# Expanding Merchant Registration

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# Background

Relevant/synergetic workstreams of the last PI:

• Merchant payments

• Multi-scheme deployments

• MOSIP-based payments routing

These give us the opportunity to extend merchant payments cross-border, and to include casual merchants, market traders etc

# Merchant Identifiers and Cross-Border

- Merchant registry enforces unique merchant IDs
  - Within a deployment
- Cross-border implies collision

Options:

- Include a country- or scheme-prefix on a merchant ID
- Another might be to use merchant IDs that are intrinsically worldwide unique
  - Legal Entity Identifiers (LEIs), administered by GLEIF
  - Opportunity for partnership with GLEIF
  - Capitalise on the multi-scheme workstream's work on "lazy discovery"

# "Tiers" of Merchant Face to face

**Tier 1**

International, multi-outlet merchants (Starbucks, Shoprite etc)

**Tier 2**

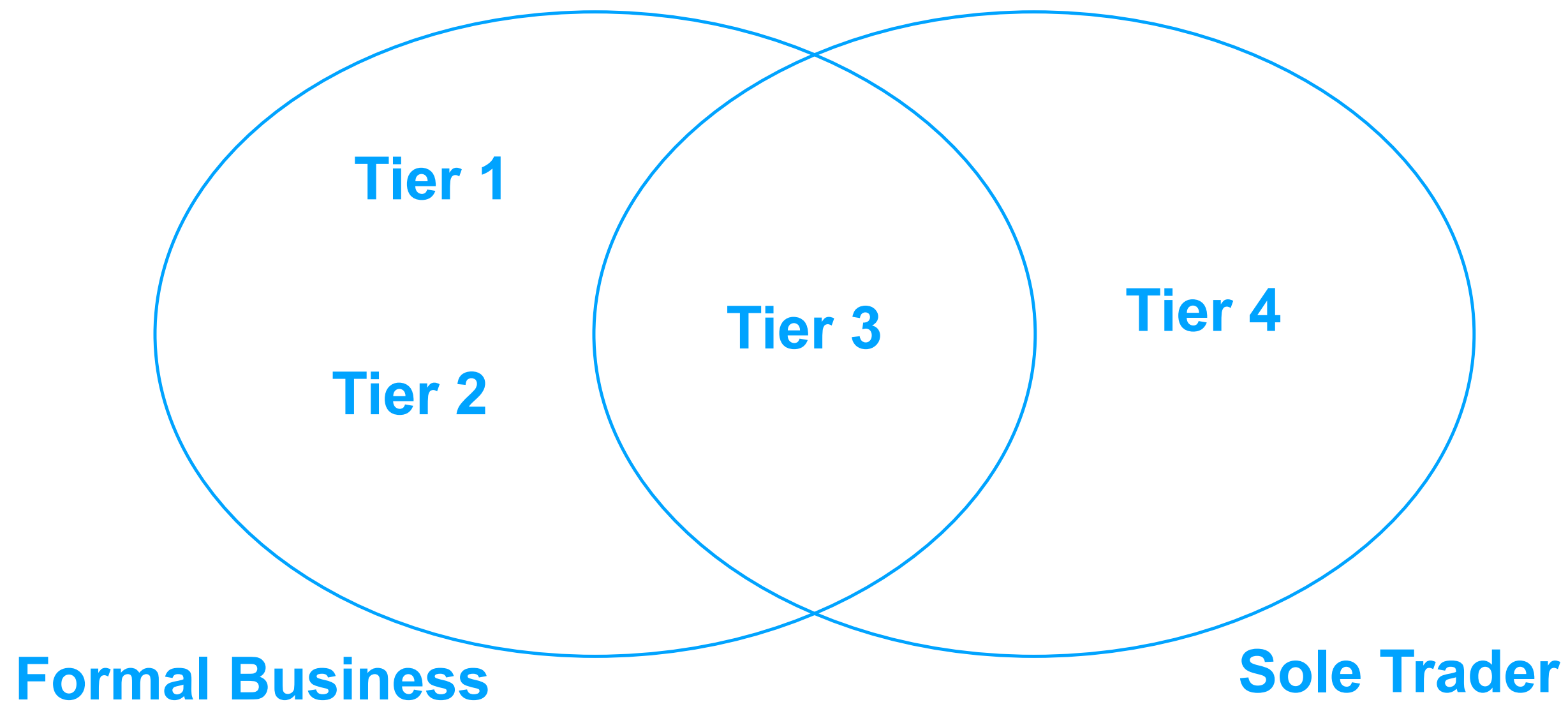National multi-outlet merchants (eg Java House)

**Tier 3**

Local stores; probably one outlet; some with a single owner/operator

**Tier 4**

Casual merchants; stall holders, kiosks etc

# Business Registration

Tier 1

Tier 2

Tier 3

Tier 4

Formal Business

Sole Trader

# Options for Identifiers

## Merchant ID

- As adopted by the merchant payments workstream
- Scheme-specific
- Limited usability cross-border
- Supports both USSD and QR

## Legal Entity Identifier

- Long (20 digits alphanumeric)
- Unique worldwide
- Only useful for larger businesses
- Not usable for USSD; only QR

## Natural Entity Identifier

- For example, MOSIP
- Unique worldwide (with country identifier)
- Useful for sole traders
- Not relevant to larger businesses

# Preferred Merchant Identifiers

| Merchant Tier | Identifier |
| --- | --- |
| Tier 1 | Merchant ID for domestic USSD<br>LEI for domestic and internal QR |
| Tier 2 | Merchant ID for domestic USSD<br>LEI for domestic and internal QR |
| Tier 3 | Merchant ID for domestic USSD<br>Either LEI or NEI for domestic and internal QR |
| Tier 4 | Merchant ID for domestic USSD<br>NEI for domestic and internal QR |

# Process Flow

# Merchant Acquirers: GLEIF Partnership

- Carry out capture of merchant documentation

- (Where appropriate) cross reference with national companies registration database

- Issue Merchant IDs

- If an LEI exists: forward captured data to GLEIF, let them verify and potentially update their own records (probably not chargeable)

- If there is no LEI, and it's a company: forward captured data to GLEIF, let them verify & issue an LEI (chargeable)

Chargeable functions are charged to merchant, acquirer forwards fee (less commission) to GLEIF

9

# International Transactions

- Currently only enabled via QR (either LEI or NEI encoded)
    - So no support for USSD
    - But can be static

Issue

- Need an approach to define USSD-friendly merchant IDs that are also uniquely linkable back to a merchant in another country

# Thank you!