

Ministry of Finance

*Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme gets implemented from
01.01.2021*

Posted On: 31 DEC 2020

Taking a major step to boost exports, Government has decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021.

The RoDTEP scheme would refund to exporters the embedded Central, State and local duties/taxes that were so far not being rebated/refunded and were, therefore, placing our exports at a disadvantage. 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.

The RoDTEP rates would be notified shortly by the Department of Commerce, based on the recommendation of a Committee chaired by Dr. G.K. Pillai, former Commerce and Home Secretary. The final Report of the Committee is expected shortly. An exporter desirous of availing the benefit of the RoDTEP scheme shall be required to declare his intention for each export item in the shipping bill or bill of export. The RoDTEP shall be allowed, subject to specified conditions and exclusions. The notified rates, irrespective of the date of notification, shall apply with effect from 1st January, 2021 to all eligible exports of goods.

Below is a detailed explanation available in the Internal Detailed note indicating Implementation of RoDTEP Scheme in Customs Automated System - Declarations in Shipping Bill and further processing - which highlights process to follow and changes implemented in CBIC system to give effect of RoDTEP scheme.

1. Claim in the Shipping Bill:

- a. W.e.f. 01.01.2021, 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.

- b. 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.
- c. 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.

- d. 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.

- e. 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. Processing of the Claim:

- a. Based on the declarations as per Para I above, System will process the eligible RoDTEP.
- b. 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.
- c. 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:

- a. 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.
- b. 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:

- a. 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.

- b. 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:

- a. These scrips can be used for the payment of import duties as would be notified by CBIC.
- b. 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.
- c. 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.

Annexure

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.”