

MERCHANT SOLUTIONS

Your guide to merchant fees



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We're here to help

If you have any questions about this guide, please call Merchant Enquiries on **1800 230 177**, Monday to Friday, 8am to 8pm (Sydney time).

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Important information. This brochure has been prepared without taking account of the objectives, financial situation or needs of any particular individual. Because of that, before acting on the information in this brochure, you should consider its appropriateness to your circumstances. Examples used in this brochure are for illustrative purposes only. Fees and charges are subject to change.

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Using this guide


This guide explains the fees that may apply to your Commonwealth Bank Merchant Solution. It also answers some frequently asked questions.

Keep it handy, then refer to it when you receive your monthly statement — or read it now for information that could help you to manage your business better.

Useful terms

Acquirer	The bank or financial institution that supplies the equipment and services a merchant uses to process card transactions. When you use a Commonwealth Bank Merchant Solution, the Commonwealth Bank is the acquirer.
Issuer	The bank or financial institution that issues a card.
Transaction	Any sale, refund or cash-out transaction completed using a card.
On-us transaction	A transaction where the issuer and the acquirer are the same; for example, when you use a Commonwealth Bank Merchant Solution to process a transaction using a card issued by the Commonwealth Bank.
Off-us transaction	A transaction where the issuer is different to the acquirer.
Interchange Fee	A fee paid by an acquirer to an issuer for a transaction.
Electronic transaction	A transaction where the card is physically presented to the merchant, then swiped or dipped (relates to EMV chip cards) and verified at the point of sale.
Standard transaction	A transaction where the card is not electronically swiped by the merchant — for example, a mail order, telephone order or Internet transaction. The interchange rate is higher for standard transactions than for electronic transactions to take into account the greater risk of fraud.
Contract fixed term	The contract period during which you have locked in a fixed terminal rental charge.
EMV card	A card that includes an embedded electronic chip and which supports the EMV standard developed by Europay, MasterCard and Visa (EMV).

Card types

<p>Electronic domestic</p>	
<p>Platinum card</p>	
<p>Commercial</p>	
<p>Non-EMV card</p>	
<p>EMV card</p>	
<p>Gold card</p>	

Fees

Merchant Services Fee (MSF)

<p>What is it?</p>	<p>The base percentage fee charged by the Bank for providing merchant services.</p>
<p>How is it calculated?</p>	<p>As a percentage of each credit card sale. Merchant fees may vary significantly depending on transaction volume, average ticket size, card types and other factors.</p>
<p>When is it charged?</p>	<p>Whenever you process a credit card transaction.</p>

Interchange Fees

<p>What are they?</p>	<p>Fees paid by the acquiring bank to the issuing bank when you process a transaction. Interchange fees are set by Visa and MasterCard. We pay the fees when you process a credit card transaction, then pass them on to you, either wholly or in part.</p>
<p>How are they calculated?</p>	<p>Either as a percentage of each transaction or as a fixed amount. The rate varies, depending on the type of card involved and the transaction type (see below).</p>
<p>When are they charged?</p>	<p>Whenever you process a credit card transaction.</p>
<p>Where can I find out more?</p>	<p>For a list of interchange rates, visit these web sites: Visa > www.visa-asia.com/ap/au/mediacenter/factsheets/interchange.shtml MasterCard > www.mastercard.com/au/rba/index.html</p>

Transaction type	Applies to
Micropayment	Low value payment (under a specified limit). Applies to all Visa credit and debit cards, as well as MasterCard debit cards.
Debit	Visa or MasterCard scheme debit card transactions.
Electronic	Visa or MasterCard credit and debit card transactions where a cardholder presents a magnetic stripe card or chip card and the card is swiped or dipped at an electronic terminal.
Standard	Transactions where the card is not physically present; for example, mail order and telephone order (MOTO) transactions, hand-keyed transactions or Internet transactions.
Premium	Transactions involving platinum credit cards – premium credit cards that offer special benefits and reward programs. They can be identified by their distinctive colour. Examples include: <ul style="list-style-type: none"> • Visa or MasterCard • Visa Signature Platinum • Visa Infinite • MasterCard World
Commercial/ Business/ Corporate	Transactions involving a commercial card, issued by a company. For example, a business card, corporate card, purchasing card or distribution card.
International	Transactions involving a card issued by a non-Australian financial institution.
Visa International Service Assessment (ISA)	International Visa transactions. Visa imposes an additional fee for processing international cards.
MasterCard Cross Border Transaction Assessment (CBTA)	International MasterCard transactions. MasterCard imposes an additional fee for processing international cards.

Credit card authorisation fees

What are they?	Fees charged when you validate that there are sufficient funds available on a card before you process a transaction; for example, when renting a car or accepting a hotel booking.
How are they calculated?	A fixed amount is charged depending on the authorisation type (see below).
When are they charged?	Whenever you process a credit card transaction that requires authorisation.

Authorisation type	Applies to
Voice Authorisation	Authorisation over the phone with the help of an operator.
Key Authorisation	Authorisation over the phone using an automated system (telephone keypad or voice recognition).
Electronic EFTPOS Pre Authorisation	Transactions completed using a credit card via an electronic device such as an EFTPOS terminal.
FDI Authorisation	Authorisation using the Macro Merchant facility.
Other Electronic Authorisations	Authorisation using the CommLink facility.
CommWeb	Authorisation using CommWeb.
Single Authorisation	Authorisation using Single Module.
Multi/Batch Authorisation /Batch PBS	A group of accumulated transactions that have been saved but not yet settled. Transactions are settled in a group at the end of each day.
Web Shop Authorisation	Authorisation using Web Shop.

Equipment Fees

What are they?	Fees covering the physical equipment we supply for your merchant solution.
How are they calculated?	A fixed amount is charged for each service or piece of equipment you use.
When are they charged?	Varies, depending on the fee (see below).

Fee	Description
Access Fee	A monthly fee which covers the cost of delivering transactions to the Bank.
Additional Terminal Fee	A one-off charge for the establishment of an addition terminal on an existing merchant account.
Annual Equipment Fee	An annual fee for maintenance of the manual imprinter device, used to imprint embossed card information onto a sales voucher.
Non Return	A one-off fee for failing to return an EFTPOS machine when a merchant facility is cancelled.
Equipment Rental Fee	A monthly rental fee for each EFTPOS terminal we supply to you. The amount depends on the type of terminal the services it supports and the contracted term.
Report Delivery Fee	A monthly fee that covers the cost of sending you an electronic report for reconciliation (delivered monthly, daily, or intraday, depending on the option you choose).
Terminal Upgrade Fee	A one-off fee for upgrading from a manual credit card device to an electronic terminal.

Stationery fees

What are they?	Fees covering the cost of stationery items, such as printer rolls and vouchers.
How are they calculated?	A fixed amount is charged for each item of stationery you order.
When are they charged?	Per order.

Fee	Description
Stationery Freight Fee	The cost of delivering a stationery order, covering postage and handling.
Stationery Fee	The cost of a stationery item; see your stationery brochure for more information.

Facility maintenance fees

What are they?	General fees covering the cost of maintaining your facility.
How are they calculated?	A fixed amount is charged for each service you use.
When are they charged?	Varies, depending on the fee (see below).

Fee	Description
Administration Fee	An annual fee which covers processing costs, the cost of generating statements, postage, printing and general maintenance of the facility. This fee is charged each year in the same month that you originally established your merchant facility.
Establishment Fee	A one-off fee for setting up the merchant facility or any of its ancillary services.
Joining Fee	A one-off fee charged when your merchant facility is established, covering the processing costs of setting up the merchant account and making security checks.
Cancellation Fee	A one-off fee applied to merchants who are not under contract and who close their facility.

Facility maintenance fees (continued)

Fee	Description
Additional outlet set-up Fee	A one-off charge for the establishment of an additional outlet to an existing merchant account.
Contract Break Fee	A one-off fee applied to merchants who are under contract and who close their facility before the contract term expires.
Change of Ownership Fee	A one-off fee charged when a business changes hands, designed to cover the cost of facilitating the change.
Minimum Merchant Service Fee (MSF)	The minimum amount set for your monthly Merchant Services Fee (MSF). If account activity does not generate the monthly minimum amounts, a MMSF fee is charged instead.
Monthly/ Monthly Hosting	A monthly fee for hosting the merchant service or any of its ancillary services.
Intelligent Database Monthly Hosting	A monthly fee charged for hosting the Internet and Phone Intelligent Database.
Secure Database Monthly Hosting	A monthly fee charged for hosting a secure database of card numbers.
Web Shop Monthly Hosting	A monthly fee charged for hosting a Web Shop.
MDPP Annual	Fee charged for being registered within the Commonwealth Bank of Australia Merchant Data Protection Program (MDPP).

Chargeback fee

What is it?	A chargeback occurs when a cardholder disputes a credit card transaction. The issuing bank initiates a chargeback against the merchant account. The amount of the transaction is withdrawn from the merchant’s account. A processing fee is also charged on top of the actual transaction amount.
Your options	If a chargeback occurs, you have 14 calendar days to dispute the chargeback with proof of purchase, such as the customer’s signature, shipping documents or invoice.
How is it calculated?	It is a fixed amount charged per chargeback.
When is it charged?	When a chargeback is processed.

Debit card fees

What are they?	Fees for debit card transactions. Debit cards are linked to a savings or cheque account. When you process a debit card transaction, the transaction amount is deducted automatically from the cardholder’s account and debited by the issuer.
How are they calculated?	They vary depending on the amount of transactions, volumes, average ticket size and other factors.
When are they charged?	When you process a debit card transaction.

Fee	Description
Debit card transaction	Processing fee for debit card transactions.
Debit card cash out	Processing fee for debit card transactions with cash out.
Debit card rebate	A rebate which we pay to you for processing debit card transactions

Other fees

Fee	Description
Currency conversion	Currency conversion is an EFTPOS service that enables you to accept credit card payments from international customers in their home currency. It gives cardholders the option of paying in their home currency (US dollars, for example) at point of sale. If they select this option, they will only see the US dollar amount on their card statement, with no foreign exchange conversion fees. You receive a commission for each foreign currency payment you facilitate. The commission is based on your total overseas cardholder transaction volumes.
Call Transfer	Fee charged for transferring a call from the automated phone payment service.
Transfer to Operator	Fee charged for transferring a call from the automated phone service to an operator.
Secure Surcharge	Fee charged for accessing securely stored card data, and charged in addition to the authorisation fee.
EMV Consumer Chip Cards	Fee charged for transactions involving an EMV chip card.

Why have some of my fees increased?

While we always try to keep rates and fees low, some fee increases have become necessary because of the increased cost of providing our service. We have tried to make our new fee structure fair and transparent, so that you only pay for what you use.

What is the Minimum Monthly Service Fee?

The Minimum Monthly Service Fee (MMSF) is the minimum Merchant Services Fee (MSF) you will be charged each month. If account activity does not generate the monthly minimum, then the minimum amount is charged instead.

For example, suppose that the current merchant credit rate is 1.30%, and the MMSF is \$20. This means that the minimum amount of credit card turnover in that month would be \$1,538 (\$20/1.30%).

When will the minimum fee be charged?

- Scenario 1: Credit turnover of \$531 is processed in one month, generating a Merchant Services Fee of \$6.90 (\$531 x 1.30%). Since the turnover is below the minimum amount of \$1,538, we charge you a MMSF of \$20 instead.
- Scenario 2: Credit turnover of \$1,540 is processed the next month, generating a Merchant Services Fee of \$20 (\$1,540 x 1.30%). Since the turnover is above the minimum amount of \$1,538, we do not charge you the Minimum Monthly service fee.

Why did you introduce the MMSF?

We have adopted a user-pays policy in our new pricing structure, so that you only pay for what you use. The MMSF reflects the fixed costs of providing an EFTPOS machine and maintaining access to merchant services, regardless of the number of transactions processed.

Do other banks charge a MMSF?

Yes, most other banks charge a Minimum Monthly Service Fee.

When will I be charged an Administration Fee?

If you signed up prior to November 2004, you will generally be charged an administration fee in December each year.

If you signed up after November 2004, you will generally be charged an administration fee each year in the same month as you opened your account.

I'm a non-EFTPOS merchant. Do I still have to pay an Administration Fee?

Yes. We have introduced an Administration Fee for non-EFTPOS merchants.

What is the Stationery Freight Fee?

This is a new fee which has been introduced to cover the cost of postage and handling when we deliver stationery. You can minimise the Stationery Freight Fee by planning ahead and ordering items in bulk.

I have a merchant agreement in place. Do these changes apply to me?

Yes. While we try to keep our rates and fees as low as possible, your merchant agreement does allow for changes to terms and conditions, provided that we give you 30 days notice.

I have signed a fixed term contract. Do these changes apply to me?

Yes. While your contract locks in your terminal rental charge for a fixed term, it does not apply to other fees.

Do your fees include GST?

Yes. All fee rates have been calculated to include GST. If you are GST exempt, or you are located in an Australian external territory where GST does not apply, fees will be charged at a rate that excludes GST.

Why have my statements changed?

Along with our new fee structure, we've introduced a new statement layout, designed to give you a clearer picture of your business and merchant credit card activity.

The aim is to help you manage your business better by giving you a clearer picture of the true costs of doing business with different customers. We hope it increases your ability to manage and reduce costs, and to adjust your charges for higher-cost transactions.

What is EMV?

EMV is a joint venture between Europay, Visa and MasterCard. Its purpose is to set a standard for processing chip card electronic payments with higher levels of security. It includes a fraud prevention mechanism where the cardholder is validated by the chip on the card.

Merchant service providers are currently working on EMV-compliant merchant terminals, which will be certified to process chip card transactions. We hope to make this secure electronic payment technology available to you and other merchants in the near future.