



# SPACE PROTOCOL OF THE CAPE TOWN CONVENTION



## WHAT IS THE SPACE PROTOCOL?

The Space Protocol of the Cape Town Convention is an international regime of secured transactions designed specifically for the space industry. It introduces a uniform and transparent scheme to improve creditors' rights and hence facilitating the flow of capital into the space sector.

Based largely on the Aircraft Protocol of the Cape Town Convention, the Space Protocol has been adapted to specifically suit the needs of the space industry while respecting the public service aspect of space activities.

## WHY JOIN THE SPACE PROTOCOL?

- ✓ Enabling greater access to finance and capital for space activities;
- ✓ Creating a stable and secure environment for high value commercial transactions in space assets;
- ✓ Allowing developing countries and emerging markets to advance their space programs;
- ✓ Encouraging growth and innovation to enable all States to get access to outer space.

## SCOPE OF APPLICATION

The Protocol defines Space Asset as :

"Any **man-made uniquely identifiable** asset **in space** or **designed to be launched into space**, and comprising:

- (i) **a spacecraft**, such as a satellite, space station, space module, space capsule, space vehicle or reusable launch vehicle, whether or not including a space asset falling within (ii) or (iii) below;
- (ii) **a payload** (whether telecommunications, navigation, observation, scientific or otherwise) in respect of which a separate registration may be effected in accordance with regulations; or
- (iii) **a part of a spacecraft or payload** such as a transponder, in respect of which a separate registration may be effected in accordance with the regulations, together with all installed, incorporated or attached accessories, parts and equipment and all data, manuals and records relating thereto."

## ANTICIPATED BENEFITS

- The creation of an international registry for space assets which will allow debtors and creditors to register international interests in space assets;
- The creation of a global system of internationally enforceable security interests in space assets;
- The provision of an ecosystem where financiers and investors can confidently give their money to companies in the space sector;
- The availability of an international regime onto which domestic laws can be based on in order to provide secured lending for the space industry.

Global Space Economy 2017 **\$350 Billion** Satellite Industry Revenues **\$261 Billion**

Total Number of Satellites **1500+** Cost of Launching a Satellite **\$50-500 Million**





## THE CAPE TOWN CONVENTION

The Space Protocol is an extension of a successful international treaty already in operation: the Convention on International Interests in Mobile Equipment and its Protocol relating to Aircraft Equipment (more commonly known as the “Cape Town Convention” and its “Aircraft Protocol”).

The Cape Town Convention establishes an international legal regime for the creation, enforcement, registration and priority of international interests in categories of high-value, uniquely identifiable mobile equipment.

## HOW TO GET INVOLVED:

To learn more about the Space Protocol or the Cape Town Convention, please get in touch with us at:

[info@unidroit.org](mailto:info@unidroit.org)

or visit:

[www.unidroit.org/security-interests/space-protocol](http://www.unidroit.org/security-interests/space-protocol)

## HOW DOES IT WORK?

The Space Protocol creates a uniform regulatory regime for the recognition and protection of security interests in space assets. This ensures that issues such as conflict of laws or differing insolvency remedies, that are normally encountered in asset based financing, are surpassed.

It provides uniform rules for the creation, registration and priority of legal interests in space assets, as well as facilitating expeditious and efficient enforcement of remedies in the event of a default or insolvency of the debtor. At the same time, it ensures that adequate protection is given to public services that are offered through space assets and that the same are not interrupted due to an immediate exercise of the creditor’s rights.

## PRESENT STATUS

Concluded in Berlin by the international community in 2012, the Space Protocol is presently open for signatories with 4 states already having signed it.

The Space Preparatory Commission, tasked with setting up the international registry and appointing a supervisory authority is presently negotiating with a relevant international organisation to take up the role of supervising the international registry to be established under the Space Protocol.

This Commission has met 5 times so far with the latest meeting having taken place in December 2017. Draft Regulations for the Registry have already been prepared with further work towards finalising the supervisory authority and the international registry to be done in 2018.