

## SCHEDULES

### SCHEDULE 1

#### PERMITTED PAYMENTS

##### *Payment on termination of a tenancy*

- 7 (1) A payment is a permitted payment if it is a payment to a landlord in consideration of the termination of a tenancy at the tenant's request—
- (a) in the case of a fixed term tenancy, before the end of the term, or
  - (b) in the case of a periodic tenancy, without the tenant giving the period of notice required under the tenancy agreement or by virtue of any rule of law.
- (2) But if the amount of the payment exceeds the loss suffered by the landlord as a result of the termination of the tenancy, the amount of the excess is a prohibited payment.
- (3) A payment is a permitted payment if it is a payment to a letting agent in consideration of arranging the termination of a tenancy at the tenant's request—
- (a) in the case of a fixed term tenancy, before the end of the term, or
  - (b) in the case of a periodic tenancy, without the tenant giving the period of notice required under the tenancy agreement or by virtue of any rule of law.
- (4) But if the amount of the payment exceeds the reasonable costs of the letting agent in respect of the termination of the tenancy, the amount of the excess is a prohibited payment.
- (5) In this paragraph “fixed term tenancy” means any tenancy other than a periodic tenancy.