

Multilateral agreement for electronic postal payment services

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Draft multilateral agreement for electronic postal payment services

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Multilateral agreement for electronic postal payment services

Preamble

The designated operators listed in the Postal Payment Services User Group section of the UPU website (www.upu.int) adopted the present multilateral agreement for electronic postal payment services (hereinafter the "Agreement") as a basis for exchanging electronic postal payments in accordance with the Postal Payment Services Agreement (PPSA) and its Regulations.

The present Agreement constitutes the legal basis for electronic postal payment service exchanges between its signatories, as well as providing guidelines for other bilateral agreements.

Article 1

Purpose of the Agreement

1 The purpose of the present Agreement is to establish the general terms and conditions that shall govern the exchange of electronic postal payment services between its signatory parties (hereinafter collectively the "Parties" and individually the "Party") and enable the execution of electronic postal payment orders in accordance with the PPSA and its Regulations. The Postal Payment Services User Group shall update the list of signatories to the present Agreement.

2 Additional bilateral agreements may be established on the basis of the present Agreement, in accordance with article 3 below, to formalize an agreement requiring specific arrangements between two Parties, particularly in respect of the financial conditions.

Article 2

Definitions

1 In addition to the definitions set forth in the PPSA and its Regulations, the terms listed below shall be defined as follows for the purposes of the present Agreement:

- 1.1 *Customer transaction number (CTN)*: unique transaction number allowing a transaction to be identified and used for the payment of a money order in cash or of an outpayment money order. The CTN is generated when a money order in cash or an outpayment money order is issued, and is notified, or remitted to the sender of an electronic postal payment order by the issuing designated operator. The CTN must then be notified by the sender to the payee.
- 1.2 *Financial electronic inquiry system (FEIS)*: FEIS is a tool developed by the UPU for the exchange of inquiries and claims concerning the electronic postal payment orders exchanged between designated operators.
- 1.3 *Postal Payment Services User Group (PPSUG)*: working group that functions under the auspices of, and reports to, the Postal Operations Council (POC). The PPSUG is tasked with ensuring the governance and fostering the development of the UPU worldwide electronic postal payments network (WEPPN).
- 1.4 *Postal Payment Services Operational Guide*: document approved by the POC that describes the various operational procedures associated with the provision of postal payment services.
- 1.5 *Identifier*: unique number assigned to electronic postal payment orders when they are issued, which subsequently allows for tracking in the Parties' systems.
- 1.6 *Electronic postal payment services quality of service standards*: document approved by the POC that describes the quality of service associated with the provision of postal payment services having indicators set by the PPSUG.
- 1.7 *Electronic postal payment service*: international postal service as defined in the PPSA and its Regulations.
- 1.8 *PPS*Clearing*: UPU electronic centralized clearing and settlement system for postal payment services.

- 1.9 *Postal Payment Services Electronic Compendium (PPS e-Compendium)*: database containing information on the designated operators, which is maintained by the PPSUG in accordance with the provisions of the PPSA and its Regulations.
- 1.10 *Supplementary functionalities*: functionalities offered on an optional basis agreed between the Parties to the present Agreement and not constituting a new postal payment service; as such its support shall be one of the postal payment services provided for in article 1 of the PPSA.
- 1.11 *Worldwide electronic postal payments network (WEPPN)*: the UPU WEPPN is aimed at facilitating the exchange of postal payment services between designated operators under the PosTransfer trademark.

Article 3

Additional bilateral agreements

- 1 The signatories to the present Agreement may, for legal, regulatory or commercial reasons, officially establish electronic postal payment service exchanges with other signatories to the present Agreement on the basis of bilateral agreements that are additional to this Agreement.
- 2 The additional bilateral agreements shall incorporate the conditions of this Agreement and the content of the Annex (Additional information regarding specific conditions between the Parties).
- 3 The establishment of an additional bilateral agreement shall be notified to the PPSUG in order to allow it to update the list of signatory Parties.

Article 4

Eligibility conditions

- 1 Any designated operator of a UPU member country that is signatory to the PPSA shall be eligible to be a signatory to the present Agreement, provided that it undertakes to:
 - 1.1 offer at least one of the basic postal payment services described in the PPSA and listed in article 2 of the Annex (Additional information regarding specific conditions between the Parties);
 - 1.2 use and promote the UPU PosTransfer trademark;
 - 1.3 use PPS*Clearing as the primary settlement mechanism for all due payments relating to electronic postal payment services;
 - 1.4 comply with the electronic postal payment services quality of service standards;
 - 1.5 communicate to the PPSUG all relevant information for inclusion in the Postal Payment Services Electronic Compendium, in accordance with the Postal Payment Services Regulations.

Article 5

Opening of exchanges

- 1 Any Party is eligible for the opening of electronic postal payment service exchanges with the other Parties after signing the present Agreement and, as the case may be, a bilateral agreement additional to this Agreement.
- 2 Parties wishing to open electronic postal payment service exchanges with any other Party to the present Agreement shall inform the other Party in order to:
 - 2.1 establish and validate any other specific terms and conditions within the framework of an additional bilateral agreement;
 - 2.2 schedule testing for electronic postal payment service exchanges;
 - 2.3 set the date for the opening of electronic postal payment service exchanges.
- 3 The PPSUG shall be notified once the opening of exchanges has been endorsed by the two Parties or when the bilateral agreement has been signed.

Article 6
Postal Payment Services Electronic Compendium

- 1 The Parties to the present Agreement shall regularly provide and update all the information for inclusion in the Postal Payment Services Electronic Compendium, in accordance with the requirements of the PPSUG.
- 2 The Parties agree to keep up to date the list of access points offering electronic postal payment services.

Article 7
Currency of issue and payment

- 1 The currency of issue and currency of payment applicable to electronic postal payment services shall be as follows:
 - 1.1 For the issuance of electronic postal payment service orders: the currency of the destination country and/or another currency, as defined in article 3 of the Annex (Additional information regarding specific conditions between the Parties) or in an additional bilateral agreement.
 - 1.2 For the payment of electronic postal payment service orders: the national currency of the paying Party and/or another currency, as defined in article 3 of the Annex (Additional information regarding specific conditions between the Parties) or in an additional bilateral agreement.

Article 8
Identifier

The Parties agree to use the following identifiers for money orders in cash and outpayment money orders:

<i>Identifier</i>	<i>Features</i>
<input type="checkbox"/> CTN	Customer transaction number (see article 2.1.1)
<input type="checkbox"/> Standard	International postal order identifier

Article 9
Obligation to provide sender's identification

The Parties agree to require that particulars of the sender's identity be provided for all electronic postal payment orders, in accordance with article RP 802 of the Postal Payment Services Regulations.

Article 10
Secret code

Payment to the payee of money orders in cash and outpayment money orders may be secured by means of a secret code as defined in article 11 of the Annex.

Article 11
Characters used for the transmission of data

The Parties agree to exchange electronic postal payment services written in roman letters and Arabic numerals.

Article 12
Remuneration

- 1 The paying designated operator's remuneration for electronic postal payment orders paid shall:
 - 1.1 take account of the tariffs charged to customers;

- 1.2 be set by mutual agreement between the Parties;
- 1.3 not exceed 50 percent of the tariff applied.

2 (Optional) Remuneration in respect of supplementary functionalities shall be stipulated by the Parties in article 12 (Supplementary functionalities provided) of the Annex (Additional information regarding specific conditions between the Parties) or in an additional bilateral agreement.

Article 13

Frequency of accounts

1 The frequencies and deadlines for the settlement of amounts corresponding to funds transferred by users and remunerations between the Parties shall be the frequency provided for by the clearing/settlement system for countries participating in the PPS*Clearing system.

2 Parties not participating in the PPS*Clearing system may agree on a daily, monthly or other frequency, as defined in article 7 of the Annex (Additional information regarding specific conditions between the Parties).

Article 14

Currency of settlement for amounts corresponding to funds transferred by users and remunerations between the Parties

1 The currency of settlement for amounts corresponding to funds transferred by users and remunerations between the Parties shall be that of the clearing/settlement system for countries participating in the PPS*Clearing system.

2 For Parties not participating in the PPS*Clearing system, the currency of settlement for amounts corresponding to funds transferred by users and remunerations between the Parties shall be that set and validated by the two Parties.

Article 15

Settlement of amounts corresponding to funds transferred by users and remunerations between the Parties

1 As stipulated in article 8 of the Annex (Additional information regarding specific conditions between the Parties), the settlement of amounts corresponding to funds transferred by users and remunerations between the Parties shall be carried out centrally through the PPS*Clearing system.

2 For Parties not participating in the PPS*Clearing system, the settlement of amounts corresponding to funds transferred by users and remunerations between the Parties shall be carried out on a bilateral basis by means of liaison accounts or other means specified and validated between the two Parties.

Article 16

Instalment

The amount of the instalment to be applied in accordance with the PPSA shall be established on a bilateral basis.

Article 17

Quality of service

The Parties shall undertake to comply with the electronic postal payment services quality of service standards, in accordance with article 4.1.2 of the present Agreement.

Article 18
Inquiries and claims

The Parties shall adopt FEIS to exchange electronic postal payment inquiries and claims with each other, or else to do so via the quickest and most secure means.

Article 19
Collective brand

1 The Parties shall adopt the UPU collective trademark "PosTransfer" for the provision of electronic postal payment services within the framework of the present Agreement, and to comply with the usage rules defined in the PosTransfer licence agreement.

2 Use of the UPU trademark "PosTransfer" shall be subject to due registration by the UPU in the member country concerned.

Article 20
Advertising and promotion

The Parties shall coordinate their advertising campaigns for the opening and promotion of electronic postal payment service exchanges in line with the PPSUG's recommendations.

Article 21
Programme and formalities for prevention of money laundering, terrorist funding and financial crime

1 In accordance with the relevant UPU Acts and Congress resolutions, and pursuant to their own national legislation, the Parties shall establish and apply a programme for combating money laundering, terrorist funding and financial crime, as stipulated in article 8 of the PPSA and article RP 801 of the Postal Payment Services Regulations.

2 Upon request by one of the Parties involved in the processing of a suspicious electronic postal payment order, the other Party shall undertake to provide the necessary information for the correct treatment of the postal payment order.

Article 22
Liability of the Parties

1 In addition to applying article 21 of the PPSA, the Parties shall faithfully carry out each of the tasks assigned to them under the present Agreement.

2 Liability of the Parties towards customers:

2.1 In case of payment of a false or falsified electronic postal payment order, liability shall lie with the Party where the falsification occurred.

2.2 In case of unjustified or untimely payment of an electronic postal payment order due to human error or to an irregularity in the acceptance or payment technology (as the case may be), liability shall lie with the Party where the irregularity occurred.

2.3 Liability shall lie with both Parties equally:

2.3.1 if both Parties are responsible for the error or if it is impossible to establish where the error occurred;

2.3.2 if a data transmission error not resulting from human error or technological failure occurred along the process (see § 2.2 of the present article).

2.4 Neither Party shall be liable if the non-payment or delay in forwarding the instructions for an electronic postal payment order was caused by the sender providing incorrect information about the payee.

Article 23

Suspension and restoration of service

1 In cases other than those provided for in the PPSA Regulations, service may be suspended by one Party, with 30 days' written notice given to the other Party, particularly in case of:

- 1.1 failure to comply with the UPU electronic postal payment services quality of service standards;
- 1.2 refusal by one Party to act upon repeated requests from the other Party to improve its money laundering, terrorist funding and financial crime prevention programme, or lack of improvement in spite of the measures taken;
- 1.3 refusal by the Party concerned to satisfy technical security standards or remedy security problems observed by users or by the other Party and notified to the defaulting Party;
- 1.4 refusal by one Party to remedy its failure to apply the present service agreement indicated by the other Party;
- 1.5 suspension of the Party concerned from the PPS*Clearing system;
- 1.6 repeated or ongoing failure to comply with the present Agreement.

2 In case of force majeure beyond the control of the Parties (natural disasters, military operations, embargoes, interventions of the state, political interference, acts of terrorism, strikes and other labour problems) or of suspicion of major fraud, the affected Party shall immediately notify the other Party of any partial or full suspension of service (issue and/or receipt), any interruption in the issue and receipt of electronic postal payment orders (other than a suspension of service), and take all necessary action to minimize and overcome the consequences of the force majeure event. The affected Party shall provide the other Party with evidence of the force majeure event by any means that makes the evidence understandable.

3 In cases of suspension, a service may be restored only:

- 3.1 when international sanctions relating to the prevention of money laundering, terrorist funding and financial crime imposed on the UPU member country concerned have been lifted;
- 3.2 when the suspended Party has satisfied the requirements of the other Party.

4 The Parties shall inform the PPSUG and the system provider:

- 4.1 of the suspension of service as quickly as possible, but at the latest 30 days before;
- 4.2 of the restoration of service as quickly as possible, but at the latest 30 days before.

Article 24

Revision of the Agreement

1 The PPSUG may propose amendments to the present Agreement through its General Assembly or in other ways provided for in the PPSUG Rules of Procedure. Once validated by the PPSUG, the new version shall be submitted to the POC for approval, in accordance with article RP 601 of the Postal Payment Services Regulations.

2 The date on which these changes enter into force shall be set by the PPSUG, taking into account the constraints and prerequisites of implementation, and subsequently submitted to the POC for approval, taking into account constraints on their implementation.

3 Any signatory to the present Agreement finding itself unable to comply with the Agreement as amended may withdraw from the Agreement from the date of entry into force of the amendments. Designated operators wishing to withdraw from the Agreement shall give the PPSUG at least three months' notice of their intention to withdraw.

Article 25

Modifications to the Annex (Additional information regarding specific conditions between the Parties)

1 Any modifications to the Annex (Additional information regarding specific conditions between the Parties) shall be made in writing.

2 Any modifications to the Annex (Additional information regarding specific conditions between the Parties) shall be notified to the PPSUG for dissemination to the Parties.

3 Any Party may unilaterally amend its Annex (Additional information regarding specific conditions between the Parties). These amendments shall be brought to the attention of the Parties at least 60 days before their entry into force.

Article 26

Termination of the Agreement

1 The present Agreement may be terminated by the Parties at any time, without any indication of the reasons, provided prior notice of at least 60 days is given by registered mail to the PPSUG and to any other parties concerned with which postal payment exchanges take place by virtue of this Agreement or an additional bilateral agreement.

2 Each Party is entitled to terminate the present Agreement with immediate effect at any time by giving written notice to the PPSUG to that effect in the event that:

2.1 either of the Parties becomes insolvent, or is unable to pay its debts, or has a receiver or trustee appointed over its assets or goes into liquidation (whether compulsory or voluntary) except for the purpose of amalgamation or reconstruction; or

2.2 any approval, licence or consent granted by any governmental authority to carry on the business in which it is currently engaged or which is contemplated in this Agreement shall have been suspended or forfeited, whatever the reasons may be.

3 Termination of the present Agreement shall be without prejudice to the rights and liabilities of the Parties which have accrued pursuant to the provisions of the present Agreement during its duration and outstanding at the date of termination. Termination of the present Agreement shall trigger the termination of any bilateral agreements associated with it within six months from the date of its termination.

4 Termination of a bilateral agreement shall not trigger termination of a Party's participation in the present Agreement.

Article 27

Applicable law

The present Agreement shall be governed by the PPSA and its Regulations.

Article 28

Interpretation and dispute settlement

1 The Parties shall agree to seek the advice of the PPSUG for disputes relating to the interpretation of the present Agreement.

2 Any disputes arising from the present Agreement shall be resolved through negotiation in an equal and friendly manner between the Parties within two months from the first written notification by one Party to the other.

3 In the event that a dispute is not resolved within such period, the procedure for dispute settlement agreed upon by the Parties shall be followed.

Article 29

Annex (Additional information regarding specific conditions between the Parties)

The Annex to the present Agreement must be completed by the Parties and shall constitute an integral part of the present Agreement.

Act of accession to the Agreement

The designated operator of _____, through its duly authorized representative, hereby undertakes to adopt the Multilateral Agreement for Electronic Postal Payment Services and its Annex as the basis for the exchange of electronic postal payment services with the other signatories of the Agreement, in accordance with the PPSA and its Regulations.

Designated operator	
Name	
<input type="checkbox"/> Mr <input type="checkbox"/> Ms	
Address of headquarters	

Authorized official	
Name	
<input type="checkbox"/> Mr <input type="checkbox"/> Ms	
Title	
Date	Signature

Please return to:

Postal Payment Services User Group
 UPU International Bureau
 3015 BERNE
 SWITZERLAND

Fax: +41 31 351 31 10

E-mail: PPSUG@upu.int

Annex (Additional information regarding specific conditions between the Parties)**Article 1
Exceptions**

1 The following exceptions shall apply to the opening of one or more corridors with other Parties to the present Agreement, owing to political, market-related or other reasons:

**Article 2
Services provided**

1 Within the framework of their exchanges, in accordance with article 4.1.1 of the present Agreement, the Parties shall provide the following electronic postal payment services:

	<i>Urgent</i>	<i>Normal</i>	<i>COD money orders</i>
Money orders in cash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inpayment money orders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outpayment money orders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Postal transfers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 The following maximum amounts shall apply:

<i>Maximum amount (per day and per sender)</i>	<i>Urgent</i>	<i>Normal</i>	<i>COD money orders</i>
Money orders in cash			
Inpayment money orders			
Outpayment money orders			
Postal transfers			

**Article 3
Issue and payment currencies**

1 The currency of issue and currency of payment applicable to electronic postal payment services shall be as follows:

<i>Issue currencies</i>	
	Currency of destination country <input type="checkbox"/> Yes <input type="checkbox"/> No
	Other currency ¹

<i>Payment currencies</i>	
	Local currency <input type="checkbox"/> Yes <input type="checkbox"/> No
	Other currency ¹

¹ If applicable, specify other currencies accepted (ISO code).

Article 4**Period of validity of postal payment services**

1 The period of validity of the money orders in cash and outpayment money orders issued shall be as indicated below:

<i>Period of validity of money orders issued</i>	<i>30 days</i>	<i>Other period</i>
<input type="checkbox"/> Money orders in cash	<input type="checkbox"/>	<input type="checkbox"/> _____
<input type="checkbox"/> Outpayment money orders	<input type="checkbox"/>	<input type="checkbox"/> _____

Article 5**Frequency of connections to information system**

1 The daily frequency of connection to the data system for the execution of money orders in cash and outpayment money orders shall be as indicated for each option below, and shall meet at least the minimum obligations shown below:

<i>Options</i>	<i>Frequency</i>	<i>Minimum obligations to be met</i>
<input type="checkbox"/> Urgent		No longer than five minutes between connections
<input type="checkbox"/> Normal		No longer than one hour between connections

Article 6**Reference rate of exchange**

1 The provider(s) or system(s) used for the reference rate(s) of exchange to be applied to exchanges of electronic postal payment orders is/are:

<i>Options</i>	<i>Type of reference exchange rate provider</i>	<i>Name and references of provider</i>	<i>Website of provider</i>
<input type="checkbox"/>	Centralized UPU clearing/ settlement system		
<input type="checkbox"/>	Central bank		
<input type="checkbox"/>	Commercial bank		
<input type="checkbox"/>	Other		

Article 7**Settlement of amounts corresponding to funds transferred by users and remunerations between the Parties**

The method of settlement for amounts corresponding to funds transferred by users and remunerations between the Parties shall be:

<i>Options</i>	<i>Method of settling amounts corresponding to funds transferred by users and remunerations between the Parties</i>	<i>Indicate account/system reference</i>
<input type="checkbox"/>	Centralized clearing/settlement system (PPS*Clearing)	
<input type="checkbox"/>	Bilateral settlement	

Article 8
Instalment

The amount of the instalment to be paid, if applicable, in accordance with the provisions of the Postal Payment Services Agreement, shall be as follows:

Instalment Yes <input type="checkbox"/> No <input type="checkbox"/>	
Currency	
Account to be credited	

Article 9
Remuneration for electronic postal payment orders paid

Remuneration of the paying designated operator for electronic postal payment orders paid:

<i>Remuneration for electronic postal payment orders paid</i>	<i>Urgent</i>		<i>Normal</i>	
	<i>as %</i>	<i>other²</i>	<i>as %</i>	<i>Other²</i>
Money orders in cash	_____	_____	_____	_____
Inpayment money orders	_____	_____	_____	_____
Outpayment money orders	_____	_____	_____	_____
Postal transfers	_____	_____	_____	_____

Article 10
Settlement currency for amounts corresponding to funds transferred by users and remunerations between the Parties

<i>Options</i>	<i>Settlement currency for amounts corresponding to funds transferred by users and remunerations between the Parties</i>	<i>Currency/Currencies</i>
<input type="checkbox"/>	Currency of the centralized clearing/settlement system (PPS*Clearing)	
<input type="checkbox"/>	Other currency	

Article 11
Secret code

<i>Options</i>	<i>Use of secret code on payment for</i>	<i>Options</i>	
<input type="checkbox"/>	Money orders in cash	<input type="checkbox"/>	Mandatory
		<input type="checkbox"/>	Optional/supported
<input type="checkbox"/>	Outpayment money orders	<input type="checkbox"/>	Mandatory
		<input type="checkbox"/>	Optional/supported

² Fixed amount or possible breakdown of remuneration based on bracket of amounts.

Article 12 (Optional)
Supplementary functionalities provided

Description of the supplementary functionality/functionalities offered for electronic postal payment services by the issuing and/or paying party:

<i>Supplementary functionalities</i>	<i>Description and costs</i>
1	
2	
3	
...	