



Retail Council of Canada

April, 2015

**Retail Council of Canada**  
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RetailCouncil.org

**Re: Implementation of Interchange Reductions**

Dear Acquirer,

Having entered the month of April and the implementation period for the interchange reductions announced last December by Visa and MasterCard, I want to convey Retail Council of Canada's (RCC) position to acquirer pass-through of these savings. You will be aware of the importance that retail merchants place upon this issue, having fought several years for meaningful reductions in interchange rates. RCC is determined to see that merchants receive the full benefit of the December 2014 announcements, each proportion to their payments mix.

Given that, amendments to the *Code of Conduct* provide for cancellation on 90 days' notice, without financial penalty of any acquirer contract (and all related-party contracts), where the interchange savings are not fully passed on, RCC is contacting Canada's acquirer-processor community to ascertain which firms have plans in place for full pass-through of savings and seeking details on how that will be achieved. Concurrently, we are sampling some of our members' monthly statements in order to conduct a thorough comparison of rates both before and after implementation.

Our goal is to be able to say with certainty that "Acquirer X" has committed to full pass through of interchange reductions and has satisfied RCC that these savings are being provided to all retailers on a proportionate basis. This information will be shared on the RCC web site to provide guidance to merchants as to whom they can turn to in the event that their own acquirer does not commit to full pass through.

I would ask that you contact Karl Littler, RCC's Vice-President Public Affairs in order to discuss your plans for implementing the interchange rate reductions. Karl can be reached at [klittler@retailcouncil.org](mailto:klittler@retailcouncil.org) or by telephone at 416.467.3783. I would be happy to answer any questions that you may have in regard to this RCC initiative.

Regards,

Diane J. Brisebois  
President & CEO