

AUDIT BUREAU OF CIRCULATIONS

January 22, 2002

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To **ALL PUBLISHER MEMBERS**

(cc: Bureau's approved & recheck auditors)

NOTIFICATION NO. 707

Amendments to Bureau's existing Audit Guidelines for certification of Net Paid Sales

Bureau's Council of Management, has from time to time, considered various suggestions in order to strengthen Bureau's audit guidelines and procedures so as to achieve its prime objective of certifying actual Net Paid Sales of member publications. Leading print media advertisers and advertising agencies depend on ABC certified circulation data for their media planning and buying decisions.

Keeping its prime objective in focus, Council was concerned about the alleged practice of copies of newspapers possibly being sold as waste even though they were indented and paid for by agents and sale of copies as subscription sales to various categories at a throwaway price. In order to curb these alleged practices, the Council decided to take undermentioned steps so as to enhance the credibility of the ABC Certificate. The following amendments would take effect from 1st July 2002 corresponding to the audit period July/December 2002.

- a. Revising the Maximum trade term/commission to the distribution trade for daily newspapers to 35% instead of 40% (as applicable at present) whilst arriving at Net Paid Sales.
- b. A Responsibility Statement to be provided by all daily newspaper publisher members stating that the Net sale price of their publication for each issue at the maximum trade term offered to the distribution trade was higher than its value in waste whilst submitting the Incoming Certificate. The statement to be subject to scrutiny by publisher's as well as Bureau's Auditors (as the case may be).
- c. Minimum subscription rate for newspapers as well as magazines to be atleast 50% of the cover price of the publication for the relevant period.

The above amendments would revise the existing definitions and audit guidelines and procedures as and where applicable in the Guide to ABC Audit issued earlier.

Secretary General

