



# What are the conditions for a personal credit loan?

## What conditions are met to get a loan?

### Why Transaction Fees Matter for Small Businesses

Transaction fees may seem like a minor expense, but for small businesses, they can significantly impact profitability. In Hong Kong, where competition is fierce and margins are often tight, understanding and managing these fees is crucial. A typical small business in Hong Kong processing HKD 1 million annually could pay between HKD 15,000 to HKD 30,000 in fees—equivalent to 1.5%–3% of revenue. These fees include interchange fees (set by card issuers), assessment fees (charged by networks like Visa), and processor markups. For businesses operating on thin margins, even a 0.5% reduction can translate to thousands in annual savings.

### Breaking Down Transaction Fee Components

#### Interchange Fees: The Unavoidable Core

Interchange fees, the largest component, vary by card type (e.g., premium vs. standard), transaction method (swipe/dip vs. keyed-in), and merchant category. For example, in Hong Kong:

- Standard Visa consumer credit card: ~1.15% + HKD 0.25
- Corporate Visa card: ~2.1% + HKD 0.25
- Contactless debit transaction: ~0.8% + HKD 0.15

These fees are non-negotiable but can be optimized by encouraging lower-cost payment methods.

#### Assessment Fees and Processor Markups

Visa and Mastercard charge assessment fees (typically 0.13%–0.15% in Hong Kong) on transaction volume. Payment processors then add their markup, which is where negotiation opportunities exist. For instance, a local Hong Kong bakery reduced their effective rate from 2.9% to 2.2% by switching to a **payment platform** with volume-based pricing.

# Proven Strategies to Cut Processing Costs

## Negotiate Like a Pro

Approach negotiations armed with:

- Your monthly processing volume and average ticket size
- Competitor quotes (e.g., alternative **visa payment gateway services**)
- Request for interchange-plus pricing instead of flat rates

## Optimize Payment Practices

Implement these tactics:

Action	Potential Savings
Encourage debit over credit	0.5%–1% per transaction
Use EMV terminals for dip/tap	0.3%–0.5% vs. keyed-in
Batch settlements daily	Avoids higher "non-qualified" rates

## Alternative Payment Channels Worth Exploring

### ACH for Recurring Billing

Hong Kong's Faster Payment System (FPS) enables ACH-like transfers with fees as low as HKD 2 per transaction—ideal for subscription businesses. One tutoring center reduced payment costs by 60% by shifting 70% of customers to FPS.

### Mobile Wallets: The Future of Low-Cost Payments

Apple Pay and Alipay HK transactions often qualify for card-present rates even in e-commerce. A Hong Kong boutique saw a 0.8% fee reduction by promoting mobile wallet use through signage and loyalty points.

## Staying Ahead in the Fee Game

Regularly audit statements using tools like the Hong Kong Monetary Authority's fee calculator. Re-evaluate your **payment platform** every 12–18 months, especially if your transaction volume grows by 20% or more. Remember: small percentage changes compound into significant savings over time.