

APPU Postal Financial Services Working Group

Presentation by India and VietNam

Executive Council Meeting Bangkok, Thailand 14 - 18 August 2023

Agenda



- 1. Adoption of Agenda
- 2. Major Outcomes of POC C-4 Postal Financial Services (PFS) upto 2023.1 meetings
- 3. Best Practices in Postal Financial Services / Presentation by :
 - a. (country name)
 - b. (country name)
- 4. Any Other Business

PFS Package to be submitted to 4th Extraordinary Congress



The future of postal financial services and amendments to the Postal Payment Services Agreement (PPSA) - Report of the Postal Operations Council: **Congress Doc-5**

Resolution 5

Further work on the Union's legal framework associated with postal payment and other postal financial services

Resolution 6

Creation of a UPU advisory knowledge centre for postal payment and other postal financial services

Amendments to the PPSA

Background & Context



Digital disruption and emerging of new financial services

Study to develop the UPU's Vision 2030 for postal financial services

Task force on Postal Financial Services (PFS) in relation to the UPU's Vision 2030

Report of the Postal Operations Council: Congress Doc 5



A roadmap with concrete proposals on the way forward in re-centring the role of the UPU

UPU a facilitator of financial inclusion and financial services provision by DOs

The interconnection of postal networks and their opening up to wider postal sector players (WPSPs)

UPU Vision 2030 for Postal Financial Services



Identified areas of improvement by Study and POC C4 Expert Team

Enhancement of the existing PPSA and UPU operating model

Improvement of knowledge sharing

Diversification of the existing UPU offering through new partnerships and funding models

Provision of customized technological solutions, advisory services and technical assistance

Strengthening the voice of Posts in postal financial services policymaking

UPU Vision 2030 for Postal Financial Services





Changes to the PPSA on AML, settlement, trademark, etc.

STEP 1



Network interconnectivity

→ Interconnections and mobile applications



Access for WPFSPs

→ Broader access

STEP 2



Creation of knowledge centre and expertise

Access for WPFSPs: Modalities



STEP 1 – Extraordinary Congress

- → Interconnections and mobile applications
 - Extension of the payments network by defining the requirements (technical, operational and legal) for the zone of interconnection

(Congress proposals: 40.2.1, 40.8.1, 40.9.1, 40.10.1, 40.11.1 and 2, 40.12.1, 40.13.1 and 2, 40.17.1, 40.25.1 and 40.26.1)

Access for WPFSPs: Modalities



STEP 2 – Dubai Congress

Broader access

- New definition of network participant:
 - → DOs and WPFSPs with common rules and regulations

Full PPS offer guarantee across the entire network

Broader access



Principles

- Review the existing PPSA diversifying the scope of the services defined
- Develop a contractual framework / licensing requirements or certification mechanism for the connection of WPFSPs
- Have the PPSA a truly multilateral one-time sign-off agreement
- Extend the centralized UPU technical architecture (UPU–IP), with solutions for money transfer and other financial services

Full PPS offer guarantee across the network

Further work on the Union's legal framework associated with postal payment and other postal financial services (Proposal of a general nature 05)



The International Bureau to

- develop contractual, licensing and/or certification mechanism
- extend the Union's centralized technical architecture

The **POC** and **CA** to

- review the Union's legal framework to address the gaps, removal of outdated elements and adoption of a more flexible approach
- foster development of a multilateral "one-time sign-off" legal framework

Development of contractual framework, the draft agreement template for other financial or payment services with nonpostal payment service providers following the Riyadh amendments to the PPSA

Financed using current resources subject of an existing and approved work proposal (1.2.11) of the **Abidjan Business Plan**

L

outputs

Review of the existing UPU treaty framework dealing with postal payment services and submission of proposed revisions to the Dubai Congress

Additional regular funding is required - technical, market and regulatory expertise

(Proposal of a general nature 05.Annex 1)



Draft contractual framework/licensing of wider postal financial service players (WPFSPs)

Additional regular funding is required - technical, market and regulatory expertise

5 outputs

Draft WPFSP certification mechanism

Additional regular funding is required - technical, market and regulatory expertise

Extension of the centralized UPU technical architecture with real-time connectivity for the connection of WPFSPs offering solutions for money transfers and other financial services

Financed by voluntary contributions as it is a demand-driven activity

(Proposal of a general nature 05.Annex 1)



Regular budget

154 300 CHF (6 P + 5 G)

Extra-budgetary

331 100 CHF (16.5 P + 5.5 G) **150 000 CHF** (IT developments)

Totals: 635 400 CHF

Regular budget: 154 300 CHF

Extra-budgetary: 481 100 CHF

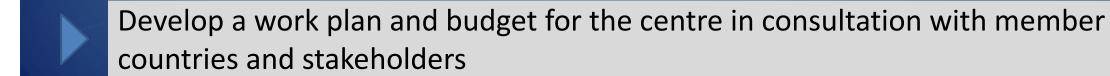
Creation of a UPU advisory knowledge center for postal payment and other postal financial services (Proposal of a general nature 06)



Creation of the UPU advisory knowledge center

- Advisory platform for knowledge-transfer for DOs and governments
- Overview on regulatory frameworks and the latest trends

 Best practice think-tank for DOs and private companies with network members



Creation of a UPU advisory knowledge center for postal payment and other postal financial services (Proposal of a general nature 06)

nstructs

The International Bureau to ensure that the IB is equipped with an appropriate administrative structure

The POC and CA to

 consider the establishment of formal relations with other entities

(Proposal of a general nature 06.Annex 1)



A

Knowledge centre creation – information gathering

Financed using current resources - subject of an existing and approved work proposal (1.1.18) of the Abidjan Business Plan

5 output

Knowledge centre creation – development of knowledge centre system/database

Need investment in appropriate IT systems and tools – extra budgetary resources

В

(Proposal of a general nature 06.Annex 1)



Production and dissemination of research, studies and analytical tools on postal financial services

Additional regular funding is required

outputs

Capacity building (provision of training, TA and advisory services)

Funded by extrabudgetary resources and voluntary contributions, as demand-driven activities

E

Securing of funding for knowledge centre activities

Financed using current resources



(Proposal of a general nature 06.Annex 1)

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361 400 CHF (9 P + 19 G) **100 000 CHF** (IT developments)

Extra-budgetary

327 300 CHF (18P + 3G) **450 000 CHF** (TA pilots)

Totals: 1 238 700 CHF

Regular budget: 461 400 CHF

Extra-budgetary: 777 300 CHF

(Proposal of a general nature 05.Annex 1 and 06.Annex 1)



In case additional regular budget funding is not secured, all of the outputs proposed to be financed by regular budget will be predicated on extra-budgetary funding only.

This means that work on these outputs will only be undertaken when such extra-budgetary funds become available

