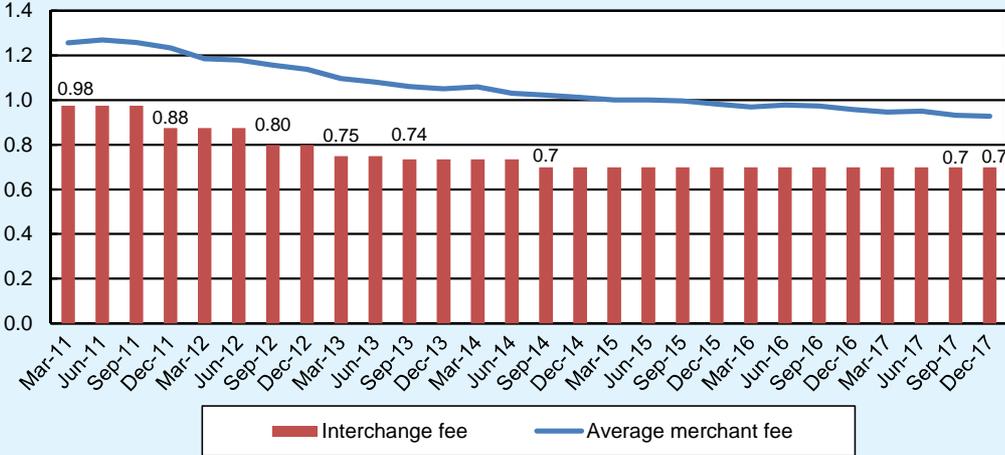


The downward trend in the average merchant fee continued—evidence of competition in the acquiring market.

Figure 1.37
The Average Merchant Fee^a and the Interchange Fee^b, All Credit Card Companies^c, 2011–17
 (percent)



^a The average merchant fee is regarding credit cards issued in Israel.
^b The interchange fee is paid by the acquirer to the credit card company for its share of the cost of the debit transaction. Between 2012 and 2014, the interchange fee was reduced gradually from 0.975 percent to 0.7 percent, in accordance with an agreement between the Antitrust Commissioner and the credit card companies that was approved by the Antitrust Tribunal. Between 2019 and 2024, the interchange fee will be lowered gradually from 0.7 percent to 0.5 percent.
^c Credit card companies: Cal, Leumi Card, IsraCard and Poalim Express.
 SOURCE: Based on reports to the Banking Supervision Department.