

## CHAPTER IV

### DETERMINATION OF VALUE OF SUPPLY

#### 4.1 Value of supply of goods or services where the consideration is not wholly in money [Rule 27]

<b>Rule 27</b>	01.07.2017 to till date	<p>Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall,-</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">(a)</td> <td>be the open market value of such supply;</td> </tr> <tr> <td>(b)</td> <td>if the open market value is not available under clause (a), be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply;</td> </tr> <tr> <td>(c)</td> <td>if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;</td> </tr> <tr> <td>(d)</td> <td>if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order.</td> </tr> </table> <p><b>Illustration:</b></p> <p>(1) Where a new phone is supplied for twenty thousand rupees along with the exchange of an old phone and if the price of the new phone without exchange is twenty four thousand rupees, the open market value of the new phone is twenty four thousand rupees.</p> <p>(2) Where a laptop is supplied for forty thousand rupees along with the barter of a printer that is manufactured by the recipient and the value of the printer known at the time of supply is four thousand rupees but the open market value of the laptop is not known, the value of the supply of the laptop is forty four thousand rupees.</p>	(a)	be the open market value of such supply;	(b)	if the open market value is not available under clause (a), be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply;	(c)	if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;	(d)	if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order.
(a)	be the open market value of such supply;									
(b)	if the open market value is not available under clause (a), be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money, if such amount is known at the time of supply;									
(c)	if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;									
(d)	if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order.									

#### 4.1.1 Relevant Section of CGST Act 2017- Rule 27

Section	Particulars
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Section 15	Value of taxable supply
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#### 4.2 Value of supply of goods or services or both between distinct or related persons, other than through an agent [Rule 28]

<b>Rule 28</b>	01.07.2017 to till date	The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall-
		(a) be the open market value of such supply;
		(b) if the open market value is not available, be the value of supply of goods or services of like kind and quality;
		(c) if the value is not determinable under clause (a) or (b), be the value as determined by the application of rule 30 or rule 31, in that order:
<b>Proviso</b>	01.07.2017 to till date	<b>Provided</b> that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person:
<b>Proviso</b>	01.07.2017 to till date	<b>Provided further</b> that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.

#### Notes

1. Rule 28 renumbered as sub-rule (1) w.e.f. 26.10.2023 vide Central Goods and Services Tax (Fourth Amendment) Rules 2023 – [Notification No. 52/2023 – Central Tax dated 26.10.2023](#).

<b>Rule 28(1)</b>	26.10.2023 to till date	The value of the supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the supplier and recipient are related, other than where the supply is made through an agent, shall-
		(a) be the open market value of such supply;
		(b) if the open market value is not available, be the value of supply of goods or services of like kind and quality;

		(c) if the value is not determinable under clause (a) or (b), be the value as determined by the application of rule 30 or rule 31, in that order:				
<b>Proviso</b>	26.10.2023 to till date	<b>Provided</b> that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person:				
<b>Proviso</b>	26.10.2023 to till date	<b>Provided further</b> that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.				
<sup>1</sup> [ <b>Rule 28(2)</b> ]	26.10.2023 to till date	Notwithstanding anything contained in sub-rule (1), the value of supply of services by a supplier to a recipient who is a related person, by way of providing corporate guarantee to any banking company or financial institution on behalf of the said recipient, shall be deemed to be one per cent of the amount of such guarantee offered, or the actual consideration, whichever is higher.]				
<table border="1"> <thead> <tr> <th colspan="2">Notes</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Inserted w.e.f. 26.10.2023 vide Central Goods and Services Tax (Fourth Amendment) Rules 2023 – <a href="#">Notification No. 52/2023 – Central Tax dated 26.10.2023.</a></td> </tr> </tbody> </table>			Notes		1.	Inserted w.e.f. 26.10.2023 vide Central Goods and Services Tax (Fourth Amendment) Rules 2023 – <a href="#">Notification No. 52/2023 – Central Tax dated 26.10.2023.</a>
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1.	Inserted w.e.f. 26.10.2023 vide Central Goods and Services Tax (Fourth Amendment) Rules 2023 – <a href="#">Notification No. 52/2023 – Central Tax dated 26.10.2023.</a>					

#### 4.2.1 Relevant Section of CGST Act 2017- Rule 28

Section	Particulars
Section 15	Value of taxable supply

#### 4.3 Value of supply of goods made or received through an agent [Rule 29]

<b>Rule 29</b>	01.07.2017 to till date	The value of supply of goods between the principal and his agent shall-
		(a) be the open market value of the goods being supplied, or at the option of the supplier, be ninety percent. of the price charged for the supply of goods of like kind and quality by the recipient to his

		customer not being a related person, where the goods are intended for further supply by the said recipient.  <b>Illustration:</b> A principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of five thousand rupees per quintal on the day of the supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of four thousand five hundred and fifty rupees per quintal. The value of the supply made by the principal shall be four thousand five hundred and fifty rupees per quintal or where he exercises the option, the value shall be 90 per cent. of five thousand rupees i.e., four thousand five hundred rupees per quintal.
	(b)	where the value of a supply is not determinable under clause (a), the same shall be determined by the application of rule 30 or rule 31 in that order.

#### 4.3.1 Relevant Section of CGST Act 2017- Rule 29

Section	Particulars
Section 15	Value of taxable supply

#### 4.4 Value of supply of goods or services or both based on cost [Rule 30]

<b>Rule 30</b>	01.07.2017 to till date	Where the value of a supply of goods or services or both is not determinable by any of the preceding rules of this Chapter, the value shall be one hundred and ten percent of the cost of production or manufacture or the cost of acquisition of such goods or the cost of provision of such services.
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#### 4.4.1 Relevant Section of CGST Act 2017- Rule 30

Section	Particulars
Section 15	Value of taxable supply

#### 4.5 Residual method for determination of value of supply of goods or services or both [Rule 31]

<b>Rule 31</b>	01.07.2017 to till date	Where the value of supply of goods or services or both cannot be determined under rules 27 to 30, the same shall be determined using reasonable means consistent with the principles and the general provisions of section 15 and the provisions of this Chapter:
<b>Proviso</b>	01.07.2017 to till date	<b>Provided</b> that in the case of supply of services, the supplier may opt for this rule, ignoring rule 30.

##### 4.5.1 Relevant Section of CGST Act 2017- Rule 31

Section	Particulars
Section 15	Value of taxable supply

#### 4.6 Value of supply in case of lottery, betting, gambling and horse racing <sup>1</sup>[Rule 31A]

##### Notes

<sup>1</sup> Rule 31A inserted w.e.f. 23.01.2018 vide [Notification No. 03/2018- Central Tax dated 23.01.2018](#).

<b>Rule 31A(1)</b>	23.01.2018 to till date	Notwithstanding anything contained in the provisions of this Chapter, the value in respect of supplies specified below shall be determined in the manner provided hereinafter.
<b>Rule 31A(2)</b>	23.01.2018 to 29.02.2020	<p>(a) The value of supply of lottery run by State Governments shall be deemed to be 100/112 of the face value of ticket or of the price as notified in the Official Gazette by the organising State, whichever is higher.</p> <p>(b) The value of supply of lottery authorised by State Governments shall be deemed to be 100/128 of the face value of ticket or of the price as notified in the Official Gazette by the organising State, whichever is higher.</p> <p><b>Explanation:–</b> For the purposes of this sub-rule, the expressions-</p> <p>(a) “lottery run by State Governments” means a lottery not allowed to be sold in any State other than the organizing State;</p>

		<p>(b) “lottery authorised by State Governments” means a lottery which is authorised to be sold in State(s) other than the organising State also; and</p> <p>(c) “Organising State” has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.</p>
	01.03.2020 to till date	<p><sup>1</sup>[The value of supply of lottery shall be deemed to be 100/128 of the face value of ticket or of the price as notified in the Official Gazette by the Organising State, whichever is higher.</p> <p><b>Explanation:</b>– For the purposes of this sub-rule, the expression “Organising State” has the same meaning as assigned to it in clause (f) of sub-rule (1) of rule 2 of the Lotteries (Regulation) Rules, 2010.]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1. Substituted w.e.f. 1<sup>ST</sup> March, 2020 for sub-rule (2) vide <a href="#">Notification No. 08/2020 – Central Tax dated 02.03.2020</a></p> </div>
<b>Rule 31A(3)</b>	23.01.2018 to till date	The value of supply of actionable claim in the form of chance to win in betting, gambling or horse racing in a race club shall be 100% of the face value of the bet or the amount paid into the totalisator.

#### 4.6.1 Relevant Section of CGST Act 2017- Rule 31A

Section	Particulars
Section 15	Value of taxable supply

#### 4.6A Value of supply in case of online gaming including online money gaming <sup>1</sup>[Rule 31B]

Notes
<p>1. Inserted w.e.f. 01.10.2023 vide <a href="#">Central Goods and Services Tax (Third Amendment) Rules 2023 – Notification No. 51/2023 – Central Tax dated 29.09.2023.</a></p>

<b>Rule 31B(1)</b>	01.10.2023 to till date	Notwithstanding anything contained in this chapter, the value of supply of online gaming, including supply of actionable claims involved in online money gaming, shall be the total amount paid or payable to or deposited with the supplier by way of money or money’s worth, including virtual digital assets, by or on behalf of the player:
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<b>Proviso</b>	01.10.2023 to till date	<b>Provided that</b> any amount returned or refunded by the supplier to the player for any reasons whatsoever, including player not using the amount paid or deposited with the supplier for participating in any event, shall not be deductible from the value of supply of online money gaming.
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**4.6A.1 Relevant Section of CGST Act 2017- Rule 31B**

Section	Particulars
Section 15	Value of taxable supply

**4.6B Value of supply of actionable claims in case of casino. <sup>1</sup>[Rule 31C]**

Notes
1. Inserted w.e.f. 01.10.2023 vide <a href="#">Central Goods and Services Tax (Third Amendment) Rules 2023 – Notification No. 51/2023 – Central Tax dated 29.09.2023.</a>

<b>Rule 31C</b>	01.10.2023 to till date	Notwithstanding anything contained in this chapter, the value of supply of actionable claims in casino shall be the total amount paid or payable by or on behalf of the player for – <table border="1" style="margin-left: 20px;"> <tr> <td>(i)</td> <td>purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or</td> </tr> <tr> <td>(ii)</td> <td>participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required:</td> </tr> </table>	(i)	purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or	(ii)	participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required:
(i)	purchase of the tokens, chips, coins or tickets, by whatever name called, for use in casino; or					
(ii)	participating in any event, including game, scheme, competition or any other activity or process, in the casino, in cases where the token, chips, coins or tickets, by whatever name called, are not required:					
<b>Proviso</b>	01.10.2023 to till date	<b>Provided that</b> any amount returned or refunded by the casino to the player on return of token, coins, chips, or tickets, as the case may be, or otherwise, shall not be deductible from the value of the supply of actionable claims in casino.				
<b>Explanation</b>	01.10.2023 to till date	For the purpose of rule 31B and rule 31C, any amount received by the player by winning any event, including game, scheme, competition or any other activity or process, which is used for playing by the said player in a further event without withdrawing, shall not be considered as the amount paid to or deposited with the supplier by or on behalf of the said player.				

**4.6B.1 Relevant Section of CGST Act 2017- Rule 31C**

Section	Particulars
Section 15	Value of taxable supply

**4.7 Determination of value in respect of certain supplies [Rule 32]**

<b>Rule 32(1)</b>	01.07.2017 to till date	Notwithstanding anything contained in the provisions of this Chapter, the value in respect of supplies specified below shall, at the option of the supplier, be determined in the manner Provided hereinafter.
<b>Rule 32(2)</b>	01.07.2017 to till date	<p>The value of supply of services in relation to the purchase or sale of foreign currency, including money changing, shall be determined by the supplier of services in the following manner, namely:-</p> <p>(a) for a currency, when exchanged from, or to, Indian Rupees, the value shall be equal to the difference in the buying rate or the selling rate, as the case may be, and the Reserve Bank of India reference rate for that currency at that time, multiplied by the total units of currency:</p> <p><b>Provided</b> that in case where the Reserve Bank of India reference rate for a currency is not available, the value shall be one per cent. of the gross amount of Indian Rupees Provided or received by the person changing the money:</p> <p><b>Provided further</b> that in case where neither of the currencies exchanged is Indian Rupees, the value shall be equal to one per cent. of the lesser of the two amounts the person changing the money would have received by converting any of the two currencies into Indian Rupee on that day at the reference rate Provided by the Reserve Bank of India.</p> <p><b>Provided also</b> that a person supplying the services may exercise the option to ascertain the value in terms of clause (b) for a financial year and such option shall not be withdrawn during the remaining part of that financial year.</p>

		<p>(b) at the option of the supplier of services, the value in relation to the supply of foreign currency, including money changing, shall be deemed to be-</p> <table border="1"> <tr> <td>(i)</td> <td>one per cent. of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of two hundred and fifty rupees;</td> </tr> <tr> <td>(ii)</td> <td>one thousand rupees and half of a per cent. of the gross amount of currency exchanged for an amount exceeding one lakh rupees and up to ten lakh rupees; and</td> </tr> <tr> <td>(iii)</td> <td>five thousand and five hundred rupees and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding ten lakh rupees, subject to a maximum amount of sixty thousand rupees.</td> </tr> </table>	(i)	one per cent. of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of two hundred and fifty rupees;	(ii)	one thousand rupees and half of a per cent. of the gross amount of currency exchanged for an amount exceeding one lakh rupees and up to ten lakh rupees; and	(iii)	five thousand and five hundred rupees and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding ten lakh rupees, subject to a maximum amount of sixty thousand rupees.
(i)	one per cent. of the gross amount of currency exchanged for an amount up to one lakh rupees, subject to a minimum amount of two hundred and fifty rupees;							
(ii)	one thousand rupees and half of a per cent. of the gross amount of currency exchanged for an amount exceeding one lakh rupees and up to ten lakh rupees; and							
(iii)	five thousand and five hundred rupees and one tenth of a per cent. of the gross amount of currency exchanged for an amount exceeding ten lakh rupees, subject to a maximum amount of sixty thousand rupees.							
<b>Rule 32(3)</b>	01.07.2017 to till date	The value of the supply of services in relation to booking of tickets for travel by air Provided by an air travel agent shall be deemed to be an amount calculated at the rate of five percent. of the basic fare in the case of domestic bookings, and at the rate of ten per cent. of the basic fare in the case of international bookings of passage for travel by air.						
<b>Explanation</b>	01.07.2017 to till date	<b>Explanation.-</b> For the purposes of this sub-rule, the expression “basic fare” means that part of the air fare on which commission is normally paid to the air travel agent by the airlines.						
<b>Rule 32(4)</b>	01.07.2017 to till date	<p>The value of supply of services in relation to life insurance business shall be,-</p> <table border="1"> <tr> <td>(a)</td> <td>the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such an amount is intimated to the policy holder at the time of supply of service;</td> </tr> <tr> <td>(b)</td> <td>in case of single premium annuity policies other than (a), ten per cent. of single premium charged from the policy holder; or</td> </tr> <tr> <td>(c)</td> <td>in all other cases, twenty five per cent. of the premium charged from the policy holder in the first year and twelve and a half per cent. of the premium charged from the policy holder in subsequent years:</td> </tr> </table>	(a)	the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such an amount is intimated to the policy holder at the time of supply of service;	(b)	in case of single premium annuity policies other than (a), ten per cent. of single premium charged from the policy holder; or	(c)	in all other cases, twenty five per cent. of the premium charged from the policy holder in the first year and twelve and a half per cent. of the premium charged from the policy holder in subsequent years:
(a)	the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of the policy holder, if such an amount is intimated to the policy holder at the time of supply of service;							
(b)	in case of single premium annuity policies other than (a), ten per cent. of single premium charged from the policy holder; or							
(c)	in all other cases, twenty five per cent. of the premium charged from the policy holder in the first year and twelve and a half per cent. of the premium charged from the policy holder in subsequent years:							
<b>Proviso</b>	01.07.2017 to till date	<b>Provided</b> that nothing contained in this sub-rule shall apply where the entire premium paid by the policy holder is only towards the risk cover in life insurance.						

<b>Rule 32(5)</b>	01.07.2017 to till date	Where a taxable supply is Provided by a person dealing in buying and selling of second hand goods i.e., used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on the purchase of such goods, the value of supply shall be the difference between the selling price and the purchase price and where the value of such supply is negative, it shall be ignored:
<b>Proviso</b>	01.07.2017 to till date	<b>Provided</b> that the purchase value of goods repossessed from a defaulting borrower, who is not registered, for the purpose of recovery of a loan or debt shall be deemed to be the purchase price of such goods by the defaulting borrower reduced by five percentage points for every quarter or part thereof, between the date of purchase and the date of disposal by the person making such repossession.
<b>Rule 32(6)</b>	01.07.2017 to till date	The value of a token, or a voucher, or a coupon, or a stamp (other than postage stamp) which is redeemable against a supply of goods or services or both shall be equal to the money value of the goods or services or both redeemable against such token, voucher, coupon, or stamp.
<b>Rule 32(7)</b>	01.07.2017 to till date	The value of taxable services Provided by such class of service providers as may be notified by the Government, on the recommendations of the Council, as referred to in paragraph 2 of Schedule I of the said Act between distinct persons as referred to in section 25, where input tax credit is available, shall be deemed to be NIL.

**4.7.1 Relevant Section of CGST Act 2017- Rule 32**

<b>Section</b>	<b>Particulars</b>
Section 15	Value of taxable supply

**4.8 Value of supply in cases where Kerala Flood Cess is applicable <sup>1</sup>[Rule 32A]**

<b>Rule 32A</b>	01.07.2019 to till date	The value of supply of goods or services or both on which Kerala Flood Cess is levied under clause 14 of the Kerala Finance Bill, 2019 shall be deemed to be the value determined in terms of section 15 of the Act, but shall not include the said cess.]
		<b>Notes</b>

		1. Inserted w.e.f. 01.07.2019 vide <a href="#">Notification No. 31/2019 – Central Tax dated 28.06.2019.</a>
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**4.8.1 Relevant Section of CGST Act 2017- Rule 32A**

Section	Particulars
Section 15	Value of taxable supply

**4.9 Value of supply of services in case of pure agent [Rule 33]**

<b>Rule 33</b>	01.07.2017 to till date	Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely,- <table border="1"> <tr> <td>(i)</td> <td>the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;</td> </tr> <tr> <td>(ii)</td> <td>the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and</td> </tr> <tr> <td>(iii)</td> <td>the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.</td> </tr> </table>	(i)	the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;	(ii)	the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and	(iii)	the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.
(i)	the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;							
(ii)	the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and							
(iii)	the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.							
<b>Explanation</b>	01.07.2017 to till date	For the purposes of this rule, the expression “pure agent” means a person who- <table border="1"> <tr> <td>(a)</td> <td>enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;</td> </tr> <tr> <td>(b)</td> <td>neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;</td> </tr> <tr> <td>(c)</td> <td>does not use for his own interest such goods or services so procured; and</td> </tr> </table>	(a)	enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;	(b)	neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;	(c)	does not use for his own interest such goods or services so procured; and
(a)	enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;							
(b)	neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;							
(c)	does not use for his own interest such goods or services so procured; and							

		<p>(d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.</p> <p><b>Illustration.-</b> Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to the Registrar of Companies. The fees charged by the Registrar of Companies for the registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's recovery of such expenses is a disbursement and not part of the value of supply made by A to B.</p>
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**4.9.1 Relevant Section of CGST Act 2017- Rule 33**

Section	Particulars
Section 15	Value of taxable supply

**4.9.2.1 Circulars - Clarification on issue of GST on Airport levies - [Circular No. 115/34/2019-GST dated 11th October 2019](#)**

**4.10 Rate of exchange of currency, other than Indian rupees, for determination of value [Rule 34]**

<b>Rule 34</b>	01.07.2017 to 26.07.2017	<b>Rate of exchange of currency, other than Indian rupees, for determination of value.-</b> The rate of exchange for the determination of the value of taxable goods or services or both shall be the applicable reference rate for that currency as determined by the Reserve Bank of India on the date of time of supply in respect of such supply in terms of section 12 or, as the case may be, section 13 of the Act.”
	27.07.2017 to till date	<sup>1</sup> [(1) The rate of exchange for determination of value of taxable goods shall be the applicable rate of exchange as notified by the Board under section 14 of the Customs Act, 1962 for the date of time of supply of such goods in terms of section 12 of the Act.  (2) The rate of exchange for determination of value of taxable services shall be the applicable rate of exchange

		determined as per the generally accepted accounting principles for the date of time of supply of such services in terms of section 13 of the Act.]
		1. Substituted rule 34, w.e.f. 27.07.2017 vide. <a href="#">Notification No. 17/2017-Central Tax (Dated 27th July 2017)</a>

**4.10.1 Relevant Section of CGST Act 2017- Rule 34**

Section	Particulars
Section 15	Value of taxable supply

**4.11 Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax.- [Rule 35]**

<b>Rule 35</b>	01.07.2017 to till date	Where the value of supply is inclusive of integrated tax or, as the case may be, central tax, State tax, Union territory tax, the tax amount shall be determined in the following manner, namely,-  Tax amount = (Value inclusive of taxes X tax rate in % of IGST or, as the case may be, CGST, SGST or UTGST) ÷ (100+ sum of tax rates, as applicable, in %)				
<b>Explanation</b>	01.07.2017 to till date	For the purposes of the provisions of this Chapter, the expressions- <table border="1" style="margin-left: 20px;"> <tr> <td>(a)</td> <td>“open market value” of a supply of goods or services or both means the full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and the price is the sole consideration, to obtain such supply at the same time when the supply being valued is made;</td> </tr> <tr> <td>(b)</td> <td>“supply of goods or services or both of like kind and quality” means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and the reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.</td> </tr> </table>	(a)	“open market value” of a supply of goods or services or both means the full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and the price is the sole consideration, to obtain such supply at the same time when the supply being valued is made;	(b)	“supply of goods or services or both of like kind and quality” means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and the reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.
(a)	“open market value” of a supply of goods or services or both means the full value in money, excluding the integrated tax, central tax, State tax, Union territory tax and the cess payable by a person in a transaction, where the supplier and the recipient of the supply are not related and the price is the sole consideration, to obtain such supply at the same time when the supply being valued is made;					
(b)	“supply of goods or services or both of like kind and quality” means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials, and the reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.					

**4.11.1 Relevant Section of CGST Act 2017- Rule 35**

<b>Section</b>	<b>Particulars</b>
Section 15	Value of taxable supply