

Rule 28 : Value of supply of goods or services or both between distinct or related persons, other than through an agent

¹[(1)] 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 open market value is not available, be the value of supply of goods or services of like kind and quality;
- (c) if value is not determinable under clause (a) or (b), be the value as determined by application of rule 30 or rule 31, in that order:

Provided that where 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:

Provided further 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 goods or services.

²[(2)] Notwithstanding anything contained in sub-rule (1), the value of supply of services by a supplier to a recipient who is a related person ³[located in India], 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 ⁴[per annum], or the actual consideration, whichever is higher.]

⁵[**Provided** that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the value of said supply of services.]

¹ Re-numbered as sub-rule (1) by Noti. No. 52/2023-Central Tax, dt. 26-10-2023 w.e.f. 26-10-2023.

² Sub-rule (2) inserted by Noti. No. 52/2023-Central Tax, dt. 26-10-2023 w.e.f. 26-10-2023.

³ Inserted by Noti. No. 12/2024-Central Tax, dt. 10-07-2024 w.e.f. 26-10-2023.

⁴ Inserted by Noti. No. 12/2024-Central Tax, dt. 10-07-2024 w.e.f. 26-10-2023.

⁵ Proviso inserted by Noti. No. 12/2024-Central Tax, dt. 10-07-2024 w.e.f. 26-10-2023.