



Space arbitration

Luxembourg – the hub for settlement of space industry disputes



\$469 billion market

According to The Space Report 2022 published by Space Foundation, the rapidly expanding global space economy was valued at \$469 billion in 2021.



Appropriate dispute resolution mechanism for a flourishing space industry

Historically, the space industry has not generated disputes. Its main drivers were States and public institutions, and contracts contained specific mechanisms aimed at preventing disputes. However, this is likely to evolve over time, because the “New Space Economy” is skyrocketing. Hundreds of thousands of privately-owned space objects are expected to be placed in orbit in the near future.

High risks, substantial investments and significant value are clearly at stake. Given the potential political implications of disputes in this field (involvement of States and public organisations, multinational actors and dual-use technologies), the relevant players need a stable, neutral and predictable dispute resolution mechanism.

Large aerospace companies and international organisations already opt for arbitration, e.g. European Space Agency contracts mandatorily include ICC arbitration clauses.



Luxembourg: a hub for the space industry and space arbitration

Strengths of Luxembourg as an arbitration forum for the space industry

Neutrality and stability

- Luxembourg is traditionally a neutral jurisdiction, adopting a balanced approach among larger regional players.
- Luxembourg has benefited from political, social, economic and legal stability for decades.



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Unparalleled expertise

- Luxembourg has a modern arbitration law inspired by French law and the UNCITRAL Model Law.
- Luxembourg is one of the 172 signatories to the 1958 New York Arbitration Convention which creates a harmonised framework for the recognition and enforcement of foreign arbitral awards.
- The arbitration rules of the Luxembourg Chamber of Commerce are modelled on the ICC Arbitration Rules. They are liberal and flexible, and are administered in that spirit by the Luxembourg Arbitration Center.
- Luxembourg is a pioneer in the commercialisation of space exploration. It has enacted a far-sighted and business-friendly legal framework catering for all space-related activities.
- Specialists in every aspect of the space industry are located in Luxembourg: lawyers, managers, engineers and academics. They have industry knowledge and understand the complex and technically sensitive issues.

Confidentiality

- The confidentiality of arbitration is the default position under Luxembourg law.
- Parties to arbitrations with a seat in Luxembourg can also take additional measures to protect the confidentiality of information *vis-à-vis* the other party and competitors.

How Arendt can assist you

Drafting appropriate arbitration clauses and acting as your trusted advisor in space industry disputes relating to, among others:

- general contractual and investment disputes
- manufacture, launch and operation of space objects, including chains of contracts (procurement, launch, insurance, data transmission)
- accidents during testing or commissioning
- launch delays or failures
- incorrect positioning
- loss of power in-orbit
- transponder failures
- disruption of transmissions
- in-orbit services
- use of frequency bands
- harmful interference
- space traffic management or collisions
- space mining missions, exploration and use of space resources

Our knowledge of space law and the space industry provides you with a significant strategic advantage in an arbitration!

Your experts

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