



**Pubs Code
Adjudicator**

What Tied Pub Tenants Need To Know

Assignments



How to use this fact sheet:

Under the Pubs Code, references to a “tenancy” include a lease agreement of any length, and references to a “tenant” include a lessee.

This factsheet is for tied pub tenants who are considering whether to assign their tenancy and for prospective tenants who are intending on taking an assignment. It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website also contains other useful information about accessing your Pubs Code rights and the PCA's role as regulator in enforcing those rights:
www.pubscodeadjudicator.org.uk

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At a glance... assignments:

The pub-owning business (POB) must tell the tied pub tenant (TPT) before they enter into their tenancy whether it can be assigned and what procedures they and the POB must follow.

Once a TPT notifies the POB that they intend to assign their tenancy, the POB must provide certain information to the TPT. It must also explain to the TPT and the proposed assignee the implications of the assignment for them both. If the POB needs to agree to the assignment, it cannot do so unless it is satisfied that the proposed assignee has been provided with certain information and advice.

This factsheet sets out the information that the POB must provide to the TPT and to the proposed assignee and what it must be satisfied of before agreeing to the assignment.

Terms and abbreviations

Term/abbreviation	What it means
Assignee	The party to whom an agreement or tenancy will be assigned to.
Assignment	The transfer of an agreement by an existing tenant to a new tenant, usually where a pub is sold.
BDM	Business Development Manager
Dilapidations	Repair works required to be undertaken by the tenant towards the end of a lease to put the property into the state of condition as is required by the lease.
MRO	Market Rent Only
MRO option	The option for a TPT to go free of tie and occupy their pub under a MRO compliant tenancy and to pay a rent you have agreed with the POB in line with the MRO procedure.
PCA	Pubs Code Adjudicator
POB	Pub-owning business (often referred to as pub company) as regulated under the Pubs Code
Pubs Code	The Pubs Code etc. Regulations 2016, as amended by the Small Business, Enterprise and Employment Act 2015 and Pubs Code etc. (Amendment) Regulations 2022
Pubs Entry Training	Training which is designed to raise awareness of the matters involved in operating a pub and entering into product ties and other agreements.
Rent Assessment	An assessment of the rent you must pay in relation to an existing tenancy.
Schedule 1	A Schedule to the Pubs Code regulations, which sets out the information a POB must provide to a TPT when entering into a new or renewed agreement.
Short Agreement	A tenancy at will, or any other contractual agreement, which entitles a tied pub tenant to occupy the pub for up to 12 months.
TPT	Tied Pub Tenant (this includes a tied pub licensee and lessee)



Assignments

I am an existing Tied Pub Tenant

What information about assignment must my POB give me at the start of my tenancy?

See Pubs Code – **Paragraph 21 of Schedule 1**

Before you begin your tenancy, your POB must tell you whether it can be assigned.

If it can, your POB must give you information about the procedures it must follow where you ask for an assignment. It must also tell you the procedure you must follow to assign your tenancy.

What happens when I tell my POB that I intend to assign my tenancy?

See Pubs Code – **Regulation 12**

When you notify your POB that you intend to assign your tenancy, your POB must do the following as soon as reasonably practicable:

- Explain to you and the proposed assignee the implications of the assignment for both.
- Give you information in relation to the following:
 - The tenancy you are assigning – this information is outlined in Schedule 1 to the Pubs Code. If you received this information before you started your tenancy, it only has to provide any information that has changed.
 - Any fees you need to pay in relation to the assignment.
 - Any dilapidations it requires you to remedy before, or as a condition of, assigning your tenancy.

For information about dilapidations under the Pubs Code see PCA's Repairs and Dilapidations factsheet



What happens if I need my POB's agreement to assign my tenancy?

Before your POB can agree to you assigning your tenancy, it must be satisfied that the proposed assignee has received certain information about the tenancy, including in relation to any investment agreement.

It must also be satisfied that the proposed assignee has been advised to complete pubs entry training and seek independent advice.

For more information about what the POB must do in respect of the proposed assignee, see next section: **I am thinking of taking an assignment.**

The POB must tell you and the proposed assignee as soon as reasonably practicable if it does not agree to the assignment.

I am thinking of taking an assignment

See Pubs Code – Regulation 12

What must the POB do if I am thinking of taking an assignment?

Where the TPT notifies the POB that it intends to assign the tenancy (and the terms allow for it) the POB must explain to you and the TPT the implications of the proposed assignment for you both. It must do this as soon as reasonably practicable.

What happens if the existing tenant needs the POB's agreement to assign the tenancy?

Before the POB can agree to the assignment, it must be satisfied of the following:

- You have received information about the tenancy, including any investment agreement between the TPT and POB and the effect on your Code rights.
- You have been advised to complete pubs entry training (except where you already have suitable experience as specified in the Code).
- You have been advised to seek independent advice.

Please see further details below:



Information about the tenancy

A POB must be satisfied you have received the information in [Schedule 1 to the Pubs Code](#) before it can agree to you taking the assignment.

This information includes:

- The Pubs Code and any code of practice the POB may have for dealing with tied pubs.
- Information about the type of tenancy
- A full and clear description of the premises and information about fixtures and fittings.
- Information about the respective maintenance and repair obligations of you and the POB.
- Obligations in relation to the purchase of tied products and services.
- Whether the tenancy may be assigned or sold, and relevant procedures for you and the POB.
- The advice, support and assistance available to you during the tenancy, circumstances when the POB may be willing to amend its standard terms, and the events which entitle you to ask for the Market Rent Only option.
- Responsibilities of the POB/ you regarding insurance.
- Arrangements for paying rent and deposits.
- Information about your obligations under Transfer of Undertakings (Protection of Employment) Regulations 2008.
- Procedures for where you breach the tenancy, or where the POB breaches the Code.

If the TPT and POB have entered into an **investment agreement** (as defined in the Pubs Code) the POB cannot agree to the assignment unless it is satisfied you have been:

- given a copy of the investment agreement; and
- informed in writing about how it affects your right to request a rent assessment or offer of an MRO option

For more information, please refer to the PCA's factsheets on the [Investment Exception](#), [Rent Assessments and Rent Assessment Proposals](#) and [MRO Rights](#).



Pubs entry training

A POB must be satisfied you have been advised to complete Pubs Entry Training before it agrees to you taking on the assignment - unless at least one of the following apply:

- You operate at least one other tied pub (that is not operated under a short agreement).
- You can show you have at least three years' relevant business management experience.
- The POB has previously granted you a tied tenancy (other than a tenancy which is a short agreement).

Independent advice

A POB must be satisfied you have been advised to seek independent advice before it can agree to you taking on the assignment. This includes advice from a qualified surveyor with professional experience relating to tied pubs.

If the POB agrees to the assignment, on completion you will become a TPT with rights under the Pubs Code.

For more information about Pubs Code rights, please refer to the PCA's published [factsheets](#).

If the POB does **not** agree to the assignment, it must tell you and the existing tenant as soon as reasonably practicable.



Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our [online enquiry form](#)



Email: office@pubscodeadjudicator.gov.uk



Call 0800 528 8080 to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

Follow the PCA on social media @pubscodepca



[Access all PCA factsheets here](#)

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