

# **Postal Services Act**

**No. 19, 18 March 2002**

**Entered into force 3 April 2002.** *EEA legislation: Annex XI. Directive 97/67/EC.*

*Amended by Act 136/2002 (entered into force 1 Jan. 2003; EEA legislation: Annex XI. Directive 97/39/EC).*

## **CHAPTER I**

### **Scope and objectives of the Act**

#### **Article 1**

##### *Scope*

This Act shall apply to postal services, including the clearance, sorting, transport and delivery of postal items for payment, and related activities.

#### **Article 2**

##### *Objectives*

The objective of the Postal Services Act is to ensure economical and efficient postal services throughout Iceland and that all Icelanders have access to certain aspects of postal services.

#### **Article 3**

##### *Postal communications within undertakings and companies*

Postal communications within undertakings and companies, including those between their various places of business, are not covered by the provisions of this Act if the party in question handles such communications.

## **CHAPTER II**

### **Definitions**

#### **Article 4**

*Access points:* physical facilities, including letter boxes provided for the public either at publicly accessible locations or on the premises of the individual licence holder, where postal items may be deposited.

*General authorisation:* an authorisation to provide postal services other than universal service.

*Universal service:* postal service to which all Icelanders shall have access on a non-discriminatory basis.

*Registered item:* an item for which the holder of an individual licence provides a predetermined guarantee against risk of loss, theft or damage and supplies the sender, upon request, with proof of the receipt of a postal item and its delivery to the designated addressee or person authorised to receive such delivery on his/her behalf. A variant of this service is available for deliveries within Iceland, where it is sufficient to deliver the item to its specified destination in return for the signature of a party at this location for receipt.

*Litterature for the blind:* an addressed delivery containing only information material for the blind.

*Item of correspondence:* a written communication on any kind of physical medium to be conveyed and delivered to the address indicated by the sender on the item itself or on its wrappings. Books, catalogues, newspapers and periodicals shall not be regarded as items of correspondence.

*Exclusive rights services:* postal services which no one but the state or a postal operator it designates on its behalf may provide.

*Terminal dues:* the remuneration of individual licence holders for distribution of incoming cross-border mail.

*Financial item:* Payment transactions by means of transfers, postal money orders, CODs and other financial services.

*Postage stamps:* a type of payment mark for postal service giving rights to a certain service. All postage stamps shall bear the word “ÍSLAND”.

*Prepayment impression:* A mark which is affixed to or stamped on postal items or their accompanying documents as a sign that payment has been made for the postal service in question.

*Essential requirements:* general, non-economic reasons which can induce the authorities to impose conditions on postal services. These reasons may be the confidentiality of correspondence, security of postal services as regards the transport of dangerous goods and, where justified, data protection, environmental protection and regional planning. Data protection may include personal data protection, the confidentiality of information transmitted and protection of privacy.

*Direct mail:* bulk items consisting solely of advertising, marketing or general publicity material, with each item identical except for the addressee's name, address and identifying number, as well as other modifications which do not alter the content of the message, which are sent to a significant number of addressees at the address indicated by the sender on the postal item itself or its wrapping. Invoices, account statements and other non-identical messages shall not be regarded as direct mail.

*Clearance:* the reception and collection of postal items deposited at access points.

*Letter box:* a box or slot in a building intended for collection of postal items for postal services.

*Postal operator:* a party providing any sort of postal services.

*Postal item:* an item with or without address on the form in which it is carried by a postal operator. In addition to items of correspondence, such items also include books catalogues, newspapers, periodicals and postal parcels containing merchandise with or without commercial value.

*Postal services:* services involving the clearance, sorting, transport and delivery of postal items for payment.

*Individual licence holder:* a party licensed to provide universal service.

*Insured item:* a service insuring the postal item against loss, theft or damage up to the value declared by the sender.

*Distribution:* the process which begins with sorting at a distribution centre and concludes with the delivery of postal items to their destination.

### **CHAPTER III**

#### **Ultimate administration of postal affairs**

##### **Article 5**

The Minister of Communications shall be ultimately responsible for postal affairs.

The Post and Telecom Administration (PTA) shall grant licences to operate postal services, supervise postal affairs and see to the enforcement of this Act.

### **CHAPTER IV**

#### **Universal service**

##### **Article 6**

The Icelandic state shall ensure all persons equal rights to access to certain aspects of postal services, universal service, of specified quality and at affordable prices. In allocating

individual licences for postal services, cf. Article 14, PTA may impose obligations on one or more holders of individual licences to provide universal service in their area of operation.

PTA shall ensure that the universal service, which one or more individual licence holders provide, fulfils the following requirements:

- a. that the service offered fulfils the essential requirements,
- b. that all users in comparable circumstances are offered the same service,
- c. that the service is provided without discrimination of any sort, especially without political, religious or ideological discrimination,
- d. that service will not be suspended, except due to unforeseen circumstances,
- e. that the service will evolve in response to changes in the technological, economic and social environment and needs of users,
- f. that universal service shall include, as a minimum, access to postal delivery and postal services for addressed items of correspondence and messages, other addressed items, direct mail and daily newspapers, weeklies, periodicals, addressed books and catalogues, registered items, insured items, financial items and Braille material up to two kg in weight and postal parcels of up to 20 kg in weight. Universal service shall include both domestic and cross-border postal items. Providers of universal service must deliver within Iceland postal parcels received from abroad weighing up to 20 kg.

The Minister of Communications shall issue a Regulation<sup>1)</sup> on detailed arrangements for universal service.

PTA shall ensure compliance with the state's obligations concerning postal services as prescribed by international agreements.

<sup>1)</sup>Reg. 364/2003.

## **CHAPTER V**

### **Exclusive rights of the state**

#### **Article 7**

##### *Exclusive rights to postal services*

[From 1 January 2003 to 1 January 2006, the Icelandic state shall have exclusive rights to postal services for items of correspondence of up to 100 g in weight, provided the postage fee for the item is less than three times the minimum charge applicable for ordinary items of correspondence within Iceland. The same shall apply to distribution within Iceland of letters from abroad within these same limits.]<sup>1)</sup>

1) Act No. 136/2002, Article 1. As of 1 January 2006 the weight limits provided for in the Article shall be changed to 50 g and the value 2.5 times the minimum postage fee, cf. Article 7 of the same Act.

## **Article 8**

### *Issuing postage stamps*

The Icelandic state shall have exclusive rights to issue postage stamps. The holder of an individual licence, entrusted with the state's exclusive right in this area, shall issue postage stamps in the necessary values. It shall reserve at least 500 examples of each new postage stamp. This collection shall be in the custody of the individual licence holder, but shall be the property of the Icelandic state. An individual licence holder, entrusted with the state's exclusive right to issue Icelandic stamps, shall send corresponding parties abroad who are members of the Universal Postal Union new editions of Icelandic postage stamps and provide custody for postage stamps sent to Iceland in the same manner. The Icelandic state shall be regarded as the owner of all postage stamps sent to Iceland in this manner.

## **Article 9**

### *Siting of letter boxes*

The Icelandic state shall have exclusive rights to place letter boxes in publicly accessible locations. PTA may, however, grant other individual licence holders than those entrusted with the state's exclusive rights, authorisation to set up letter boxes in publicly accessible locations, provided they are clearly marked as belonging to the individual licence holder concerned.

PTA may adopt rules on the number and location of letter boxes which individual licence holders may set up.

## **Article 10**

### *Identification*

Only the Icelandic state may use the postal horn symbol, with or without a star or arrows, to identify postal services. An individual licence holder, entrusted with the state's exclusive right, may authorise its representatives to use the identification.

## **Article 11**

### *Assignment of the state's exclusive rights*

PTA shall authorise an individual licence holder to exercise the state's exclusive rights as provided for in this Chapter. In selecting an individual licence holder to exercise the state's exclusive rights, the provision of satisfactory postal services throughout the country must be ensured.

## **CHAPTER VI**

### **Authorisations to operate postal services**

#### **Article 12**

##### *Types of authorisation*

Postal services may not be operated without a general authorisation or individual licence, except in the case of postal items sent within a company, including those sent between different places of business.

PTA shall grant authorisations to operate postal services. The authorisations shall be of two types, general authorisations and individual licences. A general authorisation confers the right to operate, in accordance with the provisions of this Act and rules adopted by PTA, postal services other than universal service, cf. Article 6. General authorisations do not confer special rights. Services included under universal service may only be provided by parties to whom PTA has granted individual licences after application.

Authorisations may be granted to natural persons and legal entities established within the European Economic Area (EEA) and in member states of the World Trade Organisation (WTO), as provided for by the Minister of Communications in a Regulation.

Granting of authorisations must be made on a non-discriminatory basis and moderation exercised; procedures shall be transparent and based on objective criteria.

Neither general authorisations nor individual licences may be transferred.

PTA may revoke a general authorisation or individual licence if the party in question is subject to bankruptcy proceedings, winds up its activities or commits a serious violation of the conditions of a general authorisation or individual licence. In the last instance, the party concerned shall be sent a written warning and be given opportunity to rectify its negligence before the authorisation is revoked.

#### **Article 13**

##### *General authorisations*

Parties intending to operate postal services under a general authorisation shall notify PTA of their intention no later than four weeks prior to commencing services. The

Administration shall be notified as to what persons are behind the activities, their holdings, the financial status of the party and what services are envisaged. PTA shall, within three weeks, notify the party concerned whether it will be required to apply for an individual licence or else register the party as a postal operator with a general authorisation. Should a postal operator begin to provide postal services without having notified PTA thereof with the specified notice, PTA may suspend its operations until this has been rectified.

PTA shall maintain a register of all postal operators operating on the basis of a general authorisation.

#### **Article 14**

##### *Individual licences*

Postal operators intending to provide universal service, as provided for in Article 6, must apply to PTA for an individual licence. The application must give details of those persons making the application, their holdings, financial status and what services are envisaged. In granting licences, PTA may impose obligations to provide universal service throughout Iceland or specific aspects of universal service in a specified area. PTA may alter previously granted licences and impose altered obligations to provide universal service on licence holders.

Individual licences shall be granted for a prescribed period in accordance with PTA's decision.

#### **Article 15**

##### *Conditions for individual licences*

PTA shall determine the conditions for granting operating licences as provided for in Article 14. The conditions shall be clear and in adopting them care shall be taken not to discriminate between individual licence holders. The conditions for individual licences may include one or more of the following:

- a. insuring that the public have access to universal service,
- b. that the individual licence holder assume the obligations of the state arising from its exclusive rights,
- c. that the tariff of an individual licence holder for universal service be subject to supervision by the PTA and that an individual licence holder's tariffs for services covered by exclusive rights be subject to the PTA's approval,

d. that the individual licence holder keep its accounts as provided for in Article 18 and provide PTA with any information it requests on the accounts and access to them,

e. that requirements concerning quality and service are fulfilled, cf. Chapter VIII,

f. that the individual licence holder may be subjected at all times to supervision by the PTA of its financial position, with respect to possible risk of discontinuation of operations,

g. that a guarantee is provided for payment of cost arising from the delivery of postal items to their addressee in the case of bankruptcy or discontinuation of the operations of the individual licence holder,

h. that international agreements in the field of postal affairs concluded by the state are respected,

i. that the requirements of the second paragraph of Article 6 are fulfilled,

j. the payment of a licence fee and operating fee in accordance with the Post and Telecom Administration Act and the Act concerning Miscellaneous State Revenues.

PTA may set additional conditions if considered necessary. Such conditions must be justified when adopted. The conditions for individual licences may be altered if their premises have changed. Conditions may also be added or altered to comply with changes to Acts and rules adopted on their basis, and when international agreements give cause thereto.

PTA may also set the condition that an individual licence holder, entrusted with providing universal services, ensure that the public in certain locations is provided with access to postal services in accordance with rules<sup>1)</sup> on the location and arrangements of access points adopted by PTA with regard for public needs.

<sup>1)</sup>*Reg. 504/2003.*

## **CHAPTER VII**

### **Terms of business, tariffs and accounts**

#### **Article 16**

##### *Terms of business and tariffs*

Postal operators must make public the general terms of business which apply to their services. New and altered conditions shall be sent to PTA at least five working days prior to their entry into force. PTA may require changes to the conditions if they infringe against laws, regulations or provisions of licences, as applicable.

Individual licence holders must, in their terms of business, include provisions on supervision of the use of postage meters. They shall specify how refill of the meters takes place and what security measures are required to prevent abuse.

The conditions for universal service shall define access by users to services and quality of services.

Tariffs for universal service shall be based on the actual costs of providing the service plus a reasonable margin of profit. Tariffs must be easy to comprehend and non-discriminatory. PTA may require individual licence holders to account for the cost basis of their tariffs. Fees for universal service shall be affordable to the general public and ensure its access to the service.

[An individual licence holder may set a special tariff for parties submitting large quantities of postal items at once or companies collecting postal items from various customers and submitting them to the individual licence holder. Such special tariffs shall be based on the expense saved as compared to usual postal services.]<sup>1)</sup>

An individual licence holder, entrusted with the state's exclusive rights, must issue a special tariff for services covered by exclusive rights. [Income from services covered by exclusive rights may not be used to subsidise fees for universal service not covered by exclusive rights unless it has been demonstrated that this is directly necessary to comply with special universal service obligations to which an individual licence holder is subject.]<sup>1)</sup> The tariff must be submitted to PTA for approval no later than 15 working days prior to its entry into force.

Postal items which are carried without charge in accordance with international agreements shall also be free of charge within Iceland.

<sup>1)</sup> Act No. 136/2002, Article 2.

## **Article 17**

### *Fees for universal service internationally*

In negotiating agreements on terminal dues for cross-border mail covered by universal service, individual licence holders shall respect the following basic principles:

1. terminal dues shall be based on the costs of postal handling, including delivery;
2. the amounts shall be in accordance with the quality of service;
3. terminal dues must be transparent and non-discriminatory.

## **Article 18**

### *Accounting arrangements*

In their accounts, individual licence holders must keep income and expenses arising from universal service separate from other services. An individual licence holder, entrusted with the state's exclusive rights, cf. Article 11, must keep separate accounts of income and expenses for those types of service covered by the exclusive rights and for universal service. Postal operators carrying out licensed operations in other areas as well must keep income and expenses from their postal operations separate from other income and expenses.

The Minister of Communications shall issue a Regulation concerning the accounting of postal operators, breakdown of expenses and the financial separation of postal services from other services, and the financial separation of exclusive right services, universal services and other services.

PTA shall ensure that the accounts of individual licence holders comply with the Regulation and shall attest to this publicly.

## **Article 19**

### *Preparation and publication of annual financial statements*

The annual financial statements of individual licence holders shall be prepared as provided for by the Acts on Accounting and on Annual Financial Statements and shall be made public.

## **CHAPTER VIII**

### **Service and quality requirements**

## **Article 20**

### *Mail clearance*

PTA shall ensure that reception and collection points for mail covered by universal service are emptied at least once each working day.

## **Article 21**

### *Mail distribution*

PTA shall ensure that mail covered by universal services is delivered everywhere in Iceland each working day, unless circumstances or geographical factors prevent this.

## **Article 22**

### *Quality standards*

PTA shall set standards of quality for universal service. Such standards shall, for instance, prescribe the maximum time limit from clearance of mail to its delivery (end-to-end routing) based on a specific percentage, the minimum opening hours for access points, the number of collections from letter boxes each day, the maximum time from the arrival of mail in the country to its delivery and the maximum time limit from clearance of cross-border mail until its delivery to the transporter.

Quality standards for cross-border postal deliveries in the EEA shall comply with the provisions of the Annex to this Act. Quality standards for domestic postal services shall have regard for the previously mentioned quality standards for cross-border deliveries. PTA may grant exemptions from quality standards in individual cases due to geographical factors or due to the distribution network of an individual licence holder.

PTA shall monitor compliance with quality standards. Each year PTA shall examine the quality of universal service and publish a report on its conclusions.

## **Article 23**

### *Technical standards*

Individual licence holders shall be guided by technical standards for postal services approved by Icelandic Standards (IST). The same shall apply to standards published in the EU *Official Journal*, in particular when their contents are covered by the provisions of Article 22.

## **Article 24**

### *Security of postal items*

Postal operators shall ensure the secure handling of all postal items. In the case of registered items and insured items, postal operators shall take special measures to store them in a secure location while in their custody or in the custody of their contractors. PTA shall adopt rules<sup>1)</sup> concerning security at access points.

<sup>1)</sup>Reg. 504/2003.

## **CHAPTER IX**

### **Mail transport**

## **Article 25**

### *Obligations to transport postal items*

Anyone maintaining regular domestic or international transport services is obliged to transport, upon request, postal items of individual licence holders between locations, provided normal compensation is made for such. Such postal items shall take priority over other cargo transport.

## **Article 26**

### *Security in transport*

Transporters handling postal transports shall ensure the secure handling of mail.

## **CHAPTER X**

### **Compensation fund for universal service**

## **Article 27**

### *Applications for financial contributions*

Should an individual licence holder be of the opinion that universal service which it is obliged to provide in accordance with its licence, cf. Articles 14 and 15, is operated at a loss or is unprofitable, it may request to be ensured normal remuneration for the service in question through financial contributions. Applications for financial contributions must be submitted to PTA. An individual licence holder, which has been entrusted with the state's exclusive rights, shall only be entitled to financial contributions for universal services not included under its exclusive rights.

Upon receiving an application for financial contributions, PTA shall examine whether the service falls within the framework of Article 6 and, if so, whether it can be ensured through other more economical means. If PTA's conclusion is that the service cannot be discontinued, if the objectives of Article 2 are to be achieved, and that it is not possible to provide the service in a more economical manner, the Administration shall ensure the individual licence holder financial contributions from the universal service compensation fund. PTA may monitor the use of financial contributions.

An application by an individual licence holder for financial contributions for universal service must be accompanied by detailed information on the total operating loss on the individual licence holder's universal service in the region concerned and a breakdown of this loss. As part of its processing of the application, PTA may require a breakdown of information on the applicant's total income and cost for universal service. PTA may also require reports from certified public accountants or entrust such parties to prepare an

assessment of the applicant's operating results in the operating area concerned. Furthermore, PTA may demand access to the accounts of an individual licence holder in assessing the amount of financial contributions and supervising how financial contributions are used. At the end of each year, an individual licence holder receiving a contribution from the compensation fund must provide PTA with an account of how the financial contribution was utilised.

If part of the activities of an individual licence holder is dependent upon financial contributions from the compensation fund, PTA may require that the accounting for this aspect of the operations be kept separate from other operations of the individual licence holder.

Financial contributions shall be provided for one year at a time and applications for financial contributions must be renewed by a prescribed time. The Minister of Communications shall set detailed rules on applications for financial contributions from the compensation fund and for their handling in a Regulation on universal service, cf. Article 6.

## **Article 28**

### *Compensation fee*

To finance the payment of financial contributions as provided for in this Chapter an compensation fee shall be collected, which shall accrue to the compensation fund in the custody of PTA.

The compensation fee shall be collected from individual licence holders in proportion to their reported turnover for universal service. Reported turnover shall mean the total operating income which the individual licence holder concerned obtains from postal operations covered by the provisions on universal service.

The compensation fee shall be decided by law. On the basis of applications received, the financial contributions needed for universal service shall be reviewed annually by PTA and the results of this review, together with a proposal for altering this fee percentage, if considered necessary, shall be submitted to the Minister of Communications.

The levying and collection of the compensation fee shall be as provided for in Chapters VIII-XIV of Act No. 75/1981, concerning income and property taxes, as subsequently amended, as appropriate, and the collectors shall submit the fees for the compensation fund to PTA on a monthly basis.

The compensation fee may be deducted from the income of the payor in the operating year when its base was formed.

## **CHAPTER XI**

### **Agreements on specific postal services**

#### **Article 29**

##### *Specific postal services*

If the Minister of Communications requests that undertakings or specific postal services, which are not included in universal services but are for the public good, be carried out for security reasons, due to environmental considerations or for regional interests, and can be expected not to return a profit, PTA shall be entrusted with negotiating agreements to this end with a postal operator following a competitive procedure.

#### **Article 30**

##### *Financing specific postal service*

The cost of specific undertakings or postal service as provided for in Article 29, shall as a rule be paid by the National Treasury as provided for in the annual budget.

## **CHAPTER XII**

### **Rules on handling of mail**

#### **Article 31**

##### *Reception and delivery of postal items*

Postal operators may set provisions in their conditions on the state of postal items they receive. The conditions must be clear and non-discriminatory. Postal operators shall, upon reception, ensure that the state of items is such that it will be possible to deliver them to the addressee.

A payment mark shall be placed on postal items included under universal service, indicating what the fee for the postal item is. The payment mark may take the form of a postage stamp, valid as an entitlement to postal service, and shall show the value of the postage stamp. PTA may under special circumstances authorise the use temporarily of postage stamps marked with the weight class of letters instead of a value. Postage stamps which have a cancellation are no longer valid as an entitlement to new service. The payment mark may also take the form of a stamp on the postal item or on its accompanying document from the user's postage meter or other stamp on the part of an individual licence holder. Instead of a stamp on a postal item a stamped payment mark may be used. Payment marks other than

postage stamps must bear the name of the individual licence holder concerned or a number assigned to it by PTA. Postal operators may receive bulk items without a payment mark on each item, provided that these postal items are specially marked and cancelled.

All postal items in universal service must be cancelled as quickly as practicable following their reception. If postage meters are used to stamp the postage fee, they may be used to cancel the postal items at the same time, provided the date corresponds to the date the postal item is deposited with the individual licence holder. A cancellation may also be part of a payment mark affixed by an individual licence holder at the request of the sender of a postal item following reception.

Postal items shall be distributed or delivered to those parties to whom they are addressed or who have authorisation to receive them, to the mail box or post office box of the party concerned or as otherwise indicated by the address. Postal operators may return postal items to the sender if the letter slots or mail boxes of recipients do not comply with the provisions of a building regulation.

A postal item is considered to be in the custody of a postal operator and its responsibility from the time of its receipt until it has been delivered to the address specified.

A sender is considered to be the owner of a postal item which he/she has deposited with a postal operator until it has been delivered to the addressee. Furthermore, the sender shall continue to have the right to dispose of the item and may give the postal operator new instructions on handling mail until it has been delivered to the specified addressee. A postal operator may collect an additional fee for cost resulting from new instructions.

## **Article 32**

### *Undeliverable items*

Postal operators shall take every normal measure to deliver postal items to the addressee. A postal operator shall return postal items which cannot be delivered because of an incorrect or insufficient address, or because the addressee has changed residence to another country, to the sender.

Postal operators may return to the sender postal items submitted without payment of the postage fee or in the case of insufficient payment.

When an undeliverable postal item is not marked with the name of the sender and it cannot be returned, a postal operator may open the postal item as provided for in rules issued by the Minister, cf. Article 35, upon receiving the opinion of the Data Protection Authority. In

preparing and applying these rules, regard shall be had for the possibility that undeliverable postal items may contain sensitive personal information.

Postal items which by mistake come into the hands of another postal operator than was intended to transport the item shall be sent to the correct postal operator without delay.

### **Article 33**

#### *Prohibited items*

An item whose contents are illegal, unseemly or offensive to the addressee may not be deposited with a postal operator.

A Regulation issued by the Minister of Communications on the operation of postal services, cf. Article 35, shall include rules as to what is considered illegal content of postal items. PTA shall, having regard to the Regulation, draw up a list of illegal contents of postal items, which postal operators shall make known to their employees and have on hand at access points.

PTA shall notify the UPU of the list of illegal contents. Similarly, PTA shall ensure that lists of contents considered to be illegal in other countries are accessible to individual licence holders.

Postal items, with the exception of registered items and insured items, may not contain currency notes or coins or any negotiable documents payable to the bearer, precious metals, jewellery or similar valuables.

### **Article 34**

#### *Packaging of postal items*

Postal items deposited with postal operators in packaging must be securely wrapped. Postal operators may refuse to accept postal items if there is considered to be a risk that the packaging may be damaged while in the hands of the postal operator. The receipt of postal items in universal service whose contents could cause damage, infection or illness is conditional upon proper packaging of the item and its labelling in accordance with the contents. Examples of such contents are perishable biological substances, infectious and radioactive materials. The Regulation issued by the Minister of Communications concerning the operation of postal services, cf. Article 35, shall include rules on the state, packaging and labelling of such items. Individual licence holders must display the rules at access points at the request of users and make them known to their employees. PTA shall inform surveillance

authorities abroad of the rules and shall gather information on rules applying in neighbouring countries on similar matters.

### **Article 35**

#### *Detailed rules on the operation of postal services*

The Minister of Communications shall, in a Regulation, set detailed rules on the operation of postal services in universal service, such as on the maximum and minimum dimensions of postal items.

<sup>1)</sup>*Reg. 364/2003.*

## **CHAPTER XIII**

### **Obligations of postal operators to provide information**

#### **Article 36**

##### *Information on operations*

Postal operators are obliged to deliver to PTA, within the reasonable time limit that it decides, statistical information on their activities, including the total number of posted items in various service and weight classes, figures on the quantities handled by individual access points, information on distribution at various locations, etc.

Holders of individual licences shall provide PTA with information on their operations and financial situation so that the Administration may supervise their tariffs. An individual licence holder, entrusted with the state's exclusive rights, must submit to PTA information with a breakdown of its operations and financial status as deemed necessary by PTA for review of its tariff. PTA or a certified public accountant acting on its behalf shall have at all times and without prior notice access to the accounts of individual licence holders for the purpose of verifying that separation of costs is carried out properly and to examine the cost of universal service.

Individual licence holders shall provide PTA with information on the quality of universal service, cf. Article 22.

PTA shall be authorised to publish such information in its assessment.

## **CHAPTER XIV**

### **[Handling of complaints and compensation]<sup>1)</sup>**

<sup>1)</sup>*Act No. 136/2002, Art. 5.*

#### **[Article 37**

### *Handling of complaints*

Individual licence holders shall draw up rules on handling of complaints from users.

PTA shall ensure that the rules referred to in the first paragraph enable rapid and fair resolution of disputes with repayment and/or damages when justified.]<sup>1)</sup>

<sup>1)</sup>Act 136/2002, Article 3.

### **[Article 38]<sup>1)</sup>**

#### *Damages due to delays*

Postal operators are not obliged to pay compensation if postal items are delayed.

<sup>1)</sup>Act No. 136/2002, Art. 3.

### **[Article 39]<sup>1)</sup>**

#### *General postal items*

Postal operators are not obliged to pay compensation for the total or partial loss of general postal items.

<sup>1)</sup>Act No. 136/2002, Art. 3.

### **[Article 40]<sup>1)</sup>**

#### *Registered items and postal parcels*

A sender of registered items and postal parcels shall be entitled to compensation for such items which are completely or partially lost or destroyed in the custody of postal operators. The compensation shall reflect the value of the items. PTA shall adopt rules on the maximum liability for which postal operators shall be responsible in this connection.

<sup>1)</sup>Act No. 136/2002, Art. 3.

### **[Article 41]<sup>1)</sup>**

#### *Insured items*

A sender of an insured item which is lost or damaged in some respect in the custody of postal operators shall be entitled to compensation equivalent to the insured amount specified upon submission of the item.

<sup>1)</sup>Act No. 136/2002, Art. 3.

### **[Article 42]<sup>1)</sup>**

#### *Financial items*

A postal operator shall bear full responsibility for money which it accepts for delivery as a financial item and must fully reimburse the sender the value of such an item if it is lost.

<sup>1)</sup>Act No. 136/2002, Art. 3.

#### **[Article 43]<sup>1)</sup>**

##### *Indirect damage*

Liability for compensation as referred to in [Articles 40 - 42]<sup>2)</sup> shall cover only the value of objects which have been lost or the loss of value resulting from damage to a postal item in the custody of a postal operator. There is no liability for loss of profit or use, loss due to a decrease in the value of money or securities, or other indirect consequences of the damage.

<sup>1)</sup>Act No. 136/2002, Art. 3. <sup>2)</sup>Act No. 136/2002, Art. 4.

#### **[Article 44]<sup>1)</sup>**

##### *Cross-border postal items*

Compensation for cross-border postal items shall be made as provided for in currently applicable international agreements. If an item is lost or damaged by a postal operator in Icelandic territory, however, compensation shall be paid as if a domestic item were involved, provided this is more favourable to the injured party.

<sup>1)</sup>Act No. 136/2002, Art. 3.

#### **[Article 45]<sup>1)</sup>**

##### *Special instances*

PTA may, in special instances, instruct a postal operator, in spite of the limits on liability, to pay compensation for postal items if the loss is the result of intent or gross negligence on the part of the operator or its employees, or if the damage is such and all the circumstances of such nature that the provisions of this Chapter are not deemed to apply.

<sup>1)</sup>Act No. 136/2002, Art. 3.

#### **[Article 46]<sup>1)</sup>**

##### *Time limits for claims for compensation*

The obligation to pay compensation shall be null and void if a claim is not submitted within six months of the date the postal item in question was submitted for delivery.

<sup>1)</sup>Act No. 136/2002, Art. 3.

**Chapter XV**  
**Postal secrecy and exemptions**

**[Article 47]<sup>1)</sup>**

*Postal confidentiality and intervention of employees*

Information may only be provided on postal items and the use of postal services following a court ruling or in accordance with an authorisation in another Act.

No person employed in postal services may give unauthorised parties information on postal items or give others an opportunity to acquire such knowledge. Furthermore, they may not open or read items submitted for postal delivery. The obligation of confidentiality remains after employment ceases.

<sup>1)</sup>Act. 136/2002, Art. 3.

**[Article 48]<sup>1)</sup>**

*Exemptions*

Notwithstanding the provisions of [Article 47]<sup>2)</sup>, postal items which cannot be delivered may be opened without a court ruling in order to attempt to discover who the sender is and return them, provided this is done as provided for in rules set by the Minister, cf. Article 32. Furthermore, items may be opened when this is unavoidable for their transport or to investigate possible damage to their contents. The same applies when there is reasonable cause to suspect that an item has not been properly packaged in view of its contents or that an item contains objects which could be dangerous to ship. A postal operator must keep a record of postal items opened without a court ruling, in accordance with rules set by the Minister, cf. Article 32.

Postal parcels sent to Iceland from abroad may be opened if necessary to determine import duties. Other sealed postal items may not be opened in order to determine import charges except in the presence of the addressee.

Postal items to individuals who are subject to bankruptcy proceedings may be delivered to estate executors at the request of the latter, provided their appearance indicates they pertain to the bankrupt person's financial matters. Similarly, items addressed to deceased persons shall be delivered to the executor of their estates in cases of public probate. In the case of private probate, all postal items shall be delivered to the guardian of the deceased person's estate unless their appearance indicates they are personal letters. In such case the item shall be returned with a suitable explanation printed on the item itself.

<sup>1)</sup>Act No. 136/2002, Art. 3. <sup>2)</sup>Act No. 136/2002, Art. 6.

**[Article 49]<sup>1)</sup>**

*Illegal actions*

Employees of postal services may not open, destroy or conceal postal items, or destroy, distort or conceal telegrams which have been accepted for delivery.

<sup>1)</sup>Act No. 136/2002, Art. 3.

**[Article 50]<sup>1)</sup>**

*Obligation to inform employees*

Postal operators shall make the provisions of this Chapter known to their employees and contractors employed in postal services.

<sup>1)</sup>Act No. 136/2002, Art. 3.

**CHAPTER XIV**

**International agreements**

**[Article 51]<sup>1)</sup>**

*Cross-border postal services*

The provisions of this Act shall also apply to cross-border postal services, insofar as they do not infringe against international agreements on postal services.

<sup>1)</sup>Act No. 136/2002, Art. 3.

**[Article 52]<sup>1)</sup>**

*Participation of individual licence holders in international co-operation*

PTA may instruct individual licence holders to participate in co-operation resulting from international obligations in postal affairs.

<sup>1)</sup>Act No. 136/2002, Art. 3.

**CHAPTER XVII**

**Penalties**

**[Article 53]<sup>1)</sup>**

*Penalties for violations*

Violations of this Act shall be liable to fines or imprisonment of up to six months in the case of serious offences. Violations due to negligence shall be liable to fines.

Violations of Chapter XV of the Act, on postal secrecy and illegal actions, shall be liable to fines or imprisonment as prescribed in the first paragraph. If the violation is carried out for material advantage, whether of the individual concerned or others, such may be punished by imprisonment of up to three years.

<sup>1)</sup> *Act No. 136/2002, Article 3.*

## **CHAPTER XVIII**

### **Miscellaneous provisions**

[Article 54]<sup>1)</sup>

#### *Regulations*

The Minister of Communications may, in a Regulation, lay down more detailed instructions on the implementation of this Act.

<sup>1)</sup> *Act No. 136/2002, Article 3.*

[Article 55]<sup>1)</sup>

#### *Entry into force*

This Act shall enter into force at once.

...

<sup>1)</sup> *Act No. 136/2002, Article 3.*

## **Annex**

### **Quality standards for cross-border postal items within the European Economic Area (EEA)**

The quality standards for postal items between countries of the EEA shall be set in each country in relation to the time limit for postal handling measured from the access point to point of delivery (end-to-end) for postal items of the fastest standard category according to the formula  $D + n$ , where  $D$  represents the date of deposit and  $n$  the number of working days which elapse between that date and the delivery to the addressee.

The date of deposit to be taken into account shall be the same day as that on which the postal item is deposited, provided that deposit occurs before the last collection time indicated at the access point in question. When deposit is made after that time, the date of deposit to be taken into consideration shall be the day following the date of collection.