

## AUDIT BUREAU OF CIRCULATIONS

December 07, 2001

### TO ALL PUBLISHER MEMBERS

(CC: Bureau's approved and recheck auditors)

### NOTIFICATION NO. 705

#### **Treatment of gifts and free Samples on Newsstand Sales - providing free Calendars/Almanac to Readers**

1. Reference is invited to Bureau's Notification No.691 dated December 6, 2000 on the subject of "Treatment of gifts and free samples on Newsstand Sales".
2. Bureau's present rule provides a ceiling of 50% of the cover price of a publication upto which gift/premium/incentives can be offered by a publisher with a publication on newsstand sales. In terms of the prescribed ceiling, all such copies of a publication which are sold on newsstand carrying gift/premium/incentive, value of which is more than 50% of the cover price do not qualify for certification as Net Paid Sales. Gifts in the nature of "sampling" offered along with a Publication are also covered under the provisions of the above rule.
3. Bureau's Council of Management recently had an occasion to consider requests received from publishers regarding providing free calendars/almanac once a year alongwith their Publication to be exempted from the purview of provisions of Bureau's Notification No.691.
4. Appreciating the request from publisher members, Council decided that **one time** issue of free Calendar/Almanac annually alongwith a publication, which meets the undermentioned conditions would be exempted from the purview of provisions of Bureau's Notification No.691 **with immediate effect if :**
  - i. No prior intimation /advertisement/publicity is carried out by the publisher regarding issue of free calendar/almanac with a particular issue.
  - ii. There is no major variation in print order as compared to prior issues.
  - iii. Any additional sales for the relevant issue will not be considered whilst arriving at Net Paid Sales keeping in mind that such an activity was a goodwill gesture to regular readers.
5. Council desired it to be clarified that the terminology "newsstand sales" referred to above and in Notification No.691 covers the entire gamut of distribution of copies excluding subscription sales.

Secretary General

