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SUSTAINABLE CORPORATE FINANCE AND SPACE ACTIVITIES – HOW TO RESHAPE THE
GLOBAL SPACE INDUSTRY THROUGH FINANCING

Abstract

Following the development of more and more private and commercial space activities, the links between space and finance are becoming closer. These links were first built around the delicate issue of financing space explorers while safeguarding terrestrial finance (Cahan, Marboe and Roedel, 2016), and more particularly, the valuation of space-based assets and securities that could be taken on them. The Cape Town Convention helps to bring legal solutions to this important question. In recent months, they were articulated around the question of financing space start-ups (space angels, venture capital) with a current focus on the exit conditions of initial investors (acquisition, IPO through SPAC, growth equity). The links between space and finance could tomorrow raise the question of the regime of financial companies installed on space platforms and operating outside the scope of financial regulations. We can anticipate what the problems of financial regulation would be if these platforms were to market operations denominated in crypto-currencies. However legal solutions can be found, based on the distinction between the service provided and the platform itself (Rapp, Topka and Mallowan, 2021).

Beyond these questions, the most innovative issue that should receive the attention of the international community in the years to come is the development in Europe, and no doubt beyond Europe, of Sustainable Corporate Finance (SCF). SCF intends to respond to the climate challenge by imposing on financial operators a responsible approach in their investment operations. It takes place in the context of the European New Green Deal and seeks to take advantage of the challenges and opportunities that the COVID19 crisis is offering to the spacefaring nations. Space activities should be primarily concerned by SCF. Some space activities such as earth observation contribute to the fight against climate change; they are virtuous and should attract responsible investors. Others are or may be polluting, whether it be the accumulation of space debris or the effects of uncontrolled development of space mining or space tourism. SCF could therefore contribute to reshape the global space industry.

After defining the SCF concept and approach, the proposed communication draws up a current state of play of SCF, with particular emphasis on how it could apply to space activities and help regulate them.