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# "legal aspects of transfer of ownership and transfer of activities"

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# Introduction

Interest of this very practical issue.

This presentation will be done in three parts.

- current legal framework
- difficulties of transfer of ownership
- practical solutions

## **Current legal framework**

- **Article VI of the Outer Space treaty.**
- **Article VII of the Outer Space treaty and the liability convention.**
- **Registration under article VIII of the outer space treaty and the registration convention**
- **Indication of a liable launching State by the registration of a space object.**

## **II The transfers of ownership and control of a space object**

- A space object may be sold/bought while in outer space.
- There is no objection by principle to a transfer of registration.

# Transfer between two launching States

- The property is transferred, including the rights and obligations which are connected to property in every legal system.
- The responsibility for “national activity” according to article VI OST is transferred because it is related to a fact: the link of nationality of the operator. This activity must be authorized and continuously supervised by the “appropriate State”.
- The liability of the launching State(s) is unchanged as it is related to the time of the launch
- The State of the new owner can register and have jurisdiction and control over the object if it is a launching State because of article II of the registration convention. If it is not it cannot.

# Transfer to a State which is not a “original” launching State

- The “original” launching State stays liable even if it cannot in practice have any control over the satellite. Therefore it must control or even block every change of ownership to a foreign person.
- The State of the “national activity” is responsible according to OST article VI but cannot register it, cannot have jurisdiction and control over it even if it must authorize and supervise this activity.

# III A solution ?

## Interests to take into consideration

- Interest of every potential victims of an accident. The solution should not limit or modify the rights or interests of potential victims.
- The interest of the “original” launching State. If the space object is transferred, this State should be protected from any final obligation to indemnify the victim if it has no more control over the space object.
- The interest of the “new” State which should have “jurisdiction and control” over the space object in order to be in a position to fulfill its obligations under article VI because this activity becomes a “national activity” in outer space. Therefore it should be authorized to register the object. Taking into consideration that only one State can register.

## Suggested process

- **Agreement between “original” and “new” States**
- **UN GA resolution to ask the UN Secretary General to accept the transfer of registration under precised conditions.**



## The effects to States:

- The victim is even better protected as the number of the launching/liable States is increased by one. The “original” launching State(s) is (are) still liable exactly as formerly. The only modification is that the victim may ask compensation to another State, the one in charge of the satellite.
- The “original” launching State is protected by the agreement with the new one. It will still be liable but can transfer the final burden of the risk to the “new” State.
- The preventive effects of the liability plays fully . the State able to control its satellite because of its new ownership is not only responsible for this “national activity” but is also liable as a launching State.

# The effects to private operators:

- This would ease and lower the obligation for States to control the satellites operators.
- Because they have no more the burden of the risk, the “original” launching State will accept more easily the transfers of ownership or control to other companies and countries.
- Therefore the price of the “second hand” satellite will be much higher which is quite good even if the satellite is not sold.
- The possibility to use satellites as financial guarantee will not be limited by the risk of a difficulty or even an impossibility to transfer the satellite. This is a condition for a good functioning of the UNIDROIT protocol.

## Conclusions

It may be possible to ease the implementation of the treaties to take in consideration the development of private activates in outer space.

Keeping in mind the interest of all countries and the fact that outer space is and should stay a “common province of Mankind”

Thank you for your attention

