

No.02-17/96-BD&MD
Government of India
Ministry of Communications & IT
Department of Posts
Business Development & Marketing Directorate
5th Floor, Dak Bhawan, New Delhi 110 001

17th November 2011

OFFICE MEMORANDUM

Subject: Outsourcing collection of Speed Post and Other Premium Service – Clarification regarding

1. A reference has been received in Business Development & Marketing Directorate from PMG Gorakhpur Region, Gorakhpur related to the practice of claiming commission on Speed Post articles collected from authorised license holders of franking machines by the Speed Post Outsourcing Agents under "Outsourcing Collection of Speed Post and Other Premium Services scheme". A clarification is sought for whether such commission is admissible or not.

2. The issue has been examined in consultation with PO Division of the Directorate. The instructions on the subject applicable in this regard are as under: -

(a) The "Outsourcing Collection of Speed Post and Other Premium Services Scheme" was notified vide BD Directorate communication no.2/17/96/BD dated November 23, 1998. Para 7 b of this communication provides: -

"In respect of all the collections from the retail customers in cash/stamps/franks, the collection agent will be paid agency commission of 2%(as given in para 5.3), on daily basis".

(b) The instruction for licensing and use of Franking Machines as amended along with summary of changes made was notified vide PO Division communication no.41-13/95-PO dated 08.04.1996.

(i) Para 5 under "Instructions for use of Franking Machine of this communication provides: -

"the franked articles shall normally be accepted in one post office of the status of LSG or above as specified by the licensee which will be the designated office. However, in the case of genuine difficulty to the individual licensee, he may be allowed to post his mails in a second office, which should be a sorting office or mail office. Commercial licensees will be allowed to post their articles in one Post Office, Mail office or Bulk Mail centre only".

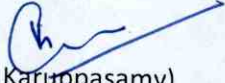
(ii) Para 6(b) of this communication provides: -

"A commercial licensee can frank the mails of his client(s). In such a case, the licensee should send such franked articles to the Post office/RMS office with a certificate with each consignment mentioning the name of the client, number of articles, value franked and total value and certifying that they are bonafide transactions carried on by the licensee on the behalf of the client(s).

3. In view of above, the issue raised in Para 1 above is clarified as under: -

- a) Licensee of franking machine, either 'individual' or 'commercial (as defined in PO Division communication referred to in para 2) is not allowed to route their franked articles through Speed Post Outsourcing Agents to their designated office of posting.
- b) Speed Post Outsourcing Agent is not allowed to bring frank mail generated by Franking Machine of an 'individual or 'commercial' Licensee to post office and claim commission under Speed Post Outsourcing Agent Scheme
- c) If an 'individual or 'commercial' Franking Machine License holder is also a Speed Post Outsourcing Agent, he/she can not act as a Speed Post Outsourcing Agent in respect of mail generated from his/her franking machine.
- d) The word 'frank' mentioned in BD Directorate letter No.2/17/96/BD dated November 23, 1998 refers to a manner of payment of postage. 'Frank' in this context implies those frank impressions that are obtained from a Post office as proof of prepayment of postage due in lieu of postage stamps.

3. This issues with the approval of competent authority.


(C. Karuppasamy)
Asstt. Director (BD &MD)

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2. CGM (BD&MD)/CGM (MBD)/CGM (PLI)/Director (Postal Staff College)
3. All Regional PMsG
4. All DDsG in Postal Directorate/ JS&FA/Secretary (PSB)
5. All PMsG (BD) in the Circle
6. All Director (BD) in the Circle
7. All Directors in Postal Directorate
8. All Directors in Postal Training Centers
9. All Officers in BD&MD

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