

COVID-19: Mastercard's commitment to small business in Canada

These are extraordinary times, and Mastercard's commitment to our community has never been stronger. This includes our ongoing commitment to supporting small businesses in Canada.

As previously announced, Mastercard entered into new a voluntary commitment with the Government of Canada to lower its annual average effective interchange rate to 1.4 per cent. These changes will begin in May 2020 and will result in lower interchange rates for merchants across the country.

To help our customers and partners manage through this unprecedented event, we are pausing updates to some systems while delivering the same level of security and service they receive every day. This is one way we can help them focus on their core systems operations and resiliency efforts to meet the needs of consumers and businesses.

While this delay means the implementation of interchange rates previously scheduled for May 1, 2020 will be deferred, Mastercard remains committed to our voluntary agreement and to our ongoing efforts to help lower the costs for small and medium sized businesses. We intend to honour our voluntary commitment on interchange – just as we have done [in the past](#) - and are working to implement a process to ensure that merchants get the proper interchange resulting from the changes that were previously scheduled for May 1, 2020. These details are being communicated to our partners and we will continue to provide updates on implementation.

As the COVID-19 situation evolves, we are monitoring it closely and assessing any necessary steps to ensure we continue to meet our voluntary commitment on interchange, and to support small businesses in Canada.

You can find more on our voluntary agreement and ongoing commitment to small businesses [here](#).

Mastercard Canada Interchange Programs

As a Mastercard merchant, it's important for you to know the economic model that underlies payment card transactions. Although Mastercard interchange rates have been available to merchants by request, we want the process to be as transparent as possible because as a vitally important constituency in the Mastercard network, you are trusted partners and critical to our collective success.

Please find below Mastercard Canada's Interchange Programs and a glossary of terms.

While we are confident that these documents provide the information needed to understand interchange, we also recognize that this information is being made available to a very diverse audience, with diverse needs and expectations. That's why we also encourage merchants to speak with their acquirer, or other card acceptance service provider, if they have questions regarding any aspect of Mastercard Canada's Interchange Rate Programs, acceptance of Mastercard cards, or their card acceptance agreements.

The Interchange Rate Programs contained in this document are provided for informational purposes only, and all rates are subject to change. In the event of any discrepancy between information contained in this document and any other provisions or contracts prepared by Mastercard and applicable to such rates, such other provisions or contracts will govern.

Some interchange rates have specific qualifying criteria. For specific rate requirements, please contact your acquirer, or card acceptance service provider.

Canada Domestic Consumer Credit Interchange Rates

Interchange Program Type	Core	World	World Elite	Muse Mastercard™
Card Present EMV	0.92%	1.22%	1.56%	1.65%
Unsecure Card Present	1.22%	1.52%	1.86%	1.95%
Digital Commerce	1.76%	2.00%	2.24%	2.39%
Contactless	0.87%	1.16%	1.48%	1.57%
SecureCode / 3DS	1.50%	1.70%	1.90%	2.03%
Utilities	\$0.10	\$0.10	\$0.10	\$0.10
Charity	0.92%	1.22%	1.56%	1.65%
Standard	2.06%	2.30%	2.54%	2.69%
Card Present Refund	0.55%	0.73%	0.94%	0.99%
Card Not Present Refund	1.06%	1.20%	1.34%	1.43%

Note: For further detail on interchange programs, please see the Glossary or contact your acquirer, or other card acceptance service provider.

Canada Domestic Debit Interchange Rates

<u>Interchange Program Type</u>	<u>Debit</u>
Supermarket	0.15% + \$.05 (CAD)
Petroleum	0.15% + \$.05 (CAD)
Electronic	0.25% + \$.05 (CAD)
Big Box Stores	0.25% + \$.05 (CAD)
Specialty Clothing Stores	0.25% + \$.05 (CAD)
Recurring Payments	0.60%
Charity	0.30%
Emerging Sectors	0.30%
Masterpass	1.00%
SecureCode / 3DS	1.00%
Contactless Tier 1 (MCCs 5814, 5331, 7832, 5499)	0.00% + \$.02 (CAD)
Contactless Tier 2 (Min. CAD \$400 Million net purchase volume)	0.00% + \$.02 (CAD)
Contactless Tier 3	0.00% + \$.03 (CAD)
Public Sector	0.30%
Utilities	0.00% + \$.10 (CAD)
Standard	1.15%

Note: For further detail on interchange programs, please see the Glossary or contact your acquirer, or other card acceptance service provider.

Canada Domestic Consumer Prepaid Interchange Rates

Interchange Program Type	Prepaid
Electronic	1.44%
Standard	1.55%

Canada Domestic Commercial Interchange Rates

Interchange Program Type	Small Medium Enterprise	Large Market	World Elite for Business
Commercial Standard	2.00%	2.00%	2.25%
Commercial Charity	1.80%	1.80%	1.80%

Large Market Products Only

Data Rate 1	1.80%
Data Rate 2	1.40%
Large Ticket	1.20%

Note: For further detail on interchange programs, please see the Glossary or contact your acquirer, or other card acceptance service provider.

International Interchange Rates

Consumer	Core	Premium	Super Premium
Standard	1.60%	1.85%	1.98%
Electronic	1.10%	1.85%	1.98%
SecureCode / 3DS Merchant	1.44%	1.85%	1.98%
SecureCode / 3DS Merchant and Cardholder	1.54%	1.85%	1.98%
Refunds / Return Transactions	1.00%	1.00%	1.00%
Commercial			
Standard	2.00%		
Electronic Product	1.85%		
Large Market – Data Rate 1	2.00%		
Refunds / Return Transactions	1.80%		

Note: For further detail on interchange programs, please see the Glossary or contact your acquirer, or other card acceptance service provider.

Interchange Glossary

CAD – Canadian Dollar

Card Present EMV – EMV Contact transactions. Must have Card Present and Cardholder Present.

Refund – Reimbursements for a returned purchase item or service.

Contactless – Transactions initiated with a near-field-communication chip.

Commercial – Describes a Mastercard® product used primarily to make purchases for a business.

Commercial Data Rates – Refers to a transaction where additional descriptive data is transmitted by the merchant to the issuer (may include sales tax or SKU-level descriptions of items or services).

Consumer – Describes a Mastercard® product used primarily to make purchases for goods or services for personal use.

Core – Refers to a Mastercard® credit card not designated as World, World Elite or Muse Mastercard.

Digital Commerce – eCommerce, Credential on File, Recurring Payments and DSRP transactions. Must have Card Not Present and Cardholder Not Present.

Domestic – A transaction initiated at a Canadian merchant by a cardholder using a Mastercard® product issued by a Canadian issuer.

Electronic – A transaction authorized and settled electronically by the merchant and when the cardholder is in the store.

Electronic Product – An international Mastercard® product that is authorized and settled electronically by the merchant.

Emerging Sectors – Merchants with a merchant category code of Real Estate Rentals (6513), and Tax Payments (9311) for any amount. For merchants with a merchant category code of Schools (8211), Colleges and Universities (8220), Schools not elsewhere classified (8299), and Child Care Services (8351), the amount must be greater than \$1,000 (CAD).

International – A transaction initiated at a Canadian merchant by a cardholder using a Mastercard® product issued by a non-Canadian issuer.

Large Market – Refers to the following Mastercard® Commercial products: Fleet, Purchasing, Multi or Corporate products.

Large Ticket – Refers to a transaction greater than \$10,000 (CAD).

Muse Mastercard™ – A Mastercard® product carrying the Mastercard® Muse™ branding and mandatory requirements, and designed for cardholders who meet certain spending and income requirements.

SecureCode® / 3DS – Mastercard® SecureCode® / 3DS is a program supporting cardholder authentication and guaranteed payments over the Internet for Mastercard® and Maestro® transactions.

Note: For further detail on interchange programs, please see the Glossary or contact your acquirer, or other card acceptance service provider.

Standard – The default interchange rate. A transaction that does not meet any of the other interchange rate criteria – most frequently it is Card Not Present.

Unsecure Card Present – Mag stripe transactions, Late Presentments of Card Present transactions.

World – A Mastercard® product carrying the World Mastercard® branding and mandatory requirements, and designed for cardholders who meet certain spending and income requirements.

World Elite™ – A Mastercard® product carrying the Mastercard® World Elite™ branding and mandatory requirements, and designed for cardholders who meet certain spending and income requirements.