
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 6

Market rent only option: procedure to be followed in connection with an offer

Reasonable terms and conditions

31.—(1) Paragraph (2) applies where—

- (a) a tied pub tenant is subject to a tenancy granted by the pub-owning business; and
- (b) the tenant gives an MRO notice.

(2) The terms and conditions of the proposed MRO-compliant tenancy sent under regulation 29(3)(b) or 33(2) are to be regarded as unreasonable for the purposes of section 43(4) of SBEEA 2015 (tenancy or licence which is MRO-compliant) if they—

- (a) insert into the tenancy a break clause which is exercisable only by the pub-owning business;
- (b) impose a service tie in respect of insurance other than buildings insurance in connection with the premises to which the tenancy relates; or
- (c) are terms which are not common terms in agreements between landlords and pub tenants who are not subject to product or service ties.

(3) Where—

- (a) a tied pub tenant is subject to a licence granted by the pub-owning business; and
- (b) an MRO notice is given,

the terms and conditions of the proposed MRO-compliant licence granted by the pub-owning business under regulation 29(3)(c) or 33(2) are to be regarded as unreasonable for the purposes of section 43(4) of SBEEA 2015 if they impose a service tie in respect of insurance other than buildings insurance in connection with the premises to which the licence relates.