

Convenience Industry Council of Canada Disappointed in Interchange Announcement

Vast majority of small businesses excluded from policy

May 18, 2023, OTTAWA—Today's announcement on credit card fees is a failed attempt to rectify a major challenge facing small businesses in Canada, including our 23,000 local convenience stores and gas stations.

Despite years of lip service to small businesses, the federal government has caved to credit card networks and the big banks who prefer the status quo. Make no mistake – the vast majority of small businesses will be excluded from this policy. Today's announcement doesn't change the fact that the government is allowing banks and credit card companies to force retailers to pay for their credit card loyalty programs.

Credit card fees represent the second highest cost to convenience stores, next only to payroll. Even a qualifying business will only see a maximum \$1K reduction to their bottom line. This is hardly the relief we were promised.

This scheme benefits only micro-sized businesses, and leaves our stores being treated no different than massive corporations like Wal-Mart or Costco.

This approach also penalizes our local businesses because of their role serving as a tax collector for government. 42% of convenience store revenues are in tax alone; because convenience stores sell heavily taxed products like gasoline, tobacco, and alcohol, we are further penalized by this short-sighted approach.

With three convenience stores closing their doors every day in this country, the government can and must do better on this issue. We call on Minister Freeland and Prime Minister Trudeau to fulfill their promise and immediately introduce tangible measures that rectify punitive credit card fees.

While banks and credit network companies will continue to post record profits, Canada's convenience stores and gas stations will continue to pay millions to be a tax collector for government, with absolutely no return.

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