

Framework for Foreign Universities in GIFT IFSC

Background

While presenting the Union Budget on 1st February 2022, the Honorable Finance Minister Nirmala Sitharaman had said that the government will allow setting up of world-class foreign universities in GIFT City. "World-class foreign universities and institutions will be allowed in GIFT City to offer courses in subjects pertaining to financial management, fintech, science, technology, engineering, and mathematics, to facilitate the availability of skilled human capital for financial services and technology, free from domestic regulations, except those by the International Financial Services Centre Authority (IFSCA)," she had said. This announcement is also in alignment with the National Education Policy, 2020 (NEP), which proposes to facilitate operation of world-class universities (top 100) in India. The key distinction, however, between the recent announcement and the NEP proposal is that foreign universities that operate from GIFT IFSC will be exempted from domestic regulations. In October 2022, The IFSCA came out with the International Branch Campus Regulations.

Indian campuses will be allowed to repatriate

funds without any of the normal restrictions applying. All transactions will be in freely convertible foreign currency.

Overview of International Branch Campus (IBC) – Offshore Education Centre (OEC) Regulations in GIFT IFSC

1) Primary Objectives

- To allow setting up of branches, either on a stand-alone basis, or in such other forms as may be permitted by the Authority.
- To make the GIFT IFSC an international educational centre catering to both Indian and foreign students in the specified disciplines.
- To encourage executive education in the specified disciplines and related areas.

2) Applicability

- These regulations shall be applicable to an International Branch Campus (IBC) or an Offshore Educational Centre (OEC) of a Foreign University or a Foreign Educational Institution.

3) Permissible Subject Area

- Courses including research programmes in Financial Management, FinTech, Science, Technology, Engineering and Mathematics shall be permitted in GIFT IFSC.

4) Eligibility

- In case the Applicant is a Foreign University, it should have secured a position within Top 500 in global overall ranking and / or subject ranking in the latest QS World Universities ranking.
- The Applicant shall satisfy the Authority about its financial capability to establish and ensure the continuity of the proposed activities in GIFT IFSC.
- The Applicant shall undertake to put in place suitable infrastructure and facilities to conduct the courses including research programmes in the permissible subject areas.

5) Courses Recognition

- Any course or programme conducted by a registered entity in the GIFT IFSC shall be identical in all respects with the course or programme conducted by the Parent Entity in its home jurisdiction and identical degree, diploma or certificate shall be conferred upon the students of the IBC or OEC directly by the parent entity in the same manner as it confer to its students for the same course or programme in its home jurisdiction.
- The degree, diploma or certificate issued with respect to courses or programmes conducted in the GIFT IFSC shall enjoy the same recognition and status as if they were conducted by the Parent Entity in its home jurisdiction.

6) Non-Permissible Activities

- An IBC or 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 GIFT IFSC.

7) Other Conditions

- The IBC or OEC shall use the same or similar

name as that of the Applicant, unless permitted otherwise by the Authority.

- The student and faculty selection plan and process followed by the IBC or OEC shall be identical and similar to that of process followed by the Applicant and any relaxation or deviation from it shall require prior approval of the Authority, subject to adequate justification.
- The policies and internal regulations of the IBC or OEC, in relation to the student complaint and grievance redressal shall be in accordance with the approved policy of the Applicant.
- The IBC or an OEC shall undergo quality assurance audit as specified and submit the report to the Authority at the time of renewal of registration.
- All activities conducted by IBC or OEC shall be in accordance with the Applicant's mission, vision and objectives.
- All marketing communications or advertisements placed by the IBC or OEC shall be factual with accurate mentions of the roles and purpose of accreditations and shall not be misleading or exaggerated.
- The IBC or OEC shall adhere to dispute resolution policy as specified by the Authority.
- All transactions undertaken by the IBC or OEC shall be in freely convertible foreign currency only, provided that the IBC or OEC may defray their administrative expenses in INR by maintaining a separate Special Non-Resident Rupee Account.
- The IBC or OEC shall maintain such records and documents, as may be specified by the Authority.
- IBC or OEC 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.

8) Fees

- Application fees : \$ 1,000 (one time)
- Initial Registration fees : \$ 25,000 (one time)
- Annual Fee: \$ 10,000 (second year onwards)
- Processing fees for application seeking relaxation: \$ 10,000

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Recent Development

Recently, Australia's Deakin University became the first foreign university to announce an India campus, to be set up in the Gujarat International Finance Tec-City (GIFT City). In addition to Deakin, University of Wollongong (Australia) is also expecting to start its campus in 2024. Many universities from other nations are in talks with GIFT City officials.

CNK Comments

The IBC-OEC Regulation is a welcome step and is true to the projected idea of an IFSCA, i.e., providing a soft-touch regulatory environment to facilitate the ease of doing business. Setting up a branch in GIFT City allows the foreign universities and foreign education centre an access to the booming Indian education sector. Hopefully, following the probable success of various education institutions in GIFT City, the Indian Government may consider liberalizing education framework for mainland India as well. With the strategic location of GIFT City in South Asia that is home to large young population and caters to the growing demand for a skilled talent pool, the introduction of the IBC-OEC Regulations will act as the foundation stone for GIFT City's success. The demand for foreign education is huge and more than 10 lakh students from India go abroad. Many universities think that GIFT City will also provide them access to students from other South Asian countries. This will also allow India to retain talent within the country.



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