



Rules of Procedure of the EMS Cooperative

	Page
Table of contents	
Foreword	3
Definitions	3
Chapter I – Objectives, strategies and membership	
Article 1 Objectives and strategies of the EMSC	3
Article 2 Structure and membership	4
Article 3 Membership benefits	5
Article 4 Basic principles	5
Chapter II – Membership contribution classes and voting principles	
Article 5 Membership contribution classes and voting principles	6
Chapter III – EMSC procedures and structures	
Article 6 Procedures for joining and withdrawing	7
Article 7 EMSC General Assembly	8
Article 8 EMS Cooperative Board	9
Article 9 Structure of the Board	9
Article 10 Election of Board members	10
Article 11 Chairman and Vice-Chairman	10
Article 12 Resignation and replacement	11
Article 13 Board meetings	11
Article 14 Voting during Board meetings	12
Chapter IV – Secretariat and languages	
Article 15 Secretariat	12
Article 16 Languages	12
Chapter V – Finances	
Article 17 Budget and financing	12
Article 18 EMS Cooperative Reserve Fund	13
Article 19 Debts in arrears	13
Chapter VI – Final provisions	
Article 20 Entry into force	14

Foreword

- 1 The EMS Cooperative (EMSC) functions as a user-funded subsidiary body under the auspices of, and reporting to, the UPU Postal Operations Council (POC).
- 2 The mission of the EMSC is to foster the necessary development, funding and governance of EMSC activities.
- 3 Within the framework of its activities, the EMSC shall ensure compliance with the UPU Acts and the relevant decisions of the governing bodies of the UPU.
- 4 The UPU General Regulations and the Rules of Procedure of the POC shall be applicable to the EMSC, by analogy, in all cases not expressly provided for in these Rules of Procedure (RoP).
- 5 As of the date of approval of these RoP, the activities of the EMSC have their main legal foundation in POC decision CEP 2/1998. UPU Congress resolutions C 83/1999, C 61/2004, C 51/2008 and C 60/2012 have subsequently endorsed the functioning and financing principles applicable to the EMSC.

Definitions

- 1 EMS: a price-competitive service offered on a global basis for speedy, reliable delivery of documents and merchandise weighing up to a maximum of 30 kg. The service is supported by dedicated value-added customer service and computerized tracking capability.
- 2 Standards: measurable attributes of the EMS product that members must include in their EMS product in order to qualify for membership.
- 3 Procedures: specific conditions governing the international exchange of EMS items between EMS operators and the implementation of the Standard Agreement to ensure the effective provision of an international EMS service.
- 4 Non-exporting countries: countries that do not exchange EMS items within the UPU network.
- 5 Debts in arrears: any amount due by a member that has not been settled within 180 days of the date of issue of the invoice. Debts in arrears include any unpaid amount attributed to membership fees and participating members' share of funding.
- 6 EMS Pay-for-performance plan: the remuneration system used by EMSC members to link quality of service with payment.
- 7 Full production of tracking: EMS operators that have implemented a tracking system and are exchanging tracking messages with all partners, independently of the IT network.

Chapter I – Objectives, strategies and membership

Article 1

Objectives and strategies of the EMSC

- 1 The objectives of the EMSC are to:
 - 1.1 promote cooperation between members in order to allow them to provide their customers with high quality, competitive EMS service worldwide at an affordable price;
 - 1.2 involve members in the provision and support of EMS service within the structure of the UPU;
 - 1.3 provide the highest quality service to its members through optimal organization at all times;
 - 1.4 help enhance the global image of the EMS service.

- 2 The strategies of the EMSC include:
- 2.1 developing and reviewing a business strategy incorporating:
- product review and development;
 - adoption of standards and procedures for the operation of EMS by designated operators and their suppliers;
 - performance and customer care awards criteria;
 - establishment and monitoring of performance and quality of service standards for EMS operators.
- 2.2 managing international coordination of EMS tracking information and mailboxes;
- 2.3 conducting research and studies;
- 2.4 distributing information on EMS standards and other developments to all its members;
- 2.5 sharing information and resources and organizing and/or participating in consultations concerning EMS issues, as appropriate and authorized within the framework of UPU activities, particularly in order to improve overall quality of the EMS network, and to simplify and speed up procedures for customs clearance and international air transport of EMS items.
- 3 Based on non-profit aims and principles, the EMSC shall endeavour to share the costs incurred and investments made to meet the objectives outlined above among all its members on the basis of the agreed traffic-related contribution class system described in article 5 below.

Article 2

Structure and membership

- 1 The EMS Cooperative is composed of full and import members. The EMS Cooperative shall be directed by the EMS Cooperative Board.
- 2 Membership of the EMSC is voluntary and open to designated operators formally authorized by their respective UPU member countries to provide the EMS service.

Full members

- 3 To be considered as a full member of the EMSC, the designated operator must:
- 3.1 be both an importer and an exporter of EMS items with at least two other designated operators;
- 3.2 possess a tracking system for EMS in full production with all EMS partners in accordance with the EMS Standards;
- 3.3 obtain written or electronic proof of delivery for all EMS items and provide such proof to EMS origin operators on demand;
- 3.4 employ the EMSC's standardized system for dealing with international EMS inquiries and operate it in accordance with the EMS Standards;
- 3.5 comply with requirements 3.1, 3.2 and 3.3 before formalizing its request to join, and with requirement 3.4 within six months of joining.

Import members

- 4 To be considered as an import member of the EMSC, the designated operator must:
- 4.1 be an importer of EMS items from at least two other designated operators;
- 4.2 possess a tracking system for EMS in full production with all EMS partners in accordance with the EMS Standards;
- 4.3 obtain written or electronic proof of delivery for all EMS items and provide such proof to EMS origin operators on demand;

- 4.4 employ the EMSC's standardized system for dealing with international EMS inquiries and operate it in accordance with the EMS Standards;
- 4.5 comply with requirements 4.1, 4.2, and 4.3 before formalizing its request to join, and with requirement 4.4 within six months of joining.

Article 3

Membership benefits

1 The total annual contribution paid by EMSC members ~~will~~ shall be considered as a membership fee. For that fee, each EMSC member will receive the following basic benefits:

2 Full members may:

- 2.1 join any or all of the project teams established within the EMSC;
- 2.2 vote when decisions are taken, including for the election of members to the EMSC Board, provided that they do not have debts in arrears;
- 2.3 participate in the meetings of the EMSC General Assembly;
- 2.4 participate in the annual EMSC workshop;
- 2.5 participate in the EMSC's programmes;
- 2.6 receive validation of export and delivery standards;
- 2.7 have access to the Internet-based international EMS customer service system;
- 2.8 have access to all publications;
- 2.9 have access to the Official Airline Guide;
- 2.10 have access to the EMSC website;
- 2.11 Participate in consultations.
- 2.12 have access to all EMS reports;
- 2.13 act as proxy for other members;
- 2.14 participate in performance and customer care award programmes;
- 2.15 submit candidates for positions on the Board.

3 Import members enjoy all the rights set out in paragraph 2, with the exception of 2.14 and 2.15.

4 Compliance with the requirements defined in paragraph 1 ~~will~~ shall be verified at the following times:

- 4.1 for Board candidate nominations, at the nomination deadline;
- 4.2 for performance and customer care awards, for the entire year.

Article 4

Basic principles

1 Members of the EMSC are entitled to voice their views, through formal consultation or vote, on strategic and business matters affecting the EMSC or its projects.

2 The EMSC shall be directed by the Board elected by the General Assembly.

3 Members of the EMSC shall pay the total annual contribution associated with their contribution class as provided in article 5 below.

4 Members of the EMSC shall authorize the transfer of their tracking data to the organization selected by the UPU for performance reporting and auditing, quality analysis, EMS global track-and-trace features and

other functions agreed upon by the General Assembly. The UPU International Bureau shall, through its EMS Unit, ensure the confidentiality of commercial data in accordance with industry standards.

5 Pay-for-Performance ~~will~~ shall be the method used to calculate remuneration for the delivery of EMS items.

Chapter II – Membership contribution classes and voting principles

Article 5

Membership contribution classes and voting principles

1 The UPU International Bureau, through its EMS Unit, shall publish details of membership contribution classes based on total exported and imported EMS volumes. For each contribution class there is a related annual fixed membership fee, traffic-based contribution and voting rights, which vary according to the contribution class (see the table in paragraph 3 below).

2 The right to vote may be exercised at the General Assembly or in formal consultation by ballot. The ballot may be submitted by post or by electronic means.

3 The annual fixed membership fee, traffic-based contribution and voting rights for each contribution class are as follows:

Class	Traffic limit (000s)	Fixed fee (CHF)	Traffic-based contribution (CHF) (at 0.015 CHF per item)		Total annual contribution		Voting rights
			Min.	Max.	Min.	Max.	
1	10	400	1	150	401	550	1
2	25	750	150	375	900	1,125	2
3	50	1,750	375	750	2,125	2,500	3
4	100	3,500	750	1,500	4,250	5,000	4
5	250	7,000	1,500	3,750	8,500	10,750	5
6	500	10,000	3,750	7,500	13,750	17,500	6
7	1,250	15,000	7,500	18,750	22,500	33,750	10
8	2,500	20,000	18,765	37,500	38,765	57,500	14
9	5,000	25,000	37,500	75,000	62,500	100,000	18
10	9,000	35,000	75,000	135,000	110,000	170,000	22
11	9,000+	50,000	135,000	+	185,000	+	26

4 Contribution classes are based on data provided by members to the EMS Unit on an annual basis for each member's exported and imported volumes.

4.1 The Board may, as further defined in the EMS Standards, decide on the establishment and implementation of specific fee-reduction programmes and other incentive mechanisms, particularly with the aim of facilitating adoption of EMS-related technical standards by members or improving overall quality of the EMS network.

5 Members that choose to belong to a higher contribution class than their traffic volumes otherwise require shall pay the minimum total annual contribution appropriate to the class chosen (i.e. the fixed fee for the class plus the minimum traffic-based contribution indicated in the table in paragraph 3).

6 Decisions ~~will~~ shall be made by consensus whenever possible. When a vote is necessary, it ~~will~~ shall be taken by ballot if outside the General Assembly, or, if during the General Assembly, by ballot or by a show of hands, including proxy votes notified to the EMS Unit. A ballot ~~will~~ shall take precedence over any other voting procedure. Notwithstanding the foregoing and strictly for meetings held remotely or in hybrid mode (as further defined in article 7.13 of these RoP), voting by ballot or a show of hands shall not apply; voting by roll call or electronic means shall, however, be allowed.

7 Voting rights ~~will~~ shall be in accordance with those shown in paragraph 3, on the basis of the contribution class to which a member belongs.

8 Only members that are not listed by the EMS Unit as having debts in arrears at the time the vote is counted ~~will~~ shall have the right to take part in a vote, directly, by proxy, or as a proxy for another member.

9 A member unable to attend a meeting may arrange to be represented by another member, provided that notice in writing is given to the EMS Unit.

10 A member may vote by proxy for only one other member.

11 Voting during General Assembly meetings ~~will~~ shall take place at the discretion of the Chairman, or on the basis of a specific request to the Chairman by a member supported by at least two other members entitled to vote.

12 Decisions amending these RoP require a majority of two-thirds of the members represented, entitled to vote and voting.

13 Decisions that do not affect these RoP require a simple majority of those members represented, entitled to vote and voting.

14 When a vote is taken by mail, all members eligible to vote at the time the votes are counted ~~will~~ shall be considered present.

15 In the event of a tie, the proposal put to a vote ~~will~~ shall be regarded as rejected.

16 Abstentions ~~will~~ shall be disregarded in counting the votes needed to constitute a majority.

17 Blank or null and void ballots ~~will~~ shall be disregarded in counting the votes.

18 Observers ~~will~~ shall not be entitled to vote.

Chapter III – EMSC procedures and structures

Article 6

Procedures for joining and withdrawing

1 Each designated operator that is an EMS exporter and importer, or an EMS importer only, and whose country is a member of the UPU should notify the EMS Unit in writing of:

- 1.1 its decision to join the EMSC as a full or import member;
- 1.2 the name of its official representative(s) to the EMS Cooperative;
- 1.3 its decision to withdraw from the EMSC.

2 Membership will take effect on the date on which the official notification of membership has been received, the related membership requirements have been verified, and payment of annual dues has been received by the EMS Unit.

3 Where notification is given at least six months in advance, withdrawal from the EMSC will come into effect on 31 December of the year in which the official notification of withdrawal is received by the EMS Unit. Withdrawal from the EMSC must be notified to the EMS Unit. The effective date of withdrawal of a member

that does not notify the EMS Unit of its intent within the designated period will be postponed to 31 December of the year following the notification. Members' rights and benefits, and the requirement to pay the annual membership fees, will be maintained until the effective date of withdrawal.

4 Any member that no longer meets the membership requirements as defined in article 2 ~~will~~ shall lose its membership of the EMSC with immediate effect.

5 Former members will not be able to re-join the EMSC until such time as they have met the eligibility criteria in effect at the time of re-joining, as defined in article 2.

Article 7

EMSC General Assembly

1 The General Assembly ~~will~~ shall comprise all members and ~~will~~ shall meet at least once a year to:

- 1.1 review and endorse these RoP for submission to the POC for approval;
- 1.2 review and approve a report on the activities of the EMSC;
- 1.3 review and approve the annual EMSC budget as recommended by the Board, in accordance with the relevant UPU financial rules;
- 1.4 approve proposed strategies and plans of the EMSC;
- 1.5 approve standards and procedures upon the recommendation of the Board;
- 1.6 serve as a forum for the exchange of ideas and information; and
- 1.7 elect Board members.

2 Attendance at meetings of the General Assembly will be restricted to members, as well as to other observers and ad hoc observers duly authorized in accordance with the provisions contained in article 3 of the POC Rules of Procedure.

3 The General Assembly shall normally fix the approximate date, duration and place of its next meeting. In principle, its meetings will be held in conjunction with other meetings of the UPU, such as meetings of Congresses and of the POC and Council of Administration (CA). The General Assembly may also meet exceptionally, when a request for this is made or approved by at least one third of members or at the initiative of the Chairman of the Board; the date, duration and place of exceptional meetings shall be fixed by the Chairman of the Board in agreement with the Chairman of the POC and the Director General of the International Bureau.

4 The Chairman and Vice-Chairman of the Board shall act as Chairman and Vice-Chairman, respectively, of the General Assembly meetings. If the Chairman or the Vice-Chairman of the Board is prevented from attending the meeting, the Chairman shall appoint a person or persons to exercise the function of Chairman and/or Vice-Chairman of the General Assembly meeting.

5 The functions of Secretary General and of Assistant Secretary General of the General Assembly shall be exercised by the Director General and the Deputy Director General of the International Bureau. The EMS Unit of the International Bureau shall act as Secretariat of the General Assembly.

6 All issues brought before meetings of the General Assembly must be the subject of a written document or proposal.

7 Issues submitted by members of the EMSC must be notified to the EMS Unit at least two months before the first day of the month in which the meeting of the General Assembly takes place.

8 Amendments arising directly from the debates of the General Assembly can be considered during the meeting.

9 The Chairman of the Board shall draw up the provisional agenda for each meeting, after consultation with other members of the Board. This agenda will be sent to members of the EMSC and to observers at the same time as the invitation to attend.

10 During the meetings of the General Assembly, the Chairman shall afford members the possibility of freely and fully expressing their views on the subject discussed. However, no member's intervention from the floor should exceed five minutes. The Chairman may declare the list of speakers closed after reading it out; when the list is exhausted, he shall declare the debate closed.

11 The same rules that apply to POC meetings ~~will~~ shall be applied to meetings of the General Assembly in cases of motions on points of order and procedural motions.

12 The quorum necessary for the opening of meetings of the General Assembly and for voting will be obtained if the number of members present and represented constitutes one half of the votes that the EMSC membership has the right to cast.

12.1 A member that has informed the EMS Unit of the name of an EMSC member to which a proxy has been given will be considered as represented. The EMS Unit will be responsible for validating that proxy.

12.2 For votes on amending the RoP of the EMSC, the quorum required will be obtained if the number of members present and represented constitutes two thirds of the votes that the EMSC membership has the right to cast.

12.3 Members that are present but do not take part in a given vote, or which state that they do not wish to take part therein, will not be considered absent for the purpose of establishing the quorums required under paragraphs 12.1 and 12.2.

13 Meetings of the General Assembly may be held physically, remotely or in hybrid mode (in the latter case comprising both physical and remote representation of members and observers). For the purposes of this paragraph, the remote attendance and representation of members and observers shall take place by means of web/video/audio conferencing facilities made available by the International Bureau with a view to ensuring their participation in accordance with the provisions contained in these RoP. Accordingly, members participating by means of the facilities referred to herein shall also be considered as present for the determination of the quorum and for voting.

Article 8

EMS Cooperative Board

1 The Board is the structure designated to direct the activities of the EMSC. In this regard, Board members shall carry out their functions solely in the name and in the interests of the EMSC.

2 The role and responsibilities of the Board are to:

- 2.1 define the policies and strategies of the EMSC based on the needs and requirements of members;
- 2.2 formulate business plans setting out the policies, strategies, work plans and criteria required to achieve the objectives of the EMSC;
- 2.3 develop and recommend the approval of operational, commercial and technical standards, including standards associated with the granting of performance and customer care awards to members;
- 2.4 make recommendations related to the operation of EMS service;
- 2.5 control and direct the implementation of the measurement and award programme;
- 2.6 form teams to deal with specific activities, as necessary;
- 2.7 as necessary, accredit member representatives to work within their territory or region to promote the development of the EMS service;
- 2.8 define the budgetary ceiling for the EMS Unit to be financed by the EMSC;
- 2.9 formulate funding plans necessary for the support of the EMSC's activities;
- 2.10 recommend to the General Assembly the approval of the EMSC budget;

- 2.11 evaluate suggestions or requests formulated by members aimed at enhancing the EMSC's activities;
- 2.12 ensure that the activities undertaken by the EMSC meet the requirements and expectations of the members.
- 3 The Board can propose amendments to these RoP and submit them to the General Assembly for endorsement, subject to further approval of the POC.
- 4 The Board shall submit an annual report on the activities undertaken on behalf of the EMSC to the POC, and where appropriate, to the CA.

Article 9

Structure of the Board

- 1 The Board shall be composed of nine members elected *ad personam* from full members of the EMSC while employed by such members; in this regard, at least two positions in the Board shall be reserved to members coming from designated operators of countries listed in Group 4 as contained in Congress resolution C 7/2016 ("Classification of countries and territories for terminal dues and Quality of Service Fund (QSF) purposes"). Each member of the board shall act in an impartial way on behalf of all EMSC members with respect to all issues dealt with by the EMSC.
- 2 The Chairman and Vice-Chairman of the Board will be elected by the Board members.
- 3 The Manager of the EMS Unit will be the Secretary to the Board.
- 4 The Director General of the UPU International Bureau, or his representative(s), may attend all meetings of the Board and take part in its deliberations.

Article 10

Election of Board members

- 1 Candidates for the *ad personam* positions on the Board may only be presented by full members of the EMSC. Each member operator may present only one candidate.
- 2 Votes for the election of Board members must be cast in accordance with article 5 or be handed to the EMS Unit directly, in a sealed envelope, three days before the opening of the General Assembly meeting. Votes received after the closing date ~~will~~ shall not be accepted.
- 3 Votes ~~will~~ shall be counted by the EMS Unit and the results kept confidential until declared during the General Assembly.
- 4 In the event of a tied vote, a second round of votes ~~will~~ shall be organized during the General Assembly meeting.
- 5 Except as provided in article 14, Board members shall serve for a two-year term. Five Board members ~~will~~ shall be elected in even years and four Board members in odd years.
- 6 Board members ~~will~~ shall be eligible for re-election for further terms.
- 7 Board members shall take up their duties immediately upon election.

Article 11

Chairman and Vice-Chairman

- 1 The Board shall elect the Chairman and Vice-Chairman of the Board from among the elected members. Should the Chairman or Vice-Chairman of the EMSC resign, a successor ~~will~~ shall be elected forthwith by the EMSC from amongst the Board members.

2 The Chairman shall convene and preside at the meetings of the EMSC General Assembly. He/she shall also be in overall charge of the work and activity of the EMSC. He/she shall make out the provisional agenda for each EMSC meeting. The Chairman is also responsible for presenting the report of the EMSC General Assembly to the POC.

3 The members shall ensure that the persons elected are available sufficiently often to carry out their functions for the EMSC.

4 The Vice-Chairman shall act as Chairman of the meetings of the EMSC General Assembly if the Chairman is prevented from attending the meeting. If both the Chairman and the Vice-Chairman are prevented from attending a specific meeting, the Chairman shall appoint another Board member to exercise the function of Chairman in that meeting.

5 The Vice-Chairman shall assist the Chairman in directing and activating the EMSC. To this end, he/she shall, among other things, be kept informed about the preparation and programming of the EMSC meetings.

Article 12

Resignation and replacement

1 Board members who are unable to personally attend two consecutive meetings of the Board (i.e., proxies not to be taken into account), or who are no longer employed by a full member of the EMSC, will lose their seats. In the case of a Board member losing their seat owing to lack of participation, neither that Board member nor other persons from the same designated operator ~~will~~ shall be eligible to stand for election for a period of at least one year.

2 Should a seat on the Board become vacant and the remainder of the term not be less than one year, the vacancy ~~will~~ shall be immediately filled for the remainder of the term by a special election conducted via postal ballot. If the term is less than one year, it ~~will~~ shall remain vacant until the next election.

3 Should the Chairman or Vice-Chairman of the Board resign or lose their seat, a new Chairman or Vice-Chairman shall be elected by the Board from among its remaining members.

Article 13

Board meetings

1 Board meetings ~~will~~ shall be held at least four times a year, with two of these taking place during the sessions of the POC and CA.

2 Board members who are unable to attend a particular Board meeting may send a representative from the same designated operator to attend the meeting concerned. This representative may participate actively in the meeting, but ~~will~~ shall not have the right to vote in the event that a formal vote is taken. Absent Board members may only give their proxies to another Board member.

3 Additional Board meetings may be convened at the request of the Chairman of the Board or of at least three members of the Board.

4 Any member of the EMSC may submit specific matters for inclusion on the Board's meeting agenda. The Board, through the EMS Unit, shall formally notify the member of the date of the Board meeting that will address these matters. The Board shall decide whether the member in question may attend the Board meeting when the subject is discussed.

5 Board members' travel and subsistence expenses are the responsibility of the designated operator by which the Board member is employed, and not of the EMSC.

6 In principle, meetings of the Board shall be held physically. However, in exceptional circumstances and if the Board agrees, the Board meeting can be held remotely or in "hybrid" mode (i.e. comprising both physical and remote representation of Board members). For the purposes of this paragraph, the remote attendance and representation of Board members shall take place by means of web/video/audio conferencing facilities

made available by the International Bureau with a view to ensuring their participation in accordance with the provisions contained in these RoP. Accordingly, Board members participating by means of the facilities referred to herein shall also be considered as present for the determination of the quorum and for voting.

Article 14 **Voting during Board meetings**

1 Decisions ~~will~~ shall be taken by consensus whenever possible. However, when voting is used during a Board meeting, all decisions ~~will~~ shall be passed by a simple majority of the votes of the Board members present and voting. Matters resulting in a tied vote ~~will~~ shall be rejected.

2 Each Board member has one vote.

3 A member unable to attend a meeting may give their proxy to another member, provided that notice is given to the EMS Unit prior to the meeting.

4 Formal votes by the Board will be taken only on issues for which documents have been distributed to Board members prior to the meeting.

5 The quorum necessary for conducting Board meetings is five.

Chapter IV – Secretariat and languages

Article 15 **Secretariat**

1 The secretariat shall be provided by the International Bureau (particularly through its EMS Unit) and have the following functions:

- 1.1 Serve as an organ of execution of EMSC decisions, as well as of support, liaison, information and consultation for the EMSC and its members;
- 1.2 Support the EMSC with its functions of formulating business plans setting out the policies, strategies, work plans and criteria required to achieve the objectives of the EMSC for the benefit of its members.

Article 16 **Languages**

Without prejudice to the relevant provisions of article 155 of the UPU General Regulations (particularly as regards the production of documentation, official correspondence and meeting languages), the working language of the EMSC is, in principle, English.

Chapter V – Finances

Article 17 **Budget and financing**

1 Unless otherwise determined by the governing bodies of the UPU, the EMSC ~~will~~ shall be a self-financing body.

2 The activities of the EMSC, as defined in its business plan, ~~will~~ shall in principle be financed from the following sources:

- 2.1 the annual membership fees paid by members of the EMSC;
- 2.2 voluntary contributions to the EMSC, including contributions allocated to specific projects or costs;
- 2.3 supplementary fees authorized by the General Assembly;

2.4 amounts allocated to the EMSC by the UPU Congress in exchange for services rendered to all UPU members; and

2.5 the EMS Cooperative Reserve Fund, as described in article 18.

3 The budget ~~will~~ shall be used to support all the activities undertaken by the EMSC.

4 The budget for EMSC activities ~~will~~ shall be managed under the applicable UPU financial principles and rules (including the UPU Financial Regulations and the UPU Rules on Financial Administration).

5 The annual business strategy ~~will~~ shall outline the cost and the method of funding for each activity or project.

6 Subject to the provisions of article 15, EMSC activities may be financed by any source available to the EMSC within its budget.

7 Any activities or projects approved by the Board between meetings of the General Assembly ~~will~~ shall be presented by or through the Board to the General Assembly at its next meeting for ratification.

Article 18

EMS Cooperative Reserve Fund

1 An EMS Cooperative Reserve Fund ~~will~~ shall be established as an account within the EMSC's budget/financial statement. The primary purpose of the EMS Cooperative Reserve Fund is to offset shortfalls in the budget caused by delayed payments and bad debts.

2 Unless the General Assembly instructs otherwise, excess annual income ~~will~~ shall be transferred to the EMS Cooperative Reserve Fund.

3 Interest paid by the members on amounts owing to the EMSC ~~will~~ shall be allocated to the EMS Cooperative Reserve Fund.

4 Members may contribute voluntarily to the EMS Cooperative Reserve Fund.

5 The General Assembly shall be responsible for approving:

5.1 the allocation of funds from the EMS Cooperative Reserve Fund to other accounts within the EMSC;

5.2 the ceiling of the EMS Cooperative Reserve Fund; and

5.3 the distribution to members of funds in excess of the ceiling of the EMS Cooperative Reserve Fund. Such a distribution of funds may also take place in order to reduce the amount of members' contributions, as decided by the General Assembly.

Article 19

Debts in arrears

1 Interest ~~will~~ shall be charged for all debts in arrears associated with the payment of annual membership fees by full and import members. The sum due ~~will~~ shall be chargeable with interest in favour of the EMSC chapters under the UPU Programme and Budget for allocation to EMSC activities, at the rate specified in the UPU General Regulations for annual contributions.

2 The EMS Unit shall maintain a list of all members with debts in arrears as defined in these RoP and shall provide that list to the Board at each of its meetings, prior to General Assembly meetings, and when ballots are counted for the control of voting.

3 The EMS Unit shall also formally notify members that they have been placed on this list, and of its effect on their rights.

4 Members with debts in arrears ~~will~~ shall lose their voting rights as provided for in article 5.8, as well as their benefits of membership, including those enumerated in article 3.

4.1 A member may regain its rights with immediate effect by paying in full all debts in arrears, including applicable interest prior to the end of the calendar year following that in which it is listed as a debtor in arrears.

5 Members that fail to settle debts in arrears before the end of the calendar year following that in which they are listed as debtors in arrears will automatically lose their membership. At the time of such automatic loss of membership, the accrual of interest on debts in arrears ~~will~~ shall cease.

6 In order to be reinstated following automatic loss of membership, a former member must reapply for membership, using the procedure set out in article 6. However, in such cases, membership will not be effective until all debts and interest owed to the EMSC for the previous years of membership have been paid in full.

Chapter VI – Final provisions

Article 20

Entry into force

1 These RoP ~~will~~ shall enter into effect immediately upon their approval by the POC, without prejudice to further approval of the CA within the framework of its competence, as per the relevant provisions of the UPU General Regulations.