



# Workstream: Payments Addressing for Merchants

Mojaloop Community Workshop

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Presented by: Ololade Osunsanya , Dominik Jany and Sam Kummary

# Meeting Agenda

1. Intro to Workstream
2. Workstream Real-world benefits
3. Demonstration of GLEIF API
4. Link to ISO 20022
5. Process Flow: Merchant onboarding using the LEI



# Introduction to the Workstream: Payments Addressing for Merchants

A standardized, reliable approach to merchant identification within cross-border and domestic payments leveraging the Legal Entity Identifier (LEI).

- The **LEI** is a life-long identifier **owned** by the respective legal entity. It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions.

## Why?

- **Enhance Trust & Transparency**
  - Increasing risks: duplicate aliases, identity fraud, misrouted payments.
  - LEI provides a globally recognized, verifiable identity for businesses participating in payment systems.
- **Facilitate Cross-Border Commerce**
  - Need for a comprehensive addressing framework for merchant cross-border payments.
  - Simplifies onboarding and verification of merchants across jurisdictions.
- **Compliance & Risk Management**
  - Growing regulatory focus on transparency and identity in financial systems.
  - Meets expectations under FATF Recommendation 16 – Payment Transparency.
  - Supports alignment with G20 Roadmap for Enhancing Cross-Border Payments.

## Workstream Real-World Benefits:



Confirmation of Payee: Ensure correct identity before payment



Fraud Prevention: Reduce impersonation and duplicate merchants



Merchant Authentication: Use LEI to validate and authorize actors in the payment flow

- Beneficial to cross-border transactions by relying on standardized and globally accessible LEI reference data.
- Banks and payment providers spend less time verifying and reconciling entities.
- With the LEI the identity remains reliable for all future payments.

# Validating LEIs using the GLEIF API

## Tasks:

- Verify LEI codes: Is this a real LEI?
- Retrieve merchant profile: Get legal name, entity ID, address and more via the LEI record

**GLEIF API:** <https://www.gleif.org/en/lei-data/gleif-api>

- Documentation: <https://api.gleif.org/docs>
- Demo Application: <https://api.gleif.org/demo>
- Free of charge
- Allows customized implementation

Alternative: **Golden Copy Files** <https://www.gleif.org/en/lei-data/gleif-golden-copy>

- Full LEI repository
- Updated three times per day
- Available as CSV, XML, JSON

```
def get(self, url):  
    """Returns LEI  
    response = re  
  
    return response
```

# Demonstration of GLEIF API

## Link to ISO 20022

- ISO 20022’s 2016 Release introduced dedicated LEI fields for identifying parties in messages like settlement instructions and payment messages.
- These fields allow LEIs to be used alongside or instead of other identifiers like BIC, particularly in sections such as Party Identification blocks.
- From the schema perspective, LEI is not mandatory.

▼	🔗	Identification	0	1
▼	🏢	Organisation Identification	1	1
>	≡	Any BIC	0	1
	≡	LEI	0	1

# LEI is an optional field in the ISO 2002 payment messages

File contents

SUBMIT

DOWNLOAD

API call

ISO 20022 pain.001 file submitted via online banking

File contents

```
<Envelope xmlns="urn:proprietaryEnvelope">
  <Hdr>
  </Hdr>
  <Document id="pain" xmlns="urn:iso:std:iso:20022:tech:xsd:pain.001.001.09">
    <CstmCdtTrfInitn>
      <GrpHdr>
        <MsgId>1021419353</MsgId>
        <CredTm>2021-03-19T08:15:48.7495467Z</CredTm>
        <NbOfTx>1</NbOfTx>
        <CtrlSum>38140</CtrlSum>
        <InitgPty>
          <Nm>北京奔驰汽车有限公司</Nm>
          <PstAdr>
            <StrtNm>Boxing Road</StrtNm>
            <PstCd>110115</PstCd>
            <Ctry>CN</Ctry>
            <AdrLine>Daxing</AdrLine>
          </PstAdr>
        </InitgPty>
        <Id>
          <OrgId>
            <LEI>300300GNDB55UGZ3028</LEI>
          </OrgId>
        </Id>
      </InitgPty>
    </GrpHdr>
    <PmtInf>
      <PmtInfId>(1-35)</PmtInfId>
      <PmtMtd>TRF</PmtMtd>
      <PmtTpInf>
        <InstrPrty>NORM</InstrPrty>
      </PmtTpInf>
    </PmtInf>
  </Document>
</Envelope>
```

Debtor Agent

- Receive the ISO 20022 Payment Instruction (pain)
- Verify the signature, sender, etc.
- Generate an ISO 20022 message (pacs) for submission to the second bank

Incoming Payment Initiation

File type	ISO 20022 pain.001.001
Debtor	北京奔驰汽车有限公司 300300GNDB55UGZ3028 <div>LOOKUP</div>
Creditor	Daimler AG 529900R27DL06UVNT076 <div>LOOKUP</div>
Amount	EUR 38,140.00
Message	Invoice INV20210083

GENERATE AND SUBMIT FI TO FI CUSTOMER CREDIT TRANSFER

Legal Entity Identifier

Legal Entity Identifier	300300GNDB55UGZ3028 <div></div>
Name	北京奔驰汽车有限公司
Legal form	企业 (ECAK)
HQ address	北京市北京经济技术开发区博兴路8号, 110115, 大兴区, China <div></div>
Legal address	北京市北京经济技术开发区博兴路8号, 110115, 大兴区, China <div></div>
Entity status	ACTIVE
Registered at	State Administration for Market Regulation (RA000092) <a href="http://www.gsxt.gov.cn/index.html">http://www.gsxt.gov.cn/index.html</a>
Registration date	4/14/2020 2:05:02 AM
Managing LOU	300300EJ5S25BWXX0QJ66
Registration status	ISSUED
Retrieved from GLEIF	2021-03-19 08:00

API call

<https://api.gleif.org/api/v1/lei-records/300300GNDB55UGZ3028>





# Process Flow: Merchant onboarding using the LEI