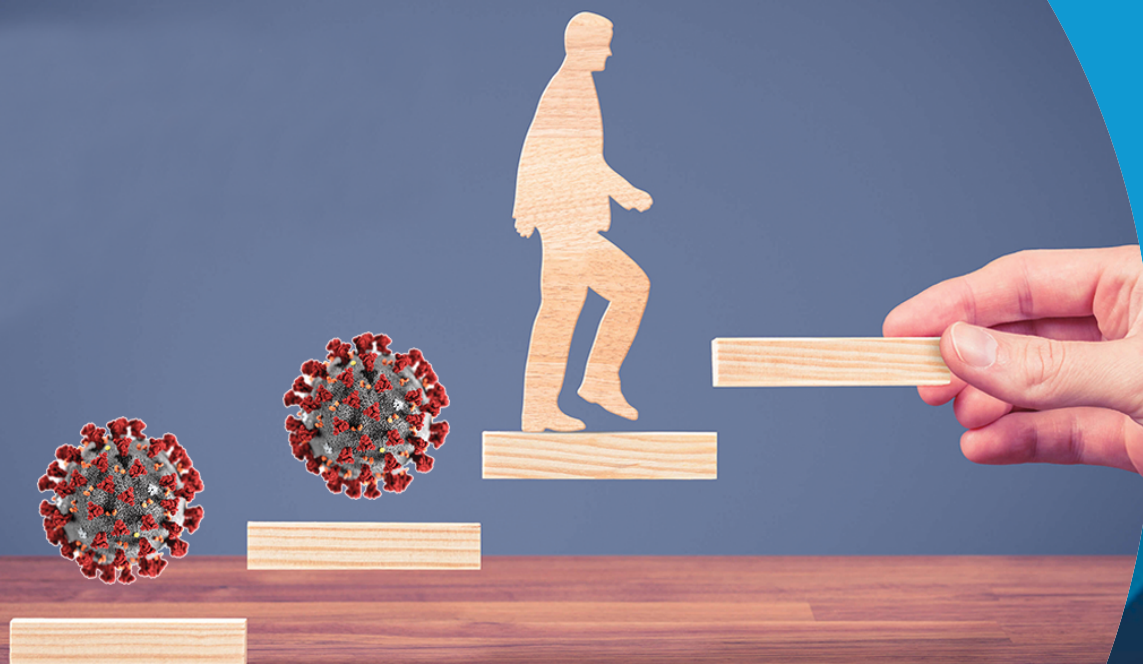


LOOKING AHEAD WITH HOPE

Leadership During  
**COVID-19** Crisis



# RoDTEP (Remission of Duties and Taxes on Exports Products)

## Applicable w.e.f. 01.01.2021

The Cabinet Committee on Economic Affairs has given its approval for introducing a new Scheme namely **Remission of Duties and Taxes on Exported Products (RoDTEP)**. Under such a scheme, reimbursement of such taxes/duties/levies, paid at the central/ state/ local level, shall be refunded which is not refunded in any other mechanism.

This scheme would boost the domestic industry and will make the Indian product competitive in the International market in terms of cost as domestic taxes/duties are not being exported.

As per press release by the Ministry of Finance dated 31st December, 2020, the scheme shall be implemented from January 1, 2021 and will replace the existing MEIS scheme.

### 1. MEIS (Merchandise Export from India Scheme)/ SEIS (Service export from India Scheme)

MEIS and SEIS were two export benefits given in Foreign Trade Policy ("FTP") 2015-2020 and it was introduced to promote manufacturing and exporting of notified products and services from India.

Under MEIS and SEIS, exporters were provided with "Duty Credit Scripts" and such scripts could be utilised for the payment of specified taxes or could be transferred to any other person. Different percentages were prescribed for different categories of Goods and different countries. The MEIS Scheme was set to expire in March 2020. However, it got extended till March 2021 due to the [COVID-19 pandemic](#).

### 2. Features of RoDTEP Scheme

Following are the Key features of RoDTEP Scheme which will benefit the exporters of India:

1. Under RoDTEP scheme, exporters will be provided refund of all the duties and taxes cost incurred with respect to exported goods such as GST, Custom Duty, taxes paid on fuels etc.
2. Through RoDTEP, cost of product shall reduce and Indian product shall become competitive in international market.
3. The reward would be computed as a percentage of the Freight on Board (FOB) value of exports and it shall be granted in the form of scripts.
4. This scheme shall create a level playing field for exporters in the International market and also boost employment opportunities in export-oriented manufacturing industries.

### 3. Benefits available under RoDTEP Scheme

- The items to be covered under RoDTEP scheme and rate of reward is to be determined by the inter-ministerial Committee. Reward shall be granted by issuing **transferable duty credit/electronic script** and an electronic credit ledger shall be maintained of such scripts. The scheme will be implemented with end-to-end digitization in the line with "Digital India".
- The refunds under the RoDTEP scheme would be a step towards "**zero-rating**". Further, similar to MEIS, an exporter can claim both Duty drawback/refund and benefit under RoDTEP Scheme.
- Reward would be given in a percentage of the FOB value in form of scripts. Reward will be notified on the basis of the Revised ITC (RITC) codes, Hence the exporters would not be required to declare any separate code or schedule serial number for RoDTEP.

### 4. Applicability of RoDTEP Scheme and Rate of rewards

As per press release, RoDTEP scheme shall be implemented with effect from 1st January 2021.

Further, as per press release dated 1st January, 2021, following issues shall be notified shortly based on the recommendations of appointed committee:

- The details of export goods (tariff lines) eligible for RoDTEP scheme.
- Applicable RoDTEP rate, value caps (wherever applicable) on such eligible goods/tariff lines.
- The excluded category of exports
- Other conditions and restrictions
- The procedural details for grant of RoDTEP duty credit, and utilisation thereof.

The benefits of RoDTEP shall be available from 1st January, 2021, even if the rates and other details are prescribed later.

## 5. Procedure of submission of claim and processing of the claim

### 5.1 Declaration in Shipping Bill

- As per document issued by CBIC, an exporter who intends to avail RoDET scheme shall declare his intention in the shipping Bill itself. With effect from 01.01.2021, it has been made mandatory for all the exporters to make such declaration.
- Upon finalisation of the RITC Codes list, the system will automatically process the reward. Please note that no changes in the claim will be allowed after the filing of the EGM.
- Unlike Drawback, there are no separate serial numbers given for claiming RoDTEP.
- If exporters do not claim benefit of RoDTEP scheme in Shipping bill, then he shall not be provided with the benefit even though he is exporting eligible goods.
- There are some checks built in the System to disallow RoDTEP benefit where the benefit of certain other schemes like Advance Authorization, EOU, Jobbing etc. has been availed.

### 5.2 Manner of declaration in Shipping bill

INFO TYPE	DTY
INFO QFR	RDT
INFO CODE	RODTEPY -If RoDTEP is availed. RODETEPN -If RoDTEP not availed
INFO MSR	Quantity of the items in Statistical UQC as per Customs Tariff Act for that item RITC
INFO UQC	UQC for the Quantity indicated above

Declaration in Shipping Bill shall be made in the following manner:

STATEMENT TYPE	DEC
STATEMENT CODE	Rd001

- The exporters have to make following declarations in the **SW-INFO-TYPE Table** of the Shipping Bill for each item as under
- For every item where RoDTEPY Is claimed, a declaration has to be submitted in the statement. Table of the Shipping Bill as below:

Submission of the relevant statement code means that exporter has made necessary declaration from his part that undertakes that the following:-

- a. He will abide by the provisions, conditions, restrictions and time limits prescribed under the scheme.
- b. He does not make claim in respect of duties or taxes which are remitted/exempted/credited under any scheme other than RoDTEP
- c. He shall make available relevant documents for the purpose of audit.

### 5.3 Processing of Claim under RoDTEP

- Upon filing declaration in the Shipping bill, system will automatically compute the reward under the RoDTEP Scheme.
- Once the EGM is filed, all shipping bills shall be sent to Risk Management System ("RMS") and on the basis of Risk based targeting by RMS, all shipping bills with RoDTEP and/or Drawback claim will either go to the officer for processing or will directly be facilitated to scroll queue without any officer intervention.
- Once the shipping bill is processed for DBK and/or RoDTEP either by the officer or as per facilitation by RMS, it will move to the respective scroll queues.
- In case a suspension is placed on any exporter/Shipping Bill for Drawback, the same will also be applicable for the purpose of scrolling out of RoDTEP benefits.

### 5.4 Claiming of Credits and Generation of Credit Scrips

- Once the RoDTEP scroll is generated, the exporter can login his account at ICEGATE and convert such scrolls to the credit scrips.
- The exporter will be able to club the credits allowed for any number of Shipping Bills at a port and generate a credit scrip for the same on ICEGATE portal.
- Once the Scrips are generated, the same will reflect in the exporter's ledger and will be available for utilization or for transfer to any other entity having IEC and a valid ICEGATE registration.

### 5.5 Utilisation of Scrips in Imports

- a. These scrips can be used for the payment of taxes as would be notified by CBIC.
- b. The owner of the scrip (either the original exporter or subsequent buyer) will be able to use the scrip in the same way as any other duty credit scrips can be used.
- c. An option to suspend any RoDTEP scrip will also be made available with the Customs officer once the scroll generation is enabled. If a scrip is under suspension, its utilization or transfer will not be allowed by the System.



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