

**No.402/90/2006-MC (16 of 2010)**  
**Government of India / Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

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New Delhi the 16<sup>th</sup> April 2010

PRESS RELEASE

The Central Board of Direct Taxes (CBDT) have notified the rules relating to determination of fair market value of property, other than immovable property – viz. jewellery; archeological collections, drawings, paintings, sculptures or any work of art; and shares and securities – for the purposes of section 56 of the Income Tax Act 1961.

The fair market value of jewellery shall be its invoice value if transferred consequent to purchase, or the value it would fetch if sold in the open market, or the value determined by a registered valuer in case its value exceeds rupees fifty thousand.

The fair market value of archeological collections, drawings, paintings, sculptures or any work of art also, the fair market value shall be its invoice value if transferred consequent to purchase, or the value it would fetch if sold in the open market, or the value determined by a registered valuer in case its value exceeds rupees fifty thousand.

The fair market value of shares / securities shall be as follows -

- (i) Quoted shares / securities: transaction value if transferred through a recognized stock exchange; or if the transfer is other than through a recognized stock exchange lowest quoted value on the date of transfer, or the lowest quoted value on the date traded immediately preceding the date of transfer if not traded on that date.
- (ii) Unquoted equity shares: value arrived at by dividing the amount of book assets reduced by book liabilities with the paid up equity capital and multiplying the resultant with paid up value of equity shares.
- (iii) Unquoted shares and securities other than equity shares: price it would fetch if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of such valuation.

The law relating to taxation of gifts u/s 56 was amended with effect from 1<sup>st</sup> October 2009 to include property other than cash. These rules lay down the procedure for valuation assets received as gifts. [Ref. CBDT Press Release 21 of 2009 dated 30<sup>th</sup> September 2009.]

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