

Regulatory Briefing – March 2021

Europe

United Kingdom

BEIS launches consultation on designing a new domestic subsidy control system for the UK

On 3 February 2021, the Department for Business, Energy and Industrial Strategy (**BEIS**) published a [consultation](#) on subsidy control: designing a new subsidy control approach for the UK (**Consultation**), following the end of the Brexit transition period on 31 December 2020.

The Consultation sets out the Government’s aim to design a new subsidy control regime that:

- facilitates strategic interventions to support Government priorities, including supporting the COVID-19 economic recovery;
- takes account of the economic needs of the UK’s individual nations;
- protects the UK’s competitive and dynamic market economy; and
- ensures that subsidies are given in line with the UK’s international commitments including those in the UK-EU Trade and Cooperation Agreement, World Trade Organisation and Free Trade Agreements.

The Consultation seeks views on how the UK’s approach should be designed, including on: any additions to the principles underpinning the regime; the types of subsidies that should be considered; how policy impacts should be assessed; and how the regime should be overseen and enforced.

Responses to the Consultation will inform the primary legislation to establish the UK’s domestic subsidy control regime.

The deadline for responses to the Consultation is 23:45 (GMT) on 31 March 2021.

UK Space Agency (UKSA) launches space industry business support scheme

On 19 February 2021, the UKSA announced a 10-week [Business Accelerator program](#) offering free virtual sessions to entrepreneurs and businesses in the UK space sector. This includes companies which use space technology in their business or are open to exploring expansion into the space sector.

The scheme consists of two main strands:

- a series of eight hour-long events covering topics including innovative business models, industry developments, future forecasting and entrepreneurial skills; and
- a 10-week programme to help businesses establish a clear strategy to progress within the industry, through 90 days of targeted activity.

UKSA publishes details on the UK’s Space Based Position, Navigation & Timing (PNT) Programme

On 19 February 2021, the UKSA published [information](#) on how the UK will undertake the Space Based PNT programme (**SBPP**) that was announced in October 2020, which is intended to improve the resilience of UK critical national infrastructure.

The SBPP will assess and recommend a preferred option and delivery model for a UK PNT programme, utilising cross-Government experience and industry engagement through a Request for Information that was published in October 2020. The results of this engagement are being considered to inform an Outline Business Case (**OBC**) to be presented to Government.

The UKSA is looking for additional expert client-side support to develop this OBC and will release tenders to contract for this support, with contracts intended to run from April to August 2021.

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UK Government publishes Space Sector COVID Support Plan

On 25 February 2021, the UK Government published its [Space Sector COVID Support Plan \(Plan\)](#), developed by the Department for International Trade (DIT) in collaboration with: the UKSA; BEIS; the Foreign, Commonwealth & Development Office (FCDO), the Ministry of Defence (MOD); and the Cabinet Office.

The Plan sets out the objectives and rationale for a series of proposed Government interventions to support the UK space industry to recover from the economic impacts of the COVID-19 pandemic.

The Plan aims to develop the space industry across the UK through three key pillars as detailed below.

- Government coordination to: re-affirm alignment of international commercial objectives and resources of DIT, UKSA, BEIS, FCDO and MOD; understand the impacts of current export controls and trade barriers; revitalise cross-government co-ordination mechanisms; and adopt new governance and delivery approaches.
- Supporting exports and improving the accessibility of international markets, particularly for SMEs, through the launch of the Space Sector Export Academy, with the first cohort anticipated in 2021.
- Investment promotion through: the relaunch of the Leicester Space Park High Potential Opportunity to identify foreign direct investment opportunities; development of UK-wide space ecosystems through DIT’s regional networks and the UKSA-led space cluster development initiative; and the use of “GREAT” branding to create new space-specific marketing materials.

UK Government publishes response to Space Industry Regulations Consultations

On 5 March 2021, the UK Government published the [Space Industry Regulations Consultations: summary of views received and the Government’s response \(Response\)](#), detailing the outcomes of the [consultation on draft regulations to implement the Space Industry Act 2018 \(SIA\)](#) that closed on 21 October 2020 and the [consultation on draft insurance, liability and charging requirements to implement the SIA](#) that closed on 10 November 2020.

The Response notes that respondents were largely supportive of the regime and welcomed the flexibility offered to applicants in how they meet regulatory requirements. It also notes that respondents identified the need for greater alignment between requirements for different licence types and between the new regime under the SIA and the existing regime for orbital activities under the Outer Space Act 1986 (OSA).

The Response states that the following main clarifications and amendments will be made to the regulations and guidance:

- clarifications around regulatory requirements and terminology will be updated in the majority of instances identified by respondents;
- a traffic light system will be introduced under the SIA to give an early indication to licence applicants of whether they would meet acceptable risk thresholds;
- the Government will arrange an additional plenary session to assist orbital operator licence applicants to understand the relationship of the existing regime under the OSA and new regime under the SIA;
- safety requirements for spaceport and launch operator licences will be reviewed and combined in a revised Schedule 4, with new criteria relating to ‘human factors’;
- the Government supports the need for spaceport and launch operator licensees to share relevant safety information but will not make the sharing of safety cases mandatory;

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- the requirements for launch rehearsals will be expanded;
- further guidance will be provided on the licensing of launch activities from ships;
- the Regulations will be adjusted to clarify that precise information on payloads in launch operator licence applications is only required if the payload is known;
- the broad support for the charging proposals means that these will not be changed at this stage, although the Government will look further at charging solutions for constellation operators and provide details on this in due course; and
- the Government will carry out a review of insurance and liabilities requirements in 2021 following a range of queries.

The Response states that the Government will share the proposed licence application forms and orbital operator questionnaire over the coming months. A committee will be established involving industry and the spaceflight regulator to keep the regulations under review.

Luxembourg

Luxembourg ratifies the Registration Convention

On 27 January 2021, Luxembourg [acceded](#) to the United Nations Convention on Registration of Objects Launched into Outer Space (**Registration Convention**), becoming the seventieth state to do so.

As a party to the Registration Convention, Luxembourg will be required to establish a registry of space objects and inform the United Nations Office of Outer Space Affairs of all registered space objects.

European Union

European Commission presents Action Plan to improve synergies between civil, defence and space industries

On 22 February 2021, the European Commission (**Commission**) published an [Action Plan on Synergies between civil, defence and space industries](#) (**Action Plan**) to achieve the following main goals:

- to enhance the complementarity between relevant EU programs and instruments in research, development and deployment to increase the efficiency and effectiveness of investments;
- to promote the economic and technological dividends for EU citizens of EU funding for defence and space research and development; and
- to facilitate the use of civil industry research and innovation in European defence cooperation projects.

The Action Plan is intended to make use of EU funding opportunities for exploring disruptive technologies with applications across civil, defence and space industries, such as cloud, processors, cyber, quantum and artificial intelligence.

The Action Plan contains eleven targeted actions to achieve these goals, which focus on:

- creating a framework for synergies between EU programmes and instruments and identifying critical technologies and future capability requirements in order to develop technology roadmaps;
- supporting Small and Medium Businesses and Research and Technology Organisations including by setting up an ‘innovation incubator’ network; and
- preparing for the launch of three flagship projects on: drone technologies; a space-based secure connectivity system for all European citizens based on quantum encryption; and space traffic management.

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The Commission will oversee the implementation of the Action Plan, in cooperation with the European Parliament and European Council.

United States

The White House issues Interim National Security Strategic Guidance

On 3 March 2021, the White House released the [Interim National Security Strategic Guidance \(Guidance\)](#) to provide guidance for US departments and agencies in advance of a National Security Strategy.

The Guidance states that the Administration will focus on science and technology research and development investments and building digital infrastructure, including internet and 5G networks, with cybersecurity as a top priority.

The Guidance also notes the importance of ensuring the safety, stability, and security of outer space activities.

South America

Brazil

Brazilian Government issues Decree providing exemption from bidding process in cases which compromise national security

On 18 February 2021, the Government of Brazil issued [Decree No. 10,631](#), in relation to Article 24 of Law No. 8666 of 21 June 1993 which regulates government procurement.

Decree No. 10,631 provides that purchases and contracts for work or services are exempt from bidding as part of the public tendering process when disclosure of their location, need, characteristics, specification or quantity endangers national security objectives and when they are related to: intelligence; information and communications security; cybersecurity; and the launch of space vehicles and the respective

contracting of goods and services of the Federal Government for their operation.

International

The UK and Australia enter into ‘Space Bridge’ partnership

On 23 February 2021, the UKSA and DIT entered into the [Space Bridge Framework Arrangement](#) with the Australian Space Agency and Australian Trade & Investment Commission to create a ‘Space Bridge’ between the two countries to improve access to trade, investment and academic research.

The Space Bridge is also intended to enable greater policy dialogue and alignment and promote innovative bilateral collaborations.

The agreement complements the Free Trade Agreement negotiations underway between the two countries and forms part of a shift by the DIT towards exploring collaboration opportunities in the Indo-Pacific region.

Russia and China announce plans for a joint lunar space station

On 9 March 2021, the Russian space agency, Roscosmos and the Chinese National Space Administration (CNSA) signed a Memorandum of Understanding for the construction of the International Lunar Research Station (ILRS), a joint research facility “on the surface and/or in the orbit of the moon.”

The ILRS is described as a complex of experimental facilities for multidisciplinary and multipurpose research work including lunar exploration, lunar utilisation, scientific experiments and technology verification, with the prospect of a long-term unmanned operation and ultimately a human presence on the moon.

Roscosmos and the CNSA announced that they will jointly develop a Roadmap for the creation of the ILRS and will collaborate closely on its planning and development, as well as on the promotion of

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the project to the international aerospace community. Roscosmos and the CNSA have stated that the project will be “open to all interested countries and international partners.”



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