Note on the Draft IFSCA (Setting up and Operation of International Branch Campuses) Regulations, 2026

The International Financial Services Centres Authority (**IFSCA**) has issued a consultation paper seeking comments on a proposal to replace the International Financial Services Centres Authority, (Setting up and Operation of International Branch Campuses and Offshore Education Centres) Regulations, 2022 (**2022 Regulations**) with a fresh regulation.

Key changes proposed:

- OECs omitted: The 2022 Regulations provide for the setting up of International Branch Campuses (**IBCs**) and Offshore Education Centres (**OECs**). IBCs can be set up by foreign universities and OECs can be set up by any Foreign Educational Institution (other than a foreign university). A "Foreign Educational Institution" is defined to cover any education institution outside India, which is not a university, and is duly authorized to offer courses including research programmes in the permissible subject areas. The proposed IFSCA (Setting up and Operation of International Branch Campuses) Regulations, 2026 (**2026 Regulations**) provide for setting up IBCs, but OECs are omitted.

  Under the 2026 Regulations, an IBC can be set up by a Foreign Higher Educational Institution, which is defined to mean "a University or an Educational Institution, established in its home jurisdiction and duly authorized in its home jurisdiction to offer academic and research programmes at undergraduate or higher levels". To be eligible to set up an IBC in an IFSC, the applicant has to be within Top 500 of a global ranking system as specified in Schedule I of the 2026 Regulations, which has the following options:

  For Universities: (i) QS World University Rankings or (ii) Times Higher Education World University Rankings

  For Foreign Higher Educational Institution: (i) QS World University Rankings by Subject (ii) Times Higher Education World University Rankings by Subject

- Perpetual validity for registration: Under the 2022 Regulations, a registration, once granted, was valid for a period of 5 (five) years and was required to be renewed upon expiry. Under the 2026 Regulations a registration shall remain valid unless it is suspended, cancelled, or voluntarily surrendered.

- Recognition of Academic Infrastructure Service Providers (**AISP**): The 2022 Regulations did not originally recognise AISPs. However, this gap was addressed through IFSCA Circular No. IFSCA-BDev./FU/1/2023-BD dated December 14, 2023, which permitted IBCs and OECs to avail infrastructure and support services from AISPs, subject to specified conditions. The 2026 Regulations have now formally incorporated this framework by expressly recognising AISPs and permitting IBCs to avail services from them, provided such services are received in accordance with the terms and conditions specified by the IFSCA.

- Admission Process: The 2026 Regulations introduce a dedicated framework governing admissions, which was absent under the 2022 Regulations. An IBC is required to follow an admission process similar to that of its parent entity's home campus, publish a prospectus on its website at least 60 (sixty) days prior to the commencement of admissions containing prescribed information (including the fee structure, refund policy, seat availability, eligibility criteria and admission process). An IBC may grant full or partial merit-based scholarships in accordance with the approved policy of the parent entity.

- Restriction on online classes: Under the 2026 Regulations not more than 10% of the total credits of a course may be delivered through online or virtual mode. This restriction is not present under the 2022 Regulations.

- Miscellaneous Changes: The 2026 Regulations also introduce several procedural changes, including streamlining the application process through the SWIT Portal, extending the validity of in-principle approvals, constituting a Standing Committee for the appraisal of applications, and prescribing reporting requirements for material changes.

ELP Comments

- *Though the 2026 Regulations have omitted OECs, this does not actually prevent entities that are not universities from setting up campuses in an IFSC. This is because, under the 2026 Regulations, an IBC can be set up by a Foreign Higher Educational Institution, which is defined to mean "a University or an Educational Institution, established in its home jurisdiction and duly authorized in its home jurisdiction to offer academic and research programmes at undergraduate or higher levels". Under the 2022 Regulations, an IBC could be set up only by a University and a Foreign Educational Institution (which was not a university) could set up an OEC.*

- *The 2022 Regulations required a Foreign Educational Institution, though not a university, to be a reputed Institution in its home jurisdiction. It is unclear what the yardstick to be a 'reputed' institution is. This subjectivity is replaced under the 2026 Regulations since all applicants need to be within Top 500 of a global ranking system as specified in Schedule I of the 2026 Regulations.*

- *The 2026 Regulations introduce a new restriction on online delivery, which is absent under the 2022 Regulations. This rule is doubtless meant to ensure that foreign institutions do not set up a campus in an IFSC and then offer online classes to students who may stay put in their homes. It is clear that the IFSCA wishes to have students residing in or around the IFSC.*

- *In the context of scholarships that may be granted by an IBC, the 2026 Regulations uses the word "may", implying that the IBC has the discretion to decide whether to provide merit-based scholarships on the lines of scholarships offered in its home country. The use of the word "may" in Regulation 10(3) is in stark contrast with the language of Regulation 10(1) which says that "The IBC shall follow a similar process for admission of students as is followed by the Parent Entity in its home campus."*

- *Since the introduction of the 2022 Regulations, three IBCs have been established in GIFT IFSC. However, no OEC has been established to date. It is hoped that after the proposed 2026 Regulations are implemented, more IBCs will be set up in GIFT-IFSC.*

The full text of the Consultation Paper can be accessed here.

We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com or write to our authors:

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