INTERNATIONAL MONEY REMITTANCE USING UPU-IP

International Money order under UPU Postal Financial Services has traditionally been a big revenue source for postal administrations. However with digitisation of Money transfer and international remittance services, post offices have steadily lost this segment as DO's were held up with paper based Money Orders for long.

UPU has now taken a big initiative for revival of international remittances with introduction of UPU-IP, considering the vast reach of the global postal network this initiative holds immense potential for revenue generation and social impact especially in the developing countries which are prime beneficiaries of international remittances.

SIMPLER ONBOARDING | REAL-TIME VISIBILITY | LOWER COSTS | FUTURE-READY ARCHITECTURE

MARKET CONTEXT

THE EVOLUTION OF INTERNATIONAL MONEY ORDERS & GLOBAL REMITTANCES

From Paper Slips to Real-Time Rails

International money orders have evolved from legacy paper slips into a digital, real-time cross-border network. What once took days of manual handling now moves as an instant, trackable API message — without abandoning the trust that generations of customers have placed in their post office.

Hinterland Reach, Real Inclusion

Postal networks hold an unrivalled physical advantage in reaching rural and remote hinterlands, bringing financial inclusion to unbanked populations that traditional banks miss. Where a bank branch stops, the postal counter continues — making the Designated Operator the last mile of global finance.

$650B+

Annual cross-border flow. Over $650 billion in remittances flow each year into low- and middle-income countries (LMICs).

10–20%+

Share of GDP. Remittances form a critical economic lifeline for developing nations, in some cases exceeding a fifth of national output.

600,000+

Post offices worldwide. The world's largest physical distribution network, helping drive the UNSDG target of transaction costs below 3%.

Why It Matters for Designated Operators

Every DO already sits on this reach. UPU-IP turns that physical footprint into a modern, revenue-generating financial channel — without the need to rebuild the network from scratch.

Recurring Sustainable Revenue

A steady, recurring income stream for Designated Operators, built on a service customers already trust.

Cash to Cash

Instant cross-border cash pickup

Cash to Account

Cash routed to a beneficiary bank account

Account to Cash

Account debit with cash availability

Account to Account

Direct account-to-account transfer

POSTAL PAYMENT SERVICES

UPU-IP ARCHITECTURE & TECHNICAL INTEGRATION

UPU-IP
Interconnection Platform

A single, central message switch sits between every Designated Operator, third-party provider, and settlement service — so each DO integrates once and reaches the entire network.

SOAP Web Services

Direct system-to-system integration using robust, well-documented SOAP APIs — no custom middleware required.

Competitive FX Engine & DO Margins

A centralised engine gives Sending and Paying DOs full flexibility to add localised margins per currency pair.

Seamless Currency Conversion

Deposited in the Sending DO's currency, transferred in the Paying DO's currency — automatically reconciled.

Non-Intrusive Integration

National postal systems connect directly to UPU-IP without deploying complex on-premise PosTransfer servers.

Sending DO Currency → UPU-IP FX Engine → Paying DO Currency

COMPLEMENTARY SYSTEMS

BAMS	PPS *Clearing	QCS Finance	PTC Enrollment
Agreement governance	Automated settlement	QoS big data	Security gateway

* PPS*Clearing and PosTransfer are provided free of cost for PPSUG members.

One-time setup per DO server

LEGAL BACKING & THE POSTAL PAYMENT SERVICES AGREEMENT (PPSA)

Dubai UPU Congress Amendments

The latest statutory updates grant explicit international legal backing for expanding Postal Financial Services (PFS) — giving every Designated Operator a clear, common legal mandate to modernise.

Third-Party Integration

Commercial MTOs, banks and fintechs can legally and technically integrate into the UPU-IP hub — turning postal networks into global payout destinations.

Multilateral Efficiency

The PPSA provides a single, standardised global agreement — eliminating the need for complex bilateral contracts between operators.

Compliance & Security

Ability to lock/unlock an order for security reasons. Transparent settlement controls give every transaction an auditable, compliant trail.

One Legal Framework, One Network

A single PPSA replaces a patchwork of country-to-country arrangements — so new corridors can open in weeks, not years.

INNOVATION SPOTLIGHT

INSTANT CROSS-BORDER PAYOUTS: UPU-IP & INDIA UPI LINKAGE

Origin Post
Sender initiates transfer at the counter
→
UPU-IP Switch
Real-time routing & FX conversion
→
India Post/UPI
UPI ecosystem receives & validates payout via UPU-IP linkage
→
Payee Bank
Instant credit via UPI rails

1B+
Bank accounts reachable via India's UPI ecosystem

<60Seconds
Processing time — down from days on legacy rails

Instant
Secure & affordable settlement, end to end

India's Unified Payments Interface links UPU-IP directly to over a billion bank accounts, enabling real-time inbound remittance transfers from global post offices straight into India's banking ecosystem — reducing processing times from days to around a minute. The UPI linkage is an integral component developed within UPU-IP, the UPI ecosystem receives and validates inbound payouts through this built-in linkage, meaning sending Designated Operators do not need any special agreement or settlement with any third party, including UPI.

Strategic Funding & Development Commitment

India has committed a 250,000 CHF contribution to accelerate project development. This funding directly enabled the engineering of the India corridor-specific instant credit to bank account feature, leveraging India's native UPI switch to achieve instant settlement across partner postal networks.

Capacity Building & Global Engagement

Joint UPU IB & India Workshops (2025 & 2026): Jointly funded and organized by India and the DCDEV, UPU International Bureau (IB) to foster technical alignment and global adoption.

High Operator Participation: Attended by 15+ Designated Operators (DOs), driving substantial interest and commitment toward integrating instant UPI payout rails.

Accelerated Ecosystem Growth: Strong interest generated during these workshops has laid the groundwork for expanding global origin corridors into the Indian payment ecosystem.

GET STARTED

ORIGIN DO ONBOARDING ROADMAP & CONTACT INFORMATION

PHASE 1

Initiation

Submit a formal request to the PTC at PPSUG@upu.int, review the UPU-IP WS Integration Guide, and map legacy systems against the new architecture.

PHASE 2 - 1 MONTH

Sandbox Setup

Obtain security certificates, configure the SOAP client proxy, execute test campaigns, and train front-line staff on the new workflow.

PHASE 3 - 1 MONTH

Production Launch

Finalise BAMS bilateral agreements, enrol production endpoints, and join PPS*Clearing for fully automated settlement.

Onboarding can be as fast as two weeks, depending on the technical readiness of the Post of origin with UPU PosTransfer technologies (UPU-IP and PPS*Clearing).

Expanded Portfolio

FX Margin Capture

Global Security Standards

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