



Remuneration of supplementary services in the Istanbul Congress cycle (2018–2021 period)

The current product specifications for registered, insured and tracked services are described in article 18 of the Convention (Supplementary services), and in articles 18-101, 18-001 and 18-102 of the Convention Regulations. The registered and tracked services are also subject to the mandatory use of barcodes on all outbound items. The requirements for proper barcoding of all letter-post items are contained in article 17-130 of the Regulations. The remuneration supplements associated with the provision of the current registered and insured services are included in article 28.8 of the Convention.

In addition to the service features and remuneration described above, in 2010 the POC introduced additional service features for registered, insured and tracked items against a corresponding terminal dues supplement, provided that a minimum level of service quality is met. The service features consist of an exchange of electronic scanning (tracking) information between designated operators of origin and destination.

During the Istanbul Congress cycle (2018-2021 period), the remuneration of registered, insured and tracked items builds up as shown below:

	<i>Registered service¹</i>	<i>Insured service²</i>	<i>Tracked service²</i>
Remuneration (SDR)	Supplementary remuneration 0.50 SDR per qualifying item (optional)	Supplementary remuneration 0.50 SDR per qualifying item (optional)	Supplementary remuneration 0.69 SDR (2018), 0.71 SDR (2019), 0.73 SDR (2020), 0.75 SDR (2021) per qualifying item (mandatory)
	Surcharge Convention art. 28.8 1.10 SDR (2018), 1.20 SDR (2019), 1.30 SDR (2020), 1.40 SDR (2021)	Surcharge Convention art. 28.8 1.40 SDR (2018), 1.50 SDR (2019), 1.60 SDR (2020), 1.70 SDR (2021)	<i>No surcharge</i>
	Base terminal dues Convention art. 29 and 30	Base terminal dues Convention art. 29 and 30	Base terminal dues Conv. art. 29 and 30
	<i>Mandatory supplementary service¹</i>	<i>Optional supplementary service²</i>	
	<i>Registered service¹</i>	<i>Insured service²</i>	<i>Tracked service²</i>

Base terminal dues

The base terminal dues remuneration for flows between countries in the target system is subject to the provisions of article 29 of the UPU Convention. The terminal dues remuneration concerning flows to, from and between countries in the transitional system (i.e. countries in group IV) is based on the conditions defined in article 30 of the Convention. In accordance with article 17-116 of the Regulations, the base terminal dues rates for registered, insured and tracked items are those of bulky letters (E) and small packets (E), regardless of the shape of the item. In 2020, the remuneration will be adjusted to reflect quality of service for all flows, including those to, from and between countries in group IV, with the exception of those designated operators requesting an exemption to the payment of quality-linked terminal dues on the basis of article 30-109.3 of the Regulations.

¹ Registered service is a mandatory supplementary service in the period of validity of the Istanbul Acts (2018–2021).

² Insured service and tracked service are both optional supplementary services in the Istanbul Acts period (2018–2021) – those DOs opting to provide the tracked service are required to exchange electronic tracking information, as this is a mandatory service feature of the tracked service. The exchange of electronic tracking information remains optional for the insured service.

Surcharges

Convention article 28.8 defines the surcharges for registered and insured items for each year of the Istanbul Acts period. The remuneration in the Convention compensates for the costs of the provision of the mandatory service features as specified in articles 18-101 and 18-001 for registered and insured items, respectively. No surcharges are defined for tracked items. Table 1 provides a complete overview of the surcharges in the Convention for all supplementary services in the 2018–2021 period.

Table 1: Surcharges for supplementary services in the UPU Convention

<i>Supplementary service</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Registered items	1.100 SDR	1.200 SDR	1.300 SDR	1.400 SDR
Insured items	1.400 SDR	1.500 SDR	1.600 SDR	1.700 SDR
Tracked items	N/A	N/A	N/A	N/A

Supplementary remuneration for additional service features

The UPU supplementary remuneration programme (SRP) was implemented in 2011, introducing a supplementary payment of 0.5 SDR which the destination DO could receive if it ensured the timely transmission of relevant item-tracking data. The performance of individual participating DOs is reported, and once the minimum performance criteria for the transmission of inbound and delivery tracking events have been achieved, the per-item increase applies.

The 2016 Congress made the exchange of tracking information a mandatory service feature, though the tracked service remained an optional service. The terminal dues supplement associated with this service feature increased from 0.50 SDR per qualifying item to 0.69 SDR in 2018, 0.71 SDR in 2019, 0.73 SDR in 2020 and 0.75 SDR in 2021 for each qualifying item.

Article 30-104 of the UPU Regulations allows designated operators to offer, in their relations with each other, additional service features for registered, insured or tracked items, with the offering of these features linked to a remuneration supplement, provided that a minimum level of quality of service is obtained. The service features, as detailed below, are associated with the collection and exchange of electronic scan data.

Participating designated operators collect and exchange electronic tracking information on their outbound and inbound service for any of the three supplementary services (registered, insured or tracked items), and are expected to provide this information on a timely basis.

Table 2: Supplementary remuneration for additional service features

Service element		Minimum performance requirements
Use of S10 barcode for item sender		Participating designated operators shall apply a barcoded identifier compliant with UPU Technical Standard S10 on their outward items.
Performance thresholds	Provision of outward tracking events (EMC)	For each flow, to qualify for supplementary remuneration from the designated operator in the country of origin, a designated operator must provide at least one S10-compliant outbound scan (EMC) to the same partner designated operator in the reverse flow.
	Provision of inward tracking events (EMD, EMH and EMI)	<p>The performance of electronic transmission of information for inward items is based on all EMC (departure from the OE of origin) information transmitted to the designated operator of destination.</p> <p>The designated operator of destination shall observe <u>both</u> of the following targets to qualify for supplementary remuneration:</p> <p>a 56% of all items having received an EMC event shall have an EMD event transmitted within 72 hours of the event time and date;</p> <p>b 56% of all items having received an EMD event shall have either or both an EMH (unsuccessful delivery attempt) and EMI (final delivery) event, each transmitted within 120 hours of the event time and date.</p>
Assessment		The designated operator of destination receives supplementary remuneration only if all of the above criteria have been met. This assessment is carried out for each flow and each service (registered, insured and/or tracked) separately.
Supplementary remuneration	Qualifying items	<p>Subject to the outcome of the assessment that the designated operator meets all of the performance thresholds above, the total number of qualifying items are determined for each flow.</p> <p>For each flow and each category (registered, insured and/or tracked), the total number of inward items having both EMD and EMH and/or EMI events transmitted within their respective time limits (EMD transmitted within 72 hours, EMH and EMI transmitted within 120 hours) qualify for supplementary remuneration, regardless of whether these items have C events transmitted. Consequently, the number of qualifying items can be higher than the number of items which have EMC event information transmitted.</p>
	Rate per item	<p>Supplementary remuneration is as follows:</p> <ul style="list-style-type: none"> – 0.50 SDR for each qualifying registered and insured item (2018–2021); – 0.69 SDR in 2018, 0.71 SDR in 2019, 0.73 SDR in 2020 and 0.75 SDR in 2021 for each qualifying tracked item.
	Supplementary remuneration	<p>If a designated operator meets the minimum performance thresholds, then the total amount of supplementary remuneration receivable from the designated operator of origin is determined as follows:</p> <p>Supplementary remuneration = Number of qualifying items * Rate per item</p>