



CREDIT CARD SURCHARGING AND OTHER PROHIBITIONS IN THE B2B WORLD FOLLOWING THE 2017 AND 2018 SUPREME COURT DECISIONS: WHAT IS LEGAL, WHAT IS NOT LEGAL AND HOW TO SAVE MONEY IN PROCESSING CREDIT CARDS

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What is a Surcharge?

A surcharge is an additional fee that a merchant adds on to a transaction when a customer uses a credit card for payment.



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NUMEROUS LAWSUITS HAVE BROUGHT THE CREDIT CARD SURCHARGE and OTHER CREDIT CARD ISSUES TO THE FOREFRONT OF CREDIT GRANTORS' DAILY BUSINESS PRACTICES

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Antitrust Litigation and Settlements

First of many antitrust lawsuits commencing 2005

- Defendants included:
 - Visa Defendants [Visa U.S.A., Inc., Visa International Service Associates, Visa Inc.]
 - Mastercard Defendants [MasterCard International Incorporated and Master Card Incorporated]
 - Bank Defendants [Bank of America, Capital One, Chase, Citibank, HSBC and numerous others]

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Antitrust Allegations

Combination and Conspiracy Among Defendants

- **Raised, fixed, stabilized and maintained at artificially high levels and non-competitive levels the interchange fees and merchant discount fees**
- **Merchants were deprived of the benefits of free and open competition in the market for credit card network services**
- **Price competition in the provision of credit card network services to merchants was restrained, suppressed and eliminated.**

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Settlement Agreement – December, 2013

New changes to Visa / MasterCard network rules allowing merchants to pass on credit card Acceptance fees and costs to customers in the form of a surcharge

Discover changed its rules following Visa & MasterCard examples

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American Express Issues – A Different Antitrust Claim

American Express was sued by the United States and several states claiming antitrust violations/restraint of trade that is antisteering provisions are anticompetitive because they result in higher merchant fees.

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American Express Antisteering Provisions

American Express restricts merchants from engaging in activities that would harm American Express' business or brand. Merchants must not:

- indicate or imply that you prefer, directly or indirectly, any Other Payment Products over the Card,
- try to dissuade Cardmembers from using the Card
- try to persuade or prompt Cardmembers to use any Other Payment Products
- promote any Other Payment Products (except your own private label card that you issue for use solely at your Establishments) more actively than you promote the Card

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SUPREME COURT OF THE UNITED STATES (SCOTUS) DECISION ON AMERICAN EXPRESS ANTISTEERING PROVISIONS

This was an absolute “win” for American Express. SCOTUS ruled that “Amex’s antisteering provisions do not unreasonably restrain trade...” and specifically said: “Amex’s business model has spurred robust Interbrand competition and has increased the quality and quantity of credit-card transactions. And it is ‘[t]he promotion of Interbrand competition,’ after all, that ‘is ... ‘the primary purpose of the antitrust laws.’”

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Surcharging Operating Rules



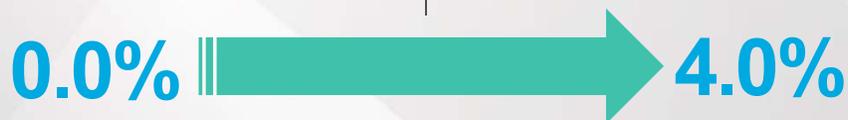
CURRENTLY

- Merchants who surcharge credit card transactions are subject to the following requirements:
 - Visa and MasterCard permit surcharging of **credit** card transactions only.
 - The settlement does NOT change current restrictions on the surcharging of debit transactions (signature or PIN).

Surcharging Operating Rules

Merchants are only allowed to assess a surcharge that does not exceed their effective rate for the applicable credit card surcharged.

Merchants can surcharge up to their cost, capped at 4%



Surcharging Operating Rules

- Calculating the effective rate/surcharge amount:
 - The average effective Interchange Reimbursement Fee rate plus the average of all fees imposed by Visa/MC on the Acquirer or Merchant, expressed as a percentage of the Transaction amount, applicable to Credit Card Transactions at the Merchant for the **preceding twelve months or most recent month**.
- Merchants that elect to surcharge must provide advance written notice to Visa, MasterCard, Discover, and the merchant acquirer 30 days prior to surcharging.

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Surcharging Operating Rules

Merchants will be required to disclose their surcharge policy at the point of store entry...

We impose a surcharge on credit cards that is not greater than our cost of acceptance

...and the point of sale prior to the purchase transaction being completed.

We impose a surcharge of ____% on the transaction amount on Visa and MC payments. We do not surcharge Visa & MC debit cards.

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Surcharging Operating Rules

The **Transaction Receipt** must show the Surcharge amount separately on the front of the receipt in the same type font and size as the other items, after the subtotal (allowing for any discounts) and before the final Transaction amount.

*The Surcharge amount must be included in both the Network **Authorization Request** and in **Settlement**.*

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Surcharging Operating Rules



- **American Express** – A merchant must not impose “any restrictions, conditions, disadvantages, or fees when the Card is accepted that are not imposed equally on all Other Payment Products, except for electronic funds transfer, cash, or check.” [American Express Merchant Operating Guide – US – April, 2018]
- No registration required, no separate surcharge field/amount required in authorization or settlement.
- **Discover** – A merchant may assess a surcharge on a card sale provided that (a) the amount of the surcharge does not exceed the merchant fee paid to Discover for the card sale and (b) the merchant also assesses surcharges on card sales conducted using other cards accepted by the merchant.
- Same authorization/settlement requirements as Visa/MC.

The foregoing is based on general information available. Each merchant should check its own requirements with respect to the networks in which it participates.

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Convenience Fees vs. Surcharges

The Convenience Fee Rules listed below are based on Visa's rules, as they are the strictest. Other rules apply if accepting only MC and AMEX

CONVENIENCE FEES

- Allowed only on CNP transactions
- Through an alternative channel from merchant's normal payment channel
- Fee is a flat or fixed amount
- Applicable to all forms of payment
- Disclosed prior to the completion of the transaction and the cardholder is given the opportunity to cancel. Included as part of the total sale.
- Allowed on credit and signature debit.
- Special programs for government and higher education

SURCHARGES

- Allowed on CNP and CP transactions.
- Fee is a percentage of the sale
- Applies only to credit cards, not debit
- Competing brands should be surcharged, if contract allows.
- Disclosure surcharge policy
- Merchant must provide prior notice before implementation.
- Be mindful of state laws.

*Surcharges & convenience fees cannot be applied on the same payment.

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Technology & Surcharging:

The UTA-Vantiv Solution answers **YES** to the following questions

- If a merchant does not have the technology to help remain in compliance with the Card Networks' Surcharging Rules, the merchant may be subject to monthly fines of up to \$25,000.
- Does the solution pass the surcharge amount as a separate field within the transaction?
- Is the surcharge amount added in automatically?
- Does the solution recognize the card type?
- Does the solution only surcharge credit cards and not debit cards?
- Does the receipt reflect the surcharge amount in the same font size and font style as the rest of the receipt?
- Is the surcharge amount reflected after the subtotal (allowing for any discounts) and before the final transaction amount?
- Does the solution pass Level 3 data?

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UTA Live Chat

User: cc

6/6/2017 1:02:22 PM ET

RDC/ACH (EFT)	Credit Card Gateway	Reports	Customers
	Credit Card Payment		
	Transaction Report		
	Transaction Summary Report		
	Reconciliation Report		

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Credit Card Payment Entry

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Input as: CCC STEEL, INC. (EFT) - 311560000 - 9

Customer #: 15611 Auto Load Memorize Customer

Invoice/SO #: A165165

Address: 123 elm street

Zipcode: 33185

City: Miami

State: FL

Phone #: 3055551212

Name on Card: ABC Concerte Company *

Card Number: 4847183045686329 **VISA** *

Exp Date: 06 / 2017

CVV:

Action: Sale

Amount: 0.00 *

Address Verification Service: Yes No

Remittance File: Browse...

Automatically Pass Level 3

Purchase Level: Standard Level II Level III

Multiple Invoice: Yes No

Memo:

Card Number: 4847183045686329 **VISA** *

Exp Date: 06 / 2018

CVV: 123

Action: Sale

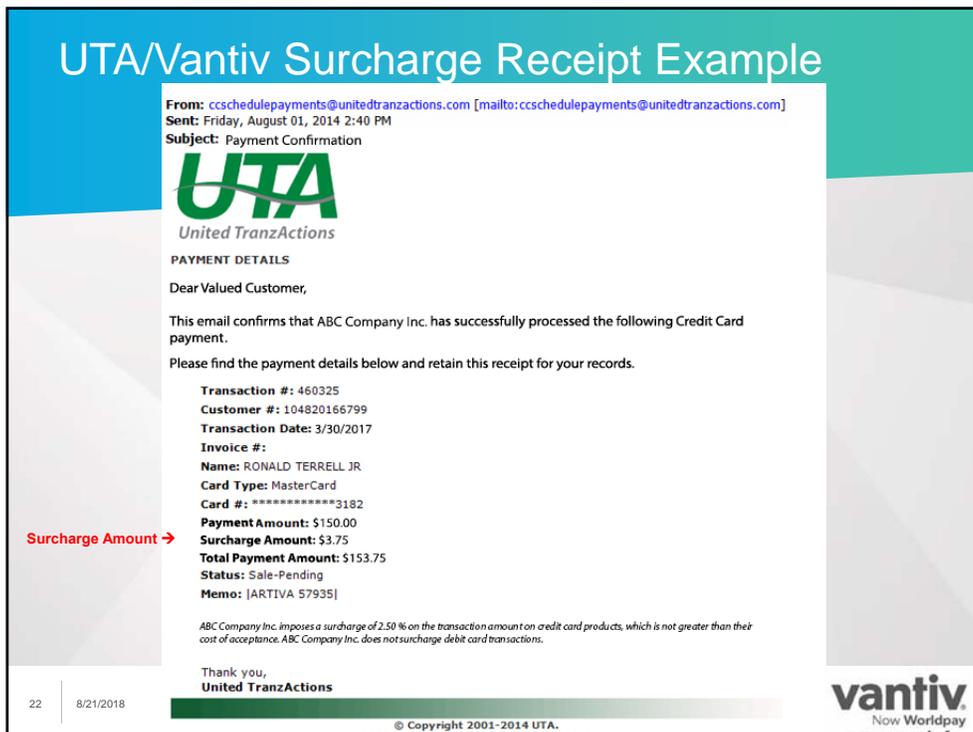
Subtotal: 525.66 *

Surcharge (3.50%): 18.40 *

Amount: 544.06 *

* Bin File Validation

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CREDIT CARD SURCHARGING NOW LEGAL FOR THE MOST PART

Despite the surcharge litigation settlements in 2013 and 2014, various state laws exist which prohibit surcharging

California litigation on its anti-surcharge law went as far as the 9th Circuit Court of Appeals

New York, Florida and Texas litigation went all the way to the Supreme Court of the United States (SCOTUS)

Following the SCOTUS decision, there is ongoing litigation

Federal Law prohibits surcharging of Debit Cards

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CREDIT CARD PROCESSING FEES STILL ILLEGAL – in certain areas

As of the Antitrust Litigation Settlement Date, it was still illegal to surcharge your customer with your credit card processing fees in 10 states and Puerto Rico:

California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and, Texas.

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Credit Card Anti-Surcharge Statutes

Similar language throughout the statutes

No retailer ...may impose a surcharge on a cardholder who elects to use a credit card in lieu of payment by cash, check, electronic or similar means

California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, Oklahoma and Puerto Rico

Permit the offering of a discount to induce payment by cash, check or other means not involving credit card IF OFFERED TO ALL PROSPECTIVE BUYERS AND DISCLOSED CLEARLY AND CONSPICUOUSLY IN ACCORDANCE WITH REGULATIONS

Texas – slightly different – says the term “surcharge... does not include a discounted price charged for goods or services to a buyer who pays with cash.”

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Applicability of these Statutes to B2B Transactions

- 3 of the states with surcharge prohibition laws have adopted the Uniform Consumer Credit Code: Colorado, Kansas, Maine
- California’s statute specifically uses the word “consumer”
- Massachusetts’ statute is included under “Consumer Credit Cost Disclosure”
- Oklahoma’s statute is under the title “Consumer Credit Code”
- Texas’ “Business and Commerce Code” governing surcharges is titled “Rights and Duties of Consumers and Merchants”
- Puerto Rico’s statute specifically uses the word “consumer”
- Only Florida, New York and Connecticut were unclear as to Consumer or Commercial – BUT –

Legal Experts agree statutes are not likely applicable to B2B transactions

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NEW YORK LAWSUIT COMMENCED TO CHALLENGE THE CONSTITUTIONALITY OF ANTI-SURCHARGE LAW

• *Expressions Hair Design et al v. Schneiderman, Attorney General of New York, et al.*

- Commenced in the U.S. District Court for the Southern District of New York in 2013 for a determination that New York State's General Business Law §518 is unconstitutional, vague and in violation of the First Amendment right to freedom of speech
- §518 says, in part "[n]o seller in any sales transaction may impose a surcharge on a holder who elects to use a credit card in lieu of payment by cash."
- Federal Judge Rakoff found the NY statute unconstitutional
 - "[I]n terms of their immediate economic consequences, surcharges and discounts are merely different labels for the same thing—a price difference between cash and credit."
 - "[T]his virtually incomprehensible distinction between what a vendor can and cannot tell its customers offends the First Amendment and renders Section 518 unconstitutional."

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2nd CIRCUIT COURT OF APPEALS DECISION

Circuit Court of Appeals decision on September 29, 2015

New York's law "does not prohibit all differentials between the price ultimately charged to cash customers and the price ultimately charged to credit-card customers; it forbids charging credit-card customers an additional amount above the regular price that is not also charged to cash customers but it permits offering cash customers a discount below the regular price that is not also offered to credit-card customers".

New York's law is neither unconstitutional nor does it violate a merchant's freedom of speech.

Petition to be heard by the Supreme Court of the United States (*writ of certiorari*) was granted on September 29, 2016

Decision was rendered on March 29, 2017

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SCOTUS DECISION IN *EXPRESSIONS HAIR DESIGN v. SCHNEIDERMAN*

- Oral argument took place on January 10, 2017
- Justice Sotomayor said she did not “see anything about speech in the statute.”
- Opinion, delivered by Chief Justice John Roberts, stated
 - “The question presented is whether §518 regulates merchants’ speech and—if so—whether the statute violates the First Amendment.
 - We conclude that §518 does regulate speech
 - Vacated the 2nd Circuit Decision
 - Remanded the case for the Court of Appeals to analyze New York’s law as a speech regulation
 - Case ongoing in the State of New York Court of Appeals
- **THUS, Judge Rakoff’s decision stands and New York’s anti-surcharge law is unconstitutional**

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FLORIDA LAWSUIT COMMENCED TO CHALLENGE THE CONSTITUTIONALITY OF ANTI-SURCHARGE LAW

• *Dana’s Railroad Supply et al v. Pamela Jo Bondi, Attorney General of the State of Florida* - U.S. District Court for the Northern District of Florida was commenced in 2014 by the merchants for a determination that Florida Statute § 501.0117 is unconstitutional and seeking an injunction preventing the State of Florida from enforcing the law.

Florida’s no-surcharge law makes it a criminal offense—punishable by a fine of \$500 and jail time—for any “seller or lessor in a sales or lease transaction [to] impose a surcharge on the buyer or lessee for electing to use a credit card in lieu of payment by cash, check, or similar means, if the seller or lessor accepts payment by credit card.”

Florida’s statute expressly permits “the offering of a discount for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card, if the discount is offered to all prospective customers.”

• Federal Judge Hinkle found the Florida statute to be constitutional

• “The merchant may give a discount for paying with cash, but the merchant may not exact a surcharge for paying with a credit card. This is the law even though the difference between a cash discount and a credit-card surcharge makes no difference in the price a customer must pay when using either cash or a card; it is a matter of semantics, not economics.”

• “This statute is [not] ... a First Amendment violation. ... this statute is constitutional.

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11th CIRCUIT COURT OF APPEALS STRIKES DOWN FLORIDA ANTI-SURCHARGE STATUTE

11TH Circuit Court of Appeals ruled on November 4, 2015

“Tautologically speaking, surcharges and discounts are nothing more than two sides of the same coin; a surcharge is simply a “negative” discount, and a discount is a “negative” surcharge. As a result, a merchant who offers the same product at two prices—a lower price for customers paying cash and a higher price for those using credit cards—is allowed to offer a *discount* for cash while a simple slip of the tongue calling the same price difference a *surcharge* runs the risk of being fined and imprisoned”

“By holding out *discounts* as more equal than *surcharges*, Florida’s no-surcharge law overreaches to police speech well beyond the State’s constitutionally prescribed bailiwick.”

“We, therefore, must strike down § 501.0117 as an unconstitutional abridgment of free speech”

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SCOTUS DECISION IN DANA v. BONDI

Petition to be heard by the Supreme Court of the United States (*writ of certiorari*) was filed on June 6, 2016.

Petition was held in abeyance pending the SCOTUS decision in the *Expressions Hair* case

Petition was denied on April 3, 2017

THUS: 11th Circuit Court ruling stands – **Florida statute unconstitutional**

There is no activity (neither litigation nor legislation) ongoing in Florida following the SCOTUS decision

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TEXAS LAWSUIT COMMENCED TO CHALLENGE THE CONSTITUTIONALITY OF ANTI-SURCHARGE LAW

Lynn Rowell et al v. Leslie L. Pettijohn, in her official capacity as Commissioner of the Office of Consumer Credit Commissioner of the State of Texas – U.S. District Court for the Western District of Texas

Commenced 2014 for a determination that declaration that TEX. FIN. CODE § 339.001, barring surcharges is unconstitutional and seeking an injunction preventing the State of Texas from enforcing the law - Virtually identical to the *Expressions Hair* case

TEX. FIN. CODE § 339.001 Texas's no-surcharge law makes it unlawful for any merchant, "[i]n a sale of goods or services," to "impose a surcharge on a buyer who uses a credit card for an extension of credit instead of cash, a check, or a similar means of payment

Texas' "no-surcharge" law permits merchants "to extend a discount to a buyer who pays with cash instead of a credit card."

- Federal Judge Yeakel dismissed the Complaint finding "that the Texas Anti-Surcharge law regulates only prices charged, an economic activity that is within the state's police power, and does not implicate First Amendment speech rights."

- "the Anti-Surcharge law regulates economic conduct, not speech."

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5th CIRCUIT COURT OF APPEALS DECISION – March 2, 2016

The Circuit Court affirmed the District Court and held that the Texas statute did not violate the First Amendment right to freedom of speech.

- The Circuit Court examined thoroughly the 2nd Circuit (*Expressions Hair*) and the 11th Circuit (*Rowell*) cases which were in opposition to each other
- "Texas' law ...ensures only that merchants do not impose an additional charge above the regular price for customers paying with credit cards."
- A plain reading of Texas' law shows it forbids a merchant from imposing an extra charge for a purchase with a credit card, and is completely silent as to any other form of pricing.

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SCOTUS DECISION IN *ROWELL V. PETTIJOHN*

Petition to be heard by the Supreme Court of the United States was also held in abeyance pending the decision in the *Expressions Hair* case.

On April 3, 2017, the Petition was Granted, the 5th Circuit Court of Appeals Judgment was Vacated and the case was Remanded for further consideration in light of *Expressions Hair*

THUS: Texas' anti-surcharge statute stands constitutional and enforceable as of now

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TEXAS ACTIVITY SUBSEQUENT TO THE SCOTUS DECISION

The 5th Circuit Court, upon directive by SCOTUS, sent this case back to the U.S. District Court saying:

In *Rowell v. Pettijohn*, 816 F.3d 73 (5th Cir. 2016), our court affirmed the dismissal of appellants' challenge to Texas' Anti-Surcharge Law, which prohibits merchants from imposing surcharges for credit-card purchases. We held the law did not implicate the First Amendment's free-speech protections and was not unconstitutionally vague. *Id.* at 82, 84. On 29 March 2017, the Supreme Court, in a similar matter, *Expressions Hair Design v. Schneiderman*, ___ U.S. ___, 137 S.Ct. 1144, 197 L.Ed.2d 442 (2017), held speech was regulated and remanded to the second circuit. As a result, the Court remanded this matter to our court "for further consideration in light of *Expressions Hair Design*". *Rowell v. Pettijohn*, No. 15-1455, ___ U.S. ___, 137 S.Ct. 1431, 197 L.Ed.2d 644 (2017).

Accordingly, this matter is REMANDED to district court for further proceedings consistent with *Expressions Hair Design*.

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TEXAS ONGOING LITIGATION AFTER THE SCOTUS DECISION

Litigation is ongoing in the District Court Each side has filed a Motion for Summary Judgment

The Plaintiff/Merchants are asking the court to declare that Tex. Bus. & Comm. Code §604A.0021 violates the plaintiffs' free speech under the First Amendment and should permanently enjoin the State of Texas from enforcing the statute against them

The Defendant/Texas' Attorney General has asked the court to dismiss Plaintiffs' claims on the bases that:

1. Texas' longstanding statutory surcharge ban protects consumers from deceptive and misleading pricing schemes
2. The surcharge ban is valid because it directly advances Texas's substantial interests in protecting consumer welfare and promoting commerce

TEXAS LEGISLATION FOLLOWING THE SCOTUS DECISION

Texas Business and Commerce Code: Title 12. Rights and Duties of Consumers and Merchants: Chapter 604A Prohibition of Certain Surcharges was amended so that the enforcement of credit card surcharge prohibition has been transferred to the Office of the Attorney General

TEXAS ATTORNEY GENERAL “CONSUMER PROTECTION DIVISION”

Charging Extra For Credit Card Use

In Texas, a business can not penalize you for paying with a credit card. Businesses that add a surcharge to those who pay by credit card might be violating provisions of the Texas Finance Code. However, businesses can discount the regular retail price of an item for consumers who pay cash. If you believe a business is charging extra for credit card purchases, please file a consumer complaint with our office.

This information is followed by a link to instructions on filing a consumer complaint.

While there are laws (for now) restricting surcharging in 8 states, it is important to understand that Legal Experts agree the statutes are not likely applicable to B2B transactions!

THE IMPACT OF THE UNITED STATES SUPREME COURT DECISION ON THE ANTI-SURCHARGE STATUTES.

California - unconstitutional SORT OF - The 9th Circuit Court of Appeals [01/03/18] upheld the U.S. District Court's ruling for declaratory and injunctive relief BUT modified it "to apply only to plaintiffs, and only with respect to the specific pricing practice that plaintiffs, by express declaration, seek to employ."

- Colorado
- Connecticut
- **Florida – unconstitutional**
- Kansas
- Maine
- Massachusetts
- **New York - unconstitutional**
- Oklahoma
- Texas – **constitutional and litigation ongoing**
- Puerto Rico

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Contracting Around the Anti-Surcharge Statutes

Contractual Agreement as to Place of Transaction

It is agreed that all credit card transactions between *[Merchant/Trade Credit Grantor]* and *[Customer]* shall be deemed to take place in the State of [] and shall be governed by the statutes of the State of [].

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Contracting Around the Anti-Surcharge Statutes

Jurisdiction and Venue Provision

All credit card commerce between [Merchant/Trade Credit Grantor] and [Customer] shall be governed by and interpreted in accordance with the laws of the State of [] without regard to conflict of law provisions thereof, and all actions, disputes, and proceedings arising from, relating to or in connection with credit card commerce between [Merchant/Trade Credit Grantor] and [Customer] shall be commenced, at the sole discretion of Trade Credit Grantor, in any federal, state or local court within the state of [] or in any federal, state or local court within any state where Trade Credit Grantor maintains a place of business.

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Whether you choose to impose a surcharge or not, merchants are looking to reduce the cost of card acceptance. How can this be done?

Payments System

Roles & Responsibilities

Three key entities manage the payment system:

<p>1 Issuers:</p> <ul style="list-style-type: none"> Issue cards Assume buyer's credit risk Generate reports Provide customer service 	<p>2 Networks:</p> <ul style="list-style-type: none"> Provide systems/operations Develop products Provide risk management Offer advertising and promotions Set standards and rules 	<p>3 Acquirers</p> <ul style="list-style-type: none"> Sign up merchants Underwrite merchant risk Provide processing Handle authorization Manage Capture/Settlement Generate reports Provider customer service
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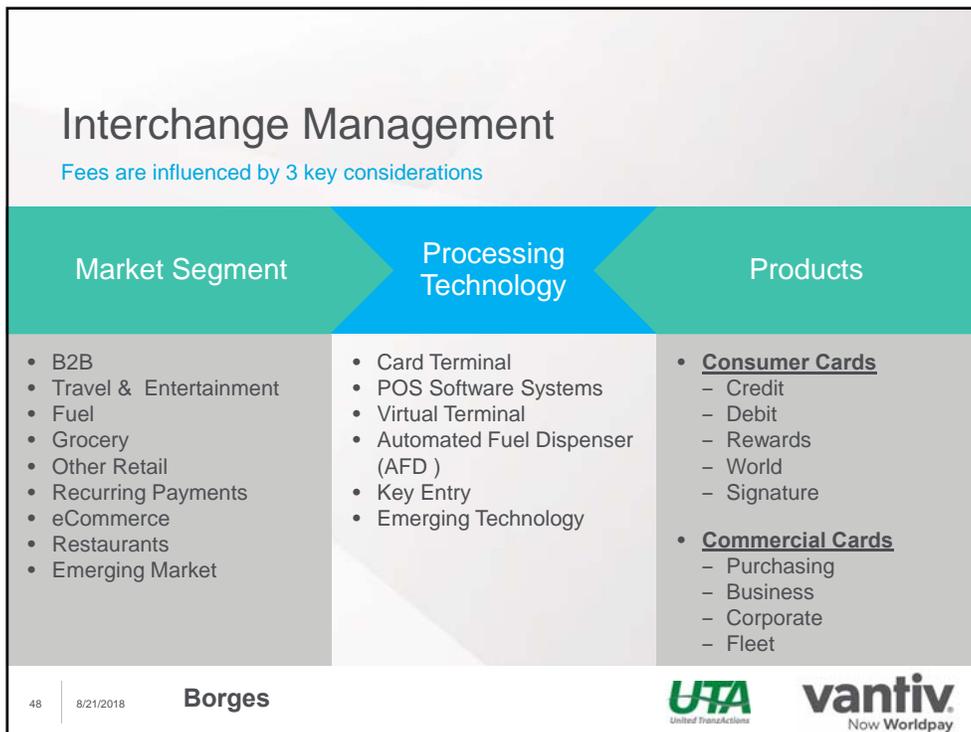
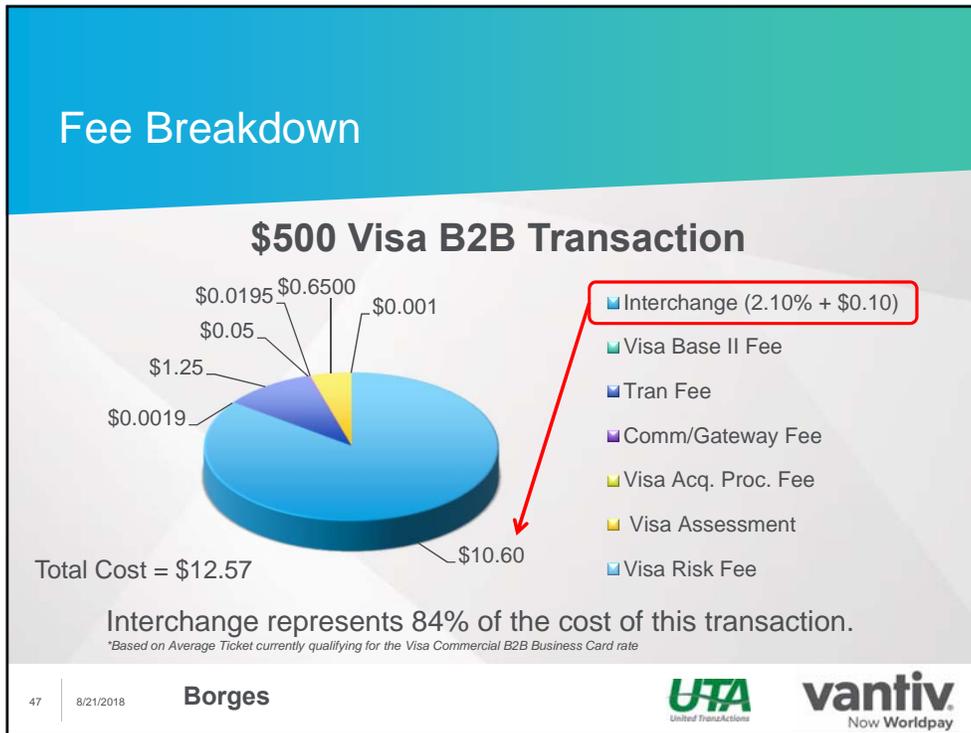



Fee breakdown

Interchange	= Issuer
Network Assessments & Other Access Fees	= Networks
Processing Fee	= Acquirer/ Processor

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Visa Business Card-Not-Present Transaction

With AVS (Address Verification)
2.10% + \$0.10

Without AVS and Level II data
2.95% + \$0.10

0.85% Downgrade

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Interchange Management

Incentive Program

- Commercial Cards – Level II/III
- Commercial Cards – Large Ticket

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Savings Opportunity

- Decreased expense
- Increased profit

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Commercial Card – Data Levels

Level 1

- Card number, expiration date, location information, Tax ID, AVS

Level 2

- Sales Tax Amount
- Customer Code
- Sales Tax Indicator
- **Tax exempt transactions cannot qualify for Level 2, but they can qualify for Level 3**

Level 3

- Line Item Detail – invoice data such as quantity, description, dollar amount.

This is not a comprehensive list of level 3 data requirements.

The greater amount of data provided, the lower the interchange rate.

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FKDUW

Data Type	Jrrg	Elwhu	ElwS
	Level 1	Level 2	Level 3
Merchant Name	x	x	x
Transaction Amount	x	x	x
Data	x	x	x
Tax Amount		x	x
Customer Code (16 Char)		x	x
Merchant Postal Code		x	x
Tax Identification		x	x
Merchant Minority Code		x	x
Merchant State Code		x	x
Item Product Code			x
Item Description			x
Item Quantity			x
Item Unit of Measure			x
Item Extended Amount			x
Item Net / Gross Indicator			x
Item Tax Amount			x
Item Tax Rate			x
Item Tax Identifier			x
Item Discount Indicator			x



Credit Card Payment Entry


Input as: CCC STEEL, INC. (EFT) - 311560000 - 9

Customer #: 15611 Auto Load Memorize Customer

Invoice/SO #: A165165

Address: 123 elm street

Zipcode: 33185

City: Miami

State: FL

Phone #: 3055551212

Name on Card: ABC Concerte Company *

Card Number: 4847183045686329 **VISA** *

Exp Date: 06 / 2017

CVV:

Action: Sale

Amount: 0.00 *

Address Verification Service: Yes No

Remittance File: Browse...

Automatically Pass Level 3 Purchase Level: Standard Level II Level III

Multiple Invoice: Yes No

Memo:

Card Number: 4847183045686329 **VISA** *

Exp Date: 06 / 2018

CVV: 123

Action: Sale

Subtotal: 525.66 *

Surcharge (3.50%): 18.40 *

Amount: 544.06 *

* Bin File Validation



Interchange Rate Example

 Purchasing Card:	 Business Card:
Purchasing Standard.....2.95% + \$0.10	Business Standard.....2.95% + \$0.10
Purchasing Card-Not-Present (tax exempt).....2.70% + \$0.10	Business Data Rate I (tax exempt w/ no L3).....2.65% + \$0.10
Purchasing Card-Present (tax exempt).....2.50% + \$0.10	Business Data Rate II (taxable).....2.00% + \$0.10
Purchasing Level II Rate (taxable).....2.50% + \$0.10	Business Data Rate III 1.75% + \$0.10
Purchasing Level III Rate.....1.90% + \$0.10	Business Large
Purchasing Large	Ticket Rate:.....1.20% + \$40.00
Ticket Rate:.....1.45% + \$35.00	

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Sample Transaction Costs: Interchange Expense



Purchasing Card:
\$500 transaction

Purchasing Standard (minimal data).....	\$14.85
Purchasing CNP (tax exempt, w/out Level 3).....	\$13.60
Purchasing Level II Rate (taxable).....	\$12.60
Purchasing Level III Rate.....	\$9.60

30% - 35% cost reduction by processing Level III data vs. minimal data



Business Card:
\$500 transaction

Business Data Rate I (Level I).....	\$13.35
Business Data Rate II (Level II, taxable).....	\$10.10
Business Data Rate III (Level III).....	\$8.85

34% reduction in cost by processing Level III data versus Level I

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Sample Transaction Costs: Interchange Expense



Purchasing Card:
\$50,000 transaction

Purchasing Standard (minimal data).....	\$1,475.10
Purchasing CNP (tax exempt, w/out Level 3).....	\$1,350.10
Purchasing Level II Rate.....	\$1,050.10
Purchasing Large Ticket Rate.....	\$760.00

44% - 48% cost reduction by processing Level III data vs. minimal data



Business Card:
\$50,000 transaction

Business Data Rate I (Level I).....	\$1,325.10
Business Data Rate II (Level II).....	\$1,000.10
Business Large Ticket	\$640.00

52% reduction in cost by processing Level III versus Level I data

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Visa Purchasing Card Transactions

10 Transactions for \$200,142.05 in February

Current Costs	2.70% + \$0.10 \$5,404.84
Costs with NACM Program & Vantiv	1.45% + \$35.00 \$3,252.06
Savings =	\$2,152.78

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MC Fleet Card Transactions

4 Transactions for \$125,109.01 in February

Current Costs	2.70% + \$0.10 \$3,378.34
Costs with NACM Program & Vantiv	1.25% + \$40.00 \$1,723.86
Savings =	\$1,654.48

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B2B Company – Processing Fee Summary

	CURRENT	NACM PROGRAM	SAVINGS
Account 1 - Sept.	\$87,508.20	\$61,768.62	\$25,739.58
Account 1 - Oct.	\$63,681.35	\$45,615.82	\$18,065.53
Account 2 - Sept.	\$3,642.60	\$2,856.15	\$786.44
Account 2 - Oct.	\$2,866.23	\$2,266.81	\$599.41
Account 3 - Sept.	\$3,389.50	\$1,367.25	\$2,022.24
Account 3 - Oct.	\$6,761.06	\$2,305.80	\$4,455.27
TOTALS	\$167,848.94	\$116,180.46	\$51,668.48
* EFFECTIVE RATE	3.14%	2.17%	\$5,347,307.72
Effective rate = fees divided by Visa/MC/Discover Sales			Visa/MC/Disc Sales
AVG. MONTHLY SAVINGS			30.78%
TOTAL ANNUAL SAVINGS		\$25,834.24	SAVE
		\$310,010.91	

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The UTA-Vantiv Virtual Terminal & Online Bill Pay Portals AUTOMATICALLY pass the required Level 3 data to help ensure the lowest interchange rates.

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Level 3 Impact

Without Level 3 Data on tax exempt payments, merchants are paying on average 0.20% to 0.90% more than they could be on every Level 3 capable commercial card transaction

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Savings Analysis

Interested in a FREE interchange qualification analysis for attending today's presentation?

Email a copy of your company's recent monthly merchant services statement(s) to: matt.fluegge@worldpay.com



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Questions

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Thank you!

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