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 object to
the proposed legislation changes.

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. It will also risk the stability and integrity of the Australian banking system by inhibiting effective capital raising during challenging economic periods such as the start of the corona virus pandemic.

If passed, its application would also unfairly burden Australian investors with retrospective tax debts, to be paid at a time of economic uncertainty.

We are self
funded Retirees, on **the cusp of the Asset/Income bracket, the loss of our Tax refund from Imputation Credits,** tax already paid for, by the respective business we have chosen to become part owners of, would add another **2 Pensions** for payment by the Government. The tax Imputations that we receive enables us to be self reliant, with close monitoring of our finances. We are not alone in this sensitive area of Self Management for Retirement. we the Baby Boomers have worked and saved hard to be in this position.

Yours
sincerely,

Elizabeth
& Ken Groube.