**FAQs On Goods & Services Tax**

**6. Valuation in GST**

**Q 9. Whether pre-supply discounts allowed before or at the time of supply are includible in the transaction value?**

Ans. No, provided it is allowed in the course of normal trade practice and has been duly recorded in the invoice.

**Q 10. When are Valuation Rules applicable?**

Ans. Valuation Rules are applicable when

(i) Consideration not in money terms;

(ii) parties are related or supply by any specified category of supplier;and

(iii) transaction value declared is not reliable.

**Q 11. What are the reasons for doubting transaction value declared?**

Ans. The reasons have been indicated in Rule 7(b) of the draft GST Valuation Rules. It is:-

1. comparable supplies are at significantly higher value;
2. transaction is at significantly lower or higher than market value of supplies; and
3. misdeclaration in parameters like description, quantity, quality, year of make etc.

The list is indicative and not exhaustive.

Source:http://cbec.gov.in/resources//htdocscbec/deptt\_offcr/faqongst.pdf;jsessionid=825C7C194F0FC0652FFE5A809FE81F69

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