



18 January 2018

The Registrar
New Zealand Commerce Commission
PO Box 2351
Wellington 6140
New Zealand

By Email

To Whom It May Concern

CONFIDENTIAL Submission on MYOB/Reckon

The Section 66 clearance notice submitted in this matter contains three key statements about Thomson Reuters, including with respect to its products and strategy. These statements are inaccurate in many ways. We set out below why this is the case.

1 Paragraph 1.19

1.1 Overview

Paragraph 1.19 notes that:

'UK company Sage's entry into Australia demonstrates that adapting software to local conditions is entirely feasible and that the threat of entry from it, Thomson Reuters and Intuit is real. These firms are all aggressively expanding in Australia.

By contrast to the claims made in the statement above:

- (a) the entry by Sage into the Australian industry is irrelevant to whether Thomson Reuters will enter the New Zealand industry; and
- (b) [].

We make further comments on these points below.

1.2 The Sage example is not relevant to the New Zealand strategy of Thomson Reuters

[]

[], New Zealand is a very different industry to Australia. For example:

- there is very different stratification of accounting practices between the two jurisdictions. New Zealand practices cluster to either very large or very small ends of the spectrum. Australia by

contrast, has many more 'mid' sized practices. This distinction affects and shapes the product demand in each jurisdiction; and

- there is a much smaller overall customer base in New Zealand compared to Australia. However, regulatory requirements and accounting processes between the two countries are similarly demanding upon practitioners. [

].

[

].

Finally, the above points say nothing of the fact that Sage is a very different product from the products that Thomson Reuters offers. [

].

1.3 []

[

].

[

].

[

].

[

].

2 Paragraph 22.7

2.1 Overview

Paragraph 22.7 notes that:

'Thomson Reuters is already active in New Zealand through its 'XYZ Model Financial Statements' and 'ONESOURCE' offerings.

(a) **XYZ Financial Statements** is a program for businesses that provides step-by-step guidance to produce fully compliant general and special purpose financial statements.

(b) **ONESOURCE** is a program for businesses used for the calculation and reporting of company tax.

By contrast to the claims made in the statement above, neither XYZ Financial Statements nor ONESOURCE are relevant to consideration of the MYOB/Reckon transaction. These products are not within the relevant market. We make further comments on this below.

2.2 XYZ Financial Statements and ONESOURCE are not relevant products to consider

Neither XYZ Financial Statements, nor ONESOURCE are software platforms that fall within the categories defined by the Commission at [14] of its Statement of Preliminary Issues. These platforms are not:

- *'business modules, comprising practice management and document management functionality'*; nor are they
- *'compliance modules, comprising tax and client accounting functionality'*.

XYZ Financial Statements is a financial publication that contains standards for accounting professionals, which can assist preparing and auditing financial statements. XYZ Financial Statements operates as a library of such statements to which companies and accounting firms can refer when preparing their own materials.

ONESOURCE is a product that assists companies to calculate and prepare for their tax obligations. This software is designed for [], corporations to internally manage their tax compliance processes. [].

These are entirely different software propositions from those contemplated in this merger, which are predominantly professional practice management solutions for external accounting advisors.

[

].

3 Paragraph 22.8

3.1 Overview

Paragraph 22.8 notes that:

'MYOB understands that Thomson Reuters is looking to expand its market presence and is planning to launch its Onvio solution in Australia. Onvio is a cloud-based accounting software solution for accountants and tax professionals that is currently available in the United Kingdom.'

[1.2

].

3.2 []

[

].

[

]:

- [

];

• [];

• [];

• [];

• [];

• [];

• [];

• []

• [];

[]

[

].

Please do not hesitate to contact me via the details below if you have any questions about this submission.

Yours sincerely,

Ben Scull
Managing Director ANZ
Tax & Accounting
Thomson Reuters

Email: ben.scull@tr.com

Phone: [+61 2 8587 7958](tel:+61285877958)

Mobile: []