

Weekly Trade Update

A. Cabinet approves WTO compliant scheme for “Remission of Duties and Taxes on Exported Products”

Following the WTO Panel ruling against India in the case brought by the United States of America concerning certain alleged export subsidy measures (India- Export Related Measures- DS 541), presently in appeal by India before the WTO Appellate body, the Cabinet Committee on Economic Affairs has now approved the WTO compliant Remission of Duties and Taxes on Exported Products (RoDTEP), to make Indian exports cost competitive and create a level playing field for exporters in International market. Some key features of the scheme are as follows:

- This scheme will reimburse taxes/duties/levies at the central, state and local level, which are currently not being refunded under any other mechanism, but which are incurred in the process of manufacture and distribution of exported products. These include certain taxes/duties/levies that are outside GST and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc.
- The Scheme will be implemented with end to end digitization, in line with “Digital India”, refund under the Scheme, in the form of transferable duty credit/electronic scrip will be issued to the exporters, which will be maintained in an electronic ledger.
- The refunds under the RoDTEP scheme would be a step towards “zero-rating” of exports, along with refunds such as Drawback and IGST.
- The rebate would be claimed as a percentage of the Freight On Board (FOB) value of exports.
- Under the Scheme an inter-ministerial Committee will determine the rates and items for which the reimbursement of taxes and duties would be provided.
- The sequence of introduction of the Scheme across sectors, prioritization of the sectors to be covered, degree of benefit to be given on various items within the rates set by the Committee will be decided and notified by the Department of Commerce.
- As and when the rates under the RoDTEP Scheme are announced for a tariff line/ item, the Merchandise Exports from India Scheme (MEIS) benefits on such tariff line/item will be discontinued.
- A monitoring and audit mechanism, with an Information Technology based Risk Management System, would be put in to physically verify the records of the exporters.



Trade Remedy Measures Update

A. Duty Impositions.

The Department of Revenue, Ministry of Finance has recently imposed the following trade remedy duties, pursuant to recommendations by the DGTR.

- Pursuant to the Final Findings issued in the original anti-dumping investigation concerning imports of "Chlorinated Polyvinyl Chloride (CPVC) Resin- whether or not further processed into compound" originating in or exported from China PR and Korea RP, a definitive anti-dumping duty has been imposed vide Customs (ADD) Notification No. 5/2020 dated March 7, 2020.
- Pursuant to the Final Findings issued in sunset review of anti-dumping investigation concerning imports of "Sheet Glass" originating in or exported from China PR, the anti-dumping duty has been extended for a period of five years upto and inclusive of the March 12, 2025 vide Customs (ADD) Notification No. 6/2020 dated March 12, 2020.

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