

# KEY FEATURES OF THE NEW UNITED ARAB EMIRATES REGULATIONS ON SPACE ACTIVITIES

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Consistent with the United Arab Emirates' ("UAE") 2030 Space Strategy, earlier this year the UAE Cabinet issued four new Cabinet Decisions under its 2019 Federal Law on the Regulation of the Space Sector ("2019 Law"). These decisions set some of the key ground rules for the conduct of space-related activities, including the exploitation of space resources. Understanding their scope and application to specific activities will be critical for companies considering operating space-related ventures from the UAE, including those interested in the UAE's generous AED3 billion National Space Fund.

## SCOPE AND KEY TERMS

The UAE's space sector regulatory regime applies to 'Space Activities', which are activities that target the area that is at least eighty kilometres above the mean sea level, and 'Other Space-Sector Related Activities', which are activities carried out below that height but are related to space and support Space Activities. It also contains additional provisions specific to 'Space Resource Activities', which are

activities related to the exploration, exploitation and use of non-living resources found in the region above the Earth's atmosphere (including minerals and water). 'Space Resource Activities' is broadly defined and includes extraction, recovery, refining, processing, use, ownership, purchase, sale, trading, transportation or storage of such resources.

## OBTAINING AN AUTHORISATION TO CONDUCT SPACE-RELATED ACTIVITIES

Under Cabinet Decision No. 18/2023 (the "Authorisation Regulation"), all space and space-related activities done in the UAE, in facilities associated with the UAE outside UAE territory, with space objects registered with the UAE, and by UAE nationals or companies with their headquarters in the UAE must be authorised by the UAE Space Agency (the "Agency"). Anyone wishing to establish a company in the UAE to carry out Space and Other Space-Related Activities must also first obtain a No Objection Certificate from the Agency.

Authorisations can take the form of a:

- **Licence:** for commercial activities;
- **Consent:** for non-commercial activities by government or academic or research entities;
- **Permit:** for specific activities to facilitate the implementation of other authorised activities; or
- **Trial licence:** for experiments or tests of technology or systems without a financial return.

To obtain an authorisation, prospective operators will need to apply to the Agency, which will then evaluate their application according to the criteria set out in the regulations. These criteria include risks to public health and safety; the UAE's interests and security, and its public policy and foreign relations; environmental protection; the applicant's competence, experience and ability to carry out the requested activities; there being an appropriate guarantee in place for compensation for damages caused to third parties; and the applicant's compliance with space-related laws and regulations, including in other States the applicant operates in.

The Agency will also consider a number of broader considerations when assessing applications for authorisations, such as: ensuring the efficient and rational use of natural resources such as radio frequencies and satellite orbits; and the security and safety of space-related activities (including how operators will reduce their negative effects on the outer space environment and mitigate the spread of space debris).

**"Operators are entitled to exercise ownership rights recognised under the UAE's laws over space resources the operator explores, exploits or uses through authorised Space Resource Activities."**

## REGULATIONS SPECIFIC TO SPACE RESOURCE ACTIVITIES

Cabinet Decision No. 19/2023 (the "Space Resource Regulation") allows for the exploration, exploitation and use of space resources as part of a Space Resource Activity. It further specifies that operators are entitled to exercise ownership rights recognised under the UAE's laws over space resources the operator explores, exploits or uses through authorised Space Resource Activities.

To obtain authorisation for a Space Resource Activity, an operator must comply with the Authorisation Regulation and the additional requirements set out in the Space Resource Regulation. This includes that the Agency must consider additional criteria before granting an authorisation for Space Resource Activities, including the UAE's international obligations, any potential harmful effects on the environment and space, and the rights of other States in relation to the Moon and other celestial bodies.

The Space Resource Regulation prohibits Space Resource Activities where they would pose a risk or threaten the UAE's ability to comply with its international legal obligations. Operators must also prove that they have taken all necessary measures to prevent or mitigate risks to safety, harmful effects on the environment, harmful pollution in space, the production of space debris, and harmful interference with other Space Activities, that their activities may cause.

## REQUIREMENTS TO PROVIDE A GUARANTEE FOR COMPENSATION FOR DAMAGES

"These recent UAE regulations demonstrate the UAE's commitment to developing a robust legal framework for the space sector and related activities."

Under Cabinet Decision No. 20/2023 ("Compensation Regulation"), operators of space and space-related activities are required to provide a guarantee in relation to compensation for damages their activities might cause. The amount required to be guaranteed is determined by the Agency after assessing the specific activities the operator proposes to undertake, their level of risk, the maximum potential losses that could arise, and any other elements the Agency deems relevant.

Operators are liable to pay compensation to third parties damaged by their activities up to their compensation limit as determined by the Agency. However, where third party damages exceed that limit, the UAE may have recourse against the operator

for any excess damages.

## PENALTIES FOR BREACHES

Finally, breaches of these regulations are subject to an administrative penalty regime set out in Cabinet Decision No. 21/2023. This includes fines ranging from AED50,000 (e.g. for failing to execute safety and security procedures in relation to manned space flights) to AED150,000 (e.g. for not notifying the Agency of the cancellation or amendment of an insurance policy). These fines may also be increased for subsequent violations and severe violations. Repeat offenders may also be subject to suspension or cancellation of their authorisation.

## CONCLUSION

These recent UAE regulations demonstrate the UAE's commitment to developing a robust legal framework for the space sector and related activities. Companies operating in this sector would do well to familiarise themselves with the new regulatory requirements and seek advice on how the rules may apply to their specific circumstances.

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