



KAMARAJ IAS ACADEMY
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Scheme for Remission of Duties and Taxes on Exported Products

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Why is in news? Government extends support under Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) till 30th June 2024

The Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) support which was notified till 30th September 2023 is now being **extended till 30th June 2024 at the same rates** to the existing export items.

This will **help our exporting community to negotiate export contracts** in the present international environment on better terms.

The Scheme is **WTO compatible** and is being implemented in an end-to-end IT environment.

In another development, in line with the Scheme framework, the RoDTEP Committee has again been constituted in the Department of Revenue to review and recommend the ceiling rates under the RoDTEP Scheme for different export sectors.

RoDTEP scheme:

The RoDTEP Scheme was introduced by the Government **as a duty remission scheme on exports** and is being implemented from 1st January 2021.

The Scheme provides a mechanism for reimbursement of taxes, duties and levies, which are **currently not being refunded under any other mechanism**, at the central, state and local level, but which are incurred by the export entities in the process of manufacture and distribution of exported products.

It acts as a **replacement for the Merchandise Export from India Scheme (MEIS)**.

Under this scheme, a rebate will have to be claimed as a percentage of the **Freight On Board value of exports**.

Rebates will be issued 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 and Customs (CBIC).

Under the Scheme, a support of Rs. 27,018 crores has been extended for the 27 month period till 31.03.2023.

The RoDTEP scheme operates under a budgetary framework and for FY 23-24, a budget of Rs 15,070 crores is available to support 10610 HS lines at the 8 digit level.

Freight on Board:

It is also called **Free on Board (FOB)** is a term used to indicate **who is liable for goods damaged or destroyed during shipping**.

FOB origin means the buyer is at risk and takes ownership of goods once the seller ships the product.

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FOB destination means the seller retains the risk of loss until the goods reach the buyer.