurity Agency (ANSSI), in co-operation with the French Space Agency (Centre National d'Etudes Spatiales, CNES), supports this transition by providing standards and conducting specialised audits. This convergence between space regulation and cyber protection makes France a testing ground for new

regulatory approaches within the European Union, despite a late transposition of NIS2, expected in 2026.

Beyond technical considerations, France is also structuring the contractual framework around space activities. As economic models diversify – satellites as a service, orbital leasing, shared payloads – contract law is adapting. Practitioners are developing specific clauses to manage issues related to liability sharing, transfer of control, or early termination for technical non-compliance. Launch agreements, once focused mainly on large institutional clients, are being reshaped for the more agile NewSpace sector, often incorporating cross-indemnification mechanisms and fast-track arbitration procedures.

Arbitration, a confidential form of dispute resolution handled by private judges, is particularly favoured in the space sector. This preference stems in part from the often highly political or even military nature of space activities, which necessitates discretion. Increasingly, operators are including arbitration clauses in contracts for supply, launch or data provision. Institutions such as the International Chamber of Commerce (ICC) or the London Court of International Arbitration (LCIA) report growing numbers of space-related cases, often dealing with delivery delays, technical failures, or disputes over service quality in geolocation systems. There is a growing need for arbitrators with space technology expertise, and dedicated training programmes are emerging in Paris and Toulouse.

On the fiscal front, France remains loyal to its contributive model while offering attractive incentives. Research tax credits, group taxation schemes and intellectual property-based tax regimes (IP Box at 10%) allow companies in the space sector to operate in a competitive environment. However, foreign investments in space activities are subject to prior governmental authorisation when they involve sensitive technologies or dual-use (civil-military) infrastructures.

The French state also continues to act as an insurer of last resort. In cases where a French space object causes damage to a third-party state, France's international liability may be triggered under the 1972 Liability Convention. Although rarely activated, this regime remains a cornerstone of France's diplomatic

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positioning in space. It entails a strict supervision of private operators' insurance policies, which must cover a minimum threshold of civil liability. The aim is twofold: to ensure the financial solvency of the operator, and to guarantee that potential victims will be compensated. This approach – combining contractual responsibility with public solidarity – exemplifies France's balance between economic freedom and sovereign safeguards.

The handling of space data is also undergoing rapid transformation. With the exponential growth of information collected in orbit, issues of sovereignty, data privacy and interoperability are becoming critical. France plays an active role in shaping the European Data Spaces initiative, particularly in the areas of climate, agriculture, health and defence. It promotes a vision rooted in portability, security, fair access, and the FAIR (Findable, Accessible, Interoperable, Reusable) data principles, while complying with the GDPR, the European Data Governance Act and the Data Act, pending their forthcoming adaptation under the EU Digital Omnibus rules. This approach supports the development of AI-based applications – including in health, logistics, and environmental management – using satellite imagery repurposed within a well-defined legal framework.

Lastly, innovation is not limited to technology. On a geopolitical level, France advocates for a balanced approach to space governance, combining the principles of the United Nations with pragmatic adaptations to today's economic and strategic realities. France takes part in discussions on lunar resource exploitation, global space traffic management, and the definition of responsible behaviour in orbit. Through its diplomacy, its technical capabilities and its legal acumen, France plays a structuring role in shaping durable norms.

Space is now a domain of not just economic activity, defence policy, and scientific research, but also of political power. By assuming its responsibilities, France demonstrates that regulation is not about constraint but about enabling innovation within a clear and secure framework. In that respect, 2026 is shaping up to be a pivotal year: one in which the legal framework applicable to space activities becomes more integrated, more demanding, and more strategically decisive than ever before.

The future EU Space Act will pave the way for a more harmonised and legally secure new space landscape in the EU region, and France will be among the contributors, even though its national rules may need to evolve accordingly.

GERMANY



Law and Practice

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HEUKING is an independent full-service law firm with about 450 professionals at eight locations in Germany and consistently ranks in top tiers of its fields of expertise. HEUKING co-operates internationally with leading advisers and is part of an informal alliance of experts active in the space sector. Clients of HEUKING are national and international technology champions, investment stakeholders, institutions and government bodies. HEUKING has renowned expertise in technology projects, plays a prominent role as an adviser for investments and start-ups and has

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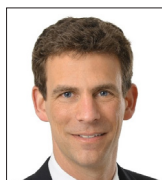
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1. Global Trends

1.1 International Legal and Regulatory Developments

In the past year, the focus of international space law, as observed from a German perspective, was (still) on the topics of Space Debris and Space Traffic Management. It can be highlighted that in May 2025, a Manual on International Space Laws was published by the Institute of Air, Cyber and Space Law at the University of Cologne.

Germany still awaits its first ever Space Law. The new German government is currently working on a draft, also taking into account the draft EU Space Act (EUSA) published by the European Commission on 25 June 2025.

1.2 NewSpace and the Space Tech Economy

The overall picture regarding space activities in and beyond Germany is characterised by:

- the growing, nearly overwhelming focus on security- and defence-related application of space services;
- a general recognition of the importance of space applications for both climate (monitoring) and strategic autonomy; and
- an intensifying debate regarding safety, resilience and sustainability.

The Space economy is still largely reliant on state and institutional ultimate end users. However, reports from renowned analysts suggest that at least the

data-based and satellite-based economy is, to a large degree, self-sustaining. In addition, European and German national institutions are trying to push the commercialisation aspects of space tech in various sectors, through targeted programmes to facilitate the development of a self-sustaining economy.

The international legal framework can, from an EU and German perspective, be described as follows.

- The traditional areas of international law, where the United Nations Committee on the Peaceful Uses of Outer Space (UN COPUOS) initiative facilitates an international legal framework on safety, utilisation of space resources, fair participation and sustainability.
- Multinational agreements, especially the Artemis Accords, are attracting wide support. The Accords set out principles for co-operative civil exploration but have been criticised for potentially clashing with the Outer Space Treaty's non-appropriation rule.
- Proliferation of national space laws. A draft German Space Act has been under discussion; the new government has not yet published full draft legislation as of the time of writing.
- Proposed EU Space Act (EUSA). First announced in 2023, the proposal was stalled in April 2024. It has now been published as a draft on 25 June 2025.
- The draft for a Regulation on the European Space Service Agency (EUSPA Regulation, dated 7 April 2026, COM (2026) 152 final.

The foregoing has, for some months, been strongly influenced by growing concerns regarding security and technology autonomy of Europe and Germany.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

Germany's research institutions for space are known for their focus on base research as well as manufacture of components, and complete systems for general space applications. The German space industry is significantly involved in the development and production of components for the European Earth observation system Copernicus and several of the Sentinel satellites used for this purpose have been integrated by German manufacturers.

The German government, through the German Space Agency (*Deutsches Zentrum für Luft und Raumfahrt*, DLR) supports research and commercialisation. Furthermore, German federal states (*Bundesländer*) have their own space-related grants and programmes. In addition, universities facilitate research projects. Finally, there are four ESA Business Incubation Centres already active in Germany.

Regarding launch systems, until 2025 and the date hereof only one of the German launching start-ups underwent a successful test. Further tests of all three Launchers Companies are to be expected.

There are also plans to establish a mobile launch system in the North Sea so that Germany will, in future, possibly have access to certain orbits from within its exclusive economic zone.

The dual-use trend has accelerated notably since mid-2025, with multiple German start-ups receiving funding from security-focused investors and the German Armed Forces expanding direct procurement relationships with NewSpace companies for capabilities including secure communications, synthetic aperture radar-based Earth observation and small satellite launchers.

2.2 Legal System and Sources of Space Law and Regulation

Legislation

The German legal system is based on civil law. Germany currently does not have its own designated "Space Law" yet.

The regulatory landscape in Germany is therefore patchy:

- spacecrafts, rockets, and similar objects are considered aircraft according to Article 1 paragraph 2 sentence 2 of the German Air Traffic Act (*Luftverkehrsgesetz*, LuftVG) as long as they are in airspace;
- the use of frequencies and orbital slots for operating satellites is regulated in the Telecommunications Act (*Telekommunikationsgesetz*, TKG);
- with respect to data security in satellite communication, the Satellite Data Security Act (*Satellitendatensicherheitsgesetz*) and the Satellite Data Security Regulation (*Satellitendatensicherheitsverordnung*) are applicable; and
- enterprises that produce goods or technologies intended for use in space flight or for use in space infrastructure systems are subject to the Foreign Trade Regulation (*Außenwirtschaftsverordnung*, AWV), which may require a permission for foreign investments in these companies.

Case Law

Germany is a civil law jurisdiction in which judicial decisions do not constitute formally binding precedent; however, higher-court rulings (in particular those of the *Bundesgerichtshof*) carry considerable persuasive authority and are routinely followed by lower courts. To date, there is no domestic case law specifically addressing space activities.

2.3 Role of the State in Space Law and Regulations

Germany acts as a regulator with respect to the assignment and licensing of orbits and frequencies, aviation law, rules governing the use of satellite data, the implementation of ratified international laws and treaties and the further specific and generally applicable legislation.

Germany is a participant in space activities through its memberships in the ESA, of which Germany is one of the founding members, by far the biggest funding contributor for 2026 to 2028, with an increase of nearly 30%, and through its participation in the European Union Agency for the Space Programme (EUSPA). ESA astronauts are trained materially in Germany. Germany actively participates in space exploration (Mars Express and Rosetta Missions) and the Artemis programme.

The German state facilitates space activities by means of funding the ESA and the DLR and through its National Programme for Space and Innovation (*Nationales Programm für Weltraum und Innovation*, NPWI), which is managed by the DLR. In addition, Germany is a facilitator of international collaboration.

The DLR is the acting space agency of Germany and is responsible for preparing German space planning and for implementing the German space programme, as well as representing German space interests in the international area. To achieve these goals, among other things, the DLR develops and manages, co-ordinates technology and space-related projects and independently performs functions in the administration of government-funded subsidies.

2.4 Role of the State in the Licensing Process for Space Activities

In Germany there is still no comprehensive general space law governing space activities. This absence means there is no overall and binding licensing process or system of supervision in place for space activities in general.

For certain very specific space activities, however, there are established authorisation frameworks.

- The operation of advanced space-based earth remote sensing satellites requires authorisation from the Federal Office for Economic Affairs and Export Control (BAFA) under Section 3 of the Satellite Data Security Act (SatDSiG).
- The use of frequencies and orbital slots for satellites must be authorised by the *Bundesnetzagentur* (BNetzA) as per the TKG (further described in 2.5

Role of the State in Co-ordinating the Use of Radio Frequencies and Orbital Slots).

- The LuftVG classifies spacecraft, rockets, and similar objects as aircraft when traversing airspace. Such vehicles are subject to LuftVG regulations and must only take off and land at approved airfields, overseen by the German Aviation Administration (LBA). Although registering space objects with the LBA is voluntary, it is highly recommended in practice because registered objects are typically granted permission to use German airspace.

2.5 Role of the State in Co-ordinating the Use of Radio Frequencies and Orbital Slots

Radio Frequencies

The use of frequencies is regulated by the TKG. Individuals or entities residing in Germany or having their registered office therein, who want to use frequencies through space objects, are subject to the obligations arising from the Constitution and Convention of the International Telecommunication Union (ITU).

The Federal Network Agency (*Bundesnetzagentur*, BNetzA) is responsible for allocating and managing radio frequencies and orbits and co-ordination with the ITU regarding applications from Germany. This includes satellite communications, Earth observation, and navigation systems.

Frequency and Orbital Slot Allocation

The BNetzA carries out the registration, co-ordination, and notification of satellite systems with the ITU upon request and transfers the resulting rights to use frequencies and orbits to the applicant.

The transfer of usage rights requires that frequencies and orbits are available for use, that there is compatibility with other frequency uses and other registrations of satellite systems and that public or third-party interests are not impaired.

The details of the application process are regulated in the Administrative Regulations for the Registration, Coordination and Notification of Satellite Systems (*Verwaltungsvorschrift für die Anmeldung, Koordination und Notifizierung von Satellitensystemen im deutschen Namen und für die Übertragung der Orbit- und Frequenznutzungsrechte*, VVSatSys)

The required procedures include inter alia:

- a submission by the space operator to BNetzA, requesting a filing to the ITU and the initiation of co-ordination proceedings;
- the space operator providing proof regarding availability of funds (for costs of ITU proceedings) and of qualified staff for required assistance;
- provision of further information, including a business and technical plan regarding the use of the allocated orbits and frequencies, also setting out an explanation regarding use and avoidance of infringements; and
- a binding statement regarding compliance with ITU rules.

Conflict Resolution in Cases of Interference

Space operators must apply to BNetzA for radio frequency use and orbits as outlined above. The BNetzA registers, co-ordinates, and notifies the ITU of the systems and plans, and assigns the corresponding orbit and frequency usage rights to the applicant.

Moreover, the BNetzA monitors frequency utilisation, as stated in Section 103, paragraph 1 of the TKG. To maintain effective frequency regulation, the BNetzA has the authority to issue orders that restrict or stop the operation of devices if necessary.

2.6 Role of the State in the Launching Process

Germany lacks a dedicated rocket launch site, largely due to its relatively short and densely populated coastline.

Therefore, current plans include launching rockets from a floating platform in the North Sea. This offshore site, after a restructuring in 2025 now the OHB-owned European Spaceport GmbH. The coalition agreement of the new German government emphasises the importance of a German launch site and implies that the new German government will follow up on the offshore-platform plans.

The role of the state in launching space assets has largely been through the legislature (through the applicability of the LuftVG and applicable other general laws, such as the TKG and the Satellite Data Security

Act). Further, through its ground stations and through services provided by the DLR and by grants and permits, the role of Germany is also that of a facilitator.

2.7 Commitment to International Treaties and Multilateral Discussions

Space Treaties to Which Germany is a Party

Germany is a party to the four principal UN space treaties: the Outer Space Treaty (OST), the so-called Rescue Agreement (ratified 17 February 1972), the Liability Convention (ratified 18 December 1975), and the Registration Convention (16 October 1979). Germany is not a party to the Moon Agreement.

In addition, Germany is party to the following international treaties and agreements:

- the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (1964);
- the Agreement Relating to the International Telecommunications Satellite Organization (INTELSAT) (1973);
- the Convention on the International Mobile Satellite Organization (1979);
- the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (1979);
- the Convention for the Establishment of a European Space Agency (1980);
- the Convention Establishing the European Telecommunications Satellite Organization (EUTELSAT) (1985);
- the Convention for the Establishment of a European Organization for the Exploitation of Meteorological Satellites (EUMETSAT) (1986);
- the Constitution and Convention of the International Telecommunication Union (1994);
- the International Space Station Intergovernmental Agreement (1998);
- the Cape Town Convention (signed, but not ratified) and Space Protocol (signed, but not yet in force since not ratified by enough countries); and
- the Artemis Accords (signed by Germany on 14 September 2023).

Since Germany's accession in September 2023, the Artemis Accords have attracted further signatories, with the total number continuing to grow.

Committee on the Peaceful Uses of Outer Space

Germany is a member of the Committee on the Peaceful Uses of Outer Space (COPUOS). Germany contributes expertise, shares best practices, and collaborates to address key issues such as space debris mitigation and space observation and exploration.

International Law and Private Liability

According to Article 25 of the German Constitution (*Grundgesetz*, GG), the general rules of international law shall be an integral part of federal law, shall take precedence over other laws and directly create rights and duties for the inhabitants of the federal territory. For certain international treaties, Article 59 paragraph 2 sentence 1 of the GG requires the participation of the *Bundesrat* and *Bundestag* in the form of a "treaty law" prior to ratification by Germany. International treaties have been ratified (or not ratified) as outlined above.

The UN Space Debris Mitigation Guidelines are applicable to Germany, but there is no implementation into national law and so the guidelines are not legally binding.

Due Regard

Germany has not adopted a national space law that would define and implement in detail – beyond general obligations from international law – the principle of due regard from international treaties such as the OST and the Liability Convention (1972), to which Germany is a party.

Manual for International Law on Space Traffic Management

While not being a governmental or legislative act as such, it must be highlighted that in May 2025 a first Manual providing guidelines for international legislation on Space Traffic Management was published in Germany. This Manual is the work of more than 40 experts from various countries and aims to provide the legislature with guidelines for the regulation of Space Traffic Management.

2.8 Insurance and State Measures on Liability for Damages

Besides the – to a certain extent – applicable LuftVG and general applicable law, Germany has no specific national space-related laws or legal instruments regarding prevention or indemnification of damage specifically caused by space activities. There are also no specific mandatory insurance requirements for space operators under German law.

However, if space objects are airborne and are therefore considered aircraft under the LuftVG, liability insurance to cover liability for damages due to the death, bodily harm or damage to the health of an individual not carried in the aircraft and the destruction or damage to an item not carried in the aircraft is mandatory according to Section 2 of the Air Traffic Act.

Scope of Coverage and Liability Caps

While there is no specific law dedicated to insurance for space activities, space operators must adhere to general insurance principles outlined in relevant legislation and will in general require:

- first-party asset insurance, covering transfer to launch, launch, vehicle flight, (limited) in-orbit-time (depending on space asset) and commissioning; and
- third-party liability insurance, covering launch liability, in-orbit and de-orbit liability, all as resulting from space activities.

Risks and Premiums

The insurance market for space activities is an international one led by only a few insurers (including reinsurers) and international insurance brokers. The insurance market is particularly difficult for new space operators with unproven technologies, leading to restrictions on the availability of insurance.

Risks are assessed based on technical factors and commercial/external factors, such as mission criteria, technical complexity, launch vehicle and technical history, redundancy, margins and single point failures, as well as on insured sum, loss criteria and the general market conditions.

2.9 Very High Altitude Legal and Regulatory Framework

Germany has an existing legal framework for very-high-altitude (VHA) operations, though it is not space-specific. VHA flights, such as stratospheric balloons and high-altitude pseudo-satellites (HAPS), are currently regulated as aviation operations, not space activities.

The German Air Traffic Act (LuftVG), states in Section 1 (2) that “Spacecraft, rockets and similar missiles are considered aircraft as long as they are in the air-space”, meaning stratospheric vehicles must comply with civil aviation rules. This includes authorisations from the German Federal Aviation Office (*Luftfahrt-Bundesamt*, LBA) and co-ordination with German Air Traffic Control (*Deutsche Flugsicherung*, DFS).

- Stratospheric balloons are regulated as “unmanned free balloons”. Operators may obtain general or individual launch permits from the LBA or state authorities, depending on altitude, payload and flight profile.
- HAPS platforms (eg, solar-powered UAVs at 20 km altitude) are regulated as aircraft or drones under EU and German aviation law. They fall under EASA’s unmanned aircraft system (UAS) categories and require flight authorisation. No dedicated German law exists for HAPS, but frequency spectrum access has been opened to support them.

Although there is no separate legal regime for “near-space”, discussions continue at EU and ICAO level, especially through EASA’s “Higher Airspace Operations” initiative. Germany aligns its policy accordingly but has not introduced new legislation yet.

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities Space Activities

The launch of a space object will require the permission of the local aviation authority, since the LuftVG requires the compulsory use of airfields for any “aircraft”, a category which also includes space vehicles, and the establishment of an airfield requires a permit.

Apart from that, general law with its restrictions and requirements applies. There are not yet any laws specifically restricting activities in areas such as health-care and life sciences, agri-food, mobility, the environment or energy. For instance, remote treatment (telemedicine) is not generally excluded, but the discussions around this topic have not yet focused on space.

Data Processing

The Act on Satellite Data Security (SatDSiG) was implemented on 1 December 2007 and aims to ensure that earth observation data from high-quality German satellites does not compromise the national security of Germany or its allies. According to the SatDSiG, supplemented by the Satellite Data Security Ordinance (SatDSiV), if a space-based remote sensing system (usually a satellite equipped with remote sensing sensors) is classified as a high-quality system, both the satellite operator and the data supplier must each obtain approval from the German authorities. The technical criteria determining which satellites are subject to SatDSiG are outlined in the SatDSiV.

Presently, the SatDSiG’s scope is relatively narrow, affecting only two German satellites, both operated by the DLR. Additionally, the regulation applies to two German data providers: the DLR’s data centre for scientific data use, and Airbus DS Geo GmbH, which has commercial rights to the data.

Cybersecurity

Neither the EU nor Germany have regulations on cybersecurity that specifically relate to space activities. However, there are several general cybersecurity rules that apply to companies active in the space sector and to some products used in space applications.

The NIS 2 Directive (Directive (EU) 2022/2555) aims to achieve a high level of cybersecurity across the EU. It does not apply directly but must be implemented into national law by the member states. NIS2 explicitly includes the space sector as a high-critical area and assigns entities to different categories of importance; the more critical the entity, the more obligations it must meet. Germany is in the process of transposing NIS2 through draft legislation (*NIS2-Umsetzungsgesetz*,

KRITIS-Dachgesetz), which is expected to bring space operators under formal cybersecurity obligations.

Another relevant cybersecurity regulation at EU level is the Cyber Resilience Act (CRA), which affects entities that bring products or software with a digital component to the EU market. The products must then undergo a conformity assessment. The higher the risk category of the product, the higher are the requirements that must be met.

In Germany, cybersecurity is primarily regulated in the Act on the Federal Office for Information Security (BSIG). In addition, the Federal Office for Information Security (BSI) has published guidelines on cybersecurity to minimise the risk of non-compliance with IT regulations. Published BSI Standards include requirements and recommendations for securing company data and systems, as well as a guide for implementing high IT security and data protection standards. Information security is thus, in general, achieved through a combination of the BSI Standards for establishing an information security management system (ISMS) and the implementation of the IT basic protection modules from the *IT-Grundschutz Kompendium*. These basic protection modules form the basis for the international ISO 27001 certification. The standard outlines the requirements for assessing and treating information security risks; addressing controls related to the security of data; and ensuring the confidentiality, integrity, and availability of information. Organisations certified under ISO 27001 demonstrate their commitment to robust information security practices and regulatory compliance. For a detailed overview of space-specific cybersecurity guidance (including BSI's TR-03184 guidelines) and the forthcoming NIS2 transposition, see **4.3 Cybersecurity and Space**.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

Since Germany has no general space law yet, “non-interference” and “harmful interference” are dealt with on the basis of the OST, other applicable international law and on the basis of various sector-specific laws, in particular the TKG as discussed in **2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots**.

Germany provides for a space objects register as part of the general aircraft register (*Luftfahrzeugrolle der Bundesrepublik Deutschland – Band R: Raumfahrzeuge*), which is administrated by the German Aviation Authority (*Luftfahrtbundesamt*, LBA). Commercial space operators can, but are not obliged to, register their objects with the LBA or to disclose any information with respect to their space objects.

Further, Germany, as a member of both the EU and the ESA, is engaged in various EU and ESA measures, including those pertaining to space situational awareness (SSA) and space traffic management (STM), which are currently the focus of German and European discussions. German space operators participate in SSA initiatives to monitor space objects, including sharing orbital data and informing on and issuing collision avoidance manoeuvres. Germany also co-ordinates with international partners in the realm of STM. In addition, geopolitical developments since mid-2025 have heightened attention to deliberate interference with satellite systems (including jamming and spoofing in the context of hybrid warfare).

The whole area of space safety will be materially governed by the EUSA once it is final and has come into effect.

3.3 Operators' Responsibilities

Due to the lack of a specific German space law, space operators' duties and obligations are based on general laws and the principles foreseen in international treaties and multinational agreements if and to the extent applicable in Germany.

The following particulars will all be strongly influenced by the draft EUSA (which was published on 25 June 2025) once it is final and has come into effect.

ESG

Germany has no space-specific ESG guidelines (yet). The overall German ESG landscape, however, applies to space activities, introducing ESG guidelines and environmental obligations.

German environmental laws generally apply regarding the impact of any kind of activities on Earth. In particular, the German Emission Control Act (*Bundesimmiss-*

sionsschutzverordnung, BImSchV) and other general legislation applies regarding launches, re-entry and in general regarding the environmental impact of the activities.

German national industry initiatives aim to foster environmental goals, in particular the German Space Strategy commitments to sustainability and responsibility, various specific industry initiatives and (for instance) the (self-commitment) of the DLR regarding sustainable behaviour.

New Space, Debris and Areas of Special Interest

There is no binding space-specific national regulation regarding environmental impact. However, besides the aforementioned principles, German entities are expected (but not bound) to follow best practice by adhering to ISO Standards ISO 24113 – Space Debris Mitigation Systems and to follow international law obligations.

Intellectual Property and Space

There are no specific intellectual property rules targeting space as such in Germany. As a rule, the general German and EU IP protection laws apply also to all space activities; however, their application and enforcement regarding certain space-related questions is difficult and not yet fully clarified.

Given the challenges of enforcing IP rights in space, many space-related projects use contractual agreements to manage IP. These agreements can specify ownership, usage rights and dispute resolution mechanisms for IP created or used in space activities between the parties. They are not capable, however, of establishing objective rights. Nonetheless, organisations such as the ESA work within frameworks that respect the IP laws of participating countries. In practice, IP protection for space activities is typically managed through a combination of national/regional IP registrations, international treaties, and contractual agreements among collaborating entities.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space Processing, Protection and Access

Germany regulates space data under both general and space-specific frameworks. Where satellite systems generate personal data (such as identifiable imagery), the EU General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG) apply. These laws require lawful collection, data minimisation, secure processing and protection of individual rights.

For non-personal space data (eg, most Earth observation data), protection is governed by general rules on intellectual property, trade secrets and IT security. The German Satellite Data Security Act (SatDSiG) provides a specialised framework for high-resolution data. It mandates licensing of operators, protective measures for data handling, and sensitivity checks prior to first-time distribution of imagery. The aim is to prevent distribution that could harm Germany's national security or foreign policy interests.

State Control Over Space Data

German legislation does contain provisions giving the state a role in controlling access to space data. Under SatDSiG, any “data distribution” is subject to conditions and potential review. The Federal Office of Economics and Export Control (BAFA) is designated as the competent authority enforcing this Act. Operators must self-assess whether requested satellite data may be sensitive due to its resolution, geographic scope, timeliness or end-user profile. If flagged, the operator must seek government authorisation before releasing the data.

BAFA then conducts a case-by-case national security review and may approve, condition, or deny distribution. There is no fixed resolution threshold, but greater detail triggers stricter scrutiny. This dual system; ie, industry self-check with governmental oversight, gives the state effective veto power over sensitive civilian satellite imagery.

B2B Space Data Handling

B2B handling of space data in Germany is primarily governed by contract law and general regula-

tory frameworks. Companies are generally free to exchange non-sensitive data unless limited by SatDSiG or GDPR. If the data includes personal information (eg, satellite communications or identifiable images), GDPR obligations such as data security, transparency and lawful processing apply.

There is no specific statute mandating interoperability or sharing between private parties. However, government-funded programmes often promote open data or data partnerships. Many companies voluntarily adopt technical standards, such as those from the Open Geospatial Consortium (OGC), to ensure interoperability across providers. EU-level frameworks like the Data Governance Act and the upcoming Data Act also aim to facilitate secure and standardised data exchange, which may influence space-sector practices.

Security expectations under the German IT Security Act and guidance from the Federal Office for Information Security (BSI) also apply, especially where space infrastructure qualifies as critical infrastructure.

Transfers to Third Countries

Transferring personal satellite data outside the EU must comply with GDPR Chapter V, using mechanisms such as standard contractual clauses or other recognised safeguards. If the space data includes high-grade imagery, SatDSiG imposes additional requirements: data providers must evaluate foreign requests and obtain BAFA authorisation if the transfer raises national security concerns.

Beyond SatDSiG, general export control laws such as the Foreign Trade and Payments Act and relevant EU dual-use regulations may apply to certain technologies or data formats. However, in practice, SatDSiG is the primary legal instrument controlling the export of high-resolution satellite imagery.

4.2 Space Data Spaces

Legal Governance of Space Data Spaces

Germany does not have legislation that specifically defines or governs “space data spaces” as a distinct legal category. Instead, these platforms operate under general legal frameworks such as the General Data Protection Regulation (GDPR), the Satellite Data

Security Act (SatDSiG), intellectual property law and export controls. Where public data is involved, rules under the EU Open Data Directive may also apply. Governance of these spaces is typically implemented through contracts, user agreements and agency mandates.

At the European level, Germany is actively engaged in the development of the European Space Data Space, led by the European Commission and ESA. Through institutions like the German Aerospace Centre (*Deutsches Zentrum für Luft- und Raumfahrt*, DLR) and participation in stakeholder forums, Germany contributes to the blueprint being prepared for the Commission. EU-level rules such as the Data Governance Act, Data Act and NIS2 Directive, are expected to shape the technical and legal frameworks for national and European data spaces, including space-related platforms.

Corporate Forms and Governance

Since there is no one legal model for a “space data space”, various organisational forms are possible in Germany. Many are government-driven projects managed by agencies or research centres, while others could be consortia of private companies. For instance, a national space data platform might be operated by the DLR on behalf of the government, possibly through contracts with IT providers, rather than as an independent legal entity. DLR itself is a statutory body (*eingetragener Verein*) that can host data platforms under its institutional umbrella. Another model is a public-private partnership (PPP): the platform’s infrastructure might be provided by commercial contractors but overseen by government authorities. In some cases, a private company or consortium might establish a data space voluntarily (eg, Airbus establishing an aerospace data space via a consortium); that would likely take the form of a contractual alliance or a new joint venture, governed by corporate and contract law.

Governance rules for such data spaces are typically set out in usage agreements, statutes or partnership contracts. They define the stakeholders’ roles (eg, which agency or company is responsible for operations, who ensures security compliance, who finances

the infrastructure), the data licensing conditions and access policies.

National Space Data Platforms

Germany hosts key national data spaces, notably the following.

- **CODE-DE (Copernicus Data and Exploitation Platform – Deutschland):** Operated by DLR with private partners, this platform provides domestic access to EU Copernicus Earth observation data. It includes cloud-based tools for processing and stores data on servers in Germany to meet BSI IT security standards. Users include public authorities, researchers and other registered entities.
- **EO-Lab:** A cloud platform supporting AI and scientific analysis on Earth observation data, including from German national missions (eg, TerraSAR-X, EnMAP). EO-Lab offers computing environments for R&D users and forms part of Germany's AI and space data strategies.

Interaction with European Space Data Spaces

Germany's platforms, particularly CODE-DE, are integrated into the broader Copernicus ecosystem and are expected to serve as nodes in the upcoming European Space Data Space. Germany is helping shape the governance, technical interoperability and policy frameworks of this EU initiative. Through efforts like Gaia-X and ESA working groups, German stakeholders contribute to building a federated infrastructure that aligns national and European data strategies.

4.3 Cybersecurity and Space Cybersecurity for Ground, Orbit and Communication Links

Germany's space infrastructure is protected under national cybersecurity laws, particularly for ground segments like control centres and data facilities, which are classified as critical infrastructure. Operators must comply with the BSI Act (BSIG), the IT Security Act and BSI's Critical Infrastructure Ordinance, requiring firewalls, encryption, access controls, audits and incident response systems. SatDSiG-licensed operators must also use BSI-approved encryption for satellite data transmissions.

For space segments (satellites), no binding law currently mandates cybersecurity, but many missions follow best practices like encrypting telecommands and securing onboard systems. The Federal Office for Information Security (BSI) has created a dedicated unit for "information security in space", currently developing baseline standards that will likely be formalised in future regulations or space law. Military satellites fall under *Bundeswehr's* oversight, and SatDSiG already mandates secure transmission of sensitive remote sensing data, protecting against interception or spoofing.

The whole question of resilience, as described below, notably in cybersecurity, will be adjusted and governed to a very large degree if not completely by the EUSA once it is final and has come into effect.

General Versus Space-Specific Cyber Rules

While general cybersecurity frameworks (BSIG, *IT-Grundschutz*, ISO 27001) apply across sectors, dedicated space guidelines are now taking shape. BSI has issued Technical Guidelines TR-03184-1 (space segment) and TR-03184-2 (ground segment). These guidelines translate ISO 27001 and *IT-Grundschutz* controls into a space-system "security-by-design" framework and are already treated as the de-facto minimum baseline for licence approvals and KRITIS (critical-infrastructure) audits. Industry practice is also shaped by the BDLI white paper "Security for Space Systems" and by recognised EU/international standards, most notably the ECSS security series and the ESA and NATO cybersecurity norms applied to civil and defence missions. Although space was not originally a defined "critical sector", this is changing with the EU NIS2 Directive.

NIS2 Directive and German Implementation

The EU's NIS2 Directive now explicitly lists "space" as a high-criticality sector, requiring operators of ground-based infrastructure to meet strict cybersecurity obligations. This includes risk management, supply chain security, incident reporting and supervision by national authorities. Germany missed the original NIS2 transposition deadline of 17 October 2024; the *NIS2-Umsetzungsgesetz* and *KRITIS-Dachgesetz* are, at the time of writing, in final legislative stages. Once enacted, space companies meeting certain size thresholds

will be classified as “essential” or “important” entities, facing mandatory cybersecurity rules and oversight by BSI.

German stakeholders are preparing by adopting measures like network monitoring, secure authentication and supply chain audits.

In addition, the Cyber Resilience Act (CRA), which entered into force in late 2024 with phased application dates, is relevant to space hardware and software with digital components brought to the EU market. Space products with dual-use potential may fall into higher-risk CRA categories requiring third-party conformity assessment, adding a further compliance layer for German space operators and manufacturers.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

Germany has currently no space-specific framework for sustainability. The German Space Strategy, however, outlines commitments to responsible exploration and adherence to international guidelines, ensuring spacecraft design and operations consider environmental impacts.

Germany has not defined any protected zones in outer space, although it follows the international treaties and is a party to the Artemis Accords.

There are no government or legislative initiatives regarding critical space minerals. In recent years, however, the EU and Germany have shown interest in critical space minerals. In particular, the EU Space Strategy highlights the importance of securing access to critical raw materials.

At the national level, Germany has been actively involved in discussions regarding space mineral exploitation and has conducted research on potential lunar resource utilisation.

The draft EUSA imposes certain obligations on space stakeholders, once the EUSA is final and comes into effect.

5.2 Climate Change and Space Activities

Climate Change and Space

The main current national initiative addressing climate change in relation to space activities is the German Space Strategy (2023), which highlights the importance of space activities for the monitoring of the effects of climate change and the implementation of suitable counter measures.

Germany aims to be a leading location for the development and execution of innovative earth monitoring.

Sustainable Development Initiatives and Space

The German Space Strategy of 2023 emphasised sustainable space exploration and the responsible use of space resources. Initiatives focus on reducing the environmental impact of space activities, promoting co-operation and supporting research into related space technologies, in particular through Earth monitoring.

Moreover, both the EU and Germany are actively involved in international collaborations addressing sustainability in space. Efforts include participation in UNEP and adherence to international guidelines for space debris mitigation and environmental protection.

5.3 Orbital Debris

While there is currently no national German space law, the 2024 cornerstone addressed the issue of space debris in the context of the licensing requirements for space activities. It was described a condition for licensing that state-of-the-art technology would be applied to mitigate space debris in line with international laws.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

There are no specific tax regulations for space activities. Therefore, the general rules apply.

The jurisdiction of German law does not extend to outer space. It remains unclear at the margins, however, where outer space begins. In this respect, both the so-called “Kármán line” at a height of approximately 100–110 km, as well as the flight altitude achievable

with conventional aircraft, could be used as a basis. However, there are no international agreements or conventions in place which would bind Germany on this point.

Therefore, deliveries (for example of a satellite) or other services in space are generally not subject to German VAT, while sales in German airspace may be.

For income tax purposes, according to general rules, all income earned is subject to German (corporate) income taxation. For an individual, this is the case if they have their place of residence or habitual residence in Germany. For a company, this is the case if it has its management or its registered office in Germany. Income that was not earned in Germany is also considered and includes income earned in outer space (for details see **6.3 Taxation on Sale or Transfer of Space Assets**).

Provided that a Double Taxation Agreement (DTA) modelled on the OECD Model Tax Convention applies, companies that have their management in a foreign treaty state are generally exempt from German (corporate) income taxation. This should also not be different to the extent any flight vehicles transit German airspace. The LuftVG qualifies spacecraft, rockets and similar missiles as aircraft as long as they are in airspace. This also includes unmanned aerial vehicles, including their control stations, which are not operated for the purposes of sport or leisure activities. Therefore, all of these vehicles should also qualify as aircraft for the purpose of an applicable DTA.

6.2 Tax Incentives for Space Investors

There are no space-specific tax incentives for investors in Germany. However, taxpayers are entitled to claim the research allowance (*Forschungszulage*) pursuant to the Research Allowance Act (FZulG), to the extent that they are not exempt from taxation.

Eligibility requires the realisation of a favoured research and development project. R&D projects are eligible if they fall into one or more of the categories of basic research, industrial research or experimental development.

The amount of the research allowance is based on the eligible expenditure and equals (currently) 25–35% of the eligible expense. The eligible expenses for R&D projects carried out in-house include the gross wages for employees, insofar as they are employed in a subsidised R&D project, as well as eligible own expenses.

The research allowance applies to an assessment basis of up to EUR15 million. If an R&D project is carried out as contract research by a third party, up to 70% of the agreed remuneration may qualify as eligible expenditure.

6.3 Taxation on Sale or Transfer of Space Assets

The sale or transfer of space assets is generally subject to VAT at a rate of 19%. In principle, a company can deduct the VAT charged on inputs from the VAT payable on outputs. However, as mentioned in **6.1 Tax System for Space Activities**, the sale and transfer of assets may be outside the scope of German VAT if carried out in outer space.

All profits realised by a German company are also subject to German corporate income tax at the rate of 15.83% (corporate income tax of 15% plus 5.5% solidarity surcharge thereon). Additionally, trade tax may apply at a rate of approximately 9% to 20%, depending on which municipality levies the tax. Again, this is dependent on the sale and transfer being deemed to have been carried out outside of German airspace, a clear definition of which does not exist yet.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace NewSpace

In the past few years, the German NewSpace sector has developed a diverse landscape that extends beyond the production of launchers and satellites.

According to a study conducted in 2020, the 92 dedicated NewSpace companies then in existence had more than 2,900 employees between them and, as early as 2018, estimated aggregate revenue of EUR873 million. The number of start-ups in the space sector

(or adjacent deep-tech sectors with ties to space) has significantly risen since then and is currently estimated to be above 1,000. Most of them are clustered around the renowned German (technical) universities and centres of Space Industry in Munich, Aachen, Darmstadt, Bremen, Berlin and Braunschweig.

There are several initiatives underway in Germany aiming to connect the activities of established companies, medium-sized providers, start-ups and state institutions. Start-up hubs set up at universities and the various existing programmes and activities of the DLR, ESA and other agencies support the rapid growth of the German start-up scene.

Established German space economy players continue to have their internationally recognised technological focus primarily on the development and manufacture of systems and components as well as the provision of satellite services. However, companies that develop new technologies and offer logistics services, including micro-launchers for small satellites, an entirely new generation of satellites and related components, as well as a variety of new solutions for collecting and transmitting data in and from space and analysing such data, are increasingly coming to the fore.

VC and Fundraising

According to the study referenced above, the cumulative VC investment amount for the top deals in 2020 totalled EUR308 million. Financial backers active in the German NewSpace sector include top-tier funds and smaller VCs, corporate venture capitalists and angel investors.

VC and family office backing is the most important third-party liquidity source for German space start-ups. Due to the technological quality of German technical universities and the technological level of start-ups around these universities, there is a steady and – against the overall trend – good level of interest from VC funds in German space start-ups.

(Alleged) challenges often criticised by VC investors regarding the German VC landscape and possibly hindering a better “ranking” for VC interest in Europe include the lack of dedicated national space legislation (leading to uncertainties), the relative complexity

of general compliance and the lack of clear goals of the German Space Strategy.

A specific and growing trend in Germany’s NewSpace investment landscape is the heightened focus on security and defence-oriented space technologies. Several German dual-use and security start-ups have attracted funding from security-focused venture capital, including NATO’s Innovation Fund, In-Q-Tel, and defence-oriented corporate investors. These investments reflect strategic interest in launch capacity, secure satellite communications, propulsion and space-based surveillance.

Germany’s Armed Forces have also begun contracting with NewSpace companies, supporting dual-use capabilities like hypersonic vehicles and small satellite launchers.

Investors conducting due diligence on German dual-use space start-ups must also assess whether the target’s technology is listed in Annex I of the EU Dual-Use Regulation (Regulation 2021/821) and whether export licences are required. These export control obligations directly affect valuation, market access and exit options, and have gained increased practical significance as more space technologies acquire dual-use classification.

7.2 Finance Sources for Space Activities

Space activities in Germany are publicly as well as privately funded.

The German state supports the space industry through several initiatives, for instance, the NPWI. Funding through the NPWI is available for companies, universities and non-university research institutions. In addition, the state supports space enterprises via the DLR Project Management Agency. In 2023, the DLR Project Management Agency administered a funding volume of around EUR2 billion, for more than 14,500 funding projects. There is not currently visible data for 2024.

Most of the private investments come from VC funding (including angel investments) and from family offices. Private investors in Germany are mostly overall tech investors or specialised air, space and defence

investors, with a rising tendency of sector-agnostic investors participating.

In addition, bonds are seen as a flexible way to invest money alongside typical VC invests. An alternative way of financing, often discussed, could – in the future – be the use of crypto-assets.

7.3 Attracting Investment for Space Activities

Technological quality, industry experience, a strong and well-educated workforce as well as political stability and a perceived attractive German and EU market are assets that attract investment in space activities in Germany.

The investment in space activities is seen as part of the deep tech investment landscape, with a view to being part of advanced technological enterprises with potentially multiple profit effects. Macro effects such as the current discussion around security autonomy, the obvious importance of space data for climate change, and the apparent race to return to the Moon provide additional confidence that the space sector will develop sustainably and that interest is not just hype.

The most important attractor, however, is the combination of a strong industrial basis as facilitator and customer base, a (now existing) strong commitment of the German government to technology development and the build-up of security-related space capabilities and the huge reservoir of expertise at the research institution and universities.

The most influential decision for investment in space was, however, the undertaking of the German Ministry in Defence, to invest approximately EUR35 billion in “Military Space Asses” until 2030, accompanied by the near-30% increase in contribution by the German government to the ESA Budget for the next three years. These government contributions to budgets initiated not only a significant movement of the international space industry to Germany but also provided investors with the required level of security that space is nothing which will come to an end soon in Germany.

7.4 Foreign Investment in Space Activities

In Germany, foreign investments in domestic companies are regulated by the state under the Foreign Trade and Payments Act (AWG) and the Foreign Trade and Payments Regulation (AWV). The Federal Ministry for Economic Affairs and Climate Action (BMWK) is empowered to scrutinise acquisitions and investments by foreign entities. There are two primary methods of screening: cross-sectoral and sector-specific.

Cross-sectoral screening applies to acquisitions and investments in German companies by non-EU investors, regardless of the industry sectors involved. This screening has thresholds set at 10% and 20% for particularly security-sensitive areas and 25% for other areas in terms of controlled voting rights. Although not all foreign investments undergo automatic scrutiny, there is a mandatory reporting requirement for areas such as satellite operations and companies engaged in aerospace goods or technologies. A specific approval by the BMWK is required in these cases.

Sector-specific screening targets companies involved in military technology manufacturing, sales or usage. It also includes investments from EU member states exceeding a 10% voting rights threshold. Transactions may be restricted or prohibited if they threaten Germany’s essential security interests.

Since mid-2025, the BMWK has further intensified its scrutiny of foreign investments in space and defence technology companies, consistent with the broader acceleration of dual-use and security policy. The mandatory notification requirements for companies engaged in satellite operations or aerospace goods and technologies now attract rigorous review timelines and conditions.

7.5 Documentation

Fundraising in the space sector is often more capital intense, however, generally follows the same documentation processes as other deep tech/tech-driven industries. It may be said that the technical complexity, specific market uncertainty and the regulatory environment are generally, but mostly similar to other high innovation deep tech investments.

7.6 Due Diligence

The due diligence for Space fundraising has – inter alia – the following specific areas of focus:

- market description/USP;
- supply chain;
- technical validation, insofar as possible technology readiness level;
- licensing/permits and regulatory compliance;
- FDI and export control;
- key personnel and know-how;
- IP and patents;
- contracting with institutions – are there any obligations from past public grants or orders from institutional customers;
- subsidies and grants/restrictions towards early-stage grants; and
- shareholders, cap table.

7.7 Liquidity Events

The key considerations for an exit regarding a space investment are similar to other technological investments, in particular: right time, right situation for the company and the market, and strategic versus financial investors. The actual process is then dependent on the form of the exit as a private sale/secondary, an IPO or a joint venture.

Most of the topics relevant for fundraising will also be relevant, with the same focus in case of an exit.

7.8 Role of Securities Markets in Space Financing

Most small and medium-sized companies in the NewSpace sector are not listed on a stock exchange in Germany, and the role of a primary security market is not yet significant or even visible, apart from occasional stakeholder transactions.

The foregoing is also true for debt security market instruments such as bonds. This appears to be an omission since the ability to provide for a listed investment may open the door for investors that are obliged to invest in listed securities.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Germany has no dedicated IP statutes for outer space; instead, general German and EU IP laws apply, but their reach is inherently territorial. Under the Outer Space Treaty (OST), space is *res communis* – ie, beyond national appropriation, and German IP law ends where outer space begins. While German law covers the ground and airspace (up to approximately 100 km, the so-called *Kármán* line, though the precise boundary remains legally undefined), it does not automatically apply in the vacuum of space, where freedom of exploration is guaranteed to all.

That said, Article VIII OST provides quasi-territorial jurisdiction, which means that Germany retains legal authority over space objects it registers.

By contrast, if an act occurs on an unregistered station or celestial body and has no effect on Earth, German IP law cannot be enforced. In such extraterritorial cases, third parties could use German-patented technology in space without consequence under German law. This highlights the unresolved tension between exclusive IP rights and the principle of unrestricted space access.

Nevertheless, Germany's IP regime remains effective wherever jurisdiction is established. If the results of a space-based invention reach Earth for example, via data transmission or product re-entry, infringement can be pursued.

In short, German IP rights are enforceable within national borders and aboard registered spacecraft but lack global reach in space absent terrestrial impact or registry linkage. No space-specific IP rules exist in German law, and the geographical scope remains Earth-bound, extended only through internationally recognised quasi-territorial principles.

8.2 Invention Protection Dynamics

German NewSpace companies typically adopt a multi-layered approach to protecting innovation, combining patent filings with trade secret protection and contractual safeguards. Patents are commonly pur-

sued in key jurisdictions such as Germany, the EU and the United States, where the companies are active or where enforcement of rights is most relevant.

Rather than filing in every potential launching state, protection strategies tend to align with where technologies are developed, deployed or commercialised. Intellectual property concerns are also addressed through detailed agreements with suppliers, collaborators and partners, particularly in the context of joint development projects.

Germany's space sector features a high degree of collaboration among start-ups, research institutions, established aerospace firms and public entities. These partnerships frequently result in co-developed technologies, and intellectual property arising from such collaborations is often subject to co-ownership or cross-licensing arrangements. Contractual clarity is key, and parties typically agree in advance on ownership, usage rights and licensing structures.

8.3 Enforcement of the Patentee's Rights in Space

As stated in **8.1 Territorial Patent Law v International Space Law**, German patent law is territorial but may apply extraterritorially through quasi-territorial jurisdiction over registered space objects (Article VIII of the Outer Space Treaty). Accordingly, German patents can be enforced when infringing acts occur on German-registered spacecraft or where infringing products or data later enter German jurisdiction. Outside these scenarios, enforcement becomes uncertain.

Germany has no dedicated tribunal or special IP enforcement regime for space-related infringements; such cases fall under the ordinary German civil and patent litigation system. If a patented invention is used without authorisation aboard a German-registered satellite or module, the patentee may bring a claim in German courts. A relevant example is the International Space Station (ISS), where Germany, as a party to the Intergovernmental Agreement (IGA), applies its national patent law to the European (Columbus) module. In this context, Germany modified its patent law to ensure that inventions made within its ISS module are treated as if made on German territory, thereby

enabling the enforcement of German patent rights in space.

Beyond such registered platforms, however, infringement that occurs entirely in space with no terrestrial link remains a legal grey area. German courts lack jurisdiction over foreign or privately owned space objects unless there is a downstream effect within Germany (eg, sale or transmission of a product or result).

Looking ahead, space-based manufacturing and AI-generated inventions raise novel enforcement challenges. Under current law, if a product is manufactured entirely in orbit and not commercialised on Earth, it may fall outside German legal reach. This "space loophole" has prompted discussion at international forums, but Germany has not extended its patent law unilaterally and instead supports a multi-lateral approach.

As for AI, German law currently requires a human inventor for patent filings. AI-generated inventions, even if created autonomously in space, must be attributed to a natural person. Germany continues to monitor these developments, both domestically and through the European Patent Organisation.

A further tension arises in the context of dual-use space technologies that are subject to security classification. Under Section 50 of the German Patent Act (Patentees), inventions relevant to defence may require Federal Ministry of Defence clearance before foreign patent filings can be made. As more space technologies acquire dual-use classification, the conflict between patent publication requirements and security classification obligations becomes increasingly relevant for German space innovators.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

Organisations active in Germany's space sector commonly include arbitration clauses in their commercial contracts, reflecting broader international practice in the space industry. Arbitration is widely preferred for

resolving disputes due to its confidentiality, enforceability across jurisdictions, and suitability for technical subject matters.

The International Chamber of Commerce (ICC) is the most frequently selected institution for space-related contracts, including those involving satellite manufacturing, launch services or in-orbit operations. It is followed by the International Centre for Dispute Resolution (ICDR) and the London Court of International Arbitration (LCIA).

German contracts tend to follow these international norms. While purely domestic contracts may designate the German Institution of Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit*, DIS) and a seat in Germany, international contracts involving German parties often favour ICC arbitration with a foreign seat to enhance enforceability.

9.2 Investor-State Arbitration

Germany's participation in space-related investor-state arbitration has thus far been in the capacity of home state to claimants, rather than as a respondent. A prominent case is *Deutsche Telekom v India*, an UNCITRAL arbitration under the Germany-India bilateral investment treaty, where Deutsche Telekom challenged India's cancellation of a satellite spectrum lease involving Devas Multimedia. The tribunal found that India had breached the treaty, including by engaging in unlawful expropriation and denying fair and equitable treatment.

To date, Germany has not been the respondent in any publicly known investment treaty arbitration concerning the space sector.

9.3 Space Litigation

To date, Germany has seen little to no domestic litigation directly arising from space activities. Historically, the absence of a national space law meant that disputes were governed by international treaties and general German law. Most space-related conflicts have been resolved through arbitration, diplomatic channels, or international mechanisms rather than domestic litigation.

When space-related issues have reached German courts, they typically involve contractual or employment disputes. A leading case was *Waite and Kennedy v Germany*, where the European Space Agency's immunity from German jurisdiction was upheld, a decision later confirmed by the European Court of Human Rights.

As Germany's commercial space sector grows, more litigation may emerge. Germany's planned Space Act and its 2023 accession to the Artemis Accords suggest an evolving legal framework. This may eventually lead to increased judicial review and more domestic litigation.

As defence procurement in the space sector increases, with the German Armed Forces contracting directly with NewSpace companies, disputes may increasingly arise under public procurement law (Part 4 of the Act Against Restraints of Competition, GWB) and potentially under classified-contract regimes that limit transparency.

Trends and Developments

Contributed by:

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HEUKING is an independent full-service law firm with around 450 professionals at eight locations in Germany and consistently ranks in top tiers of its fields of expertise. HEUKING co-operates internationally with leading advisers and is part of an informal alliance of experts active in the space sector. Clients of HEUKING are national and international technology champions, investment stakeholders, institutions and government bodies. HEUKING has renowned expertise in technology projects, plays a prominent role as an adviser for investments and start-ups and has

more than two decades of experience of advice regarding space projects. HEUKING has consolidated its space-related experience and expertise into one integrated focus-group “Space & Space Tech”, providing ongoing advice to space stakeholders including technology, data and space-enabled services, VC, M&A, financing and crypto-assets, satellites and telecommunications/ITU, public sector and procurement, FDI, compliance and policy developments, as well as public funding and risk management, liability and insurance.

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Space Developments from a German Perspective – An Extraordinary Year of Strategic Will, Industrial Transformation and Financial Commitments

The past 12 months have been extraordinary for the German space sector – arguably the most transformative period since Germany's engagement with space technology.

Driven by an unprecedented convergence of political will, defence imperatives, regulatory progress and private investment, Germany's space ecosystem has entered a new era in terms of growth, scope but most important a will to make space a strategic domain and to invest accordingly.

The authors' view on the past 12 months' developments and expectations regarding the key future trends are as follows.

- Defence-space convergence – Germany's EUR35 billion commitment to military space assets, rising to an estimated EUR45 billion when including allocations from other federal departments, represents the largest single national space investment in European history and has the potential to reshape the country's industrial space landscape, attracting further investment, drawing major new entrants into the German market and creating substantial supply-chain opportunities.
- Draft EU Space Act and Vision for the European Space Economy – the publication of the EU Space Act (EUSA) on 25 June 2025, together with the Commission's Vision for the European Space Economy, marks a milestone in establishing a harmonised, EU-wide regulatory framework and a level playing field for space activities – creating legal certainty and new market access for operators across Europe.
- German Space Law and new government strategy – a new Ministry for Technology, Research and Space has been formed, a coalition agreement dedicated to streamlined regulation, targeted funding, and innovation-friendly procurement, and the ongoing development of the first-ever German Space Law.
- National and international politics are the true drivers of many of the above developments, with a prominent focus on European and German national

autonomy in space, underscored by the Ukraine war, perceived ambiguity of the US regarding transatlantic co-operation, and a paradigm shift in Germany's acceptance of the role of space capabilities for security.

- Start-ups, investment and dual-use technologies – European defence-tech start-ups raised approximately EUR3.5 billion in 2025 (nearly double the 2024 total); defence, security and resilience now account for 43% of European deep-tech funding; and Germany hosts the largest number of space start-ups, space incubators and Technical Universities dealing with Space Technology with the highest number of enrolled students in the EU, a trend set to continue and grow further.
- Technology autonomy and launcher progress – Germany's three launcher start-ups continue to advance, European infrastructure projects such as IRIS² proceed with German hub functions in the form of the GOVSATCOM Hub in Cologne.
- Regional development and workforce – space-related industrial activity is concentrating in distinct regional clusters across Germany, with significant implications for workforce development, university engagement and economic diversification.

In giving detail to the background and the particulars of the foregoing, the following is of relevance.

Defence-space convergence and the EUR35 billion commitment

The single most transformative development in Germany's space sector is the EUR35 billion defence-space investment programme, a commitment without precedent in European space history. Germany recorded a 24% year-over-year increase in defence spending between 2025 and 2026, reaching the highest total among European NATO countries. Within this broader defence surge, the space-specific allocation represents the relatively highest increase, a strategic decision to build sovereign capabilities in reconnaissance, communication and situational awareness from orbit.

The industrial effects are immediate and visible. Rheinmetall's Neuss plant – previously producing automotive components – is being converted into a satellite production line for the Rheinmetall ICEYE Space

Solutions (RISS) joint venture. First satellite production is targeted for Q3 2026, with approximately 40 SAR reconnaissance satellites to be manufactured under the EUR1.7 billion SPOCK 1 contract. This conversion, from auto parts to satellites, is emblematic of Germany's broader industrial restructuring. OHB has expanded manufacturing capacity by acquiring a new facility and has raised its medium-term revenue guidance to exceed EUR2 billion by 2028, an increase of more than 100% compared to 2024. Airbus Defence and Space and Rheinmetall aim to join as a production partner for the planned SATCOMBw Stage 4 (SATCOMBw 4) constellation, which may ultimately encompass more than 1,000 satellites, a scale requiring combined manufacturing throughput from multiple primes.

Germany's defence-space investment is attracting stakeholders from abroad to open production facilities and is pulling companies into the space sector that would never have entered it on purely commercial grounds. Before 2025, Germany's space industry consisted primarily of OHB (satellite manufacturing), Airbus Defence and Space (integrated systems), DLR (research), and a growing constellation of start-ups. The new entrants now include Rheinmetall (market capitalisation exceeding EUR80 billion by early 2026, entering through its joint venture with Finland's ICEYE), Helsing (valued at EUR12 billion after its Series D, operating in space through its KIRK joint venture with OHB for tactical AI-enabled reconnaissance), Hensoldt (sensor and defence electronics specialist, contributing radar and signals intelligence expertise), and Kongsberg (Norway, bringing missile and space-systems integration capability).

The emerging network of strategic co-operations is particularly striking. The Kongsberg-Hensoldt-Isar Aerospace consortium (formed December 2025) for a sovereign IST (Intelligence, Surveillance, and Targeting) constellation connects Norwegian space and missile expertise with German sensor technology and launcher capability. Rheinmetall's partnership with ICEYE (Finland) combines German industrial scale with Nordic small-satellite SAR technology. Helsing's KIRK joint venture with OHB pairs AI-driven onboard processing with established satellite manufacturing. Andøya Space (Norway) provides launch infrastruc-

ture increasingly used by German companies, further embedding the German-Nordic co-operation axis. The foregoing does not even taken into account the already planned or currently discussed further co-operations with stakeholders from the US, Canada and Japan.

The convergence of Rheinmetall, OHB and Airbus into a single SATCOMBw Stage 4 consortium represents a new template for German defence-space procurement – one that aims to prioritise speed and capability delivery. The Bundeskartellamt cleared the Rheinmetall Digital/OHB joint venture in April 2026. While this consortium model has attracted scrutiny regarding price competition, it reflects the political priority of rapidly building sovereign space capabilities.

EU Space Act and vision for the European space economy

The draft EU Space Act (EUSA) was published on 25 June 2025. On the same date, the Commission also published the Vision for the European Space Economy (ESE Vision), set to be implemented as an initiative with immediate effect. Together, these represent the most significant EU-level regulatory development for the space sector to date.

The EUSA identifies three core pillars applicable to authorisation processes by member states or the European Union Agency for the Space Programme (EUSPA):

- safety – technical standards and operational requirements to ensure the safe use of space, including detailed obligations concerning the mitigation of space debris;
- resilience – requirements concerning the ability of space systems and operations to withstand and recover from disruptions, in particular cyber-threats, with connected monitoring and reporting obligations; and
- sustainability – obligation to assess the ecological footprint of space missions throughout the entire lifecycle, from design and launch to operation and disposal.

The EUSA is highly significant. It creates, to a large extent, an EU-wide harmonised playing field for

space activities, addressing regulatory fragmentation and promoting the functioning of the single market. It pressures member states to adopt national space laws and designate competent agencies, or to align existing laws to the EUSA. Critically for industry stakeholders, the EUSA includes easements regarding procedures, fees, or applicability depending on size and/or risk assessment, and offers co-funding for R&D and limited other forms of financial facilitation. However, it also introduces significant financial, procedural and documentation burdens, particularly for smaller operators.

Next steps for industry stakeholders regarding the EUSA are concrete and time-sensitive. The legislative process in the European Parliament and Council is expected to proceed during 2026, with adoption anticipated not before 2027. Once adopted, the period to 1 January 2030 constitutes the implementation window during which operators must prepare for compliance.

In practical terms, this means:

- existing operators should conduct a gap analysis against the EUSA's safety, resilience and sustainability requirements well ahead of the effective date;
- companies not yet registered should anticipate the URSO registration process and the documentation burden involved;
- member states – including Germany – must designate or establish their national competent authorities, creating opportunities for industry to engage in the consultation process and shape implementing guidelines; and
- non-EU operators serving the EU market should begin planning their EUSPA licensing pathway now, given the lead times involved.

German Space Law and new government strategy

The first-ever German Space Law remains in development. The previous government published cornerstones in September 2024. The new government, which following the February 2025 elections, created a dedicated Ministry for Technology, Research and Space, and is expected to revise certain procedural and licensing aspects, but the core architecture will need to follow the EUSA once finalised.

The 2025 coalition agreement signals concrete support measures relevant to investment structuring and market entry: streamlined regulatory processes; targeted funding and facilitation of public-private partnerships; access to testbeds and infrastructure; export support and matchmaking for internationalisation; and innovation-friendly procurement including pilot projects. For investors and companies evaluating the German market, these commitments, if implemented, reduce regulatory friction and improve the risk profile for capital deployment in the space sector.

The next steps for the German Space Law are equally significant for market participants. The new Ministry for Technology, Research and Space is expected to publish a draft during 2026, incorporating feedback from industry consultations and aligning the licensing architecture with the EUSA.

Of particular strategic significance is the Federal Government's first-ever Space Safety and Security Strategy (*Weltraumsicherheitsstrategie*), presented to the Federal Cabinet on 19 November 2025 by the Federal Ministry of Defence and the Federal Foreign Office. The Space Safety and Security Strategy address the increasingly complex threats in the space domain and lays the political-strategic foundation for a whole-of-government national space security architecture. Its three strategic action areas are:

- identifying risks and threats and developing options for action;
- promoting international co-operation and a sustainable order in space; and
- building deterrence, strengthening defence capabilities and resilience.

A central pillar of the strategy is close co-operation with NATO allies and European and international partners. The strategy explicitly underpins these action areas with the Federal Government's spending plans, notably the EUR35 billion commitment from the defence budget for space and space security by 2030. It also calls for the development of military space operations capabilities, including active co-orbital protection and so-called "bodyguard" satellites, and envisages a future European Space Component Command (ESCC) as a national command

element within the Bundeswehr's Space Command. The Space Safety and Security Strategy represents a paradigm shift in Germany's acceptance of space as a contested domain and confirms the country's readiness to assume greater responsibility as a leading European space security actor.

Technology and capability autonomy

Autonomy in defence, security and general technology capabilities is increasingly perceived as closely connected to independent space capabilities, both in Europe and on a national level in Germany. The 2025 coalition agreement makes this connection explicit, citing the Ukraine war and the perceived ambiguity of the new US government regarding certain fields of partnership with Europe. The explicit emphasis on the correlation of space and security at the highest political level is a major development – and we expect it to be a sustainable paradigm change for Germany's space activities.

Germany pays special attention to facilitating the further development of its own launcher capabilities by fostering the three German launcher start-ups: Isar Aerospace, RFA-Rocket Factory Augsburg and HyImpulse. Following HyImpulse's successful first sub-orbital test flight from Australia in 2024, and Isar Aerospace's SPECTRUM rocket launch (attempt) from Norway in 2025, all three companies continue to work towards orbital launch capability. Both RFA and Isar Aerospace have secured access to private European space ports and to the European Kourou facilities.

Complementing IRIS² on the national level, the Bundeswehr's planned SATCOMBw Stage 4 constellation represents Germany's own sovereign satellite communication infrastructure. With a budget estimated at EUR8–10 billion, SATCOMBw 4 is designed to provide secure, German-controlled military communication independent of allied or commercial providers. Together, IRIS² (EU-level civilian and institutional communication) and SATCOMBw 4 (national military communication) form a complementary two-pillar architecture for European communication sovereignty, each generating massive industrial demand for German companies across the entire value chain.

Germany's strategic commitment to European space was further underscored at the ESA Council meeting at Ministerial level (CM25), held in Bremen on 26 and 27 November 2025. ESA member states committed a record total of approximately EUR22.1 billion for the coming three-year period – a 31% increase over the 2022 Ministerial – representing the largest contributions in the Agency's history. Germany was by far the largest contributor, providing approximately EUR5.4 billion (at current economic conditions), equivalent to approximately 23% of total subscriptions, well ahead of France (approximately EUR3.7 billion) and Italy (approximately EUR3.5 billion). This represents a substantial increase from Germany's EUR3.5 billion contribution at the 2022 Ministerial in Paris. The German delegation, led by Federal Minister of Research, Technology and Space Dorothee Bär, invested across the full programmatic spectrum: EUR863 million for launcher development and European access to space (including the European Launcher Challenge, in which two German companies participate); EUR885 million for human and robotic exploration; approximately EUR873 million for Earth observation and climate monitoring; approximately EUR320 million for satellite communications; and more than EUR300 million for satellite navigation. Notably, the Federal Ministry of Defence contributed approximately EUR292 million to the German ESA subscription for the first time. ESA also announced that, in recognition of Germany's long-standing commitment to exploration, a German ESA astronaut will be the first European to fly around the Moon. The CM25 outcome confirms Germany's role as the driving financial force behind European institutional space activities and underlines the political priority attached to European space sovereignty.

The EU IRIS² project itself continues to advance. With a ten-figure budget, IRIS² seeks European security autonomy regarding public and institutional communication through a planned satellite constellation of more than 240 satellites. One of the two main communication Hubs for the IRIS² secure satellite communication system will be located in Cologne, Germany. It is to be expected that this project will have enormous positive effects through the trickle-down of funding, the need for new technologies and the creation of skilled employment in Germany.

Start-ups, investment and the venture capital ecosystem

The start-up and investment environment for German space has transformed rapidly. European defence-tech start-ups raised approximately EUR3.5 billion in 2025, nearly double the 2024 total. Globally, approximately USD19 billion flowed into aerospace and defence start-ups in 2025. Defence, security and resilience now account for 43% of all European deep-tech funding. The EU's Defence Industry Transformation Roadmap (published November 2025) confirmed that more than 230 defence-tech start-ups were founded in Europe since February 2022, and private investment hit an all-time high.

In Germany specifically, notable developments include Quantum Systems (Munich) reaching unicorn status after a EUR210 million Bundeswehr contract, and the EIF's InvestEU Defence Equity Facility committing EUR50 million to Berlin-based Join Capital Fund III in March 2026, the EIF's largest defence investment to date. Join Capital's Fund III targets EUR235 million to invest in 25 early-stage deep-tech start-ups developing technologies with critical capabilities in defence, dual-use, security and space, with investors including the NATO Innovation Fund and KfW Capital.

Germany already hosts the largest number of space start-ups in the EU, and this figure is set to grow, driven by the significant rise in student interest at Germany's many technical universities, an increase in the offer of space-related studies, the expected increase in facilitation funds and public investment and, most importantly in the long term, the significant rise in market demand from the programmes described above. VC interest in Germany is now clearly focused on start-ups with dual-use potential.

It should be noted, however, that the relationship between the large-scale defence programmes and the start-up ecosystem is not without tension. The direct-award model used for major contracts and the consortium approach to SATCOMBw 4 both currently limit smaller firms' access to prime-level contracts.

Regional developments and workforce

The defence-space investment is concentrating in distinct regional clusters across Germany, each devel-

oping its own ecosystem character. North Rhine-Westphalia, home to Rheinmetall's headquarters in Düsseldorf and the RISS satellite factory in Neuss, now benefits from the proximity to the IRIS² GOV-SATCOM Hub in Cologne and DLR/ESA premises in Cologne-Porz, creating a defence-space corridor along the Rhine.

NRW has recently kicked off a dedicated space initiative drawing upon the expertise of the nearby technical universities in Aachen and a dedicated Space Campus in Cologne. Bremen hosts OHB's headquarters and Airbus Defence and Space's satellite integration facility. Munich and Bavaria provide the base for Isar Aerospace, Helsing, and the IST consortium and the overall single highest number of start-ups and successful scale-ups in the sector. Saxony benefits from OHB's new serial production facility in Schöneck.

The current centres of German space technology are situated around the big technical universities and major industries. However, in particular the regions of Munich, Berlin, Dresden/Leipzig, Stuttgart, Braunschweig, Darmstadt, and Aachen are each home to internationally recognised technical universities and in certain cases to ESA or EU space activities, and are increasingly home to young space start-ups.

Outlook and opportunities

Overall, Germany boasts rich research and industrial capabilities, expertise in technology and technology education, a strong and growing start-up ecosystem, and – now – a political commitment to space of unprecedented scale. The combination of record-level federal investment, rising industry interest and upcoming legislation providing legal security and a level playing field is expected to give Germany's space ecosystem a significant boost.

In competitive terms, the speed and predictability of the German authorisation process will be a decisive factor not only for operators choosing where to base their activities but also for investors assessing the regulatory risk premium attached to German space assets relative to those in other European jurisdictions.

Whether Germany's extraordinary current momentum produces a sustainably competitive space indus-

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try depends on choices still being made: how much investment reaches start-ups, whether competition survives the consortium model, and whether the regulatory framework – both the German Space Law and the EUSA – can keep pace with the industrial transformation already underway. What is clear, however, is that Germany's space sector has entered a new era of scale, ambition and opportunity, and the trajectory is decidedly positive.



Law and Practice

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ICT Legal Consulting (ICTLC) is an international law firm providing strategic legal compliance support in privacy, intellectual property (IP), and technology, media, cybersecurity and telecommunications (TMT) law. The firm also advises on the design and implementation of governance, organisational, management, security, and control models for data-driven organisations. ICTLC has built a cohesive team of

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1. Global Trends

1.1 International Legal and Regulatory Developments

International space law is still anchored in the UN treaties – the 1967 Outer Space Treaty, the 1968 Rescue Agreement, the 1972 Liability Convention, and the 1975 Registration Convention – which together supply the only globally binding rules for exploration, liability and transparency in orbit. On top of these four treaties – which are ratified in the Italian legislation – there is a fifth treaty, the Moon Agreement, which has not been ratified by Italy.

Countries such as the United States (Commercial Space Launch Competitiveness Act 2015) and Luxembourg (Space Resources Law 2017) have gone further, granting private title over extracted space resources and thereby testing the non-appropriation norm laid down in the UN framework.

Italy aligns with this multilateral vision but has also taken a proactive stance through the new Space Economy Law (Law 89/2025) entered into force on 25 June 2025.

Simultaneously, a further systemic development emerged at EU level. On 25 June 2025, the European Commission presented its proposal for an EU Space Act, structured on three pillars – safety, resilience and environmental sustainability – and intended to reduce fragmentation among the national regimes of the 13 Member States that already have national space laws. Italy's Law No 89/2025 must therefore now be read not only as a pioneering national measure, but also

as legislation that, in the medium term, will have to coexist with, and be interpreted alongside, a future EU regulatory layer.

Italy does not recognise property rights over space resources but permits their use under state authorisation. Unlike unilateral approaches taken by others, Italy remains within the framework of international law while asserting strong national oversight.

1.2 NewSpace and the Space Tech Economy

The Italian Space Economy Law made space activities a “strategic national interest” and imposes a single-window licensing regime with tiered insurance and state-recourse provisions, giving Italy its first full domestic framework for launches, in-orbit operations and downstream services. Policy co-ordination now runs through the Interministerial Committee for Space, while the “*Autorità responsabile*” (namely, the President of the Council of Ministers or a delegated minister) issues the licences.

Between late 2025 and early 2026, the industrial response moved beyond policy statements into concrete transactions and operational developments. On 23 October 2025, Leonardo, Airbus and Thales signed a memorandum of understanding to combine their space activities into a new European company. In launch services, Avio was formally designated as launch service provider for the Vega family on 10 July 2025 (Launchers Exploitation Declaration approved at ESA headquarters in Paris) and obtained a ten-year French administrative licence on 19 August 2025 to operate from the Guiana Space Centre. At ESA's CM25 Ministerial Council in Bremen (26–27 Novem-

ber 2025), member states committed approximately EUR22.3 billion (final figure as updated on 2 December 2025) – the largest envelope in ESA's history – with priority given to strategic autonomy, competitiveness, resilience, SMEs and new entrants; the next Ministerial (CM28) will be hosted by Italy in 2028. IRIDE has moved from planning to deployment: following the launch of seven HEO satellites on 3 May 2026 from Vandenberg, the constellation reached 31 satellites in orbit by early May 2026, with deployment expected to continue through 2026–2028.

Public procurement is likewise pivoting to service models: the over-EUR1 billion IRIDE Earth-observation constellation, funded via the National Recovery and Resilience Plan and the National Complementary Plan, co-ordinated by ESA with the support of ASI, will deliver multi-sensor data to government and commercial users by 2027 instead of simply adding state-owned hardware.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

Italy is one of the few countries with a comprehensive space supply chain, which encompasses everything from launch services and satellite manufacturing to downstream applications for end users. Italy's industrial base includes a handful of large, internationally recognised aerospace companies (eg, Leonardo – which holds stakes in Avio and Thales Alenia Space Italy – and the independent firm D-Orbit), but the majority of the sector is composed of small and medium-sized enterprises. These SMEs – including innovative start-ups and spin-offs – are spread across regional technology clusters and specialise in niche technologies, making the industry highly dynamic.

Italy's current focus areas mirror global trends. Significant investments are directed toward Earth observation, satellite communications and navigation, space exploration projects (often in partnership with ESA/NASA), in-orbit services (such as satellite servicing and debris removal), and downstream services that leverage space data. Notably, Italy has a strong launcher segment through the Vega rocket programme (devel-

oped by Italian industry, namely Avio, via ESA) and is exploring the development of a domestic spaceport for suborbital flights at Grottaglie Airport in Puglia. The Italian Space Agency (*Agenzia Spaziale Italiana*, ASI) often partners with private industry on these initiatives, illustrating a healthy public-private ecosystem.

2.2 Legal System and Sources of Space Law and Regulation

Italy's legal system is a civil law system, meaning space activities are governed primarily by written laws and regulations rather than case law. The main sources of Italian space law are outlined below.

- International law heavily influences Italian space law. Italy has ratified all core UN space treaties (except the Moon Agreement) and incorporates their principles into domestic practice (often via implementing laws; eg, Law 87/1970 for the Outer Space Treaty). Italy is also bound by its commitments in the ESA and other multilateral agreements, which can shape national regulations (for instance, obligations under the ESA Convention or EU agreements on satellite navigation). In case of conflict, international treaty obligations trump national law, as Italy's Constitution gives duly ratified treaties a status above ordinary legislation.
- As an EU member, Italy is subject to EU regulations and directives relevant to space. These include the Regulation (EU) 2021/696 establishing the Union Space Programme (programmes like Galileo, EGNOS, Copernicus) and EU technology export controls, as well as broader regulations on data protection, cybersecurity, and product safety that impact space operations. EU law has direct effect or is implemented in Italy and must be considered by space sector players.
- Under national legislation, specific acts of Parliament and government decrees are providing the legal basis for space activities. For instance, Law 186/1988 established the ASI, and Law 7/2018 reorganised space policy governance under the Prime Minister's office. Most recently, on 25 June 2025, the new Space Economy Law (Law 13 June 2025, No 89/2025) entered into force, which for the first time comprehensively regulates commercial space operations, licensing and oversight. By 2026, it is also clear that Law No 89/2025 operates

in many respects as a framework statute: several matters are expressly left to future implementing measures, including technical requirements, contributions and instruction costs, criteria for cyber and physical resilience, risk-based insurance thresholds, the regime governing reception, management, use and dissemination of space-origin data, the technical requirements of spaceports (Article 13), the National Plan for the Space Economy (Article 22), the operation of the Space Economy Fund (Article 23) and the technical criteria for radio coexistence and gateway location (Article 26). As of mid-May 2026, no implementing decree covering these matters appears to have been published, so the authorisation regime is formally in force but still operationally dependent on secondary legislation. The 2026 picture is therefore better described as a combination of:

- (a) Law No 89/2025 as the centrepiece;
 - (b) the Presidency of the Council of Ministers/UPSA governance, including the sectoral functions attributed to the space policy structure within the Presidency of the Council of Ministers;
 - (c) ASI as the national technical authority for technical regulation under Article 14 of Law No 89/2025;
 - (d) MIMIT for frequencies, transmission capacity and economic instruments;
 - (e) ENAC for the SASO/Higher Airspace side; and
 - (f) the EU/international framework, including the proposed EU Space Act, NIS2 as implemented by Legislative Decree No 138/2024, and the dual-use regime as updated by Delegated Regulation (EU) 2025/2003 where controlled goods, software or technology are involved.
- Regulations and technical rules issued by bodies like the National Civil Aviation Authority (ENAC) and ASI also form part of the space regulatory framework. For example, ENAC's Suborbital and Space Access Operations (SASO) Regulations (first issued in 2023) set technical and licensing requirements for sub-orbital operations. ASI may also issue guidelines or directives within its mandate.

In sum, Italy's space regulatory regime is a layered mix of domestic statutes (now crowned by the 2025 Space Economy Law), regulatory rules, EU legislation,

and international legal obligations – all interpreted in the context of a civil law tradition.

2.3 Role of the State in Space Law and Regulations

Italy now plays all three roles in space – regulator, facilitator and active participant – thanks to a governance system tightened by the Space Economy Law and to long-standing defence and research activities.

Its regulatory function was newly established with the Space Economy Law, which created a single-window licensing system, mandatory insurance tiers and state recourse rules for any launch or in-orbit activity under Italian jurisdiction. It remains a participant, funding national missions such as the IRIDE Earth observation constellation and co-financing major ESA programmes like Galileo, Copernicus and Vega. Through large NRRP allocations and sector-specific grants announced by the Ministry for Business and Made in Italy (*Ministero delle Imprese e del Made in Italy*, MIMIT), the state also acts as facilitator, steering investment toward launchers, in-orbit services and downstream applications.

Political leadership and policy co-ordination are vested in the President of the Council of Ministers or a delegated minister, who is designated as the “political authority for space” under the law and is empowered to sign licences and apply “golden power” controls. Supporting that authority is the Presidency's Office for Space and Aerospace Policies (UPSA), which assists in the high-level direction and inter-ministerial co-ordination of national space and aerospace policy. The Interministerial Committee for Space and Aerospace (COMINT), chaired by the Prime Minister, sets multi-year priorities and published the January 2025 Government Space Guidelines, which frame industrial policy, R&D and regulation.

The Italian Space Agency (*Agenzia Spaziale Italiana*, ASI) is the technical regulator and programme agency. It was designated by the law as the national technical authority, responsible for evaluating licence applications, monitoring compliance, and contributing to scientific missions and public-private programmes such as IRIDE.

Moreover, MIMIT holds the governmental portfolio for the civil space economy. It co-drafted the 2025 law, manages national and EU-backed industrial incentives, and represents Italy in EU competitiveness councils. On the defence side, the Ministry of Defence and its Space Operations Command (COS) have, since 2020, managed national space-domain awareness, safeguarded military assets and co-operated with NATO on space security.

2.4 Role of the State in the Licensing Process for Space Activities

Italy regulated space missions through a decentralised and fragmented approach. Authorisations for launches into suborbital space were issued by ENAC, the Italian Civil Aviation Authority, which regulated and supervised aviation and sub-orbital activities, while orbital missions and satellite operations were handled case by case or under foreign/ESA rules. For sub-orbital and higher-airspace operations, regulatory requirements were set out in ENAC's Suborbital and Space Access Operations (SASO) Regulation, of which only Sections I, II and III and Annex 1 are currently available; Sections IV and V, dealing with launching into space and re-entry from orbit, are still under development. The first comprehensive domestic framework for access to outer space was introduced by Law No 89/2025.

With the adoption of the Space Economy Law 2025, Italy introduces a comprehensive licensing regime that completes the previous model by regulating orbital missions. Under the new Space Economy Law, any Italian company, individual, or entity intending to launch a space object, operate a satellite, or offer space-related services must hold an authorisation granted by the responsible authority (the Prime Minister or their delegate), following a technical assessment by the ASI. Licence criteria cover: proof of the applicant's technical and financial fitness (including tailored rules for start-ups and SMEs), demonstration of mission safety and sustainability (full life cycle environmental footprint analysis and debris mitigation measures), compliance with Italy's international obligations, and mandatory insurance cover (see 2.8 Insurance and State Measures on Liability for Damages).

The administrative procedure is designed to streamline approvals while maintaining rigour: an operator submits its application to the ASI, which completes its review (including any site inspections) within 60 days and forwards its findings to the responsible authority; a final decision then follows within 120 days. The ASI's assessment may involve COMINT and, where national security is implicated, the Ministry of Defence and other security agencies.

Enforcement is robust: the responsible authority can modify, suspend, or revoke a licence ex officio in urgent cases and transfer operational control to a public body. Ongoing supervision rests on timely reporting and transparency. Operators must notify the ASI at least 30 days before any mission operation and submit semi-annual activity reports; the ASI, in turn, registers all Italian state launches in the National Registry and notifies the UN under Articles 15–16. Collision avoidance capability – procured from a certified provider under technical decrees – is mandatory, ensuring orbital safety co-ordination.

2.5 Role of the State in Co-ordinating the Use of Radio Frequencies and Orbital Slots

Radiofrequency co-ordination is a critical aspect of space operations that Italy manages through both national and international processes. Italy's Electronic Communications Code (Legislative Decree No 259/2003) and the National Frequency Allocation Plan (*Piano Nazionale di Ripartizione delle Frequenze*, PNRF) set out how frequency bands are allocated to various services. Space services (such as satellite downlinks, uplinks, TT&C frequencies) are assigned in the PNRF consistent with international allocations. Any satellite operator in Italy must obtain frequency clearance and potentially a frequency usage licence from MIMIT/AGCOM, separate from the space activity licence. This involves co-ordination to ensure no harmful interference with other domestic spectrum users.

Internationally, Italy is a member of the International Telecommunication Union (ITU) and follows ITU procedures for satellite frequency and orbital slot co-ordination. When an Italian operator (or the government) plans to launch a satellite requiring ITU registration, Italy's administration files the required notifications

with the ITU's Radiocommunication Bureau. Italy engages in the ITU's co-ordination processes: it consults and negotiates with other countries to resolve potential frequency conflicts and to secure orbital slot positions for satellites.

If frequency interference issues arise, Italy employs the ITU frameworks to address them. Operators are required as part of their licensing to use only the frequencies assigned and to operate within the technical parameters co-ordinated internationally. In case of harmful interference involving an Italian satellite (either caused by or affecting it), the Ministry (through its spectrum management department) will co-ordinate with foreign administrations and may escalate unresolved disputes to ITU forums.

Italy also maintains a reserve capacity principle: Article 25 of the Space Economy Law reserves national satellite capacity for strategic connectivity – eg, ensuring part of certain orbital resources are kept for satellites operated by Italian or European entities, to bolster national and EU digital sovereignty. This reflects Italy's policy of safeguarding access to critical orbital resources in the face of mega-constellations and global competition.

Moreover, Article 26 of the Space Economy Law promotes initiatives for efficient use of the radio spectrum for satellite communications. It tasks the MIMIT with promoting advanced use of the radio spectrum through technical coexistence models to reduce interference between space and terrestrial systems, defining criteria to reduce interference between different satellite networks operating in Italy, and studying suitable areas for terrestrial gateways to enable multiple simultaneous satellite station operations with minimised aggregated interference.

2.6 Role of the State in the Launching Process

In Italy, the role of the state in the launching of space assets is structured through a multilayered framework in which the state acts as regulator, authoriser, and international guarantor, rather than a direct service provider. The Italian Space Economy Law defines this role clearly, aligning with international obligations while fostering private sector involvement.

Under the new law, launching space assets is considered a space activity (*attività spaziale*) and is subject to prior authorisation by the designated responsible authority (see **2.4 Role of the State in the Licensing Process for Space Activities**). This applies both to activities on Italian territory by any operator and to activities abroad by Italian operators.

In line with the Outer Space Treaty and the Liability Convention of 1972, Italy assumes international responsibility for national space activities, even when conducted by private entities. This implies that the state must ensure that private launches are authorised and supervised and that Italy may be held liable for damages caused by such launches to other states or third parties.

2.7 Commitment to International Treaties and Multilateral Discussions

Italy is a party to all four principal UN space treaties:

- Outer Space Treaty (1967);
- Rescue Agreement (1968);
- Liability Convention (1972); and
- Registration Convention (1975).

However, Italy has not ratified the 1979 Moon Agreement, aligning itself with most other major spacefaring nations in this regard.

Italy is an active member of the UN Committee on the Peaceful Uses of Outer Space (COPUOS) and participates in both its Legal and Scientific and Technical Subcommittees. It also contributes to UN General Assembly resolutions on transparency and confidence-building in space. Regarding arms control, Italy takes part in the Conference on Disarmament, confirming its commitment to the peaceful use of outer space.

In the 2025–2026 period, Italy's engagement in multilateral and bilateral fora has further intensified. At UN level, Italy will chair COPUOS during the 2026–2027 term, with Teodoro Valente (President of ASI) nominated as Chair following confirmation by the Italian Ministry of Foreign Affairs and International Cooperation. Bilaterally, the United States and Italy held the second U.S.-Italy Space Dialogue in Washington DC,

on 9–10 April 2026, following the April 2025 commitment of Prime Minister Meloni and President Trump to strengthen space co-operation. The European Commission's proposal for an EU Space Act of 25 June 2025, with its three pillars (safety, resilience, sustainability) and the planned Union Register of Space Objects (URSO), is the most significant new EU-level development in the period and will need to be coordinated with Law No 89/2025 when adopted.

Italy faithfully implements international space law into its national legal framework. Treaties ratified by Italy, such as the Outer Space Treaty and Liability Convention, are transposed through national laws. These instruments are binding and take precedence over ordinary domestic laws.

The Space Economy Law incorporates and expands these obligations. It mandates:

- authorisation and continuous supervision of national space activities, even if performed abroad;
- due consideration for international standards (eg, on debris mitigation and planetary protection); and
- possible recognition of foreign authorisations if they meet equivalent criteria.

Under Article VI of the Outer Space Treaty and Article VII as developed by the 1972 Liability Convention, Italy bears international responsibility and liability for both governmental and private activities. The Space Economy Law reinforces this framework by:

- requiring operators to obtain authorisation, which is granted only after a technical and security assessment (see **2.4 Role of the State in the Licensing Process for Space Activities**);
- demanding financial soundness and insurance coverage (up to EUR100 million per incident) to manage liability risks (see **2.8 Insurance and State Measures on Liability for Damages**); and
- providing mechanisms for state recourse against private entities in case the state compensates third parties for damages.

The Italian model assigns a central role to public authorities (the responsible authority, COMINT, and the ASI) in authorising, supervising, and inspecting

space activities. Private operators are subject to continuous monitoring and fulfil regulatory requirements. If such requirements are not met any longer, or if activities pose national security risks or violate international obligations, the responsible authority is empowered to suspend, modify or revoke authorisations.

Lastly, Italy's domestic framework, especially under the 2025 Space Economy Law, internalises the principle of “due regard” as articulated in Article IX of the Outer Space Treaty. Italian operators are required to assess the potential impact of their missions on other states' activities and the space environment, including through risk mitigation, environmental considerations, and international co-ordination where needed. The Law mandates compliance with international norms and best practices – such as those on debris mitigation and radiofrequency management – and empowers public authorities to suspend or revoke authorisations if operations threaten international peace, security, or the lawful interests of other space actors.

2.8 Insurance and State Measures on Liability for Damages

Italy fully implements the 1972 Liability Convention, under which the “launching state” is internationally liable for damages caused by its space objects. As a result, the Italian state may have to compensate third parties and subsequently seek recourse from the responsible space operator. This dual structure ensures compliance with international obligations while protecting national interests.

Space operators in Italy must obtain liability insurance prior to initiating their activities. According to the new insurance model provided by Articles 6 (d) and 21 of the Space Economy Law, the authorisation process requires proof of insurance coverage proportionate to the mission's risk level. The standard insurance coverage is set at EUR100 million per incident, but the law allows reductions (down to as low as EUR20 million) for missions classified in lower-risk categories. This insurance must be active before the launch or operations begin, and any lapse in coverage may trigger the suspension or revocation of the operator's licence.

Risk is evaluated through a tiered classification system introduced by government decree. This structure

allows for tailored insurance requirements that help to keep premiums manageable, offering a particular advantage to SMEs and start-ups.

Operators are strictly liable for damages up to their insurance limit, which varies according to risk classification and operator type (Article 18 Space Economy Law). Beyond these limits, the Italian state assumes liability internationally but can subsequently seek reimbursement from the operator. Operators lose their liability cap entirely if they conduct activities without authorisation, breach licence conditions, operate without insurance, or act with gross negligence or wilful misconduct.

2.9 Very High Altitude Legal and Regulatory Framework

Italy currently has no specific statutory framework explicitly regulating “very high altitude” (VHA) operations, such as stratospheric balloons deployed to provide internet connectivity. However, the regulation of these activities does not fall entirely into a grey zone. Under existing aviation law, the Italian Civil Aviation Authority (ENAC) explicitly includes balloons and other high-altitude platform systems (HAPS) within its Sub-orbital and Access to Space Operations (SASO) Regulation, defining them as part of “higher airspace operations” (HAO). According to SASO, commercial or specialised operations require operators to obtain a vehicle system operator licence, adhering to general safety engineering, hazard analysis, and insurance provisions. Detailed regulatory guidelines specifically tailored to VHA are still subject to discussion.

Conversely, the Space Economy Law sets a comprehensive national licensing system for missions explicitly entering outer space, assigning technical oversight to the ASI. The 2025 law is not silent on the higher airspace: Article 2 of Law No 89/2025 expressly includes, within the definition of “space activity”, activities conducted through stratospheric platforms and sounding rockets. The remaining question is therefore not the absence of statutory reference, but the better co-ordination between the general space-law regime under Law No 89/2025 and the ENAC/SASO rules for higher-airspace operations, an area on which ENAC continues to work, including through European projects on Higher Airspace Operations (HAO).

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities

The Italian Space Economy Law significantly updates Italy’s national framework for space activities; however, it does not provide specific provisions on any particular domain — such as healthcare, life sciences, agri-food, mobility, environment, and energy — which are guided by a combination of national, EU, and international law.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

At the international level, Italy is a party to key treaties such as the 1967 Outer Space Treaty and the 1972 Liability Convention. These treaties obligate Italy to conduct space activities with due regard for the interests of other states and to avoid harmful interference. Additionally, Italy adheres to the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) guidelines on space debris mitigation and the long-term sustainability of outer space activities, which promote responsible behaviour to prevent interference with other missions.

Nationally, the Space Economy Act establishes a licensing regime for space activities conducted by entities operating within Italy or under Italian jurisdiction requiring operators to demonstrate that their activities will not cause harmful interference, including through the submission of detailed mission plans and risk assessments.

In terms of technical oversight, ENAC for sub-orbital activities and the ASI for space activities are responsible for verifying regulatory requirements mandating that operators conduct comprehensive hazard analyses and implement safety measures to prevent interference with other airspace users and space operations.

3.3 Operators’ Responsibilities

Italy’s regulatory framework for space activities is shaped by its longstanding commitment to international treaties and, more recently, by the provisions introduced in the Space Economy Law. Accordingly, Italy is bound by foundational principles such as (i) the

peaceful use of outer space; (ii) non-interference; (iii) international responsibility for national activities; (iv) liability for damage; and (v) the duty to avoid harmful contamination. These treaty principles now also find domestic implementation through the Space Economy Law, which establishes a centralised licensing and oversight regime co-ordinated by the Presidency of the Council of Ministers, in consultation with the ASI and the inter-ministerial COMINT.

In this respect, operators must obtain prior authorisation for any space activity launched from Italy or conducted by an Italian entity abroad. The legal framework imposes obligations on operators to conduct comprehensive environmental and debris mitigation analyses, ensure controlled re-entry where applicable, and integrate collision avoidance capabilities through accredited services. Furthermore, missions are subject to stringent insurance requirements (see **2.8 Insurance and State Measures on Liability for Damages**). Operators must also notify the competent authorities in advance of operations, file periodic reports, and accept inspections from the regulatory bodies to ensure compliance.

The Space Economy Law embeds safety, resilience, environmental sustainability and life cycle environmental footprint considerations directly into its structure. It mandates a mission-wide environmental footprint assessment and requires that all implementing regulations reflect principles of security, resilience, and sustainability. This aligns Italy's approach with UN COPUOS guidelines and shows substantive convergence with ESA's Zero Debris Charter, which, however, is not, in itself, a binding source of Italian law. Non-compliance with safety or environmental obligations can lead to licence suspension or revocation.

Although Italy has not yet introduced specific national provisions for the protection of areas such as lunar heritage sites or scientific research zones, the Space Economy Law allows for the imposition of licence conditions to mitigate risks, and safeguarding such areas may fall within these conditions.

Protection of national civil and defence interests is a cornerstone of the new legislative framework. pursuant to Articles 4, 6 and 7 of Law No 124/2007. Article

28 of Law No 89/2025 excludes from its scope the space activities directly conducted by the Ministry of Defence and by the intelligence services.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

Italy's new Space Economy Law introduces for the first time specific provisions governing space data ("*dati di origine spaziale*").

Article 13 (h-i) empowers a series of governmental decrees to define "the modalities by which activities of reception, management, use and dissemination of space data may be carried out on national territory" and to list the earth observation datasets that may be restricted for security or foreign policy reasons. These implementing decrees will set high standards for data security, resilience and sustainability, tailoring requirements to scientific operators, SMEs and start-ups alike. Nothing in the Space Economy Law, however, derogates from the GDPR (Reg. UE 2016/679) or the Italian "*Codice Privacy*" (d.lgs. 196/2003). Whenever space data make a natural person identifiable – directly (eg, a face or licence plate) or indirectly (timestamped location traces, fused ground data) – operators must take into account all relevant data protection obligations, such as:

- finding a lawful basis for the processing;
- conducting a DPIA – eg, for any "systematic, large-scale monitoring";
- embedding privacy-by-design safeguards such as resolution throttling, on-board blurring and zero-trust ground-segment architectures; and
- applying Chapter V GDPR rules when personal data leave the EU.

Beyond these implementing rules, the legislation embeds two complementary state roles. First, Article 24 establishes the principle of the "promoting state", committing Italy to foster equitable, non-discriminatory access to space data and services, including via public-private partnerships for downstream applications. Second, national security considerations run throughout the Law, so the responsible authority is entitled to deny, revoke or modify any authorisation

after assessing national interest. This dual framework ensures that while data flows freely for civilian uses, the state can step in to safeguard defence and critical-infrastructure interests.

Under Article 11 of Law No 89/2025, ASI may access operators' documents and information, request further data and carry out inspections. The data, information and documents collected are processed and stored in compliance with confidentiality and secrecy requirements and are excluded from the access rights under Law No 241/1990.

From a business-to-business standpoint, space data exchanges will largely be governed by these decrees alongside Italy's broader legal regime. In particular, proprietary databases of satellite imagery enjoy the sui generis database right under Directive 96/9/EC, while ownership and licensing are contract-based, often with ASI or ESA in the loop for publicly funded missions. Interoperability is fostered by the state's push for open data standards (Article 24) and by alignment with Copernicus/ESA "full and open" data policies, balanced by case-by-case security carve-outs handled with the Ministry of Defence.

Transfers of space data to third countries are governed by GDPR Chapter V (where personal data are present) and by any security restrictions to be detailed in the forthcoming decrees under Article 13 of the Space Economy Law.

4.2 Space Data Spaces

In Italy, there is no dedicated legal regime for "space data spaces" as such: data generated by space systems fall under the general rules on space activities and on public sector information, rather than a bespoke "data space" framework.

Full interoperability with the forthcoming European Space Data Space (ESDS) remains a work in progress. Italy has demonstrated commitment to shaping the ESDS architecture: ASI participates in the Commission's technical working groups, and major Italian aerospace actors such as Leonardo, Telespazio, and Thales Alenia Space are actively developing cloud-based SAR services and federated data access

frameworks, with a view to contributing to a future pan-European space data infrastructure alliance.

4.3 Cybersecurity and Space

Italian space cybersecurity compliance is now a layered framework. Depending on the operator and mission architecture, the relevant regimes may include the National Cybersecurity Perimeter, NIS2, and the EU Cyber Resilience Act.

Ground stations, mission-control systems, satellite networks and related ICT infrastructures may fall within the National Cybersecurity Perimeter only where the statutory designation criteria are met. Separately, Legislative Decree No 138/2024, which transposes NIS2 in Italy, expressly covers certain space-sector operators, including operators of ground-based infrastructures supporting space services, subject to the exclusions provided by the decree.

For covered NIS entities, cybersecurity requires risk-management measures, incident handling, continuity planning, supply-chain security, secure development and maintenance, vulnerability management, access control and protected communications where appropriate. ACN remains the central competent authority for the Italian NIS framework.

The Italian Space Economy Law adds a sector-specific layer. Law No 89/2025 makes space activities subject to authorisation and links technical suitability to safety and resilience requirements, including resilience of satellite infrastructure against cyber, physical and interference risks.

The Cyber Resilience Act adds a product-security layer for hardware and software products with digital elements placed on the EU market. This is relevant for space operators mainly through procurement, supplier qualification, vulnerability management, conformity documentation and life cycle support for software, firmware and connected components.

The takeaway shall be that Italian space cybersecurity compliance should be managed across the mission life cycle, starting before launch, during operations and in downstream data processing. The key evidence is that cybersecurity has been designed, governed,

contracted, monitored and maintained as part of the lawful and resilient conduct of the space activity.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

Italy has recently begun establishing a national framework for space activities that includes environmental considerations. The Space Economy Law and the ENAC “SASO” Regulation (2023) provide the primary domestic legal instruments addressing space operations. These measures incorporate general environmental safeguards, including pre-launch environmental impact assessments and licensing conditions aimed at minimising orbital debris and ensuring safe re-entry. Since June 2025, the European environmental context has also evolved through the proposed EU Space Act of 25 June 2025 (COM(2025) 335 final), one of whose three pillars is precisely sustainability and debris mitigation.

Italy’s adherence to the Artemis Accords signals alignment with emerging international norms. These accords promote the designation of “safety zones” and the protection of historic sites in space, although such commitments remain non-binding until implemented through national regulation.

Regarding space resource extraction, Italy does not currently have a legal framework regulating the appropriation or commercial exploitation of extraterrestrial minerals. While the 2025 legislation sets the stage for future regulatory development – through enabling provisions for implementing decrees – it currently lacks specific rules for commercial space mining. Italy actively participates in European and international initiatives related to in-situ resource utilisation (ISRU), particularly through the ASI.

5.2 Climate Change and Space Activities

Italy does not have a dedicated space-specific climate change law, but the 2025 Space Economy Law introduces environmental sustainability as a licensing criterion for space activities, requiring impact assessments and end-of-life disposal plans for satellites (Article 5). Operators must adopt measures to prevent

debris and minimise environmental harm, aligning with Italy’s broader climate goals.

Moreover, it is worth mentioning Italy’s IRIDE constellation, a flagship sustainable development initiative: it provides high-resolution Earth observation data to monitor air quality, water resources, land use, and climate variables, directly supporting climate action and disaster management.

5.3 Orbital Debris

Italy does not yet have a national law solely targeting space debris. Only Article 5 of Law No 89/2025 expressly includes debris mitigation among the objective authorisation criteria and requires, where possible, controlled re-entry. However, Italy aligns its national regulations with international guidelines, particularly those issued by the United Nations Committee on the Peaceful Uses of Outer Space (COPUOS) and the Inter-Agency Space Debris Coordination Committee (IADC).

6. Taxation of Space Activities

6.1 Tax System for Space Activities

In Italy, to date the tax regime applicable to space activities does not introduce a distinct category of space-specific taxation. No new tax category or special fiscal regime has yet been introduced specifically for revenue generated through space operations or space resource extraction.

6.2 Tax Incentives for Space Investors

To date, Italy supports investment in the space sector through indirect fiscal incentives and industrial policy tools, rather than dedicated tax relief measures. The new Space Economy Law complements existing national strategies by establishing the Space Economy Fund (*Fondo per l’economia dello spazio*), aimed at supporting innovation and commercial development in the space economy.

This fund may issue non-repayable grants (up to 70%) or offer combined financial tools (for the remaining 30%) to support private and public-private space initiatives. These instruments do not operate through

direct tax deductions or credits but can significantly reduce the cost burden of investments.

6.3 Taxation on Sale or Transfer of Space Assets

In Italy, the transfer or sale of space assets triggers a range of intricate tax considerations – including corporate income tax on capital gains, VAT treatment, and transfer-pricing rules.

It is worth mentioning that the transfer of ownership, management, or control of space assets (such as satellites or orbital platforms) in Italy will also be governed by Article 10 of the Space Economy Law. Such transfers must receive prior authorisation from the responsible authority.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

During the last year, Italy's NewSpace market has moved from start-up financing into a clearer scale-up and consolidation phase.

The strongest recent signals are industrial consolidation, launch-sovereignty and larger growth capital. In April 2025, D-Orbit combined with Planetek, with D-Orbit acquiring 100% of Planetek's shares to expand capabilities in Earth observation, in-orbit data processing, AI and space cloud services. In January 2026, Azimut completed a EUR110 million club deal in D-Orbit, structured through a dedicated Luxembourg vehicle and linked to D-Orbit's ongoing capital increase and international expansion.

At European level, the consolidation trend became even more visible in October 2025, when Leonardo, Airbus and Thales signed an MoU to combine their space activities into a new European space company, expected to become operational in 2027 subject to regulatory approvals and other closing conditions. On the public-programme side, ESA's CM25 Ministerial Council in Bremen on 26-27 November 2025 approved EUR22.3 billion, the largest funding commitment in ESA's history, while Italy confirmed a EUR3.5

billion contribution and will host the next ESA Ministerial in 2028.

Launch services also became more strategically important for Italy. On 10 July 2025, Avio was officially designated launch service provider for the Vega launcher family, and on 19 August 2025 it obtained a ten-year French administrative licence to carry out Vega operations from the Guiana Space Centre.

Venture activity remains selective but active. Confirmed 2025 rounds include Pangea Aerospace's EUR23 million Series A, led by Hyperion Fund and backed by CDTI Innvierte and Primo Space, although Pangea is a Barcelona and Toulouse-based company rather than an Italian start-up; Novac's EUR3.5 million seed round, backed by Eureka! Fund, CDP Venture Capital and Galaxia; and Astradyne's EUR2 million seed round, led by Primo Space with Galaxia and Eureka! participation.

A key component of the Space Economy Law is the development of a National Plan for the Space Economy (Article 22), outlining a five-year strategy to identify sector needs and investment opportunities. This includes a multi-year Space Economy Fund to support innovative market growth in space-based products and services, leveraging public and private investments. The law also outlines specific provisions for SMEs and start-ups.

7.2 Finance Sources for Space Activities

In Italy, public funding remains the backbone of the space sector: combined contributions to the ASI, European Space Agency membership and other national programmes amounted to roughly EUR4.6 billion in 2023, with a government target of EUR7.3 billion by 2026, figures boosted by more than EUR2 billion from the National Recovery and Resilience Plan (NRRP) earmarked for observation constellations, secure-connect broadband and industrial infrastructure. That flow has now been given statutory certainty and a single licensing desk through the Space-Economy Framework Law approved in June 2025, ensuring predictable public procurement and R&D contracts. Non-repayable public incentives complement this spending, most visibly the EUR50,000 zero-equity

grants offered by the five Italian ESA Business Incubation Centres to every admitted start-up.

On the private side, equity finance has become dominant: sector-focused venture vehicles such as Primo Space Fund, which closed at EUR85 million, and the public-private Italia Space Venture programme, capitalised with EUR90 million of NRRP money and an additional EUR90 million from CDP with a pipeline exceeding EUR250 million, anchor the majority of seed and Series A rounds, while later-stage cheques are increasingly written by bank-backed deep-tech funds like Neva SGR and by foreign co-investors, as shown by the EUR150 million Series C raised by D-Orbit in late 2024.

Corporate capital reinforces the stack, with Leonardo's Business Innovation Factory accelerator and Avio's strategic minority stakes providing both cash and industrial validation.

Debt instruments, though still niche, are gaining traction: Leaf Space completed a capital increase for a total of EUR20 million on top of the availability by the European Investment Bank of a loan for a further EUR15 million through Venture Debt, illustrating how venture debt can sit alongside equity in growth rounds. Also, export-credit agency SACE is expanding guarantee schemes that underwrite satellite exports and technology-transfer projects, according to its 2024 report on the Italian space economy.

Alternative or hybrid channels further diversify financing, including public-private partnerships under ASI programmes, pre-commercial procurement via ESA and the EU's IRIS² secure-connect scheme, equity-crowdfunding campaigns, revenue-share or milestone contracts offered by primes such as Leonardo and Thales Alenia Space, and the tax-credit regime or "Smart&Start" soft loans for early projects.

7.3 Attracting Investment for Space Activities

Italy attracts space investment through a structured mix of regulatory certainty and layered financing tools: the Space-Economy Framework Law introduces a one-stop licensing desk and a National Space Economy Plan, giving private operators clear rules and long-term visibility; public funding remains sub-

stantial via ASI budgets and more than EUR2 billion of NRRP resources channelled into Italia Space Venture, a public-private fund that co-invests with market investors. Also, zero-equity grants from the nationwide ESA BIC network de-risk university and research spin-offs. Complementary incentives include R&D tax credits and Smart&Start soft loans that can finance up to 90% of innovative start-up costs.

Article 27 of Law No 89/2025 also contains special rules on space procurement, including, for tenders not divided into lots, the mandatory reservation, through subcontracting, of at least 10% of the contract value for innovative start-ups and SMEs, together with direct payment of subcontractors and an advance payment of 40% of the price. These rules directly affect downstream markets and the access of smaller undertakings to the space supply chain, and should now be read together with Article 28 (2), which expressly preserves the application of Golden Power (Decree-Law No 21/2012), the controls under Law No 185/1990 on military materials and Legislative Decree No 221/2017 on dual-use exports, so that opening the sector to private capital and operators does not displace strategic screening, special security regimes or export-control rules.

7.4 Foreign Investment in Space Activities

Italy keeps the sector formally open to foreign capital. However, there are some limitations, as the acquisition of equity, voting rights, assets or security interests in an Italian company active in aerospace, satellite or other "strategic" infrastructure triggers the Golden Power regime (Decree-Law 21/2012, as amended), which obliges the investor to notify the Presidency of the Council of Ministers, empowers the government to authorise, impose conditions or veto the deal, and applies not only to non-EU parties (generally above a 10% stake) but, in defence-related activities, also to EU investors and to intra-group reorganisations, with aerospace expressly listed among the protected sectors.

There are no hard caps on foreign shareholdings, but screening and licensing mechanisms, together with the possible imposition of behavioural or governance conditions (eg, limits on board representation, data-security obligations, or localisation of critical assets),

constitute the practical restrictions that overseas investors must navigate when entering Italy's space market.

7.5 Documentation

The documentation for NewSpace fundraising generally mirrors that of traditional companies, with a detailed business plan and financial projections. In addition, standard legal documents include articles of incorporation, shareholder and subscription agreements, and a term sheet outlining key terms – pre-money valuation, governance rights, use of proceeds – similarly to other venture financings.

What sets NewSpace apart is the possible inclusion of space-specific milestones and regulatory documentation: technology readiness levels (TRLs), orbital-debris mitigation plans, licences, export control compliance or launch site agreements. In Italy, such documentation is not yet standardised, but across Europe investors look for alignment with ESA or national agency milestones.

7.6 Due Diligence

Due diligence in space sector deals incorporates the usual legal, financial, and commercial checks seen in standard M&A or venture transactions. However, NewSpace adds technical and regulatory layers: rigorous assessment of proprietary technologies (IP, software, hardware), verification of TRLs, evaluation of supply chain robustness (eg, propulsion, avionics), additional defence restrictions or golden power clearance, dedicated cybersecurity audits of satellite and ground segment assets (NIST CSF/ENISA controls, past incidents), and confirmation that any EO products or user data flows meet GDPR and national data protection requirements (eg, lawful basis, DPIA, cross-border transfer safeguards), together with a review of regulatory compliance on export control and orbital debris requirements.

Operational and management due diligence are especially critical: reviewers examine integration risk between engineering teams and commercial teams, supply chain resilience, and the demand from anchor customers (eg, satellites or public contracts). In Europe, this often involves references to ESA business incubation or commercialisation programmes and

checks on public funding drawdowns. Cyber findings and privacy liabilities are now routinely monetised in valuation models and can influence escrow or insurance terms. These extra steps distinguish NewSpace diligence from that of a generic company.

7.7 Liquidity Events

Generally, exit processes in NewSpace often follow three routes: trade sale (acquisition by a larger aerospace or defence firm), SPAC merger or IPO (rare in Europe), and liquidation via secondary sales between investors. The steps are analogous to other tech sectors but accommodate longer timeframes reflecting the extended product development cycle in space (eg, satellite constellation build-out).

In practice, European exits are less frequent due to the still nascent market. Where they occur, acquirers perform similar diligence as in major M&A transactions, with additional attention to technology handover, contract novations with launch providers or ground segment operators, and regulatory transfer of orbital licences. Post-exit integration often combines engineering teams and contracts, requiring explicit transitional services agreements and co-ordination. In rare public exits (eg, via SPAC merger), compliance with exchange regulations and investor roadshows become relevant.

7.8 Role of Securities Markets in Space Financing

Securities markets give Italy's space ecosystem the scale and flexibility that venture rounds alone cannot supply. On the equity side, start-ups move from seed to Euronext Growth Milan, raising eight-figure sums under a light disclosure regime. Once revenues mature, they can migrate to the STAR segment or the main list beside primes like Leonardo and launch specialist Avio, whose public valuation then anchors cheaper debt.

When equity windows close, issuers pivot to bonds: large contractors draw on multi-billion-euro EMTN programmes, while tier-two suppliers tap the revived mini-bond market or basket bonds that pool risk across clusters, often with CDP as anchor investor.

Retail and institutional flows are channelled through Milan-listed thematic funds and ETFs that track global space and defence indices, providing daily liquidity and price benchmarks for future flotations.

At the programme level, EU and Italian space initiatives, including Copernicus, Galileo, IRIS² and Italy's PNRR space measures, help create a more visible industrial pipeline, while listed anchors such as Leonardo and Avio provide public-market reference points for private investors. More cautiously, the EU Listing Act and Italy's DDL Capitali may improve access to market financing, making public markets a complement, rather than a substitute, to grants and venture funding across R&D, launch, constellation deployment and downstream services.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Italian law generally offers robust IP protection and swift enforcement for activities that also unfold in outer space: the Industrial Property Code (Leg. Decree 30/2005) applies to any infringing act on Italian territory or committed through Italian ground facilities, and jurisdiction over Italian-registered space objects follows them into orbit under Article VIII of the Outer Space Treaty.

EU-level rights reinforce that protection, with unitary patents now litigated before the Unified Patent Court, whose Milan central division section has been operational since June 2024, with decisions and procedural activity of the Milan divisions already recorded in 2025, while customs seizures remain available under Regulation 608/2013.

Italy has no sui generis IP rules for space: the new Space Economy Law does not introduce explicit rules on intellectual property, but it clearly fosters the development, protection, and commercial exploitation of innovative technologies. It encourages technology transfer and recognises the strategic role of highly innovative entities such as start-ups and SMEs. Additionally, it links space activities to the economic and

strategic valorisation of intangible assets, including those subject to intellectual property rights.

It is worth noting that remote-sensing data produced within the EU Copernicus programme stays subject to a “free, full and open” access policy for raw datasets, although processed layers can still be protected by copyright, database rights or trade secret law.

Defence secrecy provisions (such as Article 198 of the Industrial Property Code) let the Ministry of Defence classify any patent application whose disclosure might harm national security, and the mechanism is framed in neutral terms that apply to any field of technology, which may include space hardware.

Accordingly, space actors rely on the standard toolkit – Italian or validated European patents limited to national territory, unitary patents, EU trade marks and Community designs covering the whole EU, and worldwide Berne/TRIPS-based copyright or database rights enforceable where communication to the public occurs – and infringement exists whenever manufacture, control, down-link, import or marketing happens in Italy or the EU customs area.

8.2 Invention Protection Dynamics

Italian companies may adopt a layered approach to protecting their innovations. In doing so, they may first file an Italian patent application or utility model to secure an early priority date, convert it within twelve months into a Patent Cooperation Treaty application and then enter the European regional phase before the EPO together with only the handful of non-European countries where they expect to manufacture or sell because the cost of duplicating patents everywhere a rocket might lift off is not justified: indeed, under Article VIII of the Outer Space Treaty, jurisdiction in orbit attaches to the state in whose register the spacecraft is entered. Infringement exposure can be controlled by ensuring registration in at least one country where valid rights are already in force.

Software for flight dynamics, autonomy, and ground segment operations can also be retained as a trade secret, protected through layered technical, contractual, and organisational safeguards.

The sector exhibits a higher degree of collaboration than most due to the capital-intensive nature of missions, which are typically executed through temporary groupings of undertakings, ESA- or ASI-led consortia, and EU-funded projects. These structures usually require detailed consortium agreements that define background IP, assign foreground results to the actual developer, and grant other partners non-exclusive, royalty-free rights for project execution and further research. Genuine joint ownership can arise only where contributions are technically inseparable. When unavoidable, parties supplement the default regime of indivisible co-ownership with a tailored agreement addressing prosecution costs, enforcement rights, licensing thresholds, and exit or first-refusal clauses, thus avoiding the commercial deadlock of statutory unanimous consent requirements.

8.3 Enforcement of the Patentee's Rights in Space

In Italy, intellectual property in the space sector is still governed by the ordinary Code of Industrial Property, EU trade mark and design regulations and the European Patent Convention, so the exclusive rights of a patent, trade mark or design reach only as far as Italian territory and any Italian court seizure or injunction can presently be obtained only for infringing acts that take place on Earth (including launch bases, control rooms, import of satellite hardware, down-linked data, or offers directed to Italian customers) because there is no provision that automatically extends civil IP jurisdiction to a spacecraft.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

Currently, there are no publicly documented and easily verifiable precedents specifically cataloguing arbitration clauses included in space-specific commercial contracts in Italy. Unlike well-documented sectors such as energy or construction, the space industry has not generated publicly disclosed arbitration case databases in Italy. The potential for such disputes is nevertheless increasing as the market matures and Law No 89/2025 begins to be applied.

9.2 Investor-State Arbitration

As of mid-May 2026, no publicly documented cases of investor-state arbitration claims specifically related to space law, either involving foreign investors against Italy or against Italian private companies operating in the space sector.

9.3 Space Litigation

Italy's involvement in space law dates back to its ratification of international treaties on outer space, including the 1967 Outer Space Treaty and the 1972 Liability Convention. These treaties laid the foundation for international responsibility and liability in the event of damage caused by space objects, principles that Italy incorporated into domestic law early on. However, for decades, Italy lacked a dedicated national law regulating private space activities, relying instead on treaty obligations and administrative measures to deal with potential disputes and responsibilities.

With the gradual privatisation and commercialisation of the space sector, litigation risks have become more complex. The Italian legal framework began to adapt, particularly with the increasing presence of private actors in satellite services, Earth observation, and related technological fields.

At present, space-related litigation in Italy remains rare and largely speculative. There is a prevailing tendency for disputes – especially those involving states – to be settled through diplomatic means. Additionally, the growing role of private actors and complex contractual arrangements means that arbitration remains the preferred mechanism for resolving disputes among commercial players.

However, the litigation spectrum is broadening. Possible disputes now include:

- recourse actions by the Italian government against negligent operators after state-level compensation;
- contractual and insurance-related disputes between operators and subcontractors; and
- issues around satellite data use, IP rights, and cybersecurity breaches involving space infrastructure.

Trends and Developments

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ICT Legal Consulting (ICTLC) is an international law firm providing strategic legal compliance support in privacy, intellectual property (IP), and technology, media, cybersecurity and telecommunications (TMT) law. The firm also advises on the design and implementation of governance, organisational, management, security, and control models for data-driven organisations. ICTLC has built a cohesive team of

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Italy's Space Economy in 2026: From Framework Law to Operational Market

A market moving from policy ambition to legal infrastructure

Italy enters 2026 with a space sector that is no longer driven only by scientific missions, defence programmes and participation in ESA projects. The market is becoming a regulated commercial environment, where private operators, public authorities, investors and industrial groups must work within a more structured legal architecture.

The key change is the entry into force of Italy's first comprehensive Space Economy Law. The law turns space activities into a matter of strategic national interest and introduces a single national framework for authorisation, supervision, liability, insurance, space data, industrial policy and public support. The newly built regulatory framework results in a major shift for clients. Italy is becoming a jurisdiction where space activities can be licensed, monitored and financed under a dedicated domestic regime.

The practical message for market participants is that space projects in Italy now need regulatory planning from the beginning. Launch services, satellite operations, Earth observation, in-orbit services, stratospheric platforms and downstream services may trigger authorisation, cybersecurity, data, insurance, procurement, foreign investment or export-control issues, requiring an early legal check to avoid later risks.

The new Italian Space Economy Law: a framework still awaiting implementation

The Space Economy Law is the centrepiece of the Italian regime, but it should be understood as a framework statute. It sets the basic architecture, while several operational details are left to future implementing measures. These include technical requirements for authorisation, the calculation of administrative costs, risk-based insurance thresholds, cybersecurity and resilience criteria, rules on the reception and dissemination of space-origin data, and technical rules for spaceports and radio coexistence.

This creates a short-term "implementation gap". The authorisation regime is formally in place, but operators still need secondary legislation to understand exactly how some requirements will be applied in practice. This does not mean that businesses should wait. On the contrary, 2026 is the right moment to prepare internal documentation, mission-risk analyses, insurance strategies, cybersecurity evidence, data-governance models and supply-chain controls.

The authorities are likely to expect serious applicants to show that they have already internalised the law's core principles: safety, sustainability, resilience, protection of national interests, sound financial capacity and responsible handling of space data. Operators that prepare early will be better placed when the implementing decrees arrive.

The EU Space Act: Italy is ahead, but not alone

Italy's domestic reform must now be read together with the proposed EU Space Act. The European Commission's proposal, published in June 2025, aims to

create a harmonised EU framework for space activities based on three pillars: safety, resilience and environmental sustainability.

For Italy, this has two effects. First, national law can be seen as a useful head start. It already addresses several themes that are now becoming central at EU level, including licensing, resilience, environmental footprint, debris mitigation and cybersecurity. Secondly, the Italian regime is not the final destination. Once adopted, the EU Space Act may introduce additional or harmonised requirements, including for non-EU operators providing space services in the EU.

Operators may therefore find it useful to avoid treating compliance as a purely domestic exercise. For satellite operators, Earth observation providers and in-orbit services companies active in Italy, internal controls should ideally be designed with enough flexibility to remain aligned with the evolving EU framework.

Licensing, liability and insurance become board-level issues

The Italian regime introduces mandatory authorisation for space activities carried out by Italian operators or from Italian territory. The authorisation process is centred on the responsible political authority, with the Italian Space Agency playing a key technical role. The law also creates a liability and insurance framework, reflecting Italy's international responsibility as a launching state under the UN space treaties.

This matters for investors and boards. Space authorisation requires evidence that the operator is technically and financially reliable, that mission risks are understood, that safety and environmental impacts have been assessed, and that insurance coverage is adequate.

The law also affects corporate transactions. Transfers of ownership, management or control of space assets may require prior authorisation. This point should be included in M&A, venture capital and restructuring due diligence. In practice, a transaction involving a satellite platform, ground-segment infrastructure, mission-control capability or strategically relevant space data may raise issues beyond ordinary corporate law.

Cybersecurity is part of space compliance

Cybersecurity is now a central compliance issue for space-sector operators that fall within the NIS framework. Legislative Decree No 138/2024, which transposes NIS2 into Italian law, brings the Space sector within the scope of the NIS regime by referring to operators of ground-based infrastructure supporting the provision of space services, subject to the statutory exclusions and the applicable identification criteria. This means that, for operators falling within scope, compliance is no longer limited to registration formalities or to a preliminary mapping of the relevant perimeter. It requires a more structured and ongoing approach to cyber governance.

In-scope operators must identify, describe and categorise their activities and services through the process managed by the National Cybersecurity Agency. They must also adopt appropriate technical, operational and organisational cybersecurity measures, address supply-chain risks and notify significant incidents in accordance with the NIS rules. In practical terms, the NIS framework requires space-sector operators to treat cybersecurity as part of their operational resilience, rather than as a separate IT function.

A further layer is introduced by the Cyber Resilience Act, which addresses the security of hardware and software products with digital elements. While NIS2 focuses on the resilience of entities and services, the Cyber Resilience Act is aimed at ensuring that digital products placed on the EU market are designed, developed and maintained with cybersecurity in mind. Its vulnerability and incident-reporting obligations will start applying from 11 September 2026, making product security increasingly relevant also for manufacturers and suppliers of connected components, software and systems used in the space value chain.

For space operators, the practical consequence is that cybersecurity should be integrated from the outset into system design, procurement, supplier management, incident response and internal governance. NIS2 and the Cyber Resilience Act operate from different angles: the former focuses on the resilience of operators and the continuity of essential or important services, while the latter focuses on the cybersecurity of digital products throughout their life cycle. Taken

together, they make cybersecurity a core component of space compliance.

Space data: a commercial asset with security and privacy constraints

Italy's market opportunity is especially strong in Earth observation and downstream services. The IRIDE constellation is central to this shift. By 2026, the programme has moved from planning to deployment, with a growing number of satellites in orbit and an expected role in environmental monitoring, emergency management, land use, security and public services.

This creates major opportunities for companies offering analytics, AI-based processing, geospatial intelligence, climate services, agricultural monitoring, insurance products, infrastructure monitoring and energy-sector applications. The value is increasingly downstream. The satellite is only the beginning; the real market lies in turning data into operational decisions and business opportunities.

However, space-origin data is not legally neutral. The Space Economy Law anticipates implementing decrees on reception, management, use and dissemination of space data. It also allows restrictions where national security, foreign policy or critical-infrastructure interests are involved. In parallel, the GDPR continues to apply whenever space data can identify individuals, either directly or through combination with other datasets.

This is particularly relevant for high-resolution imagery, location intelligence and AI-based analytics. Operators should assess whether their datasets may become personal data when enriched, combined or sold to third parties. Privacy-by-design, access controls, purpose limitation, retention rules and international transfer mechanisms will often be as important as intellectual property rights.

Frequencies, gateways and satellite communications

Spectrum management remains a key practical issue. The Ministry of Enterprises and Made in Italy plays an important role in satellite networks and orbital filings, acting as the national interface for requests involving

the ITU and supporting the notification of orbital positions and frequency assignments.

This role is particularly relevant as satellite communications, direct-to-device services, secure connectivity and gateway infrastructure expand. The Space Economy Law also points toward technical coexistence between satellite and terrestrial systems, with the aim of reducing harmful interference and supporting efficient use of radio spectrum.

For operators, this means that a space project may require parallel workstreams: space authorisation, spectrum strategy, ITU co-ordination, ground infrastructure planning, cybersecurity assessment and, in some cases, electronic communications analysis. These workstreams should be managed together rather than sequentially.

Industrial consolidation and launch autonomy

The industrial landscape is also changing quickly. Avio's designation as launch service provider for the Vega launcher family, and the subsequent French licence allowing Avio to operate Vega launches from the Guiana Space Centre further strengthen its operational role in Europe's launcher ecosystem.

At the same time, the planned combination of the space activities of Airbus, Leonardo and Thales shows that Europe is moving toward industrial consolidation to respond to global competition, strategic autonomy concerns and the scale of US and Asian players. For Italy, Leonardo's role in this project is strategically important, because it connects the domestic industrial base to a broader European consolidation process.

This trend is not limited to large groups. Italian NewSpace companies are also moving into a scale-up phase. D-Orbit's growth, its combination with Planetek and its 2026 investment round illustrate a broader market shift from launch access to in-orbit operations, logistics, servicing, space cloud and data services. The next competitive frontier is not merely getting satellites into orbit, but it is operating, repositioning, servicing, updating and extracting value from them throughout their life cycle.

Public funding, procurement and SME access

Public funding remains essential. ESA commitments, national programmes, the National Recovery and Resilience Plan and future instruments under the Space Economy Law all contribute to the sector's pipeline. The 2025 ESA Ministerial Council approved the largest funding envelope in ESA's history, reinforcing Europe's focus on strategic autonomy, resilience, Earth observation, navigation, telecommunications and competitiveness.

The Italian Space Economy Law also contains procurement measures designed to support innovative start-ups and SMEs. This is important because Italy's space supply chain includes major industrial players but also a large number of specialised smaller companies. For clients, the opportunity is not limited to prime contracts. Subcontracting, consortia, technology transfer, data services and software layers may offer more realistic entry points.

The practical challenge is navigating public procurement rules, technical requirements, IP allocation, export controls, cybersecurity clauses and payment structures. Smaller operators should not underestimate the compliance burden that comes with public space contracts.

Foreign investment and strategic screening

Italy remains open to foreign investment, but the space sector is clearly strategic. Investors should expect screening under the Golden Power regime where transactions involve aerospace, satellite infrastructure, defence-related technology, sensitive data, critical infrastructure or other strategic assets.

Foreign investors should assess whether a Golden Power notification is required, particularly where the transaction concerns defence or national security, space and aerospace infrastructures and technologies, satellite-related assets, strategic data, critical infrastructure, dual-use items or critical technologies such as AI, robotics, cybersecurity, sensing or autonomous systems.

For dealmakers, the key is timing. Golden Power notifications, export-control assessments, licence-transfer approvals and cybersecurity reviews can affect signing conditions, closing timelines, warranties, covenants and valuation. In cross-border space transactions, regulatory execution is now part of deal execution.

Practical priorities for clients in 2026

Clients entering or expanding in the Italian space market should focus on a few immediate priorities:

- map whether the activity falls within the Italian Space Economy Law, ENAC higher-airspace rules, electronic communications rules, or a combination of them;
- prepare a licensing dossier early, including safety, environmental, cybersecurity, insurance and financial-capacity evidence;
- assess whether the operator or its suppliers may fall within NIS2, the National Cybersecurity Perimeter or critical-entity resilience rules;
- build a data-governance model for space-origin data, including GDPR, security restrictions, IP ownership and customer licensing;
- check spectrum, orbital slot and gateway issues before committing to technical architecture;
- include Golden Power, export-control and licence-transfer analysis in investment and M&A planning; and
- monitor implementing decrees under the Space Economy Law and the evolution of the EU Space Act.

Outlook

Italy's space market is becoming more attractive precisely because it is regulated. The new legal framework offers greater certainty, stronger public co-ordination and better visibility for investors. But it also raises the compliance threshold.

In 2026 operators should treat regulation as part of industrial strategy, not as a legal afterthought. Space is still a frontier, but in Italy it is now a frontier with forms, deadlines, cybersecurity obligations and public-law consequences.



Law and Practice

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Nagashima Ohno & Tsunematsu is an integrated full-service law firm in Japan. The firm has more than 600 lawyers in total and eight overseas offices, including its New York Office. Drawing on broad experience and expertise in space law, the firm provides one-stop support to both Old Space and New Space clients, covering financing, business alliances, and contract negotiations. The firm's expertise in various space businesses such as satellite launch services, satellite services, on-orbit services, space resource development, commercial space travel, space insur-

ance, and spaceports, enables it to assist its clients in the domestic and international development of these businesses. In particular, the bilingual team is highly knowledgeable about space-related business, international space law, space law of the USA and other countries and international transactions, has considerable experience in contract negotiations in English with overseas space-related companies and space agencies. The firm also assists its overseas clients in expanding their businesses in Japan.

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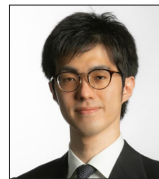
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NAGASHIMA

1. Global Trends

1.1 International Legal and Regulatory Developments

UN Outer Space Treaties and Soft Law

The international legal framework for space activities is of considerable influence on the legal and regulatory environment in Japan. Japan has ratified or acceded to the four United Nations treaties on outer space:

- the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (the Outer Space Treaty);
- the Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space (the Rescue Agreement);
- the Convention on International Liability for Damage Caused by Space Objects (the Liability Convention); and
- the Convention on Registration of Objects Launched into Outer Space (the Registration Convention).

In contrast, Japan has not ratified or acceded to the Agreement Governing the Activities of States on the Moon and Other Celestial Bodies (the Moon Agreement), under which private ownership of the Moon and other celestial bodies and their natural resources is prohibited.

The Japanese government also respects non-binding principles and declarations (so-called soft laws) established by international organisations, such as the Space Benefits Declaration, the Space Debris Mitigation Guidelines, and the Guidelines for the Long-term Sustainability of Outer Space Activities.

Bilateral/Multilateral Frameworks for Co-Operation in Space Activities

The Japanese government is also keen to co-operate with other countries advanced in space technology under bilateral or multilateral frameworks. For example, Japan has been a member of the International Space Station programme since 1985. Japan signed the Artemis Accords in 2020 and works closely with more than 60 member countries in relation to the

Artemis Program – an international lunar exploration programme. In addition, the Japanese government is actively engaging in bilateral agreements or dialogue with various countries, such as the United States, France, India and EU.

1.2 NewSpace and the Space Tech Economy

Japan's space industry is expanding, with over 100 start-up companies engaged in various space-related business activities. These companies operate across a diverse range of fields, including the utilisation of satellite data and technology, satellite infrastructure development and operation, transportation, on-orbit services, space exploration and resource extraction, as well as space tourism.

The legislative landscape in Japan is evolving in parallel with these developments. The Satellite Remote Sensing Act and the Space Resources Act, as described in 2.2 Legal System and Sources of Space Law and Regulation, are responses to this industry expansion. Moreover, the amendment to the Space Activities Act was enacted in June 2026, as described in 2 Space Legal and Regulatory Framework.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

The space industry in Japan has traditionally developed mainly in response to demand from the national government. However, since the 2000s, the importance of commercial space development by the private sector has been recognised, and the government has encouraged the private sector to actively participate in the space industry.

Such governmental policy was materialised by the enactment of the Basic Space Act (enacted in 2008), which states that the government shall take measures to promote business activities related to space development and use by the private sector. In addition, the Act on Launching Space Rockets and Control of Specified Spacecraft (formerly “the Act on Launching Spacecraft and Launch Vehicle and Control of Spacecraft”) (enacted in 2016 and amended and renamed in June 2026, the “Space Activities Act”) and the Act

on Ensuring Appropriate Handling of Satellite Remote Sensing Data (enacted in 2016, the “Remote Sensing Act”) established the legal framework regarding the licence system for private operators to conduct launch businesses, satellite operation businesses, and businesses using satellite remote sensing devices. Through these acts, the legal framework for private operators to participate in outer space businesses has been established in Japan.

Public demand still accounts for the majority of the domain of space equipment manufacturing. However, in the space utilisation industry, especially in the fields of the satellite communication and broadcasting business, Japan has some of the world’s leading companies. In addition, several private companies have entered the launch service business, and new entrants have emerged in the development of microsatellites, on-orbit services, exploration of space resources, the establishment of a lunar economy, and entertainment in outer space. In this way, the movement of private companies to participate in the space industry is now increasing in Japan.

2.2 Legal System and Sources of Space Law and Regulation

General Legal System

The legal system in Japan is based on civil law. Thus, the statute laws are the basic source of law, and case law is not strictly binding. In Japan, the Supreme Court can accept appeals of cases where decisions conflict with Supreme Court precedents, and thereby the uniformity of the interpretation of laws in courts is to be achieved. However, since appeals are not always filed for all cases, and the Supreme Court may not necessarily accept all appeals of lower court decisions that may be contrary to Supreme Court precedents, Supreme Court precedents only have a de facto binding power.

Legal System Regarding Space Law

As for space law in Japan, statute laws are the basic source of law.

The following is a summary of domestic laws regarding space activity in Japan.

Basic Space Act

The Basic Space Act provides the basic principles for the development and use of space, including compliance with international treaties, peaceful use, and promotion of industry, as well as the responsibilities of the government in realising these principles. It also stipulates that the government shall formulate a basic plan for space development and utilisation (the “Space Basic Plan”), and that the Strategic Headquarters for Space Development shall be established under the Cabinet to promote national policies on space development and use.

Space Activities Act

The Space Activities Act (i) establishes the licence system for the launching of rockets and operation of satellites conducted by private entities (see 2.4 Role of the State in the Licensing Process for Space Activities and 2.6 Role of the State in the Launching Process), and (ii) provides the legal structure of compensation for damages caused from space activities (see 2.8 Insurance and State Measures on Liability for Damages). About ten years have passed since its enactment, and an amendment was enacted in June 2026 and will come into force within one year from the enactment.

Satellite Remote Sensing Act

The Satellite Remote Sensing Act establishes the licence system for the use of satellite remote sensing devices using a domestic radio station and also provides regulations regarding restrictions on the provision of data obtained by satellite remote sensing devices to third parties (see 3.1 General Rules on Space Activities).

Space Resources Act

The Act on the Promotion of Business Activities for the Exploration and Development of Space Resources (enacted in 2021, the “Space Resources Act”) provides requirements for obtaining a licence for space resources exploration and development by private entities, as the add-on requirements for licences under the Space Activities Act. It also provides that operators can acquire ownership of space resources by meeting certain requirements.

Case Law Regarding Space Activity

There have not been many lawsuits regarding space activities in Japan yet. In addition, when a dispute arises, it tends to end in alternative dispute resolution or settlement in many cases. Therefore, there are not yet many case precedents publicly available in the field of space law.

2.3 Role of the State in Space Law and Regulations

Public institutions related to space policy in Japan are as follows. Essentially, the Cabinet Office plays a central role in formulating space policy, while Japan Aerospace Exploration Agency (JAXA) plays a role as a player in space activities, such as space-related research and development, launch and operation of satellites, and support for private entities participating in space activities.

Strategic Headquarters for Space Development

The Strategic Headquarters for Space Development is established in the Cabinet and is responsible for (i) drafting the Space Basic Plan and its implementation, and (ii) researching and deliberating key policies on space development and use, and promoting the implementation of these policies.

Cabinet Office

The Cabinet Office oversees planning, formulation, and general co-ordination of policies on space development and use. In addition, the Cabinet Office is responsible for the development and operation of the Quasi-Zenith Satellite System. The Space Policy Committee is established in the Cabinet Office, which deliberates on important policies related to space development and use.

JAXA

JAXA is established as one of the national research and development agencies responsible for space-related policies. The Cabinet Office, Ministry of Internal Affairs and Communications (MIC), Ministry of Education, Culture, Sports, Science and Technology, and Ministry of Economy, Trade and Industry (METI) are in charge of JAXA. JAXA focuses on (i) academic research and technological development in space science, (ii) the development, launching, tracking, and operation of satellites, etc, and (iii) assisting research

and development related to outer space by private entities. JAXA's medium- to long-term goals (covering a period of five to seven years) shall be decided by the competent ministers based on the Space Basic Plan.

2.4 Role of the State in the Licensing Process for Space Activities

In Japan, obtaining a regulatory licence is required for the launch of rockets and operation of satellites. This section describes the licence for operation of satellites, and the licence for launching rockets is discussed in **2.6 Role of the State in the Launching Process**. Furthermore, additional procedures are required for remote sensing (see **3.1 General Rules on Space Activities**), and exploration of space resources.

Licence for Operation of Satellites Under the Space Activities Act

When operating a satellite using (i) a control facility in Japan, (ii) a control facility on board a ship or aircraft of Japanese nationality or (iii) a control facility on board a satellite over which Japan has jurisdiction, it is necessary to obtain a licence for each satellite from the Prime Minister under the Space Activities Act. Under the Space Activities Act, after the 2026 amendment, a "Space Rocket" is defined as "a rocket launched from the Earth that, upon launch, possesses thrust sufficient to reach an orbit around the Earth or beyond, or a celestial body other than the Earth", and an "Artificial Satellite" is defined as "an artificial object mounted on a Space Rocket and used by being injected into an orbit around the Earth or beyond, or by being placed on a celestial body other than the Earth". The 2026 amendment newly defines an "Operable Satellite" as "an Artificial Satellite whose position, attitude, and condition are capable of being controlled". A licence is generally required when an Operable Satellite is to be operated in outer space. Accordingly, a licence is required not only for a typical artificial satellite used in orbit, but also for a lander or rover used on celestial bodies and any other object to be controlled from the Earth.

For a licence to operate an Operable Satellite, the applicant must submit an application that includes the following information of the Operable Satellite: (i) identification and location; (ii) intended orbital insertion or placement; (iii) purposes and methods of use; (iv)

configuration; (v) end-of-control measures, describing the planned approach to conclude control at end of life; and (vi) other information necessary to describe the control plan in a complete and verifiable manner. The criteria for issuing licences include, for example, whether the purposes and methods of the Operable Satellite meet the basic principles of the international treaties and the Basic Space Act, and whether the configuration and the end-of-control measures of the Operable Satellite are sufficient from the perspective of preventing pollution of outer space and ensuring safety. According to the published guidelines, the standard period required for the examination of the licence application for the operation of a satellite is about 15 days to three months.

Supervision of Satellite Operators

The Prime Minister may request reports from satellite operators who obtained a licence for satellite operations and inspect their offices as necessary. Furthermore, the Prime Minister may give guidance, advice and recommendations, which have no binding power, to satellite operators to the extent necessary to ensure compliance with international treaties and public safety, and may take necessary measures against a satellite operator if the satellite operator does not comply with the plan submitted at the time of obtaining the licence. Through these mechanisms, satellite operators are expected to be supervised by the government.

Other Procedures Regarding Satellite Operation

In addition to the above procedures under the Space Activities Act, a satellite operator is required to submit a notification to the Cabinet Office regarding the registration of a space object in accordance with the Registration Convention and related UN recommendations when a satellite is placed into or beyond orbit.

2.5 Role of the State in Co-ordinating the Use of Radio Frequencies and Orbital Slots

A person who intends to install a radio station and use radio waves in Japan must obtain a licence from the MIC in accordance with the Radio Act. When using radio waves for the purpose of communication with a satellite, it is necessary to obtain a licence under the Radio Act for both the radio station on the ground that communicates with the satellite and the radio station

on board the satellite (a “Satellite Station”). When a person intends to obtain a licence for a Satellite Station, the person shall submit information of the orbit or the position, range of movement, launch schedule and period of use, etc, of the satellite.

International co-ordination of frequencies will be carried out by the MIC with the International Telecommunication Union in the process of granting the licences above. This international co-ordination shall begin approximately two years prior to the launch of the satellite, which is a high hurdle for doing business with satellites.

The examination of granting licences under the Radio Act includes the feasibility check of frequency allocation in order to prevent conflicts of frequencies. The MIC publishes the table of frequencies, which shows frequencies to be allocated for each purpose of use, and frequencies will be allocated according to this table.

2.6 Role of the State in the Launching Process

Licence for Launch Under the Space Activities Act

Under the Space Activities Act after the 2026 amendment, when launching Space Rocket from (i) a facility in Japan or (ii) a facility on board a ship or aircraft of Japanese nationality, it is necessary to obtain a licence from the Prime Minister in accordance with the Space Activities Act for each launch. For the definition of “Space Rocket”, please see 2.4 Role of the State in the Licensing Process for Space Activities.

Any person who applies for a licence has to submit information on, among other things:

- the purpose and design of the rocket;
- the location of the launch facility;
- a plan showing the flight path of the rocket and measures to ensure safety (including flight abort and termination measures);
- whether or not satellites are to be loaded;
- the number of satellites to be launched; and
- the purposes and methods of the satellites.

The criteria for issuing a licence include requirements that the rocket design, flight path and launch facili-

ties have a certain level of safety, and that the methods and purposes of satellite conform to the basic principles of the international treaties and the Basic Space Act as well as the standards for the prevention of harmful contamination and safety applicable to artificial objects set forth in the Space Activities Act. Under the Space Activities Act, there is also a certification for space rocket models and conformity certification for launch facilities, simplifying the application procedures for a launch licence when using a space rocket model or a launch facility that has been pre-certified. According to published guidelines, the standard period required for the launch licence application is usually four to six months, but one to three months when using a space rocket model that is pre-certified.

Supervision of Launch Providers

Like the case of satellite operators, there is a supervision mechanism for launch providers. The Prime Minister may request necessary reports from launch providers, persons who have obtained certification for a space rocket model, and persons who have obtained conformity certification for launch facilities, and may also inspect their offices. The Prime Minister may provide guidance, advice and recommendations to them, which have no binding effect, to the extent necessary to ensure compliance with international treaties and public safety, and may also take necessary measures against a relevant operator if there is a risk that the launch vehicle or launch facility will no longer meet safety standards.

JAXA's Role in Satellite Launches

JAXA also plays a role in satellite launches. JAXA not only launches satellites developed by itself, but also provides opportunities to launch small satellites developed by private companies, universities, and other research institutes into space as piggyback payloads.

2.7 Commitment to International Treaties and Multilateral Discussions

International Treaties

As described in 1.1 International Legal and Regulatory Developments, Japan has ratified or acceded to the Outer Space Treaty, the Rescue Agreement, the Liability Convention, and the Registration Convention, but has not ratified or acceded to the Moon

Agreement. As for multilateral agreements, Japan has signed the International Space Station Intergovernmental Agreement (IGA) and the Memorandum of Understanding on International Space Station, and is also a signatory to the Artemis Accords.

Role in COPUOS

Japan has participated in COPUOS since its inception, and at the 60th session of the Legal Subcommittee, Professor Setsuko Aoki became the first Japanese person, and the first woman, to chair the Subcommittee.

Domestic Legal Framework to Implement International Treaties, etc

Under the Basic Space Act, Japan's space activities are to be conducted in accordance with international treaties, including those regarding the exploration and use of outer space. In addition, pursuant to Article 6 of the Outer Space Treaty, in order to ensure that domestic space activities, including those by private operators, are conducted in accordance with the provisions of the Outer Space Treaty, the Space Activities Act stipulates that the purposes and methods of use of satellites may not interfere with the implementation of international treaties regarding development and use of outer space, as a condition for issuing a licence for launch or operation of satellites. This mechanism ensures private operators conduct space activities in accordance with international treaties, including the Outer Space Treaty.

Furthermore, international soft laws are also taken into account in the criteria for issuing these licences. For example, the criteria for issuing licences for the launch or operation of satellites require the undertaking of detailed measures to diminish space debris, based on international guidelines for the control of space debris (the relevant guideline under the Space Activities Act clearly refers to the Inter-Agency Space Debris Coordination Committee (IADC) guideline as one of such guidelines). In addition, the licence criteria for the operation of satellites include conformity to the standards for the prevention of harmful contamination and safety applicable to artificial objects set forth in the Space Activities Act that are in accordance with the planetary protection guidelines stipulated by COSPAR.

Rules Regarding Responsibility With the Activities of Private Entities, etc

In the event that the space activity of a private entity in Japan causes damage to a person in a foreign country, and Japan compensates the damage in response to a claim for damages from the government of the foreign country against Japan, there is no provision in Japan's space law regarding the conditions under which the Japanese government may claim reimbursement from the domestic private entity. Even based on general laws such as the Civil Code, it is not clear what facts can satisfy the requirements for such claims for reimbursement.

2.8 Insurance and State Measures on Liability for Damages

The Space Activities Act provides for measures to secure compensation for two types of damages: "Damage Caused by Falling Rockets, etc" and "Damage Caused by Falling Satellites, etc".

Damage Caused by Falling Rockets, etc

"Damage Caused by Falling Rockets, etc" means damage to human life, body or property caused on the ground surface, water surface, or in a flying vehicle such as an aircraft in flight by the fall, collision or explosion of (i) a satellite and its launch vehicle before satellite separation and (ii) a launch vehicle after satellite separation. From the viewpoint of providing swift compensation to the victims, the Space Activities Act provides that only the launch provider is directly liable for the Damage Caused by Falling Rockets, etc. In other words, the manager of the launch facility, the manufacturer of the launch vehicle, the purchaser of the launch service, and the satellite manager are not directly liable to the third party for such damage; provided, however, that this does not preclude the launch provider from making a claim for reimbursement against these parties. The launch provider is subject to strict liability (ie, liable even without negligence) for the Damage Caused by Falling Rockets, etc.

In order to secure the financial resources to pay for such damages, the Space Activities Act provides that the launch provider must obtain insurance as well as enter into a "Compensation Contract for Damage Caused by Falling Rockets, etc" with the government for each launch in an amount determined by the ordi-

nance as satisfactory to protect the victims in consideration of the circumstances of the launch. These measures must be in place in order to obtain a launch licence. Under the Compensation Contract for Damage Caused by Falling Rockets, etc, the government will compensate for damages that are not covered by private insurance, such as damages caused by terrorism. Furthermore, as a measure of industrial support, the Space Activities Act provides that private operators may enter into an agreement with the government under which the government will compensate for damages up to JPY350 billion in the event that the amount of actual damages exceeds the amount covered by the aforementioned measures.

Damage Caused by Falling Satellites, etc

"Damage Caused by Falling Satellites, etc" means damages to human life, body or property caused on the ground surface, water surface, or in a flying vehicle such as an aircraft in flight by the fall, collision or explosion of a satellite. The liability of the Damage Caused by Falling Satellites, etc, is also a statutory liability that arises even without fault, but unlike the Damage Caused by Falling Rockets, etc, no system exists for concentration of liability. In addition, unlike the Damage Caused by Falling Rockets, etc, there is no obligation for satellite operators to take particular measures to ensure compensation for damages, and no government compensation system exists.

Damage Caused in Outer Space

Damage caused in outer space in cases where a rocket or satellite collides with another space object is not included in the Damage Caused by Falling Rockets, etc, or the Damage Caused by Falling Satellites, etc, and there are no special provisions for such damage under the Space Activities Act.

Therefore, there is no obligation for launch providers and satellite operators to take measures to ensure compensation for damages and there is no government compensation system for these damages, and instead, whether the relevant parties are liable for damages is determined based on the general tort law under the Civil Code. In light of the increase in the number of satellites, whether it is necessary to take measures to secure compensation for such damages in outer space is under discussion.

2.9 Very High Altitude Legal and Regulatory Framework

Under Japanese law, no specific regulations currently govern very high altitude such as the stratosphere. In addition, since there are no clear definitions of “space” and “aviation”, the boundary between space and aeronautical space is not distinct.

Which of space laws or aviation laws apply to objects in very high altitude depends on whether such objects fall under the definition of “Artificial Satellites, Etc.” under the Space Activities Act (which basically means artificial satellites and other artificial objects that, after separation from a space rocket, are placed into Earth orbit or beyond, or are placed on a celestial body other than Earth) or “aircraft” under the Aviation Act. The term “aircraft” is defined by the Aviation Act as “airplanes, rotary-wing airplanes, gliders, airships, and other devices specified by subordinate regulations that can be used for aviation with people on board”, but the definition of “aviation” does not exist. Therefore, the definition of “aircraft” is not clear after all. In this regard, referring to the definition of the Chicago Convention, “aircraft” under Japanese law may be interpreted to mean “any machine that can derive support in the atmosphere from the reactions of the air other than the reactions of the air against the Earth’s surface.” However, some objects cannot be clearly included in “aircraft” even by such definition. For instance, suborbital rockets do not fall under “aircraft” due to their use of rocket engines, nor “Artificial Satellites” since they are not to be placed on or beyond Earth’s orbit. The 2026 amendment to the Space Activities Act does not address the issue of how to treat suborbital rockets and rockets launched from balloons, and this issue is expected to be considered in future amendments.

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities

With respect to the licensing system for space activities in Japan, please see 2.4 Role of the State in the Licensing Process for Space Activities for satellite management, and 2.6 Role of the State in the Launching Process for rocket launches. This section

describes the regulations on obtaining and utilising remote sensing data.

Remote Sensing

Summary

The Act on Ensuring Appropriate Handling of Satellite Remote Sensing Data (the “Remote Sensing Act”, Law No 77 of 2016) sets forth (i) the system of permission for the use of satellite remote sensing instruments using radio equipment in Japan and (ii) the regulations on the provision of certain remote sensing data obtained by satellite remote sensing instruments to third parties.

Scope

While the Remote Sensing Act regulates observations on the Earth’s ground or water surface, this Act does not regulate remote sensing instruments to observe outer space or celestial bodies. In addition, remote sensing data that does not reach the specified criteria of distinguishing accuracy is not subject to the Remote Sensing Act. For example, (i) raw data with the distinguishing accuracy of two metres or less for optical sensors and (ii) raw data with the distinguishing accuracy of three metres or less for SAR sensors are subject to the regulation of the Remote Sensing Act.

Obligations

Operators of remote sensing instruments must (i) obtain a certain licence and/or permission under the Remote Sensing Act in advance and (ii) comply with the following disciplines in order to obtain and maintain the said licence and/or permission:

- take measures of security control to prevent leakage, loss, or damage of remote sensing data;
- take measures of, among others, encryption to prevent access by third parties other than persons with the licences and/or permission;
- shut down the remote sensing instruments when the corresponding satellite deviates from the authorised trajectory; and
- keep records of transmission/reception to/from the remote sensing instruments and records in the case of provision of remote sensing data to a third party.

Remote sensing data may, in principle, be distributed only among (i) persons who have obtained licence and/or permission under the Remote Sensing Act or (ii) government agencies in Japan, the United States, Canada, Germany, and France.

In addition, recipients of remote sensing data are required to comply with the same safety management obligations as the operators of remote sensing instruments.

The Prime Minister of Japan may order the prohibition of the provision of remote sensing data to third parties, otherwise normally allowed, by specifying the scope of data and the period of time. This is the Japanese version of the so-called “shutter control” by the US President by which the sale or provision of remote sensing data of a specific region may be restricted at any time by presidential decree if there is a risk of disadvantage to the country.

Tenure Security for Space Activities

In Japan, there is no regulation on the tenure security or its revocation in general. With respect to cybersecurity, the establishment of security measures for satellites is considered in the review process of space activity licences under the Space Activities Act. The Ministry of Economy, Trade and Industry (METI) has published the Guidelines for Cyber Security Measures for Civil Space Systems Ver. 2.0, which is legally non-binding but expected to be complied with (see 4.3 **Cybersecurity and Space** with respect to the Guidelines for Cyber Security Measures for Civil Space Systems Ver. 2.0).

3.2 Principles of Non-Interference and Prevention of Harmful Interference

In Japan, the Space Activities Act sets forth a licensing system for (i) rocket launches and (ii) satellite management. The Act requires, during the licensing review process, that the purpose and method of satellite utilisation comply with the basic principles of the Basic Space Act in Japan and the space treaties, that the following anti-collision and space debris reduction measures be taken, and that it be ensured that there is no risk of interference with public safety.

For rocket launches:

- appropriate measures to prevent debris generation in orbit; and
- appropriate measures during the rocket’s orbital injection stage to prevent debris generation.

For satellite operations:

- mechanisms to prevent accidental scattering of equipment during satellite operations;
- measures to avoid collisions with other satellites; and
- debris reduction measures at the end of the mission, such as de-orbiting and re-orbiting.

Service satellites providing in-orbit services are also subject to the review described above, provided that the satellite management facility is located in Japan. Due to the inherent risk of collision associated with in-orbit services, which often involve approaching or rendezvousing with other satellites, specific licensing guidelines, including the guideline for preventing collisions with artificial satellites published in February 2025, have been established for satellites performing such activities.

The above guidelines (i) indicate the rules of service satellites or on-orbit services using such satellites which the operators must, in principle, meet, considering the following aspects, and (ii) specify the particular items that an on-orbit service provider must, in principle, present to prove that these rules have been met in the event of examination for a permit to manage such a satellite:

- prevention of infringement of rights against the target;
- security of measures to be taken against the target as an on-orbit service;
- ensuring necessary information disclosure to countries and other satellite operators;
- technical requirements for the structure and management plan of the service satellite; and
- establishment of an operational system to manage the service satellite

For example, concerning the first aspect, the operator is required to have authorisation or consent from the owner of the target satellite or the other person who has title to the target satellite to perform on-orbit services; the specific items to be presented by the operator include (i) the target satellite's registration information; (ii) an agreement between the operator and the service recipient in which the service recipient is required to represent and warrant that the service recipient has the necessary title to the target satellite; and (iii) information on the owner and/or manager of the target.

3.3 Operators' Responsibilities

Operators' General Obligations

Operators are subject to the requirements described in **3.2 Principles of Non-Interference and Prevention of Harmful Interference**.

ESG Guidelines

There are no ESG guidelines for space activities in Japan.

Lunar Heritage Sites or Scientific Research Zones

Japan is a signatory to the Artemis Accords, which commits to preserving humanity's outer space heritage, including human or robotic landing sites, artifacts, spacecraft, and other evidence of activity on other celestial bodies.

Intellectual Property Rules

Japan has no specific intellectual property rules applying to space activities and assets.

Article 26 of the Japanese Patent Act provides that "[i]f specific provisions on patents are established by a treaty, those provisions prevail". However, it has been questioned whether the IGA (Inter-Governmental Agreement) is not included in the "treaty" set forth in Article 26 of the Japanese Patent Act (unlike the Paris Convention regarding industrial property rights and TRIPs).

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

As described in **3.1 General Rules on Space Activities**, the Remote Sensing Act regulates the remote sensing data. The Remote Sensing Act does not regulate all space data, but only (i) observations of the Earth's ground or water surface and (ii) remote sensing data that exceed the specified criteria of spatial resolution (ie, data more accurate than the threshold set forth therein). Please see **3.1 General Rules on Space Activities** with respect to the regulations in detail.

4.2 Space Data Spaces

There is no specific act, regulation, or guideline in Japan relating to space data spaces. Based on publicly available information, Japanese space agencies such as JAXA do not currently operate any space data spaces. However, there are a few satellite-data platforms in Japan, such as (i) JAXA's Earth-observation data portals, and (ii) the Tellus platform supported by the Ministry of Economy, Trade and Industry (METI), which function as data-access infrastructures rather than regulated data spaces.

4.3 Cybersecurity and Space

The Ministry of Economy, Trade and Industry (METI) has published the "GuidelineGuidelines for CybersecurityCyber Security Measures in Privatefor Civil Space Systems Ver. 2.0", which outlines key cybersecurity measures that should be taken, or are recommended to be taken, by various stakeholders. The scope of the guideline includes satellite owners, satellite operation businesses, satellite data platform providers, satellite data service providers, satellite data users/satellite communication users, and satellite development businesses (excluding launch facilities, which are explicitly outside the scope of the guideline).

This guideline is intended to be used (i) by businesses involved in the space industry as a reference when implementing their own cybersecurity measures, and (ii) by governments, municipalities, and private entities which are procuring space systems, to assess whether an enterprise satisfies basic cybersecurity requirements. While not legally binding, this guideline is considered to be a practically important soft law.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

A fundamental principle of the Basic Space Act is that space development and utilisation should take place with due consideration for its environmental impact. The Act stipulates the government's responsibility to take necessary measures to promote space development and use in harmony with the environment, and to endeavour to ensure international co-operation for the preservation of the space environment.

The licence system under the Space Activities Act is considered to ensure that space activities in Japan are appropriate from the perspective of protecting the space environment. The requirements for the launch and operation licence include that the purposes and methods of the use of satellites should not interfere with the implementation of international treaties: satellites should conform to the regulations for space environment protection in the international treaties, including Article 9 of the Outer Space Treaty. In addition, the licence criteria for the operation of satellites include appropriate measures to prevent global environmental deterioration due to materials originating from other celestial bodies and to prevent environmental pollution of other celestial bodies.

The measures required to prevent the deterioration of the environment of the Earth and other celestial bodies are in accordance with the planetary protection guidelines established by COSPAR. The protection of the space environment is being pursued by requiring adherence to international treaties and soft law on space environment protection as a prerequisite for participation in space activities.

5.2 Climate Change and Space Activities

The Climate Change Adaptation Act stipulates that, in order to promote adaptation to climate change, the government must make efforts to promote the observation, monitoring, prediction, and assessment of climate change and its effects, as well as the development of technologies to adapt to climate change, and the "observation" is interpreted to include observations using satellite remote sensing technology.

The Space Basic Plan, formulated in June 2023, identifies as one of its goals for the following ten years contributing to the resolution of global issues, including climate change, and advancing the achievement of the Sustainable Development Goals through the use of data obtained from remote sensing and the Quasi-Zenith Satellite System, among other technologies.

As an example of government efforts to tackle climate change, several Earth observation satellites aimed at addressing climate change and other issues, are being operated by JAXA and other public organisations. For example, GOSAT-GW (Ibuki GW) was launched in June 2025, which is a hybrid satellite with the ability to monitor sea surface temperature and greenhouse gases. GOSAT-2 (Ibuki-2), launched in 2018, can observe global carbon dioxide, carbon monoxide and methane to monitor long-term changes in greenhouse gases.

5.3 Orbital Debris

Reduction of orbital debris is also addressed through the licensing mechanism for launching or operating satellites under the Space Activities Act. The licence criteria for launch require appropriate measures to diminish on-orbit debris and to remove the rocket booster from the protected area of the orbit. The licence criteria for the operation of satellites also require that appropriate measures be taken to diminish debris generation, such as prevention of unintentional release of objects, prevention of crushing of satellites and appropriate ways of termination. These debris minimisation measures and termination measures for launch vehicles and satellites are based on the COPUOS and IADC guidelines. The Cabinet Office also publishes a guidebook that compiles the design and operational know-how and support documentation accumulated by space agencies such as JAXA and IADC.

In Japan, Astroscale, a private space enterprise listed on the Tokyo Stock Exchange, is working to provide in-orbit services, particularly removal of space debris. The government is supporting Astroscale's commercialisation of space debris removal services by providing subsidies for research and development of related technologies.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

In principle, space activities are taxed in the same manner as normal business activities in Japan.

In general, corporate income tax (or the income tax in the case of a natural person) and the consumption tax (VAT) are imposed on space activities as described below.

Corporate Income Tax

The corporate income tax is levied on the profits (revenues less expenses) earned during the fiscal year (or the calendar year in the case of a natural person). The effective tax rate of the corporate income tax is approximately 30%.

Consumption Tax (VAT)

When goods are transferred (typically sold) or services are rendered, 10% of the consideration is charged as the consumption tax. However, it should be noted that:

- no consumption tax is imposed on export transactions; on the other hand, consumption tax is imposed on import transactions; and
- to facilitate co-operation in space activities between Japan and the USA, such as the Artemis Accords, the consumption tax on imports of goods and other items necessary for Japan-US space co-operation is exempted from taxation under Article 5 of the Framework Agreement on Space Cooperation between Japan and the USA.

Business operators may credit the consumption tax imposed on their purchase of goods or services against the consumption tax on their sales with certain conditions (as a result, business operators pay the net tax amount to the government).

6.2 Tax Incentives for Space Investors

While not exclusive to or specifically designed for space activities, the following tax treatments can be leveraged to encourage investment in space-related businesses.

R&D Tax Credit Rules

This R&D tax credit rules allow a company to credit a certain tax credit ratio (1% to 14%) of the amount of its expenses relating to research and development against its corporate income tax amount. Under this system, the greater the research and development amount, the higher the applicable tax credit ratio, thereby encouraging companies to increase their R&D investment. However, there is a ceiling on the amount of tax credit that can be claimed, determined by the company's corporate income tax.

Open Innovation Tax Incentives

A company may, subject to certain conditions, deduct 25% of the amount invested in start-ups from its corporate income tax (with a minimum and maximum limit). Previously, the deduction was limited to the acquisition of newly issued shares (the New Investment type), but the tax reform in 2023 made the acquisition of outstanding shares from existing investors (the M&A type) also eligible.

Angel Taxation

This programme provides preferential tax treatment – in the form of income deductions or tax deferrals – exclusively to individual investors. In general, individual investors can choose from three types of preferential treatment.

6.3 Taxation on Sale or Transfer of Space Assets

Income Tax

As with other goods, if a profit is made on the sale of space assets, the profit is subject to income taxation; on the other hand, if a loss is incurred, the amount of income on which the income tax is imposed is reduced by the amount of loss.

Consumption Tax (VAT)

Consumption tax is imposed at 10% of the consideration for the sale of assets or other goods or provision of services in Japan.

Consumption tax is not imposed on transactions for exporting space assets. On the other hand, a consumption tax is imposed on the importation of space assets.

If the transfer of space assets is made in outer space after the launch, the consumption tax would not be imposed since the transfer of assets occurs outside of Japan.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

“NewSpace” – space start-ups – is a growing industry in Japan and attracting interest from both public and private sectors. The Japanese government has set an ambitious target to double the size of the private space business market from JPY4 trillion in 2020 to JPY8 trillion by early 2030s (JPY0.6 trillion in the space equipment industry and JPY7.4 trillion in the space solutions industry).

Large investments are flowing into the Japanese space industry from domestic and overseas venture capital funds.

There are some cases of spin-offs. JAXA supports spin-off ventures established through investments by JAXA staff to conduct businesses using JAXA’s intellectual properties and knowledge gained from JAXA’s operations.

7.2 Finance Sources for Space Activities

Both the private and public sectors are actively investing in space activities in Japan.

Private funds

Private funds can be categorised into equity and debt investment. In Japan, JPY29.4 billion of investment was made in total in 2024 and over JPY200 billion has been raised in Japan from 2015 to 2024. Equity is a main funding resource particularly for start-ups at the early stage. Not only venture capital funds but also “sogo-shosha” (ie, Japanese trading companies) and financial institutions are important fund providers in the space business. In addition, there have been some cases where Japanese space business companies succeeded in initial public offerings and listing on stock markets. Regarding debt fundings, some late-stage start-ups have raised funds through loans from

financial institutions, including the largest Japanese commercial banks.

Public funds

The Japanese government actively supports the space industry through significant subsidies, particularly to start-ups, to encourage the space industry as a growing industry. One of the main subsidies is the “Space Strategic Fund” established in 2024, which targets space business companies, start-ups, universities, and national research institutes. The government plans to allocate JPY1 trillion over the next ten years. Another subsidy, focused more on start-ups generally, is the Small/Start-up Business Innovation Research Scheme (the “SBIR Scheme”), which promotes R&D-type start-ups, including the space industry, that contribute to solving social problems.

Some municipal governments use the “Furusato Nozei” (hometown tax) programme to encourage the space industry in their municipalities. This allows taxpayers to contribute to any municipalities (other than where they live) in return for a tax credit from income tax and residence tax, which is expected to provide additional income to sparsely populated areas. Taiki Town in Hokkaido, for example, successfully utilised this programme to crowdfund its spaceport project.

7.3 Attracting Investment for Space Activities Reform to Attract Investment for Space Activities

The Japanese government is dedicating efforts to increase investment in start-ups, including the space industry. Below are examples that facilitate fundraising by start-ups in various stages.

Pre-seed/seed stage

- establishment of a credit guarantee framework that does not require a personal guarantee by managers; and
- tax exemption for reinvestment in start-ups.

Early/middle stage

- expansion of investment in venture capital by public funds;
- support in research and development of deep tech;
- improving stock option regulations; and
- expansion of public procurement from start-ups.

Later stage

- promotion of M&A through the open innovation tax incentives to expand opportunities to co-operate with large companies and diversify exit strategies; and
- development of secondary markets for unlisted shares.

Separately, as a support measure specific to the space industry, the Ministry of Economy, Trade and Industry (METI) and Organization for Small and Medium Enterprises and Regional Innovation (SME Support, JAPAN) have organised annual business matching programmes for the aerospace industry since 2014.

7.4 Foreign Investment in Space Activities **FDI Regulations in Japan**

Prior filing requirement

Under the Foreign Exchange and Foreign Trade Act of Japan (FEFTA), a foreign investor who intends to conduct a restricted investment is obliged to complete a prior filing with the Minister of Finance and the relevant competent national authority where a target company's business falls under a designated business sector.

Restricted investments subject to such prior filing requirement include:

- the acquisition of 1% or more of the shares of a listed company or one or more shares of an unlisted company;
- consent to the appointment of a foreign investor or a related person as a director or auditor; and
- a proposal for or consent to the transfer or abolition of a business in an industry that requires prior notification.

Designated business sectors subject to such prior filing requirement are categorised into two types: core designated business sectors and non-core designated business sectors. Space-related manufacture, such as a rocket development, and the relevant software development, is classified as a "core designated business sector", to which more stringent restrictions regarding the exemption from the filing requirement apply, as explained below.

Exemption from the prior filing requirement

Exemption from the prior filing requirement may be available in certain circumstances. If the foreign investor is a foreign financial institution, the prior filing requirement is fully waived. If the foreign investor falls under a general investor or qualified sovereign wealth funds (SWF), the following rule will apply.

Non-listed targets

Where the target company is not a listed company and is in a designated business sector, the exemption is available only when the target company is in the non-core designated business sector and the foreign investor complies with all the following requirements:

- The foreign investor and its closely related person(s) will not serve as directors or audit and supervisory board members.
- The foreign investor will not propose the transfer or abolition of a business in the relevant designated business sector to the target company's shareholders meeting.
- The foreign investor will not access sensitive confidential information relating to a business in the relevant designated business sector.

Given that emerging space business companies are usually non-listed start-ups in a core designated business sector, foreign investors interested in the Japanese space industry should note that the prior filing requirement will be applicable in most cases.

Listed targets

Where the target company is a listed company and is in a non-core designated business sector, the prior filing requirement is fully waived. Where the target company is a listed company and is in a core designated business, a foreign investor who acquires less than 10% of the issued shares of the target company is eligible for the exemption if they further comply with the following requirements: (i) they will not participate in the target company's board meeting regarding their business; and (ii) they will not make a written proposal requesting any response from the target company with a time limit.

Sanctions

Non-compliance with the prior filing requirement (eg, closing a deal before a stipulated waiting period expires, misrepresentation in a prior filing, non-compliance with an order by the government) leads to enforcement actions to rectify the violation. Criminal charges, including fines and imprisonment, may also be imposed.

Amendment to the FDI Regulations

A bill to amend the FEFTA was passed in May 2026 in the National Diet. The amendment encompasses the following reforms: (i) introduction of a prior screening regime for indirect acquisitions, including acquisitions of shares or voting rights in a foreign entity that holds shares or voting rights in a Japanese company; (ii) introduction of post-investment intervention measures with respect to investments in non-designated business sectors, which are not subject to the prior filing requirement; (iii) codification of risk mitigation measures that have been adopted in practice during the prior filing review process to address national security concerns, together with the establishment of related procedural frameworks; (iv) creation of a new framework – often referred to as the “Japanese CFIUS” – that enables the Prime Minister, the Minister for Foreign Affairs, and other relevant government authorities to participate in the prior filing review process, in addition to the Minister of Finance and the competent ministers overseeing the relevant business sectors who currently conduct such reviews; and (v) strengthening rules to prevent non-foreign investors from being used to circumvent the FDI regulations.

7.5 Documentation

The documentation processes for fundraising in the NewSpace industry vary depending on the method of financing. Broadly, fundraising is classified into equity finance and debt finance, each with its own documentation practices and legal considerations.

Equity Finance

For unlisted space start-ups, equity finance typically involves the issuance of shares to investors. The process often begins with investor-led due diligence (including document submissions and interview processes, if necessary), followed by the execution of key agreements, such as an investment agreement, a

subscription agreement of shares and shareholders' agreement.

Start-ups commonly rely on the “private placement exemption” for offerings to fewer than 50 investors with resale restrictions to avoid the disclosure obligations under the securities law.

As the company grows, the initial public offering and public offerings thereafter may be an option to raise larger amounts of capital. This entails strict due diligence and comprehensive regulatory and documentation processes involving the stock exchange, underwriters and professional advisers. Required documents include listing application materials, securities registration statement and prospectus, underwriting agreement and investor presentation materials.

Debt Finance

Debt finance typically takes the form of loans. Key documents typically include a loan agreement and security documents.

Corporate Finance

In cases where the space business is operated by a well-established and creditworthy company, corporate finance would be an available option. Loan documentation in such cases may be relatively straightforward, with fewer covenants or warranties, and often without the need for collateral.

Project Finance

Where the project itself is deemed bankable despite limited corporate credit, project finance is an option. This non-recourse financing structure relies on cash flow generated by the project itself to service the debt. In Japan, project finance has been used in space-related infrastructure projects, such as the Ministry of Defence's X-band satellite communications programme, and the Cabinet Office's Quasi-Zenith Satellite System, both of which took the form of a private finance initiative (PFI). Key documentation considerations in project finance include risk allocation across project phases, stable revenue during the tenor and the lenders' step-in rights upon deterioration of the project.

In addition, as collateral is typically provided over the entire project, collateral documents are also an essential part of documentation processes. While establishing a security interest over satellites in space is theoretically achieved via a chattel mortgage or assignment, there is a legal issue over how to satisfy the “delivery” requirement for perfection. Some consider that such requirement may be achieved through handing over control capability on the ground facility, but there is no legislation or prevailing precedent, which leaves legal uncertainty regarding effective security arrangements.

7.6 Due Diligence

Companies in the space industry face unique due diligence challenges in the context of fundraising and M&A transactions. These challenges are closely tied to the specific nature of space-related business and require careful evaluation by investors and legal advisers alike.

Structure of Early-stage Investment and Monetisation

For businesses engaged in the development and manufacture of spacecraft, a large amount of initial investment is necessary. In addition, there tend to be long lead times for generating profits in such business. This prolonged pathway to monetisation can cause difficulties in assessing the mid- to long-term business outlook in the due diligence process.

Dependency on Uncontrollable Events

In cases where a company’s revenue is contingent on the successful manufacture and launch of a satellite, there is an inherent risk due to the company’s inability to control critical aspects of the supply chain and the launch provider. The profits can be significantly and adversely affected by an unexpected change in manufacturing timeline or launch schedule.

Regulatory and Licensing Risks

The launch and operation of satellites are subject to licence and stringent regulations. Consequently, space businesses face the risk that (i) failure to obtain the necessary licences prevents a company from operating its business, or (ii) additional measures required by the relevant regulatory authorities (mainly the Cabinet Office) as conditions for approval

could result in increased costs. These risks need to be carefully assessed during the due diligence process as they may materially impact the feasibility and cost structure of the business.

7.7 Liquidity Events

There are no special insolvency proceedings in Japan uniquely applicable to the space industry. Accordingly, companies operating in the space sector are subject to the same legal framework for insolvency and restructuring as businesses in other industries. The choice of procedure typically depends on the financial condition of the company and the potential for business recovery.

Court-Involved Insolvency Procedures

When a business is unlikely to be rehabilitated, bankruptcy proceedings (*hasan*) is the main route. In this process, the company’s remaining assets are liquidated and distributed among creditors in accordance with statutory priorities. This effectively results in the dissolution of the company.

On the other hand, if the company is considered to have a viable path to recovery, it can utilise civil rehabilitation (*minji saisei*) or corporate reorganisation (*kaisha kousei*) procedures. These court-supervised frameworks allow for the formulation and implementation of a rehabilitation or reorganisation plan, respectively, aiming to preserve the business as a going concern while addressing its debt obligations.

Out-of-Court Workouts

Where court involvement may not be desirable — for example, when the publication of a certain insolvency proceeding may adversely affect the value of a business — out-of-court workouts are an option for rehabilitation. They can provide a more flexible and expedited resolution with the benefit of confidentiality. The Japanese Bankers Association has published useful guidelines for such cases, including the “Guidelines for Multi-Credit Out-of-Court Workouts” and the “SME Restructuring Guidelines”, which may be referenced to facilitate negotiations between debtors and creditors in a transparent and structured manner.

7.8 Role of Securities Markets in Space Financing

Securities markets are key venues where later-stage start-ups raise funds from a wider range of investors. Since 2023, five space business companies have listed on the Growth Market of the Tokyo Stock Exchange (TSE): iQPS (development and manufacture of satellites and sale of satellite image data), ispace (development of rovers and landers for lunar exploration), Astroscale (in-orbit servicing, including life extension and active debris removal), Synspec (SAR data sales and solution services) and Axelspace Holdings (microsatellites and the Earth observation platform).

The TSE has revised the listing maintenance criteria for the Growth Market to ensure that it functions as a market where companies aiming for high growth gather. Previously, listed companies were required to achieve a market capitalisation of JPY4 billion or more after ten years of listing. Under the revised criteria, listed companies will be required to achieve a market capitalisation of JPY10 billion or more after five years of listing. The revised criteria will apply from the end of the first fiscal year commencing on or after 1 March 2030. As a result, space business ventures seeking to raise capital from the public markets will need to demonstrate more ambitious growth plans when pursuing a listing on the Growth Market.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Japan has no specific law governing intellectual property rights related to space activities. The Patent Act of Japan does not clearly extend its application to patent infringement committed in outer space, which poses legal uncertainties for protecting intellectual property rights obtained through space activities.

In this respect, the Patent Act stipulates that “where a treaty provides otherwise with respect to patents, such provisions shall apply”, and therefore exceptions to the aforementioned principle may exist where special provisions are applicable under a treaty. For example, Article 21 of the International Space Station Intergovernmental Agreement provides that inventions

implemented on the flight elements of the Space Station are deemed to have been made in the territory of the registering country. Accordingly, it can be considered that the Patent Act of Japan may apply to patent infringements occurring on Japanese flight elements of the ISS.

On the other hand, in the case of patent infringement occurring on other space objects or in outer space where no such treaty exists, there are currently no adequate measures for protecting intellectual property rights. In practice, it might be possible to receive protection under the Patent Act by carefully drafting patent claims at the time of filing in a manner that the invention can be patented for implementation in Japanese territory, even if part of the patent is implemented in outer space. Additionally, you may argue that an infringement has occurred within Japan by focusing on the assembly process or other steps implemented within the territory in Japan. That said, without specific legislation, there are limitations on the protection of intellectual property rights in space.

8.2 Invention Protection Dynamics

Japanese space companies tend to file few patent applications. In the space industry, the percentage of patent applications in Japan filed by domestic entities accounts for only approximately 55%, while applications from Europe and the USA account for approximately 40%. The number of patent applications filed overseas by Japanese companies remains relatively low. There has been little motivation to seek patent protection given that outer space projects have been mainly led by the government and space equipment has traditionally been developed on a one-off basis. However, the large number of patent applications filed in Japan by overseas companies may hinder the space activities of Japanese companies and research institutions in the future. The Japanese government is emphasising the importance of intellectual property strategy in the domestic space industry in response to the development of market environment, such as the emergence of constellation satellites and the increasing number of competitors in space activities.

8.3 Enforcement of the Patentee's Rights in Space

There are no specific laws regarding enforcement of intellectual property rights related to space activities.

As mentioned in 8.1 **Territorial Patent Law v International Space Law**, it is considered difficult to apply domestic patent law to activities conducted in outer space or to space objects unless there is a special treaty or you can argue that some production was conducted in Japanese territory. As a result, it is considered difficult to apply Japanese patent law to products manufactured in outer space and used there. Some advocate the need for legislative measures, but no concrete discussions on legislation or other measures have been made so far.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

It is common to choose arbitration as the agreed dispute resolution method in space-related commercial contracts between private enterprises, especially when the contract includes non-Japanese parties. Arbitration offers several advantages, such as the confidentiality of proceedings and decisions, which is beneficial from the standpoint of maintaining business secrets. Additionally, arbitration allows for the selection of arbitrators by mutual agreement of the parties, which is advantageous for resolving disputes requiring specialised expertise. In space-related contracts, depending on the countries where the parties are based, London, New York, and Singapore are often chosen as the arbitration venue.

When arbitration is conducted in Japan, the Arbitration Act is applicable. This act is based on the Model Law on International Commercial Arbitration by the United Nations Commission on International Trade Law (UNCITRAL). Under the Arbitration Act, arbitral awards are given the same effect as final court judgments, and the grounds on which a court can annul an arbitral award are limited.

Japan is a signatory to the New York Convention, which is an international rule on the recognition and

enforcement of arbitral awards in countries other than the place of arbitration. Awards made in other signatory countries of the Convention are recognised and enforced in Japan, except for certain limited grounds for refusal.

9.2 Investor-State Arbitration

In Japan, we are not aware of arbitration cases in which a foreign investor has initiated arbitration against the Japanese government or private companies.

9.3 Space Litigation

There is no publicly disclosed litigation case related to space-related business in Japan. However, there have been a handful of cases in the past where civil mediation initiated by the court was used to resolve disputes related to satellite launch failures. In general, the merits of civil mediation are more simplified procedures, lower costs, and quick resolution, compared to judicial procedures.

One notable case involved the National Space Development Agency of Japan (NASDA, which has merged into JAXA) in 1999, when the launch of the H-II Rocket No. 8 failed. The Ministry of Transport, which outsourced the launch of the rocket, a multi-functional transportation satellite, refused payment for the outstanding launch fees due to the failure. Through the civil mediation by the Tokyo District Court, NASDA and the Ministry had reached an agreement to separate NASDA's obligations specified in the launch contract into the rocket manufacturing aspect and the launch service aspect. Consequently, it was finally settled that only the launch services obligation had not been performed, and the Ministry agreed to pay only for the portion of fees corresponding to the rocket manufacturing.

Another dispute resolved through civil mediation occurred in 2016 between JAXA and NEC Corporation. Although the X-ray astronomy satellite, "Hitomi (ASTRO-H)", was successfully launched and placed into orbit, it disintegrated due to an attitude anomaly. JAXA's investigation revealed that one of the primary causes of the accident was a programming error by NEC in setting the attitude control parameters for the satellite's engine. JAXA filed for civil mediation against

NEC, and the mediation concluded with NEC agreeing to pay JPY500 million to JAXA.

The anticipated expansion of space-related business as well as an increase in participating enterprises may cause more disputes in the future. From a preventative perspective, it is crucial to clarify potential points of contention within contracts. It is also vital to agree on dispute resolution mechanisms that align with the interests of the parties involved. Considerations may include:

- **Choosing Arbitration or Mediation:** Unlike judicial procedures, which are generally operated in public, arbitration and mediation are typically confidential, offering privacy.
- **Determining Appropriate Jurisdiction or Venue:** When companies located across multiple jurisdictions are involved in a project, it is important to decide which jurisdiction or arbitration venue is most suitable.

Trends and Developments

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Nagashima Ohno & Tsunematsu is an integrated full-service law firm in Japan. The firm has more than 600 lawyers in total and eight overseas offices, including its New York Office. Drawing on broad experience and expertise in space law, the firm provides one-stop support to both Old Space and New Space clients, covering financing, business alliances, and contract negotiations. The firm's expertise in various space businesses such as satellite launch services, satellite services, on-orbit services, space resource development, commercial space travel, space insur-

ance, and spaceports, enables it to assist its clients in the domestic and international development of these businesses. In particular, the bilingual team is highly knowledgeable about space-related business, international space law, space law of the USA and other countries and international transactions, has considerable experience in contract negotiations in English with overseas space-related companies and space agencies. The firm also assists its overseas clients in expanding their businesses in Japan.

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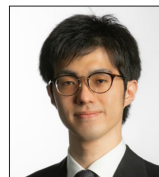
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NAGASHIMA

Landscape of the Space Industry in Japan

The space industry is considered a growth industry in Japan and is attracting attention from both public and private sectors. The government aims to expand the market size from JPY4 trillion in 2020 to JPY8 trillion in the early 2030s (JPY600 billion in space-related manufacturing and JPY7.4 trillion in the space solutions industry). As outlined below, the space industry in Japan is becoming diverse, which increases demand for updating the legislation to support space-related business in Japan.

Launch services

Satellite launch projects have been traditionally led by the Japan Aerospace Exploration Agency (JAXA) in Japan. JAXA's mainstay system is the H3 Launch Vehicle, which was developed with partner Japanese companies and first launched in 2023 as a successor to the H-IIA Launch Vehicle. Following launch suspension since December 2025, it returned to flight in June 2026.

In parallel with these developments in the public sector, Japan is actively promoting the commercialisation of transportation services using private rockets, targeting both domestic and overseas markets. The government is supporting the development of transport capacity of private rockets through the "Space Strategic Fund" and the SBIR Scheme. The private rocket industry is one of the emerging fields in Japan and there are several space transport start-ups developing launch vehicles for small satellites; for example, Kairos Rocket by Space One and Zero Rocket by Interstellar Technologies. Honda R&D, a subsidiary of Honda Motor, successfully conducted a launch and landing test of an experimental reusable rocket in 2025. A start-up established in 2022, Innovative Space Carrier Inc., is developing a single-stage-to-orbit vehicle (reusable rocket), aiming to gradually implement its services starting in 2028.

Spaceports

Local governments are supporting spaceport projects as a means of growing the local economy and industry, such as education, research, tourism, and entertainment. In Japan, there are currently several spaceports. Vertical launch is available in SPACE PORT Kii in Wakayama and Hokkaido Spaceport in Hokkaido.

Oita Prefecture has plans to operate a launch site at Oita Airport, co-operating with Kanematsu and Sierra Space, for reusable lifting-body spaceplane "Dream Chaser". In addition, Shimoji Airport in Okinawa plans to utilise its facility for spaceplane flight tests as well as training for space travel.

On-orbit servicing

The Space Basic Plan published by the Japanese government in 2023 and its ancillary Implementation Plan of the Basic Plan most recently published in 2025 point out that orbit congestion caused by the growing number of constellations and space debris threatens the safe and sustainable use of space. The reduction and mitigation of space debris is one of the Japanese space policies to enhance space activities. The government is aiming to develop on-orbit servicing, such as the appropriate disposal of post-operation satellites, active debris removal and refuelling and fixing to extend satellite life.

The regulatory environment in relation to on-orbit servicing has developed in Japan. The government established the "Guidelines on a License to Operate a Spacecraft Performing On-Orbit Servicing" in 2021, which specified supplementary requirements applicable to on-orbit servicing. Under the guidelines, the purpose and method of the services, the safety measures and the operational system are scrutinised in the satellite operation licensing process.

Some Japanese companies are leading space debris solutions. For example, Astroscale, a Japanese listed space company, is working on end-of-life solutions, active debris removal and satellite life extension. They have launched the "End-of-Life Services by Astroscale-demonstration" (ELSA-d) and successfully completed a close-approach rendezvous operation between their two spacecraft in orbit. In 2024, Astroscale's commercial debris inspection demonstration satellite, the Active Debris Removal by Astroscale-Japan (ADRAS-J), succeeded in approaching within approximately 15 metres of the targeted debris.

Satellite remote sensing/satellite data services

Remote sensing satellites are utilised for various purposes, such as national security, weather observation, cartography, disaster observation and resource

exploration. The Japanese government also aims to develop a satellite system to observe greenhouse gases and water cycles. It is estimated that the market for the satellite data utilisation business in Japan will expand to approximately JPY52.1 billion in the early 2030s for traditional usage, such as agriculture, and weather and disaster observation. If private companies can utilise satellite data for marketing or other new purposes, the market is expected to further grow to approximately JPY96.3 billion.

The government is accelerating the use of remote sensing data by both public and private sectors through granting subsidies, expanding procurement, and supporting technology development. Indeed, some emerging private companies, such as Synspec Inc., Axelspace Corporation and iQPS, Inc., operate satellite remote sensing and satellite data utilisation businesses.

Exploration of space resources

Exploration of space resources is an area where the regulatory environment is rapidly developing in Japan. The Act on the Promotion of Business Activities for the Exploration and Development of Space Resources (aka the Space Resources Act), which was enacted in 2021, legislates private ownership of space resources. In addition, the Japanese government determined under the Space Technology Strategy issued in 2024 (as updated in February 2026) that Japan should develop technology for exploration and development of lunar resources, such as regolith and water. A Japanese listed space company, ispace, obtained the licence thereunder in 2022 and 2024, planning to collect regolith on the lunar surface and then transfer the ownership to NASA.

Sub-orbital spaceflight/space trip

Sub-orbital spaceflight and space trips are expected to have a significant market size in the next decade. The government estimates that the annual market size of sub-orbital transport and space trips (including trips to a low Earth orbit) will respectively grow to around JPY5.2 trillion and JPY880 billion by 2040.

Sub-orbital spaceflight is currently exposed to regulatory uncertainty. Sub-orbital spaceflight refers to a flight that departs from the ground, ascends to an alti-

tude of about one hundred kilometres and then returns to the ground. However, no existing legal framework directly regulates this business as this is out of the scope of both the Civil Aeronautics Act and the Act of Launching Space Rockets and Control of Specified Spacecraft (formerly “the Act on Launching Spacecraft and Launch Vehicle and Control of Spacecraft”) (the “Space Activities Act”). The 2026 amendment to the Space Activities Act, which was enacted in June 2026, does not address the possible regulatory framework on sub-orbital spaceflight and it will be reserved for future amendments.

Similarly, there is no legislation specifically governing commercial space travel. Although the Travel Agency Act could apply to travel agents arranging space trips, it was enacted on the assumption that travel would take place solely on Earth. As another legal issue, the Consumer Contract Act nullifies a provision which fully exempts a business operator from liability against its consumers, which will subject space trip operators to significant risks and hinder the growth of the space trip business. The Cabinet Office concluded in the course of consideration of the 2026 amendment to the Space Activities Act that it is premature in Japan to regulate commercial space trips given that it is still at the technology development stage.

The lunar economy

Humans’ return to the Moon is expected to lead to the creation of more commercially oriented lunar and cislunar activities, and the Japanese government and the private sector have a strong interest in contributing to the creation of this new economy. Japan is a member of the Artemis programme, and the government is actively engaged in lunar exploration initiatives. For the private sector, following assessment of lunar resources, including water, new technologies for mining, power creation, communication, and a lunar version of the GPS system are being developed. Also, with the increase in manned lunar missions, more sophisticated transportation, food supply, lodging and mobility will be required on the Moon. In response to these, more than 100 Japanese companies have announced their interests in lunar exploration and some companies are initiating specific projects, such as the following:

- ispace is developing services to transport payloads to the Moon and has received an offer from NASA in relation to the Commercial Lunar Payload Services project.
- Mitsui Sumitomo Insurance Company created the world's first "Lunar Insurance Plan" to cover damages from launch to touchdown on the Moon. ispace became the first user of this policy and received a JPY3.8 billion insurance payout when their lunar mission failed.
- KDDI is developing positioning and communication technologies for lunar activities and aims to realise the use of mobile communications on the Moon by 2028.
- Toyota and JAXA are developing a lunar cruiser.
- Shimizu Corporation has announced their concept for a lunar base.

Modernisation of the Space Activities Act in 2026

Since it came into force in 2018, the Space Activities Act has served as the foundational legal framework governing the licensing, regulations and liability of space activities conducted by private entities. However, with the rapid development of space technologies and diversification of commercial activities in outer space, the current legislation has revealed limitations in addressing emerging operational models and risk structures. The 2026 amendment to the Space Activities Act addresses the diversifying space activities.

Traditionally, a launch vehicle had been a single-use rocket system, and this was the basic assumption when the current Space Activities Act was promulgated. However, advancements in space transportation and satellite deployment technologies have led to the emergence of new methods, including reusable rockets and balloon-assisted launches. The 2026 amendment establishes a more flexible licensing regime that can accommodate these various launch forms.

The 2026 amendment expands the scope of launch licensing and government indemnification to expressly cover the launch of space rockets even when no satellite is onboard. At the same time, a new structural certification regime has been introduced to verify that artificial objects potentially becoming uncontrolled in Earth orbit – such as dummy payloads and space

burial capsules – meet standards designed to prevent harmful contamination and ensure public safety.

Governmental Support

Apart from the 2026 amendment to the Space Activities Act, the government also supports the space industry through subsidies and investment schemes. The "Space Technology Strategy" was announced by the Cabinet Office in March 2024 (and updated in February 2026). It set out a roadmap with a development timeline in relation to technology that Japan should develop across national security and private sectors. The strategy specifies technology targets in the areas of satellites, space science and exploration, space transportation and technology fields common to these three fields.

Space Strategy Fund

The "Space Strategy Fund", the largest government-backed initiative to date in this sector, was established to achieve the Space Technology Strategy through an amendment to Act on the Japan Aerospace Exploration Agency, National Research and Development Agency. Under this programme, the Cabinet Office and multiple ministries have created a fund within JAXA to outsource certain projects and grant subsidies to private companies (including start-ups), universities and national research institutes. The fund size will be JPY1 trillion over the ten-year period and the Fund has selected the three sets of development themes. In FY2024, approximately JPY300 billion was allocated for the Fund to select 22 themes as Phase 1. The Fund opened the Phase 2 public call in May 2025 covering 24 themes across transportation, satellites and exploration, including lunar exploration and low-Earth-orbit utilisation which totalled approximately JPY300 billion. The current roadmap also envisages 19 themes under Phase 3 (FY2026), with an approximate budget of JPY200 billion, subject to annual policy updates.

SBIR subsidies

The Small/Start-Up Business Innovation Research Scheme ("SBIR Scheme") supports R&D-type start-ups, including those in the space industry. The scheme includes a subsidy programme to be granted to specific new technologies for which the government sets the R&D agenda based on policy needs. It provides seamless support, from foundation study to commer-

cialisation, consisting of Phase 1 (proof of concept (POC)/feasibility study (FS) support), Phase 2 (practical development support) and Phase 3 (large-scale technology demonstration). When a start-up that has received Phase 1 support applies for further support under Phase 2 and Phase 3, it is subject to transition screening.

JAXA investment scheme

JAXA is one of the key contributors to the Japanese space industry by directly investing in private companies and providing human and technical assistance. JAXA has invested in projects, such as the satellite data business and spaceplane development.



Law and Practice

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Bull & Co Advokatfirma (Bull) is a full-service law firm based in Oslo with over 75 skilled lawyers. Recognised as one of Norway's top-ranked legal teams in technology, data, artificial intelligence (AI) and cybersecurity, the technology team is ranked by Chambers and Partners. Bull specialises in providing legal advice to NewSpace technology vendors and guidance on Norwegian and international space law. Clients include start-ups developing satellite data solutions for ocean and Earth exploration, technology providers

delivering network and security services to the European Space Agency (ESA), and companies creating technologies to support human space exploration. Bull has been closely involved in the development of Norway's new Space Activities Act (romloven), adopted by the Norwegian Parliament in December 2025 and entering into force on 1 July 2026. The NewSpace industry, driven by innovation and advanced technologies, benefits from Bull's deep understanding of the intersection between law and technology.

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BULL

1. Global Trends

1.1 International Legal and Regulatory Developments

Norway adopted a space law as early as 1969. The Norwegian Space Act applied to the launching of objects into space. The Act also fulfilled Norway's obligations as a party to the so-called UN Outer Space Treaty (the "Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies"), which was ratified by Norway on 6 June 1969. The Norwegian Space Act was an authorisation act that gave the authorities the right to manage space activities through decisions.

On 15 January 2019, the Norwegian Ministry of Industry and Fisheries appointed a Space Law Committee, which was supposed to propose a modern and forward-looking regulation of space activities. The Ministry explained the need for a new law, stating that:

- it is necessary to fulfil Norway's obligations under international law;
- it is expected that Norwegian space activity will increase both in scale and scope; and
- there is a desire for a law that contributes to Norwegian wealth creation and business development.

On 6 February 2020, the Space Act Committee submitted their report, including the proposed new Space Act, intended to replace the existing Space Act. The proposal has several features in common with other Norwegian laws that require permission to carry out risky activities and is supposed to ensure responsible management of the risks associated with space activities. The proposed act attempts to balance the consideration of the public's need for governance and the private sector's need for predictability and clearly defined rules for government intervention. The report was subject to public consultation. On 20 June 2025, the Ministry of Trade and Industry presented the bill (Prop. 155 L (2024–2025)) to the Norwegian Parliament. The Parliament adopted the new Space Activities Act (*romloven*) in December 2025, and the Act enters into force on 1 July 2026.

1.2 NewSpace and the Space Tech Economy

The NewSpace and space tech economy in Norway is evolving significantly, driven by advancements in technology, infrastructure and regulatory frameworks. Norway has extensive experience and strong professional communities in space activities. Today, there is a complete value chain – from the development of technology and services, to launches from Andøya Space Port and the download and use of satellite data.

Regulatory Framework

Norway has adopted a new Space Activities Act (*romloven*) to replace the 1969 Act, aligning with modern space industry needs and ensuring a business-friendly and reliable regulatory framework. The new Act enters into force on 1 July 2026.

The Norwegian Ministry of Trade and Industry oversees the space industry. Norway signed the Artemis Accords in May 2025 to strengthen international space co-operation and contribute to a safe, peaceful and profitable use of outer space. In November 2025, the European Space Agency (ESA) and Norway signed a letter of intent to explore establishing an ESA Arctic Space Centre in Tromsø, focused on Earth observation, navigation and telecommunications in the Arctic.

Historical Context

Norway was the first country to enact a national space law in 1969, which governs the launching of objects into space.

Stakeholder Positions

The Norwegian government is heavily involved in space, and with regulatory oversight by the Ministry of Trade and Industry, it aims to balance commercial interests with societal needs and international obligations under treaties like the UN Outer Space Treaty. The state's goal as owner is the highest possible return over time within a sustainable framework.

Space Norway and the Norwegian Space Agency (*Direktoratet for romvirksomhet*) are two distinct entities, each playing a unique role in Norway's space industry. Space Norway AS is a state-owned company that develops and manages space-related infrastructure to meet critical societal and commercial needs.

It operates as a commercial entity, focusing on creating sustainable and cost-effective solutions for space-related challenges. One of their key projects is the [Arctic Satellite Broadband Mission](#) (ASBM), a constellation of two satellites in highly elliptical orbit providing broadband coverage in the Arctic. Space Norway also owns Statsat AS, which operates government satellites and holds a 50% stake in Kongsberg Satellite Services AS (KSAT).

The Norwegian Space Agency (*Direktoratet for romvirksomhet*, formerly *Norsk Romsenter*, renamed on 1 September 2025) is a government agency under the Ministry of Trade and Industry. It is the state's strategic adviser on space matters and is responsible for administering Norwegian space policy nationally and internationally. Key responsibilities are:

- representing Norway in international organisations like the European Space Agency (ESA);
- overseeing Norway's compliance with space-related treaties, including the UN Outer Space Treaty; and
- supporting research and innovation in the space sector.

[Andøya Space AS](#) (formerly [Andøya Space Center AS](#)) is a 90% state-owned company (with Kongsberg Defence & Aerospace holding 10%) delivering operative services and products within space and atmospheric research, environmental monitoring, technology testing and verification. Andøya Spaceport, Norway's first operational orbital launch site, is operated by its subsidiary Andøya Spaceport AS.

Participation in international technology co-operation, primarily through the ESA and the EU's space programmes, is the mainstay of Norwegian public investment in space activities. Norway committed EUR292 million to ESA's 2026–28 programme package, the agency's largest-ever contribution package at EUR22.3 billion.

Norway's proactive approach to NewSpace and space tech positions it as a key player in the Arctic and global space economy, with robust legal and regulatory frameworks supporting innovation and international collaboration. Norway is deeply dependent

on well-functioning space capacities, both for societal and defence-related purposes. Space-based services have become critical infrastructures with few substitutes, underpinning key sectors of the Norwegian economy, everyday services, public administration and military systems.

For small states like Norway, the high costs and complexity of space activities mean self-sufficiency is unfeasible, and European co-operation is necessary. At the same time, the EU also benefits from Norwegian participation: Norway offers niche expertise, unique Arctic capabilities and northern ground infrastructure that are costly or difficult for other European states to replicate, thereby strengthening European competitiveness and resilience.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

Norwegian space activities began in 1962 with probe rocket launches from Andøya, under the control of the Norwegian Defense Research Establishment (*Forsvarets forskningsinstitutt* – FFI). These activities led to Norway adopting one of the world's first Space Acts in 1969. Norway became a member of ESA in 1987, and the Norwegian Space Agency (now *Direktoratet for romvirksomhet*) was established simultaneously.

Norwegian participation in ESA, the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) and the EU's space programmes continues to be central to national industrial space investment. The Norwegian authorities have strengthened public investment over time, both through international programmes and through national investments, most importantly in Space Norway AS, to create a communication system in the Arctic.

Today, there are numerous Norwegian private companies providing services to the space industry. Telenor ASA acquired its first satellite in 1992 and is now a significant international service provider. Private actors in the space industry have a turnover of almost NOK10 billion per year, with the industry organisation NIFRO (The Norwegian Industrial Forum for Space Activities)

representing members across telecommunications, satellite components, propulsion, satellite development, launch facilities, ground stations and space education.

The Norwegian space industry also partly consists of state funding and activity, and space activity is a separate post in the Norwegian state budget. The majority of the funds go to financing Norwegian participation in international space programmes, and otherwise the operation of the Directorate for Space Activities (*Direktoratet for romvirksomhet*) and certain national investments. The Directorate, renamed from *Norsk Romsenter* on 1 September 2025, is the state's strategic adviser on space matters and has from that date also been assigned responsibility for facilitating civil-military co-operation in the space domain.

In addition, the state controls three executive bodies within space activities, namely the Directorate for Space Activities, Space Norway and 90% ownership in Andøya Space AS. The Directorate manages the state's investment funds and advises the state, Space Norway develops space infrastructure to meet society's needs, and Andøya Space serves customers who wish to launch probe rockets and orbital launch vehicles.

In March 2025, the Civil Aviation Authority of Norway (*Luftfartstilsynet*) granted Isar Aerospace SE the first launch permit for a test launch from Andøya Spaceport. The first test flight took place on 30 March 2025, marking the first time an orbital-class launch vehicle lifted off from the European continent. Although the vehicle experienced a technical issue after 30 seconds of flight, the launch demonstrated that Andøya Spaceport is operationally capable of supporting orbital launch activities. In March 2025, the Norwegian Space Agency also signed a contract with Isar Aerospace for the launch of two Arctic Ocean Surveillance (AOS) satellites by 2028 – the first time Norwegian-built satellites will be launched from Norwegian soil under a government contract. In 2026, Isar Aerospace is preparing its second Spectrum qualification flight with six payloads aboard.

2.2 Legal System and Sources of Space Law and Regulation

Norwegian law is based on a civil law tradition. Thus, the majority of the relevant rules are adopted by the Norwegian Parliament (*Stortinget*). However, the authority to adopt rules can be delegated to administrative bodies, which is the case for both the former 1969 Space Act and the new Space Activities Act (*romloven*). Furthermore, Norway's membership in the EEA and obligations under international law will, depending on the circumstances, involve obligations to implement international rules in Norwegian law. For more detailed information, see 1.1 International Legal and Regulatory Developments.

As described in 1.1 International Legal and Regulatory Developments, the Norwegian Parliament adopted the new Space Activities Act (*romloven*) in December 2025. The Act enters into force on 1 July 2026 and will replace the 1969 Space Act in its entirety.

To date, there has been no relevant case law within space law in Norway.

2.3 Role of the State in Space Law and Regulations

NewSpace and the Space Tech Economy

The Norwegian space industry started as a state-run business and was, over several years, characterised by government initiatives and governance. Today, however, private actors in the space industry have a turnover of almost NOK10 billion a year, providing a wide range of services and products. A significant portion of space activity is still state-funded, and the majority of the funding goes to financing Norwegian participation in international space programmes.

In addition, the state controls three executive bodies within space activities, namely the Directorate for Space Activities (*Direktoratet for romvirksomhet*), Space Norway and 90% ownership in Andøya Space AS. The Directorate manages the state's investment funds and advises the state, Space Norway develops space infrastructure to meet society's needs, and Andøya Space serves customers who wish to launch probe rockets and orbital launch vehicles.

The Norwegian authorities adopted the new Space Activities Act (*romloven*) in December 2025, entering into force on 1 July 2026. The new Act provides a comprehensive regulatory framework for all space activities under Norwegian jurisdiction. For more about this, see **1.1 International Legal and Regulatory Developments**.

The sectoral responsibility for the space industry belongs to the Norwegian Ministry of Trade, Industry and Fisheries. The Ministry has sectoral responsibility for space operations and has agency responsibility for the Directorate for Space Activities (*Direktoratet for romvirksomhet*) and Norwegian nuclear decommissioning. The Ministry is also responsible for corporate governance of the state's ownership in Andøya Space AS and Space Norway AS, as well as for space co-operation in the European Space Agency, the EU and the UN. The Civil Aviation Authority of Norway (*Luftfartstilsynet*) serves as the supervisory authority for space activities, issuing launch permits and overseeing compliance with safety requirements. Thus, the Norwegian state acts as both regulator, participant and facilitator.

2.4 Role of the State in the Licensing Process for Space Activities

Under the 1969 Space Act, in force until 1 July 2026, the authorities (the Ministry of Industry and Trade) have the right to manage space activities through decisions. The Act states that it is illegal to launch objects into space from Norwegian territory, from Norwegian vessels or by Norwegian citizens or people resident in Norway on territory not subject to any state power, unless permission has been granted by the Ministry.

The law does not say anything about when, and possibly under what conditions, such permits shall be granted. The new Space Activities Act (*romloven*), entering into force on 1 July 2026, introduces a comprehensive licensing regime. A permit is required for the establishment and operation of a spaceport, the launching of space objects and the operation of space objects in orbit. The Act specifies conditions for granting a permit, namely:

- the applicant must have a sound risk management system;

- the applicant must comply with International Telecommunication Union (ITU) rules for satellite registration; and
- the activity must not conflict with Norway's foreign or security policy interests. The Civil Aviation Authority of Norway (*Luftfartstilsynet*) has been designated as the supervisory authority.

Specific rules on permission from the National Communications Authority (NKOM) to use earth stations to send or receive data from a satellite in Svalbard and Antarctica follow from the regulations on earth stations for satellites in Svalbard and regulations on earth stations for satellites in Antarctica.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

NKOM is responsible for the management of radio frequencies in Norway. The management consists of planning, allocation, guidance and supervision. NKOM collaborates with the ITU, a special body for information and communication technology under the UN, and participates in the International Telecommunication Union – Radiocommunication Sector (ITU-R). The ITU-R is responsible for global regulation of the frequency spectrum and satellite orbits. The basis for the ITU-R is the Radio Regulations, an international agreement on how frequency use should be organised at national borders to avoid interference. In Europe, European countries co-operate through the European Conference of Postal and Telecommunications Administrations (*Conférence Européenne des Administrations des Postes et des Télécommunications* – CEPT).

NKOM does not have its own dispute resolution service but will in practice resolve conflicts through its administrative function.

2.6 Role of the State in the Launching Process

Norway acts both as a facilitator through its control function (granting permits) and as a provider through Andøya Space. The Civil Aviation Authority of Norway (*Luftfartstilsynet*) has been delegated authority to grant launch permits. On 14 March 2025, *Luftfartstilsynet* granted Isar Aerospace SE the first launch permit for a test launch from Andøya Spaceport, following

a review process based on the Norwegian Space Act and FAA Part 450 as a standard.

2.7 Commitment to International Treaties and Multilateral Discussions

There is considerable regulation of space activities, mainly by UN bodies. Norway has acceded to four of the UN's five space treaties. The legal landscape is also affected by intergovernmental and non-binding guidelines.

The UN Outer Space Treaty (1967), ratified by Norway in 1969, is the most important treaty on activities in outer space. It establishes basic principles including freedom of exploration, non-appropriation of outer space, and the obligation to require approval and continuous supervision of non-governmental space activities. Norway is also party to the Rescue Agreement (1968), the Liability Convention (1995) and the Registration Convention (1995). Norway is not party to the Moon Treaty.

The Liability Convention gives rules on liability to ensure coverage for damage that occurs because of space activities. The parties to the treaty are liable for compensation to other countries for their own actions and actions carried out by private actors. The new Space Activities Act implements these obligations by establishing strict liability for operators, recourse provisions and mandatory insurance requirements.

Norway has entered into several other multilateral and bilateral agreements, most importantly its co-operation with ESA. Norwegian space law is also affected by non-binding instruments, such as resolutions from the UN General Assembly, decisions from COPUOS and recommendations from the International Law Association. Norway became a member of COPUOS in 2017.

On 15 May 2025, Norway ratified the Artemis Agreement as the 55th country, which is an important step in the country's space policy. The agreement raises questions about the ownership and regulation of space. It signals Norway's commitment to co-operation and sustainable use of space.

Norway is also a party to the EEA Agreement, which makes Norway part of the EU's internal market. Although the EU does not have the competence to harmonise national space law, EU law will, depending on the circumstances, have an impact on national space law, considering that the four freedoms place restrictions on authorities' ability to interfere with economic activity.

The proposed EU Space Act, which has been under development since 2022, is expected to address safety, resilience and sustainability requirements across the internal market. If adopted by the EU, the regulation would likely be incorporated into Norwegian law through the EEA Agreement. Norway has also secured participation in the EU's IRIS² Secure Connectivity programme, with a commitment of NOK451.6 million through 2027. However, the evolving securitisation of EU space policy presents challenges for Norway as a non-EU member.

A 2025 report by the Norwegian Institute of International Affairs (*Norsk Utenrikspolitisk Institutt* – NUPI), commissioned by the Ministry of Trade, Industry and Fisheries, found that EU space co-operation is now tightly linked to broader ambitions for strategic autonomy and security and defence policy, leading to more securitised and cross-cutting programmes that fall partly or wholly outside the EEA Agreement. This makes third-country participation more difficult and less guaranteed. The report concluded that Norway's participation in the EU's space programme (2021–27) has been highly beneficial, and that non-participation in 2028–34 would weaken Norway's access to key data, services and information, undermine the competitiveness of Norwegian space industry, and risk an erosion of space competence.

2.8 Insurance and State Measures on Liability for Damages

The 1969 Space Act has no rules on liability and insurance. However, the new Space Activities Act (*romloven*), entering into force on 1 July 2026, introduces comprehensive rules on liability and insurance. The Act establishes strict (objective) liability for the operator according to the model of the Liability Convention. The state may seek recourse from the operator if Norway has to pay compensation under the Liability Con-

vention. Both direct liability and recourse liability are subject to a cap, the amount of which will be specified in subsidiary regulations. The Act also introduces a mandatory insurance obligation for operators.

Norway is a party to the Convention on international liability for damage caused by space objects (the “Liability Convention”). The Convention gives rules on liability to ensure coverage for damage that occurs because of space activities. The new Space Activities Act implements these international obligations into Norwegian national law for the first time.

Under the new Act, the operator bears strict liability for damage caused by a space object on the ground or in airspace. For damage in other locations, the operator’s liability is conditional on fault. The liability cap will be set in subsidiary regulations, providing flexibility to adapt to market developments and different types of space activities. In setting the permit conditions for Andøya Spaceport in August 2024, a maximum recourse liability of EUR60 million was specified. The Act also requires operators to obtain insurance or provide other security for their liability.

The detailed insurance requirements, including maximum levels for mandatory insurance, will be specified in subsidiary regulations to be developed in consultation with industry stakeholders. The Ministry has indicated that the regulations will take into account the competitiveness of the Norwegian space industry and evolving international practice.

2.9 Very High Altitude Legal and Regulatory Framework

The Norwegian government’s airspace strategy acknowledges the challenges in regulating the “border zone” between conventional airspace and outer space. This includes higher airspace operations (HAO) and high-altitude operations.

The strategy references international frameworks like Resolution A40-7 of the International Civil Aviation Organization (ICAO), which aims to address the use of upper airspace (ICAO’s Resolution A40-7 refers to a resolution adopted by ICAO during its 40th Assembly in 1919; this resolution is titled “Addressing Cybersecurity in Civil Aviation” and focuses on the importance

of managing cybersecurity risks in the global aviation sector).

However, specific national regulations for very high-altitude (VHA) activities are still under development. The Space Law Committee highlighted the disagreements regarding a definition of outer space under international law and believed that Norway should await the international efforts on a possible multi-laterally embedded definition. The Committee also believed there may be grounds for claiming that the boundary for outer space is not lower than 80 km and not higher than 110 km. This ambiguity in international law thereby relates to an area of approximately 30 km. In the absence of an established boundary, it must be determined on a discretionary basis. The new Space Activities Act does not define the boundary of outer space, as the Ministry considered it premature to do so at this stage.

For activities in the border areas between conventional space and outer space, it will be necessary to distinguish between activities that, by their nature, are aviation-related, and activities that should be regulated by the Space Activities Act relating to activities in outer space.

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities

The 1969 Space Act, which remains in force until 1 July 2026, is very brief and concise, consisting of only three sections. It is an authorisation act that gives the authorities (the Ministry of Industry and Trade) the right to manage space activities through decisions. The new Space Activities Act (*romloven*), adopted in December 2025 and entering into force on 1 July 2026, significantly expands the regulatory framework. The Act is structured as a framework law with 29 provisions in eight chapters, covering licensing, registration, operator obligations, liability, insurance, supervision and sanctions.

Section one states that it is illegal to launch objects into space from Norwegian territory, from Norwegian vessels or by Norwegian citizens or people resident

in Norway on territory not subject to any state power, unless permission has been granted by the Ministry. The law does not say anything about when, and possibly under what conditions, such permits shall be granted.

Furthermore, the Space Act gives the Ministry the authorisation to give more detailed regulations, which they have done.

Regulations on earth stations for satellites in Svalbard and regulations on earth stations for satellites in Antarctica state that the establishment, operation and use of an earth station that sends data to or receives data from a satellite require permission from NKOM. Further, the regulation states that it is not permitted to use an earth station to send data to, or read data from, a satellite that performs functions specifically for military purposes, with the exception of assistance to a satellite in an emergency. The holder of a permit to establish, operate and use an earth station with a movable antenna must continuously log all satellite passes where an earth station sends data to or reads data from a satellite and store all relevant data about the antenna control orders at the same level as the logging.

Further, it is assumed that Norwegian space activity will be regulated by the Norwegian Digital Security Act, which implements the NIS1 Directive. The Act is, amongst other things, supposed to counteract unwanted incidents in network and information systems that are used to deliver socially important services and digital services. It was announced in December 2023, and will enter into force in 2024. NIS2, an updated version of the NIS1 Directive, was adopted on 14 December 2022 and implemented by EU member states by 24 October 2024. The NIS2 Directive categorises space activities as “high risk”. NIS2 has not yet been implemented in Norway.

In addition, the Directorate for Space Activities and Space Norway are subject to the National Security Act, which is designed to prevent, uncover and counter activities that threaten national security interests.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

The 1969 Space Act has no rules to ensure non-interference with the activities of other space-faring entities. International law lays down few guidelines for the design of the law's requirements for space activities. To a certain extent, the Ministry or NKOM can set conditions for the granting of permission and thereby control activities that have particular potential for damage. This principle is continued in the new Space Activities Act.

The new Space Activities Act includes rules on responsible conduct of space activities. The rule applies as an overarching norm for how the operator must act. The Act's special obligations can be seen as casuistic results of what constitutes responsible behaviour. The other obligations also have the function of clarifying the norm, at the same time as the overarching norm implies that the law sets requirements for all parties involved in space activities.

None of the proposed rules specifically apply to non-interference, but the principle of responsible conduct will nevertheless apply as a norm.

3.3 Operators' Responsibilities

The principle of responsible conduct is described in **3.2 Principles of Non-Interference and Prevention of Harmful Interference**. The principle is expressed in the rules on space debris and the safeguarding of the environment in the new Space Activities Act.

The new Space Activities Act provides that space activity should not lead to more space debris than is strictly necessary. The obligation is not absolute in the sense that space debris is prohibited. Instead, the threshold is no more than is “strictly necessary”. According to the refined assessment of necessity, space debris is a serious challenge for the sustainable use of outer space, and the operator should therefore make a significant effort to avoid space activity leaving space debris. The Act also requires operators to take into account non-binding guidelines, including the Inter-Agency Space Debris Coordination Committee (IADC), the United Nations Committee on the Peaceful Uses of Outer Space (UNCOPUOS) Space Debris

Mitigation Guidelines and the Guidelines for the Long-Term Sustainability of Outer Space Activities.

Furthermore, the Act stipulates that space activity must not lead to unnecessary or unreasonable damage to the environment. This duty entails that space activity must be conducted in such a way that the activity does not at any time lead to significant negative effects on the environment. The provision sets a legal standard and is a general material provision that, together with the regulatory authority conferred on the Ministry, grants the opportunity to provide further provisions to ensure that space activities are carried out without unreasonable environmental damage.

There are no specific intellectual property rules applying to space activities and assets.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

There is no specific Norwegian regulation on the processing of, or access to, space data.

4.2 Space Data Spaces

Norway does not currently have a specific legal framework governing “space data spaces” as a distinct category. However, the country is actively involved in broader data governance initiatives that could encompass space-related data.

National Digital Strategy

Norway aims to be a leader in data-driven innovation and value creation by 2030. The government is participating in the EU’s data space initiatives, which include frameworks for sharing and managing data across sectors. These initiatives focus on interoperability, data sharing and governance, which could indirectly apply to space data.

Space Data in Broader Contexts

EU data spaces

Norway is collaborating with the EU on data spaces relevant to various sectors, including health, energy and potentially space. These data spaces aim to standardise data sharing and governance across

borders, which could include satellite data and other space-related information.

Nordic health data spaces

Norway is part of the Nordic Health Data Spaces project, which focuses on cross-border data sharing for healthcare. While not specific to space, this project demonstrates Norway’s commitment to data governance in specialised areas.

Space data and international collaboration

As a member of ESA, Norway contributes to and benefits from shared satellite data for Earth observation, climate monitoring and other applications. The governance of such data is typically handled at the international level.

4.3 Cybersecurity and Space

It is assumed that Norwegian space activity will be regulated by the Norwegian Digital Security Act, which implements the NIS1 Directive. The Act is, amongst other things, supposed to counteract unwanted incidents in network and information systems that are used to deliver socially important services and digital services. It was announced in December 2023, and will enter into force in 2024. NIS2, an updated version of the NIS1 Directive, was adopted on 14 December 2022 and implemented by EU member states by 24 October 2024. The NIS2 Directive categorises space activities as “high risk”. NIS2 has not yet been implemented in Norway.

In addition, the Directorate for Space Activities and Space Norway are subject to the National Security Act, which is designed to prevent, uncover and counter activities that threaten national security interests.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

See 3.3 Operators’ Responsibilities. There are no specific rules on protected zones or critical space minerals. However, such considerations will be taken into account when granting permits to conduct space activities.

5.2 Climate Change and Space Activities

See 3.3 Operators' Responsibilities.

5.3 Orbital Debris

See 3.3 Operators' Responsibilities.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

Norway does not have a specific tax system exclusively for space activities. However, the taxation of space-related operations falls under the general Norwegian tax framework, which includes corporate income tax, VAT and other applicable levies.

6.2 Tax Incentives for Space Investors

Norway has extended tax liability to foreign companies operating in specific sectors, such as aquaculture and activities on the continental shelf. While this does not explicitly include space activities, similar principles could apply to foreign entities involved in space operations.

6.3 Taxation on Sale or Transfer of Space Assets

See 6.2 Tax Incentives for Space Investors.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

No response has been provided in this jurisdiction.

7.2 Finance Sources for Space Activities

The state budget for space activities in 2024 was approximately NOK2.1 billion, up from NOK1.68 billion in 2020. Most of these funds support Norway's participation in international space programmes, particularly ESA and the EU's programmes (Copernicus and Galileo), as well as the operation of the Directorate for Space Activities and national investments in space infrastructure.

For the period 2020–25, Norway's financial commitment to ESA amounted to approximately EUR248 million. For 2026–28, Norway has committed EUR292

million to ESA's largest-ever programme package. Strategic focus areas include strengthening Norway's role in Arctic satellite communication and Earth observation, supporting space-related industries and enhancing contributions to ESA's Artemis programme. National priorities include continued investment in Andøya Spaceport and research in space debris management.

Private actors in the space industry can apply for support through Innovation Norway and the Directorate for Space Activities. ESA and the EU also have instruments for development support. In recent years, private financing has increased significantly, supplemented by private risk capital from individual and institutional investors. The emergence of small satellite technology, offering smaller, lighter and cheaper satellites based on commercial components, has lowered the barriers for new market entrants and enabled commercial harvesting and sale of satellite data.

7.3 Attracting Investment for Space Activities

The Norwegian space industry is characterised by having been built up through many years of investment both from the Norwegian authorities and from the business community. Ensuring the competitiveness of Norwegian business is primarily a job for the business community itself, by exploiting the opportunities the changes in the space industry create for competitive products and services.

The Norwegian state aims to ensure these opportunities through good general framework conditions, such as access to qualified labour, well-functioning infrastructure, simple regulations for running businesses, good access to international markets and a user-friendly policy apparatus. The Norwegian authorities also seek to facilitate private investment through public investment and public-private partnerships, with an emphasis on developing new suppliers in the private sector.

7.4 Foreign Investment in Space Activities

There are no such specific rules under Norwegian law. However, actors within the space industry can be subject to the National Security Act, which applies to state, county and municipal bodies and suppliers of goods or services in connection with security-graded

acquisitions. The National Security Act has rules on ownership control. If the acquisition of an ownership stake in businesses that are covered by the law will entail a not-insignificant risk of national security interests being threatened, the government can stop the acquisition. Acquisition of a qualifying share in businesses that are covered by the law also entails a reporting obligation.

7.5 Documentation

There are no specific rules for documentation.

7.6 Due Diligence

Conducting due diligence in NewSpace fundraisings or M&A transactions is essential to evaluate the risks, opportunities and overall value of the target company. The space industry is highly specialised, capital-intensive and regulated, which makes thorough due diligence even more critical. There are no specific rules for due diligence in NewSpace, although some elements should be considered, as follows.

- Space companies often rely on long-term contracts (eg, with governments or commercial clients). Due diligence helps assess the stability and reliability of these revenue streams.
- Space companies often develop proprietary technologies, often in co-operation with others (eg, satellite systems, propulsion technologies provided and developed by several parties). Due diligence should establish ownership of the intellectual property involved and ensure it is free from disputes.
- Space companies must comply with national and international regulations, such as launch licences, satellite operation permits or export controls – eg, International Traffic in Arms Regulations (ITAR) in the USA.
- Space companies must comply with national and international regulations, such as launch licences, satellite operation permits or export controls (eg, ITAR in the USA).

7.7 Liquidity Events

In Norway, liquidity events in the space industry follow general corporate and financial transaction processes while incorporating considerations specific to the space sector. These processes are influenced by

Norway's regulatory framework, international obligations and the growing NewSpace economy.

7.8 Role of Securities Markets in Space Financing

Oslo Stock Exchange (Oslo Børs)

Norway's principal securities market facilitates equity and debt financing for companies across various sectors, including space. It provides access to public capital for space companies seeking to scale operations or fund large-scale projects.

Nordic Securities Markets

Norwegian companies can also leverage regional markets, such as Nasdaq Nordic, for broader investor access.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Patent law in Norway is territorial, meaning that the protection and enforcement of patents apply within Norwegian jurisdiction. Norway adheres to the principles of the Norwegian Patents Act, which grants inventors exclusive rights to commercially exploit their inventions within Norway.

There are no specific rules in Norwegian law that directly address intellectual property rights related to space activities.

8.2 Invention Protection Dynamics

In Norway, companies commonly seek patent protection both nationally and internationally, particularly through the Patent Cooperation Treaty (PCT) system. For space activities, NewSpace companies may choose to protect inventions in all states involved in launching, manufacturing or distributing their technologies. This ensures broader protection and mitigates the risk of infringement.

The space sector is characterised by a high degree of collaboration between various stakeholders, including private companies, public institutions and international organisations. Such collaborations often result in co-ownership or joint ownership of intellectual prop-

erty rights, depending on the contractual terms. This is more prevalent in the space sector than in many other industries, as projects are typically complex and require contributions from multiple parties.

8.3 Enforcement of the Patentee's Rights in Space

There are no specific rules in Norwegian law for enforcing patent rights related to space activities.

With the rise of artificial intelligence, space mining and the potential for manufacturing in space, there may be a need for new rules governing the enforcement of patent rights. This is particularly relevant for inventions created or manufactured in space. Currently, to the firm's knowledge, there are no specific discussions in Norway about applying patent law to space activities, but this could become a relevant topic as the space industry evolves.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

There is no applicable information in this jurisdiction.

9.2 Investor-State Arbitration

There is no applicable information in this jurisdiction.

9.3 Space Litigation

There is no applicable information in this jurisdiction.

Trends and Developments

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Bull & Co Advokatfirma (Bull) is a full-service law firm based in Oslo with over 75 skilled lawyers. Recognised as one of Norway's top-ranked legal teams in technology, data, artificial intelligence (AI) and cybersecurity, the technology team is ranked by Chambers and Partners. Bull specialises in providing legal advice to NewSpace technology vendors and guidance on Norwegian and international space law. Clients include start-ups developing satellite data solutions for ocean and Earth exploration, technology providers

delivering network and security services to the European Space Agency (ESA), and companies creating technologies to support human space exploration. Bull has been closely involved in the development of Norway's new Space Activities Act (romloven), adopted by the Norwegian Parliament in December 2025 and entering into force on 1 July 2026. The NewSpace industry, driven by innovation and advanced technologies, benefits from Bull's deep understanding of the intersection between law and technology.

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Norway's Space Law Comes of Age: The New Space Activities Act, Andøya Spaceport and the Emerging Nordic Space Corridor

Introduction

Norway is experiencing a defining moment in its space history. In December 2025, the Norwegian Parliament (*Stortinget*) adopted the new Space Activities Act (*romloven*), replacing the country's original 1969 Space Act – one of the world's first national space laws. The new Act enters into force on 1 July 2026 and provides a comprehensive, modern regulatory framework for space activities under Norwegian jurisdiction. Simultaneously, Andøya Spaceport in Northern Norway is emerging as Europe's first operational orbital launch site on the continent, while Norway's signing of the Artemis Accords and participation in EU space programmes position the country at the centre of several critical legal and geopolitical developments. This article examines the key features of Norway's new Space Activities Act, the regulatory milestones at Andøya Spaceport, Norway's evolving international commitments, and the emerging challenges at the intersection of EU space regulation and Arctic policy.

The new Norwegian Space Activities Act (*romloven*)

The Space Activities Act represents a generational shift in Norwegian space regulation. The 1969 Act consisted of only three sections and was essentially an authorisation act that gave the Ministry the right to manage space activities through decisions. It was designed for a different era – primarily to regulate probe rocket launches from Andøya. The new Act, by contrast, is a comprehensive framework law with 29 provisions organised into eight chapters, designed to accommodate both current and future space activities. The Act's stated purpose is to facilitate safe and sustainable use of outer space. Space activities under Norwegian jurisdiction are to be carried out in a manner that safeguards national security interests and is consistent with Norway's international obligations.

The Act also aims to support industry development and innovation by providing the space industry with predictability and clear rules for government intervention. Key features of the new Act include a licensing regime that requires a permit for the establishment and operation of a spaceport, the launching of space

objects and the operation of space objects in orbit. The Act introduces a registration system for space objects, obligations for operators regarding responsible conduct, safety, environmental protection and space debris mitigation. It also establishes rules on liability, including strict (objective) liability for operators, recourse provisions enabling the state to seek compensation from operators where Norway is held liable under the Liability Convention and mandatory insurance requirements.

The Civil Aviation Authority of Norway (*Luftfartstilsynet*) has been designated as the supervisory authority, building on its expertise in safety regulation. The Act also provides for administrative sanctions, including orders for correction or cessation, coercive fines and administrative penalties. Importantly, the Act is designed as a framework law, meaning that many detailed requirements will be specified in subsidiary regulations. This provides the flexibility needed to adapt to a rapidly evolving industry while maintaining regulatory predictability. The Ministry has indicated that regulations will be developed in close consultation with industry stakeholders.

Andøya Spaceport: from test launches to orbital ambitions

Andøya Spaceport, located at 69° north on the coast of Northern Norway, is one of Europe's most significant space infrastructure developments. Officially opened on 2 November 2023, the spaceport received its operational licence on 22 August 2024. It is strategically positioned for launches into polar and sun-synchronous orbits – the orbits most relevant for Earth observation, climate monitoring, maritime domain awareness and military surveillance.

On 14 March 2025, the Civil Aviation Authority of Norway granted Isar Aerospace SE the first launch permit for a test launch from Andøya Spaceport. The permit was issued following a thorough review process in which the authority evaluated the application under the Norwegian Space Act, using Federal Aviation Administration (FAA) Part 450 as a standard. The first test flight took place on 30 March 2025, marking the first time an orbital-class launch vehicle lifted off from the European continent. Although the vehicle experienced a technical issue after 30 seconds of flight and

the flight termination system was activated, the launch demonstrated that Andøya Spaceport is operationally capable of supporting orbital launch activities.

In March 2025, the Norwegian Space Agency also signed a contract with Isar Aerospace for the launch of two satellites under the Arctic Ocean Surveillance (AOS) programme by 2028. This will be the first time Norwegian-built satellites are launched from Norwegian soil under a government contract. A second Spectrum qualification flight with six payloads aboard is being prepared in 2026 and, if successful, will make Andøya the first operational spaceport on the European mainland to place payloads into orbit.

The Artemis Accords and international space governance

On 15 May 2025, Norway signed the Artemis Accords – the 55th country to do so. The Artemis Accords are a US-led, non-legally binding political commitment establishing principles, guidelines and best practices for civil space exploration, including the planned return to the Moon and eventual human missions to Mars.

Norway's accession to the Artemis Accords is significant for several reasons:

- first, it signals Norway's commitment to co-operative and sustainable use of outer space, aligning with the principles of the UN Outer Space Treaty, to which Norway has been party since 1969;
- second, the Accords raise important questions about the ownership and utilisation of space resources – questions that are becoming increasingly relevant as commercial lunar missions are being planned by several countries and private operators; and
- third, Norway's participation strengthens its position in international space governance discussions, particularly within the Committee on the Peaceful Uses of Outer Space (COPUOS), which Norway joined in 2017.

The new Space Activities Act does not specifically address resource utilisation in space, but its framework provisions and purpose clause – emphasising

peaceful exploration and sustainable use – provide a basis for future regulation as these activities develop.

EU space regulation: implications for Norway through the European Economic Area (EEA)

Norway is a party to the EEA Agreement, which makes it part of the EU's internal market. Although the EU does not have the competence to harmonise national space law under the Treaty on the Functioning of the European Union (TFEU Article 189 (2)), EU law increasingly affects national space activities. The proposed EU Space Act, which has been under development since 2022, is expected to address safety, resilience and sustainability requirements across the internal market. If adopted by the EU, the regulation would likely be incorporated into Norwegian law through the EEA Agreement. Norway participates in the EU's key space programmes – Copernicus, Galileo and the European Geostationary Navigation Overlay Service (EGNOS) – through the EEA framework. Most recently, Norway has secured participation in the EU's Infrastructure for Resilience, Interconnectivity and Security by Satellite (IRIS²) Secure Connectivity programme, with a commitment of NOK451.6 million through 2027. However, a structural challenge has emerged: under the current IRIS² framework, launches are in principle to take place from the territory of an EU member state. Use of a spaceport in a third country such as Norway is permitted only in duly justified exceptional cases. This means that Andøya Spaceport cannot, under the current rules, serve as a standard European launch option for IRIS² missions, despite Norway's financial commitment and the spaceport's unique geographic advantages. This regulatory barrier is political rather than technical. Norway's government is expected to advocate for a revision of the Secure Connectivity regulation to explicitly allow launches from closely integrated EEA partners under strict security and governance conditions. The outcome of this effort will have significant implications for Andøya's role in European space infrastructure.

EU Arctic policy and space infrastructure

The European Commission is currently updating its Arctic policy, with a new policy statement expected in autumn 2026. Unlike the 2021 policy, the update is expected to place greater emphasis on security, defence and connectivity – areas in which space

infrastructure is directly relevant. Andøya Spaceport provides Europe with launch access from a high-latitude Arctic site that no other European spaceport can replicate. Polar and sun-synchronous orbits are optimally reached from the Norwegian Arctic, which has a direct bearing on the EU's goals for climate action, maritime surveillance and Arctic security. The European Parliament's Arctic resolution of November 2025 stressed Norway's important role in EU energy security and geopolitical resilience, calling for deeper strategic partnerships. An updated EU Arctic policy that takes space infrastructure seriously should recognise Andøya as a strategic European asset, not merely a third-country facility.

The European Space Agency (ESA) Arctic Space Centre in Tromsø

In November 2025, at ESA's ministerial conference, ESA and Norway signed a letter of intent to explore the establishment of an ESA Arctic Space Centre in Tromsø. The proposed centre would focus on Earth observation, navigation and telecommunications, with a strong emphasis on environmental monitoring and sustainable development in the Arctic. A joint working group is assessing the scope, activities and organisational structure through 2026, with a goal of formally opening the facility in 2027. This is the first time ESA has considered a permanent institutional Arctic presence on Norwegian soil. The centre would complement Norway's existing space infrastructure, including the ground stations operated by Kongsberg Satellite Services (KSAT) and the Andøya Spaceport, creating a comprehensive Arctic space ecosystem. ESA's largest-ever contribution package of EUR22.3 billion for 2026–28, with Norway committing EUR292 million, underscores the scale of investment in this sector.

The emerging Nordic space corridor

Norway's space developments are part of a broader Nordic trend. An emerging Nordic space corridor is taking shape, linking launch capabilities, ground infrastructure and satellite operations across the region. Sweden's Esrange Space Center is advancing towards satellite launch capabilities. Finland's ICEYE has signed a letter of intent with the Swedish Space Corporation to deepen co-operation in launch, missions and satellite operations. KSAT is extending its world-class Arctic ground segment into orbit with its Hyper in-orbit relay constellation. The Nordic countries have also drawn the connection between space infrastructure and security. Norway's High North strategy, published in August 2025, places the Andøya space investment in the same strategic frame as the country's defence build-up and its energy and industrial expansion in Northern Norway. The three Nordic transport ministers signed the Joint Nordic Strategy for Transport System Preparedness in March 2026, reflecting the broader logic that Europe's strategic infrastructure cannot stop at the EU's political border.

Outlook

Norway enters 2026 with a fundamentally transformed space law landscape. The new Space Activities Act provides a comprehensive, modern regulatory framework that balances the need for responsible governance with the space industry's need for predictability and innovation. Andøya Spaceport is poised to become a cornerstone of European launch infrastructure, and the ESA Arctic Space Centre in Tromsø will further strengthen the country's position in the international space community. The key challenge ahead lies at the intersection of national ambition and European regulation. Norway's success in positioning Andøya as a European strategic asset will depend on its ability to influence the upcoming revision of the EU's Secure Connectivity regulation and the formulation of the EU's updated Arctic policy. The legal and political groundwork has been laid; the coming year will determine whether strategy and regulation align.



Law and Practice

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Vieira de Almeida & Associados is a leading international law firm with more than 50 years of history and 350 lawyers, recognised for its impressive track record and innovative approach in corporate legal services. The excellence of its highly specialised legal services, covering several industries and practice areas, enables VdA to overcome the increasingly complex challenges faced by its clients. VdA is the first Portuguese law firm with a dedicated space law practice, having been involved in pivotal space pro-

jects in Portugal and abroad. VdA has been consistently recognised for its outstanding and innovative services, having received the most prestigious international accolades and awards of the legal industry. Through the VdA Legal Partners network, clients have access to eight jurisdictions (Angola, Brazil, Cabo Verde, Mozambique, Portugal, Sao Tome & Principe, Spain, and Timor-Leste). The firm is a member of the International Astronautical Federation (IAF) and the International Institute of Space Law (IISL).

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1. Global Trends

1.1 International Legal and Regulatory Developments

Space law in Portugal combines (i) key international UN legal instruments, (ii) a national space law implementing the international commitments of the Portuguese state while striving to address key topics of the space sector without stifling its potential for growth, and (iii) myriad non-legally binding sources arising from the country's membership of international and regional organisations setting key norms regarding the manner in which space activities are to be carried out.

Growing concerns around safety, resilience, sustainability, and increasing privatisation and geopolitical pressures have reinforced the need for stronger space regulation, already driving significant legal developments, particularly at EU level. The proposed EU Space Act (currently under review by the European Parliament and Council) aims to establish a mandatory common framework governing European and certain third-country space operators. While still under negotiation, it is expected to significantly impact Portuguese space law, particularly with respect to market access and supervision.

More broadly, the interaction between space activities and key EU policy areas (such as artificial intelligence, quantum technologies, digital services, security, resilience, and data governance) is creating regulatory spillovers that are likely to further shape national space activities, including in Portugal.

1.2 NewSpace and the Space Tech Economy

The Government remains a central driver of Portugal's space sector through its role in ESA and the EU Space Programme as well as via its stake in projects under the Recovery and Resilience Plan. A flagship initiative focuses on developing space-based capabilities, services, and businesses, which are already yielding results, including the launch of six new satellites in March 2026 and four more in July 2026.

Through Portugal Space, the Portuguese space agency (the "Space Agency"), the state continues to support R&D and the integration of national industry into the global space economy. Since the adoption of the Space 2030 strategy, the sector has grown steadily (reaching 87 companies by 2025) and seven licences for launch and command have been issued.

Key developments include the licensing of the Santa Maria (Malbusca) launch centre, expected to begin operations in 2026, and the first commercial re-entry licence granted in February 2026 to ATMOS Space Cargo. Increased involvement from the defence sector is also driving civil-military synergies and new private sector opportunities, including through the Air Force space base in Santa Maria, Azores.

The emergence of new business models and services is expected to further expand legal and contractual work in Portugal's space sector.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

The Portuguese space industry is composed mostly of small and medium-sized companies geared towards aerospace engineering (systems, materials, etc), understandably given the sector's historical genesis as an R&D sector, fostered mostly by Portugal's membership of ESA.

Nowadays, with the surge of NewSpace, the Portuguese space industry (or ecosystem) has seen significant growth, not only developing new services and products using space data, services and/or systems, but also stepping up its involvement in upstream activities.

The country's investment in the sector has heavily contributed to these developments, notably through:

- the creation of a national legal framework for space activities in 2019, the setting up of a Space Authority (currently, ANACOM, the communications regulator) tasked with licensing and supervising space activities, and the setting up of a Space Agency (Portugal Space) tasked with fostering the development of the Portuguese space sector;
- the expansion of the country's role within ESA's projects (eg, the implementation of satellite tracking stations in the country, with Portugal also anticipated as a landing site for the Space Rider); and
- the country's commitment to the development of its own space assets (among others, Earth observation (EO) satellite constellations developed by a consortium helmed by Portuguese companies under the country's Recovery and Resilience Plan, including notably the Atlantic Constellation).

It is further expected that developments at the EU level (or fostered through the EU's policies and programmes), in connection with its overall strategy for the space sector (both civil and military), will also contribute to the overall expansion of Portugal's space industry.

A more detailed view of the country's space industry (and overall ecosystem) is available in the country's space catalogue, published by the Space Agency.

2.2 Legal System and Sources of Space Law and Regulation

The Portuguese space legal system, which is based on civil law, comprises both national and international sources of law and regulations.

International sources of law and regulations applying to the Portuguese space legal system include, notably:

- the United Nations Space Treaties, which are the main international legal instruments applicable to space activities. Portugal has ratified or has acceded to the Outer Space Treaty, the Liability Convention, the Rescue and Return Agreement and the Registration Convention, but not the Moon Agreement;
- international "soft law", consisting notably of UN resolutions pertaining to the exploration and use of outer space, as well as other resolutions and codes of conduct and guidelines. These instruments, though non-legally binding, have quasi-legal effects;
- the International Telecommunication Union (ITU) Constitution, Convention and Radio Regulations, which address topics relating to spectrum and orbital slots, all matters relevant for the space sector;
- the EU Space Programme Regulation (Regulation (EU) 2021/696) and the Union Secure Connectivity Programme Regulation (Regulation (EU) 2023/588); and
- other international non-binding arrangements, such as the Artemis Accords (a set of principles on safety, sustainability and peaceful use of outer space in civil activities), which Portugal joined in January 2026.

The principles and rules of international space law have been reflected in national law, which comprises three main legal frameworks, as follows.

- The national Space Act, Decree-Law 16/2019 of 22 January, as amended by Decree-Law 20/2024 of 2

February and rectified by Rectification Declaration 19/2024/1 of 22 March. The Space Act contains provisions for the launching and re-entry, and the command and control, of space objects. It already covers provisions that aim to facilitate recent trends in space, including small satellites and constellations of satellites. Recent amendments integrated into the law the licensing of the operation of launch centres.

- The Space Regulation, Regulation 697/2019 of 5 September, as amended by Regulation 1206-A/2024 of 21 October and rectified by Rectification Declaration 1025/2024/2 of 28 November. The Regulation contains detailed provisions for obtaining a licence and pre-qualification for space operations. It also includes detailed provisions for obtaining a licence for the operation of launch centres.
- The Insurance Order, Order 279/2023 of 11 September, which establishes the conditions for civil liability insurance and the limits for the right of redress of the state in the event of damage caused by a space operation pursued by a licensee.

Spectrum topics are covered in national law in the Electronic Communications Law (Law 16/2022 of 16 August) and the framework on radioelectric licensing (Decree-Law 151-A/2000 of 20 July). The national frequency allocation plan also contains information relating to spectrum allocation.

In addition to the legal framework specifically dedicated to space activities, the Portuguese space legal system must consider other rules applying to the space sector, including those regarding cybersecurity, sustainability, data access and sharing, personal data, cloud computing and platforms, contracts, consumer protection, intellectual property, artificial intelligence, imports and exports, among others.

Finally, the proposed EU Space Act, currently under legislative review, is expected to impact the national legal framework.

2.3 Role of the State in Space Law and Regulations

The Portuguese state acts as a facilitator, participant and regulator of space activities through the following main entities:

- Portugal Space, the Space Agency, was set up in 2019. It is a private, non-profit association comprising only members from the public sector. The Space Agency is responsible for executing the Portuguese Space Policy (Portugal Space 2030) and for developing the national space sector. The Space Agency also serves as an ESA hub. Following the 2024 amendment to the Space Act, the Space Agency now plays a key role in licensing processes. It must issue prior opinions on licences for space operations (launch and/or re-entry, and command and control) and, in certain cases, be notified of their execution. For launch centres, the Agency leads the Government's prior approval process and provides its opinion.
- ANACOM (the communications regulator) is, temporarily, under the Space Act, the entity competent for issuing licences and supervising space activities.
- The Ministry of Defence is the body responsible for managing the national Space Surveillance and Tracking (SST) programme and is the designated national entity in the EU SST system.

At ministerial level, and without prejudice to defence and SST matters, the competent Secretary of State for space is the Secretary of State for Science and Innovation, whose office is within the Ministry of Education, Science and Innovation.

2.4 Role of the State in the Licensing Process for Space Activities

Space operations are subject to authorisation and may further benefit from pre-qualification. They are also subject to supervision. Registration of space objects shall further be carried out.

Authorisation

Space operations performed within the national territory, as well as space operations performed abroad by Portuguese operators or operators established in

Portugal, are subject to licence issued by the Space Authority.

Space operations consist of the following:

- launch and/or re-entry (or return) operations – the activity whereby space objects are intended to be sent or launched into space (below, to or beyond orbit), and the return of space objects in orbit to the Earth's surface. The launch and/or return operator performs the launch and/or return operations; and
- command and control operations – the activity of exercising control over a space object in outer space, whether temporarily or in transit. Where the space object cannot be controlled or guided, the command and control operation will be deemed to be the hiring of the launch or the exploitation of the space object, as notified to the Space Authority. The command and control operator performs the command and/or control operations of space objects.

There are three types of licences:

- an individual licence, applicable to a single space operation;
- a blanket licence, applicable to a series of space operations of the same type or to a series of space operations of different types, performed by the same operator; and
- a joint licence, applicable to space operations of the same type or different types, performed by more than one operator, in which the licence is granted to only one of the operators involved in the operations at stake. The joint licence can further be “integrated” (where the licence covers one launch and/or return operation of the launcher and one or more launches of space objects from that launcher, and can further cover the command and control of such objects) and “multiple” (where the licence covers a series of launch and/or return operations of one or more launchers and one or more launches of space objects from those launchers, and can further cover the command and control of such objects).

The variety of types of licences aims to grant flexibility to space operators, allowing them to choose how best to license their space operations.

Licences are subject to the procedure defined by the Space Authority in the Space Regulation, and the decision to grant a licence or not shall be issued within 90 days. Upon issuance of a licence, the relevant space activity may be commenced within five years as from the date of such issuance.

A special licensing framework, which may involve shorter deadlines or streamlined procedures, may be established by the Space Authority, notably when:

- the applicant is a public entity or an international organisation acting under international agreements concluded with the Portuguese Republic;
- the intended space operation is performed exclusively for scientific, R&D, educational or training purposes, or consists in experimental activities with demonstrable low risk for the Earth's surface, airspace and outer space, including for public health and safety of people and assets; or
- the space operation is performed outside national territory by Portuguese operators or operators established in Portugal.

In practice, the Space Regulation simply indicates that the applicant may request to the Space Authority the application of a simplified procedure (which may involve the waiver of the delivery of certain information or documentation deemed not reasonable to request or irrelevant) and the Authority will decide on the request within ten days, notifying the applicant of the reduced timelines or simplified procedures that will apply.

The national Space Act also addresses circumstances wherein a licence for space operations has been obtained in another country.

Pre-Qualification

The Space Act created a specific approach under which space operators may apply for pre-qualification issued by the Space Authority, aimed at verifying:

- that the launch and/or return operator and the command and control operator have the technical, economic and financial capacity for the space activities they intend to perform;
- regarding the launch and/or return operator and the command and control operator, the features and specifications of the respective space object; and
- regarding the command and control operator, the systems and processes implemented for command and control.

Pre-qualification streamlines the process for obtaining a licence, given that it waives the submission of the information set out in the pre-qualification certificate in the licensing procedure. In accordance with the Space Regulation, the pre-qualification certificate shall be issued or refused within 60 days (which can be extended for an additional 60 days in cases of high complexity).

Supervision

Supervision of space activities is carried out by the Space Authority, without prejudice to the inspection powers of other competent entities.

Operators are subject to obligations relating to the Space Authority's supervision and inspection powers, including the following:

- allowing and facilitating free access to the facilities and their annexes, as well as to their devices and instruments;
- providing all information and assistance required for the performance of the supervision and inspection; and
- maintaining in their facilities in Portugal a duly organised and updated file containing all relevant documents and records relating to the space activities they perform and to the licensing and pre-qualification procedures.

The Space Act also contains a set of provisions for incident and accident reporting, which include the obligation of operators to notify incidents that occurred in their premises or within the scope of their space activity, as well as any manoeuvre, malfunction or anomaly of the space object, or other circumstances arising

from or in connection with the space activity that may result in an incident or serious accident.

Infringements of the Space Act are administrative offences that may lead to the application of penalties of between EUR250 and EUR44,891.81, depending on whether the operator is a natural or a corporate person and on the gravity of the offence. There are also ancillary penalties, consisting of temporary bans on carrying out space activities and the suspension of licences.

Registration

The Space Act establishes that space objects for which Portugal is the launching state are subject to registration with the Space Authority, in accordance with Portugal's international commitments. The elements to be registered broadly correspond to those specified in the Registration Convention.

In addition, the Space Act provides that the following must be registered with the Space Authority:

- space objects whose launch, return or command and control are licensed in Portugal;
- the transfer of ownership of any space objects whose launch, return or command and control is licensed under the Space Act;
- the end of the useful life of a space object whose operation and control is licensed in Portugal; and
- any incident or serious accident suffered by a space object.

The Space Regulation provides further details on registration, whereby information for registration shall be submitted in two days from launching or from the occurrences indicated above.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

The national framework applicable to spectrum is established in the Electronic Communications Law and the framework on radioelectric licensing. In addition, the national frequency allocation plan contains information relating to spectrum allocation.

Despite the above, Portugal does not have a specific procedure for receiving requests and assisting in the

ITU process for assignment of radio frequencies and orbital slots.

In any case, ANACOM, the communications regulator – which is the entity competent for radio frequencies and orbital slots – has a set of competences to manage and co-ordinate frequency allocations to avoid interferences, at both national and European levels. Notably, ANACOM is responsible for creating a specific regulatory framework for use of spectrum (including protection against harmful interference) and for co-operating with other EU member states with a view to co-ordinating the use of harmonised radio spectrum for electronic communications networks and services. As the use of radio frequencies for electronic communication networks and services depends on the attribution of a right of use of frequencies, ANACOM is entitled to revoke such right (or to impose changes) in case of non-compliance with the applicable obligations, which include the obligation to adopt the technical and operational conditions necessary for the non-production of harmful interference and the protection of public health against electromagnetic fields.

In parallel, the proposed Digital Networks Act is set to reshape this landscape at EU level by promoting longer term and more flexible spectrum licences (including renewals and spectrum sharing mechanisms) and by introducing a single passport EU authorisation framework for pan European communications, including SatCom, allowing operators to notify one Member State and operate across the EU. This will require close alignment between ANACOM's national procedures and the emerging EU wide regime.

2.6 Role of the State in the Launching Process

Following changes in 2024, both the national Space Act and the Space Regulation now include a specific framework for the operation of launch centres, comprising authorisation, pre-qualification and supervision.

Authorisation

The operation of launch centres in Portugal is subject to licensing from the Space Authority.

Entities interested in operating a launch centre in Portugal must submit a detailed application to the Space Authority, including, among other things, information concerning (i) designated launch and return corridors and dispersion areas, (ii) the types of space vehicles to be launched or returned, the expected frequency of launches and whether multiple vehicles can be handled simultaneously, (iii) launch pads, control centres, storage for hazardous materials and support systems, and (iv) how the centre will interface with clients and communicate launch schedules to relevant authorities.

The Space Authority will then assess, among other things, the technical feasibility and financial viability of the launch centre, as well as the safety and security of its operations. Indeed, there is a strong emphasis on safety and security of people, property and the environment, with applicants being required to identify all potential risks associated with launch operations, including those relating to hazardous materials, explosions and accidents, and provide comprehensive risk assessments, including the likelihood and impact of incidents.

Issuance of a licence by the Space Authority is subject to prior approval from the members of the Government responsible for the areas of defence, the sea (when the launch centre is deployed in the national maritime space), and science and technology. The aim is to ensure that national security and interests are respected and that the international commitments of the country are not breached. When the launch centre is to be installed in the Autonomous Region of Madeira or of the Azores, that region shall be heard and issue a binding opinion.

Issuance of the licence is also conditional on the applicant obtaining all other licences that may be required for the installation and operation of the launch centre, with the Space Authority acting as a one-stop shop in that regard if requested by the applicant.

The Space Authority must decide on whether to issue the licence within 240 days. Licences have a maximum initial term of 15 years, with the possibility of renewal for successive terms of a maximum 15 years each.

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Upon the granting of the licence, its holder, with regard to the Santa Maria Flight Information Region or the Lisbon Flight Information Region, must initiate, with ANAC (the Portuguese civil aviation authority), the process for requesting an analysis of the airspace volume to be allocated to the activities to be carried out in the launch centre.

Transfer of the licence is subject to the consent of the Space Authority, which has 120 days to decide on such a request, with prior approval being required from the Government or the Space Agency (if powers are delegated to it by the Government).

Pre-Qualification

The launch site operator may pre-qualify that it has the technical, economic and financial capacity for the activity it intends to perform. This pre-qualification aims to streamline the process for obtaining a licence for space operations, as relevant.

Supervision

Operators are subject to obligations relating to the Space Authority's supervision and inspection powers. For further details, see **2.4 Role of the State in the Licensing Process for Space Activities**.

A list of the entities that hold a licence for operation of a launch centre under this framework must be made available online by the Space Authority. As from August 2025, the Atlantic Spaceport Consortium holds the first license to operate a launch centre in Portugal for a period of five years, for the launch centre at Malbusca on Santa Maria Island in the Azores.

2.7 Commitment to International Treaties and Multilateral Discussions

In addition to the UN Space Treaties (not including the Moon Agreement), Portugal is also a signatory to the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and under Water; the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite; and the Tampere Convention on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations.

In that context, Portugal is involved in several forums concerning outer space. Notably, Portugal is a member of the UN Committee on the Peaceful Uses of Outer Space (UNCOPUOS), where it has been quite active. And, in January 2026, the country became a party to the Artemis Accords, an initiative of NASA in co-ordination with the US Department of State.

The principles and rules of the UN Space Treaties, especially when it comes to responsibility and liability, are reflected in national law. Other important principles and rules of international space law, including those on sustainability (such as the ones arising from the UN Guidelines for the Long-Term Sustainability of Outer Space), are also reflected in national law – the 2024 amendments to the Space Act and the Space Regulation expressly mention that the legal framework aims, among other objectives, to ensure that space activities are sustainable in accordance with applicable international principles, whilst debris minimisation is a condition of licence issuance (for more details, see **5.3 Orbital Debris**).

2.8 Insurance and State Measures on Liability for Damages

Portuguese rules on insurance of, and liability for damages arising from, space activities follow the country's commitments as a party to the Outer Space Treaty and the Liability Convention, and account for key international concerns on the safety of space operations.

In respect of liability for damages, liability of operators is on a fault basis, except for damage caused on the Earth's surface or to aircraft in flight by a space object, in which case strict liability applies. If the Portuguese Republic is held liable, pursuant to its international commitments, for any damage caused by a space object, the state has a right of recourse against the operator that is responsible for that space object, capped at the amounts defined by the Insurance Order. The cap corresponds to the total amount of the insured capital applicable to the licensed space operation that caused the damage. The cap will not apply in certain cases, including in the event of liability for damage due to wilful misconduct or gross negligence, or if the operator fails to comply with its licensing obligations. The liability regime of the national Space Act is, of course, without prejudice to other liability

regimes that are provided for under Portuguese general law (eg, in connection with environmental matters or the use of hazardous materials).

Space activities licensed under the Space Act must be insured. In particular, civil liability insurance covering both fault-based and no-fault-based liability (as described above) arising from the space activities being carried out is a condition for the issuance (and non-revocation) of the relevant licence, and failure to obtain such insurance carries a fine that can exceed EUR44,891.81.

- **Minimum insured capital:** Currently, the minimum insured capital is determined based on the mass of the space object, with different thresholds corresponding to different amounts of insured capital. The insured capital can also be calculated based on the maximum probable damage (as calculated by the Space Authority), if lower than the minimum insured capital required in accordance with those thresholds. If the relevant space activities are licensed under a blanket licence, the minimum insured capital shall correspond to the sum of 70% of the minimum insured capital required for each of the activities benefiting from such licence. However, if the relevant space activities are licensed under a joint licence, no such reduction applies. Note that the Insurance Order has not yet been revised in light of the 2024 amendment to the Space Act, which introduced a licensing regime for launch centres. Thus, although the Space Act mentions that licensed operators shall be insured (seemingly also including launch centre operators), the Insurance Order only seems to contain conditions for space operations.
- **Policy exclusions and deductibles:** The insurance policy exclusions are indicated in the Insurance Order. Among others, these include claims for criminal, administrative or disciplinary liability and claims that may expose the insurer to sanctions or restrictions. Damages caused to specific individuals or groups related to the policy holder may also be excluded. In any case, the policy may provide for a deductible of up to 10% of the insured capital, which the insurer can claim solely from the policy holder.

- **Time barring of policy:** The insurance policy must cover claims for compensation submitted up to two years after its termination, provided that they are not covered by another valid subsequent insurance contract.

The requirement to be insured may be waived entirely (or the minimum insurance requirements reduced) by the Space Authority for:

- the launch, return, command and control operations of small space objects;
- space operations carried out solely for scientific, R&D or educational and training purposes;
- space operations that carry small risks only; or
- space activities in respect of which the operator has delivered another form of financial collateral that is accepted by the Space Authority.

2.9 Very High Altitude Legal and Regulatory Framework

High-altitude flights are not addressed in Portuguese space law.

The amendments made to the national Space Act in 2024 clarified, within the definition of launch and/or return operations, that a space object can be sent or launched below, to or beyond orbit – this points to the Space Act applying to activities below orbit, but still in outer space. The Space Act, however, does not indicate where it considers that outer space begins, though it is expected that the Space Authority will follow the general approach of the Karman line, under which outer space is considered to begin 100 km above sea level.

Regulation of high-altitude flights that do not reach outer space has been discussed by the Space Authority and the Space Agency. The development of a legal framework in this respect was announced by the Minister of Science and Technology in September 2023, but a dedicated law in this area has not yet materialised.

We note that, at the EU level, it is the European Union Aviation Safety Agency (EASA) that has been mostly addressing higher airspace operations (HAO). EASA published the HAO Roadmap in 2023 and has been

tasked by the European Commission with preparing a draft framework for HAO in the EU, currently under-way, including which HAO are to be subject to air law (or space law, or both).

3. Rules Applicable to Space Operators' Activities

3.1 General Rules on Space Activities

The general rules on space activities are established in the national Space Act, the Space Regulation and the Insurance Order, and apply to all space operations and to launch centres (with the particularities seen in **2.8 Insurance and State Measures on Liability for Damages** relating to insurance), regardless of the purpose of the space operation or the features of the launch centre.

Certain matters are also regulated under other legal frameworks, in particular specific laws on security and resilience applicable to various space actors (see **4.3 Cybersecurity and Space** for further details).

Portugal does not have specific legal frameworks for Earth observation, space mining or space tourism.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

The Portuguese space legal framework establishes a set of conditions for issuing a licence that aim to ensure non-interference with other space activities.

For space operations, the space operation must be compatible with applicable public safety rules, including those relating to public health and the safety of persons and assets. What is more, other authorisations necessary for the space operation must have been issued by the corresponding competent entities (eg, for use of airspace). The Space Regulation sets out a set of items that must be specified by an applicant for a licence. For the launch, these include, among others, the expected date and place of launch; the planned nominal flight, including the point of the flight at which the carried space object is no longer under the control of the licensee; the various flight stages and associated manoeuvres; the air corridors to be used; and information about the re-entry of

stages. For the command and control of the space object in space, the information to be provided by the applicant includes, among other things, orbital parameters including nodal period, inclination, apogee and perigee (whether for parking, transfer or final orbit purposes) or trajectory; and the types of command and control operations foreseeable over the operational life of the space object.

For the operation of launch centres, the location intended for the launch centre, its installation, as well as its infrastructure and operation, must ensure the safety of the launch and/or return operations and be compatible with applicable public safety rules, including those relating to public health and the safety of persons and assets. Indeed, when applying to obtain a licence for operation of a launch centre, applicants are required to put in place detailed safety management structures and implement ongoing co-ordination with national authorities, including aviation and emergency services, to ensure safe and secure operations. When assessing the application, the Space Authority will also consider information concerning designated launch and return corridors and dispersion areas, the types of space vehicles to be launched or returned, the expected frequency of launches and whether multiple vehicles can be handled simultaneously, and how the centre will interface with clients and communicate launch schedules to relevant authorities.

The above provisions are without prejudice to non-interference rules arising from the communications framework (see **2.5 Role of the State in Co-ordinating the Use of Radio Frequencies and Audio Slots**).

3.3 Operators' Responsibilities

Licensed space operators are subject to a set of obligations under the national space framework:

- Launch/return and command and control operators are under the obligation to (i) comply with and abide by international principles for the use of space, notably pursuant to the space treaties binding on the Portuguese Republic, including in relation to peaceful use, safety and minimisation of space debris; (ii) register the space objects they launch or control, identifying the respective owners; (iii) take out and maintain mandatory civil

liability insurance; (iv) duly foresee and safeguard against any damage to Earth or to space, directly or indirectly, in accordance with the applicable national and international obligations; and, lastly, (v) comply with all legal and regulatory provisions in force, as well as with the conditions set out in the relevant licence. They shall further, notably, report in a timely manner the occurrence of incidents and accidents, as well as keep a record of all occurrences of their activity, and submit a report to the Space Authority upon completion of each licensed space operation with the description of space activities carried out, mentioning any failures, warnings or risks identified.

- In turn, the operator of a launch centre must abide by all legal provisions in force, as well as the conditions established in the licence. Among other requirements, operators of launch centres are required to: (i) put in place detailed safety management structures; (ii) comply with relevant safety, quality and environmental standards and certifications; (iii) implement ongoing co-ordination with national authorities to ensure safe and secure operations; and (iv) put in place procedures concerning accident and incident prevention, mitigation and recovery (including investigation and reporting of accidents and incidents), site security (including access control and surveillance, but also protection measures against natural phenomena and human disasters), the security of critical systems (those the disruption of which would harm safety and security, including cybersecurity), and protection of staff, visitors and the surrounding environment (including periodic monitoring of environmental risks, specifically relating to air quality, biological and coastal resources, noise, vibration, visual impact and effluent treatment).

An important point in this respect relates to compliance with ESG objectives by the space sector. The rules applicable in this regard in Portugal derive from EU law on ESG, with no dedicated rules or guidelines for the space sector. However, it should be noted that several activities comprised within the space operations life-cycle may be eligible under the EU Taxonomy framework (such as, for instance, data processing, hosting and related activities, the provision of IT/OT data-driven solutions, the manufacture of electric and

electronic equipment, and the provision of services such as preparation for reuse of end-of-life products, including spacecraft and related machinery, where spacecraft includes, in accordance with NACE Rev. 2, launch vehicles, satellites, planetary probes, orbital stations and shuttles). This therefore determines the application of several reporting obligations under the aforementioned framework.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

There is no dedicated national space data/Earth observation legal framework addressing the collection, protection and dissemination of space data. However, the cross-sector provisions on data sharing arising from the EU framework (notably, the Open Data Directive – Directive (EU) 2019/1024 of 20 June; the High-Value Datasets Regulation – Commission Implementing Regulation (EU) 2023/138 of 21 December; the Data Governance Act – Regulation (EU) 2022/868 of 30 May; the Data Act – Regulation (EU) 2023/2854 of 13 December; the Regulation on the free flow of non-personal data – Regulation (EU) 2018/1807 of 14 November; and the INSPIRE Directive – Directive 2007/2/EC of 14 March) all apply to sharing of space data, including data held by public entities, held by private entities, and made available notably through data intermediation services and data altruism services. Rules on data processing services have been established as well.

The above framework contains relevant provisions for the space sector, including:

- it addresses dynamic data and high-value datasets, which notably include satellite data (Open Data Directive);
- it addresses B2B data sharing, prohibiting certain contractual terms relating to access and use of data, liability and remedies for breach, and termination of data-related obligations (Data Act);
- it addresses data sharing obligations with certain public entities in case of exceptional need (Data Act), which may potentially include satellite data;
- it addresses the availability of data through data intermediation service providers (including obliga-

tions when it comes to interoperability) and data altruism organisations. Data made available by such entities may also comprise satellite data, which does, however, raise the issue of the extent of the application of the rules to satellite data protected by copyright (as the legal obligations do not apply to data intermediation services that focus on the intermediation of copyright-protected content) (Data Governance Act);

- it addresses data processing services (such as Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS)), which may also benefit the space sector (Data Act). In this scope, with a view to facilitating data portability and interoperability (either in switching or in in-parallel use of data processing services), most providers must make available open interfaces and ensure compatibility with common specifications or harmonised standards for interoperability of data processing services published in the EU;
- it addresses transfers of data to a third country (Data Governance Act and Data Act); and
- it establishes that the processing of data can be made in any EU country; ie, unless justified on grounds of public security, national law cannot impose the processing of data in the territory of a specific member state (Regulation on the free flow of non-personal data).

It is important to note that the Commission has proposed to repeal and fold the Open Data Directive, the Data Governance Act and the Regulation on the free flow of non-personal data into the Data Act under the Digital Omnibus package, whilst simultaneously streamlining and simplifying many of the current legal requirements.

In addition, protection of space data follows general intellectual property rules: specifically, to the extent the requirements for copyright protection are met, then space data (most notably, analysed data and, to some extent, processed data) would be protected. The exclusive use of artificial intelligence for data processing impacts such conclusion to the extent that there is no human intervention.

4.2 Space Data Spaces

The legal provisions applicable to Data Spaces arise from EU law, and the EU approach to Data Spaces is addressed in EU policy (including when it comes to principles and requirements, notably on technical data infrastructure, governance, data control, openness and legal compliance), namely in the 2020 European Strategy for Data, the 2022 Commission Staff Working Document on Common European Data Spaces and the 2024 Commission Staff Working Document on Common European Data Spaces. The Data Act further notably addresses the interoperability of Data Spaces.

Though a set of sectoral Data Spaces – common European Data Spaces – have been proposed and developed, dedicated space Data Spaces have not yet been listed in the above-mentioned EU documents; however, this is an ongoing process, with the possibility for additional common European Data Spaces in new sectors or domains to be created in the future.

Albeit not Data Spaces in the strict sense of the EU documentation above, data space-like ecosystems have emerged to provide a broader technical and governance framework for federated interoperability. Specifically, the Copernicus Data Space Ecosystem (CDSE) and Gaia-X are both major European ecosystems that support the creation and interconnection of data spaces by offering governance guidance, technical building blocks and infrastructure, as well as advice and support. The CDSE provides a common environment for accessing and exploiting Sentinel data, while DECADE-X is a concrete, operational implementation of the Gaia-X framework, built specifically to support secure data flows in the European aerospace and defence sectors.

In Portugal, a Data Space for space was assessed as a pilot under the New Space Portugal Agenda, with a view to encouraging data sharing and access. The exact design and governance structure of the Data Space was analysed under a feasibility study with a view to assessing how to ensure its development and seamless integration in other Data Space initiatives being taken, including by ESA.

4.3 Cybersecurity and Space

The Space Regulation requires certain information to be submitted as a condition for obtaining a licence, which is relevant for security purposes: in relation to the launcher, the applicant shall submit information on the control systems relating to the hardware and software of the launcher and information on the mission control systems and processes. It must also submit a safety plan for the launch and/or return which shall include the description of the cybersecurity strategy of networks and systems used in the launch and/or operation. In relation to the satellite, the applicant shall submit information on the control of the satellite in outer space, as well as a safety plan of command and control which shall include the cybersecurity strategy of the network and systems used in the command and control operation, including the definition of levels of access to the command and control system.

In relation to launch centres, the applicant shall also identify potential risks and submit a description of procedures and measures including in relation to the protection of critical systems whose interruption would seriously impact cybersecurity.

In addition, cybersecurity obligations arising from the NIS2 Directive and the CER Directive apply to the space sector – to operators of ground-based infrastructure, owned, managed and operated by EU member states or by private parties, that support the provision of space-based services.

The NIS2 Directive (Directive (EU) 2022/2555 of 14 December) was transposed into national law by Decree-Law 125/2025, of 4 December 2025, effective as of 3 April 2026. The space sector is expressly listed as a sector of critical importance (Annex I), meaning that operators of ground-based infrastructure supporting space-based services qualify as essential or important entities (depending on its dimension), and are thus subject to a set of obligations. They are, among others, required to: (i) have in place cybersecurity risk management measures; (ii) have in place the appropriate technical, operational and organisational measures to manage the risks to the security of networks and information systems, as well as to prevent or minimise the impact of incidents; (iii) comply with very strict incident reporting obligations; (iv) appoint

a cybersecurity and information security officer; and (v) if so requested by the National Cybersecurity Centre (CNCS), obtain national, European or international cybersecurity certification attesting compliance with the cybersecurity measures of this framework.

The CER Directive (Directive (EU) 2022/2557 of 14 December on the resilience of critical entities) was transposed into national law by Decree-Law 4/2025, of 6 January. It establishes obligations that apply to space operators designated as critical entities. Under this framework, these operators are required to take appropriate measures to ensure the resilience of their critical infrastructure, including by identifying relevant risks, implementing protective and continuity measures, and reporting significant incidents to the competent authorities.

The proposed EU Space Act is also expected to address resilience in the space sector, including by extending the cyber obligations therein established to all operators under its scope.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

The sustainability of space activities is one of the central topics of the Portuguese space legal framework.

In this scope, the national Space Act establishes, as a condition for obtaining a licence for space operations and as obligations of the licensee, that (i) the space operation duly safeguards against damage to the Earth's surface, airspace and outer space and (ii) the space operation ensures the minimisation, to the greatest extent possible, of space debris, in accordance with international principles and obligations. The licence can specify additional conditions, including on environmental matters. Those requirements are also reflected in the conditions for a licence for the operation of a launch centre, which, in addition, expressly indicate that the location intended for the launch centre, its installation, its infrastructures and its operations shall ensure environmental protection and waste management.

Further requirements concerning minimisation of space debris are set out in the Space Regulation (see **5.3 Orbital Debris**).

The proposed EU Space Act is also set to address sustainability, thus also impacting the performance of space operations licensing under Portuguese law.

Apart from the provisions for environmental protection set out in specific space legislation, it should be highlighted that the implementation of projects for the development of space activities may also be subject to specific licensing procedures and provisions under the general environmental legal regimes. Other environmental legal provisions may be applicable, notably those concerning air emissions, water quality, chemicals and hazardous substances, and soil contamination.

A last brief note to refer to the Critical Raw Materials Regulation (Regulation (EU) 2024/1252 of 11 April). Among other aspects, the Regulation requires EU member states to identify the large companies operating on their territory that manufacture strategic technologies using strategic raw materials. These companies are subject to a set of obligations, including the requirement to carry out a risk assessment of their supply chain of strategic raw materials. Rocket launchers and satellites are expressly mentioned therein. The Act also makes express reference to the role of critical raw materials in the space sector. In addition, the Regulation contains provisions relating to the declaration of the environmental footprint of critical raw materials and provisions for the recognition, by the European Commission, of certification schemes related to the sustainability of critical raw materials (though there is no requirement for the stakeholders to resort only to certified critical raw materials).

Portugal does not currently have specific legislation or government initiatives focused on the extraction or use of critical space minerals, such as helium-3 or other resources found on celestial bodies. The Space Act does not address space mining or the exploitation of extraterrestrial resources. However, Portugal is actively involved in international discussions on the governance of space resources, particularly through its participation in ESA and UNCOPUOS. What is

more, as a member of the Artemis Accords, Portugal has accepted the provisions therein on extraction and utilization of space resources, notably that extraction does not inherently constitute national appropriation under the Outer Space Treaty.

5.2 Climate Change and Space Activities

Portugal has been committed to achieving the UN Sustainable Development Goals since their adoption in 2015, as well as responding to the EU climate ambitions including as arising from the European Climate Law (Regulation (EU) 2021/1119 of 30 June, as amended) and the EU Strategy on Adaptation to Climate Change. It is worth noting that these instruments acknowledge the role of space data in achieving their goals. In this scope, the Portuguese Framework Law on Climate (Law 98/2021 of 31 December, as amended), as well as the National Strategy for Adaptation to Climate Change, the National Action Programme for Climate Change Adaptation and the Strategic Framework for Climate Policy, highlight the importance of accurate information and monitoring systems, an area where space data and services can play a central role. Likewise, space data and services can make an important contribution to achieving the objectives of the national Roadmap for Carbon Neutrality.

Several initiatives cross-cutting several sectors have further been put in place to support sustainable development and climate action. Though none of the initiatives currently in place is specifically tailored for space activities, the space sector may assume a significant role, notably in supporting entities implementing projects in environmental fields. For instance, Earth observation data plays a notable role in supporting sustainable forest management, including monitoring land use changes and managing forest health, thereby ensuring compliance with environmental regulations and certifications to maintain sustainable practices.

Additionally, from a public standpoint, space services and, specifically, Earth observation, are at the cornerstone of the development of the activities of several Portuguese governmental authorities in areas such as the protection of the environment, climate change mitigation and the promotion of sustainable development. Concretely, space data is used by entities such as the Portuguese Ministry of Environment and

Energy, the Portuguese Environment Agency (APA), the Portuguese Agency for Climate (ApC) and the Institute for the Conservation of Nature and Forests (ICNF) in the performance of their duties, such as on climate monitoring and action, biodiversity conservation and management of rural fires.

5.3 Orbital Debris

While there is no standalone, comprehensive national law or plan targeting or addressing orbital debris, the issue is incorporated into and addressed within the broader Space Act and Space Regulation. Indeed, the sustainability of space activities (including debris mitigation) was a key objective behind the 2024 amendments to the Space Act and the Space Regulation.

In particular, when licensing space activities, the Space Authority is required to assess the safety of those activities, notably by confirming that the envisaged activities adequately safeguard against potential damage to the Earth's surface, airspace and the outer space (for space operations) and the safety of the launch and/or return operations (for launch centres) and ensure that space debris is minimised.

To that effect, in accordance with the Space Regulation, the applicant shall submit a plan with elements evidencing that the space operation under consideration guarantees the mitigation of space debris to the greatest possible extent. The space debris mitigation plan may refer to international best practices and principles, especially those provided for in the ISO 24113:2011 standard (Space systems – Space debris mitigation requirements), in the “IADC Space Debris Mitigation Guidelines” and in the “Space Debris Mitigation Guidelines of the Committee on the Peaceful Uses of Outer Space”. In addition, a safety plan must be submitted which, among other aspects, shows that the space operation is compatible with applicable environmental rules. The Space Regulation further details the information that the safety plan shall contain, including, among other things, (i) for the launch and/or return, the identification of the geographic area and risks for the environment resulting from elements of the space object falling on the Earth's surface and atmosphere and from the debris of products of atmospheric and extra-atmospheric combustion; (ii) for the command and control operation, the risks deriving

from orbital space debris caused by the space object, intentional destruction of the space object in orbit, including in case of re-entry into the atmosphere, deorbiting manoeuvres and passivation activities.

The provisions on the Space Regulation described above apply only expressly to space operations. However, when applying for a licence for the operation of a launch centre, the applicant must identify all potential risks arising from the operation of the launch centre, including those arising from testing and launches, and also set out the procedures to be put in place to minimise such risks. Thus, debris mitigation should, to a certain extent, also be assessed and addressed in this context.

Orbital debris obligations are also addressed in the proposed EU Space Act. Accordingly, with its enactment, EU-level requirements on debris mitigation will be imposed upon Portuguese space activities.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

The tax system for space activities is currently not well defined or harmonised at the international level. There are no specific, common or multilateral tax rules or conventions that address the taxation of space activities.

In Portugal, the national Space Act establishes that fees and levies that may be charged by the relevant Space Authority to operators conducting space activities may be defined by Decree-Law, with a view to promoting the economic and financial sustainability of the activities of the Space Authority. A specific fee regime was also provided in the Azores space framework, which, however, seems to have been repealed (see 2.2 Legal System and Sources of Space Law and Regulation). At the time of writing, no fees are applied by the Space Authority.

Beyond the economic and financial regime for space activities outlined in the Space Act, Portugal's approach to taxing space activities does not deviate from its standard taxation system. Instead of imposing specific taxes for space activities, Portugal applies its

conventional tax regime, which encompasses a broad spectrum of taxes. Consequently, space activities within Portugal are subject to the same tax obligations as any other economic activity under the prevailing tax laws, depending on the nature and location of the activities and the entities involved.

Some other aspects of the Portuguese tax system may be relevant for space activities, such as the definition of tax residence or the taxation of foreign source income. Moreover, Portugal has a network of tax treaties with more than 70 countries aiming to avoid double taxation and providing for reduced withholding rates on dividends, interest and royalties paid between residents of the contracting states. However, treaties might not cover certain types of income or transactions related to space activities. Additionally, Portugal has rules implementing EU regulations on the control of exports of dual-use items, which may affect the sale or transfer of space items to other countries.

In addition to taxes, space activities involving satellite communications and related ground infrastructure in Portugal may incur regulatory fees outside the tax codes. Where satellite earth stations are installed or spectrum rights are required, operators may be subject to the electronic communications framework, including notification or licensing and the grant of rights of use of radio frequencies, and to the corresponding fee schedules. These charges include, among others, fees for rights of use of frequencies and numbers, for utilisation of the radio spectrum, and for certain regulatory acts, and are payable to the national regulator. They are regulatory charges rather than taxes and are generally not creditable as tax, so they should be modelled separately when costing projects.

6.2 Tax Incentives for Space Investors

Portugal offers a range of tax incentives for investors in general, which may also apply to space investors, depending on the nature and characteristics of their activities and projects. Some of these incentives are as follows.

- The regime of tax benefits for productive investments grants corporate income tax credits (10% to 25% of the relevant applications), exemptions from other taxes such as stamp duty, property transfer

tax and municipal property tax, and simplifications of customs procedures. This is subject to acceptance by the competent bodies of projects that meet certain requirements and contribute to the economic development of the country. However, some limitations exist, such as non-cumulation with other tax benefits of the same nature, whether automatic or contractual.

- The regime of tax benefits for research and development grants a deduction from the corporate income tax payable, under certain conditions, of expenses from R&D. The measure is also not cumulative, with respect to the same expenses, with tax benefits of the same nature, including contractual benefits. The Government has been authorised to extend the application of this regime to tax years up to at least 2026 and to phase out the indirect access route via investment funds, in favour of direct R&D investment, although that authorisation has not yet been exercised.
- The patent box regime incentivises R&D by offering tax deductions for income from certain IP rights, including patents and software copyright.
- The tax regime for amortisation and depreciation allows deductions of the costs of acquisition or production of tangible or intangible fixed assets used in the activity based on different methods and rates.
- The participation exemption regime offers an exemption for companies deriving dividends or capital gains from certain types of equity investments.
- The tax regime for the scientific patronage allows deductions from taxable income for donations to entities engaged in scientific activities. Accreditation confirming the scientific nature of the activity is required.
- The tax incentive for scientific research and innovation offers a special 20% personal income tax rate on net income from categories A and B (employment and self-employment) earned from teaching, research or innovation activities that are important for the national economy, for taxpayers who become tax residents in Portugal and have not been tax residents for any of the five previous years. This 20% regime, applicable to new residents from 2024 onwards, coexists with the transitional continuation of the former non-habitual

regime for taxpayers who qualify under specific grandfathering rules in the 2024 State Budget.

- Following 2023 legislative changes to the residence permit for investment (the “Golden Visa”), no new permits can be granted under most of the previous investment categories, in particular real estate and generic capital transfer options. Existing permits remain renewable and, upon renewal, are converted into residence permits for immigrant entrepreneurs. Any remaining investment-based residence options are now channelled through the general immigration framework and are typically linked to job creating or innovation-oriented projects, which need to be assessed on a case-by-case basis rather than as a standalone “Golden Visa” route.
- The tax incentive for the acquisition of shares in start-ups, including those in the space sector, provides that gains from stock options or similar rights granted by qualifying start-ups and certain innovative small and medium-sized enterprises benefit from a partial personal income tax (PIT) exemption (currently only part of the gain is taxable), so long as the rights are held for at least one year. Among other limitations, this benefit is not cumulative with other tax benefits.

6.3 Taxation on Sale or Transfer of Space Assets

Space-related activities and transactions, namely in relation to assets in outer space, are not explicitly within the scope of Portuguese taxes; however, the general principles of taxation may apply to sales, transfers and other supplies of space assets in outer space, as well as to the income derived from these activities. Moreover, it is important to note that the taxation of space-related activities is also influenced by international agreements and EU law. Portugal adheres to treaties and EU directives and regulations that may impact the taxation of space-related activities, though they are not adapted to the specificities of some of such activities and despite the lack of clarity and consensus on how to define and allocate taxing rights over them. Therefore, taxation of space-related activities relating to space assets in outer space is subject to complexity, and potential double taxation or non-taxation, depending on the circumstances and jurisdictions involved.

For income tax purposes, Portugal generally taxes the worldwide income of its tax residents, while non-residents are taxed on their Portuguese-sourced income. If a Portuguese resident individual or corporate entity earns income from space assets, this income would typically be subject to Portuguese income tax, unless an exemption or relief applies. The complexity arises from determining the source of the income and the application of any relevant tax treaties that may exist between Portugal and other countries when assets are in outer space.

VAT in Portugal is applied to the supply of goods and services within the country, as well as to imports, unless an exemption or relief applies. Supplies of space assets would be subject to VAT if deemed to be supplied within the country or imported into it; otherwise, they would be outside the scope of Portuguese VAT. The taxation of services related to space assets would also be subject to VAT if these services are deemed to be supplied in Portugal. The VAT place-of-supply rules are thus crucial in determining whether a supply is outside or within the scope of VAT and, in the latter case, whether it is chargeable and at what rate.

In addition to the above, the transfer of space assets can impact national security due to their dual-use nature. Portugal has implemented EU regulations for controlling the export of dual-use items. The export control regime requires prior export authorisation for controlled dual use items, including certain software and intangible technology transfers. Authorisations may be specific, global or (EU or national) general, with validity periods and conditions defined in the applicable EU and national rules. Exporters must keep detailed records of their controlled exports, and non-compliance may trigger significant administrative and criminal sanctions under Portuguese law.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

NewSpace’s focus on the development of services, products and systems leveraging space assets and data allows for the evolution of new business models

with different risk profiles that are usually more attractive/accessible to non-public investors.

Indeed, Portugal has seen private funding be directed in recent years to companies that are in the space sector, even if space activities are quite marginal to their business. With the increase of NewSpace enterprises, we are now witnessing tentative interest from private players (notably, venture capital) in enterprises that have space activities at their core, even in their pre-seed phase.

However, public funding is still the key funding source for space activities in Portugal.

7.2 Finance Sources for Space Activities

Space activities in Portugal are still mainly financed through public funding.

Indeed, key dedicated funding for space activities derives from:

- the contributions that Portugal makes as a member state to ESA, under the geographical return principle; and
- Portugal's (EU-funded) Recovery and Resilience Plan. This funding, which is granted on a co-funding logic, requires the mobilisation of relevant private funds into the Portuguese space sector.

At a much lower scale, the yearly budget of the Space Agency has also been earmarked to fund R&D space activities in the country.

Additionally, non-dedicated funding has been enjoyed by Portuguese companies in the space sector. Mostly consisting of public subsidies, in particular through EU structural funds and other EU programmes, but also through other public-backed financing (eg, through public guarantees), non-dedicated public funding has been important in the funding of space activities and the space sector in Portugal.

Private funding/financing is still marginal. Historically, private funding came mostly from venture capital (with Connected, Neuraspace, SpaceO, Spotlight and Azulfy being some companies in the space sector that have received private investment under venture capi-

tal schemes). However, with the co-funding required under the Portuguese Recovery and Resilience Plan, we saw more private funding coming into space activities, mostly through corporate investments.

It is also expected that the increased financing available for defence purposes at EU and national level will also benefit the space sector industry and increase the appetite of private investment for space sector companies in Portugal.

7.3 Attracting Investment for Space Activities

Since 2019, the Portuguese state has been concerned with creating a competitive space sector in the country, being mindful of the significant benefits the sector can bring to the development of the country's economy.

That goal has been, for instance, behind the manner in which space activities are regulated in the country, as well as the creation of a Space Agency mandated to promote business and investment in the sector. Additionally, the state increased its (indirect) spending on the sector (notably, by increasing its contributions to ESA).

More recently, with the approval of space-related projects in the context of the country's Recovery and Resilience Plan, which operates on a co-funding basis, the country increased private funding of the sector. While the public funding parcel is significant, it is expected that the success of those projects will further increase sponsors' and investors' willingness to invest (and expertise) in the space sector.

Tax incentives also play a significant role in attracting space activities to the country (see **6.2 Tax Incentives for Space Investors**).

7.4 Foreign Investment in Space Activities

Foreign investment in space activities in Portugal is not yet subject to dedicated rules. However, it could still be caught under the Portuguese FDI Act (enacted by Decree-Law 138/2014 of 15 September), and, accordingly, an acquisition of (direct or indirect) control over undertakings or assets could be blocked by the Portuguese Government if:

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- control is acquired by entities from non-EEA states;
- control is acquired over strategic assets (ie, the main infrastructure and assets allocated to national defence and security or to the provision of essential services in the domains of energy, transportation and communications); and
- the operation is considered to entail a plausible and sufficiently serious risk to national security or to Portugal's security of supply in essential services.

However, it is noteworthy that changes at EU level will clearly bring space activities into the scope of foreign investment screening at national level.

We refer, in particular, to the proposal that is currently under discussion for an EU Regulation on the screening of foreign investment in the EU. Viewing FDI screening as a tool against economic security risks, this proposal requires notably that all member states screen foreign investments:

- in companies that participate in projects or programmes of EU interest (including, without limitation, the EU Space Programme and Horizon Europe); and
- in companies active or intending to be active in the design, development, extraction, processing, prediction, recycling or supply of the technologies, materials, assets, facilities, equipment, networks, systems, services and economic activities listed in Annex II to the Regulation (areas of particular security or public order interest to the EU), which include (among others) dual-use items subject to export controls, dedicated space-focused technologies (ranging from component to system level, space surveillance and Earth observation technologies, space positioning, navigation and timing, secure communications including low Earth orbit connectivity, and propulsion technologies, including hypersonics and components for military use), generative AI systems trained in a significant part on biological/genomic data, or designed to be used in a biotechnological, space or defence context, and critical raw materials. The aerospace manufacturing industry, including the production, maintenance and operation of aircraft, as well as their engines, propellers, parts, non-installed

equipment and equipment, also falls under the transport industries, technologies and infrastructure components of critical importance category within this proposed regime.

Screening will be conducted on the grounds of security or public order, including economic security. The concept of foreign investment will also be broadened to encompass any manner in which a foreign investor makes capital available to an EU target (in the context of aiming to establish or to maintain lasting and direct links with said EU target) in order to carry out an economic activity in an EU member state.

On a separate point, the Foreign Subsidies Regulation (enacted by Regulation (EU) 2022/2560, already in force) may play a noteworthy role in imposing limitations on foreign investment in space activities that is made through financial contributions to those companies. Indeed, under said Regulation, the European Commission is allowed to investigate and impose commitments or redressive measures whenever it finds that a foreign financial contribution that distorts the internal market is being made to an undertaking engaging in an economic activity inside the EU.

7.5 Documentation

Fundraising for space activities and in particular for NewSpace ventures is usually done in the context of venture capital investments and tends to follow the process and adopt the documentation that is typical for venture capital investments in any tech-based and/or data-based enterprise (eg, preparation of the business plan and pitch deck, drafting and negotiation of a preliminary heads of terms for the investment, carrying out a due diligence on the target of the investment, negotiation and drafting of any investment agreements, subscription agreements, shareholder agreements, management incentive plans, etc).

Indeed, private funding/financing in the Portuguese space sector is usually directed at companies that are in the very early stages of their development, usually testing out concepts and business models, and particularly focused on downstream activities.

Accordingly, key issues associated with activities and business models that are not yet mature are of par-

ticular importance in this context – usually, investors come on board with very aggressive commercial positions in terms of pricing of the investment and exit protections for the investor, but also in terms of the control/supervision that the investor may have over the management and the contractual demands that may be imposed over founders and other key personnel for the project.

Thus, the technical complexity, regulatory environment, risk profile and market dynamics that are specific to tech-based or data-based product/service/business models are the key drivers in connection with fundraising for NewSpace, more than the circumstance that we are dealing with NewSpace per se.

7.6 Due Diligence

NewSpace ventures usually involve highly technical and specialised products or services that will be the core of the investment valuation, and thus detailed technical and operational due diligences are required. Moreover, legal due diligences are also required as we may be dealing with heavily regulated products/services/business models (especially if they are dual-use or data-based or rely on complex supply chains).

7.7 Liquidity Events

As noted, investors' liquidity events in the context of NewSpace fundraisers of M&A transactions are associated with the typical exit strategies implemented for investments in tech-based companies (and therefore depend on the type of operation at stake and the level of development of the company).

In any case, we are also seeing private investors making early-stage investments via convertible instruments, such as convertible notes or SAFEs, which convert into equity at a later round or liquidity event only.

7.8 Role of Securities Markets in Space Financing

Given the low prevalence of private funding of space activities in Portugal and the make-up of the sector, consisting mostly of small and medium-sized companies, the securities markets do not play a direct role in space financing in Portugal.

As such, and although there is strong (theoretical) potential for funding through the securities market, the maturity level of the Portuguese enterprises with space activities at their core does not yet render the securities market as a real, viable funding avenue for them.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Concerning the protection of inventions, Portugal's patent law system is very much aligned with the rules provided for in the European Patent Convention and international agreements such as the WIPO Patent Cooperation Treaty. As such, inventions that are new, involve an inventive step and have industrial application can in principle be the subject of a patent. On a national level, the National Industrial Property Office (INPI) is the entity responsible for assessing whether patent applications submitted before it meet these patentability requirements.

The publication of patent applications takes place 18 months as of the application date, or as of the oldest claimed priority, thus becoming generally accessible to the public.

In terms of enforcement of patents, the Intellectual Property Court has jurisdiction to assess, among others, cases of alleged infringement of national patents (or classic European patents validated in Portugal), for infringing acts taking place in the Portuguese territory.

As regards other means of protection, such as copyright and trade secrets, these are also provided, under the general terms, in national legislation.

Although there are no specific intellectual property rules that apply to space activities and assets in Portugal, as a signatory of the Outer Space Treaty and as a member of ESA, Portugal is committed to contributing to the global pool of knowledge derived from space activities, particularly where research is conducted in partnership with other ESA members or international organisations.

See 4.1 Data Protection Regulation and Space and 4.2 Space Data Spaces on space data access and protection.

8.2 Invention Protection Dynamics

NewSpace companies generally adopt the protection measures available in other hi-tech industries, depending on the innovation at stake. One of the most common means of protection is through patents, notably on innovations such as satellite hardware, propulsion systems and communication technologies. Protection through patent will be mostly sought in those cases where reverse engineering will be feasible. However, for innovations such as proprietary algorithms, artificial intelligence systems for space data analysis and advanced engineering processes, some NewSpace companies opt for trade secret protection rather than patenting, as this avoids public disclosure. Finally, software systems are typically protected through copyright.

Concerning protection through patents, some of these companies tend to seek protection in the launching states, although enforcement might not always be feasible or effective in those jurisdictions.

8.3 Enforcement of the Patentee's Rights in Space

Portugal does not have specific intellectual property enforcement rules that exclusively apply to space activities and assets. Therefore, the enforcement of intellectual rights related to space activities in Portugal will be governed by the applicable national rules, notably those arising from the Industrial Property Code (concerning patents, for example) and the Copyright and Neighbouring Rights Code, as well as other scattered legislation, covering, for example, the protection of computer programs (software).

Considering the territorial nature of intellectual property rights, the enforcement of such rights under Portuguese law will apply, in general terms, to activities conducted within Portugal (eg, space facilities located in the Portuguese territory).

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

Notwithstanding the Permanent Court of Arbitration's optional rules for arbitration of disputes relating to outer space activities, these provisions have not significantly influenced the arbitration legal community in Portugal. However, the Portuguese legal community is, in general, receptive to including arbitration agreements in contracts. Lisbon is often selected as the seat of arbitration, with commonly used institutions including the ICC and the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry.

9.2 Investor-State Arbitration

There are no public records of claims lodged by foreign investors against the State of Portugal in space-related arbitration matters. Similarly, no such claims involving private companies in the space sector have been recorded. More broadly, Portugal has a limited number of publicly known arbitration cases. If arbitration occurs between private entities, it is typically resolved through private settlement or remains confidential.

9.3 Space Litigation

Space-related litigation in Portugal is still limited and emerging. Historically, there have been no significant disputes directly involving space law or satellite-related contracts. Publicly available cases mainly concern the use of satellite-based GPS evidence in labour disputes, focusing on the legality of such evidence rather than space-specific issues.

Trends and Developments

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Vieira de Almeida & Associados

Vieira de Almeida & Associados is a leading international law firm with more than 50 years of history and 350 lawyers, recognised for its impressive track record and innovative approach in corporate legal services. The excellence of its highly specialised legal services, covering several industries and practice areas, enables VdA to overcome the increasingly complex challenges faced by its clients. VdA is the first Portuguese law firm with a dedicated space law practice, having been involved in pivotal space pro-

jects in Portugal and abroad. VdA has been consistently recognised for its outstanding and innovative services, having received the most prestigious international accolades and awards of the legal industry. Through the VdA Legal Partners network, clients have access to eight jurisdictions (Angola, Brazil, Cabo Verde, Mozambique, Portugal, Sao Tome & Principe, Spain, and Timor-Leste). The firm is a member of the International Astronautical Federation (IAF) and the International Institute of Space Law (IISL).

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PORTUGAL TRENDS AND DEVELOPMENTS

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The Portuguese space ecosystem is on a consolidated growth trajectory. Leveraging its favourable geographical location, Portugal constructed a clear and robust legal and regulatory framework as a foundation for the space sector, allowing for its maturation with expanding public investment, new and growing domestic businesses, increasing interest from foreign investors, prolific academia and private R&D. Now is a pivotal moment for the sector, and a test to see whether the various elements set in motion between 2019 and 2025, including significant public investment into the creation of space capabilities under the country's Recovery and Resilience Plan, have finally aligned so that a mature, profitable space sector can take shape in the country.

In addition, in line with global trends, state sovereignty, defence, and cybersecurity are playing an increasingly important role in Portugal's space sector.

The Portuguese Space Ecosystem – Growing at Light Speed

The Portuguese space sector is in an acceleration phase, driven by the several factors, as follows.

Public and private investment

Portugal has stepped up its space ambitions significantly. Its contribution to the European Space Agency (ESA) for 2026–30 now stands at EUR204.8 million – a 51% increase on the 2023–25 period. The Recovery and Resilience Plan (RRP) was reprogrammed to triple the funding for the New Space Portugal Agenda, bringing it to EUR417 million. On the defence side, Portugal has secured access to roughly EUR5.8 billion in EU loans under the SAFE programme, covering satellite systems, drones, and cyber capabilities. Taken together, these commitments open substantial opportunities for businesses looking to engage with publicly funded space and defence projects in the country.

Furthermore, a Portuguese venture capital (VC) company has partnered with the European Investment Fund (EIF), which will act as anchor investor, to launch a VC fund (the Indico VC Fund III) as part of the InvestEU programme, targeting early-stage companies developing enterprise SaaS, AI and deep-tech solutions, as well as those operating in spacetechnology and oceantechnology.

Regulatory and licensing activity

Portugal's space law – Decree-Law No 16/2019, as amended by Decree-Law No 20/2024 – now covers launch centre licensing in addition to flexible licence types and procedures and streamlined digital processes. Based on this legal framework, we are witnessing an increase in space operation licence awards. The National Space Authority ANACOM awarded the country's first space operation licences in 2024, and nine licences have been issued since then. Among these is the first license to operate a launch centre – the Malbusca Launch Centre on Santa Maria Island, Azores, issued in August 2025 to the Atlantic Spaceport Consortium (ASC). Commercial operations are expected to start in 2026, with suborbital flights from the Polish company SpaceForest's Perun rocket scheduled for spring and South Korea's INNOSPACE targeting its first commercial launch from the site in Q4.

Businesses should also monitor the proposed EU Space Act (June 2025), which may influence the national regulatory and licensing regime by introducing additional European-level authorisation/registration, safety, resilience and sustainability requirements.

Relationship with ESA and participation in EU programmes

Portugal's record subscription to ESA – EUR204.8 million for 2026–30, confirmed at the Bremen Ministerial Council – reflects a growing political commitment across science, defence, and the economy. Since 2019, ESA-funded activities involving Portuguese companies have totalled around EUR40 million for navigation, telecommunications and space surveillance. The country now hosts two ESA Business Incubation Centres – at Instituto Pedro Nunes in Coimbra and Instituto Superior Técnico in Oeiras – and has concluded an agreement with ESA for the inaugural landing of the Space Rider reusable vehicle in the Azores, expected in 2028. Also noteworthy has been the operational launch of the ESA biobank at the GIMM facilities in Lisbon. For market entrants, ESA-funded programmes represent a primary channel for technology development contracts, pre-qualification, and access to broader European supply chains.

PORTUGAL TRENDS AND DEVELOPMENTS

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Participation in EU programmes and the Artemis Accords

Portugal is actively engaged in the EU's flagship space programmes, including Copernicus (Earth observation), Galileo (navigation), and the emerging IRIS² secure connectivity constellation, whether through its public investment, national companies' contributions or projects related to the programmes, or its ESA membership role.

It is also worth of note that, in January 2026, Portugal became the 60th country to sign the Artemis Accords, rounding out its existing international and European engagements regarding governance of the civil exploration and use of outer space, which reflects a commitment to peaceful, sustainable, and responsible space exploration, based on international cooperation, multilateralism, transparency, and the creation of benefits with a broad impact.

Portuguese satellites

Portugal's National Registry of Space Objects, maintained by ANACOM, now lists six satellites – ranging from ocean observation and atmospheric monitoring to maritime communications and scientific research. The Lusíada Constellation, led by LusoSpace, has eight VDES satellites in orbit supporting global maritime navigation, with plans to scale to 50 within five years. The Atlantic Constellation – an Iberian project led by the Portuguese Air Force, CEiiA (Centre of Engineering and Product Development), and GEOSAT – is building towards 26 optical and radar satellites for high-resolution Earth Observation. All satellites developed under the New Space Portugal Agenda have been financed through the Recovery and Resilience Plan, highlighting the central role of public funding in building national capability.

Private space sector (national and foreign)

Portugal's space sector counted 87 companies at the end of 2025, up 43% since 2019, with estimated revenue of EUR190 million – the vast majority from exports. Notable domestic players include LusoSpace (satellites and optoelectronics), GEOSAT (Earth observation), Neuraspace (AI-driven space traffic management), Tekever (drones and satellite systems), and GMV PT (navigation and GOVSATCOM). The country is also attracting growing international interest. For

example, Innospace (South Korea) has contracted to launch from the Azores until 2030; ATMOS Space Cargo (Franco-German) secured Portugal's first commercial re-entry licence in early 2026; Open Cosmos (UK) acquired Connected, a pioneering Portuguese startup specialising in standard, space-based IoT connectivity and plans to invest over EUR50 million; and Space Forge (UK) has set up an Azores subsidiary and is exploring the creation of a semiconductor manufacturing company.

A competitive regulatory environment, EU and ESA funding access, a strong engineering talent pool, and the Azores' strategic Atlantic location are the main draws attracting foreign companies and direct investment across the space value chain.

Academia

Portuguese universities and research centres are increasingly active across the space value chain, from satellite design and integration to Earth Observation science and space policy. Instituto Superior Técnico (IST) designed and operates ISTSat-1 (launched on Ariane 6) and hosts an ESA BIC hub; the University of Minho, together with IST and other institutions, developed and operates PROMETHEUS-1; and the University of Coimbra contributes to atmospheric and ocean research alongside Weather Stream. International partnerships are also well established: the MIT Portugal Program sponsors Portuguese student participation in MIT Space Week and the NOVA Aerospace initiative at Cascais partners with the Indra Group for applied aerospace research. More than 260 undergraduate places in Aerospace Engineering were opened in 2025, reflecting growing institutional commitment and talent pipeline development. At the same time, space entrepreneurship and business is encouraged through dedicated programmes by Nova School of Business and Economics.

Events and conferences

Portugal has rapidly established itself as a venue for major space sector gatherings. Among many other industry and legal events, the New Space Atlantic Summit, which is set to hold its 9th edition in 2026, brings together decision-makers, industry, and startups from across Europe. Likewise, AED Days, from the national Aeronautics, Space and Defence cluster,

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held its 13th edition in May 2026. Lisbon also hosted its second Space Economy Summit (organised by Economist Impact). Other notable recurring events include Terra em Foco – the national Earth Observation conference, now in its 3rd edition – and EuRoC, the European Rocketry Challenge held annually. It is also worth highlighting the UN-Portugal Outer Space Fellowship and associated International Conference on Space Policy and Diplomacy, also held in Lisbon. For clients and investors, these events offer valuable opportunities for networking, regulatory intelligence, and early engagement with Portugal's expanding space ecosystem.

The Role of State Sovereignty and Defence and its Connection With the New Portuguese Cybersecurity Regime

Portugal is following the global trend of an increased role of state sovereignty, defence and security in the space domain. The geopolitical changes of recent years have brought to the forefront a general and urgent concern with building EU (and national) capabilities in the defence sector that have unlocked significant funding for space activities at a scale not seen before in Europe.

For example, at EU level, the Readiness 2030 initiative (formerly the ReArm Europe Plan) of March 2025 proposes to leverage over EUR800 billion in defence spending, including the EUR150 billion Security Action for Europe (SAFE) instrument, by providing loans that cover dual-use products including satellite systems, cybersecurity, electronic warfare and AI.

Another initiative, the European Defence Fund, has committed EUR1 billion with its 2026 Work Programme, with dedicated calls covering space surveillance, satellite-based early warning, and quantum-secured communications, as well as the funding of disruptive technologies, including new abilities in over-the-horizon sensing.

Furthermore, the proposed European Competitiveness Fund (ECF) – if finally approved by the European Parliament and the Council – aims to include a specific Resilience and Security, Defence Industry and Space window which will release additional funding into the sector in order to (i) develop, maintain and operate

space systems, providing cutting-edge space-based information, data and services supporting Union policies, (ii) foster the development of an innovative and competitive Union space economy and support the development of a genuine Single Market for space activities, (iii) enhance the safety, security and sustainability of all outer space activities, and (iv) promote the role of the EU as a global actor in the space sector.

Portugal has naturally been caught up in this thunderstorm of urgent investment in the defence sector.

The country had already increased its funding of space activities with the support of the Ministry of Defence, notably through its Military Programming Law 2023–34, which, for the first time, allocates dedicated funding to space, as well as through a record ESA subscription of EUR204.8 million for 2026–30, with contributions from, among others, the Ministry of Defence.

In addition, under the EU's SAFE programme, Portugal has secured access to approximately EUR5.8 billion in long-term loans for military modernisation, with satellite systems explicitly identified as a priority alongside drones, munitions, and cyber capabilities. Under this initiative, the country has now developed the Alverca Space Hub in the Portuguese Air Force complex – its first radar technology satellite factory.

The Atlantic Constellation – led by the Portuguese Air Force, CEiiA and GEOSAT – is delivering high-resolution optical and radar imagery for both environmental and military surveillance, while the Lusíada Constellation's VDES services are already being tested with the Portuguese Navy.

Multiple Portuguese space companies have also been selected for the 2025 and 2026 NATO Defence Innovation Accelerator for the North Atlantic (DIANA).

For businesses, this convergence of defence investment, dual-use constellations and technology, as well as deepening international commitments, signals a maturing market for space-enabled solutions. Having a (prospective) institutional customer base with long-term needs gives Portuguese space companies access to a more predictable and reliable revenue

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stream which had largely been missing in the sector until now. Greater revenue certainty can, in turn, be used to support investment in the sector's technological base and the broader growth of space companies, including the development of new civilian business models and revenue streams.

At the same time, this shift brings its own challenges – particularly of a legal and regulatory nature – which these companies will need to navigate with care.

A critical regulatory development reinforcing the sovereignty and security dimension of Portugal's space sector is the entry into force of Decree-Law 125/2025 of 4 December 2025, which transposes the NIS 2 Directive (Directive (EU) 2022/2555) into Portuguese law. This Decree-Law approves the new legal framework for cybersecurity. It entered into force on 3 April 2026, although its most relevant provisions will most likely not be applicable until June 2028. It establishes a comprehensive set of obligations for entities across critical sectors, including space, and classifies entities as “essential” and “important” based on their sector of activity and size, establishing differentiated supervisory regimes for each. Essential entities are subject to both ex ante and ex post supervision, including on-site inspections, regular security audits, and access to compliance data. Important entities are subject to a lighter, ex post supervision regime.

For the space sector specifically, operators of ground-based infrastructure –owned, managed and operated by EU member states or by private parties that support the provision of space-based services – are captured as essential or important entities, depending on the infrastructure's dimension, under the NIS 2 sectoral annexes. This means that Portuguese space companies and foreign operators with activities in Portugal that perform such activities must now implement comprehensive cybersecurity risk management systems, adopt technical and organisational security measures covering areas such as supply chain security, incident handling and business continuity, and comply with strict incident notification timelines. All these measures need to be approved and supervised by the respective board of directors.

Another important development was the transposition of the CER Directive (Directive (EU) 2022/2557 of 14 December 2022) on the resilience of critical entities, by Decree-Law 4/2025 of 6 January, which establishes obligations that likewise apply to the space operators covered by the NIS 2 rules. Under this framework, such operators are required to take appropriate measures to ensure the resilience of their critical infrastructure, including by identifying relevant risks, implementing protective and continuity measures, and reporting significant incidents to the competent authorities.

The proposed EU Space Act is also expected to address resilience in the space sector, including by extending the obligations therein established to all operators under its scope.

For businesses operating in the space sector, the convergence of national rules and the future EU Space Act with Portugal's growing defence and dual-use space capabilities creates a regulatory environment where cybersecurity and resilience compliance is no longer optional but a prerequisite for participation in publicly funded programs, supply chain integration and operational licensing.

Direct-to-Device and Satellite Telecommunications

The convergence of satellite and terrestrial mobile networks is emerging as one of the most significant regulatory and commercial developments in the space-telecommunications sector. Direct-to-Device (D2D) satellite communications offer a promising pathway to extend coverage, improve network resilience and reach populations and territories beyond the footprint of terrestrial infrastructure.

The concept of D2D and its most relevant features

D2D can supplement a terrestrial mobile operator's network coverage by providing a broader connectivity layer that reaches sparsely populated or inaccessible locations. D2D infrastructure also provides an added layer of network resilience: signals from satellites can still be received during terrestrial network outages, including support for emergency services where terrestrial networks fail. D2D can deliver connectivity after natural disasters and digitally empower crisis-

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affected communities during humanitarian interventions.

However, D2D faces inherent technical limitations. The larger footprint of satellite beams compared to terrestrial cells limits the data volume deliverable in any area. Free-space path loss is significantly higher for satellite links, and these factors constrain network quality. Consequently, D2D use will remain limited in densely populated areas and indoors, and initial services focus on low-bandwidth applications such as SMS, emergency SOS, and basic voice.

Spectrum categories

D2D operations can use two spectrum categories: frequency bands allocated for terrestrial mobile services (IMT bands) and bands already allocated for Mobile Satellite Service (MSS). D2D using mobile spectrum offers data services and operates as a supplemental service to terrestrial networks, enabling mobile operators to collaborate with satellite network operators under commercial arrangements and, with the regulator's permission, through the spectrum license of the mobile operator. D2D using MSS bands operates under the satellite spectrum license held by a separate entity, typically a specialised satellite network operator, and it may not be necessary for that operator to partner with a local mobile provider, though commercial partnerships at the wholesale level facilitate consumer adoption.

Regardless of the spectrum category, D2D's largest obstacle remains interference management and coexistence with terrestrial mobile networks. Any approach to introducing D2D must be based on regulatory and technical conditions that ensure coexistence.

The road to WRC-27

The ITU World Radiocommunication Conference 2027 (WRC-27) will consider creating an international framework to facilitate D2D services (Agenda Item 1.13). Until then, no binding international guidelines exist, meaning regulators wishing to introduce D2D must define cautious national or regional frameworks.

The EU has already begun charting a coordinated path. In June 2025, the Radio Spectrum Policy Group (RSPG) adopted an Opinion elevating D2D as a stra-

tegic EU priority and calling for a coordinated Single Market approach. In parallel, the European Commission circulated a draft mandate to the European Conference of Postal and Telecommunications Administrations (CEPT) to develop technical conditions for satellite use of terrestrial mobile bands. Within CEPT, working groups initiated scoping work and registered study items on candidate IMT and MSS bands for D2D, preparing detailed compatibility analyses.

The EU Digital Networks Act

On 21 January 2026, the European Commission published its proposal for a Digital Networks Act (DNA), a directly applicable regulation intended to replace the European Electronic Communications Code (EECC), the BEREC Regulation, the Radio Spectrum Policy Programme, and core parts of the Open Internet Regulation. Under the EECC, harmonisation was achieved through national transposition – in Portugal through Law No 16/2022. This allowed a degree of regulatory fragmentation among Member States, particularly visible in cross-border services such as satellite communications.

The DNA introduces a single EU-level authorisation regime for satellite networks, services, and related radio spectrum, enabling EU-wide operation supported by EU-level monitoring and enforcement. It also establishes a “Single Passport” authorisation allowing operators to notify in one Member State and operate across the Union and proposes that rights of use for radio spectrum should in principle be granted for an unlimited duration with periodic reviews.

The proposal sits within the EU's broader digital and industrial policy architecture, complementing the EU Space Act, the revision of the Cybersecurity Act, and the IRIS² secure connectivity constellation. However, the DNA remains under legislative discussion. Six Member States (Austria, France, Germany, Hungary, Italy, and Slovenia) have contested elements of the proposal, particularly regarding the retention of national competences over spectrum policy. The European Parliament and Council negotiations will determine the final shape of EU satellite authorisation.

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Portuguese context and opportunities

Portugal presents distinctive characteristics that make D2D satellite connectivity particularly relevant. The country's territory includes the Azores and Madeira archipelagos and one of Europe's largest Exclusive Economic Zones, encompassing vast maritime and remote areas where terrestrial mobile coverage is economically unviable. D2D services could supplement Portugal's connectivity in these territories while enhancing resilience for island communities and maritime activities.

Despite this, there is currently no dedicated national regulatory regime for D2D services in MSS or IMT bands. D2D services are still governed by the general electronic communications framework set out in Law No 16/2022 (the Electronic Communications Law – ECL, which transposes the EECC), which explicitly includes satellite networks within the concept of an electronic communications network. Spectrum authorisations are granted under the existing rules of the ECL and related secondary legislation, including the National Frequency Allocation Table, based on principles of technological and service neutrality.

ANACOM occupies a unique dual role as both Portugal's national telecommunications regulator and its designated Space Authority, positioning it to coordinate the intersection of satellite and telecommunications regulation more seamlessly than jurisdictions where these functions are split. Portugal's existing satellite capabilities provide a practical foundation for satellite-based telecommunications.

For businesses operating in or entering the Portuguese market, several developments warrant close monitoring: the DNA's single EU-level satellite authorisation and its interaction with the national regulatory framework currently based on Law No 16/2022; the RSPG's D2D policy direction and forthcoming CEPT technical conditions, which will define the parameters for early D2D deployment across Europe including Portugal; the commercial partnership models between satellite operators and mobile operators; and the cybersecurity obligations mentioned above.

In 2025, MEO was the first telecommunications operator to successfully test D2D in Portugal in a partnership with Lynk Global, in a remote area of São Miguel (Azores). According to publicly available information, no other telecommunications operator has successfully tested this technology in Portugal.



Law and Practice

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AUGUSTA ABOGADOS is a full-service law firm specialising in corporate and commercial law, tax, restructuring, labour law, air and space law, and procedural law, among other areas. The rapid development of space-related technologies, collaboration models between private and public actors, the increasing number of private projects, and the availability of private financing sources contribute to a novel scenario. The complexity of legal requirements and the number of new regulatory measures are rapidly increasing, partly driven by the need to protect existing know-how and the value of investments. Building on

its accredited experience in the areas of aviation and drones, in 2021 **AUGUSTA ABOGADOS** made the strategic decision to develop a space economy law department to advise public and private entities on matters such as the financing of space assets and the launching of satellites, providing guidance on the regulation of satellites and associated frequencies, and monitoring space law legislation and regulation. The areas of dual-use technologies, foreign investments controls and defence-related legal issues are also covered.

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1. Global Trends

1.1 International Legal and Regulatory Developments

In 2026, the most relevant regulatory development at the European Union level is the ongoing effort to approve a common regulation that would cover some essential aspects of space activities – the EU Space Act. Formally launched in June 2025, the draft is presently being discussed at various EU bodies and has caught the attention of the industry and the public. These efforts go hand in hand with other legislative initiatives to regulate areas which are closely linked to space, such as artificial intelligence, controls on foreign direct investments, and the development of dual-use materials.

At the Spanish level, efforts are under way to prepare a domestic Space Act (*Ley del Espacio*), a first draft of which was submitted for public scrutiny and comments in late 2025.

1.2 NewSpace and the Space Tech Economy

The Spanish public authorities are fostering the development of the space economy at all levels, particularly in the light of upcoming geopolitical challenges. In this connection, public grants and subsidies are being offered, government support for new initiatives and start-ups is available and, generally, efforts are being undertaken to attract investment in this area. From a legal perspective, however, the absence of a unified or harmonised regulatory environment presents challenges to a good number of projects. It is anticipated that legislative initiatives such as the EU Space Act and the Spanish Space Act will help in clarifying the regulatory landscape and overcoming bureaucratic hurdles.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

By 2020, the aerospace sector already represented 1.2% of Spain's GDP, with more than 150,000 direct and indirect jobs and more than EUR1.5 billion invested in research, development and innovation (RD&I). In 2022, Spain was positioned as the fourth biggest

space power in the EU, and the fifth in terms of its contribution to the European Space Agency (ESA), at EUR250 million.

The Spanish space industry in 2026 is characterised by a number of factors, as follows.

- **Strong government impulse:** The Spanish public authorities are playing a fundamental role in the development of the space sector through significant investments in RD&I. Prominent examples include programmes such as the Strategic Project for Aerospace Economic Recovery and Transformation (“PERTE”), with EUR4.3 billion invested, and the Space Technology Programme (*Programa Tecnológico Espacial* or PTE), with EUR70 million invested in 2024. NextGeneration EU funds are also invested to foster innovation in the space sector.
- **Strong private sector participation:** In Spain, the sector has a number of companies that actively participate in projects of national and international relevance, especially in public-private collaboration, which is a key element for the promotion of the industry. Among these, Airbus Defence and Space España, Indra, HISPASAT, GMV, Hisdesat, Satlantis and PLD Space all stand out, and are all actively involved in national and international projects, collaborating closely with the public sector. These companies are involved in the development of satellites, Earth observation systems and reusable space launchers.
- **Public-private partnerships as an engine for development:** Synergy between the public and private sectors has been crucial to the success of the space sector in Spain. Programmes such as PAZ, Ingenio and SEOSAT-Ingenio are examples of collaborations that have driven the development of advanced technologies and generated high added-value solutions for society.
- **Active collaboration and participation in international and European programmes.**
- **Most recently, a number of existing projects are being re-analysed in terms of their potential impact on EU and Spanish defence and security.** The Ministry of Defence has launched an initiative named “Strategic Modernisation Plans” (*Planes Estratégicos de Modernización* or PEM) to fund

the development and implementation of dual-use technologies.

Another characteristic of the private sector of the Spanish aerospace industry is its specialisation in Earth observation and satellite development segments.

In contrast, Spain lacks autonomy of access to space due to several factors and challenges involved in launch activities (economic, technological, strategic and also regulatory). In particular, the Spanish space sector still lacks a specific legal regime to provide legal certainty to private traffic operators, to gain independence of access to space and to encourage investment by foreign or national private entities. A body of new regulations is expected to be published in the coming years. Meanwhile, companies such as PLD Space (www.pldspace.com) have committed to diversifying the industry despite the economic, technological, strategic and, above all, regulatory challenges of the sector.

2.2 Legal System and Sources of Space Law and Regulation

The Spanish legal system is based on civil law, which is characterised by its emphasis on written law, codified in systematic legal bodies. The Spanish Constitution (1978) is the supreme rule of the internal legal system and establishes the system of sources of law of the Spanish legal system, in the following order of priority:

- the law, emanating both from the legislative power of the state, and from those provisions of lower rank such as decrees, regulations or ordinances of public law;
- custom; and
- the general principles of law in the absence of law.

Despite the order of precedence established in the constitution, the general principles of law are present at all times, giving the other rules full meaning.

Jurisprudence (repeated pronouncements or judgments in the same interpretative sense of laws or principles of law issued by the Supreme Court and High Courts of Justice) is not a source of law in the

Spanish legal system, strictly speaking, as it does not produce positive law. However, it has the function of complementing the legal system, interpreting laws in accordance with the uses, customs and constitutional and general principles of law in order to achieve unity of criteria.

Spain has not yet developed a unified or comprehensive body of regulations on space matters. Pending the approval of a domestic Space Act, the main sources of domestic law specific to space matters are presently limited to:

- Royal Decree 278/1995, which establishes and regulates the registration of objects launched into outer space;
- Law 11/2022 – the General Telecommunications Law;
- Royal Decree 123/2017, which approves the regulation on the use of the public radio-electric domain;
- Law 17/2022, approving the creation of the Spanish Space Agency (*Agencia Espacial Española* or AEE or “the Agency”); and
- Royal Decree 158/2023, approving the by-laws of the Spanish Space Agency.

However, the configuration of the Spanish legal system allows for the application of more general provisions of the legal system in those matters not specifically regulated by special laws or regulations, as is the case in the following areas:

- civil liability of private operators, to which the provisions of the Civil Code and related laws apply;
- the field of intellectual and industrial property, where the general laws and regulations become relevant;
- the field of public law, in matters of contracts and concessions with the public administrations, where the general regime set out in the 2017 Public Sector Contracts Law and the 2015 Common Administrative Procedure Law applies; and
- the protection of personal data, an important topic for the new space industry, which is regulated by the European General Data Protection Regulation (GDPR) and the 2018 Organic Law.

As stated, works to approve a domestic Space Activities Act are underway, although the results are not expected to be published in the short term due to the recent creation of the AEE. Nevertheless, this is a legislative priority since there is a general consensus that the enactment of a national body of laws and regulations will give private operators greater legal certainty in their economic activities, and that this will lead to greater autonomy in access to space.

The United Nations General Assembly (UNGA) resolutions and Spain's commitment as a member of international law organisations – the UN, the United Nations Committee on the Peaceful Uses of Outer Space (UN COPUOS) and the International Telecommunication Union (ITU) – on international co-operation, sustainability and the peaceful use of space are reflected in Spain's space policy, initially through the 2019–2023 Space Strategy and more recently in the 2025 National Aerospace Security. These principles were fully contemplated during the gradual development of a domestic legal framework, as follows.

- Protection of the space environment: Spain has focused much of its public funding on research into and the development of more sustainable technologies, more efficient propulsion systems, recoverable and reusable launchers and space debris mitigation technologies.
- Principle of freedom of exploration and peaceful use of outer space: Spain adheres to the UNGA resolutions on the prevention of an arms race in space and the peaceful use of outer space for exploration.
- International co-operation: Spain participates in numerous international space co-operation programmes, such as those of ESA and NASA (with the Artemis Agreements).
- Non-appropriation of outer space: As a permanent member of COPUOS, Spain supports UNGA Resolution 51/122 of 4 February 1997, the “Declaration on International Cooperation in the Exploration and Use of Outer Space for the Benefit and in the Interest of All States, Taking into Particular Account the Needs of Developing Countries”.

In May 2024, the Socialist Party submitted a proposal to parliament to update and develop the National

Space Strategy to raise the current terms to a higher level. This crystallised in the 2025 National Aerospace Security Strategy and in the 2026–2030 Deep Tech Strategy.

Judicial decisions by the Spanish courts on space law remain scarce, although the courts have ruled on issues such as liability for damage caused by space objects and the protection of intellectual property in space.

2.3 Role of the State in Space Law and Regulations

With the increasing importance of the space industry, Spain intends to maintain its role as an important actor. To achieve this, the public administrations are acting as facilitators of an ecosystem that promotes the technological development of private operators through public funding.

Public-private collaboration is currently the preferred model, along with funds for defence and security projects. To this end, the role of the state will be essential not only in the area of financing, but also in providing a special legal regime for the industry's activities.

The AEE was created in 2022 and has its headquarters in Seville. It was constituted as a public body, attached to the Ministries of Science and Innovation and Defence, with an extensive range of administrative powers and competencies to meet the objective of centralising inter-ministerial competencies in one single agency.

The most important powers conferred on the AEE include the following:

- Representation before ESA and the European Union Space Programme Agency (EUSPA), specifically by managing the payment and returns derived from the national contribution to the European intergovernmental organisation, as well as managing Spain's participation in ESA programmes (without prejudice to those attributed to other ministries).
- Promotion of bilateral or multinational co-operation agreements with other space agencies, as well as signing agreements or other legal instruments with

public bodies or subjects of international law, or with private entities.

- Co-ordination of defence space programmes and supporting the priorities reflected in the National Security Strategy, the National Aerospace Security Strategy and the National Defence Directive within the framework of the AEE, given the dual character of the Agency and the criticality of space in security and defence aspects.
- Co-ordination, development and direction of plans, strategies and programmes related to research (creation of national space programmes), from both a management and funding point of view.
- Elaboration of a National Space Policy proposal, and design and co-ordination of a National Space Strategy.
- Encouraging the commercial use of space.
- The promotion of public-private partnerships in the space sector, with the AEE being understood not only as a financial partner for private operators but also as a preferred customer for capabilities, products and services.
- The financing and co-ordination of public funds, as well as the creation of economic-financial support lines applicable to programmes of scientific, technological and innovation activities. Previously, the CDTI (an entity attached to the Ministry of Science and Innovation) managed public funds from the EU earmarked for research and scientific activities, but the AEE will now take over this function.
- Support for safety oversight in space or space systems management, in collaboration with the relevant departments for the issuance of certifications, assurances, authorisations, reports or similar instruments, once safety requirements have been verified. It should be noted that the granting of such safety-related licences will apply to launch activities, potential spaceports, sub-orbital flight operations, commercial access to space, space traffic, space debris and satellite constellations.
- Support for security monitoring, in co-ordination with the competent national bodies, against acts of unlawful interference in the field of national security and defence. Such monitoring will be aligned with the requirements set by the EU Security Accreditation Regulations, covering matters such as cyber-attacks, control and management of technology transfers or information protection.

- The most relevant project of the AEE is presently the preparation of a proposal for a Spanish Space Act, in conjunction with the various ministerial departments that make up ESA's organic composition. The Space Act will create a regulatory framework for space activity in the context of NewSpace.
- Finally, promotion of the private investment ecosystem in the space sector through technology funds, venture capital, investors in emerging companies and support for Spanish companies in the sector by implementing measures to stimulate private investment.

In line with the ministries that make up its Governing Council (the Agency's collegiate governing body), the AEE is made up of representatives from the Ministries of:

- Science and Innovation;
- Defence;
- Transport, Mobility and Urban Agenda;
- Industry, Trade and Tourism;
- Foreign Affairs, European Union and Co-operation;
- Economic Affairs and Digital Transformation;
- the Presidency, Relations with the Courts and Democratic Memory;
- Finance and Public Function;
- the Interior;
- Agriculture, Fisheries and Food; and
- Ecological Transition and the Demographic Challenge.

However, the management of the spectrum orbit resource and the control and management of the Register of Space Objects fall outside the AEE's scope; the first is the exclusive responsibility of the Ministry of Economic Affairs and Digital Transformation, while the second is the responsibility of the Ministry of Industry, Trade and Tourism.

2.4 Role of the State in the Licensing Process for Space Activities

Under current laws, there is no specific authorisation regime for space activities. Spain does not yet have a law on space activities that unifies the different types of activities in a single catalogue, nor is there any specific regulation on authorisations and licences. Thus,

each project must be analysed on a case-by-case basis to determine which government bodies need to be addressed to obtain the proper approvals.

In any event, registration in the Register of Objects Launched into Outer Space (created by Royal Decree 278/1995) is an obligation for any operator intending to launch any type of satellite or other object into outer space (low or high orbit). This register is attached to the Ministry of Foreign Affairs and mainly serves the purpose of controlling launch activity, in compliance with the international treaties to which Spain is a party – namely, the 1974 Convention on Registration of Objects Launched into Outer Space. The registration of objects allows liability for damage to be attributed to Spain in accordance with international law.

The registration of space objects must contain the following data:

- the name(s) of the launching state(s);
- an appropriate designation of the space object or its registration number;
- the date and territory or place of launch;
- basic orbital parameters, including nodal period, inclination, apogee and perigee; and
- the general function of the spatial object.

The regulations of the Register may be amended in the near future, as some proposals have already been put forward to adapt them to the new economic trends.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

The Orbit-Spectrum Resource (OSR) is a public domain asset consisting of bands or bands and frequencies provided by electromagnetic waves located in low-Earth orbit that allow communication via satellite, among other things.

Due to its special relevance in space law, the use and allocation of the OSR is granted in co-ordination with the competent international authority for the management of bands and frequencies for telecommunications, the ITU. In Europe, the European Code of Conduct establishes the basic conditions for communications service providers, and Directive 2014/53/EU of 16 April 2014 harmonises the requirements that

member states must meet in order to market radio equipment.

In this regulatory context, Spain has enacted the 2022 General Telecommunications Act (*Ley General de Telecomunicaciones* or LGT), approving the regulations on the use of the public radio-electric domain and establishing the internal legal regime for the use of radio frequencies by space operators. This Act repeals the previous 2014 Act and has been developed in some detail by Royal Decree 123/2017, which approves the regulations for the use of the public radio-electric domain.

Competent Government Entity in Spain for the Allocation and Supervision of OSRs

The LGT considers that the OSR is owned and administered by the State, as a public domain asset, and determines the Spanish sovereignty of the radio frequency bands when these involve use in the Spanish territory by state institutions or private individuals.

For the management of the national OSR, the LGT created the Operators' Register, in which any operator intending to operate telecommunications networks must be registered. The requirements for the provision of networks and electronic communications services are regulated in Article 6.2 of the LGT. The Operators' Register is under the jurisdiction of the National Commission for Markets and Competition (*Comisión Nacional de Mercados y Competencia* – CNMC).

However, although the CNMC regulates and supervises compliance with the competition rules in the markets, including the regulated telecommunications market, it is not competent to allocate frequencies or grant licences for the use of OSRs. This authority rests with the State Secretariat for Telecommunications and Digital Infrastructures (*Secretaría de Estado de Telecomunicaciones e Infraestructuras Digitales* – SETID), a government agency attached to the Ministry of Economic Affairs. SETID assigns authorisations for the private use of the OSR to space operators. The granting of authorisation is conditional upon the following, among other requirements:

- providing a guarantee of EUR200,000;

- prior ITU authorisation for the use of the band requested; and
- proof of the financial solvency, technical ability and feasibility of the applicant's project.

SETID has six weeks from the date on which the ITU reserves the requested OSR in favour of the Kingdom of Spain to decide on an application for the granting of licences. Should this period elapse without an express decision having been notified, the application for granting the licence will be deemed to have been rejected.

It should be added that, in the event that the radio-communications infrastructure includes a subordinate terrestrial network, the frequencies of this terrestrial network (other than the frequencies of space services) will not be included in the previous licence for the private use of the OSR, and it will be necessary to obtain another licence for their use in the "Terrestrial Segment", regulated by the LGT.

Management and Co-Ordination of Radio Spectrum Frequencies and Slots

SETID works closely with international (ITU), inter-governmental (ESA) and national (CNMC) bodies to ensure compliance with international agreements and regulations on frequency and orbital slot allocation. To this end, SETID develops National Frequency Plans in which it allocates specific frequency bands for different telecommunication services (mobile, radio, television, emergency services) according to the needs identified, in which the technical and operational conditions for the use of each frequency band are defined, including the maximum powers, and it sets technical standards to be met by the equipment and systems that use these allocated frequencies (or for which their allocation is foreseen).

SETID is also responsible for controlling the use of the assigned spectrum by means of technologically advanced monitoring systems that detect non-compliance with the assigned technical standards and conditions of use. This allows the detection of possible interferences. Non-compliance by operators with the technical standards and licence conditions that generate harmful interference leads to the application of the sanctioning regime provided for in the

LGT (fines, suspension of licences, confiscation of the equipment causing the interference, and the issuing of corrective orders to prevent future infringements).

The CNMC supervises compliance with regulations in the telecommunications market from a free competition perspective. Its authorities include a sanctioning regime applicable to breaches or conduct that significantly affects competition or efficient use of the spectrum, and to anti-competitive practices or abuses of dominance in the sector. The seriousness of the non-compliance determines the application of sanctions (fines, cessation of activity of the offenders, and publication of the sanctions).

Consultation and Conflict Resolution Mechanisms in Case of Interference

The LGT provides for a public consultation procedure on spectrum planning and assignment with the participation of relevant stakeholders, including telecommunications operators, government agencies and the general public. In relation to this mechanism, SETID announces the launch of a public consultation through its website and other communication channels, with detailed reference to studies, impact analysis of the plans and any other relevant information. Subsequently, SETID analyses the contributions of the participants and evaluates the comments received, concluding in a final report that is publicly accessible.

The LGT establishes SETID's mediation and arbitration procedures in the resolution of interference disputes:

- SETID and the CNMC can act as mediators in disputes between operators, and between operators and end-users; and
- the parties can also call upon a neutral arbitrator appointed by SETID or an independent telecommunications expert, whose decision will be binding.

Finally, the LGT provides for a complaints procedure before the CNMC and SETID, respectively, in which operators and users must detail the nature of the interference and provide evidence. The CNMC or SETID, as appropriate, may initiate an investigation through technical inspections to assess the validity of the

complaint. If the interference is confirmed, corrective measures are applied, which may include technical adjustments, fines or modifications to frequency allocation, and even orders forcing the responsible party to cease the activity causing the interference.

Management of Orbital Slots

Through Royal Decree 517/2024, the public enterprise ENAIRE was appointed as the sole service provider for Spanish U-Space areas. An Interministerial Commission is responsible for designating particular geographical zones such as U-Space, and the Spanish Aviation and Safety Agency (*Agencia Estatal de Seguridad Aérea* – AESA) is in charge of certifying and supervising U-Space service providers.

2.6 Role of the State in the Launching Process

The Spanish state acts mainly as a facilitator and user in the launch process. For the time being, Spain has no independent space access capability, so its role in launching objects into outer space depends on the services provided by international partners, mainly ESA, whose spaceport is located in Kourou (French Guiana).

Spain's launch capacity is lacking for the following reasons:

- the high cost of launch activity;
- a national policy to promote the development of activity and participation by private operators has been initiated only very recently;
- Spain has always operated under the umbrella of ESA, participating in many of its space programmes; and
- the lack of development of a national space legal framework has slowed down the development of the space industry, generating legal uncertainty in the traffic of private operations and making private investment unattractive.

A recent example of this dependence on launch capability, including at a European level, has been the need for ESA and Europe to contract the US launch service provider “SpaceX” for the launch of four Galileo satellites into space from US territory. This operation had to be carried out through a private contract with

SpaceX and a bilateral EU-US agreement to establish procedures for the security of EU classified information during the satellite launch campaigns.

In early October 2023, Spain demonstrated its ability to design and produce an entirely Spanish rocket and launch it from national territory. This milestone was made possible by the public-private partnership between the company PLD Space and the public authorities. MIURA-1 was launched from the Arenosillo spaceport (Huelva) and performed a suborbital flight.

The second phase of the rocket's reintegration (it was to be reusable) could not be carried out successfully, but this did not prevent the mission from being classified as a Spanish and European milestone. MIURA-5 is currently under construction and the first test flight is foreseen for the second half of 2026.

2.7 Commitment to International Treaties and Multilateral Discussions

Corpus Iuris Spatialis and Spain

International space law or *Corpus Iuris Spatialis* is historically based on the following five United Nations treaties, which establish fundamental principles such as freedom of exploration and peaceful use of space, non-appropriation and responsibility for space activities:

- the 1967 Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (the “Outer Space Treaty” or OST);
- the 1968 Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space;
- the 1972 Convention on International Liability for Damage Caused by Space Objects;
- the 1974 Convention on Registration of Objects Launched into Outer Space; and
- the 1979 Agreement Governing the Activities of States on the Moon and Other Celestial Bodies.

Spain is a state party and has ratified all these treaties, except the 1979 Moon Treaty.

Other Relevant International Treaties

Spain has also ratified the following relevant international conventions:

- the 1963 Treaty Banning Nuclear Weapon Tests;
- the 1971 Agreement relating to the International Telecommunications Satellite Organization;
- the 1974 Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (signature only);
- the 1975 Convention for the Establishment of a European Space Agency (ESA);
- the 1976 Convention on the International Mobile Satellite Organization;
- the 1982 Convention Establishing the European Telecommunications Satellite Organization (EUTELSAT IGO);
- the 1983 Convention for the Establishment of a European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT); and
- the 1992 International Telecommunication Constitution and Convention.

The following instruments are also of importance.

- The Artemis Agreements were established in 2020 by the US Space Agency (NASA) and reinforce the commitment of signatory states (including Spain) to the norms of international space law, establishing a set of practical principles to guide co-operation in space exploration among nations, including those participating in NASA's Artemis Programme. Spain became a direct signatory to the Artemis Agreements through the AEE.
- International Satellite Search and Rescue System (COSPAS-SARSAT): Spain is a participating state in the ground segment of the international distress alert system that uses satellites to locate and rescue people in distress on land, at sea or in the air.

Other International Instruments

The resolutions of UNGA and the guidelines of the UNCOPUOS are also part of the Spanish legal environment. Although UNGA resolutions do not have binding effects in the strict sense of treaties, they do form part of international custom ("soft law") recognised by state practice. The most relevant UNGA resolutions in the field of space include the following:

- UNGA Resolution 41/61 on "Principles Relating to Remote Sensing of the Earth from Outer Space";
- UNGA Resolution 47/68 on "Principles Relevant to the Use of Nuclear Power Sources in Outer Space";
- UNGA Resolutions 51/122 and 75/36 (of 2023, most recently): "Declaration on International Co-operation in the Exploration and Use of Outer Space for the Benefit and in the Interest of All States, Taking into Particular Account the Needs of Developing Countries"; and
- UNGA Resolutions 78/19 and 78/19 (2023) on "Prevention of an arms race in outer space".

Sustainability

In the area of sustainability, an area of growing concern, the Inter-Agency Space Debris Coordination Committee (IADC) and the United Nations Office for Outer Space Affairs (UNOOSA) established their "Space Debris Mitigation Guidelines", which the UNGA endorsed in its Resolution 62/217 for private operators, setting out "good practices" for the long-term sustainability of space activities. However, the latest UNGA Resolution (A/RES/77/72) about guidelines on long-term sustainability and space debris mitigation states that they are still under constant development and adapting to the new capabilities of the sector in practice, in co-operation with COPUOS and the IADC.

European Legal Framework

Spain is a member of the EU, and of the ESA. As such, a number of European rules and regulations on space matters form part of the Spanish legal system, with the most relevant being as follows:

- the Founding Convention of the European Space Agency of 30 May 1975 – Spain ratified the Convention on 15 January 1979 and participates actively in its programmes;
- Directive 2007/2/EC establishing an Infrastructure for Spatial Information in the European Community ("INSPIRE");
- Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme;
- the Charter of EUSPA, which establishes the legal and operational framework for EUSPA – Spain par-

ticipates in EUSPA, which manages the European satellite navigation (Galileo and EGNOS) and Earth observation (Copernicus) programmes; and

- Regulation (EU) 2024/795 of the European Parliament and of the Council of 17 May 2024 establishing a Strategic Technology Platform for Europe (“STEP”).

Work towards the approval of a common EU regulation to govern certain aspects of space activities, known as the EU Space Act, was ongoing at the time of publication of this guide.

COPUOS and the Conference on Disarmament

Spain has been a permanent member of COPUOS since 1994 and actively participates in the Conference on Disarmament.

In COPUOS, Spain plays a leading role in promoting the peaceful and sustainable use of space. It has actively participated in the development and adoption of space debris mitigation guidelines that seek to reduce the creation of new debris and manage existing debris to minimise the risk of collisions. Within COPUOS, Spain supports initiatives that promote international co-operation in space exploration.

Spain actively participates in the UN Group of Governmental Experts on Transparency and Confidence-Building Measures in Space Activities; these measures include the disclosure of information on space launches and the promotion of transparent practices among nations. It should be stressed that Spain has implemented a Registry of Space Objects that complies with the 1974 Convention on Registration of Objects Launched into Outer Space, ensuring that all satellites and objects launched by Spain are properly registered and notified.

In the Conference on Disarmament, Spain normally takes a stand against the militarisation of space and supports the prohibition of weapons of mass destruction in outer space, promoting the adoption of international treaties and agreements to strengthen space security and prevent an arms race in space.

Spain actively participates in groups of government experts that study and propose measures for the pre-

vention of an arms race in space. It contributes with research and proposals based on international law and best practices.

Incorporation of International Instruments in the Spanish Legal System

Spain has a historic track record of compliance with the international treaties to which it is a party. Furthermore, from the moment they come into force, international treaties are higher on the hierarchy of the Spanish legal system than domestic laws and regulations, which must be interpreted and applied in accordance with such international instruments. Spanish courts and authorities also regularly apply the provisions of international treaties.

Liability Rules

The Treaty on International Liability for Damage Caused by Space Objects has been directly applicable in Spain since its ratification in 1980. Articles VI and VII of the Treaty attribute the liability for damage caused to third parties by space objects either to the states themselves, or jointly and severally to the states and their private operators.

Civil liability for damages on the part of states consists of the action for recovery by states against private entities within their own jurisdiction. In this matter, the Spanish legal system lacks a specific civil liability regime for space activities. However, the usual practice is based on practices developed at the international level, customs and procedures, and certain provisions of the 1980 Insurance Contracts Act.

The future Spanish Space Act is expected to provide some detailed provisions on this matter.

Application of the “Due Regard” Principle

Article IX of the OST provides for the duty of due regard for state parties during their conduct of space activities, according to which, the corresponding interests of all other state parties must be considered, and appropriate measures for avoiding harmful interference must be taken.

2.8 Insurance and State Measures on Liability for Damages

Space Insurance in Spain and Insurance Requirements for Space Operators

Spanish legislation does not yet specifically regulate or establish the mandatory requirement of insuring a space object prior to its launch and once it has been placed in orbit by its owners. However, the high participation of the private sector in space activities means that the same practice defines an international framework of customs and practices in the field of space insurance. An alternative, often used in practice, is that the operator of the space object adheres to the insurance policy of the provider of the launching service.

Risk Assessment and Determination of Insurance Premiums

In Spain, the lack of a national space law causes legal uncertainty for insurers who, not being sufficiently familiar with this new industry and its practices, are hesitant to develop the necessary insurance products. Until a proper regulatory framework is in place, insurers will continue to assess the risks and determine insurance premiums in accordance with general market practice throughout the world (ie, using the “Probable Maximum Loss” method originated in the USA or the “Modelled Insurance Requirement” of the UK space regulation).

Under ESA’s public-private contracting system with private operators, such operators can benefit from the agreement between ESA and its insurance companies in the framework of collaboration in European space programmes.

2.9 Very High Altitude Legal and Regulatory Framework

There is no express regulation or legal provision in force in Spain governing the problem of activities in the very high altitude (VHA) sphere. As in many other countries, the issue is debated at an academic level and, to achieve harmonisation, will likely have to be regulated through international treaties or, at least, at the European Union level.

3. Rules Applicable to Space Operators’ Activities

3.1 General Rules on Space Activities

Subject to the provisions of international conventions to which Spain is a party, and due to the lack of a specific space regulation, activities to be carried out in space (healthcare, life sciences, agri-food, data processing, etc) are currently subject to and governed by the same rules and regulations as if such activities were to be carried out on Earth.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

No specific regulations relating to non-interference with other spacecraft, space missions or space-faring entities have yet been approved. Therefore, these issues would have to be analysed and solved in accordance with the applicable international conventions and international customary law.

3.3 Operators’ Responsibilities Obligations of Operators in Outer Space and in Launch and Re-entry Activities on Earth

Since Spain has not developed a specific law on space, the behaviour of operators in space is based on the obligations derived from international treaties and customary law, as well as the general obligations applicable to Spanish enterprises.

ESG Guidelines for Space Activities

In the field of space debris mitigation, operators under Spanish jurisdiction should follow the COP-UOS Space Debris Mitigation Guidelines and ESA’s European Code of Conduct on Space Debris Mitigation, which, among other issues, oblige launch service operators and developers to plan the re-entry of their space objects in a safe manner and to implement follow-up and subsequent recovery measures if such objects must remain in orbit. These guidelines are not an obligation for private operators in Spain; they are recommendations issued by international or intergovernmental organisations of which Spain is a member.

In its present drafting, the future EU Space Act expressly contemplates that operators of space activities must include debris reduction and recovery

criteria and measures right from the outset of their projects.

Specific Intellectual Property Rules Applicable to Space Activities and Assets

In Spain, intellectual property protection is regulated by the Intellectual Property Act, approved by Royal Legislative Decree 1/1996. Industrial property is regulated by the Patent Act (Law 24/2015), the Trademark Act (Law 17/2001) and the Law on the Legal Protection of Industrial Design (Law 20/2003), together with their respective regulations.

None of these laws provide for their specific application in outer space or to outer space activities. At the European level, there is also no unitary regulation for the protection of industrial property in outer space, although there are Community regulations applicable in the European territorial scope, such as Regulations (EU) 1257/2012, on protection by means of unitary patents, and 2015/2424, on the European trade mark.

On the other hand, there is a regime of jurisdictional distribution over inventions under development on the International Space Station (ISS). Article 21 of the Intergovernmental Agreement on the International Space Station provides that any invention activity on the ISS is deemed to take place in the territory of the partner state where the flight element is registered. Thus, the applicable jurisdiction is the state of registration, although the inventor may apply for a patent in several countries.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

At the present time, the data protection aspects of space activities are governed by the general provisions of the GDPR and the 2018 Organic Law on Data Protection, as no specific regulations have been passed for the space industry. These issues, including the international transfer of data, must therefore be analysed in the light of existing legislation. However, the geopolitical environment seems to show a trend towards stricter controls and requests from government agencies for certain types of data, based on the argument of national defence and security. This trend

is likely to be subject to scrutiny in the courts in the future if it is perceived that essential data protection principles are endangered.

4.2 Space Data Spaces

There is no national legislation in Spain for space data spaces.

4.3 Cybersecurity and Space

The main legal provision to be considered is Royal Decree 311/2022, which approves the National Security Strategy (*Estrategia Nacional de Seguridad* or ENS). This legal provision incorporates many of the NIS-2 regulations and is mandatory for most actors in the space industry.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

The duty to protect sustainable access to space is enshrined in Article IX of the Space Treaty. However, the international community has only recently shown concern for the mitigation of space rights, and the current regulatory framework is outdated and insufficient for today's reality of space debris.

In this regard, international organisations such as COPUOS and ESA have promulgated their own Space Debris Mitigation Guidelines (see **2.7 Commitment to International Treaties and Multilateral Discussions**). As a member state of the EU, a founding state of ESA and a member of COPUOS, Spain has adopted all the guidelines and recommendations that constitute customary law.

Currently, there are no specific regulations in Spain or the EU on critical space minerals.

5.2 Climate Change and Space Activities

At the 2023 Seville Space Summit, the Zero Debris Charter was published and opened, which is aligned with the space sustainability goals for 2030. At the same summit, the "Space for a Green Future" initiative was also presented, with the intention of reducing CO₂ in large cities and favouring sustainable mobility.

In November 2023, the Council of Ministers in Spain approved an agreement increasing the budget line for space debris monitoring expenditure through the AEE by EUR4 million.

In this way, Spain aims to comply with the Code of Conduct on Space Sustainability, fulfilling four particularly important practices contained therein:

- mitigating the risk of collision in orbit;
- minimising the threat of non-transportable debris;
- preserving human life in space; and
- limiting the impact on optical astronomy.

Finally, from an EU point of view, space debris mitigation is sought through Space Traffic Management by the Global Satellite and Operators Association, defined as “the means and standards for accessing, operating in and returning from outer space in a safe, sustainable and secure manner”.

Furthermore, in February 2022, a proposal for a regulation on secure space connectivity from the EU was presented, resulting in the “Conclusions of the EU Competitiveness Council on Space Traffic Management”.

5.3 Orbital Debris

See 5.2 **Climate Change and Space Activities**. It is anticipated that Spain will align with EU principles and regulations on space debris.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

Spain does not yet have a special tax regime for space activities. Therefore, the general provisions of the 2014 Corporate Income Tax Act, the 1992 Value Added Tax Act, etc, are relevant.

6.2 Tax Incentives for Space Investors

Spanish provisions on corporate income tax establish certain tax deductions for research, development and technological innovation activities, subject to a binding assessment by the State Tax Authority (*Agencia Estatal de Administración Tributaria* or AEAT). Operators must apply to the AEAT for a prior assess-

ment of R&D expenses before they are incurred. These deductions vary between 25% and 42% of the R&D expenditure. Tax deductions are also available for technological innovation – ie, funds invested in the materialisation of new products, schemes and designs, the creation of non-marketable prototypes and pilot projects.

These regulations provide a favourable fiscal framework that encourages the development of advanced technology and space projects in Spain, thus supporting growth and innovation in the aerospace sector.

6.3 Taxation on Sale or Transfer of Space Assets

Given the international nature of most space assets and players, the tax implications relating to the transfer or sale of space assets need to be analysed on a case-by-case basis. In general terms, VAT exemptions may be applicable, although this needs to be verified in accordance with the specific transaction structure.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

The space industry in Spain is growing, driven by innovative start-ups and supportive government policies. There is increasing interest from investment funds and financiers, which see opportunities in the space sector. The evolution in fundraising is positive, with an increase in investments and the creation of specialised incubators and accelerators. Initiatives such as the ESA Business Incubation Centre (BIC) programme in Spain facilitate access to funding and technical support, promoting a dynamic and attractive ecosystem for new space companies.

Venture capital funds in Spain currently investing in space activities include:

- K Fund;
- Samaipata Ventures;
- Adara Ventures;
- Bullnet Capital;
- Inveready; and
- Caixa Capital Risc.

7.2 Finance Sources for Space Activities

The main source of funding for space activities in Spain still comes from public funds, especially subsidies.

On 15 May 2024, the Ministry of Science, Innovation and Universities (*Ministerio de Ciencia, Innovación y Universidades* or MICIU) published the 2024 call for the Space Technology Programme (*Programa de Tecnología Espacial* or PTE), managed by the CDTI with the collaboration of the AEE. Endowed with EUR70 million from the PERTE, the call will finance – with up to EUR30 million – projects for the development of space products and processes, as well as technologies with high disruptive potential. The remaining EUR40 million will be earmarked for advanced projects that boost the maturity level of space technologies; of this budget, EUR16 million is earmarked for small projects.

Funding can also be obtained through certain defence-related programmes such as the PEM's mentioned in **2.1 Characteristics of the Space Industry**.

Secondly, the funding channels of private companies in the framework of space projects with ESA and other public-private partnerships between government and private companies also account for a high percentage of funding in the Spanish space industry.

Financing through venture capital firms, crowdfunding and private investment rounds is also on the rise. For example, PLD Space, which began as a start-up, has raised EUR78 million from private investors and EUR42 million from the PERTE programme.

7.3 Attracting Investment for Space Activities

The main fundraising initiative in Spain is the creation of specialised incubators and accelerators, such as ESA BIC in Spain, located specifically in the cities of Barcelona and Madrid. Since the seat of the AEE is in Seville, similar initiatives can be expected to take place there. In addition, the tax incentives discussed in **6.2 Tax Incentives for Space Investors** and the support from the central and regional governments through proactive policies are intended to encourage industry growth and investment in space technology.

7.4 Foreign Investment in Space Activities

Two main aspects should be considered when it comes to foreign investments in Spain.

- Foreign investment regulations: In line with European regulations, the 2023 Foreign Investments Act contemplates certain restrictions on foreign investments in Spanish critical technologies or infrastructure (including space technologies and infrastructures) due to national security concerns. This type of investment requires prior government approval.
- Export controls on dual-use products and technologies: Similarly, the export of products and technologies that are classified as dual-use products is subject to strict export controls and, under certain circumstances, international sanctions. Space assets and technology certainly fall under this category, so the relevant regulations need to be taken into account.

7.5 Documentation

Documentation processes for NewSpace fundraising do not substantially deviate from those for fundraising projects in technological enterprises not linked to space. From experience, the concerns and needs of the parties (whether investor or target) are very similar to those of technological enterprises generally.

7.6 Due Diligence

There does not appear to be much difference in funding projects for space companies compared to other technological enterprises. Usually, the due diligence will take into account aspects such as the protection of the intellectual property, compliance with regulatory issues, dual-use questions, existence of public subsidies, etc – although this needs to be analysed in each specific case.

7.7 Liquidity Events

Given the rather limited size of the Spanish financing market and the limited availability of private funding in comparison to other jurisdictions, parties often define their liquidity events with reference to foreign markets, particularly in connection with listings on foreign securities markets.

7.8 Role of Securities Markets in Space Financing

Unlike in other countries, the Spanish securities markets are not a huge source of financing, except for a limited number of companies. Stock exchanges from other countries (the USA, the UK, the Netherlands, etc) play a larger role in this respect.

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Spain is party to international treaties on the protection of intellectual and industrial property rights and has a robust body of legislation in this area. Courts regularly enforce intellectual property rights, although no specific rules relating to space projects have been published. Given the specific nature of this type of project, a detailed analysis would have to be made in each case to assess whether it could be protected via patents, or whether other mechanisms should be used.

8.2 Invention Protection Dynamics

Established industry players such as Indra or GTD are familiar with the protection of their intellectual property assets and have, generally speaking, strong strategies in this respect. The challenge lies with start-ups and smaller enterprises, which often lack the knowledge and the financial means to protect their creations. The public administrations regularly offer training and information on this topic to foster such protection. This is particularly relevant in joint co-operation projects between universities or higher education institutions and private enterprises, where a specific set of regulations aims to ensure that the knowledge developed at the university level remains at least co-owned by the institution. In this connection, universities often use a standard form of contract which interested parties must adhere to.

8.3 Enforcement of the Patentee's Rights in Space

There do not appear to have been any discussions in Spain regarding the application of patent law for devices and activity manufactured or performed in space. Given Spain's membership of the EU, such issues should be decided at the Community level.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

The Madrid-based arbitration body CIAM-CIAR launched a working group in early 2026 to foster the inclusion of arbitration clauses in agreements and disputes involving the aviation industry. At the time of publication of this guide, the group was mapping relevant areas where such inclusion would make the most sense.

9.2 Investor-State Arbitration

At the time of publication of this guide, no claims appear to have been lodged in Spain by foreign investors opposing the State in space-related arbitration matters.

9.3 Space Litigation

At the time of publication of this guide, there does not appear to have been any space-related litigation in Spain.

SWITZERLAND



Law and Practice

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MLL Legal is one of the most reputable international law firms in Switzerland and its highly experienced and dynamic lawyers offer innovative and solution-focused services. With offices in Zurich, Geneva, Zug and Lausanne, the firm is present in the key Swiss economic centres. It has one of the strongest and largest IP/ICT & Digital teams in Switzerland, uniting some of the most reputed experts in legal aspects related to traditional ICT and new technologies. MLL Legal's strong data privacy practice makes it a first call for digitalisation and new technology matters. Both Swiss

and international clients, from corporations and banks to private individuals, appreciate the accessibility and involvement the firm's partners in representing their interests. MLL Legal serves clients across a variety of sectors, allowing its lawyers a practical understanding of business that supports delivery of expert legal advice applicable within various commercial contexts.

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1. Global Trends

1.1 International Legal and Regulatory Developments

Switzerland has played an active role in developing space law and regulation, aligning itself with international frameworks and global trends. The country has a long-standing commitment to international space law, and has ratified four out of the five key United Nations (UN) treaties related to outer space. It is currently working to transpose its international obligations under these treaties into domestic law. It is also preparing its first national space law, which aims to provide a clear legal framework for satellite operations and other space activities.

International Law

Switzerland has so far ratified four out of five UN international treaties related to outer space:

- The 1967 Outer Space Treaty (formally known as the “Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies”), the main purpose of which is to keep space peaceful with the inclusion of key clauses providing for:
 - i) the banning of nuclear weapons in space; ii) the prevention of any country from claiming sovereignty over any celestial body; and iii) the free exploration and use of space by all nations for peaceful purposes.
- The 1968 Rescue Agreement (formally known as the “Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space”) as an international law tool aimed at giving further concrete expression to the rights and obligations contained in the 1967 Outer Space Treaty by obliging countries to take all possible measures to rescue and assist astronauts in distress and promptly return them to the launching state.
- The 1972 Liability Convention (formally known as the “Convention on International Liability for Damage Caused by Space Objects”), another legal instrument further detailing the rights and obligations from the 1967 Outer Space Treaty by providing the rules on the liability matters for damage caused by launching state’s space objects.

- The 1975 Registration Convention (formally known as “Convention on Registration of Objects Launched into Outer Space”) governing the registration by launching States of space objects launched into outer space.

Switzerland is not a signatory of the 1979 Moon Agreement (the “Agreement Governing the Activities of States on the Moon and Other Celestial Bodies”).

Swiss National Law and Policies

Beside the ratified international treaties mentioned above, Switzerland also strongly supports a national legal framework related to outer space, and in April 2023 its Federal Council adopted a new Space Policy, updating the previous 2008 Space Policy. This move underpinned the Federal Council’s commitment to provide support in positioning Switzerland as an acclaimed country for promoting excellence and innovation. The new Space Policy determines country’s strategic priorities and corresponding activities in the space industry. Further goals of the Swiss Federal Council regarding a national legal framework for space activities have also been defined in the 2023 Space Policy.

One of the aims relates to Swiss space activity law, for which the Federal Department of Economic Affairs, Education and Research is responsible. The new law on space activities was expected to incorporate the guidelines included in the aforementioned ratified UN treaties into national legislation. Based on this, on 29 January 2025, the Federal Council published a draft Federal Act on Space Operations, along with an explanatory report, to open the consultation procedure. With this Act, Switzerland will be able to implement its international obligations under the four UN outer space treaties that it has ratified, in accordance with the 2023 Space Policy, and improve legal certainty in this area for all involved parties. The consultation closed on 6 May 2025 and, according to the Federal Council, gained broad support across cantons, political parties, business and the public, with various concerns being incorporated into a revised text. On 25 February 2026, the Federal Council adopted the dispatch (*Botschaft*) and the bill (Federal Act on Space Operations; *Raumfahrtgesetz*, RFG) and transmitted these to Parliament; parliamentary delibera-

tion is expected during the course of 2026, and the Federal Council does not expect the Act to enter into force before 2028. By introducing an authorisation and supervisory regime, a dedicated liability framework for damage caused by space objects, and a national register of space objects, the proposal seeks to create a clearer and more predictable legal environment for operators under Swiss jurisdiction.

In this context, it is also worth mentioning that, on 15 April 2024, Switzerland became the 37th country to sign the Artemis Accords, a political declaration of intent that reflects the signatories' common understanding of the principles by which they intend to explore and use the Moon, Mars and other celestial bodies. By signing the Artemis Accords, Switzerland underlined its interest in closer cooperation with the signatory countries.

Membership in Relevant Bodies

Switzerland is one of the ten founding members of the European Space Agency (ESA), an independent intergovernmental organisation that develops space infrastructures for Europe that are then deployed and operated by the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) or European Union (EU). Most of the space projects where Switzerland is involved are led by the ESA.

1.2 NewSpace and the Space Tech Economy Economic Development and Stakeholder Positioning

Switzerland's engagement with the NewSpace sector reflects a strategic blend of innovation, regulation, and international collaboration. The Swiss space ecosystem is characterised by a dynamic mix of start-ups, established aerospace companies and research institutions. Key players include the Swiss Space Office (SSO), part of the State Secretariat for Education, Research and Innovation, which coordinates national space policy and international partnerships. As a founding member of the ESA, Switzerland actively participates in ESA programmes, influencing both policy and technological development.

Legal and Regulatory Framework

Switzerland's positioning in the NewSpace economy has led to concrete developments in its legal and reg-

ulatory framework, particularly through the ongoing work on the draft Federal Act on Space Operations.

2. Space Legal and Regulatory Framework

2.1 Characteristics of the Space Industry

The fact that Switzerland has been actively involved in space activities since their inception, and that it is a founding member and active participant within the ESA, has enabled Swiss industry and research institutions to acquire significant competencies in this field. As proof of Switzerland's commitment to the ESA's programmes, the Federal Assembly of the Swiss Confederation adopted a new federal decree in September 2024, granting credits for cooperation in the space sector for the years 2025 to 2028.

Numerous stakeholders are involved in space-related initiatives in Switzerland. These stakeholders include industry associations, interest groups and various other actors involved in a number of space-related programmes, some of which are listed below:

- The Swiss Space Industry Group, which is responsible for providing relevant information on the needs of space programmes, a comprehensive overview of market developments in the Swiss space sector, a regular exchange of knowledge, and for communication with the SSO, the ESA, research institutions and other key stakeholders.
- The Society of Swiss Earth Observation Service Providers, a platform for the entire value chain in the field of satellite-based earth observation data, which includes the procurement, processing, analysis and visualisation of data.
- The Swiss Institute of Navigation, a non-profit association and a member of the European Group of Institutes of Navigation and the International Association of Institutes of Navigation, whose main objectives are promotion and development of the art and science of positioning, navigation and timing (PNT); co-ordinating information from the different disciplines involved in PNT; enhancing the awareness of institutional and political entities for the importance and criticality of PNT; and promoting students and young professionals.

- The Swiss Committee on Space Research by the Swiss Academy of Sciences, responsible for coordinating and stimulating space research in Switzerland.
- More than 450 companies, including start-ups, active in the space industry.
- Well-known Swiss universities and research institutions, such as the Swiss Federal Institutes of Technology of Zürich; the École polytechnique fédérale de Lausanne; the Universities of Bern, Geneva and Zurich; the International Space Science Institute in Bern; the Astronomical Observatory of the University of Geneva; and many others.

With regard to the various forms of contributions that Switzerland makes to the space sector, the country supports national activities in the space sector with the following forms of funding:

- contributions to multidisciplinary research and innovation projects in the space sector (consortium projects);
- contributions to the International Space Science Institute in Bern as a research institution of international importance in the space sector, where scientists from all over the world are invited to work together to analyse, compare and interpret their data; and
- contributions to the preparation, conduct or post-processing of participation in international space programmes and projects.

2.2 Legal System and Sources of Space Law and Regulation

Swiss Law is based on the civil law legal system, which means that enacted or written laws are the primary source of law. As in all other civil law legal systems, Swiss law is divided into public and private law. Swiss legislation appears in various forms, such as Federal Constitution, laws and ordinances, although these do not all have the same legal status, with some considered to be primary legislation (acts of Parliament) and others (ordinances) considered to be secondary legislation. Besides this differentiation, since Switzerland is a federal state, Swiss legislation is also layered hierarchically into federal, cantonal and communal law.

As mentioned in **1.1 International Legal and Regulatory Developments**, the Swiss Federal Act on Space Operations was submitted to a public consultation which closed on 6 May 2025; on 25 February 2026, the Federal Council adopted the dispatch and the bill and transmitted these to Parliament, where deliberation is expected during 2026. With no specific Federal Act on Space in force, since the Act has not yet come into effect, the current legal basis for national space activities are:

- the Federal Act on the Promotion of Research and Innovation (applicable to research bodies that use federal funding for research and innovation); and
- the Ordinance on the Promotion of National Activities in the Field of Space (regulates the promotion of national activities in the space sector that enable or facilitate Swiss participation in the programmes and projects of the ESA).

With regard to ratified international treaties and the relationship between international and national law in the Swiss legal system, it should be noted that ratified international treaties, including the four UN space-related treaties mentioned above, become automatically applicable upon ratification, and there is no need to transpose these into national law. However, as international treaties often contain only guidelines and principles, rather than specific detailed rules, there is generally a need for further implementation of such principles in national legislation.

Switzerland is not a member of the EU and, as such, EU legislation does not apply to Switzerland or its private entities. As a matter of external EU law, such an instrument would not form part of the Swiss legal order, but it may be relevant to Swiss operators because of its extraterritorial reach. On 25 June 2025, the European Commission published its proposal for an EU Space Act (a regulation on the safety, resilience and sustainability of space activities in the Union, COM(2025) 335). The proposal is built on three pillars – safety, resilience (including tailored cybersecurity requirements) and environmental sustainability – and is being negotiated under the ordinary legislative procedure; once adopted, it is intended to apply from 1 January 2030. As it is designed to apply not only to EU operators but also to third-country operators

providing space services or space-based data within the EU, Swiss operators active in the EU single market could fall within its scope, even though the regulation would not, as such, form part of Swiss law.

To date, Switzerland has no resolved or ongoing legal cases in the field of space law.

2.3 Role of the State in Space Law and Regulations

Every year, Switzerland invests more than CHF300 million in space activities. These funds contribute significantly to Switzerland's prosperity and security. With its Space Policy 2023, the Federal Council has reaffirmed its commitment to space activities and highlighted new priorities. However, Switzerland does not have a space agency. It is therefore the Federal Council that decides on Swiss space policy. Its decisions are based on recommendations formulated by the Federal Commission for Space Affairs. The SSO is responsible for the preparation and implementation of the national space policy, in close cooperation and coordination with the ministries and federal offices that have space-related tasks.

In promoting what are known as national space activities, the SSO has three objectives. It aims to:

- strengthen Swiss space actors at universities and non-commercial research institutions outside the university sector;
- advance the implementation of Swiss space policy; and
- prepare these actors optimally for participation with the ESA or other international programmes.

In order to achieve these stated objectives, the SSO is responsible for the fulfilment of the following specific duties:

- developing and implementing Switzerland's national space policy in close cooperation with other departments and offices;
- co-ordinating within the Federal Administration the activities carried out in Switzerland for the exploration and use of outer space;

- developing and implementing complementary national activities for the application of the Swiss space policy;
- acting as a point of contact for industry and users of space applications;
- serving as a point of contact for scientific institutions (federal institutes of technology, cantonal universities, universities of applied sciences) for space-related questions;
- representing Swiss interests towards the ESA;
- assessing the effects of the Swiss space policy and making the results available; and
- providing information on Swiss space activities to various stakeholders.

In addition, the Federal Council has mandated the Interdepartmental Coordination Committee for Space Affairs (IKAR) to prepare official Swiss positions on space issues. The IKAR coordinates between the various federal offices involved in space matters. The committee is chaired by the SSO, which also acts as the IKAR secretariat.

The Swiss delegation to the ESA represents the country's interests vis-à-vis the ESA and its other Member States. It acts as an interface between the ESA and the Swiss scientific community, industry and users of space applications. SERI staff form the core of the Swiss delegation to the ESA Council and its subcommittees. They are supported by specialists from other departments and by delegates from the scientific community and user organisations.

Following the adoption of a Framework Agreement in 2004, the ESA and the EU established the High-Level Space Policy Group (HSPG), a consultative body composed of representatives of all ESA and EU Member States. The Swiss delegation to the HSPG is led by the Space Office of SERI and includes representatives of the Federal Department of Foreign Affairs.

In summary, the framework and main actors of Swiss space activities include international organisations and programmes on the one hand, and the federal administration, industry and research institutions on the other.

2.4 Role of the State in the Licensing Process for Space Activities

To implement the principles of the UN conventions, numerous states have enacted national space legislation and, as previously noted, Switzerland is preparing to do the same in the near future. The development of a Swiss national legal framework will have to consider the country's specificities and needs.

A Swiss space law, as set out in the bill transmitted to Parliament, would cover the launch and operation of space objects, in particular satellites. The main aspects are:

- the authorisation of space activities;
- the oversight of space activities;
- liability issues; and
- the registration of space objects in a national register.

The bill defines its scope through several key terms and, in particular, distinguishes between space travel activities and space activities. Space travel activities – the launch, positioning, operation, steering and control of space objects, especially satellites – are subject to the authorisation and supervision regime (Article 3 letter a and Article 8 of the draft Federal Act on Space Operations). Space activities, understood as an activity in space or on a celestial body that is based on a space travel activity (Article 3 letter c of the Federal Act on Space Operations), is not directly subject to the authorisation regime. However, as the activity is based by definition on a space travel activity, which is subject to an authorisation, such space activities are indirectly subject to the authorisation regime.

The draft Federal Act on Space Operations covers all space travel activities that are carried out on Swiss territory, carried out on ships, floating platforms, or aircraft registered in Switzerland, or are carried out outside Swiss territory by operators who are domiciled in Switzerland or have their registered or de facto headquarters there (Article 4 of the draft Federal Act on Space Operations). In addition, Swiss material national law applies on a flag-principle basis – ie, to space objects entered in the Swiss national space register (Article 6 of the draft Federal Act on Space Operations). This connecting factor also underpins the

application of Swiss law to the activities and assets associated with such objects, including for intellectual property purposes (see **8.3 Enforcement of Patentee's Rights in Space**). Space activities shall be governed by the Swiss regulations that apply to similar activities on Earth (Article 7 of the draft Federal Act on Space Operations).

In the absence of a Swiss national law on space matters that is valid and in force, Switzerland adheres to the obligations stipulated in ratified international treaties. For example, regarding registration matters, it adheres to the Convention on Registration of Objects Launched into Outer Space.

2.5 Role of the State in Co-Ordinating the Use of Radio Frequencies and Orbital Slots

The Swiss Telecommunications Act includes a direct mandate for the regulatory body responsible for frequency management (the Federal Office of Communication; OFCOM) to take appropriate measures to ensure efficient and non-interference/free use. The frequencies and other parameters are set out in the radio licence or approval. OFCOM issues licences and approvals for commissioning radiocommunications equipment and networks (radiocommunications for professional use, for maritime radio, aeronautical radio and amateur radio). It represents Switzerland in major specialist organisations at national and international level. This involves negotiating reciprocal agreements with foreign administrations concerning the use of radio equipment in Switzerland and abroad. OFCOM is involved in the International Telecommunications Union's (ITU) three activities: the ITU Radiocommunication Sector, the ITU Telecommunication Standardization Sector and the ITU Telecommunication Development Sector.

Anyone wishing to use the radiocommunications frequency spectrum must obtain a licence. The use of the frequency spectrum up to 3000 GHz generally requires a licence.

The Swiss Telecommunications Act established a dispute resolution service between customers and telecommunications service providers and value-added service providers, which the OFCOM is responsible.

2.6 Role of the State in the Launching Process

Switzerland's role in the launching of space objects is that of both provider and facilitator. Firstly, as a provider, Switzerland has contributed significantly to space exploration by providing technological solutions. The applied research company, the Swiss Centre for Electronics and Microtechnology (CSEM), has become an important stakeholder in the space exploration community by providing highly precise scientific instrumentation for satellites and telescopes. Secondly, as a facilitator, the country's respective body will be granting required licences.

2.7 Commitment to International Treaties and Multilateral Discussions

Switzerland has ratified the following treaties:

- the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies (Outer Space Treaty);
- the Agreement on the rescue of astronauts, the return of astronauts and the return of objects launched into outer space (Rescue Agreement);
- the Convention on International Liability for Damage Caused by Space Objects (Liability Convention), and
- the Convention on Registration of Objects Launched Into Outer Space (Registration Convention).

However, Switzerland is not a party to the Agreement Governing the Activities of States on the Moon and Other Celestial Bodies (Moon Agreement).

Since 2007, Switzerland has been a member of the Committee on the Peaceful Uses of Outer Space, as well as the Conference on Disarmament. Switzerland plays an active part in the work of multilateral bodies involved in arms control and disarmament. As a member state of the Committee on the Peaceful Uses of Outer Space, Switzerland adheres fully to the Committee's Space Debris Mitigation Guidelines. Furthermore, the country actively participates in the undertakings of the Working Group on Long-Term Sustainability for Space Activities within the frame-

work of the United Nations Committee on the Peaceful Uses of Outer Space.

The Federal Constitution requires the Confederation and the cantons to comply with international law. For more information on the relationship between international and national law, see **2.2 Legal System and Sources of Space Law and Regulation**.

Swiss law does not contain a separate statutory definition with respect to the principle of due regard. The principle derives from Article IX of the Outer Space Treaty under which States Parties must conduct their activities with due regard to the corresponding interests of all other States Parties; as a ratified treaty, it applies directly in Switzerland without further transposition. Switzerland also subscribes to the due-regard logic reflected in the Artemis Accords, which it signed on 15 April 2024. At national level, the Federal Act on Space Operations, currently before Parliament, gives the principle practical effect through the obligations described in **3.2 Principles of Non-Interference and Prevention of Harmful Interference**, in particular the risk profile submitted as part of the authorisation process (Article 9 of the draft Federal Act on Space Operations), the assessment of collision and debris risks, and the duty to promptly notify the competent authorities of abnormal operations (Article 15 of the draft Federal Act on Space Operations).

2.8 Insurance and State Measures on Liability for Damages

The draft of the Swiss Federal Act on Space Operations establishes a liability framework for space travel activities under Swiss jurisdiction (Article 23 et seq of the draft Federal Act on Space Operations). Operators are strictly liable, regardless of fault, for damage caused by their space objects to the Earth's surface or to aircraft in flight, unless they can prove the damage resulted from force majeure or gross negligence by others, that persons for whom they are responsible are not at fault, and with no fault on their part or defect in the object. For damage involving other space objects or persons/property aboard them, liability applies only in cases of intent or negligence. In all other cases, the Swiss Code of Obligations applies. Additionally, for high-risk space travel activities, the licensing authority may require liability insurance, with

the Federal Council empowered to set a minimum coverage amount (Article 27 of the draft Federal Act on Space Operations).

A central feature of the draft Federal Act on Space Operations is the operator's direct civil liability: an injured party may bring a claim directly against the operator of the space object before the Swiss civil courts. As an alternative, an injured party may pursue a claim against the Confederation through its home State under the Liability Convention; the two routes are mutually exclusive, and where the Confederation is held liable under the Liability Convention, it has a right of recourse against the operator (Article 29 of the draft Federal Act on Space Operations). The strict liability for damage on the Earth's surface or to aircraft in flight (Article 23 of draft Federal Act on Space Operations) is justified by the particular danger of space travel activities, in line with the approach taken in road traffic, aviation and nuclear energy law, while damage to other space objects is governed by fault-based liability (Article 24 of draft Federal Statute on Space Operations).

However, in the absence of an enforced Federal Act on Space Operations in Switzerland, and thus enforceable specific provisions on liabilities, general tort law applies. According to the Swiss Code of Obligations, any person who unlawfully causes damage to another, whether wilfully or negligently, is obliged to provide compensation. Therefore, a prerequisite for liability according to Swiss law is an intentional or negligent illegal behaviour as well as a resulting (causal) damage.

Furthermore, as mentioned in **1.1 International Legal and Regulatory Developments**, Switzerland is party to the Convention on International Liability for Damage Caused by Space Objects (Liability Convention) which stipulates that a launching State will be absolutely liable to pay compensation for damage caused by its space object on the surface of the earth or to aircraft flight.

2.9 Very High Altitude Legal and Regulatory Framework

In Switzerland, the legal framework governing high-altitude operations, such as stratospheric balloons,

currently lacks specific provisions addressing the unique challenges posed by the "border" zone between outer space and aeronautical airspace. This gap in regulation may lead to uncertainties regarding jurisdiction, safety standards and liability. The impending national space law should address these jurisdictional ambiguities and provide a comprehensive regulatory framework for activities in this border zone. However, according to the current draft Federal Act on Space Operations, it does not.

Current Legal Framework

Switzerland's approach to space activities is evolving. While the country has ratified key international treaties, it does not yet have a comprehensive national space law. The Federal Council adopted an updated Space Policy in April 2023, emphasising the need for a national legal framework to regulate space activities and ensure compliance with international obligations. In the absence of a dedicated space law, Switzerland applies general aviation regulations to high-altitude operations. The Federal Office of Civil Aviation oversees balloon operations under the EU's Regulation No 2018/395, which sets standards for balloon flight operations, including licensing and maintenance requirements.

Jurisdictional Ambiguities

The absence of a clear legal demarcation between outer space and aeronautical airspace creates jurisdictional ambiguities. While activities above 100 km are generally considered to be in outer space, operations at altitudes between 20 km and 100 km, where stratospheric balloons typically operate, do not fall neatly into either category. This border zone lacks specific regulatory oversight, potentially leading to conflicts between space law and aviation law.

Ongoing Developments

It is anticipated that Switzerland will recognise and address these challenges in the process of developing a national space law. Nevertheless, as previously stated, the aforementioned element is not incorporated within the draft Federal Act on Space Operations.

3. Rules Applicable to Space Operators' Activities

3.1 General Rules on Space Activities

Until the Federal Act on Space Operations enters into force, there are no specific rules for space activities in Switzerland, including cybersecurity rules. However, Switzerland advocates in various forums for the non-proliferation of delivery systems for conventional weapons and weapons of mass destruction. Finally, in the absence of a Swiss national law on space matters, Switzerland adheres to the obligations stipulated in the ratified international treaties.

Furthermore, in Switzerland, specific limitations on certain space activities, such as those related to healthcare, life sciences, agri-food, mobility, environment, or energy, are not directly addressed in the draft Federal Act on Space Operations. However, Article 7 of the draft Federal Act on Space Operations stipulates that space activities involving space objects are subject to the same regulations that apply to comparable activities on Earth. In instances where such terrestrial rules are absent, the Federal Council is empowered to establish minimum requirements with the aim of preventing harm, limiting environmental pollution, and safeguarding national public interests. Furthermore, space activities are subject to existing national laws such as the War Material Act, the Goods Control Act, the Private Security Services Act, and the Embargo Act, which may indirectly restrict certain uses of space technologies or data.

With regard to space data, the draft Federal Act on Space Operations does not incorporate specific provisions concerning its generation, processing, or protection. Furthermore, the current draft is devoid of any dedicated cybersecurity regulations. The question of tenure security, including terms of operation, renewals, and cancellation procedures, remains unresolved in the draft law. Authorisations for space activities are granted under general conditions, but the law does allow the supervisory authority to impose conditions or terminate operations to safeguard public safety or interests (Article 34 et seq of the draft Federal Act on Space Operations). The regulatory framework is, in general, extensive in nature and relies heavily on

cross-references to existing national and international legal instruments.

3.2 Principles of Non-Interference and Prevention of Harmful Interference

Until the Federal Act on Space Operations enters into force, there are no specific rules on non-interference and prevention of harmful interference in Swiss law. However, general principles contained in the ratified UN outer space treaties shall serve as the guidance in this regard.

Switzerland's draft Federal Act on Space Operations includes measures to help ensure non-interference with the activities of other space-faring entities. As part of the authorisation process, applicants must submit a risk profile that assesses potential risks, including collisions with other space objects, the creation of space debris, and environmental effects in space (Article 9 of the draft Federal Act on Space Operations). These evaluations aim to minimise harmful interference with other spacecraft and missions. Additionally, the law requires operators to promptly notify the supervisory authority in the event of abnormal operations posing risks, such as a potential satellite crash, allowing for timely response and coordination to prevent further harm or disruption (Article 19 of the draft Federal Act on Space Operations).

3.3 Operators' Responsibilities

Similar to many other European countries, Switzerland does not launch satellites from its territory. As already mentioned, until the Federal Act on Space Operations enters into force, there are no determined general obligations in this regard yet in Switzerland.

Under Switzerland's draft Federal Act on Space Operations, operators would be subject to several general obligations to ensure the responsible conduct of space activities from launch preparation through to mission completion or termination (Article 12 et seq of the draft Federal Act on Space Operations). The operators must conduct their missions with due care from launch preparation to completion or decommissioning. They are required to ensure the safety of operations, minimise environmental impacts, including space debris, and comply with national and international law. If a mission cannot be completed as planned, operators

must take reasonable steps to safely dispose of the space object. Operators must report any events that could affect the authorised activity and involve only qualified third parties who meet strict requirements. While the draft law does not specifically mention ESG guidelines or the protection of lunar heritage sites, it does prioritise environmental protection and responsible conduct. Additionally, the supervisory authority may require operators to assume responsibilities from non-compliant entities, ensuring alignment with national civil and defence interests.

4. Data Protection and Cybersecurity

4.1 Data Protection Regulation and Space

Currently, Switzerland does not have any specific national rules governing the generation, collection, protection or access to space data. The draft Federal Act on Space Operations does not contain provisions addressing the control, sharing or security of space data, including cybersecurity or state access. Consequently, the State has no defined role in the management or oversight of space data, and there are no rules regulating business-to-business arrangements related to interoperability, protection or sharing of space data. Additionally, the draft Federal Act on Space Operations does not regulate the transfer of space data to third countries. In the absence of national legislation specifically addressing space data, Switzerland relies on its general data protection law and its international obligations under ratified treaties related to space activities, while also maintaining its commitment to non-proliferation principles in relevant international forums.

4.2 Space Data Spaces

Currently, Switzerland does not have any specific national legislation governing space data spaces. The draft Federal Act on Space Operations does not address the creation, governance or operation of such spaces, nor does it define possible corporate forms, rules of access or stakeholder engagement. There are also no provisions concerning national space data spaces operated by the Swiss government or space agency. Consequently, there are no formal structures in place to coordinate, use or interact with these spaces, or with other national or international data spaces.

As a non-EU country, Switzerland is not directly involved in developing the European Space Data Space. However, Switzerland remains committed to international cooperation in space matters and adheres to the relevant obligations under ratified international treaties.

4.3 Cybersecurity and Space

In Switzerland, there is no standalone, space-specific cybersecurity law. The current draft Federal Act on Space Operations has no provisions specifically dealing with cybersecurity matters.

Cybersecurity and Data Protection on Earth

Switzerland enforces the Federal Act on Data Protection (FADP), which mandates that personal data be processed securely, which also applies to the companies active in space sector. The Information Security Act (ISG), effective from January 2024, consolidates cybersecurity regulations across federal agencies. It imposes comprehensive security obligations on critical infrastructure operators, including those involved in space activities, to ensure resilience against cyber threats.

Cybersecurity and Data Protection in Space

Switzerland's space policy, as outlined in the 2023 Space Policy, emphasises the importance of security and sustainability in space. While specific cybersecurity measures for space infrastructure are not detailed, the policy underscores Switzerland's commitment to international cooperation and adherence to global norms, such as those established by the UN for responsible state behaviour in cyberspace.

Cybersecurity and Data Protection Back to Earth

Upon return to Earth, space-related data and infrastructure are subject to the same national cybersecurity and data protection laws as terrestrial systems. This includes compliance with the ISG and the FADP, ensuring that data collected or transmitted during space missions is handled securely and in accordance with Swiss legal standards.

5. Environmental Protection and Impact on Climate Change

5.1 Environmental Protection in Space

See 3.1 General Rules on Space Activities.

Swiss law contains no provisions on protected zones in outer space, whether around a satellite or in the form of lunar heritage sites on celestial bodies. The draft Federal Act on Space Operations prioritises environmental protection and the prevention of space debris (see 3.3 Operators' Responsibilities and 5.3 Orbital Debris) but does not establish protected zones or special-interest areas. At international level, the non-appropriation principle in Article II of the Outer Space Treaty constrains any exclusive use of areas of outer space, and Switzerland is not a party to the Moon Agreement.

There are no Swiss governmental or legislative initiatives specifically addressing critical space minerals, such as helium-3, or the extraction and ownership of space resources more generally. Switzerland has not enacted a space-resources statute comparable to those adopted in certain other jurisdictions, and the draft Federal Act on Space Operations does not regulate space mining. Any such activity would remain subject to the general principles of international space law, including the non-appropriation principle, together with the safety-zone and due-regard concepts reflected in the Artemis Accords, of which Switzerland is a signatory.

5.2 Climate Change and Space Activities

Please see 3.1 General Rules on Space Activities.

On the business side, one of the Swiss start-up companies, ClearSpace SA, a spin-off founded by an experienced team of space debris researchers from the Swiss Federal Institute of Technology in Lausanne, is leading the implementation of the ClearSpace-1 mission aimed at removing debris from orbit and reducing the risk of collision. The project is supported by the ESA. The mission underlines Switzerland's commitment to sustainable space activities.

5.3 Orbital Debris

Through its draft Federal Act on Space Operations, Switzerland addresses the issue of orbital debris by establishing a clear legal framework aimed at minimising the creation of space debris and promoting the sustainable use of outer space. The law explicitly requires all space activities to be conducted with the necessary precautions to prevent the creation of space debris and ensure the long-term accessibility and peaceful use of outer space for future generations.

Operators have a duty of care to take all necessary measures throughout their authorised activities to ensure safety, limit environmental pollution, and reduce the generation of orbital debris (Article 12 of the draft Federal Act on Space Operations). Additionally, risk assessments for space activities must specifically evaluate the risk of creating space debris, among other hazards.

While the draft Federal Act on Space Operations allows for certain exemptions from the authorisation regime based on a demonstrated low-risk profile, thorough risk analysis is still required, including consideration of debris-related risks (Article 10 of the draft Federal Act on Space Operations). Furthermore, the draft Federal Act on Space Operations provides for enforcement mechanisms: significant violations of obligations related to the prevention of space debris can result in fines of up to 10% of the operator's average annual turnover over the previous three years (Article 49 of the draft Federal Act on Space Operations).

Overall, although there is no national plan solely targeting orbital debris, the draft Federal Act on Space Operations integrates debris mitigation as a core element of Switzerland's regulatory approach to space activities.

6. Taxation of Space Activities

6.1 Tax System for Space Activities

Switzerland does not have a specific tax system related to space activities, but a general system that applies to individuals and companies within the sector. However, in accordance with the Swiss tendency

to support innovation and new technologies, including within the space industry, certain tax incentives apply for R&D activities.

6.2 Tax Incentives for Space Investors

Please see 6.1 Tax System for Space Activities.

6.3 Taxation on Sale or Transfer of Space Assets

Please see 6.1 Tax System for Space Activities.

Switzerland has no tax regime specific to the sale or transfer of space objects; the general rules apply, and the treatment depends on how a transaction is structured. For companies, capital gains on business assets, including space objects, are generally treated as ordinary taxable profit. For individuals holding assets privately, capital gains on movable private assets are, in principle, exempt from income tax, subject to the rules on professional securities dealing. Transactions may be structured as asset deals or as share deals. The applicable treatment should be assessed on a case-by-case basis.

7. Investment and Financing in Space Activities

7.1 Impact of NewSpace

There is significant interest in Switzerland in NewSpace. The businesses of the space technology industry sector (forming Swiss Space Industries Group) offer a diverse and competitive range of solutions. Their products are used on ground stations, launch vehicles and satellites. They supply the ESA and NASA programmes, as well as those of other agencies. Furthermore, their customer base also includes private investors in the space markets. Beyond Gravity, the Swiss aerospace company is a global market leader when it comes to safely managing the first three minutes after a rocket launch. It provides the payload fairings for the European carrier rockets Ariane and Vega, contributing significantly to the rocket programme securing autonomous European access to space. Besides being recognised as an industrial centre, Switzerland plays a major role as a centre of research and education.

Over the course of the last two years, various significant events have taken place within the Swiss space community:

- the Japanese mission, launched in September 2023, related to a revolutionary X-ray detector, has been based on the micro-calorimeter with several components developed in Switzerland (XRISM mission);
- the ESA mission, launched in April 2023, with the goal of exploring three of the large moons of Jupiter, contains three instruments with large Swiss contributions (JUICE mission); and
- the ESA mission, launched in July 2023, with a goal to map the dark components of the Universe and help with understanding its evolution, within which the Switzerland contributed to one of the two instruments and the complex and data processing (Euclid).

7.2 Finance Sources for Space Activities

The funding for space activities in Switzerland is provided by both the public and private sectors. Switzerland invests more than CHF300 million every year in space activities and contributes around CHF150 million a year to the ESA budget. In addition, and as mentioned in 2.1 Characteristics of the Space Industry, in September 2024, the Federal Assembly of the Swiss Confederation adopted a new Federal Decree granting credits for cooperation in the space sector for the years 2025 to 2028. A commitment credit of CHF1,666.3 million has been approved to finance participation in European Space Agency (ESA) programmes. At the ESA Council at Ministerial level held in Bremen on 26 and 27 November 2025 (CM25), member states also subscribed record contributions of about EUR22.1 billion. Switzerland committed EUR771 million, remaining ESA's seventh-largest contributor, with priorities including the HummingSat mini-telecommunications programme, the Ramses asteroid mission, navigation and quantum technology, exploration and scientific instruments, as well as a contribution to the new "European Resilience from Space" initiative, implemented, in particular, through the Swiss-initiated ALPSTAR project.

One of the key aspects of space financing in Switzerland is the ESA Business Incubation Centre Switzer-

land, a national programme supported by the ESA and ETH Zürich, one of the world's leading universities, established in Switzerland. The programme provides a range of comprehensive support initiatives to entrepreneurs and start-ups for exploiting space systems or technologies to develop their terrestrial businesses or using technology from earth for an application related to space.

Switzerland also offers several other sources of financing innovative businesses through private funds, such as:

- accelerator and incubator programmes that provide funding along with the mentoring, networking opportunities and business support;
- angel investors as individuals who invest their private assets into the company in exchange for equity; and
- venture capital funds, as pooled funds from multiple investors, usually focused on high-value investments into the company in exchange for equity.

7.3 Attracting Investment for Space Activities

The Swiss space industry landscape is built upon strong support from both the state and the industry. Switzerland's space policy delineates a strategic vision for the future, enabling the formulation of a cohesive and effective overall policy. This policy is harmonised with the nation's key stakeholders in the space sector and is integrated within the broader international framework.

Established Swiss universities and research institutions also contribute significantly to the Swiss space landscape by cooperating with the Swiss space sector through academic and industrial projects with direct use of the space domain. Finally, the Federal Act on Space Operations, the draft for which was transmitted to Parliament in February 2026, should strengthen the position of Switzerland as an attractive business location for space activities.

7.4 Foreign Investment in Space Activities

Switzerland is following international trends regarding foreign investment and Parliament adopted the Investment Control Act (*Investitionsprüfgesetz*, IPG) on 19 December 2025, with entry into force currently

foreseen for 2027. Under the foreign investment control rules, the acquisition of Swiss companies active in certain critical industries by a foreign investor(s), will be subject to prior approval. Besides the "operating in the critical sector" requirement, for the Investment Control Act to be applicable, the acquirer should also be considered as a foreign state-controlled investor.

7.5 Documentation

NewSpace companies in Switzerland generally prepare the following core documentation when raising funds, particularly from venture capital, institutional investors, or public innovation agencies:

- *Pitch Deck/Executive Summary*: A concise, high-level overview of the business model, market opportunity, competitive edge, technology readiness level (TRL), and current funding requirements.
- *Business Plan and Financial Model*: In-depth details on financial projections, use of funds, revenue streams, go-to-market strategies, and the timeline for technology development and deployment.
- *Technical Documentation*: NewSpace ventures are typically expected to submit more extensive technical documentation than startups in other sectors. This includes information on payload specifications, launch partners, mission architecture, orbital parameters, risk assessments, and adherence to space safety standards.
- *Regulatory Compliance*: A clear statement on compliance with relevant space regulations is often required, including references to ESA guidelines or international standards on debris mitigation – especially important when applying for public or institutional funding.
- *Data Protection Assessment*: If the company handles personal data (eg, via satellite imagery or Earth observation), it must provide a data protection statement outlining data anonymisation, storage, transfer, and security practices.
- *Investment Term Sheet/Shareholder Agreement*: Legal documents that define the investment structure, governance model, liquidation preferences, and investor rights.

In Switzerland, fundraising for space companies often involves unique considerations compared to other sectors, such as the need for specialised technical

due diligence, alignment with international regulatory frameworks, and access to niche public funding or ESA programmes. These factors can differentiate space-sector fundraising from more traditional ventures.

7.6 Due Diligence

In Switzerland, due diligence in NewSpace fundraising and M&A transactions follows general corporate practices but may include sector-specific focus areas due to the regulatory and technical nature of space activities in the future based on the draft Federal Act on Space Operations.

Key aspects may include the following.

- *Regulatory Compliance*: A review of current and anticipated obligations under the draft Federal Act on Space Operations.
- *Licensing and Mission Approvals*: Verification of any required or pending space activity authorisations, including launch, operation, and international coordination.
- *Data Protection*: Assessment of compliance with the Swiss Federal Act on Data Protection, especially where personal or sensitive satellite data is processed or transferred across borders.
- *Liability and Insurance*: Evaluation of risk exposure related to in-orbit operations and space debris, including applicable insurance coverage under the draft Federal Act on Space Operations framework.
- *Technology and IP*: Scrutiny of ownership, licensing, and export control status of key technologies.

Overall, Swiss NewSpace due diligence requires close attention to compliance, data governance, and risk management, reflecting the evolving legal framework.

7.7 Liquidity Events

In Switzerland, liquidity events such as trade sales, IPOs or secondary share sales follow standard corporate and financial procedures. However, based on the draft Federal Act on Space Operations, NewSpace companies may also need to consider regulatory and data-related obligations in future.

Key considerations under the draft Federal Act on Space Operations include the following.

- *Regulatory Compliance*: Space operators must ensure continued compliance with licensing, liability and data handling requirements during and after a liquidity event. Any transfer of operational control or assets may trigger a review by the Swiss authorities.
- *Continuity of Authorisations*: Buyers or new owners may need to notify the relevant authorities or reapply for authorisations related to space missions, particularly if the acquiring entity is foreign or if control shifts substantially.

7.8 Role of Securities Markets in Space Financing

Switzerland does not have a specific securities' system related to space financing, but general sources of financing apply. Subject to the origin of funds, the financing could be determined as external or internal. External financing is particularly relevant for financing in the space industry, as internal financing does not always appear to be feasible for the start-ups that take up a significant share of the space industry now. External financing from a third party can be divided between debt financing (mainly credit, loans or crowdfunding) and equity financing (mainly business angels, venture-capital or crowdfunding).

8. Intellectual Property

8.1 Territorial Patent Law v International Space Law

Switzerland provides robust and effective protection for intellectual property rights within its national legal framework. General intellectual property laws, such as the Swiss Patent Act, Copyright Act and Trade-mark Protection Act, apply fully to space technologies and related assets. These rights are protected both domestically and internationally through Switzerland's participation in treaties such as the Patent Cooperation Treaty and the TRIPS Agreement.

8.2 Invention Protection Dynamics

NewSpace companies in Switzerland usually protect their innovations using patents, trade secrets and contractual agreements. They also use the Swiss Patents Act and international frameworks, such as the Patent Cooperation Treaty, to obtain broader protection.

While not all companies seek intellectual property protection in every launch state, many pursue coverage in key markets and jurisdictions involved in launches, operations, or commercialisation.

8.3 Enforcement of the Patentee's Rights in Space

Although Switzerland does not have specific intellectual property enforcement rules for space, general legislation such as the Swiss Patents Act and related laws applies to space-related innovations. These rights are enforced nationally and internationally through the aforementioned international treaties. While there is no explicit extension of patent law to activities conducted in space, intellectual property rights can apply to Swiss-registered space objects under the principle of quasi-territoriality. While the draft Federal Act on Space Operations does not yet explicitly address patent law in space, it does allow the Federal Council to regulate access to data and activities in the public interest, which could indirectly impact innovation and the use of intellectual property in space.

9.2 Investor-State Arbitration

To date, there have been no notable cases of foreign investors lodging claims against Switzerland in space-related arbitrations.

9.3 Space Litigation

Although Switzerland has not yet experienced significant space-related litigation, it plays a key role in international arbitration, including that related to space activities. This is primarily due to its status as a leading hub for international contracts and dispute resolution.

Looking ahead, trends in space-related litigation in Switzerland are likely to focus on regulatory compliance and liability for space debris, as the country's legal framework adapts to meet the challenges posed by the growing NewSpace sector.

9. Arbitration and Litigation

9.1 Arbitration Agreements in Space Contracts

In Switzerland, arbitration agreements are commonly included in commercial contracts, including those related to space activities, reflecting the country's status as a leading jurisdiction for international arbitration. Swiss law provides a robust legal framework for enforcing arbitration clauses, enabling parties to resolve disputes neutrally and efficiently. The institutions most commonly chosen for arbitration in Switzerland are the Swiss Arbitration Centre and the International Chamber of Commerce. Arbitration is often seated in Zurich or Geneva, offering legal neutrality and access to highly respected arbitration resources.



Trends and Developments

Contributed by:

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Preiskel & Co LLP is a City law firm specialising in the telecommunications, media and technology sectors. With a team of 35, the firm and its leading partners have been internationally acclaimed and ranked in Chambers for approximately 20 years for regulatory, commercial and corporate expertise throughout the telecoms sector. The firm's specialist telecoms lawyers have considerable telecoms industry experience extending across all the continents and into outer space. They have been at the forefront of telecoms

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Introduction and Scope

Following SpaceX's record-breaking USD1.75 trillion IPO in June 2026, the UK appears poised to benefit from increased investor confidence in the space industry. As arguably Europe's leading destination for private space investment, the UK's telecommunications, satellite and wider downstream space economy is hoping to enjoy renewed investor focus in the commercial opportunities enabled by advancing space technology.

This report outlines recent developments in space law in the UK, with a particular focus on changes that have occurred after, and in some respects build upon, the analysis written by Preiskel & Co LLP for Chambers Space Law 2025.

It examines the current architecture of UK space regulation, following the Outer Space Act 1986, Space Industry Act 2018 and the subsequent Space Industry (Indemnities) Act 2025 and Space Industry Regulations 2021.

It also provides an overview of some international developments, including EU space regulation and the proposed EU Space Act, and international standards (ISOs) on space sustainability.

This report addresses cross-cutting policy and standard-setting initiatives. These include the UK government's response to the House of Lords "Space Economy" report, the evolution of UK-sponsored BSI space sustainability standards, the identification of space as a priority frontier sector in the Advanced Manufacturing Sector Plan 2025, and the priorities set out in the UK Space Agency's Corporate Plan 2025–2026.

Finally, it highlights some of the UK government's current space ambitions, notably the development of ISAM and the emergence of regulatory frameworks in these areas.

UK Space Law

Core statutory framework

The broad statutory and regulatory structure of UK space law is as follows.

- Outer Space Act 1986 (OSA).

- Space Industry Act 2018 (SIA), as amended by the Space Industry (Indemnities) Act 2025
- Key secondary legislation (2021).
- Space Industry Regulations 2021 (SIR).
- Spaceflight Activities (Investigation of Spaceflight Accidents) Regulations 2021.
- Space Industry (Appeals) Regulations 2021.
- Air Navigation (Amendment) Order 2021.
- Space Industry (Licence Exemption for Military Activities of Allies) Regulations 2025 (SI 2025/222).

The CAA is the central space regulator. Space activities are only licensable if consistent with the UK's national interests, international obligations and national security, with the CAA empowered to impose bespoke licence conditions and financial penalties.

Recent emerging themes

These include:

- licensing complexity and timelines;
- liability and insurance;
- space sustainability; and
- the One Government Approach.

Recent UK developments

Since mid-2025, there have been several notable developments to the UK space law landscape.

Space Industry (Indemnities) Act (December 2025) – resolving liability caps

The Space Industry (Indemnities) Act (2025 Act) amends the Space Industry Act 2018 (2018 Act).

The previous position (pre-2025) was that under Section 12 SIA, spaceflight operator licences "may" specify a limit on the operator's liability to the government under Section 36 of the Act; however, this was permissive.

In practice, this created uncertainty for investors and operators, as there was no statutory guarantee that any given licence would include a cap or the level at which one would be set.

The post-2025 position is that the 2025 Act amends Section 12 (2) SIA so that an operator licence "must"

specify a limit on the amount of the licensee's liability under Section 36 in respect of the authorised activities.

Consequential amendments ensure that all relevant operator licence types meet this requirement.

The Act entered into force on 18 February 2026.

Practical implications are as follows.

- The 2025 Act provides significantly greater certainty that operators and financiers will not face unlimited liability to the state when operating from the UK.
- It improves the UK's competitive position as a launch jurisdiction relative to states where liability caps remain unclear or entirely contractual.
- The Act aligns the statutory position more closely with the CAA's earlier policy direction and in industry commentary (including Preiskel's own focus on indemnity reform in its 2025 commentary).

UK Government response to the House of Lords "Space Economy" report (2026)

The House of Lords UK Engagement with the Space Committee's report "The Space Economy: Act Now or Lose Out" (2025) is a focal point in the attached updates and in recent government policy.

The UK government's response (January 2026) confirms several important policy decisions.

- Funding:
 - (a) according to the House of Lords "Space Economy" report (2025), the UK spends significantly less on space than the EU average and its other international competitors;
 - (b) Preiskel's 2025 commentary anticipated greater use of industrial policy and funding to drive space growth; the government's response to the House of Lords confirms this policy direction and gives concrete budgetary and institutional content to that vision; and
 - (c) the government increased civil space spending through the UK Space Agency (UKSA) by approximately 8% for 2025/26, with nearly GBP3.5 billion allocated from 2025/26 to 2029/30. A further GBP2.8 billion is committed over 2026/27–2029/30, with a consolidated "spring space" publication (expected 2026) to set out co-ordinated space spending across government; and
- Institutional reform (One Government Approach) – UKSA and DSIT:
 - (a) responsibility for civil and commercial space policy lies primarily with the Department for Science, Innovation and Technology (DSIT) and UKSA; and
 - (b) in August 2025, the government announced that UKSA would be brought under direct departmental control and merged into DSIT's Space Directorate by 1 April 2026, with the aim of strengthening coherence of space policy, reducing duplication and improving governance.
- Strategic priorities:
 - (a) confirmed focus on five priority capability areas including:
 - (i) Space Domain Awareness (SDA);
 - (ii) In Orbit Servicing;
 - (iii) Assembly and Manufacturing (ISAM);
 - (iv) Earth Observation (EO);
 - (v) Position, Navigation and Timing (PNT); and
 - (vi) satellite communications, as laid out in the 2024 Space Industrial Plan and the 2025 Modern Industrial Strategy;
 - (b) the government's response also reinforces the strategic importance of Earth Observation (EO), particularly through Recommendation 31, which highlights the need to expand the use of EO data for downstream users and to improve access to EO datasets, such as the National Data Library; and
 - (c) the merger of UKSA into DSIT and the formalisation of priority areas demonstrate that space law and policy are now central to UK industrial strategy.
- Space sustainability and debris removal:
 - (a) UKSA is procuring a national Active Debris Removal (ADR) mission, with a multimillion-pound contract targeting launch by late 2028, positioning the UK as an anchor customer for debris-removal services.
- Connection with the European Space Agency:

- (a) the government's response highlights a desire to maintain the UK's current level of support for ESA programmes. The UK invested GBP1.7 billion at the ESA Council of Ministers in Bremen, November 2025, with further commitments set to be made in 2028. The government's response mentions the outcomes of the ESA Council of Ministers 2025, including further investment planned in missions such as VIGIL (space weather), the UK-built Rosalind Franklin Mars rover, and commercial access-to-space initiatives through the European Launcher Challenge and Boost! Programmes.

However, in 2025, most other ESA countries substantially increased investment into ESA, whilst the UK maintained an almost constant level of investment into ESA (making the UK an exception). The UK is arguably drawing sovereignty more to a national level whilst the other ESA members of Europe are banding closer together.

Defence-related exemptions from the SIA

In late 2024, the government consulted on draft policy proposals to exempt certain defence-related activities from the SIA 2018.

The consultation covered activities conducted at Ministry of Defence firing sites by UK Armed Forces, allied forces and NATO-type organisations, proposing that such activities would be exempt from SIA licensing while remaining subject to other defence and international law obligations.

The government decided to proceed with the proposals and to legislate via secondary legislation, creating a more tailored regime for defence space activities and licensing frameworks. These proposals were implemented through the Space Industry (Licence Exemption for Military Activities of Allies) Regulations 2025 (SI 2025/222), made on 27 February 2025 and entered into force on 28 February 2025.

These developments sit alongside continued investment in defence space capabilities, including programmes such as TYCHE (launched in 2024) and forthcoming TITANIA, OBERON and JUNO satellites,

highlighting the increased emphasis of space in UK defence policy.

BSI space sustainability standards – from consultation to updated codes

BSI Flex 1969 and BSI Flex 1971 have emerged as soft law instruments.

- BSI launched consultations on BSI Flex 1969 v1.0 (space sustainability – overarching principles) and BSI Flex 1971 v1.0 (space sustainability – launch) in 2025, with UKSA and DSIT sponsorship.
- In March 2026, the UK Space Agency announced updated versions of these standards following public consultation and industry engagement.
- BSI Flex 1969 now sets out ten principles to help organisations identify and manage environmental impacts across the full space activity lifecycle. It covers collision avoidance, debris mitigation, rendezvous and proximity operations, and protection of dark and quiet skies across the full lifecycle of space systems.
- BSI Flex 1971 has been strengthened into a more prescriptive code of practice for launch providers, emphasising early environmental impact assessment and mitigation. It focuses on reducing regulatory and licensing risks for organisations, clarifying how to ensure compliance.

The Advanced Manufacturing Sector Plan (2025)

The Advanced Manufacturing Sector Plan (23 June 2025), part of the UK's Modern Industrial Strategy 2025, positions space as one of the UK's six frontier industries alongside automotive, batteries, aerospace, advanced materials and agritech.

The Plan commits to scaling up space technologies through targeted investment and regulatory reform. For instance, it is in the process of introducing regulatory sandboxes for in-orbit servicing and manufacturing, led by the newly established Regulatory Innovation Office.

It acknowledges that the UK previously supported too many companies, universities and institutions across fragmented areas, limiting the ability to scale firms to commercially viable sizes. The UK aims to become a leading European space exporter by 2030

and requires a greater focus on particular capabilities to highlight where its strengths lie and need to be in the future. The government is focusing on five priority capabilities: satellite communications, positioning/navigation/timing, in-orbit servicing and manufacturing, space domain awareness and space data architecture.

The UK will implement a Private Investment Framework for Space, designed to attract private capital into strategically important space technologies, through public funding. This will encompass a mix of grants, procurement and co-investment mechanisms. The government also plans to leverage the UK's financial services sector to position the UK at the centre of space finance.

Finally, space is embedded in dual-use and defence industrial policy, and major public R&D programmes. For dual-use satellite technologies, products and services, this Plan will increase funding on the five priorities in the Space Industrial Plan and Launch, including through a targeted funding package of up to GBP80 million over five years to ensure the sector can progress from innovation to industrialisation.

UK Space Agency Corporate Plan (2025-26)

The Advanced Manufacturing Sector Plan is closely linked to the UK Space Agency Corporate Plan. This Plan focuses on targeting capability development, commercialisation and investment. The government pledges to focus investment on a targeted set of markets and capabilities where the UK can excel.

ISAM investments and ambitions

ISAM describes the In-Space Servicing, Assembly and Manufacturing of assets directly in-orbit.

ISAM includes extending the working lives of satellites by refuelling and repairing them, through to the manufacture of large structures in space, including space stations and space-based solar power farms. Other opportunities for ISAM include taking advantage of microgravity conditions to manufacture products that cannot be created on Earth, including novel pharmaceuticals, new composites and alloys.

Therefore, the opportunities are broad and could lead to an in-orbit or lunar economy of products created in space.

The development of ISAM is not uniform across all areas. Companies working on in-space servicing, assembly and manufacturing are at vastly different stages in their development. Activities, such as commercial Rendezvous and Proximity Operations (RPO), have long demonstrated their capabilities, whilst other innovations, such as reliably transporting goods manufactured in space back to Earth, are in much earlier stages.

The UK Space Agency in its Corporate Plan 2025-26 committed to developing a long-term plan to advance ISAM capabilities. They aim to create a more stable and predictable environment to encourage innovation. The UK government seeks to capture up to 25% of the global ISAM market, which is projected to reach over GBP10 billion by 2031. This would give the UK a GBP2.7 billion market share by 2031.

As part of a GBP500 million national space programme announced in March 2026, the government allocated GBP105 million to develop civil ISAM capabilities.

ISAM is a fast-developing area with direct implications for licensing (Space Industry Act 2018 and associated regulations), liability, orbital slot and spectrum co-ordination, and M&A in the satellite and space infrastructure sectors. Any transaction involving satellite operators, on-orbit servicing companies, or space infrastructure players will increasingly require ISAM-related regulatory due diligence, particularly around UKSA licensing requirements and the UKSA's evolving regulatory framework.

RPOs and the regulatory sandbox

Rendezvous and Proximity Operations (RPOs) are the process of manoeuvring a spacecraft close to another object for inspection, docking or servicing. This is critical for satellite servicing, debris removal and space station operations.

RPO capabilities are key to unlocking a serviceable in-space ecosystem, ensuring the sustainability and resiliency of space infrastructure.

There was a recent publication of the Stage 1 Independent Public Report on the Regulatory Sandbox for Rendezvous and Proximity Operations (RPO) delivered by the RPO Operators Consortium (Astroscale, ClearSpace and D-Orbit) for DSIT and UKSA. The Sandbox was the first of its kind in the UK and addressed the regulatory challenges associated with licensing missions in which one spacecraft approaches, operates near, docks with and provides services to another.

The sandbox initiative was designed as a structured, iterative mechanism to test how the existing regulatory framework under the Space Industry Act 2018 operates in practice when applied to complex, simulated RPO missions. Through collaborative workshops and mock licensing exercises involving regulators, insurers, technical experts and industry stakeholders, the sandbox process has identified key areas for clarification and reform.

RPO missions involve distinctive technical and legal challenges, including varying levels of spacecraft co-operation, indefinite mission scopes, cross-border involvement and dynamic risk profiles that necessitate closer scrutiny and potential regulatory adaptation. The outputs of the sandbox process are closely aligned with the UK government's broader Space Regulatory Review 2024, which emphasised the need for clearer regulatory pathways to accommodate emerging technologies and mission types.

EU/European Space Law

EU Space Programme Regulation 2021/696 and fragmented national laws

The EU's space law landscape is fragmented, with 13 national frameworks co-existing alongside the EU Space Programme Regulation 2021/696.

Whilst Regulation 2021/696 consolidates flagship programmes (Galileo, EGNOS, Copernicus, SSA, GOVSATCOM) and establishes EUSPA as the operational agency, it does not create a general EU space law. The resulting patchwork of national licensing and supervision rules increases compliance costs, creates duplicative authorisations and complicates scaling for operators.

The proposed EU Space Act

Legislative process and timing

The Commission's proposal was published on 25 June 2025, and the public consultation ran from 15 July to 7 November 2025.

The Act aims to harmonise rules on space in the EU, with a particular focus on safety, resilience and sustainability.

Article 119 of the draft regulation indicates that, if adopted, the EU Space Act will apply from 1 January 2030, with certain transitional provisions.

By late 2025, a Danish Council Presidency compromise text had been circulated, and Competitiveness Council debates suggested broad support for the objectives but calls for clarification and simplification in specific provisions.

As of early 2026, informed commentary suggests adoption is unlikely before late 2028, with scope for significant amendment during trilogue negotiations.

Substantive refinements and external commentary

Recent commentary by law and policy institutions (eg, White & Case, ICLE, academic blogs) emphasises several points that complement Preiskel's analysis.

- Regulatory objectives – Article 1 (2) confirms safety, resilience and environmental sustainability as the core objectives, framed explicitly in response to geopolitical, cyber and physical risks to EU space infrastructure.
- Extraterritorial reach – commentators highlight that the Act adopts a market-access approach analogous to the GDPR – many obligations will apply to non-EU operators whose systems serve EU users or whose satellites are operated from EU territory. Crucially for the UK, the Act will apply to EU space businesses as well as to non-EU space businesses trading with Europe. This was further highlighted by the opinion of the Committee on the Internal Market and Consumer Protection in March 2026, that the Act should be amended to ensure “all operators selling services on the EU market must be abide by the same rules”.

- Economic impact – economic analyses focus on the risk of higher compliance costs for smaller operators alongside the potential benefits of a unified regime, reducing transaction costs and regulatory uncertainty.
- National security clause – academic critique has targeted the breadth of the proposed national security carve-outs, suggesting these may undermine legal certainty and tilt the balance away from free movement and competition.

For internal purposes, these developments underline the need to treat the EU Space Act as a central consideration for any UK or international client intending to serve EU customers.

International sustainability standards

ISO 24113 and ISO 23312 establish debris mitigation objectives and detailed spacecraft requirements, minimising orbital debris, preventing break-ups, managing collisions, and ensuring safe disposal and re-entry processes. ISO 24330 is useful for RPO participants as guiding principles for sustainability and re-entry risk.

Summary

UK focused matters

For UK-centric advisory and transactional work, the key developments are as follows.

- Statutory liability caps under the Space Industry (Indemnities) Act 2025, which should be analysed carefully in due diligence and reflected in contractual risk-allocation provisions for launch and in-orbit services.
- The emerging defence-related exemptions from the SIA, which may affect whether Armed Forces and allied operations proceed under civil licences or separate defence regimes.
- The institutional reconfiguration of UKSA within DSIT and the explicit industrial-strategy framing of space policy, which may create opportunities for clients to engage with procurement-led initiatives (eg, ADR missions, ESA cofunded programmes).
- The increasing likelihood that CAA and counterparties will reference BSI Flex 1969 and 1971 as benchmarks for “good industry practice” in sustainability and STM.

- The priorities for funding, investment and regulation laid out in the Advanced Manufacturing Sector Plan (2025) and the UK Space Agency Corporate Plan (2025–26).
- The increased focus on improving regulations for ISAM, particularly following the expected completion of the Independent Public Report on the Regulatory Sandbox for RPO.

EU-facing and cross-border matters

For clients operating across the UK and EU, or seeking to serve EU markets from the UK:

- the EU Space Act must be treated as a major source of future compliance obligations, with extra-territorial elements;
- transaction documentation and regulatory strategy should anticipate eventual binding EU requirements on safety, resilience and sustainability, particularly where satellite services are critical to EU infrastructure; and
- there may be scope to participate in national and EU-level consultations (directly or via trade associations) to shape implementing measures and guidance.

Conclusion

UK government is projecting the right sound bites to capture market share in these exciting post-SpaceX IPO times, including the Minister for the Digital Economy recently declaring that government:

“Will focus our investments on the technologies required to build the capabilities we need, on scaling up our most promising businesses, and on delivering rapid and sustained growth.”

This is coupled with the new “One Government” approach to deliver these ambitious goals.

Whilst the UK has recently been prioritising the space sector in an unprecedented fashion, the ability to attract significant private investment into the UK space sector remains uncertain. With the UK pulling further away from Europe, and much uncertainty concerning the draft European Space Act, much remains to be seen about the UK’s global position in space.

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