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- Interchange Fees and Service Fees - rates and rules

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Disclaimer. This article shows in some detail the topic of Interchange Fees. It is presented in the best way to make business decisions, but unfortunately this topic is very complex, so it does not cover 100% of information. If you need 100% of information, please check the **Mastercard and VISA interchange manuals**. Please take into account that this article is written in May 2024, we will try to update information regularly, but make sure you get up-to-date information before making final business decisions.

Introduction

Interchange Fees and Service fees are fees that the issuer of cards gets or pays from/to an acquiring institution to cover cost of payment transaction or payment instrument. Those are fees connected with using Mastercard or VISA cards that are dependent on the decision of payment schemes and they improve or decrease P&L from card issuing activities. In Mastercard manuals they have the following definitions:

- **Interchange Fee** —The fee that passes between the acquirer and the issuer with respect to the interchange of a transaction conducted at a merchant, the “purchase” part of a “purchase with cash back” transaction or a merchandise transaction conducted at an ATM terminal, including a chargeback, second presentment and reversal of such a transaction.
- **Service Fee** —The fee that passes between the acquirer and the issuer with respect to the interchange of any other type of transaction, including a manual cash disbursement transaction, ATM transaction, PIN-based in-branch cash withdrawal, “cash-back” part of a “purchase with cash back” transaction, refund, or payment transaction (such as MoneySend or Gaming Payment Transaction), including a chargeback, second presentment and reversal of such a transaction.

This is quite a complicated topic and we will not be able to cover all details in this chapter but let us try to answer 90% of questions coming from this area. There are several factors impacting the level of interchange. The most important are:

- **geography** - in which the country transaction was performed. Usually Interchange is higher for transaction performed in other countries, especially other continents
- **type of card** - consumer vs business, debit vs credit. Consumer cards usually have lower interchange than business cards. Debit cards usually have lower interchange than credit

cards.
- **type of transaction** - there may be different interchange for transactions performed online or offline, face2face POS or eCom merchant, bill payment or government, contactless vs chip&pin etc.

Let's start with information about types of interchange from geography point of view. There are 3 important groups of transactions:

- **domestic transaction** - transaction performed at Polish merchant, Polish acquirer with card issued in Poland
- **intra-EEA transaction** - transaction performed in one of EEA countries (see below), EEA merchant, EEA acquirer, Polish or EEA card issuer
- **intra-European transaction** - transaction performed in one of Eastern European countries (see below), Eastern European merchant, Eastern-European acquirer, Polish or EEA card issuer
- **inter-Regional transaction** - transaction performed in any other country, usually another continent, with card issued by EEA issuer

The Mastercard EEA subregion where we are located today for purposes of the application of intra-EEA interchange fees includes the following:

- the Member States of the European Union: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Finland (including Aland Islands), France (including French Guiana, Guadeloupe, Martinique, Réunion, Saint Martin [French Part], and Mayotte), Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal (including Azores and Madeira), Romania, Slovakia, Slovenia, Spain (including Canary Islands, Ceuta, Melilla), and Sweden
- and Iceland, Liechtenstein, and Norway (including Svalbard and Jan Mayen), Andorra (for transactions with above mentioned countries).

The Mastercard Western subregion includes the following: • All EEA subregion countries/territories previously stated • Switzerland, Andorra, Monaco, San Marino, and Holy See (Vatican City State), Antarctica, Greenland, Faroe Islands, Saint Barthelemy, Falkland Islands, Guernsey, Isle of Man, Jersey, Saint Helena, Ascension and Tristan Da Cunha Helena, South Georgia and the South Sandwich Islands

The Mastercard Eastern subregion includes the following: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Israel, Kazakhstan, Kosovo (United Nations Mission in Kosovo), Kyrgyzstan, Macedonia, Moldova, Montenegro, Russian Federation, Serbia, Tajikistan, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

Additional complexity comes from types of cards. There is different interchange for :

- debit consumer cards
- credit consumer cards

- business debit cards
- business credit cards
- Premium cards (usually credit)
- etc.

Let us simplify this topic by creating a few tables with the most important Interchange Fee examples that we recommend to use for your business calculations.

Consumer standard Mastercard debit cards for cards issued in Poland (Polish BIN)

Domestic transaction	0.2% some local interchange levels apply for government, bill payment - usually max fee level is defined in those programs.
Intra-EEA transaction	0.2%
Intra-EEA ATM Service Fee	0.5 EUR + 0.12%
Intra-European POS transaction	0.59%
Intra-European full 3DS transaction	1.19%
Intra-European ATM Service Fee	1.3 EUR + 0.2%
Inter-regional transaction POS	1.6%
Inter-regional transaction full 3DS	1.54%
Inter-regional ATM Service Fee	0.3 USD + 0.6%

Consumer Premium Mastercard debit cards for cards issued in Poland (Polish BIN)

Domestic transaction	0.2% some local interchange levels apply for government, bill payment - usually max fee level is defined in those programs.
Intra-EEA transaction	0.2%
Intra-EEA ATM Service Fee	0.5 EUR + 0.12%

Intra-European Premium POS and 3DS transaction	1.55% for Platinum
Intra-European ATM Service Fee	1.3 EUR + 0.2%
Inter-regional transaction POS and full 3DS	1.85%
Inter-regional ATM Service Fee	0.3 USD + 0.6%

Consumer Super Premium Mastercard debit cards for cards issued in Poland (Polish BIN)

Domestic transaction	0.2% some local interchange levels apply for government, bill payment - usually max fee level is defined in those programs.
Intra-EEA transaction	0.2%
Intra-EEA ATM Service Fee	0.5 EUR + 0.12%
Intra-European World Elite transaction	1.8%
Intra-European ATM Service Fee	1.3 EUR + 0.2%
Inter-regional transaction POS and full 3DS	1.98%
Inter-regional ATM Service Fee	0.3 USD + 0.6%

Consumer Mastercard credit cards for cards issued in Poland (Polish BIN)

Domestic transaction	0.3% some local interchange levels apply for government, bill payment - usually max fee level is defined in those programs.
Intra-EEA POS transaction	0.3%
Intra-EEA ATM Service Fee	0.5 EUR + 0.12%
Intra-European POS transaction	0.59% for Platinum
Intra-European full 3DS transaction	1.19%
Intra-European ATM Service Fee	1.3 EUR + 0.2%
Inter-regional transaction POS	1.1-1.6%
Inter-regional full 3DS transaction	1.54%

Inter-regional ATM Service Fee	0.3 USD + 0.6%

Business Mastercard debit cards for cards issued in Poland (Polish BIN)

Domestic transaction	0.2% some local interchange levels apply for government, bill payment - usually max fee level is defined in those programs.
Intra-EEA POS transaction	1.5% (minus 0.3% if acquirer meets some criteria)
Intra-EEA full 3DS transaction	1.75% (minus 0.3% if acquirer meets some criteria)
Intra-EEA contactless transaction below EUR 25	0.8%
Intra-EEA ATM Service Fee	0.5 EUR + 0.12%
Intra-European POS chip&pin transaction	1.7% (minus 0.3% if acquirer meets some criteria)
Intra-European contactless transaction below EUR 25	1.15%
Intra-European full 3DS transaction	1.95% (minus 0.3% if acquirer meets some criteria)
Intra-European ATM Service Fee	1.3 EUR + 0.2%
Inter-regional transaction POS and full 3DS	2.0%