



Audit Bureau of Circulations of South Africa

# Reporting Standards

## Magazines

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## INTRODUCTION

This document contains the Reporting Standards for print and digital edition of products registered in the Consumer Magazines sector.

The PDF versions of the Reporting Standards are issued at a certain point in time. As Reporting Standards are updated periodically, please check the website [www.abc.org.za](http://www.abc.org.za) to ensure you are using the latest applicable standards.

Each category of circulation in the Reporting Standards has the following:

- Definition
- Principles
- Requirements
- Reporting
- Guidance

If you are after a quick understanding of the key points of any section then the definition and principles will provide an overview – you can download an Executive Summary containing just these sections from our website.

The guidance sections provide examples of how the requirements might be complied with. We will add to or amend these over time where we consider there may be a benefit following the identification of specific circumstances or requests for advice.

If you have any queries regarding how the Reporting Standards affect you or any specific queries please contact the ABC on 011 447 4290 or [email abc@abc.org.za](mailto:abc@abc.org.za).

# GENERAL PRINCIPLES AND RECORD KEEPING

## INTRODUCTION

This section sets out some key requirements relating to the overall reporting and auditing of your ABC claim.

## PRINCIPLES

1. **The publication must be eligible to report under the Reporting Standards**
2. **Copies must comply with the Reporting Standards**
3. **Transactions related to the claim must be bona fide 'arms length' arrangements**
4. **Evidence to support the claim must be retained and available for a minimum period**

## REQUIREMENTS

1. **The publication must be eligible to report under the Reporting Standards**
  - a) You may apply to register a printed publication under the Consumer Magazine Reporting Standards provided it meets the definition of a Consumer magazine.
2. **Copies must comply with the Reporting Standards**
  - a) Copies claimed must comply with the relevant sections of these Reporting Standards with the following exceptions which you specifically cannot claim:
    - i) Free copies to contributors
    - ii) Free copies to advertisers
    - iii) Free copies to advertising agencies.
    - iv) Free copies to press cutting agencies
    - v) File or office copies
    - vi) Free publisher employee copies
    - vii) Paid publisher employee copies (unless they are purchased as a normal consumer).
    - viii) Electronic versions of the publication unless they meet the requirements to be claimed as an eEdition.
3. **Transactions related to the claim must be bona fide 'arms length' arrangements**
  - a) Transactions or arrangements (such as sales, circulation or distribution services) with your own organisation or Related Parties will initially be deemed as not bona fide 'arms-length' for ABC purposes, meaning they cannot be included in your claim. However they can be included if you are able to demonstrate to the satisfaction of your auditor or ABC that these comply with the Reporting Standards and are bona fide 'arms length' arrangements.
  - b) Related Parties for ABC purposes will include where:
    - i) One party has direct or indirect control of the other party; or
    - ii) The parties are subject to common control from the same source; or
    - iii) One party has influence over the financial & operating policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or

- iv) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- v) Transactions between contract publishers and their clients are deemed not to be arms length in relation to a specific publication produced for that client.

This means the following are considered Related Parties for ABC purposes:

- The publisher, its subsidiary, parent and fellow undertakings (and Directors of these)
- Associates and Joint Ventures (and their investors)

#### **4. Evidence to support the claim must be retained and available for a minimum period**

- a) You must retain and be able to provide all records supporting the claim, including but not limited to:
  - i) An analysis of the claim by issue.
  - ii) Evidence supporting the number of copies printed for each issue claimed.
  - iii) Evidence supporting the number of copies distributed for each issue claimed, relevant to its circulation type.
  - iv) Evidence for each copy supporting the relevant circulation category and geographical region in which it is claimed on an issue by issue basis (i.e. not on a transactional basis).
  - v) A copy of each issue and any Editions claimed.
  - vi) A copy of each Multipack claimed must be retained.
  - vii) Financial records.
- b) Records supporting the claim must be retained for 24 months after the end of the reporting period
- c) Records supporting the claim must be retained and made available to your Auditor or ABC on request, in accordance with the ABC Byelaws.

### **GUIDANCE**

#### **G4. Evidence to support the claim must be retained and available for a minimum period**

- a) In relation to evidence supporting the number of copies distributed for each issue claimed, this must enable identification of the publication name, issue and quantity of copies. This means copies posted using a franking machine will not normally be able to be claimed as the records will not identify what has been posted.
- b) In relation to print evidence you will normally provide print invoices and evidence of payment. If printing is carried out in-house or within a Related Party organisation then production records may be required. Other financial records may also be reviewed.
- c) In relation to distribution evidence you will normally provide distributors' invoices/despatch notes and evidence of payment. Other financial records may also be reviewed.
- d) In relation to publication sales you may need to provide access to financial records including sales ledgers and bank statements on request.
- e) The auditor may accept copies of records stored electronically.
- f) If records are not available or not accepted by your auditor/ABC then this may result in copies being disallowed, certificates being withdrawn or cancellation of the publication's ABC registration.

- g) For ease of auditing and to avoid additional costs any mailing list supplied for audit should be presented in a format agreed between you and your auditor. One agreed format is:
  - h) One file per publication in a comma-delimited format
    - ii) One line per addressee
    - iii) Each addressee coded to identify the circulation category/rate in which it has been claimed
    - iv) Separate fields for name, job title, company name, address records, circulation code, geographical code, request dates, number of copies etc.

# MAGAZINE DEFINITIONS, SECTORS AND CATEGORIES

## INTRODUCTION

This section sets out the Magazine Sectors and Categories that are recognised and for which certificates will be issued.

## MAGAZINE SUB-SECTORS

### Consumer Magazines

Definition: A free or paid for magazine:

- Not falling within the definition of a Custom magazine or Business to Business magazine;
- Aimed at the General public;
- The majority of the circulation is distributed to the general public, and not restricted to a specific customer base.

This category of magazine is independent of a specific or particular commercial or business interest or objective.

### Custom Magazines

Definition: A free or paid for magazine, designed to strengthen the relationship between the sponsor of the magazine and the magazine's audience.

It is published by the sponsor, or on a contract basis on behalf of the sponsor.

The majority of the circulation is distributed to a restricted customer base.

### Sponsor

Definition: A company, association or society.

Restricted customer base/Specific customer base: A data base confined to a sponsor's particular customers, clients, employees, or members, only accessible by or with permission of the sponsor.

## MAGAZINE CATEGORIES

Arts, Culture and Heritage	Interests related to aspects of art, culture (including language), religion and history
Business and News	News and insight into finance, business, investment and opportunity
Celebrity	Focussed on public/entertainment figures, providing mainly insight, lifestyle and gossip editorial
Conservation and Wildlife	All areas of conservation and wildlife
Entertainment	Opinion and guidance on media/programme line-ups, wining and dining, including TV, radio programmes and reviews
Family Interest	Diverse news that reflect general interests of the family, carrying a wide range of editorial content
Farming	Titles that provide broad agricultural editorial
Health and Wellbeing	Editorial focussed on achieving a balanced lifestyle – physical, mental and spiritual awareness, including publications for healthcare and fitness organisations
Home	Ideas, inspiration, guidance in and appreciation of the home environment
Industry Specific	Targeting specific industry areas or specific groups of decision makers, and having an editorial/advertising mix that is broadly subject specific to the business category in which the organisation operates
In Flight	Airline in-flight magazines
Leisure	Leisure and lifestyle activities
Male	Targeted at men carrying a wide range of editorial content
Medical and Allied Health	Published for professionals in the medical and allied health fields
Motoring	All areas related to consumer motoring and recreational vehicles
Parenting	Focussed on parenting and childcare, including pregnancy and birth
Pets	Focussed on family pets
Professional	Targeting specific professions
Retail	Retail publications published for or by an organisation for its customers
SciTech	Exploration of science, computing and technology

Sport and Hobby	All sport including recreation and hobbies
Travel, Tourism and Hospitality	The entire spectrum of tourism, hotels, other venues and all aspects of travel
Women's General	Targeted at women, covering a broad range of women's interests
Women's Special	Specialist or niche women's interests such as fashion, beauty or weddings
Youth	Images and interests targeted at youth, including fashion, music, entertainment and dance

## PRINCIPLES

1. **Members must indicate the Sector and Category in which the publication resides.**
2. **The General Manager will confirm or change the Sector and/or Category based on the definitions.**
3. **Should a dispute arise, the publisher may appeal the decision.**

## REQUIREMENTS

1. **Members must indicate the Sector and Category in which the publication resides.**
  - a) This choice must be made when application is made to have the publication registered with the ABC
2. **The General Manager will confirm or change the Sector and/or Category based on the definitions.**
  - a) Should the General Manager determine that the Sector and/or Category should change, he/she will communicate the change, giving reasons. In determining the Sector, the General Manager will take into account the following:
    - A magazine strengthens the relationship between the sponsor and the magazine's audience by targeting the sponsor's restricted data base.
    - The customer base that subscription administrators and subscription service centres hold for the purpose of delivery and administration is not included in the definition of restricted data base. The reference is to the selling of media products to a restricted data base not specifically related to media products.
3. **Should a dispute arise, the publisher may appeal the decision.**
  - a) The publisher may appeal the General Manager's decision in writing to the Rules Committee, which will determine a decision within 7 working days.
  - b) Should the publisher still dispute the determination by the Rules Committee, an appeal in writing may be made to the Board, who will make a determination within 10 working days, which determination will be final.



## RETAIL SALES (SALE OR RETURN)

### DEFINITION

A copy sold to a retailer, on a sale or return basis, for resale as a single copy to a consumer.

### PRINCIPLES

1. **Single copy knowingly paid for by the consumer to the retailer**
2. **Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
3. **Cover price must be published on or inside front or back cover of the publication**
4. **The price paid for the publication by the consumer must be clear and conspicuous**
5. **If the final net sale and/or rate classification are not known then estimates must be made**
6. **Reported by rate, comparing price paid by the consumer with the Registered Cover Price**

### REQUIREMENTS

1. **Single copy knowingly paid for by the consumer to the retailer**
  - a) The purchase by the consumer may be in cash or by other means agreed by ABC in writing.
  - b) The price paid by the consumer will determine in which price band the copy is claimed.
  - c) Multipacked (or banded) magazines

A magazine is defined for ABC purposes as being sold as part of a Multipack (i.e. where it is packaged or banded together as a unit with other issues or publications) only if two or more publications in that pack are included in an ABC circulation claim.

**i) Only one publication claimed**

If only one publication that is sold as part of a package is to be included in an ABC circulation claim, ('the lead title') then the sale of the pack will be treated for ABC purposes as the sale of just that publication.

Note:

- It must be clear from the pack itself which publication is the lead title (i.e. the one which can be included in an ABC claim).
- The lead title cannot be a back issue or promoted as 'free'.

**ii) Two or more publications claimed**

- Sales of Multipacks must be separately and clearly identified on documentation.
- If a magazine in the pack is a back issue or is at all promoted as 'free' then it cannot be claimed as a sold copy for ABC purposes
- The price of the Multipack for rate classification purposes is calculate as follows:
  - If the combined selling price is 50% and above the combined registered cover prices of all the bundled titles it will be allowed as paid circulation at 50% and above.
  - If the combined selling price is below 50% of the combined registered cover prices of all the bundled titles the publisher may opt for the following options, provided that the combined revenue is sufficient.
    - A combination of 50% and above and below 50% for different titles.
    - A combination of 50% and above and free for different titles.
    - A combination of below 50% and free for different titles.
    - A combination of 50% and above, below 50% and free for different titles.

d) Back issues can be claimed.

**2. Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**

- a) 'Sale or Return' means unsold copies are returned for credit. The copies claimed will therefore be the net sale (copies supplied less credited copies).
- b) Where the publisher is not third party to the retailer then evidence of purchase by the consumer is required. *For example EPOS reports and retailer revenues.*
- c) You must account for net sales on an issue by issue basis.

**3. Cover price must be published on or inside front or back cover of the publication**

- a) Where a publication is sold as part of a Multipack, the price of the Multipack must be published.

**4. The price paid for the publication by the consumer must be clear and conspicuous**

- a) The value (or perceived value) of gifts or cover mounts to the consumer have no effect on the price paid for ABC purposes. However cash reimbursements to the consumer must be taken into account.
- c) You must retain details of promotional or special offers during the reporting period.

**6. If the final net sale and/or rate classification are not known then estimates must be made**

- a) If at the time you submit your circulation claim:
  - i) Unsold copies could still be returned or reported, you must make an estimate of final sales.

You must adjust your claim in the following period to reflect any difference between the estimated net sale and classification and the actual net sale and classification.

**7. Reported by rate, comparing price paid by the consumer with the Registered Cover Price**

- a) Sales by retailers will be treated as sales at the cover price unless there is evidence to the contrary

**REPORTING**

You will report retail sales as follows, which will be broken out on the ABC Certificate:

- 1. By geographical type:
  - a) Domestic
  - b) Foreign

2. By rate band:
  - a) 50% and above the Registered Cover Price
  - b) Below 50% of the Registered Cover Price
3. By total average retail sale over the period.
4. The issues that include copies sold as a part of a multipack must be reported, identifying the other publication(s) included in the multipack (only those that are themselves included in an ABC circulation claim) and the percentage of each issue's total retail sales and single copy sales figure that is sold as part of a multipack.

## GUIDANCE

### G1. Single copy knowingly paid for by the consumer

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) This doesn't preclude a retailer selling more than one copy to a single purchaser (without the publisher's knowledge).
- c) Multipacks
  - i) Identification of lead title could be achieved by:
    - The promotion identifying the lead title as the publication that is purchased and that the other publications in the pack are free. *For example: 'Buy X get Y free', where X would be the lead title;* or
    - The lead title's greater prominence. *For example the publication whose front page is visible at the front of the pack.*
  - ii) Sales of multipacks being separately and clearly identified on documentation could be achieved by:
    - Making the external packaging/band of the multipack carry a price as well as a unique barcode (that is different from the barcode carried on any of the constituent publications).
    - Not printing the multipack barcode and price on any of the constituent publications (to avoid sales of individual publications being incorrectly recorded as multipack sales).

### One magazine claimed examples:

1. *ABC News (cover price R10) and ABC Celebrity (cover price R20) are packaged together, sold for R10 and promoted as 'Buy ABC News and get ABC Celebrity free'. In this case ABC News can be claimed (at the pack price of R10) because ABC Celebrity has been promoted as free.*

### Two magazine multipack examples

1. *If ABC News (cover price R10) and ABC Celebrity (cover price R20) are packaged together, and the package is sold for R24, copies of each magazine sold in the package can be claimed as retail sales, with ABC News being treated as sold at R8 and ABC Celebrity at R16 (package price pro-rated 1/3 and 2/3 respectively).*

### Pay for 2 Get 3 (not defined by title)

1. *If the offer is 'pay for 2 magazines and get another magazine free', the value of the sale is pro-rated across all three magazines, comparing the net price to the registered cover price.*

### G2. Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)

- a) You will need to ensure all records required to support the retail sale claim are available for audit. This will include:

- i) Full details of the exact numbers claimed as unsold or returned copies (including undelivered, lost or stolen copies) for every issue in the audit period.
  - ii) Full issue by issue details of all financial records and contracts with distributors, wholesalers and retailers, with specific regard to normal and recognised trade terms. These must be reconcilable to the distribution and returns records on an issue specific basis and to the average net retail sales claim.
  - iii) Details of any change in trading terms from firm sale (if allowed) to sale or return (either temporarily or permanently) or vice versa.
  - iv) Details of discounts, special offers or restrictions on the return of unsold or undelivered copies.
- b) Copies reported using a pay on scan system will be reported in this category. You will need to ensure appropriate records of sales are available for audit.
- c) Retail sales of Digital Editions via a third party retailer (*for example Apple Newsstand, Google, Amazon etc*) will be reported separately (see Digital editions).

#### **G4. The price paid for the publication by the consumer must be clear and conspicuous**

- a) As the price paid may be affected by promotional schemes you should keep details of purchases and promotional spends so you can demonstrate copies are purchased and that sales under incentives/offers are classified correctly, or disallowed as necessary. You can contact ABC for confidential advice, supplying copies of the promotional material and offer wording. The information kept may include:
- Title/s involved
  - Issues involved
  - Duration of promotion
  - Retail outlets involved
  - Wording of the promotion displayed at the retail outlet/s
  - How the resultant copies are claimed
  - How the promotion will be paid for
- b) Treatment of bundle/package promotions
- i) As each case can vary we recommend you contact us for advice before carrying out your promotion.
  - ii) How the price of the publication is presented to the consumer will affect how or whether the copy may be claimed for ABC purposes.
    - If the price of the publication appears in the promotional material and it is legible (taking into account its presentation and prominence (including the size of the font used) and assuming a reasonable speed of reading) then the price is likely to be considered clear and conspicuous.
      - o Stating the publication's price in relation to the promotion/bundle in the main wording of the offer will provide most clarity.
      - o The further away from the main offer wording and/or less prominent in the promotion the price of the publication becomes, the more likely it will not be considered clear and conspicuous.
      - o If the price of the publication is linked to the main offer wording with, say, an asterisk - this would make it more conspicuous.
    - Merely stating the price of the publication without reference to the bundle/package could just be a statement about the normal price of the publication and so will not necessarily render the price clear and conspicuous.
    - If there is conflicting information about the price, then the lowest price assessment would be taken for ABC purposes (which might mean it is free).
    - The absence of a clear and conspicuous price would render the copies as free, as would explicit wording stating the publication is free.

#### Examples:

1. Promotion "*Buy the publication and a bottle of water for Rx*".

The price of the publication is not clear and conspicuous.

2. Promotion "*Buy the publication and a bottle of water for Rx*" which is accompanied by the statement "*The price of the publication in this promotion is Ry*"

The price of the publication is likely to be considered clear and conspicuous if the accompanying statement is either within the main body of the promotion, or is in a footnote that is asterisked to the main body and is legible.

3. Promotion "*Buy the publication and bottle of water for Rx.*" Elsewhere in promotion "*Publication is Ry*"

The price of the publication is not in the promotion and is unlikely to be considered clear and conspicuous as this statement appears to be the normal price of the publication.

4. Promotion: If a publication 'ABC News' is promoted as '*Buy ABC News for Rx and get a free bottle of water*' then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.

5. Promotion: If the promotion is '*Buy a bottle of water and get a free copy of ABC News*' then the publication will be treated as free for ABC purposes.

c) Per section 4b: "The discount or cash reimbursement must be taken into account

Examples:

1. Promotion: "*Buy publication and spend R10 and you get R1 off your publication*".

The publication is discounted by R1.

2. Promotion: "*Buy publication, spend R50 and get R10 off your shopping basket*".

The publication is discounted as it is part of the shopping basket, but it is difficult to determine how much it is discounted and will be considered on a case by case basis. In this example, using the minimum spend requirement of the offer gives a 20% discount and would seem a reasonable treatment.

3. Promotion: "*Buy publication and get R10 off a jar of coffee*". Or "*Buy publication and get the money off the rest of your shopping*".

The publication is full price, provided that the publication is sold at full price and the reimbursement does not exceed the cost of the items being discounted.

**G6. If the final net sale and/or rate classification are not known then estimates must be made**

a) Estimates of final sale

An assessment of likely sales should be based on current and historic information such as:

- Current levels of sales and unsold copies
- Historic data and seasonal trends
- Promotional activity
- Print orders
- Competitor activity
- Information from sales force

Particular attention should be given to periods of promotion and re-launch in order to arrive at a fair and reasonable representation of the net circulation. You should record the calculations and assumptions used to arrive at the estimated net sale.

b) All unsold copies must be accounted for. This means that all estimates of net sale must be reviewed in the next audit period to establish their accuracy and that claim adjusted to account for any over or under estimate from the previous period. This must be done for each relevant geographical area reported [Note: If the difference for

a period is found to be material following an ABC audit or inspection, ABC may amend the Certificate for the period to which the estimate relates).

**Worked example (assuming 12 issues in a reporting period)**

Issue	Total		Sales%	
ID	Supply	Returns	Net Sale	Sales%
1	88,500	26,229	62,271	70.36% closed
2	88,500	24,728	63,772	72.06% closed
3	88,250	23,688	64,652	73.26% closed
4	89,630	14,266	75,364	71.08% closed
5	89,820	27,620	62,200	69.25% closed
6	89,650	21,982	67,668	75.48% closed
7	88,500	26,229	62,271	70.36% closed
8	88,500	24,728	63,772	72.06% closed
9	88,250	23,688	64,652	73.26% closed
10	89,630	14,266	75,364	84.08% unclosed
11	89,820	9,655	80,165	89.25% unclosed
12	89,650	465	89,185	99.48% unclosed

In this example issues 10, 11 and 12 are not yet closed so an estimate of the final net sales figures have to be made using the criteria mentioned above. You will, of course, notice that a proportion of the unsold copies have already been received, but at this stage you should just concentrate on what you think the final net sales will be.

When all the estimates have been made the final figures for your claim may look something like this: -  
Issue Total

ID	Supply	Returns	Est. Sale	Sales%
10	89,630	25,096	64,534*	72% Estimated
11	89,820	25,150	64,670*	72% Estimated
12	89,650	24,205	65,445*	73% Estimated

This means that your estimate of final net sale for these three unclosed issues is 194,649\*.

Remember that you must report separate figures for any geographical areas broken out on the Certificate..

**Adjustment for the estimate**

In the next reporting period you would have a report giving you the actual net sales for issues 10, 11 and 12 because by then they would be closed off and complete. For example, the final report may be as follows:

Issue	Total Actual		Sales%	
ID	Supply	Returns	Sale	Sales%
10	89,630	25,382	64,248*	71.68%
11	89,820	25,884	63,936*	71.18%
12	89,650	26,312	63,338*	70.65%

In this example the actual net sales relevant to your estimate, is 191,522\*.

The difference between your original estimate and the actual figure (i.e. 194,649 minus 191,522) means you have overestimated sales by a total of 3,127 copies over those 3 issues.

The average overestimate of sold copies was therefore 3,127 divided by 12 (total issues in the previous period) = 261.

So you must deduct 261 copies from the average in the current period, to ensure the overestimate from the previous period is accounted for.

## RETAIL SALES (FIRM SALE)

### DEFINITION

A copy sold to a retailer, on a firm sale basis, intended for resale as a single copy to a consumer.

### PRINCIPLES

1. **Single copy made available for purchase by the consumer**
2. **Copies are purchased from the publisher by the retailer, on a firm sale basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
3. **Cover price must be published on or inside front or back cover of the publication**
4. **The price paid for the publication by the consumer must be clear and conspicuous**
5. **The retailers' ability to vary supply must not be unduly restricted**
6. **Reported by rate, comparing price paid by the consumer with the Registered Cover Price**

### REQUIREMENTS

#### 1. **Single copy made available for purchase by the consumer from the retailer**

- a) Contractual arrangement with the retailer must make clear that copies are for resale to the consumer.
- b) The purchase by the consumer may be in cash or by other means agreed by ABC in writing.
- c) The price paid by the consumer will determine the price band in which the copy is claimed.
- d) Multipacked (or banded) magazines

A magazine is defined for ABC purposes as being sold as part of a Multipack (i.e. where it is packaged or banded together as a unit with other issues or publications) only if two or more publications in that pack are included in an ABC circulation claim.

##### **i) Only one publication claimed**

If only one publication that is sold as part of a package is to be included in an ABC circulation claim, ('the lead title') then the sale of the pack will be treated for ABC purposes as the sale of just that publication.

Note:

- It must be clear from the pack itself which publication is the lead title (i.e. the one which can be included in an ABC claim).
- The lead title cannot be a back issue or promoted as 'free'.

##### **ii) Two or more publications claimed**

- Sales of Multipacks must be separately and clearly identified.
- If a magazine in the pack is a back issue or is at all promoted as 'free' then it cannot be claimed as a sold copy for ABC purposes
- The price of the Multipack for rate classification purposes is calculated as follows:
  - If the combined selling price is 50% and above the combined registered cover prices of all the bundled titles it will be allowed as paid circulation at 50% and above.
  - If the combined selling price is below 50% of the combined registered cover prices of all the bundled titles the publisher may opt for the following options, provided that the combined revenue is sufficient.
    - A combination of 50% and above and below 50% for different titles.
    - A combination of 50% and above and free for different titles.
    - A combination of below 50% and free for different titles.
    - A combination of 50% and above, below 50% and free for different titles.

e) You may claim back issue sales to the retailer.

**2. Copies are purchased from the publisher by the retailer, on a firm sale basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**

a) 'Firm sale' means that unsold copies are not returned or reported for credit.

b) You must account for sales on an issue by issue basis.

c) The claimed total average Retail Sale (Firm Sale) is limited to a cap of 10% of the publication's claimed Retail Sale (Sale or Return) for the relevant Reporting Period.

**3. Cover price must be published on or inside front or back cover of the publication**

a) Where a publication is sold as part of a Multipack, the price of the multipack must be published on the multipack.

**4. The price paid for the publication by the consumer must be clear and conspicuous**

a) The value (or perceived value) of gifts or cover mounts to the consumer have no effect on the price paid for ABC purposes. However cash reimbursements to the consumer must be taken into account.

b) You must retain details of promotional or special offers during the reporting period.

**6. Reported by rate, comparing price paid by the consumer with the Registered Cover Price**

a) Copies sold to the retailer can be claimed as sales at the cover price unless there is evidence to the contrary.



## REPORTING

You will report retail sales as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic;
  - b) Foreign.
2. By rate band:
  - a) At 50% and above the Registered Cover Price
  - b) Below 50% of the Registered Cover Price
3. By total average retail sale over the period.
4. The issues that include copies sold as a part of a multipack must be reported, identifying the other publication(s) included in the multipack (only those that are themselves included in an ABC circulation claim) and the percentage of each issue's total retail sales and single copy sales figure that is sold as part of a multipack.

## GUIDANCE

### G1. Single copy made available for purchase by the consumer from the retailer

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) This doesn't preclude a retailer selling more than one copy to a single purchaser (without the publisher's knowledge).
- c) Multipacks
  - i) Identification of lead title could be achieved by:
    - The promotion identifying the lead title as the publication that is purchased and that the other publications in the pack are free. *For example: 'Buy X get Y free', where X would be the lead title; or*
    - The lead title's greater prominence. *For example the publication whose front page is visible at the front of the pack.*
  - ii) Sales of multipacks being separately and clearly identified on newstrade reports and documentation could be achieved by:
    - Making the external packaging/band of the multipack carry a price as well as a unique barcode (that is different from the barcode carried on any of the constituent publications).
    - Not printing the multipack barcode and price on any of the constituent publications (to avoid sales of individual publications being incorrectly recorded as multipack sales).

### One magazine claimed examples:

1. *ABC News (cover price R10) and ABC Celebrity (cover price R20) are packaged together, sold for R10 and promoted as 'Buy ABC News and get ABC Celebrity free'. In this case ABC News can be claimed (at the pack price of R10) because ABC Celebrity has been promoted as free.*

### Two magazine multipack examples

1. *If ABC News (cover price R10) and ABC Celebrity (cover price R20) are packaged together, and the package is sold for R24, copies of each magazine sold in the package can be claimed as retail sales, with ABC News being treated as sold at R8 and ABC Celebrity as R16 (package price pro-rated 1/3 and 2/3 respectively).*

### Pay for 2 Get 3 (not defined by title)

1. *If the offer is 'pay for 2 magazines and get another magazine free', the value of the sale is pro-rated across all three magazines, comparing the net price to the registered cover price.*

**G2. Copies are purchased from the publisher by the retailer, on a firm sale basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**

- a) You will need to ensure all records required to support the retail sale claim are available for audit. This will include:
- i) Full issue by issue details of all financial records and contracts with distributors, wholesalers and retailers, with specific regard to normal and recognised trade terms. These must be reconcilable to the distribution records on an issue specific basis and to the average retail sale claim.
  - ii) Details of any change in trading terms from firm sale (if allowed) to sale or return (either temporarily or permanently) or vice versa.
  - iii) Details of discounts or special offers.

**G4. The price paid for the publication by the consumer must be clear and conspicuous**

- a) As the price paid may be affected by promotional schemes you should keep details of purchases and promotional spends so you can demonstrate copies are purchased and that sales under incentives/offers are classified correctly, or disallowed as necessary. You can contact ABC for confidential advice, supplying copies of the promotional material and offer wording. The information kept may include::
- Title/s involved
  - Issues involved
  - Duration of promotion
  - Retail outlets involved
  - Wording of the promotion displayed at the retail outlet/s
  - How the resultant copies are claimed
  - How the promotion will be paid for
- b) Treatment of bundle/package promotions
- i) As each case can vary we recommend you contact us for advice before carrying out your promotion.
  - ii) How the price of the publication is presented to the consumer will affect how or whether the copy may be claimed for ABC purposes.
    - If the price of the publication appears in the promotional material and it is legible (taking into account its presentation and prominence (including the size of the font used) and assuming a reasonable speed of reading) then the price is likely to be considered clear and conspicuous.
      - o Stating the publication's price in relation to the promotion/bundle in the main wording of the offer will provide most clarity.
      - o The further away from the main offer wording and/or less prominent in the promotion the price of the publication becomes, the more likely it will not be considered clear and conspicuous.
      - o If the price of the publication is linked to the main offer wording with, say, an asterisk - this would make it more conspicuous.
    - Merely stating the price of the publication without reference to the bundle/package could just be a statement about the normal price of the publication and so will not necessarily render the price clear and conspicuous.
    - If there is conflicting information about the price, then the lowest price assessment would be taken for ABC purposes (which might mean it is free).

- The absence of a clear and conspicuous price would render the copies as free, as would explicit wording stating the publication is free.

Examples:

1. Promotion "*Buy the publication and a bottle of water for Rx*".

The price of the publication is not clear and conspicuous.

2. Promotion "*Buy the publication and a bottle of water for Rx*" which is accompanied by the statement "*The price of the publication in this promotion is Ry*"

The price of the publication is likely to be considered clear and conspicuous if the accompanying statement is either within the main body of the promotion, or is in a footnote that is asterisked to the main body and is legible.

3. Promotion "*Buy the publication and bottle of water for Rx.*" Elsewhere in promotion "*Publication is Ry.*"

The price of the publication is not in the promotion and is unlikely to be considered clear and conspicuous as this statement appears to be the normal price of the publication.

4. Promotion: If a publication 'ABC News' is promoted as '*Buy ABC News for Rx and get a free bottle of water*' then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.

5. Promotion: If the promotion is '*Buy a bottle of water and get a free copy of ABC News*' then the publication will be treated as free for ABC purposes.

c) Per section 4b: "The discount or cash reimbursement must be taken into account

Examples:

1. Promotion: "*Buy publication and spend R10 and you get R1 off your publication*".

The publication is discounted by £1.

2. Promotion: "*Buy publication, spend R50 and get R10 off your shopping basket*".

The publication is discounted as it is part of the shopping basket, but it is difficult to determine how much it is discounted and will be considered on a case by case basis. In this example, using the minimum spend requirement of the offer gives a 20% discount and would seem a reasonable treatment.

3. Promotion: "*Buy publication and get R10 off a jar of coffee*". Or "*Buy publication and get the money off the rest of your shopping*".

The publication is full price, provided that the publication is sold at full price and the reimbursement does not exceed the cost of the items being discounted.

# SINGLE COPY SUBSCRIPTION SALES

## DEFINITION

A single copy sold and distributed to an individual or organisation by agreement

## PRINCIPLES

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
2. **Single copy per issue, distributed to a known addressee**
3. **Single copy knowingly paid for by the subscriber**
4. **Reported by rate, comparing price paid by subscriber with Registered Cover Price**
5. **The price paid for the publication by the subscriber must be clear and conspicuous**

## REQUIREMENTS

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
  - a) You must be able to provide evidence of the contractual arrangements between the subscriber and the publisher (or their agent) including the issues/period and the price.
  - b) If you merge publications or purchase a subscription list from a ceased publication it must be clear that subscribers have made a choice to receive the publication claimed.
  - c) You may claim back issues.
2. **Single copy per issue, distributed to a known addressee**
  - a) You must be able to demonstrate the copy is distributed to the addressee.
3. **Single copy knowingly paid for by the subscriber**
  - a) The subscriber must be the addressee except:
    - i) Where the addressee is an employee whose employer is the subscriber.
    - ii) Where the addressee is the recipient of a gift subscription from the subscriber (maximum 12 single gift subscriptions per subscriber).
  - b) The purchase by the subscriber may be in cash or by other means agreed by ABC in writing.

- c) You can claim copies where payment is outstanding as long as there are reasonable grounds to consider them to be live, good and collectable, but no longer than 3 months. This is applicable to subscription renewals, and excludes new subscriptions.

**4. Reported by rate, comparing price paid by subscriber with the Registered Cover Price**

- a) You must claim a subscription in the appropriate rate band by comparing the price paid for the subscription with the Registered Cover Price at the time of sale. Note - ignore for ABC purposes:
  - i) Bank charges or exchange rate differences
  - ii) The value (or perceived value) of any gifts, or other incentives (including bundled publications or media products that are not claimed for ABC purposes). However cash reimbursements to the consumer must be taken into account.
- b) If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
  - i) According to the specific terms of the offer.
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products.
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.
- c) Where a subscription is sold through a subscription agent:
  - i) Linked incentives offered by the agent (with no contribution from the publisher) will be ignored for ABC purposes.
- d) You must retain details of subscription rates and special offers during the reporting period.

## REPORTING

You will report single copy subscription sales as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic;
  - b) Foreign
2. By rate band:
  - a) At 50% and above the Registered Cover Price;
  - b) Below 50% of the Registered Cover Price;
3. By total average single copy subscription sale over the period

## GUIDANCE

### G1. There must be a contractual arrangement between the subscriber and the publisher (or their agent)

- a) If you merge publications or purchase a subscription list from a ceased publication it must be clear that subscribers have made a choice to receive the claimed publication. Examples of how this may be achieved are shown below.

#### **Merger**

If you merge publications where there are live subscriptions:

#### **Subscribers to one publication only**

- You may continue to fulfil the contractual requirement of the subscription by mailing copies of the 'new' publication until the expiry of the subscription period.

#### **Subscribers to both publications**

- You may refund the unexpired portion of one subscription and continue mailing copies until the remaining subscription expires.

OR

- You may net the value of the unfulfilled subscriptions and allocate copies on an issue by issue basis until the value has been subsumed.

**Purchase or transfer of subscription lists from a ceased publication**

If you purchase or transfer a list of subscribers from a ceased publication, you could claim these as subscriptions if you could demonstrate:

- The amount each subscriber is 'in credit' in terms of the payments for their subscription to the ceased publication
- How the credit is applied to the subscription to the claimed publication.
- The subscriber has either
  - i. Elected to continue his subscription to the claimed publication; or
  - ii. Has been given the option to discontinue his subscription to the ceased publication and obtain a refund.

b) As records for two or three year subscriptions may need to be provided for audit you must ensure these are still available.

**G2. Single copy per issue, distributed to a known addressee**

a) Distribution evidence: This will usually be from a third party company whose normal business is single copy distribution. Typically the evidence will include testing the payment of invoices and related advice notes sufficient to identify the publication, issue, quantities and date distributed.

**G3. Single copy knowingly paid for by the subscriber**

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) Where payment is outstanding you may take into account the following in considering whether there are reasonable grounds to consider the debt to be live, good and collectable:
- i) Publisher's normal credit terms
  - ii) Payment history
  - iii) Credit control efforts

**G4. Reported by rate, comparing price paid by subscriber with standard rate**

a) [Requirement 5b showing examples ] If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied :

- i) According to the specific terms of the offer. *For example: Buy X magazine get Y free means Y will be treated as free*
- ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products. *For example where the promotion is 'Buy a subscription to X and Y for R50' and X and Y have Registered Cover prices of R40 and R50 respectively then the R50 paid will be pro-rated in the ratio 40:50.*
- iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.

Further Examples of Subscription Promotions:

What's in the subscription promotion?	How is it promoted?	Can it be claimed?	How is it claimed?	Criteria applied
Publication A + Handbag	Subscribe today and receive a free handbag	Yes	At price paid (handbag ignored as not ABC claimed)	i
Publication + Handbag	Buy handbag and receive free subscription to Publication A	Not as paid	Publication is free (could be claimed as free if appropriate criteria met).	i
Publication A + Retail Organisation Vouchers	Subscribe for 3 months and receive vouchers for a retail organisation	Yes	At price paid (vouchers ignored as not ABC claimed)	i
Publication A and Publication B (both ABC claimed)	Subscribe to Publication A and receive Publication B free	Publication A Yes. Publication B Not as paid	Publication A at price paid (Publication B treated as free as promoted as free)	i
Publication A and Publication B (both ABC claimed: Publication A R80 and Publication B R40)	Subscribe to both Publication A and Publication B for R100	Yes, both.	R100 pro-rated = R67 Publication A and R33 Publication B	ii
Publication A and Publication B (both ABC claimed: Publication A R80 and Publication B R40 + Handbag)	Subscribe to both Publication A and Publication B for R100 and receive a handbag worth R50	Yes, both.	R100 pro-rated = R67 Publication A and R33 Publication B (handbag ignored as not ABC claimed)	ii
Publication A and Website access (both ABC claimed: Publication A R100 but Website access is only available as a package with the Publication)	Subscribe to Publication A and receive website access – all for R100	Yes, both	R100 divided equally £50 for Publication A and £50 for website access (website access is not available either free or paid so no price can be identified to pro-rate).	iii
Publication A + Digital Edition (not ABC claimed)	Subscribe to Publication A for R100 and receive the Digital Edition worth R80	Yes	Publication A at R100 (Digital Edition ignored as not claimed)	i
Publication A + Digital Edition (both ABC claimed: Publication A R100 and Digital Edition R50)	Subscribe to Publication A and the Digital Edition for R120 (normally R150).	Yes, both	R120 pro-rated = Publication A at R80 and Digital Edition at R40	ii

b) Examples of promotional offers that would result in copies being claimed at a discounted rate:

'Save 25% on your subscription'

'2 years subscription for the price of one'

'18 issues for the price of 12'

'Buy 12 issues get 6 free' (note: All 18 issues can be claimed as paid, with the price paid being allocated equally across them).



## MULTIPLE COPY SUBSCRIPTION SALES

### DEFINITION

More than one copy purchased by a known subscriber for a contracted period with the intention to distribute to the same group of, but unknown, individuals over the term of the subscription.

### PRINCIPLES

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
2. **Must be likely copies are received by the same individual(s) over the term of the subscription**
3. **Copies are paid for by the subscriber**
4. **Reported by rate, comparing price paid by subscriber with Registered Cover Price**
5. **The price paid for the publication by the subscriber must be clear and conspicuous**

### REQUIREMENTS

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
  - a) You must be able to provide evidence of the contractual arrangements between the subscriber and the publisher (or their agent) including the issues/period, the quantities to be supplied and the price.
  - b) You may claim back issues.
2. **Must be likely copies are received by the same individual(s) over the term of the subscription**
  - a) You must be able to demonstrate, through the distribution method, that the copies are likely to be distributed to the same individual(s) over the subscription term.
  - b) You may claim copies sold to a Reseller, provided you have entered into an agreement with the Reseller (who supplies publications to doctors' and dentists' waiting rooms, hairdressing salons, etc. which are used for the benefit of the clientele)
3. **Copies are paid for by the subscriber**
  - a) You can claim copies where payment is outstanding as long as there are reasonable grounds to consider them to be live, good and collectable.
4. **Reported by rate, comparing price paid by subscriber with Registered Cover Price**
  - a) You must claim a subscription in the appropriate rate band by comparing the price paid for the subscription with the Registered Cover Price. Note:
    - i) Ignore for ABC purposes: Bank charges or exchange rate differences.
    - ii) Ignore for ABC purposes: The value (or perceived value) of any gifts or other incentives (including bundled publications or media products that are not claimed for ABC purposes).
    - iii) When calculating what price has been paid you must take into account:

- Any reciprocal payments made by the publisher
  - Any reciprocal charges for goods or services made by the purchaser (or the intermediary if applicable) as part of the deal (*for example: for distribution or marketing*).
  - The value of any other goods or services provided free or discounted by the publisher (*for example advertising or promotional messages*).
- b) If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
- i) According to the specific terms of the offer.
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products.
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.
- c) Where a subscription is sold through a subscription agent:
- i) Linked incentives offered by the agent (with no contribution from the publisher) will be ignored for ABC purposes.
- d) You must retain details of subscription rates and special offers during the reporting period

## REPORTING

You will report multiple copy subscription sales as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic;
  - b) Foreign
2. By rate band:
  - a) At 50% and above the Registered Cover Price
  - b) Below 50% of the Registered Cover Price..
3. By total average multiple copy subscription sale over the period.

## GUIDANCE

### G2. Must be likely copies are received by the same individual(s) over the term of the subscription

- a) You might demonstrate the copies are likely to be distributed to the same individual(s) over the subscription term by:
  - i) By providing names of the individuals to whom the copies are distributed
  - ii) By demonstrating that copies are distributed to the same fixed pool of individuals *e.g. employees of a particular department or company who can reasonably be expected to be present at the same delivery location on an on-going basis.*

### G3. Copies are paid for by the subscriber

- a) Where payment is outstanding you may take into account the following in considering whether there are reasonable grounds to consider the debt to be live, good and collectable:
  - i) Publisher's normal credit terms
  - ii) Payment history
  - iii) Credit control efforts

### G4. Reported by rate, comparing price paid by subscriber with the Registered Cover Price.

- a) [Requirement 5b showing examples ] If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied :
  - i) According to the specific terms of the offer. *For example: Buy X magazine get Y free means Y will be treated as free*
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products. *For example where the promotion is 'Buy a subscription to X and Y for R50' and X and Y have Basic Annual Subscription rates of R40 and R50 respectively then the R50 paid will be pro-rated in the ratio 40:50.*
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.

- b) Examples of promotional offers that would result in copies being claimed at a discounted rate:

'Save 25% on your subscription'

'2 years subscription for the price of one'

'18 issues for the price of 12'

'Buy 12 issues get 6 free' (note: All 18 issues can be claimed as paid, with the price paid being allocated equally across them).

Bulk discounts for multiple orders

## MULTIPLE COPY SALES

### DEFINITION

Copies purchased by a third party from the publisher, delivered and made available for pick up or receipt by consumers.

### PRINCIPLES

1. **There must be a contractual arrangement between the final purchaser (third party) and the publisher or an intermediary**
2. **Copies are paid for by the final purchaser**
3. **The publisher must receive a positive financial contribution per copy from the final purchaser**
4. **Copies distributed and made available for pick up or receipt by consumers**
5. **Claimed quantity should not exceed potential demand by the intended consumers**
6. **Reported by rate, comparing price paid by subscriber with Registered Cover Price**
7. **The price paid for the publication by the final purchaser (and the intermediary if applicable) must be clear and conspicuous**

### REQUIREMENTS

1. **There must be a contractual arrangement between the final purchaser (third party) and the publisher or an intermediary**
  - a) You must be able to provide evidence of the contractual arrangements between the final purchaser and the publisher and/or the intermediary (if applicable) including the issues, quantities to be supplied and price per copy.
  - b) You may claim sales of back issues.
3. **The publisher must receive a positive financial contribution per copy from the final purchaser**
  - a) Either the final purchaser or intermediary (if applicable) must pay the publisher a net amount for the copies:
    - i) When calculating what price has been paid you must take into account:
      - Any reciprocal payments made by the publisher
      - Any reciprocal charges for goods or services made by the purchaser (or the intermediary if applicable) as part of the deal (*for example: for distribution or marketing*).
      - The value of any other goods or services provided free or discounted by the publisher (*for example advertising or promotional messages*).
    - ii) In the case of copies purchased by a commercial entity with the intention of giving individual copies to its customers as added value to a commercial transaction, it is recognised that an authorised distribution company must be used. In this scenario:
      - If that distribution company is used as an intermediary to sell to the final purchaser, the publisher may not receive a net payment for the copies from the distribution company due to the payment of distribution charges.
      - If a distributor pays a contractual entry fee to the final purchaser which is of a general basis and not specific to any specified group of publications or publishers then this will not be considered a reciprocal payment to be taken into account for ABC purposes.

- iii) In the case of Barter deals, the publisher will not receive payment for the copies. One of the following conditions must be applicable for each deal:
- The Goods/Services agreement and Publication purchase agreement are separately specified; or
  - The Goods/ Services agreement includes specific details regarding the quantity and purchase price of the publication; or
  - The purchase price is a separate itemized line item within the contract specifying the quantity and purchase price of the publication.
- In addition to one of the above conditions being applicable:
- The Goods/Services agreement must specify the goods/services being provided, and the value of each.
  - In the case of Third party Bulk Sales, both parties must invoice the deal.
  - In the case of Travel and Commercial the deal need not be invoiced. Quantities claimed as circulation will be in terms of the applicable agreements, supported by evidence of distribution of the copies.
- iv) In the case of PMIE (Print Media in Education), copies are sold to an independent sponsor, and delivered to schools and educational institutions for educational purposes:
- Educational institutions (registered with the Department of Education) must submit written requests and undertake to use the publication for educational purposes only.
  - You may only deliver recent copies; Weekly, Bi-weekly and Monthly magazines within 1 issue period.
  - You must obtain a standard request form from the sponsor and must be retained for 2 years
  - Payments must be received directly from the sponsor.
  - You must enter into a written agreement with the sponsor. You may not claim copies unless the agreement predates the circulation.
  - If the sponsor is also an advertiser in the publication, you may not use advertising funds to sponsor PMIE.
  - Deliveries must correspond with educational timetables.
- v) The claimed total average Multiple Copy sales is limited to a cap of 25% of total sold copies for the relevant reporting period.

#### **4. Copies distributed and made available for pick up or receipt by consumers**

- a) You must be able to demonstrate that the copies are distributed and made available for pick up or receipt by the intended consumers.

#### **5. Claimed quantity should not exceed potential demand by the intended consumers**

- a) You must be able to demonstrate that the claimed quantity would not exceed the potential demand by the intended consumers.

#### **7. The price paid for the publication by the final purchaser (and the intermediary if applicable) must be clear and conspicuous**

- a) The price paid must be at least minimum legal tender per copy

### **REPORTING**

You will report multiple copy sales as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic
  - b) Foreign
2. By rate band:
  - a) At 50% and above the Registered Cover Price
  - b) Below 50% of the Registered Cover Price..
3. By total average multiple copy sale over the period

## **GUIDANCE**

### **G1. There must be a contractual arrangement between the final purchaser (third party) and the publisher or an intermediary**

- a) In relation to airline copies, or copies purchased by a commercial entity with the intention of giving individual copies to its customers as added value to a commercial transaction:
- i) It is the publisher's responsibility to ensure their distribution company will:
    - Provide evidence of distribution of the copies airside/trackside as detailed below
    - Understand and keep up to date with the requirements of the ABC Reporting Standards
    - Report the number of sold copies by issue for each ABC reporting period to the publisher
    - Provide access to the publisher's circulation auditor to any records requested for the purpose of checking the accuracy of any claim or compliance with the Reporting Standards and byelaws
  - ii) The publisher's circulation auditor must have access to documentary evidence relevant to the deal between the final purchaser and any intermediary (if applicable).

### **G4. Copies distributed and made available for pick up or receipt by consumers**

- a) Evidence of distribution of the copies to the distribution company and onward must be available. This will typically involve the distribution company maintaining a goods inwards and goods outwards recording system, with clearly documented management controls that:
- Is updated daily for planned and unplanned changes
  - Is reconciled on a regular basis to resolve differences between goods in and goods out
  - Identifies the magazines and number of copies supplied to every distribution point
  - Operates appropriate and effective quality assurance processes for ensuring that the magazines and number of copies supplied to every point is correctly stated.
  - If weaknesses in management controls are found during the audit work, the publication's circulation auditor/ABC will inform the distributor and the publisher of defined improvements to be implemented and a timescale to ensure copies are still eligible for ABC purposes.
- b) Evidence of proof of delivery for Print Media in Education copies must be available.

### **G7. The price paid for the publication by the final purchaser (and the intermediary if applicable) must be clear and conspicuous**

- a) Averaging or bundling by issue/publication/customer is not permitted regardless of what the contractual arrangements state. For example: If an invoice states 5,000 copies at 20c and 5,000 copies at 0c then only the 5,000 copies at 20c are allowable, they cannot be averaged out at 10c.

# MEMBERSHIP CIRCULATION

## DEFINITION

A single copy of an official Society publication distributed to a member of that society.

*Note: 'Society' throughout this section refers to the Society, Association or Organisation as appropriate.*

## PRINCIPLES

- 1. The publication is an official publication of the Society**
- 2. Single copy of an issue distributed to an individual who is a member of the Society (or an employee nominated under a corporate society membership)**
- 3. Copies reported by circulation type**

## REQUIREMENTS

- 1. The publication is an official publication of the society**
  - a) You must be able to provide evidence that the publication is an official publication of the Society.
- 2. Single copy distributed to an individual who is a member of the Society (or an employee nominated under a corporate society membership)**
  - a) Corporate members are members of the Society (companies or organisations) who pay the membership fee or fees and nominate employees as recipients of the publication. These recipients may be claimed as Society circulation.
  - b) Evidence of the individual's Society membership (or organisation's corporate membership and nominated employees) must be available.
  - c) You must be able to demonstrate the copy is distributed to the individual.
  - d) You can claim distribution of back issues.
- 3. Copies reported by circulation type**
  - a) Paid Optional Single Copies
    - i) The individual (or their employer if corporate society member) has paid an amount explicitly for the publication (over and above the Society membership fee).
    - ii) In the case of a corporate society member, when calculating what price has been paid you must take into account:
      - Any reciprocal payments made by the publisher
      - Any reciprocal charges for goods or services made by the purchaser (or the intermediary if applicable) as part of the deal (*for example: for distribution or marketing*).
      - The value of any other goods or services provided free or discounted by the publisher (*for example advertising or promotional messages*).
    - iii) You can claim copies where payment is outstanding as long as there are reasonable grounds to consider these to be live, good and collectable.

b) Unpaid Requested Single Copies

- i) The individual has requested a copy of the publication.
- ii) At the date you distribute the copy you must have evidence that the individual has, within the previous three years, made a clear request to receive the publication..

## REPORTING

1. You will report Society circulation as follows, which will be broken out on the ABC Certificate:

a) By geographical type:

- i) Domestic
- ii) Foreign

b) By circulation type:

- i) Paid Optional Single Copies
- ii) Unpaid Requested Single Copies

c) By total average circulation over the period.

2. The Society/Societies name(s) will also be reported on the ABC Certificate.

## GUIDANCE

### **G2. Single copy of an issue distributed to an individual who is a member of the Society (or an employee nominated under a corporate society membership).**

- a) You must be able to prove copies have been distributed to members of the society. Evidence of membership will be requested for a sample of addressees at the audit. This evidence may be:
  - i) By locating the addressee in a published list of society members.
  - ii) If the publisher is the society, by providing evidence that the addressee has paid their society membership fee for the period.
  - iii) If the publisher is third-party to the society, written confirmation from the society that the sampled addressees were members at the date of distribution. Note: If you are publishing the publication for the society on a contract basis we will not consider you third party for ABC purposes – this means written confirmation from the society will not be acceptable as audit evidence of society membership.
- b) Corporate membership example. 'A Ltd.' is a corporate member of Alpha Society. Four copies, addressed to individuals by name, are sent to four different people at A Ltd. These would constitute four valid corporate copies. Multiple copies to a single addressee cannot be claimed.

### **G3. Copies reported by circulation type**

- a) Details of membership rates for the Society must be available to enable confirmation that for paid circulation an amount has been paid for the publication over and above the membership fee.



# CONTROLLED FREE CIRCULATION

## DEFINITION

Copies sent free to a defined group of individuals.

## PRINCIPLES

1. **Single copy per issue, distributed to an individual.**
2. **Individual falls within defined criteria (Terms of Control)**
3. **Individual's details supported by third party evidence that is less than three years old**
4. **Copies reported either as requested or non-requested**

## REQUIREMENTS

1. **Single copy per issue, distributed to an individual**
  - a) You must be able to demonstrate the copy is distributed to the individual.
    - i) Each copy should be addressed or accompanied by instructions which enable the distributor to deliver to the individual.
  - b) You must retain a list of individual recipients for the reporting period. In addition you must be able to recreate a list of any issue in the reporting period on request.
  - c) You may claim distribution of back issues.
2. **Individual falls within defined criteria (Terms of Control)**
  - a) The publisher sets the Terms of Control, complying with the following:
    - i) The wording must be clear and relate to individuals not companies
    - ii) Phrases or words that are subjective and/or difficult to explicitly prove are not permitted.
    - iii) It must be possible for individuals not to meet the criteria.
  - b) You must not publish either the Terms of Control or an approximation of these in the publication or on any documents or promotional material targeted at the reader.
3. **Individual's details supported by third party evidence that is less than three years old**
  - a) At the date you distribute a copy you must have evidence that:
    - i) supports the individual's name, job title/function (as appropriate) and address details.
    - ii) proves explicitly that the individual meets the Terms of Control.
    - iii) is less than three years old.

#### 4. Copies reported either as requested or non-requested

The following additional requirements apply to copies claimed in these categories:

##### **Individually requested**

- a) The copy must be addressed to the individual by name.
- b) You must have evidence that the individual has, within the last three years, made a clear request to receive the publication before you send it to them.

##### **Company requested**

- c) The copy must be addressed to the individual, either by name or job title/function.
- d) At the date you distribute the copy you must have evidence that the company or organisation has, within the last three years, made a clear request to receive the publication on the individual's behalf.

##### **Non-requested (either by name or by job title/function)**

- e) The copy must be addressed to the individual, either by name or job title/function.
- f) For job title/function copies you may add a stylized/generic job title/job function to the address of an organisation for which you have evidence of the organisation's name and address providing:
  - g) The job title/ job function could reasonably be expected to relate to an individual in that organisation.
    - ii) Multiple or similar job titles/ job functions at the same organisation are not used in a way that might result in copies being distributed to the same individual.

## **REPORTING**

You will report controlled circulation as follows, which will be broken out on the ABC Certificate:

1. By average geographical type:
  - a) Domestic
  - b) Foreign
2. By average circulation type:
  - a) Requested
  - b) Non-requested
3. By total average circulation over the reporting period.
4. If your claim includes any controlled circulation copies you will report the applicable Terms of Control.

## GUIDANCE

### G1. Single copy per issue, distributed to an individual

- a) Distribution evidence: This will usually be from a third party company whose normal business is single copy distribution. Typically the evidence will include testing the payment of invoices and related advice notes sufficient to identify the publication, issue, quantities and date distributed. This means copies posted using a franking machine will not normally be able to be claimed as the records will not identify what has been posted.

### G2. Individual falls within defined criteria (Terms of Control)

- a) The Terms of Control enable you to demonstrate the attributes or quality of your circulation to potential advertisers and to differentiate your publication from others serving the same or similar markets. Controlled circulation is therefore useful to advertisers and media buyers because they enable them to target their advertising more effectively.
- i) The Terms of Control must relate to individuals not companies. *For Example: 'Engineering companies in the RSA.' would not be allowed whereas 'individuals in engineering companies' is acceptable.*
- ii) Phrases or words that are subjective and/or difficult to explicitly prove are not permitted. This may include terms such as: related, associated, selected, allied to the field, various, specialist, professional, executive, key, substantial, high spending, major, senior (unless it has a capital S and is part of a job title), all..., every ...

### G3. Individual's details supported by evidence that is less than three years old

- a) You may use evidence from different sources (also known as 'secondary sources') to prove the addressee meets the Terms Control, verify the individual's name and address details or a request for the publication.
- b) Any material used to capture information to prove the individual meets the Terms of Control must neither explicitly or implicitly lead the addressee to give the desired qualification data in order to receive the publication. Suitable ways to ensure this requirement is complied with is to add an option to the possible answers such as: Other..... (please specify.); or add possible responses/tick boxes (where used) that include some items that would fall outside the Terms of Control.
- c) You must be able to provide the evidence at audit.
- It is your responsibility to comply with copyright legislation in relation to the use of data from third-party sources
  - For data captured over the telephone, by email or online, the following gives guidance and examples:
    - In the case of information obtained via telephone calls, recording the telephone calls in a manner that can be made available for review at audit. Note: It remains your responsibility to comply with any legislation regarding the recording of telephone conversations.
    - It may help if a copy of the data captured via online or telephone campaigns is kept in its original state as once this data is entered or merged onto a main database the audit trail evidencing the collection of the data can be lost. You may also consider retaining invoices from external contractors evidencing the work carried out in this regard.
    - You are advised to retain copies of online forms/screenshots or telephone scripts to provide evidence of questions asked and responses recorded.
- d) In relation to the exception for data provided by a related party (The data purchased is sold as part of an established data rental/sale business): The onus is on you to provide suitable proof of this fact. Examples of suitable proof include promotional material and data rental/sale invoices.

#### **G4. Copies reported either as requested or non-requested**

##### **Individually requested and company requested circulation**

- a) You must be able to demonstrate evidence of a clear request to receive the publication within the last three years. The following provide guidance and examples of acceptable methods of achieving this:
- i) The requestor must have been asked and agreed, or they have stated, that they wish to receive a copy of the publication (or for company requested for their colleague to receive a copy). Bear in mind you will need to be able to demonstrate this at audit. *For example using a question such as 'sign here to request a free copy of <publication name> or 'Complete this form to continue receiving this publication'.*
  - ii) There must be a clear separate request to receive the publication that is not combined with a request for another product or service. *For example: This means if the requestor is being offered the opportunity to request two or more publications, or register for an exhibition at the same time as requesting the publication, it should be clear to them that they can separately request to receive the publication (or not) with or without requesting or accepting the other product/service. You may use separate questions or separate boxes to make it clear what the individual is requesting in this scenario.*
  - iii) For a written or faxed request, the evidence could be demonstrated by requiring the requestor to sign and date the form/request.
  - iv) For a request made over the telephone, by email or online, the following gives guidance and examples of how details could be demonstrated as third party:
    - In the case of telephone requests, recording the telephone calls in a manner that can be made available for review at audit. If you would like our advice on whether a call recording system might be acceptable please contact us. Note: It remains your responsibility to comply with any legislation regarding the recording of telephone conversations.
    - It may help if a copy of the data captured via online or telephone campaigns is kept in its original state as once this data is entered or merged onto a main database the audit trail evidencing the collection of the data can be lost. You may also consider retaining invoices from external contractors evidencing the work carried out in this regard.
    - You are advised to retain copies of online forms/screenshots or telephone scripts to provide evidence of questions asked and responses recorded.
- b) If you change a publication's name or merge two publications then valid requests for the original publication may be transferred to the new publication as requested controlled circulation providing you can still prove the individual meets the Terms of Control for the new publication.

##### **Non-requested circulation**

- a) When adding stylised/generic job titles/functions
- i) These must reasonably be expected to relate to an individual in that organisation. *(for example Managing Director, Credit Controller)*
  - ii) Multiples of a job title/ job function (or similar ones) must not be used in a way that might result in them being distributed to the same individual. *For example: If 30 copies were addressed to 'Company Secretary' at 30 branches of XYZ Co Ltd, these copies would be treated as duplicates as XYZ Co Ltd would be expected to have only one Company Secretary. It would be expected that copies from each branch would be forwarded to the one Company Secretary. This problem would not arise if each of the copies were addressed to a Branch Manager as it would be reasonable to assume each branch would have a manager.*

# NON-CONTROLLED FREE CIRCULATION

## DEFINITION

Single copies distributed to individuals or organisations.

## PRINCIPLES

1. **Single copy per issue, distributed to an individual or organisation**

## REQUIREMENTS

1. **Single copy per issue, distributed to an individual or organisation**
  - a) You must be able to demonstrate the copy is distributed to the individual or organisation.
    - i) Each copy should be addressed or accompanied by instructions which enable the distributor to deliver to the individual.
  - b) You may claim distribution of back issues.

## REPORTING

You will report non-controlled circulation as follows, which will be broken out on the ABC Certificate:

1. By average geographical type:
  - a) Domestic
  - b) Foreign
2. By total average circulation over the reporting period.

## GUIDANCE

### G1. Single copy per issue, distributed to an individual or organisation

- a) Distribution evidence: This will usually be from a third party company whose normal business is single copy distribution. Typically the evidence will include testing the payment of invoices and related advice notes sufficient to identify the publication, issue, quantities and date distributed.
- b) Distribution evidence: If a copy is handed to an individual (say at an exhibition) distribution evidence may comprise the recording of the individual's full name and address details, the date and their signature clearly acknowledging receipt of the publication (including the relevant issue information). Note:
  - i) The signed acknowledgement must not be combined with a request or acknowledgement of another product or service.
  - ii) Copies given away with entry tickets or goody bags can only be claimed if the individual's full details are recorded and they have explicitly signed acknowledging receipt of the issue of the publication.

# MONITORED FREE DISTRIBUTION

## DEFINITION

Copies distributed on a regular and consistent basis to known distribution points for pick up or receipt by consumers.

## PRINCIPLES

1. **Prior notification of distribution details and any changes to ABC**
2. **Distribution follows a regular and consistent pattern to known distribution points**
3. **Copies are made available at the known distribution points for pick up or receipt by consumers**
4. **Quantity claimed should not exceed potential demand by the intended consumers**
5. **Effective management controls over distribution**

## REQUIREMENTS

### 1. **Prior notification of distribution details to ABC**

- a) You must obtain ABC's agreement that your distribution system is capable of being compliant and verifiable to ABC standards before the distribution of the first issue for which you intend to claim monitored free distribution copies. This will include:
  - i) The method of distribution
  - ii) A master list of all distribution points
- b) The method of distribution statement:
  - i) Is a statement reflecting the total distribution and describes where and how copies are distributed.
  - ii) Must be verifiable.
- c) The normal distribution schedule:
  - i) Is a statement reflecting when the copies are normally distributed.
- d) The master list of distribution points will include details of all distribution points supplied.
- e) After initial approval of the distribution system, you must, on an on-going basis, notify ABC of any changes to the method of distribution or details on the master list of distribution points (such as changes in distribution quantities, distribution dates, new or ceased distribution points) as and when they occur.

### 2. **Distribution follows a regular and consistent pattern to known distribution points**

- a) A distribution point is defined as an agreed location at which copies are handed to or left for pick up by the consumer.
- b) Distribution points used must be regular in type for every issue (subject to notified and allowable changes).
  - If there are changes to the type of distribution points used (whether a new type is added or an existing type is dropped) then you must submit a revised method of distribution statement to ABC for approval.
  - We will consider the nature and extent of the changes in the distribution and decide if any further action is required. *For example being required to notify advertisers of the changes or the issuing of a new Certificate.*

- c) The distribution points claimed must be consistent with the method of distribution statement.
- d) ABC must have the right to visit or contact distribution points for verification purposes.
- e) It is recognised that there will be minor changes in distribution.

Note:

- We will consider the nature and extent of the changes in the distribution and decide if any further action is required. *For example being required to notify advertisers of the changes or the issuing of a new Certificate.*
- If your publication has a defined publishing frequency and publishes a double issue (for example: a monthly publication publishes a July/August issue) then it may be acceptable to claim an increase in supply for that issue to cover the extended pick up period before the next issue is distributed.
- If your publication has a seasonal audience then it may be acceptable to increase or decrease regular supplies in line with the increased or decreased potential audience for the title. The in-season and out-of-season supplies must be regular in quantity and distribution point types, and the seasons must be clearly defined in the Method of Distribution statement and agreed in advance by ABC.

**3. Copies are made available at the known distribution points for pick up or receipt by consumers**

- a) You must be able to provide evidence, from the third party responsible, of the number of copies of the publication made available for pick up or receipt at each distribution point by consumers. Note:
  - i) Where the copies are made available for pick up or receipt at distribution points by drivers/distributors that are not 3rd party to the publisher (such as in-house distributors or from a joint venture), it may be possible to include these in the claim as long as:
    - It can be demonstrated that the drivers/distributors have sufficient independence and are specifically contracted to deliver/distribute the publication.
    - The auditor/ABC has full and unrestricted access to the relevant parties' documentation and financial records.
    - ABC has specifically agreed this distribution method.
  - ii) In the case of retail customer magazines it may be acceptable for the publication to be distributed through the same distribution system from central/area warehouse to individual retail outlets as the retailer's other goods and use associated documentation to support a gross distribution claim . A retail customer magazine is defined as a publication which:
    - Is published by or on behalf of a retailer
    - Is targeted at customers of that retailer
    - Is supplied to the retailer's own outlets for distribution in store
  - iii) In the case of copies distributed to third party distributors for onward distribution:
    - Copies may be claimed as gross distribution providing ABC is given full and free access to the distributor's contractual arrangements, invoices and documentation to enable verification of the onward supply.
    - The gross distribution claim must be restricted to the quantity verified as onwardly distributed, and not the quantity supplied to the distributor.

b) Where your ABC monitored free distribution claim is for the net number of copies picked up or received by consumers at a distribution point, you must be able to provide evidence of the number of copies returned/not picked up at each relevant distribution point. Note: This must be on a 'session' basis. *For example a hand merchandiser who goes out first thing in the morning and then again after lunch with a new supply of copies must sign separately for the morning and afternoon supply and returns.*

c) You may claim distribution of back issues.

**4. Quantity claimed should not exceed potential demand by the intended consumers**

a) Any distribution carried out by merchandisers must be claimed on a net basis (i.e. account for undistributed copies) at each distribution point.

**5. Effective management controls over distribution**

a) The publisher is responsible for ensuring that the copies they claim have been delivered and if applicable returns/copies not picked up are accounted for. This requires a publisher to have appropriate management controls and processes in place to ensure that this is happening.

## REPORTING

You will report monitored free distribution copies as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic
  - b) Foreign
2. By total average monitored free distribution per issue for the period.



## GUIDANCE

### G1. Prior notification of distribution details to ABC

- a) The method of distribution statement should be as detailed as possible but must also be verifiable from evidence.
- b) The master list of all distribution points.  
We would expect this to include the following for each distribution point:
- Address, including postcode.
  - Audience Type. *For example airline, hotel*
  - Whether there is a responsible individual based at the point, a deliverer places copies on display, or it is a hand distribution point.
  - Point description. *For example: type of bin, location at address.*
  - Point restrictions. *For example it is particularly important to identify any points which can only be accessed via security barriers such as airport airside locations, some office buildings.*
  - Name of responsible person:
    - Name of recipient for distribution points where individual based at point confirms delivery.
    - Name of deliverer (or name of delivery company) where deliverer confirms delivery.
  - Telephone number of responsible individual.
  - Normal day/date of delivery.
  - Approximate time of delivery.
  - Method of delivery. *For example: name of 3rd party distribution company.*
  - Normal supply quantity.
  - Normal day/date of collection of returned/damaged copies (net copies only).
  - Additional details as above for all regular top-up supplies.

The master list of all distribution points must be supplied to ABC at the time the distribution point and process is submitted to ABC for approval prior to certification.

All changes to the above details for existing distribution points, any removal of distribution points and all additions to the distribution points should be notified to ABC as and when they occur.

- c) Other information needed for audit typically will include:
- i) Issue by issue monitored free distribution summary:
- This is an issue by issue summary of the claimed monitored free distribution, compiled from the Detailed Issue Distribution Lists (see below).
- ii) Detailed Issue Distribution List  
This form includes on an issue by issue basis:
- Name/identification of distribution point
  - Type of distribution point (e.g. hotel), manned or unmanned
  - Gross supply
  - For copies claimed on a net basis: Returned/damaged copies
  - Net distribution
  - Actual day/date of delivery
  - For copies claimed on a net basis: Actual day/date of collection of returned/damaged copies
- d) After initial approval of the distribution system, the reason you must notify ABC of any changes the method of distribution statement or details on the master list of distribution points, is so that the approval can be reviewed and updated, or audit testing adjusted, if necessary.

## **G2. Distribution follows a regular and consistent pattern to known distribution points**

- a) A distribution point is defined as an agreed location at which copies are handed to or left for pick up by the consumer.
  - i) You should be able to provide details of the terms and conditions between the publisher and the distribution points for the supply and collection of copies, including any financial arrangements.
- b) Examples of ineligible distribution (because it is not regular and consistent) include distribution to irregular exhibitions, rotational sampling, and variations in gross supply due to fluctuations in demand (except as allowed due to seasonal variation rules).

## **G3. Copies are made available at the known distribution points for pick up or receipt by consumers**

- a) You must be able to provide evidence, from the third party responsible, of the number of copies made available for pick up or receipt at each distribution point by consumers.
  - i) Typically, suitable evidence will be a delivery note signed and dated by a responsible third party individual (at the time of delivery) confirming the number of copies of the particular issue of the publication supplied and that they have made available for pick up or receipt at the particular location.
  - ii) Where the individual confirming the delivery is the driver/distributor, additional verification such as the deliverer's manager signing to confirm completion, or the inclusion of a time of delivery may be required where ABC deems appropriate for audit purposes.
  - iii) Ordinarily an individual based at the distribution point should be signing the delivery note at the time of the delivery. However if the signatory is unavailable at the time of delivery they can complete the delivery note left with the consignment and return to the publisher before the distribution of the next issue.
- b) Where your ABC monitored free distribution claim is for the net number of copies picked up or received by consumers at a distribution point, you must be able to provide evidence of the number of copies returned/not picked up at each relevant distribution point.
  - i) Typically, suitable evidence will be a returns note signed and dated by a responsible third party individual (at the time of collection) confirming the number of copies of the publication returned/not picked up, including the time collected. If there is no evidence you cannot assume 100% distribution but instead due to lack of evidence must treat distribution as zero.
  - ii) Ordinarily an individual based at the distribution point should be signing the returns note at the time of the collection. However if the signatory is unavailable at the time of collection they can complete the returns/collection note left at the time of collection and return to the publisher before the distribution of the next issue.
  - iii) Distributors and their agents must not have a disincentive to accurately report the net number of copies picked up/received by consumers.
- c) Examples of distribution points include: Airlines; Airport lounges; Other travel points ; Educational Establishments; Food & Drink outlets; Hotels; Leisure centres; Medical Establishments; Offices; Retail outlets; Streets.

## **G5. Effective management controls over distribution**

- a) For each publication the detail and extent of these controls and processes will vary as they should be appropriate to the type of distribution. These could include training of staff, spot checks, customer complaint handling etc.

These controls and processes are reviewed by ABC as part of the joining process and continuing audit of a publication. These help underpin the audit in that they form part of the consideration of risk and consequently the type and extent of audit work done.

If weaknesses in management controls are found during the audit work, the publication's circulation auditor / ABC will inform the distributor and the publisher of defined improvements to be implemented and a timescale to ensure copies are still eligible for ABC purposes.

## e-EDITIONS

### DEFINITION

An e-Edition is an edition of the print publication published electronically as a unit which once published is, as a principle, inert (i.e. does not change).

### PRINCIPLES

1. **Prior notification of e-Edition claims and plans are required**
2. **A e-Edition is sufficiently similar to be considered the same product as the print parent edition**
3. **e-Edition copies are opted in**
4. **An e-Edition is published and available to the consumer**
5. **e-Edition copies must meet requirements of the relevant print category except where varied by this section**
6. **Reported by rate, comparing price paid with the Registered Digital Price**

### REQUIREMENTS

1. **Prior notification of e-Edition claims and plans are required**
  - a) You must register your intention to claim in advance of the publication of the issues as part of the audit is carried out during the reporting period.
  - b) You must provide planned distribution dates in advance and notify us of any changes.
2. **e-Edition is sufficiently similar to be considered the same product as the print parent edition**
  - a) An e-Edition must be identified as an edition of a publication reported on the ABC Certificate (the Parent Edition). This means it must carry a logotype/masthead incorporating the generic name of the Parent Edition and be consistent with the general appearance of the Parent Edition.
  - b) An e-Edition is published electronically as a unit and once published is, as a principle inert.
  - c) It may be reformatted to suit the different delivery medium. *For example: changes in page size or order.*
  - d) Editorial or advertising may include electronic enhancements or be adapted to take advantage of the medium. *For example: pictures replaced with video*
  - e) An e-Edition must carry the same national advertisements as the print parent edition.
  - f) e-Editions and their parent edition must be published on or about a common distribution date.
3. **e-Edition copies are opted in**
  - a) The individual must have either specifically purchased the e-Edition, or requested to receive/view it.
  - b) Free e-Edition copies do not need a specific request if they are claimed in the Society categories of circulation.

**4. An e-Edition is published and available to the consumer**

a) You must provide ABC with free access to the digital edition for every issue.

**5. e-Edition copies must meet requirements of the relevant print category except where varied by this section**

a) e-Edition copies can be claimed only for specified circulation categories depending on the sector. The requirements of those categories in relation to print copies apply to e-Edition copies except as varied by this section.

b) In relation to all paid categories you must be able to demonstrate the copy has been sold and at what price.

c) For Corporate Subscription e-Editions:

- There must be a contractual arrangement between the purchaser (a third party employer) and the publisher for at least two issues.
- The copies are purchased by the third party employer for its employees
- The claimed quantity must be restricted to those employees that have personally opted to receive/view the e-Edition. *For example: A company takes out a subscription for each of its 100 employees. If only 40 of those employees personally register to receive/view the digital edition then only those 40 copies may be included on the ABC Certificate.*

d) Gift subscriptions, where the recipient receives a subscription as a gift from a paying subscriber (up to a maximum of 12 gift subscriptions per subscriber), can be claimed as e-Edition Single Copy Subscription Sales as follows:

- i) The recipient's email address must be provided.
- ii) The recipient is deemed (for ABC purposes) as having paid for the subscription.
- iii) The recipient's geographical location for reporting purposes will be treated as being the same as that of the purchaser making the gift.

e) Where both print and digital versions of the publication are sold, you cannot claim both, and the print version takes precedence.

f) In relation to e-Edition copies sent free to the end recipient (where applicable):

- i) You must send an email alert to the individual informing them that the issue is available for view/download.

- ii) You must exclude copies where the email alert generates a Hard Bounceback measured at least 24 hours after the email was sent. A Hard Bounceback is where an NDN (Non-Delivery-Notice) such as an SMTP 550 error or other hard bounceback error message is received.
- iii) You must be able to provide evidence of the emails sent and Hard Bouncebacks received.
- iv) Recipients may be contacted as part of the audit process.
- g) You must supply us the claim for e-Edition copies on an issue by issue basis (or as otherwise agreed).

**6. Reported by rate, comparing price paid with the Registered e-Edition Price**

- a) Paid e-Edition copies must be claimed in the appropriate rate band by comparing the price paid with the Registered e-Edition Price. Note:
  - i) You can ignore the value (or perceived value) of any gifts, or other incentives (including bundled publications or media products that are not claimed for ABC purposes). However cash reimbursements to the consumer must be taken into account.
- b) If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
  - i) According to the specific terms of the offer.
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products.
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.

## REPORTING

You will report total average e-Edition copies as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) Domestic;
  - b) Foreign
2. By circulation type:
  - a) As for print copies, in the same rate bands:
    - i) Single copy sales
    - ii) Single Copy Subscription Sales
    - iii) Multiple Copy Subscription Sales (incl. Corporate e-Edition Subscriptions)
    - iv) Society circulation
    - v) Controlled Free Circulation – individually requested

## GUIDANCE

### **G5. e-Edition copies must meet requirements of the relevant print category except where varied by this section**

- a) Typically to provide evidence of the email alerts to individuals informing them that the issue is available for view/download you will provide system generated proof (such as a notification log of the email alerts sent). This system generated proof would normally need to include evidence of what has been distributed, when and to whom, such as:
  - i) Date sent
  - ii) Time sent
  - iii) Name of publication
  - iv) Issue identifier
  - v) Email address
  - v) Size of file delivered
  - vi) Addressee identifier
- b) Our testing of email alerts may involve email ‘writebacks’ to individuals on an on-going basis during the reporting period which is why we will ask for information throughout.
- c) Single copy retail sales of e-Editions via a third party retailer (*for example Apple Newsstand, Google, Amazon etc*) will be reported in the category Retail Sales (Sale or Return). Single copy sales of e-Editions direct to a consumer by the publisher will be claimed in the category Single Copy Sales.

### **G6. Reported by rate, comparing price paid with the e-Edition price**

The rate band in which single copy sales of digital editions or digital edition subscriptions are claimed will be calculated by comparing the price paid against the Registered e-Edition Price.

# REPORTED DATA

## INTRODUCTION

This section sets out other data and information that is reported on the ABC Certificate.

## REQUIREMENTS

### 1. Total Average Circulation

- a) You must report the total Average Circulation per issue for analysed into Domestic, SADC Countries, and Foreign.

- i) Copies claimed in the following categories, both print and e-Edition (where applicable), will be included in the total combined Average Circulation figure:

- Single Copy Sales (Sale or Return)
    - Single Copy Sales (Firm Sale)
    - Single Copy Subscription Sales
    - Multiple Copy Subscription Sales (incl. Corporate e-Edition Subscription Sales)
    - Multiple Copy Sales
    - Society Circulation
    - Controlled Free Circulation
    - Non-Controlled Free Circulation
    - Monitored Free Distribution

## REGISTERED COVER PRICE

### DEFINITION

The Registered Cover Price is the standard published price for an issue against which circulation is reported.

### PRINCIPLES

1. **The Registered Cover Price is a recognised standard price**
2. **A cover price must be published to claim certain categories of paid circulation**
3. **Copies reported by rate, comparing price paid with Registered Cover Price**

### REQUIREMENTS

1. **The Registered Cover Price is a recognised standard price**
  - a) The Basic Cover Price is the published cover price at which a single copy of the publication may be purchased without limitation and for an on-going duration, in contrast to a short-term price or special price only available to a limited class or under limited conditions.
2. **A cover price must be published to claim certain categories of paid circulation**
  - a) The relevant circulation section of these Reporting Standards will stipulate if a cover price must be published for copies to be included in the ABC claim. Where a cover price must be published it must be published on or inside the front or back cover of the publication.
  - b) If you fail to publish a cover price for an issue (that includes circulation that requires a cover price to be published) then:
    - i) You must notify ABC's General Manager before the return submission deadline explaining the reasons why it happened and what steps are being taken to prevent a recurrence.
    - ii) We may request further information or documentation surrounding the omission.
    - iii) We will review the circumstances surrounding the omission and if it is decided the occurrence is exceptional and the claim verifiable then the copies may be claimed.
3. **Copies reported by rate, comparing price paid with Registered Cover Price**
  - a) Circulation sections will stipulate if copies are reported by rate.

### REPORTING

You will report the following, which will be broken out on the ABC Certificate:

1. The Registered Cover Price for the last issue included in the reporting period.



## EDITIONS

### DEFINITION

An Edition is a version of an issue of the publication that varies from the Main Edition, usually for reasons of geography, timing, content or language. How it has varied from the Main Edition will affect how or whether it can be included on the same ABC Certificate.

### PRINCIPLES

1. **An Edition must be in keeping with the overall issue to be reported on the same ABC Certificate**
2. **Changes to an Edition may require a separate ABC Certificate**

### REQUIREMENTS

1. **An Edition must be in keeping with the overall issue to be reported on the same ABC Certificate**
  - a) The Edition must carry a logotype/masthead incorporating the generic name of the Main Edition.
  - b) The branding and appearance of the Edition must not give the impression that it is a different publication than the Main Edition. For the avoidance of doubt a change in format alone (such as a change in publication size) will not infringe this requirement.
  - c) Where the Edition is in a different language, the name must be a direct translation or a translation acceptable to the ABC so as not to give the impression that it is a different publication.
  - d) The Edition must carry the same cover date/issue identification as the Main Edition.
  - e) The Edition must be published and distributed on or about the same date as the Main Edition.
  - f) All the national advertisements in the Main Edition must appear in the Edition. Note:
    - i) Advertisements that have been changed in the Edition but are from the same advertiser are treated as appearing in the Edition for this purpose.
  - g) The Edition may be in a different format to the Main Edition *for example A5 rather than A4*
2. **Changes to an Edition may require a separate ABC Certificate**
  - a) Where there are any national advertising changes..
  - b) Advertising changes are ignored for ABC purposes if:
    - i) They are made solely because their inclusion would, in the opinion of the publisher, the advertiser or their agency render the publication illegal in a particular territory. Note: This opinion must be judged reasonable by the auditor and ABC.
    - ii) The advertisement has changed but it is the same advertiser.

### GUIDANCE

None.

## ISSUES TO BE INCLUDED/EXCLUDED

### DEFINITION

All published issues for which the majority of the distribution took place within the Reporting Period must be included except for any issues allowed to be excluded according to this section.

### PRINCIPLES

1. **All issues published in the Reporting Period must be included**
2. **Published issues that are allowed to be excluded according to this section may be removed from the average circulation figure**
3. **Issues allowed to be excluded from the average circulation figure will be reported**

### REQUIREMENTS

1. **All issues published in the Reporting Period must be included**
  - a) Whether an issue is included in the Reporting Period is determined as follows:
    - i) Mailed copies: The date the copies enter the distribution chain, i.e. when they are posted or delivered to a courier.
    - ii) Paid copies: The first date the copies are made available to the consumer, i.e. for retail sales the first official on sale date.
    - iii) Copies made available for pick up by consumer: The date the copies are made available/handed out to the consumer.
    - iv) Free Digital Edition copies: The date email notifications are sent.
2. **Published issues that are allowed to be excluded according to this section may be removed from the average circulation**
  - a) There are certain circumstances under which you may exclude an issue from the reported circulation. The circumstances and information surrounding any exclusion are subject to audit.
  - b) **ABC granted exclusion:** You may exclude an issue for which we have issued an exclusion note. You can apply for an ABC granted exclusion if:
    - i) Due to circumstances outside your control:
      - The distribution of an issue fails to achieve the planned level of distribution and that shortfall is greater than 15% of the planned distribution; or
      - The planned level of distribution is achieved but is severely delayed or withdrawn prematurely from sale, resulting in a shortfall greater than 15% of the average of the previous 3 issues.
      - The planned level of distribution is achieved but is withdrawn prematurely resulting in a shortfall that is greater than 15% of the average of the previous 3 total average circulations.
    - ii) You submit your application to us using an ABC Exclusion Note Request Form. If we do not issue an exclusion note we will issue a rejection notice detailing the reason for rejection
  - c) **Optional exclusion:** You may optionally exclude the following, without applying for an exclusion note:
    - i) For Weekly Magazines, the following may be excluded, and the number of publishing days reduced accordingly:
      - Circulation on public holidays.
      - Where a public holiday falls on a Tuesday or Thursday and the magazine is published on a Monday or Friday, the circulation for both the public holiday and the publishing day.
      - Any issue published the day before or following a public holiday.
      - Circulation during the period commencing on 16 December, and ending on 31 December. If this option is chosen, the full period must be excluded.

**3. Issues allowed to be excluded from the average circulation figure will be reported**

- a) Any issues excluded from the reported circulation will be reported on the Certificate.

**REPORTING**

You will report the following which will be reported on the ABC Certificate:

- 1. Number of issues included in the circulation claim.
- 2. Issues excluded from the circulation claim.

**GUIDANCE**

None

## BACK ISSUES

### DEFINITION

An issue becomes a back issue when the next issue is available for sale or distribution.

### PRINCIPLES

1. **You must report back issues separately**
2. **Back issues must be distributed within the next issue period relevant to the frequency of the publication**
3. **Back issues must be reflected in the period of issue, not in the period of sale**

### REQUIREMENTS

2. **Back issues must be distributed within the next issue period relevant to the frequency of the publication**
  - a) Weekly Publications – within the next week  
Fortnightly Publications – within the fortnight  
Monthly Publications – within the next month  
Alternate monthly publications – within the next two month period  
Quarterly publications – within the next quarter  
Other publications – within the next issue period
3. **Back issues must be reflected in the period of issue, not in the period of sale**
  - a) Period of issue is the period when the newspaper is first on sale, prior to the next issue becoming available for sale.
  - b) Period of sale is the period when the issue was sold as a back issue.
  - c) Quarterly and less frequent publications may not be able to reflect the back issue in the period of issue. In these cases you must reflect the back issue in the period of sale.

### GUIDANCE

None

## REPORTING PERIODS

### DEFINITION

Each ABC Certificate has a defined Reporting Period which identifies the date or dates it covers.

### PRINCIPLES

1. You must report a continuous series of Reporting Periods on a mandatory frequency

### REQUIREMENTS

1. You must report a continuous series of Reporting Periods on a mandatory frequency
  - a) Once we have issued a publication's first ABC Certificate for a mandatory reporting period we must continue to issue Certificates for subsequent consecutive mandatory Reporting Periods (i.e. so there is no gap in certification) while the publication remains registered.
  - b) The mandatory Reporting Period will either be:
    - i) 12 months, 1<sup>st</sup> January to 31<sup>st</sup> December, or 1<sup>st</sup> July to 30<sup>th</sup> June, for publications with a frequency of 5 or less per annum.
    - ii) 6 months: 1<sup>st</sup> January to 30<sup>th</sup> June and 6 months, 1<sup>st</sup> July to 31<sup>st</sup> December, for publications with a frequency of between 6 and 10 per annum
    - iii) Quarterly, for publications with a frequency of 11 or more per annum.
  - c) Changing the mandatory frequency will result in the loss of comparability.

### GUIDANCE

None

# CERTIFICATES

## DEFINITION

The ABC Certificate is published by ABC for a specific period and contains the data and information that is subject to audit.

## PRINCIPLES

1. You must report using a standard Certificate type

## REQUIREMENTS

1. You must report using a standard Certificate type
  - a) The key feature of the standard Certificate is that publications must report this as a minimum, presenting set information in a standardised format.

## GUIDANCE

None.

# INPUT FORM SUBMISSION, AUDIT, CERTIFICATION

## DEFINITION

The Input Form is a submission in which the circulation claim is reported to ABC for certification. Each circulation claim is subject to audit.

## PRINCIPLES

1. **An Input Form must be submitted for the registered product for every applicable Reporting Period**
2. **The Input Form must be submitted by the Submission Deadline**
3. **ABC will issue a Certificate based on the Input Form**
4. **Each circulation claim is audited to verify it is in accordance with the applicable Reporting Standards**

## REQUIREMENTS

1. **An Input Form must be submitted for the registered product for every applicable Reporting Period**
  - a) You must submit an Input Form for the applicable mandatory Reporting Period.
  - b) You must submit your Input Form via the ABC website.
  - c) Whilst our systems contain some arithmetic and logic validation processes, the accuracy of the Input Form remains your responsibility.
  - d) Estimates and assumptions must not be made on the Return Form unless the Reporting Standards allow for them.
2. **The Input Form must be submitted by the Submission Deadline**
  - a) We will publicise the applicable Submission Deadline.
  - b) It is your responsibility to ensure Input Forms are submitted by the Submission Deadline. Failure to do so can result in the suspension of your product's ABC registration under the ABC Byelaws.
3. **ABC will issue a Certificate based on the Input Form**
  - a) We will issue a Certificate based on the Input Form. If you use ABC Auditors, the certificate must be signed by an appropriate official representing your organization, and uploaded onto the ABC system. If you use a non-ABC Auditor, the signed certificate must be initialed by the auditor, and together with the Auditor's Report uploaded onto the ABC system.
  - b) We will publicise the applicable dates for uploading.
  - c) It is your responsibility to ensure that the Certificate and Auditor's Report (where applicable) are uploaded by the deadline. Failure to do so will result in the suspension of your title's registration under the ABC Byelaws.
  - d) We first release the circulation figures for publications reporting on quarterly, 6 or 12 month reporting cycle in an ABC release of data. We publicise the date and time of this release and you must not issue or publicise any figures before this release.
    - i) If we do not receive the Input Form by the submission deadline, the publication will be reflected as 'Not reported'.

**4. Each circulation claim is audited to verify it is in accordance with the applicable Reporting Standards**

- a) The audit must be carried out either by ABC Staff Auditors or an Approved Auditor appointed by you.
- b) Requirements in relation to the auditor and audits will be covered by the ABC Byelaws, ABC Audit Programmes and contractual arrangements.
- c) We carry out Check Audits on all publications that are not audited by ABC Auditors. The Check Audits are carried out by ABC Auditors and all publications will be inspected at least once every two years on average.
- d) If following an audit or inspection we identify material problems (more than 2 % of Average Circulation) with the Input Form or Certificate then we will revise the claim. If a Certificate has already been issued we will issue a revised Certificate with an Audit Report that identifies the changes. This replaces your original Certificate and must be used in its place. The process is as follows:
  - i) We will send you a letter detailing the reason/problem giving rise to the amendment.
  - ii) You will have 5 working days from the receipt of this letter to provide any further information to us, or object to the revision of the claim.
  - iii) If you wish to object to the revision of the claim you must do this in writing to the General Manager who will investigate and provide a decision within 7 working days. If the objection is to a decision by the General Manager then the first level of appeal will be in accordance with the Review Procedure detailed in the ABC Byelaws.
  - iv) Subsequent Certificates will not be issued until we have resolved all queries on a previous audit and issued the revised Certificate, if applicable.
  - v) We publish details of Check Audits on our website.

**GUIDANCE**

None.



