



# **BIC Industry Returns Initiative**

## **IRI Rule Book**

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*The Book Industry's Supply Chain Organisation*

This Industry Returns Initiative (IRI) document is one of a set that Book Industry Communication has produced.

Together, these documents provide a detailed operational, commercial and technical overview of IRI.

BIC strongly recommends that you download and read the full set of documents. These currently comprise:

1. Introduction (updated July 2025)
2. BIC Bite
3. The Value of IRI (new June 2025)
4. Stakeholders
5. Process Specification (with updated pages 11 - 14, Revised Response Codes, June 2025)
6. Revised Response Codes Rejecting or Acknowledging the Requested Return or Claim for Credit (updated June 2025)
7. The Role of Sales and Returns History (updated June 2025)
8. IRI Rule Book
9. Process Flow.
10. FAQs (updated May 2025)
11. Glossary (updated May 2025)



**RULE 1.** Pre-authorisation is required via standard electronic communications, e.g., EDI, Batch Returns, BIC Realtime or pre-defined text file format. Automation enables returns requests to be authorised or rejected within minutes.

**RULE 2.** Sale or return (SOR) stock will be accepted, assuming other rule book criteria are met. Stock that was invoiced on a pre-informed, firm sale basis, will be refused. The nature of returnability is established in advance. Where a book is firm sale, this should be made clear to retailers before the book is ordered.

Any subsequent changes to returnability should be communicated and booksellers should be given the opportunity to return a book before it goes firm sale. The returns window for books moving to firm sale should also accommodate wholesalers' need to receive returns from their customers before returning the stock to their suppliers. Communication relies on accurate and timely metadata flows rather than returns messages.

**RULE 3.** The returns window for newly published titles is from 3-calendar months after publication date and within 15-calendar months of the last (most recent) invoice, assuming that there have been sales of the ISBN within the current 15-calendar month sales window.

For backlist titles, returns are permitted within 15-calendar months of the last (most recent) invoice, assuming that there have been sales of the ISBN in the current 15 calendar month sales window.

New Title Condition	Pub Date	Invoice Date	Return Requested	Accepted/ Refused
Before 3 months	01/01/2018	25/01/2018	29/03/2018	Refused
Within window	01/01/2018	25/01/2018	01/04/2018 – 30/04/2019	Accepted
After 15 months	01/01/2018	25/01/2018	05/05/2019	Refused

**RULE 4.** The returns request must not exceed the sold volume by ISBN in the current 15-calendar month returns window. The retailer should not be credited for more copies than it purchased. This avoids wholesaler bought stock being returned directly to the publisher or distributor. IRI processes specify that distributors should record sales by line and by customer and should be able to check returns requests against the total of stock invoiced. The rule is assumed to be enforced at organisation level so that one branch of a chain can return more copies than it bought from the publisher but the whole chain cannot return more than the whole chain bought. Chains can scale stock out and move stock between branches and so returns might not tie up with the quantities invoiced originally to each branch.

**RULE 5.** Where applicable, the returns request must not exceed pre-agreed cap limits at organisation level. The percentage can be based on volume of sales and/ or value, typically at publisher level. Some publishers/ distributors and booksellers agree cap limits for returns



e.g., not to exceed 20% of the quantity ordered. Where these caps exist, they are to be enforced at organisation level or by trading partner agreement in advance.

**RULE 6.** Where approval is granted for sale or return stock, the agreed weighted average calculation, also referred to as the standard credit calculation, will be based on the average of the last 12-calendar months' sales. This is the 12-calendar month period leading up to and including the calendar month in which the title was last (most recently) invoiced.

Agreeing a common method is advantageous because supplier calculations can agree with retailer invoice matching thresholds and credits can be approved automatically. This speeds up the crediting process and ensures that there are fewer disputes between trading partners. Note that the calculation for credit should exclude non-conformance returns (see Rule 7) and retrospective deals.

Invoice #	Date	Qty	Price	Retail Value	Discount %	Net Value	Avg Price/ Copy
Transaction1	27/03/2017	50	£20.00	£1,000	50%	£500	£10.00
Transaction2	01/07/2017	20	£20.00	£400	47%	£212	£10.60
<b>Subtotal</b>		<b>70</b>	<b>£20.00</b>	<b>£1,400</b>		<b>£712</b>	<b>£10.17</b>
Transaction3	09/10/2017	10	£20.00	£200	45%	£110	£11.00
<b>Total</b>		<b>80</b>		<b>£1,600</b>		<b>£822</b>	<b>£10.28</b>

**RULE 7.** For non-conformance returns only, apply the credit immediately and with reference to the original invoice value.

A non-conformance return is any return that does not conform with the terms of trade. This includes damaged stock, misprinting or incorrect binding etc. It could also include a shortage e.g., ordered 3 copies, received only 2, leading to a 'non-conformance' claim for 1 copy. These returns are excluded from weighted average calculations and timing rules. The credit should be issued at once, as per the original invoice cost price, and not aged for normal credit terms.

For overstock returns, the credit should be issued within the same calendar month that the returns were received by the distributor, and the organisation's contractual credit terms period applied. In cases where the return is not processed for operational reasons until the calendar month following receipt (e.g., returns received too close to month end), the credit should be automatically aged to reflect the date of receipt of the return. Credits should be posted to customers' accounts within 48 hours of validation in the warehouse.

**RULE 8.** Returns authorisations are only valid for 3-calendar months from the date of authorisation. Any unused returns authorisations will be closed and no longer valid after 3-calendar months from the date of authorisation. Should the bookseller wish to return the items after this time, a new request must be sent.

**RULE 9.** Booksellers must print out and label all of their returns parcels with the RAN barcoded label provided by distributors.



**RULE 10.** Booksellers must ensure that the whole RAN consignment is shipped at the same time, even if there is more than one parcel.

**RULE 11.** Booksellers must send a third message, usually the EDI RETINS2 message or Batch Returns confirmation message, detailing what is actually being returned at the same time that they send the parcel(s) to the distributor. This confirms what is being returned as opposed to what was originally requested for return and enables the distributor to complete the return and issue credit in a timely way.

If the third message is not sent and fewer copies are returned than were requested for return, these ghost returns can remain open for up to 3-calendar months and potentially reduce the retailer's returns allowance during that period.

**RULE 12.** A nil return is required with the third message if a book authorised for return is not subsequently sent back. Not sending the third or confirmation message (or sending an inaccurate one), may delay the processing of the credit note by up to 3-calendar months. Ghost returns can potentially reduce the retailer's returns allowance during that period.

**RULE 13.** Booksellers must not send parcels that are heavier than current Health & Safety guidelines (16 kilos). Distributors, couriers and booksellers may have additional policies with which to comply.

**RULE 14.** Booksellers returning books in 'green box' consignments must ensure that these are in a resaleable condition and with all their stickers and markings removed.

**RULE 15.** Publishers should not unreasonably withhold permission for their distributors to undertake IRI transactions on their behalf.

**RULE 16.** Publishers must instruct their sales representatives not to interfere with IRI processes. Non-conformance returns are the exception.

**RULE 17.** Publishers must agree to the use of the average weighted price calculation for conformance returns by their respective distributors.

**RULE 18.** Distributors or self-distributed publishers must have the necessary IRI capable systems that adhere to the IRI Rule Book. Systems must also be capable of looking up product metadata, sales and returns history; managing returns organisations; calculating weighted average prices and distinguishing between sale or return and firm sale product.

**RULE 19.** Distributors should be able to receive returns requests from Batch Returns and via EDIFACT EDI (RETANN message) as a minimum. Other electronic standards such as BIC Realtime should be considered if there is a business case. This is known as the first message.

**RULE 20.** Distributors must be able to supply an EDIFACT EDI (RETINS1) message or equivalent Batch message. This will give the authorisation, a RAN number and a printable barcoded label. This is known as the second message.



**RULE 21.** Distributors must be able to receive the bookseller's third message e.g., EDIFACT EDI (RETINS2 message) or Batch Returns confirmation, stating the actual contents of the returns consignment.

**RULE 22.** Distributors should close off the return and process the credit in the current calendar month (i.e., the month in which the returns consignment was received). If this is not possible, then back date the credit to the month in which the returns were received.

**RULE 23.** Distributors should apply credits to the retailer's account as per the retailer's normal credit terms and retailers must adhere to their normal credit terms when taking credits.

**RULE 24.** Distributors should exclude retrospective deals from all IRI calculations and related credit notes.

