

# **BIC Industry Returns Initiative**

## **Process Specification**

### **Version 3.0 Updated 2025**

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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)



**Returns Request Process at Booksellers:**

The key principle of the process is that returns must be pre-notified to and pre-authorised by the distributor. For the majority of electronic returns transactions, this will be a wholly automated process. Manual intervention should be the exception.

Booksellers should list titles for return in an electronic message to the distributor. Whilst booksellers have their own processes for identifying and tracking titles for return, it is recommended that the electronic message includes titles for all publishers and imprints handled by a distributor.

The electronic message should conform to one of the following formats and the exchange of messages in the agreed format should be confirmed with the distributor at the outset:

1. Via EDI, using the BIC EDIFACT returns message.
2. Via Batch Returns, using their web-enabled returns mechanism.
3. Via the agreed Text File Specification format.
4. Via APIs, such as BIC Realtime.

The returns requests must be automatically downloaded to the distributor's system without manual intervention. BIC recommends that publishers and their respective distributors do not allow sales representatives, agents or customer facing staff to circumvent the process by manually authorising returns.

The returns request should replicate the message structure of the EDIFACT EDI message. The mandatory information required is:

1. The message identifier. In the EDI message, the customer's returns request number must be unique to the bookseller. In Batch Returns, a message identifier is automatically generated. Duplicates will be side-lined.
2. The GLN or SAN of the bookselling organisation (and branch where applicable), as well as the distributor's GLN details.
3. Contact email address.
4. ISBN13 or EAN13.
5. Quantity.
6. Reason for return (using a valid BIC Returns Code, the default is overstock).

If a bookseller has not received a response to a returns request within one working day, they should contact the relevant distributor.



**Returning Damaged or Imperfect Copies (non-conformance returns)**

Whilst most returns will be made on a sale or return basis for overstocks, booksellers can use the same process to request credit for other situations, such as shortages, damages, imperfections, promotion or event stock. The full Reason for Return Code List and the conditions under which such returns or credit claims will be accepted are shown overleaf.

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## Reason for Return Codes with Associated Authorisation and Rejection Codes

Code	Reason for Return	T&C	Reference(s) Required in RFF Segment 14	Basis of Credit	Authorisation Response	Rejection Response
B00	Overstock: surplus to requirement	N	None	Weighted average	A01, A02	R01 – R07 (or R09)
B01	Overstock: supplied on consignment	Y	None	No credit required	A01, A02	R01 – R07 (or R09)
B10	CODE UPDATE: Promotional or event stock, or preauthorised by supplier	N	Preauthorisation reference; invoice number if known. The publisher and distributor need to share the authorisation reference (and invoice number) with the bookseller. Both should be quoted. Distributors may need to manually intervene. Use B98 if B10 can't be complied with	Credit as per invoice or at weighted average	A01	R10 (or R09)
B11	ISBN recall	N	Supplier's reference; invoice number if known	Credit as per invoice, or at latest price supplied or a current price	A01	R10
B12	Order cancelled by customer or dued in error or due not cancelled prior to supply	N	Invoice number	Credit as per invoice	A01, A02, A03 (or A04)	R08



Code	Reason for Return	T&C	Reference(s) Required in RFF Segment 14	Basis of Credit	Authorisation Response	Rejection Response
B20	ISBN supplied and invoiced was not ordered (or ISBN ordered was supplied and invoiced twice)	Y	Invoice number	Credit as per invoice	A01, A02, A03	R08, R12, R14
B30	ISBN supplied was received damaged	Y	Invoice number and Damage Code (see separate table)	Credit as per invoice	A02, A04, A05	R12 or R13
B31	ISBN supplied has a manufacturing defect	N	Invoice number if known and Defect Code (see separate table)	Credit as per invoice or at weighted average when the invoice is no longer identifiable	A02, A04, A05	R13
B80	Incorrect discount given	N	Invoice number and expected discount	Credit as per invoice and recharge at the correct discount rate	A04, A06 (or R11)	R99
B81	Incorrect price on invoice	N	Invoice number and expected price	Credit as per invoice and recharge at the correct price	A04, A06 (or R11)	R99
B82	NEW CODE: Sundry charge claim	N	Invoice number	Credit as per invoice		
B90	Shortage: order quantity was invoiced but not supplied in full	Y	Invoice number	Report only. Subject to agreement with supplier. Credit as per invoice	R11	R12 (or R11)
B91	ISBN supplied was not ordered and not invoiced, or too many copies were sent and not invoiced	Y	Invoice number	No credit required	A01, A02 or A03	R12



Code	Reason for Return	T&C	Reference(s) Required in RFF Segment 14	Basis of Credit	Authorisation Response	Rejection Response
B98	CODE UPDATE: Exception handling	Y	Returns outside agreed date parameters	At weighted average		

Note: Books that have been supplied for a specific time-limited promotion can be returned outside the normal parameters for overstock returns provided that the order has been placed on those terms and a reference has been assigned to the promotion which can be quoted by the bookseller in the returns request. The returns reference will become invalid at the conclusion of the three-calendar month window and any remaining stock for return will be subject to the normal overstock parameters. See code B10.

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Booksellers requesting return of damaged or imperfect copies must supply details of the damage or imperfection using the codes allocated for that purpose.

#### Reason for Damage Codes:

Code		Description
C01		Carton damage resulting in damage to contents
C02		Carton intact, but damage to contents

#### Reason for Defect Codes:

Code		Description
D01		Binding errors, including duplicate or missing pages
D02		Bad trimming: pages torn or creased
D03		Defective quality; out of register, uneven colour (use also for non-book product)

#### Authorisation Processes at Distributors:

Returns requests will be assessed for compliance with the IRI Rule Book parameters programmed into distributors' systems. For overstock returns, these are as follows:

1. The quantity for return must not exceed the total number of copies invoiced (or placed on consignment), net of previously authorised returns and valid pending returns authorisations, supplied to the bookselling organisation in the previous 15-calendar month period.
2. No copies of the title are to be accepted until 3-calendar months after publication date for newly published titles. For backlist titles, returns are permitted within 15-calendar months of the most recent invoice, assuming that there have been sales of the ISBN in the current 15-calendar month sales window.





3. No copies of the ISBN for return are to be accepted after 15-calendar months have elapsed since the month end following the most recent despatch of the title to the bookselling organisation, assuming there have been sales of the ISBN in the current 15-calendar month sales window; and then only provided the number of copies does not exceed the number supplied, net of previously authorised returns and valid pending returns authorisations, in the 15-calendar month window leading up to the returns request.
4. No returns are to be accepted against quantities supplied on a firm sale basis, where firm sale was pre-informed and valid when invoiced. This does not apply where the products are made firm sale after they are invoiced and supplied. It is important that booksellers are informed by the publisher of any firm sale condition before the order is placed, and that it is clearly indicated on both electronic and paper invoices. The quantity supplied on a firm sale basis will be excluded from returns allowance calculations.
5. No returns are to be accepted after any commercially negotiated and agreed returns cap, by value or volume, has been reached. The cap is calculated based on a moving annual total.

The distributor's system will be programmed to accept or reject the request and will automatically generate response messages. Where returns are authorised, more than one response is possible. One will list books required to be put back into warehouse inventory, referred to as 'green box', and another for books that will be destroyed, known as 'red box'. Where multiple return addresses exist – or in the case of 'red box' messages where different instructions for disposal apply, separate messages will be sent to cover each situation. 'Green box' returns must be returned in resaleable condition, without bookseller stickers and markings.

Whilst it is customary for distributors to require the return of the complete book before giving credit, the Authorisation Code List also allows for distributors to request the return of the title page only, or invite booksellers to keep copies incorrectly sent, without charge.

Where non-conformance returns are accepted, credit will be given at the original invoiced price where the invoice number can be quoted. Exemption is given from the additional parameters applied to overstock returns. Non-conformance returns are also excluded from returns cap calculations.

There may be financial adjustments to be made by the publisher resulting from non-conformance returns (such as claims from printers for imperfections, from carriers for damages in transit, or from distributors for incorrect deliveries). Mechanisms may need to be put in place by the distributor to report the necessary information to the publisher.

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Distributors are strongly advised to include in the 'green box' message only titles that they intend to return to stock for resale. Booksellers are entitled to expect full credit to be given for all books returned which are listed as 'green box', provided that reasonable care has been taken in handling those titles. The IRI process does not supplant any existing commercial obligation on booksellers to remove stickers or price markings which they have applied, or to pack and handle books required for restocking with care. If individual booksellers persistently fail to do this, distributors may withhold credit until the matter is resolved by discussion between the bookseller and the publisher.

Titles listed in 'red box' returns will be credited regardless of condition.

**Response Codes Authorising the Requested Return or Claim for Credit:**

Code	Description
A00	NEW CODE: Stock can be destroyed on site and a certificate of destruction issued
A01	Authorised: return to the supplier in resaleable condition
A02	Authorised: return title page only to the supplier
A03	Authorised: keep as a complimentary copy, credit will be given in full
A04	On hold pending further investigation
A05	Return to the supplier regardless of condition
A06	Claim authorised for credit

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**\*Updated June 2025\*: Response Codes Rejecting or Acknowledging the Requested Return or Claim for Credit:**

Code	Description	Status	Group	Comment
R01	Returns quantity higher than quantity supplied.	Deprecated with immediate effect	Not applicable	See below (codes R15 and R16).
R02	Too early (outside IRI parameters).	Current code	Overstock	Differentiate backlist from new titles. New titles cannot be returned within 3-calendar months of their publication date (month), unless there is bilateral agreement to use another timeframe.
R03	Too late (outside IRI parameters).	Current code	Overstock	Anything invoiced more than 30-calendar months ago (counting back from the current calendar month).
R04	Supplied firm sale.	Current code	Overstock	
R05	Exceeds agreed trading cap.	Current code	Overstock	Caps should only be implemented on the instruction of the publisher, and always with bookseller agreement. They should not be set arbitrarily by the publisher or distributor.
R06	ISBN13/ EAN13 not known by us or not sent in the RETANN message.	Current code, with amended code description	Overstock	Note that this rejection code is now different to code R07. The rejected item's ISBN/ product code should be quoted as part of the rejection message for ease of identification.
R07	No longer supplied by us, refer to new supplier.	Current code, with amended code description	Overstock	Note that this is now different to code R06. Be mindful of the distribution changes currently happening. The rejected item's ISBN/ product code should be quoted as part of the rejection message for ease of identification.

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Code	Description	Status	Group	Comment
R08	Invoice (or delivery note) number not supplied or invalid.	Current code	Non-conformance	Note that an invoice and/ or delivery note number are <i>not</i> required for overstock returns.
R09	Distributor unable to authorise, apply direct to publisher.	Deprecated with immediate effect	Not applicable	See below (codes R17 and R18).
R10	Reference not supplied or invalid (used for publisher recall reference, promotion or event reference or pre-authorisation reference).	Deprecated with immediate effect	Not applicable	
R11	To enable booksellers to report shortages and other claims not involving physical returns.	Current code, with amended code description	Non-conformance	Used to acknowledge booksellers' reports of shortages and other claims not involving physical returns.
R12	Returns request outside supplier's terms and conditions.	Deprecated with immediate effect	Not applicable	
R13	Damage/ defect code not supplied or invalid.	Current code	Non-conformance	Only applicable where non-conformance returns are enabled by the publisher/ distributor.
R14	Claim rejected: records show claimed items were supplied as ordered.	Current code	Non-conformance	
R15	Rejection based on calculating allowable returns within the current 15-calendar month window.	New code	Overstock	Return 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, net of returns in the same period.

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Code	Description	Status	Group	Comment
R16	Rejection based on calculating allowable returns using 15/30-calendar months sales and returns history.	New code	Overstock	Return 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, net of returns in the same period. Where the ageing of invoice transactions (>15-calendar months) causes a rejection, publishers can, at their own discretion, consider older invoices up to a maximum of 30-calendar months.
R17	Non-IRI compliant publisher at compliant distributor.	New code	Overstock and non-conformance	Although the distributor to which stock should be returned is IRI compliant, their client publisher is <i>not</i> .
R18	Non-IRI compliant distributor.	New code	Overstock and non-conformance	The distributor to which stock should be returned is <i>not</i> IRI compliant.
R20	Correct discount.	Current code	Non-conformance	Requires manual intervention and/ or further investigation. There is potential for mistakes by the publisher, the bookseller or the distributor. Does not preclude further negotiation.
R21	Correct Price.	Current code	Non-conformance	Requires manual intervention and/ or further investigation. There is potential for mistakes by the publisher, the bookseller or the distributor. Does not preclude further negotiation.
R22	Not short supplied.	Deprecated with immediate effect	Not applicable	

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Code	Description	Status	Group	Comment
R23	Proof of delivery supplied.	Current code	Non-conformance	Requires manual intervention and/ or further investigation. There is potential for mistakes by the publisher, the bookseller or the distributor. Does not preclude further negotiation.
R24	Return not received.	Current code	Overstock	Requires manual intervention and/ or further investigation. There is potential for mistakes by the publisher, the bookseller or the distributor. Does not preclude further negotiation.
R30	Response to be handled offline.	Deprecated with immediate effect		
R90	To enable booksellers to report shortages and other claims not involving physical returns.	Deprecated with immediate effect		
R91	Automatic returns not allowed (export retailer).	Deprecated with immediate effect		Although IRI is a UK/ Ireland standard, there are international users. Use of the standard internationally should be encouraged.
R99	Request not supported electronically: please contact the supplier for separate authorisation.	Deprecated with immediate effect		



**The Process Following Authorisation or Rejection:**

Each of the returns response messages will have a separate and unique eight digit returns authorisation number (RAN) allocated to it. This comprises a seven-digit serial number plus a check digit.

The response message will be sent by whatever means was used for the original returns request. It will contain the following components:

- A message type indicator to show whether the lines listed relate to books to be returned for restocking ('green box') or to books for disposal ('red box').
- The RAN.
- An ISBN13-by-ISBN13 report on the returns request.
- A field indicating the unit value of the credit and the percentage discount this represents against the current published price.

For overstock returns, the value of the credit will be the weighted average cost price of supplies of that item to that customer (at organisation level) in the calendar month in which the latest supply was made plus the preceding 11-calendar months. This will be rounded to two decimal places. The calculation will include previous overstock returns credits (books returned under codes B00 and B10) but will usually exclude non-conformance credits.

It may not be possible for the bookseller to quote an invoice number if a manufacturing imperfection only becomes apparent after the book has been put on the shelves. In this case, credit will be given using the weighted average method. Other returns made for non-conformance reasons, where an invoice number is quoted on the returns request, will be credited at the original sale value assuming other criteria are met. There may be situations where the claim is rejected.

Returns authorisations are valid for 3-calendar months, after which a new request will be required.

**Rejection of authorisation requests**

In the case of non-authorisation, reasons for rejection (that is, the parameters with which the request does not comply) will be provided.

**Booksellers' Physical Handling of Authorised Returns:**

Booksellers should consolidate authorised returns by RAN. Titles appearing on different RANs should not be mixed within individual parcels. Books



appearing on the RAN listing titles which are required back for restocking ('green box') should be packed with care, with stickers and other markings removed (unless there is a prior agreement with the publisher). This is not necessary for books which are listed as being for disposal ('red box'). 'Green box' and 'red box' returns must not be mixed.

The returns authorisation messages will include a facility which will enable booksellers to print out a return address label incorporating a barcoded representation of the RAN. This can be printed either singly onto A4 copier paper for taping onto parcels or two-up on a standard Avery label. Information about this label and the barcoding program may be found at <http://www.bic.org.uk/30/Bar-Coding-RFID/>

Returns parcels should comply with current health and safety guidelines, as well as any specific limits imposed by individual distributors.

Since it is not always necessary for the full number of copies authorised to be returned (so that sales of the title in question can continue to take place), booksellers are required to send a returns confirmation message (the RETINS2 message, Batch Returns or API equivalent) which notifies the distributor of the actual number of copies being returned. This message should be sent when the return is finalised and the books are ready to despatch. The number of books returned must not exceed the number authorised.

If the bookseller decides not to return any copies of an authorised return, a nil quantity should be included in the returns confirmation message to ensure that the quantities originally authorised are not taken into account when future returns of that title are requested for authorisation.

If there are no changes to the quantities authorised, the EDI message or equivalent returns confirmation message should still be sent. In the case of the EDI message, this may include the RETINS2 message header only.

It is essential that all returns covered by a single RAN are returned at the same time and that the parcels are correctly numbered so that all lines within the RAN can be processed and credited together.

### **Physical Handling of Returns by Distributors:**

When books are physically returned, distributors must record the actual date of receipt within their returns processing system. Only parcels carrying the RAN will be eligible for automatic credit. The barcode will enable the relevant returns authorisation to be accessed for editing purposes.

Barcodes on the individual books will be scanned to verify the quantity returned. If the number of units covered by an individual returns confirmation message received reaches an appropriate threshold (BIC recommends 95%), a credit note will be raised and posted to the relevant customer





statement. If the returned quantity does not reach the threshold set when all parcels have been processed, the credit note will not be released without further intervention.

Credits should be posted to customers' accounts within 48 hours of validation in the warehouse. However, all credits will be aged so that benefit is given within the calendar month of receipt of the return. 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 will be automatically aged to reflect the date of receipt.

**Local disposal**

In certain cases, local disposal arrangements may have been agreed between a publisher and a bookseller. In such cases, a 'red box' message will be generated listing the titles in question. The returns confirmation message should be sent when the books have been assembled for pulping or are ready to be consigned to a third party for destruction. However, credit will not normally be given until a signed certificate of destruction, accompanied by the relevant RAN barcode if required, have been received by the distributor and the quantities validated. When this has been done, credit will be given within 48 hours, aged back to the date of the destruction certificate.

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**Settlement terms**

For overstock returns, credit terms will be identical to normal trading terms and deductions made only at the end of the credit period. Booksellers may wish to raise debit notes for internal management accounting purposes, but they must not send them to suppliers or make payment deductions on the strength of them. The system is designed to ensure that both invoices and credit notes are the responsibility of the supplier and are handled on an exactly equal basis.

In a limited number of cases, and by agreement, booksellers may wish for a debit note to be used as the definitive commercial document. This is an acceptable practice provided that the valuation used is identical to the valuation calculated by the distributor on the returns authorisation, adjusted for any changes to quantities returned as detailed in the third message, and that the benefit of the debit note is taken as per normal trading terms and no earlier. The debit note must not be raised until the return is finalised and the returns confirmation message sent. It must not be dated earlier than the date of despatch of the returns to the distributor.

