



CONSULTATION PAPER ON PROPOSED IFSCA(Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022

Objective:

The objective of this consultation paper is to seek comments / views/ suggestions from public on the proposed draft Regulations for enabling World-class foreign universities/ other Foreign Educational Institutions to set up International Branch Campuses/ Offshore Educational centres in the GIFT International Financial Services Centre.

Background

1. Hon'ble Union Finance Minister made an announcement in her Budget speech 2022-23 that, *“World- class foreign universities and institutions will be allowed in the GIFT City to offer courses in Financial Management, FinTech, Science, Technology, Engineering and Mathematics free from domestic regulations, except those by International Financial Services Centres Authority to facilitate availability of high-end human resources for financial services and technology.”*
2. Subsequently, the Central Government issued a notification under sub-clause (xiv) of clause (e) of sub-section (1) of section 3 of the International Financial Services Centres Authority Act, 2019 (IFSCA Act) to classify *“courses offered in Financial Management, FinTech, Science, Technology, Engineering and Mathematics by foreign universities or foreign institutions in the International Financial Services Centre”* as a ‘financial service’.
3. Therefore, now with a view to enabling world-class foreign universities/ other foreign educational institutions desirous of setting-up International Branch Campuses (IBCs)/ Offshore Education Centres (OECs) in the GIFT International Financial Services Centre (hereinafter referred to as the GIFSC) for offering



courses/ programmes in the subject areas of Financial Management, FinTech, Sciences, Technology, Engineering and Mathematics, the International Financial Services Centres Authority (hereinafter referred to as the IFSCA) proposes to notify the following regulations.

4. The draft regulations are placed on the website of the IFSCA at <https://ifsca.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / suggestions through e-mail to Mr. Ankit Bhansali at ankit.bhansali@ifsca.gov.in with a copy to Mr. Mihir Shukla at mihir.shukla@ifsca.gov.in by 21st July, 2022 in the format provided below. It is further requested to provide comments in MS Word or MS Excel format.

Name and Details of the Person / Entity (Organisation name (if applicable), Contact No. and Email address)					
Sr. No.	Page No. of draft regulations	Reg. no.	Sub-reg. no./para no.	Comments/Suggestions	Detailed Rationale



**DRAFT - INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY
(SETTING UP AND OPERATION OF INTERNATIONAL BRANCH CAMPUSES
AND OFFSHORE EDUCATION CENTRES) REGULATIONS, 2022**

F. NO. IFSCA/2021-22/GN/REGXXX -In exercise of powers conferred by sub-section (1) of Section 28 read with sub-section (1) of Section 12 and sub-section (1) of Section 13 of the International Financial Services Centres Authority Act, 2019, the International Financial Services Centres Authority hereby makes the following Regulations, namely: -

Objectives

- a. To enable foreign universities to establish international branch campuses in GIFT IFSC either on stand-alone basis, or on consortium basis with more than one foreign university coming together, or on stand-alone (single foreign university)/ consortium basis (more than one foreign university coming together) in partnership with one or more Indian University or Deemed University or Institution of National Importance.
- b. To enable a foreign educational institution other than a foreign university to establish an offshore educational centre in the GIFSC either on stand-alone basis, or in partnership with an Indian University or Deemed University or Institution of National Importance or any other Indian educational institution.
- c. To make the GIFSC an international educational hub catering to both Indian and foreign students in the specified disciplines.
- d. To encourage research in cutting edge areas in the specified disciplines, including Banking, Insurance, Capital Market, Funds management, FinTech, longevity finance, sustainable finance, Quantum computing, etc., to provide high-end human resources in finance, technology and related fields.
- e. To encourage executive education in the specified disciplines and related areas.
- f. To ensure world-class education in GIFSC.
- g. To safeguard the interests of the student's community.



- h. To put in place an objective and transparent process for registration of a foreign university/ any other foreign educational institution for the purpose of conducting its educational and research programmes, including executive education programmes, that are accredited in their respective home jurisdiction, and duly recognized by the IFSCA for being offered in the GIFSC.

1. Short title and commencement:

- (1) These regulations may be called the International Financial Services Centres Authority, (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022
- (2) They shall come into force from the date of their publication in the Official Gazette.

2. Applicability:

These regulations shall be applicable to a foreign university or any other foreign educational institution meeting the eligibility criteria specified below, to establish an International Branch Campus (IBC) or an Offshore Educational Centre (OEC) in the GIFT International Financial Services Centre (hereinafter referred to as the GIFSC) for offering educational and research programmes in the areas of *Financial Management, FinTech, Science, Technology, Engineering and Mathematics* under this regulatory framework.

3. Definitions:

- (1) For the purpose of these regulations unless the context otherwise requires:
- (i) “Act” shall mean the International Financial Services Centres Authority Act, 2019;



- (ii) “Deemed Indian University” shall mean an institution deemed to be University under Section 3 of the UGC Act, 1956;
- (iii) “Foreign Educational Institution” shall mean an education institution outside India, which is not a university, and is duly authorized to conduct educational and research programmes within and outside its home jurisdiction subject to requisite approvals;
- (iv) “Foreign University” shall mean a university established outside India which is duly accredited to award degree for educational & research programmes within and outside its home jurisdiction subject to requisite approvals;
- (v) “Indian university” shall mean a University established or incorporated by or under a Central Act, a Provincial Act or a State Act, and includes any such institution as may, in consultation with the University concerned, be recognized by the University Grants Commission in accordance with the regulations made in this behalf under the University Grants Commission Act, 1956;
- (vi) “Institution of National Importance” shall mean an institution declared as such by an Act of Parliament;
- (vii) “International Branch Campus” or “IBC” shall mean a campus set up by a foreign university on stand-alone or consortium basis with or without any collaborative arrangement with one or more Indian University or Deemed University or Institution of National Importance in the GIFSC for the purpose of delivering courses/ research programmes, in permissible subject areas, that are duly accredited under the relevant framework in their respective home jurisdiction, and duly recognized by the IFSCA for being offered in the GIFSC;
- (viii) “Offshore Education Centre” or “OEC” shall mean a centre set up by a foreign educational institution (other than a foreign university) in the GIFSC either on stand-alone basis, or in partnership with an Indian University or Deemed University or Institution of National Importance or any other Indian educational institution for the purpose of delivering courses/ research programmes in



permissible subject areas, that are duly accredited under the relevant framework in their respective home jurisdiction, and duly recognized by the IFSCA for being offered in the GIFSC;

(ix) “Other Indian Educational Institute” will cover an institution not covered in any of the above-mentioned categories;

(x) “Parent Entity” shall mean the foreign university/ foreign educational institution that obtained registration to establish and operate its branch/ offshore outfit in the GIFSC.

(2) Words and expressions used and not defined in these Regulations but defined in the Act shall have the meaning respectively assigned to them in the Act.

4. Mode of Participation

Participation in IFSC shall be through IBC mode or OEC mode, which may also include collaborative arrangements with Indian university(ies) or deemed Indian university(ies) or institution(s) of national importance or other Indian educational institute(s) in areas such as course administration, providing infrastructural facilities, contribution towards minimum capitalization, co-investment, etc.

5. Registration

A foreign university or a foreign educational institution desirous of setting up an IBC or an OEC, as the case may be, shall satisfy the eligibility conditions specified in these regulations and shall apply to and obtain from the IFSCA a registration to conduct educational and research courses, including executive education programmes in the GIFSC. Further, these regulations along with any circulars or directions issued by IFSCA shall be the sole legal framework governing the establishment and operation of foreign universities or foreign educational institutions in the GIFSC.



6. Application for and grant of registration

- (i) An application shall be made to the IFSCA by a Foreign University or consortium of Foreign Universities, or any other Foreign Educational Institution in the format specified by IFSCA.
- (ii) The application shall be referred to an Expert Committee constituted by the Chairperson, IFSCA for detailed appraisal and recommendations.
- (iii) Based on the recommendations of the Expert Committee, the IFSCA may consider issuing a Certificate of Registration containing among other details the name of the IBC/ OEC, courses/ programmes offered, intake capacity for each course/ programme, name(s) of Indian partner(s), if any.
- (iv) The initial registration shall be valid for a period of three years, which shall be renewable for further three years at a time with or without any additional condition(s) depending upon the circumstances.
- (v) The IFSCA may not grant extension or withdraw existing registration in exceptional circumstances for reasons to be recorded in writing after following due procedure and giving adequate opportunity of hearing to the registered entity.
- (vi) Registration shall be given for entry and operation on stand-alone basis or consortium basis as applied for and where collaborative arrangements with Indian partner institution(s) is proposed it shall specifically allow and authorize such arrangement with either an Indian institution created through Society/ Trust Act/ under Section 8 of Companies Act 2013, or any other relevant Central Act or State Act in the country, or with a private educational service provider registered as such in India.

7. Eligibility

A Foreign University or a foreign educational institution desirous of setting up an IBC or an OEC, as the case may be, shall satisfy the following -



- (i) Foreign Universities having secured a position within Top 500 in the latest QS World Universities ranking.
- (ii) Foreign Educational Institutions (other than universities) which are highly rated within the home jurisdiction as well as regionally or globally.
- (iii) An international branch campus shall have a minimum capital infusion of USD 3 million.
- (iv) An Offshore Educational Centre shall have a minimum capitalization of USD 1.5 million.
- (v) An IBC shall be setup with a minimum area of 10,000 square feet.
- (vi) An OEC shall be set up with a minimum space of 5,000 square feet.
- (vii) In case an IBC or OEC set up by foreign university/ foreign institution on stand-alone or consortium basis, has a collaborative arrangement with one or more Indian University or Deemed University or Institution of National Importance or any other Indian Educational institution, or with a consortium of such institutions, it shall be allowed to utilize or share the infrastructure and other services of its partner(s) with prior approval of the IFSCA.
- (viii) The IBC or OEC shall comply with all requirements applicable to it by virtue of its parent entity's obligations in its home jurisdiction for conduct of such foreign courses or programmes in any offshore jurisdiction.

8. Permissible Subject Areas

Educational and research courses in the streams of Financial Management, FinTech, Sciences, Technology, Engineering and Mathematics shall be permitted in GIFSC.



9. Course Recognition:

- (i) Any course or programme conducted by a registered entity in the GIFSC shall be identical in all respects with that course or programme conducted by the parent entity in its home jurisdiction and the resulting degree/ diploma/ certificate shall be conferred upon the students of the registered entity in the GIFSC directly by the parent entity in the same manner as it confers those on its own students for the same course or programme in its home jurisdiction.
- (ii) The degree/ diploma/ certificate issued with respect to courses or programmes conducted in the GIFSC shall enjoy the same recognition in the home jurisdiction of the parent entity as if it were conducted in the home jurisdiction.
- (iii) All other conditions continuing to be applicable, a registered entity with the prior and specific approval of the IFSCA may be allowed to make some modifications to its courses and programmes offered in the GIFSC.
- (iv) For recognition of the courses/ programmes in India the same procedures and requirements shall apply as specified in domestic regulations for recognition of foreign courses.

10. Non-Permissible Activities:

The IBC/ OEC shall not act as representative office of the parent entity for the purposes of undertaking promotional activities for their programmes in their home jurisdiction or any other jurisdiction outside the GIFSC.

11. Other Conditions:

- (i) The IBC/ OEC must be setup through a resolution passed by the Foreign University or Foreign Educational Institution's Board of Trustees, Senate or other Governing body.



- (ii) The application for the IBC/ OEC registration must be accompanied by an academic plan and quality assurance from the foreign university or foreign educational institution. It shall also contain details regarding infrastructural facilities, facilities available for instruction, faculty, prescribed fee, courses, curricula, requisite funds to operate for a minimum period of three years, and terms and condition of collaboration with Indian partner(s), if any, along with other relevant details.
- (iii) The IBC or an OEC shall maintain academic quality and standards on par with that applicable to its parent entity in the home jurisdiction.
- (iv) The foreign university/ foreign educational institution shall furnish an undertaking declaring therein that the degrees/ diplomas/ certificates awarded to the students in the GIFSC shall be recognized in the home jurisdiction of the parent entity and shall be treated equivalent to the corresponding degrees/ diplomas/ certificates awarded by the parent entity in the home jurisdiction.
- (v) The IBC/ OEC shall use the same or similar name as the Foreign University or Foreign Educational Institution, unless allowed otherwise by the IFSCA.
- (vi) The IBC/ OEC shall provide IFSCA with a copy of the Memorandum of Understanding between Foreign University/ Foreign Educational Institution and its IBC or OEC, as the case may be, in the IFSC.
- (vii) The IBC/ OEC shall also provide IFSCA with a copy of the Memorandum of Understanding between itself and its Indian partner(s), if any.
- (viii) The Foreign University or Foreign Educational Institution shall provide the latest Quality Assurance audit report from a recognized Quality Assurance Agency in the home jurisdiction.
- (ix) The programme completion certificates, degrees, diplomas, etc., for courses undertaken at the IBC or an OEC shall be issued by the Foreign University or Foreign Educational Institution in an identical manner as done by them in the home jurisdiction.



- (x) The student selection process by the IBC or an OEC shall be identical or like the student selection process at the Foreign University or Foreign Educational Institution. Student reservation policy applicable in the domestic area under domestic regulations shall not be applicable in the GIFSC.
- (xi) The faculty selection plan and procedure shall be in accordance with that applicable to the parent entity and relaxation or any deviation from it shall require prior approval of IFSCA subject to adequate justification.
- (xii) The IBC or an OEC shall undergo quality assurance audit and submit the report to IFSCA at the time of renewal of registration, which shall be for a period of three years at a time.
- (xiii) All activities conducted by IBC or an OEC shall be in accordance with the Foreign University or Foreign Educational Institution's mission and objectives.
- (xiv) All marketing communications or advertisements placed by the IBC or an OEC shall be factual with accurate mentions of the roles and purpose of accreditations, and shall not be misleading or exaggerated.

12. Action in case of default

Violation of these regulations may subject the IBC or an OEC to penalties by the IFSCA as provided during the time of issuing registration, including withdrawal of registration.

13. Safeguarding the interest of Students

In the eventuality of disruption or discontinuation of a course or programme for any reason whatsoever, it shall be the responsibility of the IBC or OEC to provide an alternative to the affected students, including reallocation to the course conducted by the parent entity that had obtained registration from IFSCA to establish the IBC/OEC and operate permissible courses in GIFSC.



14. Currency for Conduct of Business:

All transactions undertaken by the IBC or an OEC shall be in freely convertible foreign currency only. However, they may defray their administrative expenses in INR by maintaining a separate Special Non-Resident Rupee Account. Indian Students will be eligible to draw foreign exchange to meet the course expenses in accordance with the Liberalized Remittance Scheme of the Reserve Bank of India under the Foreign Exchange Management Act, 1999.

15. Maintenance of Accounts and Annual Report:

The IBC or an OEC shall maintain its records and documents, as may be specified by IFSCA. Further, all the books of accounts shall be maintained in such foreign currency, as may be declared at the time of making the application. The registered entity shall submit an Annual report giving details of the number of students admitted, programmes conducted, total fee collected, amount repatriated to parent entity, investment made, number of students awarded degree/ diploma/ certificate, etc.

16. Fees:

An IBC or an OEC desirous of undertaking permissible activities shall pay to the IFSCA the following fees:

Application Fee: \$ (one time)

Initial Registration Fee: \$ (one time)

Annual Fee: \$ (Second year onwards)

17. Power to remove difficulties and relax strict enforcement of the regulations

(1) In order to remove any difficulty in the application or interpretations of the provisions of these regulations, the Authority may issue clarifications through guidance notes or circulars.



(2) The Authority, for reasons to be recorded in writing, relax the strict enforcement of any requirement of these regulations, upon payment of fee, if any, as may be specified by the Authority.

Chairperson, IFSCA

[ADVT. xxx/x/Exty./xxx/2022]
