

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Constitution Hills, Quezon City

**SEVENTEENTH CONGRESS**  
*First Regular Session*

**HOUSE BILL NO. 3165**

HOUSE OF REPRESENTATIVES	
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*Introduced by: Representative JOHNNY T. PIMENTEL*

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### **EXPLANATORY NOTE**

With the advent of globalization—the opening of borders, reduction in cross-border barriers, and the surge of information and communications technology—the perspective and practice of higher education has changed. The reach of education is no longer closed within the national borders for educational systems have become integrated to the public policy of international cooperation.

Higher education has become increasingly a crucial factor for generating productive knowledge, innovation and technology to develop higher order skills needed to compete in the knowledge economy. The frontiers of the Universities have extended to becoming centers of economic success by its ability to produce globally competitive graduates.

Academic exchanges have proliferated in recent years as part of universities' efforts to connect with learners, teachers, scholars, as well as labor markets worldwide as part of globalization. This effort at connectivity has been intensified with innovations in transport and information technology that have made physical distances shorter, and the cost of mobility, cheaper.

Furthermore, International students who pay private universities offer a lucrative source of income<sup>1</sup>. The income generation indeed has given incentives for the higher education service providers to propagate its operations.

In the AY 2007 – 2008, the United States was able to derive USD 15.54B for hosting international students greatly contributing to their financial economy

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<sup>1</sup> Taylor, J. Ibid.

manifesting how the universities and colleges, as service providers of higher education, have become crucial actors in the realm of the global economy<sup>2</sup>.

The Philippine government is committed to the bilateral, multilateral, regional and international agreements in higher education venturing to put into application the principles and ideals of the Internationalization of the Philippine Higher Education.

Among others, Philippines recognizes the promise of the *commoditization of education* and the enhanced trade of *service* as enshrined by the General Agreement on Trade and Services (GATS), UNESCO 2005 Guidelines for Quality Provision in Cross-Border Higher Education and the ASEAN Framework Agreement on Services. Yet, to be able to get more share in the market of higher education, restrictive policies should be further relaxed in promoting trade in this service.

The operation of the foreign branch campuses to operate locally and opening of the maritime trainings to foreigners, among others are pristine areas which can be tapped in promoting Philippine competitiveness.

Recognition of the economic importance of higher education has encouraged that adoption of policies encouraging greater access. It is important to note that many of our neighbors have aggressively entered the field of competition<sup>3</sup>. As new service providers of higher education, these countries serve as a challenge to the hegemony of the traditional providers in Western Europe<sup>4</sup>. The direction of the student mobility has put an interesting inclination to the emergence of the new service providers.

Furthermore, these countries have opened their doors in allowing foreign higher education institutions to put up branch campuses within their territories to keep their graduates within the home countries<sup>5</sup>. It is illustrated by the franchising agreements between foreign providers and local providers. Monash University from Australia has established branch campuses in South Africa and Malaysia while the University of Nottingham of the United Kingdom has launched international campuses in China and Malaysia<sup>6</sup>.

If the Philippines is unable to maximize this present global trend, it would not only deter the inflow of income that could be derived from the mobility of foreign students but also fail to grab an opportunity presented by the upswing of globalization which is being utilized by its neighbors in the Asia-Pacific Region.

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<sup>2</sup> Maringe, J & Foskett, N. 2010. Globalization and Internationalization in Higher Education.

<sup>3</sup> Singapore, China, Hong Kong and Malaysia are new higher education service providers.

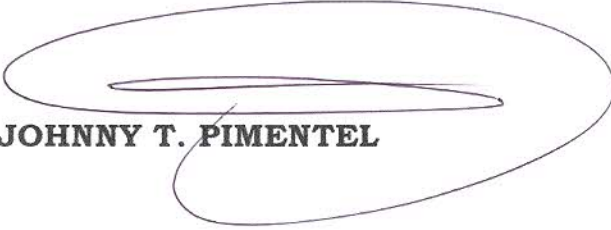
<sup>4</sup> Woodfield, S. 2000. Key Trends and Emerging Issues in International Student Mobility (ISM).

<sup>5</sup> Foskett, N. & Maringe, F. 2000. The Internationalization of Higher Education: A Prospective View.

<sup>6</sup> Taylor, J. Ibid.

This Bill seeks to place the Philippines as a key player in this trend in higher education.

The approval of this Bill is earnestly sought.



**JOHNNY T. PIMENTEL**

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**AN ACT**  
**PROMOTING THE INTERNATIONALIZATION OF PHILIPPINE HIGHER**  
**EDUCATION AND THE INTRODUCTION OF FOREIGN BRANCH CAMPUS**  
**AND OFFSHORE CAMPUS IN THE PHILIPPINES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. Title.** – This Act shall be known as the “Internationalization of Higher Education Act of 2016.”

**SECTION 2. Declaration of Policy** – It is the declared policy of the State that higher education shall serve as a principal instrument for generating productive knowledge, innovation and technology to develop higher order skills needed to compete in the knowledge economy to redound in resource generation.

**SECTION 3. Definition of Terms.** – For the purposes of this Act, the following terms shall mean:

- a. **Academic cooperation agreement** – cooperative agreement, either bilateral or multilateral, that signifies a partnership between two or more HEIs for the implementation of collaborative teaching and learning activities, including distance learning; joint research; transfer of technology; delivery of academic services; and the exchange of art and culture or other collaborative academic activities. An academic cooperation agreement can be bilateral or

multilateral, and it can be between governments, between HEIs, or between corporations and HEIs;

- b. **Authority to operate** – authority issued to private higher education institution to operate any degree program without the approval of the Commission;
- c. **Branch campus** – campus established by a higher education institution from one country in another country (host country) to offer its own educational programmes and qualifications;
- d. **Foreign Higher Education Institutions** – higher education institutions incorporated and formed under laws other than the Philippines;
- e. **Internationalization of higher education** – process of integrating international, intercultural, and global dimensions into the goals, functions (teaching, learning, research, and service), and delivery of higher education.

**SECTION 4. *Establishment of Foreign Educational Branch Campus.*** –

Establishment of foreign educational branch campuses is hereby allowed to operate in the Philippines.

Foreign higher education institutions that seek to establish a branch campus and acquire the right to operate a higher education institution in the Philippines shall obtain a license to transact business in this country from the Securities and Exchange Commission (SEC).

*Provided*, that the foreign higher education institution must first procure from the Commission on Higher Education (CHED) an Authority to Operate.

*Provided further*, that an existing International Academic Cooperation Agreements between the Philippines and the foreign, between the Commission and the foreign ministry of higher education, and between local institutions of higher education and the foreign higher education institution.

**SECTION 5. *Application for Authority to Operate.*** – The foreign higher education institution that pursues to establish a Branch Campus in the Philippines must obtain an Authority to Operate from the Commission. The following documents must be submitted to the Commission to secure such Authority:

1. date and term of the incorporation of the foreign HEI;
2. address of the foreign corporation operating a Higher Education in its home country;



3. the location of the institution or college where the foreign HEI intends to operate;
4. the names and addresses of the present officers, directors, governing boards and faculties;
5. the total amount of money actually invested and other information relative to the financial condition of the institution or college;
6. a description of the buildings occupied or to be occupied by the institution or college, with full details regarding the number and dimensions of rooms, plumbing and sanitary arrangements, and facilities for the proper lighting and ventilation;
7. a list of required teachers, and assistants, showing the academic degrees, profession, experience and qualifications, and the subjects to be taught by each;
8. complete information concerning the curriculum to be established, with full details regarding the amount of instruction to be given on each subject; full information relative to laboratories, equipment and libraries; and all other details and data that the Commission may require for the purpose of passing upon the application.

**SECTION 6. *Exemption to Ownership, Control and Administration, and Student Population.*** The general rule on ownership of educational institutions, control and administration, and student population shall not apply to higher education institutions established for foreign temporary residents.

**SECTION 7. *Supervision of the Commission on Higher Education.*** – The Commission on Higher Education (CHED), in coordination with the Securities and Exchange Commission, shall take supervision over the implementation of this Act.

**SECTION 8. *Continuing Research.*** – The CHED shall conduct continuing research and development on the internationalization of higher education for the purpose of enhancing knowledge creation and revenue generation.

**SECTION 9. *Inclusion in the Appropriations Act.*** – The amount necessary to implement the provisions of this Act shall be included in the General Appropriations Act for the year following the approval of this Act.

**SECTION 10. *Repealing Clause.*** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of the Act is hereby repealed, modified or amended accordingly.

**SECTION 11. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,