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DRAFT STATUTORY INSTRUMENTS

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**2016 No.**

**The Pubs Code etc. Regulations 2016**

**PART 1**

**General**

**Significant increase in price: alcoholic drink other than beer**

4.—(1) For the purposes of these Regulations, a “significant increase” in the price of an alcoholic drink product (“the relevant product”) supplied to a tied pub tenant takes place on the issue to the tied pub tenant of an invoice for that product (“the relevant invoice”) where—

- (a) the relevant product has previously been supplied to the tied pub tenant,
- (b) the unit price of that product on the relevant invoice is higher than its unit price on the most recent previous invoice for that product issued to the tied pub tenant, and
- (c) the following two conditions are met.

(2) The first condition is that one or more invoices for the relevant product were issued to the tied pub tenant in the comparison period.

(3) The second condition is that—

$$\left( \frac{A - B}{B} \times 100 \right) > C + 8$$

where—

A is the amount that comparison period alcoholic drink would have cost the tied pub tenant if it had been invoiced at current period prices;

B is the amount that comparison period alcoholic drink cost the tied pub tenant at the prices actually invoiced;

C is the relevant annual percentage change in the consumer price index or, where that is negative, zero.

(4) In this regulation—

- (a) “alcoholic drink product” means a product which—
  - (i) is an alcoholic drink other than beer, and
  - (ii) is supplied under a product tie;
- (b) “comparison period alcoholic drink” means all alcoholic drink products invoiced to the tied pub tenant in the comparison period, in the quantities so invoiced, but excluding any alcoholic drink product for which no invoice was issued to the tied pub tenant in the current period;
- (c) “current period” means the period of 4 weeks ending with the day on which the relevant invoice is issued;

- (d) “the comparison period” means the period of 4 weeks ending with the day 12 months before the day on which the relevant invoice is issued;
  - (e) “current period price”, in relation to an alcoholic drink product, means the price of that product on the last invoice for that product issued during the current period;
  - (f) “invoice for an alcoholic drink product” includes an invoice which covers (in addition to alcoholic drink products) products other than alcoholic drink products, or services; and references to an alcoholic drink product being invoiced are to be read accordingly;
  - (g) “the relevant annual percentage change in the consumer price index” means the annual percentage change in the consumer price index most recently published before the day on which the relevant invoice is issued, in respect of the most recent month covered by that publication.
- (5) The prices to be used in determining the unit price of the relevant product for the purposes of paragraph (1), and in calculating A and B for the purposes of paragraph (3), are prices—
- (a) excluding value added tax and excise duty; and
  - (b) disregarding the effect of any discounts which the pub-owning business was not contractually required to give to the tied pub tenant.
- (6) For the purposes of this regulation, alcoholic drink products invoiced to the tied pub tenant are different alcoholic drink products if—
- (a) they have different names on the invoice or invoices in question, or
  - (b) they are invoiced in different units (for example, in units of different size or capacity).