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Italy on the Moon

"DDL Spazio": a boost for the Space Economy

The Council of Ministers has formally approved the draft law regulating access to space **by operators of space activities** (the “**DDL Spazio**”), aimed at promoting investment, enhancing national competitiveness in the **space economy**, and fostering scientific research and expertise in an increasingly strategic sector.

The “DDL Spazio”, prepared after consultations with public and private sector stakeholders, represents a crucial step in the implementation of the 1967 **Outer Space Treaty (OST)**, the cornerstone of international space law.

Articles 6 and 7 of the OST, in particular, delegate to signatory States the responsibility, authorization, and oversight of national space activities conducted by both public and private entities. These articles also establish a regime of State liability for damages caused by space objects launched under their jurisdiction or from their territory.

Filling a longstanding regulatory gap, the Space Draft Law is built around **four key pillars**:

- i. The establishment of rules governing the conduct of space activities by operators within Italian territory, or by national operators outside of Italian territory (Articles 3-14);
- ii. The regulation of registration requirements of space objects for which Italy is the launching State, pursuant to the Convention on Registration of Objects Launched into Outer Space, signed in New York in 1974 (Articles 15-17);
- iii. The formalization of the liability regime applicable to space operators and the Italian State arising from the conduct of space activities (Articles 18-21);
- iv. The introduction of measures to promote the space economy at the national level (Articles 22-31).

Particularly noteworthy are the definitions provided by the “DDL Spazio” concerning the concepts of “space activities” and “space objects”.

Space activities are broadly defined to include any activity conducted in outer space or on celestial bodies, and specifically:

- i. launch, deployment, in-orbit management, re-entry, and removal/disposal of space objects;
- ii. assembly and production of objects in outer space and on celestial bodies;
- iii. exploration, extraction, and use of natural resources in outer space and on celestial bodies;
- iv. launch, flight, and habitation of living beings in space;
- v. activities conducted through stratospheric platforms and sounding rockets.

Similarly broad is the definition of a **space object**, which includes not only the object itself (e.g., a satellite), but also the launch vehicle and all its components.

Requirements for conducting Space Activities

Thanks to the "DDL Spazio", the conduct of space activities will be subject to specific **authorization**, except in limited cases where authorization granted by another State is recognized under Italian law based on national treaties or equivalency criteria.

Authorization will be issued by the Prime Minister, or the authority delegated to space and aerospace policies, following a procedure involving the Italian Space Agency (**ASI**), the Interministerial Committee for Space and Aerospace Policies (**COMINT**), and the National Cybersecurity Agency (**ACN**).

The granting of authorization will be contingent on verifying the **absence of impediments** (such as conflicts with the fundamental interests of the Republic, or ties between the operator and third States that do not adhere to the rule of law), as well as ensuring that the operator meets specific **subjective** and **objective** requirements.

Particularly significant are the objective requirements, which relate to both the **physical and cyber security** of space activities and satellite infrastructure, as well as the environmental sustainability of the space activities throughout their entire lifecycle.

ASI will act as the designated authority for technical regulation and operator oversight to ensure compliance with legal provisions, implementation acts, and conditions set out in the authorization, which may be suspended or revoked in case of non-compliance.

Severe **administrative penalties** are also imposed for the failure by the space operator to provide the requested information and documents, or for obstructing ASI's (Italian Space Agency) oversight activities, with fines ranging from **150.000** to **500.000** Euros.

Conducting space activities without authorization or after its expiration constitutes a **criminal offense**, punishable by imprisonment from three to six years and a fine ranging from 20.000 to 50.000 Euros.

The registration of Space Objects

The second pillar of the Space Draft Law is based on the obligation to **register** space objects within its scope.

Registration will involve the assignment of an alphanumeric code and, more importantly, the inscription in **the national public register of space objects launched into outer space**, established by ASI in 2005.

To ensure the effectiveness of registration obligations, the Space Draft Law imposes specific information and documentation requirements on operators to be fulfilled with ASI.

The liability of Space Operators

Another important aspect of the “DDL Spazio” is the liability regime applicable to space operators, which constitutes **strict liability**, irrespective of fault or intent.

In particular, the operator is always liable for damages caused by space activities, unless it proves that the damage was caused solely and willfully by a third party's conduct, which could not have been prevented, or that it was solely attributable to the conduct of the damaged party.

The **subsidiary liability** of the State is also regulated, in the event that the operator does not provide compensation for damages, with the requirement of the State's necessary involvement in litigation concerning compensation for damage arising from space activities.

To mitigate the risk of operators failing to provide compensation, the Space Draft Law mandates that operators obtain adequate **insurance coverage**, with a minimum coverage limit of **100** million Euros per incident.

Lower insurance limits may be established by a subsequent Decree of the Prime Minister (DPCM) for less risky scenarios, in any case not less than €50 million per incident, or, in the case of operators exclusively pursuing research purposes or classified as innovative start-ups, no less than 20 million Euros.

The development of Space Economy

Finally, the fourth pillar of the “DDL Spazio” concerns measures for the development of the space economy, through the establishment of a **National Plan for the Space Economy**, which will be reviewed and updated biennially.

Accompanying the National Plan is the **Space Economy Fund**, with an allocation of 85 million Euros for 2024, 160 million Euros for 2025, and 50 million Euros for 2026, financed by the proceeds from the authorizations issued for space activities. The Fund’s resources will be directed towards promoting the national space economy, commercializing space-related activities, fostering the growth of the market for space-based products and services, and supporting the use of national space infrastructure.

An interesting point also concerns access to data, services, and resources from national space infrastructures, which is to be ensured on a fair and non-discriminatory basis to contribute to the sector's sustainable development.

Finally, noteworthy are the special provisions on public procurement and support for companies operating in the space economy sector, which include various incentives for small and medium-sized enterprises (**PMI**) and **innovative start-ups**. For example, procurement tenders for public contracts not divided into lots must include a mandatory subcontracting requirement of at least 10% of the contract value in favor of SMEs and innovative start-ups, with the percentage of execution that the successful bidder intends to assign to such entities also being included among the award criteria.

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