



## Tax alert: Regulations on setting up and operation of Foreign Higher Educational Institutions' campus in India

**9 November 2023**

In line with the vision outlined under National Education Policy, 2020, and to provide an international perspective to the higher education ecosystem in India, including enabling students in India to obtain foreign qualifications at an affordable cost, the University Grants Commission (UGC) has issued Regulations for Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India.

### In a nutshell



Enabling foreign higher education institutions to set up campus anywhere in India



Operational autonomy granted for admissions, programmes to be offered, fee structures, faculty hirings, etc.



Prior permission of UGC required by the foreign higher education institution.



Scroll down to read the detailed alert

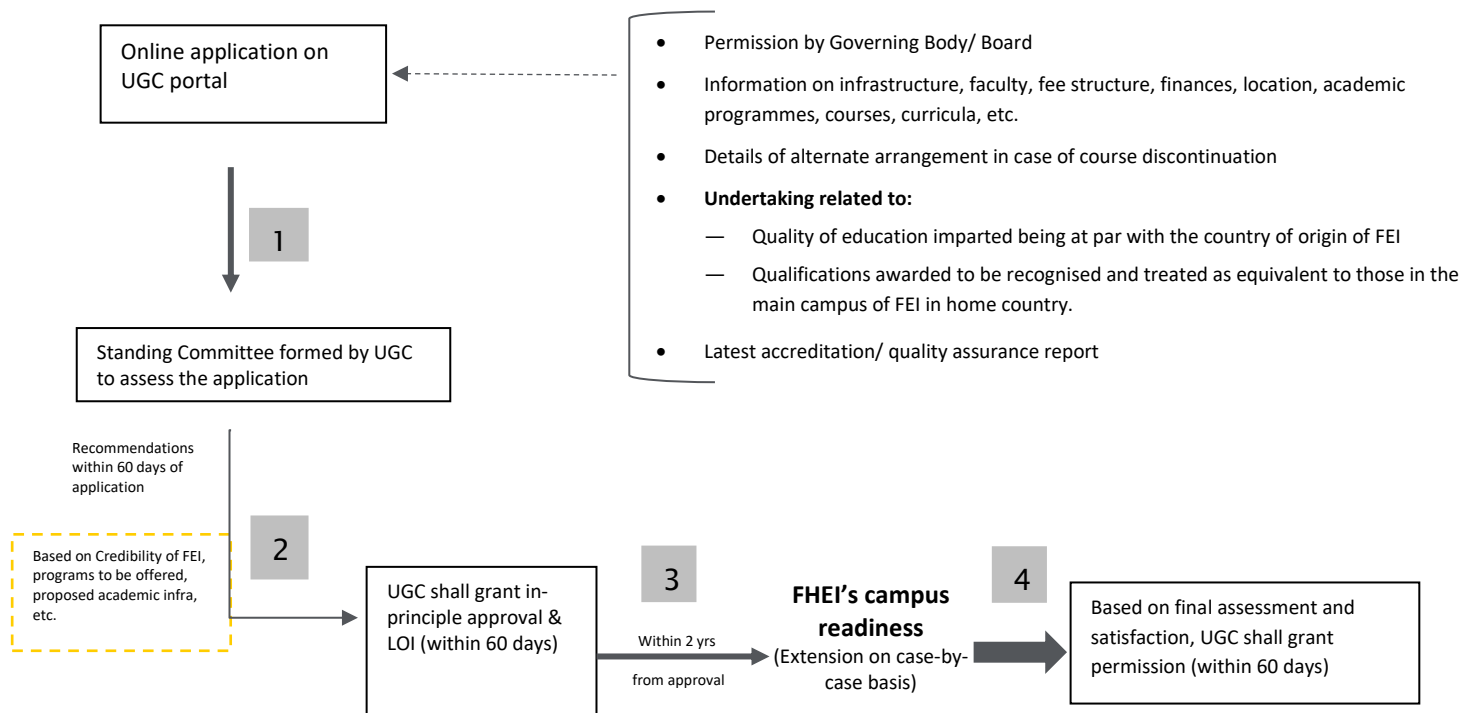
## Eligibility Conditions

- In case of a ranked foreign university, it should be within the top 500 in global rankings, overall or subject wise.
- In case of foreign educational institutions not part of any ranking system, the applicant should possess outstanding expertise in a particular area as per assessment of UGC.

A prior approval would be required by the FHEI from the Indian regulator, i.e., UGC for setting up and operating a campus in India.

FHEIs are permitted to set up the India campus through 100% owned Indian entity or a joint venture (JV) with Indian educational institution/ Indian company for setting up such greenfield campus.

## Process



## Admission process, fee structures and faculty hiring

- The FHEIs have autonomy to evolve their own admission process, timelines, and criteria for Indian and foreign students.
- They can determine their own fee structure in a transparent and reasonable manner and need to announce their fee structure, refund policy, number of seats in a programme, eligibility qualifications, and admission process on their website at least 60 days before commencement of admissions.
- Full or partial need-based scholarships may also be provided to students.
- The FHEIs shall have full freedom to hire faculty and staff from India or abroad and determine their conditions of service as per their own standards/norms subject to their qualifications being at par with the main campus in the country of origin. The appointed foreign faculty should stay in India for at least a semester.

## Other important conditions

- In case the Foreign Higher Educational Institution intends to set up more than one campus, it shall make a separate application to the UGC.

- Quality of education imparted at its Indian campus to be at par with their home country.
- Programs offered cannot be in online and open and distance learning (ODL) mode. However, lectures in online mode not exceeding 10% of the programme requirements may be allowed.
- No certificate of equivalence to a corresponding Indian higher educational Institution degree needs to be sought for the degree so awarded by the FHEI.
- To safeguard interest of students, FHEI has been prohibited from closing campus or discontinuance of courses/programmes without prior UGC approval. In case of discontinuation of any course/programme, parent entity is responsible to provide an alternative to the affected students.
- FHEIs shall not offer programs which jeopardizes India's national interest.
- FHEIs shall not act as a representative office of the parent entity to undertake promotional activities with respect to their home jurisdiction programmes.
- UGC shall have the right to inspect the campus to ascertain quality checks.
- Foreign Higher Educational Institution shall seek prior approval from UGC before starting any new programme through the UGC portal.
- Qualifications offered in the campus of the Foreign Higher Educational Institution in India under these regulations shall be awarded under the name and seal of the Foreign Higher Educational Institution in the country of origin.

### Compliance

- An annual audit report shall be submitted to the UGC certifying compliance of its operations with Indian exchange control regulations and other applicable central and state laws/ policies.
- FHEIs must submit an annual report to the UGC and upload the same on its website-details of programs offered, students admitted and passed out and qualifications awarded.

### Conclusion

These regulations have been much awaited, and it enables entry of foreign universities to set up their campuses anywhere in India. It will allow millions of Indian students to obtain foreign qualifications at a reasonably affordable cost. The entry of foreign education institutions would also promote opportunities for tie-ups/collaborations with existing Indian universities thereby improving quality of education imparted to students. This is a welcome step towards achieving India's objective of 50% Gross Enrollment Ratio by the year 2035.



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