The Postal Payment Services Agreement

Done at Bucharest on 5 October 2004

Ireland’s instrument of approval deposited with the Director-General of the International Bureau of the Universal Postal Union on 15 April 2008

Entered into force with respect to Ireland on 1 January 2006

Presented to Dáil Éireann by the Minister for Foreign Affairs
POSTAL PAYMENT SERVICES AGREEMENT

The undersigned, plenipotentiaries of the Governments of the member countries of the Union, having regard to article 22.4, of the Constitution of the Universal Postal Union concluded at Vienna on 10 July 1964, have, by common consent and subject to article 25.4, of the Constitution, drawn up the following Agreement.

Chapter I
Preliminary provisions

Article 1
Purpose of the Agreement and products concerned

1 This Agreement shall govern all the postal services for the transfer of funds. The contracting countries shall mutually agree on the products in the present Agreement which they intend to introduce in their reciprocal relations.

2 Non-postal organizations may participate, through the postal administration, the giro service or an organization operating a postal funds transfer network, in the exchanges governed by the provisions of this Agreement. Such organizations shall come to an agreement with the postal administration of their country to ensure full implementation of all clauses of the Agreement and under such agreement shall exercise rights and perform duties as postal administrations defined by this Agreement. The postal administration shall act as their intermediary in their relations with the postal administrations of the other contracting countries and with the International Bureau. Should a postal administration not provide financial services as described in this Agreement, or should the quality of service not match customer requirements, postal administrations may cooperate with non-postal organizations in that particular country.

3 Member countries shall provide the International Bureau, within six months following the end of the Congress, with the name and address of the governmental body responsible for supervising the postal financial services and the name and address of the operator or operators officially designated to operate the postal financial services and to fulfil the obligations arising out of the Acts of the Union on their territory.

3.1 Member countries shall provide the International Bureau, within six months following the end of the Congress, with the contact details of the persons responsible for the operation of the postal financial services and the inquiry service.

3.2 Between Congresses, changes in the governmental bodies and the officially designated operators and persons responsible should be notified to the International Bureau as soon as possible.

4 The following postal payment products are regulated in the present Agreement

4.1 postal money orders including cash-on-delivery (COD) money orders;

4.2 transfers between accounts.
Other services can be provided on the basis of bilateral or multilateral agreements between or among the postal administrations concerned.

Chapter II
Postal money orders

Article 2
Definition of the product

1 Ordinary money order

1.1 The ordering customer hands over funds at a post office counter or orders his account to be debited and requests outpayment of the full amount without any deduction to the payee in cash.

2 Inpayment money order

2.1 The ordering customer hands over funds at a post office counter and requests that they be paid without any deduction into the payees account operated by a postal administration or to an account operated by other financial organizations.

3 Cash-on-delivery money order

3.1 The receiver of a cash-on-delivery item” hands over funds or orders his account to be debited and requests outpayment of the full amount without any deduction to the sender of the “cash-on-delivery item”.

Article 3
Depositing of orders

1 In the absence of a special agreement the amount of the postal money order shall be expressed in the currency of the destination country.

2 The issuing postal administration shall fix the conversion rate of its currency into that of the destination country.

3 The maximum amount of the postal money order shall be fixed bilaterally.

4 The issuing postal administration shall be entirely free to specify the: documents and methods for depositing the postal money order. If the money: order is to be transferred by mail, only the forms provided for in the Regulations shall be used.

Article 4
Charges

1 The issuing postal administration shall freely decide the charges to be collected at the time of issue.
2 Postal money orders exchanged between a contracting country and a non-contracting country, through the intermediary of a county party to this Agreement, may be subjected by the intermediary postal administration to an additional charge determined by the latter on the basis of the costs generated by the operations it carries out; the amount of this charge shall be agreed upon between the postal administrations concerned and deducted from the amount of the postal money order. However, this charge may be collected from the sender and allocated to the postal administration of the intermediary country if the postal administration concerned have so agreed.

3 Documents, instruments and payment orders pertaining to transfers of postal funds exchanged between postal administrations by post under the terms of articles RL 110 and 111 shall be exempt from all charges.

Article 5
Obligations of the issuing postal administration

1 The issuing postal administration shall meet the service standards stipulated in the Regulations in order to provide satisfactory services to the customers.

Article 6
Transmission of orders

1 Money order exchanges shall be carried out by means of the electronic networks provided for by the International Bureau of the UPU or by other organizations.

2 Electronic exchanges shall be carried out by dispatch sent directly to the paying office or to an office of exchange. The security and the quality of the exchanges must be guaranteed, either by the technical specifications relative to the networks used, or by bilateral agreement between the postal administrations.

3 Postal administrations may agree to exchange money orders by means of paper-based forms, provided for in the Regulations, and sent by priority mail.

4 Postal administrations may agree to use other means of exchange.

Article 7
Treatment in the destination country

1 Postal money orders shall be paid according to the regulations of the destination country.

2 As a general rule, the whole amount of the postal money order shall be paid to the payee; optional charges may be collected if the latter requests supplementary special services.

3 The validity of electronic postal money orders shall be fixed according to bilateral agreements.
The validity of paper-based postal money orders shall extend, as a general rule, until the end of the first month following the month of issue.

After the period specified above, an unpaid postal money order shall be sent back immediately to the issuing postal administration.

**Article 8**

*Remuneration of the paying postal administration*

1. For each postal money order paid, the issuing postal administration shall allocate to the paying postal administration a remuneration, the rate of which shall be fixed in the Regulations.

2. Instead of the flat rate set out in the Regulations, postal administrations may agree on different remuneration rates.

3. Transfers of funds made free of charge shall give rise to no remuneration.

4. When the postal administrations concerned agree, transfers of aid funds exempted from charges by the issuing postal administration may be exempted from remuneration.

**Article 9**

*Obligations of the paying postal administration*

1. The paying postal administration shall meet the service standards stipulated in the Regulations in order to provide satisfactory services to the customers.

**Chapter III**

*Postal transfers*

**Article 10**

*Definition of the product*

1. The holder of a postal account asks for an amount to be debited from his account and credited to the payee’s account operated by the postal administration or to another account through the postal administration of the destination country.

**Article 11**

*Depositing of orders*

1. The amount of the transfer shall be expressed in the currency of the destination country or in any other currency according to agreement between issuing and receiving postal administrations.

2. The issuing postal administration shall fix the conversion rate of its currency into the one of that expressed in the transfer.

3. The amount of the transfers shall be unlimited, unless the postal administrations concerned decide otherwise.
4 The issuing postal administration shall be entirely free to specify the documents and methods for the issuing of transfers.

Article 12
Charges

1 The issuing postal administration shall freely decide the charge to be collected at the time of issue. To this principal charge, it shall add any charges pertaining to special services rendered to the sender.

2 Transfers of fund exchanged between a contracting party and a non-contracting party, through the intermediary of a country party to this Agreement, maybe subjected by the intermediary administration to an additional amount. The amount of this charge shall be agreed between the administrations concerned and deducted from the amount of the transfer. However, this charge may be collected from the sender and allocated to the administration of the intermediary country if the postal administrations concerned have so agreed.

3 Documents, instruments and payment orders pertaining to postal fund transfers exchanged between postal administrations by mall under the terms of articles RL 110 and 111 shall be exempt from all charges.

Article 13
Obligations of the Issuing postal administration

1 The issuing postal administration shall meet service standards stipulated in the Regulations in order to provide satisfactory services to the customers.

Article 14
Transmission of orders

1 Transfers shall be carried out by means of the electronic networks provided for either by the International Bureau of the UPU or by other organizations, on the basis of technical specifications adopted by the administrations concerned.

2 The security and the quality of the exchanges must be guaranteed, either by the technical specifications relative to the networks used, or by bilateral agreement between the issuing and paying postal administrations.

3 Postal administrations may agree to exchange transfers by means of paper-based forms, provided for in the Regulations, and sent by priority mall.

4 Postal administrations may agree to use other means of exchange.

Article 15
Treatment in the destination country

1 Incoming transfers shall be treated according to the regulations of the destination country.
2. As a general rule, the fees in the destination country shall be paid for by the beneficiary; however, this charge could be collected from the sender and allocated to the postal administration of the destination country, according to bilateral agreement.

**Article 16**

*Remuneration of the paying postal administration*

1. For each transfer, the paying postal administration may request payment of an arrival charge. This charge may either be debited to the payee’s account or taken care of by the issuing postal administration by debiting its liaison account.

2. Transfers of funds made free of charge shall give rise to no remuneration.

3. When the postal administrations concerned agree, transfers of aid funds exempted from charges by the issuing postal administration may be exempted from remuneration.

**Article 17**

*Obligations of the paying postal administration*

1. The paying postal administration shall meet the service standards stipulated in the Regulations in order to provide satisfactory services to the customers.

**Chapter IV**

*Liaison accounts, monthly accounts, inquiries, liability*

**Article 18**

*Financial relations between participating postal administrations*

1. Postal administrations shall agree with one another on the technical methods to be used for settling their debts.

2. Liaison accounts

2.1. As a general rule, where postal administrations have a giro institution, each shall cause to be opened in its name with the corresponding administration a liaison account, by means of which shall be settled mutual debts and claims resulting from exchanges made through the transfer and money order services and any other operations that the postal administrations may agree to settle by this means.

2.2. Where the postal administration of the destination country does not have a giro system, the liaison account may be opened with another postal administration.

2.3. Postal administrations may agree to settle their financial exchanges through designated administrations by multilateral agreement.

2.4. If the liaison account is overdrawn, interest, the rate of which is set in the Regulations, shall be payable on the amounts owing.
2.5 Interest yield on the outstanding balance of the liaison account shall be permitted.

3 Monthly accounts

3.1 In the absence of a liaison account, each paying postal administration shall prepare for each issuing postal administration a monthly account showing the sums paid for money orders. The monthly accounts, shall be incorporated, periodically, in a general offset account giving rise to the determination of a balance.

3.2 The settlement of accounts may also be made on the basis of monthly accounts, without offsetting.

4 No unilateral measure, such as a moratorium, prohibition of transfer, etc., may impinge upon the provisions of this article and those of the Regulations stemming therefrom.

Article 19
Inquiries

1 Inquiries shall be entertained within a period of six months from the day after that on which the postal money order was posted or the transfer was executed.

2 Postal administrations shall have the right to collect from customers charges on inquiries in regard to postal money orders or transfers.

Article 20
Liability

1 Principle and extent of liability

1.1 The postal administration shall be liable for the sums paid in at the counter or debited against the payer’s account until such time as the money order has been duly paid or the payee’s account has been credited.

1.2 The postal administration shall be liable for erroneous information supplied by it which has caused either non-payment or errors in execution of the transfer of funds. Liability shall extend to errors of conversion and transmission errors.

1.3 The postal administration shall be relieved of all liability:

1.3.1 for delays that may occur in the transmission, dispatch and payment of instruments and orders;

1.3.2 when, owing to the destruction of official records by a force majeure, they cannot account for the execution of a transfer of funds, unless proof of their liability is otherwise produced;

1.3.3 when the payer has made no claim within the period prescribed in article 19;
1.3.4 when the prescription period for money orders in the issuing county has expired.

1.4 In the case of a refund, regardless of the reason for it, the amount refunded to the sender may not exceed the amount that he paid in or that was debited from his account.

1.5 Postal administrations may also agree among themselves to apply broader conditions of liability suited to the requirements of their internal services.

1.6 The conditions for applying the principle of liability and, in particular questions of the determination of liability, refund of amounts owing, recourse, time allowed for payment and reimbursement to the administration that paid the indemnity shall be those laid down in the Regulations.

Chapter V
Electronic networks

Article 21
General rules

1 For the transmission of payments by electronic means, postal administrations shall use the UPU network or any other network which permits fast, reliable and secure transfers.

2 UPU electronic financial services shall be regulated between postal administrations on the basis of bilateral agreements. The general operating rules for UPU electronic financial services shall be subject to the appropriate provisions of the Acts of the Union.

Chapter VI
Miscellaneous provisions

Article 22
Application to open a giro account abroad

1 When a giro account or another account is opened abroad, or a financial product is applied for abroad, the postal organizations of the countries party to this Agreement shall agree to provide assistance in the application of those products.

2 The parties may agree bilaterally on the assistance they can provide to each other in the detailed procedure for application, and on the charges for providing such assistance.

Chapter VII
Final provisions

Article 23
Final provisions
1 The Convention shall be applicable, where appropriate by analogy, in all cases not expressly governed by this Agreement.

2 Article 4 of the Constitution shall not apply to this Agreement.

3 Conditions for approval of proposals concerning this Agreement and the Regulations.

3.1 To become effective, proposals submitted to Congress relating to this Agreement must be approved by a majority of the member countries present and voting which are parties to the Agreement and have the right to vote. At least half of these member countries represented at Congress and having the right to vote must be present at the time of voting.

3.2 To become effective, proposals relating to the Regulations of this Agreement shall be approved by a majority of the members of the Postal Operations Council which are parties to the Agreement and have the right to vote.

3.3 To become effective, proposals introduced between two Congresses relating to this Agreement must obtain:

3.3.1 two thirds of the votes, at least one half of the member countries which are parties to the Agreement and have the right to vote having taken part in the vote. If they involve the addition-of new provisions;

3.3.2 a majority of the votes, at least one half of the member countries which are parties to the Agreement and have the right to vote having taken part in the vote. If they involve amendments to provisions of this Agreement;

3.3.3 a majority of the votes, if they involve interpretation of the provisions of this Agreement.

3.4 Notwithstanding the provisions under 3.3.1, any member country whose national legislation is yet incompatible with the proposed addition may, within 90 days from the date of notification of the latter, make a written declaration to the Director General of the International Bureau stating that it is unable to accept the addition.

4 This Agreement shall come into force on 1 January 2006 and shall remain in operation until the entry into force of the Acts of the next Congress.

In witness whereof, the plenipotentiaries of the governments of the contracting countries have signed this Agreement in a single original which shall be deposited with the Director General of the International Bureau. A copy thereof shall be delivered to each party by the International Bureau of the Universal Postal Union.

Done at Bucharest on 5 October 2004.