

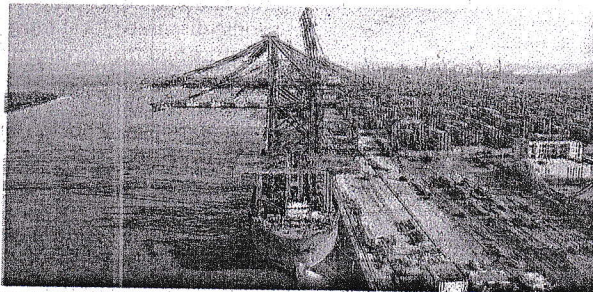
RoDTEP: Govt to do random verification based on complaints

CROSS-CHECKING. A DGFT, DoR team to ensure payouts are input duty remissions

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Rattled by anti-subsidy duties imposed last year by the US and the EU on certain Indian exports benefiting under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme especially designed to be WTO compatible, the government is putting in place a verification process to establish that only input duties have been remitted under the scheme whenever investigations are sought by an importing country on alleged payout of subsidies, officials have said.

"A verification team with officials from the Department of Revenue and DGFT will hold random inspections



RED-FLAGGED. The US and the EU had imposed anti-subsidy duties on some Indian products against RoDTEP payments availed PTI

of manufacturers when any complaint is made by an importing country, for instance the US, on alleged subsidy payouts for particular products. All input taxes paid by the selected manufacturer will be tallied with the RoDTEP payments received to satisfy the importing coun-

try that only duties and taxes paid during production have been remitted," an official tracking the matter told *businessline*.

ANTI-SUBSIDY DUTIES

Despite the clear connection established between the remission rates and the input

taxes, the US and the EU imposed countervailing (anti-subsidy) duties on some Indian products against RoDTEP payments availed. These include paper file folders, common alloy aluminum sheet and forged steel fluid end blocks by the US and certain graphite electrode systems by the EC.

"The anti-subsidy duties were imposed mainly because exporters were not able to clearly establish the connection between the RoDTEP benefits received and the input taxes they had paid when exporting countries came for inspection. The verification committee will be in a better position to establish the connection in its random checks," the official added.