

*These notes relate to the Tied Pubs (Scotland) Act 2021
(asp 17) which received Royal Assent on 5 May 2021*

TIED PUBS (SCOTLAND) ACT 2021

EXPLANATORY NOTES

THE ACT

Part 3: Interpretation

Section 20: Tied pub

48. This section defines a “tied pub”, for the purposes of the Act, as a pub leased to a tenant subject to a requirement that the tenant buys some or all of the alcohol to be sold in the pub from the landlord (a pub-owning business) or someone nominated by the landlord. This does not include contractual terms which include a stocking requirement.
49. Subsection (2) defines a “stocking requirement” as a contractual obligation that requires a tenant to stock some beer and/or cider produced by the pub-owning company but does not require the products to be bought from the pub-owning business and does not prevent or penalise the tenant from stocking and selling beer and/or cider from other sources, although the pub-owning business can restrict such sales. This means that a stocking requirement is not a “tie” and that a pub-owning business could impose a stocking requirement on a pub that was not tied (for example, a pub that was operated on a market-rent-only contract basis).
50. Subsection (3) confirms that references to “landlord” include anyone who is a group undertaking (i.e. a company which owns or has a controlling interest in the pub-owning company) to which the landlord belongs.