



Dear Merchants,

Recently we've received feedback about the regulatory efforts imposed by the Federal Government, The State of New Jersey, and Visa/MasterCard surrounding non-compliant surcharge & cash discount programs. (See Attached Disclosures)

From a consumer perspective, these regulations are being enforced to ensure transparent pricing so a consumer knows in advance exactly what they should expect to pay, regardless of the payment method selected prior to the point of sale transaction.

All Card transactions are subject to a processing fee by Fiserv (the card processor). As a Merchant, you have the option to absorb these fees or pass them along to the customer. If you choose to pass along these fees to your customer, you may do so by following a compliant Surcharge or Cash Discount / Dual Pricing program. A merchant can only run one program (i.e. Surcharge, Cash Discount, or Dual Pricing Program) at a time.

A compliant Dual Pricing / Cash Discount or Surcharge program requires the following:

DUAL PRICING

- a) Offer a "Dual Pricing" at point of sale. Signage Must be displayed at both the front of the store/restaurant and at the cash register advertising Dual Pricing
- b) "Shelf" price or "Menu" price must reflect Dual Pricing
- c) Discount Eligible for Cash ONLY Transactions

J.PAPPAS

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CASH DISCOUNT

- a) Offer a "Cash Discount" at the point of sale. Signage Must be displayed at both the front of the store/restaurant and at the cash register advertising the discount percentage being offered.
- b) A "Cash Discount" must be a reduction from advertised/displayed price (i.e. menu prices must reflect the "Card Price")
- c) *Discount Eligible for CASH ONLY Transactions*

SURCHARGE

US Merchants that intend to surcharge are required to comply with the following:

- a) Notify Visa and your acquirer at least 30 days in advance to beginning your program.
surcharge
- b) Limit surcharging to **Credit Cards ONLY** (debit cards and prepaid card CANNOT be surcharged) and limit the amount to your merchant discount rate for the applicable credit card surcharge.
- c) Disclose the surcharge as a merchant fee and, for both in-store and online transactions, clearly alert consumers to the practice at the point of entry, the point of sale or transaction, and on every receipt. Merchants should also consider whether they comply with all applicable state and/or federal laws.

If you have questions about these regulatory requirements or how to comply with the Dual Pricing / Cash Discount or Surcharge Program, please contact JPappas. Thank you!

Ioannis Papatherapontos
President and CEO

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