

Open Letter to Mastercard Concerning the Specialty Merchant Registration Program and its Implication on the Canadian Cannabis Ecosystem

October 23, 2023

To Whom It May Concern at Mastercard,

We, the undersigned, represent a group of cannabis dispensaries, Point-of-Sale (POS) vendors, and industry associations in Canada. We wish to communicate our concerns about the mandate of Mastercard's Specialty Merchant Registration Program (SMRP) as described in Section 9.1 of your SPME Manual, especially the fees outlined in Section 9.2.1 targeting dispensaries.

Our industry, which you are no doubt familiar with, operates under a rigorous regulatory framework in Canada. This framework ensures product quality, safety, and robust consumer protections. Given this rigorous oversight, we are puzzled and concerned about the additional scrutiny and financial obligations our industry faces under the SMRP.

It's worth mentioning that no other card network in Canada has seen fit to levy such a fee on our sector. This particular approach by Mastercard leads us to question its basis and intent.

When considering the alcohol industry, which also operates under stringent regulations, it is noteworthy that Mastercard does not subject alcohol retailers to the extra stipulations of the SMRP. This uneven policy implementation seems less about risk management and more about revenue generation.

Considering that Mastercard handles a mere 5.7% of cannabis sales from the 3,800 dispensaries in Canada, this results in over \$1,900,000 annually in revenue that would otherwise be in the hands of our Cannabis dispensary entrepreneurs. Given that most consumers carry an Interac-enabled debit card, the \$500 USD (~\$690 CAD) yearly fee will not be justifiable for most dispensaries.

With this in mind, we strongly urge Mastercard to reconsider its stance on the SMRP as it pertains to the Canadian cannabis landscape. We are open to engaging in a productive discussion with Mastercard representatives to reach a mutual understanding and develop fair policies.

Sincerely,

[see signatures next page]

Representatives of Canadian Cannabis Retailers, Cannabis Software Vendors, and Cannabis Industry Associations

If you wish to join the cause, [sign the petition here](#)

Open Letter to Mastercard - Signatures



Cova Software



Greenline,
a Blaze Company



Hunny Pot Cannabis



TechPOS



Sessions Cannabis



Cannabis Xpress



Plantlife Cannabis



Canvas Cannabis



Retail Cannabis
Council of Ontario



Sessions Cannabis



Sativa Bliss Cannabis



Buddi