



Govt caps MEIS benefits for individual exporters

Government of India amended Foreign Trade Policy 2015-20 to cap the benefit that an individual exporter can avail under the Merchandise Exports from India Scheme (MEIS) scheme on September 1, 2020.

According to the amendment, an exporter can claim maximum reward of Rs. 2 crore on exports made from September 1, 2020 to December 31, 2020. The government clarified that this new ceiling of Rs. 2 crore is subject to further downward revision to ensure that the total claim under MEIS for the next four months does not exceed the allocated amount of Rs. 5000 crore.

In case, the exporter has not made any export for a period of one year preceding September 1, 2020 shall not be eligible for submitting claims under MEIS. Also, any new exporter who obtained Import Export Code (IEC) on or after September 1, 2020 would not be eligible for submitting any claim for benefits under MEIS for exports made after September 1, 2020. The amendment also makes it clear that MEIS benefits will not be available for exports made after January 1, 2021.

These amendments follow the government's earlier decision to replace MEIS scheme with the new Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) from January 2021. RoDTEP will reimburse taxes/ duties/ levies, which are incurred by exporters in the process of manufacture and distribution of exported products and which are currently not being refunded under any other mechanism, at the central, state and local levels.

RoDTEP is based on the principle that taxes and levies borne on the exported products should be either exempted or remitted to exporters unlike the Merchandise Exports from India Scheme (MEIS), which is an export incentive scheme. RoDTEP Scheme is being conceptualized keeping in view the WTO provisions, particularly the Agreement on Subsidies and Countervailing Measures (ASCM).

MEIS was introduced in the Foreign Trade Policy (FTP) 2015-20 to offset infrastructural inefficiencies and associated costs involved in exporting goods or products which are produced/ manufactured in India. The Scheme incentivizes exporters in terms of Duty Credit Scrips at the rate 2, 3, 4, 5 and 7, 10 and 20% of FOB value of exports realized. Currently goods belonging to 8057 tariff lines are eligible for claims under MEIS.



Notifications

Press Information Bureau, Government of India

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<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1650449>

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Ceiling or cap on MEIS benefits

<https://content.dgft.gov.in/Website/dgftprod/4a37d60a-f0bf-4783-bc67-a17131168d46/N30E.pdf>