

Dear Director,

I wish to respond to the consultation process regarding the proposed legislation referred to above..

I OBJECT to the proposed legislation in its present form for two main reasons.

Firstly,

the draft legislation fails to recognize that, if implemented, it will result in the double taxation of company earnings, once by the company and then again in the form of dividends by the shareholder. The avoidance of double taxation was the fundamental reason for the introduction of franking credits in the first place.

Secondly,

the legislation is to have retrospective application to the 19th December 2016. I always understood that it was unwise generally to enact legislation that would have retrospective effect and it was illegal to enact retrospective taxation legislation. The reason is obvious. One should be entitled to act today in accordance with the law knowing that the act is legal and not find that that same act committed six years ago, and acts committed since, are now illegal.

This legislation will also have serious financial consequences for those who have received franking credits for the last six years to have to repay them.

I know there are several other reasons that this proposed legislation will have serious financial implications on company operations but the above are the most obvious that affect me and my Super Fund

Hugh Grant.