

Correos must change some aspects of its accounting in recent years in order to comply with the regulations

- The postal operator's accounting model is compliant with the legislation, except for the administrative notification service.
- Correos considers these notifications to be a type of certified mail and includes them in the universal postal service.
- The CNMC has requested the company to correct this issue, which was also detected in previous years.
- Failure to comply may be considered a breach of the Postal Act.

Madrid, 9 September 2022.- The CNMC has verified the results of the cost accounting system of Sociedad Estatal Correos y Telégrafos S.A. for the financial year 2020 ([VECO/DTSP/01/22](#)), in accordance with its powers as supervisor of the postal sector.

Correos is the company designated by law to provide the [universal postal service](#), that is, a set of postal services that must be permanently guaranteed throughout the national territory, with certain quality standards and at affordable prices for all users.

The universal postal service includes domestic and cross-border mail (ordinary and certified) for letters, postcards (up to 2 kg) and parcels (up to 20 kg). Correos receives compensation for the unfair financial burden of fulfilling its public service obligations arising from the universal postal service.

Administrative decision of the CNMC

The CNMC has concluded that the analytical accounting model of Correos for 2020 complies with the provisions of the [Postal Act](#) and [Order FOM/2447/2004](#) of 12 July, with some exceptions. One of the exceptions concerns the administrative notification service.

Specifically, Correos attributes administrative notifications to certified mail, when in fact administrative notifications, unlike certified letters, are not part of the universal postal service. This inclusion affects the accounting separation that should exist between services included and excluded from the scope of the universal postal service and has a material impact on analytical accounting results.

Therefore, the CNMC has required Correos to make the necessary changes to its cost accounting system for the financial year 2020 in order to correct the issue and has reiterated that Correos must also submit the revised results for the financial years 2016, 2017, 2018, and 2019.

Failure to comply with this requirement may be considered an administrative offence under Title VII of the Postal Act.

In addition, Correos is required to correct, in subsequent years, other aspects with no material impact and to implement the improvements described in the administrative decision.

Administrative notifications

A notification is a communication of an administrative decision affecting the rights or interests of any natural or legal person.

Ten years after the liberalisation of the postal sector, Correos continued to hold most of the market share for this service. In 2020, it handled 93.5% of all notifications, according to the 2020 Postal Sector Annual Report ([see press release](#)).

The total revenue of the traditional postal segment (SPT in Spanish) — i.e. letters, postcards, certified letters, and notifications — was 1,159.1 million euros in 2020. Administrative notifications, despite accounting for only 3.7% of total shipments (SPT), generated 21.9% of the segment's total revenue.