Remission of Duties & Taxes on Exported Products (RoDTEP) Scheme

Prelims: Economy| Government Initiatives | Current events of national and international importance.

Why in news?

Recently, Indian Government announced the restoration of benefits under the Remission of Duties and Taxes on Exported Products scheme for exports which was suspended due to budgetary constraints

- **Aim** – To **reimburse exporters** for **embedded, non-refundable taxes and duties** to make Indian exports more cost-competitive globally.
- **Launch** – 2021
- **Implementation agencies** – Department of Commerce and Department of Revenue.
- **WTC compliance –** It is as World Trade Organization (WTO) compliant and implemented through an **end-to-end digital platform** for transparency.
- The WTO prohibits **export-linked incentives** that are considered **trade-distorting**.
- RoDTEP does not **reward exports directly** instead, it **reimburses embedded taxes and levies**.
- These reimbursements are classified as **"non-actionable subsidies"** under WTO rules because they do not cause any adverse trade effects.

> *This includes levies on fuel, electricity, water, education cess, and duties on inputs used in production.*

> *The remission is granted in the form of electronic scrips, which are credited to an electronic ledger maintained by the exporter with Customs (ICEGATE portal).*

- The earlier **Merchandise Exports from India Scheme (MEIS)** was challenged by the **U.S. at the WTO** for being an export-contingent subsidy.
- In response, India **phased out MEIS** and launched **RoDTEP** as a WTO-compliant alternative.
- **Beneficiaries covered** – It covers ***all export-oriented manufacturers*** in India such as,
    - Advance Authorization (AA) holders (allow duty free import for manufacturing inputs that are meant to be exported)

    - Export-Oriented Units (EOUs)
    - Special Economic Zone (SEZ) units

- **Restoration of Benefits -** Earlier benefits for AA/EOU/SEZ categories were **withdrawn on 5th February 2025**.
- Their **restoration provides parity** with other exporters and enhances competitiveness in global markets.
- Reinstated benefits apply to **eligible exports made on or after 1st June 2025**.

Significance

- It creates a level playing field for all exporters.
- It boosts export competitiveness and support a compliant and transparent export ecosystem.
- It contributes to India's long-term trade growth strategy.

Reference

PIB| Remission of Duties & Taxes on Exported Products Scheme

