

Dear Review

Currently a tax deduction is allowed for interest on borrowings used for margin lending, share purchase, hedging, and other more complex investments. The essence of negative gearing. No productive work is produced apart from a little electronic recording. Lenders encourage the process in order to make a profit.

It would be in the interest of the tax system, and also individuals who may feel less tempted to take a risk unbuffered by a tax deduction, for this use of unproductive capital not to have an attached tax deductibility for any interest paid.

Thank you.

Patrick Grant