

The Spanish Post Office must change aspects of its accounting to comply with the Postal Sector Law

- The Spanish Post Office's accounting model is in compliance, except for the administrative notification service.
- The company's accounting has been in error for several years.
- Administrative notices accounted for 6.2% of the traditional postal sector's (known by its Spanish acronym "SPT") mailings and 32.2% of its total revenue.

Madrid, 4 September 2024 – For several financial years, the cost accounting of Sociedad Estatal Correos y Telégrafos, S.A. for the financial year 2022 has been in error, as it has considered administrative notifications in its accounting model as a type of registered letter and as part of the Universal Service, when, in reality, they are not. ([VECO/DTSP/001/24](#)).

The [Universal Postal Service](#) includes domestic and cross-border mail (ordinary and registered) for letters and postcards up to 2 kg and for parcels up to 20 kg. The Spanish Post Office receives compensation for the additional cost (the “unfair financial burden”) of fulfilling the public service obligations derived from being designated a Universal Postal Service.

Administrative and court notices

Notices are mail items up to 2 kg in weight, with up to two delivery attempts at the address under signature, the delivery being managed under [Law 39/2015 of 1 October](#) on the Common Administrative Procedure of Public Administrations, with proof of delivery provided as a guarantee of receipt.

As per the [Postal Sector Annual Report 2023](#), administrative notices accounted for 6.2% of traditional postal sector (SPT) mailings and 32.2% of SPT revenues. The SPT, which comprises letters, postcards, registered letters and notices, accounted for 1,341.4 million items and had a turnover of €1,097.7 million in 2023.

Changing the accounting system

The Post Office cost accounting system for 2022 is generally compliant with the [Postal Law](#) and [Order FOM/2447/2004 of 12 July 2004](#), except for the calculations on "Administrative Notices", which have a material impact on the services result. The Spanish Post Office must correct the issue and submit the duly corrected results from 2016.

The Spanish Post Office has complied with the requirement to submit off-balance sheet technical reports on the administrative notification service for 2014 and 2015. The Spanish National Markets and Competition Commission (known by its Spanish acronym "CNMC") requires it to submit these reports for the following years—from 2016 onwards—until it provides the pertinent corrected accounts.

Finally, the CNMC is requiring the Post Office to correct other aspects in the coming years, without material impact, to implement the improvements described in the decision.

Related content:

- [VECO/DTSP/001/24](#): Review and verification of the analytical accounting model of Sociedad Estatal Correos y Telégrafos S.A. for 2022
- [Press release](#) (26/05/2023): The CNMC requires the Spanish Post Office to change aspects of its accounting to comply with regulations
- [Press release](#) (13/04/2020): The CNMC requires Sociedad Estatal Correos y Telégrafos, S.A. to correct its accounts for its financial years up to 2016
- [Blog](#) (29/12/2020): Administrative notices have replaced "traditional letters" as the Post Office's new revenue stream