



# **TERTIARY EDUCATION COMMISSION**

## **Regulatory Framework For Postsecondary Education**

### **GUIDELINES FOR PROCESSING APPLICATIONS FOR THE ISSUE OF A CERTIFICATE FROM THE TEC ON THE CONSTRUCTION OF A PURPOSE-BUILT BUILDING FOR THE PROVISION OF TERTIARY EDUCATION (TO BE USED FOR VAT AND LCT EXEMPTION )**

#### **1. General**

**1.1** As per the provision of the Finance Act 2005, a person approved by the Tertiary Education Commission (TEC) as being a person engaged in tertiary education would be exempted from payment of VAT on the construction of purpose built buildings for the provision of tertiary education as approved by the TEC. Two certificates are required from the TEC; one to certify that the person is engaged in the provision of tertiary education and the second one that the construction of a building to be made by such a person would be a purpose built building for the provision of tertiary education.

#### **2. Who are eligible?**

**2.1** Only persons registered with the TEC for providing tertiary education and whose programmes have been accredited by the TEC can apply for a certificate for construction of a purpose built building for the provision of tertiary education.

**2.2** For certifying that a person is one engaged in the provision of tertiary education the criteria for registration of the person providing tertiary education and for accreditation of the programmes offered by such person would be applicable.

#### **3. Application**

**3.1** The application for a certificate for a purpose-built building for the provision of tertiary education should be made on the prescribed application form and supported by:

- a) Full details of courses / programmes to be run in the proposed building.
- b) Site plan for the land on which the construction is proposed.
- c) Title deed of the land or lease agreement as applicable.
- d) Site plan for the building.
- e) Relevant building plans with full details.
- f) Building permit issued by the Municipal /District Council as applicable.
- g) Copy of the contract between the applicant and the building contractor.
- h) A financial plan for the financing of the construction of the building.
- i) Any other information and documents deemed by the applicant to be of relevance to the evaluation of his application.
- j) Processing fees of Rs 8000/- .

**3.2** The applicant should call in person at the TEC to lodge the application and should bring along with him all the originals of the documents required for verification.

**3.3** The TEC will certify the copies of the documents deposited with the application after comparing them with the originals and give an acknowledgement to the applicant.

**3.4** The application would then be examined for its completeness and any missing information or documents would be sought from the applicant.



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#### **4. Processing**

- 4.1** After ensuring that the application is complete, it will be considered by the Standing Committee of the TEC for evaluation.
- 4.2** The Standing Committee will make recommendations to the TEC Board on the application within two months from the date of the receipt of the completed application.

#### **5. Decision**

**5.1** The decision of the TEC can be:

- a)** approval of the application;
- b)** conditional approval of the application subject to modification;
- c)** rejection of the application with reasons (after a hearing before the Committee)

**5.2** The applicant shall be informed of the outcome of his application within three months from the date of receipt of the completed application.

**5.3** Where the application has been approved, a certificate to that effect will be issued to the applicant. The latter can then together with his certificate of registration and accreditation apply for VAT exemption on the construction of his building.

**5.4** Where conditional approval has been given subject to modification, the applicant shall be provided with reasons for the modifications and can modify the plans as required or can make an appeal to the TEC Board.

**5.5** Where an applicant who has been granted a conditional approval agrees to modify the plans he shall submit the modified plans clearly indicating the modifications made and providing all references to the original application. The procedures for evaluation of the modified plans would start afresh as if it was a new application.

#### **6. Appeal**

**6.1** Where an application has been rejected the applicant can make an appeal to the TEC Board specifying the decision being appealed, the grounds for appeal and the remedy being sought. The TEC Board will set up an Appeal Committee.

**6.2** Where an appeal has been made to the TEC Board it shall communicate its decision to the applicant within two months from the date of the appeal. The decision of the Appeal Committee shall be final.

#### **7. Duties of the applicant (after issue of certificate)**

**7.1** If during the construction phase any change or alteration is made to the plan of the building or the structure of the building is changed or altered subsequently, the applicant shall inform the TEC within one week of such changes or alteration and receive its approval for such changes or alteration.



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**7.2** Once the construction of the building has been completed the applicant shall inform the TEC which shall carry out an inspection to ensure that the building has been constructed as per the plans submitted with the application.

**7.3** The applicant shall inform the TEC of any subsequent change in the usage of the building especially when part or the whole of the building is used for a purpose other than the provision of tertiary education.

**8.** After issuing the certificate to the applicant. the TEC shall inform the VAT Department of the same. Similarly the TEC shall inform the VAT Department of any change or alteration in the building plan during the construction phase to which it is not agreeable and also of any change in the usage of the building.

#### **9. Land Conversion Tax Exemption**

For processing of application for the issue of a certificate from the TEC on the construction of a purpose-built building for the provision of Tertiary Education to be used for land conversion tax purposes, the following documents should be submitted:

- Full details of courses/programmes to be run in the proposed building;
- Site plan of the land to be purchased;
- Area of the land;
- Details of transcription volumes where title deeds are registered at time of application;
- Copy of Title deed of present owner of the land;
- Name of owner of land at time of application;
- Site plan for the building;
- Relevant building plans with full details;
- Building permit issued by the Municipal /District Council as applicable, if available;
- Copy of the contract between the applicant and the building contractor;
- A financial plan for the financing of the construction of the building;
- Any other information and documents deemed by the applicant to be of relevance to the evaluation of his application.