

*Draft Regulations laid before Parliament under section 68(6) of the Space Industry Act 2018, for approval by resolution of each House of Parliament.*

## **20XX No.**

### **SPACE INDUSTRY**

#### **The Space Industry (Liabilities) Regulations 20XX**

*Made* - - - - **\*\*\***

*Coming into force in accordance with regulation 1(2)* **\*\*\***

The Secretary of State, in exercise of the powers conferred by sections 34(5), 34(6), 35(5)(b), 68(2) and (4) of the Space Industry Act 2018(a), makes the following Regulations.

In accordance with section 68(6) of that Act, a draft of this instrument was laid before, and approved by, a resolution of each House of Parliament.

In accordance with section 68(7) of that Act the Secretary of State has carried out a public consultation.

#### **Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Space Industry (Liabilities) Regulations 20XX.

(2) These Regulations come into force [on the day after the day on which they are made].

(3) In these Regulations—

“the Act” means the Space Industry Act 2018 and a reference to a section without more is a reference to a section of the Act;

“operator” means the holder of an operator licence(b).

#### **Limit on the amount of operator’s liability**

2.—(1) An operator licence must specify a limit on the amount of the operator’s liability in respect of—

(a) injury or damage arising out of spaceflight activities under section 34(2); and

(b) any third party liability arising out of spaceflight activities which may be incurred by the operator in respect of the death of or bodily injury to any person or damage to property not covered by section 34(2).

(2) The limit on the amount of the operator’s liability shall be determined by the regulator(c) having regard to, in particular, the spaceflight activities which the operator applicant proposes to carry out(d).

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(a) 2018 c.5.

(b) See section 3(2) for the definition of “operator licence”.

(c) “the regulator” has the meaning given in section 16(8) of the Act. The Civil Aviation Authority has been appointed to exercise every function conferred on the regulator by or under the Act under regulation 3(1) of the Space Industry Regulations (S.I. 2020/XXX).

(d) See definitions of “carry out” at section 1(2) and “spaceflight activities” at section 1(6).

(3) An operator licence must provide that the limit on the amount of the operator’s liability does not apply in cases or circumstances where—

- (a) the operator is liable in respect of gross negligence<sup>(a)</sup> or wilful misconduct in the performance of its obligations under the Act or regulations made under the Act;
- (b) damage or loss is caused as a result of the non-compliance by the operator with—
  - (i) any conditions of its licence;
  - (ii) any requirements under the Act or regulations made under the Act.

(4) In this regulation “operator applicant” means a person who is applying, has applied or intends to apply for an operator licence.

**Duty of the Secretary of State to indemnify**

3.—(1) The cases and circumstances prescribed for the purposes of section 35(5)(b) (power or duty of Secretary of State to indemnify) are—

- (a) cases where the operator is liable in respect of gross negligence or wilful misconduct in the performance of its obligations under the Act or regulations made under the Act;
- (b) circumstances where damage or loss is caused as a result of the non-compliance by the operator with—
  - (i) any conditions of its licence;
  - (ii) any requirements under the Act or regulations made under the Act.

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

Regulation 2 provides that an operator licence must specify a limit on the amount of an operator’s liability under section 34(2) of the Space Industry Act 2018 and for any third party liability not covered by that section. It also provides how that limit shall be determined, and where it will not apply.

Regulation 3 provides that the power or duty of the Secretary of State to indemnify for claims above an insurance or liability limit does not apply where the operator is liable for gross negligence or wilful misconduct, or where damage or loss is caused by non-compliance by the operator with any conditions of its licence or any requirements under the Act or regulations made under the Act.

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(a) See section 37(5) for the definition of “gross negligence”.