

## SCHEDULES

### SCHEDULE 1

#### PERMITTED PAYMENTS

##### *Rent*

- 1 (1) A payment of rent under a tenancy is a permitted payment.
- (2) But, subject as follows, if the amount of rent payable in respect of any relevant period (“P1”) is more than the amount of rent payable in respect of any later relevant period (“P2”), the additional amount payable in respect of P1 is a prohibited payment.
- (3) Where there is more than one later relevant period in respect of which the amount of rent payable is lower than the amount of rent payable in respect of P1—
  - (a) if different amounts of rent are payable for different later relevant periods, P2 is the relevant period for which the lowest amount of rent is payable;
  - (b) if the same amount of rent is payable for more than one later relevant periods, P2 is the first of those periods.
- (4) The following provisions apply for the purposes of determining—
  - (a) whether the amount of rent payable in respect of a relevant period is more than the amount of rent payable in respect of a later relevant period, and
  - (b) the difference between the amount of rent payable in respect of the earlier relevant period and that payable in respect of the later relevant period.
- (5) Where the later relevant period is a different length of time to the earlier relevant period, the amount of rent payable in respect of the later period is to be treated as the proportionate amount of rent that would be payable in respect of that period if it were the same length of time as the earlier period.
- (6) There is to be left out of account any difference between the rent payable in respect of the earlier relevant period and the rent payable in respect of the later relevant period as a result of a variation of the rent payable in respect of the later period—
  - (a) pursuant to a term in the tenancy agreement which enables the rent under the tenancy to be increased or reduced, according to the circumstances, or
  - (b) by agreement between the landlord and the tenant after the tenancy agreement has been entered into.
- (7) In this paragraph “relevant period”, in relation to a tenancy, means any period of time in respect of which rent is payable under the tenancy.
- (8) But “relevant period” does not include a period of time which begins after the end of one year beginning with the first day of the tenancy.