



Small Business, Enterprise and Employment Act 2015

2015 CHAPTER 26

PART 4

THE PUBS CODE ADJUDICATOR AND THE PUBS CODE

Pubs Code

44 Market rent only option: procedure

- (1) The Pubs Code may—
 - (a) make provision about the procedure to be followed in connection with an offer of a market rent only option (referred to in this Part as “the MRO procedure”);
 - (b) confer functions on the Adjudicator in connection with that procedure.
- (2) Provision made under subsection (1) may, in particular—
 - (a) make provision for the tied pub tenant to give notice to the pub-owning business that the tenant—
 - (i) considers that circumstances are such that the pub-owning business is required to offer the tenant a market rent only option, and
 - (ii) wishes to receive such an offer;
 - (b) specify a reasonable period (“the negotiation period”) during which the pub-owning business and the tied pub tenant may seek to agree the rent to be payable in respect of the tied pub tenant’s occupation of the premises concerned under the proposed MRO-compliant tenancy or licence;
 - (c) require the appointment of a person (referred to in this Part as an “independent assessor”) to determine the market rent of the premises concerned in a case where, at the end of the negotiation period, the pub-owning business and the tied pub tenant have not reached agreement as mentioned in paragraph (b);

Status: This is the original version (as it was originally enacted).

- (d) require that appointment to be made by the pub-owning business and the tied pub tenant acting jointly or (where they cannot agree on a person to appoint) by the Adjudicator;
 - (e) require the Adjudicator to set criteria which a person must satisfy in order to be appointed as an independent assessor;
 - (f) require that the market rent must be determined by the independent assessor within a specified reasonable period;
 - (g) specify that the determination of the market rent by the independent assessor must be conducted in accordance with provisions of documents specified in the Pubs Code;
 - (h) where any document is specified for the purposes of paragraph (g), refer to the provisions of the document as amended from time to time.
- (3) The Pubs Code may make provision for—
- (a) the tenancy or licence under which the tied pub is occupied, and
 - (b) any other contractual agreement entered into by the tied pub tenant with the pub-owning business in connection with the tenancy or licence,
- as they are in force when a notice is given by virtue of subsection (2)(a), to continue to have effect until such time as the MRO procedure has come to an end (regardless of whether any of the agreements would or could otherwise cease to have effect before that time).
- (4) The Pubs Code may, for the purposes of subsection (3), specify the circumstances in which the MRO procedure is to be treated as having come to an end.