

SARS Guides: VAT412 Guide for share block schemes

Today Sars published VAT guide for share block schemes. The guide deals with the VAT implications of share block schemes in South Africa and the various types of supplies related to these schemes. The intention of the guide is to attend to basic principles and their effect from a VAT point of view.

Although not specifically defined in the VAT Act, a “share block scheme” is defined in the Share Blocks Act as any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property. A typical share block scheme is characterised by a single entity (the share block company) which holds and controls a particular piece of immovable property, and the members of the entity acquire rights of occupation to specified parts of the property on the strength of their membership or shareholding in the entity.

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