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Norms, Guidelines and Procedures for Implementation of Indian Space Policy-2023 in respect of Authorization of Space Activities (NGP)

INTRODUCTION

In a significant move to propel growth India's space sector, the Government of India and the Indian National Space Promotion and Authorization Centre (IN-SPACe), on May 4, 2024, released the Norms, Guidelines, and Procedures for implementation of the [Indian Space Policy – 2023](#) (Policy) in respect of authorization of space activities (NGP). Earlier, the government of India had released the Policy on August 10, 2023, which aims to regulate and specify the activities that Indian entities operating in the space sector can undertake.

The Policy was drafted to bolster the capabilities of Non-Government Entities (NGEs) operating within the space industry while laying down foundation stone for the regulatory framework. Key to the implementation of this policy is the delineation of roles and responsibilities among three pivotal entities: the Indian Space Research Organisation (ISRO), New Space India Limited (NSIL), and IN-SPACe. IN-SPACe, an autonomous nodal agency operating within the Department of Space, established in October 2021, is the regulator of all space activities conducted by both governmental and NGE's within the country.

AUTHORIZATION REQUIREMENTS: NAVIGATING NGP

NGP serves as a comprehensive framework outlining the authorization requirements for Indian entities venturing into the space sector. The ambit of activities requiring authorization is broad, encompassing the establishment and operation of space objects, space transportation systems, re-entry plans, ground systems, dissemination of earth observation data, and even the sale or transfer of space objects in orbit.

Our key observations for securing authorisation from IN-SPACe for undertaking space activities are:

- NGP mandates that any entity undertaking space activities within

or from Indian territory must seek authorization from IN-SPACe.

- Only Indian entities, whether governmental or non-governmental, are eligible to seek authorization under NGP. However, non-Indian entities seeking to operate within Indian territory can do so through Indian entities.
- NGP recommends various permissible corporate structures for such arrangements, including subsidiaries, joint ventures, partnerships, or trusts.
- For certain activities like communication services and earth observation data dissemination, non-Indian entities can directly seek authorization from IN-SPACe.
- NGP mandates Indian control over the entities operating in space sector, and heavily focuses on the role of Key Management Personnel (KMP). NGP defines KMP differently for various permissible structures. For companies under the Companies Act, KMP includes chief executive officer (CEO), managing director, manager, company secretary, whole-time director, chief financial officer (CFO), chief operating officer (COO), and other officers. For partnership firms under Limited Liability Partnership Act, 2008, KMP includes partners, designated partners, chief managing director (CMD), CEO, CFO, COO. For trusts under Indian Trust Act, 1882, KMP includes author, trustees, CEO, CMD, CFO, COO.

PROCESS OF AUTHORIZATION: MEETING THE CRITERIA

NGP has introduced a streamlined process for seeking authorization through the [IN-SPACe Digital Platform](#) (IDP). NGP provides for a timeline of 75 to 120 days for approval upon receipt of application of complete application,

inter-ministerial/departmental consultations. Applicants must demonstrate compliance with varying levels of requirements based on their proposed activities, including financial capabilities, technical capabilities and operational infrastructure. The definition of 'control' under NGP emphasizes on the ability to influence management or policy decisions, ensuring that authorized entities maintain Indian management and control.

DUTIES OF THE APPLICANT: COMPLIANCE IS KEY

Entities seeking authorization are bound by certain duties outlined in NGP. These include adhering to safety and security protocols, mitigating space debris and environmental impacts, procuring mandatory third-party liability insurance, and maintaining transparency with IN-SPACE regarding any changes or incidents. Non-compliance with these duties may result in the revocation of authorization.

REGISTRATION OF SPACE OBJECTS: ENSURING ACCOUNTABILITY

NGP mandates the registration of space objects in the National Registry, reflecting India's commitment to international obligations concerning liability for space activities. Eligibility criteria for registration include Indian ownership and control, with specific requirements for subsidiary/joint ventures involving non-Indian entities. The registration process also involves thorough evaluation and ongoing reporting to IN-SPACE to ensure compliance with space debris mitigation measures.

LIABILITY: MITIGATING RISKS

Entities engaging in space activities must procure mandatory third-party liability

insurance in accordance with NGP and international conventions. Launch service agreements must include clauses transferring liability to non-Indian entities for space objects launched by Indian entities. Additionally, entities are liable for any expenses incurred by IN-SPACE or the Government of India due to their activities.

CONCLUSION: EMBRACING REGULATORY CLARITY

NGP mandates that entities obtain a fresh authorization in case of any change in management and control resulting in the transfer of control to non-Indian entities or if the applicant is no longer under Indian management and control. NGP also requires authorized entities to notify IN-SPACE of any change in shareholding pattern, key managerial personnel, or equivalent changes in partnership or trust. Therefore, it is crucial to structure the Indian entity in a way that ensures stability in terms of shareholding and management for the duration of the intended project.

NGP represents a significant stride towards providing regulatory clarity and promoting indigenous capabilities in India's burgeoning space sector. While applying for authorization applicants should be vigilant, ensuring compliance with requirements as IN-SPACE reserves the right to reject or short close the application. Therefore, adherence to NGP will be paramount for entities aiming to capitalize on India's space ambitions while contributing to the nation's strategic objectives.

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