

PRESS RELEASE
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Merchants applaud further Commission action on card fees

EuroCommerce and the European Retail Round Table (ERRT) are delighted to give their unequivocal support to the further antitrust action taken today by the European Commission against MasterCard's inter-bank fees.

Christian Verschueren, Director-General of EuroCommerce said, *"This is excellent news for consumers and retailers across Europe who have suffered long enough from the unjustifiably high fees and the anticompetitive practices of the card schemes. Despite a Commission decision and a European Court judgment, card fees in many Member States remain far too high."*

The new investigation will cover issues not yet addressed in the Commission's decision of 2007, which was upheld on appeal by the European General Court in May 2012. The court confirmed that MasterCard's cross-border multilateral interchange fees (MIFs) were in breach of European competition law. However, since MasterCard has taken the case to further appeal on points of law, many national competition authorities still have not taken action.

The new investigation will look into restrictive rules on cross-border acquiring and the honour all cards rule (HACR): these have long been of great concern to the retail sector. The HACR compels merchants to accept some cards which carry very high fee levels. Card scheme rules on cross-border acquiring prevent the commerce sector from creating efficiencies through the use of centralised acquiring and so keep costs unnecessarily high.

Dennis Kredler, Director-General of ERRT said, *"We hope and trust that the Commission will take just such a strong line against card fees in its proposed regulation on interchange fees expected in a few months. Europe deserves an electronic payment system which is open, competitive and offers a cheap basic way to transfer money within and across national borders. This is the way forward for payments in Europe."*

~ENDS~

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EuroCommerce and the commerce sector

EuroCommerce represents the retail, wholesale and international trade sectors in Europe. Its membership includes commerce federations and companies in 31 European countries.

Commerce plays a unique role in the European economy, acting as the link between manufacturers and the nearly 500 million consumers across Europe over a billion times a day. It is a dynamic and labour-intensive sector, generating 11% of the EU's GDP. One company out of three in Europe is active in the commerce sector. Over 99% of the 6 million companies in commerce are small and medium-sized enterprises. It also includes some of Europe's most successful companies. The sector is a major source of employment creation: 33 million Europeans work in commerce, which is one of the few remaining job-creating activities in Europe. It also supports millions of dependent jobs throughout the supply chain from small local suppliers to international businesses.