



M2K Advisors

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

19 AUG 2021

ABOUT RoDTEP

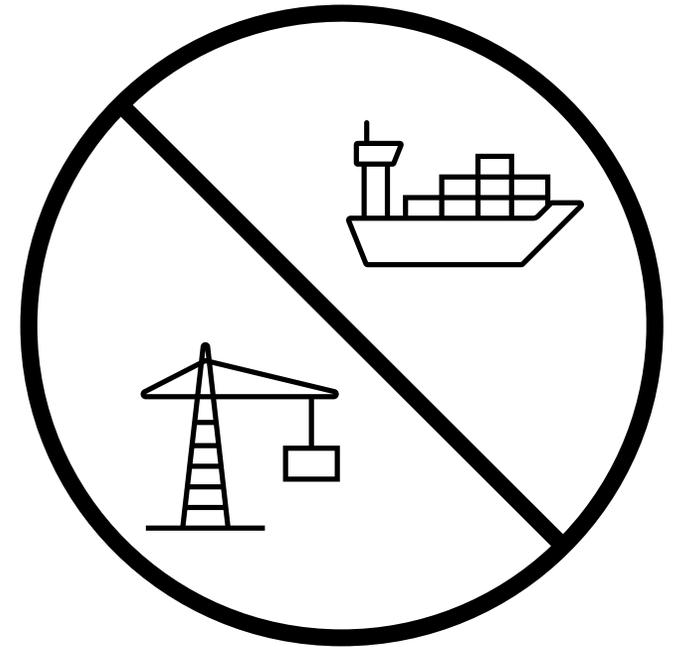
- Government of India has notified much awaited RoDTEP by way of amendment to Foreign Trade Policy vide notification no. 19/2015-20 dt. 17.08.2021. The Scheme is issued in lieu of MEIS and will operate in a budgetary framework approved for each financial year.
- Under the scheme, exporter of goods would be eligible to claim RoDTEP for export made from **1st January 2021**.
- Presently 8,555 HSN products have been notified under RoDTEP with benefits ranging between 0.01% to 4.3% of FOB value. Further, for certain products a cap on maximum benefit per unit is also fixed.
- No eBRC required at the time of claiming benefit. However, realization to be made within RBI permissible timeline.
- The scheme is administrable by Central Board of Indirect Tax and Customs (CBIC) instead of Directorate General of Foreign Trade (DGFT). The detailed procedures and time limit for submission of application will be prescribed by CBIC.
- Issuance of rebate amount will be in the form of a transferable duty credit / electronic scrip (eScrip) and it will be maintained in an electronic ledger by CBIC. eScrip can be used only towards payment of Basic Customs Duty (BCD).



EXCLUDED EXPORTS

- Export made under Advance Authorisation / Duty Free Import Authorisation.
- Products manufactured or exported by Special Economic Zone (SEZ) and Export Oriented Unit (EOU).
- Products manufactured or exported by units set up under the Manufacturing & Other Operation in Warehouse Regulation (MOOWR) scheme.
- Products manufactured in Electronics Hardware Technology Park (EHTP) and Bio-Technology Park (BTP).
- Exports made from Non-EDI ports.
- Used / Second-hand Goods.
- Restricted / Prohibited Products for Exports

Inclusion of exports by SEZ / EOU units and exports under Advance Authorisation under RoDTEP benefit would be decided by RoDTEP Committee later.



RoDTEP AND MEIS RATE COMPARISON

Comparison of RoDTEP and MEIS rates for some of the products at chapter level is given below

Chapter	Item Description	RoDTEP Rate	MEIS Rate
16 to 22	Prepared foodstuffs, beverages, spirits and vinegar,	0.5% to 4%	2%-5%
30	Pharmaceutical Products	Not Notified	3%
39 & 40	Rubber or Plastics	0.5% to 2.4%	3%
64	Footwears	0.5% to 1.5%	2%-3%
70	Glass and Glassware Products	0.5% to 2.3%	2%-3%
72 & 73	Iron & Steel and Articles Made thereof	Not Notified	2% - 3%
84	Machinery and mechanical appliances; parts thereof	0.5% - 2.2%	3%
85	Electrical machinery and equipment and parts thereof	0.5% to 2%	2%-3%
8703	Motor Vehicles for passenger transportation	0.5% to 1.5%	2%
851712	Mobile Phone	Rs. 24.50 per unit	2%

- For most of products having RoDTEP rate of more than 1.5%, cap on maximum benefit per unit that can be enjoyed is also prescribed. RoDTEP caps are in Rs. per their respective UQC.
- For 138 product items benefit amount is a fixed quantum in Rs per unit and not as percentage of FOB Value.
- For 5,596 product items RoDTEP rate notified ranges between 0.5% to 1%.



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Thank you