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Att:- 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.

We object to the proposed legislation changes.

We believe 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,
- Is inequitable to both Australian Companies and Shareholders and it could inadvertently impact situations of legitimate company operations,
- Is proposing to change the rules based on an ideological view of Australian society,
- Is grossly unfair-for decades we have been urged by politicians from across the political spectrum to save for retirement and reduce the growing burden of the aged pension on the national budget.

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

We strongly oppose this proposed legislation on the basis that it treats people who have worked hard to save for retirement through an SMSF unfairly and has a severely detriment effect on our income in retirement.

Yours Sincerely

RM & LS Graham