

MEDIA RELEASE



8 September 2022

Dye & Durham's proposed acquisition of Link not opposed, subject to divestiture

The ACCC will not oppose the proposed acquisition of Link Administration Holdings (ASX:LNK) by Dye & Durham Corporation (D&D), after accepting a court-enforceable undertaking from D&D to divest its existing Australian business.

Through the acquisition of Link, D&D will acquire the 42.77 per cent shareholding in PEXA Group Ltd (PEXA) (ASX:PEXA) that Link currently owns.

The vertical integration of D&D's information broking services, conveyancing and legal practice management software with PEXA's Electronic Lodgment Network raised significant competition concerns, as outlined in the ACCC's Statement of Issues published on 16 June 2022.

"Without the divestment of D&D's Australian businesses, the proposed acquisition would have aligned PEXA, a near monopoly provider of Electronic Lodgment Network services, with D&D, a significant supplier of software to lawyers and conveyancers," ACCC Chair Gina Cass-Gottlieb said.

This alignment raised concerns that D&D and PEXA would have allowed for mutual preferential dealing that would have hindered competition or raised barriers to entry in one or more markets in the conveyancing workflow.

"We were conscious of PEXA's position as the only fully operational Electronic Lodgment Network and the sensitive period of transition underway as interoperability between Electronic Lodgment Network Operators emerges. Therefore, the ACCC has focussed on ensuring that the post-acquisition market structure does not hinder competition over the longer term." Ms Cass-Gottlieb said

Under the court-enforceable undertaking, D&D must sell its existing Australian businesses to a purchaser approved by the ACCC.

"The ACCC carefully considered responses from a broad range of market participants about the undertaking in reaching this decision," Ms Cass-Gottlieb said.

"Ultimately, the ACCC concluded that the proposed acquisition, taking into consideration the divestiture undertaking, would be unlikely to substantially lessen competition."

"E-conveyancing is critical to finalising property transactions in a number of Australian states and territories. The ACCC supports the development of competition in this important industry. A robust and enforceable regulatory regime, led by the Australian Registrars' National Electronic Conveyancing Council, will be critical to ensuring effective outcomes in this industry," Ms Cass-Gottlieb said.

More information, including a copy of the undertaking can be found here: [Dye & Durham Corporation - Link Administration Holdings](#)

Background

D&D is an international provider of cloud-based software and technology solutions to legal and business professionals, including lawyers and conveyancers. D&D's core products and services relevant to the proposed acquisition include information and search broking services, conveyancing and legal practice management software, and manual property settlement services.

D&D entered the Australian market in 2021 when it acquired SAI Global's property division and in the same year also acquired GlobalX Information Pty Ltd.

Link is a technology-enabled provider of outsourced administration services for superannuation fund administration and corporate markets, as well as related services including data management, analytics, digital communication and stakeholder education and advice. Most relevant to the ACCC's review, Link also holds a 42.77 per cent shareholding in PEXA.

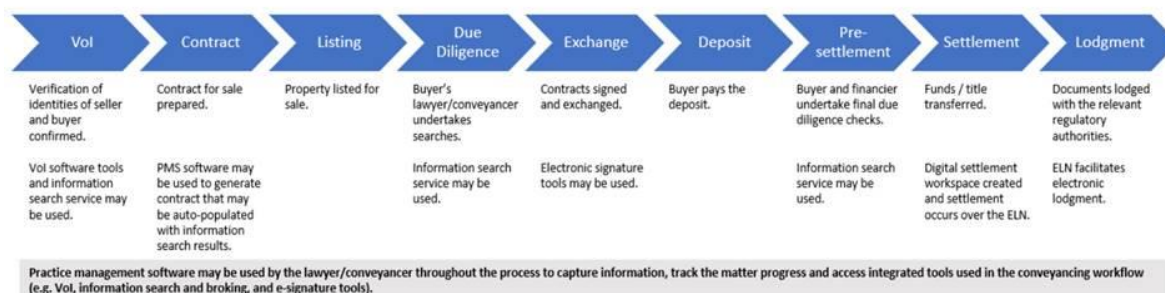
PEXA principally operates as an Electronic Lodgment Network Operator, through its Electronic Lodgment Network product, PEXA Exchange. PEXA Exchange allows its users (known as subscribers) to complete property lodgments and settlements electronically through a digital process known as e-conveyancing.

The PEXA Exchange is integrated with six Land Titles Offices and five State Revenue Offices for the lodgment of documents, as well as the Reserve Bank of Australia, the Australian Taxation Office and major financial institutions to facilitate financial settlement.

Notes to editors

The steps in the conveyancing process are commonly referred to as "the conveyancing workflow". Below is a diagrammatic representation.

Figure 1: Steps in the conveyancing workflow*



*ACCC analysis, market participant submissions

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