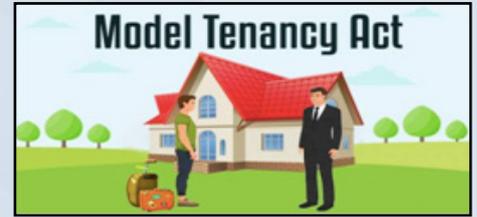




Revolutionizing the Rental Market Model Tenancy Act 2021



INTRODUCTION

The Prime minister and its council of ministers on June 2 approved The Model Tenancy Act, 2021(MTA)by introducing a new codification of law, thereby altering the existing law. The new model act is expected to improve the existing laws. The act tries to reduce the disputes between the parties by clearly stating the responsibilities between them, it also provides for a robust process for quick dispute resolution. MTA aims to protect and balance the rights and interests of both tenants and landowners to promote rental housing. It allows the establishment of suitable rental housing for all income brackets and encourages private companies to engage in rental housing as a business model to address the enormous scarcity. It also aims for a speedy dispute redressal mechanism.

PROVISION OF THE MODEL TENANCY ACT

Cap on the security deposit will be an utmost of two months of monthly rent for residential premises and six months of monthly rent for Commercial premises. The tenant will not be responsible for the maintenance of the structural property, it is to be governed by the landlord. Another important provision for the tenant is that a landlord cannot cut power, water supply in case of disputes between the owner and the tenant, in such a situation a fine can be imposed on the landlord. The landlord cannot increase the amount of rent within the time period stated in the agreement.

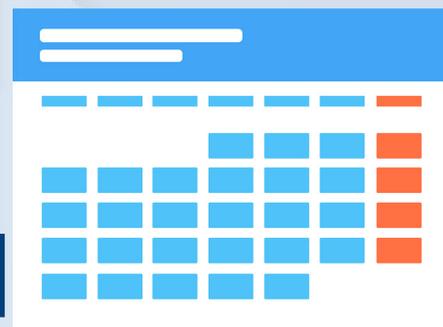
Protection is also given to the tenant if the rent is increased after the agreement is finished, in such a situation three notice in writing is to be given. The landlord has to give the occupant a notice of twenty-four hours prior to entering the property or for occupying the property for repair work. MTA forbids the occupant from sub-letting the property to anyone without the written permission of the landlord. After the end of the agreement period mentioned between the parties, if the landlord refuses to move out or overstays in the property, then the tenant must pay double the rent as fine for the next two months. Two months after the expiry of the agreement the landlord will be entitled to fourfold of rent thereafter. In case of request in resumption or extension of the agreement, the rent to be paid will be in accordance with the market norms. The landlord is now not entirely responsible for the maintenance of the property, minute repairs will have to be looked at by the tenant. Moreover, the occupant cannot change the structural design of the property which is on rent without a written agreement by the landlord. The act covers the rent agreements of the future, it does not hold any provision for precious rent agreements. MTA makes it compulsory for everyone that the agreement will be in a written format and the Rent Authority must be informed about the agreement. The act

provides for a three-level dispute resolution mechanism which includes the Rent Authority, Rent Court; and Rent tribunal. The state must establish rent control and rent tribunal in every State or Union Territory. A civil court cannot have jurisdiction over disputes bearing its regulations underneath the MTA. Therefore, the Civil procedure is not adopted, it has been given the provisions to adopt its own set of procedures.

CONCLUSION

We believe the model tenancy act is a revolutionary move by the government. It is definitely the way forward. The model act creates the necessary legal framework to promote rental housing. MTA can fuel up the housing supply pipeline by attracting more investors. It can also help people gain accommodation, especially in covid like exigencies. Although the act is a transformative move for the rental region, it doesn't take into account the realistic angle like the execution of the act by States. There will be some modifications required by states for its improvement. We believe indicative guidelines would have been more convenient. Also, there is a need for incentivizing tenants and landlords through subsidies and tax exemption. The success of the act will eventually depend on external elements of the government

COMPLIANCE CALENDER SEPTEMBER 2021



GST	
GSTR 3B AUG 2021(Turnover in the previous financial year more than Five Crores)	20-09-2021
GSTR 3B AUG 2021 (Others)	22-09-2021
GSTR 1 AUG (Turnover more than Rs. 1.5 Crores)	11-09-2021
Income Tax	
Deposit of TDS	07-09-2021
ESI	
Payment for the month of AUG 2021	15-09-2021
PF	
Payment for the month of AUG 2021	15-09-2021
Return Filing for the month of AUG 2021	25-09-2021