

Government extends export incentives for postal shipments

MONIKA YADAV

New Delhi, 16 January

The Centre on Friday extended export-related incentives to shipments made through the postal mode in electronic form, a move through which the government seeks to boost India's e-commerce and micro, small and medium enterprises (MSMEs) exports.

The export-related benefits under the Duty Drawback, Remission of Duties and Taxes on Exported Products (Rodtep) and Rebate of State and Central Taxes and Levies (RoSCTL) schemes for the postal shipments came into effect from 15th January.

"For MSMEs located outside major export hubs, India Post is often the only viable channel. Extending export incentives to postal shipments will make global e-commerce more accessible for small businesses in Tier-2 and Tier-3 towns," said Abhishek A Rastogi, founder of Rastogi Chambers.

The government in a statement said that the measure aims to provide a level-playing field for exporters using the postal channel and to create a conducive and inclusive ecosystem for the growth of cross-border e-commerce.

To operationalise the change, the Central Board of Indirect Taxes and Customs (CBIC) has approved amendments to the Postal Export (Electronic Declaration and Processing) Regulations, 2022.

Over the past few years, the government has taken several steps to promote cross-border e-commerce exports.

A dedicated chapter titled 'Promoting Cross-Border Trade in the Digital Economy' was introduced in the Foreign Trade Policy 2023 to support exports through courier, post, e-commerce export hubs and Dak Niryat Kendras.

India currently has 28 foreign post offices notified under the Customs Act, 1962.

The government statement said that "the Postal Export (Electronic Declaration and Processing) Regulations, 2022 enabled end-to-end electronic processing of export declarations for postal exports," while automation of IGST refunds for postal exports was implemented in September 2024.

To further support small exporters, CBIC and the Department of Posts have set up over 1,000 Dak Niryat Kendras across the country under a hub-and-spoke model. These centres help MSMEs with booking and processing export parcels. "The extension of export incentives to postal shipments marks another important milestone in the government's ongoing efforts to simplify procedures, reduce costs, and promote inclusive growth of India's exports," the statement said.



**THE MEASURE
AIMS TO
PROVIDE A
LEVEL-PLAYING
FIELD FOR
EXPORTERS FOR
THE GROWTH OF
CROSS-BORDER
ECOMMERCE**