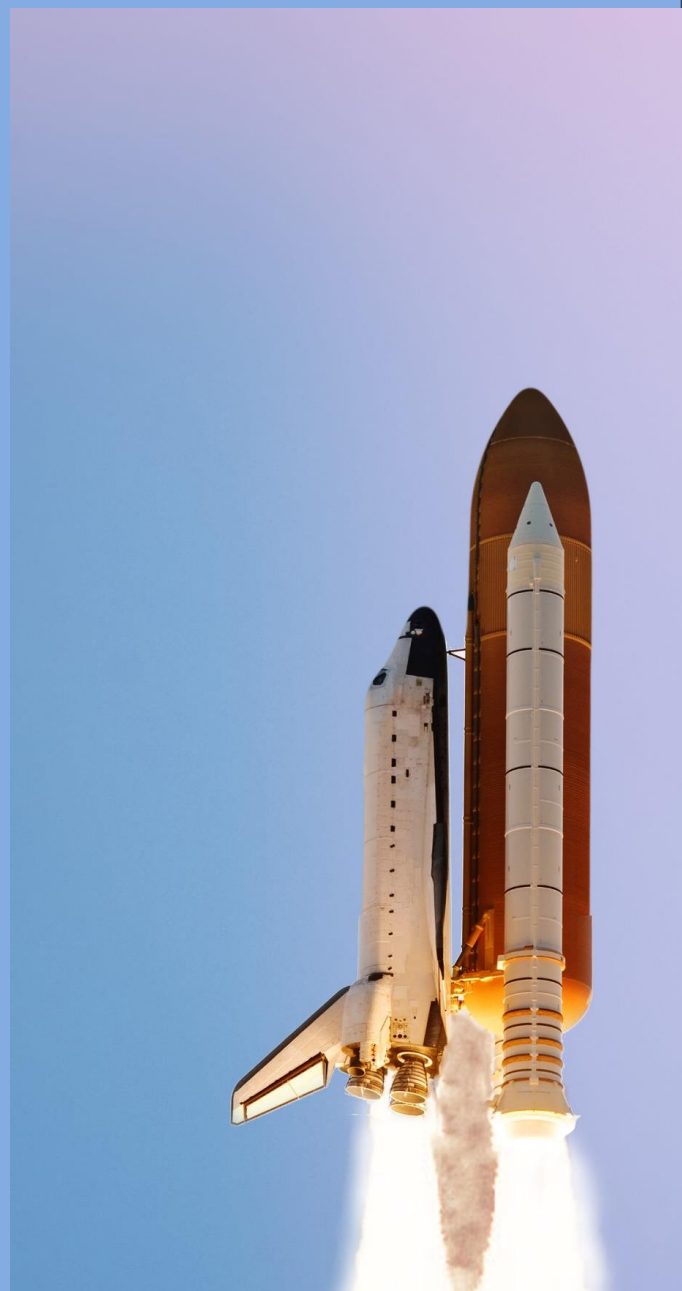


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Italy's first Space Economy Law has come into force

June 2025



Space Economy Law

Essential profiles

On 11 June 2025, the Italian Senate gave final approval to the draft law No. 1415 on Space Economy (“Law”), establishing the country’s first consolidated space regulation. This law aims to regulate access to outer space by operators, recognizing its status as a strategic crossroads of geopolitical, economic, scientific, and military interests and encourage investment in the emerging space economy.

1 Law’s core objectives

- Establish clear authorisation rules for any space venture initiated on Italian territory or by Italian entities abroad.
- Define operators’ responsibilities and sanctions for non-compliance.
- Promote a space economy by creating a national plan and a dedicated fund.

Ensure safety and sustainability in satellite infrastructure, debris mitigation and cybersecurity.

2 Subjective Scope

The Law applies to:

- Operators of any nationality carrying out space activities on Italian territory.
- Italian operators engaging in space activities abroad.

Exceptions exist for the Ministry of Defence and intelligence agencies due to confidentiality and national security concerns.

3 Objective Scope

- The Law includes “space activities” such as launching and managing space objects in orbit, operating satellite constellations, providing in-orbit services, and related operations.
- Suborbital flights exceeding 100 km but not staying in orbit are not explicitly mentioned in the definition of “space activities”, although they represent a new frontier for commercial space exploitation.

Authorisation Regime

1 Activities Requiring Authorisation

Before starting any space activity, it is mandatory a **prior authorisation** from the relevant authority, which is the Prime Minister, or a political authority delegated to oversee space and aerospace policies. Authorisation must be obtained through the Italian Space Agency (“ASI”), which verifies the technical and administrative requirements set out in the law within 60 days.

2 Application Process and Requirements

The authorisation to perform space activities is subject to the fulfillment of objective and subjective requirements, such as:

- Ensuring the **safety of space activities** in all phases and aspects.
- Making satellite infrastructure **resilient to cyber, physical, and interference risks**.
- Ensuring the **environmental sustainability** of space activities.
- Having the **professional and technical capabilities** required to carry out the activities for which authorisation is sought.

- Having adequate **financial soundness**, commensurate with the risks associated with the space activity and the size of the company.
- Holding **valid insurance contract** or another sufficient guarantee is mandatory, with minimum coverage thresholds set forth by the legislation.

If the ASI's outcome is positive, the relevant documentation is forwarded to the responsible authority. A final decision must be issued within 120 days of the application being submitted. Once authorised, operators must fulfil all safety and insurance obligations by the specified deadlines.

3 Potential Ground of Denial

Authorities may refuse authorisation if:

- The proposed space activity threatens national security or foreign relations.
- The operator is linked to states or entities that undermine democracy or international peace.
- The activity conflicts with a fundamental interest of the Italian Republic.

Regulatory Framework

Penalties

Administrative fines:

- Up to €500,000 for failing to provide information or obstructing inspections.
- Operating without a valid authorisation may result in imprisonment for three to six years and fines from €20,000 to €50,000.

Suspension or decadence of authorisation:

- The government may suspend or declare the operator's authorisation void if the operator breaches the provisions of the Law, fails to take out proper insurance or materially changes the scope of activity without approval.
- In urgent scenarios, the government may transfer control of the space operation to another operator or public body to ensure its safe continuation or termination.

Liability

The Law provides different types of liability in case of breach of its provision:

- Operator shall be liable for any damage caused to third parties on the Earth's surface, as well as to aircraft in flight, including people or property on board.
- If held liable by a foreign state, Italy may seek recourse from the space operator responsible for causing damage to people or property, provided this is done within twenty-four months of fulfilling the compensation obligations.
- In Italy, individuals harmed by space activities for which a foreign state is liable may file a loss report and request compensation with the Italian State within six months from the occurrence of the damage or from when its effects become apparent.

National Register

- The Law requires a National Register for space objects when Italy is the State of Launch. The Register is public and can be accessed online.
- In order to register objects launched into outer space, operators must promptly report several pieces of information to the ASI, such as the name of the state or states of launch, the date, territory or place of launch, and the general function of the space object.

Takeaways for industry players

1 National Fund for the Space Economy

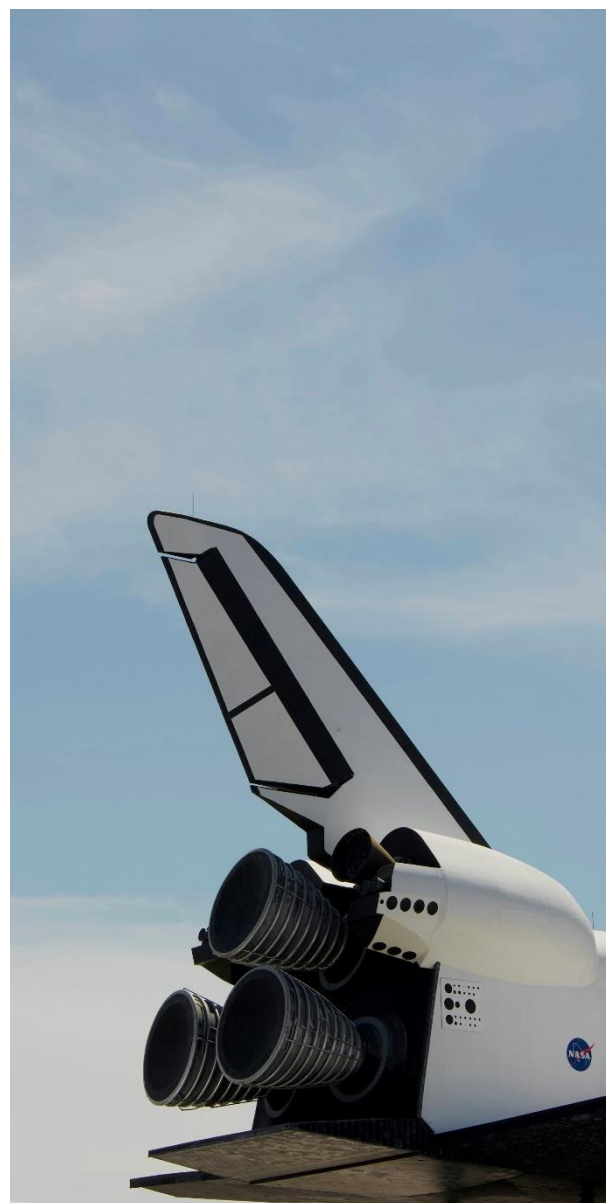
The law establishes a fund with an initial budget of €35 million for 2025, expected to be integrated into Italy's National Recovery and Resilience Plan, as well as programmes from the European Space Agency (ESA) and the Italian Space Agency (ISA). This fund will play a key role in fostering:

- **Innovation:** start-ups, innovative SMEs and supply chain projects can access financial support, with some projects receiving up to 70% of their required funding.
- **Infrastructure development:** financing will also cover the creation of new infrastructure, further encouraging technological growth that benefits the entire space industry supply chain.

2 Achieve Compliance in Italy's Space Economy

The Law sets out new principles and rules:

- **Mandatory insurance coverage:** Operators must hold insurance coverage of up to €100 million per incident. For lower-risk activities or smaller start-ups, the minimum coverage may be €50 million or, for innovative start-ups, €20 million. While many operators already have insurance, enshrining this requirement in legislation emphasises the importance of financial security and operational safety in space ventures.
- **Avoiding Sanctions:** To avoid sanctions from ASI, operators must carefully review the updated framework, understand its practical consequences, and adopt effective strategies.



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