

Guide to Issue Specific Bulk Sales (Consumer Magazines)



Setting the standard

Introduction

This guide is to help you understand how to claim copies under the category 'Issue Specific Bulk Sales' on your consumer magazine certificate. If you would like further or more detailed advice, please contact your ABC Account Manager who will be pleased to help.

What is an Issue Specific Bulk Sale?

Below is a list of what the Consumer Magazine Reporting Standards define as an Issue Specific Bulk Sale. You will need to make sure that your sale meets all the requirements to be able to claim the copies on your certificate.

- An issue specific bulk is a sale of two or more copies of an issue.
- Sale is a "one-off" or on an irregular basis (i.e. not every issue).
- These are usually copies sold to a third party who, for their own promotional purposes, will then distribute the copies free to the final recipient. i.e. copies *sold* to hotels which are put in rooms or left in the reception area to be picked up by guests, or for example, copies *sold* to a third party newspaper publisher to insert as a promotional gift to their readers.
- You need to demonstrate that the copies were delivered and made available for pick-up or receipt by the target audience.

What other requirements should I know about?

There are more considerations you will need to understand when setting up your deal and claiming the copies on your certificate.

- The cover price needs to be printed on or in every copy of every issue of the publication.
- The price paid per copy needs to be at least 20% of the basic cover price (net).
- Copies sold to "related parties" cannot be claimed.
- Net contribution paid to you of 20% of basic cover price needs to include any other costs involved in the transaction, i.e., if a printer makes a charge for plate changes because you have changed the front cover specifically for the bulk sales copies, this would be included in the net receipt calculation.
- You can only claim current issues as Issue Specific Bulk Sales. This will mean you will need to print and distribute the Issue Specific Bulk Sale copies to the purchaser before the next issue goes on sale to be able to claim the copies.
- The price at which each copy was sold is analysed in two bandings relating to the cover price on the certificate.
- The certificate also analyses by type of outlet: airlines, hotels, trains, other publication insert, voucher redemption, sports events, leisure centers, food/ beverage outlets and others.

What documents will I need to keep for the audit?

- A signed and dated contract between you and the purchaser identifying:
- Magazine title and relevant issue cover dates
- Exact number of copies to be supplied per issue
- Price per copy
- Who the intended audience of the copies will be
- Delivery address
- Copies of invoices to the purchaser from you and proof that these have been paid.
- Distribution evidence to the purchaser for every issue. This will mean you will need to keep signed and dated proof of delivery to the purchaser showing the title, issue and quantity delivered.

Guide to Issue Specific Bulk Sales (Consumer Magazines)



Setting the standard

Is there anything that is not allowed?

- The sale must be bona fide and arms length whether sold direct by the publisher, through the newstrade or other third-parties.
- Copies must be excluded where the value of the copies is redeemed in cash, kind or by contra.
- If part of the value of the copies is redeemed in cash, kind or contra, resulting in the net contribution to the publisher falling below 1p per copy, then these copies cannot be claimed.
- Invoices raised by the purchaser of the magazine to you for goods or services, which are related to the purchase of the magazine must be included in calculating the net contribution.
- *e.g. Company A contracts to buy 1000 copies of every issue from Publisher X.*
- *Company A distributes the magazine and charges Publisher X for distribution or marketing fees. As the distribution and marketing has only been carried out as a result of the sale, the charges made by Company A must be taken into account when calculating the net contribution to the publisher.*
- Contra deals on advertising are specifically unacceptable. Your attention is drawn to ABC Reporting Standards 5.5.1 Related party transactions and 5.5.2 Contra transactions which could result in copies sold under bulk sales arrangements being disallowed from your claim.
- If you are selling copies to another publisher and the intention is that the copies sold will be included in a newstrade multipack with another publication, the copies claimed must be restricted to the number actually sold on the newstrade (i.e. the claim will not be the gross quantity purchased under the bulk sale deal).

How To Get More Information

The Consumer Magazine Reporting Standards are available from the ABC website www.abc.org.uk. If you need to discuss any aspect of ABC please contact an ABC Account Manager (01442 870800)

This outline is intended as a brief user-friendly guide to the topic. It is not intended as a replacement for, or interpretation of, the relevant ABC Reporting Standards. In all cases where this guide and the Reporting Standards differ, the Reporting Standards will prevail.