



Attempted GST refund fraud on the increase

Help us put a stop to businesses false GST claims.

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We've 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.

Tax professionals should be aware that these arrangements are increasing. 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. The arrangements vary, but have some, or all, of the following features:

- false invoicing between related parties (for example, inflated invoices or issuing invoices where no goods or services are provided)
- deliberately misaligning GST accounting methods across a group to contrive a GST refund
- duplicating GST credit claims in related entities for a single high-value transaction
- claiming GST credits for alleged purchases, development, and construction (by related entities) that never occurred
- the use of straw directors to try and hide the true relationship between related parties.

This is not related to Operation Protego, where individuals created fake businesses and lodged fake BAS statements to gain GST refunds.

We regularly intercept and stop suspicious claims before a refund is issued. Those involved are exploiting the system and gaining an unfair advantage over honest businesses. You can help us put a stop to these arrangements by coming forward if you see them.

How to help

Be on the lookout – if you discover a client is involved, strongly encourage them to make a **voluntary disclosure**. Early cooperation and making a voluntary disclosure may reduce the penalties imposed.

If you suspect another agent or adviser is involved in GST refund fraud, you can confidentially report it to us by **making a tip-off online** or by calling **1800 060 062**. **Promoter penalty laws** may apply to agents and advisers promoting these arrangements.

QC 105295

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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