

BIC GUIDELINES FOR THE REPORTING OF SALES OF DIGITAL CONTENT AND EBOOKS

January 2023. With minor changes to document formatting, terminology, hyperlinks and references.

Introduction

Whereas in traditional book trade models goods are invoiced before or at the time of supply, the digital file – whether the final tradable product or the content package capable of being converted into a tradable product – is supplied without an invoice being raised. The model is similar to that of books supplied on consignment and paid for as they are sold.

As sales of digital content grow, it is critical for the industry to manage these transactions in legacy and current systems, as well as new system implementations. The ingestion of sales reports should be automated - into sales ledgers as well as into royalty management software. It is equally important for sellers that reporting processes are standardised and simplified to cope with the growing volume of transactions and trading partners.

When volumes were comparatively low, it was possible to manage using proprietary spreadsheets, emails, web pages, even paper reports, as agreed between trading partners. However, these methods are now unacceptable both in terms of business efficiency and auditability for publisher and reseller. A robust standard, automated framework for sales reporting is essential. This exists.

The EDItX Sales Report format

The recommended solution is provided by the EDItX Sales Report, version 1.2 (October 2018). It allows retailers, distributors, intermediaries or their agents to report sales to publishers or content owners. There is also an accompanying EDItX Sales Tax Report.

EDItX is a set of mostly transactional messages and reports in XML developed by EDItEUR with input from BISG and BIC. The XML tag terminology and use of code lists align wherever possible with that used in ONIX.

Information on specifications, schemas and code lists is available from www.editeur.org

The format allows these reporting options:

1. Each report line may list an individual transaction, or it may provide a total of all transactions for a given (identified) tradeable product under a given class of sale or at a given price point during the reporting period specified in the message header.
2. Classes of sale may be defined by trading partners to reflect the details of the arrangements which they have negotiated.

3. The monetary amounts due to the publisher may be calculated on the basis of an agreed net unit cost to the reseller, or on the basis of a discount from either the publisher's list price or the reseller's actual sale price, or on the basis of an agreed discount to the consumer that was applied by the selling agent to the publisher's retail price. In addition, a reseller's or agent's fees may be deducted from the price.
4. Commission may be reported as a percentage in much the same way as discounts are reported for sales under wholesale terms.
5. It is also possible to use the format to identify sales by retail outlet, either as individual transactions or by aggregating all transactions for a given format of a given title through each retail outlet.
6. For reports that list individual transactions, the sales tax that is due may be reported for each transaction. The format can be used for reporting sales and sales tax in separate reports, if required.

Recommendations for adoption

It is strongly recommended that publishers and resellers adopt the EDItX Sales Report message as the basis for retrospective sales reporting. It is in the interests of both trading partners and the industry as a whole that variations are minimised, both for the sender and for the recipient of multiple reports from different sources.

The publisher is entitled to expect from resellers regular full reports on sales to a mutually agreed timetable and in a format which, if the publisher requires it, enables automatic ingestion into sales, royalty and other systems.

The reseller is entitled to expect publishers to accept a standard sales report message in an agreed format, without any variation between the requirements of recipients.

The publisher should include in any commercial terms document with digital resellers the requirement that a specified version of the sales report message is used.

Resellers and publishers should agree between themselves the frequency and detail of reporting and include that information in any trading agreement.

Publishers are encouraged to explore internal systems options to maximise the automation of the sales reporting process and to view it as a form of electronic data interchange (EDI) which enables the report to become the basis for automated invoicing. The same should be true for rights and royalties systems.