

## Thank you for helping small business battle Visa and MasterCard!

To: Hon. Jim Flaherty, Minister of Finance

Fax to CFIB: 1 613 235-4137

From: \_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Business name

\_\_\_\_\_  
Member email (*optional*)

Dear Minister Flaherty:

Your quick action to support CFIB's vision for a Code of Conduct for the Credit and Debit Card Industry is a major step forward and will help give me more power in dealing with Visa, MasterCard and their bank and processor partners.

Among many positive changes, the Code will:

- ▶ Help protect low cost debit in Canada by ensuring Interac isn't forced to be a back up for Visa and MasterCard;
- ▶ Allow me to get out of contracts if hit with fee hikes;
- ▶ Stop banks from pumping out costly "premium" credit cards to consumers who haven't requested them;
- ▶ Increase disclosure so I know what each card costs my business;
- ▶ Prevent "negative option" contracts that sneak in new options I don't want.

We're counting on you to help monitor the code and help resolve any problems in the future.

**Thank you for acting on the 45,000 alerts  
sent to you by CFIB members like me!**

## CFIB Asked



## Government Listened

CFIB Code of Conduct (July 7, 2009) and Debit Letter (Sept. 22, 2009)	Summary of Final Code of Conduct (April 16, 2010)
<p><b>Transparency of Merchant Rates:</b> Merchants should have a right to know the total cost of accepting a card before processing a transaction.</p> <p><b>Full and Simplified Disclosure of Fees:</b> Credit card companies and banks should provide simple, easy to understand descriptions of each individual element of the charge and the purpose behind each charge.</p>	<p>1. <b>Increased Transparency and Disclosure by Payment Card Networks (PCNs) and Acquirers to Merchants.</b> Merchant-acquirer agreements and monthly statements to include sufficient detail and be easy to understand. Statements must include: effective merchant discount rate for each type of card; interchange rates; number and volume of transactions; details and totals of each fee. ✓</p>
<p><b>Notification of Fee Changes:</b> There should be a reasonable notification period put in place before any increase in fees, such as 90 days.</p>	<p>2. <b>Merchants will receive a minimum of 90 days notice of any fee increases or any new fee related to any credit or debit card transactions.</b> ✓</p>
<p><b>Contracts and Penalties:</b> Merchant fees should not be subject to change within a contract period. If the price goes up, merchants should have the opportunity to opt out of the contract without penalty.</p>	<p>3. <b>Following notification of a fee increase or the introduction of a new fee, merchants will be allowed to cancel their contracts without penalty.</b> Merchants will be able to opt out of their contracts, without penalty within 90 days of receiving notice of a fee increase or introduction of a new fee. ✓</p>
<p><b>Right to Refuse Cards:</b> Merchants should be able to refuse any category of card.</p>	<p>4. <b>Merchants who accept credit card payments will not be obligated to accept debit card payments from the same payment card network, and vice versa.</b> ✓</p>
<p><b>Right to Surcharge or Discount:</b> Merchants should be able to freely price their acceptance of different payment methods. Discounting and surcharging without restrictions may incent consumers to use less costly forms of payment.</p>	<p>5. <b>Merchants will be allowed to provide discounts for different methods of payment (e.g. cash, debit card, credit card). Merchants will also be allowed to provide differential discounts among different payment card networks.</b> ✓</p>
<p><b>Routing of Debit Transactions:</b> Priority routing of transactions to one debit network should be prohibited.</p> <p><b>Ability to Refuse Debit Options:</b> Merchants should retain the ability to refuse to offer Visa and MasterCard debit while still offering Interac.</p>	<p>6. <b>Competing applications from different networks shall not be offered on the same debit card. However, complementary applications from different networks may exist on the same debit card.</b> A number of different debit applications may exist on the same card but only one can be used for each type of transaction (e.g. Interac for domestic point-of-sale, cirrus for ABMs, etc...). ✓</p>
<p><b>Promotion of Debit Options:</b> If it is decided that competing products will be permitted on the same card, all options on cards and terminals should be displayed with equal prominence.</p>	<p>7. <b>Co-badged debit cards are equally branded.</b> Brand logos must be the same size, located on the same side of the card and both must be in colour or black and white. ✓</p>
<p><b>Competing Debit Products:</b> No competing debit products should be allowed on the same card.</p>	<p>8. <b>Debit and credit card functions shall not co-reside on the same payment card.</b> ✓</p>
<p><b>Distribution of Premium Cards:</b> Premium cards should only be distributed upon request.</p> <p><b>Targeting of Premium Cards:</b> Premium cards should only go to a well-defined group of higher spend customers.</p>	<p>9. <b>Premium credit and debit cards may only be given to consumers who apply for or consent to such cards. In addition, premium cards shall only be given to a well-defined group of cardholders.</b> ✓</p>
<p><b>No negative options in contracts:</b> Full disclosure and separate written acceptance should be required before merchants add other options to their terminals.</p>	<p>10. <b>Negative option acceptance is not allowed.</b> Merchants must agree in writing to accept new products or services. ✓</p>