

**PAPU Remuneration WG  
Dubai Congress  
Convention Amendments  
(Terminal Dues)  
19 Jan 2026**

# **Main new features of UPU Remuneration system for 2026 till 2029**

- New Classification of Countries and Territories for Remuneration  
Remuneration of ( Letter post – Parcel post – Supplementary services )
- Separation by format (P, G, E).
- From 2027: Separation by content (documents vs. small packets).
- How to OPT-Out parcel post .

## Classification of Countries and Territories for Remuneration Provisions

To apply the rules concerning payment of remuneration by designated operators' countries and territories are grouped as follows:

<b><i>Year of joining target system</i></b>	<b><i>Resolution C 13/2021</i></b>	<b><i>C 4/2025</i></b>
<b>Before 2010</b>	Group I	<b>Group A</b>
<b>2010 and 2012</b>	Group II	<b>Group B</b>
<b>2016</b>	Group III	
<b>Transition system</b>	Group IV	<b>Group C</b>

# Thresholds, sampling, rate structure

- ❑ Outbound flows from Group C countries are subject to floor rates for volumes ( documents & Goods ) up to 75 tonnes
- ❑ No format separation in 2026 and total rate per KG is 6.472 SDR/kg for flows below 75t for Group C countries
- ❑ From 2027 flows above 15 tonnes must be separated:

**Dispatches**

• **Documents (P & G format)**

**Dispatches**

• **Small packets (E format)**

Volume flow (total)	Below 15 tonnes	Between 15 and 75 tonnes			Above 75 tonnes		
Separation docs/ goods	Mixed	Documents	Goods	Mixed <sup>3</sup>	Documents		Goods
Volume flow (documents/ goods)	n/a	n/a	n/a	n/a	≤ 25 tonnes	> 25 tonnes	all
IPK	9.06	24.06	2027: IPK 3.66 ≥ 2028: census <sub>1</sub>	9.06 or sampled	24.06	sampled	census or sampled

**If the flow sent by a country in group C exceeds 15 tonnes and the letter-post items are not separated on the basis of their content, the provisions in paragraph 6.3.1 and article 30.1.5.6.1 shall not apply.**

# Rates of items containing documents

- ❑ **Outbound flows from Group C countries are subject to floor rates for volumes (documents & Goods ) up to 75tons**
- ❑ Based on the Item Per Kilogram study of 24.06, the minimum and maximum total rate per kg for unsampled mail (P/G)
- ❑ Applies below the sampling threshold of 25 tonnes (documents flow only)

Year	Total rate per kg	
	<u>Minimum</u>	<b>Maximum</b>
2026	<u>10.991</u>	<b>15.072</b>
2027	<u>11.497</u>	<b>16.191</b>
2028	<u>12.008</u>	<b>17.404</b>
2029	<u>12.549</u>	<b>18.710</b>
2030	<u>13.120</u>	<b>20.113</b>

- ❑ **No countries from Group A or B has the right to ask Group C countries to pay Maximum rates . Except in case that Group C country doesn't adhere to content separation threshold which is 15 tonnes per link .**

# For Group C countries Rates of items containing Goods small Packets E

- ❑ In 2026 total rate per KG is 6.472 SDR/kg for flows below 75t
- ❑ In 2027, for which the rate of 5.058 SDR per kilogramme for small packet (E) letter-post items shall apply.
- ❑ where the total mail flow is less than 75 tonnes, but higher than the volume thresholds in article 29.6, the following rates shall apply to small packet (E) letter-post flows from group C:

## 1- Per item / KG

Year	Per item	Per KG
2028	0.895	2.012
2029	0.953	2.103
2030	0.977	2.198

## 2- Flat Rate

Year	Flat Rate
	Kg
2027	6.767
2028	7.071
2029	7.389
2030	7.724

# Article 29 - 6

## Terminal dues. General provisions

- ❑ From 2027, for flows above 15 tonnes, letter-post items shall be separated on the basis of their content by creating dispatches for items containing documents (P and G format) and small packet (E) letter-post items.

# Important Note

**No countries from Group A or B has the right to ask Group C countries to pay Maximum rates either for P&G or E . Except in case that Group C country doesn't adhere to content separation threshold which is more than 15 tonnes per link .**



# Remuneration of items containing goods (small packets)

## Remuneration model for small packets

➤ **For 2026**, application of the current methodology:

- linearized tariffs for documents at the weight point of 273 g
- item-to-kilogramme ratio of 44.5%
- Revenue calculated for an item of 273 g based on these rates
- Floor increased by 4.5% - Cap increased by 10%

### 1- Per item / KG

<i><b>Year</b></i>	<i><b>Floor rates</b></i>		<i><b>Cap rates</b></i>	
	<i><b>Item</b></i>	<i><b>kg</b></i>	<i><b>Item</b></i>	<i><b>kg</b></i>
<b>2026</b>	<b>0.819</b>	<b>1.842</b>	<b>1.265</b>	<b>2.884</b>

### 2- Flat Rate

<i><b>Year</b></i>	<i><b>Flat rate</b></i>
	<i><b>kg</b></i>
<b>2026</b>	<b>6.472</b>

# Rates of small packets **From 2027**

Protection with minimum floor rates:

- Annual increase of 4.5%
- Floor rates apply if floor revenue (273g) exceeds the lesser of the 2 revenues (ceiling rates and the revenue from the previous year with max. annual increase)

Mminimum rates for Small packets (2026-2030)

<i>Year</i>	<i>Minimum rates</i>	
	<i>Item</i>	<i>Kg</i>
<b>2027</b>	<b>0.856</b>	<b>1.925</b>
<b>2028</b>	<b>0.895</b>	<b>2.012</b>
<b>2029</b>	<b>0.935</b>	<b>2.103</b>
<b>2030</b>	<b>0.977</b>	<b>2.198</b>

## **From 2027 – Group C**

In case of domestic tariffs below cost, Group C countries may request an increased cost-to-tariff ratio reflective of the actual costs in relation to the domestic tariffs (calculation rules as in art. 30-01):

- a) Average revenue calculated for small packets – based on 11 (20 – 35 – 75 – 175 – 250 – 375 – 500 – 750 – 1000 – 1500 – 2000 ) weight points at 273 grams
- b) Estimated costs of a 273 grams small packet service based on reliably identified causal relationships – costing methodology used by the competent authority
- c) Calculate the ratio (b) over (a) cost over tariff
- d) The resulting cost-to-tariff ratio under c) to replace the 70% cost-to-tariff ratio

# Remuneration of items containing goods (parcels)

## Opt-Out Provision (Group C Countries) **From 2027**

**Group C designated operators** may choose ( Opt –out ) **not to provide domestic rates** to the International Bureau (provided a notification in writing by competent authority).

If they opt out:

Their parcel remuneration rates are determined by the **minimum rates** specified in the Regulations.( **Shall be submitted, in writing, to the International Bureau by 1 May of the year preceding the year in which the rates take effect ) .**

Inward land Rate

### Key features for opt-out)

Application of 100% of full 2026 ILRs for 2027 (bonus included) with an annual increase of 4.5%

**Limitations:** opt-out ILRs cannot exceed 161% of the floor rates to limit outliers

0.500 SDR deduction can be earned back by providing **tracking**

Self-declaration possible below the ceiling revenue

Rules on maximum annual increase of 20% and decrease of 10% not applicable for this option

Surcharge for **Proof of Delivery (POD)**

If DO does not declare on time OPT OUT status floor rates of **(parcels) will apply**

Rates for parcels (2026-2030)

<i>Year</i>	<i>Minimum rates (SDR)</i>		
	<i>Item</i>	<i>Kg</i>	<i>Increase (%)</i>
2026	2.850	0.280	0.0%
2027	4.560	0.448	20 % and 40%
2028	4.765	0.468	4.5%
2029	4.979	0.489	4.5%
2030	5.203	0.511	4.5%

## **EMS Delivery Rate Management Mechanism (2026)**

### **Dual approach:**

- 1. Quality-related criteria** (KPIs) linked to cost-based increases.
- 2. Time-dependent increases** (if no increase for  $\geq 4$  years).

### **Notification deadlines:**

- ☐ Proposed increases must be notified to EMS Unit by **31 August** of preceding year.
- ☐ EMS Unit circulates changes by **30 September**.
- ☐ New rates take effect **1 January** of following year.

### **Required information:**

- Current delivery rate.
- Proposed new rate.
- Objective reasons (inflation, local costs, years since last increase).
- Official references (national price index, local cost data).
- Confirmation of satisfactory performance (KPIs).

# Voting on the EMS Delivery Rate Mechanism

## Voting Items:

### 1. Approval of the mechanism and amendments

1. Approve the proposed EMS delivery rate management mechanism (Annex 1).
2. Includes amendments to:
  1. **Article 18** of the EMS Standard Agreement
  2. **Article 12.2** of the EMS Procedures
3. **Options:**
  1. ☒ Yes
  2. ☐ No

### 2. Vote for cost basis types

- Inflation
- Fuel costs
- (Members may select one or both)

# 3.Impact on Voting

**Approving the proposal risks:**

**Higher operational costs** → Operators will pay more, reducing margins.

**Loss of market strength** → EMS services may lose customers

**Weak link to quality** → increases depend on reaching quality targets, but the mechanism does not guarantee fair enforcement.

## Why Vote NO ?

**Keeps EMS affordable and attractive** → Protects operators from unnecessary cost increases.

**Fairness and transparency** → Maintains safeguards that prevent sudden or unclear increases.



**Thanks**