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PUBLISHER MEMBERS & AUDITORS

NOTIFICATION NO. 755

Bureau's Audit Guidelines

A) Copies indented locally but distributed abroad:

Bureau's Council of Management had an occasion to consider cases where copies of a publication though indented for by an agent in India but were distributed / sold abroad. For the purpose of disseminating information regarding distribution of copies across various geographics within India, the town in which the indenting agent is situated is reckoned. Views were expressed that copies distributed outside the country in view of the above procedure are incorrectly shown as distributed in India giving an inaccurate figures of actual Net Paid Sales in India.

Council therefore decided that with effect from 1st January, 2006, all such copies which are indented by agents in India but distributed / sold abroad will not be considered for certification while arriving at the average Net Paid Sales figure. However, if so desired by a publisher, a separate mention of such copies distributed outside India could be provided as a foot-note in the Area Breakdown Statement.

For the audit period July-December 2005, however copies indented in India but distributed outside India will form part of Net Paid Sales but all such copies which were sold / distributed outside India will be shown separately in the Area Breakdown Statement for clarity.

B) Gift Scheme for Agents:

Publishers offer various incentive schemes to agents In order to increase their circulation numbers. Under such schemes, normally **extra commission/ gifts** are offered to agents on copies increased (i.e. over and above the cut-off base order) during the period of the scheme which may vary from publication to publication.

It was observed that while arriving at figures of Net Paid Sales the "**extra commission**" / "**gift**" offered was generally applied only on the increased number of copies supplied to agents during the period of the scheme. It was therefore felt that the treatment given for payment of such extra commission / gifts only on increased number of copies was inappropriate as it disregarded the Bureau's rule of limiting trade commission upto 40 / 45% in case of Dailies and Magazines respectively for all copies supplied to agents.

Council at its recent Meeting therefore decided that the correct treatment would be to work out the gross remuneration in the hands of the agents / hawkers on the total number of copies supplied during the scheme period and not just applying the extra commission / gifts on the increased number of copies.

Auditors are accordingly requested to follow the above guideline w.e.f. 1st January, 2006 whilst arriving at Net Paid Sales specially for the Gift Scheme to agents.

C) Re-admission to Bureau Membership and Cooling off period:

Reference is invited to Bureau's Notification No. 711 dated 14th August 2002 regarding re-admission to Bureau membership.

Council at its recent meeting decided that with effect from 1st January 2006, **re-admission** to Bureau membership for publishers would be considered after a gap of two six monthly audit periods including the audit period during which the membership was terminated/ceased.

Council also discussed the provisions of 'Cooling Off' period as earlier notified vide Bureau's Notification No. 715 dated 10th December 2002 and decided that all new applications for membership from publishers will be considered prospectively from the next audit period as hitherto i.e. if an application for membership is received during the audit period January-June 2006 duly complete in all respects, then it would be considered by the Bureau's Council of Management with effect from the following audit period i.e. July-December 2006. Prospecting publisher members will however be advised to send a check-list duly endorsed by Approved Publisher Auditors regarding compliance with various laid down Bureau's guidelines.

New publications seeking Bureau membership will however continue to be subjected to a surprise recheck audit by Bureau's Auditors at publisher's expense on filing their circulation figures for the designated audit period/s.

The requirement of 'cooling off' period as well as surprise check to be carried out during the 'cooling off' period stands withdrawn with effect from 1st January 2006.

D) Submission of circulation figures – Guidelines for new Publisher Members:

All new prospecting publisher members enrolling for Bureau Membership will necessarily be required to submit their circulation figures to the Bureau for certification for the audit period with effect from which they have sought Bureau Membership.

In case a publisher is unable to obtain an ABC Certificate of circulation for three consecutive audit periods, such applications for Bureau membership will be returned to the concerned publisher as "void and unacceptable".

Sd /-
Secretary General