

IC++ (Interchange pricing ++)

What is IC++

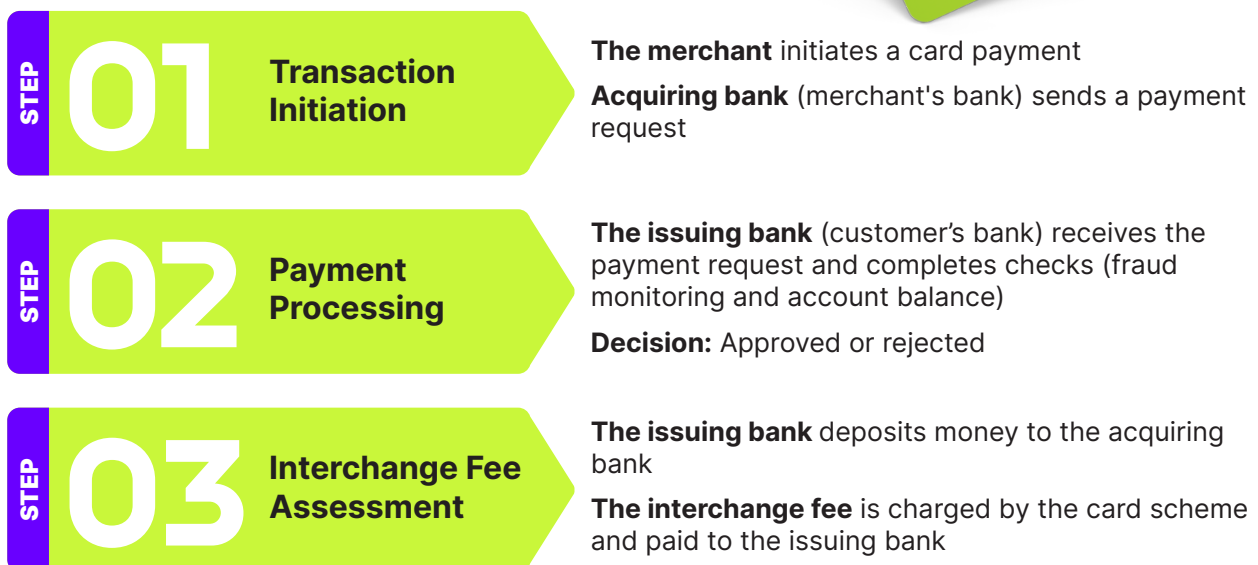
Interchange++ is a pricing type that is available for payments made through Visa and Mastercard, offering merchants a higher level of transparency as it shows a detailed breakdown of your costs. Interchange++ works when a card transaction is processed through an acquirer and there are three different cost components:



Interchange fee that goes to the card issuing bank:
The scheme fee (+) → The acquirer fee (++)







How does it work?



Looking at this cycle, it's fair to assume that the interchange fee is paid by the acquiring bank, but the fee is actually passed to issuing banks in an effort to incentivise the use of their own cards which would minimise fees incurred.

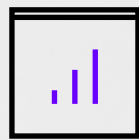
Factors influencing the fees

-  **Credit vs debit cards**
-  **Card scheme**
-  **Location**
-  **Reward cards**

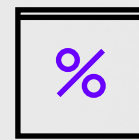
Key benefits for your business



Complete transparency of fees



Lower total transaction rates



Flexible pricing

IC++ pricing provides businesses with transparency by breaking down transaction costs into interchange and markup fees. This allows businesses to make informed decisions and avoid overpaying.

IC++ also offers flexibility to adjust markup fees based on changes in transaction volume or other factors.



Impact on stakeholders:

Interchange benefits all stakeholders by maximising the value of electronic payments:

Governments:

Efficient distribution of social benefits and programs, improving financial inclusion

Issuers:

Receiving fees cover the cost of electronic payments provided to customers

Retailers:

Guaranteed payments, fraud protection, lower processing costs, and a faster, more efficient checkout experience boost revenue opportunities

End-consumers:

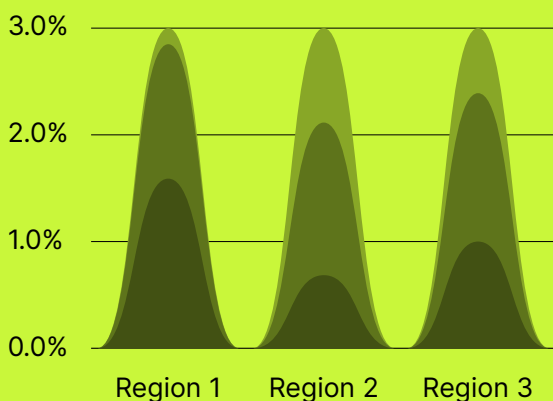
Enjoy convenient, safe electronic purchases, greater financial access, and a choice of payment methods

Difference between IC++ and blended

	IC++	Blended pricing++
More transparency	Yes	No
Lower total transaction rates for large merchants	Yes	No
Risk of Hidden fees	No	Yes
Increases flexibility for merchants	Yes	No

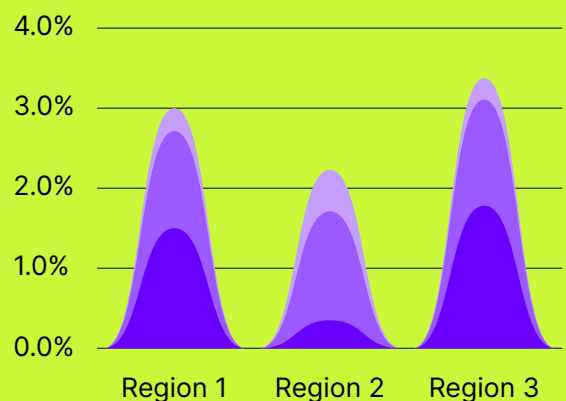


Blended Pricing



Interchange
Scheme fees
Acquirer markup

IC++ pricing



Interchange
Scheme fees
Acquirer markup