Mr. Justin Trudeau, M.P.,  
Leader of the Liberal Party  
House of Commons  
Ottawa, Ontario K1A 0A6

August 17th, 2015

Dear Mr. Trudeau,

We know that you and your party recognize the critical role that small businesses plays in ensuring the vitality of our economy and the prosperity of our communities. We are pleased to see that recognition reflected in your commitment to reduce the level of taxation for small business.

However, we would be remiss if we did not take this opportunity, during the course of this current election campaign, to convey to you very clearly, our ongoing concern with the continued and unsustainable burden of high credit card ‘swipe’ fees for small business. As the Competition Bureau of Canada has pointed out, the $5 to $7 billion in swipe fees has a disproportionately higher impact on small and medium size businesses. It was for this very reason that a number of business trade associations came together, establishing a permanent Small Business Matters Coalition, representing over 100,000 small business operators in Canada, to bring this and other issues forward into the public domain.

While the Conservative government made a move last November to address these concerns, through a purported voluntary reduction to an overall average of 1.5%, this is neither meaningful, nor in line with the caps that have been set in other jurisdictions. In Europe for example, the rate is capped at 0.3%. Our Coalition remains concerned that even the 1.5% will not be achieved. The credit card companies have already instituted higher fees for pre-paid credit cards and negotiated special low fee deals with companies like Costco—which is used to bring down the overall average the card companies and the Minister of Finance have claimed *all* businesses will enjoy.

As well, we want to remind you that at the time of the Voluntary reduction, Minister Oliver made a commitment to the House that the card companies, in addition to the reduction to 1.5%, “would provide a greater reduction for small and medium size enterprises, which have the least amount of bargaining power.” In fact, the most dominant card company, Visa, has brought forward no such further reduction nor do they intend to.

The fees our members pay are amongst the highest in the world. This impacts the ability of small business to compete fairly, reinvest in their businesses, hire new employees and continue to serve a myriad of communities across Canada.

Our Coalition is asking you to provide us with confirmation of your support for a further, regulated cap on high credit card swipe fees. There is no reason for Canadian small businesses to be treated differently than those in Australia, the UK and Europe.

We only ask for fairness and transparency in the Canadian payments industry. We hope that you and your party would support those principles.

On behalf of our small business members and the consumers across our country that they serve, we ask that you address this issue in the weeks ahead on the campaign trail. Members of our Coalition would be happy to meet with you, or to speak with your office to discuss these matters further.

Once again, thank you for your efforts to improve the small-business environment in Canada.

Sincerely,

Gary Sands

Chair.

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