
DRAFT STATUTORY INSTRUMENTS

2016 No.

The Pubs Code etc. Regulations 2016

PART 1

General

Trigger events

7.—(1) For the purposes of Part 4 of SBEEA 2015 (and so of these Regulations) an event is a “trigger event”, in relation to a tied pub tenant, only if (in addition to meeting the conditions in section 43(9)(a) to (c) of SBEEA 2015)—

- (a) conditions A and B are met; and
- (b) either—
 - (i) the event does not affect pubs other than the tied pub; or
 - (ii) conditions C and D are met.

(2) Condition A is that the effect of the event is to decrease the level of trade that is reasonably expected to be achieved at the tied pub in each month over a continuous period of 12 months.

(3) Condition B is that the event is not—

- (a) connected to the personal circumstances of the tied pub tenant;
- (b) a significant increase in the price at which a product or service which is subject to a product or service tie is supplied to the tied pub tenant;
- (c) an extrinsic increase in the price at which a product or service which is subject to a product or service tie is supplied to the tied pub tenant;
- (d) an event of a kind described in regulation 26 or regulation 27; or
- (e) an event which the tied pub tenant could reasonably have prevented, or the effects of which it could reasonably have substantially mitigated.

(4) Condition C is that the event—

- (a) affects other pubs in the local area; but
- (b) is unlikely to affect all pubs in England or Wales.

(5) Condition D is that the event—

- (a) is directly related to a change in the tie imposed by the pub-owning business⁽¹⁾ on the tied pub; or
- (b) has an effect which is directly related to changes in the local area such as—
 - (i) changes to the local infrastructure;
 - (ii) changes to local employment;
 - (iii) long-term changes to the local economic environment;

(1) Section 69 of SBEEA 2015 defines “pub-owning business”.

(iv) changes to local environmental factors.

(6) An “extrinsic increase” in relation to a tied product or service means an increase in the price of the product or service due to circumstances beyond the control of the pub-owning business such as—

- (a) an increase in the price at which the pub-owning business purchases the product or service;
- (b) an increase in any tax or duty payable by the pub-owning business which arises from the pub-owning business’s purchase of the product or service; or
- (c) an increase in any other tax or regulatory cost payable by the pub-owning business which affects the costs of the pub-owning business.