



Family Office Integration with
Wholesale Clearing & Settlement

**Non-Connected Swift Settlement
ISO 20022 Technical
Implementation Guide
XML Pain.001.001.03**

Purpose

HSC Clear and Settlement funds with its non-connected BIC by utilizing a Payment Service Provider (PSP) aggregator or correspondent to process credit transfers using ISO 20022.

Role of the Back Office PSP Aggregator

A PSP aggregator is to act as a technical and network bridge between institutions that:

- Do not have direct SWIFT or clearing system access (non-connected BICs),
- But I need to send/receive ISO 20022 credit transfers for payment settlement.

The aggregator handles:

- Message formatting and validation (ISO 20022 XML),
- Connectivity to clearing/settlement networks (SWIFT, SEPA, Fedwire, CHAPS, RTGS, etc.),
- Routing of payment instructions.

2. Workflow for Credit Transfer with a Non-Connected BIC via PSP Aggregator

Step	Description
1.	The clearing corporation generates an ISO 20022 pain.001 or pac.008 credit transfer message.
2.	It submits the file to the PSP aggregator via a host-to-host connection (e.g., SFTP, API, EBICS).
3.	The aggregator validates, enriches, and routes the message to the appropriate clearing system.
4.	The aggregator handles responses (ACK/NACK) and status reports back to the clearing corporation.
5.	The funds are settled through the connected network (e.g., via a sponsor/correspondent bank).

Key Advantages

- No need for SWIFT membership.
- ISO 20022-compliant payments without building your own infrastructure.
- Can operate under a **sponsor bank's BIC**, while still identifying itself with its **own non-connected BIC** in fields like <InstgAgt> (Instructing Agent).

Important Requirements & Constraints

Requirement	Notes
Regulatory Authorization	The clearing corporation must be permitted (licensed) to process payments via a PSP or sponsor.
PSP Agreement	Must have a formal integration with a PSP aggregator that supports ISO 20022 credit transfers.
Technical Integration	Secure connection (API, SFTP) and agreed message schemas required.
Settlement	Actual funds typically move via a sponsor or clearing member bank. The PSP aggregator does not hold funds .
Message Trust	The aggregator or sponsor may act as the legal message sender on behalf of the non-connected BIC.

Example Use Case

A **regional clearing house** in Africa or Latin America:

- Has a **non-connected BIC**.
- Partners with a **PSP aggregator** like Volante or Bottomline.
- Sends ISO 20022 pac.008 messages through the aggregator.
- The aggregator routes the payments via a sponsor bank connected to SWIFT or domestic RTGS.

Summary

Question	Answer
Can a clearing corp with a non-connected BIC use a PSP aggregator to send ISO 20022 credit transfers?	Yes.
What's needed?	Host-to-host integration with the aggregator, settlement via a sponsor bank, regulatory approval.
Who sends the final message to the clearing system?	The PSP aggregator (possibly using its own or a sponsor bank's BIC).
Can the original BIC still appear in the message?	Yes, for identification (e.g., <InstgAgt>).