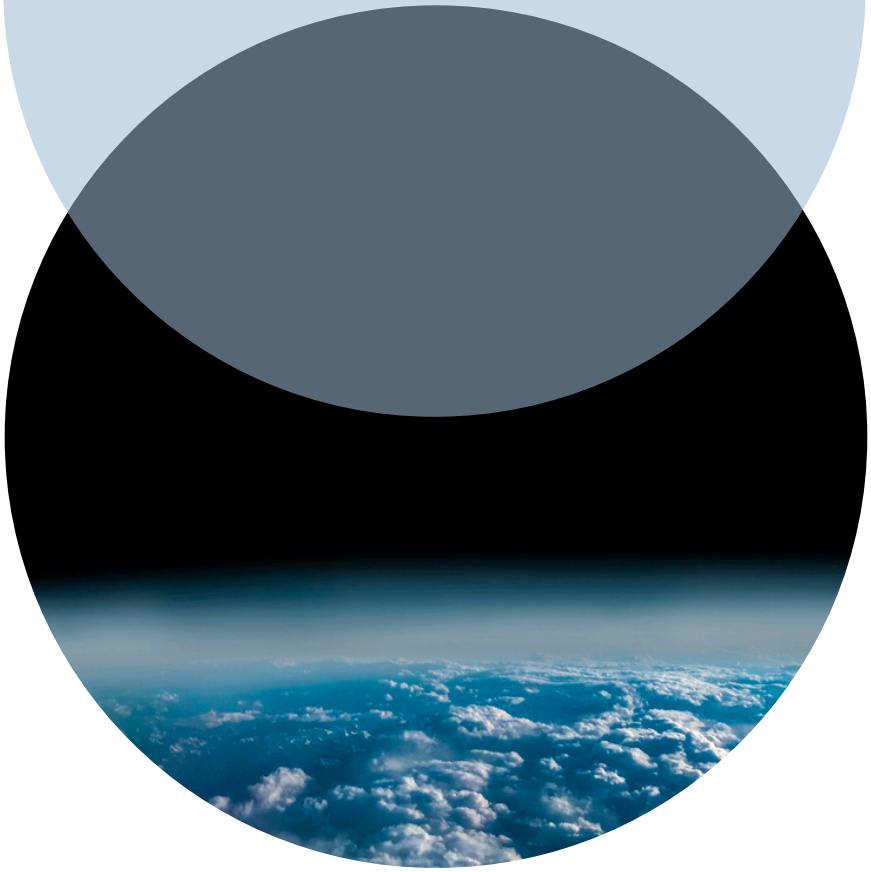
EU Space Act: A Political Deal in Parliament, an Open Text in Council. What It Means for Operators, Investors and Financiers?

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This Wednesday, November 4th 2026, the political groups in the European Parliament's Committee on Industry, Research and Energy (ITRE) reached a package deal on the EU Space Act (2025/0335(COD)).

The deal is political, not yet legal: the formal committee vote is expected on 19 November, after which the committee's mandate may be taken directly into trilogues with the Council, unless it is challenged in plenary.

On the Council side, the more recent Irish Presidency's compromise text of 29 October 2026 (15118/26) remains under discussion in the Working Party on Space, with all delegations maintaining scrutiny reservations.

It is worth recapping the path so far:

- On 25 June 2025, the European Commission published its proposal for an EU Space Act, aimed at creating a harmonised internal market for space services and data through common rules on authorisation, registration, safety, cybersecurity, resilience and environmental sustainability;

- The public consultation, which closed in November 2025, generated more than 3,500 pages of comments, with criticism focused on inconsistent definitions, misalignment with national space laws, the free-movement clause and the scope for stricter national requirements, the new qualified technical bodies, the authorisation timeline, and the interplay with the Network and Information Security Directive (NIS2), the Critical Entities Resilience Directive (CER) and EU telecoms law;

- On 5 December 2025, the Danish Presidency circulated the first Presidency compromise text, and on 9 December 2025 Ministers debated the proposal at the Competitiveness Council, supporting its objectives while stressing the need for simplification;

- On 3 March 2026, the ITRE rapporteur, Elena Donazzan, published her draft report, which was presented to ITRE on 24 March 2026, with the Internal Market and Consumer Protection (IMCO) and Environment, Public Health and Food Safety (ENVI) committees also issuing their own proposals;

- On 30 March 2026, the Cypriot Presidency published a revised Council compromise text;

- On 14 April 2026, some 3,800 amendments to the draft report were tabled in ITRE, including a comprehensive Renew Europe package proposing the EU Agency for the Space Programme (EUSPA) as the sole certifying authority within a 3-month timeline and the European Space Agency (ESA) as the sole qualified technical body, while other ITRE amendments proposed deleting the host-State option to impose stricter requirements;

- On 8 May 2026, the Cypriot Presidency issued a progress report, noted at the Competitiveness Council of 29 May 2026, recording that the compromise text moves in the right direction but that scope and dual-use exemptions, governance and the treatment of third-country operators remain open, with all Member States maintaining scrutiny reservations, while Commissioner Kubilius expressed the hope of reaching an agreement under the Irish Presidency;

- On 29 October 2026, the Irish Presidency circulated a revised Presidency compromise text for the Working Party on Space meeting of 3 November 2026, and all delegations maintain scrutiny reservations.

Abreu Advogados has been actively contributing to the ongoing discussions, namely through participation under the public consultations and the position paper of the Portuguese Aeronautics, Space and Defence Cluster (AED Cluster Portugal), and keeps closely monitoring progress to support the ecosystem awareness and all purposes deemed relevant.

The direction of travel is now clear. Even if the precise rules are not yet settled, for businesses this is exactly the moment to act.

Once adopted, the rules are expected to apply realistically not before 2029–2030. The horizon is shorter than the life of most satellites, leases and offtake contracts being signed today. As such, operations today must consider the legal framework for tomorrow.

There are two aspects operators, investors and financiers need to consider when monitoring the Trilogue that will define the last and final detail of this steppingstone: the discussion of the terms; and its broader policy environment.

1. Focus points for the Trilogue

Built on Article 114 of the Treaty on the Functioning of the European Union (TFEU), the Act is an internal-market instrument. It aims to complement and partially replace a patchwork of 13 national space laws in force – plus others under national legislative process - with common EU requirements on safety, resilience and environmental sustainability, applying to EU operators and to non-EU operators providing operational space services or space-based data in the Union.

In practice and as it stands, the institutions are setting a gateway to sell in Europe: originally proposed by the Commission as an authorisation, followed by registration in a Union Register managed by EUSPA, the mechanism under the Act was adjusted under the Council text into an EU Space Act (EUSA) certification for EU operators, with a separate entry route into the Union Repository of Space Activities (URSA) for third-country operators, in an authorisation process in essence led by the Member States.

This is where the Space Act reaches further than most early commentary acknowledged. As originally proposed by the Commission, registration of authorised providers before EUSPA, and the compliance it presumes, are evidenced by an e-certificate.

Should that mechanism survive the trilogue, this e-certificate shall sit at the heart of third-country operators' ability to serve the EU market, acting as condition precedent at signing, representation at closing, continuing covenant during the term and termination trigger if it lapses.

With the broad strokes stabilized, and indications from ITRE that the certification mechanism could be adopted, there are four key aspects still to be discussed at the Trilogue among the institutions:

- Cybersecurity: The Commission designed the Act's resilience chapter as lex specialis for space operators already covered by NIS2. Both the ITRE rapporteur's draft and the Council compromise move away from that model and towards integration with NIS2. The outcome will decide whether operators run a single NIS2 compliance programme with space-specific additions, or two parallel regimes. For the industry, costs with duplication of evidence and processes could be a concern – synergies and common denominators must be identified that may bridge the processes required for both at the same enterprise.

- Deadline for Certification: The ITRE rapporteur's draft report proposed cutting the maximum period from 12 to 6 months, and Renew amendments a 3-month EUSPA timeline, while the Commission's proposed 12-month period, susceptible to suspension, has so far been retained in the Council texts, with Member States preserving the role of national authorities. For new constellations, this is a time-to-revenue issue, not a procedural detail. This change may be crucial for EU's competitiveness in the international market.

- Third-country operators: The Council text determines application of the Act wherever operational space services are provided in the Union or space-based data enter it, which reaches global constellations, Earth-observation supply chains and hosted payloads. While in benefit and protection of the European market, measures should be considered to prevent disengagement with global players who may, themselves, boost the European economy and the quality of life of its citizens. The scope of equivalence decisions, the EU legal-representative requirement and the verification route will determine whether non-EU operators face a manageable gateway or a structural barrier, with clear implications for international cooperation frameworks and reciprocal market access.

- Sustainability: Footprint declarations and life-cycle assessments are moving from soft law to binding requirements, although the ITRE rapporteur and industry favour a more technology-neutral and proportionate approach, notably softening the proposed light-pollution requirements.

2. The wider package: the Space Services Agency, the Multiannual Financial Framework and the European Competitiveness Fund

The Act cannot be read in isolation. The proposed Regulation on the European Union Space Services Agency (COM(2026) 152; 2026/0084(COD)) would give EUSPA a self-standing founding act, an expanded mandate to support the Act's implementation, including fee-based services whose legal basis is to be set in the Act, and a proposed budget for 2028–2034 almost twice as the current. It is intended to apply from 1 January 2028.

On the funding side, under the Commission's proposal for the 2028–2034 Multiannual Financial Framework (MFF), the new European Competitiveness Fund (ECF) includes a window covering resilience, security, defence industry and space, with a proposed EUR 125.2 billion within a total ECF envelope of EUR 234.3 billion. In June 2026, the Council agreed only a partial general approach that excludes the financial figures.

Taken together, the three files form a single policy: a rulebook, an agency and a funding pipeline. The same framework that imposes compliance costs will also shape public procurement, dual-use contracts and downstream-services opportunities.

In space finance, a satellite is only as valuable as its right to serve customers: a spacecraft can perform flawlessly in orbit and still lose much of its value if its operator cannot obtain or keep EU authorisation, registration, certification or verification. For lenders, lessors and buyers, the Act is therefore a revenue-continuity risk: it should be reflected in due diligence, valuation and covenants, not filed away as a regulatory formality.

What to do now

Map your EU nexus, including where you are established, where your data lands and who your customers are. Identify whether a legal representative, an equivalence route or EUSA verification will be needed. Start planning compliance audits to confirm the conditions of the e-certificate. Bring your NIS2 and Space Act cyber planning into one programme. Start building environmental-footprint evidence. Add change-in-law and market-access provisions to transactions signed now.

For stakeholders developing their activity in Portugal, mapping the upcoming interactions of the Act and adjacent regulatory package with Decreto-Lei n.º 16/2019, as amended by Decreto-Lei n.º 20/2024, under which the National Communications Authority (ANACOM), as the national Space Authority with licensing powers, should also be a priority. Operators already licensed or applying under the Portuguese regime should assess how EUSA certification will dovetail with existing national authorisations and whether transitional recognition will be available.

Abreu Advogados remains committed to follow closely each step of the legislative process and support operators, investors and financiers turning these developments into clear contracts and sound investment decisions.

Thinking about tomorrow? Let's talk today.



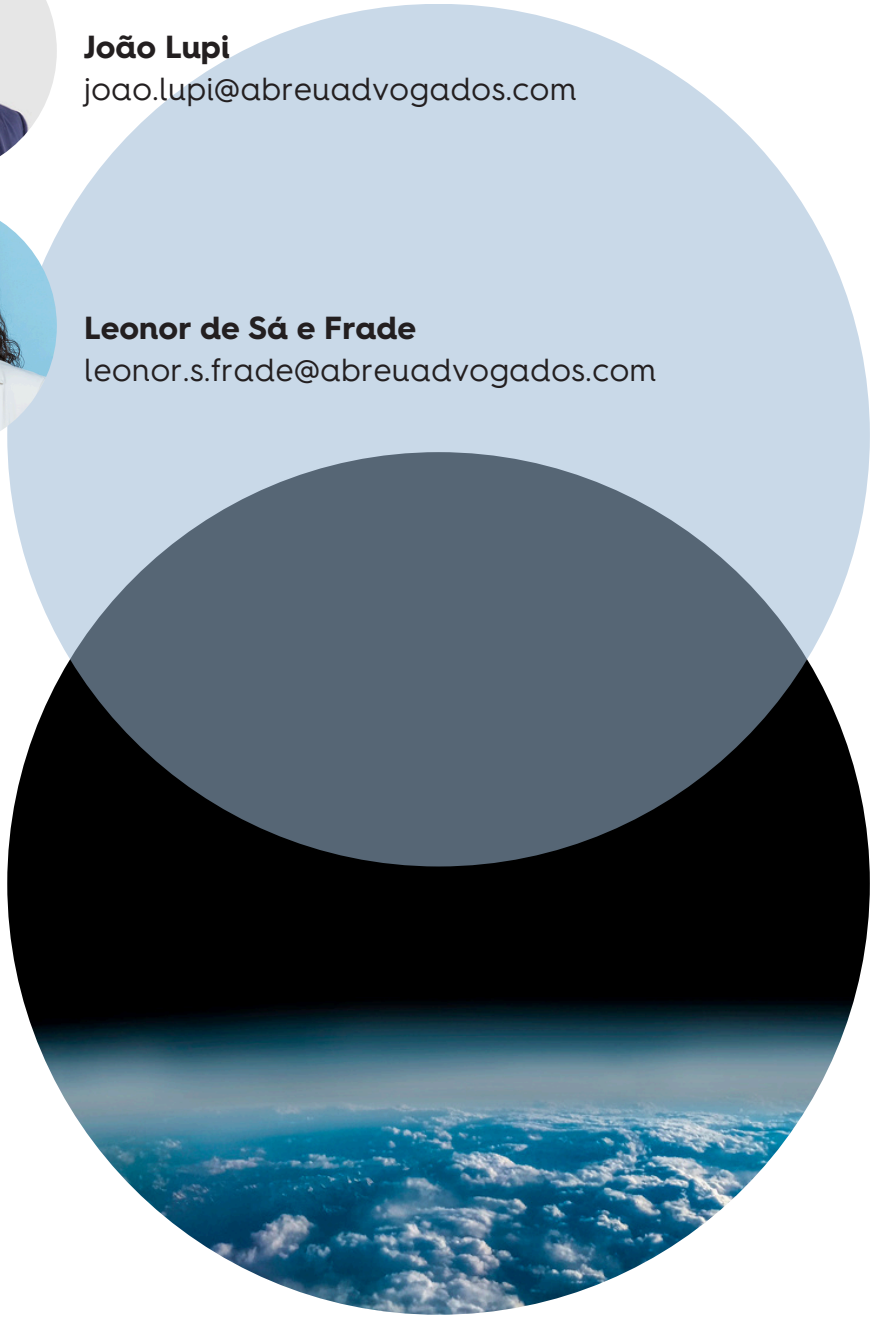
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