

## **Origin Fractional Advertiser Contribution (FAC): Guidelines for Advertisers & Agencies 2024**

### **What is Origin?**

Origin is a programme led by the Incorporated Society of British Advertisers (ISBA) on behalf of brand owners, to create a platform that accurately measures the cross-media reach and frequency of advertising campaigns. At launch the service will cover linear TV, digital video and digital display and will evolve over time to incorporate other media channels.

Origin will be a campaign reporting service at launch and will expand over time to offer data sets to facilitate the planning and optimisation of media activity. The service will also be augmented in time to measure business outcomes (e.g. engagement, sales-lift).

The service will deliver data in a privacy-safe manner that respects consumer privacy and with no risk of re-identification.

Origin will facilitate cross-platform audience measurement in a way that incorporates common minimum measurement standards by medium, whilst also allowing end users to define their own standards (e.g. viewability, duration/completion status).

Development of the Origin platform is being funded via industry-wide collaboration. Major brand owners, media-owners and the media agency community have come together as funding stakeholders. Once launched, the service will be funded by users paying to access the data, including via the Fractional Advertiser Contribution (FAC).

### **What is the Fractional Advertiser Contribution (FAC)?**

The FAC is the mechanic by which advertisers will pay for the 'Core Reporting' service offered by Origin. Core Reporting will show the de-duplicated reach and frequency achieved by the channels and media owners measured by Origin, against end-user specified parameters including creative, time period, audience, viewability and video completion status.

In essence the FAC is a small charge applied to agency-booked media activity that runs in the UK. A key principle that informed the design of the FAC was the desire to replicate, as closely as possible, the Advertising Standards Board of Finance (ASBOF) levy which funds the industry's self-regulation service, the Advertising Standards Authority.

### **How much will the FAC cost?**

Following a twin-stage consultation with the UK media industry across 2022-23, it was determined that the FAC would be applied as a 0.1% levy to all agency-booked media activity run in the UK, with the exception of Direct Mail. FAC applies to the net cost of media. Again, this was intended to mirror the sum collected as part of the ASBOF levy. One key difference between the FAC and ASBOF is VAT; as a commercial service, VAT will be applicable to the Origin FAC.

### **What media channels are liable for the FAC?**

In line with ASBOF, the FAC will be applied to all media channels booked directly via media agencies, with the exclusion of direct mail. We are looking at options for the future integration of direct mail data and at that point will revise the calculation to include direct mail spend. We are also working with supply side platforms to assess the ability to collect FAC on advertiser direct spend. The FAC applies to activity running in the UK only.

### **Are contributions capped at a threshold?**

No. There is no cap to the total contribution any advertiser would make across any given year. Total contributions will grow directly in line with media spend.

### **Who is being asked to pay the FAC?**

The ISBA Council and ISBA Executive Committee have approved the collection of the FAC, on behalf of all 170 of their members, ahead of the Origin Minimum Viable Product (MVP) launch (the MVP launch is currently scheduled for late 2024) with collection starting as soon as possible.

At this stage in the development of Origin, we are asking *ISBA members only* to contribute towards the FAC. As we approach the launch of the live service and the automation of collection of the FAC via MediaOcean (the company which most agencies use for advertising purchasing and accounting), we will broaden this request out to all advertisers using media agencies to book their media. In time we hope to extend the FAC to advertisers who book directly with the platforms. In summary:

- Sep 2023 onwards ISBA members only
- Post Launch/post MediaOcean automation: All advertisers

### **Is FAC payment mandatory?**

No. FAC payments will be taken unless advertisers expressly opt out of the service. Doing so would preclude them from accessing Origin data services.

### **How will the FAC be collected?**

The FAC will be collected by media agencies. We are working with the agencies and MediaOcean to establish a means to add the FAC to invoices automatically, as per ASBOF. We have worked with the agencies to devise a number of interim measures which facilitate FAC collection on a 'manual' basis. Agencies will be able to share these options with advertisers to agree the most suitable solution. This process will facilitate the initial payments of the FAC, with an automated, on-invoice process replacing it once established. Payments will be requested quarterly following ad appearance.

## Is VAT applicable?

Yes, VAT applies at the prevailing rate.

## When should collection start?

We are requesting that collection starts immediately. In effect this means that all activity being planned and booked from 1<sup>st</sup> September is liable for the FAC, with collection facilitated by the interim 'manual' process outlined above.

## Next steps – Advertisers (ISBA members)

- Make provision for FAC in your campaign planning from September 2023 onwards
- Liaise with your media agency to ensure the manual collection process is in place
- Confirm with [RosinaB@isba.org.uk](mailto:RosinaB@isba.org.uk) that you have put FAC collection provision in place

## Next steps – Media Agencies

- Identify which of your clients are ISBA members (see accompanying member list)
- Make provision for manual FAC collection in your campaign planning for ISBA members from September 2023 onwards
- Liaise with relevant clients to ensure the manual collection process is in place
- Confirm with [RosinaB@isba.org.uk](mailto:RosinaB@isba.org.uk) which advertisers you are collecting the FAC for

## FAC Ready reckoner

<b>What is the Origin FAC?</b>	A levy-like charge applied to media costs to pay for Origin
<b>How much is it?</b>	0.1% of net media costs
<b>Who pays?</b>	Advertisers
<b>What media channels does it apply to?</b>	All (bar Direct Mail) – as per ASBOF. UK bookings only
<b>Who administers collection?</b>	Media Agencies
<b>Is it VATable?</b>	Yes
<b>When does it start</b>	Applies to all schedules being planned from Sep 23 onwards
<b>Key action for advertisers</b>	Liaise with agency to ensure that process in place to ensure collection
<b>Key action for agencies</b>	Liaise with advertisers to ensure they're aware that FAC will be collected
<b>Who to contact at Origin for more information</b>	Ross Lemmings <a href="mailto:Rossl@isb.org.uk">Rossl@isb.org.uk</a> Martin Lawson <a href="mailto:MartinL@isba.org.uk">MartinL@isba.org.uk</a> Tom George <a href="mailto:TomG@isba.org.uk">TomG@isba.org.uk</a>