

What is the Fee Protection Scheme (FPS)?

Introduction to the Fee Protection Scheme (FPS)

The Fee Protection Scheme (FPS) serves to protect students' fees in the event a private education institution is unable to continue operating due to insolvency, and/or regulatory closure. The Fee Protection Scheme also protects students if the private education institution fails to pay penalties or return fees to the students arising from judgement made against it by the Singapore courts.

EduTrust-certified private education institutions are required to adopt the Fee Protection Scheme to provide full protection to all fees paid by their students. All fees refer to *all* monies paid by the students to be enrolled in a private education institution, *excluding* the course application fee, agent commission fee (if applicable), miscellaneous fees (non-compulsory and non-standard fee paid only when necessary or where applicable, for example, the re-exam fee or charges for credit card payment etc.) and GST.

Private education institutions can choose to adopt either the escrow scheme, insurance scheme, or a combination of both to provide fee protection to *all* their students.

Fee Protection Under the Escrow Scheme

Under the escrow scheme, private education institutions are strictly not allowed to collect any money from their students. Instead, the students are to deposit all their fees into the escrow bank account which their private school has opened with any one of the Council for Private Education-appointed banks. Funds in the account are disbursed to the private education institution on a regular basis only if specific conditions are met.

The Council for Private Education-appointed banks include the:

- Development Bank of Singapore (DBS);
- Hongkong and Shanghai Banking Corporation (HSBC); and
- Standard Chartered Bank (SCB).

Fee Protection Under the Insurance Scheme

Under the fee insurance scheme, private education institutions will purchase insurance protection from any one of the Council for Private Education-appointed insurance companies for every one of their students to protect their fees.

Students studying in an EduTrust-certified private education institution need to pay fees of up to a maximum of 12 months of their course duration to their private school.

The Council for Private Education-appointed insurance companies are Hongkong and Shanghai Banking Corporation (HSBC) Insurance Singapore and Lonpac Insurance Bhd.

For more information, visit www.cpe.gov.sg