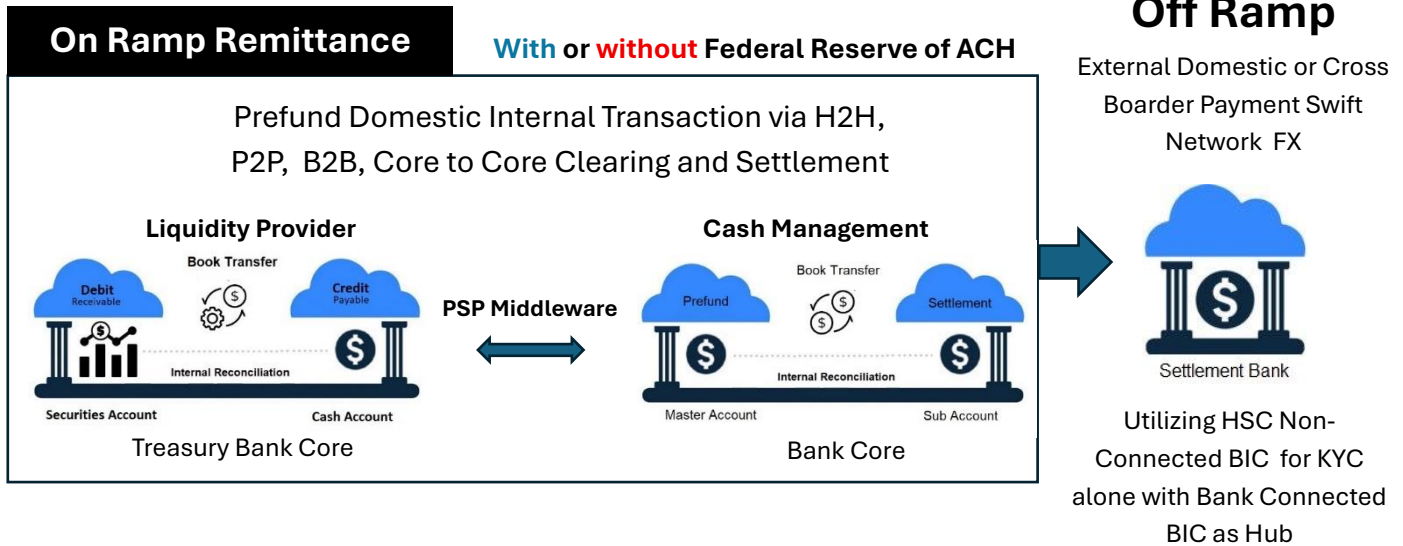


HSC Wholesale UCC Commercial Payment System

For On & Off Ramp Remittance
of large value intra transfers for investments
[UCC § 3-602.](#)



Settlement via PSP's Partner Bank as:

- ✓ **On Ramp** - Straightforward prefunding Bank account, credit transfer book entry internally with regulated AML /KYC, EDD, OFAC activity monitoring.
- ✓ **Off Ramp** - PSP triggers its partner bank to perform the SEPA/SWIFT settlement if needed (for external beneficiaries).

Reconcile:

- ✓ PSP sends back a **transaction status (pacs.002)** and a **credit confirmation (camt.054)**.
- ✓ Post dual-ledger entries in HSC ERP system:
 - **Debit:** HSC liquidity pool.
 - **Credit:** Business Account balance.

HSC Wholesale UCC Commercial Payment System

Key Benefits

- ✓ **“Internal Liquidity Provider”** Underwriting, CPA Valuation and Legal Opinions
- ✓ **“No need for Market Maker”** Private close market to affiliates only
- ✓ **“Less AML Risk”** Total internal capital asset transparency for better control, monitor and legal positioning of transactions
- ✓ **“Less KYC & OFAC Risk** all beneficiaries are internal (Less Actors)
- ✓ **Up to date Messaging** ISO 20022 rest API Real-time reporting and auto-reconciliation
- ✓ **Direct Straight Forward transaction** H2H and ERP integration
- ✓ **Large or complex investment structures** = High level Interchange fees, assessment fees, and processing fees as needed.

In Short:

- ✓ HSC **originates and electronic funds transfers** using its internal ledger.
- ✓ **PSP receives ERP Ledger** payment.
- ✓ **PSP partnering bank** handles internal settlement needed.
- ✓ Legally this qualifies as a **wholesale funds transfer** under UCC 4A, with no need for a traditional operating account.

Operating Wholesale Without a “Traditional Originating Bank Account”

1. Legally, HSC is a **Clearing Corporation under RS 10:8-111 and RS 9:2129**, which makes it a valid “**financial institution**” under **UCC 4A** for wholesale funds transfers.
2. HSC’s internal or virtual account ledger becomes the originating account and there is no need for external originating bank account and no need for Fed Wire or ACH
3. **HSC only needs PSP’s Partnering Bank** to act as the entry point into the traditional banking rails.
4. **On Ramp Internal H2H API integration: Use Business API (/pay) or SFTP** to send funds directly

Technical (ISO20022 /API File Flow)

pain.001:

- <Dbtr> = Affiliate (Family Office entity)
- <DbtrAgt> = HSC’s LEI – (non-connected BIC if Off Ramp)
- <CdtrAgt> = **PSP** partner bank & (BIC if Off Ramp)
- <Cdtr> = Affiliate (Family Office Investment)

Why This Works Legally

- ✓ **UCC 4A:** Allows a non-bank financial institution (here, a Louisiana-recognized clearing corporation) to originate a wholesale funds transfer as a “Debtor Agent.”
- ✓ **Louisiana RS 10:8-111 & RS 9:2129** – Authorize HSC as a **Clearing Corporation & Securities Depository**, giving it financial-market-infrastructure status.
- ✓ **Louisiana RS 51:708-709** – Permits HSC to conduct **interstate securities liquidity and funding operations**.
- ✓ **UCC Article 4A** – Defines the **Originator’s Bank** broadly to include clearing agents; HSC may serve as the **Debtor Agent** initiating funds transfers.
- ✓ **UCC 3-602(4)** – An obligation is discharged when funds are credited to the recipient Bank account.
- ✓ **Practical Execution:** HSC uses its **internal ledger** as the funding source and issues ISO 20022 credit transfer message to **PSP**, which perform any external settlement with bank account.

Compliance Notes

- ✓ Wholesale Payment clarified within the [Federal Financial Institutions Examination Council Wholesale Payment Handbook](#)
- ✓ **Recordkeeping:** Retain ISO 20022 messages, **Route Fusion** API logs, and ledger postings (dual-authorization).
- ✓ **AML/KYC:** Ensure all counterparties are pre-vetted under **31 CFR Chapter X** (BSA rules).
- ✓ **Audit Readiness:** Maintain reconciliation between the HSC ledger debit and Revolut credit confirmation (camt.054).