

IISL COLLOQUIUM ON THE LAW OF OUTER SPACE (E7)  
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## FINANCIAL ASPECTS OF SPACE COMPANIES' ACTIVITIES IN MIDDLE EAST

**Abstract**

Nowadays a lot of space companies are placed in Middle East's countries. And these companies are involved in the space race as well as companies from USA, Russia, India and so on. Countries of Middle East adopt a new legislation relating to space law, launch of satellites and even send their citizens to International Space Station (ISS). The main financial aspects are taxes and investments. It is difficult to understand how space companies can get investment or how they can tax their activity. It is worth to note that Middle East countries started to implement a new regulation and they started to pay attention to space companies. For example, recently the UAE has passed a new Space Law Act. Also, the UAE is trying not only to develop national space law but is also actively engaged in the international space law activities. For example, the UAE ratified a Rescue Agreement. That is why we should pay attention to different aspect of space companies' activities. Firstly, we research the UAE tax and investment legislation. As you know, the UAE has rather soft tax regulation, but nevertheless it exists. Value-added tax (VAT), corporate and tourist taxes, as well as excise taxes exist. It is necessary to analyze each of the existing taxes in relation to space companies and conclude whether the one of the abovementioned taxes will be applicable or not. We can provide a provision which can be implemented in federal tax laws and how offshore space companies in Emirates can be regulated. Secondly, we pay attention at UAE Foreign Direct Investment Law (the FDI Law). An amendment of September 2018 provides for the UAE Cabinet to form a foreign direct investment committee (the FDI Committee). But some foreign investment is restricted and determined in a black list ("negative list" pursuant to Article 7 of the FDI Law). This list provides different sectors, for example telecommunications and audio-visual services, land and air transport services and so on. But one cannot find space activities there. Where such activity can be? We can ponder about it. Thirdly, we can also review a tax and investment legislation of other Middle East countries for analysis for possibility or impossibility to apply it for space companies. These countries are Qatar, Saudi Arabia, Kuwait, Oman and so on. These countries are chosen because they have strong aerospace activity and they launch satellites.