

## **Creation of the UPU Postal Payment Services Suppliers Group (PPSSG)<sup>1</sup>**

### Background:

The mission of the Universal Postal Union in the area of postal payment services is to provide all people living and working in their own country or abroad with access to efficient, reliable, secure and affordable postal payment services, in line with its commitments to economic and social development, sound governance, ethical principles and equal rights.

To this end, the UPU Doha Congress 2012 and the Postal Operations Councils 2013.2 and 2014.1 decided to create the UPU Postal Payment Services Suppliers Group (PPSSG) as a priority strategic action. The final proposal on the creation of the PPSSG will be submitted for approval to the POC and CA in October/November 2014.

### Objectives:

- Enable the PPSSG members to provide all their customers with efficient, reliable, secure and affordable electronic postal payment services via the UPU Worldwide Electronic Postal Payment Network (WEPPN), which serves as an interconnecting platform (switch) for different suppliers, networks and partners.
- Extend access to the UPU Worldwide Electronic Postal Payment Network and coordinate its management.
- Set goals and implement common standards, performance and remuneration rules.
- Develop new service features and provide training to existing and new WEPPN users.
- Develop partnerships between all postal designated operators as well as with potential partners (non-postal financial institutions).
- Implement a common multilateral agreement (one signature guarantees the business relationship with all other PPSSG members).
- Facilitate members' business development through the application of the PPSSG common quality standards and remuneration rules.
- Extend the centralized UPU clearing and settlement system worldwide.
- Promote and manage the worldwide UPU trademark.
- Extend the WEPPN by 2020 to:
  - 150 countries;
  - over 3,000 corridors; and
  - 50 non-postal partners.

### Advantages:

- All members, whether or not they are CA or POC members, participate in the Group's management and decisions.
- Members are the operational suppliers of the services (operators).
- As well as developing the WEPPN, the Group will lead UPU changes by opening or extending partnerships with payment service providers and networks, developing new products and services, etc.

<sup>1</sup> This summary is based on the documents which will be submitted to the POC and CA in October/November 2014

- The Group will improve responsiveness to the urgent need to develop new services such as mobile payments, the e-wallet, pre-paid cards and e-commerce payments, and to extend existing services and introduce new ICT solutions, such as network and satellite interconnection.
- Direct participation by all members in the management of the WEPPN will result in:
  - efficient coordination of common marketing and promotional activities;
  - QS improvements, including QS measurement, introduction of reporting systems and pay-for-performance systems.
- Operational simplification and optimization of the business and legal frameworks:
  - Common multilateral agreement
  - Electronic compendium
  - Inquiry system
  - Quality of service standards
- Strengthening of responsibility and financial relations and stability between members through the centralized UPU clearing and settlement system and enabling members to settle all their mutual transactions and remunerations with one settlement operation only.
- Worldwide extension of the UPU collective trademark for common branding of the services offered.
- The benefit of operational and technical assistance with the installation and interconnection of payment systems.
- The development of partnerships reflecting PPSSG members' business needs and interests.
- Reduced costs and increased profitability are ensured through:
  - changes to the legal framework (greater number of partnerships, etc.);
  - the application of new technologies (mobile payments, e-wallets, etc.);
  - the application of common quality standards;
  - the simplification of the multilateral framework (multilateral agreement, clearing and settlement, etc.);
  - the opening of new corridors (extension of the WEPPN).
- For the first year of operations, 2015, support from the UPU and Founders will enable membership fees to be waived.
- Contributions to the PPSSG will be set from 2016; the relevant proposals will be submitted by the PPSSG Steering Committee to the first PPSSG General Assembly.

