THE FOREIGN EDUCATIONAL INSTITUTIONS (REGULATION OF ENTRY AND OPERATIONS) BILL, 2010

A BILL
to regulate entry and operation of foreign educational institutions imparting or intending to impart higher education (including technical education and medical education and award of degree, diploma and equivalent qualifications by such institutions) and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Sixty-first Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. (1) This Act may be called the Foreign Educational Institutions (Regulation of Entry and Operations) Act, 2010.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. In this Act, unless the context otherwise requires,

(a) “accrediting agency”, in respect of a course of study offered in India by a foreign educational institution, means an agency or body approved, recognised or
authorised by the Council for Higher Education Accreditation or University Quality Agency or the Quality Assurance Authority, by whatever name called, established or incorporated under a law in the country of origin of the foreign educational institution or any other statutory authority in that country for the purpose of assessing, accrediting or assuring quality and standards of educational institutions;

(b) “Advisory Board” means the Advisory Board constituted under sub-section (2) of section 9;

(c) “Commission” means the University Grants Commission established under the University Grants Commission Act, 1956 or any other body or council or commission established under any Central Act for the time being in force to regulate the entry and operation of foreign educational institution;

(d) “fee” means all fees including tuition fee and development charges, by whatever name called, payable by the students enrolled for pursuing courses or programmes of study;

(e) “foreign educational institution” means—

(i) an institution established or incorporated outside India which has been offering educational services for at least twenty years in the country in which it had been established or incorporated; and

(ii) which offers educational services in India or proposes to offer courses leading to award of degree or diploma or certificate or any other award through conventional method including classroom teaching method not including distant mode in India independently or in collaboration, partnership or in a twinning arrangement with any educational institution situated in India;

(f) “foreign education provider” means a foreign educational institution notified by the Central Government, as a foreign education provider, on the recommendation of the Commission as an institution competent to impart education in India and to award degree, diploma or any other equivalent qualification (other than in the distance mode) at undergraduate, post-graduate, doctoral or post-doctoral level;

(g) “national research professor” means a person, who is an academic of high distinction, declared as such by the Central Government;

(h) “National Educational Tribunal” means the National Educational Tribunal established under the Educational Tribunals Act, 2010;

(i) “notification” means a notification published in the Official Gazette and the expression “notify” with its cognate meanings and grammatical variations shall be construed accordingly;

(j) “prescribed” means prescribed by rules made under this Act;

(k) “profession” means the profession of law, medicine and such other profession as may be notified by the Central Government from time to time;

(l) “Registrar” means the Secretary of the University Grants Commission or any other officer of the Commission notified, by the Central Government, as Registrar for the purposes of this Act;

(m) “regulations” means regulations made by the Commission;

(n) “statutory authority”—

(i) in relation to higher education or technical education or practice of any profession means an authority established or incorporated under a Central Act to regulate standards of such higher education or technical education or practice of any profession;
(ii) in relation to medical education means the statutory authority established under—

(A) the Indian Medical Council Act, 1956; or

(B) the Homoeopathy Central Council Act, 1973; or

(C) the Indian Medicine Central Council Act, 1970; or

(D) the Dentists Act, 1948; or

(E) the Pharmacy Act, 1948; or

(F) the Indian Nursing Council Act, 1947;

(iii) in relation to legal education means the Bar Council of India constituted under section 4 of the Advocates Act, 1961;

(o) “technical education” means the technical education as defined in the All India Council of Technical Education Act, 1987;

(p) “twinning programme” means a programme whereby students enrolled with a foreign education provider complete their study partly in India and partly in any other educational institution situated outside India.

CHAPTER II
FOREIGN EDUCATIONAL INSTITUTIONS

3. No foreign educational institution shall admit any person as a student, or collect any fee from such person or its students in India for any course of study leading to the award of a degree or a diploma, by whatever name called, unless such institution has been notified by the Central Government as a foreign education provider under sub-section (8) of section 4.

4. (1) Any foreign educational institution which intends to impart education in India, shall submit an application, for being recognised and notified as a foreign education provider under this Act, to the Registrar and such application be duly endorsed by the concerned Embassy or High Commission in India of the country in which such institution is established or incorporated and has been offering educational services in that country:

Provided that a foreign educational institution providing educational services in India before the commencement of this Act, shall apply under this sub-section within a period of six months from the date of commencement of this Act and it shall cease to provide educational services in accordance with the provisions of this Act if its application for recognition and notifying as foreign education provider has been rejected.

(2) The form and manner in which an application under sub-section (1) shall be made and the other particulars, including payment of fee, shall be such as may be prescribed.

(3) Every application under sub-section (1) shall be accompanied by—

(a) the documents to the effect that such foreign educational institution—

(i) has been established or incorporated and has been offering educational services for at least twenty years under a law of the country in which such institution is established or incorporated and registered along with the status of its accreditation, wherever applicable, from the accrediting agency of that country; and

(ii) has adequate financial and other resources to conduct the course or courses of study in India;

(b) an undertaking to maintain a corpus fund of not less than fifty crore rupees or of such sum as may be notified, from time to time, by the Central Government in consultation with the statutory authority.
The Registrar shall, on receipt of an application under sub-section (1), forward a copy thereof to the statutory authority for obtaining its recommendation as to the fitness of such institution to provide quality education in India:

Provided that the statutory authority shall make its recommendation to the Registrar within a period of three months from the date of receipt of the copy of the application under sub-section (4).

(5) The Registrar shall make such inquiries, in such manner, as may be specified by regulations, to ensure that the foreign educational institution meets the requirements to provide quality education in India, as laid down under any law for the time being in force.

(6) The Registrar shall, as early as possible, and preferably within a period of six months from the date of receipt of the application under sub-section (1) by an foreign educational institution, submit his report on the fitness of such institution to provide quality education in India, along with such recommendations as may be made by the statutory authority, to the Commission.

(7) The Commission shall consider the report of the Registrar and recommendations of statutory authority, and recommend to the Central Government, within a period of thirty days from the date of receipt of such report and recommendations, as to the fitness of such institution proposed to be recognised and notified as a foreign education provider in India:

Provided that if the Commission is of the opinion that it shall not be in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality or sensitivity of location of the foreign educational institution or any other such reason to permit a foreign educational institution to operate in India, either independently or in collaboration or partnership or in twinning arrangement with any educational institution situated in India, it shall submit a report to the Central Government in this regard, and the decision of the Central Government thereon shall be final.

(8) The Central Government may, having regard to the report of the Commission, within a period of thirty days from the date of receipt of such report, recognised and notify such foreign educational institution as a foreign education provider for the purpose of award of degree or diploma or both in India and immediately after such notification, notwithstanding anything contrary or otherwise in the University Grants Commission Act, 1956, the provisions of that Act shall apply to such institution as they apply to any university in India:

Provided that the Central Government may reject the application of a foreign educational institution for reasons to be recorded in writing and communicate the same to such institution within a period of thirty days from the date of receipt of report of the Commission.

A foreign education provider shall ensure that the course or programme of study offered and imparted by it in India is, in conformity with the standards laid down by the statutory authority, and is of quality comparable, as to the curriculum, methods of imparting education and the faculty employed or engaged to impart education, to those offered by it to students enrolled in its main campus in the country in which such institution is established or incorporated.

(2) A foreign education provider shall, out of the income received from the corpus fund, utilise not more than seventy-five per cent. of such income for the purposes of development of its institution in India and the remaining of such unutilised income shall be deposited into the corpus fund.

(3) No part of the surplus in revenue generated in India by such Foreign Education Provider, after meeting all expenditure in regard to its operations in India, shall be invested for any purpose other than for the growth and development of the educational institutions established by it in India.
6. (1) Every foreign education provider shall publish, before expiry of sixty days prior to the date of the commencement of admission to any of its courses or programmes of study, a prospectus containing the following for the purposes of informing those persons intending to seek admission and the general public, namely:

(i) each component of the fee, deposits and other charges payable by students admitted to such institution for pursuing a course or programme of study, and the other terms and conditions of such payment;

(ii) the percentage of tuition fee and other charges refundable to a student admitted in such institution in case such student withdraws from such institution before or after completion of course or programme of study and the time within, and the manner in, which such refund shall be made to that student;

(iii) the number of seats approved by the statutory authority in respect of each course or programme of study for the academic year for which admission is proposed to be made;

(iv) the conditions of eligibility including the minimum and maximum age limit, if any, of persons for admission as a student in a particular course or programme of study, where so specified by the institution;

(v) the educational qualifications specified by the relevant statutory authority, or by the institution, where no such qualifying standards have been specified by any statutory authority;

(vi) the process of admission and selection of eligible candidates applying for such admission, including all relevant information in regard to the details of test or examination, if any, for selecting such candidates for admission to each course or programme of study and the amount of fee to be paid for the admission test;

(vii) details of the teaching faculty, including therein the educational qualifications and teaching experience of every member of its teaching faculty and also indicating therein whether such members are on regular basis or as visiting member;

(viii) the minimum pay and other emoluments payable for each category of teachers and other employees;

(ix) information in regard to physical and academic infrastructure and other facilities including hostel accommodation, library and hospital or industry wherein the practical training to be imparted to the students and in particular the facilities accessible by students on being admitted to the institution;

(x) broad outlines of the syllabus specified by the statutory authority or by the institution, as the case may be, for every course or programme of study, including the teaching hours, practical sessions and other assignments;

(xi) all relevant instructions in regard to maintaining the discipline by students within or outside the campus of the institution, and, in particular such discipline relating to the prohibition of ragging of any student or students and the consequences thereof and for violating the provisions of any regulation in this behalf made under the University Grants Commission Act, 1956 or any other law for the time being in force;

(xii) any such other information which may be prescribed:

Provided that the foreign education provider shall publish information referred to in items (i) to (xii) of this sub-section, on its website, and the attention of prospective students and the general public shall be drawn to such publication on the website through advertisements displayed prominently in the different newspapers and through other media:
Provided further that the foreign education provider may publish prospectus in accordance with this section at any time before the period of sixty days specified under this sub-section.

(2) Every foreign education provider shall fix the price of each printed copy of the prospectus, being not more than the reasonable cost of its publication and distribution and no profit be made out of the publication, distribution or sale of prospectus.

7. (1) If the Commission is satisfied that the foreign education provider has violated any provision of this Act or the University Grants Commission Act, 1956 or any other law for the time being in force or rules, regulations or orders made or notifications issued thereunder, it may, after giving a reasonable opportunity of being heard to the foreign education provider, recommend to the Central Government for withdrawal or recognition and rescission of the notification issued under sub-section (8) of section 4 in respect of such foreign education provider.

(2) Where the Central Government is satisfied that the recognition of the foreign education provider, referred to in sub-section (1), is to be withdrawn and notification issued under sub-section (8) of section 4 in respect of such foreign education provider to be rescinded, it shall require the Commission to intimate—

(i) the management of the foreign education provider;

(ii) the teachers employed by the foreign education provider; and

(iii) the student council or any other body by whatever name called, and the parents of the students enrolled by the foreign education provider,

by a notice, in such manner as may be prescribed, of the grounds for withdrawal of recognition and rescission of the notification issued under sub-section (8) of section 4 in respect of such foreign education provider.

(3) The management or teachers or students council or parents of students of such foreign education provider may, within a period of thirty days from date of receipt of notice under sub-section (2), represent to the Central Government against the proposed rescission of the notification in respect of such foreign education provider.

(4) If the Central Government, after considering the representations, if any, received under sub-section (3), is satisfied, it may withdraw the recognition and rescind the notification issued under sub-section (8) of section 4 in respect of the foreign education provider referred to in sub-section (1).

(5) On withdrawal of the recognition and rescission of the notification issued under sub-section (8) of section 4 in respect of the foreign education provider, the foreign educational institution shall cease to be a foreign education provider on and from the last date of the academic session following the previous academic session in which the notice under sub-section (2) was issued by the Commission.

(6) On withdrawal of recognition and rescission of the notification issued under sub-section (8) of section 4 in respect of the foreign education provider, the Central Government shall, as soon as may be, take such measures as may be necessary to provide alternative and appropriate educational facilities for those students who were enrolled by such foreign education provider.

(7) The Central Government may, in accordance with the relevant law for the time being in force, attach the corpus fund and such other properties of the foreign education provider referred to in sub-section (4), as it may deem fit, to make payments to any person employed in India by such foreign education provider, and for making arrangements of appropriate educational facilities for students referred to in sub-section (6).
CHAPTER III
Penalties

8. (1) Notwithstanding anything contained in the University Grants Commission Act, 1956, any person who, being associated with an educational institution or a foreign educational institution not being a foreign education provider which has not been recognised and notified under sub-section (8) of section 4 or whose recognition and notification has been withdrawn—

(a) offers or gives admission to any person as student or collects fee or awards any degree, diploma or any other equivalent qualification in violation of the provisions of section 3; or

(b) publishes or releases any advertisement which is misleading or gives wrongful information in the print, electronic or any other media or fails to publish disclosures as required under section 13,

shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to fifty lakh rupees in addition to refund of the fee, so collected, to the persons from whom it was collected and confiscation of any gains made out of it.

(2) Any foreign education provider, which has been recognised and notified under sub-section (8) of section 4, who contravenes any provision of section 5 or section 6 or any provision of the University Grants Commission Act, 1956, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to fifty lakh rupees and the forfeiture of the corpus fund referred to in clause (b) of sub-section (4) of section 4 in whole or part thereof.

(3) All sums realised by way of penalties or the gains confiscated under this Chapter or the amount of corpus fund forfeited shall be credited to the Consolidated Fund of India.

CHAPTER IV
Miscellaneous

9. (1) Notwithstanding anything contained in this Act, the Central Government may, by notification, on the recommendation of the Advisory Board constituted under sub-section (2), having regard to the reputation and international standing of foreign educational institution and such other criteria as may be prescribed, exempt such institution from operation of any of the foregoing provisions, other than sub-section (3) of section 5 and section 8.

(2) For the purpose of sub-section (1), the Central Government shall, by notification, constitute an Advisory Board consisting of—

(a) three distinguished persons from the field of academics, who are, or may have been at any time, declared as a national research professor, one of whom shall be designated as the Chairperson of the Advisory Board;

(b) Chairman of the Commission, ex officio;

(c) Chairman of one of the statutory authorities, other than the Commission, by rotation.

(3) The Advisory Board shall meet at such times and places, and observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meeting) as may be prescribed.

10. (1) Without prejudice to the foregoing provisions of this Act, the Commission, shall, in exercise of its powers or performance of its functions under this Act, be bound by such directions on question of policy as the Central Government may give in writing to it, from time to time:

Provided that the Commission shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.
(2) The decision of the Central Government whether a question is one of policy or not shall be final.

11. Save as otherwise provided in this Act, all the matters (including the penalties leviable under this Act) shall be adjudicated by the National Educational Tribunal.

12. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

13. (1) Notwithstanding anything contained in this Act, a foreign educational institution (not being a foreign education provider notified under section 4), which is imparting education leading to award of certificate or any other qualification not being a degree or diploma or equivalent qualifications, shall furnish a report to the Commission about its activities, in such manner as may be specified by regulations.

(2) The foreign educational institution referred to in sub-section (1), shall publish information on its website and draw the attention of prospective students and the general public to such publication on the website through advertisements displayed prominently in the different newspapers and through other media, indicating, inter alia, the following, namely:

(a) the details of course or programme of study leading to the award of certificate;
(b) the details of enrolment of students;
(c) the details of infrastructure available with it;
(d) details of the place wherefrom such institution is operating in India;
(e) whether operating on its own or through collaboration or partnership or twinning arrangement with any Indian educational institution and the details thereof;
(f) such other information as may be considered necessary by the Commission.

14. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:

(a) the form and manner in which an application may be made and other particulars including payment of fee under sub-section (2) of section 4;
(b) the other information required to be published in the prospectus by a foreign education provider under clause (xii) of sub-section (1) of section 6;
(c) the manner in which notice shall be given under sub-section (2) of section 7;
(d) the criteria for granting exemption to foreign educational institution under sub-section (1) of section 9;
(e) the time and place at which the Advisory Board shall meet and rules of procedure in regard to the transaction of business at its meetings (including quorum at such meeting) to be observed by it under sub-section (3) of section 9;
(f) any other matter which is required to be, or may be, prescribed or in respect of which provision is to be made by rules by the Central Government.

15. (1) The Commission may, by notification, make regulations, consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:

(a) the inquiries and the manner of making such inquiries by the Registrar under sub-section (5) of section 4;
(b) the manner in which a foreign educational institution shall report of its activities under sub-section (1) of section 13;

(c) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.

16. Every rule and every regulation made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or notification, or both Houses agree that the rule or regulation or notification should not be made or issued, the rule or regulation or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification.

17. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to be necessary, for removing the difficulty:

Provided that no order shall be made under this section after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.
STATEMENT OF OBJECTS AND REASONS

A number of Foreign Educational Institutions have been operating in the country and some of them may be resorting to various malpractices to allure and attract students. There is no comprehensive and effective policy for regulation on the operations of all the foreign educational institutions in the country. Due to lack of policy or regulatory regime it has been very difficult to make meaningful assessment of the operations of the foreign educational institutions and absence of such meaningful assessment has given rise to chances of adoption of various unfair practices besides commercialisation.

2. At present, only the All India Council for Technical Education has notified regulations for entry and operation of foreign universities and institutions imparting technical education in India which apply only to such institutions which are providing technical education covered by the All India Council for Technical Education Act, 1987.

3. The enactment of a legislation regulating entry and operation of all the foreign educational institutions is necessary to maintain the standards of higher education within the country as well to protect the interest of the students and in public interest. The object of the proposed legislation is to regulate entry and operation of foreign educational institutions imparting or intending to impart higher education or technical education or practice of any profession in India (including award of degree, diploma and equivalent qualifications by such institutions) and for matters connected therewith or incidental thereto.

4. The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010, inter alia, provides—

(a) that the foreign educational institution shall,—

(i) not impart education in India unless it is recognised and notified by the Central Government as a foreign education provider under the proposed legislation;

(ii) offer and impart education which is in conformity with the standards laid down by the statutory authority, and is of quality comparable, as to the curriculum, methods of imparting education and the faculty employed or engaged to impart education, to those offered by it to students enrolled in its main campus in the country in which such institution is established or incorporated;

(iii) maintenance of the corpus fund of not less than fifty crore rupees or such sum as may be notified from time to time by the Central Government;

(b) that the Central Government may,—

(i) refuse to recognise and notify a foreign educational institution as foreign education provider if it is not in the interest of sovereignty, integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality or sensitivity of location of the foreign educational institutions;

(ii) withdraw the recognition and rescind the notification of a foreign education provider on the grounds of violation of the provisions of the proposed legislation or the University Grants Commission Act, 1956 or any other law for the time being in force and on such withdrawal or recession of notification, the Central Government shall make necessary alternative arrangements;

(c) that any person who, being associated with an educational institution or a foreign educational institution not being a foreign education provider which has not been recognised and notified under the proposed legislation, offer or gives admission to any person as student or collects fee or awards any degree, diploma or publishes or releases any
advertisement which is misleading or gives wrongful information or fails to publish disclosures as required under the proposed legislation shall be liable to a penalty of not less than ten lakh rupees which may extend to fifty lakh rupees in addition to refund of the fee and confiscation of any gains made out of it;

(d) that any foreign education provider, which has been recognised and notified under the proposed legislation relating to quality of programmes offered in India, use of income from corpus fund, and investment of surplus in generated revenue or the provisions of the University Grants Commission Act, 1956 shall be liable to a penalty of not less than ten lakh rupees which may extend to fifty lakh rupees and the forfeiture of the corpus fund in whole or part thereof;

(e) for adjudication of all matters (including penalties leviable) under the proposed legislation by the National Educational Tribunal to be established under the Educational Tribunals Bill, 2010 proposed to be enacted.

5. The Notes on clauses explain in detail the various provisions contained in the Bill.
6. The Bill seeks to achieve the above objectives.

NEW DELHI; KAPIL SIBAL

The 19th April, 2010.
MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 14 of the Bill empowers the Central Government to make, by notification in the Official Gazette, rules for carrying out the provisions of the proposed legislation. Sub-clause (2) specifies the matters in respect of which such rules may be made. These matters, *inter alia*, include matters: (a) the form and manner in which an application may be made and other particulars including payment of fee under sub-clause (2) of clause 4; (b) the other information required to be published in the prospectus by a foreign education provider under clause (xii) of sub-clause (1) of clause 6; (c) the manner in which notice shall be given under sub-clause (2) of clause 7; (d) the criteria for granting exemption to foreign educational institution under sub-clause (1) of clause 9; (e) the time and place at which the Advisory Board shall meet and rules of procedure in regard to the transaction of business at its meetings (including quorum at such meeting) to be observed by it under sub-clause (3) of clause 9; and (f) any other matter which is required to be, or may be, prescribed or in respect of which provision is to be made by rules by the Central Government.

2. Clause 15 of the Bill empowers the Commission (University Grants Commission) to make, by notification in the Official Gazette, regulations for carrying out the provisions of the proposed legislation. Sub-clause (2) specifies the matters in respect of which such regulations may be made. These matters, *inter alia*, include: (a) the inquiries and the manner of making such inquiries by the Registrar under sub-clause (5) of clause 4; (b) the manner in which a foreign educational institution shall report of its activities under sub-clause (1) of clause 13; and (c) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.

3. The rules made by the Central Government under clause 14 and regulations made by the Commission under clause 15 of the Bill, shall be laid, as soon as they are made, before both House of Parliament under clause 16 of the Bill.

4. The matters in respect of which rules and regulations may be made are matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative powers is, therefore, of normal character.
A Bill
to regulate entry and operation of foreign educational institutions imparting or intending to impart higher education (including technical education and medical education and award of degree, diploma and equivalent qualifications by such institutions) and for matters connected therewith or incidental thereto.

(Shri Kapil Sibal, Minister of Human Resource Development)