



Setting the standard

Reporting Standards

International Publications

Version 1 2012

Issued January 2012

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4. Complaints procedure
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6. Publicity rules
7. Authorisation and payment of fees
8. Audits
9. Application for membership and registration
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SECTION 1 - INTRODUCTION

1.1 THE ROLE AND PURPOSE OF ABC

1.2 HOW TO USE THESE REPORTING STANDARDS

1.3 DEVELOPMENT OF THE INTERNATIONAL REPORTING STANDARDS

1.4 BENEFITS OF ABC CERTIFICATION

1.5 RESPONSIBILITIES OF ABC MEMBERS

1.1 THE ROLE AND PURPOSE OF ABC

Founded by advertisers and advertising agencies, ABC aims to provide buyers of advertising space with a benchmark, to help them choose between competing media and to provide media owners with an effective promotional tool.

This is achieved through industry-agreed standards of auditing and record keeping, which lead to the universally recognised ABC certification.

The following sections detail the Reporting Standards to which all ABC audited International publications must adhere, in order to achieve ABC certification. It is the common application of these Reporting Standards that gives a true and fair view of the circulations of all ABC International publications.

1.2 HOW TO USE THESE REPORTING STANDARDS

These Reporting Standards contain the current requirements relating to the International Standard Certificate of circulation. In addition it covers other aspects of ABC membership such as submission of figures etc.

Changes to Reporting Standards once approved by the ABC Council, are communicated to members in writing and the Reporting Standards are updated on ABC's web site, www.abc.org.uk. ABC advises that members check the website to ensure they have the current Reporting Standards.

References to ABC, Audit Bureau of Circulations and Bureau throughout these Reporting Standards refer to the Audit Bureau of Circulations (ABC) based in the UK.

1.3 DEVELOPMENT OF THE INTERNATIONAL PUBLICATIONS REPORTING STANDARDS

The needs of ABC members, and the industry as a whole, change constantly. In order to meet those needs and stay abreast of industry developments the Reporting Standards are continuously evolving. It is the industry itself, via the work of the Reporting Standards Group that sets the International Reporting Standards.

The International Publications Reporting Standards Group (IPRSG) is comprised of media owners, advertisers and agencies and meets regularly to devise and revise Reporting Standards as needed by the industry. Any ABC members may raise issues relating to these Reporting Standards for consideration by the IPRSG at any time.

1.4 BENEFITS OF ABC CERTIFICATION

An ABC Certificate is full of valuable information for media buyers and media owners. For media buyers, it offers

accurate, comparable data to be used when making buying decisions.

For media owners it is an effective sales tool for attracting advertising. It also helps demonstrate publishers' integrity in their willingness to be audited and conform to industry standards.

1.5 RESPONSIBILITIES OF ABC MEMBERS

Membership of ABC is subject to compliance with the Reporting Standards and also the ABC Byelaws. It is important that both these documents are read and understood.

ABC Byelaws are detailed in Appendix 1; they detail the regulations on the following areas:

- Inspection of records
- Complaints procedure
- Review procedure
- Publicity rules
- Authorisation and payment of fees
- Audits
- Application for membership and registration
- Transfer of a title to another member
- Transfer of a title to a non-member
- Merger of titles or change in the name of a title
- Re-launch involving material change to a title
- Resignation
- Re-registration
- Copyright of certificate and bureau data
- Notices and communications

SECTION 2 - DEFINITIONS AND ABC CERTIFICATES

2.1 INTRODUCTION

2.2 INTERNATIONAL PUBLICATION

2.3 WORLD REGIONAL PUBLICATION

2.4 THE STANDARD CERTIFICATE OF CIRCULATION

2.5 SELLING GROUP CERTIFICATE OF CIRCULATION

2.1 INTRODUCTION

Every title registered with ABC must issue a basic Certificate, called a 'STANDARD' Certificate on a regular and continuous basis. As well as the Average net circulation for the period (the 'ABC figure'), the STANDARD certificate includes a breakdown into different types of circulation and provides other information relating to the issues distributed in the reporting period.

To be eligible for inclusion in the ABC International category a publication must comply with one of the following definitions.

2.2 INTERNATIONAL PUBLICATION

An international publication is defined as a pan-regional publication printed and distributed from one or more international centres, resulting in 35% or more of the copies being circulated outside the country of origin. The country of origin will be a matter of fact which is agreed with ABC.

2.3 WORLD REGIONAL PUBLICATION

A World Regional Publication is defined as a publication based outside the UK, for which the majority of the copies are circulated in its home country. The home country will be a matter of fact which is agreed with ABC.

2.4 THE STANDARD CERTIFICATE OF CIRCULATION

This is a mandatory certificate which is in a defined format.

2.5 SELLING GROUP CERTIFICATE OF CIRCULATION

Publishers have the option of requesting an additional Certificate, showing the total combined circulation for a Selling Group of titles. This is available providing:

- Each individual title within the Selling Group is registered with ABC and therefore has its own Certificate.
- An advertising rate card is available selling space as a unit for that selling group of titles.
- If the titles are under separate ownership, the separate owners through mutual agreement sell space as a unit via such a published combined rate card.

The Selling Group Total Average Net Circulation shall be the sum of the individual Total Average Net Circulations for those titles comprising the Selling Group. There is no requirement for publishers to submit a Return for the Selling Group as ABC will compile the data from the Returns submitted for the constituent publications.

A selling group certificate can be used when a title cannot be classed as an edition of the 'parent' paper – see section 5.3.

SECTION 3 - REPORTING OPTIONS

3.1 INTRODUCTION

3.2 MANDATORY REPORTING PERIODS

3.3 OPTIONAL REPORTING PERIODS

3.3.1 MONTHLY REPORTING

3.3.2 NEWLY LAUNCHED PUBLICATIONS - FIRST AUDIT

3.3.3 NEWLY REGISTERED PUBLICATIONS - FIRST AUDIT

3.1 INTRODUCTION

Continuous reporting is a requirement of ABC membership. This means that once an audit has been achieved, every subsequent issue of a title must be audited and Returns submitted to the Bureau for all Audit Periods. In addition to the mandatory reporting periods, there is an additional monthly reporting option and additional reporting options for titles new to ABC. Publishers report their circulations to ABC by using a circulation Return form, supplied to the publisher by ABC.

3.2 MANDATORY REPORTING PERIODS

- Publications must report their circulations to ABC as a minimum every six months. Publishers may choose whether this is on a calendar basis (i.e. 1 January to 30 June and 1 July to 31 December) or on a reporting week basis (broadly January to June and July to December each year but using whole weeks Monday to Sunday).
- If the reporting week basis is chosen the specific reporting dates for each period will be advised by ABC in advance and will consist of a predetermined number of 'whole' weeks i.e. Monday to Sunday.
- Once a calendar or reporting week basis is chosen for a publication, this may only be changed in exceptional circumstances.

3.3 OPTIONAL REPORTING PERIODS

The following optional reporting periods may be chosen in addition to the mandatory reporting periods. Applications for optional reporting periods must be made in writing.

3.3.1 Monthly reporting

- Publications may choose to report circulation on a monthly basis.
- The geographical analysis is not mandatory for the monthly reporting option.
- Titles may not opt for monthly reporting until they have reported at least one six month period. They may then commence monthly reporting on any particular month.
- Having opted for monthly reporting, publications may only cancel this at the end of a six month mandatory period. Publications may only re-apply for monthly reporting after 12 months has elapsed from the last month previously reported.

3.3.2 Newly launched publications - first audit

- The first and second audit periods for a newly launched publication may be for three months.
- A three-month audit period must encompass three whole months, starting from the beginning of the first month. The

specific reporting dates for each period will be advised by ABC on request and will consist of a predetermined number of 'whole' weeks. I.e. Monday to Sunday.

- If the first Audit Period includes the first issue distributed, it will commence at the beginning of the month during which that issue was distributed.
- If the first Audit Period is for three months then:
 - the second Audit Period must be for the subsequent three months; and
 - the third Audit Period must be for the six months ending June or December immediately after the end of the second audit period.

For Example (calendar basis):

<i>Launch issue distributed</i>	<i>12 February 2006</i>
<i>First Eligible Audit Period</i>	<i>1 February to 30 April 2006</i>
<i>Second Audit Period</i>	<i>1 May to 31 July 2006</i>
<i>Third Audit Period</i>	<i>1 July to 31 December 2006</i>

- This option must be requested in writing on application and agreed by the Bureau.

3.3.3 Newly registered publications – first audit(s)

A title newly registered with ABC may choose either of the following two reporting options for their first period(s):

- the immediately preceding six month Audit Period (broadly to end of June or end of December).

For Example: (reporting week basis):

<i>Membership Approved</i>	<i>1 March 2006</i>
<i>First Eligible Audit Period</i>	<i>4 July 2005 to 1 January 2006</i>
<i>Second Audit Period</i>	<i>2 January 2006 to 2 July 2006</i>

- 3 month audit period (may be the immediately preceding 3 months and may be any consecutive 3 months) Note:
 - the second period must be for the next consecutive 3 months
 - the third reporting period must be for the 6 months ending on the next June or December end as appropriate.
 - If the title is reporting on calendar basis then the 3 month periods must be calendar months.

For Example (reporting week basis):

<i>Registration approved</i>	<i>1 March 2006</i>
<i>First audit period</i>	<i>30 January 2006 to 30 April 2006</i>
<i>Second audit period</i>	<i>1 May 2006 to 30 July 2006</i>
<i>Third audit period</i>	<i>3 July 2006 to 31 December 2006</i>

SECTION 4 - RETURN SUBMISSION, CERTIFICATION AND AUDIT

4.1 INTRODUCTION

4.2 CIRCULATION RETURN

4.3 SUBMISSION OF RETURN FORM

4.3.1 LATE/NON-SUBMISSION

4.4 ISSUE OF CERTIFICATE

4.5 PUBLIC RELEASE OF ABC CIRCULATION DATA

4.6 VALIDITY OF CERTIFICATE

4.7 AUDIT PROCEDURE

4.7.1 DATE OF THE AUDIT

4.7.2 ADDITIONAL HOURS CHARGES

4.7.3 AUDIT RESULT

4.7.4 AUDIT REPORTS

4.7.5 PUBLICISING OF AUDIT REPORTS

4.8 TITLES REPORTING FOR THE FIRST TIME

4.1 INTRODUCTION

ABC aims to publicise accurate circulation data as soon as possible and so the certification and audit system has been designed to facilitate this. All certified figures are publicised on ABC's own website www.abc.org.uk. ABC also disseminates current circulation figures to BRAD (British Rates and Data) and other organizations that report circulation figures.

All circulation audits under these Reporting Standards are conducted by ABC staff auditors. For titles that have already had an audit, ABC will issue a certificate once the Return Form has been processed. This ensures publishers can benefit from having an ABC Certificate as soon as possible and that all publications in a sector have a current ABC Certificate.

The audit will then take place within 6 months of the certificate being issued. An audit report and revised certificate may be issued if significant problems affecting the certificate are found at audit.

The process from Return Form to audited certificate is illustrated in the diagrams to the right.

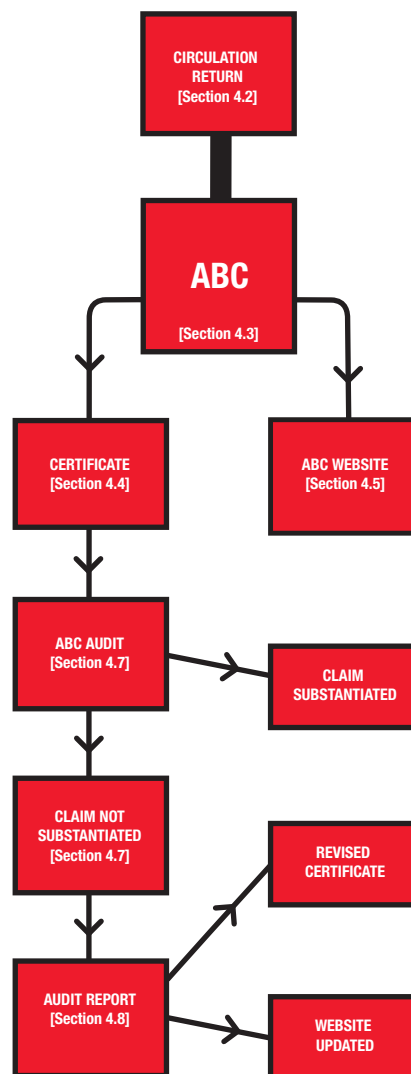
For first time reporting titles, ABC audits the figures on the Return Form before a certificate is issued. This allows newly registered titles to benefit from additional assistance from audit staff and to ensure that accurate figures are certificated.

NB. There is a different procedure for existing titles and titles that are reporting for the first time.

4.2 CIRCULATION RETURN

The publisher makes his statement of circulation on a Return Form. This forms the basis of the information that appears on the ABC certificate.

A circulation Return for each title registered will be sent to the forms contact registered on ABC's database, usually before the end of the relevant audit period. If a Return Form has not been received please contact ABC.



Process for existing titles

4.3 SUBMISSION OF RETURN FORM

- Care should be taken to complete the Return as accurately as possible as the data published by ABC will be produced from the data on the Return Form.
- The Return Form must be received at ABC by the submission deadline, which is 60 days after the end date of the audit period.
- In the case of a newly joining Publication electing a first Audit Period which ended more than sixty days prior to application, the time limit for receipt of the Return Form by ABC will be 30 days from the date of the publication's registration with ABC.

For example (Reporting week basis):

Registration Approved 12 September 2006

First Audit Applied for 2 January 2006 to 2 July 2006

The Deadline for Receipt of First Return is therefore

12 October 2006.

SECTION 4 - RETURN SUBMISSION, CERTIFICATION AND AUDIT [cont.]

4.3.1 Late/non-submission

- Any Returns received at ABC after the submission deadline, for whatever reason, will be subject to a late submission fee of £300 (or such other amount as advised and agreed by the ABC Council).
- If a Return is not received by the submission deadline, ABC will raise a late submission invoice. The publisher is required to submit a valid Return and pay the invoice within 14 days of the issue of the invoice. The Return will not be processed until this fee has been paid.
- Where a publication reports late on TWO consecutive occasions the late submission fee will be doubled.
- Where a publication reports late on THREE consecutive occasions the publication will be reported to the ABC Chief Executive with a recommendation to cancel its registration.
- If a Return Form is received by the submission deadline but cannot be certified for whatever reason, it will be reported by ABC as 'Certificate pending'.

4.4 ISSUE OF CERTIFICATE

- Once the Return Form is submitted, ABC conducts validation checks that are mainly arithmetical. Publishers should note that ABC does not undertake any audit testing at this time. Therefore it is important that the publisher ensures that their Return Form submissions are accurate, as not all errors will be found at the validation stage.
- ABC's staff will process those Return Forms received within the submission deadline in order of receipt.
- Certificates are despatched by post to the forms contacts on the ABC database.

4.5 PUBLIC RELEASE OF ABC CIRCULATION DATA

- The circulation figures become publicly available 5 working days after the dispatch of the certificate by ABC and will be posted on the ABC website www.abc.org.uk.
- ABC will report publications beyond the certificate in line with the publication type/market classification.
- ABC will produce a monthly report containing those titles that have chosen to report on a monthly basis.
- ABC forwards current ABC figures to BRAD (British Rates and Data), once the circulation figures are publicly available. Please note that if Returns are not certified in time to meet BRAD deadlines for updates of circulation figures BRAD will carry the statement 'Return received by ABC, Certificate pending.'

4.6 VALIDITY OF CERTIFICATE

- Figures are current for 3 months after the end of the next Audit Period for which the publisher is registered to submit a Return or until a new certificate is issued if earlier.

For Example:

The certificate of a title for the period ending 1 January 2006 will be valid until 2 October 2006 (or until a new certificate is issued if earlier).

4.7 AUDIT PROCEDURE

An audit will be conducted at least twice a year whilst a publication remains registered with ABC. Figures issued under the monthly reporting option will normally be audited at the same time as the six month mandatory certificates. However ABC reserves the right to audit any return submission prior to issuing the next certificate.

4.7.1 Date of the audit

ABC will contact the publisher of each publication with a proposed date for the audit visit. Once this date has been mutually agreed, it may only be altered in exceptional circumstances.

4.7.2 Additional Hours Charges

If any records are not available for the auditor at the start of the audit, or the complexity of the publishers systems results in an over run on audit time, ABC may not proceed with the audit unless the publisher authorises an overtime approval form.

4.7.3 Audit result

- Following the on-site visit, publishers will receive a letter detailing any outstanding information required from the publisher to complete the audit.
- A deadline for receipt of that information will be stated in the letter.
- If there are material problems identified at the audit then an Audit Report letter will be sent to the publisher (see below).
- Once the audit is completed publishers will receive a management letter that will detail issues which need to be addressed by the publisher to prevent problems on future audits.

4.7.4 Audit Reports

This is a statement that is issued when material problems found at audit show that there were errors in the original Return submission and subsequent certificate. A revised certificate is issued with the audit report entered on the front page of the certificate. The new certificate replaces the original certificate issued and must be used by the publisher in its place.

- In cases where an Audit Report is necessary, the publisher will receive a letter detailing the reason for the Report.
- The publisher will have 10 working days from the receipt of this letter to provide any further information or to raise any objections.
- Any objection must be made in writing to the Director of Audit who will investigate and provide a decision within 10 working days. If the objection is to a decision by the Director of Audit or the Chief Executive then the first level of appeal will be in accordance with the Review Procedure detailed in the ABC Byelaws.
- ABC will confirm receipt of the Audit Report letter. In the absence of any further response in writing from the publisher, the Audit Report will be issued.

SECTION 4 - RETURN SUBMISSION, CERTIFICATION AND AUDIT [cont.]

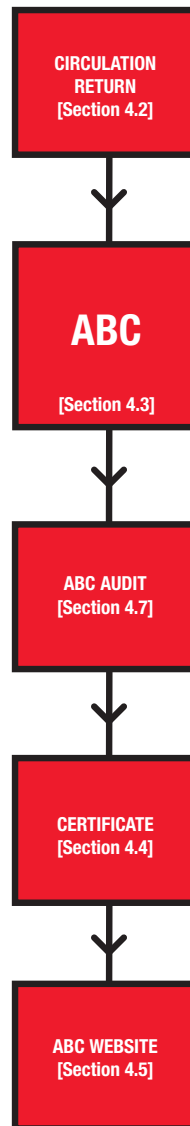
- Subsequent Certificates of Circulation will not be issued until all audit queries on a previous Certificate have been resolved and the Audit Report issued, if applicable.

4.7.5 Publicising of Audit Reports

- Audit Reports will be announced to all members and made public on the ABC website, with details of the corrections made. They are also publicised in ABC Media.
- When an audit report has been issued, BRAD will include the statement 'ABC data revised at audit'.

4.8 TITLES REPORTING FOR THE FIRST TIME.

- Titles reporting for the first time are audited before a certificate is issued.
- ABC will conduct the audit as soon as possible after a valid Return Form has been submitted to ABC to ensure certification is achieved as soon as possible.
- ABC reserves the right to delay certification of a first audit until it is satisfied that the net circulation is accurate.



Process for titles reporting for the first time

SECTION 5 - PROVING THE AVERAGE CIRCULATION

5.1 INTRODUCTION

5.2 ADVERTISING CONTENT

5.3 EDITIONS

5.4 DISALLOWED COPIES

5.4.1 SALES TO RELATED PARTIES

5.4.2 CONTRA TRANSACTIONS

5.5 ALTERNATIVE DISTRIBUTION SCHEMES

5.6 ISSUES TO BE INCLUDED IN AN AUDIT PERIOD

5.7 EXCLUSION OF A PUBLISHED ISSUE

5.7.1 EXCLUDING AN ISSUE – CIRCUMSTANCES BEYOND PUBLISHER'S CONTROL

5.7.2 APPLYING FOR AN EXCLUSION NOTE

5.7.3 EXCLUDING AN ISSUE – OFFICIAL NATIONAL PUBLIC HOLIDAYS IN THE COUNTRY OF ORIGIN

5.7.4 REPORTING OF EXCLUDED ISSUES

5.7.5 NON-PUBLICATION

5.8 EFFECTIVE PUBLISHING DAYS

5.9 RECORD KEEPING FOR ALL ISSUES

5.9.1 ACCESS TO DOCUMENTATION

5.9.2 RETENTION OF RECORDS

5.10 DOCUMENTS REQUIRED FOR ALL ISSUES

5.10.1 PRINT/PRODUCTION

5.10.2 DESPATCH

5.10.3 PUBLICATION

5.1 INTRODUCTION

The Total Average Net Circulation per issue is commonly known as the ABC figure, it is the average number of copies circulated for each issue in the audit period. It does not include those copies for which evidence of the sale or distribution is absent or those copies which are disallowed under ABC Reporting Standards. The Total Average Net Circulation and the period of certification should always be quoted when sourcing any circulation data.

This section contains the criteria that determines which issues and which copies may be included in the ABC circulation figure. Changes in advertising content in particular may affect how copies are claimed.

5.2 ADVERTISING CONTENT

All copies to be claimed for an issue of the paper must carry the same ROP (Display) advertising unless:

- The advertiser and/or his advertising agency has agreed with the publisher in writing, prior to publication, to exclude an advertisement from a specified edition or editions; or
- The inclusion of an advertisement would, in the opinion of the Publisher, render the publication illegal in a particular territory. Evidence to support this opinion must be available to ABC.
- The publisher clearly prints details of 'sections excluded' from specific categories of sale on the published advertising rate card.

5.3 EDITIONS

Where the ROP advertising content does change, copies may still be included in the Total Average Net Circulation, provided

those copies meet the criteria to be classed as an edition of the paper.

To be classed as an edition, a title must carry:

- No more than 30% change in ROP advertising (30% being defined as number of advertisements and not advertising pages); AND
- A logotype on its masthead, incorporating the generic name of the parent publication and which is consistent with the general appearance of the parent publication.

If the above conditions are not met, then the titles are not considered to be editions of the parent paper but effectively different publications. If the publisher wishes to have these certified, they will be required to submit separate ABC Return forms for each and ABC will report them on separate certificates. In such cases a Group Certificate of circulation is available.

Digitally printed copies (i.e. where internet technology is used to transmit a newspaper to a location where it is printed on paper for the end reader) may be included in the total average net circulation providing the above criteria are complied with and the number of digitally printed copies is less than 2% of the total average net circulation. Where the number of digitally printed copies claimed represents 2% or more of the total average net circulation, separate reporting of these copies will become mandatory.

For the avoidance of doubt:

- If the logotype/masthead of an edition does not incorporate the generic name of the parent, then separate certification will be required regardless of the number of 'change pages' involved.
- If changed ROP advertising exceeds 30% then the 'edition' will no longer be considered an edition for ABC purposes and separate certification will be required.
- If 'change pages' comprise only editorial changes, and do not affect the advertising content, then this will not affect the certification of an edition for ABC purposes.

If, in the judgement of the Bureau, differences exist in the marketing or identification of any edition sufficient to create the appearance of a separate publication, separate ABC registration will be required.

5.4 DISALLOWED COPIES

These are copies that may be mailed or sold by the publisher but must not be counted in the final circulation claim as they are expressly excluded under ABC Reporting Standards.

- Free copies to contributors
- Free copies to advertisers or advertising agencies
- Free copies to press cutting agencies
- File or office copies
- Employee copies (unless those employee copies are purchased by the employee through an ABC registered staff

SECTION 5 - PROVING THE AVERAGE CIRCULATION [cont.]

scheme and that there is a full audit trail to support such purchases – see section 7.2.1).

- Back issues. Only bona fide single copy sales of back issues may be claimed, providing they bear a cover date less than 12 months prior to the date of sale.
- Copies that are not bona fide full copy sales. Therefore separate sales of supplements must be excluded.

5.4.1 Sales to related parties

All copies sold to, or transferred to, the publisher, a subsidiary of the publisher, or other "related parties"; whether directly by the publisher, or via a third-party; for resale, or free distribution; must be excluded, unless these can be proven to be bona fide "arms length" transactions to the satisfaction of ABC. Publishers are recommended to provide ABC with full details of such sales at the time, in order that ABC can investigate them and advise whether or not they can be included in the ABC claim. Where full details of such sales are not provided to ABC at the recommended time, ABC reserves the right to exclude the resultant circulation from the ABC figure, without further investigation.

Definition of "Related Parties" (As defined in the Financial Reporting Standard - effective 23 December 1995). Two or more parties are related when at any time during the audit period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and 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
- 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.

For the avoidance of doubt, the following are related parties of the reporting entity:

- its ultimate and intermediate parent undertakings, subsidiary undertakings, and fellow undertakings;
- its associates and joint ventures;
- the investor or venturer in respect of which the reporting entity is an associate or joint venture;
- directors of the reporting entity and directors of its ultimate and intermediate parent undertakings.
- employees of the publisher except where an employee purchase scheme in accordance with Section 7.2.1 has been approved by ABC.

5.4.2 Contra transactions

Contra Transactions - In cases where the value of the copies is redeemed in cash, kind or by contra the copies must be excluded. Contra deals on advertising are specifically unacceptable and publishers' advertising revenues will be scrutinised as part of the ABC audit.

For the avoidance of doubt, invoices raised by the purchaser of the publication to the publisher for goods and services, which are related to the purchase of the publication must be included in calculating the net contribution to the publisher. For example; Publisher X sells 1,000 publications for £100 to company A. Company A distributes the publication and charges publisher X £50 for the cost of their distribution. The distribution has only been carried out as a result of the sale, therefore the value of the sale for ABC purposes is the net amount of £50. Therefore the price of each copy sold is 0.5p which is below the minimum allowed, meaning the copies cannot be claimed.

5.5 ALTERNATIVE DISTRIBUTION SCHEMES

It is recommended that a publisher utilising distribution schemes which are not through a traditional distributor e.g. Royal Mail, Mercury etc for UK postal distribution, or in the case of newstrade sales to normal wholesale or retail trade channels, first seeks the advice of ABC to ensure that these copies can be audited satisfactorily.

5.6 ISSUES TO BE INCLUDED IN AN AUDIT PERIOD

All issues for which the majority of the distribution took place within each audit period must be included unless an official ABC exclusion note is held, or the issue in question is covered in the Reporting Standards as an optional exclusion.

5.7 EXCLUSION OF A PUBLISHED ISSUE

In order to present an ABC Certificate that is as accurate and representative of a publication's performance as possible, certain issues are allowed to be excluded from the circulation claim for an audit period.

The objective of allowing issues to be excluded is to prevent distortion of the certified figure by removing issues which are adversely affected by matters beyond the publisher's control.

An issue of the publication that is distributed during the audit period may only be excluded from the Total Average Net Circulation for the period if:

- An official exclusion note has been issued to the publisher; or
- The issue is allowed to be excluded because of the occurrence of a public holiday (see 5.7.3).

5.7.1 Excluding an issue – Circumstances beyond publisher's control

The Bureau will consider applications for exclusion notes where, through circumstances outside the Publisher's control, either:

- The distribution of an issue fails to achieve the planned level of distribution and that shortfall is greater than 10% of the planned distribution; or
- The planned level of distribution is achieved, but is severely

SECTION 5 - PROVING THE AVERAGE CIRCULATION [cont.]

delayed resulting in a shortfall in normal net sale and that shortfall is greater than 10% of the normal net sale. Normal net sale is defined as the latest ABC certified average net circulation figure.

5.7.2 Applying for an exclusion note

Applications for exclusion notes must be made in writing on an ABC exclusion note request form. The request form must be forwarded to the Director of Newspapers and Consumer Magazines by the thirty first day following the date of the affected issue. It must be accompanied by full details of:

- Name of Publication involved;
- Date of issue involved;
- Planned distribution;
- Achieved distribution;
- Normal and achieved distribution timings (in cases of lateness only)
- Achieved Net Sale (in cases of lateness only)
- Reasons for the shortfall
- Figures for corresponding previous issues

Note:

When a publisher is calculating whether to apply to ABC to exclude an issue, only copies eligible for the 'Newstrade and Other Single Copy sales and Single copy subscription sales categories are to be taken into account.

5.7.3 Excluding an issue – Official National Public Holidays in the Country of Origin

Daily Publications

- May optionally exclude Official National Public Holiday issues (country of origin only) without applying for an exclusion note.

Weekly Publications

- May apply to exclude issues affected by Official National Public Holidays (country of origin only), provided it can be demonstrated that sales for the issue have been materially affected. Applications must be made as detailed in section 5.7.2 above.

Note: Holidays other than official national public holidays will not be considered for exclusion.

5.7.4 Reporting of excluded issues

- Each issue excluded during the audit period, must be reported on the Return Form, along with the reason for the exclusion and the number of the signed official exclusion note if applicable.
- The exclusions will be reported in full on the Certificate for the relevant period.

5.7.5 Non-publication

Where a planned issue fails to be published, for whatever reason, the date of the issue must be stated on the Return and this issue should not be included in either the number of

effective issues or the average net circulation for the period.

5.8 EFFECTIVE PUBLISHING DAYS

- Each year ABC will provide a publishing calendar for those titles opting for the reporting week basis that gives the start and finish dates for the audit period and the total number of publishing days within that period depending upon the frequency of each publication.
- The term 'publishing days' is used instead of 'issues' to avoid confusion with editions.
- The effective publishing days reported for a title will be the total number of publishing days less those:
 - For which an ABC exclusion note is held
 - Which have been optionally excluded because of official national public holidays
 - Where the publication was not published

The number of effective publishing days within the audit period must be stated on the Return, along with the actual number of publishing days available (as stated on the ABC calendar). Details of dates excluded must be shown stating whether applied for or optional. These details will appear on your ABC certificate and in ABC published data.

5.9 RECORD KEEPING FOR ALL ISSUES

The following sections give guidance on the records that must be kept for every issue in order to verify the circulation claim. For records supporting claims for particular circulation categories the relevant section covering that circulation category must be consulted.

5.9.1 Access to documentation

- The auditor must have full and unrestricted access to all documentation and financial records, which support the circulation claim, including copies of all correspondence with ABC.
- These records must be available for re-audit as detailed in the ABC Byelaws.
- Records must be maintained on an issue specific basis. As a general rule all records for newstrade copies must also be maintained on an issue specific basis. However because it is recognized that records of returns of unsold copies may not be available on an issue by issue basis for all distributors in some countries, transactional accounting (i.e. averaging over a number of issues) may be permitted provided written approval from ABC has been obtained. In the interests of comparability across the sector, ABC will publicise those distributors, by country, for which transactional accounting is allowed and other publications may therefore apply the same basis to those designated distributors.
- All records, and the ABC claim, must be based on a full count of all copies, not a sample.

5.9.2 Retention of records

- All records, including Third-Party Records (financial and otherwise), relating to, or needed to ensure the accuracy of

SECTION 5 - PROVING THE AVERAGE CIRCULATION [cont.]

the Return, must be retained until the audit of the subsequent mandatory audit period is complete). In other words the records for Jan – June should be kept until you have received notification that the following July – December audit has been completed.

- Where a publisher devises viable and auditable alternative means of maintaining this information, other than that given in the Reporting Standards, he must submit the scheme to the bureau for approval before utilising the scheme and before including the resultant circulation in the ABC Return.
- If there is any doubt as to what records will be required in order to conduct an audit, then the publisher should contact the Bureau for advice.

5.10 DOCUMENTS REQUIRED FOR ALL ISSUES

Every copy published in the audit period (including excluded issues) must be supported by evidence of:

- Print/production
- Despatch
- Publication

An issue by issue worksheet, breaking down the ABC claim by circulation type must always be available.

5.10.1 Print/production

- Full issue by issue details of all copies delivered or produced by the printer, whether in-house or not, for all issues of the publication distributed during the audit period must be available. This includes invoices, purchase ledger accounts, bank statements, print orders, paper consumption records etc. All invoices from printers must clearly state the publication, title and issue identifier.

5.10.2 Despatch

- Full issue by issue details of the exact numbers despatched by whatever means for every issue distributed during the audit period must be available. Records must distinguish between countries.

5.10.3 Publication

- One copy of every issue of the publication distributed during the period, including different editions. Alternative methods of retaining copies of the publication may be permitted if written approval is obtained from ABC (e.g. electronic copy of editions of the paper).

SECTION 6 - BASIC COVER PRICE

6.1 DEFINITION

6.2 RATE BANDS

6.1 DEFINITION

- The Basic Cover Price for ABC purposes will be that at which a single copy of the Publication may be purchased without limitation and for an on-going duration, in contrast to a special price for a limited period, or to a limited class, or under limited conditions. It is acceptable that a Basic Cover Price exists for each country in which the publication is sold but there may only be one Basic Cover Price per country.
- A Cover Price must either be published on or within every copy of every issue claimed as newstrade and other single copy sales, regular and issue specific bulk sales, or be notified in writing to agents in that country
- The range of cover prices in the audit period (expressed in a single currency) and the effective dates of any cover price changes must be entered on the Return Form. The range of cover prices will be shown on the Certificate and in other ABC published data.

6.2 RATE BANDS

- Copies are claimed in the newstrade and other single copy sales, regular and issue specific bulk sales circulation categories by comparing the amount paid per copy against the Basic Cover price. Refer to the Reporting Standards for the particular circulation category for the relevant rate bandings applicable to that type of circulation. The analysis of sales in different rate bands will be shown on the ABC Certificate and in ABC published data.

SECTION 7 - NEWSTRADE AND OTHER SINGLE COPY SALES

7.1 INTRODUCTION

7.2 REQUIREMENTS

7.2.1 EMPLOYEE COPIES

7.3 ACCOUNTING FOR UNSOLD COPIES – SALE OR RETURN/FIRM SALE

7.4 READER INCENTIVE PROMOTIONS

7.5 RECORDS REQUIRED - NEWSTRADE

7.6 RECORDS REQUIRED – SINGLE COPY SALES

7.7 UNSOLD/RETURNED COPIES – NEWSTRADE AND SINGLE COPY SALES

7.7.1 PROVISIONS

7.1 INTRODUCTION

This category includes single copies sold to individuals, either via the newstrade (via wholesalers and/or retailers) or direct from the publisher.

7.2 REQUIREMENTS

- There must be an incentive to return unsold copies for credit
- The publisher must receive a positive contribution for each copy sold after taking into account wholesale and retail margins. Publisher's attention is drawn to section 5.4.2 (contra transactions) in assessing contribution.
- Copies must be claimed in one of the following three rate bands by comparing the price paid by the purchaser to the Basic Cover Price as detailed in section 6:
 - At Basic Cover Price
 - Below Basic Cover Price but not less than 50% of Basic Cover Price
 - Less than 50% of Basic Cover Price
- Back issues (any issue dated prior to the current issue) can be claimed in this category in the month of despatch provided that they are bona fide single copy sales and they bear a cover date less than 12 months prior to the date of sale.

7.2.1 Employee Copies

Copies purchased by employees may be included in the circulation claim providing:

- An employee copy purchase scheme has been registered with, and approved by, the ABC in writing prior to the claim.
- A maximum of one edition per issue is claimed per employee
- A request document is received from all employees wishing to partake in the scheme (the format for which must have been approved by the ABC prior to use and request documents for employees who leave the company being cancelled).
- Records are available to prove the quantities of newspapers supplied to employees.
- A summary detailing the names, employee number, the cash value of the copies and details of when payments were made/banked, or salary deductions taken, are available.

The number of employees involved in the scheme, and the

average number of employee copies included in the ABC Return must be notified to the ABC each audit period (this will be for ABC internal use only and will not be made public).

7.3 ACCOUNTING FOR UNSOLD COPIES – SALE OR RETURN/FIRM SALE

Newstrade sales may be made on one of two bases:

- 'Full Sale or Return' means copies that remain unsold by the retailers can be returned to the newstrade supply chain for credit. These must be deducted from the initial 'sale' or 'supply', so that only those copies actually purchased by the public are claimed on the ABC Return (i.e. the net sale). This must be recorded on an issue by issue basis.
- 'Firm Sale' means that no unsold copies can be returned for credit (the initial supply will be the claimed sale).

As a general rule, newstrade copies must be claimed on a Sale or Return basis. However because it is recognized that accounting for the return of unsold copies might be sufficiently difficult or unavailable for some distributors in certain countries, so as to make this impractical to implement, newstrade sales may be included on a firm sale basis provided written approval from ABC has been obtained.

In the interests of comparability across the sector, ABC will publicise those distributors by country for which firm sale is allowed as a basis of claiming newstrade circulation and other publications may therefore apply the same basis for those designated distributors in the same countries.

7.4 READER INCENTIVE PROMOTIONS

Where a Publisher promotes a Publication by use of a reader incentive which allows the end purchaser to buy a copy of the publication at less than the Basic Cover Price, by way of coupon presentation or refunds of part or all of the Basic Cover Price, the following will apply:

- Copies of the Publication(s) must be obtained by the reader in the usual manner, through a normal retail outlet which has received the Publication, and will account for its/their cost, by established practices.
- Publishers must be able to demonstrate full auditing facility of each incentive promotion, to the satisfaction of the Bureau, if these copies are to be claimed.
- The final redemption date of the offer, by the reader and newstrade must be notified in the offer details, and must be circulated to wholesalers, retailers (if appropriate) and ABC.
- Unless the publisher makes adequate provision for unredeemed offers, ABC Certification for the Publication(s) involved in such promotional activity may be delayed:
 - During the period the offer is in the public domain;
 - Until all offer redemptions are available for audit.
- Copies sold under a reader incentive promotion where the end purchaser has paid more than minimum legal tender in

SECTION 7 - NEWSTRADE AND OTHER SINGLE COPY SALES [cont.]

cash may be included in the circulation figures in the appropriate rate band.

- Copies sold under a reader incentive promotion which result in the publication being obtained without the payment of cash must be excluded from the circulation claim (however see section 12.6).
- It is desirable for ABC to have confidential advance notice of any reader incentive offers. This will enable prior discussion with the Publisher to take place, which may result in copies being allowed for inclusion in the circulation figures, that might otherwise have had to be disallowed owing to the offer wording, etc. ABC should therefore, be supplied with:
 - A copy of any promotional material(s) produced, including a copy of agreement where the promotion is controlled by a party independent of the Publisher;
 - Notification of the number of offers being circulated.

7.5 RECORDS REQUIRED - NEWSTRADE

All records required to support the newstrade claim must be available for audit. This will include financial records and contracts with distributors, wholesalers and retailers. This information should include:

- Issue by issue records showing gross supply and returns for each issue (in number of copies and financial terms) in the audit period. This is so the actual net sale for each issue and the average net newstrade figure can be calculated.
- Discounts, special offers and details of restrictions on the return of unsold or undelivered copies.
- If applicable, the calculations and assumptions used to arrive at the level of provision for returns.
- Details of any change in trading terms from firm sale to sale or return (either temporarily or permanently) or vice versa.
- Details of purchases / promotional spends to ensure the publisher is not buying copies of the publication.

7.6 RECORDS REQUIRED – SINGLE COPY SALES

All records required to support the single copy sales claim must be available for audit. Financial records must adequately identify the numbers of each issue of the publication sold, including an audit trail to verify the money received.

7.7 UNSOLD/RETURNED COPIES – NEWSTRADE AND SINGLE COPY SALES

- Publishers will know the final unsold figures for most issues when they complete their ABC Return. However, if it is expected that more copies will be returned for some issues, an estimate (or 'provision') of the number of unsold copies must be made for those issues, so that the figure for net newstrade sales is claimed as accurately as possible. When the actual figures are known, an adjustment must be made in the subsequent period to account for any difference from the estimated figures.
- Full details of the exact numbers claimed, as unsold or returned copies (including undelivered, lost or stolen copies) must be available for every issue in the audit period. This

means claims for credit from wholesalers and retailers and credit notes must be kept with supporting financial records for every issue e.g. returns envelopes, dockets etc. These must be reconcilable to the distribution and returns records on an issue specific basis.

- ABC allows an upper limit on newsagents' returned copies provided that there is a satisfactory audit trail, which must identify the level of disallowed copies. This upper limit must be specified in individual contracts or general terms and conditions.

7.7.1 Provisions

- An assessment of likely unsold copies should be based on current and historic information such as:
 - Current levels of 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, re-launch and to circulation outside the country of origin or home country, in order to arrive at a fair and reasonable representation of the net circulation.

Taking into account all the information, an estimate of the final sales figures for issues must be made, from these figures the expected level of unsold copies can be calculated.

- The provision made and actual unsolds relating to the previous audit period must also be stated on the current Return. All provisions made must be reconciled in the following audit period.
- If you are unsure of the level of provision required or if there is insufficient information available upon which to make a provision, the Bureau MUST be contacted prior to the submission of the Return. If any doubt exists it is the duty of the publisher to consult with the Bureau before creating a provision.
- It is imperative that all unsold copies are accounted for. This means that, as well as reconciling the unsolds records, all provisions must be reviewed in the next audit period to test the accuracy of those provisions. The current Return must be adjusted to account for any over or under provision from a previous period. No adjustment to previously certified figures will be allowed relating to a provision unless that provision is deemed materially incorrect following audit.

SECTION 7 - NEWSTRADE AND OTHER SINGLE COPY SALES [cont.]

Worked example – unsold copies

Issue	Total				
ID	Supply	Returns	Net Sale	Sales%	
Jul	88,500	26,229	62,271	70.36%	Closed
Aug	88,500	24,728	63,772	72.06%	
Sep	88,250	23,688	64,562	73.26%	
Oct	89,630	14,266	75,364	84.08%	
Nov	89,820	9,655	80,165	89.25%	Unclosed
Dec	89,650	465	89,185	99.48%	

On this example the Oct, Nov and Dec issues are not yet closed so an estimate of the final sales has 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 total final unsolds will be.

When all the estimates have been made the final figures may look something like this: -

Issue	Total				
ID	Supply	Returns	Net Sale	Sales%	
Sep	88,250	23,688	64,562	73.26%	Actual
Oct	89,630	25,096*	64,534	72%	
Nov	89,820	25,150*	64,670	72%	Estimated
Dec	89,650	24,205*	65,445	73%	

For the three issues that are not closed you are expecting a total unsold figure of 74,451* copies. This is, therefore, the figure that you put on your Return as your newstrade closing provision with the figure of 3 issues still unclosed.

- Adjustment of the provision

When the next Return is due, which in our example would be the next January to June period, you would have a report giving you the actual unsolds for the issues of Oct, Nov and December because by then they would be closed off and complete. For example that the final report reads as follows: -

Issue	Total			
ID	Supply	Returns	Net Sale	Sales%
Oct	89,630	25,382*	64,248	71.68%
Nov	89,820	25,884*	63,936	71.18%
Dec	89,650	26,312*	63,338	70.65%

On the return in the section called 'Newstrade Provision Reconciliation' you will need to enter 74,451 copies in the line which asks for the closing provision on the last ABC Return Form.

You can now complete the section reporting the actual number of unsolds relevant to that provision, with the figure that you now know to be the actual unsolds, which is 77,578*.

The average overstatement/understatement then needs to be entered. This is the difference between your original estimate and the actual figure i.e. 77,578 minus 74,451, an understatement of 3,127 unsold copies. (or an overstatement of sold copies). On the return this has to be shown as an average, therefore you need to divide it by the number of issues in the previous period i.e. 6. The average overstatement of sold copies is, therefore, 3,127 divided by 6 = 521.

521 copies must therefore be deducted from each issue distributed in the current period, to ensure that the average overestimate of sold copies from the previous period is adjusted.

On the Return the provision inaccuracy is also requested as a percentage of the previous period's true average net circulation (the figure which would have been reported if all issues had been closed).

SECTION 8 - SINGLE COPY SUBSCRIPTION SALES

8.1 INTRODUCTION

8.2 REQUIREMENTS FOR SINGLE COPY SUBSCRIPTION SALES

8.3 BASIC ANNUAL RATE

8.4 TWO/THREE YEAR/LESS THAN ONE YEAR SUBSCRIPTION RATES

8.5 SUBSCRIPTION RATE BANDS

8.5.1 IMPACT OF EXCHANGE RATE LOSSES AND COMMISSION/ BANK CHARGES

8.6 SUBSCRIPTION INCENTIVES/OFFERS

8.7 SUBSCRIPTIONS SOLD THROUGH THIRD-PARTIES

8.8 SUBSCRIPTIONS IN ARREARS

8.9 RECORDS REQUIRED – SINGLE COPY SUBSCRIPTION SALES

8.1 INTRODUCTION

These are copies purchased on a contractual basis where the publisher delivers the copies individually addressed to a known recipient.

8.2 REQUIREMENTS FOR SINGLE COPY SUBSCRIPTION SALES

- Copies must be distributed to an individual addressed either by name or job title.
- Payment must have been made (or committed to pay – see section 8.8) for the publication to be delivered on an every issue basis, or other regular contractual basis.
- Payment must have been made by the recipient or their employer with the exception of gift subscriptions. Gift subscriptions will be eligible as single copy subscriptions and are defined as up to 12 subscriptions purchased for a named individual as a gift by a relative or friend.

Note: If more than 12 copies are purchased by someone other than the recipient then they may be eligible for inclusion under 'Multiple Copy Subscription Sales' – see section 9.

- If the subscription is for more than one copy, there must be auditable proof that the final recipient of each copy is different, otherwise such copies could be claimed under 'Multiple Copy Subscriptions' or 'Regular Bulk sales' providing the requirements of those categories are met.
- A Basic Annual Rate (BAR) for single copy subscriptions must either be published on or within every issue of the publication, or in some other published material which must be made freely available to enquirers, or be registered with ABC. Such rates need not be related to Basic Cover Price and may or may not include postage (though this must be stated).
- Copies must be claimed as either at 'Basic Cover Price' or at 'below Basic Cover Price' by comparing the subscription rate paid with the Basic Annual Rate (BAR) published or registered for subscribers in that country. Subscription periods of less than one year should be compared with the BAR on a pro rata basis.
- Where continuous credit card or direct debit subscriptions are in place, the amount paid will be compared to the Basic Annual Rate in effect at the time of the commencement of the subscription and at yearly intervals and the subscription recorded as 'full rate' or 'reduced rate' accordingly.
- A subscriber making payment by redeeming points under a

recognized loyalty scheme is acceptable providing:

- The loyalty scheme is run by a party independent of the publisher.
- The number of points required to obtain a subscription is consistent in value with other products or services available under the loyalty scheme.
- The publisher receives payment from the organizer of the loyalty scheme or their agent.
- The minimum subscription term for a daily publication is 20 issues.
- Subscriptions may only be claimed if the rate paid is at least 5% of the Basic Annual Rate.

8.3 BASIC ANNUAL RATE

- The Basic Annual Rate (BAR) for ABC purposes is the permanent rate at which the publisher sells a 1 year subscription to the publication in a particular country or countries.
- If a publisher fails to publish or register a relevant BAR then those subscriptions affected must be claimed in the lowest rate band.
- If the published rate and the rate registered with ABC differ then the published rate will be deemed to be the BAR.
- It is the publisher's responsibility to ensure that registered rates are updated with ABC.
- ABC may refuse to register rates which in their opinion do not constitute bona fide permanent rates.
- The BAR either as printed on or within the last issue distributed in the audit period, in other published material applicable at the time of the distribution of the last issue distributed in the period or registered with ABC must be entered on the ABC Return Form. Where there is a range of rates covering different countries this range must be stated on the Return Form.

8.4 TWO/THREE YEAR/LESS THAN ONE YEAR SUBSCRIPTION RATES

To qualify as full rate single copy subscriptions, the 2 or 3 year subscription rates must, when pro-rated over a one year term, equal:

- 90% of the Basic Annual Rate for a 2 year subscription
- 85% of the Basic Annual Rate for a 3 year subscription

For Example:

The Basic Annual Rate (BAR) of a publication is £100.

The 2-year rate is £190. Pro-rated over a year this is £95.

£95 as a percentage of the BAR (£100) is 95%.

As this exceeds the required 90%, this copy may be claimed as full rate.

Note: If a subscription is for a period of less than one year, it must be paid for at a rate not less than a pro rata of the Basic Annual Rate, if the copies are to be claimed as "Basic Annual Rate". A rate for a period of less than one year that is less than a pro rata of the Basic Annual Rate shall be considered to be at "Below Basic Annual Rate".

SECTION 8 - SINGLE COPY SUBSCRIPTION SALES [cont.]

8.5 SUBSCRIPTION RATE BANDS

Subscription copies must be claimed on the Return Form analysed into the following bands, by comparing the subscription rate paid with the Basic Annual Rate (BAR) published or registered for a subscriber in their particular country:

- At Basic Annual Rate.
- At below Basic Annual Rate but not less than 50% of Basic Annual Rate.
- At below 50% of Basic Annual Rate but not less than 20% of Basic Annual Rate.
- At below 20% of Basic Annual Rate but not less than 5% of Basic Annual Rate.

8.5.1 Impact of exchange rate losses and commission/bank charges

- Where the subscriber pays the Basic Annual Rate but the amount received by the publisher is reduced by losses on exchange rates, commission to agents, bank charges etc., such subscriptions will count as at full published rate.
- However subscriptions sold through agents must also conform to the following before they may be considered to be as at Basic Annual Rate:
 - There must be a written contractual agreement between the publisher and the agent clearly stating the agent commission. The commission must not exceed the price paid by the subscriber.
 - Where a publisher agrees to a BAR less than their published BAR with an agent, the resultant subscription sales will be automatically be classified as at below BAR.
 - Linked incentives, other than price offered by the agent, will not be considered for ABC purposes, or alter the classification of the resultant subscription sale through an agent, providing the publisher has not contributed to the incentive either in cash, kind or contra.

8.6 SUBSCRIPTION INCENTIVES/OFFERS

The variety of circumstances makes uniformity impossible, but publishers must give their careful attention to any incentives/offers in order to ensure that sales under such incentives/offers are classified correctly or disallowed as necessary. In case of any doubt as to how a copy sold under an offer should be claimed, please contact ABC.

Examples of promotional rates which will result in all copies being claimed at the appropriate lower rate:

'10% Discount if you subscribe now.'

'Save 25% on your subscription'

'2 years subscription for the price of one'

'14 issues for the price of 12'

'Buy 12 issues get 2 free'

Bulk discounts for multiple orders

Joint subscription offers at a rate lower than the combined

BARs of the individual journals involved.

8.7 SUBSCRIPTIONS SOLD THROUGH THIRD-PARTIES

Subscriptions sold through third-parties must be stated as either "at Basic Annual Rate" or "Below Basic Annual Rate" after verification of the facts with the third-party. Where access to the records necessary to ensure the accuracy of the numbers of copies claimed as subscriptions through third-parties and the rates at which these were sold is not given, such copies MUST be excluded from the circulation figures.

8.8 SUBSCRIPTIONS IN ARREARS

- ABC lays down guidelines only for unpaid subscriptions, or renewals of current orders. ABC will allow inclusion of all subscriptions meeting these Reporting Standards providing they have been generated following a positive contract to purchase and the publisher's normal credit procedures are being applied for collection of payment.
- If there are new subscriptions or subscriptions under renewal, which are being included in the circulation claim and which remain unpaid up to 3 months after commencement of the subscription period for home country addresses and 6 months to addresses in other countries, then these will be deemed to be in arrears for ABC purposes, and the number of unpaid copies must be reported separately to ABC in the space provided on the Return.
- Any copies distributed after 3 months from the date of commencement (6 months for other countries) must be excluded from the ABC claim.

8.9 RECORDS REQUIRED – SINGLE COPY SUBSCRIPTION SALES

- All evidence supporting new and renewal subscriptions. This will include every subscription application, card or other written document for each addressee for which a copy has been claimed during the Audit Period. This data may be held on microfiche or other electronic storage system providing that any documents maintained in this format cannot be altered and providing the Publisher accepts that it is his duty to ensure the details are auditably legible. If the details cannot be audited the copy cannot count. All the request documentation must be kept until the end of the calendar year following the year of expiry of the documentation.
- Auditable proof of payment for each addressee claimed.
- Details of unpaid subscriptions (arrears) during the Audit Period.
- Details of subscription rates and special offers during the Audit period.
- Complete printed list of addressees for the audit issue (see section 15.3)
- Evidence of distribution (e.g. courier's invoices and advice notes, postal receipts etc).

SECTION 9 - MULTIPLE COPY SUBSCRIPTION SALES

9.1 INTRODUCTION

9.2 REQUIREMENTS FOR MULTIPLE COPY SUBSCRIPTIONS

9.1 INTRODUCTION

This category represents subscriptions purchased on a contractual basis for more than one copy by an organization for their employees/members or for students at an educational establishment where details of the final recipient are not known or where more than one subscription is being sent to the same individual and this individual receives the copy over the life of the contract.

Copies purchased by an organization for their customers cannot be included under this category but may be eligible for inclusion under Sponsored subscription sales or Regular Bulk Sales.

9.2 REQUIREMENTS FOR MULTIPLE COPY SUBSCRIPTIONS

The requirements are the same as for single copy subscription sales (see sections 8.2 to 8.9) except:

- Details of the final recipient do not need to be known but the publisher must be able to demonstrate that the subscription copies are delivered to the same fixed pool of individuals e.g. employees of a department or company who can reasonably be expected to be present at the same delivery location on an on-going basis.

An example where this requirement might not be met is delivery of copies to a hotel where the continual changing of guests would lead to these copies being treated as a bulk sale rather than a subscription providing the requirements of those categories are met.

- Payment may be by someone other than the recipient (employee and gift copies may be allowable as single copy subscriptions – see section 8.2)
- From the July to December 2006 audit period there is an additional rate band allowing multiple copy subscription sales to be claimed if the rate paid is less than 5% of the Basic Annual Rate. The amount paid must be at least minimum legal tender per copy in the country where the purchase is made

SECTION 10 - SPONSORED SUBSCRIPTION SALES

10.1 INTRODUCTION

10.2 REQUIREMENTS FOR SPONSORED SUBSCRIPTION SALES

10.1 INTRODUCTION

This category represents subscriptions purchased on a contractual basis by a third party to promote their professional or business interests and sent individually wrapped and addressed to a named individual.

10.2 REQUIREMENTS FOR SPONSORED SUBSCRIPTION SALES

The requirements are the same as for single copy subscription sales (see sections 8.2 to 8.9) except:

- Payment may be by the third party sponsoring the subscription rather than the recipient.
- There must be evidence that the sponsor has specifically requested the copies be sent to the particular recipients or group of recipients.

Note: Sponsored subscriptions not addressed to a named individual could be claimed under 'Regular Bulk Sales', providing the requirements of that category are met.

- From the July to December 2006 audit period there is an additional rate band allowing sponsored subscription sales to be claimed if the rate paid is less than 5% of the Basic Annual Rate. The amount paid must be at least minimum legal tender per copy in the country where the purchase is made

SECTION 11 - REGULAR BULK SALES

11.1 INTRODUCTION

11.2 DEFINITION

11.2.1 DEFINITION - AIRLINES AND INTERNATIONAL RAIL SERVICES [FROM JULY TO DECEMBER 2010 PERIOD]

11.3 RATE BANDS

11.4 BARTER COPIES

11.5 REPORTING

11.6 RECORDS REQUIRED

11.1 INTRODUCTION

This category represents copies purchased in bulk from the publisher on a regular basis.

A fundamental principle for copies to be claimed as bulk sales is that the copies must be delivered and made available for pick up or receipt by individuals of the targeted audience.

11.2 DEFINITION

- A regular bulk sale is a sale of two or more copies of a publication, on an every issue basis (or other regular basis noted in a written contract between the purchaser and the publisher).
- For both daily and weekly publications, the sale must be of at least 1 issue per week for a minimum of 8 consecutive weeks. For lesser frequencies the sale must be for all the issues in the six-month reporting period.
- These copies are usually distributed free of charge to the final recipient.
- The sale must be bona fide or "arms length", whether sold direct by the publisher, or through the Newstrade or other third-party channels.
- Must be sold for at least the minimum legal tender per copy in the country where the purchase is made (e.g. currently 1p in the UK). Copies exchanged for goods and services (where no money changes hands but there is an exchange of invoices) may be claimed under 'barter copies' - see below.

Note: Publishers' attention is drawn to section 5.4.1 Related party transactions and 5.4.2 Contra transactions which could result in copies sold under bulk sales arrangements being disallowed for ABC purposes.

11.2.1 Definition - Airlines and International Rail Services [from July to December 2010 period]

This section details the variances from the bulk sales rules generally to account for the practical restrictions that affect operations in the secure areas airside and trackside for international rail services.

- The principle of copies claimed as bulk sales for distribution airside at airports or trackside for international rail services is that the copies are purchased by an organisation (not a distribution company and hereinafter called 'the customer') that is independent of the publisher, resulting in such copies being made available free of charge to the customers of the customer (and hereinafter called 'the consumer') airside/trackside.
- It is recognised that in most cases the publisher will use a

distribution company to sell to the customer and that publishers may pay the distribution company handling / marketing / administration fees as part of the arrangement with them. This potential infringement of the reciprocal payment/contra rule is not relevant for ABC purposes for airline and international rail copies as it is the sale to the customer that is reported

- The publisher must receive at least minimum legal tender per copy, i.e. currently 1p in the UK, for the sale of the copy, either directly from the customer or via the distribution company. (Note: Barter copies may be claimed only if the sale is direct between the publisher and the customer and not via a distribution company – see section 11.4 below).
- The customer must pay at least minimum legal tender per copy, i.e. currently 1p in the UK, per copy per issue. (Note: Unless the sale is directly between the publisher and the customer in which case the copies may be eligible if they are subject to a barter arrangement – see section 11.4 below).
- All documentation must identify the publication, quantities sold and price per copy.
- The audit will cover the onward sale and distribution of copies to the customer and you must ensure ABC and your auditor, is granted access to these records.

11.3 RATE BANDS

Copies are claimed either as:

- At Basic Cover Price.
- At below Basic Cover Price but not less than 50% of Basic Cover Price.
- At below 50% of Basic Cover Price but not less than 20% of Basic Cover Price.
- At below 20% of Basic Cover Price but not less than 5% of Basic Cover Price.
- At below 5% of Basic Cover Price.
- Barter Copies.

11.4 BARTER COPIES

Copies exchanged for goods or services, or sold without using money, for any barter deal may be claimed under the Regular Bulk Sales category providing:

- The requirements relating to Regular Bulk Sales are met
- All barter sales claimed represent a reasonable exchange in value terms (this must be at least 5% of the Basic Cover Price per unit).
- The publisher is in possession of a written agreement with the purchaser, supported by invoiced transactions showing the quantities of copies/goods and services bartered and their value.
- The value of the copies sold is not subsequently redeemed by free advertising.
- The goods or services provided in exchange for the publication are not related to the supply of the publication (e.g. costs for distribution or marketing of the publication).

Failure to comply with any of these criteria will render the copies ineligible for the ABC claim.

SECTION 11 - REGULAR BULK SALES [cont.]

11.5 REPORTING

- Regular bulk sales must be reported separately on the Publisher's Return Form and will be shown separately on the Certificate and in ABC published data.
- Average copies per publishing day must be analysed and totalled on the Return by rate band and according to audience type: Airlines, Hotels, Trains, Other publication insert, Voucher redemption, Sports Events, Leisure Centres, Food/beverage outlets and others.

For example:

Category	At Basic Cover Price Quantity	At below BCP but not < 50% of BCP Quantity	At below 50% BCP but not < 20% of BCP Quantity	At below 20% of BCP but not < 5% of BCP Quantity	At below 5% of BCP Quantity	Barter Copies Quantity	TOTALS Quantity
Airlines	450		200				650
Hotels							0
Trains	245						245
Other Publication Insert							
Voucher redemption							
Sports Events							
Leisure Centres							
Food/Beverage outlets							
Others	0		500				500
Total Average	695		700				1395

11.6 RECORDS REQUIRED

- Issue by issue details of the number of copies purchased by each purchaser.
- An order or contract from the purchaser (or countersigned by the purchaser) stating;
 - Name of publication
 - Number of copies to be purchased
 - Price per copy
 - Issues of the publication to be purchased (this must be every issue or the relevant issues must be clearly stated in a contract)
- An invoice to the purchaser stating;
 - Name of publication
 - Number of copies sold and the price per copy
 - Issue(s) of publication sold
- Financial records to prove copies have been paid for.

SECTION 12 - ISSUE SPECIFIC BULK SALES

12.1 INTRODUCTION

12.2 DEFINITION

12.2.1 DEFINITION - AIRLINES AND INTERNATIONAL RAIL SERVICES [FROM JULY TO DECEMBER 2010 PERIOD]

12.3 RATE BANDS

12.4 BARTER COPIES

12.5 REPORTING

12.6 VOUCHERS RESULTING IN FREE COPIES TO END 'READER'

12.7 RECORDS REQUIRED

12.1 INTRODUCTION

This category represents copies purchased in bulk from the publisher on an irregular basis (i.e. not every issue).

A fundamental principle for copies to be claimed as bulk sales is that the copies must be delivered and made available for pick up or receipt by individuals of the targeted audience.

12.2 DEFINITION

- An issue specific bulk sale is a sale of two or more copies of a publication, on a "one-off" or on an irregular basis (i.e. not every issue).
- These copies are usually distributed free of charge to the final recipient.
- The sale must be bona fide or "arms length", whether sold direct by the publisher, or through the Newstrade or other third-party channels.
- The publisher must receive at least 5% of the Basic Cover Price (net) with the exception of copies exchanged for goods and services (where no money changes hands but there is an exchange of invoices) which may be claimed under 'barter copies' - see below.

Note: Publishers' attention is drawn to section 5.4.1 Related party transactions and 5.4.2 Contra transactions which could result in copies sold under bulk sales arrangements being disallowed for ABC purposes.

12.2.1 Definition - Airlines and International Rail Services [from July to December 2010 period]

This section details the variances from the bulk sales rules generally to account for the practical restrictions that affect operations in the secure areas airside and trackside for international rail services.

- The principle of copies claimed as bulk sales for distribution airside at airports or trackside for international rail services is that the copies are purchased by an organisation (not a distribution company and hereinafter called 'the customer') that is independent of the publisher, resulting in such copies being made available free of charge to the customers of the customer (and hereinafter called 'the consumer') airside/trackside.
- It is recognised that in most cases the publisher will use a distribution company to sell to the customer and that publishers may pay the distribution company handling / marketing / administration fees as part of the arrangement

with them. This potential infringement of the reciprocal payment/contra rule is not relevant for ABC purposes for airline and international rail copies as it is the sale to the customer that is reported

- The publisher must receive at least 5% of the Basic Cover Price (net) for the sale of the copy, either directly from the customer or via the distribution company. (Note: Barter copies may be claimed only if the sale is direct between the publisher and the customer and not via a distribution company – see section 12.4 below).
- The customer must pay at least 5% of the Basic Cover Price (net) per copy. (Note: Unless the sale is directly between the publisher and the customer in which case the copies may be eligible if they are subject to a barter arrangement – see section 12.4 below).
- All documentation must identify the publication, quantities sold and price per copy.
- The audit will cover the onward sale and distribution of copies to the customer and you must ensure ABC and your auditor, is granted access to these records.

12.3 RATE BANDS

Copies are claimed either as:

- At Basic Cover Price
- At below Basic Cover Price but not less than 50% of Basic Cover Price
- At below 50% of Basic Cover Price but not less than 20% of Basic Cover Price
- At below 20% of Basic Cover Price but not less than 5% of Basic Cover Price
- Barter Copies

12.4 BARTER COPIES

Copies exchanged for goods or services, or sold without using money, for any barter deal may be claimed under Issue Specific Bulk Sales category providing:

- The requirements relating to Issue Specific Bulk Sales are met
- All barter sales claimed represent a reasonable exchange in value terms (this must be at least 5% of the Basic Cover Price per unit).
- The publisher is in possession of a written agreement with the purchaser, supported by invoiced transactions showing the quantities of copies/goods and services bartered and their value.
- The value of the copies sold is not subsequently redeemed by free advertising.
- The goods or services provided in exchange for the publication are not related to the supply of the publication (e.g. costs for distribution or marketing of the publication).

Failure to comply with any of these criteria will render the copies ineligible for the ABC claim.

SECTION 12 - ISSUE SPECIFIC BULK SALES [cont.]

12.5 REPORTING

- Issue Specific bulk sales must be reported separately by individual issue, on the Publisher's Return Form giving the date of the issue and the quantity sold, and will be shown separately on the Certificate and in ABC published data.
- Average copies per publishing day must be analysed and totalled on the Return by rate band and according to audience type: Airlines, Hotels, Trains, Other publication insert, Voucher redemption, Sports Events, Leisure Centres, Food/beverage outlets and others.

12.6 VOUCHERS RESULTING IN FREE COPIES TO END 'READER'

Copies of a Publication obtained free by the end 'reader' by the use of a coupon(s) sponsored by a party independent of the Publisher, may be included in the ABC average circulation but these must be claimed in the category 'Issue Specific Bulk Sales'.

Copies redeemed in this way must be paid for by an independent party and comply with the other requirements of this category.

Example

A lottery company wishes to insert a promotional voucher with its lottery tickets that enable the purchaser of the lottery ticket to obtain a free copy of the publication. If the lottery company is independent of the publisher then vouchers redeemed at newsagents for a copy of the paper would be eligible for inclusion in the ABC claim if the lottery company pays the publisher at least 5% of Basic Cover Price for each voucher redeemed for a copy of the paper.

12.7 RECORDS REQUIRED

- Issue by issue details of the number of copies purchased by each purchaser.
- An order or contract from the purchaser (or countersigned by the purchaser) stating;
 - Name of publication
 - Number of copies to be purchased
 - Price per copy
 - Issues of the publication to be purchased
- An invoice to the purchaser stating;
 - Name of publication
 - Number of copies sold and the price per copy
 - Issue(s) of publication sold
- Financial records to prove copies have been paid for.

SECTION 13 - CONTROLLED CIRCULATION

13.1 INTRODUCTION

13.2 TERMS OF CONTROL

13.3 REQUESTED CONTROLLED CIRCULATION

13.3.1 INDIVIDUALLY REQUESTED COPIES

13.3.2 COMPANY REQUESTED COPIES

13.4 AGE OF REQUESTS

13.4.1 ANALYSIS OF AGE OF REQUESTS

13.4.2 ANALYSIS OF AGE OF REQUESTS – ANNUAL PUBLICATIONS

13.5 TREATMENT OF REQUESTS ON CHANGE OF NAME/MERGER OF TWO PUBLICATIONS

13.6 REQUEST DOCUMENTATION

13.6.1 WRITTEN REQUESTS

13.6.2 DUAL / MULTI FUNCTION CARDS

13.6.3 RECORDS TO BE RETAINED FOR AUDIT PURPOSES FOR WRITTEN REQUESTS

13.6.4 TELECOMMUNICATION REQUESTS

13.6.5 RECORDS TO BE RETAINED FOR AUDIT PURPOSES

13.7 NON-REQUESTED CONTROLLED CIRCULATION

13.7.1 STYLISTED / GENERIC JOB TITLES

13.7.2 CALCULATION OF SPLIT BETWEEN BY NAME AND BY JOB TITLE/ FUNCTION

13.8 RECORDS REQUIRED – NON-REQUESTED CONTROLLED CIRCULATION

13.8.1 SOURCES FOR NON-REQUESTED CONTROLLED CIRCULATION

13.8.2 EXAMPLE SOURCES AND DATES OF SOURCES

13.8.3 SOURCING FROM RELATED PARTIES

13.8.4 TELEPHONE RESEARCH USED AS A SOURCE FOR NON-REQUESTED

13.8.5 RECORDS NEEDED TO SUPPORT TELEPHONE RESEARCH SOURCES

13.1 INTRODUCTION

Controlled circulation is the term given to copies that are sent free and individually wrapped and addressed to individuals who can be proven to meet the Terms of Control that the publisher has set for the journal and registered with ABC. The Terms of Control states the criteria that the publisher uses to decide if an individual qualifies for a free copy. The Terms of Control enable a publisher to demonstrate the quality of their circulation to potential advertisers and to differentiate themselves from other journals serving the same or similar markets. Controlled circulation copies are, therefore, useful to advertisers and media buyers because they enable them to target their advertising more effectively.

13.2 TERMS OF CONTROL

- Terms of Control are automatically registered with ABC upon completing the Return.
- The publisher may amend Terms of Control at any time prior to the submission of the Return.
- The wording must state clearly, in an auditable manner, the criteria which the publisher uses to decide whether or not to consider sending copies of the publication to an addressee.

For Example. 'Distributed to retired persons in the UK' or 'Individuals who have purchased a new car in the last 12 months'

- The terms of control must relate to individuals not companies

For Example: 'UK companies with company car fleets would not be allowed whereas 'Fleet Managers and other 'individuals in motor vehicle manufacturing companies' is fine.

- If applicable, job titles/ functions must be included.
- The following words may NOT be used in the Terms of Control: ALL, EVERY. Subjective adjectives may not be used such as: KEY, SUBSTANTIAL, HIGH SPENDING or MAJOR. The word SENIOR is only allowed within the Terms of Control if it has a capital S and is part of a job title.

For Example. Senior Lecturer, Senior Partner.

- Neither the Terms of Control nor an approximation to the Terms of Control may be published in the publication or on any documents or promotional material targeted at the reader.
- Publication of Terms of Control in a 'media pack' on a web site is allowable.
- It is the publisher's responsibility to prove that an addressee fits the Terms of Control at the date of distribution of the issue for which the addressee is being claimed as controlled circulation. .
- The Terms of Control must be agreed with the Bureau in writing (normally on the Permanent Information Form submitted on application for membership or the Return form). Where there has been a change to the Terms of Control in an Audit Period, the change MUST be notified to the Bureau in writing before the Audit Period end date, and both the old and new versions stated on the Return together with the date of change.

13.3 REQUESTED CONTROLLED CIRCULATION

To be claimed under this category, a regular copy must have been requested in addition to the addressee fitting the Terms of Control. Requests may be from an individual or company and can be received by the publisher in writing, via the telephone or the internet. The request will be valid for a period of up to three years from the date of distribution of the Audit Issue (or less if stated on the request documentation) and the publisher must send the copy on an every issue basis.

13.3.1 Individually requested copies

Individually requested copies are those sent, addressed by name, to an individual who has personally requested a copy of the publication. Only one regular copy per request is allowed in this category.

13.3.2 Company requested copies

Company requested copies are those sent, addressed by name or job title/function to an individual who fits the Terms of

SECTION 13 - CONTROLLED CIRCULATION [cont.]

Control and has had a regular copy requested on their behalf by another employee from their company or organization (this includes Government departments, Schools, Universities, Libraries etc).

13.4 AGE OF REQUESTS

For all requests, the evidence that the addressee fits the Terms of Control and has requested a copy of the publication must be less than three years old at the date of distribution of the issue for which that addressee is claimed as a requested recipient. When the date of request is more than three years old, further copies sent to that individual may not be claimed as controlled circulation, until the publisher has processed a new, valid request document. These copies should be excluded from the ABC circulation claim or claimed as non-controlled free circulation.

13.4.1 Analysis of age of requests

Based on the date the request was made and the date of distribution of the 'audit' issue, all requested circulation (based on a full count and not a sample) must be analysed into the following age categories:

Under 12 months
13-24 months
25-36 months

The 'audit' issue is defined as follows:

- For audit periods ending December this should be for the issue distributed nearest to the end of September.
- For audit periods ending June this should be for the issue distributed nearest the end of March. (Note: For weekly publications exclude the seven days either side of Easter).
- For three-month audit periods this should be for the issue with the distribution date nearest the first day of the last month of the Audit Period.

For Example: Audit issue distributed on 30.9.2006

Under 12 months - All requests dated between 1.10.2005 to 30.9.2006 inclusive

13-24 months - All requests dated between 1.10.2004 to 30.9.2005 inclusive

25-36 months - All requests dated between 1.10.2003 to 30.9.2004 inclusive

13.4.2 Analysis of age of requests - annual publications

For annual publications the evidence to prove the age of request must be less than three years old either at the principal distribution date or the last date of the distribution period, depending on the reporting period chosen.

13.5 TREATMENT OF REQUESTS ON CHANGE OF NAME/MERGER OF TWO PUBLICATIONS

If a publication changes its name or if two publications merge, requested readers from the old publication may be transferred to the new publication as requested controlled circulation provided that the Terms of Control for the new title are

identical or wider than those for the old publication. Under these circumstances the requests are valid for the remainder of their three years.

13.6 REQUEST DOCUMENTATION

Both individual and company requests can be in writing or by telecommunication, including internet, e-mail or fax.

13.6.1 Written requests

- The request form must be signed and dated by the addressee for individual requested or by the employee making the request for company requested.
- The document must clearly indicate which publication or publications is being requested
- If the request form is for more than one publication there must be a separate signature supporting a request for each publication.
- The document must contain sufficient information (in the opinion of ABC) to prove explicitly that the addressee fits the terms of control. In case of doubt ABC will decide.
- Whenever a document/request form is used to elicit information to prove compliance with Terms of Control, the document(s) must not explicitly or implicitly lead the addressee to give the desired qualification data in order to receive the publication. A suitable way to ensure this requirement is complied with is to add an option such as:

Other(please specify.) In addition tick boxes (where used) should include some items that are outside the Terms of Control.

13.6.2 Dual / multi function cards

- If the request card has a dual/multi function, for example, registering for an exhibition or reader enquiry, care must be taken to ensure that the addressee is clearly signing to receive a copy of the publication. If the combined card and any associated instructions lead the addressee to request a copy by implication (in the opinion of ABC) the request will be disallowed.
- On combined cards the area for signature and date to receive a regular free copy of the publication must be a distinct and separate section of the document, clearly delineated by a bold box.
- The box must contain a separate statement 'Only sign here if you wish to receive (continue to receive) a regular free copy of this publication.'
- The statement must be in a type size equal or larger than the bulk of the printing on the document, nothing else should appear in the box except, if required, a statement asking the respondent to complete question numbers relevant to the Terms of Control.
- If there is any implicit or explicit instruction or suggestion on or related to a combined Enquiry/Registration document that a signature is required other than to request a Publication, then a second box must be provided for signature and date to receive the Enquiry Service. In case of doubt ABC will rule.

SECTION 13 - CONTROLLED CIRCULATION [cont.]

Examples of dual/multi function cards are:

- Requests for two or more journals on one card
- Combined exhibition registration form and journal request
- Competition entry plus journal request
- Combined reader enquiry card and journal request

13.6.3 Records to be retained for audit purposes for written requests

- All request documents for every copy to be claimed during the audit period.
- An age of request analysis for the audit issue.
- Complete mailing list for one issue as specified in section 15.3.

13.6.4 Telecommunication Requests

Telecommunications such as outbound and inbound telephone calls, internet, e-mail and fax messages may be used in support of individually or company requested circulation.

ABC will approve/audit any telephone interview form/system provided the following points are complied with:

- Adequate instructions must exist to the interviewer (for outbound calls) or to the caller (inbound calls) including a statement at the start of the call if the call is to be recorded.
- The telephone interview/script must include a question such as 'Do you wish to receive (continue to receive) a regular free copy of this Publication?'.
- The telephone interview/ script must include an audit question to which the answer is likely to be known by the addressee and not the publisher. This is known as the personal identifier question or PIQ.
- The PIQ question is set by the ABC and is different each calendar year. The PIQ question is changed each year on January 1st. Contact ABC for the current PIQ. Therefore upon re-verification a different PIQ must be asked.
- The name, title/function and telephone number of the addressee must be collected and recorded.
- Other information needed to prove that the addressee fits the Terms of Control must be collected and recorded.
- Outbound calls - must be signed and dated by the interviewer and the phone number called, recorded.
- Inbound calls - must be signed and dated by the receiver.
- Requests for more than one publication in a single phone call are allowed provided the script ensures that the titles have been asked about individually.
- For company requests, in addition to above, the script must make it clear to the employee making the request, that they are nominating each individual to receive the journal, and the name and job title of the employee nominating the requests must be captured.
- To prove that information collected is auditable, ABC may insist that a telephone system used is tested before allowing copies to be claimed if the system is to be used as proof of request.
- Fax requests are treated in the same way as written

requests so the PIQ is not required. ABC recommends that fax requests are photocopied or a plain paper fax is used to avoid the information fading.

13.6.5 Records to be retained for audit purposes

- Complete mailing list for one issue as specified in section 15.3

For telephone requests:

- All interview forms.
- All tape recordings if taken.
- All invoices from the telecommunications companies involved if they itemise calls by telephone number.
- Electronic/hardcopy record of the data output of the system.

The Publisher must accept that the decision of the Bureau or its appointed agent as to the accuracy of the records will be final.

For Internet/e-mail requests:

- The request must capture all the data as detailed for telephone requests, including the PIQ. The e-mail address must be collected and recorded instead of the telephone number.

Advice – ABC will be pleased to advise on the suitability of any document/internet request / telecommunications script. Services of this type are free of charge to members.

13.7 NON-REQUESTED CONTROLLED CIRCULATION

Copies counted in this category must have been sent individually wrapped and addressed either by name or job title/function to an individual who the publisher can prove meets the Terms of Control. Source documents retained by the publisher will be used to prove the addressee fits the Terms of Control.

13.7.1 Stylised / generic job titles

- Where a source document can only prove company details, publishers may add a stylized/generic job function to enable the copy to be claimed as controlled, non-requested by job title/function.
- The stylized job title/function must be one that could be expected to relate to a real individual e.g. Managing Director, Credit Controller and must be included in the list of addressees provided for audit.
- Publishers should be careful in the use of job titles to avoid a high duplication level.

For Example:

If 30 copies were individually mailed to the 'Group Finance Director' at 30 branches of XYZ Co Ltd, these copies would be counted as duplicates as XYZ Co Ltd would be expected to have only one Group Finance Director. It would be

SECTION 13 - CONTROLLED CIRCULATION [cont.]

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.

money must have changed hands, an inter-company accounting transaction is NOT sufficient.

- The data on the list is also publicly available for sale or rent from the related party.

13.7.2 Calculation of split between by name and by job title/ function

The analysis between by name or by job title/function must be based on a full count of the addressees and not a sample.

13.8 RECORDS REQUIRED – NON-REQUESTED CONTROLLED CIRCULATION

- Source documents for each copy claimed as detailed below.
- Complete mailing list for one issue as specified in section 15.3

13.8.1 Sources for Non-Requested Controlled Circulation

- All sources must be third party. A third party source is a document originating from a company or individual independent of the publisher. Publisher's data compiled from 3rd party sources is not sufficient – the original third party sources must be available. Examples of sources and the dates used are shown below.
- All valid sources must be less than three years old at date of distribution of the issue for which the copy is claimed.
- For annual publications the date of distribution is either the principal distribution date or the end date of the distribution period.
- The actual sources (see overleaf for examples) must be produced at the audit and an audit trail must exist between the name on the audit mailing list and the source.
- If the Terms of Control state any demographic criteria beyond industry/service classification or job title/functions (e.g. company size, purchasing responsibility) then source documents must be produced to prove those demographics.

13.8.2 Example sources and dates of sources

- The table overleaf is not exhaustive. Please contact ABC for advice on queries as to the validity of any source types.

13.8.3 Sourcing from related parties

A related party is NOT a third party. Therefore a list provided by a related party is NOT a valid source unless ONE of the following three criteria is met.

1. The data has already been audited by ABC, for example, an audited exhibition attendance list.
2. The related party can provide original source documentation for the addressees on the list.
3. The list is purchased from the related party and:
 - The purchase invoice has been paid, it should be noted that

SECTION 13 - CONTROLLED CIRCULATION [cont.]

Example sources and dates of sources

Source Type	Records Needed	Date of Source
Written communication from addressee/addressee's company	Copy of communication	Date of document
Telephone communication with addressee/addressee's company	Record of the response to personal identifier question, copy of record and telephone number	Date of communication
Requests for other journals	Copy of request card	Date of request
Reader Enquiry cards	Copy of reader enquiry card	Date of enquiry, postmark or distribution of the issue which contained the card
Competition entries	Copy of the entry	Date of entry
Press cuttings	Copy of the cutting, which includes issue date or complete publication	Cover date of the publication or the first day of the cover date month
Published directories that are publicly available	Copy of the directory	Month and year of publication date. E.g. Cover date is 2006/2007 the date is 1st January 2006 unless an actual publication date is shown
Exhibition attendee lists	Copy of list, invoices/suppliers statement	Last day of Exhibition
Suppliers/business lists	Copy of list, invoices/suppliers statement	Date of acquisition of list
Business cards - if signed and dated	Copy of the Business Card	Date of signature on card
Internet site data	Method and date of contact must be recorded and a hardcopy retained. Print out of the page which contains the sourced data plus the site's home page.	Date of access to data (usually taken as the date of the screen print)

Notes in respect of data sourced from internet sites

- ABC recommends that publishers notify ABC if they intend to source large quantities of names from the Internet at the time of sourcing.
- It is the publisher's responsibility to ensure they comply with the requirements of the Data Protection Act.
- Other methods of record keeping or audit may be used provided written agreement has been obtained from ABC.
- Publishers may be required to make a declaration that internet sites used as sources are third party.

13.8.4 Telephone research used as a source for non-requested controlled circulation

- Details may be sourced by telephone providing the name, job title and PIQ of the respondent are recorded along with the name address, job title of all addressee(s) and any information needed to prove compliance to the Terms of Control.

13.8.5 Records needed to support telephone research sources

Publishers must retain a record of the call including all details to enable verification at audit. This could be interview forms or tape recordings if taken or an electronic/hardcopy record of the data output of the system.

SECTION 14 - GEOGRAPHICAL ANALYSIS

14.1 INTRODUCTION

14.2 BASIS OF ANALYSIS

14.1 INTRODUCTION

The geographical analysis showing where the copies of a publication are sold or distributed provides useful information to aid the targeting of advertising. The reporting of this geographic analysis is mandatory for each 6-month reporting period but is not required for the optional monthly reporting.

14.2 BASIS OF ANALYSIS

- The data must be an average based on a full analysis of the circulation across the whole Audit Period by country. The Analysis of Countries of the World by ABC Region can be found on the ABC return form. A detailed list of the countries of the world can also be obtained from the ABC website www.abc.org.uk
- Figures must be entered on the Return Form for each country and totaled for each region. Where a country accounts for less than 1% of the distribution it may be included in "Other" unless the publisher wishes to analyse in more detail.
- Where newstrade is analysed, the analysis need only be of the wholesale distribution.
- Where a publisher chooses to analyse copies supplied to airlines, for in-flight use by passengers as part of their geographical analysis, such analysis must, as a minimum be based on the nationality (or origin) of the airline supplied. However, where audit evidence allows, it is preferable to base such an analysis on where the copies are made available to passengers.

For Example:

Copies uplifted in London and utilised in-flight out-bound from the UK should be claimed as UK circulation.

Copies uplifted in London but subsequently transferred to other flights in, say, Germany, and utilised in-flight out-bound from Germany, should be claimed as Germany circulation as this is the country from which the aircraft is out-bound at the time the copies are made available to passengers.

SECTION 15 - TESTING THE AUDIT ISSUE FOR DUPLICATES

15.1 INTRODUCTION

15.2 DEFINITION OF A DUPLICATE

15.3 TESTING FOR DUPLICATIONS

15.4 THE DUPLICATION TESTS

15.5 CALCULATING THE DUPLICATION LEVEL AS A PERCENTAGE

15.6 DECLARING DUPLICATION LEVEL ON THE RETURN

15.1 INTRODUCTION

The ABC certificate shows the number of copies sold or distributed to addressees. Of those copies distributed to addressees, some may be duplicate copies distributed to the same addressee. Therefore the level of duplication on the distribution list is useful information to the user of ABC figures as it gives an indication of the quality of the distribution list and the level of internal housekeeping.

Where a publication's addressed (i.e. distributed to individual by name or job title) circulation represents less than 1% of the total average net circulation claimed, the publisher may choose not to report a duplication level. The addressed circulation will include single copy subscriptions, sponsored subscriptions and controlled circulation.

For publications that are required to report a duplication level, the duplication percentage will be shown on the ABC certificate and in other ABC published data.

Publishers are advised to de-duplicate distribution lists regularly, duplications are particularly likely to occur where a reader registration card is bound into or inserted into the publication and where distribution lists from more than one source have been merged to build a list.

15.2 DEFINITION OF A DUPLICATE

- Two or more occurrences of the same name, or company name (where the addressee is not identified by name or job title) or address unless it can be shown that these are really for different addressees. It is also necessary to check for cases where a company name has changed or a company has moved.
- A simple criterion to help decide if a name is a duplication is to ask:-
'Is the addressee a different pair of eyes?'
- Copies claimed as 'Newstrade', 'Multiple Copy Subscription Sales', 'Regular Bulk Sales' and 'Issue Specific Bulk Sales' are not treated as duplications.

15.3 TESTING FOR DUPLICATIONS

- The audit issue distribution list must be used to test for duplications. The audit issue list is defined as follows:
 - For audit periods ending December this should be for the issue distributed nearest to the end of September.
 - For audit periods ending June this should be for the issue distributed nearest the end of March. (Note: For weekly publications exclude the seven days either side of Easter).
 - For three-month audit periods this should be for the issue with the distribution date nearest the first day of the last

month of the Audit Period.

- If there is more than one list that constitutes the whole distribution list of the audit issue, the duplication test must include testing for duplication between the lists.
- The audit issue distribution list should be postcode sorted, with a secondary sortation by surname or company alpha. If the list is sorted in this way, duplications, often but not always, appear next to each other.
- If the list is not sorted geographically, the tests must be extended to the whole of the list to ensure that a representative sample has been tested.

15.4 THE DUPLICATION TESTS

It is impractical to test every addressee of a copy against every other addressee of a copy for every issue. However the following tests will give an indication of the likely level of duplications in a distribution list once the list has been sorted as detailed above.

Duplication Test A – For distribution lists where the individually addressed circulation of the 'Audit Issue' is 10,000 copies or more. Test a sample of 200 addressees for duplications across the entire list in the following way:

- The nth number is calculated as follows:

$$\frac{\text{Total number of labels for 'Audit Issue'}}{200} = \text{nth number}$$

- Select every nth addressee in the list starting at a random point within the first n addressees and mark each selected addressee until the end of the list has been reached.
- The particular geographical area is then scanned for duplicates of EVERY marked addressee.

Duplication Test B – For distribution lists where the individually addressed circulation of the 'Audit Issue' is between 5,000 and 9,999. Test a 2% sample of addressees for duplications across the entire list.

- Select every 50th addressee on the list starting at a random point within the first 20 addressees and mark each selected addressee until the end of the list is reached.
- The particular geographical area is then scanned for duplicates of EVERY marked addressee.

Duplication Test C – For distribution lists where the individually addressed circulation of the 'audit issue' is between 1 and 4,999. Test a sample of 100 addressees for duplication testing across the entire list in the following way:

- The nth number is calculated as follows:

$$\frac{\text{Total number of labels for 'Audit Issue'}}{100} = \text{nth number}$$

- Select every nth addressee in the list starting at a random point within the first n addressees and mark each selected addressee until the end of the list has been reached.
- The particular geographical area is then scanned for duplicates of EVERY marked addressee.

SECTION 15 - TESTING THE AUDIT ISSUE FOR DUPLICATES [cont.]

15.5 CALCULATING THE DUPLICATION LEVEL AS A PERCENTAGE

For all above tests the duplication must then be quantified, remembering that two occurrences of an addressee count as one duplication, three occurrences count as two etc.

E.g. Test A: 200 checked

6 duplicates =	6
2 triplicates =	<u>4</u>
	10

These results indicate 10/200 = 5% duplication in the list.

15.6 DECLARING DUPLICATION LEVEL ON THE RETURN

- The amount of duplication on the individually addressed circulation must be stated on the ABC Return.
- The figure stated must be a whole number, decimal places being rounded down to a whole number. E.g. Tests show 9.7% enter 9.00%. Tests show 12.20%, enter 12.00%.
- The circulation to be certified must NOT be reduced to take account of the level of duplication.
- A publisher who chooses not to undertake the above test does so at his own risk. Any material discrepancy found at ABC audit after conducting the test as specified will be reported in accordance with the standard audit procedure.

SECTION 16 - PAGINATION / ADVERTISING CONTENT

16.1 INTRODUCTION

16.2 PAGINATION / ADVERTISING CONTENT

16.1 INTRODUCTION

Publishers have the option to include the average pagination and advertising content on the ABC Certificate. Where reported these will be stated on the Certificate.

16.2 PAGINATION / ADVERTISING CONTENT

- The average pagination is calculated as the average number of pages per issue across all issues included in the circulation claim for the reporting period.
- The average advertising content by is calculated as the average number of advertising pages per issue (display advertising only) across all issues included in the circulation claim for the reporting period. Note: Advertising sold at Classified Rates, and supplements and sections with independent advertising rate cards should be excluded.
- The average advertising content percentage is calculated by dividing the average pagination by the average number of advertising pages per issue.

For Example:

Ave. Pagination	=	64 pages
Ave. Advertising	=	40 pages
Advertising Content	=	62%

The figures stated being rounded down to the nearest whole number.

SECTION 17 - DIGITAL EDITIONS (CROSS PLATFORM CERTIFICATE OF CIRCULATION)

17.1 INTRODUCTION

17.2 DEFINITION OF A DIGITAL EDITION

17.3 PRINCIPLES OF AUDIT

17.4 REPORTING OF DIGITAL EDITIONS ON THE ABC CERTIFICATE

17.5 REGISTRATION OF DIGITAL EDITIONS WITH ABC

17.6 REQUIREMENTS - PAID DIGITAL COPIES

17.6.1 CORPORATE SUBSCRIPTIONS

17.6.2 RECORDS REQUIRED

17.7 REQUIREMENTS - FREE DIGITAL COPIES

17.7.1 RECORDS REQUIRED

17.8 STANDARDS OF AVAILABILITY

17.9 PUBLICITY RULES

17.9.1 USE OF ABC DATA – DIGITAL EDITIONS

17.9.2 COMPARISONS – DIGITAL EDITIONS

17.9.3 USE OF ABC LOGOS – DIGITAL EDITIONS

17.1 INTRODUCTION

Digital editions (or 'e-publications') of a magazine or newspaper may be included on an ABC Cross Platform Certificate of Circulation.

They are not included in the average net circulation figure and must at all times be reported separately from the print copies.

Note: Publishers who wish to include digital edition copies must register and gain approval of their systems from ABC before any issues can be claimed.

17.2 DEFINITION OF A DIGITAL EDITION

- A digital edition is defined as an edition of the print publication published electronically as a unit, which once published is, as a principle, inert (i.e. does not change).
- To be able to be reported on the ABC certificate a digital edition must be identified as either a digital edition of the main edition or the digital edition of another specified print edition that is reported on the ABC certificate. (The relevant print edition will be referred to as the 'parent edition'). This means digital editions must carry a logotype/masthead incorporating the generic name of the parent publication and be consistent with the general appearance of the parent edition.
- The overarching principle behind the definition of a digital edition is that whilst it may be reformatted to suit the different delivery medium it remains sufficiently similar to be considered the 'same product' as the parent edition.
- Editorial: A digital edition must carry substantially the same editorial as the parent edition (no more than circa 5% change). *For example: This might allow a late breaking or major story to be added prior to (or after) publication, or an article from another print edition to be swapped. Publishers must declare editorial changes when submitting their claim to ABC and be able to demonstrate they fall within the permitted parameters.*

Note: Editorial may include electronic enhancements or be adapted to take advantage of the medium. *For example: a picture used in the print edition relating to editorial could be substituted with a video clip in the digital edition.*

- Advertising: A digital edition must carry all of the ROP (not classified) advertisements (by number and advertisers) that appear in the parent edition unless agreed otherwise with the advertiser/agency.

Note:

- Advertisements may include electronic enhancements or be adapted to take advantage of the medium.
- Advertisements may be sold for inclusion in the digital edition only.

- In cases where editorial or advertising renders the digital edition illegal for publication the specific advertising/editorial may be removed. In this instance the digital edition will still qualify as an edition of its parent.
- Digital editions and their parent edition must be published on or about a common distribution date.

17.3 PRINCIPLES OF REPORTING STANDARDS

The following overarching principles must be complied with for the inclusion of digital editions on the ABC certificates:

- All digital edition copies claimed on the certificate must be 'opted in' copies, i.e. they have either been purchased or an individual has personally requested a free copy of the digital edition.
- The distinction between copies that are paid for at a higher rate, paid for at a lower rate (as defined in section 17.6) and those that are free is important because the requirements regarding the information you collect about the recipient and notifications to them are different (see below).

Paid copies

For each paid digital copy there must be proof of:

- entitlement to the copy
- availability of the copy

Free copies

For each free digital copy there must be proof of:

- entitlement to the copy
- availability of the copy
- notification of the copy.

- Entitlement to copy.
Audit will test the entitlement of the purchaser/recipient to receive/view the digital edition.
 - For paid copies this will be by verification that the copy has been purchased.
 - For free copies this will be by verification of the free request documentation applicable for the relevant circulation category as detailed for print copies (e.g. controlled requested) and as laid down in the following sections.
- Availability of copy.

ABC will need to check as part of the ongoing processes that the correct publication and issue was available for download or view. Even if an individual who has requested to receive a free copy received an email notifying him of the availability of the digital edition this cannot be defined as ABC circulation -

SECTION 17 - DIGITAL EDITIONS (CROSS PLATFORM CERTIFICATE OF CIRCULATION)

[cont.]

if the URL or PDF was not available or had not been set up with the correct issue then the digital circulation of that issue would have to be disallowed. Please see section 17.8 regarding standards of availability.

- Notification of copy (free copies only).
For free digital edition copies the publisher must send an email alert to the individual informing them that the issue is available for download. ABC will verify the number of email alerts that are sent out to individuals by checking to email system records and conducting email write backs, reducing the number claimed for hard bounce backs and duplications. The detailed requirements for this are noted below.
 - ABC will monitor the email alerts on an ongoing basis throughout the audit period. This is to test the 'entitlement to the copy', the 'availability of the copy' and the 'notification' of the copy.
- As systems will not be identical from one publisher to another it is essential that ABC is able to adapt the audit processes if necessary to ensure that the principles of opting in, entitlement to copy, availability of the copy and 'notification' of the copy can be sufficiently verified to ABC's satisfaction.

17.4 REPORTING OF DIGITAL EDITIONS ON THE ABC CERTIFICATE

The principle behind reporting digital editions on the ABC certificate is that an individual has explicitly asked the publisher (i.e. opted-in) for copies by this mode of distribution.

- Digital editions will be represented on certificates: separately from print copies as follows:
 - Paid for digital edition copies at a higher rate (as defined in section 17.6) and excluding corporate subscriptions will be reported on the certificate alongside (but not added to) print copies
 - Free digital edition copies, corporate digital edition subscription copies and paid for digital edition copies at a lower rate (as defined in section 17.6) will be reported in a separate table which will be accompanied by a summary containing both higher rate and lower rate digital edition copies and an overall total digital edition copy figure.
- Digital edition copies in the higher rate and lower rate/paid tables referred to above will be analysed as a total average and broken down in the circulation categories as detailed below and the same price / geographical bands as for print copies.
- Digital editions may only be included in the following circulation categories:
 - Current issue single copy sales.
 - Single copy subscription sales.
 - Controlled free circulation – digital editions are admissible to be included in controlled circulation provided that the copies are individually requested.
 - A category called Corporate subscriptions specifically for digital editions copies (see section 17.6.1).
- Where all the supplements accompanying the parent print edition are not included in the digital edition this will be reported on the certificate.
- Addressees who receive more than one of the following for an

issue must only be counted once on the certificate. The print copy will take precedence: a free digital edition copy, a lower rate paid digital edition copy (as defined in section 17.6) or a mailed print copy of the same issue

- As ABC will operate a continuous audit to verify the availability and notification of digital editions, some audit work on digital editions will occur before certificates are issued. Where ABC is the print auditor, audit work to verify entitlement to copy will be conducted with the print audit. Where ABC is not the print auditor, audit work to verify entitlement to copy will be conducted at a time agreed with the publisher.

17.5 REGISTRATION OF DIGITAL EDITIONS WITH ABC

- Publishers must register their intention to include digital editions with ABC in advance of the issues to be claimed. This is to allow ABC time to inspect the publisher's systems and assess their suitability for audit, as well as allocate resource to enable the real time audit of the claimed digital editions' availability.
- Auditing of digital editions must be conducted by ABC staff auditors
- The registration process will include a requirement for the digital edition and the process to be demonstrated to ABC.
- The publisher must disclose to ABC any digital editions that do not include all of the supplements accompanying the parent print edition.
- ABC will explain the Reporting Standards relating to digital editions as part of the registration process. Publishers will be required to confirm in writing their acceptance of the audit process, and adherence to additional requirements relating to the auditing and publicity of digital distribution.
- ABC will confirm acceptance of the inclusion of digital editions on certificates (subject to audit) in writing.
- Any fundamental changes to the registered digital edition during the audit period must be notified to ABC in advance of those changes.
- Planned distribution dates must be provided in advance. Any changes must be notified to ABC.
- If claiming free digital edition copies:
 - A specified address at ABC must be included on each email alert notifying individuals of the availability of a digital edition issue. In addition a copy of the print publication must be available to ABC if requested. ABC will specify which print issues must be supplied to ABC.
- ABC may contact any digital edition purchaser / addressee at any point for further verification.

17.6 REQUIREMENTS - PAID DIGITAL COPIES

- The publisher must be able to prove that all paid copies have been paid for. See section 17.6.2 for more details.
- Whether additional requirements apply depends on whether the digital edition copies are paid for at a higher rate or at a lower rate or whether they are corporate subscriptions (see section 17.6.1).
- Copies are defined as being at a 'higher rate' if the end purchaser has paid:

SECTION 17 - DIGITAL EDITIONS (CROSS PLATFORM CERTIFICATE OF CIRCULATION)

[cont.]

- At least 50% of the print copy Basic Cover Price (single copy sales): or
 - At least 50% of the print copy Basic Annual Rate (subscriptions).
 - Any paid copies purchased at a 'lower rate', being below 50% of the print copy BCP or 50% of the print copy BAR, may be eligible to be reported in the separate table (i.e. not alongside print copies) providing the following requirements are met:
 - The purchaser's name, postal address and email address details must be captured
 - Their details are included on the Total Distribution List and de-duplicated against other paid lower rate digital edition copies, free digital edition copies and mailed print copies
 - The minimum term of digital edition subscriptions is the same as for print copies, i.e. 20 issues for a daily publication.
 - All subscription copies purchased at a higher rate (i.e. that are above the minimum 50% price point) even if more than one copy is purchased in a single transaction, will be classed as single copy subscriptions for ABC reporting purposes
 - The rate band in which single copy sales of digital editions are claimed will be calculated by comparing the price paid against the print copy Basic Cover Price. The rate band in which digital edition subscriptions are claimed will be calculated by comparing the price paid against the print copy BAR for subscriptions.

For example the BAR for a print subscription is £200. Its digital edition is marketed for a subscription rate of £80. For rate band reporting purposes an £80 subscription to the digital edition must be reported according to $80/200 = 40\%$.
 - The rate of a digital subscription cannot be registered as a separate BAR.
 - The rules relating to the treatment of promotions, incentives and offers for single copy sales and subscriptions of printed copies also apply to digital edition copies (see sections 7.4 and 8.6).
 - If a publication's digital edition copy is sold bundled as a package with the print copy (whether for a single issue or a subscription) then the treatment is as follows:
 - Both the digital edition and the print copy can be included in the ABC claim if the price paid for the package exceeds the print copy Basic Cover Price (single copy sale) or Basic Annual Rate (subscriptions) by at least 20%. *For example: If the BAR for a print subscription is £100, then to claim both the print and digital edition copy sold together in a subscription package, the package must be sold for at least £120.*
 - For ABC rate band reporting purposes the purchase price of the package must be split equally between the print and the digital edition copy. *Therefore in the case above where the print and digital edition package is sold for £120 then £60 would be deemed the sale price for the print copy for ABC purposes and £60 for the digital edition copy – i.e. they would each be claimed in the 50% - 100% price band on the certificate.*
 - If the price paid for a package bundling a publication's print and a digital edition is less than 20% above the print copy Basic Cover Price (single copy sale) or the print copy Basic Annual Rate (subscriptions) then only the print copy can be included in the ABC claim. The rate band in which the print copy can be claimed will depend on the price paid for the package. The requirement to split the package price equally between the print copy and digital edition copy still applies. *For example: If the BAR for a print subscription is £100 and a bundled print and digital edition package for the publication is sold for £80 then the print copy can be claimed as sold at a rate of £40, i.e. it will be claimed in the 20% - 50% rate band on the certificate.*
 - All digital editions claimed for the issue will be disallowed if the URL / PDF is not available or links are not functioning or not set up with the current issue. Please see section 17.8 regarding standards of availability.
 - For every issue on an issue-by-issue basis the publisher must ensure a single Total Distribution List (TDL) is available to ABC auditors.
 - The TDL is defined as one file per issue, which contains a complete record of all individually addressed print copies and the following digital edition copies: paid copies purchased at a lower rate, corporate subscription copies and free requested.
 - Each issue's TDL must include relevant coding which enables the type of distribution, print, digital (or both if claimed on the certificate) as well as the circulation type (e.g. subscription or controlled etc) to be identified.
 - A full name and postal mailing address must be collected and recorded on the TDL for each digital copy claimed in the categories noted above.
 - Each issue's TDL must be de-duplicated by the publisher to calculate the net digital edition claim for paid copies purchased at a lower rate, corporate subscriptions and free requested copies.
 - The paid sales for each digital edition issue must be recorded and submitted to ABC on an issue by issue basis or as otherwise agreed in writing with ABC. If digital edition circulation is claimed that requires the submission of a TDL (see above) ABC will specify which lists are required for audit purposes during the audit period.
- #### 17.6.1 Corporate subscription digital copies
- Corporate subscriptions to digital edition copies may be reported on the separate digital edition table (i.e. they will not be included with the higher rate paid digital edition copies alongside the print circulation).
 - A corporate subscription is defined as a subscription purchased by a business/organisation on behalf of their employees. Subscriptions purchased on behalf of customers or members would not qualify as a corporate subscription.
 - A valid postal mailing address and e-mail address must be collected for the recipient of every corporate subscription copy claimed. Each corporate subscription digital copy

SECTION 17 - DIGITAL EDITIONS (CROSS PLATFORM CERTIFICATE OF CIRCULATION)

[cont.]

claimed must be included on the TDL for each issue (see section 17.6).

- The number of copies claimed must be restricted to those individuals who in addition to being covered by a corporate subscription have provided their personal details and personally opted to receive/view the digital 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.

17.6.2 Records required - paid digital copies

- All paid digital copies must be valid and comply with the requirements for the corresponding print copies except insofar as these are varied by this section.
- The documentation and payment evidence for all paid digital copies must comply with the requirements for the corresponding print copies except where these are varied by this section.
 - There must be available for audit a breakdown of the digital edition claim by issue which identifies (for each copy) the circulation category and geographical location in which it is claimed, the price/rate band (if applicable), and for subscriptions the subscription period/issues covered. Each copy must be traceable back to the original payment by the end purchaser and the publisher must retain a clear record of what was purchased.
 - Where digital editions are sold by a third party you must be able to provide evidence of the price paid by the end purchaser and the exact quantities sold. You must also be able to provide evidence of the payment from 3rd party to you (this will include statements of account and/or remittance advices from the third party traceable through to banking).
- In addition for corporate subscriptions evidence must be retained that the individual has provided their personal details and personally opted to receive/view the digital edition (e.g. via a registration process or request).

17.7 REQUIREMENTS – FREE DIGITAL COPIES

- For a free digital copy to be valid the individual that has requested the digital edition must, as a minimum, receive an email alert informing them that the issue is available for download. The alert should either contain a link to the location where they may download/ view the digital edition or contain the edition itself.
- All digital editions claimed for the issue will be disallowed if the URL / PDF is not available or links are not functioning or not set up with the current issue. Please see section 17.8 regarding standards of availability.
- For every issue on an issue-by-issue basis the publisher must ensure a single Total Distribution List (TDL) is available to ABC auditors.
- The TDL is defined as one file per issue, which contains a complete record of all individually addressed print copies and

the following digital edition copies: paid copies purchased at a lower rate, corporate subscription copies and free requested.

- Each issue's TDL must include relevant coding which enables the type of distribution, print, digital (or both if claimed on the certificate) as well as the circulation type (e.g. controlled etc) to be identified.
- A full name, postal mailing and email address must be collected and recorded on the TDL for each free digital copy claimed.
- Each issue's TDL must be de-duplicated by the publisher and be net of hard bounce backs (for free requested digital edition copies only). This is the free net digital edition claim which is reported on the certificate.
- Bounce backs must be measured at least 24 hours after the digital issue has been distributed.

Definition of hard bounce backs:

The total number of emails in the gross distribution that generated an NDN (Non-Delivery-Notice) measured at least 24 hours after the time of the last email sent in that single mailing.

For example an SMTP 550 error or other hard bounce back error message.

- The net figures for the free digital edition copies for each issue must be recorded and submitted to ABC on an issue by issue basis or as otherwise agreed in writing with ABC. ABC will specify which lists are required for audit purposes during the audit period.
- For every free digital edition copy claimed within every issue in the distribution period, system generated proof (such as a notification log of the email alerts sent) and summary reports must be available to ABC auditors. ABC will specify the issues for which these will need to be produced for audit.
- The system generated proof must provide evidence of what has been distributed, when and to whom. This means the system must be able to demonstrate for all free digital edition copies claimed the following:
 - Date sent
 - Time sent
 - Name of publication
 - Issue identifier
 - Email address
 - Size of file delivered
 - Addressee identifier

17.7.1 Records required for free digital editions

- All free digital edition copies must be valid and comply with the requirements for the corresponding print copies except insofar as these are varied by this section.
- All supporting documentation must comply with the requirements for the corresponding print copies except insofar as these are varied by this section and must be retained for inspection at audit.
- Documentation must clearly indicate that the digital edition is requested.

SECTION 17 - DIGITAL EDITIONS (CROSS PLATFORM CERTIFICATE OF CIRCULATION)

[cont.]

- Postal and email addresses must be collected for all free digital edition copies claimed.

17.8 STANDARDS OF AVAILABILITY

It is recognised that for technical or other reasons a digital edition may not be available 100% of the time. The following requirements detail how this situation will be audited and reported.

Auditing procedure:

- The publisher must provide ABC with free access to the PDF and / or the URL hosting the digital edition for every issue.
- ABC will test the availability of the digital edition. Audit tests will be made to ensure that:
 - The correct digital edition is available on the stated publication date/period.
 - The digital edition is available for viewing and / or download as required.

Failure on either count will establish initial non-availability and trigger a second test.

In the event of the correct digital edition not being accessible to ABC, the access and content will be re-tested within a time frame relevant to the publishing frequency of the title, namely;

Publishing frequency	Time frame for re-test
Daily	Within 1 hour
Weekly	Within 1 day
Monthly	Within 1 week

If the second test proves negative on either count ABC will advise the publisher and it will be the publisher's responsibility to demonstrate to ABC the availability of the digital edition. ABC will perform testing to satisfy itself as to the extent of the availability.

The method of reporting a particular issue will depend upon the established level of availability as follows:

- **Availability 0% (i.e. not available at all)**
ABC will disallow the entire digital edition claim for an issue if it is not available at all during the planned distribution period. ABC will report the non-availability of the issue on the certificate and in other published ABC data.
- **Availability less than 80%**
In the event that a digital edition is available for less than 80% of the planned distribution period it will be included in the claim and ABC will report the extent of the digital issue's availability (x%) on the certificate and in other published ABC data.
- **Availability greater than or equal to 80%**
The issue is included without any additional reporting requirements.

17.9 PUBLICITY RULES

The overarching principle for the presentation of digital edition data is that the user is provided with clear and unambiguous information on digital copies alongside or adjacent to (i.e. not in a footnote) the latest ABC average net circulation figure (excluding digital edition copies), including the period of certification.

Note: The following requirements are in addition to ABC Publicity Byelaws (see appendix 1), which still apply to digital edition copies.

17.9.1 Use of ABC data – digital editions

- An ABC digital edition figure quoted on any material (including editorials, sales presentations, media packs and websites) must be published alongside or adjacent to (i.e. not in a footnote) the latest average net circulation certified by ABC including the period of certification.

For example:

*2,328 paid digital subscriptions (Jul-Dec 2011)**

**ABC average net circulation July to Dec 2011, 24,355*

- An ABC figure for a digital edition must not be added to the ABC average net circulation figure in any material and presented as an ABC figure.

17.9.2 Comparisons – digital editions

- Comparisons of figures for digital editions between different publications must always be published alongside or adjacent to (i.e. not in a footnote) a comparison of the latest average net circulations certified by ABC including the period of certification.

For example:

	Digital copies	Average circ'n (print)
Publication X	2,328	24,355
Publication Y	2,587	27,456

Source: ABC July to Dec 2011

- If a comparison of digital edition figures is between a publication whose certified digital edition's figure is primarily paid and a publication whose certified digital edition's figure is primarily free, a fair and clear distinction between the respective types of circulation must be shown.

For example:

	Digital copies	Average circ'n
Publication X	2,328 (free)	24,355
Publication Y	2,587 (paid subs)	27,456

Source: ABC July to Dec 2011

17.9.3 Use of ABC logos – digital editions

The ABC logos must not be published within, or in relation to, a digital edition until receipt of the first ABC certificate that includes digital edition copies.

APPENDIX ONE - ABC BYELAWS

DEFINITIONS :

ABC/We/Us/Our	Audit Bureau of Circulations Ltd
You	The member
ABC Advertisements	Advertisements designed and/or provided by ABC to members to use to promote awareness of ABC and/or the ABC certification of their titles
ABC Logo	Any official logo issued by ABC
Approved Auditor	Auditor appointed by the member and approved by ABC to conduct audit work for ABC purposes in accordance with the relevant Reporting Standards
ABC Council	Governing body of ABC as defined in memorandum and articles of association
Chairman/Chief Executive/Head of Compliance	ABC Chairman/ABC Chief Executive/Head of Compliance or official acting in that capacity
Fees	Any fees or charges including annual subscriptions levied by ABC
Official/ABC Official	Employee or other person acting for ABC in an official capacity
Reporting Standards	ABC rules and requirements that detail how circulation/data claims are compiled, reported and audited (formerly known as 'Audit Rules')
Return/Return Form	Submission in which circulation / distribution / attendance/other data are reported to ABC for certification
Title	Publication, exhibition or other media/product
Trade Media	Publications and other media which provide information for persons in relation to their employment or interest in the media industry
Written/in writing	Includes communication only by post, fax or email

Brief introductions to certain sections (shown in *italics*) are for convenience only, do not form part of the byelaws and will not affect their interpretation.

1. CONSTITUTION

- (a) We operate according to our memorandum and articles of association, byelaws and Reporting Standards. The ABC Council approves changes to the byelaws and Reporting Standards. All of these documents are available from our website www.abc.org.uk.
- (b) It is a condition of your membership of ABC that you will comply with the relevant byelaws and Reporting Standards. Any breach of this condition will entitle ABC to terminate your membership and/or registration of any relevant title.

2. APPLICATION FOR MEMBERSHIP AND REGISTRATION

- (a) To apply to become a member of ABC you must submit the relevant application form and any other documentation which we may request. We cannot approve your membership application until we have received payment of the relevant fees.
- (b) To register a title with ABC you must submit the relevant application form and any other documentation which we may request. We may need to inspect the relevant records/systems before registering your title.

We may approve an application to register a title prior to its launch.

- (c) If we are not able to issue a title's first ABC certificate within 12 months of the date of registering then we reserve the right to cancel the title's registration.

3. PUBLICITY RULES

This section contains fundamental rules on how you may promote your links with ABC and in particular circulation / distribution / attendance/other data. The intention is to avoid those who use the data being misled because of how the data is presented.

Note: Printed material produced prior to 1st February 2008 will be subject to the publicity rules in the 2007 byelaws. This section will therefore apply to printed material produced after 1st February 2008.

Applicants

- (a) Until you have received written confirmation from us that your membership application has been approved, you must not make any claim of ABC membership or use the ABC Logos.

Members

- (b) After receiving written confirmation that we have approved your ABC membership application you may:
- state that your organisation is a member of ABC
 - associate your registered titles with ABC in accordance with the rules below.
 - not make any reference to ABC or use the ABC Logos in relation to any non-registered titles.
- (c) After receiving written confirmation that we have approved a title's registration (but before receiving its first ABC certificate) you:
- may publicise this fact, as long as you include the month and year its registration was approved. *For example: 'ABC registration approved February 2007'*
 - may include an explanation of the audit process or what the title's ABC registration means in generic terms.

APPENDIX ONE - ABC BYELAWS [cont.]

- must not publish the ABC Logo in or use it in relation to the title
- must not make any reference to when ABC may certify the data or carry out an audit
- must not associate any data relating to the title with ABC (or imply any association). This means any data must be clearly sourced as a 'publisher's statement'/'organiser's statement' or other appropriate source, and must not for example be described as 'to be validated by ABC' or 'subject to audit'. You may not make claims such as 'we expect an ABC circulation of...'

Use of ABC and other data

- (d) Whenever you quote any circulation / distribution / attendance figures (whether ABC certified or not) on any material, you must include the latest average total net circulation / distribution / attendance figures certified by ABC (as soon as practical) and the period of certification must be stated. If no ABC data is available then you must comply with section 3(c) Note:
- For this purpose 'material' includes any media in which you publish figures including editorials, articles, direct mail, sales presentations and websites.
 - This includes material which quotes percentage changes in circulation / distribution / attendance data where the basis of the comparison must be clear. For example: year on year or 2007 vs. 2006
 - If there are two ABC certificates with the same end date, for example 12-months to 31 December 2007 and 6-months to 31 December 2007 then the ABC certificate that covers the longest period is deemed the latest for the purpose of this rule.
 - Single-issue and 3-month ABC certificates co-exist with the latest 6 or 12-month ABC certificate. Therefore if you quote the figure for a single issue or 3-month period it must always be accompanied by the total average net circulation figure for the latest mandatory 6 or 12-month ABC certificate issued according to the relevant ABC Reporting Standards.
- (e) Non-ABC data must be sourced as a 'publisher's statement'/'organiser's statement' or other appropriate source and accompanied by the latest ABC certified data in accordance with (d) above. In all cases you must source and present data so that it is clear which information is ABC certified and which is not.
- (f) You must not associate the terms 'reader' or 'readership' with ABC or ABC data
- (g) Statements or claims relating to data certified by ABC or attributed to ABC must be factually correct. Where the statement or claim is contradicted by ABC data but you are using data from another source to support the statement or claim, then that alternative source must be clearly identified.

Concurrent release

- (h) You must not release or publicise any data (or trends in data) relating to a title included in a concurrent release of ABC data before the official release date and time set by ABC.

Comparisons

If you make a comparison between titles' circulation / distribution / attendance figures it must:

- (i) Be on a like for like basis
- (j) Include the latest figures certified by ABC (as soon as practical)
- (k) Include the latest mandatory average total net circulation /

distribution / attendance figures certified by ABC for each title compared (as soon as practical).

Note: Short period optional ABC certificates (e.g. single-issue or 3-month ABC certificates) co-exist with the latest mandatory ABC certificate. Therefore if you include figures from a short period optional ABC certificate in the comparison, then you must include the latest mandatory figures and total average circulation / distribution / attendance figure

- (l) Include the relevant period(s) of certification
- (m) If it includes any non-ABC data make clear which information has and which has not been certified by ABC, and include the source of the non-ABC data
- (n) Identify the publishing frequencies for each title included in the comparison if they are different.
- (o) Make clear what data is being compared (for example if it is a particular category of circulation, or UK only). *(Note that the total average figure for each title compared must still be included as per (k) above)*
- (p) If comparing between a title that has primarily paid circulation and one that has primarily free circulation, make a fair and clear distinction between the respective types of circulation.

Use of ABC Logos/Advertisements

- (q) You may only use the ABC Logos in or in relation to a registered title that has been issued an ABC certificate.
- (r) You may only publish ABC Advertisements in an ABC registered title that has been issued an ABC certificate, unless we have given written authorisation otherwise.
- (s) You must not position the ABC Logos or ABC Advertisements in such a way as to imply an association of non-ABC data with ABC
- (t) You must not alter an ABC Advertisement, nor publish an advertisement which purports to be from or authorised by us, unless we have given written authorisation.
- (u) You may only publish a claim of ABC membership or use the ABC Logos or ABC Advertisements in, or in relation to a supplement, if that supplement is either bound into the entire print run of an issue of a registered title or has been issued its own ABC certificate.

Implied involvement/accuracy of statements relating to ABC

- (v) You must not make inaccurate or misleading statements relating to ABC Reporting Standards, procedures or decisions either expressly or by implication.

Penalties for infringement

- (w) Breaches of the Reporting Standards or bye-laws will be subject to the sanctions set out in section 12(l) and 12(m).
- (x) If we have confirmed the resignation or cancellation of a title's registration, you must stop making any claims of ABC membership in relation to it, stop using the ABC Logo in relation to it but may use the title's current ABC certificate until its expiry date unless informed otherwise.

4. AUTHORISATION AND PAYMENT OF FEES

- (a) You must pay all Fees within 30 days of the invoice date. If any Fees are not paid when due we reserve the right to charge interest from the due date until payment is made in full (both before and after any judgment), at 2 per cent per annum over the National

APPENDIX ONE - ABC BYELAWS [cont.]

Westminster Bank plc base rate from time to time. The parties agree that this section 4(a) is a substantial remedy for late payment of any sum payable under this Agreement in accordance with section 8(2) Late Payment of Commercial Debts (Interest) Act 1998.

- (b) A title's annual subscription will not be refunded in whole or part if its registration ceases part way through the year.
- (c) If Fees remain unpaid 60 days after the invoice date we reserve the right to:
 - Withdraw benefits of membership for the title to which the outstanding Fees relate. This may include removing a title's information from the ABC website, withholding the issue of a title's ABC certificate or excluding it from a concurrent release
 - Cancel your membership and/or the registration of the title to which the outstanding Fees relate.

5. AUDITS AND RETURN SUBMISSION

- (a) All ABC audits and inspections of ABC certificates will be governed by the byelaws and Reporting Standards in force for the particular membership sector.
- (b) If we are to conduct an audit we will send you a letter of engagement that details both our and your duties and responsibilities, the terms of which will prevail over the terms of these Byelaws in the event of conflict.
- (c) If we are not your auditor, then for ABC purposes:
 - You must use an auditor that has been approved by us and who is a registered auditor and member of either The Institute of Chartered Accountants in England and Wales (ICAEW), Institute of Chartered Accountants of Scotland (ICAS), Institute of Chartered Accountants in Ireland (ICAI) or Association of Chartered Certified Accountants (ACCA). In exceptional circumstances you may apply to us to use an auditor who is not a member of one of the above bodies, setting out the exceptional circumstances for consideration.
 - If you change your Approved Auditor you must send us their details for approval.
 - You must send us in advance of any audit a letter of engagement between you and your Approved Auditor. This must include the standard terms specified in the Reporting Standards. We cannot issue an ABC certificate until we receive this letter of engagement.
 - Your Approved Auditor must submit your circulation or distribution Return Forms to us.
- (d) We reserve the right to audit or inspect any Return Form before issuing the ABC certificate.
- (e) If we do not receive a Return Form by the submission deadline for the relevant audit period we will send you a letter requiring that you submit the Return Form and pay the penalty fee for late submission within 14 days of the date of the letter and invoice.

If you do not submit the Return Form and pay the penalty fee by the date requested, we reserve the right to cancel the title's registration (and charge interest and apply the sanctions set out in section 4 above).

- (f) If we are not able to complete an audit or inspection in relation to a title then we reserve the right to cancel the title's registration and withdraw any ABC certificates upon which an audit or inspection was not completed.

- (g) Our staff auditors must carry out the audit of titles outside the UK or Republic of Ireland, and all records required for audit purposes must be in English.

6. TRANSFER OF A REGISTERED TITLE TO ANOTHER MEMBER

We will allow a title to remain registered following its transfer to another member (who has other certified titles) as long as within 30 days of the transfer:

- we are able to satisfactorily confirm the transfer has taken place
- we have received all outstanding Fees
- the new owner has agreed to keep the title in continuous certification and submitted the relevant registration form.

We reserve the right to audit or inspect the subsequent Return Form before issuing the ABC certificate.

If any of these conditions are not fulfilled we reserve the right to cancel the title's registration.

Note: It is the responsibility of the new owner to ensure that the records specified by the Reporting Standards for the membership category exist for the whole audit period and to make these available for audit/inspection.

7. TRANSFER OF A REGISTERED TITLE TO A NON-MEMBER

- (a) A title's registration will cease immediately upon its transfer to a non-member, unless it has any audits or inspections outstanding, in which case the former owner will first be given the option to complete the audit or inspection at their expense. If however we cannot complete an audit or inspection then we reserve the right to cancel the title's registration and withdraw any ABC certificates upon which an audit or inspection was not completed.
- (b) The right to use an ABC Logo ceases on the date of the transfer of a title to a non-member.
- (c) The non-member may apply for membership and registration of the title in accordance with section 2.
 - If the new owner applies to register the title the publicity requirements in section 3 relating to an applicant will apply.
 - We reserve the right to decide whether a short period audit must be undertaken in addition to the normal audit

8. MERGER OF TITLES OR CHANGE IN THE NAME OF A TITLE

If you merge a registered title with one or more other titles or change the name of a registered title then you must apply to us within 30 days of the change to keep the resultant title registered.

We will examine the circumstances surrounding the change (including any other changes to the registered title(s) made at the same time) and tell you in writing if the change is accepted as valid for ABC purposes.

We reserve the right to refuse the title's continued registration if we consider the changes are so extensive or such that we consider it should be treated as a new title requiring separate registration.

Below is a non-exhaustive list of other changes which, if made at the same time as a merger of titles or change of name, may affect our decision.

- A change in format (e.g. tabloid to A4)
- A change in publishing frequency (e.g. weekly to monthly)
- A break in the continuity of issue identification (e.g. first issue after change is identified as issue 1)
- Masthead identification of the change (e.g. 'formerly known as...' or '...incorporating...')
- How the change is presented/communicated in the title and

APPENDIX ONE - ABC BYELAWS [cont.]

elsewhere to both readers and advertisers

If you are planning a merger of titles or change of name we recommend you contact us for advice as early as possible.

9. RESIGNATION / CANCELLATION

- (a) You may resign a title's registration as long as:
- You tell us in writing before the expiry date of the current ABC certificate
 - There is no complaint, audit, inspection or Fees outstanding against the title
- (b) If for strategic reasons (and in our sole discretion) we decide to withdraw our services in relation to a particular ABC product, sector or geographic region we will terminate affected registrations and/or memberships with a minimum of three months' notice. We will notify those affected of any outstanding requirements before the termination can be effected (such as the completion of an audit) which if not met may result in the termination being deemed a cancellation rather than a resignation. Subject to compliance with any outstanding requirements, members and/or titles affected by a strategic withdrawal may be entitled to a pro-rata refund of membership fees and/or a refund of any fees paid for work not carried out.
- (c) After we have confirmed the termination of a title's registration or a membership under section 9(a) or (b), the provisions of section 3(x) will apply.

10. RE-REGISTRATION

- (a) You may apply at any time to re-register a title as long as there are no Fees outstanding in relation to the title (whether owing by you or a previous owner of the title).
- (b) In cases where the same media owner re-registers a title the first audit must be undertaken within 6 months of the registration being accepted.
- (c) We may impose such conditions as we see fit on the re-registration of a title (either to be met before acceptance of the re-registration or after). For example, these conditions may include a requirement:
- For us to carry out additional audit or inspection work, or require you to provide us with reports on issues related to the previous resignation or cancellation
 - For you to submit a Return Form for a particular audit period or within a specified timescale. In cases where the same media owner re-registers a title the first audit must be undertaken within 6 months of the application being approved
 - For you to submit a Return Form for any audit period not reported as a result of the resignation or cancellation of the title's previous registration
 - For us to complete any inspection or audit that was outstanding on an issued ABC certificate at the date the title's previous registration was cancelled.
 - For you or us to make particular publicity statements (or specify 'no publicity') as appropriate
 - To delay the re-registration of the title for a period of up to 12 months from the date of the previous cancellation as a result of the circumstances that led to that previous cancellation, and a bar on retrospective audits covering the excluded period.

11. AVAILABILITY OF RECORDS

Introduction

ABC's credibility relies on the accuracy of the data it certifies. Therefore it requires the following rights of access to records, in order that the

accuracy of any data to be certified may be verified.

You must allow us access to any records that we request for the purpose of checking the accuracy of any Return or compliance with the Reporting Standards and byelaws:

- whether held by you or a third-party agent
- within 10 working days of our written request

12. COMPLAINTS PROCEDURE

If a member or Official of ABC wishes to make a complaint that a member is not complying with the ABC byelaws or Reporting Standards then this section sets out the procedure that should be followed. It is intended to allow both parties to the complaint the opportunity to make their representations and for ABC to ensure it has all the information required to make a fair and informed decision. This procedure is based on written submission only.

Stage 1 - Making a complaint

- (a) If a member or Official of ABC (other than the Chief Executive or Chairman) ("the complainant") considers that a member ("the member complained of") has not complied with or is not complying with ABC Reporting Standards or the byelaws, he may make a complaint to that effect in accordance with this complaints procedure.
- (b) Complaints will not be accepted under this process if:
- They relate to an infringement of publicity requirements that was published or distributed in material more than 6 months prior to the date of the complaint (unless the infringement continues to be published in material in the public domain – for example on a website, or in a publication still being distributed).
 - They relate to the accuracy of certified data for an audit period with an end date more than 18 months prior to the date of the complaint.
 - They relate to section 17 (data protection), in which case they will be subject to section 18 (governing law and jurisdiction).
- (c) The complainant will send to the Head of Compliance a written notification of complaint ("the notification of complaint"), setting out the matters of which he complains accompanied by copies of any documents on which the complaint relies. ABC supplies a standard form for this purpose, which is available from the ABC website.
- (d) If the complainant is the Head of Compliance then:
- He will send the complaint to the Chief Executive and references below in this process to the Head of Compliance from section 12(e) to section 12(m) will be read as references to the Chief Executive.
 - Once the Chief Executive has made his decision per section 12(k) or 12(l) you may request a review of this decision by an ABC Complaints Panel in accordance with section 12(p), except the Chairman will not consider if the ground or grounds relied on in the request for review apply, i.e. the request for review will be passed to an ABC Review Panel for reconsideration providing the other stated requirements are met.

Stage 2 – Forwarding the complaint and member's right to reply

- (e) Unless the Head of Compliance considers the complaint to be manifestly ill founded, he will send a copy of the notification of complaint and any related documents to the member complained of.
- (f) Within 10 working days of receipt of the notification of complaint, or within such further time as the Head of Compliance may allow, the member complained of may send to the Head of Compliance a

APPENDIX ONE - ABC BYELAWS [cont.]

written statement of response to the matters raised by the complainant accompanied by copies of any documents on which he relies. Where the Head of Compliance considers that a reply is required from the complainant, he will send the complainant a copy of the response, in which case section 12(g) will apply.

- (g) Within 10 working days of receipt of the statement of response, or within such further time as the Head of Compliance may allow, the complainant may send to the Head of Compliance a written statement of reply setting out his reply to the matters raised by the member complained of accompanied by copies of any documents on which he relies.

Stage 3 – Gathering further information

- (h) If it is contended expressly or by implication in the notification of complaint or response or reply that a decision by an ABC Official (the "Official") is not in accordance with the Reporting Standards or the byelaws the Head of Compliance may refer the statement to the Official and the Official may send to the Head of Compliance and to the parties to the complaint his written comments within 10 working days (or within such further time as the Head of Compliance may allow).
- (i) After consideration of the notification of complaint, response and reply (if any) and any written comments by the Official, the Head of Compliance may require the complainant or the member complained of or the Official to provide further written information or documents relating to the matters raised, within a specified timescale.

Stage 4 – Complaint Decision

- (j) When the Head of Compliance considers that sufficient information and documents have been provided, he will make a decision on the complaint and will notify the complainant and the member complained of accordingly. This will normally be within 10 working days of the receipt of the information, however if there are reasons why this is not possible ABC will notify both parties as to the reason for the delay in the decision.
- (k) If the Head of Compliance decides that the member complained of has complied with the Reporting Standards and byelaws, he will notify the complainant and the member complained of and, with the following exception, all parties must keep all matters relating to the complaint confidential, including all correspondence and the fact that a complaint was made. However, if the Head of Compliance decides special circumstances require it, he may issue a ruling that the complaint has not been upheld and authorise the publication of that ruling on the ABC website and/or the circulation of that ruling to other members and the Trade Media.
- (l) If the Head of Compliance decides that the member complained of has not complied with the Reporting Standards or byelaws, or that a decision by an Official was not in accordance with the Reporting Standards or the byelaws he will issue a ruling to that effect, and, if no appeal is received as specified in Section 12(n), he will publicise that ruling on the ABC website and may circulate that ruling to members and/or the Trade Media and will decide on the required method (if any) to correct the information in the marketplace. If an appeal is made under Section 12(n) and/or a request for review under Section 12(o), the decision will only be publicised once the process of appeal/review is completed.

- (m) Should the Head of Compliance believe that a penalty other than one set out in section 12(l) be applied, he may in addition and subject to the approval of the Chief Executive implement any or all of the following sanctions [Note: if the complainant is the Head of Compliance then, as per section 12 (d), the Chief Executive alone may implement any or all of the following sanctions]:
- withdraw any ABC certificate already issued and issue a revised ABC certificate;
 - require the member complained of to submit or resubmit any Returns;
 - direct that the member complained of be expelled, temporarily suspended from membership and/or subject to the fulfilment of conditions;
 - direct that the registration of the title in question be cancelled or temporarily suspended.
 - direct that a re-audit take place by the member's Approved Auditor or ABC (at the member's cost).

Stage 5 – Appeal to Chief Executive

- (n) Should the complainant or member complained of disagree with a decision taken by the Head of Compliance alone under section 12(k) or 12(l), they will have the right to appeal to the Chief Executive, by giving notice in writing and detailing the grounds for appeal to the Head of Compliance within 5 working days of notification of the decision. If the Head of Compliance receives such a notice he will refer the complaint to the Chief Executive who will reconsider the complaint and decision and will normally respond to each party within 10 working days of receipt of the appeal. However if there are reasons why this is not possible ABC will notify both parties as to the reason for the delay in the decision.

Stage 6 – Review by ABC Council panel

- (o) The complainant or member complained of may request a review of a decision on a complaint by the Chief Executive under section 12(n) or by the Head of Compliance and Chief Executive together under section 12(m) if one of the following grounds applies:
- (i) Relevant evidence (which had been provided within the relevant time limit) was not taken into account;
 - (ii) There is a substantial flaw in the decision or in the process which led to the decision.
 - (iii) Relevant new evidence has come to light which could not reasonably have been obtained before the decision.
- (p) If the complainant or member complained of wishes to exercise the right to request a review of a decision then they must give notice in writing to the Chief Executive using the official ABC Request for Review Form (available from the ABC website or on request) within 5 working days of notification of the decision. The completed form must:
- Set out which of the ground or grounds stated in section 12(o) they consider applies.
 - Be limited to the explanation as to why the specified ground or grounds applies.
 - Be authorised by an individual at Director level of the member's organisation.

If the Chief Executive receives such a notice he will refer the complaint to the Chairman.

APPENDIX ONE - ABC BYELAWS [cont.]

- (q) If the Chairman considers that the ground or grounds relied on in the request for review apply (as to which his decision is final), he will refer the complaint for reconsideration to a panel consisting of 3 members of the ABC Council (not connected with the complainant or the member complained of or the matters raised) selected by him ("the Complaints Panel"). The Chairman may, at his discretion, fill one or more of the 3 positions on the Complaints Panel from the membership of the ABC Reporting Standards Groups.
- (r) If they consider it appropriate, before reconsidering the decision, the Complaints Panel may invite the complainant, the member complained of, or the Official to make further written representations, may call on appropriate experts and may make such other further investigations as they consider appropriate. The panel must reconsider the decision within 15 working days of the Chairman receiving the notice in accordance with section 12(p), save that the Chairman may allow an extension of not more than 10 working days, in his sole discretion. The panel shall be entitled to adjourn any meeting if necessary but in such circumstances should complete their review of the decision as soon as is reasonably practical.
- (s) The Complaints Panel may confirm, reverse or vary the decision of the Chief Executive and/or Head of Compliance. The decision of the Complaints Panel shall be final, except when the Complaints Panel's decision is not unanimous when their decision shall be of no effect unless and until it has been reviewed and approved by the ABC Council. Such review by the ABC Council must take place within 10 working days of the Complaints Panel's decision.

Complaints Procedure – confidentiality/unavailability of ABC Chairman or Chief Executive/legal proceedings

- (t) For the duration of the complaints procedure, but subject to Section 12(k), the contents of the statement of complaint, the statement of response, the statement of reply and any other information and documents which have been provided will be confidential to the complainant, the member complained of and ABC.
- (u) If the ABC Chairman is unavailable to carry out his actions in this procedure due to normal absences (for example holiday/business commitments) then appropriate extensions to the timescales will be made to enable him to properly fulfil his role.
- (v) If either the ABC Chief Executive or ABC Chairman are unavailable to carry out their actions in this procedure due to prolonged or indeterminate absence (for example through illness or other incapacity) then the ABC Council may appoint a deputy to fulfil their role in this procedure.
- (w) Matters raised under this complaints procedure cannot also be subject to an appeal under the review procedure in section 13 below.
- (x) All decisions of ABC as to the interpretation of these Byelaws generally and in relation to any complaint will be final and you agree not to institute any legal proceedings in relation to any matter arising under the Byelaws or which is or was the subject of a complaint.

13. REVIEW PROCEDURE

Introduction

This section sets out the procedure for members who wish to contest a decision made by ABC because they believe it has not been made in

accordance with ABC Reporting Standards or byelaws. This procedure is based on written submission only.

Stage 1 – Appeal to Chief Executive

- (a) If you consider that a decision by an ABC Official (whether about a matter concerning you or another Member) is not in accordance with ABC Reporting Standards or the byelaws, you have the right to appeal against that decision in accordance with this review procedure. Note: If the decision relates to an audit or inspection, the first level of appeal will normally be to the Director of Audit – refer to the relevant Reporting Standards. However if the official making the audit/inspection decision is either the Director of Audit or the Chief Executive then the first level of appeal will be in accordance with this review procedure.
- (b) You must send your appeal in writing to ABC's Chief Executive, setting out the reasons why you believe the decision is not in accordance with the Reporting Standards or the byelaws, including with it copies of any documents on which you rely.
- (c) If you wish the implementation of the decision to be suspended pending the appeal, you must give ABC written notification of your intention to appeal before the date on which the decision is to be implemented, and your appeal must be received by the Chief Executive within 5 working days of this notification. In any event, appeals may only be brought under this Review Procedure within one month of the date of the decision.
- (d) If the Official whose decision is questioned ("the Relevant Official") is the Chief Executive, then you may request a review of this decision by an ABC Review Panel in accordance with section 13(m). In these circumstances:
- Section 13(c) still applies, therefore if you wish the implementation of the decision to be suspended pending the request for review you must give the Chief Executive written notice of your intention to request a review before the date on which the decision is to be implemented, and the completed ABC review form as detailed in section 13(m) must be received by the Chief Executive within 5 working days of this notification.
 - The Chairman will not consider if the ground or grounds relied on in the request for review (referred to in Section 13(l)) apply. The request for review will be passed to an ABC Review Panel for reconsideration providing the other requirements in Section 13(m) are met.

Stage 2 – Forwarding the appeal and response from those affected

- (e) The Chief Executive will send a copy of your appeal to the Relevant Official.
- (f) If the Chief Executive considers that your appeal directly affects another member or members ("the member(s) affected"), he will also send a copy of your appeal to the member(s) affected.
- (g) The Relevant Official (and any member(s) affected) must send their written statement(s) of response to the Chief Executive, setting out their submissions on the matters raised by you, including copies of any documents on which they rely.
- The response(s) (if submitted) must be received by the Chief Executive within 10 working days of receipt of the appeal, or within such further time as the Chief Executive may allow.
 - The Chief Executive will send the statement(s) of response (if submitted) to you.
 - If no statements of response are made (or the statement(s) are 'no response') then the process will move direct to byelaw 13i.

APPENDIX ONE - ABC BYELAWS [cont.]

Stage 3 – Right to reply to the responses

- (h) You may send to the Chief Executive a written statement of reply setting out your reply to any matters raised by the Relevant Official (and any member(s) affected) including copies of any documents on which you rely.
- The reply must be received by the Chief Executive within 10 working days of receipt of the statement(s) of response, or within such further time as the Chief Executive may allow
 - The Chief Executive will send your statement of reply (if submitted) to the Relevant Official (and to any member(s) affected).

Stage 4 – Gathering further information

- (i) After considering the correspondence and documentation relating to the appeal, the Chief Executive may require you, the Relevant Official and/or any member(s) affected to provide further written information or documents relating to the matters raised.

Stage 5 – Appeal decision

- (j) When the Chief Executive considers that sufficient information and documents have been provided, he will make his decision concerning the appeal and notify the member(s) affected. This will normally be within 10 working days of the receipt of the information, however if there are reasons why this is not possible ABC will notify the member(s) affected as to the reason for the delay in the decision
- (k) If the Chief Executive decides that the decision by the Relevant Official was not in accordance with the Reporting Standards or the byelaws, he may implement any or all of the following actions:
- Issue a ruling to that effect and authorise the circulation of that ruling to other members and to the Trade Media;
 - Withdraw any ABC certificate already issued and issue a revised ABC certificate;
 - Require you or any member(s) affected to submit or resubmit any Returns;
 - Direct that a re-audit take place either by the relevant Approved Auditor or ABC.
 - Reverse or vary the decision of the Relevant Official.

Stage 6 – Review by ABC Council panel

- (l) Any member affected may request a review of a decision by the Chief Executive under section 13(j) if one of the following grounds applies:
- (i) Relevant evidence (which had been provided within the relevant time limit) was not taken into account;
 - (ii) There is a substantial flaw in the decision or in the process which led to the decision.
 - (iii) Relevant new evidence has come to light which could not reasonably have been obtained before the decision of the Chief Executive under section 13(j)
- (m) If the member wishes to exercise the right to request a review of a decision then they must give notice in writing to the Chief Executive using the official ABC Request for Review Form (available from the ABC website or on request) within 5 working days of notification of the decision. The completed form must:
- Set out which of the ground or grounds stated in section 13(l) they consider applies.

- Be limited to the explanation as to why the specified ground or grounds applies.
- Be authorised by an individual at Director level of the member's organisation.

If the Chief Executive receives such a notice he will refer the complaint to the Chairman.

- (n) If the Chairman considers that the ground or grounds relied on in the request for review apply (as to which his decision is final), he will refer the decision for reconsideration to a panel consisting of 3 members of the ABC Council (not connected with the member or members affected or the matters raised) selected by him ("the Review Panel"). The Chairman may, at his discretion, fill one or more of the 3 positions on the Review Panel from the membership of the ABC Reporting Standards Groups.
- (o) If they consider it appropriate, before reconsidering the decision, the Review Panel may invite the member or members affected or the Relevant Official to make further written representations, may call on appropriate experts and may make such other further investigations as they consider appropriate. The panel must reconsider the decision within 15 working days of the Chairman receiving the notice in accordance with section 13(m), save that the Chairman may allow an extension of not more than 10 working days, in his sole discretion. The panel shall be entitled to adjourn any meeting if necessary but in such circumstances should complete their review of the decision as soon as is reasonably practical.
- (p) The Review Panel may confirm, reverse or vary the decision of the Chief Executive. The decision of the Review Panel shall be final, except when the Review Panel's decision is not unanimous when their decision shall be of no effect unless and until it has been reviewed and approved by the ABC Council. Such review by the ABC Council must take place within 10 working days of the Review Panel's decision.

Review Procedure – confidentiality/unavailability of ABC Chairman or Chief Executive/legal proceedings

- (q) Until the completion of the review procedure, the contents of your appeal, the statement(s) of response and reply and any other information and documents which have been provided will be confidential to you, ABC and any member(s) affected.
- (r) If the review procedure concludes that the decision by an ABC Official is in accordance with the Reporting Standards or the byelaws, then all parties must keep all matters relating to the appeal confidential, including all correspondence and the fact that an appeal was made. However if the Chief Executive or Review Panel decide special circumstances require it, they may issue a ruling that the appeal has not been upheld and authorise the publication of that ruling on the ABC website and/or the circulation of that ruling to other members and the Trade Media.
- (s) If the ABC Chairman is unavailable to carry out his actions in this procedure due to normal absences (for example holiday/business commitments) then appropriate extensions to the timescales will be made to enable him to properly fulfil his role.
- (t) If either the ABC Chief Executive or ABC Chairman are unavailable to carry out their actions in this procedure due to prolonged or indeterminate absence (for example through illness or other incapacity) then the ABC Council may appoint a deputy to fulfil their role in this procedure.

APPENDIX ONE - ABC BYELAWS [cont.]

- (u) Matters raised under this review procedure cannot also be subject to a complaint or appeal under the complaints procedure in section 12 above.
- (v) All decisions of ABC in relation to this review procedure will be final and you agree not to institute any legal proceedings in relation to any matter arising under the Byelaws or which is or was the subject of an appeal.

14. COPYRIGHT

- (a) We hold joint copyright in your titles' ABC certificates with you.
- (b) We have the right to use and publish without restriction all information provided to us for certification

15. LIMITATION OF LIABILITY

Nothing in these Byelaws excludes or limits our liability in respect of death or personal injury caused by negligence, fraud, and/or fraudulent misrepresentation and liability which may not otherwise be limited or excluded under applicable law. The entire aggregate liability of us to you or any third party arising out of or in connection with your membership of and relationship with ABC, and whether arising from contract, tort, negligence or otherwise, shall be limited to the value of five times the Fees paid by you in the calendar year of the act or omission said to give rise to the liability. Under no circumstances shall we be liable to you or any third party for any type of special loss, indirect loss, consequential loss, loss of profits or any anticipated savings, or loss of data.

16. USE OF ELECTRONIC COMMUNICATION

We each agree that we may communicate electronically with each other. The electronic transmission of information cannot be guaranteed to be secure or free from viruses or error, and consequently such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or otherwise be adversely affected or unsafe to use. You and we recognise that systems and procedures cannot be a guarantee that transmissions will be unaffected by such hazards but we each agree to use commercially reasonable procedures to prevent such hazards including undertaking checks for the most commonly known viruses before sending information electronically.

17. DATA PROTECTION

- (a) This section 17:
 - Will apply when we are to carry out an audit, inspection or other services for which we have been engaged and is supplemental to the duties and responsibilities set out in the Terms of Audit letter or other agreement.
 - Includes the terms "Personal Data", "Sensitive Personal Data", "Data Processor", "Data Controller" and "Process" which are defined as in the Data Protection Act 1998 (the "DPA").
 - Will not be subject to the complaints procedure detailed in section 12, but will be subject to the jurisdiction of the courts of England.
- (b) You acknowledge that under the terms of these byelaws and the Reporting Standards, we will act as a Data Processor appointed by you who will be a Data Controller, and the data you (and/or third parties acting your behalf) make available to us from time to time to which we have access may include Personal Data and Sensitive Personal Data (such Personal Data and Sensitive Personal Data shall be defined as the "The Personal Data").
- (c) We will:
 - Only process the Personal Data for the purposes of carrying

- out audits/inspections and/or other services for which you have engaged us
- Use our reasonable endeavours to keep The Personal Data secure.
- (d) You warrant, represent and undertake that:
 - You (and/or any third party acting on your behalf) are entitled to provide The Personal Data to us for the purposes of us carrying out audits and/or other services for which you have engaged us; and
 - Our processing of The Personal Data for such purposes shall not cause us to be in breach of any applicable laws or regulations (including, without limitation, the DPA).
- (e) You will indemnify us, keep indemnified and hold us harmless from and against all costs (including the costs of enforcement), expenses, liabilities (including any tax liability), injuries, direct, indirect or consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss), damages, claims, demands, proceedings or legal costs (on a full indemnity basis) and judgments which we incur or suffer as a result of a direct or indirect breach by you of section 15 (d).
- (f) We reserve the right to return to you (or any third party acting on your behalf), and refuse to audit and/or provide any other services in respect of The Personal Data where we reasonably consider that any Processing of that data by us could cause us to be in breach of any applicable laws or regulations (including, without limitation, the DPA).

18. GOVERNING LAW AND JURISDICTION

The formation, existence, construction, performance, validity and all aspects whatsoever of the Byelaws, Reporting Standards and other regulations governing the workings of ABC as laid down by the Council and all other aspects of the relationship between you and ABC will be governed by the law of England and Wales and the courts of England and Wales will have exclusive jurisdiction to settle any disputes which may arise. ABC and you irrevocably agree to submit to that jurisdiction except that ABC may seek injunctive relief in any court of competent jurisdiction.

www.abc.org.uk



Contact us

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