



# THE MOOT PROBLEM

The 1st Malaysia Space Law Moot Court Competition (PMPA 2025)

## **Co-organised by:**

Ministry of Science, Technology and Innovation (MOSTI)

and

Universiti Sains Islam Malaysia (USIM)

with

Strategic Implementation Partner:

Yayasan Inovasi Malaysia (YIM)

**5 – 7 December 2025**

**Universiti Sains Islam Malaysia (USIM)**



**IN THE COURT OF APPEAL AT SUTRAJAYA**  
**CIVIL APPEAL NO. A-19-11 OF 2025**

**BETWEEN**

***SPACE REGULATORY AUTHORITY (SRA)***

**APPELLANT**

**v**

***PERSATUAN PENDUDUK KAMPUNG SRI MAKMUR***

**RESPONDENT**

**BACKGROUND FACTS:**

1. Orbital Cosmos Aerospace, a foreign satellite owner and operator incorporated in Luxembourg, secured approval from the Malaysian Government under the Malaysian Space Board Act 2022 (Act 834) to launch its communications satellite, “Orbicom-7”, from the newly established Sarawak Spaceport namely Sarawak Orbital Launch Centre (SOLC) operated by Sarawak Aerospace & Launch Corporation (SALC).
2. This launch was intended to mark Malaysia’s entry into the global satellite launch services market, being the first international commercial launch from Malaysian territory.
3. The launch was governed by a quadripartite arrangement involving the following parties:
  - Orbital Cosmos Aerospace (the satellite owner and operator),



- Sarawak Aerospace & Launch Corporation (SALC) – the licensed operator of the Sarawak Orbital Launch Centre (SOLC);
  - a Chinese aerospace contractor supplying and operating the “LongSky-5” launch vehicle, and
  - the Space Regulatory Authority (SRA), acting under powers of the Malaysian Space Board Act 2022 [Act 834], responsible for authorisation, licensing, monitoring, and ensuring compliance with national and international obligations.
4. The launch took place on 1 May 2025 at 9.30 a.m. Before a large audience of government officials, international observers, and media representatives, the rocket lifted off successfully for the first 30 seconds before experiencing a sudden engine failure. Within moments, LongSky-5 exploded at a low altitude, scattering fiery debris across a radius of 20 kilometres.
5. Preliminary investigations revealed that the explosion was triggered by a catastrophic malfunction in the propulsion system. According to telemetry data, a sudden drop in engine chamber pressure occurred due to a structural defect in one of the oxidizer fuel pumps.
6. This defect led to excessive overheating and ignition instability, causing the combustion chamber to rupture. The failure was compounded by inadequate quality control in the imported engine components and the absence of a redundant safety valve system. Within seconds, the malfunction cascaded into a full-scale engine disintegration, resulting in the premature destruction of LongSky-5 during its ascent phase.



7. The explosion caused widespread panic. Security personnel at the launch site initiated evacuation protocols, while fire brigades and hazardous materials teams attempted to contain the situation. Despite these efforts, heavy debris travelled beyond the designated safety perimeter and fell into Kampung Sri Makmur, located approximately 15 kilometres away.
8. The impact on the village was severe:
  - 12 houses were damaged by falling metallic fragments.
  - Vegetation and small plots of farmland were scorched by burning debris.
  - Fish Aquaculture, a major Talapia fish farm, reported chemical contamination in its ponds. Water samples later revealed traces of hydrazine, a highly toxic rocket fuel used in the launch vehicle.
  - Several villagers reported injuries ranging from cuts and bruises to breathing difficulties due to smoke and chemical exposure.
9. On 2 May 2025, before contamination was confirmed, Kassim family, regular consumers of Talapia fishes from Fish Aquaculture's ponds, purchased and consumed fishes. Within hours, they developed severe food poisoning and respiratory distress, requiring hospitalization. Medical tests linked their condition to ingestion of fish contaminated by rocket propellant residues.
10. On the same day, local livestock farmers reported deaths of goats, chickens, and ducks, believed to have drunk from contaminated water sources. The Department of Veterinary Services issued a precautionary notice advising against consumption of local produce.



11. Economic impact was significant:
  - The Fish Aquaculture was ordered to suspend operations indefinitely, suffering losses estimated at RM500,000 in dead stock, damaged infrastructure, and lost contracts.
  - Local traders and food vendors, reliant on fresh fish supply, faced supply chain disruptions.
  - Villagers were forced to purchase imported fish at higher prices, aggravating their financial hardship.
12. News outlets widely reported the incident, describing it as a 'space disaster on Earth'. Public confidence in Malaysia's space programme was shaken, and several NGOs raised concerns about transparency, community safety, and environmental accountability.
13. It was established that SALC and Orbital Cosmos Aerospace did not undertake any measures to duly notify the competent authority upon acquiring knowledge of the occurrence of the incident.
14. On 2 May 2025, the Persatuan Penduduk Kampung Sri Makmur lodged an official complaint to SRA, demanding immediate action.
15. On 3 May 2025, based on Guidelines on Non-Catastrophic Space Accident Investigation Involving Fallen Space Objects in Malaysia, SRA investigators visited the site.



16. SRA thereafter commenced an investigation into the said incident pursuant to Regulation VII, Investigation of Incidents or Accidents under the Malaysian Space Board Regulations 2024.
17. On 8 May 2025, SRA made a press statement confirming that the debris originated from the LongSky-5 vehicle.
18. However, their interim report suggested that liability for compensation rested primarily with the foreign launch service provider, not SRA.
19. Dissatisfied with the outcome, the villagers contended that the SRA, as the competent authority vested with statutory powers of authorisation, licensing, and enforcement of compliance with Malaysia's national space laws and its international obligations, should be held absolutely liable for any damage arising from space activities conducted within Malaysian territory.
20. They also alleged failure of adequate safety measures by the responsible Government authorities, pointing to insufficient risk assessments, lack of community briefings, and insufficient safety buffers around the launch site.
21. Following failed negotiations, the villagers, through their association, commenced a civil action at the High Court against SRA, seeking compensation for:
  - Personal injuries (including the Kassim family),
  - Property damage to houses and farms,
  - Economic loss due to aquaculture suspension, and
  - Costs of medical treatment and relocation.



22. The incident rapidly garnered national attention. Opposition members of Parliament questioned whether Malaysia government had prematurely embarked on commercial space launch activities without establishing a robust and comprehensive regulatory safety framework. The SRA, however, stated that all requisite risk assessments had been conducted thoroughly and in accordance with applicable standards and procedures.
23. For the purposes of this case, it is to be assumed that Malaysia has acceded to and is a full State Party to the Outer Space Treaty 1967, Liability Convention 1972, and Registration Convention 1975.

#### **AT THE TRIAL BEFORE THE HIGH COURT:**

24. After considering the pleadings, evidence, and submissions of both parties, the learned High Court Judge delivered judgment in favour of the Respondent, Persatuan Penduduk Kampung Sri Makmur, on the following grounds:
- (a) Absolute liability under Section 39 of Act 834 and relevant international space treaties:
    - (i) The Court found that SRA, as the authorising authority and regulator in Malaysia, has obligation under these circumstances (Section 39 of Act 834), and as part of its reasoning, referred to the definition of 'launching state' under the relevant international treaties, as contemplated under the Malaysian Space Board Act 2022 [Act 834].



- (ii) Section 39 imposes absolute liability for damage caused by space objects launched from Malaysian territory, irrespective of fault. The Court held that liability is triggered by the mere fact of damage occurring as a direct result of the launch of a space object.
  - (iii) While SRA argued that liability should rest with the foreign launch service provider (under Section 40 indemnification provisions), the Court ruled that such indemnification operates between SRA and the provider and does not extinguish SRA's statutory obligation to compensate affected third parties.
- (b) Failure to Ensure Safety:
  - (i) The Court further held that SRA had failed in its safety obligations including to the general public both under the objective and purpose of the Act 834.
  - (ii) Evidence showed that:
    - No adequate safety buffer zones were enforced around the launch site;
    - Villagers were not briefed on potential risks or evacuation procedures;
    - Emergency response measures were reactive rather than preventive;
    - SRA failed to monitor and promptly inform local communities of the contamination risk.
  - (iii) The Court held that these failures exacerbated the impact of the launch accident and contributed to the injuries, property damage, and economic loss suffered by the villagers.





(c) Causation and Proof of Damage:

- (i) The Court accepted medical reports linking the Kassim family's food poisoning to toxic residues from the debris. Expert testimony confirmed the presence of hydrazine in fish samples taken from Fish Aquaculture.
- (ii) The Court also accepted financial evidence showing that Fish Aquaculture suffered quantifiable losses of RM500,000.00 alongside testimonies of villagers regarding property destruction, livestock deaths, and business interruption.
- (iii) Accordingly, the Court was satisfied that the damage was directly attributable to the failed launch authorised by SRA.

(d) Award of Damages:

- (i) The Court awarded damages to the Respondent, comprising:
  - Compensation for medical treatment of affected villagers,
  - Repair costs for damaged houses and farms,
  - Special damages for Fish Aquaculture's business losses,
  - General damages for emotional distress and disruption to livelihood.
- (ii) The Court concluded that SRA, as the responsible regulatory authority, bore absolute liability for the incident and ordered full compensation to be paid to the affected community.



#### **THE APPEAL:**

25. Dissatisfied with the judgment, SRA appealed to the Honourable Court on the following grounds:

#### **GROUND OF APPEAL BEFORE THIS HONOURABLE COURT:**

26. The Appellant, Space Regulatory Authority (SRA), respectfully submits that the learned High Court Judge erred in law and in fact in arriving at the decision against the Appellant.
27. The following legal issues are raised before this Honourable Court:
- (i) *Whether* the learned High Court Judge erred in holding SRA absolutely liable under Section 39 of Act 834, including by relying on the terms of relevant international space law?
  - (ii) *Whether* the learned High Court Judge erred in law and fact by finding SRA liable for failing to ensure safety obligations, including safety to the general public?