

In brief

Remission of Duties and Taxes on Exported Products – New scheme introduced which shall refund embedded Central, State and Local duties/ taxes /levies which are not refunded under any other duty remission schemes



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Remission of Duties and Taxes on Exported Products

[Press Note dated 31.12.2020](#) and [Public Notice No. 01/2021 dated 01.01.2021](#)

The Scheme for Remission of Duties and Taxes on Exported Products (**RoDTEP**) was announced by Government in September 2019. To boost exports, the Government has decided to extend the benefit of the RoDTEP scheme to all goods exported with effect from 1st January 2021. The Scheme would refund to exporters the embedded Central, State and Local duties/taxes/levies which are not refunded under any other duty remission schemes.

The above Public Notice provides detailed explanation on the provisions enabled in the System in relation to the Scheme including the methodology for online declaration and claim.

While the RoDTEP rates would be notified shortly by the Ministry of Commerce, **it is mandatory for the exporter to declare his intention to avail the benefit under the Scheme by indicating so in their Shipping Bills.** This claim is mandatory for the items (RITC codes) notified under the Scheme. Since the final list of RITC codes eligible for the 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 1st January 2021.

Unlike Drawback, there is no separate serial number 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.

If RoDTEP is not specifically claimed in the Shipping Bill, no benefit shall accrue to the exporter. No changes in the claim will be allowed after the filing of the Export

In brief

RoSL scheme will be implemented by DGFT in duty scrip mode

General Manifest (EGM).

RoDTEP benefit will not be available where benefits like Advance Authorization, EOU, jobbing, etc. are availed. Exporters will be required to file declaration as part of Shipping Bill or Bill of Export.

The refund would be credited in an exporter's ledger account with Customs and can be used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers.

Rebate of State Levies

[Notification No. 37/2015-2020 dated 06.10.2020](#)

The notification amends Foreign Trade Policy 2015-2020 (FTP) with effect from 6th October 2020 to insert the following provision relating to issue of scrips under the scheme for Rebate of State Levies (RoSL):

4.01(d) [Insertion of a new Paragraph] – Scheme for RoSL, as notified in para 6.3 of Ministry of Textiles Notification No. 14/26/2016-IT (Vol-II) dated 07.03.2019 and as amended vide Notification No. 12015/11/2020-TTP dated 09.06.2020 will be implemented by the DGFT in scrip mode, for which procedure will be laid down separately.

Para 6.3 reads as under:

“DGFT would be issuing the Duty Credit Scrips for RoSL also over and above the budget provision for the shipments made prior to 07.03.2019 only. The allocation of RoSL over and above budget provision for issuing scrips, would be provided by the Department of Revenue for such old cases which could not be disbursed due to budget limitation.”

[Public Notice No. 25/2015-2020 dated 13.10.2020](#) and [Circular No. 49/2020-Customs dated 03.11.2020](#)

The public notice seeks to make amendment in the Handbook of Procedures 2015-2020 (HoP) as under:

4.97 – Procedure to apply for scrip under the Scheme for RoSL

4.98 – Recovery Mechanism

The paragraphs inserted lays down the procedure for making application for issuance of scrip under RoSL scheme and the recovery mechanism. It also notifies the new Aayat-Niryat Form ANF- 4SL. Further, it mentions that RoSL scrips would be available only for those shipping bills which have been transmitted from the ICEGATE server to DGFT server and for which exporters have not received RoSL amount.

In brief

Exemption to goods imported under RoSL

Extension of validity of RoSCTL scheme

Registration of AD/IFSC Code on ICEGATE

Nhava Sheva assigned as Facilitation Helpdesk

Services on DGFT portal to be paperless, digital, efficient, and transparent

The RoSL scrips can be utilised for payment of duties of Customs and Central Excise. These scrips will be freely transferrable.

[Notification No. 38/2020 dated 21.10.2020](#)

The Central Government hereby exempts goods, when imported into India against a duty credit scrip issued by the Regional Authority under the RoSL scheme on export of garments and made-ups in accordance with paragraph 4.01(d) of the FTP read with paragraphs 4.97 and 4.98 of the HoP from –

- a) the whole of the duty of customs leviable thereon under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (Customs Tariff Act); and
- b) the whole of additional duty leviable thereon under sub sections (1), (3) and (5) of section 3 of the said Customs Tariff Act.

The exemption shall be subject to the conditions as notified in the notification.

Rebate of State and Central Levies and Taxes

[Notification No. 36/2020 dated 05.10.2020](#)

The Notification amends Notification No. 13/2020 dated 05.10.2020 extending the Rebate of State and Central Levies and Taxes (**RoSCTL**) scheme validity from **31st March 2020 to 31st March 2021 or until such date that the RoSCTL scheme is merged with the RoDTEP scheme, whichever is earlier.**

Notification No. 13/2020 dated 05.10.2020 exempts goods, when imported into India against a duty credit scrip, issued by the Regional Authority under the RoSCTL scheme.

Miscellaneous

[Public Notice No. 130 dated 07.10.2020](#)

The Notice provides step by step process for registration of Authorised Dealer/ IFSC Code online on ICEGATE portal for exporters under Bank Account Management module.

[Public Notice No. 132 dated 13.10.2020](#)

The Notice provides that the Turant Suvidha Kendra (TSK) at Nhava Sheva will act as “Facilitation Helpdesk” for any grievance related to clearances of the Bill of Entry filed in the port.

[Trade Notice No 33/2020 dated 28.10.2020](#)

The Notice provides that all the services to the exporter/ importer through existing website <https://dgft.gov.in> shall be paperless, digital, efficient, and transparent adding

In brief

Relaxations provided to MSME while applying for AEO accreditation

Unit registered under MOOWR, 2019 can send goods for job work, can undertake job work for other units and can procure capital goods and inputs from SEZ/FTWZ

to overall goal of trade facilitation and Digital India.

The online process relating to entire lifecycle of Advance Authorization, Export Promotion Capital Goods Scheme, Duty Free Import Authorisation Scheme and their paperless Export Obligation Discharge, Norms Fixation, Free Sale and Commerce Certificate, etc. shall be rolled out soon.

The new system will have a two-way communication between DGFT and exporter/importer and would allow them to apply, monitor the status of application and reply to queries, etc. online.

[Circular No. 54/2020-Customs dated 15.12.2020](#)

In line with Prime Minister's Aatma Nirbhar Bharat Abhiyaan to support the MSMEs against the challenges of the COVID-19 pandemic, the CBIC has examined the difficulties faced by MSMEs while applying for Authorised Economic Operator (AEO) accreditation. Accordingly, the Board has decided to facilitate MSMEs by further relaxing the current accreditation process and reducing the compliance burden for their AEO accreditation.

[Circular No. 48/2020-Customs dated 27.10.2020](#)

The Circular provides clarification on the following points:

- a) the goods that are eligible to be sent for job work and the procedure to be followed for removal of goods for job work by Section 65 unit under Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR, 2019).
- b) whether Section 65 unit can itself carry out job work for other units and procedure thereon.
- c) there are no restrictions imposed on Section 65 unit for sourcing of capital goods or inputs from Special Economic Zones (SEZ)/ Free Trade & Warehousing Zones (FTWZ) if they follow applicable procedures.

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Key Take Away

- RoDTEP scheme is introduced with effect from 1st January. It shall refund embedded Central, State and Local duties/ taxes /levies which are not refunded under any other duty remission schemes.
- It is mandatory for the exporter to declare his intention to avail the benefit under the RoDTEP scheme by indicating so in their Shipping Bills.
- The refund under RoDTEP scheme would be credited in an exporter's ledger account with Customs and can be used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers.
- Scheme for Rebate of State Levies (RoSL) will be implemented by the DGFT in scrip mode. The scrips can be used for payment of duties of Customs and Central Excise. These scrips will be freely transferrable.

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