

1. **Implementation Details:** Can you confirm whether you plan to **fully** pass along the fee reductions to qualifying merchants? If not, how much will you pass along?

TD Merchant Solutions (TDMS) will be passing along the full reduction to qualified merchants.

2. **Timeline:** When will the new rates be in place for your merchant clients?

TDMS will begin implementing the new rates on October 17. For technical reasons, rates for Interchange Plus Pricing accounts will be reduced starting October 17 with all other rate structures receiving the reduction beginning November 1.

3. **Rate structures:** How will you implement the new rates for businesses on Interchange Plus Pricing (IPT), Merchant Discount Rate (MDR), and bundled rate structures? We would appreciate a table detailing the major rates you charge now against the rates planned upon program launch.

Interchange Plus Pricing and Merchant Discount Rate will receive a direct rate reduction. Bundled structures will receive a weighted average pass-through reduction as contemplated in Element 4 of the new Code of Conduct for the Payment Industry of Canada ("Code") (see footnote 7 of Section 4 of the Code).

4. **Client Notification:** What steps will be taken to notify merchants about the rate reduction?

Merchants will be notified via a statement message and a website detailing the Qualifying Small Business interchange rate reduction will be shared to the TDMS merchant base.

5. **Verification Process:** What process do you have in place for merchants to verify that they have received the rate reduction? Is there an acquirer or industry-based verification process in place to allow merchants to confirm whether they qualify?

Merchants are qualified based on the threshold limit set by Payment Card Networks (PCNs) and through processes developed by the PCNs.

6. **Merchants with Multiple Locations:** How will you guarantee that merchants with multiple locations will see the reductions/savings?

TD Merchant Solutions is working closely with Payment Card Networks to ensure qualification criteria cover all eligible merchants including merchants with multiple locations.

7. **Reductions Not Passed On:** If you do not plan to pass the full reduction along to merchants, can you please let us know why you will not be doing so and how you plan to communicate that to your merchant customers.

Not applicable

8. **Contract Exit Process:** What process can merchants follow if they wish to exit their contract in the event that the reductions are not passed on?

Not applicable

9. **Rate Increases:** Have you announced any rate increases in the past 3 months (or have plans to in the near future) that may reduce the amount of savings small merchants see this fall? If so, please let us know the size and reason for any increase (including the recent legislation around GST/HST).

Not applicable

10. **Follow-Up Contact:** Who can CFIB contact for follow-up if our members require assistance? Please provide us with a senior-level point of contact in case further information is required.