



Liechtenstein

A modern fund location at the heart of Europe





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An overview

Increasing regulatory efforts and political developments are affecting the competitiveness of many established financial centres. This in turn is influencing fund providers and asset managers in their choice of location. In this light, the Principality of Liechtenstein is attracting more and more attention. The country's success is founded on its internationally recognised regulatory framework, its attractive yet compliant tax system and its unrestricted access to the relevant financial markets.

Facts and figures

Capital	Vaduz
Area	160 km ²
Inhabitants	39,677 (2022)
Jobs	45,274 (2022)
Official language	German
Currency	Swiss franc
Country rating	AAA (S&P)
Memberships	United Nations, EEA, EFTA

Liechtenstein is unique in many respects. Its mix of a lean administrative structure, political stability and legislation that is harmonised with the EU makes the country a progressive and flexible business location. Liechtenstein lies at the very heart of Europe – not only geographically, but economically too. It has very close relations with Switzerland and is a member of the European Economic Area (EEA), making it the ideal starting point for all Europe-wide activities.

Additionally, since 21 October, 2024, Liechtenstein has been an official member of the International Monetary Fund (IMF). The organisation promotes balanced growth of world trade, the stability of exchange rates, and the surveillance of monetary and exchange rate policies.

The country has a long tradition of providing financial services and successfully combines tradition and innovation. The changing conditions on the financial markets have also prompted Liechtenstein to adapt its laws to the new circumstances. It has implemented new international standards proactively, with a consistent focus on acting independently and responsibly. As a result, it now offers an internationally compliant legal, tax and supervisory framework with extremely advantageous conditions – especially for providers of cross-border financial services.

Liechtenstein and the surrounding areas in Austria, Germany and Switzerland offer not only ideal economic conditions for companies, but also excellent quality of life. This makes the country a highly attractive place to work – for local and international staff alike.

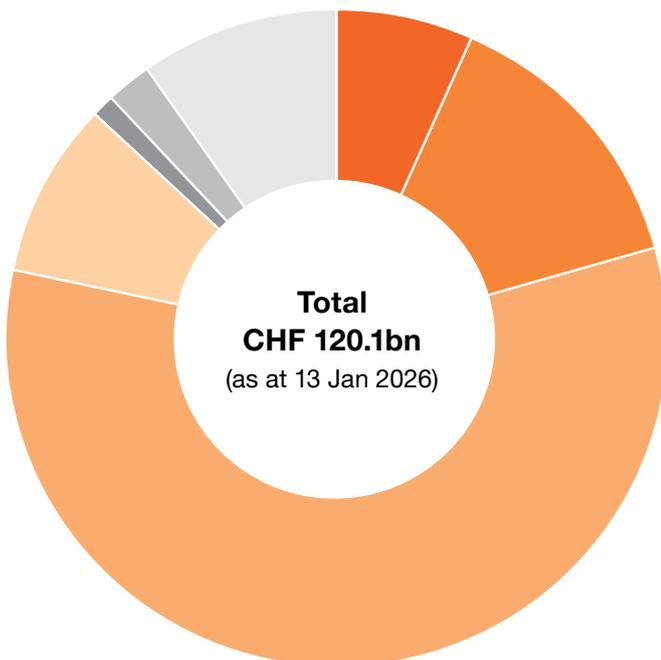




The fund market in Liechtenstein

The volume of assets under management in Liechtenstein has risen dramatically in recent years.

One of the drivers behind this has been the local presence of trustworthy and professional service providers, forming the backbone of the country's thriving fund industry. As shown in the chart below, more than 600 funds are registered in Liechtenstein, between them managing more than 120 billion Swiss francs.



Mixed funds	6.7%	CHF 8.0bn
Equity funds	14.0%	CHF 16.8bn
Other funds	57.7%	CHF 69.3bn
Bond funds	8.8%	CHF 10.5bn
Money market funds	1.0%	CHF 1.2bn
Hedge funds	2.2%	CHF 2.6bn
Further funds	9.5%	CHF 11.7bn



Liechtenstein at a glance



AAA rating

The country is debt-free and one of only twelve in the world to enjoy an AAA rating from S&P.

Proximity to Switzerland

Liechtenstein is closely linked to neighbouring Switzerland through a common currency and a customs union.

Attractive tax system

With a corporate income tax rate of 12.5%, no withholding taxes and an exemption for income from participations with no minimum quotas, Liechtenstein offers an extremely advantageous tax regime for funds and asset managers.

Unrestricted EU market access

EU passporting for UCITSs and AIFs gives funds and asset managers unrestricted access to European markets.

Strong banking system

Liechtenstein's fund markets have access to a highly effective banking system. Liechtenstein's banks are among the best-capitalised in Europe.

A rich tradition in financial services

The country has almost a century of tradition in financial services to build on. Companies therefore benefit from the experience of highly skilled service

providers and a very professional and efficient supervisory authority.

Efficient fund establishment process

Funds can be launched with a minimum of red tape. The approval period for a UCITS or an AIF is regulated by law and limited to 10 and 20 days respectively.

Political stability

Liechtenstein offers exceptional political stability and a high degree of legal certainty. This is complemented by liberal legislation and judicial practice.

Good quality of life

Liechtenstein itself and the surrounding regions of Austria, Germany and Switzerland offer excellent quality of life for entrepreneurs and highly skilled workers.

MONEYVAL

MONEYVAL regularly reviews the effectiveness of its member states' systems for combating money laundering and terrorist financing, which Liechtenstein has been actively engaged in for decades. Liechtenstein was assessed for the fifth time in 2021 and compares very well with the other countries that have been evaluated.



Advantages of Liechtenstein

Flexible fund types

Liechtenstein has three types of funds. AIFs and UCITS are well-known and can be marketed freely throughout Europe. In addition, professional investors can invest in investment undertakings (IUs), which also offer a high degree of flexibility.

The different types of funds

The table below shows the different types of funds. In addition to AIFs (mainly for professional investors) and UCITS (for both retail and professional investors), which are familiar throughout Europe and authorised for marketing across the continent, there are also Liechtenstein investment undertakings (IUs). These are open to small groups of professional investors, including individual investors, families, interest groups and corporations. IUs have hardly any investment limits and can be established within a few days. They merely require an attestation from an authorised auditor, with no additional verification by Liechtenstein’s Financial Market Authority (FMA).

All fund types in corporate form (e.g. a SICAV) or contractual form (e.g. an FCP) are essentially possible too. Investment funds can also be established in Liechtenstein in the form of a collective trusteeship.

Liechtenstein offers an ideal range of legal forms for establishing and structuring the European UCITS and AIF fund types in a flexible way. Liechtenstein offers all types of fund that are regulated at the European level, i.e. UCITSs and AIFs, including the European Long-Term Investment Fund (ELTIF), European Venture Capital Fund (EuVECA) and European Social Entrepreneurship Fund (EuSEF) sub-categories.

European Long-Term Investment Funds (ELTIFs): The country’s adoption of the EU ELTIF Regulation has made it possible to invest in Liechtenstein in investment funds that have a long-term focus. An ELTIF is an AIF that is managed by an AIFM but must be authorised by the FMA. It is open to both retail and professional investors. EU passporting allows ELTIFs to be marketed throughout the EU.

	Investors	Minimum fund assets	Permitted investments	Marketing	Formation costs (CHF)*	Annual supervisory costs
AIF	Retail/ professional	1.25m EUR	Alternative investments, few investment limits	EU pass- porting	20,000– 30,000	FMA fee: Without sub-funds: 2,000 CHF With sub-funds: 2,000 CHF for the first sub-fund and 1,000 CHF for each additional sub-fund.
UCITS	Retail/ professional	1.25m EUR	Traditional investments, many investment limits	EU pass- porting	15,000– 30,000	Additional levy: 0.0015% of the fund assets Audit costs*: from 10,000 CHF
IU	Professional	No rules	Alternative and traditional investments, customised investment limits	Not marketed	15,000– 25,000	

*depending on the complexity

Investor categories:

- Professional client within the meaning of Annex II to Directive 2014/65/EU or investors who may be treated as professional clients upon request
- A retail investor is any investor who isn’t a professional client

Advantages of Liechtenstein

On the market in five days

On average, it takes the FMA just five days to authorise a UCITS

Fund authorisation

Liechtenstein's Financial Market Authority (FMA) provides standardised forms for authorisation applications, specific to each statutory investment fund category. Complete applications must be submitted to the FMA both physically and electronically.

Liechtenstein is very attractive as a fund centre relative to its competitors because of its short time to market:

UCITS: By law, the approval process must be completed in ten working days. However, the FMA may extend this limit to a maximum of two months in exceptional cases and where this is necessary to protect investors and is in the public interest.

AIFs: AIFs do not require FMA authorisation or approval. AIFs that are only managed and won't be marketed simply require a notification to be sent to the FMA. AIFs that will be marketed require a marketing notification to be submitted to the FMA (which will issue its acceptance within 20 days).

The FMA's average processing time is shorter, at five working days for UCITS and three to four days for AIFs.



Advantages of Liechtenstein

Access to Europe in three days

Liechtenstein UCITS and AIFs benefit from EU passporting and the proximity to Switzerland.

A one-stop shop for Europe

UCITS and AIFs authorised in Liechtenstein may be marketed in other EEA member states by means of the notification procedure (EU passporting). The geographical and cultural proximity to Switzerland offers further marketing opportunities.

The notification procedure is harmonised under European law. The procedures for marketing UCITS and AIFs to Europe are fundamentally identical. The FMA serves as a one-stop shop for obtaining approval to market Liechtenstein UCITS and AIFs within the EU.

Authorisation, notification, registration					
	Authorisation	Marketing notification	Registration	Maximum period for the FMA by law	Marketing notification
UCITS	X			10 working days	4–5 working days
AIF		X		20 working days	3–4 working days
AIF, not distributed			X	N/A	0
EuSEF		X		20 working days	3–4 working days
EuVECA		X		20 working days	3–4 working days
ELTIF		X		20 working days	3–4 working days

Source: "LAFV Broschüre Fondsplatz Liechtenstein 2025"



Advantages of Liechtenstein

Simple and efficient tax system

Liechtenstein's tax system complies with all current EU and OECD standards. Its attractive tax rate, combined with its practically minded tax laws, make Liechtenstein a highly competitive tax location in Europe.

Taxation of funds (UCITS and AIFs)

- Transparent treatment for income tax purposes
- No VAT liability for the fund
- Funds qualify as exempt investors for purposes of securities transfer tax
- No withholding tax on distributions

Taxation of management companies

Income tax

- 12.5% income tax
- Dividends and capital gains on participations are tax-exempt
- Annual minimum income tax: CHF 1,800

Equity interest deduction

- Interest deduction of 4% on modified equity for all taxable companies

Withholding taxes

- No withholding taxes on dividends, interest payments or licensing fees

Capital taxes

- No capital taxes

Value added tax

- The standard rate of 8.1% is the lowest in Europe
- Asset management and fund marketing of regulated domestic funds are exempt from VAT

Stamp duty

- Establishing or increasing equity capital is in principle subject to an issue tax of 1% with an exempt amount of CHF 1 million
- Funds qualify as exempt investors for purposes of securities transfer tax

Global minimum tax

- On 22 December 2023, the Liechtenstein government enacted the GloBE Act, which came into force on 1 January 2024: Liechtenstein groups and companies that fall within the global minimum tax threshold (consolidated turnover of over EUR 750 million) are subject to a QDMTT (Qualified Domestic Minimum Top-up Tax) and an IIR (Income Inclusion Rule) of 15% for tax years beginning on or after 1 January 2024.
- The UTRP (Undertaxed Payments Rule) is not yet in effect in Liechtenstein.
- Funds that are 'ultimate parent companies' benefit from an exemption as an 'excluded entity' if they fall within the definition of an investment fund under the GloBE Rules. However, a case-by-case assessment must be carried out.

How can we support you?

PwC has extensive experience in the location and relocation of management companies and funds.

We provide a wide range of audit, tax and advisory services to our clients in Liechtenstein, including:

- Licensing and authorisation procedures
- Advice on the passporting of funds, insurers and other financial service providers
- Structuring funds in response to legal and tax considerations
- Advice on supervisory requirements and compliance
- Tax consulting and reporting
- Audit services (financial and supervisory audits of funds, asset management companies and management companies)



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**Liechtenstein Financial Services Podcast**

In the «Liechtenstein Financial Services Podcast» we explore the legal, regulatory, financial, and tax perspectives of banks, funds, asset managers, and other key players in the Liechtenstein financial centre.



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