

PAYMENT PROCESSING FEES CUT BY VISA AND MASTERCARD: A LIMITED VICTORY FOR MANY RETAILERS

UNDERSTANDING THE NEW DEAL

- Previous fees varied widely, reaching over 2% for premium cards.
- Businesses argue that high fees divert profits, especially impacting small retailers.



THE CHALLENGE FOR SMALL BUSINESSES

- Critics argue that many small businesses exceed the \$300,000 (Visa) and \$175,000 (Mastercard) thresholds, limiting the deal's impact.
- The Convenience Industry Council of Canada (CICC) highlights the exclusion of many members.



THE IMPACT ON CONSUMER PRICES

- Retailers often pass interchange fees to consumers, leading to higher prices.
- The new deal, while a step forward, may not fully alleviate this burden.



COMPARING CANADA'S FEES WITH GLOBAL STANDARDS

- Canada's interchange fees are among the highest globally.
- Limited reduction signals progress, but more work needed to align with global standards.



ELIGIBILITY CRITERIA: A BONE OF CONTENTION

- Proposed change in eligibility criteria based on government definition of small business.
- Broader criteria could offer relief to more small businesses struggling with high fees.



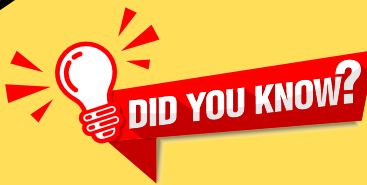
THE LONG-TERM OUTLOOK

- Despite limitations, the deal signifies progress in the interchange fee dispute.
- Sets the stage for potential future negotiations for further fee reductions and broader eligibility.



THE WAY FORWARD FOR RETAILERS

- Navigating complexities of merchant processing crucial for retailers.
- Staying informed about fee changes and exploring diverse payment solutions can optimize operations.



THE AGREEMENT CAPS INTERCHANGE FEES, COMMONLY KNOWN AS SWIPE FEES, AT 0.95% BUT ONLY FOR ELIGIBLE BUSINESSES.