

MEDIA RELEASE



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ACCC CONCERNED WITH MYOB ACQUISITION OF RECKON ASSETS

The ACCC has today outlined competition concerns with MYOB's (ASX: MYO) proposed acquisition of Reckon's Accountants Group (ASX: RKN).

MYOB and Reckon supply software used by accounting firms for tax returns, client accounting and practice operation.

The ACCC's Statement of Issues covers a range of issues, outlining the likely impact of the consolidation.

"If MYOB acquired Reckon's Accountants Group, it would likely be the only supplier of practice software suitable for medium to large accounting firms," ACCC Commissioner Roger Featherston said.

"If MYOB has a monopoly on this software, it would substantially lessen competition. We think there's a significant risk for customers that prices will increase and service levels will decrease."

The ACCC's initial analysis identified that medium to large accounting firms require advanced features from software, including flexibility in reporting and workflow, flexibility in matter and customer management, advanced security configurations, and the ability to support many concurrent users.

"The ACCC received feedback from the accounting industry that MYOB's AE product and Reckon's APS product are the only products that are capable of meeting the software needs of medium to large accounting firms," Mr Featherston said.

"There are other suppliers of this software but market feedback suggests those products are less sophisticated, and that they are unlikely to be able to develop the more advanced functionality for several years at least."

"We also identified several barriers to expansion for other competitors. These include the time and cost to develop better functionality, switching costs for accounting firms, and a cautious approach from the industry towards changing to untested suppliers," Mr Featherston said.

The ACCC invites submissions from interested parties in response to the Statement of Issues by 13 April 2018. The ACCC's final decision is scheduled for 30 May 2018.

The Statement of Issues is available on the public register: [MYOB Group Limited - proposed acquisition of Reckon Limited's Practice Management Group](#).