

Director  
Corporate Tax Policy Unit  
Treasury  
Langton Cres  
Parkes ACT 2600

4 October 2022

Dear Director,

Thank you for the opportunity to submit a response to the consultant on the proposed legislation relating to **Franked Distribution and Capital Raising**.

I object to the proposed legislation changes.

I believe the draft legislation 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 coronavirus pandemic.

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

My parents have raised me and my siblings to save and not to waste an opportunity to better ourselves by investing in our future. We all have a share portfolio and wish to increase our holdings in other companies to try to become self-funded in our retirement, and not to rely on government handouts in the future. This has been taught to us by our parents who are self-funded retirees.

If this policy is passed then I will have to reconsider whether it is worth-while investing in the share market for my future benefit, as it will not be to my benefit for future wealth creation.

Yours sincerely,

Anthony Hrymakowski