



MEDIA RELEASE

Dividend Washing Amendment Ticks the Box

28 June 2013

AFMA today welcomed the announcement by the Assistant Treasurer that the Government would amend the “qualified person” rules to address integrity concerns associated with dividend washing.

Investors need dividend imputation rules in this area that promote certainty and fairness and are capable of efficient implementation by the industry. The measures announced today by the Assistant Treasurer should tick the box in this regard.

Under the new rules, an investor who sells shares on an ex-dividend basis and acquires substantially identical shares on a cum-dividend basis will be only be eligible to claim franking credits on the first parcel of shares. The amendments are an appropriate way to address the Government’s revenue integrity concerns while minimising the impact on investors and the industry.

The mechanism set out in the Assistant Treasurer’s announcement was developed in consultation with AFMA and other industry associations. AFMA is pleased that throughout the consultation process that both Treasury and the Government were receptive to industry concerns and facilitated what AFMA believes is a satisfactory outcome.

Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia’s financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.

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