



# RoDTEP

## EXIM MANAGEMENT SERVICES

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OUR BRANCHES – MUMBAI, NASIK & AHMEDABAD





## RoDTEP- Overview

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The RoDTEP Scheme came into existence because the USA filed a complaint against India at the World Trade Organization (WTO). USA argued that export subsidies like the [MEIS scheme](#) given by GOI give undue benefits to Indian exporters and it is against the WTO rules. Consequently, India lost the case at WTO, and the ruling was in favor of the USA. It meant that now India had to stop the MEIS scheme and come up with a new WTO compliant scheme to help Indian exporters. Hence, the Finance Minister in her Budget Speech on 1st February 2020 had announced that Scheme for Remission of duties and taxes on export products would be launched. Consequently, the RoDTEP Scheme was approved by the Union Cabinet on 13th March 2020 and it came in effect from 1st January 2021 and will be until 2025.



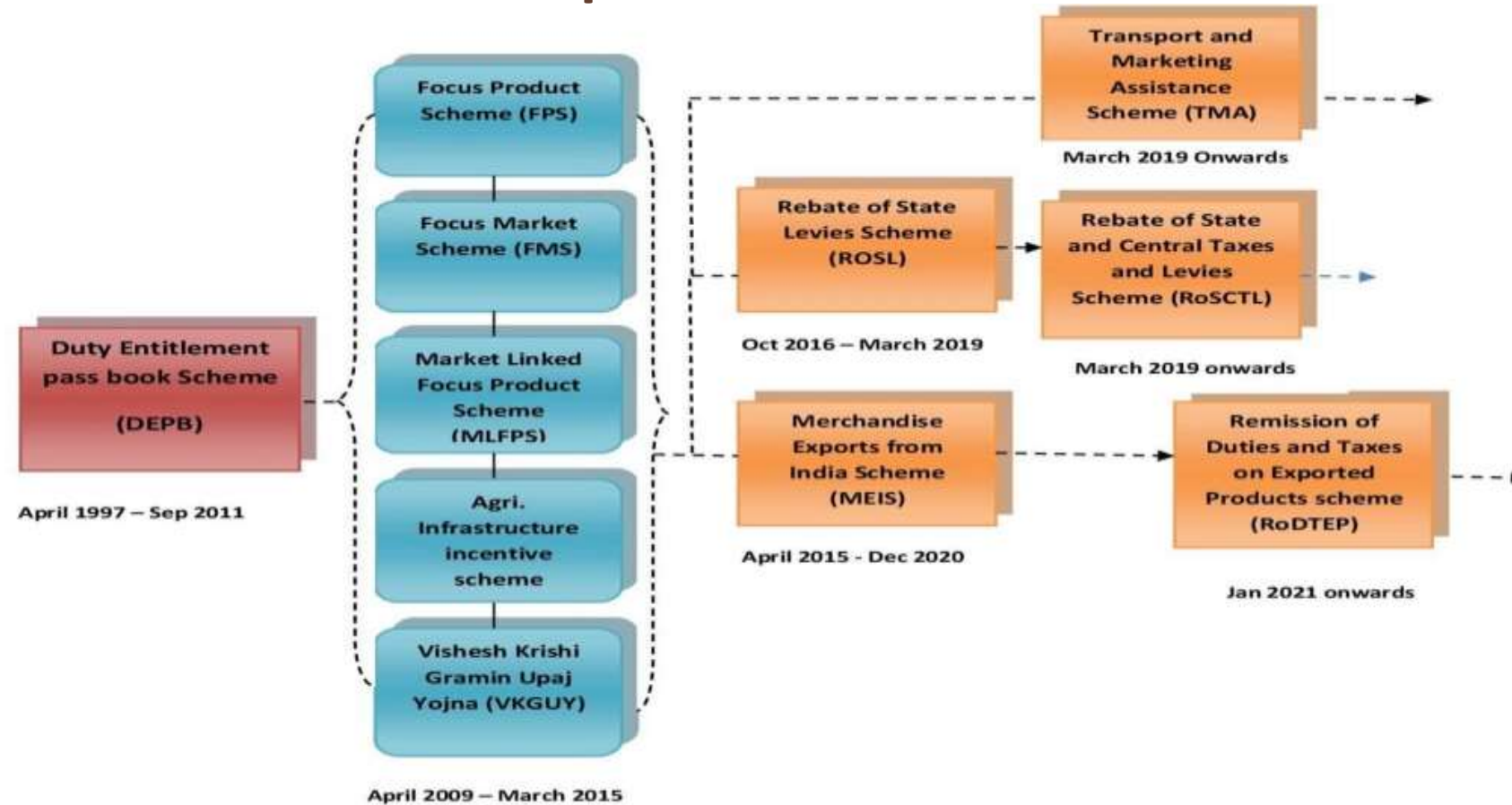


## What is RoDTEP Scheme

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The exporters can get the refund of embedded central, state and local duties or taxes that were not getting refunded under any of the existing scheme under RoDTEP Scheme. It is expected that the scheme will significantly impact India's competitiveness in international market in next 5 to 10 years and would work on the principle that taxes/duties should not be exported, It should either be exempted or remitted to exporters. Implementation of RoDTEP will be done by the customs. On 17th August 2021 Government released the guidelines and benefit rates under RoDTEP Scheme for 8555 tariff lines. The rebate rate varies from 0.5% to 4% on FOB value with a cap on value per unit on products where it is required. Below is a diagram showing the history of export promotion schemes, for a better understanding of their evolution.

# Evolution of Export Promotion Schemes in India



Evolution of Export Promotion Scheme



## Features of RoDTEP Scheme

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Currently, only the GST and the import customs duties levied on inputs required for the manufacturing of export products are either exempted or refunded in some or another way. Input tax credit (ITC) of GST paid is available, and also if exported on payment of duty then IGST refund can be claimed. Import Custom duties on raw materials are exempted through the Advance Authorization scheme or refunded through the Duty Drawback scheme. However, still, there are many duties and taxes levied by the Central and State government which are not refunded. It adds up to the final cost of resultant products and makes Indian products uncompetitive in the global market.

## Features of RoDTEP Scheme

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The following features of the RoDTEP Scheme has been given below. (Refer to the image)





# Features of RoDTEP Scheme

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## 1. Refund of Embedded Duties and Taxes

The RoDTEP Scheme aims to refund all those hidden taxes and levies, For example:

- Central & state taxes on the fuel (Petrol, Diesel, CNG, PNG, and coal Cess, etc.) used for transportation of export products.
- The duty levied by the state on electricity used for manufacturing.
- Mandi tax levied by APMCs.
- Toll tax & stamp duty on the import-export documentation. Etc.

The Scheme will ensure that the Exporter only exports goods and services, not any kind of

taxes, and the RoDTEP Scheme would cover all indirect Central & State taxes that are not reimbursed in any existing scheme.





## Features of RoDTEP Scheme

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### 2. WTO Compliant Scheme

The RoDTEP is the WTO compliant policy that will help the exporters to meet international standards and makes their goods cost-competitive in the international market by assured duty benefits.

### 3. Technologically Advanced Scheme -

To enhance the ease of doing business Government has introduced various digital platforms to implement the export promotion scheme. Under RoDTEP Scheme various digital platform has been implemented due to which clearance will happen at a faster rate. To ensure the speed and accuracy of the transaction processing an IT-based risk management system would be introduced under RoDTEP Scheme.

To ensure uniformity across all the areas there are various new sectors have been added in the RoDTEP scheme as compared to the previous scheme.

### 4. Automatic Tax Assessment-

To avoid double taxation, tax assessment is set to become fully automatic under the RoDTEP scheme.





## Ineligible Supplies / Items / Categories under the RoDTEP scheme

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The RoDTEP Scheme would operate in a budgetary framework for each financial year and a 12,400 Cr outlay has been announced for the FY 2021-22. As per the latest guidelines sectors such as pharmaceuticals, steel, organic and inorganics chemicals have not been included for the benefit under the RoDTEP scheme.

As per the BVR Subhramanyam commerce secretary, these sectors are performing well which is why they have been kept out for the benefits. He informed that the scheme would be reviewed regularly items may be included or excluded depending on the situation.

Find the list of ineligible goods under the RoDTEP Scheme.

- Export of imported goods given under paragraph 2.46 of FTP.
- The goods which are restricted for export beneath “Schedule-2 of Export Policy in ITC (HS).
- Goods which are banned for export beneath “Schedule-2 of Export Policy in ITC (HS).
- Supplies of products manufactured through DTA units to SEZ/FTWZ units.



## Ineligible Supplies / Items / Categories under the RoDTEP scheme

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- Export of goods taken into use after manufacturing.
- The Exports for which the electronic documentation in ICEGATE EDI has not been made.
- The exported goods claiming the benefits of notification No. 32/1997- Customs dated 1st April 1997.
- The goods exported from Free Trade Zones (FTZ) or Export Processing Zones(EPZ) or Special Economic Zones(SEZ).
- The goods obtained or exported through EOU & produced in EHTP and BTP.
- Deemed Exports.
- The Export good is subjected to a minimum export price or export tax.
- Products manufactured partly or wholly in a warehouse beneath section 65 of the Customs Act, 1962 (52 of 1962).
- Goods exported under Advance License/Special advance license or tax-free import authorization.



## Procedure to avail the benefits under RoDTEP Scheme

There are the four mandatory steps to avail the benefits under RoDTEP Scheme as follows -

### Declaration in the Shipping Bills -

It is mandatory for the exporters to indicate in their Shipping Bill whether or not they intend to claim RoDTEP on the export items from 01/01/2021. Unlike Drawback, 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



## Procedure to avail the benefits under RoDTEP Scheme

1. 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

*RoDTEP Declaration has to be mentioned in shipping bills*

### ICEGate registration

The exporter has to register on ICEGate to get the login Id and Password with the help of an Email id, Mobile number, and with an Import-Export Code.



## Procedure to avail the benefits under RoDTEP Scheme

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### Creation of the RoDTEP Credit Ledger

To avail of the benefits under RoDTEP exporter has to create first the RoDTEP credit ledger account by logging onto the ICEGate portal i.e. on using Class 3 DSC. There would be the following information would be available in the ledger account -

- Scroll Details
- Scrip Details
- Transaction Details
- Transfer Scrips
- Approved Scrips Transfer



## Procedure to avail the benefits under RoDTEP Scheme

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### Application procedure and scroll generation

- An application shall be filed online using Class 3 Individual type Digital signature Certificate on ICEGate Website (<https://www.icegate.gov.in/>).
- The refund under RoDTEP Scheme would be in the form of duty credit which will be transferable, or it may be in the form of electronic scrip which will be maintained in the electronic ledger.
- The RoDTEP scrolls would be generated on FIFO (First in first out) basis w.e.f. 01/01/2021.
- To avoid the overloading of the system due to the processing of backlog since 01.01.2021, the scroll generation would be enabled in a staggered manner in periods beginning from 01.01.2021
- Allowing one week time for each customs location for generating scrolls for one month as per the schedule mentioned as given below.



## Procedure to avail the benefits under RoDTEP Scheme

Period up to which the Shipping bills are ready for scroll generation	RoDTEP scroll can be generated between the time period of below dates
<b>Upto 31.01.2021</b>	<b>04.10.2021 to 10.10.2021 (7 days)</b>
<b>Upto 28.02.2021</b>	<b>11.10.2021 to 17.10.2021 (7 days)</b>
<b>Upto 31.03.2021</b>	<b>18.10.2021 to 24.10.2021 (7 days)</b>
<b>Upto 30.04.2021</b>	<b>25.10.2021 to 31.10.2021 (7 days)</b>
<b>Upto 31.05.2021</b>	<b>01.11.2021 to 07.11.2021 (7 days)</b>
<b>Upto 30.06.2021</b>	<b>08.11.2021 to 14.11.2021 (7 days)</b>
<b>Upto 31.07.2021</b>	<b>15.11.2021 to 21.11.2021 (7 days)</b>
<b>Upto 31.08.2021</b>	<b>22.11.2021 to 28.11.2021 (7 days)</b>
<b>Upto 30.09.2021</b>	<b>29.11.2021 to 05.12.2021 (7 days)</b>
<b>Upto 31.10.2021</b>	<b>06.12.2021 to 12.12.2021 (7 days)</b>
<b>Upto 30.11.2021</b>	<b>13.12.2021 to 19.12.2021 (7 days)</b>
<b>Upto any date after 01.12.2021</b>	<b>Any date on or after 20.12.2021</b>

### *Scroll generation under RoDTEP Scheme*

This is also being done for equitable distribution of benefit as the quantum of benefit is limited to budgetary grants and is not unlimited.





## Documents required for RoDTEP Scheme Application

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The following documents have to be prepared before applying for the benefits under RoDTEP Scheme -

- Class 3 DSC
- Shipping bills
- Valid RCMC Copy



## Rate of Rebate Under RoDTEP Scheme

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- As per the Notification No. 19/2015-2020, Dated 17th August 2021 the Government has announced the benefit rates for 8555 export products.
- All the eligible products with the benefit rates given under Appendix 4R notified on 17/08/2021 under notification number 19/2015-2020.
- Exporters will be given tax refunds in the range of 0.5 - 4.3 percent. The scheme would operate in a budgetary framework for each financial year and a 12,400 Cr outlay has been announced for the FY 2021-22 under RoDTEP Scheme.
- As per the secretary, three sectors - steel, chemicals and pharmaceuticals would not get the benefit of RoDTEP as they have “done well without” incentives.
- Exporters have continuously complained that all the indirect taxes are not getting considered/refunded in any of the schemes, so the new Scheme RoDTEP will be beneficial for them. Notifications will be provided separately for the Detailed operation framework under the new RoDTEP Scheme.



# Thank You

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