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Dear Director,

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

I object to the proposed changes and believe the draft legislation  
companies and all shareholders. The proposed amendment Bill ha  
giving those who understand the iniquity of the proposal little cha  
attempt to prevent the payment of franking credits which are clea  
company profits are double taxed when issued as dividends, i.e. a  
reduced dividends to shareholders whose marginal tax rate is less

Off-market share buy-backs and selective reductions of capital are  
capital management tools for Australian companies and their boar  
proven practices will negatively impact Australian companies' cap  
have unintended consequences.

Under the proposed amendment to off-market share buy-backs

number of major macroeconomic events such as the global financial crisis and the current pandemic, the tax system has protected Australian companies, and in turn their shareholders, from the effects of economic instability, reducing companies' need to take on unnecessary debt. This has encouraged Australian companies to invest in and pay corporate tax in Australia, which has emboldened Australians to invest locally. This, in turn, has created more jobs and provided the additional income tax revenue that Treasury and Government are seeking.

I believe that both the proposed changes fail to recognise the fundamental purpose of the franking system and the reason for its creation, being the avoidance of double taxation of company earnings. If passed, the proposed changes will unfairly target retail investors and superannuation beneficiaries, while limiting companies' ability to effectively manage their own capital.

As self-funded retirees, my wife and I rely heavily on the franking credits associated with our dividends. The government did not announce these changes before the last election because it recognised that the previous attempt to remove franking credits was unpopular. These changes will probably reduce our income and that of many other retirees. Therefore it will reduce spending. The result of this will have a negative impact on the economy.

I believe Treasury and Government are underestimating the long lasting and significant impact these changes will have on Australia and I ask you to re-consider making these changes.