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Government of India
Ministry of Commerce & Industry
Department of Commerce
Udyog Bhawan, New Delhi

Notification No: 19 /2015-2020
New Delhi, the 17th August, 2021

Subject: Scheme Guidelines for Remission of Duties and Taxes on Exported Products (RoDTEP)

S.O.(E): In exercise of the powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with Para 1.02 of the Foreign Trade Policy 2015-20, the Central Government hereby makes the following amendments in the Foreign Trade Policy 2015-20 with immediate effect:

2. A sub-para (e) is inserted in para 4.01 of the Foreign Trade Policy 2015-20 as below:


“(e) Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) notified by Department of Commerce and administered by Department of Revenue.

3. The following is also added in the chapter 4 of the Foreign Trade Policy 2015-20:

SCHEME FOR REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS (RoDTEP)

4.54 Scheme Objective and Operating Principles

- i. The Scheme's objective is to refund, currently un-refunded:
 - a. 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
 - b. Such indirect Duties/ taxes / levies in respect of distribution of exported product.
- ii. The rebate under the Scheme shall not be available in respect of duties and taxes already exempted or remitted or credited.
- iii. The determination of ceiling rates under the Scheme will be done by a Committee in the Department of Revenue/Drawback Division with suitable representation of the DoC/DGFT,

- line ministries and experts, on the sectors prioritized by Department of Commerce and Department of Revenue.
- iv. The overall budget/outlay for the RoDTEP Scheme would be finalized by the Ministry of Finance in consultation with Department of Commerce (DoC), taking into account all relevant factors.
 - v. The Scheme will operate in a Budgetary framework for each financial year and necessary calibrations and revisions shall be made to the Scheme benefits, as and when required, so that the projected remissions for each financial year are managed within the approved Budget of the Scheme. No provision for remission of arrears or contingent liabilities is permissible under the Scheme to be carried over to the next financial year.
 - vi. The sequence of introduction of the Scheme across sectors, prioritization of the sectors to be covered, degree of benefit to be given on various items within the rates set by the Committee and within a ceiling as may be prescribed, on the per item/total overall benefit amount permissible, within the overall budget/ outlay finalized, will be decided and notified by the Department of Commerce (DoC) in consultation with Department of Revenue.
 - vii. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified. Rates of rebate / value cap per unit under RoDTEP will be notified in Appendix 4 R. In addition to necessary changes which may be brought in view of budget control measures as mentioned above, efforts would be made to review the RoDTEP rates on an annual basis and to notify them well in advance before the beginning of a financial year.
 - viii. The rebate allowed is subject to the receipt of sale proceeds within time allowed under the Foreign Exchange Management Act, 1999 failing which such rebate shall be deemed never to have been allowed. The rebate would not be dependent on the realization of export proceeds at the time of issue of rebate. However, adequate safeguards to avoid any misuse on account of non-realization and other systemic improvements as in operation under Drawback Scheme, IGST and other GST refunds relating to exports would also be applicable for claims made under the RoDTEP Scheme.
 - ix. Mechanism of Issuance of Rebate: Scheme would be implemented through end to end digitization of issuance of rebate amount in the form of a transferable duty credit/electronic scrip (e-scrip), which will be maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC). Necessary rules and procedure regarding grant of RoDTEP claim under the Scheme and implementation issues including manner of application, time period for application and other matters including export realization, export documentation, sampling procedures, record keeping etc. would be notified by the CBIC, Department of Revenue on an IT enabled platform with a view to end to end digitization. Necessary provisions for recovery of rebate amount where foreign exchange is not realized, suspension/withholding of RoDTEP in case of frauds and misuse, as well as imposition of penalty will also be built suitably by CBIC.
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- x. The Scheme will take effect for exports from 1st January 2021. However for exports made by categories under Para 4.55 (x), (xi) and (xii), the implementation date will be decided later as per provisions of Para 4.55B.

4.55 Ineligible Supplies/ Items/Categories under the Scheme: 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 issued under a duty exemption scheme of relevant Foreign Trade Policy
- xi. Products manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit (EOU) in terms of the provisions of the Foreign Trade Policy
- xii. Products manufactured or exported by any of the units situated in Free Trade Zones or Export Processing Zones or Special Economic Zones
- 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 which have been taken into use after manufacture

4.55 A Government, however, reserves the right to modify any of the categories as mentioned above for inclusion or exclusion under the scope of RoDTEP, at a later date.

4.55 B Inclusion of exports made by categories mentioned in para 4.55 (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.

4.56 Nature of Rebate: The e-scripts would be used only for payment of duty of Customs leviable under the First Schedule to the Customs Tariff Act, 1975 viz. Basic Customs Duty.

4.57 Monitoring, Audit and Risk Management System:

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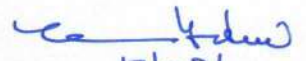
For the purposes of audit and verification, the exporter would be required to keep records substantiating claims made under the Scheme. A monitoring and audit mechanism with an IT based Risk Management System (RMS) would be put in place by the CBIC, Department of Revenue to physically verify the records of the exporters on sample basis. Sample cases for physical verification will be drawn objectively by the RMS, based on risk and other relevant parameters.

4.57A For a broad level monitoring, an Output Outcome framework will be maintained and monitored at regular intervals.

4.58 Residual Issues: Residual issues related to the Scheme arising subsequently shall be considered by an Inter-Ministerial Committee, named as "RODTEP Policy Committee (RPC)" chaired by DGFT (comprising members of Department of Commerce and Department of Revenue), whose decisions would be binding.

4.59 The Appendix 4R containing the eligible RoDTEP export items, rates and per unit value caps, wherever applicable is available at the DGFT portal www.dgft.gov.in under the link 'Regulatory Updates >RoDTEP'.

Effect of this Notification: Scheme guidelines and rates for the new Scheme for Remission of Duties and Taxes and Exported Products have been notified.


17/08/2021
(Amit Yadav)

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