

ASGARDIA

PARLIAMENT



Asgardia Competition Fair Trade Act

Third Reading

Edition: 23.04.2025

"This version has been approved by the Legislative Merit Review Group"

Preamble and Core Principles

The Asgardia Competition Fair-Trade Act encompasses a comprehensive set of regulations intended to promote economic competition by curbing anticompetitive business practices. This regulatory framework aims to protect consumers from exploitative measures and ensures that businesses engage in fair competition. The Act explicitly prohibits various anticompetitive practices, including monopolies, price fixing, and unreasonable mergers. It establishes a structured approach for overseeing fair trade and commerce within Asgardia, a space nation at the forefront of digital trade and global competition. The Act ensures that foreign and domestic commerce is conducted in a fair and responsible manner, preventing entities from gaining undue advantages that could hinder economic progress. Furthermore, it emphasises the importance of harmonising economic development with innovation, sustainability, and ethical business practices.

The Core Principles are:

- 1. Promotion of Fair and Competitive Trade:** delivering the fundamental objectives of competition laws globally to promote fair competition and prevent monopolistic practices.
- 2. Alignment with International Standards:** The Act conforms to United Nations guidelines and global best practices, including the United Nations Set of Principles on Competition and OECD Guidelines on Competition Law and Policy.
- 3. Fair and Responsible Trade and Commerce:** Promote competitive environments internally and within international communities, with consumer welfare as a core objective, aligning with the United Nations Trade and Development (UNCTAD) trade policy development manual of best practices.
- 4. Fostering Economic Prosperity:** This principle aims to ensure equality, efficiency, adaptability, fairness, and competitive practices within the economic sphere. It aligns with global guidelines and the values enshrined in Asgardia's Constitution.

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Legal Authority:

The Constitution provides the overarching principles and guidelines for the Act, ensuring that it aligns with our society's fundamental values.

Article

1. Purpose

- 1.1. To safeguard fair competition and prevent unfair agreements, arrangements, or practices among non-digital and digital trade and commerce markets, enterprises, or governmental and non-governmental pursuits. Particularly in business mergers and acquisitions and addressing the abuse of dominant market positions, it is essential to ensure that these activities do not hinder competition and negatively impact domestic or international trade, economic development, and Asgardian consumers.

2. Definitions

- 2.1. **Abuse of dominance:** Refers to anti-competitive behavior by enterprises with significant market share. It is prohibited when it results in anticompetitive effects that outweigh procompetitive efficiencies or legitimate business justifications.
- 2.2. **Algorithmic Tacit Collusion:** Asgardia addresses AI-driven price fixing and market manipulation, examining conditions conducive to tacit collusion and its extension across broader markets. It explores the dynamics of tacit collusion, hub-and-spoke collusion, and price discrimination, emphasising the need for thorough monitoring to protect consumers.
- 2.3. **Antitrust bundling claim:** Will occur when an enterprise offers only a package of goods, not standalone goods.
 - 2.3.1. Pure bundling occurs when no alternative sellers of the component goods exist, so only the bundle is available.
 - 2.3.2. Mixed bundling occurs when the package and the individual goods are available from the bundling firm.
 - 2.3.3. Bundling has many pro-competitive benefits, so the practice is not unlawful. Only after a careful rule-of-reason analysis can these types of claims rise to the level of anticompetitive harm and become a violation of the law.
- 2.4. **Asgardia Antitrust Standard:** A set of standards developed from suspected antitrust violations evaluated and standardised to protect enterprises and consumers. The effects of business practices, mergers, or violations on consumers are analysed through economic,

academic, and scientific methods that can be evaluated and proven through real-world analysis.

2.4.1. Under this standard, antitrust intervention is only justified when the suspected conduct satisfies one of the two tests:

2.4.1.1. **Test 1:** the conduct must restrict, prevent, or distort the competitive process, preventing equally recognised competitors from competing.

2.4.1.2. **Test 2:** this conduct, restriction, prevention, or distortion must harm consumers. More simply, both a cause and an effect must be identified before antitrust intervention is warranted.

2.5. **Anticompetitive Agreements:** An agreement between competitors that restricts, prevents, or distorts competition or in a manner that violates Asgardia Antitrust Standards.

2.6. **Antitrust-tying claim:** Where a customer is coerced into buying additional products to purchase one product, tying practices can have pro-competitive benefits and may not be unlawful. Only after a careful rule-of-reason analysis can these practices be considered anti-competitive and a violation of the law.

2.7. **Bid rigging:** Collusive bidding involves cooperating with competitors to artificially inflate prices when buyers, such as government agencies, seek goods or services through competitive bids. Essentially, colluding competitors pre-arrange who will submit the winning bid for a contract in a competitive bidding process.

2.8. **Block exemptions:** Are regulatory means of exempting certain anti-competitive behaviours or agreements when the benefits or net public gain outweigh the behaviour or agreement.

2.9. **Buyer:** A buyer is a consumer who directly buys goods and services from a seller via a web browser (the Internet) or a physical means.

2.10. **Cartel:** A term used to describe a group of enterprises that work together to control prices or divide up the market instead of competing. This process usually involves them agreeing not to compete against each other.

2.11. **Collusive tendering:** Competitors agree not to compete against each other, and this can involve complementary bidding, bid suppression, or bid rotation. This process is considered anticompetitive behavior and will negatively affect markets.

2.12. **Consumer:** A consumer shall be considered any individual or Enterprise in the process of buying, trading, renting, leasing, contracting, merchandising, purchasing, requisitioning, acquiring, or obtaining ownership of goods and/or services in a manner that would be considered legal within the internationally accepted laws of Earth Nations and Asgardia Space Nation as described under article 4 of the Asgardia Consumer Protection Act.

2.13. **Competition:** (or derivatives such as compete, competitive, etc.) Means the striving or potential striving of two or more persons, enterprises, or processes engaged in the production, distribution, supply, purchase, or consumption of goods or services in each market in Asgardia Space Nation against one another, which results in greater efficiency, high economic growth, increased opportunities, lower prices, and improved choices for consumers.

2.14. **Competition Authority (Earth Nations) or Trade Investigative Authority (Asgardia):** A regulatory legal entity that monitors activities within the trade and commerce ecosystem to prevent anti-competitive practices, anti-competitive agreements, dominant market power abuses, and any other activities that harm those ecosystems of Earth or Asgardia.

2.15. **Digital Ecosystems:** This term encompasses interconnected digital platforms, marketplaces, and participants.

2.16. **Dominant position of market power:** Refers to an enterprise, either by itself or acting in conjunction with other allied enterprises, unfairly or covertly controls the relevant market for a particular good, service, or group of goods or services.

2.17. **Efficiencies:** Are benefits from mergers or business practices that are valuable to consumers. For example, efficiencies from vertical mergers often include quality improvements, faster and/or better innovation from coordination in product, design, and innovation efforts, and elimination of free-riding from the harmonisation of incentives.

- 2.18. **Enterprises:** Means firms, partnerships, corporations, businesses, companies, associations, and other juridical persons, irrespective of whether created or controlled by private persons or by the State, which engages in commercial activities and includes their branches, subsidiaries, affiliates, or other entities directly or indirectly controlled by them.
- 2.19. **Excessive pricing:** The view that a company prices its products at a price point that is too high rather than relying on market forces to establish price points.
- 2.20. **Exclusive dealing:** Is when an enterprise places conditions on another enterprise that cause a set of limitations. Exclusive dealing and requirements contracts are generally considered pro-competitive but are judged under a rule-of-reason analysis. Exclusive dealing may be unlawful if practiced by a monopolist.
- 2.21. **Gatekeepers:** A digital gatekeeper is a giant online platform that acts as a gateway between consumers and businesses, allowing it to set rules and possibly create bottlenecks in the digital world.
- 2.22. **Horizontal mergers:** Involve the combination of enterprises that are either actual or potential competitors.
- 2.23. **Market allocation:** Market division or allocation schemes are agreements in which competitors divide markets.
- 2.24. **Mergers and acquisitions:** Refer to legal operations between two or more enterprises whereby firms legally unify ownership of assets formerly subject to separate control. These situations include takeovers, concentrated joint ventures, and other acquisitions of control, such as interlocking directorates.
- 2.25. **Monopoly Power:** The ability to raise market-wide prices above or reduce output below the competitive level.
- 2.26. **Monopsony/Buyer power:** Arises from monopsony (one buyer) or oligopoly (a few buyers) and is the mirror image of monopoly or oligopoly.
- 2.27. **Oversight Authority:** Any authority outside of the TIA who wishes to conduct oversight, an audit, or similar review processes of any aspect of the authority's actions if standardised, requested, or reasonable suspicion has been established (i.e., parliament, ministers, prime minister, head of the nation, etc.)
- 2.28. **Owner:** A physical or digital owner (also known as a digital product owner DPO) manages a company's digital and non-digital experience. Digital ownership refers to controlling and possessing digital assets such as cryptocurrencies, intellectual property, online accounts, and virtual goods. Non-digital ownership refers to controlling and possessing tangible assets that can be touched.
- 2.29. **Per se violations:** Certain acts are considered so harmful to competition that they are almost always illegal. These include arrangements among competing individuals or enterprises to fix prices, divide markets, or rig bids. Once determined by the judiciary or the TIA, these acts will be "per se" violations recognised as having no defense or justification allowance.
- 2.30. **Predatory pricing claim:** Argues prices are artificially low to drive competitors out of the market, only to raise prices later once competitors leave the marketplace. Generally, low prices benefit consumers. Consumers are harmed if below-cost pricing allows a dominant competitor to knock its rivals out of the market and then raise prices to above-market levels for a substantial time.
- 2.31. **Price fixing:** An agreement among competitors to raise, repair, or otherwise maintain the price at which their goods or services are sold. It is unnecessary for the competitors to agree to charge the same price or for every competitor in a given industry to join the conspiracy. Price fixing can take many forms, and any agreement restricting price competition violates this law.
- 2.32. **Producer:** A producer is an individual or enterprise that creates, operates, provides, and/or supplies goods or services to the market, whether digital or non-digital. These tasks are interchangeable and can be performed independently or on multiple levels.
- 2.33. **Programmers:** Digital programmers, also known as computer programmers, write code for computer programs and applications to ensure their correct function.

- 2.34. **Refusal to deal claim:** This typically arises when one enterprise refuses to collaborate with another firm. Refusals to deal are generally lawful except under minimal circumstances, such as when a monopolist terminates a prior, profitable course of dealing with a rival that results in the monopolist sacrificing short-term profits.
- 2.35. **Regulation:** Refers to the various instruments by which Governments impose requirements on enterprises and citizens. It thus embraces decrees, laws, formal and informal orders, codes, administrative guidance, subordinate rules issued by all levels of government, and rules issued by non-governmental or professional self-regulatory bodies to which Governments have delegated regulatory powers.
- 2.36. **Regulatory barriers:** Regulatory barriers arise from actions by government authorities, local governments, and self-regulatory bodies granted regulatory powers. These include market entry restrictions, exclusive rights, and permits required to start a business operation.
- 2.37. **Regulatory bodies:** Any governmental body within the judicial, executive, or legislative branch of Asgardia Space Nation.
- 2.38. **Relevant market:** The relevant market encompasses the product or service, geographic area, and timeframe to determine competitive constraints on a supplier. It includes the relevant geographical market, which identifies areas where businesses supply and demand products or services under similar competition conditions, distinct from neighbouring areas due to varying competition levels. It also involves the relevant product market, which consists of goods or services viewed as close substitutes by buyers, leading consumers to switch between them in response to price changes. The scope of this market definition has significant anticompetitive implications.
- 2.39. **Rule-of-reason:** Is an analytical framework designed to help judicial bodies and authorities assess whether a business practice violates international antitrust legal instruments or those specific to Asgardia. This framework analyses the advantages and disadvantages of the practice to determine whether it qualifies as a violation.
- 2.40. **Safe Harbor:** These thresholds determine whether an agreement qualifies for block exemptions. They include:
- 2.40.1. **Vertical agreements:** A block exemption using a thirty percent market share threshold to assess if an agreement qualifies for block exemption.
 - 2.40.2. **Specialisation agreements:** Establish an exemption through a legal safe harbour for specific contracts.
 - 2.40.3. **Distribution agreements:** Involve restrictions on price differences, online sales, and the limitation of the number of products and services.
- 2.41. **Scope of application:** Refers to;
- 2.41.1. Enterprises as defined above or within relevant legislation, laws, codes, or decrees regarding all their commercial agreements, actions, or transactions regarding goods, services, or digital and intellectual property.
 - 2.41.2. Natural persons acting privately as owners, managers, or employees of an enterprise authorise, engage in, or aid the commission of restrictive practices prohibited by the law.
 - 2.41.3. It does not apply to the sovereign acts of the State itself, or those of local governments, or to acts of enterprises or natural persons which are compelled or supervised by the State or by local governments or branches of government acting within their delegated power.
- 2.42. **Seller:** A digital and non-digital seller sells products or services online through digital channels or physically through personal exchange.
- 2.43. **State or the State:** Refers to Asgardia Space Nation or any Earth nation, country, or territory operating with an internationally accepted government that services its citizenry within an internationally accepted border.
- 2.44. **Sustainability:** Is defined within the context of trade, encompassing environmental, economic, and social dimensions.
- 2.45. **TIA:** Trade Investigative Authority. Refer to Article 9 for further details.

- 2.46. **Trader:** A digital and non-digital trader refers to persons or authorities who buy and sell goods, services, or stocks. Digital traders, primarily through online platforms, use digital technologies to execute transactions, manage investments, and access market information, essentially conducting trade entirely or mainly within the digital realm; this realm includes online stock trading, cryptocurrency trading, or buying and selling digital assets on e-commerce marketplaces. A non-digital trader conducts trading activities in traditional, physical markets without primarily relying on digital platforms or online systems to execute the trades.
- 2.47. **User:** A digital user is a person who interacts with a company or product through digital technologies, such as the Internet, mobile devices, or computers.
- 2.48. **Vertical mergers:** The merger of two or more enterprises that provide different supply chain functions for a common good or service. Unlike horizontal mergers, vertical mergers do not include the combination of businesses that are either actual or potential competitors.

3. Obstructive Agreements and Arrangements

- 3.1. Prohibition of the following agreements, practices, or schemes between rival or potentially rival firms, regardless of whether such contracts are written, digital, oral, formal, or informal:
 - 3.1.1. Agreements fixing prices or other terms of sale, including in international trade;
 - 3.1.2. Collusive tendering;
 - 3.1.3. Market or customer allocation;
 - 3.1.4. Restraints on production or sale, including by quota;
 - 3.1.5. Concerted refusals to purchase;
 - 3.1.6. Concerted refusal to supply;
 - 3.1.7. Collective denial of access to an arrangement or association crucial to competition.
- 3.2. **Authorisation or exemption**
 - 3.2.1. Practices falling within provision 3.1, when adequately notified in advance and engaged in by firms subject to effective competition, may be authorised or exempted when the TIA concludes under a rule-of-reason analysis when the benefits or net public gain outweigh the behavior or agreement.
- 3.3. **Audits** - The Asgardia Trade Investigative Authority will conduct annual audits to detect covert anticompetitive practices, such as provisions 3.1.1 to 3.1.7.

4. Abusive Market Power Behaviours

- 4.1. The following actions or behaviours are considered to constitute an abuse of dominant market power and are prohibited. These actions may involve the abuse or acquisition and abuse of a dominant position in any market.
 - 4.1.1. When an enterprise, alone or in collaboration with a few other enterprises, can control a relevant market for a specific good or service or groups of goods or services.
 - 4.1.2. When the actions or behaviours of a dominant enterprise restrict access to a relevant market or unduly limit competition, thereby having or likely to have adverse effects on trade, commerce, or economic development.
- 4.2. **Scenarios used to assess dominant actions or behaviours considered abusive include:**
 - 4.2.1. Predatory behaviour towards competitors, such as using below-cost pricing to eliminate competitors.
 - 4.2.2. Discriminatory pricing or terms in the supply or purchase of goods or services, including unjustifiably differentiated pricing policies in transactions between affiliated enterprises.
 - 4.2.3. Fixing the prices at which goods sold can be resold, including imported and exported goods.

- 4.2.4. Restrictions on the importation of goods to maintain artificially unreasonable prices.
- 4.2.5. Enforcing specific conditions not aimed at ensuring legitimate business purposes, such as quality, safety, adequate distribution, or service.
- 4.2.6. Partial or complete refusal to deal on customary commercial terms.
- 4.2.7. Making the supply of goods or services dependent on accepting restrictions.
- 4.2.8. Imposing restrictions regarding the reselling or exporting of goods.
- 4.2.9. Requiring the supply of goods or services to be dependent on purchasing other goods or services from the supplier or their designee.
- 4.2.10. Algorithmic manipulation in digital markets where pricing or product visibility algorithms are deemed used unfairly.
- 4.3. Any actions initiated, developed, managed, or implemented through legitimate means, such as being fair and honest, conforming to principles, precisely as intended, genuinely good, reasonably valid, and lawful, and having a stated interest and rational connection between its means and goals aligning with Asgardia's Supreme Values, are not considered abusive.
- 4.4. **Authorisation or exemption**
 - 4.4.1. The review process for authorisation or exemption will undergo a rule-of-reason analysis by the TIA and be authorised or exempted if it is determined justifiable, all relevant facts are truthfully disclosed to relevant competent authorities, affected parties have an opportunity to be heard, and it is then determined that the proposed conduct, as altered or regulated if necessary, will be consistent with the objectives of this law.

5. Notifications

5.1. Notification by Enterprises

- 5.1.1. In instances where business practices that are not explicitly prohibited fall within the parameters of Articles 3 (Obstructive Agreements and Arrangements), 4 (Abusive Market Power Behaviors), and 6 (Mergers, Takeovers, or Joint Ventures), or any actions deemed anticompetitive or contrary to fair trade, enterprises are obliged to notify the TIA and furnish comprehensive details as required or requested.
- 5.1.2. This Authority can be notified by all involved parties, by one or more parties acting on behalf of others, or by individuals duly authorised to act on their behalf.
- 5.1.3. A single notification for an agreement is allowed when an enterprise or person is a party to restrictive contracts on the same terms with multiple parties, provided details are also provided to all involved or intended parties to such agreements.
- 5.1.4. TIA must be notified if any agreement, arrangement, or situation that has been notified under the provisions of the law has been subject to changes in its terms or parties, terminated (other than by the flowing of time), abandoned, or substantially changed within 30 days of the event.
- 5.1.5. Enterprises are permitted to seek authorisation for agreements or arrangements falling within the scope of articles 3, 4, and 6 and existing on the date a law or regulation is enforced, provided they notify TIA within 30 days of that date.
- 5.1.6. The enforcement of notified agreements could depend on granting authorisation upon the expiry of the period set for such approval or provisionally upon notification.
- 5.1.7. Unnotified agreements or arrangements that are initiated, developed, managed, or implemented through legitimate means such as fair and honest, conforming to principles, precisely as intended, genuinely good, reasonably valid, lawful, have a stated interest and rational connection between its means and goals aligning to Asgardia's Supreme Values, do not need authorisation.
- 5.1.8. Any agreement or arrangement shall be authorised for preliminary review by the TIA upon request from the individuals requiring such review. The TIA will categorise

the agreements or arrangements as either controversial or non-controversial. Agreements or arrangements determined to be non-controversial following the preliminary review will necessitate no further action and will be governed by provision 5.1.7. Conversely, those categorised as controversial will require notification and will be subject to provisions 5.1.1 through 5.1.6.

- 5.1.9.** Unnotified agreements or arrangements that are subsequently found to be illegal shall be subject to the full sanctions prescribed by the laws of Asgardia. They must adhere to the pertinent provisions outlined in Article 5 and may be revised under reasonable conditions.

5.2. Under the TIA administration:

- 5.2.1.** This Authority will decide within 30 days whether to deny, grant, or conditionally grant authorisation, as necessary.
- 5.2.2.** Authorisations granted will undergo periodic review once a year, with the possibility of extension, suspension, or conditional extension.
- 5.2.3.** This Authority has the authority to withdraw authorisation if it is found that:
- 5.2.3.1.** - The reasons for granting the authorisation no longer exist.
 - 5.2.3.2.** - Enterprises have failed to meet the specified conditions and obligations for authorisation.
 - 5.2.3.3.** - Misleading or false information was provided during the authorisation request.

6. Mergers, Takeovers, and Joint Ventures

6.1. Notification

- 6.1.1.** Mergers, takeovers, joint ventures, or other acquisitions of control, including interlocking directorships, whether of a horizontal, vertical, or conglomerate nature, should be reported if:
- 6.1.1.1.** At least one of the involved companies is based in Asgardia Space Nation.
 - 6.1.1.2.** The resulting market share in Asgardia Space Nation or any significant part related to a specific product or service will likely create market power.
- 6.1.2.** This consideration is especially important in industries with high market concentration, barriers to entry, and a lack of product substitutes, as these conditions can contribute to firms gaining excessive market influence.
- 6.1.3.** Provision 6.2 (Prohibition) provides mandatory notification thresholds for market share, transaction value, and potential consumer harm.

6.2. Prohibition

- 6.2.1.** Mergers, takeovers, joint ventures, or other acquisitions of control, including interlocking directorships, whether of a horizontal, vertical, or conglomerate nature, should be prohibited if:
- 6.2.1.1.** The proposed transaction significantly increases a firm's or group of firms' ability to exert market power, allowing them to sustain prices above competitive levels profitably for a substantial period.
 - 6.2.1.2.** The resulting market share in Asgardia Space Nation, or any substantial part concerning any product or service, would lead to a dominant firm or significantly reduced competition in a market dominated by multiple firms.
 - 6.2.1.3.** Through a rule-of-reason analysis, the TIA has proven that mergers, takeovers, joint ventures, or other acquisitions of control, including interlocking directorships, will unfairly burden Asgardian consumers or society.
- 6.2.2.** Mergers, takeovers, joint ventures, or other acquisitions of control, including interlocking directorships, whether of a horizontal, vertical, or conglomerate nature, that are initiated, developed, managed, or implemented through legitimate means, such as being fair and honest, conforming to principles, precisely as intended, genuinely good, reasonably valid, and lawful, and having a stated interest

and rational connection between their means and goals aligning with Asgardia's Supreme Values, are not prohibited.

6.2.3. Block exemptions or safe harbours are authorised regarding this provision if the TIA determines that the benefits of such actions will outweigh the anti-competitive effects.

6.2.4. The Minister of Finance is hereby authorised to incentivise mergers, acquisitions, or joint ventures pursuant to provision 6.2.2 to advance sustainability, technological innovation, and public welfare in accordance with the stipulations of the Asgardia Tax Act.

6.3. Investigation procedures

6.3.1. TIA can investigate, analyse, oversee, and standardise business mergers, takeovers, joint ventures, and other acquisitions of control, including interlocking directorships that, through a rule-of-reason analysis, were found potentially harmful to competition paradigms. This process includes examining mergers across diverse types of businesses, such as those that are in direct competition (horizontal), in the supply chain (vertical), or in other industries altogether (conglomerate).

6.3.2. In cases under provision 6.3.1, no business should proceed with a merger until a standardised waiting period has passed since the issuance of the notification unless the TIA shortens or extends this period with the consent of the involved firms.

6.3.3. TIA may also request documents and testimony from the parties involved, and delays in their response will result in additional time extensions concerning results or approvals.

6.3.4. If a full hearing before TIA or the Asgardia judiciary results in a finding against the merger, takeover, joint venture, or other acquisitions of control, including interlocking directorships, that finding will disqualify the merger, takeover, joint venture, or other acquisitions of control. It can also result in an assessment of punitive and compensatory damages for those negatively affected by the merger, takeover, joint venture, or other acquisitions of control, including interlocking directorships, primarily when it affects Asgardia consumers and society.

7. Oversight Authority and Regulatory Bodies

7.1. An oversight authority is any authority within the executive, judicial, or legislative branches of the government of Asgardia Space Nation, such as its Parliament, ministries, administration, Prime Minister, judiciary, or Head of Nation that does not have a conflict of interest relatable to the TIA.

7.2. When considering economic and administrative regulations issued by government bodies, especially in infrastructure sectors, oversight authorities must conduct a transparent review before implementing the rules. This consideration is particularly crucial if the regulations restrict the independence and freedom of economic agents, create favorable or discriminatory conditions for specific firms, or reduce competition and harm the interests of Asgardian Enterprises, residents, or citizens. In addition, oversight authorities should assess regulatory barriers from a financial perspective, considering general interest considerations.

7.3. Protection of general interest

7.3.1. Regardless of their characteristics and connection to the market, certain service activities conducted by privately or publicly owned companies may be deemed by governments to serve the general welfare. Consequently, entities providing such services of general interest may be obligated to adhere to specific requirements, including ensuring universal access to diverse, high-quality services at reasonable rates. These responsibilities fall within the realm of social and economic regulation and should be clearly defined and accessible to the public.

7.3.2. In situations where the TIA is conducting investigations that will take an extended period, the oversight authorities have the authority to impose interim measures to

prevent irreparable harm to Asgardia, its citizens, residents, and the economic/social well-being of the state.

- 7.3.2.1. These measures may include but are not limited to suspending harmful activity, restraining a party from taking certain actions, preserving evidence, temporarily prohibiting specific behavior, and protecting threats to life, health, fundamental rights, and the general welfare and interests of Asgardia Space Nation.

7.4. **Oversight, audits, or review processes**

- 7.4.1. The oversight authorities are granted the authority to undertake periodic review processes on the TIA and its procedures. These review processes may occur randomly or within a specified timeframe.
 - 7.4.1.1. In the event of a random review, prior notification is not deemed necessary.
 - 7.4.1.2. However, a 30-day notice is required for a review within a specific timeframe.
- 7.4.2. Periodic review processes shall be recorded for record and presented for public disclosure except under the following circumstances:
 - 7.4.2.1. The nature of the material is deemed sensitive by relevant parties.
 - 7.4.2.2. The material is protected under a non-disclosure agreement.
 - 7.4.2.3. The material is protected under intellectual property laws.
- 7.4.3. Under these exemptions, all non-protected, non-sensitive, or otherwise protected material shall be recorded and presented for public disclosure.
- 7.4.4. All sensitive or protected materials will be recorded using advanced security protocols outlined in relevant Asgardia legal instruments.

- 7.5. **Conflict of interest protocols** are defined as any actions that may present a conflict regarding an individual's position and the actions undertaken. If such actions result in an imbalance that privileges one group, action, or individual over others, they are recognised as conflicts of interest. All activities regarding provision 7.1 must maintain impartiality and should never create favoritism, resulting in an unfair advantage for any involved parties.

8. Consumer Protections

- 8.1. In some countries, consumer protection legislation from unfair practices is separate from restrictive business practices legislation. Asgardia's and Earth Nation's consumer protections, in conjunction with the antitrust, competition, and fair-trade laws, will be honoured if they are legally binding and relative.
- 8.2. The Asgardia Consumer Protection Act enforces Asgardia's consumer protections and is applicable in combination with this Act.
- 8.3. The Trade Investigative Authority will collaborate with Asgardia consumer protection bodies to address overlapping jurisdictions and regulatory efficiency.
- 8.4. As Asgardia represents a digital nation, considerable emphasis will be placed on the protection of digital consumers, which encompasses safeguards against deceptive digital practices, algorithmic discrimination, and the exploitation of data.

9. Trade Investigative Authority

- 9.1. **The TIA (TIA)** shall be part of the Ministry of Trade and Commerce.
- 9.2. **The overall scope** of this Authority is to promote fair and reasonable trade, competition, consumer affairs, and international foreign relations concerning trade and commerce.
- 9.3. **The Minister may appoint or delegate this authority** to an internal or external source if that source is independent and impartial to matters involving the overall scope of this Authority.
- 9.4. **The Minister can appoint an Asgardia representative** to establish the initial administrative and organisational structure.
- 9.5. **Before any Authority civil service appointments** are made or persons delegated into a position, the Minister or their representative shall establish a;

- 9.5.1. Composition of the Authority, including its chairpersonship and number of members, and how they are appointed, including the authority responsible for their appointment.
- 9.5.2. Qualifications of persons appointed.
- 9.5.3. The tenure of office of the chairperson and members of the Authority, for a stated period, with or without the possibility of reappointment, and the manner of filling vacancies.
- 9.5.4. Removal of members of the Authority.
- 9.5.5. Possible immunity of members against prosecution or any claim relating to performing their duties or discharging their functions.
- 9.5.6. The appointment of necessary staff.
- 9.5.7. Establishment of education and compliance programs for Asgardian citizens, residents, enterprises, and external sources to provide them with the knowledge, tools, and information necessary to ensure transparency, culpability, and understanding.
- 9.6. **Functions, powers, roles, and responsibilities** must include but are not limited to;
 - 9.6.1. Undertaking studies, publishing reports, and providing information to the public;
 - 9.6.2. Issuing forms and maintaining a register, or registers, for notifications;
 - 9.6.3. Promoting the exchange of information with other Earth Nations, organisations, or related business entities.
 - 9.6.4. Safeguards, protocols, and security procedures that adhere to Asgardia's legal instruments.
 - 9.6.5. Making and issuing regulations, codes, or standards;
 - 9.6.6. Making inquiries and investigations, including as a result of the receipt of various complaints, disputes, or questionable actions;
 - 9.6.7. Rule-of-reason analysis, see Article 2 (definitions);
 - 9.6.8. Tiered ranking assessments. These assessments evaluate the violation ranking that an enterprise would fall under when committing a potential offense. The following examples will be used to assist in gauging the severity of the offense:
 - 9.6.8.1. **Minor**—An enterprise fails to submit documentation on market involvement due to accidental ignorance or negligence. This offense would be assessed a small late fee, and the documentation would be allowed to be resubmitted.
 - 9.6.8.2. **Intermediate**: An enterprise neglects to provide documentation regarding market participation because of deliberate disregard or carelessness. Nonetheless, this action appears to have no visible impact on the markets. Such an offense would necessitate a heavier penalty, with judicial involvement required to assess the intent, consequences, and appropriate sanction amount.
 - 9.6.8.3. **Severe** - An enterprise submits intentionally falsified documentation concerning its market participation, while concurrently engaging in contractual agreements with other companies to manipulate the market. This action constitutes a direct violation of the Asgardia Competition Fair Trade law, will preclude the enterprise from participating in Asgardia's market and economic system, and will result in the maximum penalties permissible under the Asgardia judiciary.
- 9.7. **Conducting internal and external district (sector) inquiries** to identify systemic issues concerning trade and commerce. These inquiries can include but are not limited to;
 - 9.7.1. Economic situations.
 - 9.7.2. Questionable tax-related matters.
 - 9.7.3. Suspicion of alleged competition restrictions or distortions.
 - 9.7.4. Internal and external trading considerations.
 - 9.7.5. Price rigidity concerning trade and commerce.
 - 9.7.6. Efficiency improvement purposes concerning trade, commerce, and markets.
 - 9.7.7. Collective action pursuits against Asgardian enterprises.

- 9.7.8. Making decisions regarding consumer complaints, disputes, collective action, or questionable information that needs to be impartially accessed for cause, merit, validity, and reasonability.
- 9.7.9. Assessing advancing digital technologies and advancements, especially concerning AI, Dynamic Pricing, Blockchain, and robotics, which involve any processes of trade and commerce and how they interact with all aspects of trade and commerce to ensure they align with the scope of the Asgardia Constitution.
- 9.7.10. Periodic review and updates to reflect evolving economic conditions, technological advancements, and emerging digital trade issues.
- 9.7.11. Assisting in the preparation, amending, or review of legislation on restrictive business practices or related areas of regulation and competition policy;
- 9.8. **During these inquiries**, the TIA has the authority to research, gather information, hold hearings, conduct interviews, and conduct any other necessary activities to ensure the thoroughness of the investigation.
- 9.9. **TIA must transfer the necessary decisions**, including the imposition of sanctions, tariffs, or recommending the same, to the relevant minister or government entity;
- 9.10. **TIA must also collaborate** with all relevant authorities regarding the investigated matter and promote competition effectiveness across governmental policies and procedures.
- 9.11. **TIA must have protections** towards confidentiality that protect;
 - 9.11.1. The identity of persons who provide information to the TIA and need confidentiality to protect themselves against economic or other forms of retaliation. (often referred to as Whistle Blower protection)
 - 9.11.2. The government deliberations regarding current or still uncompleted matters.
 - 9.11.3. Any data gathered that is not typically considered public information or data.
- 9.12. **The TIA is authorised to establish a leniency program** to encourage reporting of anti-competitive behavior, help determine secret cartels and deter enterprises from entering them. Under this program, individuals or enterprises will receive reduced or eliminated fines.
- 9.13. **The TIA's decisions** are subject to provisions in Article 7 to ensure transparency.
- 9.14. **The Asgardian Dispute Resolution Act** is related to the Asgardian Competition and Fair-Trade Act in all areas of dispute resolution and must be considered.
- 9.15. The TIA administration and any representation within reports to the Ministry of Trade and Commerce.
- 9.16. The Ministry of Trade and Commerce will undertake regular performance evaluations of the TIA administration, which will similarly perform periodic assessments of all entities within its purview. The minimum requirements for performance evaluations include:
 - 9.16.1. - Structured discussions
 - 9.16.2. - Goal alignment
 - 9.16.3. - Positive and constructive feedback
 - 9.16.4. - Positional self-assessments
 - 9.16.5. - Developmental planning
 - 9.16.6. - Peer evaluation
- 9.17. Under relevant circumstances within this Act, the TIA is authorised to impose temporary measures during investigations to prevent irreversible harm to Asgardia.
- 9.18. The TIA is granted authorisation to access international competition networks for the purpose of conducting cross-border investigations.

10. Sanctions or Tariffs

- 10.1. Any governmental authority, through the appropriate established processes within Asgardia Space Nation, can suggest the imposition of sanctions or tariffs, as applicable, for:
 - 10.1.1. Violations of this law;
 - 10.1.2. Failure to comply with decisions or orders of the TIA or the appropriate judicial authority;

- 10.1.3. Failure to supply digital or manual information or documents when needed or within a required time limit;
- 10.1.4. Furnish any digital or manual information or make any statement that an accused enterprise knows or has any reason to believe to be false or misleading in any material sense.
- 10.2. **Sanction inclusions:**
 - 10.2.1. Fines that are in proportion to the secrecy, gravity, and clear-cut illegality of offenses or concerning the illicit gain achieved by the challenged activity;
 - 10.2.2. Imprisonment outside of Asgardia (in cases of significant violations involving flagrant and intentional breach of the law with Earth Nations and territories or of an enforcement decree by a person or government entity);
 - 10.2.3. Interim orders or injunctions;
 - 10.2.4. Permanent or long-term orders to cease, desist, or remedy a violation by positive conduct, public disclosure, or apology, etc.;
 - 10.2.5. Divestiture (regarding completed mergers or acquisitions) or rescission (concerning certain mergers, acquisitions, or restrictive contracts);
 - 10.2.6. Restitution to injured consumers;
 - 10.2.7. Treatment of the administrative or judicial finding or illegality as prima facie evidence of liability in all damage actions by injured persons.
- 10.3. **Tariff inclusions;**
 - 10.3.1. Protecting domestic industry.
 - 10.3.2. Reducing imports.
 - 10.3.3. Retaliation for harmful trade or commerce practices.
 - 10.3.4. Stabilising markets.
- 10.4. Any governmental authority within the Asgardia Space Nation can suggest reversing sanctions or tariffs.
- 10.5. All suggestions made will have the following attached to them;
 - 10.5.1. A rule-of-reason analysis conducted by the TIA, including a tiered ranking assessment in which the offense is classified as minor, intermediate, or severe;
 - 10.5.2. A legal assessment advising of any retributive or consequential implications from Asgardia's judicial system.
 - 10.5.3. A financial assessment advising of any proportional appraised tax or charges from Asgardia's economic system.
- 10.6. Criteria for determining proportional penalties are as follows:
 - 10.6.1. **Balancing Test:** This process entails weighing the severity of the infringement against the prospective adverse repercussions of the imposed tariff or sanction, including potential harm to individuals or entities that are not directly involved or attributed.
 - 10.6.2. **Necessity Test:** Prior to the implementation of a tariff or sanction, it is imperative to evaluate whether less restrictive alternatives exist to achieve the intended outcome.
 - 10.6.3. **Context Test:** Factors such as the offender's intent, the potential impact on others, and the overall circumstances must be considered when determining the appropriate level of tariff or sanction.
- 10.7. Only the Supreme Space Council can approve or relieve sanctions or tariffs if the Asgardia judicial system has determined a violation.
- 10.8. Monies collected due to sanctions or tariffs will go to Asgardia National Bank.
- 10.9. All sanctions and tariffs must be proportional to the reason for the sanction or tariff.

11. Appeals

- 11.1. Asgardian enterprises or individuals may request the TIA to review and appeal any previous decisions with changes in direct or indirect evidence or circumstances.
- 11.2. Asgardian enterprises or individuals may appeal to the Asgardia judicial authority against the whole or any part of the TIA's decision (or) on any substantive point of law.

- 11.3. Asgardian enterprises or individuals may appeal to the Supreme Space Counsel against the whole or any part of the judicial authority decision (or) on any substantive point of law.
- 11.4. An appeal process outside of Asgardia is subjective to the location where an enterprise was convicted of an infraction unless deferred or specific to Asgardia Space Nation.
- 11.5. Appeals are required to be submitted within thirty days following the issuance of the judgment.
- 11.6. The judiciary of Asgardia may only extend the period for filing an appeal by 30 days, contingent upon compelling circumstances that justify such an extension.
- 11.7. The judiciary of Asgardia is empowered to grant expedited appeals in cases that have a significant impact on the market or consumers.

12. Remedies, Penalties, and Actions for Damages

- 12.1. Any actions that are deferred to the Asgardia judiciary for consideration concerning remedies, penalties, or actions for damages to hold accountable any individual or enterprise deemed guilty through an impartial and equitable trial, thereby ensuring the consequences of their actions are duly recognised, which in turn enhances fair trade and competitive practices in Asgardia.
- 12.2. Individuals or entities that experience loss or damage due to an action or omission by another entity or individual violating the provisions of this law are entitled to recover the losses. This process includes costs, interest, and emotional distress, which can stifle economic progress and fair trade and competition practices.
- 12.3. Under this Article, dispute resolution will follow the provisions of the Asgardia Dispute Resolution Act, which encourages mediation and arbitration as initial dispute resolution methods.
- 12.4. All parties needing to resolve a dispute shall attempt mediation or arbitration before litigation, reflecting Asgardia's alternative dispute resolution, unless urgent injunctive relief is required.
- 12.5. Legal action through litigation for penalties and damages involves;
 - 12.5.1. **Compensatory:** (of a payment) designed to compensate an individual who has endured loss, suffering, or injury.
 - 12.5.2. **Punitive:** Damages that surpass mere compensation and are awarded to penalise the defendant.
 - 12.5.3. **Nominal:** a nominal amount given to a plaintiff as an acknowledgment of rights infringement, regardless of any actual harm or monetary loss that occurred.
 - 12.5.4. **Liquidated:** damages whose amount the parties designate during the contract formation for the injured party to collect as compensation upon a specific breach.
 - 12.5.5. **Economic:** Financial losses from a defendant's negligence include tangible expenses like medical bills, car repairs, and lost wages.
 - 12.5.6. **Consequential:** Consequential damages arise indirectly from an incident, and to win them legally, they must be foreseeable outcomes of the incident.
 - 12.5.7. **Digital harms** - damages awarded for the negative consequences or detrimental effects arising from using digital technologies. These harms encompass various issues, including but not limited to online harassment, cyberbullying, misinformation, privacy breaches, data loss, identity theft, degradation of online reputation, and any other form of harmful behavior or content encountered through the internet or digital devices.
 - 12.5.8. Collective claims are authorised with the following conditions;
 - 12.5.9. **Opt-in mechanism** – Asgardians must actively choose to join.
 - 12.5.10. **Class representative** – A designated individual or organisation acts as the “Class representative” to file and manage the collective action on behalf of all affected parties.
 - 12.5.11. **Certification process**—Before a collective action can proceed, the Asgardia judiciary must certify that the claims meet specific criteria, such as having common issues of fact and law, and that the class representative is suitable to represent the

group. The Asgardia judiciary may defer the matter to the TIA to determine all criteria aspects before ruling on certification.

12.5.12. Follow-on Actions—Before a collective action can proceed, the presumed action must have already been declared guilty of a fault, as outlined in the relevant provisions of this Act.

12.6. The Asgardia judiciary sets the consequences of actions determined through litigation, which must be comparable to the offense.

12.7. Actions conducted outside the territory of Asgardia are governed by the laws of the jurisdiction where the transgression occurred. Nevertheless, individuals residing in Asgardia are afforded legal protections as stipulated in the Asgardia Judiciary Act.

13. Digital Ecosystems

13.1. As technology becomes more advanced, so do digital ecosystems. Asgardia Space Nation values equality, equity, and unity; digital ecosystems must share these values as they interact with trade and commerce. In times when there is a belief that something within the digital ecosystem has violated Asgardia's Competition Fair Trade law that is not otherwise covered, it will be considered a suspected violation if one or more of the following scenarios are true:

13.1.1. It prevents access to diverse, reasonable, equitable market shares or market accessibility.

13.1.2. It prevents access to diverse, reasonable, equitable market allocations, resources, or options.

13.1.3. It prevents access to diverse, reasonable, equitable market pricing where pricing is necessary or negotiable.

13.1.4. It unfairly allows the rights of one person or enterprise to dominate over another person or enterprise.

13.1.5. It violates privacy where Asgardia laws have guaranteed such privacy.

13.1.6. It violates the inalienable Asgardian human rights of equality, dignity, and morality.

13.2. Digital ecosystems can involve digital or non-digital owners, sellers, buyers, users, programmers, gatekeepers, traders, producers, and any other material or organic entity working in a digital environment for trade and commerce.

13.3. The TIA must complete a rule-of-reason analysis investigation before any suspected violations are considered valid.

13.4. All suspected violations, whether digital or not, must be allowed a fair and impartial trial by Asgardia judicial authorities.

13.5. The Asgardia Corporations and Enterprise, E-Commerce, Consumer Protection, Decentralised Autonomous Organisation (DAO), and Digital Properties Acts relate to digital ecosystems and must be considered.

13.6. Article 10 of the Asgardia Consumer Act is aligned with Article 13 of this Act and will be considered.

13.7. The governing bodies of Asgardia's Trade and Commerce sector will collaborate to formulate an additional legislative act regarding these provisions. This Act will encompass global initiatives focused on Digital Markets and align with their advancements, evolving terminology, technology, legal frameworks, and pertinent obligation relationships.

13.8. The Asgardia Trade and Commerce law bodies will collaborate to create an Act addressing global initiatives on digital advancements, such as requirements for data portability and interoperability for major platforms to reduce entry barriers for smaller enterprises, artificial intelligence, and potential anti-competitive practices such as algorithmic collusion or market biases. This includes recognising data as essential for monopolisation and acknowledging the impacts of the digital market, platform competition, and necessary technological changes to keep Asgardia progressive.

13.9. Before the advancement of these additional Acts, provisions 13.8-13.9 will be considered on merit in relation to this Act.

14. Global Fair-Trade and Competition Sustainability

- 14.1. Asgardia Space Nation, when considering legal instruments for sustainable, fair trade and competition practices, will adopt the following principles concerning global fair trade and competition sustainability that are aligned with the United Nations, international best practices, as well as the principles of the World Trade Organisation (WTO):
- 14.1.1. **Standardised Fair Trade**—Standardising fair trade aims to protect Asgardian workers' rights, distribute power more equally between buyers, sellers, traders, users, consumers, and producers, and create a structure for the sustainable production of goods and services.
 - 14.1.2. **Non-discrimination**—Asgardia will not discriminate against its trading partners or between its own and foreign products, services, or nationals.
 - 14.1.3. **Fairer Trade and Predictability**—Responsible practices regarding trade barriers, including tariffs, sanctions, and non-tariff and non-sanction obstacles, will not be raised or initiated arbitrarily. They should be negotiated fairly and openly, and more positive diplomatic relations should be encouraged between Earth Nations and all space activities concerning trade and commerce.
 - 14.1.4. **Extraterrestrial Trade Initiatives** - The advancement of initiatives based in space that further the long-term objectives of Asgardia and establish Asgardia as a leader in the field of space operations.
 - 14.1.5. **More competitive**—Trade and commerce competitiveness will be dedicated to transparency, fairness, and undistorted conduct when engaging in trade and commerce with Earth Nations and Asgardia.
 - 14.1.6. **Competitiveness advocacy** – Asgardia will encourage intense competition legal instruments and actively enforce such instruments concerning trade and commerce actions with robust antitrust legislation, international cooperation, market monitoring, consumer awareness, independent regulatory bodies, and promoting innovation and new market entry.
 - 14.1.7. **Recognising interconnectivity**—Asgardia will recognise the interconnectivity between economic prosperity, competitiveness, and sustainability in trade and commerce matters. This recognition allows Asgardia to maintain growth without compromising future generations' ability to meet their needs and achieve economic success without harming environments on Earth or Space. Fundamental points that will be considered are:
 - 14.1.7.1. **Competitiveness drives prosperity** – A more competitive economy can achieve more significant economic growth and prosperity by attracting investments and expanding exports, which is crucial for a higher standard of living.
 - 14.1.7.2. **Sustainability enhances competitiveness**—Enterprises that adopt sustainable practices can gain a competitive advantage by appealing to environmentally conscious consumers, reducing costs through resource efficiency, and accessing new economic markets.
 - 14.1.7.3. **Education promotes efficiency** - The implementation of measures to establish educational programs that will enhance awareness among residents and enterprises regarding fair trade laws, their rights and responsibilities, market protocols and customs, and emerging technologies.
 - 14.1.7.4. **Balancing measures** – Asgardia encourages trade and commerce entities to pursue formulas to balance economic prosperity, efficiency, competitiveness, and sustainability. This can be done by balancing growth with environmental protection and social equity. These are relatable in the following ways:
 - 14.1.7.4.1. **Environmental impact:** Refraining from ecological degradation by prioritising resource efficiency and renewable energy.
 - 14.1.7.4.2. **Social impact:** Ensure fair labor practices and community development, which can contribute to a more inclusive and equitable society.

- 14.1.7.4.3. **Innovation:** Engage in innovative technologies and business models that are environmentally sustainable and economically viable, achieving a balance between sustainability and competitiveness.
- 14.1.7.5. **Investment Frameworks** – Keeping sovereign networks while progressing investment frameworks. The four significant areas are:
 - 14.1.7.5.1. Creating global partnerships and cross-border transactions.
 - 14.1.7.5.2. Friendlier regulatory frameworks that attract global actors and promote trade and commerce initiatives with Earth Nations and Asgardians.
 - 14.1.7.5.3. Seeking rational global initiatives that align with Asgardia Supreme Values.
 - 14.1.7.5.4. Aligning with innovative supply and demand forecasts that show net positive trends.

15. Jurisdictions

- 15.1. Due to how Asgardia Space Nation conducts business, an enterprise may be subject to multiple jurisdictions concerning an infraction that violates competition, anti-trust, or restrictive laws within Earth Nations. As such, that enterprise is subject to any outcomes those jurisdictions legally recommend due to the infraction.
- 15.2. The application and protections provided by this Act are only guaranteed if an infraction includes Asgardia Space Nation; any infractions outside of Asgardia are subject to the judicial practices and competition authorities of entities outside the jurisdiction of Asgardia Space Nation.
- 15.3. Relevant authorities will cooperate, collaborate, negotiate, and engage in diplomacy concerning competitive practices, trade, commerce, markets, and any other considerations necessary to encourage positive relations between Asgardia and Earth Nations when dealing with all trade and commerce paradigms.
- 15.4. Jurisdictional disputes in Asgardia, whether cross-border or not, will have the following resolution options:
 - 15.4.1. In the context of contract negotiations, a clearly defined jurisdictional clause will delineate the applicable jurisdictional laws and the designated forum for dispute resolution.
 - 15.4.2. Alternative Dispute Resolution (ADR) will be prioritised, researched, used whenever feasible, and accepted by all parties involved.
 - 15.4.3. Preselected arbitrator chosen by all parties involved in trade and commerce negotiations.
 - 15.4.4. International conventions or treaties that have been adopted and acknowledged for the enforcement of arbitral awards internationally.