

- **France: The Autorité de la concurrence obtains significant Reduction of main Multilateral Interchange Fees charged by MasterCard and Visa on Domestic Card Transactions**

On 20 September 2013, the Autorité de la concurrence (the Autorité) accepted Visa and MasterCard's binding commitments to reduce the multilateral interchange fees (MIFs) applicable to domestic payments and ATM withdrawals made, respectively, with Visa and MasterCard 'only' cards (i.e. excluding transactions made with cards bearing MasterCard or Visa logos together with the 'home-grown' CB scheme logo, to which the CB fees generally apply).

These commitment decisions follow a market test that ended on 6 June, during which stakeholders were given the opportunity to react to the payment systems' proposed commitments (see press release in English and ECN Brief 3/2013).

In their binding commitments, MasterCard and Visa undertake to reduce their MIFs on card payments to a maximum of 0,28% of the amount paid (on the basis of the weighted average of transactions), leading to a reduction vis-à-vis current fees of respectively 49% for MasterCard and 44% for Visa. They have also agreed to reduce their fees for withdrawals to € 0.55 per withdrawal (previously € 0.75 for Visa and € 0.60 for MasterCard).

Visa's and MasterCard's Interchange fees on payments will thus be, on average, similar to the level of fees that the Groupement des Cartes Bancaires – the most frequently used card payment system in France – agreed to in 2011 (see ECN Brief 4/2011). This level is also very similar to that set out by the European Commission in its Proposal for Regulation on interchange fees for card-based payment transactions dated 24 July 2013, which would apply to domestic transactions after a two-year transition period.

With its decisions, the Autorité has completed the extensive work of the past three years on interchange fees applicable to all methods of payment, ranging from cheques (see ECN Brief 4/2010) to CB payment cards (see above) as well other means of payment, including direct debit (see ECN Brief 3/2012).

See further information in the press release on the market test (in English) and press release on the final commitment decisions (in English)

See also Decision on Master Card (in French) and Decision on Visa (in French)