
Director
Corporate Tax Policy Unit
Treasury Langton Cres
Parkes ACT 2600

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

Dear Director,

I am responding to your invitation to offer my views on the proposed legislation on franking credits.

There are two aspects to my objection:

- (i) The proposed legislation, and
- (ii) The proposed retrospectivity

First, the proposal is a major threat to the future of the franking system in Australia, which has been a financial cornerstone of equity investment in Australia. This proposal is a **trojan horse** to the equitable idea of franking credits and no double taxation - **and must not proceed**.

The trojan horse is the application to the DRP (Dividend Reinvestment Plan), which has been an effective way of raising capital via franked dividends and for investors to build up their investment holdings for retirement etc. It would be the first step in dismantling a financial system that has made Australia a good place to invest - with a resultant stable financial system (including the banking system) that has done well for Australia through turbulent times - and there will be more turbulent times to come.

Secondly, I am aghast at the idea of retrospectivity to 2016. This is very un-Australian and against convention. The excuse given does not provide any credibility to retrospectivity - especially given the Coalition's views.

In conclusion, **I object to the proposed legislation - and request that it be withdrawn.**

Yours sincerely,

Ian Coddington