



Bill Summary

The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010

- The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 was introduced in the Lok Sabha on May 3, 2010. The Bill was referred to the Standing Committee on Human Resource Development, which is scheduled to submit its report within two months.
- The Bill seeks to regulate the entry and operation of foreign educational institutions seeking to impart higher education. Higher education includes technical and medical education and the award of degree and diploma.
- Every foreign educational institution intending to operate in India has to be notified as a foreign educational provider by the central government on the recommendation of the Registrar (Secretary of the University Grants Commission) in the prescribed manner. The application has to be endorsed by the High Commission of that country in India. An existing institution has to apply within six months of the Act coming into force.
- A “foreign educational institution” is defined as any institution established outside India, which has been offering educational services for a minimum of 20 years and proposes to offer courses which shall be taught through conventional teaching method (including classroom teaching). It excludes learning in distant mode in India.
- The programme of study offered by the foreign educational provider has to conform to standards laid down by the statutory authority (such as UGC, AICTE, BCI, MCI) and the quality in terms of curriculum, methods of teaching and faculty is comparable to that offered to students in the main campus.
- Every foreign educational institution has to publish a prospectus 60 days prior to admission which shall include information about fees, deposits and other charges, percentage of fees refundable to students, approved number of seats, conditions of eligibility, and details of teaching faculty.
- The Bill provides for withdrawal of recognition in case a foreign educational provider violates any provision of the regulations.
- The foreign educational institutions have to maintain a corpus fund of a minimum of Rs 50 crore. Maximum of 75% of any income generated from the fund shall be utilized for developing its institution in India and rest should be put back in the fund. Revenue generated cannot be invested for any purpose other than development of the educational institution in India. The central government may exempt any institution from conforming to the requirements of the Bill except the penalty provision and the revenue provision.
- Any person who offers admission to an unrecognised institution or makes misleading advertisement shall be liable to a minimum fine of Rs 10 lakh (upto Rs 50 lakh) in addition to refunding the fees collected. Any recognised foreign educational provider who violates the law shall be liable to a fine between Rs 10 and 50 lakh and forfeiture of the corpus fund.
- The Bill lays down norms for foreign educational institutions conducting certificate courses.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.



Kaushiki Sanyal
kaushiki@prsindia.org

May 24, 2010