## STATUTORY INSTRUMENTS

## 2006 No. 2805

## The Regulatory Reform (Agricultural Tenancies) (England and Wales) Order 2006

## Agreement to limit tenant's compensation

- **16.**—(1) In section 20(1), at the beginning there shall be inserted "Subject to subsection (4A) below,".
  - (2) After section 20(4) there shall be inserted—
    - "(4A) Where the landlord and the tenant have agreed in writing, after the commencement of this subsection, to limit the amount of compensation payable under section 16 of this Act in respect of any tenant's improvement, that amount shall be the lesser of—
      - (a) the amount determined in accordance with subsections (1) to (4) above, and
      - (b) the compensation limit.
      - (4B) In subsection (4A) above, "the compensation limit" means—
        - (a) an amount agreed by the parties in writing, or
        - (b) where the parties are unable to agree on an amount, an amount equal to the cost to the tenant of making the improvement.".