April 10, 2026

CBIC

RoDTEP and RoSCTL apply on full FOB value within the 12.5% limit

CBIC Circular No. 20/2026-Customs applies the drawback rule on agency commission and bank charges to RoDTEP and RoSCTL and treats ECGC compensation as sale proceeds.

THE CENTRAL BOARD OF Indirect Taxes & Customs (CBIC), Drawback Division, Department of Revenue, Ministry of Finance, issued Circular No. 20/2026-Customs, dated April 10, 2026, under F. No. CBIC-140605/8/2023-Drawback. Its subject is "Clarification regarding remission or rebate in case of short realisation of sale proceeds by exporters under RoDTEP and RoSCTL schemes". RoDTEP is the Remission of Duties and Taxes on Exported Products scheme, and RoSCTL the Rebate of State and Central Taxes and Levies scheme. The circular is addressed to all Principal Chief Commissioners and Chief Commissioners of Customs, Customs (Preventive) and Customs & Central Tax, all Principal Commissioners and Commissioners of Customs and Customs (Preventive), and all Principal Directors General and Directors General under CBIC. It answers two questions raised in representations from the trade, and says the Board examined the matter in consultation with the DGFT and the Ministry of Textiles.

KEY FACTS

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Circular No. 20/2026-Customs

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The first question was whether, as in the case of duty drawback, full remission or rebate under RoDTEP and RoSCTL is available on the Free on Board (FOB) value without deducting the agency commission and bank charges. The circular points to Board Circulars No. 64/2003-Cus of July 21, 2003 and No. 33/2019-Customs of September 19, 2019. Under them, duty drawback is permitted on the full FOB value without deducting agency commission and foreign banking charges, provided these deductions fall within the overall limit of 12.5% of the FOB value. Agency commission and foreign bank charges that exceed this limit, separately or jointly, need to be deducted from the FOB value for granting duty drawback. The circular states that similar treatment in respect of realization of export proceeds shall apply for grant of RoDTEP and RoSCTL benefits too.

The second question concerned compensation for short realization of sale proceeds paid through the Export Credit Guarantee Corporation (ECGC). The circular cites Rule 18 of the "Customs and Central Excise Drawback Rule, 2017", as it names the rules, and para 2.54 of the Foreign Trade Policy, 2023 read with paras 2.71 and 2.72 of the Handbook of Procedures. On that basis, it clarifies that compensation of short realization from ECGC may be treated as receipt of sale proceeds, and that remission or rebate under RoDTEP and RoSCTL may not be recovered. Two conditions apply: the Reserve Bank of India writes off the requirement of realization of the sale proceeds on merits, and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of sale proceeds.

The circular says a suitable Trade Notice and Standing Order may be issued for the guidance of trade and staff. It does not say from what date the clarifications apply, or whether they reach benefits already recovered. It sets no time limit for the Reserve Bank's write-off or the Foreign Mission's certificate, and it does not say what applies where ECGC compensation is paid but either condition is not met. It is signed by V Phanindra Vissapragada, Under Secretary to the Government of India. Both schemes now run to December 31, 2026: RoDTEP under DGFT

Notification No. 41/2026-27 and RoSCTL under the Ministry of Textiles' notification F. No. 12015/12/2026-TTP(Pt.1), both of September 30, 2026.

Issued by	Central Board of Indirect Taxes & Customs (Drawback Division), Department of Revenue, Ministry of Finance
Document	Circular No. 20/2026-Customs
Dated	April 10, 2026
File number	F. No. CBIC-140605/8/2023-Drawback
Addressed to	All Principal Chief Commissioners and Chief Commissioners of Customs, Customs (Preventive) and Customs & Central Tax; all Principal Commissioners and Commissioners of Customs and Customs (Preventive); all Principal Directors General and Directors General under CBIC
Applies to	RoDTEP and RoSCTL benefits for exporters
Agency commission and foreign bank charges	Not deducted from the FOB value while they fall within the overall limit of 12.5% of the FOB value; charges that exceed the limit, separately or jointly, need to be deducted, as for duty drawback under Circulars No. 64/2003-Cus and No. 33/2019-Customs
ECGC compensation for short realization	May be treated as receipt of sale proceeds; RoDTEP and RoSCTL not recovered if the Reserve Bank of India writes off the realization requirement on merits and the exporter produces a certificate of non-recovery from the concerned Foreign Mission of India
Basis cited	Rule 18 of the "Customs and Central Excise Drawback Rule, 2017"; para 2.54, Foreign Trade Policy, 2023; paras 2.71 and 2.72, Handbook of Procedures
Consulted	DGFT and the Ministry of Textiles
Related	Instruction No. 05/2026-Customs, April 23, 2026 (F. No. 603/2/2024-DBK): the 3-day time limit for crediting duty drawback under Instruction No. 21/2020-Customs of December 16, 2020 is also to be complied with for generating RoDTEP and RoSCTL scrolls
Signed by	V Phanindra Vissapragada, Under Secretary to the Government of India

The circular (PDF, 432 KB)

Source: CBIC's own copy.

Checked against the official copy on October 28, 2026.

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