

Director
Corporate Tax policy Unit
Treasury
Langton Cres
Parkes ACT 2600

Dear Director,

Thank you for the opportunity to submit a response to the consultation on the proposed legislation

relating to Franked Distributions & Capital Raising.

We object to the proposed legislation changes as we believe it is inequitable to Australian companies & shareholders

& it could inadvertently impact situations of legitimate company operations.

The draft legislation fails to recognise the fundamental principle underlying the franking regime & the reason

for its creation, the avoidance of double taxation on company earnings. This 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 & significantly increase the the cost of

capital for all franked dividend paying Australian companies. It will also risk the stability & integrity of the

Australian banking system by inhibiting effective capital raising during challenging economic periods such as

the start of the coronavirus pandemic.

If passed, its application would also unfairly burden Australian investors with retrospective tax debts, to be paid

during a time of economic uncertainty.

As self funded retirees we have worked extremely hard during our working lives to ensure that we would not be

a burden on our country in our retirement years. Previous governments established the rules that we followed to

secure a comfortable retirement. The proposed legislative changes are NOT FAIR to all concerned & should not proceed.

In particular we object to the proposed franked distributions and capital raising legislation change.

If you have any questions on this submission you may contact us on Mob: 0414 914 819

Yours Sincerely

John & Katerina Ganzis