

The CNMC requires Correos to change aspects of its accounting to comply with regulations

- Correos still considers administrative notifications as a type of registered letter, which would be part of the universal postal service, but they are not.
- Administrative notifications generated 27% of the traditional postal segment's revenue in 2020.
- Failure to comply with this requirement may constitute a breach of the Spanish Postal Sector Act.

Madrid, 26 May 2023.- In its resolution on the supervision of Correos' cost accounting for 2021, the CNMC has once again requested Correos to stop considering administrative notifications as if they were registered letters included in the universal postal service (UPS). ([VECO/DTSP/001/23](#)).

Correos is the company designated by law to provide the [UPS](#); that is, a set of postal services that must be permanently guaranteed throughout the territory, with certain quality standards and at affordable prices for users. Correos receives compensation for the unfair financial burden of fulfilling these public service obligations.

Types of UPS deliveries

Domestic and cross-border deliveries (ordinary and registered) of letters, postcards (up to 2 kg) and parcels (up to 20 kg) are part of the universal postal service.

This is not the case for notifications, which are communications or notifications of administrative decisions affecting the rights or interests of any natural or legal person.

Despite this, Correos allocates administrative notifications under registered letters and does not respect the accounting separation that should exist between services included and excluded from the scope of the universal postal service, with the consequent impact on the results of its analytical accounting.

Administrative notifications accounted for 4.9% of deliveries and 26.8% of the total revenue of the traditional postal segment (letters, postcards, registered

letters and notifications), according to the 2020 Postal Sector Annual Report ([see press release](#)).

Conclusions

The analytical accounting model of Correos for 2021 complies with the provisions of the [Spanish Postal Act](#) and [Order FOM/2447/2004](#) of 12 July, with some exceptions. One of the exceptions concerns the administrative notification service.

The CNMC has required Correos to make the necessary changes to its cost accounting system for the financial year 2021 in order to correct the issue and has reiterated that Correos must also submit the revised results for the financial years 2016, 2017, 2018, 2019 and 2020.

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

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Press release: [Correos must change some aspects of its accounting in recent years to comply with regulations.](#)

Press release: [The CNMC requires Correos to change certain aspects of its accounting in recent years.](#)

Press release: [The CNMC requires Sociedad Estatal Correos y Telégrafos S.A. to correct the accounting for its financial years up to 2016.](#)

([VECO/DTSP/001/23](#)).