

## 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.
- **WTO 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- **Restoration of Benefits** - Earlier benefits for AA/EOU/SEZ categories were **withdrawn on 5th February 2025**.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](#)

