



Department
for Education

International Student Levy

Government technical consultation

Launch date 26 November 2025

Respond by 18 February 2026

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Introduction

In the [Immigration White Paper](#), the Government committed to explore introducing a levy on higher education provider income from international students, to be reinvested into the higher education and skills system. This levy was confirmed by the Secretary of State for Education during the Labour Party Conference 2025.

The Secretary of State announced the reintroduction of targeted, means-tested maintenance grants for students studying courses aligned with the government's missions and Industrial Strategy, to be funded by a new International Student Levy (the levy) on higher education providers. Further policy detail on the levy was set out by the Chancellor of the Exchequer at Budget.

Providers will pay a simple flat fee of £925 per student per year, which will not be introduced until 2028/29 to give them time to plan for its introduction. We will keep the rate under review, with future decisions on deployment of the proceeds set out at the next Spending Review. This technical consultation provides more detail on the implementation of the levy.

The Government's target, announced by the Prime Minister, is for two-thirds of young people to participate in higher-level learning (academic, technical or apprenticeships) by age 25. This government is committed to supporting the aspiration of every person who meets the requirements and wants to go into higher education. We must, therefore, reform the higher education system to better support disadvantaged students. The previous government removed maintenance grants and the real-terms value of loan support for students has reduced by more than 20% over the last five years. It is essential that we improve this.

The income raised by the levy will therefore be fully reinvested into higher education and skills, to support the reintroduction of targeted maintenance grants, progression through the post-16 system, and for wider skills.

This government is clear that it welcomes and values the contribution to our society, economy and higher education institutions made by overseas students who want to come to the UK. But it is right to ensure that the financial benefit these students provide also helps our most disadvantaged students. The levy will ensure that the proceeds from international students benefit domestic students, furthering our national opportunity mission, and creating stronger economic links between both home and international students.

Who this is for

- Higher education providers in England
- Tax professionals
- Others with an interest in higher education policy

In order to engage with those who would be affected by the proposals in this consultation, the government will be consulting relevant stakeholders and interested parties on the proposals through meetings. If you would like to be included in a

consultative meeting, please contact us via the email listed in the Enquiries section, before 31 December.

Issue date

The consultation was issued on 26 November 2025.

Enquiries

If your enquiry is related to the technical detail of the levy design, as set out in this consultation document you can email:

ISL.consultation@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: coordinator.consultations@education.gov.uk, telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

The results of the consultation and the department's response will be [published on GOV.UK](#) in Summer 2026.

About this consultation

This consultation document builds on the details of the International Student Levy (the levy) which were set out at Autumn Budget 2025, and initially announced in the Immigration White Paper.

Recognising the novel nature of the International Student Levy, it will take effect from 1 August 2028, allowing for a period of adjustment by providers. Draft legislation in respect of the International Student Levy will be published during 2026, allowing for technical consultation ahead of its inclusion in a Finance Bill.

The intention of this consultation is to explore with impacted Higher Education providers points of technical detail regarding the design of the levy.

Respond online

To help us analyse the responses, please use the online system wherever possible. Visit [DfE consultations on GOV.UK](#) to submit your response.

Other ways to respond

If, for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may request an alternative format of the form.

By email

ISL.consultation@education.gov.uk

Deadline

The consultation closes on 18 February 2026.

About You

Question 1: What is your name? **[Free text]**

Question 2: What is your email address? **[Free text]**

Question 3: What is your organisation? **[Free text]**

Question 4: Would you like us to keep your responses confidential? **[Yes/No];**
Reason for confidentiality **[Free Text]**

International Student Levy Technical Consultation

Definitions

Definitions, for the purposes of the levy, are outlined below.

Academic year is defined as the period 1 August to 31 July, which is also used for the purposes of Office for Students (OfS) funding.¹

English higher education provider is defined in section 83(1) of the Higher Education and Research Act 2017 as “a higher education provider whose activities are carried on, or principally carried on, in England”.

Higher education courses are defined by Schedule 6 of the Education Reform Act 1988.

International students are defined as those higher education students who do not qualify for home fee status, excluding any students recruited under a short-term study visa. For example, the levy will not apply in respect of students on non-credit bearing courses such as some short-term English language courses.

Scope of the International Student Levy

Providers in Scope

The levy will apply to all English higher education providers registered with the Office for Students (“providers”), from Academic Year 2028/29. “English higher education provider” and “higher education courses” are defined above in the *Definitions* section of this document.

English further education providers who are also registered as higher education providers with the Office for Students will be in scope of the levy, but only in respect of international students studying in higher education (level 4 and above). Further education providers who are not registered with the OfS, and who therefore only recruit international students for further education (level 3 and below), will not be subject to the levy. The levy will not apply in respect of international students studying a further education course at an OfS registered higher education provider.

¹ See paragraph 9 on page 4 of the OfS [Funding for 2025-26 Decisions and allocations](#) document. Note that ‘academic year’, for the purposes of student finance, is defined differently. Information on an academic year for student finance purposes can be found online here: [Understanding academic years - GOV.UK](#)

Transnational education (TNE) delivered by providers in a country other than the United Kingdom will not be in scope of the levy.

Question 5: Are there any circumstances not specifically mentioned in the technical consultation document, for which it is unclear whether a provider is or is not in scope? **[Yes/No]**; Please provide additional information. **[Free text]**

Students in Scope

The levy will apply only in respect of international students, defined as those higher education students who do not qualify for home fee status. To qualify for automatic home fee status, students would need to meet one of the eligibility categories within Schedule 1 to the Education (Fees and Awards) (England) Regulations 2007.

This does not include any students recruited under a short-term study visa. For example, the levy will not apply in respect of students on non-credit bearing courses such as some short-term English language courses.

The total number of international students includes all international students registered with the provider within the given academic year, regardless of their year of study and the start date of their course.

Providers in scope will be liable for the levy in respect of all international students registered with them, irrespective of whether the student attends franchised or otherwise subcontracted provision. Providers are liable for the levy in respect of international students anywhere within any of the constituent parts that comprise the legal entity registered with the OfS. This is inclusive of any embedded colleges, joint ventures or related undertakings which are controlled (wholly or partly, and directly or indirectly) by the OfS-registered provider.

Question 6: Do you foresee any challenges with the definition of international students included in the technical consultation document? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 7: Are you aware of any additional student, course or provider types, which are not already included in the technical consultation document, that you think we should consider before the introduction of the levy? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 8: Do you think the proposed restrictions to the scope of the levy would have any unintended consequences on the behaviour of students or providers? **[Yes/No]**; If yes, please provide additional information. **[Free Text]**

Operative Date

The levy will take effect from 1 August 2028. The levy will apply in respect of all existing and new international students registered with higher education providers on or after that date. Draft legislation in respect of the International Student Levy will be published during 2026, allowing for technical consultation ahead of its inclusion in a Finance Bill.

Administration of the Levy

This section sets out the main administrative rules and how the government intends to operate the levy.

The Office for Students (OfS) will be responsible for the administration of the levy, on behalf of HM Government. Given the existing relationships providers have with the OfS and their access to existing data sources, this will allow us to minimise the administrative burden on providers where possible.

Calculation of the Levy

The levy will be calculated using the headcount of international students registered with a provider across an academic year, as defined previously. The levy will take the form of **a set fee of £925** charged to the provider from AY28/29 and will be increased in line with inflation following that. An international student will be counted based on the start date of each year of their course. A provider will be charged once per international student, per academic year of study, invoiced following the end of the academic year. We have chosen to take an academic year approach, given the majority of providers' financial years align to an academic year.

(Total number of international students in year – 220) x £925 = Levy Liability

Calculating the Number of International Students

Data on international students will be compiled from providers' annual returns of the Jisc (formerly the Higher Education Statistics Agency, HESA) Student Record. Jisc is the Designated Data Body (DDB) for higher education in England as defined by the Higher Education and Research Act 2017 (HERA). As the DDB, Jisc must compile appropriate information about higher education providers and courses, and make this available to the OfS, UK Research and Innovation, and the Secretary of State for Education. The designation means that higher education providers are obligated to submit specific datasets to Jisc. As part of the OfS Conditions of Registration, providers are required to provide individualised student data to the DBB under condition F4, which must include data on all international students registered with them for the award of a higher education qualification or credit.

For OfS-registered Further Education College's (FEC), data on international students studying higher education courses will be compiled from providers' annual returns of the Individual Learner Record (ILR) to the Department for Education. As part of the OfS Conditions of Registration, FECs are required to provide an ILR return to the Department for Education under condition F3, which must include data on all international students registered with them for learning aims at level 4 and above.

The OfS receives supplies of the individual student/learner datasets from Jisc and the Department for Education, following conclusion of the academic year to which they relate. It will use these datasets to establish a headcount of the number of international students in scope reported at each provider in the academic year in question.

The total number of international students includes all international students registered with the provider within the given academic year, regardless of their year of study and the start date of their course. In establishing the headcount of the number of international students in the academic year in question, the OfS will ensure students are not double counted if their academic year runs across two levy academic year reporting periods, in line with standard practices. The levy applies as a fixed amount per student regardless of the type of study (part time or full time) and funding source (i.e. whether a student is in receipt of a scholarship or discount).

As per the HESA guidance, providers do not need to return data for international students who start a course and leave within the first two weeks without being awarded a qualification or credit. These students will be exempt from the levy given the length of study.

This design indicates the government's expectations of the sector, with regard to quality and standards higher education providers should uphold when accepting international students. We understand that a small number of international students will drop out during the course of their studies. Our intention is to ensure that the student visa route is not misused as a point of entry, where students do not have the intention to complete the course; and that providers have strong incentives to offer support to international students to complete their courses. We have built in an allowance of 220 to account for some inevitable attrition and to protect the smallest providers. To deliver similar revenues while offering a more generous policy toward providers with high drop-out rates would require us to charge a higher fee to providers with low out drop-out rates, unfairly penalising those providing a quality service to international students.

Allowance

All providers subject to the levy will receive an allowance of 220 international students per year (equivalent to not paying up to £200,000 tax due). This means a provider will not be charged a levy on the first 220 international students, but the levy will be charged at the full rate for remaining students. This is in recognition of the administrative burden

of paying the levy and that it may have a disproportionate impact on the business model of smaller providers, particularly those operating specialist and resource intensive models with limited other means of cross-subsidisation. The levy allowance will be kept under review.

Worked Examples

Provider A has a total of 223 international students with start dates between 1 August 2028 and 31 July 2029.

Their AY28/29 levy liability is calculated as:

- Number of International Students in scope minus the allowance
 - $223 - 220 = 3$
- Number of students in scope, multiplied by levy amount
 - $3 \times £925 = £2,775$

Provider B has a total of 700 international students with start dates between 1 August 2028 and 31 July 2029.

Their AY28/29 levy liability is calculated as:

- Number of International Students in scope minus the allowance
 - $700 - 220 = 480$
- Number of students in scope, multiplied by levy amount
 - $480 \times £925 = £444,000$

Question 9: Do you foresee any difficulties with the method for calculating the levy, which is outlined in the technical consultation document? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 10: Are there any circumstances, not specifically mentioned in the technical consultation document, in which it is unclear whether a learner should or should not be counted in the calculation of the levy? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Payment of the Levy

Providers are required to submit raw data for the HESA's Higher Education Student Data collection in the Autumn following the conclusion of the academic year. For example, for Academic Year 2024/25, the raw data return deadline was 5 November 2025. ILR data is usually submitted to similar timelines.

The OfS will process these data returns to calculate the levy liability and the OfS will invoice the provider for the required amount no later than January of the following year. For Academic Year 2028/29, the HESA and ILR student data returns will be required in October 2029 and providers will receive an invoice from the OfS no later than January 2030, provided the data was returned on time.

Payment will be required no later than 28 calendar days after receipt of the invoice, ensuring payments reach the OfS before their financial year end. An administrative review process will be created to allow for providers to address inaccuracies.

Providers will have the option to set up a quarterly direct debit with the OfS to pay their levy invoice. The direct debit must be set up and the first instalment paid within 28 days of the invoice, otherwise this will be treated as a late payment.

The OfS will then be required to transfer the receipts of the levy to Government before the end of the Financial Year.

Payments received more than 28 days after the invoice will be treated as late payments. Interest will be charged on late payments. Further penalties or sanctions may apply to payments late by over 6 months or repeated late payments. Details of these will be set out in the legislation.

Question 11: Are there any alternative payment options, other than those outlined in the technical consultation document, which would be preferential to your organisation and that you think we should consider? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 12: Does the timing of payment outlined in the technical consultation document coincide with any key financial processes that may impact a provider's ability to pay within the proposed timings? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 13: Does the approach to payment outlined in the technical consultation document pose any challenges for providers with alternative academic years? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Question 14: Are there any other comments on the design of the International Student Levy, as outlined in the technical consultation document, which you wish to raise? **[Yes/No]**; If yes, please provide additional information. **[Free text]**

Annex A: List of Questions

Question 1: What is your name? **[Free text]**

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Question 3: What is your organisation? **[Free text]**

Question 4: Would you like us to keep your responses confidential? **[Yes/No]**; Reason for confidentiality **[Free Text]**

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[Yes/No]; If yes, please provide additional information. **[Free text]**

Question 14: Are there any other comments on the design of the International Student Levy, as outlined in the technical consultation document, which you wish to raise?

[Yes/No]; If yes, please provide additional information. **[Free text]**

Annex B: Impact Analysis

Please see additional document.



Department
for Education

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