



New taxpayer alert warns about GST refund fraud

Businesses that engage in arrangements to attempt to claim overly inflated refunds risk serious consequences.

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We've now published a new taxpayer alert – *TA 2025/2: Arrangements designed to improperly obtain goods and services tax refunds*. This alert strongly warns businesses against using arrangements where a business colludes with another related business to create fraudulent invoices, so they can attempt to claim large GST refunds. In many cases the invoice will overclaim GST credits on real goods or services that were provided. In the worst cases, invoices are completely fictitious.

Deliberately exploiting the GST system to obtain a refund you're not entitled to, or to avoid payment, is a **criminal** offence.

We're still seeing these arrangements occurring, despite warnings from the Serious Financial Crime Taskforce over the last 18 months about **fraudulent GST refunds and false invoicing**.

Our data shows that the fraud is currently predominantly within the property and construction industry. We've also identified early signs of it proliferating in other industries, particularly by privately owned and wealthy groups.

It's a small number of businesses that are attempting to do this. However, they're trying to fraudulently claim tens of millions of dollars – money that should instead be supporting vital services the Australian community relies on. Their behaviour:

- disadvantages the vast majority of Australian businesses that are doing the right thing

- tarnishes the reputation of the industries where those businesses operate
- undermines the tax system.

This is not related to the GST fraud scheme that was promoted through social media where individuals created fake businesses and lodged BAS statements to obtain GST refunds. These are **real** businesses creating fraudulent invoices to try to gain overinflated GST refunds.

We're equipped with resources, sophisticated data matching and analytics capabilities, and intelligence-sharing relationships to uncover even the most elaborate financial crime. Any businesses caught in these arrangements will face the full force of the law. Further:

- If you're a company director, you're responsible for ensuring the company pays its GST in full and by the due date. If these obligations are not met, you can become personally liable for **director penalties**.
- **Promoter penalty laws** may apply to any registered agent and adviser who promotes these arrangements. In some instances, cases will be pursued as criminal matters. The worst cases may result in imprisonment.

What you can do

We're encouraging honest businesses, industry groups and the community to help us stamp out this behaviour. If you suspect another business of being involved in these arrangements, you can confidentially report to us by **making a tip-off** or by calling **1800 060 062**.

If you're involved in a fraudulent arrangement, we strongly encourage you to come forward and make a **voluntary disclosure** rather than wait for us to contact you. If you cooperate early and make a voluntary disclosure, we may reduce the penalties imposed.

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