Guidance on qualifying worldwide revenue and notification

Online Safety Fees and Penalties

Statement

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1. Overview

Background

1.1 The Online Safety Act 2023 (the Act) has created a new regulatory framework which makes internet services 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, we have 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 When the fees regime comes into force (which we expect to be on 11 December 2025), the providers of services regulated under the Act will need to determine their qualifying worldwide revenue (QWR) for the purpose of the initial 2026/27 charging year. If their QWR exceeds the threshold set by the Secretary of State, they will need to notify us in accordance with the Act.

1.3 We are committed to supporting providers in preparing for their duties in relation to fees. In anticipation of the fees regime coming into force, we consulted publicly on draft guidance on QWR in July[2] and fees-related notifications in September.[3]

1.4 This statement summarises the outcomes of these consultations, sets out our final decisions and includes a final version of both our QWR and notification guidance in the annexes. Given the complementary nature of the guidance documents, we have decided to publish a single statement.

1.5 Having taken into consideration all consultation responses, this is our first guidance on QWR and fees-related notifications, being published ahead of the initial 2026/27 charging year for online safety fees. We may, if appropriate, update this guidance over time based on our experience in administering the fee and penalties regime.

What we have decided – in brief

Guiding principles

- We have included guiding principles which are intended to provide a framework to help providers ensure that their QWR calculations meet the requirements of the QWR and Notification Regulations. The principles are also intended to help providers assess available apportionment methods and select methods that are just and reasonable.
- We have decided to include proportionality as an additional guiding principle, to provide it with greater visibility and emphasis as a consideration amongst the other principles. We have also made minor revisions to the wording of the causality and

[1] Online Safety Fees & Penalties Statement, 26 June 2025.
[2] Consultation: Guidance on qualifying worldwide revenue - online safety fees and penalties, 18 July 2025 (QWR guidance consultation).
[3] Consultation: Online safety fees - Notification guidance, 1 September 2025 (Notification guidance consultation).

objectivity principles, along with updates to some of the supporting text, to provide further clarity for providers.

Apportionment methods

- We have included some examples of possible apportionment methods. These methods are among the just and reasonable methods available for providers to apply in a large number of circumstances. The guidance considers how they may be selected and applied in a just and reasonable manner.
- We have clarified the explanatory text to better support providers in selecting apportionment methods that reflect their specific circumstances. We also have provided additional details on when other apportionment methods may be suitable to a provider.

Other methods we may use to estimate QWR

- We set 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.
- We have provided further clarification on when we may use these alternative methods to estimate QWR.

Notification guidance

- After careful consideration of the comments received from stakeholders, we do not propose any changes to the notification guidance. We do however respond to specific respondent concerns via this statement (for example, regarding the proportionality of our guidance, and the desire for notification timelines to be extended).

Next steps

1.6 We intend to continue our engagement with stakeholders through the implementation of the fees regime including supporting providers in navigating the notification process.

1.7 Today, we have also published our consultation on the Statement of Charging Principles (SoCP)[4] which includes further practical considerations for how we will calculate fees, including tariff calculation and invoicing.

1.8 Subject to the Parliamentary process, we expect the fees regime to go live on 11 December 2025 when regulations setting out the QWR threshold at which fees become payable (made by the Secretary of State) come into force.[5] It will also trigger the opening of the four-month notification window for the initial charging year where eligible providers should notify us of their QWR so that we can calculate the fees they will need to pay.

1.9 Following the closure of the notification window, we will undertake a verification process of fees-related notifications and calculate the corresponding online safety fees tariff. We expect to issue invoices no later than end of September 2026 to providers who are liable to pay fees for the 2026/27 charging year.

[4] SoCP consultation.
[5] The Online Safety Act 2023 (Fees) (Threshold Figure) Regulations 2025

2. Introduction

Introduction

2.1 This chapter sets out key background information for readers to help them understand the concepts of QWR and fee-related notifications, and to understand the role, purpose and structure of the QWR and Notification guidance on which we consulted in July and September 2025 respectively.

2.2 Whilst we consulted on the QWR and Notification guidance separately, we have decided to combine our statement on both guidance documents.

2.3 The subsequent chapters of this document summarise stakeholder comments on our draft guidance and then set out our final decisions. Where applicable, we also outline how the guidance has been amended as a result. Final versions of both guidance documents have been published alongside this statement.

2.4 We have structured the remainder of this publication as follows:

- Chapter 3: QWR guidance - Summary of stakeholder responses and our decisions;
- Chapter 4: Notification guidance - Summary of stakeholder responses and our decisions;
- Annex A: Definitions and abbreviations
- Online Safety fees QWR guidance;
- Online Safety fees Notification guidance;
- Additional details regarding accessing and use of the fees portal;

Background

Qualifying worldwide revenue (QWR)

2.5 The concept of a provider's QWR is relevant to both the online safety 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.[6] 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.[7]

2.6 In the fees statement,[8] we set out our decision on how the QWR of a provider of a regulated service under the Act should be determined. We reflected this decision in regulations known as the Online Safety Act 2023 (Qualifying Worldwide Revenue) Regulations 2025 (QWR Regulations), which have been laid in and approved by Parliament.[9] The QWR Regulations came into force on 8 October 2025.

2.7 It will be for the providers of regulated services in the first instance to determine their QWR in accordance with the QWR Regulations.

[6] Section 84(2)(a)(i) of the Act.
[7] Paragraph 4(9) of Schedule 13 to the Act.
[8] Online Safety Fees & Penalties Statement, 26 June 2025
[9] The Online Safety Act 2023 (Qualifying Worldwide Revenue) Regulations 2025 (QWR Regulations).

2.8 We published a consultation[10] setting out draft guidance on QWR on 18 July 2025 (draft QWR guidance). The consultation period closed on 10 September 2025. We received 16 consultation responses, representing a range of providers and sectors. The non-confidential responses we received can be viewed on our website.[11]

Notifications

2.9 To enable us to calculate the fees payable by providers of regulated services, the Act requires providers to notify us in certain circumstances and provide details of their regulated services and QWR.[12] We sometimes refer to these notifications as QWR Returns.

2.10 Should we have queries regarding a QWR Return, or the absence of a provider's QWR Return, we may use our information gathering powers[13] to query the provider's QWR calculation and supporting evidence. In the case of disagreement, the Act provides us with the power to determine the amount of a provider's QWR.[14]

2.11 In the fees statement, we set out our decision on the supporting evidence, documents, and other information that providers must supply to us for the purposes of making a fees regime notification under section 83(1)(a) or (b)(i) of the Act and on the manner in which it should be provided to us. We reflected this decision in regulations, known as the Online Safety Act 2023 (Fees Notification) Regulations 2025 (Notification Regulations), which were laid in Parliament on 26 June 2025.[15]

2.12 The Notification Regulations came into force on 14 September 2025. We expect that the duty for providers to notify us in respect of the initial charging year that we expect will come into effect on 11 December 2025. In accordance with the Act, this will trigger the opening of a four-month notification window for the initial 2026/2027 charging year during which providers who are liable to pay fees will have a duty to notify us and provide details of their regulated services and QWR.

2.13 We published a consultation[16] setting out draft Notification guidance on the practicalities of submitting a QWR Return, including on the nature of documents, supporting evidence or other information that should accompany a fees-related return. The document was published on 1 September 2025 and the consultation period closed on 1 October 2025. We received 4 consultation responses, all of which were confidential.

Who is this guidance intended for

2.14 The QWR and Notification guidance documents are most likely to be relevant to providers of regulated online services whose QWR exceeds the agreed £250m threshold and who must determine their QWR and notify us of their QWR in line with the requirements of the Act.

[10] Consultation: guidance on qualifying worldwide revenue – online safety fees and penalties (QWR guidance consultation).
[11] Consultation on guidance on qualifying worldwide revenue - online safety fees and penalties.
[12] Section 83(1) of the Act.
[13] Online Safety Information Gathering Powers, 26 February 2025.
[14] Section 84(3) of the Act.
[15] The Online Safety Act 2023 (Fees Notification) Regulations 2025 (Notification Regulations).
[16] Notification guidance consultation.

QWR guidance

2.15 In accordance with the Act, the QWR Regulations set out how the QWR of a provider is to be determined for the purposes of online safety fees and penalties. The regulations are legally-binding.

2.16 In addition to the Act and the QWR Regulations, the QWR guidance is intended to provide further guidance to help the providers of regulated services calculate 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 us for the purposes of fees under section 83(1) of the Act.

2.17 The QWR guidance will also help providers understand the maximum financial penalty[17] that we may impose on them for non-compliance with the Act.

2.18 However, readers considering the maximum penalty in cases of joint and several liability should exercise caution when reading the QWR guidance. Whilst some of the general principles included within the QWR 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 QWR is to be determined differently in cases of joint and several liability.[18]

Notification guidance

2.19 The Notification guidance is intended to support providers of regulated services (including those which subsequently consider themselves no longer liable to pay fees) to understand and meet their notification duties under the Act and Notification Regulations. More generally, it may also help stakeholders understand the intended operation of the fees regime.

Purpose, structure and scope of the guidance

QWR guidance

2.20 The QWR guidance consolidates the information we have previously provided on QWR determination (and consulted on via our fees statement)[19] and provides additional guidance and some brief case studies. The additional new material specifically includes:

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

ii) Further apportionment guidance.

[17] In the event of a breach, we may use our 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.
[18] 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 is defined as the total of all worldwide revenues received by the provider 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 (and Part 3 of the QWR Regulations) for further detail.
[19] Fees statement.

2.21 The QWR guidance has been developed to address stakeholder responses to the fees consultation,[20] which sought further guidance and clarity on a 'just and reasonable' approach to apportionment. In developing the final guidance, we have carefully considered the consultation responses received from stakeholders on the draft QWR guidance. During the consultation window for the QWR guidance, we also conducted additional stakeholder engagement to further inform the final version of the guidance.

2.22 The QWR guidance is not legally binding. The QWR Regulations will always take precedence over the guidance in the case of any inconsistency.

2.23 The QWR guidance is intended to be relatively high-level; any case studies (included in grey boxes in the guidance) provided are illustrative. It will be for providers in the first instance to determine their QWR by exercising their own judgement, 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 tool[21] that provides guidance on the application of the Act.

Notification guidance

2.24 The Notification guidance is intended to support providers with the practicalities of their fee notification duties including:

i) The process of making fees notifications and/or responding to fees-related RFIs by making QWR Returns via the online safety fees portal; and
ii) The details required and substantiating evidence expected when making a QWR Return.

2.25 The guidance is published alongside this statement, and has four parts:

i) Relevant legal framework;
ii) Practical guide on how and when providers should notify for fees/submit a QWR Return;
iii) The details and substantiating evidence for QWR Returns; and
iv) Confidentiality, use and protection of data.

2.26 This guidance is not legally binding. The Act, together with the Notification Regulations and the Manner of Notification document[22] describe the legal requirements of notification. This guidance is aimed at supporting providers in meeting these legal requirements efficiently and effectively, by providing greater clarity about the process and the level of information and evidence to be provided in their fees notifications.

Impact Assessments of the guidance

2.27 We explained in our consultations on the draft QWR and Notification guidance that we had not carried out a separate impact assessment for the purposes of those consultations. The

[20] Fees consultation.
[21] Check if the Online Safety Act applies to you - Ofcom.
[22] A document which sets out the manner in which providers should supply the evidence, documents and other information to support their notifications under section 83(1) of the Act. See Regulation 3(5) of the Notification Regulations and Annex 5 of the fees statement for more detail.

guidance on which we were consulting provided further guidance on decisions that had already been made in our fees statement (including on our decision that QWR be apportioned using a 'just and reasonable' approach and on the evidence, documents and other information that QWR returns under section 83(1)(a) and (b)(i) must include). We explained that we have already assessed and outlined the impact of those decisions in the impact assessment included in Chapter 10 of the fees statement.

2.28 Whilst stakeholders provided a range of comments on the draft QWR and Notification guidance, none commented specifically on our decision to not conduct a separate impact assessment for both guidance documents. Our view remains that Chapter 10 of the fees statement sets out our impact assessment in respect of the QWR and Notification guidance.

2.29 Further, our view remains for the reasons set out in this document (and in our consultations on both guidance documents) that it is appropriate to provide guidance to stakeholders and that there are significant benefits in us doing so. We expect both guidance documents to assist stakeholders when seeking to comply with the fees-related duties in Part 6 of the Act, and to increase transparency in how we expect to approach future assessments regarding the extent to which providers have complied with those duties.

2.30 In terms of our equality impact assessment and Welsh language assessment, the relevant impacts of our decisions have also already been assessed in Annex 7[23] of our fees statement.

Responses outside the scope of this consultation

2.31 We received a number of comments about the wider fees regime which reiterate comments already considered as part of our fees statement. We have not responded to these in this statement as our decisions on these matters are set out in our fees statement. We have summarised below the theme of the comments received and which section of our fees statement addresses these.

i) **Types of revenue to be included in QWR (e.g. the use of worldwide rather than UK revenues[24] and the inclusion of de minimis revenues in QWR).**[25] We set out our reasoning on this in chapter 3 of the fees statement.

ii) **Definition of QWR in cases of joint and several liability.**[26] We set out our reasoning on this in chapter 6 of the fees statement.

[23] Annex 7: Equality impact assessment & Welsh language assessment, Statement: Online Safety fees and penalties, 26 June 2025.
[24] Google response to the QWR guidance consultation (Google QWR consultation response), page 1; Apple response to the Notification guidance consultation (Apple notification consultation response), page 2; Middle Tech Coalition (MTC) page 4, [✂], [✂], QWR consultation responses.
[25] [✂], QWR consultation responses.
[26] Google, pages 1-2, [✂], QWR consultation responses.

iii) **Fee charging mechanism (e.g. whether fees should vary with the level of risk,[27] should be based on profits[28] and/or should be capped).[29]** We set out our reasoning on this in chapter 7 of the fees statement.

[27] Online Travel UK (OTUK) page 2, Skyscanner, page 2; United Kingdom Interactive Entertainment (Ukie) page 7; Digital Comparison Association (DCA) pages 1-3; Deliveroo, page 1; LinkedIn, page 1; [✂], QWR consultation responses.

[28] Skyscanner, page 3; MTC, pages 3-4, QWR consultation responses.

[29] Skyscanner, page 3; MTC, pages 3-4, QWR consultation responses.

3. QWR guidance: summary of stakeholder responses and our decisions

Chapter Structure

3.1 This chapter summarises stakeholder comments received in relation to our QWR guidance consultation and sets out our final decisions, including any changes to the draft QWR guidance.[30] We also provide a short summary of our proposals that are relevant to the stakeholder comments received.

3.2 The chapter is divided into three sections:

i) Guiding principles;
ii) Apportionment methods; and
iii) Responses that relate to matters other than the guiding principles or apportionment methods.

Guiding Principles

Introduction

3.3 In the draft guidance we said the guiding principles "are intended to provide a framework to help providers ensure that their QWR calculation meets the requirements of the QWR and Notification Regulations. The guiding principles are also intended to help providers assess the available apportionment methods and select methods that are just and reasonable".[31]

3.4 We proposed 6 guiding principles. We have included the table from the draft QWR guidance[32] below, which sets out each principle alongside its description for ease of reference. We did not propose to prescribe a hierarchy or prioritisation in the guiding principles.

Table 3.1: Proposed guiding principles

Principle	Description
Completeness	In calculating QWR, all of a provider's revenue streams (including any revenues referable to the relevant parts of regulated services that are accounted for by other group undertakings) should be considered, and

[30] We have also made minor changes in the guidance to enhance clarity and consistency. For example, in [QWR guidance] Table 4.1, we have revised the description of the objectivity principle by replacing "as far practicable" with "as far as possible" to ensure consistency.
[31] Paragraph 69 of the draft QWR guidance.
[32] Table A1.3 of the draft QWR guidance.

	where necessary apportioned to the relevant parts, to ensure that worldwide revenues referable to all the relevant parts of all the regulated services in the relevant period are included in the QWR.
Accuracy	The QWR calculation and its underlying financial and operational data should be free from material errors.
Causality	Revenues to be included in QWR should be attributed and where necessary apportioned to the relevant parts of a regulated service, as far as possible, based on the relative contribution of the relevant parts vs the non-relevant parts to the revenue in question.
Objectivity	The QWR calculation should take account, as far as practicable, of all available relevant financial and operational data. Where the QWR calculation is based on assumptions, those assumptions should be justified and supported, as far as possible, by all available relevant data. The assumptions should not be formulated in a manner which unjustly benefits the provider.
Consistency	The QWR calculation should, as far as possible and relevant, apply consistent methodologies to calculate worldwide revenues referable to all the relevant parts of all the regulated services. The QWR calculation should also ensure that any differences in these methodologies and/or changes from one period to another are appropriate in light of the other principles mentioned above.
Transparency	The QWR calculation, the data, assumptions, and methodologies used by the providers to calculate QWR should be made sufficiently transparent in their submissions such that we are able to adequately consider, understand and verify the calculation.

3.5 We have also included the relevant text on proportionality here from our draft guidance, as we discuss its inclusion as a guiding principle later in paragraph 4.6. We said in the draft guidance[33] that: "*We expect providers' level of consideration and work on the elements of the QWR calculation to be proportionate to the materiality of those elements in the context of the QWR calculation as a whole. In particular, while all revenues (even small amounts) that are referable to the relevant parts of the regulated services should be included in the QWR, we expect providers to take a proportionate approach to dealing with the apportionment of relatively small amounts of revenues (e.g. revenues associated with some ancillary features). Furthermore, where a provider identifies multiple categories of revenue to be apportioned to the relevant parts of a regulated service, it may be proportionate to adopt a single method to apportion these revenues rather than a separate method for each*

[33] Paragraph 71 of the draft QWR guidance.

category of revenue. The decision as to which approach is proportionate will depend on the specific circumstances of each provider and the quality of information available to them."

3.6 Following publication of the draft QWR guidance, we received responses to Q1 of the draft guidance, in which we asked stakeholders for comments on the proposed guiding principles.[34]

3.7 Whilst they had comments on the specific principles, two respondents broadly agreed with the guiding principles.[35] One other respondent[36] welcomed that there is no prescribed hierarchy or prioritisation in the principles, and suggested that this is the right approach given the diversity of services and business models in scope of the Act. We set out below our response to other comments on the following aspects of our proposals:

i) Inclusion of proportionality as an additional guiding principle;
ii) Hierarchy of the guiding principles;
iii) Causality principle;
iv) Objectivity principle;
v) Completeness principle;
vi) Accuracy principle; and
vii) Impact of guiding principles on the management of confidential information.

Inclusion of proportionality as an additional guiding principle

Stakeholder responses

3.8 Two respondents[37] recommended that proportionality should be added as a guiding principle. One of these respondents[38] suggested this would ensure that proportionality is appropriately considered in a provider's QWR calculation, taking into account their specific circumstances, the quantity and quality of information available to them, and the materiality of each element of the calculation.

3.9 The other respondent[39] commented that not having proportionality as a principle may result in compliance burdens becoming disproportionate, irrelevant revenue being captured, and uncertainty undermining both investment and adherence to the Act.

3.10 Whilst another respondent did not necessarily suggest that proportionality should be added as an additional guiding principle, it said that proportionality should allow sampling and estimates for low-materiality revenue streams and immaterial elements to be aggregated.[40] Another respondent also suggested that we should accept a range of approaches where precise data is not available, including sampling and estimation.[41]

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[34] Annex 5 of the draft QWR guidance.
[35] MTC QWR consultation response, page 3; [✂].
[36] Skyscanner QWR consultation response, page 1.
[37] Meta Platforms Inc and WhatsApp LLC (Meta) QWR consultation response, page 3; Ukie QWR consultation response, page 4.
[38] Meta QWR consultation response, page 3.
[39] Ukie QWR consultation response, page 4.
[40] [✂].
[41] MTC Notification consultation response, page 4.

Our position

3.11 We agree that providers should take a proportionate approach to the QWR calculation and consider that including proportionality as a guiding principle will give it greater visibility and emphasis. We have therefore added the following proportionality principle to Table 4.1 of the QWR guidance: "*Providers' level of consideration, work and resourcing costs on the elements of the QWR calculation should be proportionate to the materiality of those elements in the context of the QWR calculation as a whole*."

3.12 This principle reflects our expectation in particular that providers' level of consideration, work and resourcing costs on elements of the QWR calculation that are more material should be greater, reflecting the significance of those elements.

3.13 It also reflects that, while QWR submissions must include all relevant revenues (including small de minimis amounts) consistent with the QWR Regulations and the completeness principle, we expect providers to take a proportionate approach to dealing with relatively small amounts of revenues.[42] For example, where the provider is considering how to treat small amounts of revenue it receives from, say, one-off payments or advertising, or when estimating revenues associated with some ancillary features. The inclusion of proportionality as a guiding principle in the QWR guidance is intended to reflect our expectation that providers' level of consideration and work on these elements of the QWR calculation that are less material should be proportionate to their materiality.

3.14 We also agree that where a provider identifies multiple categories of revenue to be apportioned to the relevant parts of a regulated service, it may be proportionate to adopt a single method to apportion these revenues rather than a separate method for each category of revenue. The decision as to which approach is proportionate will depend on the specific circumstances of each provider and the quality of information available to them.[43]

3.15 Finally, regarding the use of sampling and estimates for low-materiality revenue streams, while we are not familiar with the use of sampling and estimates in the context of specific providers, we consider that these approaches could be used as long as they are just and reasonable. We also note that while providers should bring all revenue into account for the QWR calculation, they may need to estimate the proportion that arises in connection with the relevant parts of regulated services, perhaps using one or more of the apportionment methods discussed in chapter 4. Further, the principle of objectivity says that providers should take account of relevant financial and operational data when calculating QWR, and it may be proportionate in some cases to use a sample of available data to do so. With regard to aggregation of immaterial revenues, the proportionality principle means the providers could aggregate immaterial revenues, e.g. for apportionment purposes, if it is disproportionate to treat each immaterial item separately in the QWR calculation.

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[42] See for example paragraph 3.44 of the fees statement and paragraph 3.38 of the QWR guidance, 21 November 2025.

[43] See paragraph 4.6 of the QWR guidance, 21 November 2025.

Hierarchy of guiding principles

Stakeholder responses

3.16 Two respondents[44] commented that whilst we stated there is no hierarchy, other parts of the draft QWR guidance suggest that transparency, completeness and accuracy carry greater weight. They reference in particular paragraph 72 of the draft QWR guidance where we noted that the completeness and accuracy principles are specifically enshrined in our requirements and that a senior manager has to attest that the calculation is complete and accurate. These respondents also noted that transparency is identified as a baseline requirement (paragraph 70, footnote 70). The respondents suggested that we should be clear about this implied hierarchy and provide clearer guidance on how to balance these specific principles with the others.

Our position

3.17 We have carefully considered how we expect providers to apply the principles and whether there is a hierarchy.

3.18 First, in relation to the completeness principle, we agree that paragraph 72 of the draft guidance was not sufficiently clear. While accuracy and completeness are enshrined in our notification requirements, as a senior manager has to confirm the evidence supporting a notification is complete and accurate in all material respects, we intended the completeness principle to have a different meaning in the QWR guidance compared to the notification requirements. Completeness in the Notification guidance refers to the inclusion of all required details and substantiating evidence in a QWR return. The completeness principle in the QWR guidance means that all a provider's revenue streams should be considered in the QWR calculation (including revenue from any other relevant group undertaking insofar as those revenues arise in connection with the providers' regulated services).

3.19 Second, in relation to the accuracy principle, we require providers to include a declaration signed by a senior manager to confirm that, to the best of the knowledge and belief of the declaring party, the QWR calculation and evidence submitted, including the underlying financial and operational data, are accurate in all material respects. As such, we have reworded paragraph 72 of the draft guidance to reflect these changes.

3.20 Third, we expect all QWR calculations to apply the completeness, accuracy and transparency principles to ensure the QWR calculation includes all relevant revenues, is free from material error, and is sufficiently transparent for us to understand and verify.

3.21 Fourth, while we also expect all QWR calculations to apply the principles of objectivity, causality, proportionality and consistency, we recognise that, in some cases, or for some elements of the QWR calculation, providers may need to consider the weight placed on these four principles to reflect their specific circumstances, such as the materiality of the revenue they are considering, the data they have available, and the nature of the relevant part of the regulated service. Therefore, we expect providers may rank these four principles differently in their QWR calculation, depending on their own circumstances. Material errors in a QWR submission or its supporting information cannot be justified by reference to any other guiding principle.

[44] OTUK QWR consultation response, pages 2-3 and Skyscanner QWR consultation response, page 1.

3.22 For example, a provider may identify new data which it considers could better reflect the relative contribution of a relevant part to a particular type of revenue. Using this new data in a revenue apportionment would be more complex than its current approach. If the revenue in question was material to the QWR calculation, the provider may consider it proportionate to use the new data in its QWR calculation - in this case putting more weight on the objectivity, causality and proportionality principles than consistency. However, if the revenue in question was relatively small in the context of the overall QWR calculation, the provider may consider it proportionate to continue with its current approach, putting more weight on the proportionality and consistency principles than objectivity and causality.

3.23 We have now reflected the above considerations in our final QWR guidance (see chapter 4: *Guiding principles for QWR calculation)*. However, we have decided not to include additional case studies to illustrate this point for the following reasons:

i) Firstly, we consider the final QWR guidance more generally and the discussion above, are sufficient in setting out our expectation as to how guiding principles could help providers in their QWR calculations.

ii) Secondly, we do not consider it necessary to provide further case studies, as the appropriate approach will depend on the specific facts of each scenario. Additional case studies may risk unduly constraining providers in how they calculate QWR. Please note that we may update the QWR guidance over time based on our experience of implementing the fees and penalties regime.

Causality principle

Stakeholder responses

3.24 Two respondents[45] had comments on the causality principle. In particular, one expressed concern that the principle:

i) Suggests the relative contribution of the relevant parts is the only basis for apportionment, which is not consistent in the stakeholder's view with the fees statement (in particular, paragraph 3.127, which said providers should have flexibility to develop apportionment methods).[46]

ii) Undermines legal certainty otherwise conferred by the QWR Regulations.[47] In particular, that the causality principle purports to 'double-up' on existing provision in the QWR Regulations that set out how to go about determining QWR; in particular, regulations 4(2)[48] and (3).[49]

3.25 The other respondent expressed concern that the principle captures revenue streams that are only indirectly connected to 'regulated features'.[50] In particular, with reference to case study 7 in the draft guidance, a respondent said that the definition of causality could capture marketplace revenues associated with shipping and handling revenues, which are

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[45] Meta and Vinted QWR consultation responses.
[46] Meta QWR consultation response, page 1.
[47] Meta QWR consultation response, page 1
[48] QWR Regulation 4(2) states that revenue is referable to a regulated service only if it arises in connection with provision of the relevant parts of that service.
[49] QWR Regulation 4(3) defines relevant parts as those where regulated user-generated content, search content, or regulated provider pornographic content (as appropriate) may be encountered.
[50] Vinted QWR consultation response, pages 1-3.

not directly associated with 'regulated functions'. The respondent recommended tightening the definition of the causality principle to ensure only revenues directly and principally derived from regulated features are included.

3.26 Linked to this, the earlier respondent[51] expressed concern that the causality principle undermines legal certainty otherwise conferred by the QWR Regulations. In particular, that the causality principle purports to 'double-up' on existing provision in the QWR Regulations that set out how to go about determining QWR; in particular, regulations 4(2) and (3).

Our position

Whether the causality principle suggests relative contribution is the only basis for apportionment

3.27 The causality principle reflects our expectation that revenues should be apportioned to the relevant parts of a regulated service, as far as possible, based on the relative contribution of the relevant parts to the revenue in question.

3.28 We agree it may not always be possible to identify an apportionment method that reflects relative contribution—for example, it may not be possible to identify activities that cause revenues to be earned, or the provider may not have data to link these activities to the relevant part for the purpose of apportioning revenue. In this case, the provider will need to identify a just and reasonable apportionment method given the data available, the revenue in question, and the nature of the relevant part.

3.29 When apportioning revenue for the purpose of estimating QWR, the requirement in the QWR Regulations is to use a just and reasonable approach, and providers have flexibility to develop apportionment methods that take account of their specific circumstances. Therefore, we agree it is not mandatory for providers to use an apportionment method that reflects the relative contribution of the relevant parts to the revenue in question. Indeed, when considering apportionment methods, providers may put greater weight on certain guiding principles as discussed in the previous section. Accordingly, we have amended the wording of paragraph 82 of the draft guidance to reflect these points.

Whether the causality principle undermines legal certainty and/or captures revenue streams that are only indirectly connected to regulated features

3.30 We have carefully considered the suggestion from one respondent[52] that the causality principle risks undermining legal certainty; in particular, that it risks being inconsistent with regulations 4(2) and 4(3) of the QWR Regulations.

3.31 For the reasons set out above, we are satisfied that this principle should be considered by providers when *apportioning* revenues (i.e., when apportioning revenues that arise in connection with both relevant parts of a regulated service and either non-relevant parts or a non-regulated service). We have not therefore removed it as a guiding principle from the guidance.

3.32 However, we recognise the risk that it may give rise to legal uncertainty if the causality principle is stated to also apply when providers are determining if revenues are referable to a regulated service. Indeed, this is not necessarily consistent with our policy on referable

[51] Meta QWR consultation response, page 1.
[52] Meta QWR consultation response, page 1.
[52] Meta QWR consultation response, page 1.

revenues and, in particular, our discussion of this at paragraph 3.52 of the fees statement. When considering whether revenues are referable to a regulated service, providers should consider only whether they arise in connection with the relevant parts of the regulated service in accordance with regulations 4(2) and 4(3) of the QWR Regulations. We have therefore amended the wording of the causality principle in the final QWR guidance to clarify that it relates to revenue apportionment only.

3.33 Below (see subsection '*Types of revenues to be included in QWR*', beginning at paragraph 3.94), we consider the inclusion of shipping and handling revenues (which featured in our Case study 7) as well as the general case of revenues from other offline physical services. We are however satisfied that the causality principle by itself is consistent with the QWR Regulations, particularly in light of our above-mentioned modification to this principle in the final guidance (i.e., to make clear that it only applies when providers are apportioning their revenues). Our view remains that it should be included within the guiding principles in the QWR guidance.

Objectivity principle

Stakeholder responses

3.34 One respondent[53] suggested that providers should be permitted to use sources other than their own financial or operational data when apportioning revenue, noting that in their case, reputable consumer surveys would constitute a reasonable source.

3.35 Another respondent[54] commented that a provider may have extensive quantities of financial and operational data available, and it may be extremely burdensome for a provider to identify and assess all the data that may be relevant to the QWR calculation. They suggested that the objectivity principle should be amended to set a proportionate limit more clearly by changing 'all available … data' to 'all reasonably available … data'.

Our position

3.36 We agree that providers may, where appropriate, draw on data sources beyond their own financial or operational data. We have amended the definition of the objectivity principle to reflect this (see Table 4.1 and paragraph 4.9 of the QWR guidance).

3.37 We also acknowledge that providers may hold extensive volumes of potentially relevant financial and operational data for QWR calculations (and in particular for apportionment purposes) and that it may not be proportionate for them to consider all of this data when determining their QWR. We have therefore adopted the suggested changes to the wording of the objectivity principle (see Table 4.1 and paragraph 4.9 of the guidance). We also note our addition of proportionality as a principle (see Table 4.1 and paragraph 4.6), which ensures that providers' consideration of their data remains proportionate to the materiality of the related elements within the overall QWR calculation.

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[53] OTUK QWR consultation response, page 2.
[54] Meta QWR consultation response, page 2.

Consistency principle

Stakeholder responses

3.38 One respondent[55] commented that this principle could be interpreted as suggesting there should be consistency between the methods used by different providers.

3.39 Another respondent[56] noted that this principle should not prevent providers from refining their methodologies as better data becomes available or as business models evolve.

Our position

3.40 The consistency principle states that a provider's QWR calculation should, as far as possible and relevant, apply consistent methodologies to calculate worldwide revenues arising in connection with all the relevant parts of its regulated service and ensure that any differences in these methodologies and/or changes from one period to another are appropriate in light of the other guiding principles. The principle is intended to ensure that a provider's QWR calculations remain as consistent as possible from one year to the next. Where, for example, a provider takes a different approach to calculating QWR compared to the prior qualifying period, this should be explained (please see paragraph 4.20(iii) in the Notification guidance for further detail on providing commentary explaining the QWR calculation) and should be appropriate in light of the other guiding principles. We have now clarified this point further in paragraph 4.10 of the final QWR guidance.

3.41 Further, as explained in paragraph 75 of the draft guidance (paragraph 4.10 of the final QWR guidance), we do not intend for the consistency principle to prevent providers from refining their methodologies as better data becomes available, their business models evolve or their circumstances change.

3.42 We can also confirm that our intention is not for the consistency principle to suggest that there should be consistency between the methods used by different providers. We recognised in our fees and penalties statement (paragraph 3.128) the flexibility providers have in the methods used to calculate QWR could result in providers reasonably taking different approaches. We also state in paragraph 85 of the draft guidance (retained at paragraph 5.11 in the final guidance) that: "*we recognise that providers will have different business models and data available on which to base apportionment which could justify selecting one method over another that differs from the order set out in Table 1.4*."

Completeness principle

Stakeholder responses

3.43 One respondent[57] expressed concern that the completeness principle:

i) Could result in the inclusion in a provider's QWR of incidental revenues that do not meaningfully reflect the actual risk posed by the regulated service. Using live service games as an example, where text chat is embedded within a broader monetised environment, they commented that it is almost impossible or arbitrary to determine what fraction of revenue relates to such features. They expressed concern that

[55] OTUK QWR consultation response, page 3.
[56] Ukie QWR consultation response, page 4.
[57] Ukie QWR consultation response, page 2.

revenues from in-game content such as microtransactions may have no connection to regulated features, yet the principle of completeness could still require inclusion of all such revenues.

ii) Requires companies to include worldwide revenues with little or no connection to UK users. They suggested that it is unfeasible and disproportionate for global companies offering multiple services with ancillary regulated features, especially when UK-specific revenues or user numbers represent only a small share of worldwide totals.

Our position

3.44 In regard to point i), we recognise that, for some services, it may be challenging to determine the revenues that arise in connection with the relevant parts of their regulated services, particularly where those parts are ancillary features within a broader service.

3.45 However, we disagree with the view that, where it is difficult for a provider to apportion revenues, the completeness principle results in revenues being improperly brought into scope. We note that the completeness principle reflects the QWR Regulations (see Regulation 4), which require QWR to include all revenues arising in connection with the relevant parts of a regulated service, irrespective of their materiality and irrespective of whether they are earned by the provider or another group undertaking. The principle does not require that all revenues arising in connection with both relevant parts of a regulated service and other non-relevant parts or non-regulated services must be included in a provider's QWR. The QWR Regulations are clear that, in such cases, revenues should be apportioned on a just and reasonable basis. Our guidance is consistent with this approach.

3.46 The addition of proportionality as a guiding principle gives greater visibility and emphasis to the role of proportionality in QWR calculations. We expect providers to take a proportionate approach when dealing with, for example, small amounts of referable revenue and when apportioning revenues to relevant parts of regulated services that are ancillary features of a broader service. We also address the inclusion of incidental or 'de minimis' revenues in the fees statement (see paragraph 3.44).

3.47 Where a provider has multiple services, the relevant part of each of which is an ancillary feature, the provider may not need to identify a separate apportionment method for each feature of every service. For example, it may be proportionate to identify a single method to apportion relevant categories of revenue to ancillary services as a whole (see paragraph 71 of the draft QWR guidance, paragraph 4.4 of the final QWR guidance).

3.48 In regards to point ii) above, the decision to include worldwide revenues in the calculation of QWR was made in our fees statement[58] which sets out the rationale for this approach. This decision is outside the scope of this guidance.

3.49 We also note that providers of regulated services whose QWR exceeds the QWR threshold (based on their worldwide revenues) would be exempt from the fees-related duties if their UK referable revenue is less than £10 million in a qualifying period.[59]

[58] Fees statement, page 22.
[59] Fees statement, page 55.

Accuracy principle

Stakeholder responses

3.50 One respondent[60] commented that attributing revenue precisely to regulated features may be arbitrary and practically unfeasible. They suggested that reasonable estimates, informed by internal management data or service-level revenue, should be considered sufficient to meet the accuracy principle, particularly where granular, feature-level disaggregation is not practicable.

Our position

3.51 As stated above, the accuracy principle is about the QWR calculation and its underlying data being free from material errors. We recognise that determining QWR may involve an element of judgement by providers, particularly when apportioning revenue. In cases where granular data is not reasonably available, providers may rely on reasonable assumptions and internal data sources to support their calculations.

Impact of guiding principles on the management of confidential information

Stakeholder responses

3.52 One respondent[61] commented that following the objectivity and transparency principles could expose commercially sensitive data and requested assurance that we will treat such information confidentially and avoid requiring overly detailed disclosures.

Our position

3.53 We agree that providers will in many cases need to share commercially sensitive information with us in their QWR Return. This obligation stems from the Act and Notification Regulations rather than from the principles of objectivity and transparency in the QWR guidance (or the Notification guidance). We disagree in particular that the objectivity and transparency principles will result in overly detailed disclosures to us. The information that providers are required to provide is limited to what we consider necessary and proportionate, as set out in the Notification Regulations and our Notification guidance, to enable us to understand how providers have calculated their QWR and verify their submission.

3.54 Further, we have well-established processes to safeguard the confidentiality of information provided to us, developed through our experience handling sensitive data across the other industries we regulate. Our approach to managing confidential information is set out in Chapter 5 of our Notification guidance,[62] which specifies how we treat information provided to it (including confidential information) in the course of the exercise of its functions, including on the statutory restrictions that apply. We hope this will provide reassurance to providers about our approach. We disagree that the objectivity and transparency principles will result in overly detailed disclosures to us.

[60] Ukie QWR consultation response, page 2.
[61] Ukie QWR consultation response, page 3.
[62] Notification guidance, 21 November 2025.

Apportionment Methods

Introduction

3.55 There may be circumstances in which revenues arising in connection with relevant parts of a provider's regulated services cannot be separately or readily identified from revenues arising in connection with other parts of those regulated services (and/or revenues arising in connection with non-regulated services). In such circumstances, direct attribution is not possible, and providers are required by regulation 4(4) of the QWR Regulations to apportion revenues to the relevant parts of their regulated services using a just and reasonable approach.

3.56 We explained the above in paragraph 84 of the draft QWR guidance and also set out in Table A1.4 of our draft guidance some examples of possible apportionment methods:

i) Usage-based;
ii) Advertising-based;
iii) Cost-based; and
iv) Existing apportionments.

3.57 We recognised in paragraph 85 of the draft QWR guidance that providers will have different business models and data available for apportionment, and this could justify selecting a method in a way that differs from the order set out above. We also noted that, for some providers, the apportionment may best be done using value-based or willingness-to-pay methods.

3.58 A number of respondents[63] commented that they welcomed the flexibility to select and apply apportionment methods. One respondent commented that the proposed apportionment methods are likely to be among the methods that enable consistent application of just and reasonable apportionment for many providers.[64]

3.59 We set out below our response to other comments on the following aspects of our proposals:

i) Hierarchy of apportionment methods;
ii) Responses on specific apportionment methods'
iii) Other apportionment methods; and
iv) Using judgement and sufficient legal confidence.

Hierarchy of apportionment methods

Our proposed guidance

3.60 The apportionment methods we proposed in the draft guidance were not intended to be exhaustive, but we considered they may apply in a large number of circumstances.

3.61 We also explained that the order these methods were set out in Table A1.4 represented what we broadly expected providers would follow in considering and selecting a just and reasonable method, i.e. if suitable data is available, we said an apportionment based on

[63] Deliveroo page 1, MTC page 4, Skyscanner QWR consultation response, page 4.
[64] Meta QWR consultation response, page 3.

usage would likely be preferable to one based on costs.[65] In case studies 6-9, we give examples of how this order could be followed. However, we recognised that providers may have reasons for selecting one method over another that differs from the order we set out.

Stakeholder responses

3.62 A number of respondents said that we should not express a preference for some apportionment methods over others because it undermines the flexibility which we intend to provide.[66]

Our position

3.63 As we explained in paragraphs 80-81 of the draft guidance and paragraph 3.127 of the fees statement, we do not consider it appropriate or practicable for us to prescribe exactly how providers should apportion revenues, particularly given the differences between providers. Providers should have the flexibility to apply just and reasonable apportionment methods that take account of their specific circumstances. In paragraph 85 of the draft guidance, we also explain that providers have different business models and data available on which to base apportionment which could justify selecting one method over another in a way that differs from the order set out in Table A1.4.

3.64 As we explain when discussing the causality principle above, where possible, we expect revenue apportionment to reflect the relative contribution of relevant parts to the revenue in question. This could be achieved by identifying metrics associated with activities which cause the revenue to be earned. In general, where a provider has a choice of apportionment methods, an apportionment based on a usage metric may better reflect the relative contribution of the relevant part to the revenue in question because it may reflect what users are engaging with and using the relevant part for. For example, when attributing advertising revenue, an apportionment based on page impressions or clicks, if such data was available, would likely better reflect relative contribution than an apportionment based on costs.

3.65 However, we recognise that when apportioning revenues, providers may place greater weight on guiding principles other than causality which could justify adopting a different apportionment method. Further, even where a provider wanted to adopt a method that reflected relevant contribution, reliable usage data may not exist, or the available data may not appropriately reflect relative contribution, or may not be proportionate to use given the low materiality of revenues in question. Therefore, while the apportionment methods are listed in broad order of preference, providers have flexibility to choose an apportionment method that takes account of their specific circumstances.

3.66 We have clarified the above point further in paragraph 5.11 of the final guidance.

Responses on specific apportionment methods

Stakeholder responses

3.67 Respondents made the following comments on specific apportionment methods:

[65] Paragraph 85 of the draft QWR guidance.

[66] OTUK, pages 3-5, Skyscanner, page 3; MTC, page 4; Google, page 3; Meta, page 3 QWR consultation response.

i) **Usage-based method:** For some providers, revenue generation may not be linked to usage metrics such as number of visits or time spent on the service.[67] Ukie gave examples of this for games providers to demonstrate this point.

ii) **Cost-based method:** Many providers do not account for costs in a way that could be used in the cost-based apportionment method (e.g. costs may be categorised by spend type rather than service component).[68] Ukie commented that video games need significant upfront development investment, and a cost-based method may result in arbitrary or misleading outcomes.[69]

iii) **Advertising-based method:** Ukie said this method could distort QWR calculations for video games providers and risk overvaluing QWR as advertising revenue can be a minor component of total revenue, and often not associated with the regulated services.[70]

iv) **Value-based or willingness to pay methods:** Ukie said these methods would need empirical data which would require significant investment to collect and would likely yield inconsistent results across the gaming industry.[71]

Our position

3.68 The draft guidance included a list of possible apportionment methods. While these are non-exhaustive, we considered they may represent just and reasonable approaches to revenue apportionment in many cases. The stakeholder responses to our consultation supported this. However, we also recognised that some of these methods may not be appropriate or practicable for all providers and such providers may need to consider alternative approaches.

3.69 We consider below some of the challenges raised in the responses with respect to individual apportionment methods. While we acknowledge these challenges, we still consider that the four apportionment methods we included in the draft QWR guidance may be helpful to many providers, and as such they should be included in the final QWR guidance. Accordingly, the responses did not lead us to removing any of the methods.

Usage-based method

3.70 We recognise that for some regulated services usage may not be a just and reasonable basis for revenue apportionment. The causality principle discussed above suggests that a usage-based method could be just and reasonable if the provider can identify a usage metric that reflects the relative contribution of the relevant parts to the revenue in question. If this is not the case, either because relevant data is not available, or because apportionment using available data would not appropriately reflect the relative contribution of the relevant part to the revenue in question, then the provider may need to consider an alternative apportionment method.

Cost-based method

3.71 As we explained in paragraph 99 of the draft guidance, a cost-based method will need cost data on the relevant parts and the non-relevant parts of the regulated services (and

[67] Ukie, page 5 and MTC, page 3, QWR consultation response.
[68] MTC QWR consultation response, page 4.
[69] Ukie QWR consultation response, page 6.
[70] Ukie QWR consultation response, page 5.
[71] Ukie QWR consultation response, page 5.

potentially the non-regulated services), and the granularity and quality of the available cost data could vary significantly between providers. Where such cost information is not available, we agree that providers are unlikely to be able to use this apportionment method. We also referred in paragraphs 101-102 of the draft guidance to the point Ukie raised about development costs, which are often treated as capital costs incurred before a service becomes operational. We explained that operating costs could provide a more appropriate basis for apportionment than capital costs, because they relate to the day-to-day running of the business, and often also include the amortisation or depreciation charge of capital costs on an annual basis.

Advertising-based method

3.72 We recognise that for some providers, including some video game providers, advertising revenues may not be significant or may not arise in connection with the relevant parts. In such cases, it may not be possible or appropriate to apply the advertising-based method and providers will need to consider alternative methods. However, for other providers, advertising revenue is likely to be one of the largest sources of revenue such that it may be possible and appropriate to apportion other revenue types (e.g. subscription) to relevant parts using the proportion of advertising revenue already apportioned to those relevant parts. This scenario could also apply to some video game providers. For example, free-to-play games may generate revenue through various advertising formats, such as rewarded video ads that offer players in-game benefits in exchange for watching an ad or banner ads that display promotional content during gameplay, or ads that appear at natural breaks.

Value-based and willingness-to-pay methods

3.73 We agree that value-based or willingness-to pay methods could involve collecting and analysing data which could be costly, and for some providers could mean these methods are not practicable or proportionate. Under the proportionality principle, which we have decided to add to the final QWR guidance, we expect providers' level of consideration and work on the elements of the QWR calculation, including apportionment, to be proportionate to the materiality of those elements in the context of the QWR calculation as a whole. Other providers may have access to appropriate data and consider that using these methods would result in a just and reasonable apportionment.

3.74 In response to the comment that the use of these apportionment methods could lead to inconsistent results in the games industry, we recognise that providers have different business models and different data available to them and this may lead to providers adopting different apportionment methods and using different types of data. However, we are publishing QWR guidance with a view to providing greater clarity on how providers may be able to undertake just and reasonable apportionments. We also note that we may amend the guidance over time, based on our experience in administering the fees regime.

Other apportionment methods

3.75 In our draft guidance we recognised in paragraph 85 that providers will have different business models and data available for apportionment, and this could justify selecting a method other than those set out in Table A1.4 of the draft guidance.

Stakeholder responses

3.76 Respondents made the following comments:

i) **Willingness to pay and benchmarking:** One provider[72] explained that it provides services which bundle together relevant and non-relevant parts of regulated services. It will therefore need to apportion its total revenues arising in connection with these bundled services to the relevant parts of those services to determine its QWR. The provider expressed concern that internally available data would not result in a just and reasonable apportionment. Instead, the provider proposed using one competitor's prices as a benchmark to apply a willingness to pay method to calculate its QWR. The provider explained that its competitor prices its similar bundled services with and without their relevant parts, making it possible to identify an implied price for the relevant parts. The provider assumed this implied price represented an estimate of what its own users would be willing to pay for relevant parts of its service. It applied this implied price to its own user numbers to estimate QWR.

ii) **'Geographic allocation' and 'service level aggregation':** A respondent[73] noted it is almost impossible or arbitrary to determine what fraction of revenue relates to the relevant parts, e.g. in live service games where text chat is embedded within a broader monetised environment. They stated we should recognise 'geographic allocation' and 'service-level aggregation' as apportionment methods. They stated that UK-specific sales, downloads, subscriptions, and active users are typically well tracked and provide a proportionate, practical, and transparent basis for calculating UK-linked revenue. In their view, where regulated and non-regulated features cannot be precisely separated, apportionment at the service level, supported by reasonable internal proxies, should be acceptable.

iii) **Bespoke methods for emerging business models:** One respondent[74] commented that emerging business models (such as AI-powered recommendation services, hybrid service combining regulated and e-commerce) may not fit the examples and case studies set out in the QWR guidance. The respondent requested that the QWR guidance explicitly allow bespoke but well-substantiated apportionment frameworks, subject to prior discussion with us.

Our position

Willingness to pay and benchmarking

3.77 When we discussed the objectivity principle above, we said that it may be appropriate to use third-party data to inform the QWR calculation. This could include data from other providers. We therefore agree that benchmarking could be appropriate in some circumstances. We also mentioned in paragraph 85 of the draft guidance that for some providers, the apportionment method may be best done using value-based or willingness-to-pay methods.

3.78 However, under the QWR Regulations, a provider's QWR is the total amount of its revenue that is referable to its regulated services.[75] QWR should therefore be derived from a provider's own revenue. To the extent that an amount of revenue needs to be apportioned

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[72] [✂].
[73] Ukie QWR consultation response, pages 2 & 6.
[74] [✂].
[75] We note that regulation 8 of the QWR Regulations provides that revenues arising in connection to the relevant parts of those services that are accounted for by other group undertakings should also be included in the providers' QWR.

to relevant parts of regulated services, benchmarking could inform this apportionment. However, we do not consider it would be appropriate for a provider to use a benchmarking approach to directly estimate its QWR, i.e. undertake a QWR calculation with no reference to its own revenue.

3.79 The respondent that advocated using a competitor's prices as a benchmark to calculate its own QWR appeared to advocate doing so with no reference to its own revenues. As a result, it is not clear that this would meet the requirements of the QWR Regulations as explained above. However, the provider may be able to amend its approach so that the benchmarking data is used as a basis to apportion its revenue to relevant parts, for example by considering the proportion of a competitor's bundled price that relates to a comparable relevant part.

3.80 We set out below the circumstances in which it may be just and reasonable to use benchmarking to apportion revenue:

i) The benchmarked data should be used to apportion the provider's revenue, i.e. key data such as revenue, number of users, and prices, which may be relevant to the apportionment calculation should be from the provider's services and not from benchmarked services. For example, benchmarking could be used as part of a willingness to pay method to estimate the proportion of a provider's bundled price applicable to the relevant part, which could then be used to apportion the provider's revenue to the relevant parts of its regulated services.

ii) The benchmarked services should be sufficiently comparable, e.g. in terms of the nature of the services provided, the relative size and role of the relevant and non-relevant parts within the whole service, and position of the services in the market; or otherwise, should be adjusted to ensure sufficient comparability. Where possible, more than one benchmark should be used.

3.81 In line with our Notification guidance (see paragraph 4.20(iii)), the providers should include in their submission a commentary on the QWR calculation which explains where apportionment has been used for any revenues, what apportionment method has been used, why that method was chosen above any other methods considered, and why the provider considers the method used is just and reasonable. Accordingly, if benchmarking is used to apportion revenues, then we would expect that this is explained in a similar manner and that it includes explanations as to how the provider has met the conditions above (paragraph 3.80).

3.82 We have amended our QWR guidance to include the above considerations.

'Geographic allocation' and 'service level aggregation'

3.83 We recognise that apportionment may be challenging where the relevant parts of a regulated service are embedded within or alongside non-relevant parts. We have suggested some apportionment methods in Table 5.1, however we also explain in paragraph 5.10 of the final QWR guidance that these examples are not intended to be exhaustive.

3.84 Ukie did not elaborate on what 'geographic allocation' and 'service level aggregation' methods meant in relation to apportioning revenue to relevant parts of regulated services. However, if geographic allocation means determining QWR by reference only to UK revenues, then this would not be in line with the QWR Regulations which require that QWR must be determined by reference to worldwide revenues. Also, if service level aggregation means determining QWR by reference to individual services rather than by the provider, then the QWR Regulations require that QWR represent the QWR of the provider, including all revenue referable to all regulated services provided by that provider.

Bespoke methods for emerging business models

3.85 We emphasise that the QWR guidance serves as a framework designed to accommodate a range of diverse business models and is intended to evolve as the industry and its services evolve. It is intended to provide general guidance with some specific examples and case studies to shed further light on that general guidance. It is not intended to and cannot possibly cover all specific existing and emerging business models. We believe our approach offers sufficient flexibility for providers to find calculations and apportionment methods that fit their individual business models. We also remain committed to engaging with providers where appropriate.

Using judgement and sufficient legal confidence

Our proposed guidance

3.86 In paragraph 74 of the draft QWR guidance, we stated that providers may need to exercise their own judgement in their QWR calculation, in particular with regard to apportionment. We also recognised in paragraph 85 that providers have different business models and different data available to them and this is expected to lead to providers opting for different methods as just and reasonable for their particular circumstances.

Stakeholder responses

3.87 Two respondents[76] commented that expecting providers to exercise their own judgement on apportionment creates uncertainty. One respondent[77] further noted that we should provide sufficient legal confidence particularly on the interpretation of 'just and reasonable' apportionment. They also commented that this would help providers make informed decisions and reduce the risk of unintentional misalignment with regulatory expectations.

3.88 One respondent[78] said we should provide more case studies to illustrate, for example, how to apportion blended services, how to decide between the cost-based and usage-based apportionment methods, and how to calculate QWR for multi-country operations. One respondent[79] also commented that none of the case studies are specifically about the video games industry, and we should provide further sector specific case studies to address this.

Our position

3.89 The need for providers to apply judgement to determine their QWR (including, where relevant, to apportion revenues on a just and reasonable basis) is inevitable. Determination of a provider's QWR will need to be considered on a case-by-case basis, taking account of all of the relevant circumstances. We do not therefore consider it to be necessary (or that it would be appropriate) for our guidance to seek to anticipate and address all the possibilities and scenarios in detail.

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[76] [✂].
[77] [✂].
[78] [✂].
[79] Ukie QWR consultation response, pages 7-8.

3.90 In particular, we are satisfied that our final QWR guidance gives both sufficient flexibility and sufficient assistance to providers to enable them to comply with the Act and the QWR Regulations. We also note that the case studies in the draft QWR guidance covered various aspects of the issues raised. For example, case studies 6 and 9 covered blended services, while case study 9 looked at the application of cost-based apportionment, and case studies 3 and 5 covered multi-country services. In the fees statement, we also provided case study 3.2 which gave an example of where a usage-based method may better reflect relative contribution than a cost-based method. We would also invite gaming services providers to visit our recent webpage devoted to gaming services which may be helpful in terms of the scope of regulated services.[80]

3.91 As noted elsewhere in this document, we will also consider whether we need to provide further guidance (including case studies) as we continue to engage with providers to better understand any present challenges they face in more detail and future developments as services and business models evolve. We may revise the guidance over time.

3.92 We would also emphasise that, when considering whether to open an investigation into potential non-compliance (including with the fees-related duties in Part 6 of the Act), we will have regard to our statutory duties and all the matters that appear to be relevant. Our Online Safety Enforcement guidance[81] explains that we will generally consider a range of 'priority factors', which include the seriousness of the alleged conduct or contravention under consideration (including whether the allegation concerns conduct that is, or appears to be, an intentional, systemic, or particularly flagrant contravention). These will help ensure our approach to any potential non-compliance in the QWR submissions process is proportionate and fair.

Other Responses

Introduction

3.93 Some stakeholders commented on other parts of the guidance (i.e., beyond the guiding principles and apportionment); and also made comments which were more relevant to the wider fees regime. To aid providers, we respond to comments on the following themes in this section:

i) Types of revenues to be included in QWR;
ii) Regulated service revenues to be included in QWR;
iii) Verification of QWR submissions;
iv) General information regarding the fees regime processes; and
v) Evolution of the fees regime.

Types of revenues to be included in QWR

Stakeholder comments

3.94 In relation to types of revenues included in QWR, stakeholders said:

[80] The Online Safety Act and gaming: know the risks, the rules, and how to comply, 14 Oct 2025.
[81] Online Safety Enforcement guidance, 16 December 2024.

i) Case Study 7 risks taking an overly broad approach. Some respondents noted that revenue related to physical offline services such as shipping and handling should not necessarily be included in QWR as they are not regulated services or relevant parts of regulated services.[82] Another respondent noted that currency conversion fees are likely to arise in connection with the part of the service on which payments are made (which does not contain any user-generated content) and that these should not therefore be in scope of QWR.[83]

ii) For digital comparison tools, QWR should include revenues from display advertising and payments from providers included in search results, but exclude revenue related to switching services as they are not related to the regulated search service.[84]

iii) We should clarify that revenue from the provision of unregulated services, such as internal business services, to business customers should be excluded from QWR calculations.[85]

iv) Where a provider's service has in-scope functionality that does not directly generate revenue, it should be excluded from QWR (i.e. providers should not need to apportion revenue to such features).[86]

v) QWR should not include app store commission fees or platform processing fees levied by third party platforms.[87]

vi) Certain revenues should be excluded from QWR such as revenues from paying users of online dating services[88] or revenues from services that also fall under other regulatory regimes[89]

Our position

3.95 Our draft guidance explained that the QWR Regulations require that:

i) All revenues arising in connection with the provision of the relevant parts of a provider's regulated services (the referable revenue) are included in QWR;[90] and

ii) As far as reasonably practicable, amounts of revenue brought into the QWR calculation must conform to applicable accounting standards such as UK GAAP, US GAAP or IFRS.[91]

3.96 Our draft guidance[92] also explained that, accordingly, providers must:

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[82] Vinted, pages 1-2; Google, page 4; Uber Eats, page 1; [✂], QWR consultation responses
[83] [✂].
[84] DCA QWR consultation response, pages 1 & 4.
[85] [✂].
[86] [✂].
[87] Ukie QWR consultation response, page 3 and [✂].
[88] [✂].
[89] DCA QWR consultation response, pages 3-4.
[90] Regulation 4 of the QWR Regulations.
[91] Regulation 5(2) and Regulation 3 of the QWR Regulations define applicable accounting standards in the same way as the Finance Act 2020, We expect in most cases the revenue providers bring into account will conform to applicable accounting standards, but we have added the text 'as far as reasonably practicable' to allow for the possibility that providers could source some revenue data from internal systems that do not fully conform with applicable accounting standards. Where this is the case, we would expect providers to explain this in their notification.
[92] See draft QWR guidance, page 10 and fees statement, paragraphs 3.29-3.52.

i) Include in QWR amounts which they would account for as revenue in the ordinary course of business. This could include revenue such as advertising, subscription fees, sponsorships, subscriptions, one-off payments, commissions, donations, B2B revenues, grants and payment processing fees. We also said that in the ordinary course of business, providers may recognise revenue on either a gross or net basis (i.e. before or after deducting commissions paid).

ii) Exclude amounts they do not routinely report as revenue in their financial statements, such as sales taxes and VAT.

iii) Bring all revenue into account, including small 'de minimis' amounts of revenue.

3.97 Some stakeholder comments were essentially asking whether particular types of revenue (e.g. revenue related to shipping and handling, switching services and B2B revenue) should be included in QWR. Under the QWR Regulations, all types of revenue should be included in QWR to the extent they arise in connection with the provision of the relevant parts of a provider's regulated services. The question is not whether, say, a shipping and handling activity is itself a regulated service, but whether shipping and handling revenues arise in connection with the provision of the relevant parts of the regulated service. An assessment of whether particular types of revenue arise in connection with relevant parts of regulated services could differ between providers. However, revenue that is referable only to unregulated services should not be included in QWR.

3.98 We note in this regard that it was not the intention of Case Study 7 in the QWR guidance to affirm that all (say) handling, shipping and transaction revenues earned by the provider of a regulated service should necessarily be considered as arising in connection with (and included in) that providers' QWR; we agree with respondents that this will depend on the facts.

3.99 We recognise that it may not always be straightforward to assess if a type of revenue arises in connection with the provision of a relevant part. However, where some or all of a type of revenue would not have been earned if the relevant parts of a regulated service had not been provided, we consider it would be reasonable to assess that some or all of that revenue 'arises in connection with' those parts. Where only some of a type of revenue is assessed to arise in connection with relevant parts, it should be apportioned on a just and reasonable basis.

3.100 To illustrate by reference to the types of revenues mentioned in stakeholder comments above:

i) If a provider generates revenues from shipping and handling, and these are assessed to arise at least in part in connection with the provision of a regulated service, such as a service with user to user functionality, a proportion of those revenues should be included in the provider's QWR. [This point is also illustrated in case study 7 of the final guidance]

ii) If a provider of a regulated price comparison service (which is regulated as it provides search functionality) generates revenue from facilitating switching, and this revenue is assessed to arise at least in part in connection with the provision of the regulated service (i.e. users switch as a consequence of using the regulated search service), a proportion of those revenues should be included in the provider's QWR. The fact that consumers may use the regulated search service without opting for a switch or introduction service does not necessarily mean that the revenues from the switching or introduction service are not referable to the regulated search service.

iii) If a person generates revenue from business customers as a result of the provision to those business customers of regulated services, those revenues should be included in a provider's QWR. The Act is clear that 'users' of regulated services can be individuals or entities (i.e. businesses or other organisations).[93]

iv) However, revenues which arise solely in connection with the provision of unregulated service(s) (including those that are exempt under section 4(2) of the Act, such as internal business services in accordance with the conditions in paragraph 7 or 8 of Schedule 1 to the Act) should not be included in QWR.[94]

3.101 For similar reasons, we disagree with the stakeholder that suggested regulated features that do not directly generate revenue should be excluded from QWR. Even in this case, other revenue generated by the provider may arise in connection with the regulated feature, and a proportion of such revenues should be included in the provider's QWR.

3.102 For example, a provider of regulated and unregulated services may only generate revenue from subscription fees, which do not directly arise from the provision of regulated (or unregulated) services. However, it may be reasonable to assume that the subscription fee does arise at least in part due to the provision of the regulated service, and therefore a proportion of subscription revenue should be included in the provider's QWR. In paragraph 3.52 of the fees statement, we also said: "*Where a provider can credibly argue that a particular category of revenue (e.g. subscription) would be unaffected if the relevant parts of a regulated service were not provided, it may be reasonable not to apportion any of that revenue to the relevant part*."

3.103 In relation to how app store fees or platform processing fees should be treated, we explained in the draft guidance and fees statement that in the ordinary course of business, providers may recognise revenue on either a gross or net basis, e.g. before or after applicable app store fees or platform processing fees.[95] The treatment often depends on the nature of the customer relationship, among other things. In line with the QWR Regulations, a provider should treat the revenue amounts to be included in the QWR calculation on a gross or net basis depending on how the provider recognises these amounts in the ordinary course of business and in its financial statements.

3.104 In relation to the comment made on excluding revenues from paying users of online dating services[96] or revenues from services that also fall under other regulatory regimes,[97] we can confirm that the QWR Regulations do not provide for these types of revenues to be

[93] See section 227(1) of the Act.

[94] We recognise that whether a person is providing a regulated service to business customers (rather than an unregulated service) may need to be carefully considered and will depend on the particular facts. As set out in section 226 of the Act, the provider of a regulated user-to-user service is the entity or individual(s) that has control over who uses the user-to-user part of the regulated service. Similarly, the provider of a regulated search service is the entity or individual(s) who has control over the operations of the search engine. In some cases, the provider may be the business customer itself. Provided that the conditions in paragraph 7 or 8 of Schedule 1 to the Act are met, these services would be unregulated and those associated revenues should not be included in QWR.

[95] Draft QWR guidance, paragraphs 46 and 50; fees statement paragraph 3.50.

[96] Grindr QWR consultation response, page 2.

[97] DCA QWR consultation response, pages 3-4.

excluded from a providers' QWR. If they arise in connection with the relevant parts of a regulated service, they must be included in QWR.

3.105 Where needed, we have added the explanations in this section to the final guidance. We remain committed to working closely with providers on the specific challenges in their QWR calculations. We also expect that we may update the QWR guidance over time, based on experience in administering the fees and penalties regimes.

Regulated service revenues to be included in QWR

Stakeholder comments

3.106 In relation to which regulated service revenues are to be included in QWR, some stakeholders had comments on the following:

i) The guidance should be clarified to state that there must be a formal nexus of activities between group entities in order for their QWR to be aggregated. The respondent noted that it would not be just or proportionate for a company within a group to meet the QWR threshold simply because the revenue of another regulated service provider within its group is included in its QWR.[98]

ii) QWR should be calculated for specific services (not providers) for the purposes of both fees and penalties.[99]

iii) Case study 3 in the draft guidance provides reassurance and clarity as to when geographic revenues are brought into scope. The respondent commented that, for a UK company undergoing acquisition by an overseas firm, the UK entity's revenue is the relevant revenue rather than the combined global revenue of the wider group after the acquisition.[100]

Our position

3.107 These comments are not related to the questions we set out in our consultation. However, as they address key aspects of the QWR calculation, we reiterate our position on these matters below.

3.108 In response to comments i) and ii) above, we refer to the Act[101] and to paragraphs 3.17-3.19 of the QWR guidance, where the provider of a regulated service is defined as the entity, or individual(s), that has control over who can use a user-to-user service, or the operations of a search engine, or the pornographic content that is published or displayed. The QWR Regulations require that referable revenues from all regulated services provided by a provider (A) are aggregated for the QWR calculation (also see paragraph 3.88 of our Statement).[102] They do not require the inclusion of revenues from other group undertakings (unless those revenues are referable to regulated services provided by A).[103]

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[98] DCA QWR consultation response, page 4.
[99] Google QWR consultation response, page 1.
[100] Deliveroo QWR consultation response, page 1.
[101] Section 226 of the Act
[102] QWR Regulation 7(2) states that the QWR of two or more regulated services is determined by finding the total amount of relevant revenue for each regulated service and adding those amounts together.
[103] When calculating QWR for the purposes of the maximum financial penalty in cases of joint and several liability, we note that revenues from other group undertakings (i.e., beyond the provider of the regulated

3.109 With respect to comment iii) above, we are unable to comment at this stage on whether the approach to be taken by the provider in the event of an acquisition (i.e., in excluding revenues from international markets) is appropriate. This is a matter for the provider to consider in the first instance, taking account of its specific circumstances and the design and operation of its regulated services. However, we would draw providers' attention to the text included in Case Study 3 of our QWR guidance.

Verification of QWR submissions

Our proposal

3.110 In paragraph 117 of the draft QWR guidance, we set out example methods which we may use to estimate a provider's QWR to assess the maximum penalties and the proportionality of the quantum of the penalty for a provider who has been asked to submit its QWR for enforcement purposes but has failed to do so. We also stated that we may use these methods where it is necessary to assess and verify, using alternative apportionment methods, the QWR submitted by a provider for either fees or penalty purposes.

3.111 In paragraph 79 of the draft Notification guidance, we also explained that the main purpose of the fees notification process and the information gathered through it is to obtain and be in a position to verify a provider's QWR and calculate fees payable.

Stakeholder responses

3.112 With regard to verification of QWR submissions some stakeholders commented that we should:

i) Engage with providers regarding their QWR submissions prior to undertaking assessment or verification using alternative methods or imposing QWR.[104]

ii) Provide further clarity on how we will respond if the submitted QWR calculations differ from expectations.[105]

iii) Clarify whether companies could be subject to fines or penalties retrospectively if their QWR calculation is later found to be incorrect.[106]

iv) Provide further information on auditability and evidence standards required for the calculation.[107]

v) Provide additional guidance on how detailed and frequent a provider's internal verification and assessment of its QWR calculation should be. They enquired whether in the absence of overall revenue growth or significant changes in business models and revenue streams in a given year, it may be possible that a reassessment or recalculation of QWR is not required for that year.[108]

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service) are relevant, including revenues from unregulated services. This is because the definition of QWR for this purpose is different to that for fees - see Part 3 of the QWR Regulations and chapter 6 of the fees statement.

[104] Google pages 4-5; Uber Eats pages 1-2; [✂], Notification guidance response; [✂].

[105] [✂].

[106] [✂].

[107] [✂].

[108] Deliveroo QWR consultation response, page 1.

Our position

3.113 In response to comment i) we can confirm that we do not expect to impose QWR that is different to that notified to us by a provider without first engaging with that provider. Also, where a provider does not notify us of their QWR when we think they should have done (e.g. where we believe their QWR could exceed the QWR threshold, and they are not otherwise exempt) we will seek to engage with the provider to understand why they did not notify us of their QWR. In some circumstances, e.g. where the provider does not engage with us or does not provide evidence of their QWR, we may have no choice but to estimate the provider's QWR and charge fees on that basis.[109]

3.114 With respect to comment ii) where we have points for consideration about the QWR notified to us, we expect to conduct supervisory engagement and/or engage with providers through statutory requests for information, to understand why the provider took the approach that it did.[110] To aid clarity, we have updated the QWR guidance to incorporate a reference to the fees-related RFI section of our Notification guidance. We have also updated the QWR guidance to clarify that, where required, we may use the example methods that we set out in paragraph 117 of the draft QWR guidance to estimate a provider's QWR for fees purposes.

3.115 In response to comment iii) if we retrospectively consider that that a QWR calculation may be incorrect we would expect to follow a similar process to that noted above in response to point ii), i.e., through supervisory engagement and/or the use of statutory requests for information.

3.116 Following these actions, we may form a view that the QWR notified to us was incorrect. In the event of disagreement between us and the provider, the QWR is the amount determined by us. However, as noted above, we would not expect to impose a QWR that is different from that notified to us without first engaging with the provider.

3.117 As explained at paragraph 3.114 above, we will undertake a verification exercise following the end of the notification window (and before invoices are issued) which should reduce the risk of retrospective adjustments being required to invoices already issued. However, where retrospective adjustments to QWR are required, such as when we determine that a provider's QWR differs from the amount previously notified to us and invoices have already been issued, we expect to issue new or revised invoices to the provider in question. To ensure fair fees for other providers, and in common with our wider regulated sectors, we expect to address any resulting over or under payment of fees in the next charging year. We intend to provide further details on such adjustments in our SoCP consultation expected later this year.

3.118 Where we identify potential compliance concerns, we will consider whether it is appropriate to open an enforcement investigation, including in cases where issues are identified after invoices have been issued during a charging year.

3.119 If we open an investigation and remain of the view that there are reasonable grounds to believe that a provider has failed, or is continuing to fail to meet its obligations then we will

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[109] Annex 2 - Legal framework to fees statement, Paragraph 28; Section 84(3) of the Act.

[110] Draft Notification guidance, paragraph 50-51 makes clear that we expect to use our information gathering powers under the Act to request fees related details and that we may use investigative RFI to should we require additional information to verify QWR or to satisfy ourselves to the appropriateness of otherwise absent QWR.

notify the provider of our provisional decision that the provider has breached its obligations under the Act (and, where we propose to impose a penalty, of the amount of that penalty). The provider will have the opportunity to make written and oral representations to us on our provisional findings before a final decision is made. For further information on how we will approach enforcement where we suspect non-compliance please see the Online Safety Enforcement Guidance.[111]

3.120 However, if we impose a different QWR to that notified to us, it does not necessarily follow that we will open an investigation and/or find a provider to have not complied with its fee-related duties. We recognise, for example, that there may be circumstances where a provider has made a good faith determination that we ultimately disagree with. In such instances, we may choose not to pursue enforcement action but may instead consider alternative measures such as updating the QWR guidance (and, as noted above, recalculation of that providers' earlier invoice).

3.121 With regard to comment iv), we note that these are stipulated by the Notification Regulations.[112] Our Notification guidance also provides guidance on the detail and evidence required, in line with the Notification Regulations. We note that, whilst QWR calculations need not themselves be audited, providers are expected to reconcile QWR to audited financial statements wherever possible. Providers are also welcome to utilise third parties to assist their calculation of QWR but will always be accountable for their QWR.

3.122 With regard to comment vi), we note that such review and recalculation will be required for each charging year. Whilst the approach to the calculation (using the same apportionment methodology) may remain the same, there might have been changes to the provider revenue that need to be reflected in QWR. This is why we intend to request updated QWR Returns from providers liable to pay fees in the prior charging year via rolling RFIs. Chapter 3 of the Notification guidance provides additional detail on how and when to notify for fees and submit a QWR return including requirements for subsequent charging years. We note that we would expect the QWR calculation (and submission of details about regulated services) to become less burdensome over time as providers become more familiar with it (and particularly if the details of regulated services remain the same from year to year). Chapter 3 of the Notification guidance provides additional detail on how and when to notify for fees and submit a QWR return including requirements for subsequent charging years.

General information regarding the fees regime processes

Stakeholder responses and our further clarifications

3.123 One respondent[113] requested that ahead of each charging year, we should provide a detailed breakdown of its proposed expenditure and associated forecast costs. They

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[111] Online Safety Enforcement Guidance, 16 December 2024.

[112] The Notification Regulations specify the evidence, documents and other information that must be provided to us in QWR returns (specifically, in initial fee-paying and new-fee paying notifications). Regulation 3(2)(b) states that the notification must include evidence substantiating the details that must be submitted by the provider under section 83(3) of the Act (details of all regulated services provided by the provider and details of the provider's qualifying worldwide revenue). Regulation 3(3) also states that where possible, the evidence mentioned in regulation 3(2)(b) must substantiate the details by reference to information in financial statements or other documents prepared for accounting purposes.

[113] Google QWR consultation response, page 2.

expressed concerns about the potential for overestimation, which could lead to higher spending than necessary.

3.124 We note that, as explained in our fees statement, our estimated expenditure for the online safety regime will be published in our tariff tables which are published annually on or before 31 March.[114] Audited annual reports detailing actual costs, including variances from planned spend will also be made available to view. In addition, we release an annual work plan outlining key activities across sectors, published with the tariff tables. Relevant links to these documents are provided on our website. We have included this information in paragraph 3.5 of the final QWR guidance. Proposals on how we will handle any over or under recovery of costs are provided in our SoCP consultation.[115]

Evolution of the fees regime

Stakeholder responses

3.125 One respondent[116] recommended that as the fees regime evolves, our decisions related to the fees regime are reviewed with regard to their proportionality and the financial and administrative burdens imposed by compliance, particularly on small and medium-sized providers. They highlighted that additional resources will be required for QWR calculation and encouraged us to streamline and facilitate more proportionate measures where appropriate.

Our position

3.126 We recognise that the QWR calculation will be a novel exercise for all providers and that it could require further effort to collect the necessary data and/or carry out the calculations. For some, particularly the providers of multiple regulated and non-regulated services, it may also be a relatively complex exercise. Some of the complexity arises because, in our fees statement, we decided to define QWR as revenues arising in connection with relevant parts of regulated services. We made this choice to ensure that fees the providers pay are proportionate.[117] We also recognise the submission of the QWR return and accompanying evidence will require additional time and resource. These requirements are part of the QWR Regulations and Notification Regulations and are necessary for our verification process.

3.127 However, as we explained in paragraph 71 of the draft guidance, we expect providers' level of consideration and work on the elements of the QWR calculation to be proportionate to the materiality of those elements in the context of the QWR calculation as a whole. We have now decided to add proportionality as a guiding principle to give it more emphasis and visibility in the guidance (see Table 4.1 and paragraph 4.6).

3.128 We also expect the QWR calculation to become less burdensome over time as providers become more familiar with it. As we engage with providers further and understand their challenges in more detail, we will consider whether we need to provide further guidance.

[114] Fees statement, paragraph 7.59 and 7.76.
[115] SOCP consultation, 21 November 2025.
[116] MTC QWR consultation response, page 2.
[117] See fees statement, paragraphs 3.123 - 3.129.

3.129 Finally, we also note the Secretary of State's duty to review the operation of the regulatory framework provided by the Act.[118]

[118] Section 178 of the Act. See Implementation and enforcement of the Online Safety Act: letter from DSIT Secretary of State to Ofcom - GOV.UK, 27 October 2025 and Implementation and enforcement of the Online Safety Act: follow up letter from DSIT Secretary of State to Ofcom - GOV.UK, 12 November 2025.

4. Notification guidance: Summary of stakeholder responses and our decisions

Introduction

4.1 This chapter summarises stakeholder comments on our proposed Notification guidance and sets out our final decisions.

4.2 We received four responses to our draft guidance, covering the following issues:

i) Nature of details and supporting evidence of regulated services and QWR

ii) Details of non-relevant parts of regulated services

iii) Which legal entity should report QWR

iv) Reconciling QWR with financial statements

v) Timeline and implementation

vi) Commercially sensitive data

4.3 After careful consideration of the issues raised we do not consider it necessary to update the guidance in response to these issues and explain why we consider the initial guidance to be sufficient in our detailed reasoning below.[119]

4.4 A final version of the Notification guidance is an accompanying document to this statement and is further promoted on our new online safety fees webpage.[120] We intend to keep it under regular review as both we and providers gain experience of the implementation of the regime.

4.5 Some of the comments made in response to this consultation related to proposals made in the draft QWR guidance rather than the draft Notification guidance. These comments and our corresponding decisions have been included in the QWR guidance chapter of this document.

[119] During our detailed review of the guidance we have made one minor clarification relating to our use of the online safety fees finance contact type and that this should be interpreted as the provider's point of contact for receiving invoices and dealing with payment queries. In particular, see paragraph 5(iii) of Annex 2 to the draft guidance, which has been updated to read 'Online safety fees finance (mandatory) - point of contact for receiving invoices and resolving payment related issues should this be different to the online safety main point of contact'.

[120] Online Safety fees and penalties

Nature of details and supporting evidence of regulated services and QWR

Our proposed guidance

4.6 In chapter 4 of the draft Notification guidance, we explained that all types of notification must include details of regulated services, and initial notifications and new fee cycle notifications must also include details of QWR. We also explained that, in accordance with the Act and the Notification Regulations, for initial notifications and new fee cycle notifications, such details of regulated services and of QWR must be substantiated by reference to supporting evidence.

4.7 We noted that differences in provider business models may result in a difference in the level of detail and evidence required for providers to fulfil their duties. As a result, we proposed that the guidance be written such that it avoids being overly prescriptive, recognising that it would be impracticable to anticipate every possible scenario.

Stakeholder responses

4.8 One respondent commented that the detail included in paragraph 72 of the draft guidance about the evidence expected to substantiate providers' QWR calculations goes beyond what is required in the Act (and Notification Regulations). The respondent commented that the guidance should give clearer regard to proportionality of detail required and burden on providers.[121]

4.9 Another respondent recommended that we set out clearer guidance on what would constitute sufficient evidence in different scenarios, recognising that providers may take a range of approaches to evidencing the details of their regulated services and QWR.

Our position

4.10 We are satisfied that the Notification Regulations and our associated guidance do not exceed our powers under the Act.

4.11 Section 85 of the Act gives us the power to make regulations specifying or describing the evidence, documents and other information that we require in notifications under section 83 and we have done this in the Notification Regulations. Those regulations were the subject of public consultation and were also subject to parliamentary scrutiny.

4.12 We note that the Notification guidance is not legally binding, but illustrates the types of evidence that we would expect to receive in notifications. The guidance is intended to be consistent with the Notification Regulations and, in the case of any inconsistency, the latter prevail.

4.13 It is clear from Part 6 of the Act (and our Notification Regulations) that providers must notify us with details of their regulated services and QWR, alongside substantiating evidence. We disagree however that this requires the submission of decisions relating to a provider's compliance with the Act or that the level of detail illustrated by the guidance is disproportionate. Whilst providers will need to submit details of regulated services (and

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[121] [✂].

describe which parts they consider to be relevant and not relevant) so that we can verify their QWR, our guidance makes clear at paragraph 4.8 that further additional evidence about regulated services (other than the associated QWR) is not required. Paragraph 4.17 also makes clear that evidence need only be 'sufficiently granular' for us to verify QWR and paragraph 4.20 sets out our general expectation of QWR evidence rather than stipulating mandatory requirements. As such we do not consider the guidance to require amendment on this point. To offer further assurance to providers, we finally note that our powers to require information does not apply to information in respect of which a claim to legal professional privilege, or (in Scotland) to confidentiality of communications, could be maintained in legal proceedings.[122]

4.14 We have separately considered the single respondent's request for further guidance on what constitutes sufficient evidence in different scenarios but remain of the view that this must in the first instance be determined by the provider, based, for example, on their specific regulated services and the complexity of their QWR calculation. We expect this could vary significantly between providers depending on the degree to which QWR differs from reported revenues and the nature of their regulated and non-regulated services.

Details of non-relevant parts of regulated services

Our proposed guidance

4.15 In paragraph 57(iv)(a) and (b) of the draft guidance, we explained that where the relevant parts of a service only represent a portion of the regulated service, providers should give a description of both the relevant and the non-relevant parts. Additionally, in paragraph 66 of the guidance, we asked that where a provider considers any of its regulated services also include non-relevant parts, a breakdown of regulated service revenue between the relevant parts (which count towards QWR) and non-relevant parts (which will not count towards QWR) should be provided. Where this is not possible, we said the provider is expected to explain why.

Stakeholder Responses

4.16 One respondent[123] commented that it was disproportionate for us to require specific information from providers about revenue arising in connection with non-relevant parts. The respondent recommended that the guidance be amended to clarify that providers do not need to provide detailed information of such revenue, beyond explaining how their QWR has been calculated.

Our position

4.17 We remain of the view that our draft guidance was appropriate in setting the expectation that some revenue information be provided in relation to non-relevant parts of regulated services. Without this information, we are concerned that we would be unable to conduct an effective and efficient verification exercise. This could increase the need for us to consider additional, statutory requests for information in due course (as well as the risk of

[122] Paragraph 3.18, [Statement Online Safety Information Gathering Guidance](#).
[123] Apple notification consultation response, pages 3-4.

us having to recalculate invoices that have already been issued should issues be identified after the verification exercise).

4.18 We explain in paragraph 4.17 (previously paragraph 69) of the final guidance that evidence to support QWR calculation should be 'sufficiently granular', while noting in paragraph 4.18 (previously paragraph 70) that "in some cases, simple explanatory notes and supporting evidence may be sufficient." In this context, providers should consider whether the details provided allow us to verify that relevant and non-relevant parts have been appropriately designated as such, and that the regulated service revenue has been appropriately apportioned between them. For many providers, we do not consider that providing such details will represent a significant burden and consider the requirement in any event to be proportionate to ensuring a fair and effective fees regime.

Which legal entity should report QWR

Our proposed guidance

4.19 The Act requires the providers of regulated services, unless they are exempted under section 83(6) of the Act, to notify us in relation to fee payment in particular circumstances. The draft guidance is intended to assist the providers of regulated services that are required to notify us, pursuant to section 83(1) of the Act, but does not set out who the provider would be in a given scenario.

Stakeholder responses

4.20 One respondent suggested that each legal entity within a corporate group should be permitted to submit its own QWR. The respondent commented that giving providers the flexibility to submit QWR at different levels of legal entity would support the accuracy and fairness of the fee-setting process.[124] They also noted that we should provide further guidance on the extent to which revenues ought to be limited to that of the legal entity through which the service is accessed by UK users as opposed to the legal entities that provide that service to users outside the UK, where relevant.[125]

Our position

4.21 Having considered this response, we are not persuaded that any amendments to the guidance are necessary.

4.22 The notification duty under section 83 of the Act applies to the provider of a regulated service and it is this provider that should notify us.

4.23 Section 226 of the Act defines the provider of a regulated service as the entity, or individual(s), that has control over who can use the user-to-user part of the service (for user-to-user services), the operations of the search engine (for search services) or which content is published and displayed on the service (for services that feature provider pornographic content).

[124] [✂].
[125] [✂].

4.24 Where a distinct legal entity within a corporate group is deemed to be the provider of a regulated service (consistent with the above), it is that legal entity rather than the group as a whole (or other legal entities in that group) that should calculate its QWR and notify us. In calculating its QWR, the provider should only take account of revenues earned by other group undertakings if those revenues are referable to the provision of its regulated services (rather than regulated services provided by those other group undertakings).[126]

4.25 Where different legal entities provide similar services in different countries. We note that each legal entity would need to identify whether any of the services it provides has links to the UK and is regulated. The legal entities that meet these criteria are required to calculate their QWR taking account of only the revenues referable to their regulated services, and not the revenues earned by other entities in their group (unless those revenues arise in connection with their own regulated services).

4.26 We also refer to Case Study 3 in our QWR guidance where we explain that if the corporate groups/providers provide the same service across multiple jurisdictions, they should consider whether their services constitute a single service or multiple services. It may be the case that a service that is available in multiple jurisdictions should be considered a single service (controlled by the same provider) rather than as comprising multiple geographically distinct services.

Reconciling QWR with financial statements

Our proposed guidance

4.27 In paragraph 72(iv) of the draft guidance we set out our expectation that providers reconcile the QWR figure notified to us and the revenues reported in relevant financial statements. In the event that reconciliation is not practicable, we proposed that providers explain why.

Stakeholder responses

4.28 One respondent noted the challenges associated with reconciling QWR with figures in financial statements, particularly where the two figures are derived from different systems and/or could relate to different entities. The respondent said this meant a line-by-line reconciliation could be challenging and recommended that the guidance acknowledge that presenting figures from financial statements alongside QWR may support a high-level comparison but not necessarily a formal reconciliation.[127]

Our position

4.29 Having considered this response, we are not persuaded that any amendments to the guidance are necessary.

4.30 Our guidance requests that evidence (including supporting explanations) be sufficiently granular for us to verify QWR.

[126] Regulation 8 of the QWR Regulations. For completeness, it should be noted that a different definition of QWR applies for the purposes of calculating the maximum financial penalty we can impose in cases of joint and several liability under the Act. See chapter 6 of the fees statement and Part 3 of the QWR Regulations.
[127] [✂].

4.31 In relation to reconciliation, the guidance requests an explanation of key differences between the QWR notified to us and the revenues set out in relevant financial statements. Relevant financial statements could be the annual financial statements of the provider or a group company to which it belongs. The purpose of this exercise is to ensure any significant differences are accounted for and understood by us.

4.32 The guidance also requests that a provider submits details of the sources of data used to calculate QWR and recognises that revenue could be derived from financial statements or internal sources such as management accounts or other internal systems.

4.33 Therefore, while we would generally expect a sufficiently granular explanation of the key differences between the QWR notified to us and revenue reported in financial statements for us to understand the provider's QWR calculation, we recognise that a detailed comparison may not be practicable in some cases, especially where QWR is derived from sources other than financial statements. The guidance recognises this, and requests that where such a reconciliation is not practicable, the provider explains why. This could include situations described by the respondent, e.g. where revenue from internal systems used to calculate QWR is not readily comparable to revenue reported in relevant financial statements.

Timeline and implementation

Our proposed guidance

4.34 In chapter 3 of the draft guidance, we set out illustrative notification timeframes to help providers understand the timing of key milestones in the fee regime for the first two charging years. For the initial charging year (expected to be FY 2026/27), we expect the four-month notification window to run from the end of 2025 (when the regime goes live) to early Q2 2026 (four months after the regime goes live). Invoices would be issued towards the end of Q3 2026, following a verification window and publication of the tariff.

Stakeholder responses

4.35 One respondent commented that the proposed time between the publication of our final QWR guidance and Notification guidance, the end of the four-month notification window, and the proposed invoicing date was too short. The respondent considered that this created planning risks for providers and recommended that timelines be extended.[128] They also noted[129] that this may increase the likelihood of inadvertent errors and places a burden on industry, particularly smaller firms with limited legal and compliance resources.

4.36 Another respondent commented on the regulatory burden created by the draft guidance and recommended that we should seek to minimise this burden as far as possible. The respondent recommended that we avoid duplicating requests for information or reporting requirements across the regime, including by considering if information already submitted as part of other regulatory processes could be accepted.[130]

[128] [✀].
[129] [✀].
[130] MTC notification consultation response, page 3.

Our position

4.37 We acknowledge that online safety fees is a new regime and that calculating QWR may be a complex exercise for some providers. However, we do not consider it necessary or appropriate to extend the timeframes and note that some aspects are outside of our control. We note that:

i) Providers are expected to have until mid-April 2026[131] to notify for the inaugural 2026/27 charging year. As such, we encourage providers to begin work on their QWR calculations as early as possible and engage with us where required to ensure timely and accurate submissions.

ii) Our consultation on online safety fees and penalties (which set out proposals for the definition of QWR, the threshold, the charging mechanism, and notification among other things) was published in October 2024 and our statement containing final proposals and the QWR and Notification Regulations was subsequently published in June 2025. The Notification and QWR Regulations then came into force in September and October 2025 respectively. We expect these publications to have given providers adequate advance knowledge of the regulations. We also note that our draft QWR guidance and draft Notification guidance have been available since 18 July 2025 and 1 September 2025 respectively.

iii) We consider the QWR and Notification guidance published today is an aid to such preparation rather than a pre-requisite of such preparation.

4.38 We said in our statement that we will continue through our supervisory function and otherwise to support providers in navigating the notification process, particularly in their first charging year.[132]

4.39 Regarding the separate challenge to minimise regulatory burden, we always seek to minimise regulatory burdens and have sought to do so in our Notification guidance. We intend to keep this guidance under review.[133] However, we note that:

i) We do not expect the information required in notifications and rolling RFIs to already be available to us through our other projects or otherwise. It is information that is specific to the online safety fees and penalties regime.[134]

ii) The burden may decrease over time as providers become more familiar with the regime/process etc. Further, to the extent that details of regulated services remain the same from one year to the next, providers may be able to simply resubmit that

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131 Subject to the Parliamentary process, we expect threshold SI to come into force on 11 December 2025, after which the Act stipulates fee liable providers must notify QWR within 4 month.

132 Fees statement, Paragraph 8.27.

133 Section 6 of the Communications Act 2003 places a duty on us to review the regulatory burden.

134 We may, as part of any enforcement action, require the provision of information about a providers' QWR in order to calculate the maximum financial penalty it can impose under paragraph 4 of Schedule 13 of the Act. This is because the same definition of QWR applies in both cases (except in cases of joint and several liability). However, the period over which QWR is required to be calculated for both is different. Specifically, when calculating a providers' fee liability in respect of a charging year, QWR from the relevant 'qualifying period' will be required (i.e., from the second calendar year preceding the one within which the charging year begins – see Regulation 9 of the QWR Regulations). When calculating the maximum financial penalty that we can impose, it should be calculated by reference to the person's QWR in their most recent complete 'accounting period'. The term 'accounting period' is defined in paragraph 4(8) of Schedule 13 to the Act.

information to us as part of their response to the rolling RFI (or to confirm that their prior details remain accurate).

iii) If providers are sent an information notice in future years, we will allow providers sufficient time to gather and submit the required information.

4.40 As these challenges do not directly pertain to the process of notification and making a QWR return, we see no requirement to update the Notification guidance on these points.

Commercially sensitive data

Our proposed guidance

4.41 Chapter 5 of the draft guidance (chapter 5 of the final Notification guidance) summarises our proposed approach to confidential information and how we will use and protect providers' data. We make clear that we cannot disclose any information about a person's business gathered through fees regime notifications or information notices unless we have that person's consent, or we are required or permitted to do so by law (for example, because we consider it necessary to enable us to carry out our regulatory functions). We also noted in paragraph 7, that we do not expect to publish commercially sensitive information about regulated services or providers obtained as part of the fees regime.

Stakeholder responses

4.42 One respondent welcomed that the draft guidance recognised the importance of confidentiality and data protection but commented that further detail was needed on how we will safeguard commercially sensitive information, including in response to requests for information from other public bodies.[135]

Our position

4.43 We consider this issue to be largely addressed by the Confidentiality section of our Statement (paragraphs 9.13 to 9.17) and the 'Confidential information' and 'Disclosure of information' sections of our Information Gathering guidance (paragraphs 3.27 to 3.50).[136] In summary:

i) It is not clear to us that further detail is needed in the guidance itself and we therefore have not modified the guidance.

ii) The Notification guidance explicitly incorporates a reference to our Information Gathering guidance, which explains how we treat confidential information in accordance with our statutory obligations, and the circumstances in which we may disclose such information (and the process we would expect to follow before doing so).

iii) Regarding the circumstances in which we might share information with a third party public body, we note that the Information Gathering guidance sets out our approach at paragraph 3.42.[137] It confirms that, if we have not explained our intention to disclose information in any draft or final statutory information notice,

[135] MTC notification consultation response, pages 3-4.

[136] Online Safety Information Powers Guidance, 26 February 2025, page 14-18.

[137] Online Safety Information Powers Guidance, 26 February 2025, page 17.

we will normally first explain our intention to disclose and give the person the opportunity to make representations about the proposed disclosure. We will normally try to resolve any objections to a proposed disclosure through constructive dialogue. If the person continues to object, will give them advance warning prior to making the disclosure, giving the person the opportunity to challenge the decision. This general guidance applies equally to information obtained through rolling RFIs - and to information obtained through notifications under section 83 of the Act.