



ASIAN-PACIFIC  
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# 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 4<sup>th</sup> 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**

**Extraordinary  
Congress**



Network interconnectivity  
→ Interconnections and mobile applications



Access for WPFSPs  
→ Broader access

**STEP 2**

**Dubai Congress**



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)*



## Instructs

### 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



# Programme and budget impact statement

*(Proposal of a general nature 05.Annex 1)*



## 5 outputs

A

**Development of contractual framework, the draft agreement template for other financial or payment services with non-postal 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**

B

**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**

# Programme and budget impact statement

*(Proposal of a general nature 05.Annex 1)*



5 outputs

C

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

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

D

**Draft WPFSP certification mechanism**

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

E

**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**

# Programme and budget impact statement

*(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



Develop a work plan and budget for the centre in consultation with member countries and stakeholders

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



## Instructs

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

# Programme and budget impact statement

*(Proposal of a general nature 06.Annex 1)*



5 outputs

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**

B

**Knowledge centre creation –  
development of knowledge  
centre system/database**

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



# Programme and budget impact statement

*(Proposal of a general nature 06.Annex 1)*



5 outputs

C

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

**Additional regular funding is required**

D

**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**

# Programme and budget impact statement

*(Proposal of a general nature 06.Annex 1)*



## Regular budget

**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**

# Programme and budget impact statements

*(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**





THANKS