

Scheme for Remission of Duties and Taxes on Exported Products

The Department of Commerce has notified Remission of Duties and Taxes on Export Products Scheme ('RoDTEP Scheme' / 'Scheme'), Guidelines and Rates vide [Notification No: 19/2015-2020 New Delhi, dated 17th August 2021](#). The Scheme has been incorporated in Chapter 4 of the existing Foreign Trade Policy 2015-2020 ('FTP').

The Scheme replaces the existing MEIS Scheme with the objective to reimburse various central and state duties, taxes, levies imposed on input products used in export products which do not get exempted or refunded under any other existing scheme

The salient features of the Scheme are:

1. The Scheme is effective for exports from 1st January 2021.
2. The Scheme aims to refund duties/ taxes/ levies, at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes/ levies in respect of distribution of exported product, that are currently not refunded.
3. A rebate would be either granted at a notified rate as a percentage of FOB value with a value cap per unit of the exported product or a fixed quantum per unit. The rates of rebate/ value cap per unit have been notified in [Appendix 4R](#) of FTP and shall be reviewed/ revised annually.
4. The rebate shall be allowed subject to receipt of sale proceeds within time allowed under the FEMA regulations.
5. The rebate shall be granted in the form of a transferable duty credit/ electronic scrip (e-scrip). The e-scrips would be used for payment of Basic Customs Duty only and not any other taxes viz. IGST, Social Welfare Surcharge, etc.
6. The necessary rules and procedures are yet to be notified including the provisions for recovery of rebate amount where foreign exchange is not realized, suspension/ withholding of RoDTEP in case of frauds and misuse, or imposition of penalty. Safeguards relating to Drawback Schemes and IGST refunds on account of exports would also be applicable to RoDTEP Scheme.
7. The following categories of exports/ exporters shall not be eligible for rebate under RoDTEP Scheme:
 - i. Export of imported goods covered under paragraph 2.46 of FTP
 - ii. Exports through trans-shipment, meaning thereby exports that are originating in third country but trans-shipped through India

- iii. Export products which are subject to Minimum export price or export duty
- iv. Products which are restricted for export under Schedule-2 of Export Policy in ITC (HS)
- v. Products which are prohibited for export under Schedule-2 of Export Policy in ITC (HS)
- vi. Deemed Exports
- vii. Supplies of products manufactured by DTA units to SEZ/FTWZ units
- viii. Products manufactured in EHTP and BTP
- ix. Products manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962)
- x. Products manufactured or exported in discharge of export obligation against an Advance Authorization or Duty-Free Import Authorization or Special Advance Authorization
- xi. Products manufactured or exported by an EOU
- xii. Products manufactured or exported by any of the units in FTZ or EPZ or SEZ
- xiii. Products manufactured or exported availing the benefit of the Notification No. 32/1997- Customs dated 1st April 1997.
- xiv. Exports for which electronic documentation in ICEGATE EDI has not been generated/ exports from non-EDI ports
- xv. Goods taken into use after manufacture.

Inclusion of exports made by categories mentioned in clauses (x), (xi) and (xii) above and RoDTEP rates for export items under such categories would be decided based on the recommendations of the RoDTEP Committee.

8. For the purposes of audit and verification, the exporter would be required to keep records substantiating claims made under the Scheme. A monitoring and audit mechanism with an IT based Risk Management System would be put in place to physically verify the records of the exporters on sample basis.
9. Issues related to the Scheme arising subsequently shall be considered by an RoDTEP Policy Committee chaired by the DGFT and comprising members of Department of Commerce and Department of Revenue, whose decisions would be binding.

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