

56th IISL COLLOQUIUM ON THE LAW OF OUTER SPACE (E7)
Recent Developments in Space Law (5)

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AN OVERVIEW OF PROTOCOL ON SPACE ASSETS FROM CHINA'S PERSPECTIVE

Abstract

With the development of space technology, space activities have become more and more commercialized. Since space activities go beyond national boundaries into outer space and have high demand for funds, the players in space financing have to assume great risks as they seek to earn profits. Therefore, it becomes a major issue of common concern for space and related sectors to establish an effective international regimen governing space financing. To facilitate international financing and leasing based on high-value mobile equipment including space assets, UNIDROIT organized the formulation of The Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Space Assets (hereinafter referred to as the Space Protocol), which was adopted and opened to signature at the Diplomatic Conference held in Berlin from 27 February to 9 March 2012. Chinese space industry is extending itself to various fields of international commercial space sector and increasing its shares in global space market. China wishes to see its interests to be recognized and protected by international rules either as the creditor or the debtor in the international space assets-based financing activities. The Space Protocol, designed to address issues related to space assets-based financing, will have major impact on China, including its banking, insurance sectors and current legal regime as well as the space industry. The Space Protocol is thus of great importance to China both theoretically and practically. Therefore, it is urgent for China not only to study the Space Protocol itself, but also to conduct further research and analysis on whether to sign and accede to the Space Protocol. Such choice should be made by taking account of the possible implications for related national sectors as well as ramifications for our national interests and current legal regime.