

**EXPLANATORY MEMORANDUM TO  
THE INCOME TAX (PROFESSIONAL FEES) ORDER**

**2014 No. 859**

1. This explanatory memorandum has been prepared by HM Revenue and Customs.
2. **Purpose of the instrument**
  - 2.1 The purpose of the Order is to:
    - allow tax relief for the trainee registration fee payable by dental specialty trainees to the body which recommends specialty trainees to the General Dental Council (GDC) for the award of a certificate of completion of specialist training (CCST); and
    - allow tax relief for annual registration fees paid by veterinary nurses to the Royal College of Veterinary Surgeons (RCVS).
  - 2.2 This Order will take effect from 6 April 2014.
3. **Matters of special interest to the Select Committee on Statutory Instruments**
  - 3.1 None.
4. **Legislative Context**
  - 4.1 The Order is being made to allow a deduction from earnings from an employment for the cost of the trainee registration fee payable by dental specialty trainees and for the cost of the annual registration fee payable by veterinary nurses.
  - 4.2 It does so by adding the two fees to the Table at section 343(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA). The Table sets out a list of mandatory fees for which a deduction from earnings from an employment is allowed.
  - 4.3 This Order is made under section 343(3) and (4) ITEPA.
5. **Territorial Extent and Application**
  - 5.1 This Order applies to all of the United Kingdom.
6. **European Convention on Human Rights**
  - 6.1 This Order amends primary legislation.

6.2 The Exchequer Secretary to the Treasury, David Gauke, has made the following statement regarding Human Rights:

“In my view, the provisions of the above Order are compatible with the Convention rights (as defined in section 1 of the Human Rights Act 1998)”.

## **7. Policy background**

- *What is being done and why*

7.1 Section 343 ITEPA was introduced to allow a deduction from earnings from employment for certain fees that someone is obliged to pay in order to practice a profession.

7.2 The GDC has prescribed a number of distinctive titles that a dentist registered under that Act (“dentist”) may use to indicate that the dentist is qualified to practise or is practising in a distinctive branch of dentistry. The CSST is one of the qualifications a dentist may hold in order to meet the education/training requirements specified in regulations made by the GDC pursuant to section 26 of the Dentists Act 1984 (c. 24) as entitling a dentist to use a distinctive title. Dentists appointed into GDC approved specialty training programmes after 1 October 2009, are known as specialty trainees in all years of the programme. Specialty trainees are required to register with a body which is responsible for monitoring their training and recommending them to the GDC for the award of a CCST.

7.3 Unless specialty trainees are registered with such a body, the body will be unable to recommend the trainee for the award of a CCST. Dentists, who do not meet the education and training requirements specified in relation to a distinctive title may not use that title and will not be added to the list of dentists held by the GDC who are qualified to use the title. A fee is payable by specialty trainees for registration and this Order allows tax relief to be claimed in relation to the fees.

7.4 The role of the RCVS is to regulate the veterinary profession under powers granted to the college under a Royal Charter. Schedule 3 of the Veterinary Surgeons Act 1966 enables the RCVS to maintain a list of veterinary nurses who may undertake veterinary medical care and surgery that would otherwise be unlawful to be performed by a person who is not a veterinary surgeon. Veterinary nurses must pay fees to the RCVS upon qualification and to maintain their status annually thereafter. This Order allows tax relief to be claimed in relation to such fees.

## **8. Consultation outcome**

8.1 None.

## **9. Guidance**

9.1 HMRC's guidance on professional fees and subscriptions will be amended to include the fees covered by this Order.

**10. Impact**

10.1 No impact on businesses, charities or voluntary bodies is foreseen.

10.2 No impact on the public sector is foreseen.

10.3 Separate Tax Information and Impact Notes (TIINs) for the fee payable by dental specialty trainees and veterinary nurses will be published on the HMRC website at <http://www.hmrc.gov.uk/thelibrary/tiins.htm>.

**11. Regulating small business**

11.1 The legislation does not apply to business, it only applies to individuals.

**12. Monitoring & review**

12.1 The measure will be kept under review through communication with relevant taxpayer groups.

**13. Contact**

If you have any queries regarding the application of the instrument to specialty dental trainees or veterinary nurses, please contact the Employment Income Policy Team at: [Employmentincome.policy@hmrc.gsi.gov.uk](mailto:Employmentincome.policy@hmrc.gsi.gov.uk)