



Extension RoDTEP Scheme

Why in News

Recently, the Government has decided to **extend the benefit** of the Scheme for [Remission of Duties and Taxes on Exported Products \(RoDTEP\)](#) to all export goods.

Key Points

▪ Remission of Duties or Taxes on Export Product (RoDTEP):

- The scheme was announced in 2020 as a replacement for the [Merchandise Export from India Scheme \(MEIS\)](#), which was not compliant with the rules of the [World Trade Organisation](#).
 - Following a complaint by the US, a dispute settlement panel had ruled against India's use of **MEIS** as it had found the duty credit scrips awarded under the scheme to be **inconsistent with WTO norms**.
 - The **RoDTEP** scheme would **refund to exporters the embedded central, state and local duties or taxes** that were so far not being rebated or refunded and were, therefore, placing India's exports at a disadvantage.
- **Significance:**
 - Indian **exporters** will be able to **meet the international standards** for exports as affordable testing and certification will be made available to exporters within the country instead of relying on international organizations.
 - Also under it, **tax assessment is set to become fully automatic for exporters**. Businesses will get access to their refunds for GST via an automatic refund-route.
 - This would **increase the economy for the country and working capital for the enterprise**.

▪ Extension of Benefits:

- The government has decided to **extend the benefits of the RoDTEP to all export goods** starting **1st January 2021**.
 - Initially, the scheme was expected to be limited to around three sectors to start with due to limited resources.
- The rates under this scheme, which are expected to be notified soon, will be applicable from 1st January 2021 to all eligible exports of goods.
- **Reason for Extension:**
 - It will boost the export sector of the country.
 - So far refunds were not taking place, **adversely impacting exports**.
 - India's exports fell **8.74%** in November, steeper than **5.12%** dip in October.

[Source:PIB](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/extension-rodtep-scheme>

