

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4: THE PUBS CODE ADJUDICATOR AND THE PUBS CODE

Supplementary

Section 68: Tied Pub

352. This section defines a “tied pub” as premises occupied under a tenancy or licence, with a premises licence to sell alcohol for consumption on the premises and where that is also the main activity or one of the main activities, and where the tenant has a contract for some or all of their alcohol to be supplied from the landlord or the group undertaking to which the landlord belongs or someone nominated by the landlord or the group undertaking.
353. Subsections (6)-(8) define a ‘stocking requirement’. This is relevant for when a tied pub chooses the Market Rent Only option (see sections 43-45). Section 43(4)(a)(ii) stipulates that a MRO-compliant tenancy or licence must not include any product or service tie (other than one relating to insurance of the pub). Subsection (6) makes clear that a stocking requirement is not a tie. Thus subsection (7) allows pub-owning businesses that are breweries to impose a stocking requirement on tenants and licensees with MRO-compliant tenancies or licences. The stocking requirement applies only to beer and cider produced by the pub-owning business, and the tenant must be able to buy the beer or cider from any supplier of their choosing. The stocking requirement also allows the pub-owning business to impose restrictions on sales of competing beer and cider in line with prevailing competition law, so long as the restrictions do not prevent the tenant from selling such products.