

**Director
Corporate Tax Policy Unit
Treasury
Langton Cres
Parkes ACT 2600**

By email: frankeddistconsult@treasury.gov.au

Dear Director,
e consultation on

We object to the proposed the proposed legislation relating to **Franked Distributions and Capital Raising**.

The draft legislation is unfair to Australian companies and shareholders as it would have a negative effect on legitimate company operations.

It negates the purpose of the franking regime: the avoidance of double taxation on company earnings.

The Franked Distribution and Capital Raising draft legislation 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.

Further, it will risk the stability of the Australian banking system by inhibiting effective capital raising during unstable economic periods and most unfairly, it will hit Australian investors with retrospective tax debts,

Yours sincerely,
Chris and Alex Gallus
