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CLIENT ALERT

Shooting for the stars: an ambitious new EU Space Act

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Abstract

On June 25, 2025, the European Commission launched the "EU Space Act", a new legislative proposal that would introduce a harmonized legal framework for space activities across the EU. The new legal framework would apply to EU operators, as well as to non-EU operators when their activities have a nexus with the EU. The proposal focuses on safety rules (introducing rules to minimize the generation of space debris), resilience (including tailored cybersecurity rules and life cycle risk assessment requirements) and sustainability, while boosting the competitiveness of the EU space sector.

1. Introduction

The "EU Space Act" proposal ("***EU Space Act Proposal***")[1], is a new legislative initiative to introduce a harmonized legal framework for space activities across the EU. The proposal, launched on June 25, 2025 by the European

[1] Proposal for a Regulation of the European Parliament and of the Council on the safety, resilience and sustainability of space activities in the Union, COM(2025) 335 final, here.

Commission, aims to ensure safety, resilience and sustainability, while boosting the competitiveness of the EU space sector. The EU Space Act would create a single market for space activities and should make it easier for companies, particularly start-ups and SMEs, to grow and operate across borders. Given the increased importance of private actors and public-private cooperation (the "***New Space***"), policymakers have identified this as a key concern for the European Union.

2. Background

The European Commission identified the EU Space Act Proposal as a key priority in the Competitiveness Compass[2] and the Commission Work Programme for 2025[3], in line with the Draghi and Letta reports (respectively, "***Draghi Report***" and "***Letta Report***") on European competitiveness and the single market.

- The Draghi Report noted that complete autonomy is a capability that all main powers and many emerging and regional powers are pursuing, while in this field, EU Member States are losing their competitive edge following the latest developments in the global space industry[4]. The report noted that the space industry is undergoing deep structural change: the term "New Space" refers to an emerging private space industry with increased participation by private companies and rapid growth among innovative start-ups; in the future, large space projects will not only be based on multi-country partnerships, but are expected to be driven also by public-private partnerships, smaller groups of countries, commercial demand and solutions. Unlike in the past, advanced technological capabilities will be provided by private companies and platforms[5].

- The Letta Report[6] on the strengthening of the EU Single Market called for particular attention to the space industry, as a crucial industry for the development of the single market and taking into account that historically, space activities in Europe have only partially followed the single market approach. According to the report, *"a dynamic space sector, capable of thriving in the harsh competition and providing appropriate instruments for Europe's strategic autonomy and security, is essential for the future of Europe. To achieve this, the current approach, characterised by fragmentation of institutional actors and rules, a weighted distribution of funding across Europe for the full spectrum of activities, and insufficient financial instruments to stimulate the injection of private capital, must be revised*."[7].

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2 Communication from the European Commission to the European Parliament, the European Council and the Council, the European Economic and Social Committee and the Committee of Regions, "A Competitiveness Compass for Europe", COM(2025) 30 final, 29 January 2025, here and here (including an announcement of the EU Space Act in Q2025 according to the timeline of actions).

3 Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, "Commission work programme 2025 – Moving forward together: A Bolder, Simpler, Faster Union", COM (2025) 45 final, here, p.7: "To establish an EU framework regulating the conduct of European space operators and providing a stable, predictable, and competitive business environment, we will come forward with a Space Act. It will also address the growing issue of space debris and the environmental impact of space activities. We will also take steps to better reap the benefits of the space economy.".

4 DRAGHI REPORT, "The Future of European competitiveness – Part B – In-depth analysis and recommendations", September 2024, here, p. 167.

5 DRAGHI REPORT, "The Future of European competitiveness – Part B – In-depth analysis and recommendations", September 2024, p. 173.

6 ENRICO LETTA, "Much more than a market – Speed, security, solidarity, empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens", April 2024, here.

7 Letta Report, p. 67

The need for a legislative initiative was also reflected in two Joint Communications from the European Parliament and the Council, i.e. the EU Approach for Space Traffic Management[8] and the EU Space Strategy for Security and Defence[9], echoing the EU Member States' calls for establishing, through a coherent and stable regulatory framework, an internal market for space activities.

The EU Space Act Proposal should also be seen against the background of the EU's defence and sovereignty ambitions in the current geopolitical context.

3. Key pillars of the EU Space Act Proposal

The EU Space Act Proposal is structured around three key pillars:

- **Safety**: introducing robust rules for tracking space objects and mitigating space debris, preserving Europe's secure and uninterrupted access to space; generation of new debris will need to be limited and collision avoidance services and sharing of satellite position data will be required;
- **Resilience**: tailored cybersecurity requirements, aimed at strengthening protection of European space infrastructure and ensuring business continuity; risk assessment throughout the life cycle of space missions will be required; and
- **Sustainability**: operators will need to assess and reduce the environmental impact of their space activities, while benefiting from support for innovation in emerging technologies like in-orbit servicing and debris removal; life cycle assessments should help to save money and shared databases should be created to support environmental impact assessments.

4. Scope of the EU Space Act Proposal

The new rules will apply to both EU and non-EU operators providing space services in Europe, deemed to cover the following activities[10]: (a) operation and control of a space object; (b) provision of launch services, as well as provision of services of operation and maintenance of the launch sites; (c) any of the services provided by a primary provider of space-based data; (d) in-space services and operations (ISOS), and (e) collision avoidance space services. The targeted space services providers covered by the EU Space Act Proposal are thus the following[11]: (a) space operators; (b) collision avoidance space services providers; (c) primary providers of space-based data, and (d) international organizations.

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8 Joint Communication to the European Parliament and the Council, "An EU Approach for Space Traffic Management An EU contribution addressing a global challenge", JOIN/2022/4 final, 15 February 2022, here.

9 Joint Communication to the European Parliament and the Council, "European Union Space Strategy for Security and Defence", JOIN(2023)9, 10 March 2023, here.

10 Article 5 of the EU Space Act Proposal.

11 Article 2 of the EU Space Act Proposal.

The new framework would also provide proportional requirements that will be scaled based on the operator's size and risk profile, ensuring a fair, innovation-friendly regulatory environment.

5. Interaction with the international law legal framework and the national legislation within the EU

The key international legal instrument is the United Nations Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space ("***OST***").[12] According to the OST, parties to the treaty shall bear international responsibility for national activities in outer space (including the moon and other celestial bodies), whether such activities are carried on by governmental agencies or by non-governmental agencies. Parties to the OST are required to ensure that national activities are carried out in conformity with the provisions of the treaty and that activities of non-governmental agencies shall require authorization and continuing supervision by the appropriate State parties[13].

The European Commission noted that the lack of specific binding technical rules[14] to implement the general OST obligations has led to diverse authorizations requirements as EU Member States have pursued different regulatory approaches. Thirteen EU Member States have already adopted their own national space laws[15], while other EU Member States have yet to develop such legislation. The EU Space Act would harmonize the legal framework across the EU, by integrating the requirements in national space legislations.

6. Interaction with other EU legislations

The EU Space Act will interact with certain other EU legislations:

- **Resilience**: the current legislative framework on cybersecurity[16] and physical resilience of critical entities[17] only covers ground segment operators and electronic communication operators, but not all segments of space infrastructure. The EU Space Act Proposal aims to fill this gap by setting out specific cybersecurity rules applicable to all space operators and assets of space infrastructure, also aligning new rules implementing NIS 2 with the specific requirements of the space sector.

- **Safety policies and legislation**: the EU Space Act Proposal would ensure synergies with the EU safety policies and legislation, in particular coordination with air traffic management.

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12 See here. The Space Liability Convention of 1972 builds on parts of the OST.

13 Article VI of the OST.

14 Certain international (soft law) instruments in place are the "Space Debris Mitigation Guidelines of the Committee on the Peaceful Uses of Outer Space" of the United Nations Office for Outer Space Affairs. See here. The European Space Agency "Zero Debris Charter" and international standards such as ISO 24113:2023(en) Space systems — Space debris mitigation requirements. See here.

15 Countries having a national space law in place include Belgium, France, Germany, Italy, the Netherlands, Spain and Sweden.

16 Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 ("**NIS 2 Directive**").

17 Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC ("**CER Directive**").

- **EU Green Deal**: the EU Space Act Proposal aims to help in reducing the environmental footprint of space activities and addressing in the future potential new commitments of the EU under international conventions to be completed in this area. The European Commission is concerned about the carbon footprint of small satellites and proposes life cycle assessments to balance innovation while ensuring environmental responsibility and efficient use of resources.

7. Authorization and registration

The EU Space Act Proposal sets out an authorization and registration regime for space activities:

- **Union Space Operators**: those will need to obtain a registration from a Member State based on technical requirements that will vary depending on the category of space operator concerned.

- **Constellations**: specific requirements apply to Union Space Operators that carry out a space mission that entails the launch of a constellation of satellites. Notably, under certain conditions, it may be possible to obtain a single authorization for a constellation.

- **Proportionality**: taking into account the principle of proportionality, lighter regulatory requirements can apply to (i) space operators that are research and education institutions or that carry out research space missions that comply with certain requirements and (ii) space operators that are SMEs or research or education institutions that carry out In-Orbit Demonstration and Validation space missions.

8. Technical Requirements

The EU Space Act Proposal contains various technical requirements with which different categories of space providers will have to comply:

- **Safety and sustainability in space**: the EU Space Act Proposal will lay down rules for safety and sustainability in space, covering launchers and spacecraft. These safety rules aim at reducing collision risk, mitigating the creation of debris in orbit, and ensuring safe launch and re-entry with specific procedures and technical requirements for space operators. Launch operators will have to coordinate with authorities and traffic service providers to mitigate the risks of collision during launch and re-entry and spacecraft operators will have to ensure the trackability of spacecraft and subscribe to collision avoidance services.

- **Risk management for space infrastructure**: general principles will apply to the risk management for space infrastructure, building on existing legislation on cybersecurity and physical resilience of critical entities. Measures extending throughout the entire lifecycle of a space mission shall apply. While the space sector shall remain part of the NIS 2 ecosystem, cyber rules that are tailored to the space sector should apply[18]. A Union Space Resilience Network shall facilitate the cooperation between the European Commission, the European

[18] These rules should apply to the space operators identified in points (8) and (11) of Annex 1 to NIS2, i.e. (i) operators of digital infrastructure and (ii) operators of ground-based infrastructure, owned, managed and operated by Member States or by private parties, that support the provision of space-based services, excluding providers of public electronic communications networks.

Space Agency ("***ESA***"), and the national competent authorities ("***NCAs***") regarding the monitoring and handling of significant cyber incidents and alignment of resilience measures with other EU cybersecurity frameworks.

- **Environmental sustainability**: space operators will be required to calculate the environmental footprint throughout the space mission lifecycle, including the design, manufacturing, operations and end-of-life stages, and will have to submit an environmental footprint declaration as part of their authorisation application.

9. Relevance for third country actors

As stated above, the proposed new rules will apply to both EU and non-EU operators providing "space services" in Europe. This means that the EU Space Act Proposal will also be relevant for space services providers from third countries and international organisations, where their activities have a nexus with the EU.

- **Third country space operators**: these are space operators established in a third country, providing space services to Union space operators, or in relation to Union-owned assets (the assets created or developed under the Union Space Programme[19]) and to other assets, whether publicly or privately owned, operated by a public authority or a private party established in a Member State, including dual use assets placed under civilian control.

- **Provision of space-based data and space services**: third country space operators will be able to register in the Union Register of Space Objects ("***USRO***") and obtain an e-certificate. They will then be allowed to provide space services (i) to Union space operators and (ii) in relation to Union-owned assets (the assets created or developed under the Union Space Programme) and to other assets, whether publicly or privately owned, operated by a public authority or a private party established in a Member State, including dual use assets placed under civilian control. Agreements will be put in place with international organizations active in this field.

- **Requirements**: third country spacecraft operators shall be subject to a number of requirements also applicable to Union spacecraft operators and certain additional requirements such as the requirement to subscribe to public or commercial collision avoidance space service providers, complying with certain requirements. In addition, third country launch operators and third country launch site operators shall also be subject to certain requirements, as well as third country ISOS providers and third country collision service providers. Under certain circumstances, third country space operators will be able to benefit from certain equivalency decisions, taking into account the regulations in their home country. Member States will also be able to request the European Commission to adopt certain derogations, e.g. regarding launch services where (i) there is no readily available substitute or realistic alternative in the Union and (ii) the launch services promote technological capabilities of strategic importance to the Union. Importantly, it is proposed that third country space operators will be required to designated a legal representative in the EU.

- **Interplay**: Union space operators intending to have recourse to the space service provided by a third country space operator or international organisation shall also be able to demonstrate to the relevant competent

[19] The European Space Programme implements space activities in the fields of Earth Observation, Satellite Navigation, Connectivity, Space Research and Innovation. Flagship components include COPERNICUS, GALILEO and EGNOS.

authority, in their application for authorisation, the registration in the USRO of that third country space operator or international organisation, or shall inform the competent authority where the need for the provision of space services by a third country space operator or international organisation arises after an authorisation has been issued.

10. Governance and enforcement aspects

The EU Space Act Proposal addresses governance at the Member States and EU levels. The governance structure will remain "two-tiered", with a role for both (i) national regulators and (ii) the European Commission supported by the ESA at the EU level.

a. NCAs at the level of Member States

The EU Space Act Proposal sets out certain main governance principles for Member States as regards the authorisation and supervision of space activities and market surveillance. Similarly, as in the aviation sector, each Member State will be required to designate or set up a competent authority with sufficient resources and powers to oversee compliance of Union space operators. These NCAs are to have supervisory, investigatory, corrective and sanctioning powers. In addition, procedures will be put in place for member states that intend to designate qualified technical bodies for space activities.

b. The European Commission supported by the ESA at the EU level

The ESA will be granted new tasks in particular to support and assist the European Commission in the authorization and supervision of Union space operators of Union-owned assets (i.e. the assets created or developed under the Union Space Programme), in the registration of third country space operators and international organisations providing space-based data and space services in the EU. The ESA will also establish and manage the needed databases, including the URSO and the Union contact list database for high-interest event alerts. ESA will set up dedicated internal structures (such as a Compliance Board and Board of Appeal) to support and assist the European Commission.

11. Support for industry and EU Member States

The EU Space Act Proposal contains provisions on capacity-building measures and support for R&D in areas such as encryption technologies, protocols, and on-board safety systems. Alongside the requirements laid down in the EU Space Act Proposal, the European Commission will also develop a "Union Space Label Framework" to promote voluntary adherence to higher requirements on safety, resilience and environmental sustainability.

The European Commission proposes a targeted support package to help businesses and Member States with a smooth transition into the new regulatory framework. Special attention would be given to reducing administrative burdens and facilitating compliance, especially for startups, SMEs and small mid-caps.

In the meantime, lawmakers called for a ring-fenced budget of at least EUR 60 billion devoted to space policy and President Macron called for the next EU budget to earmark more money to boost Europe's space sector.

12. Interaction with the defence industry

The Joint Communication on the EU Space Strategy for Security and Defence states that a more systematic cross-fertilisation between EU space, defence and security initiatives would facilitate the development of dual-use EU space components taking into account defence and security needs under an overarching capability-driven approach[20]. At the same time, this Joint Communication recognises the need for avoiding an arms race in outer space and preventing it from becoming an area of conflict[21].

The EU Space Act would not apply to (i) space objects *exclusively* used for defence or national security purposes, irrespective of which space service providers carries out the space activities and (ii) space objects that have been temporarily placed for defence purposes under a military operation and control, for the duration of the respective space mission. The EU Space Act could thus remain relevant for certain "dual use technologies". The proposal contains a "national security clause" that states that the regulation shall be without prejudice to the responsibilities of member states for safeguarding national security and other essential state functions. It is worth noting that the European Commission recently unveiled the Defence Readiness Omnibus Bill, a comprehensive package of legislative and policy measures designed to bolster the EU's defence preparedness and remove regulatory bottlenecks hampering the defence ecosystem[22].

In the United States, the establishment of the U.S. Space Force highlighted the importance of space as part of a national defence strategy.

13. Initiatives in other jurisdictions

As part of the "One Big Beautiful Bill", significant investments in the space industry are to be expected, including significant investment in the U.S. Space Force.

Other nations such as China, India, Japan and the UAE are increasingly active in the space industry, in certain cases also through private actors.

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20 Joint Communication of the European Parliament and the Council, "European Space Strategy for Security and Defence", JOIN(2023) 9 final, 10 March 2022. See here.

21 Article IV of the OST states that "States Parties to the Treaty undertake not to place in orbit around the earth any objects carrying nuclear weapons or any other kinds of weapons of mass destruction, install such weapons on celestial bodies, or station such weapons in outer space in any other manner.
The moon and other celestial bodies shall be used by all States Parties to the Treaty exclusively for peaceful purposes. The establishment of military bases, installations and fortifications, the testing of any type of weapons and the conduct of military manoeuvres on celestial bodies shall be forbidden. The use of military personnel for scientific research or for any other peaceful purposes shall not be prohibited. The use of any equipment or facility necessary for peaceful exploration of the moon and other celestial bodies shall also not be prohibited.".

22 See here.

14. Space mining

It is worth noting that certain topics are currently not addressed in the EU Space Act Proposal. It cannot be excluded that these topics would be addressed as part of the legislative process involving the Council and the European Parliament. However, as things currently stand, these topics are not yet being addressed.

In our view, one important topic to highlight is "space mining", which involves the extraction of resources from extra-terrestrial bodies, such as the Moon, Mars, or asteroids. While such activities still represent significant technological challenges, these have started to draw attention from both state and private actors.

The current legal framework regarding space mining is not entirely settled.

- **OST**: this treaty contains a provision stating that outer space (including the Moon and other celestial bodies) is not subject to national appropriation by claim of sovereignty, by means of use or occupation, or by any other means[23]. The precise implications of this treaty provision for space mining are debated. The United Nations Office for Outer Space Affairs has set up a working group on the legal aspects of space resource activities, but the work of this working group is still ongoing[24]. Note that other provisions such as the Moon Agreement can also be relevant in this area[25].

- **The Artemis Accords**[26]: these are multilateral, not legally binding agreements (that do not constitute an international treaty but rather a political commitment of certain nations, and do not yet demonstrate an international consensus). These agreements contain a provision facilitating space mining activities, stating that "*the extraction and utilization of space resources, including any recovery from the surface or subsurface of the Moon, Mars, comets, or asteroids, should be executed in a manner that complies with the Outer Space Treaty and in support of safe and sustainable space activities*"[27], while affirming that "*the extraction of space resources does not inherently constitute national appropriation under Article II of the Outer Space Treaty, and that contracts and other legal instruments relating to space resources should be consistent with that Treaty*"[28]. Fifty-five nations are currently members of The Artemis Accords, including the United States, Israel, Japan and India, the United Kingdom and certain EU Member States, as well as the UAE, but not China and Russia[29].

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23 Article II of the OST.

24 For more information see here.

25 The 1979 Agreement Governing the Activities of States on the Moon and other Celestial Bodies (the "**Moon Agreement**"). See here. In line with the OST, the Moon Agreement states that "*the moon is not subject to national appropriation by any claim of sovereignty, by means or use or occupation, or by any other means*" (article 11.2 of the Moon Agreement). The Moon Agreement also states that "*State Parties to this Agreement hereby undertake to establish an international regime, including appropriate procedures, to govern the exploitation of national resources of the Moon as such exploitation is about to become feasible*" (article 11.4 of the Moon Agreement).

26 The Artemis Accords – Principles for cooperation in the civil exploration and use of the moon, mars, comets and asteroids for peaceful purposes. See here.

27 Section 10 (S*pace Resources*) of the Artemis Accords.

28 *Section 10 (Space Resources) of the Artemis Accords*.

29 Artemis Accords signatories as of May 2025: Angola, Argentina, Armenia, Australia, Austria, Bahrain, Bangladesh, Belgium, Brazil, Bulgaria, Canada, Chile, Colombia, the Republic of Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Estonia, Finland, France, Germany, Greece, Iceland, India, Israel, Italy, Japan, the Republic of Korea, Liechtenstein, Lithuania, Luxembourg, Mexico, Netherlands,

- **National legislation**: a number of states have adopted national legislation providing for a legislative framework with respect to space mining. These are the United States[30], the Grand Duchy of Luxembourg[31], the UAE[32], and Japan[33].

15. Timing and next steps

At this stage, the EU Space Act Proposal is a proposal for a Regulation, put forward by the European Commission. This proposal will now go through the "ordinary legislative procedure", involving the European Parliament and the Council, the two co-legislative bodies of the EU. The release of the proposal by the European Commission is thus a first step in a potentially long legislative process and there is no precise time yet by which the proposal will become law. Nevertheless, we would recommend that both EU and non-EU, as well as public and private sectors, actors with an interest in this area closely monitor the further steps in the legislative process, as it may have an important impact on their activities.

Once adopted, the EU Space Act would apply as of January 1st, 2030, subject to certain transitional provisions (e.g. a 2-year transition period for assets not yet launched on January 1st, 2030 for which the critical design review phases have already ended). The European Commission will also receive the power to adopt certain delegated acts.

New Zealand, Nigeria, Norway, Panama, Peru, Poland, Romania, Rwanda, Saudi Arabia, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, Ukraine, the United Arab Emirates, the United Kingdom, the United States, and Uruguay. In May 2025, Norway became the 55th nation to sign the Artemis Accords.

30 United States: U.S. Commercial Space Launch Competitiveness Act, directs the president, through appropriate federal agencies to: (i) facilitate the commercial exploration for and commercial recovery of space resources by U.S. citizens; discourage government barriers to the development of economically viable, safe, and stable industries for the commercial exploration for and commercial recovery of space resources in manners consistent with U.S. international obligations; and (ii) promote the right of U.S. citizens to engage in commercial exploration for and commercial recovery of space resources free from harmful interference, in accordance with such obligations and subject to authorization and continuing supervision by the federal government. A U.S. citizen engaged in commercial recovery of an asteroid resource or a space resource shall be entitled to any asteroid resource or space resource obtained, including to possess, own, transport, use, and sell it according to applicable law, including U.S. international obligations. See here.

31 The Grand Duchy of Luxembourg: Luxembourg adopted the Law of 20 July 2017 on the exploration and use of space resources. This law expressly recognizes that space resources are capable of being owned and requires an authorization from the competent Luxembourg ministers to explore or use space resources. An English translation of the law is available here.

32 The UAE: Federal Decree Law No. 46 of 2023 Regarding the Organization of the Space Sector, available at here and The Ministry of Cabinet Affairs Resolution No (19) of 2023 Regarding the Space Resources here.

33 Japan: Japan's Act on the Promotion of Business Activities for the Exploration and Development of Space Resources (Act No. 83 of 2021).

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