

DIRECTOR
CORPORATE TAX POLICY UNIT
TREASURY
LANGTON CRESCENT
PARKES ACT 2600

4th October 2021

Dear Director,

We thank you for the opportunity to submit our response to the consultation on the proposed legislation relating to Franked Distributions and Capital Raising.

We strongly object to the proposed legislation changes.

We believe the draft legislation is inequitable to Australian Companies and Shareholders

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 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 franking system by inhibiting effective capital raising during challenging economic period such as the start of the pandemic.

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

time of economic uncertainty.

We are Self funded retirees with a very modest income from our share portfolio. Any negative changes to the franking system resulting in loss of potential returns for us would be devastating.

Please feel free to contact me if you have any queries.

Yours Sincerely

Robert Partridge