

Easy Step Guide for UK Universities on Indian Regulations

Exploring options for academic collaborations

FOREWORD

Dear Readers,

Each year, a large number of students from India head out to study in the UK. Still, very sadly, we also see many disappointed students who cannot leave the country to study overseas. Not because they are not meritorious, but because of other circumstances such as family support, lack of financial resources, or simply not wishing to go too far away from home right after school. This is why we, at the British Council, welcomed the NEP 2020 recommendation for internationalisation and subsequently the foreign collaboration regulation, and the two regulations for setting up international branch campuses in India under the GIFT City and University Grants Commission jurisdiction that followed up from it. This publication has details of the regulations to enable universities to take advantage of them in furthering their vision of widening access to their qualification to even more Indian students in the future.

British Council is honoured to be a part of the journey of implementation of these regulations, right from the outset at the consultative phase of development of the regulation. We have ensured that the regulations were shared with the UK universities and UK sector bodies such as the Universities UK International (UUKi), collated and fed the feedback, comments and suggestions received to the regulators. We are happy to say that they have been very receptive to these and incorporated many of these in the final regulations.

British Council has been supporting UK universities through the process of setting up, supporting and guiding them as needed. We are extremely grateful to the University Grants Commission officials, the GIFT City and IFSCA officials, and the Ministry of Education, Government of India, for their constructive advice, guidance and support to UK universities.

I am proud to say that the first UK university campus, Southampton University, Delhi is now operational with 170 students and looking towards a roll strength of 5000 in the next 8 years. At the time of writing this, there were 8 more universities embarking on a similar journey and we expect more universities to consider this option in the coming years.

British Council commissioned Kochar & Co to compile this easy step guide and we are grateful to them for putting together this comprehensive guide. We would like to state that this should not be read as a definitive guide but as an indicative roadmap to help you think through your journey. We strongly encourage universities to read this alongside seeking technical support from a consulting company. We have also tried putting together a list of organisations that offer that support as a starter list to get you talking to professionals who are there to support.

We hope that this easy step guide will be of interest to other universities that are considering a branch campus as an option for deepening their engagement with India.



Rittika Chanda Parruck MBE,
Director Education India,
British Council

Welcome Note from the Ministry of Education

The National Education Policy 2020 (NEP) was framed and approved by the Government of India to transform and improve the quality of education in the country. One of the key aspects of NEP 2020 is “Internationalisation of Education”, which aims to promote and share best academic & research practices through interactions among diverse education systems.

In alignment with the vision of NEP 2020, University Grants Commission (UGC) has issued “UGC (Setting up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations 2023” to facilitate the establishment of branch campuses of Foreign Higher Educational Institutions (FHEIs) in India.

Further, International Financial Services Centres Authority (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 have been issued to facilitate the establishment of campuses of world-class foreign universities in GIFT City, Gujarat.

UGC has already issued Letters of Intent to 18 Foreign Higher Educational Institutions (FHEIs) from Australia, Italy, the United States of America (USA) and the United Kingdom (UK) to set up their campuses in India, 9 of which are from the UK. The University of Southampton campus is now operational in Gurugram, Haryana, India.

IFSCA has registered four foreign universities to operate branch campuses in GIFT City, Gujarat. Two Australian Universities—Deakin University and the University of Wollongong are already operational in GIFT City, Gujarat. The other two universities are Queen’s University of Belfast, Ireland and Coventry University, UK, for which work is going on at a very fast pace to be able to start their operation at the earliest.

I appreciate the effort put in by the British Council in developing this TNE Handbook to promote enhanced understanding of recent foreign collaboration regulations in India among UK universities. I hope this will enable and encourage more UK universities to establish their campuses in India.

I wish all the best in the efforts put in by the British Council to enhance the Education collaboration between the two countries, and the Ministry shall always extend full cooperation in order to take this goal forward.



Dr. Vineet Joshi,
Secretary, Department of Higher Education, Ministry of Education,
Government of India

Welcome Note from GIFT City

It is our privilege to extend a warm welcome to all readers, stakeholders, and collaborators engaging with this handbook developed in partnership with the British Council. GIFT City, India's first operational International Financial Services Centre (IFSC), represents a bold vision to position India as a premier destination for global financial services, innovation, and international education.

GIFT City has been conceived to bridge the gap between India's growing financial and educational demand and global best practices in infrastructure, governance, and institutional support. It is not just a place, it is a thriving ecosystem where finance, technology, and academia converge to drive next-generation growth.

In line with the Government of India's vision to promote world-class education and internationalisation, GIFT City has emerged as a new-age education and knowledge hub. With the establishment of International Branch Campuses (IBCs) and Offshore Education Centres (OECs), we are proud to provide a unique platform for globally reputed institutions to deliver international curricula within India, thereby enabling Indian and international students to access high-quality, globally benchmarked education.

As GIFT City continues to grow into a global financial and educational destination, we believe that collaborations like this between educators, and international partners are instrumental in shaping a globally connected, knowledge-based economy.

We welcome you to join us at GIFT City – where global finance meets world-class education, and the future is being built today.



**Sanjay Kaul, IAS,
MD & Group CEO,
GIFT City**

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Introduction

India is nurturing future leaders with the skills, knowledge and cross-cultural competencies needed to thrive in an interconnected world. To achieve this, the country has introduced key reforms in its higher education system, creating new avenues for global collaboration.

These reforms include encouraging partnerships with foreign institutions, launching dual and joint degree programs, inviting international universities to set up campuses in India, and promoting student and faculty exchanges. The British Council works closely with both the UK and Indian education sectors to enable knowledge-sharing and support stakeholders in navigating India's evolving education landscape. With over seven decades of experience in India, the British Council brings deep insight into local contexts and policy frameworks.

This handbook aims to provide a comprehensive framework for foreign universities and higher education institutes to establish operations in India. This handbook outlines the procedural framework, legal requirements, and regulatory approvals necessary for:

- Foreign Higher Education Institutions (“**FHEI**”) through the UGC framework
- Foreign Universities (“**FUs**”) and Foreign Educational Institutions (“**FEIs**”) to establish International Branch Campuses (“**IBCs**”) and Offshore Education Centres (“**OECs**”) in Gujarat International Finance Tec-City (“**GIFT City**”).

Disclaimer

This document has been prepared at the request of the British Council Division by Kochhar and Company, for general informational purposes only. It is intended solely to provide a high-level overview of certain legal and regulatory considerations associated with the establishment of international branch campuses in select jurisdictions.

This document does not purport to be comprehensive, nor does it constitute legal, regulatory, tax, financial, or other professional advice. The information contained herein is current as of the date of publication and is subject to change without notice. No representation or warranty, express or implied, is made as to the accuracy, completeness, or reliability of the information contained in this document.

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UGC Regulations: Internationalisation of higher education



1. Introduction

1.1. India has emerged as a promising destination for foreign universities seeking long-term engagement and to participate in India's higher education transformation. This movement is backed by a robust legal and regulatory framework overseen by the University Grants Commission (UGC) a statutory body, and has been further strengthened by the National Education Policy 2020 (NEP 2020), which places internationalisation of education at its core.

1.2. About the University Grants Commission and the UGC Act 1956: The UGC came into existence on December 28, 1953, and became a statutory organisation of the Government of India by an Act of Parliament in 1956¹. It is responsible for the coordination, determination and maintenance of standards of teaching, examination and research in university education in India.

1.3. About the National Education Policy: The National Education Policy, 2020 ("NEP 2020") was launched on July 29, 2020. The NEP 2020 aims at internationalisation of education in India by aligning with global standards and attracting foreign universities, and encourages top educational institutions worldwide to establish a presence in India. Since the launch of NEP 2020, UGC has taken several key initiatives to implement principles reflected in the NEP 2020 including initiation of several measures for the internationalization of the higher education system in India.

1.4. Following the introduction of NEP 2020, the UGC introduced comprehensive regulations including the UGC Collaboration Regulations 2022 for academic partnerships and the UGC Campus Regulations 2023 for establishing foreign university campuses in India.

1.5. The UGC notified the guidelines on internationalisation of higher education in the year 2021, which included provisions like setting up an office for International Affairs and Alumni Connect Cell in the universities. In view of fostering academic collaboration between Indian Higher Educational Institutions ("IHEI") and FHEIs, the University Grants Commission (Academic Collaboration between IHEI and FHEIs to offer Twinning, Joint Degree and Dual Degree Programmes) Regulations, 2022 were notified on May 02, 2022 ("**UGC Collaboration Regulations**")².

1.6. Subsequently, the University Grants Commission (Setting Up and Operations of Campus(es) of FHEIs in India) Regulations, 2023 ("**UGC Campus Regulations**") was notified on November 07, 2023, which provided international dimension to higher education in India and facilitated the entry of FHEIs into India. From time to time, UGC releases rules, regulations, circulars, notifications, directions, guidelines, communique, policies, etc., in relation to the subject matter (Hereinafter, UGC Collaboration Regulations, UGC Campus Regulations and all other rules, regulations, circulars, notifications, directions, guidelines, communique, policies, etc. as applicable for the provisions of this handbook is referred to as the "**UGC Regulations**").

1.7. This handbook outlines the procedural requirements, legal obligations, and regulatory approvals necessary for FHEIs seeking to either collaborate with Indian institutions or establish their own operational campuses in India under the UGC's regulatory framework. It has been divided into three parts for ease of reference.

Part A: Applicable laws

Part B: Academic collaboration in India

Part C: Setting up and operation of campus(es) in India

Part D: Compliances

¹ UGC Act, 1956 ("UGC Act") and the rules framed thereunder.

² UGC Collaboration Regulations supersede the University Grants Commission (Promotion & Maintenance of Standards of Academic Collaboration between Indian and Foreign Educational Institutions) Regulations, 2016.



2. Part A: Applicable laws

2.1. UGC Act

The UGC is established under the UGC Act and has been entrusted with powers and authorities to take all such steps, among others, as it may think fit for the promotion and coordination of University³ education and for the determination and maintenance of standards of teaching, examination and research in universities. The UGC has the power to take the decision in case of any question as to the interpretation of UGC Regulations, and the decision taken by the UGC shall be final and binding.

2.2. UGC Collaboration Regulations

2.2.1. The UGC Collaboration Regulations lays down the minimum standards for academic collaboration between IHEI⁴ and FHEI⁵ to offer Twinning⁶, Joint Degree⁷ and Dual Degree Programmes⁸.

2.2.2. The UGC Collaboration Regulations define the term “academic collaboration” to mean an academic partnership between IHEI and FHEI, put into place through an instrument of written agreement for the purposes of Twinning Programme, Joint Degree Programme and Dual Degree Programme.

2.2.3. Conditions for collaboration:

- (a) **Prior approval:** The IHEI and FHEI shall obtain the approval of their appropriate authority, like Board of Governors/Board

of Management/ Syndicate/ Executive/ Statutory Councils/Bodies (collectively, the “**Statutory Bodies**”) for: (a) academic collaboration, and (b) entering into collaboration in technical, medical, legal, agricultural and such other professional programmes. agricultural and such other professional programmes.

(b) **MoU/Agreement:**

(i) The IHEI will have to enter into a written Memorandum of Understanding (**MoU**)/**Agreement** with its partner FHEIs for collaboration. Amongst others, the MoU/Agreement must categorically include the purposes and related provisions of the collaboration.

(ii) The MoU/Agreement for collaboration shall include provisions related to student obligations, fees and other financial arrangements, intellectual property rights, student’s attendance patterns, duration of stay for the study programme in both the HEIs, joint supervision arrangements, language of thesis and examinations, admission and evaluation process and graduation procedures, wherever applicable.

(iii) Any dispute arising in relation to collaborative arrangement between IHEI and FHEI shall be governed by the Indian law.

³ ‘University’ means 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 recognised by the UGC in accordance with the regulations made in this behalf under the UGC Act.

⁴ ‘Indian Higher Educational Institution’ means a university within the meaning of Section 2(f) or an institution deemed to be university under Section 3 of the UGC Act, 1956.

⁵ ‘Foreign Higher Educational Institution’ means a Higher Educational Institution duly established or incorporated or recognised in a foreign country and offering academic and research programmes at the undergraduate and/or higher levels.

⁶ ‘Twinning Programme’ shall be a collaborative arrangement whereby students enrolled with an IHEI may undertake their programme of study partly in India, complying with relevant UGC Regulations, and partly in the FHEI.

⁷ In ‘Joint Degree programme’, the curriculum shall be designed jointly by the collaborating IHEI and FHEI and, upon completion of the programme, the degree is awarded by the IHEI and the collaborating FHEI with a single certificate.

⁸ ‘Dual Degree Programme’ shall be a programme jointly designed and offered by the IHEI and FHEI in the same disciplines/subject areas and in the same level. The degrees for such programme shall be conferred by the IHEI and FHEI, separately and simultaneously, upon completion of degree requirements of both the institutions. This shall not in any way be construed as two-degree programmes in separate disciplines/subject areas and/or levels being pursued simultaneously.

(c) **Infrastructure:**

Academic infrastructure, including laboratory, library and workshop facilities of the IHEIs shall meet the requirements set out by the relevant professional Statutor Councils/Bodies.

(d) **Display:**

The academic requirements and other details of the programme(s) of study to be offered under collaborative arrangements shall be made public by displaying prominently on the websites of both IHEI and FHEI, before the commencement of such programmes.

(e) **Compliances:**

The IHEI and FHEI shall abide by and comply with the relevant regulations, norms, notifications and instructions issued by the Reserve Bank of India ("RBI"), Government of India, and Statutory Bodies, from time to time.

(iii) Addressing matters related to Indian students proceeding abroad to FHEI under collaborative arrangements;

(iv) Maintaining records and disseminating information related to international collaborations;

(v) Working as the nodal agency for foreign students and coordinating all matters relating to welcoming and supporting foreign students;

(vi) Engaging in promotional activities and brand-building campaigns abroad;

(vii) Making information relating to academic collaboration available on the HEI's website and providing the same to the UGC whenever asked;

(viii) Addressing the grievances of students, both Indian and foreign, who take admission in programmes offered.

2.2.4. Who is eligible?

The IHEI and FHEI shall be eligible to offer Twinning, Joint Degree and Dual Degree programmes, subject to fulfilling the following eligibility criteria:

(a) IHEIs accredited by National Assessment and Accreditation Council (NAAC) or any other agency authorised in this behalf, with a minimum score of 3.01 on a 4-point scale at the time of application; or

(b) IHEIs that appear in the top 1000 of Times Higher Education or QS World University ranking at the time of application; or

(c) IHEIs that appear in the top 100 in the university category of National Institutional Ranking Framework (NIRF) at the time of application;

FHEI

(d) FHEIs figuring in the top 1000 of Times Higher Education or QS World University ranking at the time of application.

(b) The degree awarded shall be equivalent to any corresponding degree awarded by the IHEI, with the following stipulations that:

(i) there shall be no further requirement of seeking equivalence from any authority; and

(ii) the degree shall have all benefits, rights and privileges as obtained in the case of a degree awarded by an IHEI ordinarily.

(c) The programmes offered shall not be allowed in online, and open and distance learning modes.

(d) No franchise arrangement/study centre, whether overtly or covertly, by whatever nomenclature used, between a FHEI and an IHEI shall be allowed.

(e) An institution deemed to be a University under section 3 of the UGC Act shall enter into academic collaboration in accordance with the extant deemed to be University regulations and compliance with the applicable provisions.

(f) Matters relating to the grievances of students, including legal matters relating to the collaboration, shall be addressed by the IHEI entering into academic collaboration.

(g) The monitoring shall be done through mandatory public disclosure.

(h) The collaborating IHEI shall furnish information regarding the academic collaboration, as required by the UGC from time to time.

2.2.5. Other requirements

(a) The collaborating IHEI shall have an office for International Affairs which shall function as a single point of contact, and shall be responsible for carrying out all collaborative activities, among other things, including:

(i) Liaising with regulatory/Statutory Bodies;

(ii) Working as a coordinating agency for all students registered under collaborative arrangements with FHEI;

2.3. UGC Campus Regulations

2.3.1. The UGC Campus Regulations is applicable to the campus(es)⁹ of FHEIs¹⁰ seeking approval to conduct certificate, diploma, degree, research and other programmes at the undergraduate, postgraduate, doctoral and post-doctoral levels in India.

2.3.2. Who is eligible?

- (a) The FHEI intending to establish a campus in India shall fulfil any of the following criteria at the time of application:
 - (i) It should have secured a position within the top 500 in the overall category of global rankings at the time of application, as decided by the UGC from time to time; or
 - (ii) It should have secured a position within the top 500 in the subject-wise category of global rankings at the time of application or
 - (iii) Should possess outstanding expertise in a particular area, as decided by the UGC from time to time.
- (b) In the case of two or more FHEIs intending to collaborate to establish campuses in India, each FHEI should meet the eligibility criteria.

2.3.3. Financial adequacy

The FHEI shall present their adequacy of financial and other resources required for establishing and operating its campus in India.

2.3.4. Infrastructure

The FHEI shall have the physical, academic and research infrastructure and facilities required to conduct its academic and research programmes on its campus in India.

2.3.5. Procedure for prior approval

- (a) **Application to UGC:** Upon fulfilment of the eligibility criteria, the FHEI has to make an online application to the UGC along with the non-refundable processing fee, as prescribed from time to time.

In case the FHEI intends to set up more than one campus, it shall make a separate application to the UGC under the procedure specified in the UGC Campus Regulations. The application has to be supported with the following documents:

- (i) Permission by the Statutory Body, as applicable, for establishing campus(es) in India;
- (ii) Information on the proposed location, infrastructural facilities, fee structure, academic programmes, courses, curricula, availability of faculty and financial resources for setting up and running the operations of campuses in India, and any other details that may be sought;
- (iii) An undertaking to the effect that: (x) the quality of education imparted by it in its campus in India is similar to that of the main campus in the country of origin; and (y) the qualifications awarded to the students in the Indian campus shall enjoy the same recognition and status as if they were conducted in its home jurisdiction, that is, they shall be recognised in the country of origin of the FHEI and shall be equivalent to the corresponding qualifications awarded by the FHEI in the main campus located in the country of origin;
- (iv) The latest accreditation or quality assurance report from a recognised body; and
- (v) Any other document as specified in the application portal.

(b) Review by the Standing Committee, In-principle approval

- (i) The application shall be examined by a Standing Committee constituted by the UGC. The Standing Committee shall assess each application on merit, including the credibility of the educational institutions, the programmes to be offered, their potential to strengthen educational opportunities in India, and the proposed academic infrastructure, and make recommendations thereof.

⁹ 'Campus' means a campus set up in India by a FHEI to conduct certificate, diploma, degree, research and other programmes at undergraduate, postgraduate, doctoral and post-doctoral levels duly approved under the UGC Campus Regulations.

¹⁰ 'Foreign Higher Educational Institutions' includes both a University or an Educational Institution in a foreign country duly recognised and established or incorporated in any manner such as Trust or Society or Company or Statutory Body or other legal forms in the country of its origin, and is duly authorised to offer academic and research programmes at the undergraduate or higher levels, within and outside its jurisdiction, as the case may be.

In case the applicant is an FHEI possessing outstanding expertise in a particular area, the Standing Committee shall consider its strengths, outstanding contribution, research capacities, institutional history, institutional prestige and influence, and professional recognition within the areas, among others. The recommendations of the Standing Committee shall be placed before the UGC within a period of 60 days from the date of receipt of the application, complete in all respects.

ii) Based on the recommendations of the Standing Committee, the UGC may, within a period of 60 days, initially grant an in-principle approval and issue a Letter of Intent to the FHEI to set up campus(es) in India within 2 years from the date of the in-principle approval. The UGC may reserve the right to give an extension, if required, on a case-to-case basis.

(c) Commencement of operations

The applicant FHEI shall convey its readiness for the commencement of its academic operations to the UGC. The Standing Committee shall examine the readiness of the campus and give its recommendations. The operation of FHEI shall not be contrary to the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency, or morality.

(d) Final approval

The UGC shall consider the recommendations of the Standing Committee and issue approval to the FHEI, within a period of 60 days, for commencing the operation of a campus in India with or without conditions.

(e) Cancellation, suspension or withdrawal

The UGC shall cancel, suspend or withdraw the approval issued to the FHEI or take such other action as it may deem fit after recording reasons therefor, at any time in the event of any of the following, namely,

- (i) The campus of the FHEI fails to adhere to or has violated the UGC Regulations;
- (ii) Its activities or academic programmes are against the interest of India;

(iii) It fails to abide by the undertaking given at the time of application;

(iv) It engages in operations other than what is permitted under the UGC Regulations; and

(v) In case of any adverse finding, misappropriation and suppression of facts.

2.3.6. Other requirements

(a) Setting up presence in India

(i) The FHEI may,

- set up a wholly owned subsidiary (“WOS”) in India or
- enter into a joint venture (“JV”) with IHEI or an Indian company. However, the FHEI campus in India shall have its own independent campus with the physical, academic and research infrastructure and facilities required to conduct its academic and research programmes.

(ii) Further, if FHEI enters into a joint venture with an IHEI or an Indian company, a joint venture agreement, shareholders agreement and other related agreements will need to be executed between the parties, including the terms and conditions at which the campus in India is to be set up and operated.

(iii) The FHEI shall not act as a representative office of the parent company to undertake promotional activities for their programmes in their home jurisdiction or any other jurisdiction outside India.

(b) Admission and fee structure

(i) The campus of FHEI in India may evolve its admission process and criteria to admit domestic and international students and decide the fee structure, which shall be transparent and reasonable. The FHEI may provide full or partial merit-based or need-based scholarships from funds such as endowment funds, alumni donations, tuition revenues and other sources. Give tuition fee concessions to students who are Indian citizens based on their assessment.

(ii) The FHEI shall make available the prospectus on its website at least 60 days before the commencement of admissions, including the fee structure, refund policy, number of seats in a programme, eligibility qualifications, and admission process.

(iii) The FHEI shall ensure that the education shall be imparted in a similar manner in aspects like curricula, pedagogy, assessment and other aspects, as that of the main campus in the country of origin.

(c) Appointment of faculty and staff and other related provisions

(i) The FHEI shall have the autonomy to recruit faculty and staff from India and abroad as per its recruitment norms and decide the qualifications, salary structure, and other conditions of service for appointing faculty and staff. However, the FHEI shall ensure that the qualifications of the faculty appointed shall be at par with the main campus in the country of origin.

(ii) The FHEI shall ensure that the international faculty appointed to teach at the Indian campus shall stay in India for at least a semester.

(d) Programme offering and qualification

(i) The programme cannot be offered online or in open and distance learning modes. However, lectures in online mode not exceeding 10% of the programme requirements may be allowed.

(ii) The FHEI shall seek prior approval from UGC before starting any new programme through the UGC portal.

(iii) The FHEI shall not offer any such programme of study which is contrary to the standards of higher education in India.

(iv) The qualifications offered on the campus of the FHEI in India shall be awarded under the name and seal of the FHEI in the country of origin.

(v) The qualifications awarded to the students in the campus of the FHEI in India shall be recognised in the country of origin of the FHEI and shall be equivalent to the corresponding qualifications awarded by the FHEI in the main campus located in the country of origin.

(vi) The FHEI shall not discontinue any course or programme or close the campus without the prior approval of the UGC. In the case of a course or programme disruption or discontinuation or closure of the campus, the parent company shall be responsible for providing an alternative to the affected students, including reallocation to the course or programme.

(e) Compliances by campus of the FHEI in India

(i) The FHEI shall comply with the provisions specified under the Foreign Exchange Management Act (**FEMA**), 1999 and the rules and regulations made thereunder in relation to cross-border movement of funds and maintenance of foreign currency accounts, mode of payments, remittance, repatriation, and sale proceeds, etc.

(ii) Further, receipt or utilisation of foreign contribution by the campus of the FHEI in India shall be in compliance with the Foreign Contribution (Regulation) Act (**FCRA**), 2010, and the rules and regulations made thereunder and subject to prior permission of the Central Government, as specified under FCRA.

(iii) The FHEI shall undergo a quality assurance audit and submit the report to the UGC, including an annual report, giving details of programmes offered, the number of students admitted and passed out, and qualifications awarded. The UGC shall have the power to visit the campus and examine its operations to ascertain the infrastructure, academic programmes and overall quality and suitability.

(iv) The FHEI shall submit an audit report annually to the UGC certifying that the operations of the FHEI in India are in compliance with the FEMA or the FCPA or the UGC Regulations, or any other applicable laws. The annual report shall be made available on the website of the FHEI or its campus in India.

2.4. UGC Equivalence Regulations, 2025

2.4.1. The University Grants Commission (Recognition and Grant of Equivalence to Qualification Obtained from Foreign Educational Institutions) Regulations, 2025 (“**UGC Equivalence Regulations**”), notified on April 4, 2025, were introduced to establish a transparent framework for recognising foreign academic qualifications and granting equivalence within the Indian higher education system. A student intending to obtain a certificate of equivalence is required to give an application as per the provisions set out in the UGC Equivalence Regulations.

2.4.2. Students are not required to apply for a grant of certificate of equivalence if they have obtained a qualification from an FHEI operating in India, (a) under the UGC Collaboration Regulations, or (b) under the UGC Campus Regulations, or (c) under any other UGC Regulations.

2.4.3. The UGC Equivalence Regulations do not apply to professional qualifications awarded by the FHEI in disciplines such as medicine, pharmacy, nursing, law, and architecture, which are governed by the respective statutory councils in India.

2.5. Corporate Laws

2.5.1. The Companies Act, 2013 (“**CA Act**”) and the rules and regulations framed thereunder govern the incorporation and operation of business entities in India (“**IndCo**”).

2.5.2. Foreign universities setting up and operating a campus in India will be required to form a company (either a subsidiary or a joint venture company) and comply with the statutory compliances and the filings under the CA Act if the IndCo is incorporated as a private limited company. If the IndCo is a public listed company, then the compliances specified under the Securities and Exchange Board of India and the rules and regulations framed thereunder (“**SEBI Regulations**”) will also be required to be adhered to in addition to the compliances under the CA Act.

2.5.3. A chart setting out information regarding the corporate compliances and respective filings to be made to the Registrar of Companies (“**ROC**”) for a company in India has been provided in Appendix I.

2.6. Indian Contract Act

2.6.1. Agreements/contracts executed and governed under Indian laws are to be in compliance with the provisions of the Indian Contract Act, 1872 for ensuring that they are legally valid and enforceable under Indian laws.

2.6.2. MoU/Agreement executed/to be executed by and between the IHEI and FHEI for academic collaboration or any other agreement, such as, joint venture agreement, shareholders agreement, sale and purchase agreement, service agreement, faculty employment agreement, student enrolment, etc. to be executed by the FHEI in India in relation to setting-up and operation of the campus in India will be in accordance with the provisions of the Indian Contract Act.

2.7. Exchange Control Regulations

2.7.1. FEMA regulates foreign exchange transactions in India to facilitate external trade and payments while promoting orderly development of the foreign exchange market.

2.7.2. FHEIs operating or collaborating in India, undertaking cross-border financial transactions, including foreign investments and repatriation of funds, accessing External Commercial Borrowing (“**ECBs**”), royalty payments, etc. is required to ensure that it is compliance under FEMA and respective filings and disclosures are made to the RBI through the authorised dealer bank in India.

2.7.3. Details regarding the FEMA compliances and respective filings to be made to RBI regarding foreign exchange transactions in India have been provided in Appendix I.

2.8. Foreign Direct Investment Policy

2.8.1. India’s foreign direct investment (“**FDI**”) policy permits 100% investment by a person resident outside India under the automatic route in the education sector in India. Thus, the FHEIs may contribute up to 100%¹¹ equity in IndCo by infusion of capital directly in the IndCo or by purchasing equity shares of the IndCo from the existing shareholders.

2.8.2. In both the cases, certain reporting will be required to be made to the RBI through the authorised dealer bank in India. To integrate the reporting structures of various types of foreign investments in India, the RBI has introduced the Foreign Investment Reporting and Management System (FIRMS) Portal, and the reporting is done on the FIRMS portal.

2.8.3. Details regarding the reporting to the RBI on receipt of foreign investments in India and ongoing compliances have been provided in Appendix I.

2.9. Income Tax Laws

Direct Tax

2.9.1. **Income Tax Act**, 1961 and the rules and regulations framed thereunder ("**IT Act**") governs taxation in India. The FHEIs operating in or collaborating with IHEIs in India or deemed to have created a permanent establishment in India, will be subjected to the provisions of the IT Act and the income generated from such establishment or collaborations, or the campus(es) in India will be subject to tax based on the nature of their activities and the presence in India.

2.9.2. IT Act provides for tax with holding obligation on a person resident in India who is making any payment to a person outside India. Thus, payments made to the FHEIs by the IHEIs on account of service fee, royalty fee or any other name called will be subject to tax withholding at the rate prescribed under the IT Act at the given point in time.

2.9.3. Similarly, dividend distribution tax ("**DDT**") will be payable by the IndCo if it declares any dividend to its shareholders at the prevailing rate. The current effective rate of DDT is 17.65%, excluding surcharge and cess.

2.9.4. Further, the FHEIs will be required to comply with the statutory compliances under the IT Act and make the filings with the Income Tax Department in India, in accordance with the provisions specified in the IT Act.

2.9.5. Details regarding the filing requirements under the IT Act have been provided in Appendix I.

Indirect Tax

2.9.6. The Central Goods and Services Tax Act, 2017 and the rules and regulations framed thereunder ("**GST Act**") in India is a comprehensive indirect tax law that applies to the supply of goods and services in India.

2.9.7. Subject to exemptions as may be available, the applicability of Goods and Services Tax ("**GST**") depends on the nature of courses offered, collaboration with IHEIs, and the provision of consultancy, training, online courses offered, or ancillary services, with GST liability being determined in accordance with the provisions of the GST Act. Details regarding the filing requirements under the GST Act have been provided in Appendix I.

2.9.8. The Customs Act, 1962 ("**Customs Act**"), governs the levy and collection of customs duty on goods imported into or exported from India, including those FHEIs operating in the country or collaborating with IHEIs in India.

2.9.9. FHEIs importing educational equipment, laboratory instruments, books, or other materials may be subject to customs duty, unless exemptions are granted under specific notifications for educational or research institutions. Duty rates vary based on the nature of the goods, and compliance with customs regulations, including proper declarations and clearances, is mandatory to facilitate the import of educational resources.

2.10. Employment Laws

Employment laws in India are governed by central, state, and local legislations, and compliance requirements can vary across different jurisdictions. Primary employment laws that apply are stated at <https://clc.gov.in/clc/acts-rules/acts-and-rules-0>. The application of each law depends on the total number of employees, the nature of their employment (permanent, contractual, part-time), and the benefits extended to them etc. Accordingly, this information would be evaluated to navigate the intricate legal provisions of employment laws applicable.

Details regarding the standard filings under central/state/local laws have been provided in Appendix I.

2.11. Immigration Laws

FHEIs operating in India with employees or teaching staff stationed in the country must comply with Indian immigration laws, including regulations governing work authorisation and residency requirements. Foreign faculty and staff must obtain the necessary permissions based on the nature and duration of their engagement and report to the respective Foreigners Regional Registration Offices (FRRO) and register on

<https://indianfrro.gov.in/eservices/eRegistration.jsp>. Details regarding the immigration laws applicable have been provided in Appendix I.

2.12. Real Estate Laws

2.12.1. Transfer of Property Act

The Transfer of Property Act, 1882 and the rules and regulations framed thereunder (“**TOPA**”) governs the transfer of immovable property in India. FHEIs operating in India must comply with the provisions of TOPA, when acquiring, leasing, or transferring immovable property. While TOPA governs the legal framework for property transactions, foreign entities, including FHEIs, are subject to additional restrictions under the FEMA which regulates foreign ownership and leasing agreements relating to immovable assets.

2.12.2. Stamp duty laws

Certain agreements in India attract stamp duty as per the applicable stamp laws in the respective state. Any agreement relating to the immovable property needs to be executed after the payment of applicable stamp duty.

2.12.3. Registration laws

Certain instruments in India require mandatory registration under the Indian Registration Act, 1908 (“**Registration Act**”). Under Section 17 of the Registration Act, every agreement relating to immovable property and having a value of more than INR 100 needs to be registered with the respective office of the Sub-Registrars of Assurance.

2.13. FCRA

2.13.1. FCRA regulates the acceptance and utilisation of foreign contributions in India to ensure that such funds are not used for activities detrimental to national interest.

2.13.2. For FHEIs engaging with Indian entities, the FCRA governs the receipt and use of foreign grants, donations, and funding for academic collaborations, research projects, or institutional partnerships. IHEI receiving foreign contributions from FHEI will be required to obtain FCRA registration or prior approval from the Ministry of Home Affairs, as the case may be. Details regarding the compliances applicable under FCRA have been provided in Appendix I.

For ease of reference, links (wherever possible) of the Applicable Laws have been provided in Appendix II.



3. Part B: Academic collaboration in India

3.1. The FHEI may enter into an academic collaboration with IHEI in India under the UGC Collaboration Regulations and offer Twinning, Joint Degree and Dual Degree Programmes in India by entering into a MoU/Agreement with the IHEIs in India after obtaining approval of their respective Statutory Bodies.

3.2. The FHEIs intending to enter into the academic collaboration in India will be required to comply with the eligibility requirements, other conditions and requirements as specified under paragraphs 2.2.3, 2.2.4 and 2.2.5 above.

3.3. Further, while it is not mandatory, if the FHEI has created or is intending to create a presence in India by way of a Liaison Office (“**LO**”) or a Branch Office (“**BO**”) or a Project Office (“**PO**”) or a company, it will be required to comply with the reporting and statutory filing requirements, respectively, as specified in Appendix I.

3.4. If the FHEI is deemed to have created a permanent establishment in India under the IT Act and the respective double tax avoidance treaty, it will be subjected to tax in India as specified under paragraph 2.9 above.

Further, any payment (such as service fee, royalty and technical fee, etc.) made to the FHEI by a person resident in India, including the IHEI, will be subjected to tax withholding under the IT Act and the respective double tax avoidance treaty.

3.5. Similarly, employment laws, real estate laws, FEMA laws, as specified in the above paragraphs will be applicable if the IndCos hire employees or acquires an office (on lease or on ownership basis) in India or receives onward remittance from a person in India, including the IHEI. Any outward remittance to the FHEI will be done through the authorised dealer bank in India and respective filings in this regard, as provided under FEMA, will be required to be completed. Details regarding the respective compliances have been provided in Appendix I.



4. Part C: Setting up and operation of campus(es) in India

4.1. An eligible FHEI may set up and operate a campus in India under the UGC Campus Regulations and conduct certificate, diploma, degree, research and other programmes at the undergraduate, postgraduate, doctoral and post-doctoral levels in India after obtaining approval of their respective Statutory Bodies and the UGC, as specified under paragraph 2.3.5 above.

4.2. The FHEIs intending to set up and operate the campus in India would be required to make an online application, supported with the documents specified under paragraph 2.3.5(a) above, to the UGC upon payment of prescribed fee.

4.3. However, prior to making an application to the UGC as mentioned herein, it will be essential that the FHEI:

4.3.1. Prepares a business plan¹² ;

4.3.2. Evaluates the nature of entry into India for the purposes of setting up the campus, such as a WOS or a JV. Establishing of presence may be simultaneously carried out. Please refer to Appendix I for details on the requirements and process of setting up the company;

4.3.3. Identifies a location for the campus in India;

4.3.4. Assesses availability and adequacy of infrastructure; **Note:** Infrastructure and facilities provided by the FHEI in its home country may be benchmarked for assessing adequacy for the purposes of campus in India.

4.3.5. Creates financial resources and assesses its adequacy; **Note:** The UGC Regulations do not explicitly define or provide any criteria for the term “adequacy of financial and other resources” or the methods through which funding may be sourced or secured for setting up and operating the campus in India. The “adequacy of financial and other resources” may refer to the sufficient funds and non-monetary assets (like land, infrastructure, qualified) that (based on the experience of the parent university) are sufficient to set up and operate the campus in India.

4.4. The UGC will follow the process specified in paragraph 2.3.5(b) for evaluating the application filed by the FHEI and grant the in-principle approval and the final approval within the timeframe specified therein.

4.5. Establishing IndCo and compliances

4.5.1. Meanwhile, the IndCo will be required to be established as a WOS or as a JV company by way of incorporating a new company or by acquiring an existing company, in case of joint venture company, joint venture agreement, shareholders agreement and other agreements, as may be agreed, and will be required to be executed by the FHEI with its partner in India.

4.5.2. After incorporation of the IndCo as a new company, the IndCo will be required to obtain business-related registrations, as such, permanent account number, tax deduction and collection account number, GST, employee related registrations under the Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Shops and Establishment Act, and other local registrations, as may be required. The IndCo will also be required to open a bank account in India. These business registrations may not be required if IndCo is already an existing company in India, which has obtained these business-related registrations.

4.5.3. The IndCo will be subjected to the statutory compliances and filings under the CA Act, the IT Act, GST Act, the FEMA, the FERA, including reporting to the RBI, the ROC, the SEBI, various employment laws, etc. A chart setting out the statutory compliances and reporting by a company in India has been provided in Appendix I.

4.5.4. The accumulated profit of the IndCo may be declared and repatriated by way of dividend in accordance with the provisions of the CA Act, IT Act and FEMA, subject to DDT. Tax withholding obligations will also be applicable as specified in paragraph 2.9 above.

4.6. Compliances by Indian campus and FHEI

4.6.1. After receipt of the final approval, the Indian campus/FHEI will be required to adhere to the provisions specified in paragraph 2.3.6(e) above.

4.6.2. In case of non-compliance as specified in paragraph 4.6.1 above, the UGC has the power to cancel, suspend or withdraw the approval given. Further, in case of any dispute with respect to UGC Regulations, the courts in India will have exclusive jurisdiction, while the UGC shall have the power to clarify any doubt, difficulty, or anomaly about implementing UGC Regulations.

4.7. Setting up campus facility in India

4.7.1. A foreign company is not permitted to purchase real estate in India unless it operates through an incorporated/established company in India and conducts activities that fall within the scope of its permitted activity under the FDI Policy. A foreign company may take real estate on lease to conduct its activities.

4.7.2. Based on the assessment, the FHEIs may decide to either acquire real estate/facilities on an ownership basis or enter into a lease arrangement for the purpose of setting up the campus facilities upon obtaining the Board and shareholder approval and accordingly enter into the purchase agreement or the lease agreement, as the case may be.

4.7.3. All agreements relating to real estate attract stamp duty and require registration before the relevant Sub-registrars of Assurances. Further, provisions of FEMA will be required to be complied with upon receipt of inward remittance by the IndCo for acquisition/lease of real estate/facilities, as the case may be.



5. Part D: Compliances

5.1. Compliance by IndCo

5.1.1. Compliance obligations will need to be fulfilled by the business entity established in India for carrying out the operations, given the entity's presence in the country. Thus, the entity set up by the FHEI will be required to carry out ongoing statutory compliances over and above the compliances under the UGC Regulations.

5.1.2. Accordingly, please refer to Part A (entity wise compliance chart), annexed separately as Appendix I, setting out ongoing statutory compliances by the IndCo.

5.2. Compliance by FHEI or its campus in India

5.2.1. For academic collaboration, the FHEI will be required to comply with the conditions specified in paragraph 2.2.3 above.

5.2.2. For operating a campus in India, the FHEI and its campus in India will be required to comply with the conditions specified in paragraph 2.3.6 above.

APPENDIX I COMPLIANCE CHART

SN	Description	UGC Collaboration Regulations	UGC Campus Regulations
Part A Academic Collaboration/Campus in India			
1	Business in India	- By MoU/Agreement with the IHEIs for academic collaboration. - MoU/Agreement to include the provisions mentioned in the UGC Collaboration Regulations and be governed under Indian laws. - Appropriate stamp duty is to be paid on the MoU/Agreement, as per the relevant stamp laws.	By WOS or JV company.
2	Eligibility	As mentioned in para 2.2.4 of the handbook.	As mentioned in para 2.3.2 of the handbook.
3	Pre-conditions to application	As mentioned in para 2.2.3 of the handbook.	As mentioned in para 2.3.5 of the handbook.
4	Conditions post approval	As mentioned in para 2.2.5 of the handbook.	As mentioned in para 2.3.6 of the handbook.
5	Ongoing Compliances		As mentioned in para 2.3.6(e) of the handbook
Part B Campus in India (Incorporation of Entity)			
6	Setting-up company	Not mandatory. FHEI may set up as a BO, LO or a PO.	- Setting up a new WOS or JV company; or - Acquiring an existing company.
7	Approval	- RBI approval under the provisions of FEMA and the RBI Branch Regulations. - The FHEIs must submit an application in Form FNC along with the documents as stated under Annex B of this link (https://rbidocs.rbi.org.in/rdocs/notification/PDFs/06MDE170516F633150EBCFE438084174F7DECCDC20C.PDF) to the RBI through the AD Category I Bank (https://rbidocs.rbi.org.in/rdocs/FEMA MASTER/PDFs/1061.PDF)	Incorporation in accordance with the provisions of the CA Act on the website of MCA ¹³ through the ROC and obtain COI ¹⁴ . Please visit www.mca.gov.in for more details on the process.

Part C | Campus in India (Statutory Compliances)

		Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO)	WOS/JVC
Companies Act, 2013			
8	Board/ Shareholders Meeting	Not applicable.	- At least 4 Board meetings to be conducted every financial year with a maximum gap of 120 days between the two meetings. - AGM to be held within 6 months of the end of financial year i.e., by September 30. - EGM, as and when required.
9	Annual Filings	- The below forms are to be filed on the MCA website and the forms can be downloaded from this link (https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html) - Form FC-3 Every foreign company having branch office in India must prepare and file financial statements within 6 months at the end of its financial year vide e-Form FC-3. - Form FC-4 – Every foreign company shall prepare and file its annual return in e-Form FC-4 within 60 days from the close of the financial year.	- The below forms are to be filed on the MCA website and the forms can be downloaded from this link (https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html) - Form AOC-4 – Filing of financial statements with ROC within a period of 30 days of the AGM. - Form MGT-7 – Filing of annual return with ROC within a period of 60 days of the AGM. - MBP-1 and DIR-8 – Disclosure of interest by directors in the first board meeting of every financial year
Exchange Control Regulations¹⁵			
10	Foreign Investment	AAC ¹⁶ – the certificate is required to be submitted to the AD category I bank at the end of March 31 every year.	- Form FC-GPR¹⁷ – FC-GPR filing is done at the time of issuance of capital instruments of an Indian Company to a non resident. The shares should be allotted within 60 days of receipt of the remittance. The FC-GPR filing should be done within 30 days of the date of issuance. - Form FC-TRS¹⁸ – FC-TRS filing is usually done at the time of transfer of existing shares from non-resident to resident or vice versa. The filing should be done within 60 days from either date of remittance or date of transfer, whichever is earlier.

¹⁵ Forms are to be submitted through the AD Category I Bank.

¹⁶ Annual Activity certificate.

¹⁷ Foreign Currency-Gross Provisional Return.

¹⁸ Foreign Currency – Transfer of Shares.

			- Reporting under Forms FC-TRS and FC-GPR is done on the FIRMS Portal https://firms.rbi.org.in/firms/faces/pages/login.xhtml introduced by RBI. - Annual Return - FLA¹⁹ – Submit the form to RBI by 15th July every year. The form is applicable to an entity that has either made ODI or received FDI to file FLA annual return.
11	External Commercial Borrowing	Inward/outward remittance to be done through the AD Category I Bank.	- Form ECB – Form ECB to be filed with the AD Category I Bank along with loan agreement for clearance for obtaining Loan Registration Number. - ECB-2 Return – Monthly reporting of ECB through the AD Category I Bank, within 7 working days from the end of each month.
Income Tax Laws			
12	Statutory Compliances	Direct tax - Advance tax-quarterly. - TDS/TCS-monthly payments and quarterly returns. - Profession tax-monthly and yearly. - Transfer pricing-yearly. Indirect tax GST-monthly/quarterly/yearly filings.	Direct tax - Advance tax-quarterly. - TDS/TCS-monthly payments and quarterly returns. - Profession tax-monthly and yearly. - Transfer pricing-yearly. Indirect tax GST-monthly/quarterly/yearly filings.
Employment Laws			
13	Statutory Compliances	The returns and reports under various central/state/local laws to be filed on a monthly/half-yearly/annually basis (as may be applicable).	The returns and reports under various central/state/local laws to be filed on monthly/half-yearly/annually basis (as may be applicable).
Immigration Laws			
14		- Ensure that the foreign faculty have E-visa (employment visa). - FRRO registration for the stay exceeding 180 days and the registration must be done within 14 days of the arrival of the employee.	- Ensure that the foreign faculty have E-visa (employment visa). - FRRO registration for the stay exceeding 180 days and the registration must be done within 14 days of the arrival of the employee.
FCRA			
15		Not applicable.	If the FHEIs receives foreign contributions, a FC-4 return needs to be filed annually with the Ministry of Home Affairs.

¹⁹ Foreign Liabilities and Assets.

APPENDIX II

List of Applicable Regulations Used in the Handbook

SN	Clause Number	Regulation
1	2.1	University Grants Commission Act, 1956 (UGC Act) Accessed vide link- https://www.ugc.gov.in/oldpdf/ugc_act.pdf
2	1.6 2.2	UGC (Academic Collaboration between Indian and Foreign Higher Educational Institutions to Offer Twinning, Joint Degree and Dual Degree Programmes) Regulations, 2022. Accessed vide link- https://www.ugc.gov.in/pdfnews/4555806_UCG-Acad-Collab-Regulations.pdf .
3	1.7 2.3	UGC (Setting Up and Operation of Campuses of Foreign Higher Educational Institutions in India) Regulations, 2023. Accessed vide link - https://www.ugc.gov.in/pdfnews/Setting%20up%20and%20Operation%20of%20Campuses%20of%20Foreign%20Higher%20Educational%20Institutions%20in%20India.pdf .
4	2.4	The University Grants Commission (Recognition and Grant of Equivalence Obtained from Foreign Educational Institutions) Regulations, 2025. Accessed vide link- https://www.ugc.gov.in/pdfnews/8668638_UCG-(Recognition-and-Grant-of-Equivalence-to-Qualifications-obtained-from-Foreign-Educational-Institutions)-Regulations-2025.pdf
5	2.5.1	Companies Act, 2013. Steps to register a new company on the website of MCA through the ROC to obtain COI. Visit www.mca.gov.in for more details. Forms FC-3, FC-4, AOC-4, MGT-7, MBP-1, DIR-8- Accessed vide link- https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html
6	2.7	Foreign Exchange Management Act, 1999 (FEMA) and regulations framed thereunder. - Form AAC- Accessed vide link- https://rbidocs.rbi.org.in/rdocs/content/pdfs/180313AN_4.pdf - Form FC GPR- Accessed vide link – https://www.rbi.org.in/upload/notification/pdfs/40495.pdf, can be done on the portal- RBI FDI. - Form FC TRS- Accessed vide link- https://rbidocs.rbi.org.in/rdocs/Forms/PDFs/120613_ANN2.pdf - Form Annual Return- FLA- Accessed vide link- https://rbidocs.rbi.org.in/rdocs/Forms/PDFs/FLR180614FL_A.PDF

		- Form ECB- Accessed vide link- https://www.rbi.org.in/hindi1/Upload/Returns/PDFs/REVISEDFORMECBFF1FDFD8B12A4CE58728ACDC5402F522.PDF - Form ECB 2- Accessed vide link- https://www.rbi.org.in/hindi1/Upload/Returns/PDFs/ECB%2027D8E0A46CF8443B8896AEFB250B5E97C.PDF
7	2.10	Employment-related laws (central, state and local) Accessed vide link- https://clc.gov.in/clc/acts-rules/acts-and-rules-0
8	2.11	Immigration laws (including FRRO compliance and visa regulations). - e-FRRO online portal- Accessed vide link- https://indianfrro.gov.in/eservices/ - e-FRRO registration form- Accessed vide link- https://indianfrro.gov.in/eservices/eRegistration.jsp - Regulations applicable to foreigners in India- Accessed vide link- https://indianfrro.gov.in/eservices/eRegistration.jsp
9	3.3	Reserve Bank of India - Master direction - Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) or any other place of business in India by foreign entities- Accessed vide link- https://rbidocs.rbi.org.in/rdocs/notification/PDFs/06MDE170516F633150EBCFE438084174F7DECCDC20C.PDF - Firms registration portal- Accessed vide link- https://firms.rbi.org.in/firms/faces/pages/login.xhtml

GIFT City IFSC: An overview



1. Background

1.1. GIFT City was conceptualised in 2007 with the aim of building India's first smart city and International Financial Services Centre ("**IFSC**"). By 2008, it was formally incorporated as a company and development started soon after. The first phase of GIFT City became operational in 2012, and by 2015, the Government of India officially designated GIFT International Financial Services Centre ("**GIFT IFSC**") as India's first IFSC under the Special Economic Zones Act, 2005 ("**SEZ Act**").

1.2. The governing body for IFSCs, the International Financial Services Centres Authority ("**IFSCA**") is established under the International Financial Services Centres Authority Act, 2019 ("**IFSCA Act**") which regulates the operations of IFSCs set up under the SEZ Act.

1.3. IFSCA notified the regulations and enabled the FUs to establish the IBCs in GIFT IFSC either on a stand-alone basis, or in such other form as may be permitted by IFSCA and FEI to establish an OEC in the GIFT IFSC - the International Financial Services Centres Authority (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 ("**IBC-OEC Regulations**") was notified on October 11, 2022. Time to time, IFSCA releases rules, regulations, circulars, notifications, directions, guidelines, communicate, policies, etc. in relation to the subject matter.

1.4. This handbook sets out an overview and requirements under the IBC-OEC Regulations for the FUs/FEIs to set up and operate international branch campuses and offshore education centres in India. For ease of reference, the handbook has been divided into three parts:

Part A: Summary of applicable laws

Part B: Setting up and operation of IBC/OEC in India

Part C: Compliances





2. Part A: Summary of applicable laws

2.1. IFSCA Act

The IFSC in India was established under the IFSCA Act, which aimed to create a unified regulatory framework for financial services conducted offshore within India and has been entrusted with powers and authorities to take all such steps, among others, as it may think fit under financial regulations, licensing, compliance, approvals for financial institutions, foreign university campuses, fintech regulations, and market operations within IFSCs, while GIFT City manages infrastructure and operational support.

2.2. IBC-OEC Regulations

2.2.1. The IBC-OEC Regulations is applicable to the IBCs of FU and OEC of FEI to encourage research in 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.

2.2.2. Further, inter alia, to also put in place an objective and transparent process for registration of a FUs/FEIs for offering courses including research programmes in the permissible subject areas and executive education programmes, that are accredited in their respective home jurisdiction and duly recognised by the IFSCA for being offered in the GIFT City.

2.2.3. Permissible subject areas

FU/FEIs are permitted to conduct research programmes in financial management, fintech, science, technology, engineering and mathematics within GIFT IFSC.

2.2.4. Eligibility

- (a) The FUs/FEIs intending to establish IBCs/OECs in India shall fulfil any of the following criteria at the time of application:
 - (i) FUs should have secured a position within the top 500 in the global overall ranking and/or subject ranking in the latest QS World Universities ranking.
 - (ii) FEIs should be reputable institutions in their home jurisdiction.
 - (iii) FUs/FEIs shall satisfy the IFSCA about their financial capability to establish and ensure the continuity of the proposed activities in GIFT IFSC.
 - (iv) FUs/FEIs shall undertake to put in place suitable infrastructure and facilities to conduct the courses, including research programmes in the permissible subject areas.

2.2.5. Course recognition

- (a) Any academic programme or course offered by a registered entity must maintain complete parity with the corresponding programme conducted by the Parent Entity¹ in its home jurisdiction. An identical degree, diploma or certificate will be conferred upon the students of IBCs/OECs directly by the Parent Entity in the same manner as it confers to its students for the same course or programme in its home jurisdiction.
- (b) Any modification to the approved course curriculum or content, necessitated by changes implemented by the Parent Entity, may be undertaken by the IBC or OEC, subject to prior intimation to the IFSCA. Additionally, any deviation from the curriculum offered in the Parent Entity's home jurisdiction must receive prior approval from its academic council, syndicate, or other competent governing body before being implemented, and the same must be duly notified to the IFSCA.



- (c) Qualifications awarded in respect of programmes conducted within GIFT IFSC shall hold equivalent recognition and validity as those issued by the Parent Entity in its home jurisdiction, thereby ensuring that students receive credentials of the same academic and professional standing.

2.2.6. Procedure for approval

(a) Application to the IFSCA

Upon fulfilment of the eligibility criteria, the FUs/FEIs shall apply to the IFSCA in the specified format (refer to Appendix III for link) along with one time application fee of US\$ 1,000 (€ 806 approx.) for the grant of registration to conduct the courses, including research programmes and/or executive education programmes in the permissible subject areas. The application will be supported with the following documents:

- (i) resolution passed by the FUs/FEIs board of trustees, senate or other governing body, as applicable, for establishment of IBCs/OECs;
- (ii) details regarding infrastructural facilities, facilities available for instruction, faculty, prescribed fee, academic plan, courses, curricula and requisite funds to operate for a minimum period of five years, along with other relevant details as may be specified;
- (iii) details of the alternative arrangements for students in the event of discontinuation of the course or program for any reason;

- (iv) an undertaking (refer to Appendix III for link) by FUs/FEIs declaring that the degrees, diplomas or certificates issued to the students in the GIFT IFSC shall be recognised in the home jurisdiction of the Parent Entity and shall be treated equivalent to the corresponding degrees, diplomas or certificates awarded or issued, as the case may be, by the Parent Entity in its home jurisdiction; and

- (v) the latest Quality Assurance Audit report from a recognised Quality Assurance Agency in the home jurisdiction of the FUs/FEIs.

(b) Evaluation by the Committee of Experts

- (i) Recommendation. The application is referred to the Committee of Experts constituted by GIFT City for appraisal and recommendations.
- (ii) In-principle approval. Based on the recommendations of the Committee of Experts, the IFSCA may, upon its satisfaction, at first instance, grant in-principle approval to the FUs/FEIs giving it 180 days to set up all required infrastructure and engage necessary manpower, etc. However, if FUs/FEIs are not able to set up the required infrastructure and/or engage necessary manpower etc. within the specified period of 180 days, it may,

before expiry of such period, but at least 7 days in advance, make an application, for extension of time, to the Chairperson of the IFSCA. The Chairperson, if satisfied, may extend the period for not more than 90 days.

(iii) Certificate of registration. IFSCA, on being satisfied that the FUs/FEIs fulfils all the conditions for the grant of registration, may issue a Certificate of Registration (“**CoR**”) with or without conditions. The registration, once granted, shall be valid for a period of 5 years and will be renewable for an additional period of 5 years at a time, with or without any additional condition(s), as the IFSCA may deem fit. The initial one-time registration fee shall be US\$ 25,000 (€ 20,154 approx.)

(c) Cancellation

The CoR may be cancelled, or renewal may be refused by the IFSCA, for reasons to be recorded in writing, after following due procedure and giving due opportunity to the registered entity. Violation of IBC-OEC Regulations may attract appropriate enforcement action, including suspension, cancellation of CoR and/or imposition of penalty by the IFSCA.

2.2.7. Other conditions

(a) Setting up presence in India

(i) The FUs/FEIs can establish an IBC/OEC in GIFT City and ensure that the academic and operational standards are equivalent to its home campus.

(ii) An IBC/OEC shall not act as a 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.

(b) Memorandum of Understanding (“MoU”)

The IBC/OEC shall provide the IFSCA with a copy of the MoU executed between the Parent Entity and its IBC/OEC, in the GIFT IFSC.

(c) Student and faculty selection plan

The student and faculty selection plan and process followed by the IBC/OEC shall be identical and similar to that followed by the FUs/FEIs and any relaxation or deviation from it shall require prior approval of the IFSCA, subject to adequate justification.

(d) Inspection

IFSCA shall have the right to inspect at all times, including after the grant of in-principle approval and before the grant of registration, to ascertain the infrastructure, quality and suitability of the IBC/OEC. For the purposes of the inspection, the IFSCA may appoint one or more persons as “Inspecting Authority” to undertake the inspection of the IBC/OEC.

(e) Safeguarding the interests of students

The IBC/OEC shall not wholly or partially discontinue, suspend or close any of its approved courses or programmes in the permissible subject



areas for any reason without the prior written approval of the IFSCA. In the event of disruption or discontinuation of a course or programme for any reason, it shall be the responsibility of the Parent Entity to provide an alternative to the affected students, including reallocation to the course or programme conducted by it.

(f) Currency for the conduct of business

All transactions undertaken by the IBC/OEC shall be in freely convertible foreign currency only, however, the IBC/OEC may defray its administrative expenses in INR by maintaining a separate Special Non-Resident Rupee Account (“**SNRR**”).

(g) Compliances by IBC/OEC of FUs/FEIs

(i) The IBC/OEC shall maintain such records and documents as may be specified by the IFSCA.

(ii) All the books of accounts shall be maintained in such foreign currency as may be declared at the time of making the application.

(iii) IBC/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.

(iv) From the second year onwards, the annual fee to be paid to IFSCA shall be US\$ 10,000 (€ 9,550 approx.)

2.3. Reserve Bank of India

2.3.1. A branch office of a foreign company in India is regulated under the Foreign Exchange Management Act, 1999 (“**FEMA**”), and requires approval from the Reserve Bank of India (“**RBI**”) through Authorised Dealer Bank – Category I before commencing operations.

2.3.2. The FUs/FEIs will require a prior approval of the RBI for setting up a branch office in India under the provisions of FEMA and Master Direction - Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) or any other place

of business in India by foreign entities, as amended from time to time (“**RBI Branch Regulation**”). RBI has the power to either approve or reject the application made, on a case-to-case basis.

2.3.3. Details of the reporting to be made to the RBI have been provided in Appendix I.

2.4. Corporate laws

2.4.1. The Companies Act, 2013 and the rules and regulations framed thereunder (“**CA Act**”) governs the registration and operation of branch offices in India.

2.4.2. The FUs/FEIs setting up and operating a branch in India will be required to register with Registrar of Companies (“**ROC**”) and obtain a Certificate of Establishment (“**CoE**”) after obtaining approval of the RBI and comply with the statutory compliances and the filings under the CA Act.

2.4.3. Details of the corporate compliances and respective filings to be made to the ROC for the branch in India have been provided in Appendix I.

2.5. Indian Contract Act

2.5.1. Agreements/contracts executed and governed under Indian laws are to be in compliance with the provisions of the Indian Contract Act, 1872 for ensuring that they are legally valid and enforceable under Indian laws.

2.5.2. Any agreement/MoU executed/to be executed by the FUs/FEIs and/or their IBC/OEC, respectively, with a person in India in relation to setting up and operation of the IBC/OEC and/or provision of services will be governed under the provisions of the Indian Contract Act, 1872.

2.6. Exchange Control Regulations

2.6.1. FEMA regulates foreign exchange transactions in India to facilitate external trade and payments while promoting the orderly development of the foreign exchange market.

2.6.2. As per the FEMA (International Financial Services Centre) Regulations, 2015, any financial institution or branch of a financial institution set up

in the IFSC and permitted/recognised as such by the Government of India of regulatory authority shall be treated as a person resident outside India.

2.6.3. Further, FUs/FEIs in GIFT City can conduct business in foreign currencies and engage with both non-residents and residents, subject to regulatory approvals. However, transactions in Indian Rupees are only permitted if specifically authorised by the RBI, either on a case-by-case basis or through a general regulatory framework.

2.6.4. FUs/FEIs setting up IBC/OEC in GIFT City, undertaking inbound and outbound transactions, including foreign investments, are required to ensure that they are in compliance under FEMA and respective filings and disclosures are made to the RBI through the Authorised Dealer Bank – Category I in India.

2.6.5. Details regarding the FEMA compliances and respective filings to be made to the RBI regarding foreign exchange transactions in India have been provided in Appendix I.

2.7. Income tax laws

Direct tax

2.7.1. **Income Tax Act**, 1961 and the rules and regulations framed thereunder ("**IT Act**") governs taxation in India. Contrary to other laws, where IFSC entities are considered to belong to a foreign jurisdiction, for direct tax purposes, IFSC entities are considered entities in the domestic tariff area and are subject to provisions applicable on domestic entities, unless specifically exempted under the IT Act. Taxation for IFSC entities depends on their type and business activities. To promote IFSC operations, various exemptions and relaxations were introduced through the Finance Acts offering tax benefits to eligible entities. Accordingly, the exemptions for FUs/FEIs, among others, include:

- (a) IBC/OEC shall be eligible for a deduction of 100% of its income for any 10 consecutive years out of 15 years for income from its business for which it has been approved for setting up in the IFSC.
- (b) A reduced rate of Minimum Alternate Tax ("**MAT**") / Alternate Minimum Tax ("**AMT**"), respectively, @ 9% (instead of 15%) will be applicable to IBC/OEC located in IFSC deriving income solely in convertible foreign exchange.

2.7.2. Further, the FUs/FEIs will be required to comply with the statutory compliances under the IT Act and make the filings with the Income Tax Department in India, in accordance with the provisions specified in the IT Act to the extent applicable to IBC/OEC.

2.7.3. Details regarding the filing requirements under the IT Act have been provided in Appendix I.

Indirect tax

2.7.4. The Central Goods and Services Tax Act, 2017 and the rules and regulations framed thereunder ("**GST Act**") in India is a comprehensive indirect tax law that applies to the supply of goods and services in India.

2.7.5. Educational services provided by a recognised institution as part of a degree/diploma program may be exempt from GST. However, non-degree programmes, training, and consulting services are generally taxable. FUs/FEIs in GIFT City IFSC serving foreign students or institutions may qualify for zero-rated GST benefits under export provisions.

2.7.6. The Customs Act, 1962 ("**Customs Act**"), regulates the imposition and collection of customs duty on goods imported into or exported from India.



However, goods imported into or exported from GIFT IFSC are currently exempt from customs duty, subject to applicable regulations and conditions.

2.8. Employment laws

Employment laws in India are governed by central, state, and local legislations, and compliance requirements can vary across different jurisdictions. Primary employment laws that apply are stated under this link (<https://clc.gov.in/clc/acts-rules/acts-and-rules-0>).

The application of each law depends on the total number of employees, the nature of their employment (permanent, contractual, part-time workers), and the benefits extended to them, etc., and accordingly, the same would be evaluated to navigate the intricate legal provisions of employment laws applicable.

Details regarding the standard filings under central/state/local laws have been provided in Appendix I.

2.9. Immigration laws

FUs/FEIs through IBC/OEC operating in India with employees or teaching staff stationed in the country must comply with Indian immigration laws, including regulations governing work authorisation and residency requirements. Foreign faculty and staff must obtain the necessary permissions based on the nature and

duration of their engagement and report to the respective Foreigners Regional Registration Offices (FRRO) and register on this link (<https://indianfrrro.gov.in/eservices/eRegistration.jsp>). Details regarding the immigration laws applicable have been provided in Appendix I.

2.10. Real Estate laws

2.10.1. Transfer of Property Act

The Transfer of Property Act, 1882 and the rules and regulations framed thereunder (“**TOPA**”) governs the transfer of immovable property in India. FUs/FEIs operating through IBC/OEC must comply with the provisions of TOPA when leasing immovable properties.

2.10.2. Stamp duty laws

Certain agreements in India attract stamp duty as per the applicable stamp laws in the respective state. Any agreement relating to the immovable property needs to be executed after payment of the applicable stamp duty. Currently, stamp duty is exempt for leasing of the immovable properties.

2.10.3. Registration Act

Certain instruments in India require mandatory registration under the Indian Registration Act, 1908 (“**Registration Act**”). Under Section 17 of the

Registration Act, every agreement relating to the immovable property and having a value of more than INR 100 needs to be registered with the respective office of the Sub-Registrars of Assurance.

For ease of reference, links (wherever possible) of the Applicable Laws as set out in Part A of this handbook have been provided in Appendix II.



3. PART B: Setting up and operation of IBC/OEC in GIFT City

3.1. An eligible FUs/FEIs shall establish and operate an IBC/OEC in GIFT IFSC under the provisions of the IBC-OEC Regulations, offering courses including research programmes in financial management, fintech, science, technology, engineering and mathematics, and shall be permitted in GIFT IFSC pursuant to passing of resolution by the FUs/FEIs board of trustees, senate or other governing body, as applicable, for establishment of IBCs/OECs.

3.2. The FUs/FEIs intending to set up and operate IBC/ OEC in India would be required to make an application in a prescribed format (refer to Appendix III for link), supported with the documents specified therein, to the IFSCA upon payment of the fee as stated under paragraph 2.2.6(a).

3.3. However, prior to making an application to the IFSCA as mentioned herein, it will be essential that the FUs/FEIs:

3.3.1. Initiate the process for RBI approval under FEMA and RBI Branch Regulation and obtain CoE.

3.3.2. Prepare a business plan² ;

3.3.3. Identify a space for the IBC/OEC in GIFT SEZ and obtain a Provisional Letter of Allotment (“PLOA”) from the developer, as specified in paragraph 3.6.1 below.

Note: Infrastructure and facilities provided by the FUs/FEIs in their home country may be benchmarked for assessing suitability for the purposes of IBC/OEC in India.

3.4. The IFSCA will follow the process specified in paragraph 2.2.6.(b) above for evaluating the application filed by the FUs/FEIs and grant the in-principle approval and the final approval within the timeframe specified therein.

3.5. Establishing IBC/OEC in GIFT IFSC and compliances

3.5.1. Upon receipt of the final approval,

(a) the FUs/FEIs and IBC/OEC shall execute an MoU and provide a copy of the same to IFSCA.

(b) the IBC/OEC shall obtain all business-related registrations, as such, permanent account number, tax deduction and collection account number, GST, employee related registrations (as may be applicable) under the Employee State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Shops and Establishment Act and other local registrations, as may be required. The IBC/OEC will also be required to open a bank account.

(c) The IBC/OEC will be subjected to the statutory compliances and filings under the CA Act, the IT Act, and the GST Act, including reporting to the RBI, the ROC, various employment laws, etc. Details of the statutory compliances and reporting for the IBC/OEC have been provided in Appendix I.

(d) The IBC/OEC and FUs/FEIs will be required to be adhered to the provisions specified in paragraph 2.2.7(g) above.

3.5.2. In case of non-compliance as specified in paragraph 3.5.1(d) above, the IFSCA has the power to cancel, suspend or refuse the renewal for reasons recorded in writing and may attract appropriate enforcement action including imposition of penalty by the Authority. Further, in case of any dispute IBC/OEC shall adhere to the dispute resolution policy as specified by the IFSCA.

3.6. Setting up a place of business by IBC/OEC in IFSC:

3.6.1. The FUs/FEIs are required to identify a space for the IBC/OEC in GIFT SEZ and obtain a PLOA and a Letter of Allotment (“LOA”), by following the process in consultation with IFSCA guidelines.

3.6.2. Pursuant to the LOA, the FUs/FEIs will be required to execute a formal lease agreement with the developer or co-developer, detailing lease tenure, rental charges, maintenance fees, and other key terms and submit within six months from issuance of LOA.

3.6.3. The lease agreement will require registration before the relevant Sub-Registrars of Assurances, upon payment of prescribed fees.

3.7. Role of Academic Infrastructure Service Providers (AISPs) in GIFT IFSC³

To further facilitate the smooth establishment and high-quality operation of International Branch Campuses (IBCs) and Offshore Education Centres (OECs) in GIFT IFSC, the International Financial Services Centres Authority (IFSCA) has enabled a framework permitting IBCs/OECs to avail infrastructure and support services from registered Academic Infrastructure Service Providers (AISPs). AISPs play a critical role in creating an end-to-end educational ecosystem by offering built-up campus facilities, research and development infrastructure, libraries, laboratories, incubation centres, and classrooms. In addition to these core services, AISPs may also provide value-added support such as campus management, student onboarding and welfare services, branding and marketing assistance, and payroll and non-academic staffing solutions.

This institutional framework allows foreign universities and educational institutions to focus on their academic delivery while leveraging high-quality, compliant infrastructure and support from experienced service providers, thereby enhancing the ease of doing business in the education sector at GIFT IFSC. Presently, three AISPs are operational within GIFT City, offering turnkey solutions that significantly reduce the entry and operational barriers for foreign universities and institutions. This model enhances the ease of doing business and ensures a ready ecosystem for educational excellence at GIFT IFSC.



4. PART C: Compliances

4.1. Statutory compliance by IBC/OEC

4.1.1. Compliance obligations will need to be fulfilled by the IBC/OEC established in GIFT IFSC as a branch of the FUs/FEIs over and above the compliances under the IBC-OEC Regulations.

4.1.2. Accordingly, please refer to Part A of Appendix I setting out ongoing statutory compliances by the IBC/OEC.

4.2. Compliance by FUs/FEIs in GIFT IFSC

4.2.1. For operating an IBC/OEC in GIFT IFSC, the IBC/OEC will be required to comply with the conditions specified in paragraph 2.2.7 above.

APPENDIX I

COMPLIANCE CHART

SN	Description	IBC-OEC Regulations
Part A: Compliances under IBC-OEC Regulations		
1	Presence in GIFT IFSC	By way of stand-alone branch establish as an IBC-OEC, as specified in IBC-OEC Regulations.
2	Eligibility	As mentioned in para 2.2.4 of the handbook.
3	Pre-conditions to application	As mentioned in para 3.3 of the handbook.
4	Conditions post approval	As mentioned in para 2.2.7 of the handbook.
5	Ongoing compliances under IBC-OEC Regulations	As mentioned in para 2.2.7(g) of the handbook.
Part B: IBC/OEC (Establishment in GIFT IFSC)		
6	Branch approval	- Prior RBI approval under the provisions of FEMA and the RBI Branch Regulations by filing Form FNC: https://rbidocs.rbi.org.in/rdocs/notification/PDFs/06MDE170516F633150EBCFE438084174F7DECCDC20C.PDF - to the RBI through the Authorised Dealer Bank – Category I https://rbidocs.rbi.org.in/rdocs/FEMAMASTER/PDFs/1061.PDF - Post RBI approval, obtain CoE for the branch from ROC by filing e-Form FC-1 on the website of MCA⁴ https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html - Approval of IFSCA as mentioned in Part A above.
7	Business related registration	Business-related registrations to be obtained by the IBC/OEC, as specified in para 3.5.1(b) of the handbook. Note: Bank account (SNRR or FCA⁵) with a bank that is registered under IFSCA Regulations to be opened. All inward and outward remittance(s) by IBC/OEC for making payments/receipt of payments towards provision of services in/from the domestic territory to be through the Authorised Dealer Bank – Category I.
8	AISP	AISP Circular - IFSCA Circular No. eF.No.IFSCA-BDev./FU/1/2023-BD dated December 14, 2023, titled “Permitting International Branch Campuses (IBCs) and Offshore Educational Centres (OECs) at GIFT-IFSC to avail infrastructure services from Academic Infrastructure Service Providers (AISPs) https://ifsc.gov.in/Document/Legal/fu-circular14122023065622.pdf

⁴ As a general practice, registration is undertaken through the centralised ROC desk, located at the Delhi office. Presently, the process is conducted from the Delhi office, and obtaining ROC approval typically require approximately 2 to 3 months.

⁵ Foreign Currency Account.

9 Ongoing monthly/ quarterly/half-yearly/ annual filings

RBI filing

Form AAC⁶ – the certificate is required to be submitted to the Authorised Dealer Bank – Category I at the end of March 31 every year.

Corporate filing

The below forms are to be filed on the MCA website and the forms can be downloaded from

https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html

- Form FC-3 – Every foreign company having branch office must prepare and file financial statements within 6 months at the end of its financial year vide e-Form FC-3.
- Form FC-4 – Every foreign company shall prepare and file its annual return in eForm FC-4 within 60 days from the close of the financial year.

Income tax filing

- Direct tax: Filing of tax returns as per the provision of the IT Act, based on the selection of tax treatment by the IBC/OEC.
- Indirect tax: GST – monthly/quarterly/yearly filings – while core education services are exempt from GST, certain non-core activities⁷ are subject to taxation.

IFSCA filing

Filing of annual report to the IFSCA by the IBC/OEC as specified in Regulation 15 of the IBC-OEC Regulation.

SEZ filing

Filing of monthly performance report by the IBC/OEC on the SEZ online portal as on the last day of every month by the 5th of the succeeding month.

Employment laws

Monthly/quarterly/half-yearly/annual filings under various employment laws, as may be applicable to the IBC/OEC.

Immigration laws

- Ensure that the foreign faculty have E-visa (employment visa).
- FRRO registration for the stay exceeding 180 days and the registration must be done within 14 days of the arrival of the employee.

⁶ Annual Activity certificate.

⁷ Short-term courses, training programs, and certificate courses are classified as commercial education services and attract GST as per the prescribed rate. Similarly, hostel and accommodation services are taxed based on rent value. Additionally, universities engaged in consulting, industry research, or professional advisory services also attract GST.

APPENDIX II

List of Applicable Regulations Referred to in the Handbook

SN	Clause Number	Regulation
1	2.1	International Financial Services Centres Authority Act, 2019 Accessed vide link- https://ifsc.gov.in/Document/Legal/59-ifsc-act-2019_mol-j09092020074609.pdf .
2	2.2	International Financial Services Centres Authority (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 Accessed vide link- https://ifsc.gov.in/Document/Legal/ifsc-ibc-and-oec-regulations-202213102022113639.pdf - Application form for setting up of International Branch Campus or Offshore Education Centre in IFSC- Accessed vide link- https://ifsc.gov.in/Document/Legal/ifsc_ibc_oec_circular_application-form_23rd-february-2023_final-approved23022023074903.pdf - Undertaking by FUs/FEIs - Accessed vide link- https://ifsc.gov.in/Document/Legal/ifsc_ibc_oec_circular_application-form_23rd-february-2023_final-approved23022023074903.pdf
3	2.3, 2.6	Reserve Bank of India under the provisions of FEMA - Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) or any other place of business in India by foreign entities-Form FNC- Accessed vide link - https://rbidocs.rbi.org.in/rdocs/notification/PDFs/06MDE170516F633150EBCFE438084174F7DEC CDC20C.PDF - Form AAC- Accessed vide link- https://rbidocs.rbi.org.in/rdocs/content/pdfs/180313AN_4.pdf
4	2.4	Companies Act, 2013. - Steps to register a new company on the website of MCA through the ROC to obtain COI. Visit www.mca.gov.in for more details. - Forms FC-3, FC-4, - Accessed vide link- https://www.mca.gov.in/mca/html/mcav2_en/home/mcaservice/efiling/companyformsdownload/companyformsdownload.html
5	2.8	Employment-related laws (central, state and local) Accessed vide link- https://clc.gov.in/clc/acts-rules/acts-and-rules-0
6	2.9	Immigration laws (including FRRO compliance and visa regulations) - e-FRRO online portal - Accessed vide link- https://indianfrro.gov.in/eservices/ - e-FRRO registration form - Accessed vide link- https://indianfrro.gov.in/eservices/eRegistration.jsp - Regulations applicable to foreigners in India- Accessed vide link- https://www.mha.gov.in/PDF_Other/Annex%20II_01022018.pdf .

⁴ As a general practice, registration is undertaken through the centralised ROC desk, located at the Delhi office. Presently, the process is conducted from the Delhi office, and obtaining ROC approval typically require approximately 2 to 3 months.

⁵ Foreign Currency Account.

Appendix III Website Links

SN	Number Clause	Link
1	2.2.6 (a)	https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fifsc_ibc_oec_circular_application-form_23rd-february-2023_final-approved23022023074903.pdf&Title=Application%20form%20for%20setting%20up%20of%20International%20Branch%20Campus%20or%20Offshore%20Education%20Centre%20in%20IFSC&Date=23%2F02%2F2023
2	2.2.6 (a) iv	https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fifsc_ibc_oec_circular_application-form_23rd-february-2023_final-approved23022023074903.pdf&Title=Application%20form%20for%20setting%20up%20of%20International%20Branch%20Campus%20or%20Offshore%20Education%20Centre%20in%20IFSC&Date=23%2F02%2F2023
3	3.2	https://ifsc.gov.in/Viewer?Path=Document%2FLegal%2Fifsc_ibc_oec_circular_application-form_23rd-february-2023_final-approved23022023074903.pdf&Title=Application%20form%20for%20setting%20up%20of%20International%20Branch%20Campus%20or%20Offshore%20Education%20Centre%20in%20IFSC&Date=23%2F02%2F2023

Annexure

SCHEME FOR PROMOTION OF ACADEMIC AND RESEARCH COLLABORATION (SPARC)

SPARC aims at improving the research ecosystem of India's Higher Educational Institutions by facilitating academic and research collaborations between top Indian Institutions (top 100 in NIRF, all Central Universities and Institutes of National Importance) and the best institutions (top 800 of QS World University Ranking) in the world from 28 selected nations to jointly solve problems of national and/or international relevance. A total of 799 Joint research projects worth Rs. 5,15.99 crores have been awarded under various phases of SPARC. Out of these, 392 projects have been completed, and the rest are ongoing. Out of the total projects under SPARC, 140 joint research projects are with United Kingdom (UK) amounting to around Rs. 75.81 cores, including 34 joint-research projects co-funded by India and the UK side under SPARC-UKIERI collaboration. Interested eligible institutes may visit SPARC website <https://sparc.iitkgp.ac.in/> for more details.

Process Map for Setting-up and Operation of GIFT City - IBC-OES

Below is the process chart indicating steps for setting-up and operation of international branch campuses and offshore education centers of foreign university or foreign educational institutions in India under IFSCA Regulations and other applicable laws.

FU/FEI

1



Applicable to -

- IBC/OEC of FU/FEI, seeking registration under GIFT.

Permissible subject areas -

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

Eligibility -

- FU having secured a position within top 500 ranking in global overall ranking and/or subject ranking in the latest QS World Universities ranking.
- FEL being a reputed institution in its home jurisdiction.
- FU/FEI to satisfy about the financial capability to establish and ensure continuity of the proposed activities in GIFT.
- Undertake to put in place suitable infrastructure and facilities to conduct courses including research programmes in the permissible subject areas.

PREREQUISITE BEFORE APPLICATION

2

a) Resolution of Board of Trustee, Senate or Governing Body

b) Business Plan for India campus, inter alia, including -

- Infrastructural facilities, facilities available for instruction.
- Proposed faculty and recruitment plan.
- Prescribed fee for courses.
- Academic plan, courses, curricula, etc.
- Requisite funds to operate for a minimum period of 5 years.
- Details of alternative arrangement for students in the event of discontinuation of the course or programme.

c) Application to SEZ Authority for Provisional Letter of Allotment-

- Identify a space for establishing the IBC/OEC.
- Submit an interest letter to SEZ for setting up unit in GIFT.
- Obtain a PLA from SEZ.

Timeline: To obtain the PLA from SEZ approximately 9-10 months will be required, and the infrastructure needs to be set up within 180 days of obtaining in-principal approval, as stated under step 5.



The details specified in the business plan will have to be provided in the application form in the specified format

SETTING-UP PRESENCE IN GIFT CITY

3

IBC, set-up as a branch by FU on stand-alone basis or such other form as may be permitted -

- Submit an application to RBI through AD.
- Obtain approval letter from AD for establishing BO.
- Register the branch office of FU/FEI with the MCA.
- Obtain Certificate of Establishment from ROC.
- Filings with RBI through AD.

Timeline: The complete process would take 2-3 months.

OEC, set-up as a branch by FEL (other than FU) on stand-alone basis or such other form -

- Same as above.



Post registration, local registrations to be obtained by IBC/OEC.

PAN
TAN
IEC
GST
Registration under labour laws

APPLICATION WITH IFSCA

4

Make an application with the IFSCA in the format provided, including the following documents/information -

- Board resolution passed by the FU/FEI's Board of Trustees, Senate or Government Body.
- Business Plan.
- Undertaking of FU/FEI, as per the format provided by IFSCA.
- Latest Quality Assurance Audit report from a recognised Quality Assurance Agency in the home jurisdiction.
- Other information, as may be sought by IFSCA.

Application fee of approx. € 806 (one time)
Registration fee of approx. € 20,154 (one time)

Application received referred to Committee of Experts constituted by GIFT for appraisal and recommendations.

FU/FEI can set up all required infrastructure and engage necessary manpower within 180 days from receipt of in-principle approval.

Based on the recommendations of the Committee of Experts, IFSCA grant in-principle approval to FU/FEI.

5



If FU/FEI is not able to set up the required infrastructure and/or engage necessary manpower with 180 days, it may before expiry of such period, but atleast 7 days in advance make an application for extension of time.

On receipt of application, if satisfied, IFSCA may extend the period for 90 days.

IFSCA may issue a Certificate of Registration with or without conditions for a period 5 years + 5 years.

IBC/OEC shall not act as a representative office of the parent entity for undertaking promotional activities.

Within 180 + 90 days from approval -

- Submit a copy of MoU between parent entity and its IBC/OEC to IFSCA.
- Recruit faculty and staff from India and abroad.
- Maintain records and documents as may be specified by IFSCA.
- Setup the required infrastructure and courses.
- Other actions as may be required by IFSCA.

6

Key Covenants

7

- IBC/OEC to use the same or similar name as that of FU/FEI, unless permitted by IFSCA.
- All transactions undertaken by IBC/OEC be in freely convertible foreign currency.
- IBC/OEC may defray their administrative expenses in INR by maintaining a separate Special Non-Resident Rupee Account.
- All books of accounts shall be maintained in such foreign currency.
- All marketing communications or advertisements placed by the IBC/OEC be factual with accurate mentions of the roles and purpose of accreditations and shall not be misleading or exaggerated.
- IBC/OEC may take services of AISPs - no academic functions of IBC/OEC to be outsourced to AISPs.

Right of inspection to IFSCA. Violation(s) by IBC/OEC may attract enforcement action including suspension, cancellation of registration and /or imposition of penalty by IFSCA.



Compliances

8

- Payment of annual fees approx. €9,550 (second year onwards).
- Annual compliances under Companies Act, 2013.
- Monthly/quarterly/annual compliances under Income Tax Act, 1961 and GST.
- Monthly/quarterly/annual filings under labour laws.
- Registration and reporting to the office of FRRO (as required).
- Branch related filings with the RBI through AD.
- Other compliances as may be required by IFSCA or under applicable law from time to time.

Abbreviations

'AD' means Authorised Dealer | 'AISP' means Academic Infrastructure Service Providers | 'BO' means Branch Office | 'FEI' means Foreign Educational Institution | 'FRRO' means Foreigners Registration Office | 'FU' means Foreign University | 'GIFT' means Gujarat International Finance Tec-City | 'GST' means Goods and Service Tax | 'IBC' means International Branch Campus | 'IEC' means Importer-Exporter Code. 'IFSCA' means International Financial Services Centres Authority | 'INR' means Indian Rupees | 'MCA' means Ministry of Corporate Affairs. 'MoU' means Memorandum of Undertaking | 'OEC' means Offshore Education Centres | 'PAN' means Permanent Account Number | 'RBI' means Reserve Bank of India | 'ROC' means Registrar of Companies | 'SEZ' means Special Economic Zone | 'TAN' means Tax Deduction and Collection Account Number.

Process Map for Setting up and Operation of IBC in India under UGC IBC Regulations

Set out below is the process chart indicating steps for setting-up and operation of campuses of foreign educational institutions in India under UGC Regulations. For ease of understanding the process, the steps under this process chart have been divided into two parts:

- Part A | Pre-approval stage
- Part B | Post-approval stage

PART A PRE-APPROVAL STAGE

FHEI

1

Seeking approval to-

- Conduct certificate, diploma, degree, reserve and other programmes at the undergraduate, postgraduate, doctoral and post-doctoral levels in India.

Eligibility-

- FHEIs secured a position within top 500 ranking in overall category of global ranking; OR
- FHEIs secured a position within top 500 ranking within subject-wise global ranking.

Pre-Approval

2

Make Business Plan for India campus, inter alia, including-

- Identification of Campus in India.
- Details of financial resources for setting-up and operations thereafter.
- Details of infrastructures, research facilities and other facilities including land acquisition, if proposed or lease, etc.
- Details of academic programmes, courses, curricula, fee structure, mode of teaching (on-line/off-line), etc.
- Estimate of students.
- Recruitment plan.
- Proposed faculties.
- Governance structure.

The details specified under business plan will have to be filled in the online application form along with other details on UGC portal.



IHEIs and FHEIs may get into academic collaboration through an instrument or written agreement for (a) twinning programme (b) joint degree programme (c) dual degree programme.

Note: IHEIs shall not offer programmes under any franchise arrangement and that such programmes shall not be recognised by the UGC.

Formation of an Entity in India

WOS, 100% FDI is permitted through automatic route in education sector in India-

- Obtain Certificate of Incorporation from ROC for new entity or acquisition of shares of an existing entity.
- Filings with RBI through AD on receipt of FDI in India.

JV, with the JV partner

- Same as above.
- Agreements with the JV partner.

Branch

- Prior approval of RBI.
- Obtain Certificate of Establishment from ROC.
- Filings with RBI through AD.

Timeline: The complete process would take complete 2-3 months.

Online application on UGC portal

Make online application on the UGC portal with non-refundable processing fees, including the following documents/information-

- Permission by the Governing Body or Board for establishing campuses in India;
- Business Plan;
- An undertaking of FHEI, as per the format on UGC website;
- Latest Accreditation or Quality Assurance Report from a recognised body in home country;
- Other information, as may be sought by UGC.



Post incorporation, local registrations will be required to be obtained.

PAN
TAN
IEC
GST
Labour registration
Shop & Establishment / Municipal registration

60 days from application

The standing committee will consider the application based on the set criteria and place the application before UGC.

Post-Approval

60 days from application

Based on the recommendation of the standing committee, UGC may give in-principle approval and issue a letter of intent.

5

PART B POST-APPROVAL STAGE

FHEI

6

Within 2 years from approval-

- Evolve admission process and criteria for domestic and international students.
- Decide fee structure on a transparent and reasonable basis.
- Make available the prospectus on its website atleast 60 days before commencement of admission process.
- May provide for scholarship and concession.
- Recruit faculty and staff from India and abroad.

Key Covenants

7

- Qualifications of the faculty appointed to be at par with the main campus in the country or origin.
- International faculty to stay in India atleast for a semester.
- The lectures in online mode shall not exceed 10% of the programme requirements.
- Prior approval of UGC before starting any new programme on UGC portal.
- Shall not offer any programme of study which is contrary to the standards of higher education in India.
- Shall not act contrary to the sovereignty and integrity of India, the security of the state, friendly relations with foreign states, public order, decency or morality.
- Not act as a representative office of the parent company to undertake promotional activities.
- Shall not discontinue any course or programme or close the campus without prior approval of UGC.

Compliances

8

- FEMA compliances for cross border movements of funds and maintenance of foreign currency accounts.
- FCRA compliances for receipt or utilisation of foreign contribution prior approval of Central Government to be obtained for receipt or utilisation of foreign donation
- Submission of annual reports to UGC and maintenance of accounts.
- Annual compliances under Companies Act, 2013.
- Monthly/quarterly/annual compliances under Income Tax Act, 1961 and GST.
- Monthly/quarterly/annual filings under labour laws.
- Registration and reporting to the office of FRRO.
- FDI/ECB/branch related filings with the RBI through AD
- Other compliances as may be required by UGC or underapplicable law from time to time.

UGC has power to inspect the campus and take actions in certain cases including cancel or suspend or withdrawal of the approval.

Abbreviations

'AD' means Authorised Dealer | 'ECB' means External Commercial Borrowings | 'FCRA' means Foreign Contribution (Regulation) Act, 2010 | 'FDI' means Foreign Direct Investment | 'FEMA' means Foreign Exchange Management Act, 1999 | 'FHEI' means Foreign Higher Education Institutions | 'FRRO' means Foreigners Registration Office | 'GST' means Goods and Service Tax | 'IEC' means Importer-Exporter Code | 'IHEI' means Indian Higher Education Institutions | 'JV' means Joint Venture | 'PAN' means Permanent Account Number | 'RBI' means Reserve Bank of India | 'ROC' means Registrar of Companies. | 'TAN' means Tax Deduction and Collection Account Number | 'UGC' means University Grants Commission | 'WOS' means Wholly owned Subsidiary.

List of Service Providers supporting TNE

SN	Company / service Provider	Name of the Lead	Email id
1	ACUMEN	Sagar Bahadur	sagar.bahadur@sannams4.com
2	BBSR & Associates LLP	Aafaq Bhatri	aafaqbhatri@bsraffiliates.com
3	Cormack Consulting	Charles Cormack	charles@consultcormack.com
4	Cyril Amrachand	Ketaki Mehta	ketaki.mehta@cyrilshroff.com
5	Deloitte	Kamlesh Vyas Sahil Gupta	kamleshvyas@deloitte.com sahilg@deloitte.com
6	E & Y Parthenon	Amitabh Jhingan Divya Sahni	amitabh.jhingan@parthenon.ey.com Divya.Sahni@in.ey.com
7	Eruditus Executive Education	Ashwin Damera	ashwina@emeritus.org
8	GUS Global Service India	Puneeta Mathur	puneeta@guseducationindia.com
9	GW Consulting International Ltd	Graham Welland	graham.welland@gwci.uk
10	IILM / EPSI	Dr. Harvansh Chaturvedi	dg@iilm.edu
11	India Business Group (IBC)	Amarjit Singh	Amarjit.singh@indiabusinessgroup.com
12	Kochhar & Company	Sharmil Bhushan Jyoti Punjabi	sharmil@mumbai.kochhar.com Jyoti@mumbai.kochhar.com
13	Navitas	Paul Lovegrove Vikas Panjawani Gagan Uberoi	Paul.Lovegrove@navitas.com Vikas.Panjwani@navitas.com Gagan.Uberoi@navitas.com
14	Oxford International	Kasia Cakala Maria Martin Sanchez	kcakala@OxfordInternational.com mmartinsanchez@OxfordInternational.com

Note: The above list is not exhaustive but an indicative one. If you are a service provider in TNE space and would like to be listed please share your details here in the link: <https://bit.ly/Universityserviceproviderofferinformation>. The British Council does not endorse any service provider, the universities would need to do their due diligence to select the appropriate service provider.

