



Audit Bureau Of Circulations

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To,

Publisher Members

Notification No. 857

Amendments to few audit guidelines

Following are some of the amendments to the audit guidelines as recently decided by the Bureau's Council of Management.

The same are effective from 1st July 2019.

EXISTING GUIDELINES

1) VALUATION OF GIFT

Branded Product:

A branded product which is available in the market place bearing a MRP, then the MRP should be considered.

Customised / Unique Product:

Is a product, which is manufactured and packaged as per customer's requirements/ specifications. Value of the same to be taken as per the Invoice of the customized / unique product plus 15% (mark up).

Announced value of the gift:

If the perceived value of the gift is announced at the time of launching the gift scheme, then the valuation of the gift offered to be done as under:

REVISED GUIDELINES

w.e.f. 1st July 2019

Branded Product:

A branded product which is available in the market place bearing a MRP, then the MRP should be considered.

Customised / Unique Product:

a) For customized product in case of Invoice where GST is charged, then the total value of the invoice (including GST) is to be considered

OR

In case of non GST invoice the value of the invoice plus 15% mark up to be considered.

Announced value of the gift:

If the perceived value of the gift is announced at the time of launching the gift scheme, then the valuation of the gift offered to be done as under:

In case of branded product:

- MRP or announced value whichever is higher

In case of customised product:

- Cost to the publisher + 15% mark up or announced value whichever is higher

The above valuation guidelines would also apply in case of barter arrangements.

In case of branded product:

- MRP or announced value whichever is higher

In case of customised product:

- i) Cost to publisher would be full Invoice value (including GST) where GST is charged.
- ii) In case of non GST Invoice, then the value of invoice plus 15% mark up.

The above would also apply in case of barter arrangements.

2) CASH DISCOUNT / CASH GIFTS

a) The word “gift” would specifically exclude all cash gifts or cash equivalents (gift cheques etc) to subscribers / regular readers from the purview of gifts to subscribers / regular readers. Gifts offered to subscribers / regular readers only in kind will be considered for the purpose.

b) All copies involved in a scheme offering its readers cash gifts / cash equivalent / cash discounts etc. will be shown as “Non Qualifying Sales” under ‘Part B’ of the ABC Certificate of circulation.

All cash equivalent gifts including discount coupons of various stores offered to the readers are not permitted.

a) The word “gift” would specifically exclude all cash gifts or cash equivalents (gift cheques etc) to subscribers / regular readers from the purview of gifts to subscribers / regular readers. Gifts offered to subscribers / regular readers only in kind will be considered for the purpose.

c) All copies involved in a scheme offering its readers cash gifts / cash equivalent / cash discounts etc. will be shown as “Non Qualifying Sales” under ‘Part B’ of the ABC Certificate of circulation.

Any cash or cash equivalent gifts offered to the readers in any form are not permitted.

Discount coupons of various stores offered to the readers would however be permitted subject to the overall limit of 50% of cover price.

3) PART CERTIFICATION OF EDITION / PRINTING CENTRES IN CASE OF COMBINED CERTIFICATE

If a publisher member does not wish to avail of a certificate of circulation from the Bureau in respect of one of its printing centre and / or edition for any reason from amongst various editions / printing centres in a combined certificate, then the Bureau would certify the circulation figures of the rest of the editions / printing centres as submitted by the publisher subject to publisher submitting the circulation figures of the particular edition / printing centre atleast in “Part B” of the ABC Certificate of circulation.

In case of combined certificate, if publisher member wishes not to submit circulation figures of one or more editions amongst various editions of a title involved in a combined certificate, then the same is permitted.

Bureau will consider for certification those editions submitted to the Bureau and the remaining editions will be shown as “Not Submitted” / “Not Received” / “Not Certified” as the case may be.

However, non-submission of circulation figures of printing centre/s is not permitted. Publisher has to submit circulation figures of all printing centre/s of a particular edition.

- Total non-submission of circulation figures in either "Part A" or in "Part B" of a printing centre / edition amongst other editions included in a combined certificate will not be permissible and in such case the entire combined ABC Certificate of circulation cannot be issued.

4) TENURE OF CIRCULATION AUDIT FIRM

At present appointment of the circulation audit firm is for two years i.e. four audit periods.

The appointment of the circulation audit firm will be for three years i.e. six audit periods.

5) INDENTS/CONFIRMATIONS FROM AGENTS

Publishers are required to obtain from their principal agent/s, sub agents or by any other name called documentary evidence for number of copies supplied to them. The said written evidence could either be: -

No change in the existing guidelines except that Publisher may either obtain from their principal agents or agents/sub-agents either an advance indent, telephonic indent followed by email or subsequent confirmation or any other form of confirmation either written or on email.

i) Advance written indent / orders from agents in support of copies supplied to them.

Monthly confirmations from principal agents/ agents/sub-agents not mandatory.

ii) Subsequent confirmation from agents in cases where advance indents are not available specifying the number of copies.

iii) In absence of (i) and (ii), publisher should obtain monthly statements from agents duly stamped and signed showing number of copies received and those remaining unsold, payment received by either cash, cheque, or demand draft. In such cases, it is the publisher's responsibility to obtain the duplicate copy of the statement of account from the agent duly stamped and signed. This monthly statement of accounts duly accepted by the agents should be kept on record for auditor's verification.

However, auditors will directly obtain confirmations at their discretion from selected agents / principal agents.

iv) Payments received from agents / sub-agents by cheque would be deemed to be considered as confirmed. Monthly confirmations for atleast 60% of the total copies distributed per edition and/or printing centre as the case may be, if available with the

publisher / principal agent/s as the case may be, would be considered to be adequate for audit verification.

6) SUBSCRIPTION FORMS AND PAYMENTS FOR SUBSCRIPTION COPIES

Subscription Offers (Single & Joint) :

Following guidelines are required to be fulfilled in case of all single & joint subscription offers:

- i. Subscription requisition / request in writing from the subscriber needs to be obtained by the publisher and / or his agent(s).

Subscription forms obtained from readers in digital form are also permissible provided all details viz. name, address, contact no. email address are available for audit verification.

OR

Physical subscription forms may also be obtained as an alternative to digital form

Digital payments thru DEBIT / CREDIT CARD /PAYTM or other digital means would be allowed.

- ii. In case, a subscription offer is for a period of less than six months, full subscription amount to be received in advance. In case of subscription schemes for a period longer than six months, for all booked subscriptions, full subscription amount to be received within a period of two months from the date of booking a subscription.

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In case of subscription schemes for a period longer than six months, for all booked subscriptions, full subscription amount to be received within a period of two months from the date of booking a subscription.

- iii. Supply of subscription copies to a subscriber to commence only after the subscription amount is received as above by a publisher and / or his agent(s) in full as per the subscription offer.

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- iv. Gifts to be valued as per norms

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- v. In case a publication is offered as a gift, the same to be valued at its cover price.

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- vi. In case a publication, which is not a member of the Bureau but is offered under the Joint Subscription Scheme, then the member publication shall arrange for verification of the distribution and financial books and records of a non-member publication. The member

In case a publication, which is not a member of the Bureau but is offered under the Joint Subscription Scheme, then the member publication shall arrange for verification of the distribution and financial books and records of a non-member publication. The member publication will then arrange to obtain a written confirmation from the non-member publication that it's

publication will then arrange to obtain a written confirmation from the non-member publication that its financial & distribution books & records are open for scrutiny by Bureau's Auditors / officials.

- vii. Publisher should retain at least **10% of the cover price of the publication**, after taking into account discount on cover price, value of gifts, delivery charges, etc. (in case of joint subscription publisher to retain at least 10% of the cover price of all publications individually included in the subscription offer).

Non-compliance of any of the above conditions will render the subscription offer as unacceptable for certification as qualifying sales (Part 'A').

(valuation of gifts as per norms)

7) UNSOLDS/RETURNS

Copies of publication remaining unsold out of copies indented as notified by agents and accepted by publishers and in case of additional copies supplied without agents' indents, all copies reported as unsold

financial & distribution books & records are open for scrutiny by Bureau's Auditors / officials.

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Any charges debited by service provider / bank on digital payments would not be considered while retaining 10% of the cover price. These charges to be treated as bank charges.

Non-compliance of any of the above conditions will render the subscription offer as unacceptable for certification as qualifying sales (Part 'A').

- When a publisher member supplies copies as per indent to the vendor/s and/or has an agreement with the vendor for specific number of copies to be supplied, under such circumstances, vendor/s pays to the publisher the full amount of copies indented by him and therefore return of unsolds, under such circumstances is not mandatory.
- In some circumstances where extra copies are supplied to the vendor/s by the publisher over and above the indented copies, then under such circumstances it is mandatory for publishers to accept unsolds over and above the indented copies and provide credit notes to the vendor/s

The above amendments would be incorporated in the "Guide to ABC Audit" effective 1st July 2019.

Secretary General