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EC 2024 Doc 12 Rev 2
Published on 12 August 2024

APPU Postal Financial Services Working Group

Presentation by India and Viet Nam

APPU Executive Council Meeting
Siem Reap, Cambodia
12 – 16 August 2024



Agenda

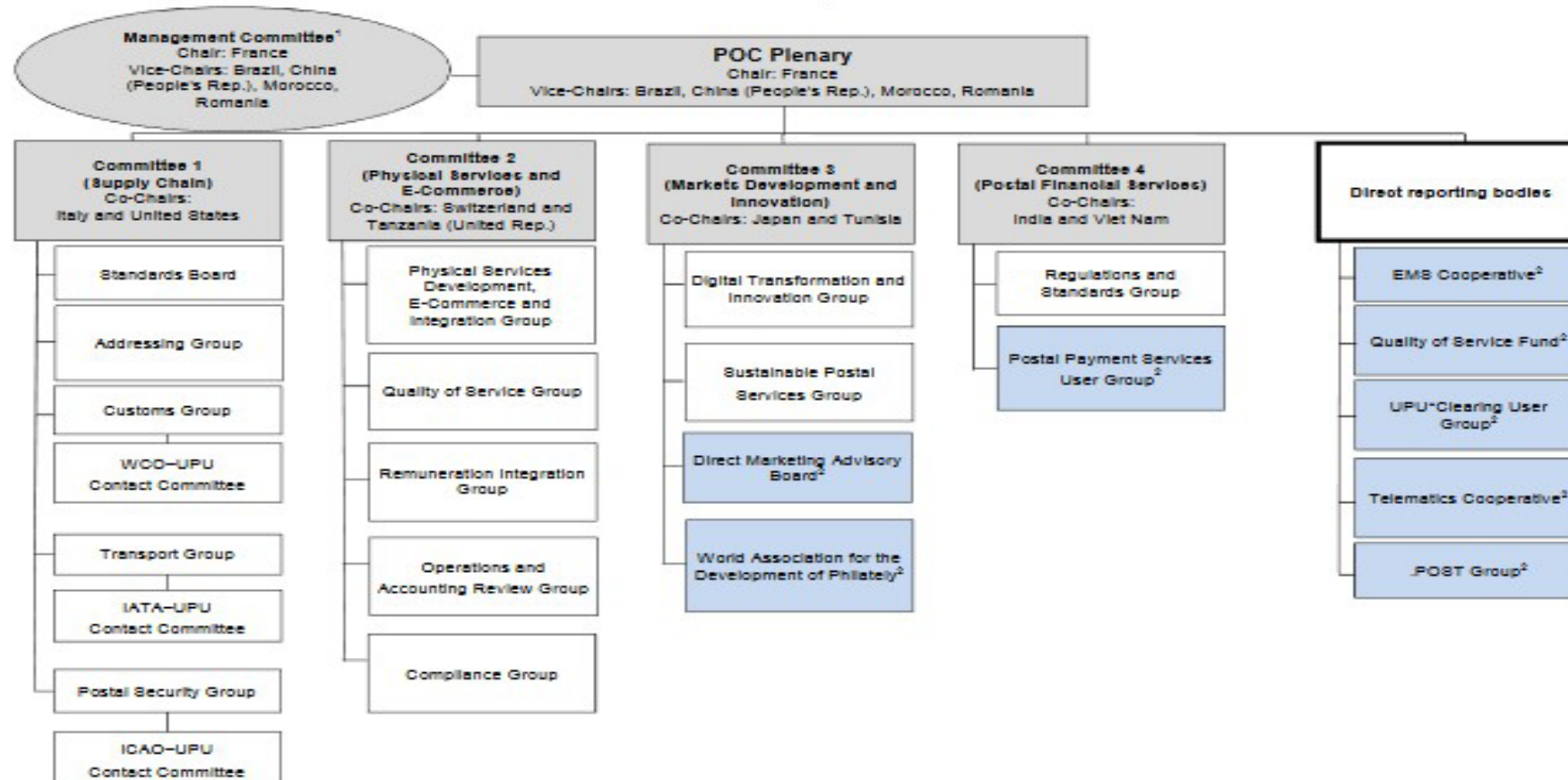
1. Opening of the meeting and adoption of the agenda
2. Major outcomes of POC C4 Postal Financial services
 - a) Issues related to Regulations and Standards Group
 - b) Issues related to Postal Payment Services User Group
3. Best Practice sharing
 - a) Presentation by Viet Nam
 - b) Presentation by India
4. Any other business



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Structure of the POC 2022-2025

Structure of the Postal Operations Council for 2022 to 2025

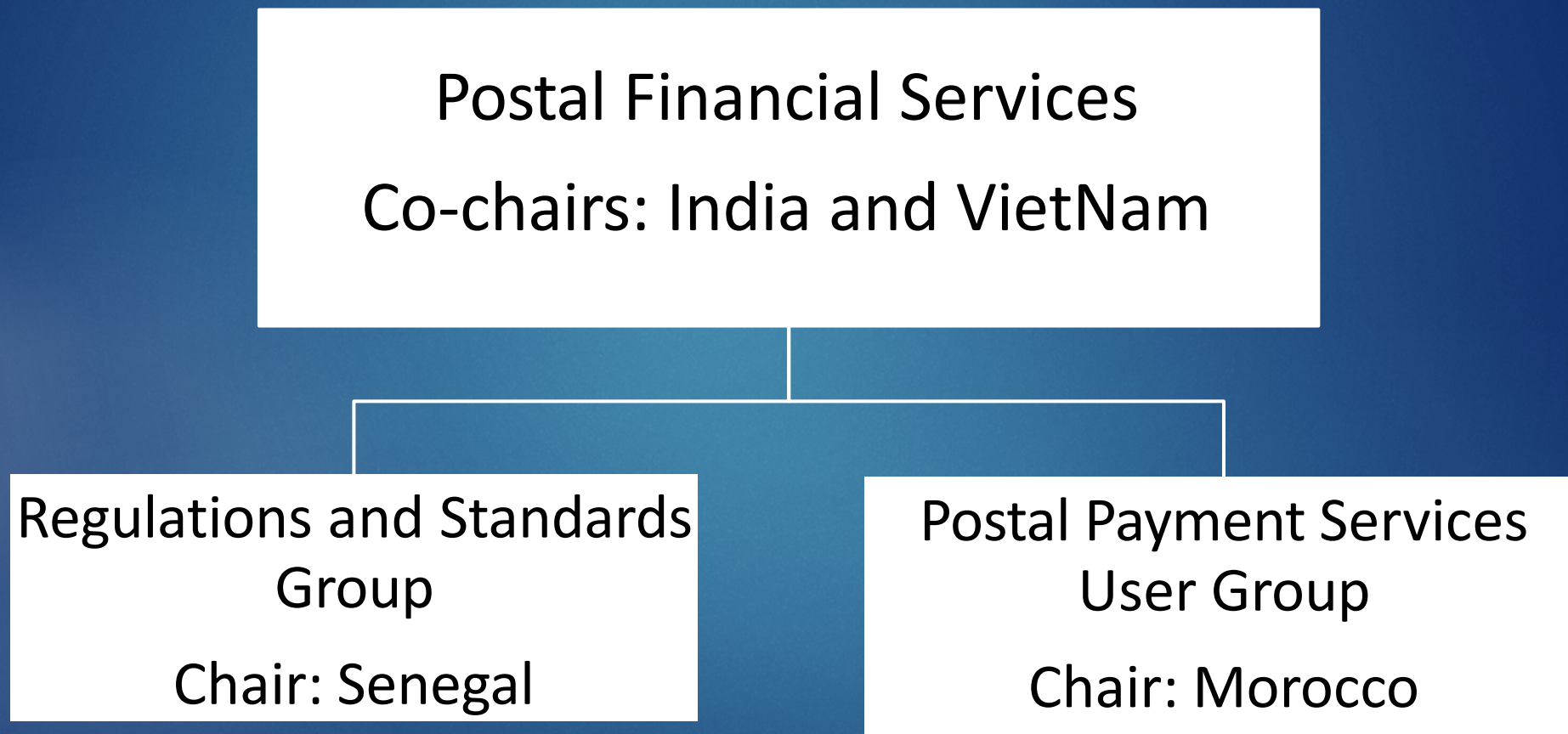


¹ Members: POC Chair and Vice-Chair; committee co-chairs.

² User-funded subsidiary body.



Structure of the POC Committee 4





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Updates on UPU POC Committee 4 activities



2. Major outcomes of POC C4 Postal Financial services

- a) Issues related to Regulations and Standards Group
- b) Issues related to Postal Payment Services User Group



POC S5 session topics discussed

Issues related to the Regulations and Standards Group

- Proposed amendments to the legal framework associated with postal payment services following the decisions of the 4th Extraordinary Congress
- Revision of the Postal Payment Services Agreement (PPSA)

Issues related to the Postal Payment Services User Group

- Outcomes of PPSUG GA 2024.1
- Network update
- Technical projects update
- UPU–TechCert certification programme overview



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Issues related to the Regulations and Standards Group

Legal framework associated with Postal Payment Services



Legal framework associated with PPS

POC Approved amendments to the legal framework associated with PPS

- Multilateral agreement for electronic postal payment services ¹⁾
- Electronic postal payment services quality of service standards ¹⁾
- Relevant quality of service provisions in the PosTransfer licence agreement ²⁾

▶ *POC approved documents with entry into force from 1 July 2024*

1) <https://www.upu.int/en/universal-postal-union/activities/financial-services/postal-payment-services-key-documents>

2) <https://www.upu.int/en/universal-postal-union/activities/financial-services/postransfer/postransfer-licence-agreement>



Issues related to the Regulations and Standards Group

Revision of the Postal Payment Services Agreement (PPSA)

Congress proposal on PPSA review

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Congress–Doc 5

The future of
postal financial
services and
amendments to
the Postal
Payment Services
Agreement

Two-step approach:

STEP 1: Submitted to the fourth Extraordinary Congress in Riyadh for approval

STEP 2: More comprehensive step, involving a deeper and more wide-ranging revision of the existing PPSA (probably including a name change), for submission to Dubai Congress

Congress proposal on PPSA review

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Congress Proposal 05

Only to be achieved in time for the 2025 Congress with the support of additional resources (mainly specialized legal support)

Mix of regular and extrabudgetary funding

- A. Development of contractual framework, the draft agreement template for other financial or payment services with non-postal payment service providers (Riyadh amendments to the PPSA)
- B. Review of the existing UPU treaty framework dealing with PPS for submission to the Dubai Congress
- C. Draft contractual framework / licensing of WPFSPs
- D. Draft WPFSP certification mechanism
- 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



Output A, with existing resources, while B to E solely with Extraordinary Funding

Congress Decision

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Congress Proposal 05

Only to be achieved in time for the 2025 Congress with the support of additional resources (mainly specialized legal support)

Mix of regular and extrabudgetary funding

- Congress adopted the proposal with the transfer of the requested funding from the regular budget to voluntary funding.
- Countries were invited to contribute to these activities on a voluntary basis.



Besides Italy (remote expertise legal support) NO other country volunteered to contribute either in kind or in cash



Feedback form Regulations and Standards Group members

- The applicable FS legislation require any entity dealing with any type of money transfer, i.e. PPS, to obtain a licence from financial services regulator
⇒ *existing postal regulations no longer sufficient for DOs to offer their own PFS*
- The legislation developed to encourage citizens to use bank accounts and make digital payments -> DFS / cashless society
⇒ *European Union (EU), India, Jordan or Tunisia, etc.*
- In many member countries, despite efforts to move towards a cashless society, cryptocurrencies and/or digital currencies may not yet be regulated or even prohibited
⇒ *Morocco, Nigeria or Oman*



To take into account for the revision of the PPSA on new financial services other than PPS

Principles and scope governing the revised PPSA for 2025



Outcomes of the Regulations and Standards Group meetings

- Drafting of a single comprehensive treaty comprising two chapters, one for PPS and the other for additional postal financial services (rather than having two separate treaties)
- More Comprehensive addressing of Financial inclusion issues (than in the current treaty)
- Reflect DOs needs for additional financial services: domestic remittances, bill payments, e-commerce payments, government-to-person (G2P) services, insurance services, e-wallets, card payments, account-based services
- Refrain from defining domestic products, which are subject to the national regulations of each member country
- Cryptocurrencies and digital currencies treated with caution / or excluded as these are not permitted in many countries



Report noted by POC



Issues related to the Postal Payment Services User Group

Outcomes of PPSUG General Assembly 2024.1

- Business plan and budget for 2024

The PosTransfer network

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As of February 2024



**An additional PPSUG member is non-IT equipped*

Business development - Workshops activities

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Business agreement workshop

Business development workshop

Service deployment workshop

- Dec. 2022: Two workshops
- 2023-S1: Six workshops

- 2023-S2: Four workshops
- 2024-Q1: One workshop

- 23 countries from Africa, Arab and Asia regions in three groups (one French-speaking, two English-speaking)
- Two countries and representatives of PUASP
- Eight countries from CIS region

POC took note of the report



Issues related to the Postal Payment Services User Group

Technical projects update

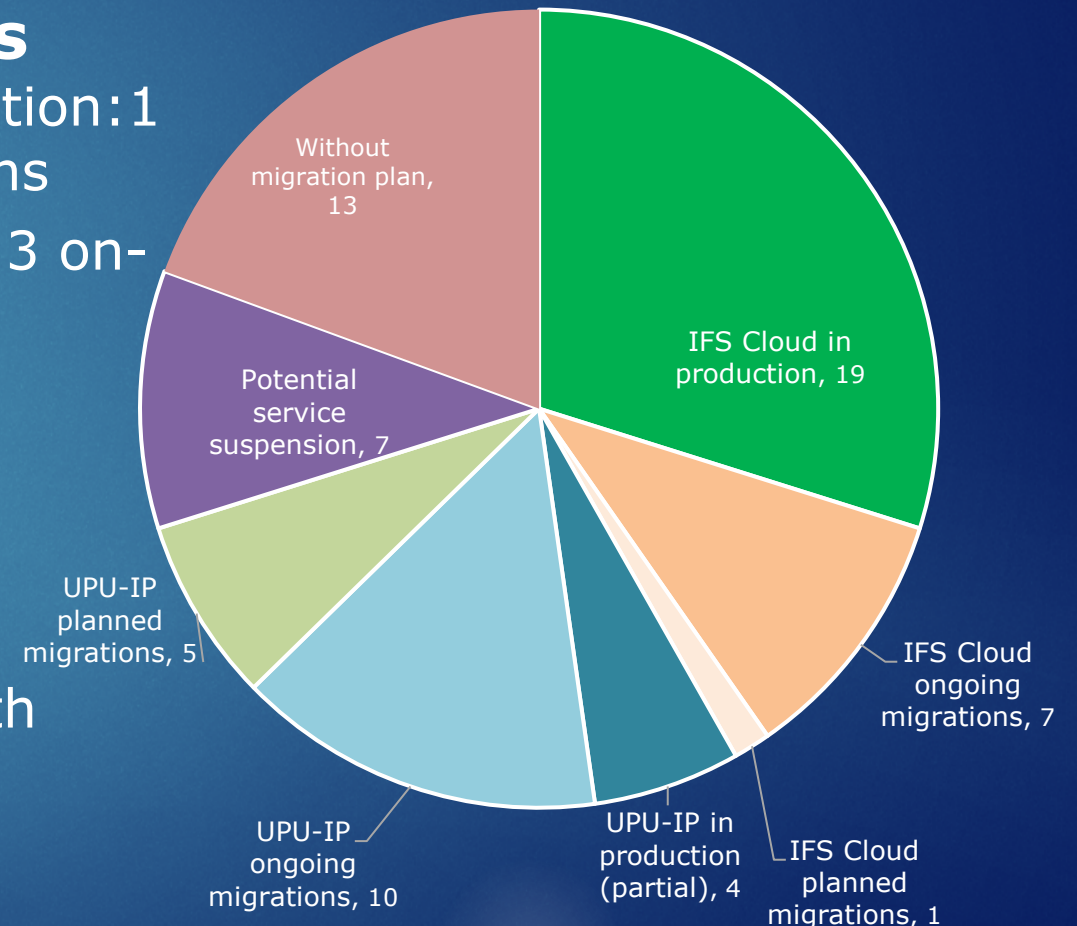
- Status on the migration of IFS users to the UPU-IP
- Solution for anti-money laundering/combating the financing of terrorism compliance

Technical projects - Migration activities

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Migration plans



IFS Cloud instances

→ 20 instances in production: 1 new partner, 19 migrations

→ 4 migrations ongoing, 3 on-hold at DO

UPU-IP migration

4 production partners with Forsage, 10 ongoing integration/migration

AML/CFT scope

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Objective

Enforce common core compliance rules

Progress

Request for information performed in Q3 2023, results and proposals presented to PPSUG Steering Committee

Decision to explore

- Whether the “denied parties” solution currently under procurement for the supply chain can also serve PPS
- UPU-IP impact: record and manage the results of the scans

Status

- Contract under finalization with extension of scope to PPS
- Attractive cost model: no fixed costs for access to the solution, only a (very small) fee per scan



POC approved next steps for the implementation of the AML/CFT compliance mechanism for postal payments



Issues related to the Postal Payment Services User Group

UPU-TechCert certification programme
overview



What

A technical certification, to validate the correct functioning of interfaces between UPU software and IT vendor products

Certificate delivered through a technical audit built on a series of repeatable and automated tests

Brand name for the certificate:





Status

Next steps



Programme **implemented** in 2023:

- General programme presentation
- Manual (for IT vendors)
- Dedicated Web page: upu.int/upu-Techcert
- **First domain and scope** available: **UPU-IP API technical integration**

Next steps in 2024

- Pricing approval at TC General Assembly
- Marketing plan
- Pilot with one IT vendor
- Addition of new domain and scopes



POC approved the UPU-TechCert certification programme for PPS



3. Best Practice sharing

- a) Presentation by Viet Nam
- b) Presentation by India



a) Presentation by Viet Nam: Annexure-I



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EC 2024 Doc 12.Rev.2 Annexure-I

Postal Financial Services Working Group

EXPERIENCES IN OFFERING GOVERNMENTAL SERVICES: PROMOTING THE PARTICIPATION IN VOLUNTARY SOCIAL AND HEALTH SECURITY

Presentation by Vietnam Post

**Executive Council Meeting
Siem Reap, Cambodia
12 – 16 August 2024**



CONTENTS

1. Policies on social security in Vietnam
2. Introduction on Vietnam Post
3. Implementations in cooperation with Vietnam Social Security
4. Achievements
5. Lessons learned
6. Q&A

Governmental objectives:

- ▶ Policies on social security and health security must become one of main pillar policies of national social security system;
- ▶ Step by step to expand the coverage of social security, aiming at social security for all people;
- ▶ Up to 2025:
 - 45% labor forces to participate in social security;
 - 95,15% citizens to participate in health security.

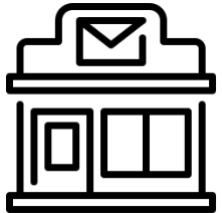


2. INTRODUCTION ON VIETNAM POST

Vietnam Post (VNPost), an UPU member, is the only designated operator in Vietnam, who is responsible to offer public postal services nationwide and cooperate with postal organizations regionally and globally.

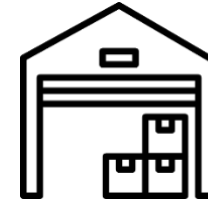
- VNPost has a broad network, owning the mission to serve his community, to link his customers with qualified, friendly services and special experiences and values.





78

Provinces, Cities and Centers



64, 720, 1793, 8184

POs arranged in level 1,2,3,4



13,000

Public service points



5000+

International and domestic transportation routes



70,000

Laborers



+15,200

Delivery routes nationwide



3. IMPLEMENTATIONS IN COOPERATION WITH VIETNAM SOCIAL SECURITY (VSS)



Disbursement through VNPost's network:

- 7.300.000 beneficiaries/per months, included pensioners, social welfarers and Revolutionary contributors
- nearly 90.000.000 payment transactions for the year 2023

Besides business activities, VNPost also focuses on the mission of community serving and implementation for social security policies



3. IMPLEMENTATIONS IN COOPERATION WITH VIETNAM SOCIAL SECURITY (VSS)



- Collection points: 11.195
- Number of agents and collaborators: 18.464 people
- Number of personnel for expanding participants : over 50,000 people

Continuously, Vietnam Social Security, other Governmental bodies and the Government appreciate VNPost as the best agent for collection of voluntary social and health security

Number of voluntary social security participants up to July 2024

Number of over-15-year-old citizens	Number of 30-to-45-year-old citizens	Number of voluntary social security participants
61.010.271	6.938.300	1.737.000
Total number of social security participants	Number of compulsory social security participants	Number of voluntary social security participants through VNPost
18.518.000	16.781.000	1.400.000



4. ACHIEVEMENTS (cont.)



Number of voluntary health security participants up to July 2024

- Total 92.511.000 participants of health security
- Approximately 10 million participants of voluntary health security participants per year through VNPost



1

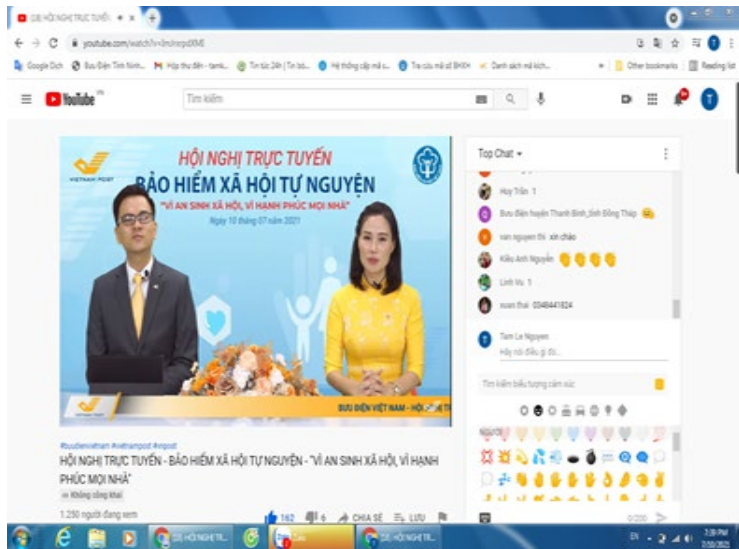
To expand the agents and collaborators:

- Frequent training operational and commercial skills professionally and methodically
- Frequent meeting online and offline to exchange and share the network best practices on attracting voluntary social and health security participants

2

To invest into professional measures and tools:

- Advertisements through digital media: facebook, zalo, youtube, etc...
- Design of app and systems for collection of social and health security – PM Vnpost – SSM, App Vnpost M SSM



*THANK YOU
FOR YOUR ATTENTION*

Ms. Le Thi Mai Hien
PFS Department
hienltm@vnpost.vn





b) Presentation by India: Annexure-II



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Postal Financial Services Working Group

Postal Financial Services : India Post
Embracing Technology, Empowering People ,
Encouraging Financial Inclusion



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CONTENTS

1. India Post Reach
2. Promoting Financial Inclusion: Journey of Post office Savings Bank
3. Major Government Schemes for Direct Benefit Transfer (DBT)
4. Customer Service Oriented Initiatives under POSB
5. Achievements and Future Initiatives
6. Transformation of Domestic Financial Services - through India Post Payments Bank
7. Q&A

India Post : Unparalleled Reach

Government services

Aadhaar | Survey | G2C services



Financial services

450 million + accounts



Insurance services

35 million + policies



Postal services

Lifeline of physical delivery – to remote and inaccessible areas



0.45 Million staff

161,000 Post offices

Presence in rural locations

High trust from local people

Integrated network from Govt of India to villages

India Post Promoting Financial Inclusion



Provides easy access to basic financial services to everyone



Encourages saving habits and financial literacy among the mass



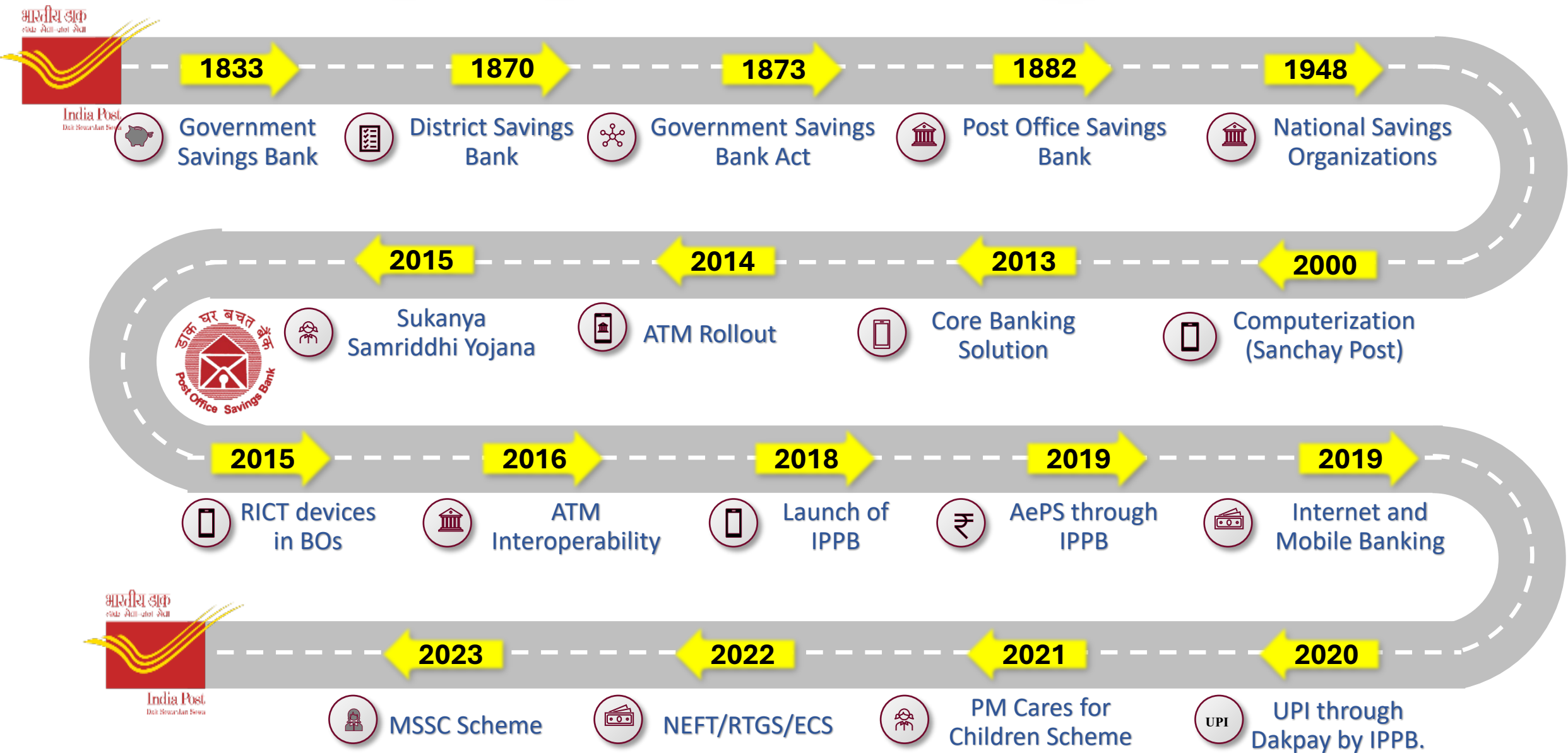
Empowers women and marginalized communities



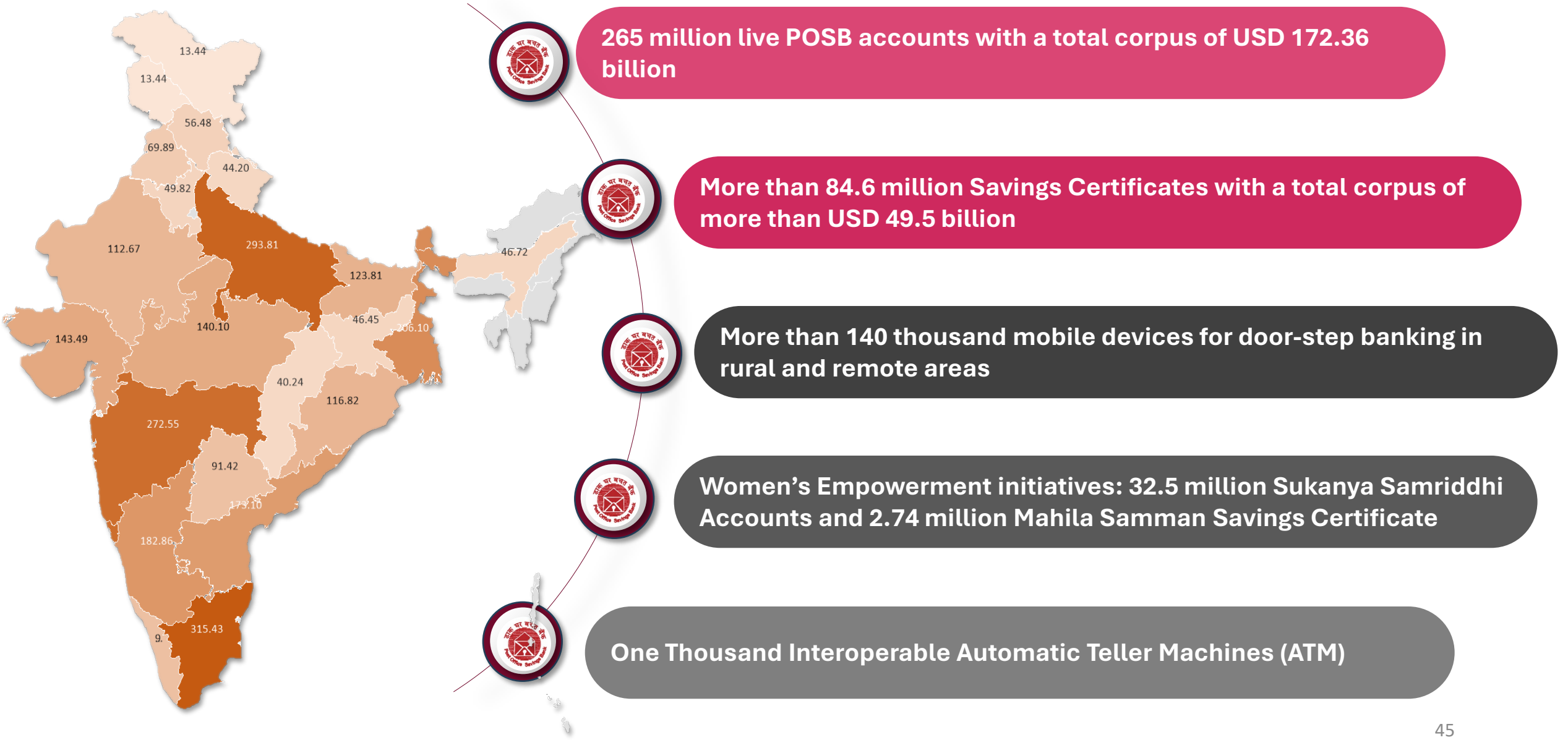
Caring Senior Citizens even in rural areas



Journey of Post Office Savings Bank



Post Office Savings Bank (POSB)-in a nutshell



Post Office Savings Schemes

DAK SEVA JAN SEVA.....

1 / **Post Office Savings Account**
Any individual above 10 years of age can open and operate the account

2 / **Recurring Deposit**
People can deposit the amount as regular saving on monthly basis for a maturity period of five years

3 / **Monthly Income Scheme**
A lumpsum amount deposit generates a monthly income as interest paid on monthly basis

4 / **Time Deposit**
A term deposit account where amount invested for fixed term

5 / **Sukanya Samriddhi Account**
This account is only for girl child below the age of 10 year to ensure a secure future and help in managing education and marriage expenses

6 / **Senior Citizen Savings Certificate**
This account is only for Senior Citizens who wish to generate an income after retirement. Interest income is paid on quarterly basis

7 / **Mahila Samman Samrddhi Certificate**
This account is only for Women and Girls to ensure financial support and financial independence. The amount is invested for a very short term and earn interest @ 7.5%

8 / **PM Cares of Children Account**
A special category of account designed for securing the future of Children who have lost both the parents during the Covid-19 calamity

DIRECT BENEFITS TRANSFER (DBT)



Government major
DBT Schemes

- MGNREGS
- PRADHAN MANTRI AWAS YOJNA
- LADLI BEHNA YOJNA
- DEPT OF TREASURIES KHAJANE II
- INDIRA GANDHI NATIONAL WIDOW PENSION SCHEME (IGNWPS)
- CENTRAL PLAN SCHEME MONITORING SYSTEM (CPSMS)
- LPG SUBSIDY
- PM KISAN SAMMAN NIDHI YOJANA



DIRECT BENEFITS TRANSFER (DBT)

Particulars	DOP			IPPB			DOP + IPPB		
Period	No. of Transactions (in Million)	Amount disbursed (USD in Million)	No. of Unique Beneficiaries (in Million)	No. of Transactions (in Million)	Amount disbursed (USD in Million)	No. of Unique Beneficiaries (in Million)	No. of Transactions (in Million)	Amount disbursed (USD in Million)	No. of Unique Beneficiaries (in Million)
2022-23	55	900.1	12.4	57	857.2	16.8	112	1757.3	29
2023-24	65.6	1099.0	13.1	135.7	2552.5	30.6	201	3651.6	44
2024-25 (till June, 2024)	18.3	336.8	13.3						

	Total DBT as per DBT Dashboard		DOP + IPPB Share in DBT (in %)	
Period	No. of Transactions (in Billion)	Amount disbursed (USD in Billion)	No. of Transactions	Amount disbursed
2022-23	2.75	45.8	4.10%	3.84%
2023-24	3.18	55.7	6.30%	6.56%

Pradhan Mantri Jan Suraksha Schemes



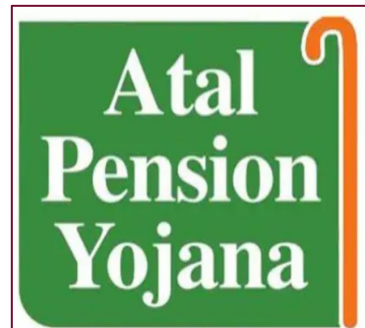
Pradhan Mantri Suraksha Bima Yojana

Scheme launched in 2015, Accidental Insurance for Individuals in the age group of 18-70 years for Rs. 2 Lakh for Rs. 12 per annum, Total 2.1 million Active enrolments in DOP



Pradhan Mantri Jeewan Jyoti Bima Yojana

Launched in 2015: Life Insurance for Individuals in the age group of 18-50 years for Rs. 2 Lakh for Rs. 330 per annum. More than 137 thousand Active enrolments in DOP



Atal Pension Yojana - Launched in 2015, Pension scheme for Individuals in the age group of 18-40 years, more than 400 thousand accounts opened so far

Sukanya Samriddhi Yojana

- Sukanya Samriddhi Yojana is a welfare scheme designed for the girl child
- The Scheme has been developed as part of the government's campaign to empower Girl Child
- The Sukanya Samriddhi Yojana account holder must be a girl child under the age of 10 and account matured on completion of 21 years from the date of account is opened
- DOP has secured future of 33 million girl child under Sukanya Samriddhi Account Scheme so far
- DOP shares 83.50% of overall SSA accounts opened across the county



**WITH 33 MILLION+
SUKANYA SAMRIDDHI
ACCOUNTS**

**WE AIM TO EMPOWER
EVERY GIRLCHILD
OF INDIA!**



SUKANYA SAMRIDDHI ACCOUNT





Mahila Samman Saving Certificate

A Step towards financial Inclusion and Empowerment of Women

Secured investment option for girls and women in India- Ensures financial needs and provides economic empowerment

This scheme offers a secure and flexible investment option for women and girls in India, providing competitive returns and financial liquidity when needed

Key features:

- Account to be opened before March 31, 2025, with a 2-year tenure
- Interest rate @ 7.5% per annum, compounded quarterly
- Flexible deposits: ₹1,000 minimum, multiples of ₹ 100 up to ₹ 200,000
- Partial withdrawal up to 40% of eligible balance during tenure



Senior Citizens Savings Scheme

Eligibility

Individual aged 60+, retired between 55-60, and retired defence personnel above 50 Years of age

Interest Rate

8.2% per annum, Interest amount paid quarterly

Investment

₹1,000 - ₹3.0 Million, 5-year tenure
(extendable for a block of 3 years for any number of times)

Tax Benefit & TDS

Interest income eligible for deduction under Section 80C, TDS applicable



*More than 4.0 Millions
SCSS Accounts*

Customer Service Oriented Initiatives under POSB

Core Banking Solution

- All post offices under Core Banking Solutions System
- 1,000 Inter-operable Automatic teller Machines
- CBS-CTS Integration for faster cheque clearance facility
- Online PAN validation
- Revision of limits of inter-SOL withdrawal transactions

Fund Transfer

- Internet Banking facility
- Mobile Banking facility
- NEFT/RTGS services for funds
- IPPB-POSA accounts linkage for all types of digital transactions
- ECS facility for crediting the interest & maturity amount in bank accounts

Other Services

- NPS online services
- Interactive Voice Response System (IVRS) facility
- Centralized filing of Statement of Financial Transactions on Income Tax Portal
- IPPB-POSA accounts linkage for all types of digital transactions
- e-Passbook facility



Achievements and Future Initiatives

Achievements

Dedicated Cell for Processing and Reconciliation

Reaching 200 Million customers with 165 thousand Post Offices

Launch of India Post Payment Bank (IPPB)

Organisation of Dak-Chaupal to connect people with schemes of the government

Dak Community Development Programme (DCDP)



Future Initiatives

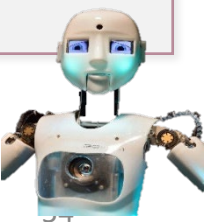
Full-fledged e-KYC Functionality

Enterprise Fraud Risk Management (EFRM)

NPCI BASE (Bharat Aadhaar Seeding Enabler) functionality for DBT

Immediate Payment Service (IMPS)

Unified Payment Interface (UPI)



Transformation of Domestic Financial Services - *through India Post Payments Bank*

Trusted service by IPPB – India Post at Population Scale
“*Phygital*” Platform for Rural India providing Universal Services



Paperless Account Opening – by Postman using National Identity service



Doorstep CICO (Cash In Cash Out) – DBT, Any Bank : to the unbanked & underbanked



*Digitizing Postal Banking
Services : Expanding the
access to services*



*Assisted Financial Services – Payments,
Insurance, Delivering Government to
Citizen services @ Doorstep*

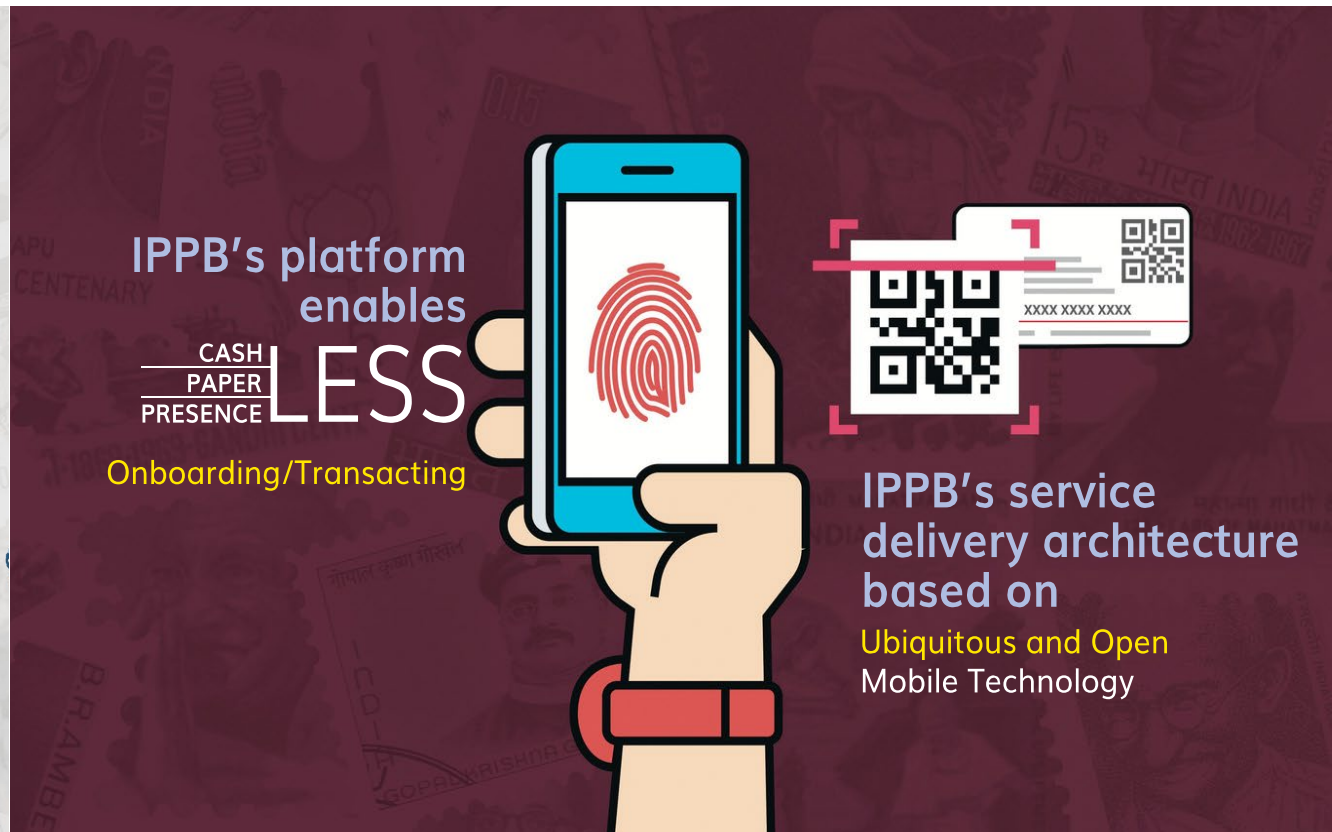


Digital Payments – UPI rails for P2P transfers



Imparting Financial Literacy

IPPB - Built on the foundation of India's Digital Progress



Every Postman equipped with a smartphone & biometric device



India Post
Payments Bank



Aapka Bank
Aapke Dwaar



Har Bank
Aapke Dwaar



Pension Life
Certificate



Online Payments
for Postal Savings



Aadhaar
Services



Insurance



Savings



Accessibility



Convenience



Ease of Banking



Empowerment



Protection



STAMP OF TRUST

Your Service Partner for the Last Mile

Thank You



4. Any other business



THANKS !