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To: The member countries of the Council
of Administration and Postal
Operations Council

The UPU restricted unions

The observers at the CA and POC
meetings:

- Other UPU member countries
- The members of the
Consultative Committee

Berne, 9 October 2014

Reference: 4570(DOT.PFSP)1132

Subject: Creation of the Postal Payment Services Suppliers Group

Dear Sir/Madam,

Resolution C 21/2012 instructed the POC "to take any appropriate decisions and actions with a view to ensuring the efficient development and management of the UPU worldwide electronic postal payment services network (WEPPN) on the basis of the experience acquired in the context of the activities of the EMS and Telematics Cooperatives".

The 25th UPU Congress decided to develop the WEPPN, which brings added value to many UPU member countries and their inhabitants, as one of its priority strategies. Consequently, it has become urgent to set up a structure within the UPU to ensure the development of the WEPPN and the coordination of a number of activities among its users.

Postal payment services are generally very profitable and contribute significantly to designated operators' revenue. With the continuing decline in many regions of the volume of traditional services, payment and other financial services now play an even more important role in ensuring designated operators' sustainability. In a large number of countries the contribution made by postal financial services represents more than 50% of the Post's revenue; in many of them it exceeds 70%.

Given that over 70 postal operators are WEPPN users, the present management structure of the UPU worldwide electronic postal payment services network needs to be reformed: it does not currently provide the continuing focus and degree of responsiveness required for the development of products and services in a highly competitive and dynamic payment services market environment.

As requested by the Postal Operations Councils 2013.2 and 2014.1, the document package relating to the creation of the Postal Payment Services Suppliers Group (PPSSG) was prepared by the member countries of the POC Committee 5 Ad Hoc Group on Creation of the Postal Payment Services User Group, working in close cooperation with a number of member countries from all regions of the world, as well as PUASP and the International Bureau. These documents will be submitted for approval to the POC 2014.2 plenary under point 7, and also to Council of Administration Committee 1. The International Bureau is translating and publishing these documents as a matter of the utmost priority.

I invite all POC and CA member countries, as well as the observers involved, to examine these important documents in preparation for your delegation's active participation during the October/November POC/CA session, so that a decision can be taken regarding the creation of the PPSSG.

/ Please note that it is extremely important for you to inform the International Bureau, Postal Financial
/ Services Programme, **before 27 October 2014**, of designated operators' final or provisional decision to join
/ the future PPSSG, using the form attached as Annex 2. You will also find a summary relating to the creation
/ of the PPSSG in Annex 1.

I should also like to request the restricted unions' coordination and support for the strategic action of creating the new Postal Payment Services Suppliers Group.

The documents on this subject will be dispatched and published on the UPU website as soon as possible.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'B. Hussein', with a long horizontal stroke extending to the right.

Bishar A. Hussein
Secretary General