

Cabinet Resolution No. (20) of 2023

Regarding the Regulations Ensuring Compensation for Damage caused to Third Parties during the Exercise of Space Activities and Other Activities related to the Space Sector (liability towards third parties)

The Cabinet;

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competence of Ministries and Powers of Ministers, as amended;
- Federal Decree by Law No. (3) of 2003 on Regulating the Telecommunications Sector, as amended;
- Federal Law No. (12) of 2019 Regulating the Space Sector;
- Federal Decree No. (85) of 2000 Regarding the Treaty on Principles Governing the Activities of States in the Field of Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, and the two agreements related to these activities;
- Based on the proposal of His Highness, Chairman of the UAE Space Agency, and the approval of the Cabinet,

Has resolved:

Article (1)

Definitions

In application of the provisions herein, the following words and expressions shall have the meanings ascribed thereto, unless the context requires otherwise:

- State** : The United Arab Emirates.
- Government** : Ministries, public authorities and institutions, and all other federal or local
- Entities** : Government Agencies in the State.
- Agency** : UAE Space Agency.

- Board of Directors** : Board of Directors of the UAE Space Agency.
- Law** : Federal Law No. (12) of 2019 Regulating the Space Sector.
- Space Object** : An object that a person makes, launches, or aims to launch into the or from the Identified Area, whether manned or unmanned that shall include: the constituent parts of the Space Object, its Launch Vehicle and the parts thereof, including those that do not reach the Identified Area.
- Space Activities** : Activities that target the Identified Area, including its discovery, making an impact thereon, using, or utilising it, in accordance with the provisions of Article (4) of this Law.
- Authorisation Regulations** : Regulations related to Authorising Space Activities and other activities related to the Space Sector, applicable in the Agency.
- Identified Area** : Any area eighty kilometres or more above the mean sea level.
- Operator** : A person engaged in Space Activities, Space Supporting Flights, High Altitude Activities, Space Data management and distribution activities, or any other activities related to the Space Sector subject to this Law.
- Damage** : Loss of life, personal injury, or any other harm to health, or the loss or damage that is caused to the property of the State, the property of Persons, or the property of intergovernmental organisations.
- Insurance Contract** : Contract between the Insurance Company (and the intermediary, where applicable) and the Operator and any other Insured entities under which the Insurance Company is obligated to pay financial compensation to the Operator in the event of damage occurring or causing damage to a contracting party or a third party, or to pay compensation to a list of beneficiaries specified by the Insurance Contract. In exchange for the Insured paying a premium or instalments to the Insurance Company or insurance brokers.

- Insured** : The Operator (and, as the case may be, other entities covered by the Insurance Contract, which may include the owner of the Space Object) who is a party to the contract and shall pay amounts to the Insurance Company for the amount required to be covered under the Insurance Contract, which may include regular payment of insurance premiums.
- Indemnity Guarantee Document** : A document submitted by the Operator to the Agency for review and approval, which sets forth the Operator financial assurance regarding the coverage required for the Operator to comply with the requirements of this resolution. This may include an Insurance Contract or other type of financing or security acceptable to the Agency.
- Accident** : Accident caused by Space Activities, Space-Supporting Flights, or High Altitude Activities, that leads to the death of a person or severe damage thereto, or leads to the destruction or cause severe damage to a Space Object or aircraft used in a Space-Supporting Flight, or High Altitude Activities or the property on board or leads to the destruction or severe damage to any objects or property in the atmosphere or on the surface of the Earth.
- Maximum Potential Losses** : The total potential material losses in the event that the Operator causes an accident or incident that may lead to loss of life, damage to people, health damage, environmental losses, or damage and loss to property.
- Launch** : The process of launching or attempting to launch a Space Object into or through the Identified Area. This shall include all necessary preparations and activities at the launch site, up to the stage of the load separation and detachment from the head of the Space Object.
- Re-entry** : The process of returning or attempting to return a Space Object from the Identified Area, including stages and preparations necessary for its Re-Entry of the Earth atmosphere, until it settles on the Earth.

Space Debris : Space Object that has no role or purpose, or the remains thereof, and the materials, waste, or fragments resulting therefrom, whether in Outer Space, including the Earth orbit, or inside the Earth atmosphere.

Article (2)

Scope of Application

The provisions of this resolution apply to Operators, Authorisation Applicants, or Authorised Party by the Agency to conduct Space Activities or other activities related to the Space Sector in accordance with the provisions of the law and the regulations issued in implementation thereof.

Article (3)

Providing Compensation Guarantee Document

1. Any Operator or Applicant shall, before starting any Space Activities, submit a Compensation Guarantee Document acceptable to the Agency, during the Authorisation process as stipulated in the Authorisation regulations.
2. In its assessment of the Compensation Guarantee Document referred to in Clause (1) of this Article, the Agency shall take into account the nature of Space Activity, the risks associated with it, and the maximum possible losses.
3. The Compensation Guarantee Document stipulated in Clauses (1) and (2) of this Article shall be submitted in accordance with the terms, conditions, rules and requirements contained in this resolution.

Article (4)

Conditions for accepting proposal for a Compensation Guarantee Document

1. For the acceptance of the proposal for a Compensation Guarantee Document, the following conditions shall be met:

- a. Acknowledgment by the Applicant or the Operator that the information contained in the proposed Compensation Guarantee Document is correct and up-to-date.
 - b. The Compensation Guarantee Document shall remain valid throughout the period of practicing the Authorised Space Activity.
 - c. Proof of the ability of the Applicant or the Operator, or through its Guarantor or Insurance Company providing the required liability coverage to the Operator, to meet the liability compensation limit as specified by the Agency.
 - d. The Compensation Guarantee Document shall apply to the Applicant or the Operator and other Insured, in accordance with the Agency requirements.
 - e. The suitability and completeness of the Compensation Guarantee Document with the characteristics of the Space Activity that has been declared or will be declared.
2. the Applicant or the Operator shall submit a proposal for the Compensation Guarantee Document and all related information as required within the time specified by the Agency.
 3. The Agency shall respond to the Operator within (14) fourteen days of receiving the Compensation Guarantee Document and all responses to any inquiries submitted by the Agency to the Operator, either by accepting and proceeding with the Authorisation procedures or rejecting the proposal for the Compensation Guarantee Document, and the reasons shall be mentioned.
 4. Fail to respond within the period specified in the previous Clause shall be considered a rejection of the proposed Compensation Guarantee Document.

Article (5)

Estimation of the Limitation of Compensation for Liability

1. The Agency shall evaluate the limit of liability compensation for the Applicant or the Operator for each case separately, after evaluating the Space Activities and the level of risks, taking into account the maximum possible losses and any other elements that the Agency deems appropriate and relevant to estimating the limit of liability compensation.

2. Space Activities that do not constitute high-risk liability, a maximum limit of AED 250 million shall be set.
3. In the case of Space Activities that the Agency considers to be classified as high risk, the Agency has the power to evaluate and set the limits of liability for compensation that differ from those stipulated in Clause (2) of this Article.
4. When estimating the limit of compensation for liability for Space Activity during Authorisation procedures, the Agency shall take into account all factors it deems appropriate and relevant, which may vary according to the characteristics of Space Activities, including the following:
 - a. The type, size and weight of the Space Object being launched or re-entered, including other Payloads with it.
 - b. Type, characteristics and record of the Launch Vehicle or Re-entry "Return of the Space Object".
 - c. Register of the Operator and launch service provider or return to entry "Return of the Space Object".
 - d. The planned path/orbit and flight path pattern of the Space Object.
 - e. The orbit of the Space Object, the frequencies used, and the extent of their crowding.
 - f. Compliance with the Agency Space Debris Mitigation Guidelines (as amended from time to time) and the Space Object Disposal Plan.
 - g. Whether Space Activities consist of a single mission that includes several Space Objects such as a satellite constellation.
 - h. Any other factors that affect the risk of accidents or incidents, including the ability to respond and support business management and continuity.

Article (6)

Compensation liability

1. The Operator shall be responsible for compensating any third party who is exposed to damage as a result of Space Activities carried out in accordance with this resolution, up to the limit specified for his responsibility for compensation.
2. In case the Operator liability for damage resulting from the Space Activities he carries out exceeds the limit of compensation liability applicable to him, the State, whether through the Agency or any of the relevant affected parties, has the right to refer directly to the Operator and demand that he pay the compensation value in excess of the limit of compensation liability.
3. In the event that a person carries out Space Activities without obtaining the required Authorisation in accordance with the law and the Authorisation regulations, he will be responsible for the damages caused to a third party as a result of his practice of those activities, and his liability will be unlimited.

Article (7)

Required information

1. The Agency may request any information relevant to assessing the limit of liability and any requirements for a Compensation Guarantee Document from the Applicant or the Operator.
2. The Agency may request any additional information after its approval of the Compensation Guarantee Document proposal if it finds that the information provided is insufficient to estimate the compensation limit for liability or the requirements of the Compensation Guarantee Document.
3. The Agency may reject the Compensation Guarantee Document and similarly cancel any Authorisation issued to the Operator, in the event that the required information is not included in the form according to the Agency discretion.

Article (8)

Exemptions

1. The Applicant or the Operator may submit a request to the Agency to exempt some Space Activities or other activities related to the Space Sector from the requirements contained in this resolution. The Agency may also, on its own initiative, exempt these activities if the activities fall into one of the following categories:
 - a. Space Activity contributes to the development of the State Space Sector.
 - b. The possibility of meeting the limits of liability under this resolution due to the new nature of Space Activities and the lack of appropriate Insurance Contract, provided that Space Activities are authorised.
 - c. If the Agency decides that establishing liability obligations according to the nature of Space Activities and the Operator may constitute burdens on Space Activities.
 - d. Space Activities shall be for educational and research purposes and do not, according to the Agency assessment, represent significant risks to any third party or the State.
 - e. If the Agency or any other Government Entity in the State decides to be a guarantor to bear any responsibilities.
2. By resolution of the Chairman of the Board of Directors, a Temporary Committee will be formed to review the requests submitted regarding exempting the activities referred to in Clause (1) of this Article from the requirements contained in this resolution, in whole or in part, and to take the necessary resolution regarding them, provided that the exemption does not include submitting Compensation Guarantee Document.
3. The Applicant or the Operator shall provide all information and justifications as required by the Agency, if the Applicant applies for an exemption, in accordance with Clause (1) of this Article.

Article (9)

Other Compensation Guarantees

1. The Agency, in coordination with the relevant Government Entities in the State, may request the Applicant or the Operator to provide a Compensation Guarantee Document for the use and transfer of space nuclear energy sources or any other highly dangerous materials related to the activity.
2. Obtaining a Compensation Guarantee Document by the Applicant or the Operator in accordance with the provisions of this resolution shall not exempt the Applicant or the Operator from obtaining any other guarantees that are required in accordance with the provisions of any other legislation in which it applies.

Article (10)

Review and Audit of the Compensation Guarantee Document

1. The Operator shall inform the Agency, as soon as possible, of any changes in Space Activities or other activities related to the Space Sector or the Operator (including any institutional modifications that materially modify the nature of the Operator business, or any significant investments in the Operator ownership structure and/or Space Objects subject to Authorisation) for the purposes of enabling the Agency to evaluate whether, at any time, the Compensation Guarantee Document originally accepted under this Resolution remains sufficient and appropriate.
2. The Agency may conduct the necessary audit of the Operator and request whatever relevant information it deems appropriate, to evaluate the adequacy and validity of the Compensation Guarantee Document.

Article (11)

Compliance and reconciliation

1. the Applicant or the Operator shall comply with the requirements of this resolution, including providing the Agency with a Compensation Guarantee Document before starting any Space Activities or activities related to the Space Sector.
2. Anyone who practices Space Activities or activities related to the Space Sector that may cause harm to third parties or lead to liability towards third parties shall cooperate with the Agency regarding the assessment of risks related to existing activities, and shall reconcile in accordance with the provisions of this resolution within (6) six months from the date of its implementation.
3. The Board of Directors may extend the reconciliation period for another period, provided that it does not exceed two years from the effective date of the provisions of this resolution.

Article (12)

Executive Resolutions

The Board of Directors shall issue the necessary Resolutions for implementation of the provisions of this Resolution.

Article (13)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall be enforced after (90) ninety days as of the date of its publication.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by Us:

Dated: March 13, 2023

Corresponding to: 21/Shaaaban/1444 H