

## **Code of Conduct for the Payment Card Industry in Canada**

**From:** [Financial Consumer Agency of Canada](#)

**Effective date:** October 30, 2024 ([previous versions](#))

**Website Link** - [Code of Conduct for the Payment Card Industry in Canada - Canada.ca](#)

### **Purpose**

The purpose of the Code of Conduct for the Payment Card Industry in Canada (the “Code”) is to demonstrate the Payment Card industry’s commitment to:

1. Ensuring that merchants are fully aware of the costs associated with accepting Payment Cards, thereby allowing merchants to reasonably forecast their monthly costs related to accepting such payments;
2. Providing merchants with increased pricing flexibility to encourage consumers to choose the lowest-cost payment option; and
3. Allowing merchants to freely choose which payment options to accept.

### **Scope**

The Payment Card Network Operators (“PCNOs”) that choose to adopt the Code will abide by the policies outlined below and require compliance by their Participants (e.g., Issuers, Acquirers, and their Downstream Participants, including but not limited to payment processors, payment facilitators, and aggregators). The Code will be incorporated, in its entirety, into PCNOs’ contracts or governing rules and regulations.

The Code applies to PCNOs and all their Participants. Acquirers are responsible for their Downstream Participants.

### **Definitions**

**Acquirer:** an entity that enables merchants to accept payments by Payment Card, either by way of a direct contractual relationship with a PCNO (e.g., as an acquiring entity) or via sponsorship by an acquiring entity (e.g., as an agent of an acquiring entity).

**Downstream Participant:** any person or entity that:

- i. has either a direct or indirect relationship with an Acquirer operating in Canada as described above;
- ii. is directly or indirectly covered by a PCNO’s network rules; and

- iii. interacts with a merchant located in Canada to provide or offer any payment processing services and/or payment processing equipment for Payment Card transactions in Canada.

**Issuer:** an entity that issues Payment Cards to cardholders.

**Participants:** Acquirers, Downstream Participants, and Issuers.

**Payment Card (“Card”):** a digital or physical card from an Issuer that provides the ability to conduct a debit, credit, or prepaid transaction and is linked to a specific cardholder account.

**Payment Card Network Operator (“PCNO”):** an entity that operates a Payment Card network, by establishing standards and procedures, including for compliance with the Code.

**Related Service Agreement:** an agreement related to payment processing services between a merchant and a Downstream Participant where:

- i. there is a contractual agreement and/or financial arrangement between the Acquirer and the Downstream Participant, and both provide payment processing related services to the merchant; or
- ii. there is a contractual agreement and/or financial arrangement between two or more Downstream Participants, and all provide payment processing related services to the merchant.

For greater certainty, if a merchant, on its own initiative, enters into separate contractual arrangements with an unrelated Downstream Participant or other entity, the contract with the separate Downstream Participant or other entity constitutes a separate agreement, and is not considered a Related Service Agreement under the Code.

**Acquirer/Processor Fee:** an amount paid or payable by a merchant to the Acquirer and/or the Acquirer’s Downstream Participant for the acceptance and/or processing of Card transactions, excluding Other Acquirer/Processor Fees, PCNO Core Fees, and Other PCNO Fees.

**Other Acquirer/Processor Fee:** an amount paid or payable by a merchant to the Acquirer and/or their Downstream Participant:

- i. for optional Card processing services provided by the Acquirer or Downstream Participant; or

- ii. resulting from Card processing activities related to safety, soundness, or non-compliance with any terms of an agreement with an Acquirer or Downstream Participant that can be avoided by complying with the merchant agreement.

**PCNO Core Fee:** any amount set and/or charged by a PCNO, paid or payable by an Acquirer, for the acceptance and/or processing of Payment Card transactions, excluding Other PCNO Fees.

**Other PCNO Fee:** an amount paid or payable by an Acquirer:

- i. for optional Card processing services provided by the PCNO; or
- ii. resulting from Card processing activities related to safety, soundness, or non-compliance with any terms of an agreement with a PCNO that can be avoided<sup>[Footnote1](#)</sup> by complying with network rules.

**Structural Fee Change:** the introduction of:

- i. new PCNO Core Fees;
- ii. new or additional criteria, requirements, or specifications required for the Acquirer to implement a change to a PCNO's existing PCNO Core Fee structure; or
- iii. the introduction of a new Card product.

**Non-Structural Fee Change:** a change in the value of an existing PCNO Core Fee with no new or additional criteria, requirements, or specifications required to implement the change.

## **Disclosures and Communications**

All disclosures, notices, and communications required under the Code, whether provided in writing or digitally, must be presented in a clear, simple, and non-misleading manner.

To increase merchant understanding of payment processing, Acquirers and Downstream Participants should make information easily available for merchants on their websites (e.g., glossaries and descriptions of products, services, and dispute resolution processes).

PCNOs must make all applicable standard interchange rates, wholesale discount rates, and acquiring network assessment fees easily available on their websites.

## **Policy Elements**

### **1. Transparency and Disclosure by Acquirers and Downstream Participants**

Acquirers and Downstream Participants must ensure that merchant agreements and statements related to the provision of Card processing include a sufficient level of detail, are readily available, and are easy to understand.

### **1a. Card Processing Applications**

To allow merchants to easily compare pricing across different providers, Card processing applications/quotes/proposals provided by Acquirers and/or Downstream Participants must include the “*Cost per Transaction Disclosure*” (see Annex B) and “*Disclosure of Fees*” (see Annex C).

The data and rationale used to populate the “*Cost Per Transaction Disclosure*”, such as Card mix and volumes, must be provided to merchants to ensure that merchants can obtain more easily comparable quotes. Any promotional offers and/or bundled services included in the Card processing application/quote/proposal must be disclosed, including the length of the promotional period (where applicable).

### **1b. Merchant Agreements**

All merchant agreements that include Card processing must include a cover page, or if sent electronically a separate document(s), containing the following:

1. *Summary of the Key Elements of the Agreement* (see Annex A);
2. *Cost per Transaction Disclosure*<sup>Footnote2</sup> (see Annex B); and
3. *Disclosure of Fees* (see Annex C).

Merchants may provide express consent to their Acquirer or Downstream Participant to not receive the above disclosures if the agreement has been negotiated between the merchant and their Acquirer or Downstream Participant with both having the benefit of legal counsel. However, these disclosures, or updates to them, must be provided to a merchant at any point during the course of their agreement upon request. Only the merchant with whom the Acquirer and/or Downstream Participant has the agreement may provide express consent to not receive these disclosures.

### **1c. Merchant Statements**

Merchants must receive and/or have access to the following information, as applicable, no less frequently than monthly:

1. the effective merchant discount rate<sup>Footnote3</sup> for the aggregate of each PCNO Card type the merchant accepted during the period;

2. the rate and total amount charged for interchange, wholesale discount rates, network assessment fees, and all other rates and fees charged by the Acquirer or Downstream Participant in that period; and
3. the number and volume of transactions for each type of payment transaction.

For blended/flat rate pricing models, in lieu of the above information, merchants must receive and/or have access to the following information, as applicable, no less frequently than monthly:

1. the per transaction rate, inclusive of any percentage discount rates and any per transaction supplemental charge; and
2. the rate and total amount charged for interchange, wholesale discount rates, network assessment fees, and all other rates and fees charged by the Acquirer or Downstream Participant in that period not included in the per transaction rate described above.

## **2. Notice to Acquirers of PCNO Core Fee Changes**

Prior to domestic PCNO Core Fee changes taking effect, PCNOs will provide at least 120 calendar days' notice to Acquirers for domestic Non-Structural Fees changes and at least 210 calendar days' notice to Acquirers for domestic Structural Fee Changes. The communication to Acquirers must specify that it is a domestic PCNO Core Fee change notification and include complete technical specifications and information, including the previous and new amount(s).

PCNOs will post any new or upcoming changes to existing standard interchange rates, wholesale discount rates, and acquiring network assessment fees on their websites at least 30 calendar days prior to the effective date.

## **3. Ability to Cancel Agreements without Penalty**

Merchants have the right to cost certainty over the course of their agreements related to the provision of Card processing.

Acquirers and Downstream Participants must ensure merchants can cancel their agreements related to the provision of Card processing, including Related Service Agreements, without any form of penalty, within 70 calendar days after the effective date of the following<sup>Footnote4</sup> :

1. an increase of any existing Acquirer/Processor Fee or applicable<sup>Footnote5</sup> domestic PCNO Core Fee passed on in part or in full to a merchant;

2. the introduction of a new Acquirer/Processor Fee or applicable<sup>Footnote5</sup> domestic PCNO Core Fee passed on in part or in full to a merchant; and/or
3. a reduction in applicable<sup>Footnote5</sup> domestic PCNO Core Fees that are not passed on in full to a merchant.

After a merchant provides notice of its intent to exit, the Acquirer or Downstream Participant will send the merchant any necessary documentation to process the cancellation within five (5) business days. The cancellation will become effective on the date requested by the merchant, provided that:

1. the merchant has fulfilled any outstanding obligations for cancellation (e.g., rental equipment returned and necessary forms signed); and
2. the requested date is at least 30 calendar days after the date the merchant submits any required cancellation documentation, unless an earlier date is agreed to by both parties.

The right to cancel agreements without penalty does not apply for Acquirer/Processor Fee or PCNO Core Fee increases made in accordance with pre-determined schedules, such as those based on merchant sales volume or the end of a promotional offer or period, provided that the schedules are included in the merchant's agreement.

Where an Acquirer or Downstream Participant is providing services not related to the processing of Card payments, and where the provision and the amounts charged in respect of those unrelated services do not depend on the Acquirer or Downstream Participant providing Card payment processing services, this section does not apply to the provision of those unrelated services.

#### **4. Notice to Merchants of Acquirer/Processor Fee and PCNO Core Fee Changes**

Acquirers or Downstream Participants, as applicable, must notify their merchants between 30 and 60 calendar days prior to the effective date of:

1. any new or increased Acquirer/Processor Fee passed on in part or in full to merchants<sup>Footnote6</sup> ;
2. any new or increased applicable<sup>Footnote5</sup> domestic PCNO Core Fee passed on in part or in full to merchants; or
3. any reductions in applicable<sup>Footnote5</sup> domestic PCNO Core Fees not passed on in full to merchants.<sup>Footnote7</sup>

For all types of Card processing plans, the notice<sup>Footnote8</sup> to merchants must clearly state:

1. the previous and the new amount(s) of interchange rates, wholesale discount rates, network assessment fees, or any other rate and fee charged by the Acquirer or Downstream Participant;
2. whether the change is originating from the PCNO, Acquirer, or Downstream Participant;<sup>[Footnote6](#)</sup>
3. the amount of the change that will be passed on to the merchant; and,
4. that the merchant has a right to provide notice of its intent to exit its agreement without penalty within 70 calendar days after the effective date of the upcoming change. The notice to the merchant must include the date on which the 70-calendar day period expires. If a merchant's agreement has no fixed term or penalties for cancellation, the merchant must be provided instead with a reminder of its right to exit without penalty at any time.

Notification is not required for Acquirer/Processor Fee or PCNO Core Fee changes made in accordance with pre-determined schedules, such as those based on merchant sales volume or the end of a promotional offer or period, provided that the schedules are included in the merchant's agreement.

#### **5. Limited Acceptance – Merchant Choice**

Merchants may accept either domestically issued credit or domestically issued debit Card payments from a PCNO without being obligated to accept both.

#### **6. Negative Option Acceptance Not Allowed**

Negative option acceptance is not allowed. The merchant with whom the Acquirer or Downstream Participant has the agreement must provide its express consent to accept a new payment processing product or service.

#### **7. Renewal of Merchant Agreements and Related Service Agreements**<sup>[Footnote9](#)</sup>

Related Service Agreements must not exceed the duration of the merchant-Acquirer and/or merchant-Downstream Participant agreement. For merchant-Acquirer and/or merchant-Downstream Participant agreements without a term, Related Service Agreements must also be without a term.

A merchant may provide notice of non-renewal at any point during its agreement period, including for any Related Service Agreement, up to 45 calendar days prior to agreement renewal.

Fixed-term agreements, including Related Service Agreements, cannot automatically be renewed for the full initial term but may convert to automatically renewable agreement

extensions of six months or less. A merchant may provide notice of non-renewal at any point during the extension period, up to 45 calendar days prior to the end of each term.

For greater certainty, where an Acquirer or Downstream Participant is providing services not related to the processing of Card payments, and where the provision and the amounts charged in respect of those unrelated services do not depend on the Acquirer or Downstream Participant providing Card payment processing services, this section does not apply to the provision of those unrelated services.

## **8. Discounts for Different Payment Methods**

Merchants must be able to provide discounts for different payment methods and differential discounts among different Card networks.

## **9. Competing Domestic Debit Card Applications**

Competing domestic debit Card applications from different Card networks must not be offered on the same debit Card. This limitation does not apply to Automated Banking Machine transactions.

In a digital wallet, non-competing co-badged debit Card applications must be provisioned and presented separately.

## **10. Separation of Payment Card Functions**

Debit and credit functions must not reside on the same Card.

Cards can be stored on, or accessed by, the same device or digital wallet, provided that they are clearly separate and consumers can select which Card will be used for contactless payments.

## **11. Provisioning to Devices**

When provisioning a Card to a device, Cardholders must have unrestricted discretion to establish their default payment options via a clear and simple process. The cardholder must be informed prior to provisioning a Card if the default Card cannot be changed once set.

## **12. Premium Cards**

Premium Cards must only be issued to a well-defined class of cardholders based on individual spending, assets under management, and/or income thresholds and not on the average of an Issuer's portfolio.

Issuers must include a prominently featured disclosure on cardholder applications for premium Cards indicating that they can impose higher Card acceptance costs on merchants.

### **13. Branding of Cards**

Co-badged debit Cards must be equally branded.

The Card networks available on Cards must be clearly indicated. PCNOs must not include rules that require Issuers to give preferential branding to their brand over others. To ensure equal branding, brand logos must be the same size, located on the same side of the Card, and both brand logos must be either in colour or black and white.

Premium Cards must clearly indicate that they are premium products (*i.e.*, display clear and prominent branding used by the PCNOs to identify them as premium products).

### **Code Complaint Handling Process**

PCNOs, Acquirers, and Downstream Participants must ensure that:

1. merchants have access to a clear, simple, and transparent complaint handling process, provided by their Acquirer and/or Downstream Participant, that investigates merchant complaints of Code noncompliance in a timely manner. Acquirers may delegate responsibility for this complaint handling to their Downstream Participant, provided that the complaints are included in the Acquirer's reporting to PCNOs;
2. merchants are provided information about how and where to make a complaint;
3. adequate Code training is in place for all applicable employees;
4. a summary of the complaint handling process is posted prominently on the Acquirer and/or Downstream Participant's website;
5. the process of making and investigating a complaint is easy for complainants to access and understand;
6. accountability for complaint handling within the PCNO, Acquirer, and Downstream Participant is clearly established, and complaints and responses are monitored and reported to management; and,
7. complaints are acknowledged within a maximum of five (5) business days; investigated and addressed within a maximum of 20 business days (30 business days for PCNOs) according to order of urgency; and the complainant is kept notified and informed throughout the process. If a response cannot be provided within 20

business days (or 30 business days for PCNOs), the merchant must be informed of the reason for the delay and the expected response time.

Acquirers and/or Downstream Participants must investigate all complaints within a reasonable time and provide a substantive written response to merchants that consists of either an offer to resolve the complaint or a denial of the complaint with reasons.

A merchant must be provided the following promptly after their complaint has been investigated and addressed:

1. a summary of the complaint;
2. the final result of the investigation;
3. the final decision, including an explanation; and,
4. information on how to further escalate a complaint to the relevant Acquirer or PCNO(s) (as appropriate) in the event of an unsatisfactory outcome, along with the complaint handling form (*i.e.*, if the Acquirer and/or Downstream Participant's complaint handling process is exhausted and a satisfactory resolution is not achieved, the merchant may then submit the complaint to the relevant Acquirer or PCNO(s), as appropriate).

PCNOs must investigate all merchant complaints received from Acquirers, Downstream Participants, the Financial Consumer Agency of Canada (FCAC), or directly from merchants, and work to find an appropriate resolution. A PCNO must communicate the outcome of its investigation directly to the merchant and provide a copy to the Acquirer and Downstream Participant, within 30 business days of receiving the complaint.

Nothing in the above process restricts the merchant from filing complaints directly with the FCAC at any stage of the complaint process. Although FCAC does not act as a complaint resolution body, FCAC may open an investigation to determine if the issues identified in a merchant complaint reflect a PCNO's non-compliance with Code obligations.

### **Oversight and Reporting**

The FCAC is responsible, under the [Financial Consumer Agency of Canada Act](#), for monitoring the implementation of the Code by the PCNOs, monitoring the public commitments made by PCNOs to implement the Code into their commercial practices, and promoting public awareness of the PCNOs' obligations under the Code.

By adopting the Code, PCNOs agree to provide to FCAC any information it requires regarding actions taken by themselves, Issuers, Acquirers, or Downstream Participants for the purpose of monitoring ongoing implementation of the Code.

Under section 7.1 of the *Financial Consumer Agency of Canada Act*, FCAC may enter into an agreement with the PCNOs respecting the provision of information or the payment of fees. PCNOs will pay FCAC for the fees associated with monitoring implementation of the Code.

Subsection 5(3.1) of the *Financial Consumer Agency of Canada Act* permits the Commissioner to make or cause to be made any review that the Commissioner considers necessary to monitor compliance with the Code or other public commitments.

### **Compliance Requirements**

For their Acquirers and Downstream Participants, PCNOs must:

1. Establish and implement measures, controls, and tools to prevent non-compliance, monitor the market conduct of their Participants, and take appropriate enforcement action(s); and
2. Require their Participants to comply with the Code by implementing said measures, controls, and tools.

On an annual basis, Acquirers must provide PCNOs with their current internal policies and procedures related to Code compliance, and Downstream Participants must provide their Acquirers with their current internal policies and procedures related to Code compliance. Should non-compliance issues arise, they will be managed and remediated by the applicable PCNO(s).

On a semi-annual basis, PCNOs must be informed of all Code-related complaints received by Acquirers and their Downstream Participants, including the nature of the complaints and the outcomes. The PCNOs must report the above information to FCAC on a semi-annual basis.

### **Review**

The Department of Finance shall assess three years after the Code's Effective Date whether a review of the Code is warranted to ensure the Code continues to reflect market conditions and meet its policy intent. The Department may also launch a review at any time.

Technical changes to the Code may be made at any time.

Any modifications or updates to the Code shall be informed by ongoing feedback from PCNOs and their Participants, merchants, and FCAC.

### **Footnote 1**

For greater certainty, safety and soundness charges that cannot be avoided are to be classified as PCNO Core Fees. This would include, for example, higher transaction costs assessed to a merchant with a high-risk merchant category code (*i.e.*, such a merchant with a high-risk merchant category code is unable to modify its processing behaviour to avoid the higher fees, those fees are PCNO Core Fees).

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## **Footnote 2**

If the *Cost per Transaction Disclosure* provided as part of the merchant agreement differs from the *Cost per Transaction Disclosure* provided at the time of application/quote/proposal, the Acquirer or Downstream Participant must highlight and explain the changes.

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## **Footnote 3**

The effective merchant discount rate is calculated as the total Acquirer/Processor Fees and PCNO Core Fees paid by the merchant to an Acquirer or Downstream Participant for the processing of each PCNO Card type the merchant has chosen to accept, divided by the total sales volume for that PCNO Card type.

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## **Footnote 4**

If merchants are not provided between 30 and 60 calendar days' notice, they have the right to cancel their agreements without penalty at any time.

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## **Footnote 5**

For greater clarity, “applicable” means only those domestic PCNO Core Fees that apply to an individual merchant and/or the transactions originated by that individual merchant. For example, if a PCNO Core Fee for a specific rate program is reduced, but the transactions originated by the merchant do not qualify for those program-specific rates, then those program-specific reductions do not apply to that merchant. Notification to the merchant is required for domestic PCNO Core Fee reductions that are applicable to that merchant but will not be passed on in full.

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## **Footnote 6**

Mark-ups to PCNO Core Fees and exchange rates are considered to have originated from the entity adding the mark-up and must be notified separately. A change in mark-up is considered a change in Acquirer/Processor Fees.

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#### **Footnote 7**

Pass-through for blended/flat rate plans is to be calculated based on the weighted impact of a PCNO Core Fee reduction for the merchants in the Acquirer's or Downstream Participant's portfolio, grouped by applicable rate program. The weighting for each Card and transaction type is to be calculated based on the aggregate value of all transactions originated by the merchants in that group for the preceding calendar year (e.g., the impact of a reduction in a PCNO Core Fee in October 2024 would be calculated based on the group's Card/transaction mix from January 1, 2023 to December 31, 2023).

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#### **Footnote 8**

This notification is **not** required for Card processing plans that automatically provide the full benefit of a PCNO Core Fee reduction to a merchant. Similarly, this notification is **not** required if the Acquirer or Downstream Participant chooses **not** to increase the costs to a merchant for any existing applicable Acquirer/Processor Fee or PCNO Core Fee, or from the introduction of a new applicable Acquirer/Processor Fee or PCNO Core Fee.

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#### **Footnote 9**

This applies to standard-form contracts (*i.e.*, those contracts that have not been custom negotiated between the parties with both benefitting from legal counsel).

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#### **Annex A: Summary of Key Elements of the Agreement (Information Summary Box)**

Participants must disclose information in a clear, simple, and non-misleading manner.

All merchant agreements must contain an information summary box that provides key elements of the agreement in a consolidated fashion. This table is for illustrative purposes only.

<b>Date of agreement(s)</b>	Effective start date and length of initial term, including the renewal date of the initial term of each agreement, including Related Service Agreements if applicable.
<b>Acquirer</b>	Name of the Acquirer and their contact information.
<b>Payment processor, payment facilitator, and aggregator</b>	<p>The name of the payment processor, payment facilitator, or aggregator and their contact information.</p> <p>Information on the relationship between the acquirer and payment processor, payment facilitator, aggregator, or agent.</p>
<b>Cancellation of agreement(s) and any applicable penalties</b>	<p>Date that the agreement can be cancelled without penalty, if applicable; page in agreement with information on cancellation procedures (including who to contact to cancel agreement).</p> <p>Information on any cancellation fees, if applicable.</p> <p>Information on how and when the agreement(s) may be renewed, including the right for a merchant to provide notice of non-renewal at any point up to 45 days prior to the renewal date.</p> <p>Information on whether separate terms, conditions, fees apply for point-of-sale terminal equipment.</p>
<b>Complaint handling procedures</b>	<p>Information on the complaints handling process, including contact information for the complaints department and a link to the complaints handling process on the website. If the complaint handling intake process is different for Code of Conduct complaints, the different procedures are to be listed.</p> <p>In instances where multiple service providers are involved, information on each of their respective complaints handling processes.</p>
<b>Information about payment terminal (s), if applicable</b>	If point-of-sale equipment is offered to a merchant, general information on buying, leasing or renting options of point-of-sale hardware, including:

	<ul style="list-style-type: none"> <li>• Name and contact information regarding the terminal leasing company and whether terminal is rented, leased or purchased</li> <li>• Information on all rental/lease fees and other service charges related to the terminal</li> <li>• Details about the expiry of the agreement with the provider and early termination fees</li> </ul> <p>This provision does not create an obligation for all of these options (buy, lease or rent) to be offered to a merchant.</p>
<b>Statements</b>	Information on how to access statements (e.g. paper or online) and whether there is a charge for paper statements. If there is a charge, it can be found in the Disclosure of Fees.
<b>Transaction return policy</b>	Information about whether, and how, Card acceptance fees will be applied to transaction returns.
<b>Information about service providers (if different from the payment processor, payment facilitator, or aggregator)</b>	<p>Name and contact information for each Card service provider and a brief description of services provided.</p> <p>Expiry date and cancellation terms of agreement with each service provider.</p>
<b><i>Code of Conduct for the Payment Card Industry in Canada</i></b>	<p>The <i>Code of Conduct</i> provides increased pricing transparency, flexibility, and choice for merchants with respect to accepting payment cards. It sets out several rights that merchants have in relation to their agreements and their statements for payment card processing services. All payment card networks operating in Canada have adopted the Code.</p> <p>More information about the Code of Conduct can be found here: <a href="#">Link to the Code of Conduct</a>.</p>

**Annex B: Example of Cost per Transaction Disclosure**

Participants must disclose information in a clear, simple, and non-misleading manner.

This table is for illustrative purposes only and is not intended to capture all networks, Card types, or processing methods. It is intended to present price information for the most common type of domestic Card transactions and processing methods available to merchants.

Each rate disclosed below is the sum of the PCNO's interchange rate or wholesale discount rate + any per-transaction processing fees. A single rate is to be displayed for domestic Card transactions, regardless of the pricing methodology used. Include as many rows as needed for each network accepted by the merchant and Card offered by the PCNO. Blended/flat rate plans may display one number, while clearly indicating which networks and Cards are covered by that cost.

Prices for processing methods must be disclosed for domestic Cards that attract differentiated rates (e.g., electronic, swiped, manually keyed, card not present, etc.). Include as many columns as needed. A short definition, in plain language, must be provided for each type of Card processing method.

The Example of Cost per Transaction Disclosure is to be presented to merchants at the same time as the Card processing application. It may be called the Fee Disclosure Box.

<b>Payment Card Type</b>	<b>Processing Method A (definition)</b>	<b>Processing Method B (definition)</b>	<b>Processing Method C (definition)</b>
<b>Network A Standard Credit</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]
<b>Network A Premium</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]
<b>Network A Super-Premium</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]

<b>Payment Card Type</b>	<b>Processing Method A (definition)</b>	<b>Processing Method B (definition)</b>	<b>Processing Method C (definition)</b>
<b>Network A Corporate</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]
<b>Network A Prepaid</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]
<b>Network A Debit</b>	[\$X / X %]	[\$X / X %]	[\$X / X %]

### **Annex C: Disclosure of Fees**

Participants must disclose information in a clear, simple, and non-misleading manner.

This table is for illustrative purposes only. Participants must meet the requirement to disclose all fees relevant to the merchant’s agreement, ensuring that all fees payable by the merchant are properly and accurately disclosed.

<b>One time fees</b>		<b>Pricing structure</b>	
Application fee	\$	<b>Tiered pricing</b>	
Terminal set up fee	\$	Network A interchange rate	website
Network A set up fee	\$	Qualified rate	%
Merchant set up fee	\$	Mid-qualified rate	%
Seasonal set up fee	\$	Non-qualified rate	%
Seasonal activation fee	\$	Merchant discount rate	%

<b>One time fees</b>		<b>Pricing structure</b>	
Security set up fee	\$	Interac flat rate	\$
E-commerce application fee	\$	<b>Blended/Flat rate</b>	
E-commerce mobile application fee	\$	Network A blended/flat rate	%
Installation fee	\$	<b>Cost plus pricing</b>	
Training fee	\$	Flat rate	%
Gateway set up fee	\$	Network interchange rate	website
Fraud detection set up fee	\$	Non-qualified surcharge rate	%
Wireless set up fee	\$	Interac flat rate	%
Software fee	\$	<b>Interchange differential rate</b>	
Online set up fee	\$	Network A interchange rate	website
<b>Monthly fees</b>		Network A applicable interchange rate	%
Statement fee	\$	Network A Interchange differential rate	%
Monthly minimum fee	\$	Network A Merchant discount rate	%
Monthly fee	\$	Network A Rate adjustment fee	%
PCI fee	\$	Network B interchange rate	website

<b>One time fees</b>		<b>Pricing structure</b>	
Non-compliance security fee	\$	Network B applicable interchange rate	%
<b>Annual fees</b>		Network B differential rate	%
Annual fee	\$	Network B discount rate	%
<b>Transaction fees</b>		Network B Rate adjustment fee	%
Network A authorization fee	%	Network C flat fee	%
Network B authorization fee	%	<b>Other variable fees</b>	
Network A transaction fee	%	Reversal fee	\$
Network B transaction fee	%	Decline fee	\$
Network A cross-border rate	%	Chargeback fee	\$
Network B cross-border fee	%	Batch fee	\$
Network A assessment rate	%	Interac debit surcharge	\$
Network B assessment rate	%	Interac debit monthly minimum	\$
International assessment fee	%	Online/Web reporting fee	\$
		Voice authorization	\$

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