



INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW
INSTITUT INTERNATIONAL POUR L'UNIFICATION DU DROIT PRIVE

UNITED NATIONS COMMITTEE ON THE PEACEFUL USES OF OUTER SPACE

(67th session, Vienna, 19 - 28 June 2024)

Agenda Item 5: General exchange of views.

STATEMENT

by the Permanent Observer representing UNIDROIT

1. Honourable Chair. On behalf of the International Institute for the Unification of Private Law (UNIDROIT), and in my capacity as its Secretary-General, please allow me to start by congratulating you on your efforts towards ensuring the success of this Committee. UNIDROIT would also like to express its utmost appreciation and gratitude for the work and efforts of Director Aarti Holla-Maini and the entire Committee Secretariat for their excellent work.
2. Honourable Chair, distinguished Delegates. As most of you are aware, UNIDROIT is an independent intergovernmental organisation established in 1926 as an auxiliary organ of the League of Nations, with a function to develop methods for harmonising international private and commercial law. UNIDROIT counts on 65 Member States in all continents, representing more than 73% of the world's population and over 90% of the global nominal GDP, and we are proud to say that many more States around the world have benefited from ratifying our most important instruments, or have used them as models for their legislation.
3. UNIDROIT has a history of success and cooperation with global and regional UN agencies, intergovernmental organisations, and other international bodies. In this regard, we greatly appreciate our Permanent Observer Status at this Committee since 2021, and the opportunity to update you on our activities in areas of space law, space finance, and access to credit for space activities.
4. To assist in the growth and development of the space industry, an efficient international financial ecosystem needs to be developed. Indeed, the Council of the European Union most recently underlined the need to support co-funding models and efforts to increase access to finance in the space industry, highlighting, in particular, the importance of asset-based financing. In this respect, UNIDROIT is at the forefront of the development of effective harmonised legal solutions through the well-known Cape Town Convention on International Interests in Mobile Equipment. The Cape Town Convention aims to give creditors greater confidence in their decision to grant credit by creating a robust international legal regime for asset-based financing, ensuring the valid and effective creation and enforcement of international security interests and leasing on high value mobile equipment. The Cape Town Convention system consists of a main framework treaty accompanied by four protocols, each dealing with a specific category of equipment: Aircraft, Railway Rolling Stock, Mining, Agricultural and Construction; and, most importantly for the present case, Space Assets.
5. The Cape Town Convention and its most successful Aircraft Protocol are regarded as some of the most commercially beneficial international private law treaties ever adopted. They currently have 86 and 83 States Parties respectively and one Regional Economic Integration Organisation (the European Union), and continue to attract new accessions. The International

Registry for Aircraft Objects has recorded well over one million registrations since 2016, with a collateral worth almost 1 trillion dollars, demonstrating the extraordinary volume of commercial activities covered by this treaty.

6. Additionally, the implementation of other Protocols has begun to pick up speed. In March this year, the Luxembourg Rail Protocol under the Cape Town Convention, which specifically deals with the financing of rail rolling stock, also met all the requirements for its entry into force. The International Registry of Interests in Rolling Stock is now fully operational, providing accreditation for users, allocating unique numbers for rolling stock, accepting registrations of security interests, and facilitating searches against these interests. The entry into force of the Luxembourg Rail Protocol will undoubtedly support access to private credit for the rail industry.

7. UNIDROIT is convinced that the success of the Aircraft Protocol and the progress of the Rail Protocol demonstrates the potential of the Space Protocol.

8. UNIDROIT adopted the Space Protocol in 2012, which is designed to provide a stable and secure legal environment for transactions in space assets based on the tried and tested mechanism of asset-based financing. The Space Protocol has the potential to reduce the cost of financing as a result of the increased level of transparency and predictability for financiers, thereby making financing more widely available to a greater number of players in the commercial space sector.

9. Ten ratifications or accessions are needed for the entry into force of the Space Protocol, as well as a certification by the Supervisory Authority that the future International Registry for Space assets is fully operational. In this respect, we note with great satisfaction that Paraguay has completed all internal procedures and has just ratified all four Protocols, including in this case of special importance, the Space Protocol. This is most promising news. We encourage States to continue their consideration of the Space Protocol, and we remain available to offer support and guidance to all Members of COPUOS in this regard. By signing up to the Space Protocol, States expand and open up asset-based financing options for space projects. Acceding to the Space Protocol fosters widespread investment, innovation, technological advancement, and space industry growth by providing a level playing field and uniform and predictable regime for interests in space assets.

10. UNIDROIT looks forward to continuing to work closely with Member States and Observers to secure the implementation of the Space Protocol and generally promote the use of harmonised private law in the space sector. We wish the Committee every success in its deliberations, and thank you for your time.