

SFCT Intelligence Bulletin

Taskforce action on false invoicing arrangements

The Serious Financial Crime Taskforce is targeting false invoicing and other illegal financial arrangements.

Overview

The [Serious Financial Crime Taskforce](#) (SFCT) is warning businesses about using illegal financial arrangements such as false invoicing to cheat the tax and super system.

What is false invoicing?

False invoicing arrangements involve issuing invoices where no goods or services are provided. This can look like:

1. An entity (the promoter) issues invoices to a legitimate business but no goods or services are provided.
2. The business pays the invoices, by cheque or direct transfer, and the promoter returns most of the amount paid to the owners of the business as cash.
3. The promoter keeps a small amount as a commission.
4. The business then illegally claims deductions and GST input tax credits from the false invoice.
5. The owners of the business use the cash they have received for private purposes or to pay cash wages to workers, and don't properly report the amounts in their tax returns.

Taskforce action

The SFCT is warning businesses against using these types of arrangements. We are equipped with the resources, sophisticated data matching, analytics capability, and intelligence sharing relationships to uncover even the most elaborate financial crime.

While most Australian businesses do the right thing, a small minority try to evade the tax system. This behaviour undermines the integrity of the tax and super system and disadvantages honest businesses who are doing the right thing.


We will effectively deal with those who engage in false invoicing, or other illegal financial arrangements, working with partner agencies where appropriate. Those who try to evade the tax and super system will get caught and face the full force of the law.

What should you do?

If you are a business involved in a false invoicing arrangement or other illegal financial arrangement, we strongly encourage you to come forward and make a [voluntary disclosure](#) rather than wait for us to contact you. We may be able to reduce your penalties.

Concerned members of the community who suspect a business or individual is involved in a false invoicing arrangement can confidentially report to us by making a tip-off [online](#) or calling **1800 060 062**.

If you prefer to speak with us in a language other than English, you can call the Translating and Interpreting Service (TIS National) on **13 14 50** for help with your call.

 **This is a general summary only.**
For more information go to ato.gov.au/SFCT or ato.gov.au/falseinvoicing

