

**Coming to the UK to study?**  
**International students and UK tax - what you need to know**

When you arrive in a new country to study, it can be difficult to understand what rules you need to follow, especially about areas that can seem complicated, such as tax. In this guide, you will find answers to some of the questions you might have about when you do and don't have to pay tax in the UK, especially on money that you receive from outside the UK. This guide also tells you where you can find more information.

Because tax law gives certain words a special meaning we have explained some of those words in a glossary. If a word is **highlighted in bold print and underlined**, clicking on it will take you to the definition of that word.

Most "international students" will be in the same situation as any other student in the UK and will not have significant tax problems. An "international student" is someone who has come to the UK to study and will be in the UK only for the period of their studies. We are assuming that such a student is not **domiciled** in the UK.

Most students in the UK do not work outside the UK and do not have sources of **income or gains arising** outside the UK. If this is your situation, we suggest that you refer to the HMRC website for students [<http://www.hmrc.gov.uk/students>] which explains the main issues for UK students. You can ignore the rest of this guidance.

**Income or gains outside the UK**

If you are a student who does have income or gains arising outside the UK you need to consider the source of those income and gains and the amounts involved.

The UK has entered into international agreements (called Double Taxation Agreements) with many countries in order to recognise international students and encourage them to come and study in the UK.

Such agreements recognise that students will require funds from outside the UK to support the costs of their studies while they are in the UK.

There are number of ways that students may get support:

- Scholarships or bursaries
- Family gifts
- Personal savings accumulated before arrival in the UK

In most circumstances this support will not be taxable in the UK and can be ignored.

But you may have your own income or gains, probably back in your home country, while you are in the UK as a student. This could be, for example,

from working back home in the holidays / vacations, letting out a property, or from interest on a bank account.

These income or gains could give rise to a tax liability in the UK. However, the vast majority of students bring such income or gains into the UK and do so for their maintenance. If this is the case then this income or gains can be ignored because of the international agreements (Double Taxation Agreements) that have been entered into by the UK with other countries.

The countries that have international agreements with the UK that allow for this are listed [below](#). If you come from one of these countries then you will not need to pay tax on any income and gains that arise outside the UK which you bring to the UK for your maintenance or for your education.

Money is for your maintenance if it is used to fund your normal living expenses while you are in the UK. For example, money brought to the UK to pay for food, accommodation, and materials for your studies would all be 'for your maintenance'. Bringing money to the UK to invest would not be 'for your maintenance'. In practice if you bring £15,000 or less to the UK in a **tax year** we would expect that money to be for your maintenance. This amount does not include money that is used to pay your course fees which will also count as 'for your maintenance'. If you bring all of your income and gains from overseas to the UK for your maintenance while you are a student, then you do not need to read the rest of this guidance.

### **What happens if the situations described above do not apply to you?**

If the situations above do not apply to you it is likely that one of the following situations apply:

- You have income or gains overseas which you bring to the UK but you come from a country which has no international agreement with the UK
- You have income and gains overseas and you bring some of them to the UK, but leave the balance of the income or gains overseas
- You have income or gains overseas which you bring to the UK for reasons other than your maintenance or course fees.

In these circumstances you need to consider some further guidance which you can find here [[www.hmrc.gov.uk/cnr/hmrc6.pdf](http://www.hmrc.gov.uk/cnr/hmrc6.pdf)].

### **Glossary**

#### Domiciled:

- Your domicile is normally acquired at birth, but this is a general law concept covering a range of factors.

- If your father was born outside the UK, you were born outside the UK, and your permanent home remains outside of the UK, it is likely that you have a non UK domicile.
- Usually, if both you and your father were born in the UK, have lived in the UK for all or most of your lives, and do not have strong connections outside of the UK then you will be domiciled in the UK.
- Otherwise you should consult the guidance linked to above.

### Income or Gains:

We normally say that you have **income** when you receive money in return for work, or for a service that you provide. For example, if you have a job, the money you earn is income. Also if you own a property, like a house or a flat, which you rent to someone else, the rent you receive would also be income. Similarly any interest you earn on investments is income.

You make a **gain** when you sell something for more than you paid for it, or if you sell something that you were given as a gift for more than it was worth when you were given it. For example, if you bought a property in your home country (e.g. a house or apartment) for £100,000, and then sold it at a later date for £150,000, you would have made a **gain** of £50,000.

### Arising:

Income 'arises' when it is earned, in the case of employment income, or in the case of bank interest, when the bank interest is paid. For gains, this usually refers to when the property was sold.

### Tax year:

A tax year in the UK is any year starting on April 6<sup>th</sup> and ending on April 5<sup>th</sup> the following year – it is the period which is used to calculate how much tax should be paid each year.

## **List of Countries with international arrangements (Double Taxation Agreements with a standard Student article) with the UK**

Antigua	Iceland	Papua New Guinea
Argentina	Indonesia	Philippines
Australia	Ireland	Poland
Austria	Isle of Man	Portugal
Azerbaijan	Israel	Reunion
Bangladesh	Italy	Romania
Barbados	Ivory Coast	Russia
Belarus	Jamaica	Sierra Leone
Belgium	Japan	Singapore
Belize	Jersey	Slovak Republic
Bolivia	Jordan	Solomon Islands
Bosnia and	Kazakhstan	South Africa

Herzegovina		
Botswana	Kenya	Spain
	Kiribati and	
Brunei	Tuvalu	Sri Lanka
		St.Christopher (St. Kitts) and
Bulgaria	Korea	Nevis
Burma	Kyrgyzstan	Sudan
Canada	Latvia	Swaziland
Chile	Lesotho	Sweden
China	Luxembourg	Switzerland
Croatia	Malawi	Taiwan
Cyprus	Malaysia	Tajikistan
Czech Republic	Malta	Thailand
Denmark	Martinique	The Gambia
Egypt	Mauritius	Trinidad and Tobago
Estonia	Mexico	Tunisia
Falkland Islands	Moldova	Turkey
Fiji	Mongolia	Turkmenistan
Finland	Montserrat	Uganda
France	Morocco	Ukraine
Germany	Namibia	USA
Ghana	Netherlands	Uzbekistan
Greece	New Zealand	Venezuela
Grenada	Nigeria	Vietnam
Guernsey	Norway	Zambia
Guyana	Oman	Zimbabwe
Hungary	Pakistan	