

Remission of Duties & Taxes on Exported Products (RoDTEP) Scheme



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With reference press note dated 31.12.2020 issued by CBIC on the new RoDTEP scheme being operationalized from 01.01.2021. Necessary changes in the System have also been made to accept and process RoDTEP claims. This scheme is going to give a boost to the domestic industry and Indian exports providing a level playing field for Indian producers in the International market so that domestic taxes/duties are not exported. Further, The Scheme will be implemented with end-to-end digitization.

The rebate would be claimed as a percentage of the Freight on Board (FOB) value of exports.

Notification from Director General of Foreign Trade (DGFT) and Ministry of Finance (MoF) still awaited.

WHO IS ELIGIBLE FOR THE SCHEME?

- The Scheme will enclose all sectors (including textiles), with priority given to labour-intensive sectors which are enjoying benefits under MEIS Scheme at 2%, 3% or 5% of the export value.
- Both merchant exporters (traders) and manufacturer exporters are eligible
- There is no minimum turnover criteria to claim RoDTEP
- Goods exported through e-commerce platforms via courier are also eligible.
- Country of origin of the exported products should be India, re-exported products are not eligible.

BROAD PROVISIONS ARE AS UNDER:

- To avail the scheme exporter shall make a claim for RoDTEP in the shipping bill by making a declaration.
- Once export general manifest (EGM) is filed, claim will be processed by Customs.
- Once processed a scroll with all individual Shipping Bills for admissible amount would be generated and made available in the users account at ICEGATE,
- User can create RoDTEP credit ledger account under Credit Ledger tab. This can be done by IECs who have registered on ICEGATE with a DSC.
- Exporter can log in into his account and generate scrip after selecting the relevant shipping bills.

BENEFITS:

- The RoDTEP scheme would refund the embedded central, state and local duties/ taxes that were so far not being rebated/ refunded.
- The refund would be credited in an exporter's ledger account with Customs and used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers just like MEIS/SEIS scrips.

OTHER IMPORTANT POINTS:

- The scheme does not extend to the export of services – No rationale/ reasoning. Only exporters exporting goods under Duty DBK and Spl. Adv. Authorization scheme are eligible.
- No separate Code or Serial Number is needed for taking the benefit of the scheme. RITC code given in the shipping bill will suffice.

- ❑ **Ineligible categories:** Exports by SEZ, EOUs, Advance Authorisation, Jobbing etc. Certain ineligible categories for MEIS may also be brought under the ineligible goods for RODTEP. However, clarification in this regard is awaited. However, clarification dated 15th January 2021 by SEZ Division, Department of Commerce provided that if an SEZ unit files shipping bill under RoDTEP scheme, the same would be allowed after mentioning the following in the remarks column:

COMPARISON BETWEEN MEIS AND RODTEP

Detail	MEIS	RoDTEP
Schema of Incentive	Additional Incentive on Exports of goods apart from other refunds and drawbacks available on undertaking the said exports.	Refund of Indirect taxes on Inputs used in the manufacture of exported product which is not being currently reimbursed by any other existing schemes.
WTO Compliance	Non-Compliant with WTO trade norms	Compliant with WTO trade norms
Incentive Percentage	2% to 5% of FOB value of Exports.	Product-based % – [To be notified later]
Mode of Issuance	Issuance in the form of transferable scrips (Hard copy/ downloadable)	Issuance in the form of transferable duty credit/ electronic scrip which will be maintained in electronic ledger.

Below is a detailed explanation on the provisions enabled in System in relation to the new scheme:

1. CLAIM IN THE SHIPPING BILL:

- With effect from, it is mandatory for the exporters to indicate in their Shipping Bill whether or not they intend to claim RoDTEP on the export items. This claim is mandatory for the items (RITC codes) notified under the new scheme. Since the final list of RITC codes eligible for RoDTEP scheme and the corresponding rates are yet to be notified by the Government, this declaration has been made mandatory for all items in the Shipping Bill starting 01.01.2021.
- Unlike Drawback, there is no separate serial numbers based on a schedule for claiming RoDTEP. RoDTEP rates will be notified as per the RITC Code and therefore, there will be no need to declare any separate code or schedule serial number for RoDTEP.
- The exporter will have to make following declarations in the SW_INFO_TYPE Table of the Shipping Bill for each item:
 - INFO TYPE = DTY
 - INFO QFR = RDT
 - INFO CODE = RODTEPY - If RoDTEP is availed RODTEPN - if not availed.
 - INFO MSR = Quantity of the items in Statistical UQC as per the Customs Tariff Act for that item RITC INFO
 - UQC = UQC for the Quantity indicated in INFO_MSR
 - Additionally, for every item where RODTEPY is claimed in INFO CODE, a declaration has to be submitted in the Statement Table of the Shipping Bill as below.

- ❑ STATEMENT TYPE = DEC
- ❑ STATEMENT CODE = RD001

Submission of the above statement code for RoDTEP availed items would indicate that the exporter has made the necessary declaration as enclosed in Annexure, while claiming RoDTEP benefit.

- It may be noted that if RODTEPY is not specifically claimed in the Shipping Bill, no RoDTEP would accrue to the exporter.
- Even though the items and rates are not notified the Government for RoDTEP yet, the exporters must indicate their intent for claim at the time of Shipping Bill filing itself.
- Once the rates are notified, System would automatically calculate the RoDTEP amounts for all the items where RODTEPY was claimed. No changes in the claim will be allowed after the filing of the EGM.
- 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. While some checks have been built in within the System at the time of filing the Shipping Bill, it is assumed that if the exporter (or the authorized Customs Broker) has submitted the statement as mentioned in para 2(b) with the Shipping Bill, the claim to RoDTEP has been made with the undertaking that no undue benefit would be availed.

2. PROCESSIN OF CLAIM:

- Based on the declarations as per Para I above, System will be processed the eligible RoDTEP.

- The Shipping Bills with RoDTEP and/or Drawback claim will now be routed for officer intervention based on Risk based targeting by RMS. All the Shipping Bills will be sent to RMS after the EGM is filed. Based on the input by RMS, Shipping Bills will either come to officer for processing of RoDTEP/DBK benefits or will directly be facilitated to the 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.

3. GENERATION OF SCROLL:

- Options have been made available in System for officers to generate RoDTEP scrolls. However, till the final rates are notified by the Government, these options will remain disabled in System.
- Once the scroll is generated, the respective amounts would be available with the exporter as credits on the ICEGATE portal.

4. CLAIMING OF CREDITS AND GENERATION OF CREDIT SCRIPS:

- Once the RoDTEP scroll is generated, the credits allowed will be available within their ICEGATE login of the exporter to claim and convert into a credit scrips. In case the exporters have not registered on ICEGATE already with their digital signatures, they may refer to this advisory ([v1.2_Advisory_Registration_APPROVED.pdf](#) (icegate.gov.in)) and complete registration in order to avail the benefits of RoDTEP.

- 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. Scrips once generated will reflect in the exporter's ledger and will be **available for utilization** in paying eligible duties during imports **or for transfer to any other entity having IEC and a valid ICEGATE registration**. A detailed advisory for the benefit of the exporter on the scrip generation, ledger maintenance and transfer facilities will be published soon on ICEGATE. These facilities will be made available once the final RoDTEP rates are notified and scroll generation is enabled.

5. UTILIZATION OF SCRIPS IN IMPORTS:

- These scrips can be used for the payment of import duties as would be notified by CBIC.
- The owner of the scrip (either the original exporter beneficiary or any other IEC to whom the scrip was transferred on ICEGATE portal) will be able to use the scrip in the Bills of Entry the same way as any other duty credit scrips issued by DGFT, by giving the details in the license table of the Bill of Entry. The scheme code to be used for these scrips would be "RD" along with the applicable Notification Number.
- 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 System.

As of now the users can log into their ICEGATE account and create the RoDTEP Credit Ledger Account, as scrip generation provision will be made functional on the issuance corresponding notification by the department and availability of the budget.

Annexure:

Annexure 1: ICEGATE has issued advisory to all users for registering at ICEGATE.
https://www.icegate.gov.in/Download/v1.2_Advisory_Registration_APPROVED.pdf

Annexure 2: Complete step-by-step guide for the user to create a RoDTEP credit ledger account, generate scrips and transfer the scrips to any other IEC.
https://icegate.gov.in/Download/RoDTEP_Advisory-v3.0.pdf

Annexure 3: Implementation of RoDTEP Scheme in Customs Automated System – Declarations in Shipping Bill and further processing:
https://icegate.gov.in/Download/RoDTEP_Advisory-v3.0.pdf (page 15-17)

Annexure 4:

DECLARATION TO BE FILED AS PART OF SHIPPING BILL OR BILL OF EXPORT FOR EXPORT OF GOODS UNDER RoDTEP SCHEME

“I/We, in regard to my/our claim under RoDTEP scheme made in this Shipping Bill or Bill of Export, hereby declare that:

1. I/ We undertake to abide by the provisions, including conditions, restrictions, exclusions and time- limits as provided under RoDTEP scheme, and relevant notifications, regulations, etc., as amended from time to time.
2. Any claim made in this shipping bill or bill of export is not with respect to any duties or taxes or levies which are exempted or remitted or credited under any other mechanism outside RoDTEP.
3. I/We undertake to preserve and make available relevant documents relating to the exported goods for the purposes of audit in the manner and for the time period prescribed in the Customs Audit Regulations, 2018.”