



**Oct 21 2016**

## **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 – Effective December 1 2016

	Core	World	World Elite
<b>Cardholder in Store</b>			
Merchant Volume Tier 1 (min. CAD 3 Billion net purchase vol)	1.26%	1.38%	1.90%
Merchant Volume Tier 2 (min. CAD 1 Billion net purchase vol)	1.36%	1.48%	1.90%
Merchant Volume Tier 3 (min. CAD 400 Million net purchase vol)	1.38%	1.53%	1.90%
High Volume Supermarket (min. CAD 3 Billion net purchase vol)	1.22%	1.34%	1.60%
Supermarket (less than CAD 3 Billion net purchase vol)	1.22%	1.34%	1.60%
Independent Business in Everyday Spend Category	1.38%	1.53%	1.90%
Petroleum	1.17%	1.30%	1.60%
Contactless†	\$0.05 (CAD)	\$0.06 (CAD)	\$0.07 (CAD)
Electronic	1.44%	1.77%	2.06%
<b>Other Programs</b>			
Recurring Payments	1.36%	1.48%	1.90%
SecureCode-enabled	1.55%	1.89%	2.49%
MasterPass	1.55%	1.89%	2.49%
Charity	1.00%	1.25%	1.50%
Emerging Sectors	1.00%	1.25%	1.50%
Public Sector*	1.00%	1.25%	1.50%
Utilities*	\$0.10 CAD	\$0.10 CAD	\$0.10 CAD
Standard	1.55%	1.89%	2.49%

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

† Equal or less than \$25CAD starting January 20<sup>th</sup> 2017.

\* Rates are effective January 20<sup>th</sup> 2017.

## Canada Domestic Debit Interchange Rates

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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%
Secure Code	1.00%
Contactless Tier 1* (MCCs 5814, 5331, 7832, 5499)	0.00% + \$0.20CAD
Contactless Tier 2* (Min. CAD \$400 Million net purchase volume)	0.00% + \$0.25CAD
Contactless Tier 3*	0.00% + \$0.35CAD
Public Sector*	0.30%
Utilities*	0.00% + \$0.10CAD
Standard	1.15%

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

\* Effective January 20<sup>th</sup> 2017

## Canada Domestic Consumer and Commercial Prepaid Interchange Rates

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Electronic*	1.44%
Standard*	1.55%

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

\* Effective January 20<sup>th</sup> 2017

## Canada Domestic Commercial Interchange Rates

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### All Products

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Commercial Standard Rate	2.00%
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### Large Market Products Only

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

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

## International Interchange Rates

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Consumer	Core	Premium
International Standard Rate	1.60%	1.85%
International Cardholder in Store Standard Rate	1.10%	1.85%
SecureCode Merchant	1.44%	1.85%
SecureCode Merchant and Cardholder	1.54%	1.85%

## Commercial

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International Commercial Standard Rate	2.00%
Electronic Product	1.85%
Large Market Product Data Rate 1	2.00%
Large Market Large Ticket	0.90% + \$30 (USD)

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

## Interchange Glossary

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**CAD** - Canadian Dollar

**Contactless**— Formerly known as a *PayPass* transaction - made with a MasterCard® credit card, with a keychain fob or a near-field-communication chip.

**Commercial** - Describes a MasterCard® product used primarily to make purchases for a business.

**Commercial Data Rates** - Refers to additional descriptive data transmitted with a purchase transaction by the merchant to the issuer and may include sales tax and SKU-level descriptions of items or services purchased.

**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 or World Elite.

**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).

**Independent Business Everyday Spend** – MasterCard® created the Independent Business in Everyday Spend Category rate to encourage growth of electronic payment acceptance among everyday spend category sectors - like taxis, bakeries, pet shops, dry-cleaners restaurants, bookstores, dollar stores, parking lots, etc. For a full list of merchant category codes for this rate, please contact your acquirer or processor. In addition to certain merchant categories, MasterCard selected merchant categories with low average tickets, where consumers go on a regular basis, and where there is a high concentration of small independent businesses.

**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).

**SecureCode®** - MasterCard® SecureCode® is a program supporting cardholder authentication and guaranteed payments over the Internet for MasterCard® and Maestro® transactions.

**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. Mail order, telephone order and internet transactions are examples.

**USD** - United States Dollar.

**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 the highest spending and income requirements.