Director

Corporate Tax Policy Unit,

Treasury,

Langton Cres.,

Parkes ACT 2600

Dear Director.

Proposed Legislation relating to Franked Distributions and Capital Raisings

Thank you for the opportunity to submit a response to the consultation on the above Proposed Legislation

We **object to the proposed legislative changes** for many reasons, perhaps the most critical being as follows:-

Firstly, the proposal to back date the legislation to 2016 is unacceptable, in principle. It would put in doubt the future of any present legal activity, caveats in the legislation not withstanding.

Secondly, the legislation has the potential to create from a shareholders viewpoint either "a stranded asset" or potential for double taxation on a company's profit.

Thirdly, the proposed legislation has potential to impact on company director's decisions when apportioning cash from profit and capital raisings to shareholders and business development. We consider that such impacts will influence the financial security of superannuants dependent on dividends for income in yearly terms and in the longer term from having potential constraints put on sound reinvestments.

Fourthly, if passed as proposed its application could burden some superannuants dependent on investments, with a retrospective, unplanned tax debt.

Fifthly, if passed as proposed we foresee increased accounting and legal costs arising from regulations set out to distinguish dividends being paid from profit and capital raisings in its multiple forms.

Yours sincerely

John Barrington Glen