
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 8

End of the MRO procedure

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.