



BIC Industry Returns Initiative

Glossary

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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)

12-Calendar Months' Sales History: Sufficient sales history to inform the weighted average price calculation. This is the cost price at which sale or return stock should be credited. Not to be confused with the 15-calendar month returns window.

15-Calendar Months' Sales History or 15-Calendar Months' Sales Window or 15-Calendar Months' Returns Window: The window for newly published titles is from 3-calendar months after publication and within 15-calendar months of the invoice. See the Glossary entries for "3-Calendar Months", "New Title" and "Publication Date" for more information.

For backlist titles, returns are permitted within 15-calendar months of the last (most recent) invoice.

For new titles and backlist, it is assumed that there have been sales of the ISBN in the current 15-calendar month sales window. If there have been insufficient sales of a specific ISBN in the current 15-calendar month sales window, then there is no automatic returns allowance and no automatic authority to return. The sales history, alongside other criteria, inform returns authorisations and rejections.

3-Calendar Months (see also "New Title" and "Publication Date"): Newly published titles cannot be returned within the first 3-calendar months of publication. The specific publication date in the month (i. e., 1st, 9th, 15th, 22nd or 31st) *does not* matter. It is the *month* of publication that is used to inform when the 3-calendar month period begins and ends. For example:

A new title published on any date in January 2025 cannot be returned until April 2025 (where January 2025 is month one and March 2025 is month three). A returns request can be generated after the end of March 2025, i. e., from 1 April 2025 onwards, assuming all other criteria are met.

Similarly, a new title published on any date in September 2024 cannot be returned until December 2024 (where September 2024 is month one and November 2024 is month three). A returns request can be generated after the end of November 2024, i. e., from 1 December 2024 onwards, assuming all other criteria are met.

Ageing (accounting term): The means of monitoring the status of accounts (by bookseller, publisher or distributor). An aged debtor or creditor report groups outstanding documents by business and age. An aged debtor report will list unpaid invoices owing to your business, whilst an aged creditor report will show invoices that you haven't yet paid.

Ageing (IRI term): In some ways like the accounting term above. The age of an invoice or returns request on which a specific ISBN appears will impact whether that ISBN has a returns allowance by customer group, publisher and distributor combination. The critical point in IRI ageing is 15-calendar months after the ISBN was most recently invoiced. ISBNs with a last invoice date which is more than 15-calendar months (from now) will not ordinarily be authorised for return. Once an invoice has aged beyond 30-calendar months, it has no role to play in returns calculations, nor should it inform appeals, and the discretionary authorisation of returns previously rejected.

Authorisation: The granting of permission by the wholesaler, publisher or distributor (on behalf of the publisher) to return stock for credit.

Authorised Return: Approved according to the IRI rule book or through a separate offline arrangement.

Available Invoices: These are documents that should form part of the returns calculation.

BA: The Booksellers' Association. An industry members association and founder member of BIC.

Backlist: For the purposes of IRI, a published book that has been on sale for more than 3-calendar months. In theory a backlist title can be ordered today, received tomorrow and subject to meeting other IRI authorisation criteria, returned immediately.

Back Office System: A collective way of describing those computer systems carrying out a wide variety of business operations, including but not limited to finance, order fulfilment, distribution and returns.

BIC: Book Industry Communication. An independent organisation set up and sponsored by the Publishers Association, Booksellers' Association, the Chartered Institute of Library and Information Professionals and the British Library to promote supply chain efficiency through e-commerce and the application of standard processes and procedures. Not for profit.

Bookseller: A chain or independent bookshop or retailer. Also denotes an employee of a chain or independent bookshop.

Calendar Month: The whole of a month named in the calendar, or the period from a particular day in one month to the preceding day in the next (if that day exists).

Certificate of Destruction: The official, documentary proof provided by an accredited organisation for the destruction of authorised returns. The certificate warrants that the returned stock has been completely destroyed, cannot re-enter the supply chain and that the returning book business is entitled to credit for this stock.

Claim: A claim is a request for credit, usually arising because of a shortage, damaged or imperfect stock.

Conformance Returns: Book product subject to sale or return criteria for returns.

Current 15-Calendar Month Window: Based on the current month being the starting point (month one), count back 15-calendar months to establish the current 15-calendar month window.

Customer: The constituent branches and/ or locations that make up the returns group. The customer is the bookselling business that orders and returns stock.

Debit Note: Used by some bookselling organisations, this is a commercial document used to make adjustments (deductions) to invoice payments to publishers, distributors and wholesalers to reflect returns or claims (at various stages of the returns cycle).

Distributor: Supplies books to retailers, wholesalers and libraries on behalf of publishers. They are also responsible for processing returns. The publishers are not necessarily owned by the distributors.

Dued: A book order that has been recorded due but not yet fulfilled.

EDI: Electronic Data Interchange. A structured, technical format for the exchange of time or financially critical business transactions in an automated and standardised form between computers. Transactions are processed in batches rather than in real time.

EDIFACT: Electronic Data Interchange for Administration, Commerce and Transport. The UN standard for electronic data interchange of time or financially critical business transactions in an automated and standardised form between computers. There is a set of current returns messages in the EDIFACT format.

Exception Handling: A means of handling IRI related queries and disputes offline in agreement between the commercial parties.

Firm Sale: Book product that cannot be returned under a sale or return agreement.

Furthest Back: The return that is oldest or earliest in time in the returns window. For example, in a current 15-calendar month returns window that runs from April 2025 (the current month or month one), calendar month 15 would be February 2024. The oldest or earliest return (furthest back) is likely to be nearer February 2024 than April 2025.

Ghost Return: An item that was requested for return, authorised but not subsequently returned. Ghost returns can potentially impact booksellers' returns allowances by ISBN.

GLN: Global Location Number. A thirteen-digit number used in the supply chain to identify a specific business address/ location. Replaces the need for a lengthy/ imprecise postal address.

Green Box Returns: Describes authorised returns that should be returned in a resaleable condition (i.e., without sales or promotional stickers). Excludes non-conformance returns.

Invalid: Used in certain reason for rejection codes, where authorisation is refused. Instances include invalid invoice or delivery note number, invalid reference (recall, event, pre-authorisation), invalid damage or defect code.

Invoice Date: The date on which the invoice was generated, and the goods billed. The invoice is the legal document itemising books supplied, together with details of the amount owing and discounts applied. Not to be confused with publication, embargo or delivery date.

IRI: Industry Returns Initiative. The industry standard designed to automate and streamline the returns process, whereby most books are purchased on a sale or return basis.

Last Invoice Date: The date on which the latest (most recent) invoice was raised. For example, in a current 15-calendar month sales window that runs from April 2025 (the current month or month one), calendar month 15 would be February 2024. For returns calculation purposes, the last invoice date needs to fall somewhere in this window.

Last or Most Recent Invoice: As with "last invoice date", this is used to inform the returns calculation. Does the invoice date fall within the current 15-calendar month window (counting back from now (the current month) as month one)?

Latest Return: Newest or most recent return in time in the returns window. For example, in a current 15-calendar month returns window that runs from April 2025 (the current month or month one), calendar month 15 would be February 2024, and the newest, most recent or latest return would likely be nearer April 2025 than February 2024.

MAT: Moving Annual Total. Another way of describing a rolling annual figure whereby at the end of each month, data from the new month is added and the oldest month removed.

Most Recent Return: See above entry "latest return". Newest or latest return in time in the returns window.

Net Sales: All sales (number of units rather than value) in a given period less all returns (overstock and non-conformance) for the same period for a returns group. Excludes firm sale titles and retrospective agreements but does include open or pending authorisations.

New Title (see also "3-Calendar Months" and "Publication Date"): For the purposes of IRI, defined as a new book that has been published within the last 3-calendar months. New titles cannot be authorised for return within three calendar months of publication (unless a different parameter is agreed upfront by the parties). Other criteria may also apply. For example:

A book with a publication date of 10 April 2025 (or any date in the month of April 2025) cannot be returned before 1 July 2025. April, May and June are classed as being within 3-calendar months of publication date.

Equally, a book with a publication date of 3 April 2025 would still mean that returns authorisation could not be sought before 1 July 2025, as it is the calendar month, rather than the date in the month, that is important.

Another way of putting this is that any new title published in April 2025 is available for inclusion on returns requests from 1 July 2025.

Newest Invoice in Range: The most recent invoice in the current 15-calendar month window.

Non-Conformance Returns: Book product being returned for reasons other than 'sale or return'. Examples include event stock, product recalls, order cancellations, products supplied in error, damages, manufacturing defects, incorrect discounts, incorrect prices on invoices and shortages.

Oldest Available Invoice: The oldest invoice available to form part of the returns authorisation/rejection calculation within the current 15-calendar month window.

Oldest Return: The return that is earliest or furthest back in time in the returns window. For example, in a current 15-calendar month returns window that runs from April 2025 (the current month or month one), calendar month 15 would be February 2024, and the oldest or earliest return would likely be nearer February 2024 than April 2025.

Open Authorisation: The retailer has applied and received authorisation to return stock but has not yet done so.

Outside the Current 15-Calendar Month Window: Too old to form part of the returns calculation. However, if the transaction is within the last 30-calendar months from now (the current month), it may inform an appeal regarding rejected returns impacted by the ageing of invoice transactions.

PA: The Publishers Association. An industry members association.

(Valid) Pending Returns or Authorisations: Approved according to the IRI rule book or through a separate offline arrangement, but not yet received by the distributor for processing. A RAN is valid for 3-calendar months.

Percentage Discount: The retail price less an agreed discount (cost price) represents the price paid by a book retailer for invoiced stock. When returning stock for credit, a weighted average price calculation is used to calculate the credit value. This is the average cost price based on the last 12 calendar months' sales history.

Pre-informed: Provided with information in advance. This usually refers to 'firm sale' stock, where the firm sale status is 'pre-informed' before an order is placed. Where firm sale is pre-informed, stock cannot be returned.

Publication Date: The date on which a book is officially published. This can be any day of the week, but often this is the first or third Thursday of a month. Often booksellers put books out on receipt if they arrive before publication date. If this is not allowed the book will be placed under an embargo. For the purposes of IRI, it is the *month* of publication rather than the publication *date* that informs when a new title will first become available for return, assuming that it is an overstock and was not sold 'firm sale'.

Publisher: A business responsible for bringing books to the market. Publishers will usually have their own editors, marketing and publicity teams as well as a unique stable of authors. Publishers are not always responsible for managing distribution or returns.

RAN: Returns Authorisation Number. The official document and reference sanctioning the return of specified quantities of specific books.

Red Box Returns: Describes authorised returns that should be returned for destruction. The condition of such stock is immaterial. This excludes non-conformance returns.

Rejection: Otherwise known as a 'rejection response code' or a 'rejection reason code'. This denotes a returns request for which authorisation has been refused. The rejection response codes have been revised in the first half of 2025 to provide greater clarity about the reason for refusal, whilst also removing ambiguous and duplicate codes.

RETANN: The first EDIFACT EDI message requesting authorisation to return stock. This is sent by the bookseller to the authorising distributor.

RETINS1: The second EDIFACT EDI message either authorising or rejecting the RETANN returns request. This is sent by the distributor to the bookseller.

RETINS2: Where the RETINS1 message may authorise returns, the third or RETINS2 EDIFACT EDI message confirms the actual ISBNs and quantities being returned. This is sent by the bookseller to the authorising distributor at the point at which the consignment of returns is despatched.

Retrospective Credit: Another way of saying 'retro deal' or referring to 'retrospective sales'. See below.

Retrospective sales: Sales deals agreed between a publisher and bookseller to incentivise stock purchasing and promotional activities. Retros are paid based on sales performance, potentially across many lines and/ or total business after a considerable period. Including retros in returns credit calculations would mean the returns credit would be reduced. All such agreements are excluded from IRI calculations.

Returns cap: A value or volume constraint enforced by a publisher on returns from a returns group. The returns cap is calculated on a moving annual total (MAT). Non-conformance returns are excluded from such caps.

Returns credit: Relating to a credit for sale or return stock.

Returns Group: The constituent branches and/ or locations that make up the returns organisation. This is the bookselling business that orders and returns stock.

Returns History: The audit trail of sales and returns by ISBN that informs automated IRI authorisation and rejection calculations. Referring to sales and returns history to inform the IRI process is an attribute of the IRI rule book. It is consistent, transparent and applies trade wide. More information is available in the Resource Centre on the BIC website.

Distributors may not hold full lifetime sales and returns records for all titles. This becomes more likely given that book trade organisations are constantly acquiring and divesting themselves of publishers, imprints and partial lists, often resulting in changes to physical distribution. It is important that sales and returns data is built and maintained to capture the BIC recommended minimum of 30-calendar months' history for the purposes of IRI.

Returns Request: The manual or electronic request by a bookseller to return stock for credit.

RFF14: This is the EDIFACT segment/ segment number in the RETANN message. RFF denotes the need for a reference if this segment is used. A reference is a precondition for return in certain circumstances.

Rule Book: The list of conditions that must be met to obtain credit for returns under the IRI industry standard.

Sales history: The audit trail of sales and returns by ISBN that informs automated IRI authorisation and rejection calculations. Referring to sales history to inform the IRI process is an attribute of the IRI rule book. It is consistent, transparent and applies trade wide.

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Sale or Return: The basis on which most book stock is ordered by booksellers. Unsold stock can be returned for credit within an agreed framework, such as the IRI rule book. Other considerations such as commercial terms may also apply.

Shortage: Refers to a missing item. Shortages usually arise when a distributor invoices a quantity greater than that supplied.

SOR: Sale or Return: See above.

Standard Address Number: SAN. A seven-digit number used in the supply chain to identify a specific business address/ location. Replaces the need for a lengthy/ imprecise postal address.

Standard Credit Calculation: Better known as the “weighted average calculation”. Based on the 12-calendar months leading up to and including the calendar month in which the book was last invoiced. Also described as “the current month plus the previous 11 months”. This calculation ordinarily applies to conformance or sale or return items only.

Example: If the book was last invoiced on 15 February 2021, then the twelve-month period covers March 2020 – February 2021.

T&C: Terms & Conditions. Certain reasons for return require prior agreement between the bookseller and publisher/ distributor. Books supplied on consignment are one example where the commercial arrangement needs to be set in advance.

Tolerance: Describes the degree of variation allowed between the physical return as confirmed in the third message by the retailer and the physical stock received back in the warehouse by a distributor for processing. If the two are 95% accurate, (or less that 5% out of tolerance), then the distributor will process and close the return. Otherwise, the claim may remain open for up to 3-calendar months and potentially reduce the retailer's returns allowance during that period. 95% accuracy is the BIC recommended benchmark.

Transfer: The movement of a publisher's stock from one distributor to another.

Transition Period: The BIC recommended period during the transfer of a publisher's stock from one distributor to another when the old distributor may continue to fulfil distribution/ returns functions for the departing publisher. 3-calendar months is the recommended transition period.

Unexpired returns: Another way of saying “valid returns authorisations”. The distributor still needs to receive the third message and physical stock or certificate of destruction within 3-calendar months of the original authorisation being given. If the third message and the physical return are 95% accurate when reconciled, then the distributor will process and close the return. Otherwise, the claim may remain open for up to 3-calendar months and potentially reduce the retailer’s returns allowance during that period.

Unit Value: The cost price of one book.

Valid for 3-calendar months: Describes the applicable window for confirming returns with the third message and physically returning the stock for credit.

Valid Pending Returns or Authorisations: Approved according to the IRI rule book or through a separate offline arrangement, but not yet received by the distributor for processing.

Weighted Average Calculation: Also known as the “standard credit calculation”. Based on the 12-calendar months leading up to and including the calendar month in which the book was last invoiced.

Example: If the book was last invoiced on 15 February 2021, then the twelve-month period covers 1 March 2020 – 28 February 2021. Also described as “current month plus the previous 11 months”. This calculation ordinarily applies to conformance or sale or return items only.

Wholesaler: A business that has the attributes of a distributor and retailer. Sources stock for speedy order fulfilment. Not just large quantities of the faster selling titles, but wholesalers also source slower selling, specialist titles. The IRI parameters reflect the wholesaler’s need to receive returned stock back from its bookselling clients before it then makes a consolidated return to its own distributors – all within the 15-calendar month returns window.