



POSTAL OPERATIONS COUNCIL

Creation of the new Postal Payment Services User Group

Report by the International Bureau
(Agenda item 5)

1 Subject	References/paragraphs
<p>Approval of the constituent documents for the new Postal Payment Services User Group:</p> <ul style="list-style-type: none"> – Revised rules of procedure; – Budget for 2021; – Principles for the single invoice. 	<p>§§ 1 to 4 and Annexes 1 to 3</p>
<p>2 Decisions expected</p> <p>The Postal Operations Council is invited to:</p> <ul style="list-style-type: none"> – Take note of this document and the principles for the single invoice; – Endorse the proposed rules of procedure and 2021 budget, subject to further approval by the Council of Administration. 	<p>§§ 1 to 4 and Annex 3 Annexes 1 and 2</p>

I. Introduction

1 During S7, the Postal Operations Council and Council of Administration approved the creation of the new Postal Payment Services User Group (PPSUG) through POC resolution CEP 3/2020.1 and document CA 2020.1–Doc 4.Rev 1, respectively.

2 The councils also agreed that both the Postransfer Group and the PPS*Clearing User Group, which are to merge to form the PPSUG, will be dissolved directly after the first PPSUG General Assembly (GA).

3 The constituent PPSUG GA was held on 5 November 2020. During that meeting, countries agreed that, until the next GA, which will be held in the first quarter of 2021, Morocco and France, as former chairs of the merged groups, will act as interim Chair and Vice-Chair respectively.

4 The PPSUG GA endorsed the expert team and secretariat’s proposed amendments to the documents to be submitted for final approval to the POC and CA:

- / – Revised rules of procedure for the new PPSUG, as set forth in Annex 1;
- / – Draft budget for 2021, Annex 2;
- / – Principles for the single invoice, Annex 3.

| Berne, 18 November 2020

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Rules of Procedure of the Postal Payment Services User Group

Foreword

1 The Postal Payment Services User Group (hereinafter “PPSUG”) functions under the auspices of, and reports to, the Postal Operations Council (hereinafter “POC”) in accordance with article 152 of the UPU General Regulations. The PPSUG does not have a legal status of its own.

2 The mission of the PPSUG is to ensure the governance, development and promotion of electronic postal payment services (hereinafter “PPS”) under the PosTransfer brand, and of the UPU worldwide electronic postal payment services network.

3 Within the framework of its activities, the PPSUG shall ensure compliance with the UPU Acts and the relevant decisions of the bodies of the UPU.

4 The UPU General Regulations and the Rules of Procedure of the POC shall be applicable to the PPSUG in all cases not expressly provided for herein.

5 With effect from the date of approval of the present Rules of Procedure and the PPS*Clearing Rules attached hereto as Attachment 1 (hereinafter collectively the “RoP”), the activities of the PPSUG shall have their main legal foundation in the relevant decisions contained in UPU Congress resolutions C 20/2012 and C 21/2012, ~~Council of Administration resolution CA x/20xx.x and POC resolution POC x/20xx.x~~ POC resolution CEP 3/2020.1, and document CA 2020.1–Doc 4.Rev 1.

6 The former members of the PPS*Clearing Group and Postransfer Group shall become members of the PPSUG.

Chapter I – General provisions

Article 1

Definitions

1 The following capitalized terms used in these RoP shall have the meanings defined below:

1.1 BAMS: a web-based bilateral agreement management system;

1.2 E-Compendium: electronic compendium containing relevant information of general interest related to the implementation of the Postal Payment Services Agreement (PPSA) and its Regulations in each member country;

1.3 FEIS: electronic inquiry system for the exchange of claims and inquiries related to postal payment orders between designated operators of UPU member countries (hereinafter “DOs”);

1.4 IB: the International Bureau of the UPU as secretariat of the PPSUG;

1.5 PosTransfer: the international trademark registered by the UPU as a collective trademark for PPS;

1.6 PPS*Clearing: the UPU system responsible for ensuring the electronic clearing of PPS, including, without limitation, remunerations payable to and by each member and electronic confirmation of the collection and settlement of funds from and to members as a result of the PPS*Clearing process. The system is managed and operated by the IB;

1.7 UPU–IP: the UPU interconnection platform, a centralized PPS database, for the exchange of PPS and connection of DOs’ systems, the International Financial System (IFS) software suite, and other partner systems or networks through application programming interfaces (API) or web services;

- 1.8 WEPPN: the UPU worldwide electronic postal payment services network aimed at facilitating the exchange of PPS between DOs.

Article 2

Objectives

- 1 The objectives of the PPSUG shall be as follows:
- 1.1 Execute the vision of the UPU with regard to the development of PPS and the WEPPN, without prejudice to any decisions related thereto as adopted by the relevant bodies of the UPU;
 - 1.2 Promote and facilitate cooperation among members of the PPSUG (hereinafter “Members”) with the aim of contributing to and sharing in the development of PPS and the WEPPN;
 - 1.3 Provide operational, secure and reliable netting and clearing services for PPS through the PPS*Clearing system for settlement between Members;
 - 1.4 Support the operational and commercial development of PPS and associated financial inclusion policies among Members, including, as necessary, further development of their domestic networks for such purposes;
 - 1.5 Ensure the creation and development of new solutions in connection with PPS, in particular mobile and e-commerce payments;
 - 1.6 Propose policy, regulations and standards relating to PPS and the WEPPN for approval by the relevant bodies of the UPU;
 - 1.7 Promote the use of PosTransfer and manage its material aspects, without prejudice to the relevant attributions of other UPU bodies;
 - 1.8 Facilitate agile and flexible decision-making processes regarding the implementation of PPS by UPU member countries and their DOs;
 - 1.9 Encourage DOs of UPU member countries that are signatories of the PPSA to join the PPSUG.

Article 3

Membership

- 1 Membership of the PPSUG shall be voluntary and open to all DOs of UPU member countries that are signatories of the PPSA, in accordance with the provisions set forth in these RoP.

1.1 The members of the Postransfer Group and the PPS*Clearing Group shall automatically become Members of the PPSUG.

- 2 Each Member shall designate its representative(s), who shall act as the official contact for all matters pertaining to activities of the PPSUG.

- 3 The annual contribution paid by Members shall be deemed to be a membership fee. Payment of this fee, together with completion of the membership formalities set out in article 4, shall entitle each Member to the following benefits:

- 3.1 The right to benefit, at a discounted rate, from all solutions related to PPS and the WEPPN, namely all PPS quality of service tools, the “PosTransfer” collective trademark, and any other systems, products and tools developed by the PPSUG, which will be billed to non-Members at a rate marked up by at least 30%;
- 3.2 The right to vote on decisions taken by the PPSUG, subject to the provisions of articles 9 and 10;
- 3.3 The right to participate in the General Assembly;
- 3.4 The right to submit candidates for Steering Committee positions;
- 3.5 The right to participate in any of the subgroups established within the PPSUG;
- 3.6 The right to act as proxy for other Members.

4 The PPSUG shall be responsible for defining, in due course, any other membership benefits (including, without limitation, those relating to the provision of free or discounted membership, or reductions in future service fees), subject to the approval of the General Assembly.

5 The PPSUG shall be managed by the Steering Committee, which shall in turn be elected by the General Assembly.

6 Members shall pay the total annual contribution associated with their contribution class, as provided for in article 6.

7 Members shall be responsible for any travel and daily expenses resulting from the participation of their representatives in meetings of the PPSUG.

Article 4

Procedures for joining and withdrawing

1 In order to join the PPSUG, any eligible DO, shall first:

1.1 Send the IB a completed and duly signed membership request, using the membership form provided by the IB, in which the DO undertakes to comply with these RoP;

1.2 Fulfil the conditions set out in article 3 of these RoP;

1.3 Settle all its debts connected with PPS orders exchanged with other Members;

1.4 Pay its annual membership fee and a standing deposit in accordance with articles 6 and 15 herein and Attachment 1;

1.5 Designate its representative(s) in accordance with article 3 of these RoP and inform the IB accordingly.

2 The membership application shall be forwarded by the IB to the Steering Committee, which shall verify, with the assistance of the IB, that the membership conditions have been met.

3 The Steering Committee shall validate the membership of DOs whose applications meet the membership conditions set out in these RoP.

4 The list of members shall be kept up to date by the IB and be available for public consultation on the UPU website.

5 Any member may withdraw from the PPSUG, provided that it gives the IB written notification of withdrawal at least half a year in advance. Except as otherwise provided for, withdrawal from the PPSUG shall come into effect on 1 January of the year following that in which official notification of withdrawal is received by the IB. Upon receipt of such written notification from the Member concerned, the Steering Committee may decide to reduce this period, if all the formalities for the withdrawal of the Member can be completed by the given deadline and if doing so does not disrupt the exchanges and clearing operations of the other Members. The Member concerned shall be required to settle, through the PPS*Clearing system, all bills relating to transactions carried out prior to the date on which it ceases to be a Member. The effective date of withdrawal of a Member that does not notify the IB of its intention within the designated period shall be postponed to 31 December of the following year. Members' rights and benefits, and the requirement to pay the annual membership fees, shall be maintained until the effective date of withdrawal.

6 The IB shall notify the other Members of any withdrawal by a Member.

7 Should a Member withdraw from the PPSUG, the standing deposit and security deposit shall be returned to the Member concerned, provided that the Member has no debts within the PPS*Clearing system.

Article 5 Languages

1 The working languages of the PPSUG shall be French, English, Arabic, Russian and Spanish, subject to availability of funds and in accordance with the relevant provisions of the UPU General Regulations. The working languages of the Steering Committee shall be agreed by its members.

2 The working languages of the IB are French and English.

Article 6 Membership fees

1 Until the entry into force of the PPSUG single invoice, Members shall pay a membership fee according to the table below:

<i>Contribution class</i>	<i>Number of PPS received and sent through the WEPPN (per year)</i>		<i>Total annual contribution (in CHF)</i>	<i>PPSUG voting rights</i>
	From	To		
1	1	10,000	500	1
2	10,001	75,000	2,000	2
3	75,001	250,000	5,000	3
4	250,001	1,000,000	10,000	4
5	+1,000,001		15,000	5

2 In the case of Members that also make use of PPS*Clearing, the following membership fees and voting rights shall apply instead:

<i>Respective member country's contribution to the UPU's annual expenditure</i>	<i>Contribution class</i>	<i>Annual fee in CHF</i>	<i>PPSUG voting rights</i>
0.1 to 1	1	2,500	2
3 or 7	2	5,000	3
10 or more	3	7,500	4

3 If it so wishes, a Member may voluntarily switch to a higher contribution unit than that applicable to it under paragraphs 1 and 2.

4 For a Member joining during the course of a financial year, the membership fee for the first year shall be calculated on a pro rata basis of the amounts set out in the tables provided in paragraphs 1 and 2 of this article.

Article 7 Observers

1 Observers and ad hoc observers may be authorized to participate in the activities of the PPSUG in accordance with the Rules of Procedure of the POC.

Chapter II – Working bodies and voting principles

Article 8

Working bodies

- 1 The bodies of the PPSUG shall be:
 - the General Assembly;
 - the Steering Committee; and
 - any subgroups whose establishment is proposed by the Steering Committee and approved by the General Assembly.

Article 9

General Assembly

1 Structure

- 1.1 Attendance at meetings of the General Assembly shall be restricted to Members and, by analogy, to observers and ad hoc observers duly authorized in accordance with the provisions contained in the Rules of Procedure of the POC.
- 1.2 The Chairman shall direct the proceedings of the General Assembly. In the absence of the Chairman, the Vice-Chairman shall perform this function.
- 1.3 The General Assembly shall meet at least once each year to address the activities described below.

2 Quorum and General Assembly voting principles:

- 2.1 Only Members shall have the right to vote.

- 2.2 The quorum necessary for the opening of valid meetings and voting on any decisions of the PPSUG General Assembly shall be the combination of:
 - 2.2.1 One half of Members with the right to vote, and;
 - 2.2.2 One half of the votes which the membership of the PPSUG has the right to cast in accordance with the membership classes provided for in article 6. The voting modalities defined in the Rules of Procedure of the POC shall apply by analogy, without prejudice to the possibility set out in paragraph 2.5 of this article.

- 2.3 Members participating by means of web/video/audio conferencing facilities shall also be deemed to be present for the determination of the quorum and for voting, provided that the necessary technical means are in place to ensure participation in accordance with the provisions of this article.

- 2.3.1 Where web/video/audio conferencing facilities are used, every non-consensual question (including those which would normally be subject to a secret vote) shall be resolved by a roll call vote, unless the necessary technical means are in place for a vote to be conducted by electronic means.

- 2.4 In cases deemed exceptional and/or urgent, and subject to the agreement of the Steering Committee, voting may also be conducted by postal or electronic mail ballot. This shall not be admissible, however, in the case of proposals concerning matters of principle for the PPSUG or recommended changes to these RoP. When a proposal is to be voted on by postal or electronic mail ballot, the following procedures shall apply:
 - 2.4.1 Unless otherwise provided for in the IB notification, a period of two weeks shall be allowed to enable Members to consider the proposal sent out by the IB by letter or electronic mail.
 - 2.4.2 The IB shall invite Members to vote for or against a specific proposal by the indicated deadline.
 - 2.4.3 Ballots may be sent from or to the IB by post or electronic mail; for the purposes of compliance with the aforementioned deadline, the reply date taken into account shall be that of dispatch of the postal or electronic mail ballot by the Members concerned. Members that have not sent their postal or electronic mail ballot by the deadline shall be deemed to be abstaining.
 - 2.4.4 Members shall be able to formulate any observations to the IB; however, no amendments to a postal or electronic mail ballot shall be allowed, without prejudice to the submission of new or amended proposals as admitted by the Steering Committee.

- 2.5 A Member shall be deemed to be represented if it has informed the IB in writing of a proxy given to another Member of the PPSUG whose presence at the General Assembly has been confirmed and which has indicated to the absent Member and to the IB its acceptance of the proxy. The Member given a proxy shall cast all the votes of the absent Member. However, a Member may not represent more than two other Members at any General Assembly meeting.
- 2.6 Observers and ad hoc observers shall not be entitled to vote, and may take the floor only with the Chairman's permission.
- 2.7 The General Assembly shall set the approximate date, duration and place of its next meeting. Its meetings shall, in principle, be held in conjunction with other meetings of the UPU, such as Congresses and sessions of the POC and the CA.
- 3 Role and responsibilities of the General Assembly
- 3.1 The General Assembly is the main body of the PPSUG and shall be responsible for taking all decisions relating to PPSUG activities that do not fall within the powers of the Steering Committee as listed below, subject to the rules of the UPU and the relevant decisions of the bodies of the UPU.
- 3.2 The General Assembly shall be responsible for the following activities in particular:
- 3.2.1 Preparation and validation of the annual budget proposal to be submitted to the POC and CA for approval;
- 3.2.2 Preparation and validation of strategies and business plans for further development, maintenance and support of the activities carried out by the PPSUG, on the recommendation of the Steering Committee and in accordance with the relevant decisions of the bodies of the UPU (including, without limitation, the UPU Strategy and Business Plan);
- 3.2.3 Preparation of the annual activity report to be submitted to the POC for approval;
- 3.2.4 Review and endorsement of amendments to these RoP, subject to the approval of the POC (and further approval of the CA for matters falling under the purview thereof);
- 3.2.5 Review and endorsement of recommendations proposed by the Steering Committee (including, without limitation, policy, procedural and technical aspects, PPS*Clearing system, etc.), subject to the approval of the POC;
- 3.2.6 Election of Steering Committee members (including the Chairman and Vice-Chairman), without prejudice to the specific appointment conditions referred to in article 12;
- 3.2.7 Ratification or revocation of the application of the sanctions defined in articles 16 and 18 hereafter, applied to a Member on the recommendation of the Steering Committee, should that Member fail to comply with the membership conditions and obligations stipulated in these RoP;
- 3.2.8 Settlement of disputes as referred to in article 25 of Attachment 1.

Article 10 Steering Committee

- 1 Structure
- 1.1 As the formal structure responsible for managing the activities of the PPSUG, the Steering Committee shall comprise seven members elected by the General Assembly from among the PPSUG's Members, in accordance with the following structure:
- 1.1.1 Chairman;
- 1.1.2 Vice-Chairman;
- 1.1.3 Five members as described in article 12.
- 2 Quorum and voting principles
- 2.1 The quorum necessary for opening and conducting any valid Steering Committee meeting shall be half of its members.

- 2.1.1 Steering Committee members participating by means of web/video/audio conferencing facilities shall also be deemed to be present for determining this quorum and for voting, provided that the necessary technical means are in place to ensure participation in accordance with the provisions of this article.
 - 2.2 Decisions during Steering Committee meetings shall be taken by consensus whenever possible. However, for votes taken during such meetings, all decisions shall be passed by a majority of the votes of the Steering Committee members present, subject to the quorum requirements described in paragraph 2.1 of this article.
 - 2.3 Each member of the Steering Committee shall have one vote.
 - 2.4 Members of the Steering Committee shall act, in their functions, in an impartial way with regard to the various Members and all PPSUG issues.
 - 2.5 Meetings of the Steering Committee shall be held in Berne, Switzerland, or via electronic means, or at any other location as may be agreed in accordance with the Rules of Procedure of the POC.
- 3 Role and responsibilities of the Steering Committee
- 3.1 The role and responsibilities of the Steering Committee shall be to:
 - 3.1.1 Define strategies relating to PPSUG activities in accordance with UPU strategy;
 - 3.1.2 Submit to the General Assembly business plans and priorities aimed at implementing strategies that are in the interests of Members;
 - 3.1.3 In accordance with the business plan, formulate the funding plans needed to develop and support PPSUG activities and projects, and propose a budget for the support of projects in developing countries;
 - 3.1.4 If necessary, propose to the General Assembly that it form subgroups to advance the activities of the PPSUG;
 - 3.1.5 Report to the General Assembly on activities and budgetary expenditure in accordance with approved business and activity plans
 - 3.1.6 Impose sanctions, such as exclusion from the Group, upon Members, in accordance with articles 16 and 18 hereafter;
 - 3.1.7 Develop and implement components related to the operation and management of the WEPPN, including those regarding current needs and future development, required technical standards and regulations;
 - 3.1.8 Decide on the admission, suspension or reinstatement of Members and apply the provisions governing security deposits, as set out in Attachment 1;
 - 3.1.9 Transmit its decisions to the IB for implementation.

Article 11 PPSUG subgroups

- 1 If proposed by the Steering Committee, the General Assembly may establish subgroups in order to address matters pertaining to PPS and the WEPPN, in accordance with the objectives outlined in article 2.

Article 12 Election of the Steering Committee and term of office

- 1 The members of the Steering Committee shall be elected by the General Assembly in accordance with the voting procedures set out in article 9.
- 2 Steering Committee members shall be elected for a term of up to four years (limited to the relevant Congress cycle) and may be re-elected.
- 3 All members of the Steering Committee shall be elected from among Members by the General Assembly (by secret vote in the absence of a consensus) with due regard, as far as possible, to equitable geographical and linguistic representation, and the differing development levels of Members, on the basis of the voting procedures defined in article 9. In the event of a tie, a second round of voting shall be held if necessary.

- 3.1 The Steering Committee shall include at least one representative from a country within each of the UPU member country regions.
- 4 Candidacies shall be called for no later than 10 weeks before the end of the Steering Committee's term of office, and the period for submitting candidacies shall be at least four weeks. Steering Committee members standing for election shall be announced no later than four weeks from the close of the period for the submission of candidacies.
- 5 All candidates for election to the Steering Committee shall meet the following conditions:
- 5.1 Be presented by a Member (one candidate only per Member);
- 5.2 Be employed by the Member concerned;
- 5.3 Be qualified and available to assume their duties on the Steering Committee.
- 6 A vacancy on the Steering Committee shall arise:
- 6.1 When a Steering Committee Member representative resigns;
- 6.2 When a Steering Committee Member representative ceases to be employed by the Member that presented their candidacy;
- 6.3 When a Steering Committee Member representative has missed two consecutive Steering Committee meetings; or
- 6.4 If the Member concerned has been suspended or excluded.
- 7 In the event of a vacancy on the Steering Committee, an election shall be organized within one month to fill the vacant post for the remainder of the term of office.

Article 13

Chairman and Vice-Chairman

- 1 The General Assembly shall elect the Chairman and Vice-Chairman of the PPSUG from among Steering Committee Members. Should the Chairman or Vice-Chairman resign, a successor shall be elected forthwith by the General Assembly from among the remaining Steering Committee Members.
- 1.1 The Chairman and Vice-Chairman of the PPSUG shall be elected for a term of up to four years (limited to the relevant Congress cycle) and may be re-elected so as to serve up to a maximum of three consecutive terms.
- 2 The Chairman shall convene and preside over the meetings of the General Assembly, be in overall charge of the work and activities of the PPSUG, and prepare the provisional agenda for each PPSUG meeting. The Chairman shall also be responsible for presenting the report of the General Assembly to the POC. In accordance with article 10, the Chairman shall transmit to the IB any decisions taken by the General Assembly/ Steering Committee for support as appropriate.
- 3 The Vice-Chairman shall act as Chairman at meetings of the General Assembly if the Chairman is prevented from attending. If both the Chairman and the Vice-Chairman are prevented from attending a specific meeting, the Chairman shall be replaced by one of the Steering Committee Members selected among themselves or, in the absence of agreement, elected by a secret ballot of all Members present.
- 4 The Vice-Chairman shall assist the Chairman in directing and activating the PPSUG. To this end, the Vice-Chairman shall *inter alia* be kept informed of matters relating to the preparation and programming of PPSUG meetings, and also follow the progress of and coordinate studies and issues assigned to the PPSUG.

Article 14 Secretariat

- 1 The secretariat shall be provided by the IB and have the following functions:
 - 1.1 Within the framework of the action plan of the PPSUG, serve as an organ of execution, support, liaison, information and consultation for the PPSUG and its Members, and implement the decisions of the PPSUG;
 - 1.2 Manage all finance and operations tasks related to the PPS*Clearing system;
 - 1.3 Support the Steering Committee through its functions;
 - 1.4 Convene ordinary and, as necessary, extraordinary meetings of the General Assembly and Steering Committee;
 - 1.5 Prepare a quarterly activity report on the PPS*Clearing system and submit it for information to the Steering Committee.
 - 1.6 Publish the meeting documents at least one week before the meetings in all the PPSUG working languages as described in article 5.1.

Chapter IV – Finances, suspension, reinstatement and exclusion procedures

Article 15 Budget and financing

- 1 Unless otherwise determined by the bodies of the UPU, the PPSUG shall be self-financing.
- 2 Its activities, as defined in its business plan, shall in principle be financed from the following sources:
 - 2.1 Annual membership fees paid by Members;
 - 2.2 As appropriate, contributions from the UPU during the transitional period, subject to the relevant decisions of the POC and the CA;
 - 2.3 Members' voluntary contributions including, as the case may be, contributions allocated for specific activities:
 - 2.3.1 At the request of the Member concerned, its voluntary contribution may be spread over future years in order to cover annual membership periods, subject, as the case may be, to the availability of sufficient funds for that membership class and to other specific conditions that may be jointly agreed by that Member and the PPSUG. Furthermore, the Member concerned shall define how any outstanding residual amount may be used;
 - 2.4 Fees from the use of services or solutions provided within the framework of the PPSUG;
 - 2.5 Other sources such as revenues from forums, events, voluntary contributions from third parties, etc.
- 3 The budget shall be used to support all activities carried out for the development of the WEPPN that have been agreed by the PPSUG and the bodies of the UPU relating to:
 - 3.1 Development and maintenance of electronic postal payment services and PPSUG projects;
 - 3.2 Development of PosTransfer and related marketing actions;
 - 3.3 Management, administration and technical support of PPSUG activities, including, without limitation, any administrative and travel expenses to be incurred by the IB for the implementation of such activities;
 - 3.4 Provision of assistance and support for the use of the WEPPN by the least developed and developing UPU member countries;
 - 3.5 Development and maintenance of the clearing and settlement system.

4 The budget for the PPSUG shall be managed in accordance with the applicable UPU financial principles and rules (including, without limitation, the UPU Financial Regulations and the UPU Rules on Financial Administration).

5 At any stage, voluntary contributions to the activities of the PPSUG, in the form of financial, human, technological or other resources, in accordance with the relevant UPU financial principles and rules, may be made by any entity.

6 Billing for annual membership fees shall be carried out on an annual basis, at the latest two months before the start of each calendar year, in Swiss francs (hereinafter CHF).

6.1 For users of the PPS*Clearing system:

6.1.1 Membership fees are payable via the PPS*Clearing system. They are billed in CHF and paid in one of the settlement currencies by Members (United States dollar, hereinafter USD, or euro, hereinafter EUR);

6.1.2 For billing based on the number of PPS received and sent through the WEPPN, the data taken into account pertains to the period from 1 July of the previous financial year to 30 June of the billing year;

6.1.3 Members shall comply with the payment terms of the weekly PPS*Clearing invoices.

7 With regard to annual membership fees or other “in cash” voluntary contributions provided to the UPU for the PPSUG and its activities, and in the event that a given contributor can no longer participate in the activities of the PPSUG or fulfil the full membership requirements defined in articles 3 and 4, any fees or contributions provided for future years and not yet apportioned, accounted for, committed or used by the PPSUG as of the date of non-compliance with the aforementioned requirements shall, unless otherwise stipulated between the contributor and the UPU, be reimbursed or returned to the contributor in full (or on a proportional basis in the case of contributions already partly apportioned, accounted for, committed for future years or used by the PPSUG).

7.1 The above reimbursement provisions shall be subject to the applicable UPU financial principles and rules and to a specific agreement to be signed by the UPU and the contributor, without prejudice, as the case may be, to the standard terms and conditions approved by the UPU for the voluntary contributions in question. Moreover, in accordance with the relevant accounting standards adopted by the UPU, the above reimbursement provisions shall not apply to any contributions already paid and pertaining to the same year in which the request for reimbursement is made.

8 Payment of an advance deposit is required for each currency corridor before starting the clearing and settlement procedure. The detailed procedure concerning security deposits is described in Attachment 1.

Article 16

Suspension procedure from the PPSUG and settlement system

1 A Member shall be automatically suspended from the PPS*Clearing system and PPSUG:

1.1 If it does not pay its annual membership fee by the deadline indicated in article 15;

1.2 If it is in default of payment according to the conditions stipulated in Attachment 1;

1.3 If it has not made up the standing deposit by the deadline stipulated in Attachment 1;

1.4 If it does not pay or does not make up the security deposit required according to the conditions stipulated in Attachment 1;

1.5 If it is declared bankrupt or has been placed in receivership.

2 A member may be suspended on the decision of the Steering Committee:

2.1 If it does not comply with these RoP; or

2.2 If international sanctions relating to the prevention of money laundering or terrorist funding are adopted against it or against the UPU member country of the Member concerned.

3 Suspension shall entail the loss of voting rights and the right to use all systems and services (trademark, International Financial System (IFS), PPS*Clearing, FEIS, QCS Finance and PPS eCompendium), as well as possible financial sanctions in accordance with the conditions stipulated in Attachment 1.

4 The suspensions mentioned in paragraph 1 of this article shall be activated automatically by the PPS*Clearing system, after which the Member concerned shall receive confirmation in writing from the Chair of the Steering Committee.

5 The automatically suspended Member may lodge an appeal against its suspension with the Steering Committee, which may either uphold or nullify the suspension.

6 Should the Steering Committee decide to suspend a Member in accordance with paragraphs 2 or 5 of this article, the Member concerned may, as a last resort, lodge an appeal with the General Assembly, whose decision shall be final.

7 Members shall still be required to pay their annual membership fees throughout their suspension.

8 The IB shall take the necessary measures to implement the decision to suspend a Member within the framework of the PPS*Clearing system, and also notify other Members of the suspension, in accordance with the conditions stipulated in Attachment 1.

Article 17

Reinstatement procedure

1 A suspended Member may be reinstated at its written request and on the decision of the Steering Committee, when all of the following conditions have been met:

- 1.1 The Steering Committee considers, on the basis of an examination of the suspended Member's situation, that its reinstatement is in the interests of the PPSUG;
- 1.2 The Member concerned has settled all its financial obligations within 20 calendar days from the date of notification by the IB (following the advice of the Steering Committee referred to in paragraph 1.1 of this article);
- 1.3 The Member concerned has paid the standing deposit as well as the security deposit stipulated in Attachment 1.

Article 18

Debts in arrears

1 Interest shall be charged for all debts in arrears associated with the payment of annual membership fees by Members. The interest shall be payable to the UPU for allocation to PPSUG activities, with interest at the rate specified in the UPU General Regulations for annual contributions. For the purposes of these RoP, "debts in arrears" shall be defined as any amount due by a Member (including, without limitation, annual membership fees) which has not been settled within 180 days of the date of issue of the invoice. A final payment reminder shall be sent by the IB 15 days before this deadline.

2 The sanctions to be applied within the PPSUG shall be as defined in these RoP.

3 The following sanctions shall be applicable to Members with debts in arrears:

- 3.1 Loss of voting rights at General Assembly and Steering Committee meetings;
- 3.2 Loss of eligibility for membership of the Steering Committee and any PPSUG subgroups.

4 The IB shall maintain a list of all Members with debts in arrears, as defined below, and shall provide this list to the Steering Committee at each of its meetings and, in particular, prior to General Assembly meetings for the control of voting.

5 The IB shall also send formal notification to all Members placed on this list, and inform them of its effect on their voting rights and other membership benefits.

6 Members shall regain, with immediate effect, the rights lost in application of the sanctions defined in paragraph 3 of this article upon full payment of all debts in arrears, including applicable interest, prior to the end of the calendar year following that in which it is listed as a debtor in arrears.

Chapter VI – Final provisions

Article 19

Entry into force

1 These RoP shall enter into force immediately after they have been approved by the POC (subject to approval of the relevant framework by the Council of Administration, in accordance with the provisions of article 152 of the UPU General Regulations).

PPS*Clearing Rules

Article 1

Definitions

- 1 The definitions contained in the RoP shall also apply to this Attachment. In the event of conflict between the definitions given in the RoP and those contained in the PPSA and its Regulations, the latter shall prevail.
- 2 Clearing calendar: A calendar compiled and published each year by the IB showing the clearing periods for each month, as well as the closure dates, notification dates, contestation dates, settlement dates and suspension dates.
- 3 Clearing period (or period): The timeframe between two clearing settlements. The IB shall enter the dates of the clearing periods in the clearing calendar each year.
- 4 Day/date: Any reference to a day or date on which action is required concerning a payment (e.g. when a Member is required to pay the net balance notified by the PPS*Clearing system), means a day or date on which commercial banks are open for business in the Canton of Berne. Any deadline for action on a given day or date means that such action must be taken before the close of business in Berne on that day or date.
- 5 Value date: The date on which the amount owed by a debtor Member must be available in the UPU's PPS*Clearing bank account. To ensure that this payment is made in a timely manner, the debtor Member may need to instruct its bank to make payment several days prior to the value date.

Article 2

Applicability and participation

- 1 These PPS*Clearing Rules describe the procedures governing the functioning of the PPS*Clearing system ~~for its Members~~ and are an integral part of the GUSPP RoP.
- 2 All Members shall participate in the PPS*Clearing system, at the latest as soon as more than three corridors have been opened, unless they have been suspended or excluded.
- 3 No bilateral settlements may take place between Members, except in the case of exclusion of a Member of the PPS*Clearing system, in which case the other Members may carry out a bilateral recovery operation on behalf of the excluded debtor Member.

Article 3

Conditions for participation in the PPS*Clearing system

- 1 All Members must have access to the Internet or to an equivalent means of communication whose characteristics comply with the specifications described in the PPS*Clearing system technical specifications. This means of communication must allow full access to the PPS*Clearing system.
- 2 Members must provide the IB with all necessary information for the configuration of the PPS*Clearing system.

Article 4 Bank charges

- 1 For payments from debtor Members, all bank commissions and charges shall be payable by those Members. Any charges that are deducted from payments shall be billed by the IB in the next clearing period.
- 2 For payments to creditor Members, the settlement bank's charges shall be payable by the creditor Members of the PPS*Clearing system. Bank charges shall be billed by the IB in the following period.
- 3 If a debtor Member asks that a request for information be sent to the settlement bank concerning a payment that has not yet been credited to its account, all bank charges related to that request for information shall be billed by the IB to the Member in the following period.

Article 5 Types of transaction

- 1 All types of transaction arising from the PPSA (money orders, inpayment orders, outpayment orders and postal transfers), as well as remunerations, ~~account to account payments~~, exchange margins, exchange rate adjustments, bank charges and annual fees, can be included in the PPS*Clearing system.

Article 6 Clearing operations

- 1 The PPS*Clearing system clearing cycle shall be weekly for the settlement of PPS and monthly for the settlement of remunerations, exchange margins, exchange rate adjustments and annual fees. The monthly cycle shall end with the last clearing period of the month. The clearing periods for each month shall be listed in the clearing calendar.

Article 7 Clearing calendar

- 1 A clearing cycle contains six important dates:
 - 1.1 Closing day (J): the date (last day of the relevant period) on which all bills for transactions carried out by Members during that period only are automatically generated by the PPS*Clearing system to be sent for clearing on the notification day. These bills shall be posted in the PPS*Clearing system, where they can be viewed by the debtor and creditor Members concerned. The closing date falls approximately seven days from the start of the current cycle;
 - 1.2 Contestation day (J+2): the date on which a creditor or debtor Member notifies its counterpart and the IB simultaneously, in writing, of any objection concerning a bill in the current or previous cycle;
 - 1.3 Notification day (J+2): the date on which Members are notified by the PPS*Clearing system of their net balance;
 - 1.4 Debtor Members' settlement date (J+6): the date on which all payments from debtor Members must be received by the settlement bank;
 - 1.5 Creditor Members' settlement date (J+7): the date on which the settlement bank makes payments to creditor Members;
 - 1.6 Suspension date (J+11): the date on which a defaulting debtor Member is suspended.

Article 8 Billing

- 1 Members shall not be able to directly enter bills in the PPS*Clearing system.
- 2 Bills shall be generated automatically by the PPS*Clearing system on the closing day.

3 Bills relating to exchange margins and exchange rate adjustments are calculated on the basis of bills for paid postal orders.

4 Bills relating to annual membership fees shall be entered in the PPS*Clearing system by the IB.

Article 9

Generation of bills

1 Members shall ensure that all bills generated by the PPS*Clearing system in their name bear a unique reference.

2 Furthermore, the type of transaction (postal payment order, part payment, remuneration, exchange margins, exchange rate adjustment or annual membership fee) shall be indicated on the bill.

3 The bill's value date must correspond to the settlement date indicated on the bill. The settlement date is determined in advance and published in the clearing calendar.

Article 10

Currencies of account and settlement

1 Billing currency

1.1 Bills for postal payment orders, part payments, remunerations, exchange margins and exchange rate adjustment shall be issued in USD or EUR.

2 Currency of settlement

2.1 Debtor Members shall make payments in USD or EUR.

3 All bank charges connected with currency conversions shall be borne by the Member concerned.

Article 11

Exchange rate

1 Two different exchange rates shall be used during the clearing cycle.

1.1 When a transaction is issued by a Member, the PPS*Clearing system registers the exchange rate of the currency used for the postal payment order transfer and converts it into USD or EUR on the date of issue of the transaction.

1.2 When a bill relating to PPS orders is generated, the transfer currency is converted into the clearing currency (USD or EUR) and the PPS*Clearing system registers the exchange rate on the closing day for the calculations described under paragraph 2 of this article.

1.3 Settlement is carried out on the basis of the exchange rate on the date of issue of the postal payment order.

2 In the event of a difference owing to variation between the exchange rate on the closing day and the exchange rate on the issue day, an adjustment is made during each cycle.

3 The reference exchange rates are those supplied by the service provider chosen for this purpose.

Article 12

Statements of account

1 The PPS*Clearing system shall automatically generate statements of account on the notification date and forward them to each Member by secure e-mail.

Article 13 Banking function

1 The PPS*Clearing system incorporates a banking function. All bills shall be paid into centralized PPS*Clearing accounts in USD or EUR, in order to reduce the number of payments to be made by debtor Members to one per week (for PPS orders) and to one per month (for remunerations, exchange margins and exchange rate adjustments). The PPS*Clearing system calculates the final payment to be made by the debtor Member in respect of PPS orders by netting all the amounts credited to or debited from the Member. This gives the final amount owed by the debtor Member to the PPS*Clearing system or owed by the system to the creditor Member.

2 Creditor Members shall be creditors only of the PPS*Clearing system, which generates payment instructions to creditor Members.

3 PPS*Clearing system clearing operations shall be carried out in USD or EUR through the relevant UPU bank accounts. Details of these accounts are shown on the bills generated by the PPS*Clearing system.

Article 14 Settlement periods

1 Settlement of PPS orders

1.1 Debtor Members

1.1.1 On the notification day, the PPS*Clearing system automatically generates a statement of net positions for each Member. For debtors, the payment deadline is four days from the notification date.¹

1.2 Creditor Members

1.2.1 Amounts owing to creditors are transferred on the settlement day, as indicated in the calendar.

2 Settlement of remunerations

2.1 Debtor Members

2.1.1 Every four cycles, the PPS*Clearing system automatically generates bills for remunerations to be paid by debtors within six days.

2.2 Creditor Members

2.2.1 Amounts owing to creditors are transferred on the settlement day for creditor Members, as indicated in the calendar.

3 Value dates

3.1 For debtor Members, if the value date of a settlement coincides with a non-working day or public holiday, settlement takes place on the first working day before the value date.

3.2 For the IB, if the value date of a settlement coincides with a non-working day or public holiday, settlement takes place on the first working day following the value date.

Article 15 Delay in settlement

1 Any delay in settlement incurs a financial penalty.

2 If a Member fails to pay into the PPS*Clearing account the amount billed by the PPS*Clearing system on the settlement day for debtor Members, financial charges shall be levied on that Member in the form of late payment interest.

¹ Example: If the debtor Member is informed on 16 April (notification day), settlement must reach the bank by 20 April at the latest (settlement day for debtor Members).

3 These financial charges include all interest due and all other charges associated with the late payment, including an interest rate equivalent to the debit interest rate applied by the PPS*Clearing system settlement bank, plus all other bank charges. The interest rate shall be applied from the first day after the settlement date up to the day on which payment by the defaulting Member is received in the PPS*Clearing account. The interest collected shall be used to reduce the PPS*Clearing system's management costs.

4 A Member with three late payments over 12 periods shall be required to establish a credit account as provided for in article 17.

Article 16

Default of settlement

1 If a debtor Member's payment does not reach the settlement bank within five days from the settlement date for debtor Members published in the clearing calendar, the PPS*Clearing system shall automatically suspend the Member in default, in accordance with the RoP.

2 The IB shall contact the defaulting Member to ascertain the reason for the delay. This information may be used to determine whether the Member shall ultimately be excluded from the PPS*Clearing system.

3 The IB shall inform each Member by secure e-mail of the name of the defaulting Member suspended, the reason for the delay, the amount unpaid owing to the Member, the total amount unpaid by the defaulting Member owing to all Members, and the amount of any security deposit.

4 If a suspended Member has not paid the debt relating to its suspension within 20 calendar days following the suspension date, that Member may be excluded from the NE, in accordance with the procedures laid down in the RoP. In the event of exclusion, the IB shall inform each Member by secure e-mail of the name of the excluded Member and the reason for the exclusion.

Article 17

Credit account

1 To prevent settlement delays arising from internal or banking procedures and leading to penalties for the debtor, a debtor Member may voluntarily ask the IB to establish a credit account at the International Bureau to facilitate the settlement of clearing cycles. The account may only be used to pay PPS*Clearing invoices.

2 The amount of the account shall be established on the basis of the average net clearing balance over the last three months and correspond to at least one settlement cycle. Prior to each settlement date, the debtor Member shall send the IB an e-mail instructing it to withdraw the amounts owing from its credit account.

3 The Member shall decide how often to replenish the credit account; however, the balance must always remain positive. The IB shall send the Member an account statement at least once a year.

4 After three late payments over a period of three months, the establishment of a credit account in an amount corresponding to a settlement cycle shall be mandatory for the debtor Member. Once the Member has regularized its payment situation and following three months of timely payments, the Member may decide to recover its funds or to maintain the credit account for future settlements.

Article 18

Standing deposit

1 The amount of the mandatory standing deposit is 5,000 CHF.

2 The standing deposit is paid in one instalment into the UPU bank account reserved for security deposits. The UPU is the legal owner of the standing deposit, which shall be under the control of the IB. The deposit may be used by the IB for any purpose consistent with these Rules.

3 The IB shall return to any Member that withdraws from the PPS*Clearing system the amount of the standing deposit, less any amount properly used in accordance with this Attachment.

4 In the case of late payments, the IB may use a Member's standing deposit to settle outstanding bills owed by the defaulting Member.

5 The Member is required to make up any amount used from the standing deposit within 10 calendar days following notification of its use by the IB. For each day's delay, the Member shall automatically incur a late payment penalty to cover the shortfall in funds. This penalty is equal to the debit interest rate applied by the PPS*Clearing system settlement bank in the event of a shortfall. The amounts collected shall be used to reduce the PPS*Clearing system's management costs.

6 If the Member has not made up the standing deposit within 30 working days following notification of its use by the IB, the Member shall automatically be suspended from the PPS*Clearing system.

Article 19

Security deposit

1 A security deposit shall be mandatory in cases of reinstatement after suspension.

2 Members may pay a voluntary security deposit, which belongs to the Member and is kept in the PPS*Clearing bank account, where it is managed by the IB according to the Member's instructions.

3 In cases of reinstatement after suspension, the security deposit shall be equal to three times the average value of the amounts owed by the Member over the previous 12 periods when it was a debtor.

4 If a Member is suspended more than once over a period of 12 months, the security deposit shall increase to six times the average value of the amounts owed by the Member over the previous 12 periods when it was a debtor.

5 The security deposit shall be paid in one instalment into the UPU bank account reserved for security deposits. For security deposits to be paid in accordance with article 17.4, the Steering Committee shall grant the Member the option of paying the deposit in two or more instalments if the deposit exceeds 500,000 USD or EUR.

6 The UPU is the legal owner of the security deposit, which shall be under the control of the IB.

7 Following reinstatement, after 52 timely payments, the IB shall reimburse the amount in three consecutive instalments every two months, over a period not exceeding six months.

8 For late payments, the IB may use a Member's security deposit to settle outstanding bills owed by the defaulting Member.

9 The IB shall inform the Member of the use made of the security deposit.

10 The Member shall be required to make up any part of the security deposit used, within seven working days following notification of its use by the IB. For each day's delay, a late payment penalty equal to the debit interest rate applied by the PPS*Clearing system settlement bank in the event of a shortfall shall be imposed on the Member in question.

11 If the Member has not made up the security deposit within 15 working days following notification of its use by the IB, the Member shall automatically be suspended from the PPS*Clearing system.

Article 20 Recovery of settlement

- 1 When a Member is excluded from the PPS*Clearing system, the IB shall launch the following procedure to recover the amounts debited and the associated financial costs:
 - 1.1 The IB shall issue bills relating to PPS orders to Members which, as a result of their bilateral exchanges with the excluded Member, were creditors of that Member.
 - 1.2 These Members shall reimburse the UPU for the amounts billed by the IB, at the same intervals as the regularly scheduled payments made during a PPS*Clearing cycle.
 - 1.3 Once these Members have reimbursed the amounts billed, they shall become the direct creditors of the excluded Member.
- 2 The IB shall withhold the funds paid during the last PPS*Clearing cycle by Members that were debtors of the excluded Member and shall use these funds to repay any debts of the excluded Member.

Article 21 Reports

- 1 The PPS*Clearing system shall prepare individual reports on each Member's transactions and send each Member its own report.

Article 22 Monitoring of operations

- 1 Each Member shall designate staff members in its organization with access to the PPS*Clearing system to check and monitor bills and net balances. The Member shall inform the IB of the names and contact details of the designated staff members before beginning to use the PPS*Clearing system and shall inform the IB immediately of any changes in this regard.
- 2 Each Member shall be responsible for putting the necessary procedures in place to ensure that only these designated staff members have access to the PPS*Clearing system.
- 3 Members may not enter any data in the PPS*Clearing system. The IB shall centralize the information to be sent to the PPS*Clearing system and make any necessary corrections.

Article 23 Confidentiality

- 1 All data contained in and handled by the PPS*Clearing system is strictly confidential and shall be treated as such by the UPU and all participating Members.
- 2 Each Member shall ensure that the individuals designated to access the system have a password guaranteeing secure access to the system, and that they keep this password confidential.

Article 24 Liability and indemnity

- 1 As Members of the PPS*Clearing system recognize that the UPU is acting on their behalf when it operates the system, they agree to indemnify, defend and protect the UPU against any damage suffered or costs incurred in the exercise of its functions.
- 2 The UPU shall not be held liable towards any Members for any damage suffered and costs incurred by a Member, including legal costs, as a result of its participation in the PPS*Clearing system or the operation of that system by the UPU.

3 No provision contained in this Attachment or relating to it shall be deemed a waiver, either express or implied, of any of the privileges and immunities of the UPU.

Article 25

Settlement of disputes relating to the PPS*Clearing system

1 Members shall inform the IB of any dispute relating to the PPS*Clearing system and endeavour to reach an amicable settlement.

2 If the Members concerned (hereinafter "parties") are unable to settle their dispute within a reasonable period, either one of the parties to the dispute may refer the matter to the Steering Committee.

3 Disputed transactions shall be referred to the Steering Committee by written request from one of the parties to the disputed transaction. The written request shall be accompanied by documents relevant to the dispute.

4 The IB shall forward all the documents to the Steering Committee.

5 The IB 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.

6 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.

7 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 IB.

8 Appeals against the Steering Committee's decision may be made to the General Assembly by either of the parties to the dispute. Appeals shall be made in writing within a period of 60 days from notification by the IB of the Steering Committee's decision. If no appeal is submitted, the Steering Committee's decision becomes final and binding.

Provisional PPSUG budget

In accordance with the PPSUG business plan approved by the POC (POC C 4 2020.1–Doc 2b.Annex 2.Rev 1).

Year	2021	2022	2023	2024
Number of PPSUG members	43	75	100	125

		(1)	Projected budget (2)		
<i>Expenditure by activity (in thousands of CHF)</i>		2021	2022	2023	2024
Human resources	Consultant	76.8	240.0	240.0	360.0
Product and service, and PPS*Clearing system development	Developments	80.0	80.0	160.0	150.0
PPS*Clearing system		89.0	110.0	110.0	116.0
<i>Quality of service standards</i>					
QS missions (DSA)	Consultant	30.0	50.0	50.0	50.0
QS missions (travel costs)	Consultant	30.0	50.0	50.0	50.0
<i>Business development and collective trademark management</i>					
Promotion of PosTransfer		100.0	200.0	250.0	300.0
[1] Total expenditure		405.8	730.0	860.0	1026.0

<i>Revenue (in thousands of CHF)</i>		2021	2022	2023	2024
Membership fees		169.0	332.3	443.0	553.8
Voluntary contributions		–	65.0	85.0	100.0
Contributions by external partners for project development		–	100.0	125.0	150.0
Development contributions		–	100.0	75.0	100.0
Trademark licence fees		–	75.0	100.0	125.0
[2] Total revenue		169.0	672.3	828.0	1028.8

[3] Total [2] – [1]	-236.8	-57.7	-32.0	2.8
[4] Reserve from previous year (N – 1)	486.1	249.3	191.5	159.5
New reserve (N) [3] + [4]	249.3	191.5	159.5	162.3

Notes:

- The PPSUG budget for 2021 is based on the existing PPSUG members at 1 November 2020.

- 2 The projected budget for the PPSUG is based on:
 - a The projected number of PPSUG members for the years 2022 to 2024 as per the PPSUG provisional business plan (POC C 4 2020.1–Doc 2b.Annex 2.Rev 1);
 - b Expenditure and revenue which include the complete package of the PPSUG offer, namely the trade-mark, the PPS*Clearing system, the postal payment products, as well as the quality of service products and other new developments realized by the PPSUG (operational as well as services), as laid out in the PPSUG provisional business plan (POC C 4 2020.1–Doc 2b.Annex 2.Rev 1).
- 3 The level of forecast expenditure is dependent on the available revenues of the group. This means that if the revenue realized is lower than expected, the provisioned expenditure will be reduced accordingly.
- 4 The PPSUG membership fees are based on the interim fee structure as set in the PPSUG RoP until the entry into force of the single invoice fee structure as presented in Annex 3, Attachment 1.
- 5 Outstanding PTG contributions amount to 57,800 CHF as per 1 November 2020. Most of those receivables are expected to be collected by 31 December 2020.



Draft

Postal Payment Services User Group

Principles for the single invoice

Berne, November 2020

Introduction

In order to further increase the number of WEPPN users, it was recommended that a simple and transparent invoicing system for the various postal payment products and services be implemented. This system could comprise a one-time membership payment to the Postal Payment Services User Group (PPSUG), which would allow access to all of the group's offers (products, services, network, IT systems, trademark, quality of service tools, etc.) without any additional financial burdens or obligations.

With this in mind, over the past year, the PPS groups of the Postal Operations Council's Committee 4 (POC C 4) and the International Bureau (IB) have been developing a new invoicing proposal for the PPSUG to fulfil the above criteria. The proposal aims to consolidate all PPS-related yearly costs into a single, competitive, annual payment. As well as balancing the pay-per-use principle, the proposed system would support the underserved, while incentivizing and rewarding members that are developing PPS services actively and efficiently.

An additional and equally important objective for the PPSUG single invoice proposal was to reach a PPSUG contribution level which would cover all costs in the approved PPSUG budget and enable the group to become fully self-sustainable within a maximum period of four years.

The single invoice structure

The aforementioned objectives were achieved by developing a PPSUG contribution structure based on two elements: a base fee and a pay-per-use component.

The purpose of the base fee is to cover shared costs across all users, such as PPS network infrastructure, IT and network costs, trademark and promotion fees, as well as other support and development-related expenditure.

The pay-per-use component covers the additional support costs incurred to cope with the increase in transaction volumes and the use of specific, less common services, such as the PTC cloud infrastructure used by some PPSUG members.

An additional incentive is given to PPSUG members reaching the highest volumes, with the maximum yearly cap set at 55,000 CHF. This means that when the base and pay-per-use costs are applied to a PPSUG member, amounts exceeding the maximum yearly cap are waived.

In defining the first element of the PPSUG contribution, the base fee, the UPU principle of relieving the burden on least-developed countries and their DOs was maintained. As a result, this contribution adopts the four World Bank-defined GNI classes (I to IV), with differentiated contributions in accordance with the country's class, as per table 1.

Table 1

<i>PPSUG base contribution</i>			
GNI	1	10,000 CHF	Note: The base contribution does not include transactions
GNI	2	8,000 CHF	
GNI	3	6,000 CHF	
GNI	4	3,500 CHF	

The second contribution element, pay per use, is also divided into two contribution sets: one related to transaction volumes and one to the use of additional system support.

The transaction volume part is again divided into two types, differentiating between outbound transactions (sent postal payments) and inbound transactions (postal payments received/paid out) with discrete fees to pay. To promote and support increasing transaction volumes, both are kept low. Inbound transaction fees are lower to once again benefit least developed countries and regions, which have a higher tendency to receive

transactions as they are more dependent on their migrants' remittances. The transaction volumes used for calculating the yearly PPSUG contribution are from the previous 12 months.

Table 2

<i>Transaction type</i>	<i>From</i>	<i>To</i>	<i>Fee (in CHF)</i>
Inbound (paying)	1	20,000	0.180
	20,001	–	0.090
Outbound (sending)	1	20,000	0.360
	20,001	–	0.180

The second component of pay per use, the second PPSUG contribution element, relates to the use of UPU cloud-hosted systems. Members making use of this facility are required to contribute to the costs incurred for the support, maintenance and system work carried out by the engineers engaged by the PTC for that purpose, as these members benefit from not having to host, acquire, update or maintain their PPS-related systems. The single invoice will incorporate a yearly charge of 6,250 CHF for providing these services – an amount which is much less than the costs incurred for maintaining the systems locally in UPU member countries.

In summary, each PPSUG member is to be issued with a single annual invoice for access to PPS including the following, up to a maximum amount of 55,000 CHF:

- Base fee, according to the country's GNI class;
- Pay-per-use fee, related to the total number of transactions sent and received over the past 12 months;
- Charge for use of the cloud infrastructure, if applicable.