

Approach of the ABC ČR Methodology Committee towards point

2.12. Methodology for auditing circulations of periodic press

Copies sold abroad, in particular to Slovakia, are sold in under different conditions. For copies exported via distributors with their headquarters in CR, 10 % of the VAT is included into the cover price i.e. the reduced rate of value added tax. For copies exported via distributors with their headquarters in SR the VAT is not included. Then the titles are sold to the final consumer at 20 %.

While calculating the price per copy sold abroad, ABC ČR proposes to exclude the VAT from the price and take it into account while calculating point 2.12. ¹⁾ and 2.13. ²⁾ of the Methodology. ABC ČR is therefore proposing to include all copies from which the publisher collected more than 48 % of the cover price calculated without VAT from the distributor into paid circulation.

¹⁾ When distributing copies abroad, the price level and the rate currency of the target country must be taken into account. The minimal price limits related to the cover price shall be assessed with regards to foreign exchange rates and increased costs associated to distribution.

²⁾ It is possible that one title of the same issue may have more than one cover price. The lowest cover price of the same issue must be at least 51 % of the highest cover price.

For example: The cover price placed on the title or masthead is 100,- CZK or 3,32 EUR. The cover price without the VAT is 90,91 CZK or 2,77 EUR. If the publisher indicates only the price in CZK, he must collect minimally 43,64 CZK without VAT upon recalculation. If the price is indicated in EUR (or another currency) as well, he must collect minimally 43,64 CZK without VAT or minimally 1,33 EUR without VAT (= 35,86 CZK without VAT, exchange rate: 1 EUR = 27,- CZK) upon recalculation of the exchange rate.

| PRICE ONLY in CZK | | PRICE in EUR |
|--------------------------|--|---------------------|
| 100,- CZK | Cover price (= price with VAT) | 3,32 |
| 90,91 CZK | Price without VAT (CR = 10 %; SR = 20 %) | 2,77 |
| 43,64 CZK | The publisher must collect in CZK or EUR without VAT | 1,33 |
| 43,64CZK | The publisher must collect in CZK without VAT | 35,86 CZK |