
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 8

End of the MRO procedure

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- 39.**—(1) This regulation applies where a tenant gives an MRO notice.
- (2) The MRO procedure ends—
- (a) where the tied pub tenant and the pub-owning business agree, in writing, a proposal as to the matters mentioned in regulation 34(2)(a) and (b), on the day on which that agreement is signed by both parties;
 - (b) where the tenancy or licence under which the tied pub is occupied at the time the MRO notice is given ends, on the day on which the tenancy or licence ends;
 - (c) where the offer lapses in accordance with regulation 34(3)(a), on the day on which the negotiation period ends;
 - (d) where the tied pub tenant terminates negotiations in accordance with regulation 34(4), on the day on which those negotiations are terminated;
 - (e) where the tied pub tenant rejects a proposal under regulation 37(12), 38(5) or 59(2), (5) or (9), on the day on which the tenant rejects that proposal;
 - (f) where—
 - (i) a matter is referred to the Adjudicator under regulation 32(2); and
 - (ii) the Adjudicator (or a person appointed by the Adjudicator under regulation 58(2)(b) or 60(4)(b)) does not consider that the circumstances are such that the pub-owning business must offer the tenant a market rent only option,on the day of the Adjudicator’s ruling;
 - (g) where—
 - (i) a matter is referred in connection with any other aspect of the MRO procedure; and
 - (ii) the Adjudicator rules that the MRO procedure ends on a specified day,on the day so specified;
 - (h) where the pub-owning business conducts a rent assessment or an assessment of money payable in lieu of rent, on the day on which the tenant agrees, in writing, the new rent.

Effect of the end of the MRO procedure

- 40.**—(1) Where the MRO procedure ends under regulation 39(2)(a)—
- (a) the terms of the MRO-compliant tenancy have effect from the day after the end of the MRO procedure; and

- (b) the MRO rent is payable with effect from that day.
- (2) Paragraph (3) applies where—
 - (a) a market rent only option has not been agreed between the tied pub tenant and the pub-owning business by the end of the MRO procedure; and
 - (b) during the MRO procedure one of the following events has occurred (or would have occurred if the tenant had not given an MRO notice)—
 - (i) the renewal of a pub arrangement, other than a tenancy to which Part 2 of the Landlord and Tenant Act 1954 applies;
 - (ii) a rent assessment, or an assessment of money payable in lieu of rent;
 - (iii) a significant increase in the price of a product or service supplied to a tied pub tenant under a product or service tie;
 - (iv) a trigger event.
- (3) If a tied pub tenant and a pub-owning business do not agree, in writing, how any MRO recoverable amount is to be paid to the tied pub tenant or to the pub-owning business, as the case may be, at the end of the MRO procedure, the tenant or the pub-owning business may refer the matter to the Adjudicator.
- (4) The “MRO recoverable amount” is the amount of the difference between—
 - (a) the amount which is payable by virtue of regulation 28(1) during the MRO procedure; and
 - (b) the amount which would have been payable under the agreements mentioned in regulation 28(1)(a) and (b) during that period as a result of one or more of the events mentioned in paragraph (2)(b) if an MRO notice hadn’t been given.