



# Issues for the regulation of postal – financial services implemented in the postal network of the Azerbaijan Post

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31 October – 1 November 2011, Bern, Switzerland

# Improvement of legal base

- Necessary amendments have been made in the “Postal Law ” of the Republic of Azerbaijan in accordance with licensing requirements of the Central Bank of Azerbaijan (CBAR);
- Organizational-legal form of Azerpost has been changed;
- Corporative management system has been established in the “Azerpost” LLC upon Observation Council of Azerpost;
- Prudential rules of granted licenses to the operator (“Azerpost” LLC) assigned by the CBAR;
- Other normative legal documents on rendering new services have been prepared in accordance with the requirements of CBAR.

# Regulation issues

- Ministry of Communications and Information Technologies (MCIT) regulates and supervises postal services: Licenses are given for EMS and Courier services, but not for UPSs;
- At present regulatory function for the postal services belong to MCIT (as there is not another regulator for postal services);
- CBAR regulates financial and banking services: License is given to the Azerpost for provision of several financial services (as indicated in the slide 10);
- Provided by Azerpost all financial and banking services regulated by the CBAR under a special license;

# Regulation issues

- MCIT and CBAR cooperate on collegial base for regulating new services provided by Azerpost ;
- No obstacles faced in cooperating with the CBAR;
- This new way of regulating is better than regulating everything ourselves;
- Suggestions to postal regulators to foster financial inclusions: cooperate with other regulators (including CBAR);

# Statistics on financial services

- Number of postal offices offering financial services – 500 (in general, 1200 postal offices to be connected);
- 30% of them located in the rural areas;
- Total number of customers' postal accounts – 2200;
- Number of payments through the postal accounts – 400-500 per/month;
- Average annual number of payments – 5000-6000

# Outcomes

- Infrastructure of payment systems has been significantly improved – 60% of financial inclusion in Azerbaijan (till the middle of next year it is planned to increase up to 80%);
- People have been provided with large selection opportunities and conditions to benefit from banking-financial services in the territory of Republic (around 5 millions people have access thanks to Azerpost);
- A wide range of opportunities have been created to render e-government and e-business services in the territory of Republic;
- “Azerpost” LLC has become a powerful postal and banking-financial structure with high employee potential;
- Corporative management standards have been applying.



# Thank you for attention

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