



AN 1156—Merchant Surcharging Prohibition in Switzerland—Reminder

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AN 1156—Merchant Surcharging Prohibition in Switzerland—Reminder

Mastercard is reminding customers in Switzerland that the Mastercard Rules prohibit merchant surcharging.

Version History

The version history of this announcement is as follows.

Date	Description of Change	Where to Look
27 September 2017	Initial publication date	

At-A-Glance

The At-a-Glance table provides key information about the systems and groups affected by this announcement, action indicators that specify the appropriate action, and the required implementation date or dates.

Audience:	Acquirer, Issuer
	Each customer must determine the impact on its operations.
Brands:	Mastercard®, Debit Mastercard®, Maestro®
Category:	Operations, Rules/Standards
Action Indicator:	Brand Mandate
Effective Date:	Already in effect

Overview

Acquirers are reminded that Rule 5.11.2 of the Mastercard Rules prohibits merchant surcharges based on the use of a card to make payment.

Questions?

Customers with questions about this announcement should contact:

Global Customer Service

Phone: 32-2-352-54-03

Email: customer_support@mastercard.com

Customer Impact

This announcement affects the indicated customers and platforms.

Acquirers

Acquirers must ensure that their merchants do not surcharge for card payment.

Issuers

Issuers are reminded that a chargeback right for improper merchant surcharging is available with respect to domestic transactions in Switzerland. As all merchant surcharging in Switzerland is improper, this chargeback right can be used whenever a merchant in Switzerland has applied a surcharge.

Refer to the article "Revised POI Error Dispute Standards for Improper Merchant Surcharging," Europe Region Operations Bulletin No. 2, 1 February 2017.

Reminder of Existing Rules

Rule 5.11.2 of the Mastercard Rules prohibits merchant surcharges based on the use of a card to make payment. This rule reads as follows:

5.11.2 Charges to Cardholders

A Merchant must not directly or indirectly require any Cardholder to pay a surcharge or any part of any Merchant discount or any contemporaneous finance charge in connection with a Transaction. A Merchant may provide a discount to its customers for cash payments. A Merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as the Corporation has expressly permitted in writing.

For purposes of this Rule:

1. A surcharge is any fee charged in connection with a Transaction that is not charged if another payment method is used.
2. The Merchant discount fee is any fee a Merchant pays to an Acquirer so that the Acquirer will acquire the Transactions of the Merchant.

Rule Reminder

The above rule is not superseded by a local law or regulation in Switzerland and so applies to merchants in Switzerland.

For the avoidance of doubt, the above rule does not permit the application by a merchant of any type of fee that is linked to the use of a card to make payment. In contrast, a fee, such as a shipping fee, which the merchant applies to all purchases regardless of the method of payment, is not prohibited.

Convenience fees are not permitted in Switzerland as Mastercard has not introduced a "Convenience Fee Program" in Switzerland. Moreover, Mastercard has not permitted the application of any surcharges or other fees by merchants in Switzerland.

As noted in the rule, a merchant may apply a discount for cash, which means that the merchant's published price will be paid when a card is used as the form of payment, and a lower price may be paid if the purchase is paid in cash.

Consequences of Noncompliance

In addition to the risk of receiving chargebacks from issuers, acquirers may be subject to noncompliance assessments as set out in Rule 2.1.4 of the Mastercard Rules.

For violations of Rule 5.11.2, the compliance category is B, so the assessment amount is as follows:

Assessment per violation:

- Up to USD 20,000 for the first violation
- Up to USD 30,000 for the second violation within 12 months
- Up to USD 60,000 for the third violation within 12 months
- Up to USD 100,000 per violation for the fourth and subsequent violations within 12 months

Additional Fees

Noncompliance assessments for acquirers are currently under review. Masercard reserves the right to adjust noncompliance assessment fees or introduce additional fees at a later stage as deemed necessary.