

Commercial cards in scope MIF Regulation:

Increases the costs for SMEs, limits their access to credit and jeopardizes the recovery of the European economy

The Association of Credit Card Issuers in Europe IVZW (ACCIE) hereby urges the European Parliament and the Council to **maintain the exemption of commercial cards**, as laid down in Article 1 (3a) of the Commission proposal for a Regulation on Multilateral Interchange Fees.

The exemption ensures that SMEs can continue to take advantage of the benefits that four-party commercial cards provide and are not forced to switch to inefficient and more expensive payment methods.

Commercial cards are used in a business-to-business environment to pay in particular for travel and accommodation expenses. They thereby act as a substitute for cash and invoices. This adds value for the SMEs that use commercial cards because it improves visibility and makes the related administration less complex and less labour-intensive.

More importantly, in a time in which it is often difficult to gain access to credit for SMEs, commercial cards provide an interest-free credit float of billions of euro's annually. Since SMEs represent 99% of European companies, their access to credit is crucial for the recovery of the European economy.

Since a large part of the costs of processing transactions with commercial cards is currently covered by interchange fees, the annual fees that SMEs currently need to pay to take advantage of these benefits is relatively low.

With a cap of 0.3% on interchange fees and no exemption for commercial cards, such low fees would not be feasible anymore, especially taking into account the need for issuers to continuously make investments in IT and reporting systems to support the benefits.

If the cap were introduced, SMEs would need to pay higher annual fees or revert back to highly inefficient and potentially less reliable methods of payments, such as cash and invoices. Moreover, the cap would limit the access of SMEs to credit, jeopardizing the recovery of the European economy. In addition, SMEs will switch to three-party commercial cards which are more expensive and, above all, not regulated.

About ACCIE - ACCIE represents the specialized European credit card issuing industry in its dealings with EU and Member State institutions. Its mission is to ensure that its cardholders across Europe gain optimal benefit from the credit card payment instruments offered by its members.

The members of ACCIE provide services to four million cardholders in five different EU Member States (Belgium, France, Germany, Luxembourg and the Netherlands).

For more information, please feel free to contact our spokesperson Wim van Groeningen (wim.van.groeningen@accie.eu).

