

# Covid-19 and Trigger Events under the Pubs Code

Trigger events are events that will have a significant impact on the expected trade of a tied pub and that also meet certain conditions set out in the Pubs Code. Showing that there has been a trigger event entitles the tied tenant to a Rent Assessment Proposal (RAP), by which their tied rent is reviewed. It also entitles the tied tenant to ask for a Market Rent Only (MRO) option to go free-of-tie.

This publication is timely because the PCA is aware of industry interest in whether impacts on trade relating to the Covid-19 outbreak might amount to a trigger event.

The PCA has already confirmed that Covid-19 could not in and of itself be a trigger event. This is because it, and the Government's closure order of March 2020, applied to all pubs in England and Wales and therefore failed one of the trigger event conditions. However, impacts related to Covid-19 on the trade of pubs after reopening may vary. The significant business impact of any event connected to the trading of an individual pub after it reopens may be a trigger event only if it satisfies all of the conditions in the Code. These are set out in the new [Factsheet](#).

Tenants need to be particularly aware that one of these conditions is that they must be able to demonstrate that the event will decrease the level of trade that their pub could reasonably be expected to achieve in each of the next 12 months.

To show a trigger event has taken place, the tenant must serve on their pub-owning business a relevant analysis demonstrating this decrease in expected trade.

Fiona Dickie, Pubs Code Adjudicator, said:

It is important that tied tenants who consider there is evidence that they may have had a trigger event seek professional advice on this Pubs Code right and with the preparation of the relevant analysis. I have liaised with both the BII, who through their Marketplace provide access to professionals including accountants; and with the Association of Licenced Trade Accountants, to ensure that their members are familiar with the trigger event provisions in the Code.

Tenants should serve a relevant analysis only if they are satisfied it shows a trigger event has occurred that meets all of the conditions in the Pubs Code. For example, if Covid-19 has affected seasonal trade, but trade out of season will not be affected, this would not meet the condition of a decrease in expected trade in

each of the next 12 months.

The PCA can provide information on the Pubs Code and its processes, but cannot advise whether a trigger event has occurred in a particular scenario. This will be a matter of fact in each case.

Tenants are therefore strongly advised to seek independent advice from a qualified professional when considering and preparing a relevant analysis. Please see [here](#) for information about getting professional advice on your Pubs Code rights.