

ING Commercial Banking

Structured Finance Telecom, Media & Technology

**LONDON INSTITUTE OF SPACE POLICY AND LAW
PRACTITIONER AND INDUSTRY WORKSHOP**

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ING Satellite Finance

A highly specialised team focusing on the satellite market – ~55 transactions within last 17 years

What we do

ING services the satellite sector:

- Global satellite operators
- Regional satellite operators
- Satellite manufacturers
- Equipment suppliers
- Launch services providers
- Service providers (selectively)

Past and current
ING Satellite Clients

Satellite Operators	Direct-to-home Satellite Television Service	Service Providers	Launch Services Providers	Satellite Manufacturers
 IntelSat.  eutelsat <small>communications via satellite</small>  inmarsat  AsiaSat  Telesat  الثريا <small>THURAYA</small>  SES  yahsat <small>اليه سات smart satellite solutions</small>	 DIRECTV.  Galaxy <small>Latin America</small> GLA  HUGHES	 VIZADA  CapRock <small>COMMUNICATIONS</small>  LIFETIME <small>TELEVISION</small> <small>TURNER ENTERTAINMENT GROUP</small>  xantic  VIACOM.  inmarsat	 arianespace  SEA LAUNCH  ILS	 LORAL <small>Space & Communications</small>  LOCKHEED MARTIN  BOEING  ThalesAlenia <small>A Thales / Finmeccanica Company</small> Space  EADS <small>ASTRIUM</small>  ING

The Unidroit Space Protocol aims to:

....meet the particular demand for space assets and to finance their acquisition and use as efficiently as possible

- Demand for satellite services has been increasing over the years with greater capacity requirements and in particular with technical improvements in spectrum efficiency was technically made possible.
- There is still unmet demand in certain areas around the globe as it is not economically feasible to provide universal service on a global basis without using satellite technology.
- The financing markets have supported satellite companies as well as projects in particular over the past few years, with an average financing of some USD 17bn on an annual basis.

....facilitate the financing of space assets through a uniform and predictable regimen governing the taking of security over space assets

- Broad provisions intended to provide uniformity and predictability.
- Intended to apply to all “space assets” where located and certain related rights.
- Subject to registration of international interests on a priority basis.
- Provides prescribed default remedies and priorities.

The Unidroit Space Protocol will result in:

...meet the particular demand for space assets and to finance their acquisition and use as efficiently as possible

- Additional burden on satellite companies, increasing costs rather than reducing costs, by introduction of a cumbersome process

...facilitate the financing of space assets through a uniform and predictable regimen governing the taking of security over space assets

- The international commercial space industry will yield limited benefits from the Protocol as the commercial business is not constrained by legal matters, but is still rather restricted by technical issues.
- The commercial satellite industry is not restricted in access to financing. New companies can indeed find commercial funding sources so long as they are able to present economically viable business cases.
- The satellite finance market is not an asset-based finance market as a satellite system is specifically designed to support a business case using pre-determined radio frequencies and tailored antennas. Therefore, the lending has to be based on the cash flow projections of commercially viable businesses. The cash flow will drive the valuation of the satellite. There is no secondary market for space assets, apart from “placeholder satellites”, used to safeguard certain orbital frequency rights, or those assets used for “early entry” strategies.
- The financiers of the commercial satellite industry are not hampered in a legal way to protect themselves from defaulting borrowers as long as they implement the appropriate safety nets. This is evidenced by a number of asset foreclosures leaving senior secured lenders with limited losses.
- The Protocol will not assist in establishing asset-based financing structures for satellite operators as satellites technically need to be developed in a number of areas in order to be truly movable and deployable in a range of orbital positions and/or frequency bands / ranges.
- In fact, the Protocol introduces a new concept that the satellite industry has never been confronted with: public service restrictions. These restrictions provide States with enhanced rights in the event one deems a satellite asset providing a public service to the State crucial. This hampers enforcement action on defaulting borrowers and diminishes the value of the asset substantially.
- The Protocol will have a negative effect on the appetite of financial institutions or investors to provide financing, not only to existing satellite operators but perhaps more fundamentally to project companies that more heavily rely on debt

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