

An application of the tourist test to Colombian merchants

LATIN AMERICAN JOURNAL OF CENTRAL BANKING

Número:

4

DOI:

<https://doi.org/10.1016/j.latcb.2022.100076>

Publicado:

Lunes, 17 Octubre 2022

Authors:

[Carlos Alberto Arango-Arango,](#)

[Yanneth Rocío Betancourt-García,](#)

Manuela Restrepo-Bernal

Clasificación JEL:

D23, D40, G20, G21, G28, E41, E58

[Descargar documento](#)

Lo más reciente

[Uncertainty and monetary policy: the case of the Central Bank of Colombia](#)

Hernando Vargas-Herrera

[Revista Ensayos Sobre Política Económica - Explorando las brechas de género en Colombia](#)

María Teresa Ramírez-Giraldo, Karina Acosta, Olga Lucia Acosta Navarro, Lucia Arango-Lozano, Fernando Arias-Rodríguez, Oscar Iván Ávila-Montealegre, Oscar Reinaldo Becerra Camargo, Leonardo Bonilla-Mejía, Grey Yuliet Ceballos-García, Luz Adriana Flórez, Juan Miguel Gallego-Acevedo, Luis Armando Galvis-Aponte, Luis M. García-Pulgarín, Andrés Felipe García-Suaza, Anderson Grajales, Daniela Gualtero-Briceño, Didier Hermida-Giraldo, Ana María Iregui-Bohórquez, Juliana Jaramillo-Echeverri, Karen Laguna-Ballesteros, Francisco Javier Lasso-Valderrama, Daniel Márquez, Carlos Alberto Medina-Durango, Ligia Alba Melo-Becerra, María Fernanda Meneses-González, Juan José Ospina-Tejeiro, Andrea Sofía Otero-Cortés, Daniel Parra-Amado, Juana Piñeros-Ruiz, Christian Manuel Posso-Suárez, Natalia Ramírez-Bustamante, Mario Andrés Ramos-Veloza, Jorge Leonardo Rodríguez-Arenas, Alejandro Sarasti-Sierra, Bibiana Taboada-Arango, Ana María Tribín-Uribe, Juanita Villaveces

[Un enfoque para estimar intervalos de confianza del ciclo de los negocios](#)

Wilmer Martínez-Rivera, Manuel Darío Hernández-Bejarano

[Otras Publicaciones](#)

As in many developing economies, cash is still widely used in Colombia, even among merchants who accept payment cards. Indeed, 60% of these merchants use dissuasive strategies to make their clients pay with cash. This paper presents estimates of merchant card fees that are optimal according to the Tourist Test, so that merchants are indifferent between being paid with cash or cards. We find the estimates are far below the rates that the industry charges because of the low marginal costs of cash and the incentives that sales-tax evasion—a common practice in many developing economies—adds to its promotion.

An application of the tourist test to Colombian merchants

An application of the tourist test to Colombian merchants - Portal de

Investigaciones Económicas

Moreover, we find that reductions in cash usage may lead to an increase in optimal merchant card fees due to scale effects. The results show that the Tourist Test should be used as a guideline for regulators but ought to be complemented with a broader analysis of the industry.