



**UNIDROIT COMMITTEE OF GOVERNMENTAL EXPERTS
FOR THE PREPARATION OF A DRAFT PROTOCOL TO
THE CONVENTION ON INTERNATIONAL INTERESTS IN
MOBILE EQUIPMENT ON MATTERS SPECIFIC TO
SPACE ASSETS
Fifth session
Rome, 21/25 February 2011**

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DRAFTING COMMITTEE

(extraordinary meeting: Rome, 20 February 2011):

REPORT

(prepared by the UNIDROIT Secretariat)

An extraordinary meeting of the Drafting Committee of the Committee of governmental experts was held in Rome, at the seat of UNIDROIT, on 20 February 2011 to complete the work that the Drafting Committee was asked to do on Article IV(5) of the preliminary draft Protocol but was not able to complete at the fourth session of the Committee of governmental experts, held from 3 to 7 May 2010, in time for the fifth session of the Committee of governmental experts, to be held from 21 to 25 February 2011.

The meeting was opened by Mr J.A. Estrella Faria, Secretary-General of UNIDROIT. It was attended by representatives of the following members of the Drafting Committee: Canada, the People's Republic of China, the Russian Federation, the United Kingdom and the United States of America, as well as Ms M. Leimbach (Groupe Crédit Agricole) and Ms P. Meredith (Zuckert Scoutt & Rasenberger, L.L.P.) as observers. Mr M. Deschamps (Canada) and Sir Roy Goode (United Kingdom), as co-Chairmen of the Drafting Committee, chaired the meeting jointly.

The Drafting Committee decided to recommend to the Committee of governmental experts that:

1. a new Article I(2)(h) *bis* be inserted as follows:

"Article I(2)(h) bis

["revenue salvage" means an interest in [debtor's rights] which is vested in the insurer by contract or operation of law upon payment of proceeds following a constructive total loss affecting the space asset]";

2. Article I(2)(jj) be deleted;

3. a new Article I(2)(m) be inserted as follows:

"[(n) "title salvage" means title to a space asset which has vested in the insurer by contract or operation of law upon payment of proceeds following a constructive total loss affecting the space asset]";

4. Article IV(4) be amended to read as follows:

"For the purposes of this Protocol, title to a space asset acquired as title salvage is treated as if acquired by way of sale.";

5. Article IV(5) be amended to read as follows:

"[Without prejudice to Article 9(5) of the Convention,] nothing in this Protocol affects any rights of an insurer under the applicable law to revenue salvage as against the holder of an interest registered after the time when the revenue salvage vests in the insurer under the applicable law.";

6. the future Official Commentary should clarify that the insurer should not be able to register a prospective sale.