



ATO cracking down on GST fraud

The ATO is warning businesses not to get involved in related-party structuring arrangements or schemes.

Last updated 5 December 2024

The Australian Taxation Office (ATO) is warning businesses not to get involved in related-party structuring arrangements or schemes to cheat the tax and super systems.

The Serious Financial Crimes Taskforce (SFCT) has identified an increase in fraudulent claims for large GST refunds across a number of industries.

The arrangements that have been observed involve sophisticated structuring arrangements between inter-related parties undertaken to obscure transactions and disguise artificial or fraudulent arrangements, resulting in purported high value GST refunds.

Through intelligence and information sharing with partner agencies, the SFCT have identified multiple specific groups who are involved in commercial arrangements which seek to exploit the GST rules.

Deputy Commissioner and SFCT Chief John Ford encouraged business owners to take this warning seriously.

‘Those who seek to defraud the tax and super systems will get caught and face the full force of the law.’

‘We are equipped with the resources, sophisticated data matching, analytics capability, and intelligence sharing relationships to uncover even the most elaborate financial crime,’ Mr Ford said.

Enablers and recipients of these schemes are using the fraudulent refunds to further fund business ventures or personal purchases, disadvantaging taxpayers who are doing the right thing.

'We are targeting businesses who are participating in these schemes to ensure a level playing field for those who follow the rules.'

'Not only is this behaviour putting honest businesses at risk, but it also takes funding away from vital community services such as hospitals, schools and transport,' Mr Ford said.

If you are involved in an illegal invoicing or financial arrangements, we strongly encourage you to come forward and make a voluntary disclosure rather than wait for us to contact you.

You can anonymously report suspected tax crime or shadow economy activity by making a **tip-off online** or calling **1800 060 062**.

For more information, visit our **SFCT Intelligence Bulletin website**.

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