

UGC norms for Foreign Universities

January 7, 2023

In news– The University Grants Commission (UGC) has announced draft norms for facilitating foreign universities and educational institutions to set up campuses in India which allow them autonomy in determining fees, as well as a 90-day approval process.

Key norms-

- **A foreign university with a rank among the top 500 global rankings** or a foreign educational institution of repute in home jurisdiction **can apply to the UGC to set up a campus in India.**
- The new National Education Policy [NEP], 2020 has envisioned that top universities in the world will be facilitated to operate in India.
- The application will be considered by a standing committee appointed by the UGC which will submit its recommendations within 45 days after examining the institution's credibility, programmes offered, their potential to strengthen educational opportunities in India, proposed academic infrastructure.
- Subsequently, within 45 days, the UGC may grant in-principle approval to the foreign institution to set up campuses in India within two years.
- The initial approval will be for 10 years, which can be extended.
- **Governments in the past have made several attempts to enact legislation for the entry,** operation and regulation of foreign universities in the country.
- **The first was in 1995 when a Bill was introduced** but could not go forward. In 2005-06, too, the draft law could only go up to the Cabinet stage.

- **The last attempt was by UPA-II in 2010 in the shape of the Foreign Educational Institutions Bill, which failed to pass muster in Parliament and lapsed in 2014 since the BJP, Left and Samajwadi Party opposed it.**
- One of the main reservations against foreign universities operating in India was that they would raise the cost of education (high tuition fees, faculty poaching from public universities), rendering it out of reach for a large part of the population.
- The latest UGC draft regulations try to address the latter by promising foreign universities complete autonomy in operating their Indian branch, including academic matters, governance, admission policy, tuition fee, faculty hiring, and remuneration.
- More significantly, repatriation of funds to the parent institution abroad, which was prohibited under the UPA-era Bill and had emerged as a major sticking point, has also been allowed.
- There's also no requirement for foreign education providers to maintain a corpus fund to operate in India. The UPA Bill insisted on an undertaking from universities to maintain a corpus fund of at least Rs 50 crore.

▶ WHAT DRAFT REGULATIONS SAY

■ These varsities will have the **freedom to decide on admission criteria** and fee structure

■ The commission has advised keeping the fees **“reasonable and transparent”**

■ The foreign institution **shall have the autonomy to recruit faculty/staff from India/abroad**

■ The varsity to ensure that the **foreign faculty stay at the campus for a reasonable period**

WHAT IT ENVISAGES

The regulatory framework allowing the entry of higher-ranked foreign varsities will provide an international dimension to higher education, enable Indian students to obtain foreign qualifications at affordable cost, and make India an attractive global study destination

FUNDS AND FUNDING

■ Cross-border movement of funds and maintenance of foreign currency accounts, **mode of remittance, repatriation, and sale of proceeds shall be as per the Foreign Exchange Management Act (FEMA)**

■ The operation of foreign HEIs 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**

WHO ARE ELIGIBLE

Two categories can apply. Universities that have secured a position within the top 500 of overall or subject-wise global ranking or a reputed institution in its home jurisdiction

■ **An audit report shall be submitted annually to the commission** certifying that the operations of the FHEIs in India are in compliance with the Act and related rules, the draft said