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Consultation on draft Leases (Automatic Continuation etc.) (Scotland) Bill

The Scottish Law Commission today publishes a Consultation on the draft Leases (Automatic Continuation etc.) (Scotland) Bill.

The Commission announced in our <u>Tenth Programme of Law Reform</u> (February 2018) that we would examine aspects of the Scots law of leases. The first item to be considered under our overarching project on <u>Aspects of Leases</u> is the termination of commercial leases. We previously consulted on this project in our <u>Discussion Paper on Aspects of Leases (Termination)</u>, published in May 2018. The responses to the Discussion Paper have assisted us in developing our proposals for reform of this area of the law. These proposals are reflected in the draft Leases (Automatic Continuation etc.) (Scotland) Bill. We seek consultees' views on the draft Bill to assist us in finalising our draft Report, which we expect to publish in 2022.

The draft Bill makes provision for a range of matters including:

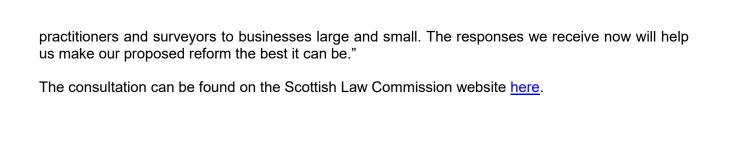
- When a lease will continue automatically or terminate at the end of its term ("tacit relocation")
- The means by which parties may contract out of automatic continuation of a lease
- What notice must be given by landlord or tenant to prevent automatic continuation of a lease at the end of its term
- The means by which notice may be given by landlord or tenant
- The duration of a lease and date of entry in the absence of agreement
- Other matters relating to the start, end or length of a lease.

The Scottish Law Commission invites comments from everyone with an interest. Responses to the Consultation can be made until 28 January 2022.

Following consultation, the Commission will assess consultees' views and work towards publication of a Report and Draft Bill in 2022.

David Bartos, lead Commissioner on this project, said:

"Commercial leases are fundamental to the Scottish economy. It is important that the law governing the rights of landlords and tenants be clear. The present law about the ending of commercial leases is anything but clear, and risks expense, delay and inconvenience for entrepreneurs planning their businesses, large or small. This draft Bill reflects our present thinking on how the law should be reformed. We are keen to hear from anyone with an interest in commercial leases, ranging from legal



## **FURTHER INFORMATION SECTION**

- 1. The Scottish Law Commission was set up in 1965 to promote the reform of the law of Scotland. The Chair is the Rt Hon Lady Paton, a Court of Session judge. The other Commissioners are David Bartos, Professor Gillian Black, Kate Dowdalls QC and Professor Frankie McCarthy. The interim Chief Executive is Charles Garland.
- 2. Further information can be obtained by contacting Alastair Smith, Scottish Law Commission, 140 Causewayside, Edinburgh EH9 1PR (alastair.smith@scotlawcom.gov.uk).