

Guidance on qualifying worldwide revenue

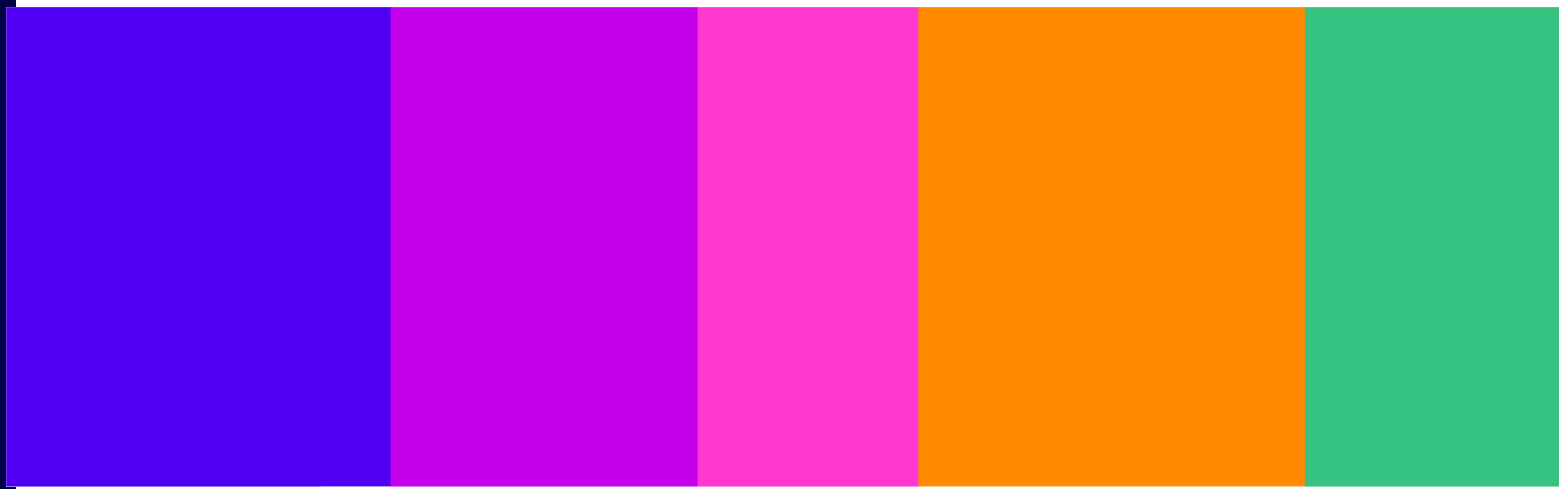
Online Safety Fees and Penalties

Consultation

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1. Overview

Background

- 1.1 The Online Safety Act 2023 (the Act) has created a new regulatory framework which makes platforms with links to the United Kingdom – including social media, search, and pornography services – legally responsible for keeping people, especially children, safer online. As the UK’s online safety regulator, Ofcom has been working to establish the new regime. This includes our approach to implementing a fees regime that will provide for the funding of our regulatory activities for online safety and setting the maximum level of penalties under the Act, which we recently published in our final policy statement (fees statement).¹
- 1.2 The concept of a provider’s qualifying worldwide revenue (QWR) is relevant to both the fees and penalties regime. The Act stipulates that the fees payable by the provider of a regulated service should be set by reference to that provider’s QWR.² The definition of QWR is also used to calculate the maximum penalty that we can impose when we find a provider in breach of its duties under the Act.³
- 1.3 In the fees statement, we set out our final decision on how the QWR of a provider of a regulated service under the Act should be determined. We reflected this decision in draft regulations known as the Online Safety Act 2023 (Qualifying Worldwide Revenue) Regulations 2025 (QWR Regulations), which have been laid in Parliament.⁴ Subject to Parliamentary approval, we expect these to come into force in Q4 2025.
- 1.4 We are now consulting on draft guidance to help providers of regulated services when considering how to determine QWR for the purposes of fees and penalties.

What we are proposing – in brief

We are consulting on draft guidance for the providers of regulated services, which should assist them when determining their QWR in accordance with the QWR Regulations.

The draft guidance comprises two main parts:

- A summary of decisions and guidance in relation to QWR which were set out in our recent fees statement. Having previously been subject to consultation, we are not consulting on this summary.
- New guidance that covers the guiding principles (completeness, accuracy, causality, objectivity, consistency and transparency) that providers should consider when determining their QWR, and further guidance that covers the methods that may be used to apportion

¹ [Online Safety Fees & Penalties Statement](#), 26 June 2025.

² Paragraph 4(9) of Schedule 13 of the Act.

³ Paragraph 5 of Schedule 13 of the Act.

⁴ [The Online Safety Act 2023 \(Qualifying Worldwide Revenue\) Regulations 2025](#) (subject to affirmative resolution procedure [The Online Safety Act 2023 \(Qualifying Worldwide Revenue\) Regulations 2025](#)).

revenues to relevant parts of regulated services in a just and reasonable manner. It is this new guidance that is subject to this consultation.

The draft guidance is intended to be relatively high-level, recognising that providers will need to determine their QWR taking account of their individual circumstances. We expect to update the guidance over time based on experience of administering the fees and penalties regime.

Next steps

- 1.5 We are inviting stakeholders' views on our new draft QWR guidance. The full list of consultation questions is in Annex 5. The deadline for responses is 5pm on Wednesday, 10 September 2025.
- 1.6 After the deadline for responses to this consultation, we will consider all responses received and publish our statement (which will include our final QWR guidance) before the notification window for the initial charging year opens. We will also consult on our Notification Guidance in Q3 2025 which will provide further details and guidance on the notification process and the required documentation to evidence QWR submissions. In Q4 2025, we intend to consult on the Statement of Charging Principles (SoCP) which will include further practical considerations for how we will calculate fees, including tariff calculation and invoicing.

2. Introduction to draft QWR guidance

Introduction

- 2.1 This chapter provides an overview of our draft guidance and highlights some useful points to be aware of when reading it. Stakeholders are however encouraged to read the draft guidance in full (as set out in Annex 1), before responding to the consultation.

Who the guidance is intended for

- 2.2 The draft guidance is primarily intended to help the providers of regulated services in calculating their QWR for the purposes of determining whether they are liable to pay fees and if so, the amount of fees they are likely to pay. Providers' calculation of their QWR will also determine whether they have a duty to notify Ofcom for the purposes of fees under section 83(1) of the Act.
- 2.3 The guidance will also help providers understand the maximum financial penalty⁵ that Ofcom may impose on them for non-compliance with the Act.
- 2.4 However, readers considering the maximum penalty in cases of joint and several liability should exercise caution when reading the guidance. Whilst some of the general principles included within the guidance may be helpful for readers, others (such as what might be a just and reasonable approach to apportionment) will not be relevant. This is because, subject to Parliamentary approval, QWR is to be determined differently in cases of joint and several liability.⁶

Purpose, structure and scope of the guidance

- 2.5 The draft QWR guidance consolidates the information we have previously provided on QWR determination (which is not the subject of this consultation but is included for ease of reference) and provides additional guidance and some brief case studies. The additional draft guidance, which is the subject of this consultation, specifically includes:

- i) A set of guiding principles for the calculation of QWR; and

⁵ In the event of a breach, Ofcom may use its [information gathering powers](#) to request QWR from a provider to calculate the maximum penalty cap that may be applied. The actual penalty amount that we impose in a given case is calculated in line with our [Penalty Guidelines](#) and must be both appropriate and proportionate to the failure, or failures, in respect of which it is imposed.

⁶ A different definition of QWR will apply for the purposes of determining the maximum penalty cap when we find a provider and one or more undertakings in a group of companies jointly and severally liable for non-compliance. In this situation, QWR will be defined as the total of all worldwide revenues received by the providers and its group undertakings in the most recent accounting period, regardless of whether that revenue is referable to a regulated service. See Chapter 6 of the fees statement for further detail.

- ii) Further apportionment guidance.
- 2.6 The draft guidance has been developed to address stakeholder responses to the fees consultation, which sought further guidance and clarity on a ‘just and reasonable’ approach to apportionment. In developing the draft guidance, we have considered these stakeholder responses. During the consultation window for the QWR guidance, we also intend to conduct additional stakeholder engagement to further enhance the final version of the guidance.
- 2.7 The QWR guidance is not binding. The QWR Regulations will always take precedence over the guidance in the case of any inconsistency.
- 2.8 The QWR guidance is intended to be relatively high-level; any case studies (included in grey boxes in the draft guidance) provided are illustrative. It will be for providers in the first instance to determine their QWR by exercising their own judgment, taking account of their own individual circumstances and our guidance. They might also want to seek their own independent legal advice when deciding whether any of their services are regulated under the Act and calculating their QWR. Providers may also wish to consult our online tool⁷ that provides guidance on the application of the Act.
- 2.9 The draft guidance is included as a standalone annex (Annex 1) and is structured as follows:
- i) **About this document:** Provides a short overview of the purpose, role and structure of the guidance document.
 - ii) **Relevant statutory framework:** Provides background information of the relevant statutory instruments for the determination and purpose of QWR.
 - iii) **Summary of previously published QWR decisions and guidance:** Summarises key principles used to determine and calculate QWR as published in our fees statement.
 - iv) **Guiding principles for QWR calculation:** Sets out guiding principles which are intended to provide a framework to help providers ensure their QWR calculation is fit for purpose. It can also act as a reference point to help providers assess the available apportionment methods and select methods that represent a just and reasonable approach.
 - v) **Further guidance on apportionment:** Outlines key examples of potential apportionment methods and how they may be selected and applied in a just and reasonable manner.
 - vi) **Other methods we may use to estimate QWR:** Sets out examples of alternative methods that we may rely on when estimating QWR, such as in circumstances where we are imposing penalties on a provider that has failed to submit its QWR for enforcement purposes.
- 2.10 Providers have until 5pm on Wednesday, 10 September 2025 to respond to this consultation. This will enable publication of the final guidance in Q4 2025 prior to the opening of the notification window for the initial charging year of 2026/2027. However, we expect to update this guidance over time, based on experience in administering the fee and penalties regimes.

⁷ [Check if the Online Safety Act applies to you - Ofcom.](#)

- 2.11 The Act requires that providers calculate their QWR for the purpose of ascertaining their liability for fees,⁸ and for calculating a penalty cap in the event of a breach of the Act. Should a provider's QWR meet the threshold for fees, or be required in the event of breach, the QWR submission must include particular details, supporting evidence, documents and other information as specified in the Notification Regulations⁹ to justify the calculation. To further assist providers, we intend to consult on draft Notification guidance later in Q3 2025 to provide greater detail on how to submit and evidence QWR.
- 2.12 Should we have queries regarding a QWR submission, or the absence of a provider's QWR submission, we may use our information gathering powers¹⁰ to query the provider's QWR calculation and supporting evidence. Failure to adequately respond to an information gathering request may constitute a breach of the Act. Note that in the case of disagreement, the Act provides Ofcom the power to determine a provider's QWR.

Impact Assessment of the QWR Guidance

- 2.13 We have not carried out a separate impact assessment for the purposes of this consultation. The consultation provides further guidance on our decision that QWR be apportioned using a 'just and reasonable' approach. We have already assessed and outlined the impact of our QWR decisions in the impact assessment included in Chapter 10¹¹ of the fees statement. In terms of our equality impact assessment and Welsh language assessment, the relevant impacts of our decisions have already been assessed in Annex 7¹² of our fees statement.

⁸ Ascertained by considering whether their QWR meets or exceeds a QWR threshold to be set by the Secretary of State via secondary legislation expected to come into force in Q4 2025. See chapter 4 of our fees statement for our advice to the Secretary of State on the QWR threshold.

⁹ [The Online Safety Act 2023 \(Fees Notification\) Regulations 2025](#) (subject to negative resolution procedure: [SI 2025/747 - Online Safety Act 2023 \(Fees Notification\) Regulations 2025 - Statutory Instruments - UK Parliament](#)).

¹⁰ [Online Safety Information Gathering Powers](#), 26 February 2025.

¹¹ Chapter 10: Impact Assessment, [Statement: Online Safety fees and penalties](#), 26 June 2025.

¹² [Annex 7: Equality impact assessment & Welsh language assessment, Statement: Online Safety fees and penalties](#), 26 June 2025.