Safer, greener, more consistent?

Introducing the planned EU Space Act

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Hardly any other topic has such a tangible cross-border dimension as space travel. And hardly any other topic has been so fragmentarily regulated to date. This is set to change with the planned EU Space Act, a <u>draft</u> of which was presented by the European Commission on 25 June 2025. The legislative process is following the normal procedure, which means that discussions will now begin in the European Parliament and the Council of the European Union.

Safety, resilience, sustainability

Three pillars support the legislative proposal with which the European Union aims to position itself at the forefront of space policy: safety, resilience and sustainability. The aim is to harmonise the multitude of national regulations in the European Union, thereby promoting investment, reducing costs and facilitating market access. With the planned Space Act, the European Union wants to be internationally competitive and strategically autonomous as a space policy player. The scope of the Space Act is conceivably broad: the new regulations are to apply to all EU and third-country providers offering services in the European Union. This includes not only space companies in the narrow sense, but also service providers whose activities, for example in the field of data processing, are related to space. The only space objects excluded from the scope are those used exclusively for defence or national security purposes.

Safety: Focus on preventive measures

The EU Space Act focuses on protection. One primary aim is to prevent space collisions. To this end, operators will in future be required to transmit real-time data on the position, course and status of spacecraft to the EU authorities. In the interests of sustainability, space debris is also to be reduced. By imposing an end-of-life disposal obligation on operators of space objects, the legislator wants to ensure that spaceships do not remain in orbit uncontrolled after the end of their mission. Finally, the preventive objectives of the EU Space Act are to be ensured by a licensing requirement for launches and operations: according to the draft, operators will need an EU-wide licence that includes comprehensive minimum technical requirements and safety standards.

Resilience: Basis for strategic autonomy

Protecting critical infrastructure against cyber attacks, system failures and external threats is essential for the European Union's desired strategic autonomy in the field of

space. To this end, the draft Space Act sets out cybersecurity requirements along the supply chain. Operators of space facilities and objects must systematically analyse and mitigate risks in development, operation and services provided. This includes, in particular, the obligation for space companies to submit a comprehensive security concept to the competent authority before commissioning. In addition, the Space Resilience Network, led by the <u>European Union Agency for the Space Programme (EUSPA)</u>, will establish a central platform for coordinating risk data, early warning systems and best practices at EU level.

Sustainability: Environmental awareness in space

Activities in space come at a price, including for the environment. The EU Space Act therefore sets the goal of reducing the environmental impact of space activities and promoting sustainable technologies. Specifically, the draft requires operators to record, analyse and report the environmental impact of their own projects from development to disposal ("Life Cycle Environmental Assessment"). Start-up emissions and fuels must be documented and transmitted to a central EU database. The new regulations also provide incentives for "green launches" by giving preference to sustainable technologies (e.g. reusable launchers or lower-emission fuels) in the approval and funding of facilities and objects.

Risk management: Enforcement and sanctions

The draft Space Act essentially provides for decentral implementation by national authorities, with supervision by the European Commission and EUSPA to ensure uniform implementation. The designated national authority as the competent authority has both investigative powers (e.g. access to business premises) and powers of intervention (e.g. injunctions or warnings). The liability regime for the planned Space Act still needs to be specified in more detail, in particular the amount of liability for damages. So far, the new rules don't provide for a liability cap, especially for recourse claims by the state against operators. To make sure the new rules are enforced effectively, Member States should also create rules to sanction violations of the EU Space Act in a way that's effective, proportionate, and dissuasive. In addition, the Commission may impose fines of up to 2% of global annual turnover across the EU. The planned new regulations also provide for specific criminal law provisions, particularly for activities with a foreign policy dimension (e.g. sanctions against Russia).

International interdependencies: Looking inward and outward

What do the new regulations mean for national development in Germany on the one hand and for cooperation with third countries on the other?

In Germany, the planned Space Act (WRG) had only reached the stage of a <u>key issues paper</u> before the coalition government collapsed. At the national level, a law regulating space activities is therefore still a long way off. However, the new coalition agreement provides for greater prioritization of space travel as a legislative issue. On the other hand, the planned EU Space Act simplifies cooperation with third countries by enabling the creation of so-called equivalence regulations. This refers to the recognition of American or British licensing requirements, for example, which should benefit international operators.

Key takeaways and outlook

The new regulations are expected to come into force on 1 January 2030, with a transition period of two years from approval – not much time given the complexity and scope of the proposed legislation. It is therefore advisable for affected companies to familiarise themselves with the EU Space Act at an early stage. The harmonisation of space travel offers great opportunities: the European Union is providing comprehensive support packages, for example for the crediting of green investments. However, it is also important to address compliance and risk management issues at an early stage with regard to the detailed programme of obligations.

BLOMSTEIN will closely monitor further developments and keep you informed. If you have any questions on the planned Space Act, <u>Dr. Leonard von Rummel</u> and the entire team is ready to assist you.

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