

A N N U A L R E P O R T

by

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for 2024

ANALYSIS OF THE POSTAL SERVICES MARKET

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TABLE OF CONTENTS

INTRODUCTION	p. 3
I. ANALYSIS OF THE POSTAL SERVICES MARKET, PROSPECTS FOR DEVELOPMENT, STATE OF COMPETITION	p. 5
1. Postal services market	p. 5
1.1. Market players	p. 5
1.2. Volume and structure of the Bulgarian postal market	p. 6
2. Provision of non-UPS	p. 10
2.1. Players in the non-UPS market segment	p. 10
2.2. Volume and structure of the non-UPS market segment	p. 11
2.3. Market shares and competition in the non-UPS market segment	p. 16
3. Provision of UPS and services within the scope of UPS	p. 19
3.1. Scope and players in the UPS market segment	p. 19
3.2. Volume and structure of the UPS market segment	p. 20
3.3. Users of services in the UPS market segment	p. 24
3.4. Market shares and competition in the UPS market segment	p. 25
4. Prospects for development of the postal services market	p. 26
5. Analysis of the state of UPS according to the PSA requirements	p. 27
5.1. Provision of UPS on the entire territory of the country	p. 27
5.2. Price affordability of postal services within the scope of UPS	p. 28
5.3. Assessment for the presence of unfair financial burden incurred by the provision of UPS	p. 29
II. FULFILMENT OF UPS QUALITY TARGETS	p. 29
III. ENSURING POSTAL SECURITY	p. 34
IV. SUPERVISORY ACTIVITY OF CRC ON THE IMPLEMENTATION OF LMML AND LMFT IN 2024	p. 35
V. CONTROL ACTIVITY, CONSUMER RIGHTS AND ENVIRONMENTAL PROTECTION	p. 40
CONCLUSION	p. 47

INTRODUCTION

In 2024, the Commission continued to implement its strategic objectives in the field of postal services, aimed at ensuring a competitive market, protecting the interests of postal users, and applying adequate regulation. Its activity was consistent with the European regulatory mechanisms and good practices, taking into account the introduction of digital services and the implementation of new models in the provision of postal services.

As a supervisory authority under the Law on Measures against Money Laundering (LMML) and the Law on Measures against the Financing of Terrorism (LMFT),¹ in respect of the postal operators holding an individual license to carry out postal money orders, the Commission took a number of actions laying the foundations of a stable and effective supervisory framework in the field of postal money orders (PMOs), including remote inspections of operators providing the PMO service and on-the-spot inspections together with the specialised administrative Financial Intelligence Directorate of the State Agency for National Security (FID-SANS). CRC is part of the mechanism for implementation of the recommendations of the Financial Action Task Force (FAFT) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), together with the other supervisory authorities, successfully contributing to increasing the effectiveness of the system for the prevention and combating of money laundering and terrorist financing in the Republic of Bulgaria.

In 2024, one of the Commission's main priorities was the development of a system for the formation of postal codes. CRC selected a contractor for the public procurement and signed a contract for the development of the system. Upon completion of the project, the electronic system for the formation of postal codes will generate unique postal codes for each addressable object in the country – a building, an apartment, or a business site in the Republic of Bulgaria. These codes will be official and if there is a unique address and/or GPS coordinates, each object, whether within or outside the boundaries of a locality, will be assigned a postal code. This will increase the accuracy and reliability of deliveries, including in sparsely populated and non-urbanised areas – a key advantage in the context of the growing on-line commerce.

In respect of fulfilling the legal requirement to ensure conditions for effective competition on the postal market, the Commission registered 16 new operators for the provision of non-universal postal services under Art. 38, items 1-3 of the Postal Services Act (PSA), and the total number of postal operators in 2024 was 182.

In the exercise of its powers to protect consumers' interests, in close cooperation with all stakeholders and institutions, CRC examined 902 complaints and tips, carried out 304 inspections and drew up 1 penal decree for violations of the legislation in the field of postal services.

A leading priority in the implementation of the policy and regulation of postal services is the provision of reliable, affordable and quality services for all citizens of the Republic of Bulgaria. The Commission continued its activity of ensuring the provision of the universal postal service (UPS) throughout the country, within certain working hours and with a certain quality, at affordable prices, and the possibility of using the service by any user on the territory of the country.

The measurement of the fulfilment of the quality targets of the UPS provided by the incumbent postal operator Bulgarian Posts EAD is assigned by CRC to an independent external

¹ As of 17.06.2025, the name of the Law on Measures against the Financing of Terrorism has been amended to Law on Measures against the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (amended and suppl., SG, no. 49 of 17 June 2025). This report uses the name of the law in force at the relevant reporting period.

contractor on an annual basis. The results of the measurement, as well as the recommendations made to improve the quality of the service, are presented in this report.

The report was prepared in accordance with Art. 17, para. 1 PSA and includes an analysis of the development of the postal market in Bulgaria over the past year, as well as a summary of CRC's activity in accordance with its legal functions and powers.

The Commission's activities in the field of postal services are carried out through continuous cooperation and exchange of information with the Member States of the European Regulators Group for Postal Services (ERGP).

I. ANALYSIS OF THE POSTAL SERVICES MARKET, PROSPECTS FOR DEVELOPMENT, STATE OF COMPETITION

1. Postal market in Bulgaria

1.1 Market players

Methodological notes

The information presented is based on data received by CRC as of 31 May 2025 from 81% of the operators registered as of 31.12.2024.

When summing rounded amounts and percentage data, rounding-based calculation differences may occur due to the use of standard spreadsheet and chart functions.

The relative shares are presented with rounding up to the first decimal place. As a result of such rounding, it is possible that the sum of the relative shares exceeds or does not reach 100%.

The information provided for a total number of postal operators providing services in a particular segment of the market does not constitute an arithmetic sum of the licenses and certificates issued as set out in Table 1. Where a company provides more than one of the listed services, it is accounted for only once in the total number of operators.

According to the provisions of PSA, postal services in Bulgaria are provided on the basis of authorisation (licensing) and notification regimes.

Postal operators are entities that carry out one or more postal services and are registered under the legislation of the Republic of Bulgaria, another EU Member State, or a state that is a party to the EEA Agreement and perform postal services on the basis of individual licenses issued for the performance of services that are included in the scope of the UPS and/or for the provision of postal money orders (PMOs) pursuant to Art. 39, items 1, 2 and/or 3 PSA, while the provision of non-universal postal services under Art. 38, items 1-3 PSA requires a duly submitted written notification.

At the end of 2024, the total number of postal operators licensed/registered under PSA was 181,² presented by services in Table 1 below.

² INTERNATIONAL MAIL AND PARCEL EOOD ceased its activity at the end of 2024

Table 1

Licenses and certificates issued under PSA	Number of licensed/ registered operators in 2024
Licenses for UPS and services within the scope of UPS	12
Licenses for postal money orders	33
Entered in the register of operators performing non-universal postal services	166

Source: *Data submitted to CRC*

In 2024, the number of postal operators that actually provided postal services was 86, representing 47.3% of the total number of operators. The share of operators actually providing services during the year of the total number of registered operators has decreased by 1 percentage point.

1.2 Volume and structure of the Bulgarian postal market

As in previous years, for the purposes of analysis of the postal market, it was divided into two main segments - UPS and non-UPS. The UPS segment covers the universal postal service awarded for provision to Bulgarian Posts EAD (BP/incumbent postal operator/historical operator) under PSA,³ and the services within the scope of UPS provided by other licensed operators. The non-UPS segment includes postal money orders, courier services, direct mail advertising, and the hybrid mail service.⁴

The table below provides information on the distribution of postal services revenue in both segments over the last three years.

Table 2

Postal services	Revenues (millions BGN)		
	2022	2023	2024
1. Universal postal service and services within the scope of UPS	31,7	32,7	28,5
2. Non-universal postal services	744,5	801,6	908,9
TOTAL	776,2	834,3	937,4

Source: *Data submitted to CRC*

³ Pursuant to Art. 24 PSA and the special provision of §70 of the Transitional and Final Provisions of the Law on Amendment and Supplement to PSA (prom. SG, no. 102 of 2010)

⁴ The postal service of acceptance of messages submitted in a physical or electronic form by the sender, processing and transmitting them by electronic means, and delivery of these messages to the addressee as postal items, defined in §1, item 35 of the Additional Provisions of PSA.

Measured by the “revenue from the provision of postal services” indicator, in 2024, the volume of the postal market grew by 12.4% compared to the previous year, reaching BGN 937.4 million. The growth trend has tracked down in Fig. 1, which displays the growth in market volume over the past three years.

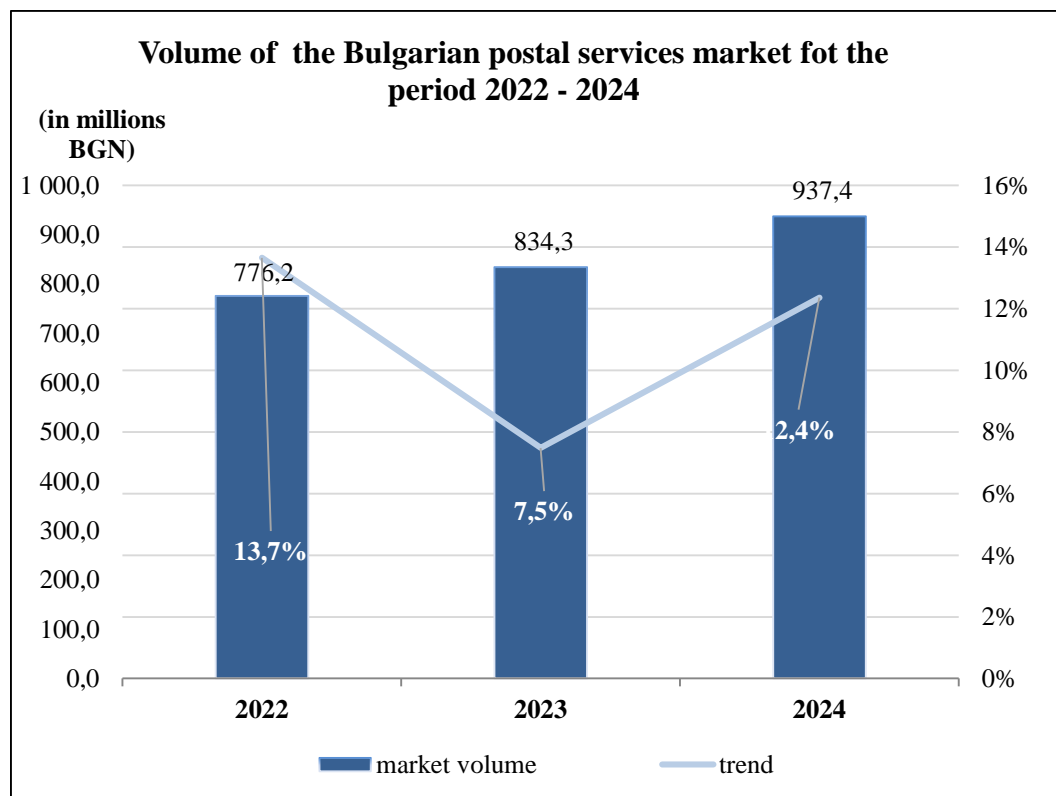


Figure 1

Source: Data submitted to CRC

In 2024, the total volume of the postal market in Bulgaria remained dominated by revenue from the non-universal postal services segment (non-UPS). The share of this segment increased by one percentage point compared to the previous year, reaching as much as 97% of the total market.

In absolute terms, revenue from non-UPS grew by 13.4% compared to 2023, which confirms the sustainable growth trend in this segment. At the same time, revenue from UPS fell by 12.9%, which further reduces the relative weight of this segment in the overall market structure.

Figure 2 presents the structure of revenue on the postal services market over the last three years.

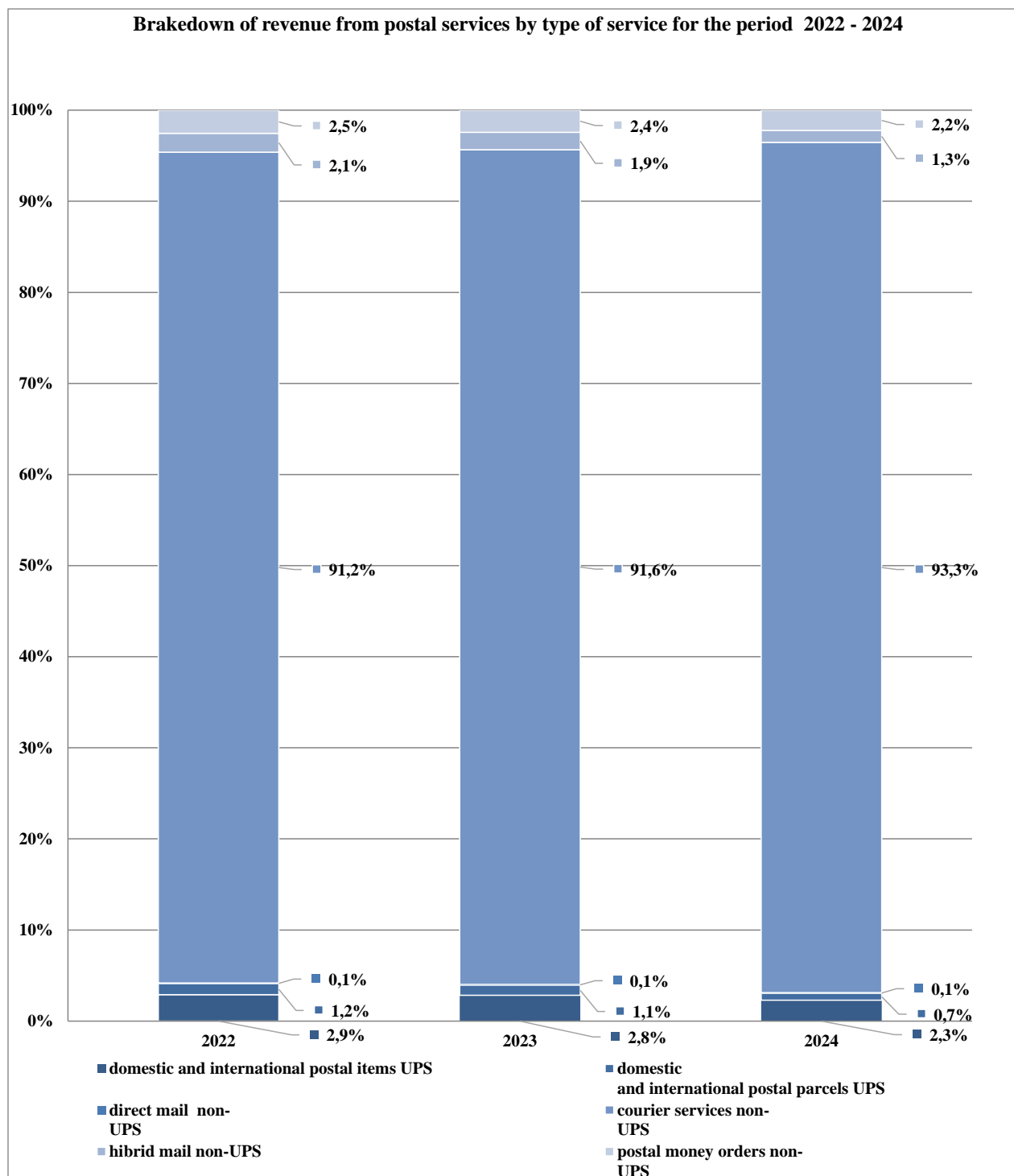


Figure 2

Note:

** The domestic and international postal items group includes domestic and international items of correspondence up to 2 kg; small packets up to 2 kg; printed matters up to 5 kg*

Source: Data submitted to CRC

The leading position of courier services continued to strengthen in 2024. Their share in the total revenue reached 93,3%, marking an increase by 1,7 percentage points compared to 2023. In absolute terms, revenue from courier services rose by 14,5% on an annual basis.

In terms of relative share, the second position is held by international and domestic postal items which accounted for 2,3% of the total revenue in 2024. In absolute terms, revenue from this service decreased by 8,7% and its relative share dropped by 0,5 percentage points year-on-year.

Revenue from the postal money order service accounted for 2,2% of the total revenue, placing it third in terms of relative share. In 2024, they recorded an increase of 2,5% in absolute terms, but their relative share in the total revenue fell by 0.2 percentage points compared to 2023.

In 2024, revenue from the hybrid mail service was down by 0.6 percentage points to 1,3% of the total revenue, with a decrease of 22,8% in absolute terms compared to the year before.

A similar trend was observed in the domestic and international postal parcels service, as its share in the total revenue dropped by 0,4 percentage points, making up as little as 0.7%. In absolute terms, revenue from this service fell by 23.9% compared to 2023.

Direct mail advertising continued to occupy the smallest relative share – 0.1%, maintaining its level from 2023. However, in absolute terms, the service marked a decrease of 1.1%.

In 2024, the volume of the postal services market, measured by the number of items, amounted to 256.1 million, which represents an increase of 7.2% compared to 2023. The largest increase was recorded in courier services, followed by direct mail advertising and postal money orders, while a decline was registered by the postal items, postal parcels, and hybrid mail services.

Table 3 presents the dynamics in the number of items in both segments (UPS and non-UPS) over the last three years.

Table 3

Number of postal services	Number (million pcs)		
	2022	2023	2024
Postal items UPS	14,8	14,6	13,3
incl. domestic and international letter mail UPS	13,6	13,5	12,3
incl. domestic and international postal parcels UPS	1,2	1,1	1,0
direct mail non-UPS	2,9	2,7	3,1
courier services non-UPS	127,8	138,6	167,2
hibrid mail non-UPS	81,6	60,6	49,6
postal money orders non-UPS	21,8	22,3	22,9
Total	248,9	238,9	256,1

Source: Data submitted to CRC

In 2024, the following changes in the number of items and services on the postal market were observed compared to the year before:

- ✓ A 20,6% growth in the number of courier services;
- ✓ A 14,3% increase in the number of direct mail advertising services;

- ✓ A 2,7% growth in the number of postal money orders;
- ✓ An 18,2% drop in the number of hybrid mail items;
- ✓ A 12.1% drop in the number of domestic and international postal parcels;
- ✓ An 8,6% drop in the number of domestic and international postal items.

Detailed information on the state and trends of development of both market segments (UPS and non-UPS) is presented in items 2 and 3 of this report.

2. PROVISION OF NON-UNIVERSAL POSTAL SERVICE (non-UPS)

2.1. Players in the non-UPS market segment

As of 31.12.2024, the number of operators registered for the provision of non-universal postal services under Art. 38, items 1-3 PSA⁵ was 166, of which 76 were active during the period under consideration. The share of operators actually providing non-universal postal services during the year decreased by 3 percentage points year-on-year.

In 2024, the hybrid mail service was provided by the following companies: Bulgarian Posts EAD, Direct Services OOD, Evropat 2000 AD, Kolbis International Transfer AD, and M&BM Express OOD.

The direct mail advertising service was again provided in 2024 by Bulgarian Posts EAD and M&BM Express OOD.

In 2024, CRC did not issue new individual licenses for the provision of PMO⁶ within the meaning of Art. 39, item 3 PSA. During the period under review, two individual licenses (ILs) for the performance of PMO were prematurely terminated at the request of the operators:

- INTERNATIONAL MAIL AND PARCEL EOOD – by CRC Decision No 335 of 21.11.2024;
- EUROVET BULGARIA EOOD – by CRC Decision No 362 of 12.12.2024.

As a result of these decisions for premature termination of ILs, the number of postal operators licensed to carry out PMO decreased to 33, two less than the year before. Of them, in 2024, activity was carried out by 19 postal operators (versus 18 in 2023), as the full list is available in Table 4.

It is important to note that INTERNATIONAL MAIL AND PARCEL EOOD is on this list, as it generated revenue from the service although its license has terminated at the end of 2024.

⁵ According to Art. 38, items 1-3 PSA, direct mail advertising, hybrid mail and courier services fall within the scope of non-UPS.

⁶For the purposes of §1 of the Additional Provision of PSA, "postal money order" is a postal service where, at a point of access to the postal network, the sender submits a cash amount and orders, by electronic means or in writing on paper, the full amount to be paid in cash to the recipient without any deduction.

Table 4

Operators that performed the PMO service in 2024		
1	BULGARIAN POSTS	EAD
2	VESIPAY	EOOD
3	DELIVERY SOLUTIONS	EOOD
4	EVROPAT 2000	AD
5	ECONT EXPRESS	OOD
6	EXPRESS PAY	EOOD
7	EASYPAY	AD
8	IN TIME	OOD
9	INTERCAPITAL GROUP	AD
10	INTERNATIONAL MAIL & PARCEL	EAD
11	CASH CREDIT	OOD
12	NOVATIO	OOD
13	POSTABIL	EOOD
14	CVC	EOOD
15	SPEEDY	AD
16	TOYOTA TIXIM	EOOD
17	TRANSPRESS DELIVERY	EOOD
18	FACTOR I.N.	AD
19	FAST PAY-HD	AD

Source: Data submitted to CRC

2.2. Volume and structure of the non-UPS market segment

In 2024, the volume of the non-UPS market segment, measured by revenue from provision of non-UPS indicator, amounted to BGN 908.9 million, with an increase of 13.4% compared to 2023 (Figure 3).

Figure 3 presents the breakdown of revenue generated for the period 2022-2024.

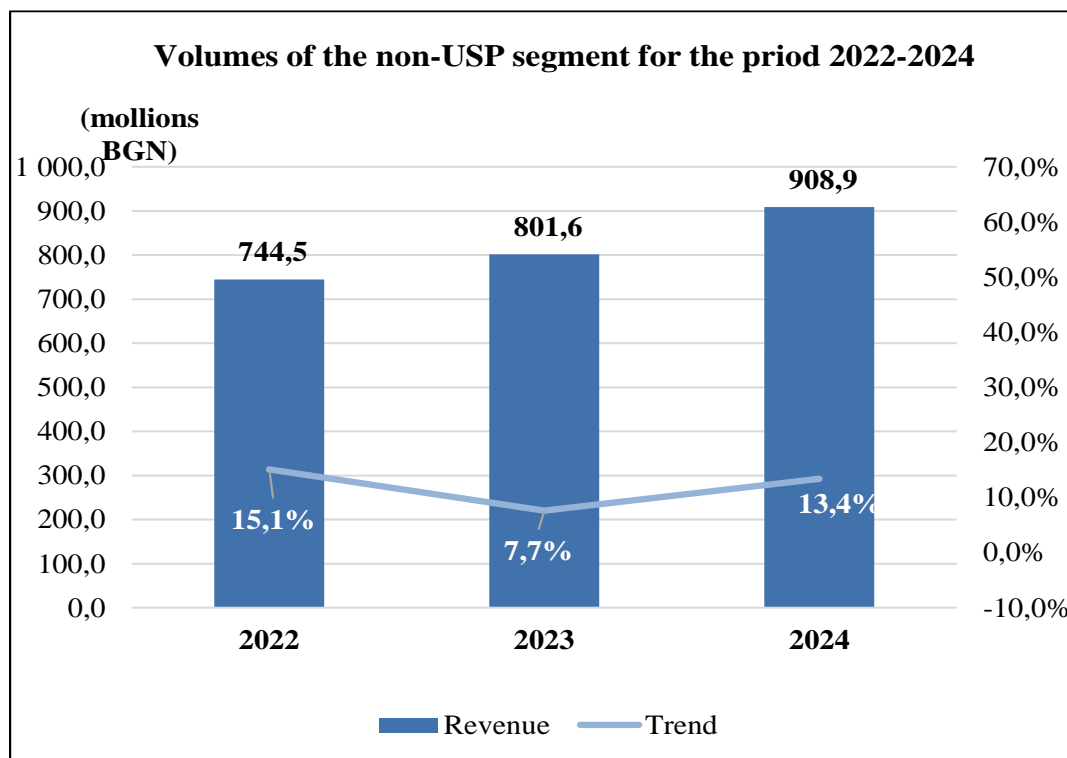


Figure 3

Source: Data submitted to CRC

In 2024, the upward trend of the last years in the segment's volume was maintained and, as compared to the previous year, revenue in the segment rose by 13.4%, reaching BGN 909 million, which represents a significant increase compared to the growth of 7.7% registered in the previous reporting year. The main contribution to this increase was made by revenue from courier services, both on the domestic and international delivery markets.

In 2024, the total number of items and services in the non-UPS segment amounted to 242.8 million, up by 8.2% compared to 2023, mainly due to the overall increase of 20.6% in the number of courier services, with a greater contribution from the 62% rise in international deliveries, compared to 16.8% for domestic ones.

Interest in services from the hybrid mail subsegment has declined, and the number of processed items has decreased by 18.2% compared to the previous period. The PMO service has maintained its growth rate, reporting a growth of 2.7%. The number of items in the direct mail advertising service increased by 14.3% in 2024 compared to the previous year.

Information on the breakdown of revenue from non-UPS by services for the period 2022-2024 is presented in Table 5.

Table 5

non - USP	Revenue (millions BGN)		
	2022 г.	2023 г.	2024 г.
1. Courier services	707,9	764,5	875,0
1.1. Domestic courier services	536,0	604,3	686,7
1.2. International courier services	171,9	160,2	188,3
2. Hibrid mail	16,0	16,0	12,3
3. Direct mail	0,8	0,8	0,8
4. Postal money orders	19,8	20,3	20,8
TOTAL	744,5	801,6	908,9

Source: Data submitted to CRC

Compared to the year before, the following changes in revenue from the non-UPS segment were observed in 2024:

- ✓ A 14.5% growth in revenue from courier services;
- ✓ A 2.5% growth in revenue from postal money orders;
- ✓ A 1.1% drop in revenue from direct mail advertising;
- ✓ A 22.8% drop in revenue from hybrid mail.

The breakdown (structure) of revenue from non-UPS for the period 2022-2024 is presented in Figure 4 below.

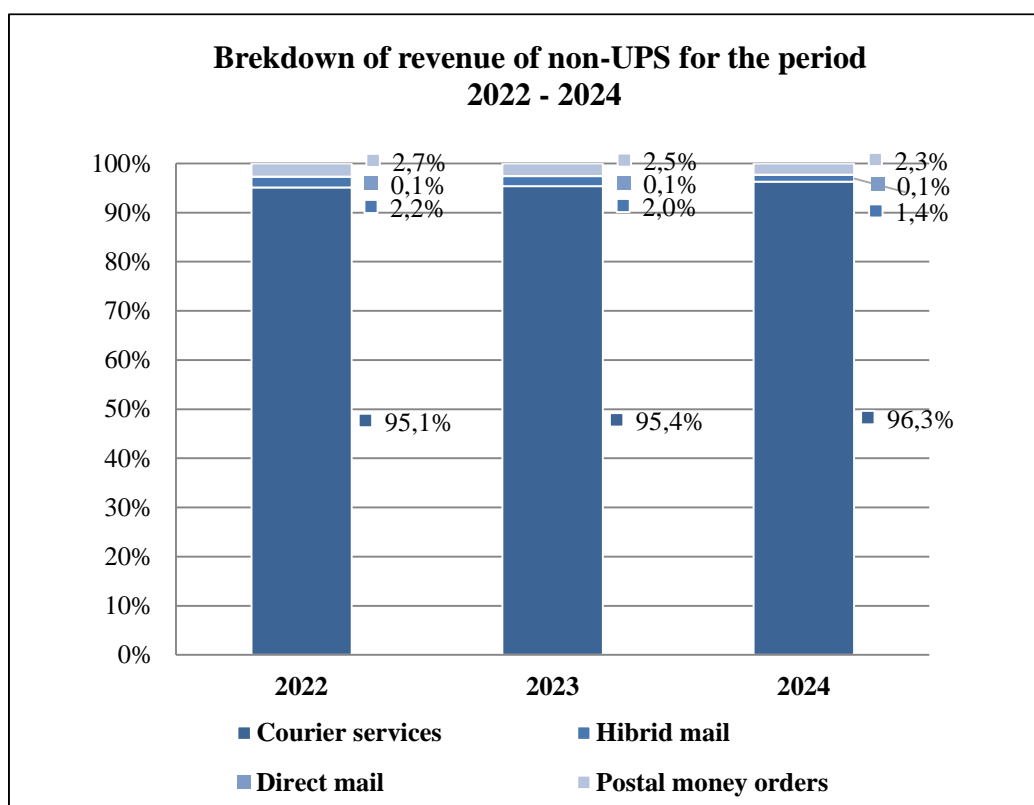


Figure 4

Source: Data submitted to CRC

In 2024, the breakdown of revenue in the non-UPS segment remained unchanged, with the dominant role of courier services even more clearly highlighted. As in previous years, revenue from this type of service formed the main part of the segment, reaching 96.3% of the total revenue, which represents an increase of 0.9 percentage points versus 2023.

Although revenue from international courier items accounted for a relative share of 20.7% in the total revenue from the segment, in absolute terms, it grew by 17.5% compared to the previous year. In comparison, the revenue growth for the country was 13.6%.

In 2024, revenue from the hybrid mail service continued to decrease, reaching a share of 1.4% in the total amount of non-UPS revenue, while in absolute terms, the reported drop amounted to 22.8% compared to the year before.

Revenue from the direct mail advertising service retained its share from the previous reporting period, down by 1.1% in absolute terms in 2024.

According to the data summarised by CRC, revenue reported from the PMO⁷ service in 2024 amounted to BGN 20.8 million, occupying a relative share of 2.3% of revenue in the non-UPS segment. Figure 5 displays the change in revenue from PMO for the period 2022-2024.

⁷ Revenue from the service is formed both from the proceeds generated by the performance of postal money orders within the meaning of item 9 of the Additional Provisions of PSA, and from revenue generated from the cash on delivery service with PMO.

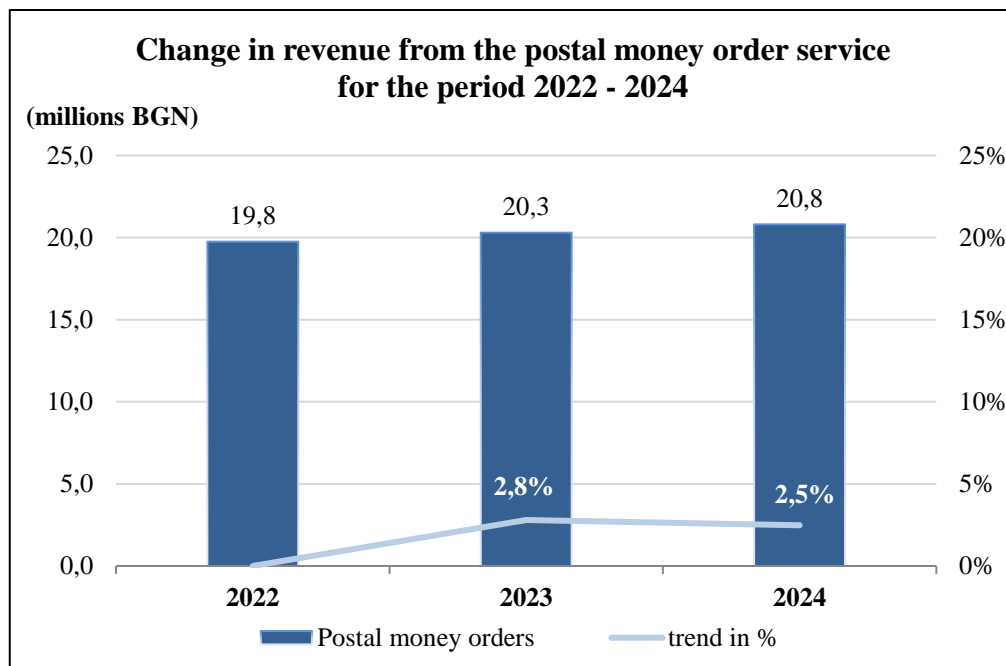


Figure 5

Source: Data submitted to CRC

Revenue from the PMO showed a stable, albeit moderate growth in the period 2022-2024. From BGN 19.8 million in 2022, it reached BGN 20.8 million in 2024, registering an increase of BGN 0.5 million year-on-year. While revenue in absolute terms continued to increase, its percentage change showed a slight slowdown in the growth rate in 2024 (2.5%) compared to 2023 (2.8%). Despite the observed increase in absolute terms of revenue from the service, its relative share of the total amount of non-UPS revenue registered a slight decrease of 0.2 percentage points over the one-year period considered.

Figure 6 displays the change in revenue from courier services for the period 2022-2024.

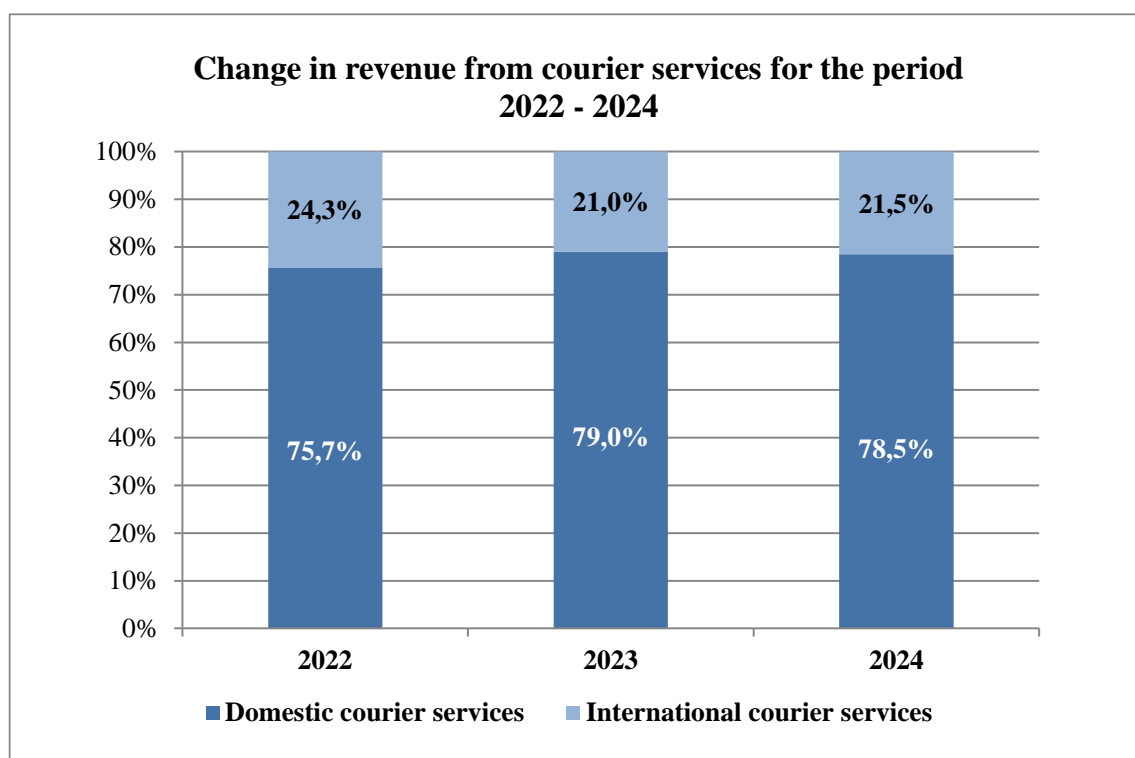


Figure 6

Source: Data submitted to CRC

In 2024, the courier services sector in Bulgaria continued to develop dynamically, maintaining its role as the main driver of the postal services market. The main factors of this growth remained the technological progress, the expanding on-line commerce, and the adaptation to changing consumer expectations for speed, traceability, and quality.

The volume of revenue from courier services was formed mainly by domestic courier services and, in 2024, there was an increase in the share of international courier services at the expense of domestic ones. In 2024, the share of international services rose by 0.7 percentage points, reaching 20.7% of the total revenue in the subsegment. At the same time, the number of operators performing this service remained unchanged compared to 2023.

After several years of high market dynamics, 2024 is marked by a partial normalisation of the economic environment, including a decrease in inflation rate and a recovery of consumer demand in both the domestic and European markets. This has led to increased activity, reflected in the growth of on-line commerce and the rise in international courier deliveries.

According to the data submitted by the postal operators, in 2024, revenue from e-commerce items increased by approximately 79% compared to the data for 2023, with more than double increase in the number of items. The intensified competition in the sector has stimulated the development of alternative delivery options, which in turn has led to reduced costs and the provision of more competitive pricing conditions for traders.

According to the European Commerce Report 2024, published by the Bulgarian E-Commerce Association (BEA) in its 7th edition of "PASSPORT 2024 of the E-Commerce Industry in Bulgaria", the share of e-commerce⁸ from the country's GDP in 2024 is approx. 2.34%, reaching

⁸ <https://beabg.com/2024/12/06/bea-anonsira-7-to-izdanie-pasport-2024-na-ecommerce-industrijata-v-bulgaria/>

up to EUR 2.34 billion, where the level of development of e-commerce is determined by the ratio of the volume of e-commerce to the country's GDP (e-GDP). The edition states that, in the European countries, the e-GDP ratio is on average about 4% - 5%, in Greece - 7.87%, in Romania - 3.32%, and forecasts indicate that the Bulgarian on-line market in the next 3-5 years will have huge potential for development.

The data from a BEA survey conducted between September and October 2024, covering more than 4.9 million on-line orders, shows an upward trend in contactless deliveries to a courier locker, click & collect (order placed on-line with a pick-up from a physical store), and increased bank and mobile payments as well as card payments at the expense of cash on delivery.

During the reporting period, according to data of the National Statistical Institute (NSI)⁹, 49.8% of all consumers have shopped on-line, which is an increase of 4.6 percentage points compared to 2023. According to NSI data, in 2024, 78.9% of all on-line buyers responded that they ordered clothes (sportswear, shoes, accessories such as bags, jewelry), and 32.7% declared that they have purchased cosmetics, beauty and health products, and the same share declared having purchased sports goods (excluding sportswear).¹⁰

2.3. Market shares and state of competition in the non-UPS market segment

Table 6 presents the evolution of the market shares of the top three postal operators in the non-UPS segment (excluding the PMO service) and all other operators in total.

Table 6

Operators in the non-UPS segment	Market share (revenue based)		
	2022	2023	2024
Econt Express AD	38,4%	39,9%	40,2%
Speedy AD	34,6%	33,8%	32,8%
DHL Express Bulgaria EOOD	8,2%	7,6%	6,7%
All other	18,8%	18,7%	20,3%

Source: Data submitted to CRC

In 2024, as in the previous reporting periods, the main part of revenue in the non-UPS segment was formed by the main competitors Econt Express AD with 40.2% and Speedy AD with 32.8%. Econt Express AD retained its positive trend, increasing its market share by 0.3 percentage points. The second largest, Speedy AD, reported a fall of one percentage point compared to 2023. The third place remained for DHL Express Bulgaria EOOD with a market share down by 0.9

⁹ <https://www.nsi.bg/statistical-data/314/914>

¹⁰ <https://www.nsi.bg/statistical-data/314/912>

percentage points, decreasing to 6.7%, while in a one-year period, the share of all other operators grew by 1.6 percentage points.

Over a one-year period, the share of the incumbent operator Bulgarian Posts EAD also registered a decline, down to 1.5%.

In the reporting year, no significant changes in the segment were observed that could change the value of the CR5¹¹ indicator which measures the competition in the non-UPS market segment (excluding the PMO service). The market concentration ratio remained relatively stable in 2023.

In addition, digitisation and global integration of e-commerce, including the growing presence of Chinese on-line platforms, are leading to new challenges and opportunities for postal operators. In response to these trends, in 2024, there was a double increase in the number of automated post offices (“post lockers”) in the country – up by 122% compared to 2023, reaching 3,142 pcs.

2.3.1. Market shares and competition in the PMO market segment

Table 7 shows the evolution of the market shares of the top three postal operators in the PMO subsegment and all other operators in total.

Table 7

Operators in the PMO segment	Market share (revenue based)		
	2022	2023	2024
"Econt Express" AD	53,4%	50,5%	45,9%
"Speedy" AD	31,8%	33,8%	37,3%
„Bulgarian Post“ EAD	9,3%	8,2%	7,0%
All other	5,5%	7,4%	9,7%

Source: Data submitted to CRC

During the period 2022-2024, there were distinguishable changes in the distribution of market shares among the participants in the PMO subsegment, measured on the basis of generated revenue. The consolidation of the market around the two leading operators – Econt Express AD and Speedy AD - has been maintained, with the second operator in market share showing growth that brings it significantly closer to the leading position of Econt Express AD.

¹¹ (CR - Concentration Ratio) is a concentration indicator that characterises not the entire market, but only the position of the largest participants in it. When calculating CR5, the market shares of the first five operators were taken, according to data submitted to the CRC with the annual questionnaires for the operators' activity in 2024.

Econt Express AD has retained its leading position on the market throughout the period, but with a tendency toward a gradual decrease in its relative share – from 53.4% in 2022 to 45.9% in 2024, registering a second consecutive year of decline in the generated revenue. This represents a drop of 7.5 percentage points over the whole period and a decline of 4.5 percentage points over the one-year period considered. During the reporting period, the registered withdrawal of the company's revenue in absolute terms is equal to 6.7%.

Speedy AD demonstrated a steady growth rate of its market share, up each year under review – from 31.8% in 2022 to 37.3% in 2024. On a one-year basis, the company has increased its market share by 3.5 percentage points, and the total increase in market share during the three-year period under consideration was 5.5 percentage points. In 2024, the increase in revenue in absolute terms was 13%.

Bulgarian Posts EAD continued to lose market share in each of the years under consideration. From 9.3% in 2022, its share dropped to 8.2% in 2023 and 7.0% in 2024, making up a total decline of 2.3 percentage points. The revenue from the provision of PMO during the reporting period has decreased in absolute terms by 12.7%, which leads to a decrease in its relative share in the total amount of revenue from PMO (by 1.2 percentage points).

The aggregate market share of the other postal operators providing the PMO service registered growth for the second consecutive year - from 5.5% in 2022, their share increased to 7.4% in 2023 and to 9.7% in 2024. However, it should be noted that the share of these operators remains relatively modest in the total market share, with limited influence on the market dynamics of the subsegment. The growth registered over the last two years is not a sign of increasing market fragmentation, but is the result of the expanding presence of DELIVERY SOLUTIONS EOOD which managed to establish itself as the fourth largest participant in the subsegment in the course of two reporting years.

The data for the period 2022-2024 show a change in market shares in the PMO subsegment. Although Econt Express AD retains its leadership, the downward trend in its share and the strong growth of Speedy AD signal increasing competition between the two main operators. The continuing decline of Bulgarian Posts EAD and the growing aggregate market share of the other postal operators, led by DELIVERY SOLUTIONS EOOD, also contribute to the change in market shares.

Summary:

In 2024, as regards the non-UPS segment, the following was observed:

- ✓ A growth of the total revenue from the non-UPS, mainly due to the increase of revenue from both domestic and international courier services;
- ✓ The growth of e-commerce continued to be the main driver for courier services development;
- ✓ A growth in the number and revenue from postal money orders, which is mainly due to the revenue generated from the cash on delivery service with PMO which is widely used in on-line commerce;
- ✓ A growth in the number items in the direct mail advertising service;
- ✓ A significant decline in the number of items and revenue generated from hybrid mail due to the increasing digitisation and changes in consumer behaviour;

✓ The digital economy continues to transform the sector, with an increasing role of on-line platforms that apply digital communication services, rely on electronic networks, and offer price comparison, logistics, and support services. The postal services market is threatened by the competitive pressure from specialised operators, niche operators, subcontractors, and other service providers;

✓ In response to the dynamically changing consumer requirements, operators optimise deliveries by significantly increasing the number of automated points of access to postal networks (delivery lockers).

3. PROVISION OF UNIVERSAL POSTAL SERVICE (UPS) AND SERVICES WITHIN ITS SCOPE

3.1. Scope and players in the UPS market segment

Pursuant to Art. 34, para. 1 PSA, UPS includes the following postal services:

a) Acceptance, transport and delivery of the following domestic and international postal items:

- items of correspondence up to 2 kg;
- small packets up to 2 kg;
- printed matters up to 5 kg;
- items for blind and visually impaired persons up to 7 kg;
- domestic and international postal parcels up to 20 kg.

b) Additional “registered” and “declared value” services.

As of 31.12.2024, the number of postal operators¹² licensed to perform the services under Art. 39, items 1 and 2 PSA, which are entered in the Public Register,¹³ was 12.¹⁴ The license under 39, items 1 and 2 PSA of Tip Top Courier AD was prematurely suspended, the company was declared bankrupt and its commercial activity was terminated on 29.05.2024, according to the Commercial Register.

In 2024, six of these undertakings declared that they did not operate under their individual licenses: Toyota Tixim EOOD, Fasto Courier EOOD, A1 Trade EOOD, Arii EOOD, GT Logistics OOD, Speedy AD.

¹² An individual license within the meaning of the PSA is an individual administrative act issued: for the performance of UPS on the entire territory of the country by an operator assigned with the obligation to perform this service; for the performance of services included in the scope of UPS.

¹³ <https://crc.bg/ords/f?p=723:90:6719594838111::90::>

¹⁴

Table 8

Licensed providers		Services provided
1	Bulgarian Posts EAD	obligation to provide all services within the scope of UPS on the territory of the whole country pursuant to Art. 34 (1) PSA*
2	Econt Express AD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
3	M&BM Express OOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
4	Star Post OOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
5	Speedy AD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
6	Fasto Courier EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
7	Tavex EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1), items 2 and 4 PSA**
8	Toyota-Tixim EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
9	A1 Trade EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1), items 1 and 4 PSA***
10	Arii EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
11	GT Logistics OOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA
12	DV Post EOOD	provision of services included within the scope of the universal postal service pursuant to Art. 36b (1) in conjunction with Art. 34 (1) PSA

Note:

* The provisions of Art. 32, Art. 33, Art. 65 (2) and (3), as well as the rules under Art. 66 PSA are applied

** Acceptance, transport and delivery of domestic and international postal parcels up to 20 kg and the additional “registered” and “declared value” services.

*** Acceptance, transport and delivery of domestic and international postal items: items of correspondence up to 2 kg; small packets up to 2 kg; printed matters up to 5 kg; items for blind and visually impaired persons up to 7 kg; and the additional “registered” and “declared value” services.

3.2. Volume and structure of the UPS market segment

In 2024, the volume of the universal postal service (UPS) market segment, measured by revenue from UPS and services within its scope, amounted to BGN 29 million.

Figure 7 presents the dynamics in revenue from services included in the UPS segment for the period 2022-2024.

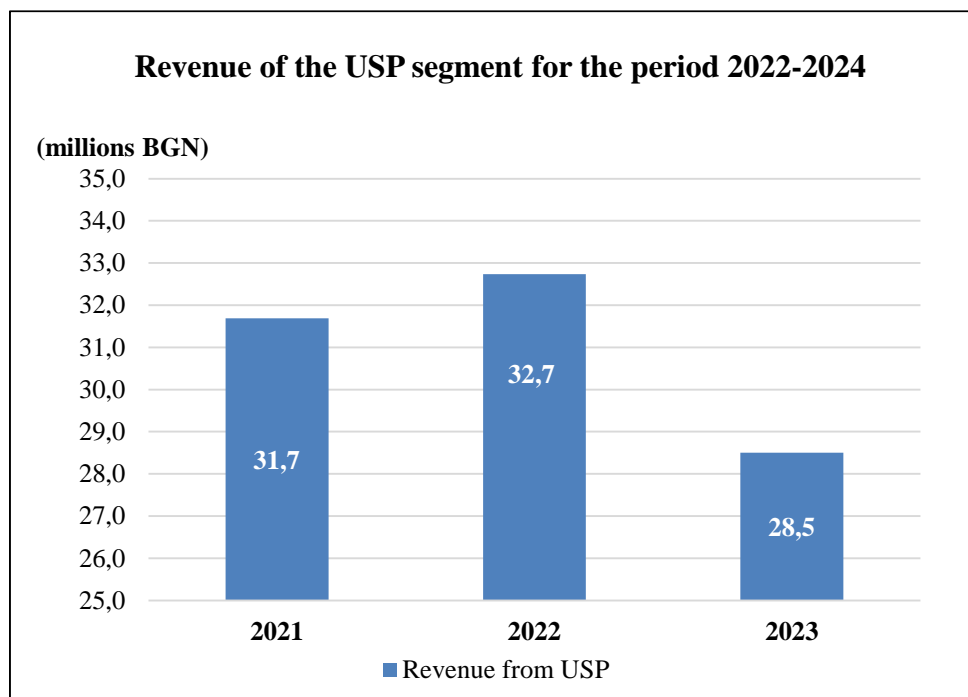


Figure 7

Source: *Data submitted to CRC*

The data presented in the figure show a decline, with the registered decrease compared to 2023 being 12.9%.

The reported decline confirms the negative trend in the segment of sustainable reduction of both revenue and the number of processed items within the UPS. During the three-year period under review, consumer attitudes remained unchanged, with preferences continuing to be oriented toward non-universal postal services that offer higher speed, reliability, flexibility, traceability, and more advanced technological solutions for postal items delivery - advantages that the UPS fails to compensate for in its current form.

In the past year, as in the previous reporting periods, no new individual licenses to perform UPS were issued and only six of all licensed operators declared that they actually provided services from this segment.

These facts confirm the low interest in entering the UPS market segment. The main part of the revenue continued to be formed by Bulgarian Posts EAD as an operator with an obligation to provide the UPS.

A key factor in changing development trends in the segment is both the identification of a new, more flexible UPS range¹⁵ to meet the actual needs of users for more flexible and market-oriented services, and the introduction of changes that meet the increasing demands for speed, reliability and more convenient points of access that would increase its competitiveness.

¹⁵ The scope of UPS in Bulgaria has not been changed since the beginning of the assignment of the obligation to perform the service – since 30.12.2010.

Table 9 provides information on the structure of revenue from the provision of services within the scope of UPS.

Table 9

UPS	Revenue (millions BGN)		
	2022	2023	2024
Domestic postal items	16,7	17,5	15,8
1. Items of correspondence up to 2 kg	10,7	11,6	11,2
2. Small packets up to 2 kg	1,0	1,2	0,5
3. Printed matters up to 5 kg	0,079	0,087	0,086
4. Items for blind and visually impaired persons up to 7 kg	0,001	0,005	0,000
5. Postal parcels up to 20 kg	4,9	4,7	4,0
International postal items	15,0	15,2	12,7
1. Priority and non-priority postal items	10,7	10,7	9,7
2. International postal parcels 31.5 kg	4,3	4,5	3,0
TOTAL	31,7	32,7	28,5

Source: Data submitted to CRC

The main changes reported in terms of revenue generated from services in the UPS market segment in 2024 are as follows:

- ✓ a 1.2% decrease in revenue from domestic printed matters up to 5 kg;
- ✓ a 3.7% decrease in revenue from domestic items of correspondence up to 2 kg.
- ✓ a 9.3 % decrease in revenue from international priority and non-priority postal items;
- ✓ a 13.7% decrease in revenue from domestic postal parcels up to 20 kg;
- ✓ a 34.5% decrease in revenue from international postal parcels up to 31.5 kg;
- ✓ a 52.5% decrease in revenue from domestic small packets up to 2 kg.

3.2.1. Breakdown of revenue from domestic postal items

Figure 8 presents the breakdown of revenue generated from domestic postal items for the period 2022-2024.

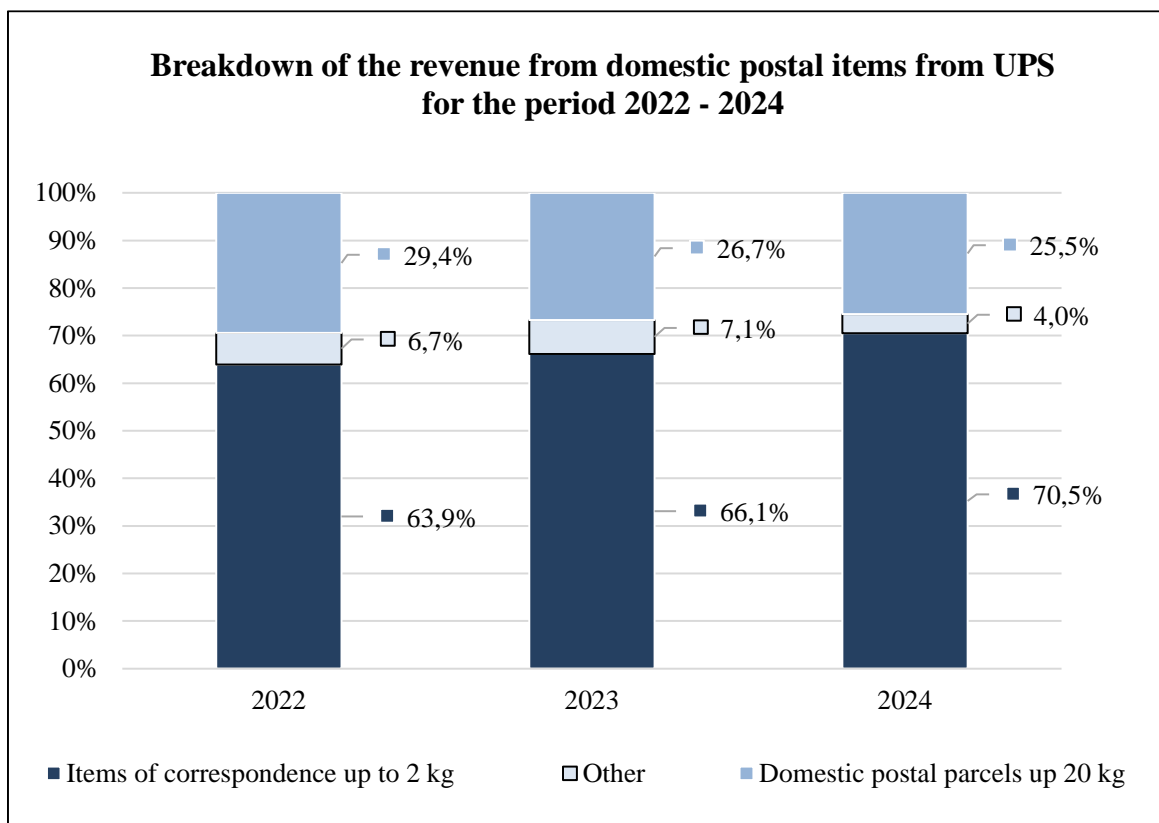


Figure 8

Source: *Data submitted to CRC*

The data show relative stability in the distribution of revenue by types of services, without significant structural changes compared to previous years. In 2024, items of correspondence up to 2 kg strengthened their leading position and despite the registered decrease of 3.7% in their revenue compared to 2023, their relative share of the total revenue from domestic postal items rose by 4.3 percentage points, reaching 70.5%. The prevailing burden of items of correspondence confirms that traditional services within the UPS still play a role in the postal market, despite a shrinking overall volume.

The second place continued to be held by domestic postal parcels up to 20 kg with a share of 25.5% in 2024, with a decrease of 1.2 percentage points compared to the year before.

The “Other” category, which brings together services such as small packets up to 2 kg, printed matters up to 5 kg, and items for the blind up to 7 kg, accounts for only 4% of the total revenue. Compared to 2023, this share decreased by 3.1 percentage points, which is an indicator of a shrinking demand for these services, due to digitisation and their replacement by other delivery channels.

3.2.2. Breakdown of revenue from international postal items

Figure 9 presents the breakdown of revenue generated from international postal items within the UPS for the period 2022-2024.

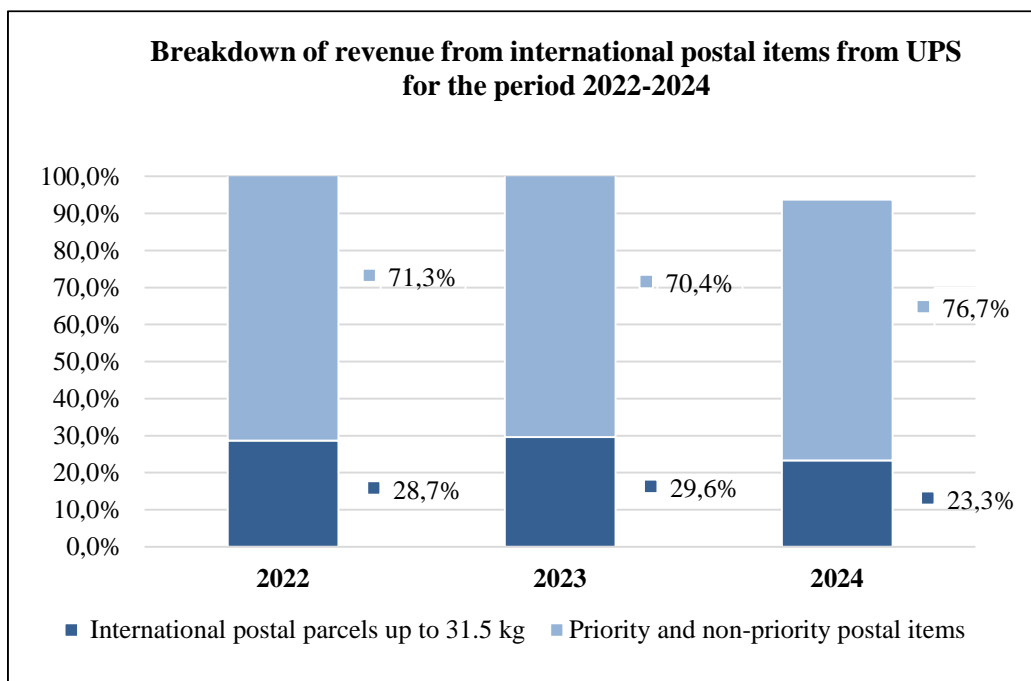


Figure 9

Source: Data submitted to CRC

The data presented show some fluctuations in the relative share of the different categories of services, but without a significant change in the overall structure, with revenue continuing to be formed mainly from priority and non-priority postal items. In 2024, these items occupied a share of 76.7% - an increase of 6.3 percentage points compared to 2023. Thus, the trend observed in the previous two years, where international postal parcels up to 31.5 kg saw an increased share, was discontinued. In 2024, the share of parcels dropped to 23.3%, compared to 29.6% in 2023.

3.3. Users of services in the UPS market segment

According to § 1, item 13 of the Additional Provisions of PSA, a “consumer” is any natural or legal person who uses postal services either as a sender or recipient. For the purposes of this report, users of services in the UPS market segment are classified as individual consumers and business users.

In 2024, according to the data submitted to CRC, the share of items submitted by individual consumers in the UPS market segment continued to decline, down by 1.4 percentage points to 37.9%.

Figure 10 shows the structure of the total items sent by and services provided to business users in the UPS segment.

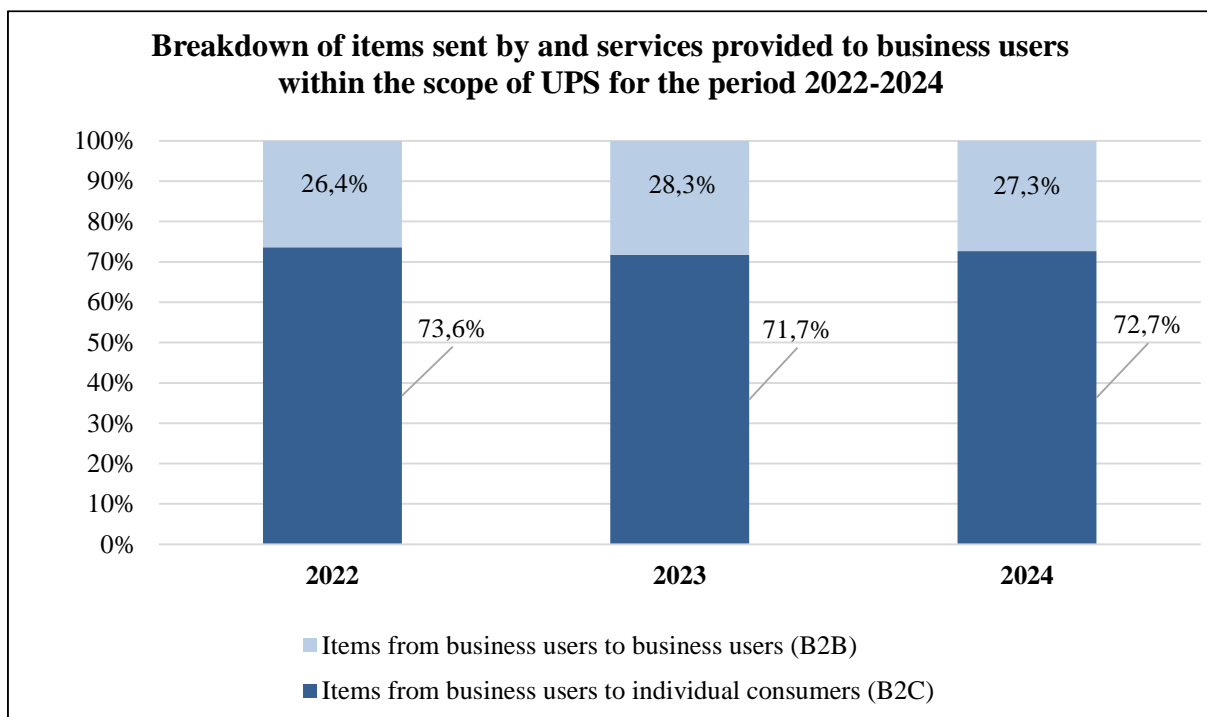


Figure 10

Source: Data submitted to CRC

The structure of items and services sent by business users within the scope of the Universal Postal Service (UPS) remained relatively stable during the period 2022-2024. The share of items from business users to individual consumers (business to consumer – B2C) continued to play a leading role. In 2024, there was a minimum decrease of 1 percentage point in the share of items sent by business users to other business users (business to business – B2B) compared to the previous reporting period.

The data for 2024 show that the ratio between the types of UPS postal items provided by Bulgarian Posts EAD remained unchanged compared to the previous reporting period – 70% share for B2C services vs. 30% share for B2B, respectively. Among the individual users of the incumbent operator, the most popular were the non-registered items of correspondence up to 2 kg, small packets up to 2 kg, and postal parcels up to 20 kg (with and without declared value). The UPS business users preferred non-registered and registered items of correspondence, both domestic and international.

During the same period, Econt Express AD reported a ratio of 89% B2C to 11% B2B items, which represents a drop of 25% of the submitted B2B items and discontinues the trend observed in recent years of slow growth of the share of items sent by business users to other business users.

3.4. Market shares and competition in the UPS market segment

The table below presents the market shares of the postal operators providing UPS on the basis of revenue reported by them for the period 2022-2024.

Table 10

Operators in the UPS segment	Market share (revenue based)		
	2022	2023	2024
"Bulgarian Posts" EAD	82,5%	85,2%	86,0%
"Econt Express" AD	13,8%	12,2%	12,7%
All other	3,6%	2,6%	1,2%

Source: *Data submitted to CRC*

Throughout the analysed period, Bulgarian Posts EAD has confirmed its dominant position on the UPS market segment. In the current reporting period, the observed increase in its market share was 0.8 percentage points.

Econt Express AD is the second most important operator in the segment, reporting a slight increase in its market share by 0.5 percentage points in 2024, reaching 12.7%.

The aggregate market share of the other postal operators (M&BM Express OOD, Star Post OOD, Tavex EOOD and DV Post EOOD) formed a total market share of only 1.2%, which is a decrease of 1.4 percentage points compared to 2023. This further highlights the limited interest and market passivity outside Bulgarian Posts EAD and Econt Express AD.

The reported revenue figures in 2024 show that Bulgarian Posts EAD increased its market share in revenue from items of correspondence up to 2 kg by 1.0 percentage point, reaching 95%. For the small packets up to 2 kg, printed matters up to 5 kg as well as international postal items, the share of the historical operator is 100%.

Econt Express AD occupied the largest share of revenue from the provision of domestic postal parcels up to 20 kg – 85% of all reported revenue, although in 2024 its share of the total revenue in the segment fell by 0.5 percentage points year-on-year.

Summary:

In terms of the UPS market segment, the following was observed over the period considered:

- ✓ A 12.9 % drop in revenue from UPS compared to the previous year, which confirms the downward trend observed in recent years;
- ✓ An 8.9% decrease in the total number of processed items and services in the segment;
- ✓ A lasting change in consumer attitudes, expressed in preferring non-UPS which offer greater flexibility, traceability, and modern technological solutions;
- ✓ A stronger leadership position of Bulgarian Posts EAD in the provision of UPS;
- ✓ Lack of new participants in the segment – there was no interest in providing the services under Art. 39, item 2 PSA, which highlights the low economic attractiveness and market activity.

4. Prospects for development of the postal services market

As a result of the analysis carried out in this report, a number of trends have emerged that have been valid in recent years and form the basis for the future development of the postal market in Bulgaria:

- The decline in the consumption of services within the scope of UPS and a lack of interest in providing the services under Art. 39, item 2 PSA by new participants;
- Courier services remain a major driver in the market, supported by the growing e-commerce, especially in the B2C segment;
- The changed consumer attitudes impose new business solutions, innovations and models related to the delivery of items and meeting the growing consumer requirements for reliability, convenience, speed, and sustainability;
- The sustainability in the sector is becoming increasingly important – operators invest in environmental solutions, including electric vehicles and optimised routes;
- The expansion of the postal sector.

Based on the outlined trends, we may derive the following prospects for development of the postal market for a one-year period:

- Continued growth in the total volume and revenue of the postal services market;
- Maintaining a high growth rate in the courier segment, both by number of items and by revenue;
- Preserved upward trend in the number and revenue from items generated through e-commerce, especially in the B2C segment;
- An increase in the number of participants in the postal market in the courier services subsegment;
- Continued development of the infrastructure of postal operators and the services they offer, with a focus on sustainability and efficiency in the delivery of postal items;
- Implementation of various options for delivery of postal items outside the home, including a significant increase in the number and types of postal lockers as a point of access to postal networks;
- Promoting technological solutions based on digital traceability, electronic notifications, and integration with mobile platforms.
- Maintaining the UPS market segment as poorly competitive with a high level of concentration, with a market share of the UPS provider above 86%;
- Continued decrease in the volume of items and revenue from UPS and a potential decrease in the number of operators actually providing services within the scope of UPS;
- Intensification of operators' efforts to reduce carbon emissions and implement environmentally responsible practices – in line with the European goals for green transformation.
- Entry of new participants in the postal market – companies providing fulfilment¹⁶ services to on-line traders and logistics companies carrying out and transporting items.

¹⁶ Fulfilment (from English: Order Fulfilment) is the process of receiving, storing, packing and delivering orders to the customer. This process is critical for the efficient operation of on-line stores, helping to optimise time and cost by using logistics partners.

5. Analysis of the state of UPS according to the PSA requirements

The present analysis covers some of the basic requirements that characterise UPS: provision of countrywide UPS, affordability of its prices, and compensating the unfair burden from the imposed obligation with a view to ensuring conditions for the provision of UPS.

5.1. Provision of UPS on the entire territory of the country

By a special provision of PSA (Art. 24 PSA and § 70 of the Transitional and Final Provisions of the Law on amendment and supplement of PSA, prom. SG, no. 102 of 2010), an obligation to perform UPS was awarded to BP for a period of 15 years, which expires on 31.12.2025.

The obligation to perform UPS requires from BP to provide the service every working day, at least 5 days a week, and provides for at least one collection of postal items on every working day from the access points and one delivery to recipients. PSA allows an exception to the frequency of delivery and collection of postal items for the settlements that meet the criteria adopted by CRC on the basis of Art. 15, para. 1, item 10 PSA: Criteria for determining the difficult-to-access areas in the country and the settlements located there.

On the basis of the provisions of PSA and the defined requirements regarding the performance of UPS by BP, CRC monitors the implementation of:

- provision of UPS on the entire territory of the country, ensuring the possibility of its use by any user, regardless of their geographic location;
- provision of UPS at the points of access to the postal network of the incumbent operator within the working hours and with frequency of collection and deliveries corresponding to the requirements of Art. 33 PSA;
- provision of UPS with a quality corresponding to the targets under Art. 15, para. 1, item 7 PSA;
- provision of the services within the scope of UPS at affordable prices, equal for the same services on the entire territory of the country, including the provision of UPS free of charge in the cases under Art. 80 PSA.

To inspect the fulfilment of the assigned obligation to provide UPS on every working day, “at least five days a week”, as well as for “at least one collection” of postal items on every working day, in 2024, authorised employees of CRC carried out 65 scheduled inspections in a certain sample of post offices of BP throughout the country. As a result, no deviations were found regarding compliance with the provisions of Art. 33 PSA. The inspections were carried out in post offices in settlements not included in the List of settlements located in difficult-to-access areas.

According to data provided by the operator, as of 31.12.2024, the number of post offices of the company was 2,971. Of them, 631 were located in urban areas, and 2,340 were located in rural areas. Out of the post offices in rural areas, 762 were located in settlements with population of over 800 residents, 1,297 were in settlements with population of over 150 and below 800 residents, and 267 were in settlements with population of less than 150 residents.

Apart from post offices, postal services in settlements in the country are also provided through postal agencies and inter-settlement postmen. The number of settlements serviced in any of the above manners totalled 5,106. There are 4,325 letterboxes for collection of unregistered

items of correspondence in use. For the country, the average population serviced by one post office is 1,602 residents.

According to the provision of Art. 33, para. 1, item 2 PSA, in 2024, CRC received a proposal from the incumbent operator for addition to the List of settlements and settlement formations located in difficult-to-access areas, consisting in the inclusion of two settlements and a change in the number of working days in which UPS is provided in a total of 13 settlements meeting the difficult-to-access criteria.

As a result, the Commission adopted Decision No 163 of 12 June 2024 to endorse an amendment and supplement of the proposed changes to the List of settlements and settlement formations located in difficult-to-access areas.

The List of settlements and settlement formations located in difficult-to-access areas is available on the CRC's website at the following address: <https://crc.bg/bg/rubriki/226/regulirane-naposhtenskite-uslugi>.

5.2. Price affordability of postal services within the scope of UPS

According to the current legislation, only the prices for UPS of the incumbent operator are subject to regulation by CRC. They are formed and applied pursuant to the requirements of the Ordinance on determination of rules for formation and application of the prices of the universal postal service (the Ordinance), the Methodology for determination of the affordability of the universal postal service price (the Methodology) and Art. 66, para. PSA.

In the past year, BP submitted to CRC a proposal to change the prices of the UPS services, as the change covered:

- domestic “priority/non-priority” letter mail, format P, G;
- international “priority/non-priority” letter mail, format P, G and E;

After an analysis of the documents submitted by the incumbent operator, pursuant to Art. 15, para. 1, item 14, in conjunction with Art. 27, item 1, Art. 65, para. 2 and 3 PSA, in conjunction with Art. 4, para. 1 and Art. 9, para. 1 and 2 of the Ordinance on determination of rules for formation and application of the prices of the universal postal service, Art. 7 of the Methodology for determination of the affordability of the universal postal service price, and pursuant to Art. 60, para. 1 of the Code of Administrative Procedure, by Decision No 294 of 24.10.2024, CRC coordinated the prices of UPS services.

Pursuant to Article 6 of the Regulation of the European Parliament and of the Council on cross-border parcel delivery services (EU) 2018/644 (the Regulation), in 2024, for the sixth consecutive year, CRC carried out an assessment of the conformity of cross-border tariffs for single parcels of the incumbent operator with the principles in Article 12 of the Postal Directive.

For the purpose of the assessment, an analysis was made of the extent to which the prices of 5 services of BP (registered letter mail up to 500 g; registered letter mail up to 1 kg; registered letter mail up to 2 kg; parcel up to 1 kg, and parcel up to 2 kg) can be defined as unreasonably high, taking into account the provisions of Art. 6, para. 2 of the Regulation.

By its Protocol Decision No 1 of 27.06.2024, CRC adopted an assessment according to which the prices of five services covered each of the elements included in Art. 6, para. 2 of the Regulation and that it had no reason to believe that the prices of Bulgarian Posts EAD by category

of items by country are unreasonably high. The assessment was prepared on the basis of calculations made in applying the filter mechanism based on the median tariffs.¹⁷

Subject to the requirements of the Regulation, the Commission's assessment was sent to the European Commission in due time.

5.3. Assessment for the presence of unfair financial burden incurred by the provision of the universal postal service

UPS is a service of general economic interest and is provided under conditions other than normal commercial conditions. In this regard, the law provides that the incumbent operator BP will receive compensation from the state budget when the obligation leads to net costs and represents an unfair financial burden for it.

In accordance with the provision of Art. 29a PSA, in 2024, BP submitted to CRC an application for compensation of the net costs and the unfair financial burden of providing the service in 2023.

In compliance with its powers under Art. 29a, para. 4 and para. 5 PSA, CRC concluded a contract with KPMG AUDIT OOD with subject: "Inspection of the implementation of the costs allocation system of BP and audit of the submitted documents related to the calculation of net costs from the provision of the universal postal service for 2023". Based on the factual findings from the performed audit, CRC adopted the following decisions:

Decision No 249 of 28.08.2024 on coordination of the results obtained from the cost allocation system by type of service of BP in 2023;

Decision No 250 of 29.08.2024 concerning the total amount of net costs from the provision of the universal postal service and the presence of unfair financial burden for BP due to the provision of UPS in 2023.

A summary of the report on factual findings from the performed audit was published in compliance with the requirements for trade secret preservation on the CRC's website, in section "Areas of Regulation", column "Regulation of postal services" - "Results from inspections by independent auditors".

II. FULFILMENT OF UPS QUALITY TARGETS

The requirement for independent measurement of the end-to-end transit time for postal items is in line with the applicable standard of the European Committee for Standardisation (CEN) EN13850 Postal Services - Quality of Services".

Measurement of the end-to-end transit time for single-piece priority mail and first class mail. In accordance with the provisions of Art. 15, para. 1, item 7 PSA, following a public procedure, CRC selected Global Metrics EOOD as the contractor of a public procurement with subject: "Measurement of the fulfilment of the quality targets of the universal postal service on the basis of Art. 15, para. 1, item 7 of the Postal Services Act in 2024.

¹⁷ A filter mechanism described in the EC Guidelines for the assessment of cross-border tariffs, which compares the median values of the tariffs for sending different types of items from Bulgaria to other countries with the median values of the tariffs at which other countries send items to Bulgaria

In 2024, for another year, the set targets were not reached, as evidenced by the results of the measurement of the end-to-end transit time for single-piece priority domestic postal items in the network of the operator obliged to perform the universal postal service.

Priority domestic postal items

As is evident from Table 11, with quality target for the end-to-end transit time for priority mail for D+1 - not less than 80%, and for D+2 - not less than 95%, the results from the measurement for timely delivered postal items in 2024 were 49.1% and 88.6%, respectively.

Table 11

End-to-end transit time for priority mail	Quality targets ¹⁸	Results 2022	Results 2023	Results 2024
D+1 ¹⁹	Not less than 80% of the postal items	67,1%	51,8%	49,1%
D+2	Not less than 95% of the postal items	91,0%	84,0%	88,6%

Source: Data of Global Metrics EOOD received by CRC

During the measurement period from 01.01.2024 to 31.12.2024, priority mail failed to reach the quality target, with only 49.1% of the items delivered within D+1 with a quality target of minimum 80%, and within D+2 – 88.6% with a target of 95%.

As shown by the last year's data, the result for D+1 approximately retained the level of the previous year, but was by 30.9% below the target. A slight increase of 4.6% was observed with the result for D+2, with 6.4% still needed to meet the target.

Cumulative percentage²⁰ of priority items delivered within D+1 to D+10. Percentage of timely delivered priority items in the period 2022 - 2024

In the period from 2022 to 2024, the requirements of targets regarding the time for conveyance of priority postal items were not achieved.

Information on priority postal items delivered between D+1 and D+10 from January to December for the years 2022 to 2024 is presented below, where the lower and upper limits of items delivered are shown, according to the established target.

¹⁸ The quality targets for the universal postal service were adopted by CRC Decision No. 655 of 14.07.2011, prom. SG, no. 64 of 19.08.2011, amended and suppl. by CRC Decision No 154 of 9 April 2020, SG, no. 39 of 28.04.2020;

¹⁹ D+n is the end-to-end transit time where D is the date of submission and n is the number of working days between the date of submission and the date of receipt.

²⁰ The results are cumulative, i.e. include the entire measurement period from January to December 2021, 2022, 2023.

The 2024 data displayed in Figure 11 shows that in the case of priority postal items, the largest increases in the cumulative share were observed between D+1 and D+2 – from 49.1% to 88.6%.

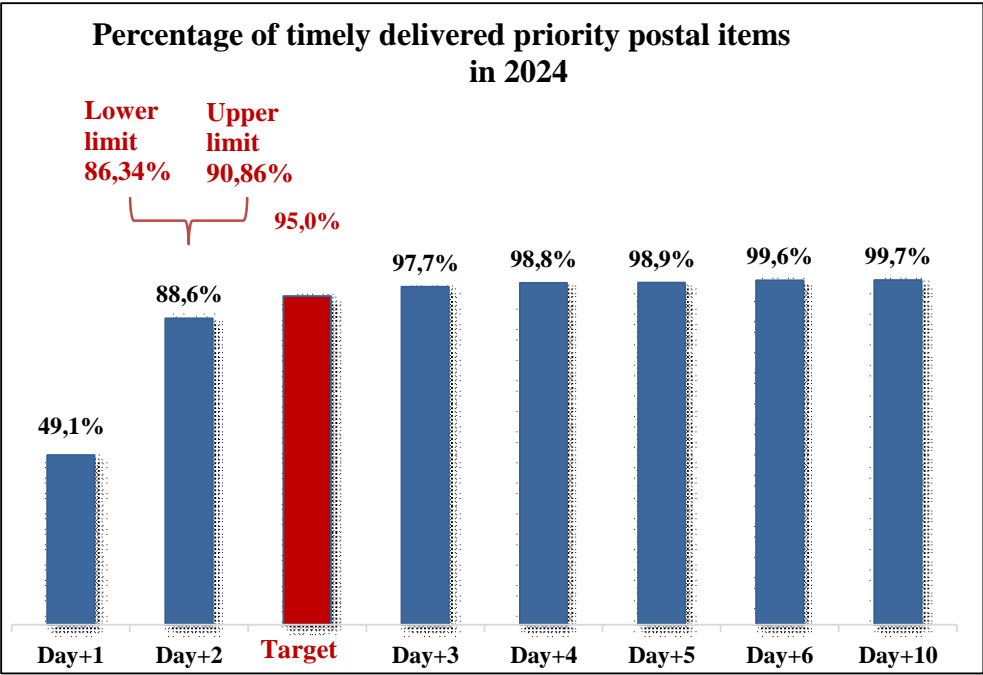


Figure 11

Source: *Report of Global Metrics EOOD for 2024*

For the period January - December 2024, 99.7% of priority letter mail items were delivered within D+10.

In 2023, as shown in the figure below (Fig. 12), the data show that between 81.2% and 86.8% of these items can be claimed to have been delivered within the target with a 95% probability.

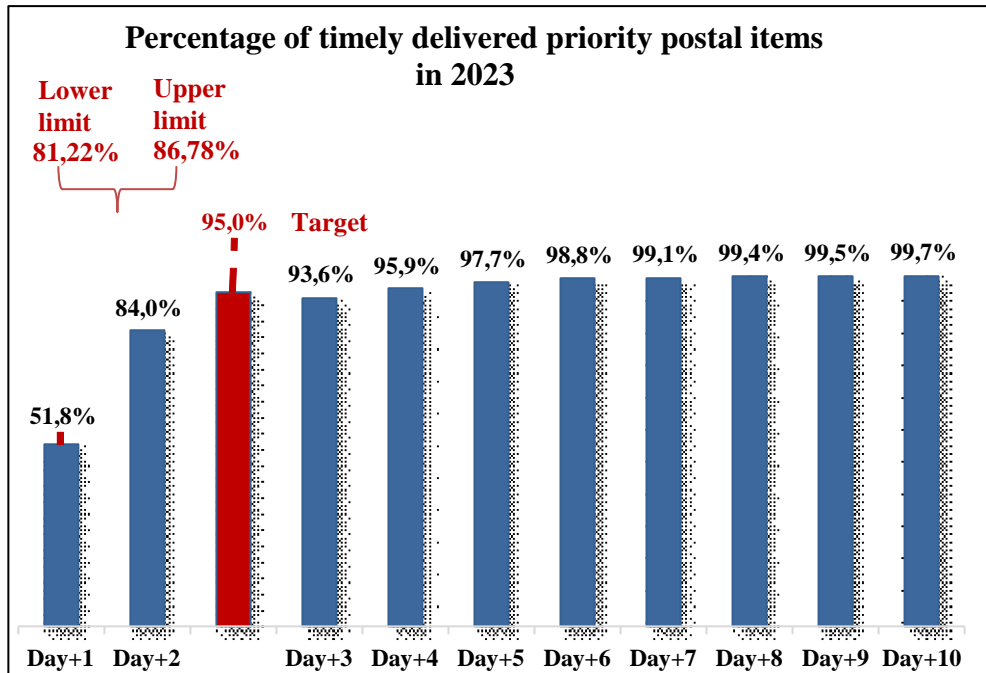


Figure 12

Source: Report of Global Metrics EOOD for 2023

For the period January - December 2023, 99.7% of these items were delivered within D+10.

Figure 13 below displays the 2022 data from which it is apparent that between 88.7% and 93.3% of the items can be claimed to have been delivered within the target with a 95% probability.

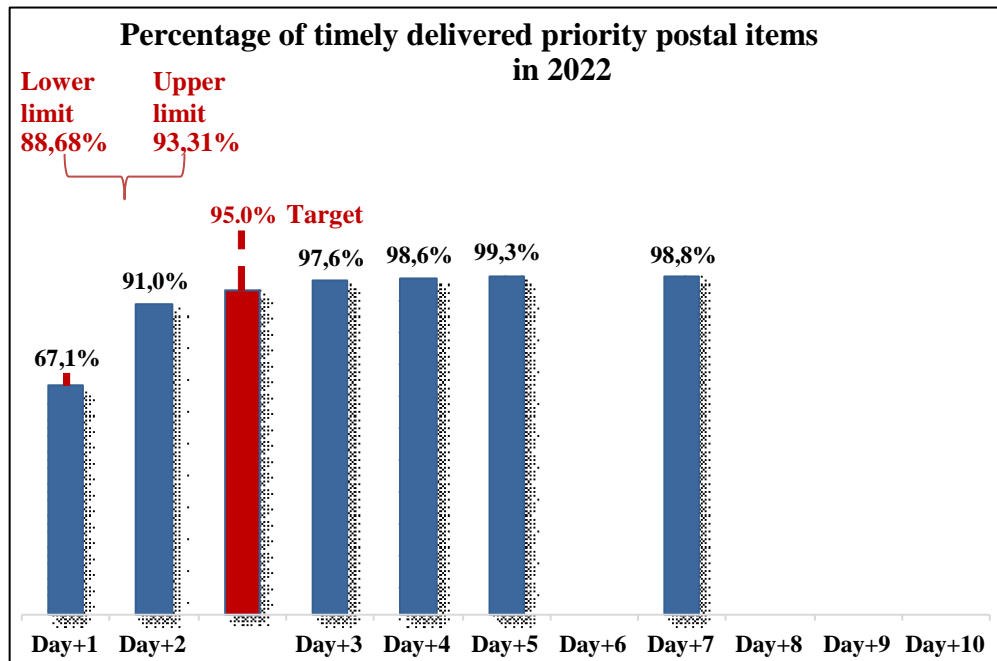


Figure 13

Source: Report of Global Metrics EOOD for 2022

Time for conveyance of international priority items

According to the provision of the Postal Directive concerning independent measurement of the end-to-end transit time, measurements were carried out in line with the requirements of the applicable standard of the European Committee for Standardisation (CEN) 13850 Postal Services. Quality of Services. The end-to-end transit time for single-piece priority postal items and first-class postal items is measured using the UNEX system²¹ of the International Post Corporation (IPC).

BP has been part of the unified quality measurement system for the transmission of international items (UNEX) since the beginning of 2008. The scope of the measurement includes postal operators with an obligation to perform UPS within the EU member states.

The results obtained are official for all operators of the EU Member States and are summarised in the document “International priority letter mail external quality of service monitoring”, 2024 results.

The report is accessible at the following address: <https://www.ipc.be/services/operational-performance-services/unex/results>.

Summary:

Four virtual meetings were held at expert level with the participation of representatives from Global Metrics EOOD and Bulgarian Posts EAD, during which the interim results of the quarters in 2024 were presented and discussed. After the measurement was completed, BP was acquainted with the final results of the quality measurement for the whole year 2024, as well as with the recommendations given by Global Metrics EOOD for quality improvement.

In order to achieve the statutory time limit for performance of UPS, by Letter Ref. No. 12-01-132-3/10.10.2024, CRC requested information on the actions that BP will take to improve the quality measurement results by the end of 2024. In its response registered under Ref. No. 11-01-42 of 13.11.2024, BP submitted information according to which it has taken the following actions:

- ✓ All of the operator’s employees engaged in the activity of accepting postal items have been informed that at the post offices should have a "priority" label or stamp in place;
- ✓ All employees of Bulgarian Posts EAD engaged in the activity of accepting postal items are familiar with the specified technology for accepting, processing, and shipping “priority” items;
- ✓ Employees accepting the items at the counter have been notified of the obligation to also accept non-priority items at the counter without redirecting senders to drop them in letterboxes;
- ✓ Employees engaged in the activity of collecting non-priority postal items from public letterboxes have been warned not to collect the items before the specified time announced on the public letterboxes;
- ✓ An organisation has been established to ensure control at the processing hubs regarding the timely dispatch of postal items, in order to prevent the delayed dispatch items;
- ✓ An organisation has been established to conduct inspections regarding the timely processing, sorting and dispatch of items accepted at post offices;

²¹ UNEX is an international priority item delivery system within the European Union, run by the International Post Corporation (IPC).

- ✓ The necessary organisation has been established to ensure the timely delivery of priority postal items to the destination post offices;
- ✓ Actions have been taken to prepare and print unified stickers, indicating the working hours of post offices and the times for collecting postal items from public letterboxes.

The results of the actions taken by BP to improve the quality of the services provided will be analysed within the measurement of the UPS quality targets in 2025.

III. ENSURING POSTAL SECURITY

1. Compliance with the provisions of Ordinance No 6 of 1 November 2011 on postal security requirements

The general requirements related to ensuring postal security, as well as the penalties for their violation, are regulated by PSA. Postal security is a combination of measures and actions for security and protection of postal items, money, the property of the postal operators, the life and health of postal employees and the users of postal services, keeping the confidentiality and inviolability of correspondence, protection of personal data, assistance in detecting violations and offences performed against or through the postal network.

A secondary regulation - Ordinance No 6 of 1 November 2011 - on the postal security requirements²² (Ordinance No 6) specifies the actions that must be taken by postal operators concerning:

- security and protection of postal items, money and valuables, the property of the postal operators, the life and health of postal employees and the users of postal services, keeping the confidentiality of correspondence, ensuring the inviolability of postal items, protection of personal data and prevention of money laundering through the postal network;
- protection of postal traffic and prevention of the acceptance, transfer and delivery through the postal network of prohibited objects and substances;
- prevention of the acceptance, transport and delivery of postal items that have been prepaid by forged or out-of-use postage stamps, or by invalid postage prints, as well as forged postal products;
- storage, preservation and destruction of official documents, postal stamps and date stamps.

The control over the compliance and application of the postal security requirements is carried out by CRC pursuant to PSA, with the exception of Chapter Three²³ and Chapter Six²⁴ of Ordinance No 6. The control and compliance with the application of the above postal security requirements is carried out jointly with other competent state authorities.

According to the provision of Art. 10 of Ordinance No 6, postal operators, in accordance with the requirements of the competent state authorities, designate the post offices in which it is necessary to designate and equip special desks for the reception of valuable items and for carrying

²² prom. SG, no. 90 of 15.11.2011, amended and supplemented, SG, no. 78 of 4 October 2019

²³ Ordinance No 6, Chapter Three "Security and protection of cash and valuables, prevention of money laundering through the postal network";

²⁴ Ordinance No 6, Chapter Six "Protection of postal traffic and prevention of the acceptance, transfer and delivery through the postal network of prohibited objects and substances"

out cash activities. Access to the desks is necessarily monitored by recording technical means for video surveillance. Post offices must also be equipped with a physical protection system. By Ordinance No 6, the competent state authorities, including CRC, are obliged to control the compliance and application of the postal security requirements.

In this regard, during the reporting period, a total of 17 inspections of postal operators were carried out at different access points in the following cities: Varna, Burgas, Vratsa, Plovdiv, Veliko Tarnovo and Sofia, regarding compliance with Art. 60, item 5 PSA and Art. 10 of Ordinance No 6/ 2011 on Postal Security Requirements (the Ordinance).

According to the information submitted in the 2024 activity report questionnaires, the leading courier companies and the licensed operators for the provision of services within the scope of UPS have taken the following measures in order to protect postal traffic and prevent the distribution through the postal network of prohibited objects and substances: carrying out inspections through physical control; provision of available information in a prominent place in the post offices on prohibited objects and substances; conducting periodic briefs and training of employees in the post offices; drawing up and introducing rules for the actions of employees in case of finding or suspecting prohibited content of an item; introducing measures for controlled access to warehouses and offices, through video surveillance systems, concluding contracts with licensed private security companies; preparing daily analysis and risk assessment for security, etc.

IV. SUPERVISORY ACTIVITY OF CRC ON THE IMPLEMENTATION OF LMML AND LMFT IN 2024

As a result of the amendments to the Law on Measures against Money Laundering (LMML) and the Law on Measures against the Financing of Terrorism (LMFT) promulgated in October 2023, CRC was designated as a supervisory authority with regard to the entities under Art. 4, item 7 LMML, namely the postal operators licensed to perform PMO under Article 39, item 3 PSA and their representatives under Art. 22 of the same Act, which are assigned with the performance of separate activities of the postal service related to the provision of PMO.

In this regard, in order to effectively implement its new supervisory functions, CRC took structural and administrative measures, including the establishment of a specialised department “Supervision and Licensing” at the Regulation Directorate. The main task of the department is to exercise specialised supervision in the field of anti-money laundering and countering the financing of terrorism (AML/CFT) against the obliged entities that fall within the scope of Article 4, item 7 LMML. The following activities were carried out during the reporting period:

1. Development, updating and adoption of internal documents:

In the exercise of its supervisory powers and in order to ensure compliance with the provisions of LMML and LMFT by the postal operators, during the reporting period CRC developed, updated and adopted the following internal documents:

- Questionnaire for the obliged entities under Art. 4, para. 7 LMML;
- Instructions to the Questionnaire for the obliged entities under Art. 4, item 7 LMML;
- “The internal procedure for carrying out inspections on postal operators licensed to perform PMO under PSA for compliance with the provisions of LMML and LMFT”;
- “Instructions for the procedure for carrying out joint on-the-spot inspections under Art. 108, para. 4 of the Law on Measures against Money Laundering by the Financial Intelligence Directorate of the State Agency for National Security and the

- Communications Regulation Commission for the implementation of the measures for prevention of the use of the financial system for the purposes of money laundering”;
- Application for issuance of an individual license for the performance of postal money orders;
 - Application for transfer of shares or stock of the capital or acceptance of new shareholders in commercial companies – postal operators to which an individual license for carrying out postal money orders has been issued;
 - Application for the transfer of an individual license for postal money orders;
 - “Guidelines to persons applying for individual licenses for postal money orders”.

2. Supervisory activities:

2.1 Identification of the obliged entities

CRC maintains an up-to-date register of postal operators falling within the scope of LMML and LMFT as obliged entities. In order to determine the appropriate level of supervision, a regular risk assessment is carried out for each obliged entity.

2.2 Risk-based supervision (RBS)

In implementation of the “Action Plan for the implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria in the period 2023-2027”²⁵ regarding the implementation of CRC’s supervisory functions in its capacity as a supervisory authority under Art. 108, para. 6, item 4 LMML and in connection with the implementation of the supervisory strategy and the deadlines set in the “Uniform methodology of the specialised administrative Financial Intelligence Directorate of the State Agency for National Security (FID - SANS) and CRC for applying a risk-based approach in carrying out inspections of obliged entities under Art. 4, item 7 LMML (the Methodology), a campaign on collecting statistical information from the obliged entities under Art. 4, item 7 LMML - holders of an individual license to carry out PMO under Art. 39, item 3 PSA - was conducted in the period April-May 2024.

Statistical information was collected by means of “Questionnaire for the obliged entities under Art. 4, item 7 LMML”, approved by Decision No 109/18.04.2024 of CRC and consisting of the following sections:

- **Section 1: “Company”** – information is required about the company's governing and organisational structure, the branches/offices where the PMO service is offered, and the number of employees involved in this activity;
- **Section 2: “Customers”** – includes information about the types of customers of the rated entity and the level of risk associated with those customers (domestic and foreign, physical and legal), including customers who are politically exposed persons, non-profit legal entities, as well as customers rated as high-risk in terms of AML/CFT by FATF, EU, other international organisations, including the Republic of Bulgaria;
- **Section 3: “Orders”** - data on the number of PMO carried out (for the country, for and from abroad), as well as the value of the money orders made;
- **Section 4: “Geographical factors”** - the geographical area in which postal money orders are carried out, in particular information about customers (users) associated with countries identified as high-risk in terms of AML/CTF by FATF, EU, other international organisations, including the Republic of Bulgaria;

²⁵ Approved by the Council of Ministers by Decision No 66 of 31.01.2024.

- **Section 5: “Delivery channels”** – an updated information is declared according to the template “List of entities entrusted with the performance of the “postal money orders” service according to Art. 22 PSA”, approved by Decision No 255/24.08.2023 of CRC;

- **Section 6: “Specialised AML/CFT service”** – information is collected assessing the capacity of the postal operator with regard to AML/CFT, namely the presence of a specialised service, a contact person under Art. 107 LMML, the number of employees responsible for the implementation of the measures under LMML and LMFT, actions taken after an internal audit in connection with identified deficiencies in the implementation of LMML/LMFT, etc.;

- **Section 7: Questions** – describing the mechanism of implementation of the rules, policies and procedures developed by the postal operator and ensuring their effectiveness, as well as presentation of the results of the own AML/CFT risk assessment conducted under Art. 98 LMML, etc.

In accordance with item 3 of the Methodology for “Exchange of information between FID-SANS and CRC”, the results of the activities carried out for the implementation of the RBS were provided to the FID-SANS:

- AML/CFT risk assessment through a prepared "Risk Matrix";
- Collected information and statistical data as of 31.12.2023, according to “Questionnaire for the obliged entities under Art. 4, item 7 LMML”;
- List of the entities assigned with the task to carry out the postal money order service under Art. 22 PSA in connection with monitoring of the obligation of the postal operators under Art. 20, para. 1, item 12 PSA;
- Data on the ownership structure of all postal operators licensed to carry out postal money orders.

2.3. Adoption of a supervisory strategy and control activity

On the basis of the implemented RBS and the individual risk profile of each of the individual license holders, a joint supervisory strategy was adopted together with FID-SANS, based on which the first remote and on-the-spot inspections were conducted.

2.3.1. On-the-spot inspections

During the reporting period, two on-the-spot inspections were carried out jointly with the FID-SANS, in accordance with Art. 108, para. 4 LMML and according to Instruction No I-1 of 17 January 2024 on the procedure for carrying out joint on-the-spot inspections under Art. 108, para. 4 LMML. During the inspections, documents and customer files were reviewed, interviews with officers, activity monitoring, analysis of the PMOs were performed, documentation of the findings and analysis of the results of the inspection were performed.

It should be noted that no administrative violations were found during the control activity. However, obliged entities were given recommendations to improve their AML and CFT systems, as well as to optimise their internal procedures.

2.3.2 Remote inspections

In 2024, a total of 4 remote inspections of the obliged entities under Art. 4, item 7 LMML were carried out, where information was collected from open sources, from various databases and public registers, and documents such as general terms, policies, procedures, internal rules and control systems, financial statements, etc. were reviewed.

2.3.3. Suitability and reliability tests

In line with the recommendations of the Financial Action Task Force, an organisation that sets the standards in combating money laundering and the financing of terrorism, and of MONEYVAL (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe) – an organisation responsible for the prevention of money laundering and the financing of terrorism in Europe, CRC has launched a new initiative aimed at the holders of an individual license to carry out PMO. The purpose of this initiative is to verify whether the holders of an individual license continue to be eligible for the issuance of a license after the start of their business.

An assessment was carried out according to the following criteria:

1. Reputation and integrity – the persons who are part of the governing body of the legal entity, who hold senior management positions, the beneficial owners, as well as the contact person under Art. 107 LMML were subject to investigation;
2. Competence – the overall understanding of the obliged entities with regard to the internal control systems and the implementation of the policies and procedures set out in the anti-money laundering and financing of terrorism measures was assessed;
3. Financial stability – a review of the financial information of the obliged entities regarding their financial stability was carried out.

2.4. Interaction with other supervisory authorities at national level, participation in interdepartmental working groups, interaction with international organisations and organisation of training seminars

CRC is part of the Coordination and Cooperation Council for the implementation of the national mechanism for policy-making and coordination in the field of anti-money laundering and countering the financing of terrorism measures²⁶, which takes into account the progress of the country and adopts decisions for concrete actions on the remaining measures to be implemented which are included in the FATF Action Plan and in the Action Plan for implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria 2023 – 2027, in view of the political commitments undertaken at high level to implement the necessary legal, regulatory and operational reforms in the field of AML/CFT. The priorities and key actions set out in the Strategy and in the Action Plan which sets out indicators to measure the implementation of the priorities set, are discussed and implemented within the Council.

CRC is committed to the timely implementation of the FATF and Moneyval recommendations and to the elimination of the identified weaknesses, and for this purpose it has carried out the following activities during the reporting period:

- regular filling in of questionnaires and forms, as well as preparation of responses to inquiries received from the MONEYVAL Committee and FATF;
- participation in the face-to-face meeting in Berlin/Germany between representatives of the Bulgarian competent authorities and the members of the Europe/Eurasia Joint Group under the FATF Action Plan;
- participation in the face-to-face meeting in Istanbul/Turkey between representatives of the Bulgarian competent authorities and members of the Europe/Eurasia Joint Group under the FATF Action Plan;

²⁶ Adopted by Decree No 101 of the Council of Ministers of 14 July 2023

In 2024, the CRC's employees took part in the following interdepartmental working groups:

- participation in the interdepartmental working group appointed by Order No P-135 of 23.07.2024 of the Prime Minister of the Republic of Bulgaria, in implementation of Decree No 101 of the Council of Ministers for the purpose of preparing a draft of the Law on Amendment and Supplement of LMFT or a separate law for the introduction of targeted financial sanctions (TFS) for financing the proliferation of weapons of mass destruction (proliferation), as well as for the elimination of other weaknesses in the Law on Measures against Money Laundering and branch legislation, including those under Recommendations 10, 13, 14, 15, 26, 28, and 35 FATF;

- participation in the interdepartmental working group appointed by Order No P-192/16.10.2023 of the Prime Minister of the Republic of Bulgaria with the main task of amending and supplementing the Implementing Rules of the Law on Measures against Money Laundering (LMML) with a view to bringing it into compliance with the Law on amendment and supplement of the Law on Measures against Money Laundering, promulgated in the State Gazette, no. 84 of 6 October 2023;

- participation in the interdepartmental working group appointed by Order No P-110/10.06.2024 of the Council of Ministers for the implementation of the activities under Measure 28 of the Action Plan for the implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria 2023-2027, with the main task of drafting proposals regarding the possibilities for creating and maintaining a public list of politically exposed persons;

- participation in the interdepartmental working group established by Order No ПД-01-105/05.02.2024 of the Executive Director of the Registry Agency with the main task of studying the practices of other countries to ensure the availability of complete, accurate, and up-to-date information on the beneficial owners of legal entities and other legal entities in centralised registers, and proposing specific actions to address weaknesses regarding the accuracy and timeliness of such information in the Commercial Register and Register of Non-Profit Legal Entities (CRRNPLE) and the BULSTAT Register. Measure/Action 38 – Strategic Priority 3 / Key Action 3 of the Action Plan for the implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria for the period 2023–2027 has been fulfilled.

- participation in the interdepartmental working group established by order No ПД-01-725/17.07.2024, amended and supplemented by Orders No ПД-01-965/11.09.2024 and No ПД-01-1021/24.09.2024 of the Executive Director of the Registry Agency with the main task of reviewing the regime of access to the registers of beneficial owners in the EU member states and proposing specific actions to bring the access to information on beneficial owners in the Commercial Register and Register of Non-Profit Legal Entities (CRRNPLE) and the BULSTAT Register in compliance with Judgement of the Court of Justice of the European Union of 22 November 2022 on Joined Cases C-37/20 and C-601/20. Measure/Action 68 – Strategic Priority 4 / Key Action 2 of the Action Plan for the implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria for the period 2023–2027 has been fulfilled.

During the reporting period, CRC, together with FID-SANS, organised and held a seminar on “Implementation of LMML and LMFT by the postal operators licensed to carry out PMO and their representatives under Art. 22 PSA”. The seminar was part of the actions set out in the Action Plan for the implementation of the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in Bulgaria in the period 2023-2027, with the main aim of raising the awareness and understanding of postal operators about the risks of money laundering and the

financing of terrorism. During the seminar, the updated National Risk Assessment for money laundering and the financing of terrorism and the risks related to the implementation of the PMO service, as well as the practical aspects of the implementation of the RBS model were examined. Special emphasis was placed on the quality of the submitted notifications under Art. 72 LMML (reporting of suspicious transactions), as well as on the ways of conducting inspections, and the obligations of the inspected entities. After presenting the topics included in the agenda, a general discussion was held, where opinions and experiences were shared and questions were raised and discussed at practical level by the postal operators in relation to their obligations under LMML and LMFT, such as the checks of politically exposed persons, the on-line goAML system for submission of notifications under Art. 72 LMML, the control on compliance of the prepared internal rules for control and prevention of ML/FT, etc.

In 2024, CRC successfully fulfilled its new functions as a supervisory authority with regard to the entities under Art. 4, item 7 LMML, laying the foundations of a stable and effective supervisory framework in the field of PMO in accordance with the national strategy and international standards.

The inspections carried out, both on the spot and remotely, confirmed the commitment of the obliged persons to comply with the regulatory requirements. The suitability and reliability assessment mechanisms put in place have further increased the effectiveness of supervision and created conditions for proactive prevention of the risk of using the postal system for illegal financial purposes.

CRC will continue to work closely with national and international partners, focusing on:

- upgrading its supervisory capacity;
- implementation of FATF and MONEYVAL requirements and interaction with the new EU body in the field of AML/CFT (Anti-Money Laundering and Countering the Financing of Terrorism);
- implementation of the initiatives under the Strategy for Anti-Money Laundering and Countering the Financing of Terrorism in the Republic of Bulgaria 2023 – 2027.

The results of the activity during the reporting period lay a solid basis for the sustainable development of control in the PMO sector, contributing to the overall effectiveness of the AML/CFT mechanism in the Republic of Bulgaria.

V. CONTROL ACTIVITY, CONSUMER RIGHTS AND ENVIRONMENTAL PROTECTION

1. CRC's monitoring activity

In fulfilment of the legal obligation to control the compliance with the regulations in the field of postal services, the requirements for provision of UPS, the conditions for implementation of the issued individual licenses, and the obligations of the operators performing non-universal postal services on part of authorised employees of CRC, a total of 304 inspections were carried out, 200 of which were in connection with received tips (by about 44% more than in 2023), and 104 were scheduled inspections.

The summary results of the performed inspections are as follows:

- scheduled inspections in 65 post offices of category III, IV and V of Bulgarian Posts EAD, regarding compliance with the obligation to provide the universal postal service on all

working days, “*at least five days a week*”, as well as for “*at least one collection*” and “*one delivery*” of postal items on each working day, except for settlements meeting the difficult-to-access criteria (Art. 33 PSA) - an inspection carried out in the 3rd quarter of 2024 found that one post office of category V does not observe the working hours and does not provide the “*universal service*” as required in the provision of Art. 33 PSA (to provide the service “*at least five days a week*”) - it was found that a temporary organisation has been introduced where the post office was serviced by a seconded employee of a neighbouring post office due to long-term sick leave of an employee;

- inspections of 15 postal operators that have not provided CRC with activity report for 2023 according to CRC Decision No 31/08.02.2024 - during the inspections it was found that six of the postal operators do not provide services under PSA, and the other nine postal operators were not found at the addresses known to CRC, and there are no data available that they provide postal services;

- 200 inspections were carried out in relation to tips submitted over postal services provided - in 2024, the inspections carried out based on tips, as mentioned above, were by 44% more than those in 2023, with the largest number of inspections based on tips were carried out in relation to undelivered items and issues with delivery of items (169 pcs; 84.5%); the significant growth of these inspections is directly related to the development of e-commerce and the continued growth of courier services.

As a result of the inspections carried out by CRC in 2024 in connection with complaints/tips regarding issues with the provided postal services, administrative and criminal liability was imposed and 3 penal decrees were issued for non-compliance with PSA.

2. Protection of postal services users

In compliance with the provision of Art. 15, para. 1, item 5 PSA, CRC regulates the performance of postal services by protecting the interests of users. Postal operators are obliged to ensure equal access for users to the access points for use of postal services and to draft general terms and conditions to the contract with users.

In their general terms and conditions of the consumer contract (GTC), they must include information on: scope and characteristics of the services they perform, requirements for shape, size, weight and packaging of postal items; conditions for access and conditions for acceptance and delivery of postal items and postal money orders; time for delivery of postal items and postal money orders; time limit for reimbursement of the amount of the payment on delivery to the sender; method of payment; rights and obligations of users and postal operators; information about the prohibited substances and objects in postal items; complaint and compensation procedures of specific amounts and time limits for the payment of compensations for justified complaints for delayed, lost, wholly or partly damaged or robbed postal items and parcels and returned postal parcels, where there are no reasons for their non-delivery, and non-return of the amount of the payment on delivery to the sender, procedure for resolving disputes between them and the users of postal services, and other essential conditions for the performance and use of postal services. The liability of postal operators on justified complaints over delayed, lost, wholly or partially damaged or robbed postal items and postal parcels and returned postal parcels, where there are no reasons for their failure to deliver and to return the amount of the cash on delivery to the sender,

is limited to the specific amounts of the compensation set out in their General Terms and Conditions.

The draft General Terms and Conditions are submitted by the postal operators for coordination by CRC after an opinion on them is provided by the Commission for Consumer Protection.

The General Terms and Conditions agreed by CRC should be placed at prominent places, accessible to the users, in all fixed post offices and published on the operator’s website.

In 2024, CRC coordinated a total of 5 General Terms and Conditions provided by different postal operators.

In compliance with the provision of Art. 21, para. 9 PSA, CRC has timely sent information about the agreed General Terms and Conditions for information to the Commission for Consumer Protection.

3. Complaints reported by postal operators regarding the UPS services

In order to protect the users of postal services, CRC carefully monitors the reasons for the submitted tips and complaints against postal operators and analyses the trends.

According to data from the submitted annual questionnaires for 2024 by BP and by operators performing services within the scope of UPS, the total number of complaints over postal items and services provided within the scope of the UPS in 2024 was 6,310, of which 1,293 were justified.

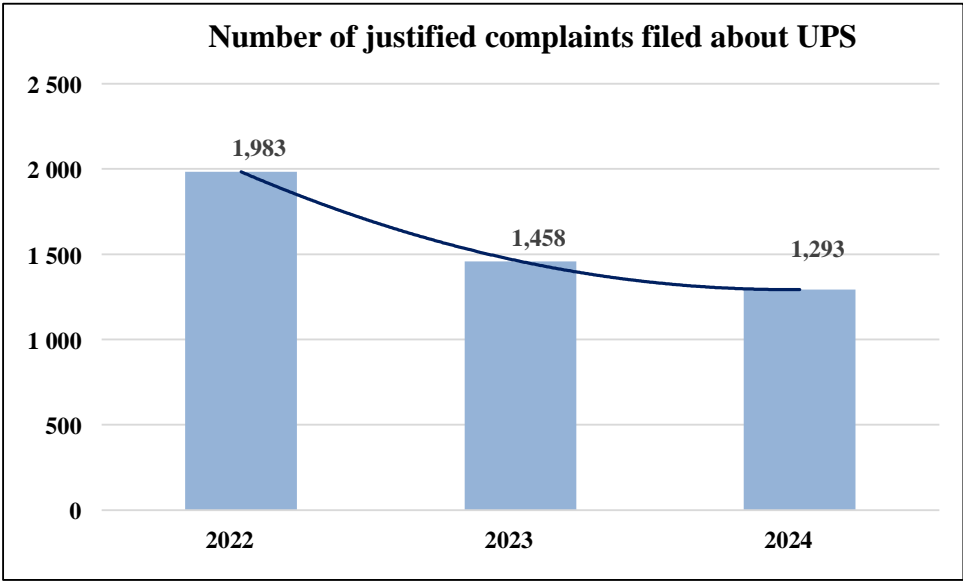


Figure 14

Source: *Data submitted to CRC*

Over a one-year period, the total number of complaints filed rose by 20% while the number of justified complaints dropped by 11%.

According to data submitted to CRC, in 2024, 4,525 complaints and claims were filed to and processed by BP, of which only 133 were over domestic items and 4,392 were over international items. These are mainly lost international items which could not be localised by the foreign postal administrations. Subsequently, these administrations consented to the payment of compensations

to the recipients. In 2024, as in 2023, the complaints holding the greatest relative share in the total number of justified complaints were those that refer to lost items.

3.1. Complaints filed with CRC

In 2024, the Commission received and examined a total of 902 complaints and tips from users of postal services – for UPS, services within the scope of UPS and non-UPS. Of those, 613 were justified. Compared to 2024, the number of complaints received by CRC has more than doubled, and the number of justified ones has increased nearly three times.

In the past year, 6% of the complaints and tips received by CRC concerned the provision of services within the scope of UPS, mainly against Bulgarian Posts EAD. The largest share of 34% was held by complaints about the provision of the customs representation service for international inbound postal items on part of the UPS provider. In this regard, during the year, meetings with Bulgarian Posts EAD were held, during which issues related to the published information on the operator's website about the terms and prices for using the customs representation service were discussed, as well as the possibility of users to be informed in due time about the actions carried out by the operator for clearance and delivery of their postal items. Twenty-nine per cent of the complaints and tips submitted contain claims of consumers against poor quality of service, lack of adequate information about the location of postal items and about the possibility of submitting claims, etc. The complaints and tips submitted by UPS users over undelivered or lost postal items made up 16% and 5%, respectively, and those for delayed deliveries – 14% of the total number of complaints and tips received by users of the services within the scope of UPS.

Each submitted tip is sent to the UPS provider in a timely manner in order to obtain the operator's opinion, including feedback on the measures taken on the specific case.

In recent years, there has been a significant increase in complaints and tips as a result of delayed and misdelivered postal items generated by e-commerce during the Black Friday and Christmas holidays. In this regard, on 13.11.2024, CRC held meetings with leading courier companies, during which they discussed the measures planned by operators to provide services of the stated quality, including when using lockers for delivery of courier items in the period by the end of the year. The effect of the actions of the operators will be taken into account in the analysis of the complaints and tips received by CRC in 2025.

The analysis of the complaints and tips submitted to the CRC shows that the largest increase (nearly 5 times) in the last year was observed in the number of complaints related to delayed delivery of postal items.

The correct indication of the recipient's address, the main part of which is the postal code, is of key importance to ensuring quality delivery of postal items. In this regard, in 2024, CRC launched a project for the preparation of a new system for the formation of postal codes in the Republic of Bulgaria, which will ensure the correct identification of the location of the recipients of postal items. The project will continue in 2025 as well.

4. Environmental protection

Achieving climate neutrality in the European Union (EU) by 2050, in line with the measures adopted by the European Commission for environmental protection, is gaining increasingly strategic importance in the policies of the EU member states.

In 2024, Bulgaria has made progress in implementing green solutions across various sectors, including in the provision of postal services.

The measures taken, the challenges faced, the solutions regarding the implementation of green solutions in Bulgaria and the achievement of the goals of the EU Green Deal are reflected in the first "National Survey on the State of Green Innovative Projects Contributing to the Transition to Clean Energy and Decarbonisation," conducted by MOVE.BG at the request of the Ministry of Energy.²⁷

The survey covers 150 participants from various sectors, including small and medium-sized enterprises, non-governmental organisations, and academics. It provides an analysis of the current state, challenges, and potential of green projects in the country. The focus is placed on energy efficiency, the circular economy, the reuse of raw materials and resources, waste management, digital solutions, innovation, and public awareness.

The survey places significant emphasis on innovation as a key driver for the successful green transformation of Bulgaria's economy and society. Innovations offer new solutions to long-standing challenges such as energy transition, waste reuse, and the preservation of natural resources. Green innovation is associated with any new product, service, or process that creates significant and tangible progress in sustainable development by leading to a reduced environmental impact from human activity. Innovations in small and medium-sized enterprises, including postal operators, in areas such as energy and energy efficiency, the reuse of raw materials and resources, waste management, and the introduction of artificial intelligence to optimise operations and save resources, represent a leading perspective.

A good example of innovative solutions related to the green transformation among postal operators in Bulgaria is Transpress Delivery EOOD,²⁸ which has implemented its own lightweight vehicle configurations and optimised cargo loading. This has led to a reduction in fuel consumption and, consequently, a 30% decrease in harmful carbon emissions. Intelligent software solutions are implemented to monitor driving and obtain detailed information on the carbon emissions produced. The company uses biodegradable packaging with an additive for accelerated decomposition and supports reforestation efforts in various regions of the country through its logistics operations.

Regarding the implementation of AI-based technologies in the activities of postal operators, the postal money order operator EasyPay AD reported in its 2024 activity report that 560,000 transactions and bill payments were made by customers through the EasyPay Viber bot. A large portion of the company's clients pay their bills digitally within the bot itself, drastically reducing paper usage.

The postal operator Box Now OOD carries out delivery of postal items entirely in automated parcel lockers (APLs), with 75% of them being powered solely by solar energy. The number of APLs of the operator in 2024, according to data obtained from the company's annual report, reached 730 pcs., located in convenient and communicative places with a large geographical coverage.

The delivery of postal items to APLs reduces the cost of the most expensive element in postal delivery — "delivery to address" — and decreases the harmful carbon emissions associated with transporting parcels to multiple recipients.

²⁷ <https://move.bg/wp/wp-content/uploads/Green-Solutions-from-Bulgaria-2024-BG-MOVEBG.pdf>

²⁸ <https://www.transpress.bg/bg/za-nas/misija-v-polza-na-okolnata-sreda>

In recent years, automated lockers have become increasingly popular due to the flexible advantages they provide to consumers both for receiving and sending postal items.

The following postal operators have indicated that they use APLs in their networks as access points: Delivery Solutions EOOD (Sameday) with 985 delivery points (Easybox), Econt Express AD with 34 Econtomats, Speedy AD with 398 APLs, with 304 of them added to the company's network in 2024, Emag International OOD with 993 pcs., and DHL Express Bulgaria EOOD with 2 pcs.

The delivery of postal items is a key element of the postal chain and has the most significant impact on the harmful carbon emissions. The active postal operators in the country report annually on the renewal of their vehicle fleets with high-class eco-friendly vehicles (Euro 4/5/6), as well as investments in the purchase of electric vehicles. This measure remains one of the most popular among the environmental protection efforts undertaken in the postal sector in Bulgaria.

An innovation in the use of electric vehicles for parcel delivery is the introduction and application of the so-called "telematics services". Telematics services enable the remote transmission of data from mobile or stationary objects.

It is used for the remote real-time collection of information from vehicles, logistics centres, and buildings. These services improve efficiency, reduce costs, and can support the processes of reducing harmful carbon emissions of postal operators in activities related to parcel delivery.

With the growing integration of artificial intelligence, automated processes in the postal sector, and emerging technologies, telematics services are finding increasingly widespread application. They can optimise routes and collect specific data such as battery level and temperature of electric vehicles, remaining kilometres before charging, and average energy consumption.

With regard to the green transformation and the measures that need to be taken for it to be achieved by every business sector and society, the International Postal Corporation (IPC)²⁹ has developed a sustainability measurement and management system that includes the following objectives³⁰ with a focus on the postal segment:

- Reducing carbon emissions by 50% compared to the 2019 baseline value of 5,923,000 by 2030;
- Using energy from renewable sources in their own buildings at a rate of 75%;
- A car fleet consisting of at least 50% alternative fuel vehicles, with at least 25% of the total car fleet comprising electric vehicles;
- 50% sustainable packaging;
- 75% diversion of waste from landfills for recycling or re-use.

The above objectives are comparable to the measures introduced by the Bulgarian postal operators. Table 12 illustrates the environmental solutions implemented by certain postal operators in the Bulgarian postal services market that provided postal services during the reporting period, have introduced at least three ecological technologies in their service provision, and have submitted data to CRC regarding the environmental protection measures undertaken during the reporting period.

Table 12

²⁹ <https://www.ipc.be/greenpostalday>

³⁰ <https://www.ipc.be/services/sustainability/smms/group-results/results-summary>

Postal operators that have imposed some of the following measures	Document digitisation	Electronic documents/ receipts	Hybrid products	On-line customs clearance	Use of automated delivery lockers	Electric or eco-friendly vehicles	Automated processes
1. Bulgarian Posts EAD	✓	✓				✓	✓
2. In Time OOD	✓	✓		✓			
3. Der Courier	✓	✓					
4. DHL Express Bulgaria EOOD	✓	✓		✓	✓		
5. Econt Express AD	✓	✓		✓	✓	✓	✓
6. Interlogistica Courier EOOD	✓			✓		✓	✓
7. Evropat 2000 AD	✓		✓	✓			✓
8. Speedy AD	✓	✓		✓	✓	✓	✓
9. Courier Today OOD	✓	✓				✓	✓
10. Transpress Delivery EOOD		✓				✓	
11. Emag International OOD		✓					✓
12. Delivery Solutions EOOD	✓	✓					✓
13. Direx EAD	✓	✓			✓		
14. Interlogistica Courier EOOD	✓			✓		✓	✓
15. CVC EOOD	✓	✓	✓	✓			

Source: Data submitted to CRC

The environmental protection practices implemented by Bulgarian postal operators are most commonly related to the digitisation of documents, the use of electronic waybills and receipts, electronic customs clearance, the replacement of car fleets with electric or high energy-efficiency class vehicles, automated processes, the use of recyclable packaging, and the application of energy-efficient solutions in the companies' buildings.

The main challenge faced by postal operators in the Bulgarian market when implementing green solutions in the provision of postal services remains the high costs and maintaining the competitiveness of the companies.

CONCLUSION

In 2024, CRC successfully fulfilled its powers and responsibilities in the field of postal services, ensuring stability, transparency, and efficiency in the regulation of the sector. Market analysis confirms the steady growth of non-universal postal services, driven by courier delivery and e-commerce, which are increasingly dictating the direction of the industry's development.

At the same time, the UPS segment continues to shrink, a trend marked by declining revenues, weak consumer interest, and limited competition. This necessitates a reform and adaptation of the UPS to the modern market realities and the dynamics of digital transformation.

An important strategic focus during the reporting period was the taking of actions on the launch of the new system for the formation of postal codes. The conclusion of a contract with a contractor for its development marks significant progress towards modernisation and digitalisation of the sector. The new system is expected to generate a unique postal code for each addressable

site in the country, which will contribute to greater accuracy, reliability and efficiency of deliveries, including in remote and sparsely populated areas.

The Commission has maintained its active role in protecting consumer rights through reception, processing, and analysis of tips and complaints. In 2024, 902 tips were received and examined, which is an indicator of a lasting public interest in the quality of the postal services provided. As a result, 304 inspections were carried out, leading to the implementation of appropriate measures in cases where violations were identified. These actions reinforce the Commission's role as an effective regulator and guarantor of regulatory compliance in the sector.

In 2024, CRC demonstrated an increased institutional commitment to the implementation of LMML and LMFT, continuing to work in concert with other supervisory authorities and international organisations in order to increase the effectiveness of the system for prevention of money laundering and terrorist financing. CRC successfully fulfilled its new functions as a supervisory authority with regard to the entities under Art. 4, item 7 LMFT, laying the foundations of a stable and effective supervisory framework in the field of PMO in accordance with the national strategy and international standards.

The challenges of digitisation, sustainable development and new technological solutions require consistent efforts by the regulator to promote innovation, improve access to services, and promote good practices. In this regard, CRC will continue to work toward creating a predictable regulatory environment, oriented toward consumers and consistent with the modern economic and technological realities.