



THE 2022 MANFRED LACHS SPACE LAW MOOT COURT COMPETITION

INTERNATIONAL COURT OF JUSTICE

**Case Concerning Registration and
Damages Involving Objects Manufactured in Space**

CANDIDIA

(APPLICANT)

vs.

XENOVIA

(RESPONDENT)

AGREED STATEMENT OF FACTS



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Damages Involving Objects Manufactured in Space**

Agreed Statement of Facts:

1. The year is 2032. Candidia became an independent nation in 2010. On 1 July 2020, Candidia adopted its National Legislation on Space Affairs (NLSA), and has a thriving space sector, including launch services and satellite fabrication. As a matter of practice, Candidia relies on the technical representations and internal reports of applicant companies seeking authorization under the NLSA, without further independent verification. The Candidian tax codes are favorable to investors, and launch services companies are exempt from taxation.
2. Respondent Xenovia is an archipelago nation, comprised of small volcanic islands, located three hundred kilometers from Candidia. Most of its now permanent inhabitants came from other island nations that were in danger of losing their livelihood due to sea level rise in that particular part of the ocean. While Xenovia's population is small, it is very wealthy and well educated, and it has attracted many scientists and engineers with training in space-related activities and new 3D printing technologies. Part of the archipelago is near the Equator, making it ideal for efficient and cost-effective launches of satellites to geostationary orbit (GSO). Xenovia has become a preferred launch site for military satellites of several other countries to GSO, even though Xenovia itself has a very small military force.
3. Candidia and Xenovia are both Signatories to the 2001 Cape Town Convention on International Interests in Mobile Equipment and have adopted the 2012 Protocol on Matters Specific to Space Assets. Both States ratified the Cape Town Convention and the Protocol on Matters Specific to Space Assets in 2026. The regime under the Convention and Protocol became operative in 2027 when the newly formed Space Asset Registry Foundation was established by the Parties to serve as the Supervisory Authority. The Space Asset Registry (SAR) was met with considerable reticence and skepticism from industry during the negotiation process, as it did not take into account the input of large, well-established satellite operators. However, some States, including Candidia, were fully supportive and required satellite operators to use the new system and register their international interests.



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4. Over the previous decade, new communication satellite systems in LEO (Low Earth Orbit) and MEO (Medium Earth Orbit) have proliferated, with some systems comprising thousands of satellites. Over the same period, satellites launched to GSO have seen a slight decrease in numbers. In the mid-2020s, the diverse multi-national consortia ownership structure of satellites making up these constellations meant that individual satellites within the same constellation were registered by a multitude of different states depending on the nexus with the owners of the individual space objects. In addition, some satellites were also placed on the SAR by Parties to the relevant instruments.

5. Xenovia and Candidia compete with each other, and with several other States that are engaged in launch services and other space activities, and are actively seeking investors for their private domestic space sector, including funding for satellite systems and for possible future space stations. Candidia, through its State-owned Investment Fund, has sought to gain ownership of various satellite systems through commercial acquisition of the owners/operators of relevant satellites. It has also actively promoted itself as a State of Registry to new satellite operators, through low registration fees and by requiring minimal information as to the purpose and function of spacecraft, or their ownership and control. Candidia follows the guidelines set forth in the NLSA, and believes these are sufficient and in compliance with the 1976 Registration Convention. The information to be provided for the international registration as provided in the NLSA includes (i) the Name of launching State(s); (ii) a designator or registration number of the space object; (iii) the date and location of the launch; (iv) the basic orbital parameters; and (v) the general function of the space object.

6. In addition, the general corporate and banking laws of Candidia provide that the identity of company shareholders and the owners of financial accounts are not subject to compulsory disclosure. Its banking laws further provide that creditors are granted a limited power of attorney to execute documents on behalf of debtors in furtherance of their contracts.

7. In 2022, Candidia established a national registry of objects launched into space, but it is incomplete and not up to date. Several States have accused Candidia as acting as a 'flag of convenience' for new satellite systems, noting that the identities and nationalities of the owners of the space objects are shielded from disclosure by Candidia law. Candidia asserts that all entities with an international interest in space assets can and should list their interests in the SAR.



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8. On 1 July 2024, Candidia’s Ministry of Communication and Space Affairs, aiming for better coordination of frequencies and avoidance of potential harmful interference of signals, notified the International Telecommunication Union (ITU) of its intent to launch a large constellation comprising more than 10,000 satellites as a launch service provider. Parts of these satellites would be manufactured on Candidian territory, while other components would be manufactured in orbit with the use of 3-D printers. The ITU, through its Radiocommunication Bureau, sent an official letter in early 2025 informing Candidia that, due to the existing high volume of filings for new satellite systems, the time for processing a filing could be as long as seven years, even for ‘replacement’ satellites.

9. The lack of effective Space Traffic Management (STM) systems has become an increasingly significant issue for the ITU, as well as in the United Nations’ Committee on the Peaceful Uses of Outer Space (UNCOPUOS). At the 2030 meeting of UNCOPUOS, Xenovia announced that it was developing a fleet of robotic space objects to provide on-orbit refueling, repair and repositioning of satellites. The fleet would be owned and operated by a public-private partnership called Fenix LLC, in which Xenovia held a 50% equity share. At the UNCOPUOS meeting, the plan was described by Candidia as a ‘potential military weapon to disable or remove satellites from orbit’. Xenovia denied the allegations and formally announced that all activities undertaken by Fenix would be for ‘peaceful purposes’.

10. In 2025, the space station “Pacem” was constructed using 3D printing and other new technologies, and assembled in outer space. Pacem was owned and operated by Selada, Inc., a company incorporated and headquartered in the State of Safrandia, and is comprised of a consortium of private entities. The Government of Safrandia authorized Selada, Inc. to operate Pacem for a period of 5 years from the date of formal commencement of operations, which occurred on 1 July 2026. Components of Pacem were launched from Safrandia, Xenovia, Candidia, and other nations, but none of these components was individually registered by any launch authority. The license issued to Selada, Inc. specified, that within six months after the formal commencement of operations by Pacem in orbit, Safrandia would list the space station on its national registry of space objects and notify the UN. After the launch of all the components, but prior to the completion of assembly of Pacem, Selada Inc.’s’ shareholders voted to move their corporate charter and headquarters from Safrandia to Candidia to take advantage of Candidia’s tax laws. Safrandia did not register Pacem in its national register nor with the UN.

11. Pacem is located in LEO at a slightly higher orbit than the International Space Station. The shareholders of Selada, Inc. restrict the kind of research, testing and other activities undertaken



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on Pacem. The research conducted on orbit is considered proprietary information belonging to the shareholders and has not been broadly shared with the wider space community.

12. In addition to research, the activities on board Pacem include the 3d printing of satellite components from materials supplied by companies under contract with Selada, Inc. Some of these components are incorporated in the “Valerian” constellation of small satellites. Valerian satellites perform multiple functions, including the provision of broadband services and private secure communications networks for terrestrial users. Benefitting from the AI technologies, they are capable of reprogramming to modify their functions as well as changing orbit within limited parameters.

13. Valerian satellites are registered in various states, including Candidia and Xenovia, but some are not registered and few are entered on the SAR international registry. Each Valerian satellite weighs 100 kg, and is designed to operate for about three years, after which they are de-orbited and re-enter the Earth’s atmosphere by propulsion controlled from Pacem. In February 2029, Selada, Inc. conducted a risk analysis which concluded that there was a 1 in 5,000 chance that any component of a Valerian satellite would survive atmospheric re-entry and reach the surface of the Earth.

14. Selada, Inc. obtained financing for Pacem in 2023 from Alendularia, S.A., a multinational privately held financial services company incorporated and headquartered in Xenovia and with offices in 20 countries, including Safrandia but not Candidia. Forty-nine percent of Alendularia, S.A. is owned by the global industrialist Monica Moulaka, a Candidian national, who has invested in Xenovian industries and banks. The remaining ownership is distributed among an undisclosed number of investors, but no one person or entity has a majority interest. The security agreement operates under the laws of Xenovia, and incorporates the remedies available to creditors articulated in the Cape Town Convention and Protocol on Matters Specific to Space Assets.

15. On 29 July 2031, Pacem deployed the Valerian 806 satellite, which was owned by Candidia, from the Pacem space station into LEO. Valerian 806 contained transponders and other equipment that was leased to multiple customers and was an indispensable component of a private secure network to be utilized by the Government of Safrandia.

16. That same day, Selada, Inc., notified Alendularia, S.A. that it was having cash flow issues and would be unable to make the contractual payment due 1 August 2030. In response, Alendularia, S.A. demanded payment within 90 days under threat of acceleration of all amounts



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outstanding, whilst reserving its rights under the security agreement. Selada, Inc. failed to comply within the designated period and, on 1 November 2031, Alendularia, S.A. contracted with Fenix LLC to obtain physical possession and control of Valerian 806 and to relocate it to another orbit.

17. The Fenix-3 satellite, owned by Xenovia, which is also the State of Registry for that satellite, maneuvered towards Valerian 806 and grabbed it with a grappling mechanism that resembled a three-jawed vise. The section of Valerian 806 grabbed by the device cracked and crumpled, rupturing a fuel line, and resulting in an explosion that destroyed both satellites.

18. Most of the fragments burned up in the atmosphere but some pieces survived atmospheric re-entry. Tragically, one large fragment of the Fenix-3 satellite struck a cargo plane of the Candidia military in flight, which crashed into the ocean killing all nine persons on board.

19. Both Candidia and Xenovia conducted investigations into the accident. Testing by Xenovia concluded that the basic structure of the Valerian satellite was inherently weaker due to its fabrication in low gravity as compared to if it had been manufactured on Earth. The report of the official post-accident Board of Inquiry of Candidia concluded that the basic structure of the Valerian satellites met the applicable engineering and construction standards, assuming that all materials were compliant with contract specifications. The Candidian Board of Inquiry also concluded that the de-orbiting plans for the Valerian system complied with the UNCOPUOS Space Debris Mitigation Guidelines. Despite request by Xenovia, Candidia did not release the telemetry records preserved from Valerian 806, citing national security/safety concerns. Xenovia filed a formal request for consultation through diplomatic channels, which was rejected by Candidia. The Xenovia post-accident report declared that the refusal of Candidia to produce this crucial evidence gave rise to the inference that the Safrandian secure private network had the potential to be utilized for military purposes.

20. The parties continued to discuss the issues through diplomatic channels, but were unable to reach a resolution. They both have accepted the jurisdiction of the International Court of Justice (ICJ) and have decided to submit the matter to the ICJ on this Agreed Statement of Facts.



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On the basis of the foregoing Agreed Statement of Facts, Candidia requests the Court to adjudge and declare:

- a. *That Xenovia violated international law by interfering with Valerian 806 and is liable for the loss of lives on board the cargo plane, the loss of the aircraft, and the lost revenues from the destruction of Valerian 806, and*
- b. *That Candidia acted in accordance with international law and is not liable for the loss of Fenix-3.*

On the basis of the foregoing Agreed Statement of Facts, Xenovia requests the Court to adjudge and declare:

- a. *That Xenovia acted in accordance with international law by attempting to obtain physical possession and control of Valerian 806 and is not liable to Candidia for any alleged damages, and*
- b. *That Candidia is liable for the loss of Fenix-3*

There is no issue of jurisdiction before the Court. Xenovia and Candidia are parties to the 1967 Outer Space Treaty and the 1968 Return and Rescue Agreement. Xenovia is also a party to the 1972 Liability Convention and the 1976 Registration Convention. Both have ratified the Cape Town Convention and the Protocol to Matters Specific to Space Assets, and, since 2028, have been members of UNCOPUOS.