

The Director  
Corporate Tax Policy Unit  
Treasury  
Langton Crescent  
Parkes ACT 2600

By email: [frankeddistconsult@treasury.gov.au](mailto:frankeddistconsult@treasury.gov.au)

Dear Director,

Thank you for the opportunity to submit a response to the consultation on the proposed legislation relating to **Franked Distributions and Capital Raising**.

We are the Trustees and beneficiaries of a Self-Managed Superannuation Fund and **we strongly object to the proposed legislation changes** for the following reasons:

- We believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently impact situations of legitimate company operations
- The draft legislation fails to recognise the fundamental principle underlying the franking regime and the reason for its creation, the avoidance of double taxation on company earnings.
- The Franked Distribution and Capital Raising draft legislation, if widely applied, will lead to the demise of the franking system. It will stop Australian companies who issue new shares under a Dividend Reinvestment Plan (DRP) from paying franked dividends and significantly increase the cost of capital for all franked dividend paying Australian companies.

*We find the proposed retrospectivity totally reprehensible, with the prospect of burdening Australian investors with retrospective tax debts for decision made in good faith and totally in accordance with taxation legislation at the time of investment.*

As self-funded retirees relying totally on our investments, we utilise a strategy that relies on franking credits to fund a reasonable retirement. *We object in the strongest terms to ongoing political attacks on the franking credit taxation structure.*

Yours sincerely,

Mark Carew and Susan Carew

Cc: Ms. Sally Sitou MP