

TO: 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 and Capital Raising.

My wife and I, the Trustees of our Self-Managed Superannuation Fund, object to the proposed legislation changes.

We believe the draft legislation is inequitable to Australian companies and shareholders as it fails to recognise the fundamental principle underlying the franking regime and the reason for its creation, namely, **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.

We, now in the retirement stage of our lives, rely on the franked dividends as an important part of our retirement income.

Yours sincerely,

(Dr) Peter Julian Wilkinson and Mrs Hae Sook Wilkinson