



The English-Speaking Union Victoria Branch

A member of the
Australian English-
Speaking Union Ltd,
in co-operation with
the English-Speaking
Unions of the
Commonwealth and
the United States

8 December 2022

Director
Corporate Tax Policy Unit
Corporate and International Tax Division
Treasury
Langton Cres
Parkes ACT 2600

By email: OMSBBpublicconsultation@treasury.gov.au

Dear Director,

Thank you for the opportunity to submit a response to the Treasury Laws Amendment (Off-Market Share Buy-Backs) Bill 2022.

We object to the proposed changes. Changes to off-market share buy-backs will impact adversely on Australian companies' capital management options and have adverse consequences.

Under the proposed amendments, companies would no longer be able to pay fully franked dividends to participating shareholders as part of the buy-back consideration paid. This will impact on a company's ability to distribute franking credits to shareholders and deny a company's ability to distribute legitimate tax payments made on behalf of its shareholders. These amendments have the potential to disenfranchise Australian investors.

The draft Bill has the effect of weakening the franking credit system, leading to reductions in income for many retired investors and for not-for-profits like the English-Speaking Union, who depend on investment income, including franking credits, to provide our educational and other programs.

If passed, the proposed changes will unfairly target retail investors, low-income investors and superannuation beneficiaries, while limiting companies' abilities to effectively manage their own capital.

We believe Government should have regard to the broad-reaching impact these changes will have on Australians and we ask you to re-consider making these negative changes.

Yours sincerely,

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President, English-Speaking Union Victoria Branch

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