

Payments party data combinations for different use cases

Use case 3: Level2 PSP Client Payment

Level 1 Payment Service Provider (PSP1) is the customer of LHV.

Level 2 Payment Service Provider (PSP2) is the customer of PSP1.

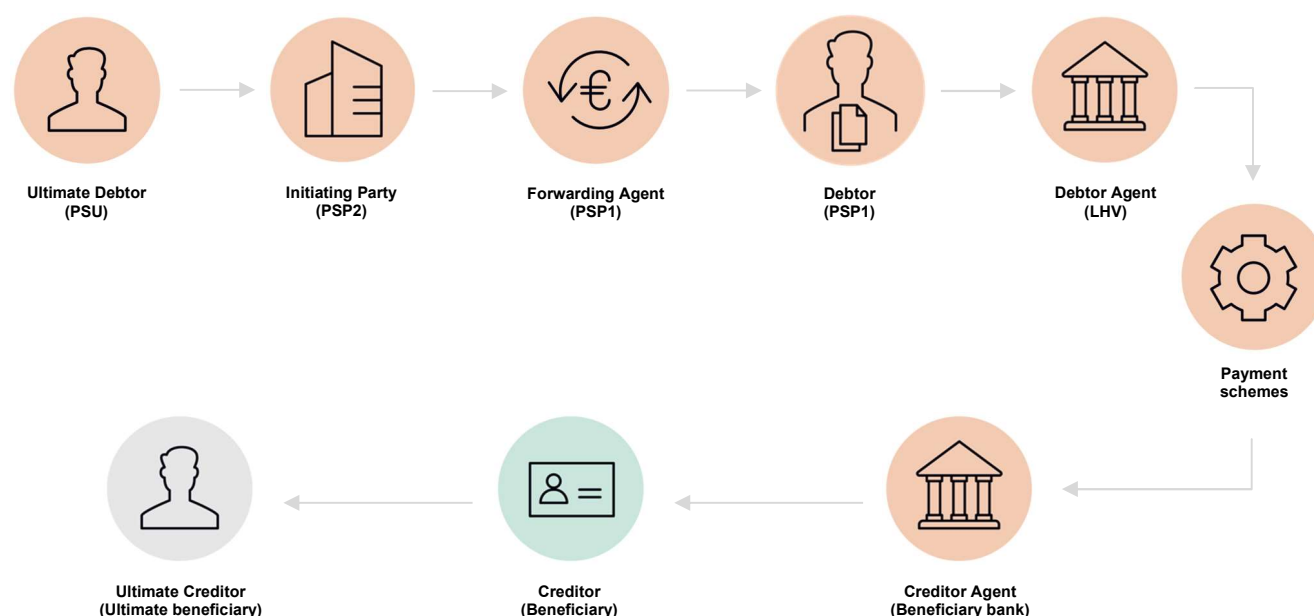
Payment account (i.e., safeguarding account / operational account) is opened with LHV and belongs to the PSP1.

Funds belong to the end customer (PSP2's client).

Use case:

PSP2 initiates the payments of the end customer (PSP2's clients) via PSP1. In this case there is another Payment Service Provider (PSP2) between the PSP1 and the end customer (PSP2's client).

PSP Level 2 Payments



Actors and parties:

PSU - Payment Service User – PSP2's client acts as the actual **payer**, the originator of the payment. PSP2's client is the ultimate party (Ultimate Debtor) that owes an amount of money to the beneficiary (Creditor) / ultimate beneficiary (Ultimate Creditor). The payer's name and address (or other options) must be provided in the Ultimate Debtor block of the payment initiation message. It is recommended

to provide the payer's address and/or additional data so that payments with a partial match do not get stuck in AML controls. It is mandatory to provide the payer's name and address if one of the payment servicing parties (PSP1 or PSP2 or Creditor Agent) is located outside the EU/EEA (EU Regulation 2015/847).

PSP1 – Level 1 Payment Service Provider – the customer of LHV and the account owner. PSP1 acts as the **payment service intermediary for the PSP2** and forwards the payment order to LHV. LHV debits the account that belongs to the PSP1. PSP1 data must be provided both in the Forwarding Agent and Debtor block of the payment initiation message, referring to the same party. BIC is the preferred option to be used in the Forwarding Agent block, if BIC is not available then the name and address of the PSP1.

PSP2 – Level 2 Payment Service Provider – the customer of PSP1. PSP2 acts as the **payer's payment service provider** and initiates the payment order forwarded to LHV via PSP1. PSP2 data must be provided in the Initiating Party block of the payment initiation message. BIC is the preferred option to be used in the Initiating Party block, if BIC is not available then the name and address of the PSP2.

LHV - LHV Pank AS – acts as the **payment service intermediary**, debits the account of the PSP1 and forwards payment orders (depend on interface type) to the corresponding payment scheme or SWIFT.