TRANSACTION VALUE UNDER GST

Section 15- VALUE OF TAXABLE SUPPLY- TRANSACTION VALUE

(1) The value of a supply of goods and/or services shall be the **transaction value**, That is the **price actually paid or payable** for the said supply of goods and/or services where:-

1. the supplier and the recipient of the supply are **not related**
2. and the price is the **sole consideration** for the supply.

(2) The transaction value under sub-section (1) **shall include**:

(a) **Expenditure by Recipient**
any amount that the **supplier is liable to pay** (in relation to such supply)
but which has been **incurred by the recipient** of the supply
and **not included in the price** actually paid or payable for the goods and/or services;

(b) **Goods/ Service by Recipient**
the **value**, (apportioned as appropriate), of **such goods and/or services**
(as are supplied directly or indirectly by the recipient of the supply)
free of charge or at reduced cost for use in connection with the supply of goods and/or services being valued,
to the extent that such value has **not been included in the price** actually paid or payable;

(c) **royalties and license fees to be paid by Recipient**
(related to the supply of goods and/or services being valued)
that the **recipient of supply must pay**, either directly or indirectly, as a condition of the said supply,
to the extent that such royalties and fees are **not included in the price** actually paid or payable;

(d) **Taxes Other Than GST**
any taxes, duties, fees and charges levied under any statute other than
the SGST Act or
the CGST Act or
the IGST Act;

(e) **Expenses charged by Supplier**
incidental expenses, such as, commission and packing,
charged by the supplier to the recipient of a supply, including
any **amount charged for anything done** by the supplier in respect of the supply of goods and/or services at the time of, or before delivery of the goods or, as the case may be, supply of the services;

(f) **subsidies** provided in any form or manner, **linked to the supply**;

(g) any **reimbursable expenditure** or cost incurred by or on behalf of the supplier and charged in relation to the supply of goods and/or services;

(h) **Post Supply Discount/ Incentives**
any **discount or incentive** that may be allowed after the supply has been effected:
Provided that
such post-supply discount which is established **as per the agreement and**

is known at or before the time of supply
and specifically linked to relevant invoices
shall **not be included** in the transaction value.

(3) The transaction value under sub-section (1) shall not include any discount allowed before or at the time of supply provided such discount is allowed in the course of normal trade practice and has been duly recorded in the invoice issued in respect of the supply.

(4) The **value** of the supply of goods and/or services **in the following situations** which cannot be valued under sub-section (1), **shall be determined** in such manner as may be prescribed in the **rules**.

(i) the **consideration**, whether paid or payable, is **not money**, wholly or partly;
(ii) the supplier and the recipient of the supply are **related**;
(iii) there is **reason to doubt** the truth or accuracy of the transaction value declared by the supplier;
(iv) business transactions undertaken by a pure agent, money changer, insurer, air travel agent and distributor or selling agent of lottery;
(v) such other **supplies as may be notified** by the Central or a State Government in this behalf on the recommendation of the Council.

(28) "consideration" in relation to the supply of goods and/or services to any person, includes

(a) any **payment made or to be made**, (whether in money or otherwise), in respect of, in response to, or for the inducement of, the supply of goods and/or services, whether by the said person or by any other person;

(b) the **monetary value of any act or forbearance**, whether or not voluntary, in respect of, in response to, or for the inducement of, the supply of goods and/or services, whether by the said person or by any other person:

Provided that a deposit, whether refundable or not, given in respect of the supply of goods and/or services shall not be considered as payment made for the supply unless the **supplier applies the deposit as consideration** for the supply;