

## **UPU\*Clearing User Group**

### **Rules of Procedure**

#### **Foreword**

UPU\*Clearing is an efficient, low-cost means of settling international postal accounts. UPU\*Clearing allows designated operators to make various types of bills available instantly online. Debtors can comment on, change, accept or refuse these electronic bills by means of an acceptance/refusal function, all via a discussion platform.

The UPU\*Clearing User Group is a body established under the UPU Postal Operations Council and is regulated by its own rules of procedure. The clearing system itself is also governed by specific clearing rules.

## Rules of Procedure of the UPU\*Clearing User Group (hereinafter the "Rules of Procedure")

### Contents

	Page
<b>Chapter I – Membership</b>	4
Article 1 – Members	4
1 Member types	4
2 Ordinary members	4
3 Partner members	4
Article 2 – Contribution classes, voting principles and quorum	4
1 Ordinary members	4
2 Partner members	4
3 Voting principles	4
4 Quorum	4
Article 3 – Late payment of contributions	5
<b>Chapter II – Bodies and procedures</b>	5
Article 4 – Bodies of the UPU*Clearing User Group	5
1 General Assembly	5
2 Steering Committee	5
3 Incompatibility of functions	6
Article 5 – Dispute settlement	6
Article 6 – Admission and withdrawal	7
1 Admission	7
2 Withdrawal	7
Article 7 – Suspension and exclusion	7
1 Suspension	7
2 Reinstatement	8
3 Exclusion	8
Article 8 – Deposit	8
Article 8 – deactivation from the system	9
<b>Chapter III – Secretariat and languages</b>	8
Article 10 – Secretariat	9
Article 11 – Languages	9

<b>Chapter IV – Finance and budget</b>	<b>9</b>
Article 12 – Basic financial principles	9
1 UPU*Clearing User Group income	9
2 Use of income	9
3 Deadlines	9
4 UPU*Clearing User Group operating costs	9
5 Bank charges	9
6 Budget	9
<b>Chapter V – Dissolution and final provisions</b>	<b>10</b>
Article 13 – Balance of accounts upon dissolution	10
Article 14 – Entry into force	10

## Chapter I – Membership

### Article 1

#### Members

#### 1 Member types

1.1 The UPU\*Clearing User Group is made up of ordinary members and partner members. Members may be admitted on a provisional basis.

#### 2 Ordinary members

2.1 Any designated operator of a UPU member country making and/or receiving payments for the services it provides on the basis of the UPU Acts may join as an ordinary member.

#### 3 Partner members

3.1 Any non-governmental entity supplying goods or services to the international postal services sector which has an interest in supporting the activities of the UPU\*Clearing User Group may, upon recommendation by an ordinary member, join as a partner member. Partner members' voting rights are limited to the revision of the Clearing Rules. They have observer status for all other decisions.

### Article 2

#### Contribution classes, voting principles and quorum

#### 1 Ordinary members

1.1 The contribution class of ordinary members is linked to their regular UPU budget contribution class to which their respective member countries belong.

1.2 The number of votes of ordinary members is in proportion to their contribution class and is calculated as follows:

<i>UPU*Clearing contribution class</i>	<i>Number of contribution units to the UPU budget</i>	<i>Number of votes</i>	<i>Annual contribution in CHF</i>
1	0.1-1	1	1,125
2	1.1-9.9	5	5,625
3	>=10	10	11,250

#### 2 Partner members

2.1 Each partner member has only one vote.

2.2 The voting rights of partner members are limited to the revision of the Clearing Rules.

2.3 The annual membership fee for partner members corresponds to contribution class 3.

#### 3 Voting principles

3.1 Voting shall be in accordance with the Rules of Procedure of the POC and require the majorities specified in article 4 below, subject to the quorum requirements described in paragraph 4 of this article.

#### 4 Quorum

4.1 General Assembly meetings and any voting procedures thereof shall only be valid if at least one third of the ordinary members are present. The quorum necessary for conducting a Steering Committee meeting shall be three members.

### Article 3

#### Late payment of contributions

1 Failure to pay the annual contribution within the period set out in the Clearing Rules may result in the member being suspended, except in cases of force majeure as defined by the International Chamber of Commerce.

2 A member's provisional membership is conditional upon payment of the first annual contribution, in accordance with article 6.1.3.3 below.

## **Chapter II – Bodies and procedures**

### Article 4

#### Bodies of the UPU\*Clearing User Group

##### 1 General Assembly

1.1 Attendance at meetings of the General Assembly shall be restricted to full and partner members of the UPU\*Clearing User Group, as well as to observers and ad hoc observers duly authorized in accordance with the relevant provisions contained in the Rules of Procedure of the POC.

1.2 The Chairman and Vice-Chairman of the General Assembly are elected by the General Assembly.

1.3 An extraordinary General Assembly shall be called should one quarter of the total votes request it.

1.4 The General Assembly takes its decisions on a two-thirds majority of total votes present or represented in the following cases:

1.4.1 revision of the Rules of Procedure;

1.4.2 dissolution of the UPU\*Clearing User Group.

1.5 The General Assembly takes its decisions by a simple majority of votes present or represented in the following cases:

1.5.1 election of the Chairman and Vice-Chairman;

1.5.2 definitive admission or temporary or permanent exclusion of members;

1.5.3 appeals against suspension;

1.5.4 election of the Steering Committee;

1.5.5 strategic decisions concerning the activities of the UPU\*Clearing User Group;

1.5.6 approval of the UPU\*Clearing User Group accounts and budget (subject to operating costs);

1.5.7 setting of the annual membership fees;

1.5.8 revision of the Clearing Rules;

1.5.9 oversight of the other bodies' activities;

1.5.10 appeals from dispute settlement decisions;

1.5.11 any other decision not falling within the competence of the other bodies.

1.6 A member that is unable to attend a meeting may arrange to be represented by another member, provided that written notice is given to the Secretariat.

1.7 A member may vote by proxy for a maximum of five other members.

##### 2 Steering Committee

###### 2.1 Functions

2.1.1 reports annually to the General Assembly and the POC;

2.1.2 organizes votes by correspondence and establishes the procedure for these votes;

2.1.3 decides on a member's provisional admission, on a member's suspension (duration) and on its consequences (penalty for late payment);

2.1.4 proposes a member's definitive admission to, or exclusion from, the General Assembly;

2.1.5 in case of emergency, takes appropriate decisions to safeguard members' interests;

2.1.6 submits the budget and accounts to the General Assembly;

- 2.1.7 sets the amount of the deposit for the reinstatement of a suspended member, taking the circumstances of the case into consideration;
- 2.1.8 responds to questions submitted to it by the Secretariat;
- 2.1.9 prepares the agenda for each meeting of the UPU\*Clearing User Group in consultation with the Secretariat. This agenda shall be sent to the members of the UPU\*Clearing User Group and to the observers at the same time as the convening notice.
- 2.2 Structure of the Steering Committee
  - 2.2.1 The Committee is composed of five persons elected *ad personam* from among ordinary members of the UPU\*Clearing User Group. They must be employed by the members and be suitably qualified.
  - 2.2.2 The members are required to ensure that the persons elected shall be available sufficiently often to carry out their functions.
  - 2.2.3 In case of withdrawal or prolonged absence (absence from two consecutive meetings) of one of the Committee members, the member represented by the individual in question must replace him or her within a reasonable period, until the next election.
  - 2.2.4 The Chairman and Vice-Chairman of the Committee are elected by the Committee from among its members.
  - 2.2.5 The Steering Committee Secretary has no voting rights.
- 2.3 Election of Steering Committee members
  - 2.3.1 Each ordinary member may present only one candidate, who must be employed by the member.
  - 2.3.2 Committee members are elected for a two-year term and may be re-elected.
- 2.4 Decisions taken by the Steering Committee shall be made by consensus whenever possible. However, when voting is used during a meeting of the Steering Committee, all decisions shall be passed by a majority vote of the members of the Steering Committee present, subject to the quorum requirements described in article 2.4.
- 3 Incompatibility of functions
  - 3.1 Members may not combine two functions within the Group's bodies.
  - 3.2 Persons elected *ad personam* from among the members may not combine two functions within the bodies of the UPU\*Clearing User Group.

## Article 5

### Dispute settlement

- 1 A transaction becomes disputed as soon as it is designated as such in the system by one of the parties to the dispute.
- 2 The parties shall endeavour to settle amicably any dispute concerning the clearing system.
- 3 If the parties do not manage to settle their dispute amicably under article 5.2 above within a reasonable period, one of the parties to the dispute may refer the matter to the Steering Committee.
- 4 Disputed transactions are referred to the Steering Committee through written request by one of the parties to the disputed transaction. The written request is accompanied by documents relevant to the dispute.
- 5 The Secretariat shall pass all the documents on to the Steering Committee.
- 6 The Secretariat shall advise the other party to the dispute that the matter has been referred to the Steering Committee and invite that party to submit documents as well.
- 7 If a member of the Steering Committee is a party to the dispute, that member may not participate in the Steering Committee's examination of the case.
- 8 Disputed transactions referred to the Steering Committee by a member shall be suspended until the Steering Committee has delivered its final, binding decision.

9 The Steering Committee shall rule on the dispute no later than two months after receiving the complete file relating to the dispute. Its decision shall be communicated to the parties by the Secretariat.

10 Appeals against the Steering Committee's decision may be made to the General Assembly by one of the parties to the dispute. The appeal must be made in writing within 60 days of the Secretariat's notification of the Steering Committee's decision. If no appeal is submitted, the Steering Committee's decision becomes final and binding.

11 In case of appeal, the Secretariat shall refer the file to the General Assembly for review and decision.

12 The General Assembly's decision shall be final and without appeal.

## Article 6

### Admission and withdrawal

#### 1 Admission

1.1 Any designated operator of a UPU member country may submit an application for membership to the UPU\*Clearing User Group Secretariat, which shall pass it on to the Steering Committee.

1.2 The membership declaration of each ordinary member must indicate the contribution class it belongs to.

1.3 Preconditions for any provisional membership are:

1.3.1 the signing of a membership declaration whereby the member undertakes to abide by these Rules of Procedure and the Clearing Rules;

1.3.2 payment of the annual membership fee;

1.3.3 payment of a deposit, as decided by the Steering Committee

1.4 The Clearing Rules define the material and operational conditions of admission.

1.5 On an exceptional basis, the Steering Committee may request the General Assembly to waive the application of paragraph 1.3.2 above in order to take actions aimed at facilitating membership in the UPU\*Clearing User Group; such actions shall be of limited duration and may only be renewed as decided by the General Assembly.

#### 2 Withdrawal

2.1 Any member may withdraw from the UPU\*Clearing User Group, provided it gives the Secretariat written notice at least one year in advance. However, it shall still be required to settle through the UPU\*Clearing system bills relating to transactions carried out prior to the date on which it ceased to be a member. Moreover, it shall remain bound by the decisions of the Steering Committee and the General Assembly in dispute settlement procedures.

2.2 Any admission or withdrawal of a member is notified to members of the UPU\*Clearing User Group by the Secretariat via e-mail, and to UPU member countries by means of an International Bureau circular.

## Article 7

### Suspension and exclusion

#### 1 Suspension

1.1 A member may be suspended, at the discretion of the Steering Committee, for a fixed or indefinite period if:

1.1.1 it does not pay its annual membership fee and/or the clearing system's bills;

1.1.2 international sanctions are adopted against it by competent international organizations, including the UPU;

1.1.3 it does not abide by these Rules of Procedure and/or the Clearing Rules;

- 1.1.4 it commits repeated errors;
  - 1.1.5 it is declared bankrupt or has been placed in receivership;
  - 1.2 Suspension results in the loss of voting rights, and may, at the discretion of the Steering Committee, be accompanied by a financial sanction (late payment penalty of 6% per annum).
  - 1.3 Members are still required to pay their annual membership fees throughout their suspension.
  - 1.4 The Secretariat shall take the necessary measures for implementing the decision to suspend a member from the UPU\*Clearing system.
- 2 Reinstatement
- 2.1 A suspended member may be reinstated at the end of the suspension period if:
    - 2.1.1 it has paid the late payment penalty of 6% imposed by the Steering Committee, if applicable;
    - 2.1.2 it has settled all of its debts in the UPU\*Clearing system;
    - 2.1.3 it has paid the mandatory deposit required by the Steering Committee.
- 3 Exclusion
- 3.1 A member may be excluded at the end of the suspension period if it has not met the requirements imposed by the Steering Committee pursuant to article 7.2.1.
  - 3.2 An excluded member's annual membership fee shall be retained by the UPU\*Clearing User Group during the year following its exclusion.
  - 3.3 The exclusion of a member is to be notified to UPU member countries by means of an International Bureau circular.
  - 3.4 The member must satisfy the conditions laid down in article 7.2.1.1 to 7.2.1.3 to be reinstated.

## Article 8 Deposit

- 1 A deposit is mandatory in the case of reinstatement after suspension.
- 2 The deposit required is set by the Steering Committee.
- 3 Members may maintain a deposit that is larger than the mandatory deposit required, or pay a voluntary deposit at any time.
- 4 The deposit (capital and interest) belongs to the member and is kept in the UPU\*Clearing bank account, where it is managed according to the member's instructions.
- 5 A member may use its deposit account to pay other bills issued by the International Bureau and to settle debts connected with UPU\*Clearing. A member may be asked to increase its deposit if it uses its deposit account to settle debts for three consecutive accounting periods. The amount of the supplemental deposit required shall be the value of the payments made from the deposit account.

## Article 9 Deactivation from the system

- 1 Members may, upon request, be deactivated from the system for a maximum period of one month from start of any monthly compensation cycle.
- 2 A maximum of two requests for deactivation can be made during a fiscal year.
- 3 Deactivation requests are sent by email to the Secretariat and must be received at least one week in advance prior to the start of the re-requested deactivation period.
- 4 Each deactivation request must be justified and reasonably valid. Decisions by the Secretariat pertaining to a request for deactivation are final and not subject to appeal.



- 5 In the event of force majeure, deactivation requests for a longer period may be accepted.

### **Chapter III – Secretariat and languages**

#### Article 10 Secretariat

- 1 Secretariat
- 1.1 The role of secretariat shall be provided by the UPU International Bureau (the "Secretariat"). The Secretariat shall perform the following functions:
- 1.1.1 serve as an organ of execution, support, liaison, information and consultation for the UPU\*Clearing User Group and its members;
- 1.1.2 provide reports, support the Steering Committee with its functions described in article 4 above and manage the daily clearing activities;
- 1.1.3 manage the UPU\*Clearing User Group's income and finances in accordance with the relevant UPU financial rules.
- 1.2 The Secretariat shall advise members concerning the clearing system. If it sees fit, it may refer any question asked by a member to the Steering Committee or the General Assembly, according to their respective areas of responsibility.

#### Article 11 Languages

- 1 The working languages of the UPU\*Clearing User Group are French and English.

### **Chapter IV – Finance and budget**

#### Article 12 Basic financial principles

- 1 The UPU\*Clearing User Group's income is made up of:
- 1.1 the admission fees;<sup>1</sup>
- 1.2 the annual membership fees paid by members of the UPU\*Clearing User Group.
- 2 Use of income
- 2.1 The income must make it possible to carry out all the activities undertaken by the UPU\*Clearing User Group, according to the principle of cost coverage.
- 2.2 The admission fees are allocated to funding the clearing software and the administrative costs linked to joining the UPU\*Clearing User Group.
- 2.3 The annual membership fees paid by members are allocated to cover the operating and administrative costs of the UPU\*Clearing User Group.
- 3 Deadlines
- 3.1 In the first year, the annual membership fee must be paid at the time of admission.
- 3.2 Annual membership fees are payable in advance before 1 January of each year.
- 4 The UPU\*Clearing User Group's operating costs cover:
- 4.1 the operating expenses of the clearing system;
- 4.2 the administrative costs;

<sup>1</sup> The 2013 POC approved the elimination of admission fees for new members.

- 4.3 the staff costs;
- 4.4 the bank charges of the banking institutions used by the UPU in Switzerland for payments to creditors.
- 5 Bank charges
  - 5.1 For payments from debtors, all bank charges and commissions are payable by these debtors. Any charges deducted from the payments are re-billed by the Secretariat in the following period.
  - 5.2 For payments to creditors, only bank charges of the bank in Switzerland are to be borne by UPU\*Clearing. Any other charges are borne by the creditor.
- 6 Budget
  - 6.1 The operating costs to be charged to the budget are communicated to the UPU\*Clearing User Group Secretariat by the International Bureau.
  - 6.2 Before the beginning of any financial year, the Steering Committee must draw up a balanced budget which must be approved by the General Assembly.
  - 6.3 The budget of the UPU\*Clearing User Group shall be managed under the applicable UPU financial principles and rules (including without limitation the UPU Financial Regulations and the UPU Rules on Financial Administration).

## **Chapter V – Dissolution and final provisions**

### Article 13

#### Balance of accounts upon dissolution

- 1 When the UPU\*Clearing User Group is dissolved, the balance of the bank accounts, once the members' assets have been reimbursed, shall be paid into the UPU Voluntary Fund.

### Article 14

#### Entry into force

- 1 These Rules of Procedure shall come into effect immediately upon their approval by the POC.