

THE FOUNDATION



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The Foundation

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A. DEFINITION AND LEGAL CHARACTERISTICS

A Foundation (*Stiftung*) can be defined as a *fund endowed for a specific purpose* which becomes autonomous and acquires the status of a legal person. The autonomous fund is separated from the founder's personal assets and then forms the assets of an independent legal entity, namely the foundation.

The foundation only exists to realize the wishes and intentions of the founder as specified in the foundation deed and foundations Statutes. The foundation employs its bodies to realize the *founder's wishes and intentions*. From this angle, they have primarily an administrative function rather than a decision-making one.

Unlike a corporate entity, the foundation does not have members, partners or shareholders. However, upon formation of the foundation, the founder may reserve certain rights deriving from his capacity as a body of the entity (*organschaftliche Rechte*) (see subsection «F. Organization of the Foundation» below) in the Statutes. Furthermore, the law on foundations acknowledges *beneficiaries*: they are those persons for whose benefit the foundation's objects and of whom the founder may be one (see subsection «G. Beneficiaries» below) are realized.

B. FORMATION AND EXISTENCE OF A FOUNDATION

A foundation is formed when the endowment of assets for certain specific purposes has occurred in the manner prescribed by law.

General

However, the foundation only comes into existence, *i.e.*, acquires legal personality upon its entry onto the Public

Register (*Öffentlichkeitsregister*) as Foundation Register (*Stiftungsregister*). Nevertheless, the formation and the coming into existence of the foundation coincide in certain exceptional circumstances determined by law; such is the case with ecclesiastical foundations, pure family foundations (only family members and others), as well as foundations where the beneficiaries are specifically designated or definable. In these important exceptional cases the foundation acquires legal personality on formation and need not be entered onto the Public Register.

- Formation* The endowment of assets for certain specific purposes may be made by natural or legal persons, whether nationals or foreigners, irrespective of residence or domicile:
- in the form of a *deed* the certified signature of the founder must be attached to (unilateral legal transaction *inter vivos*),
 - by *will*, or
 - by *contract of inheritance*.

The foundation deed should contain at least the following information:

- name and domicile,
- purpose or objectives,
- the amount of foundation capital and the application of the foundation fund in the case of dissolution,
- members of the foundation council,
- method for appointing further members to the foundation council,
- type of signature rights (joint/sole),
- audit authority, which is legally required should the foundation engage in commercial activities (such are permitted only under certain circumstances).

Except in the case of the «deposited foundation» («*hinterlegte Stiftung*»), i.e., a type of foundation exempt from entry onto the Public Register (see below), the foundation acquires legal personality only upon entry onto the Public Register as Foundation Register; this means that the registration has a constitutive nature.

*Coming into
existence*

The *application* for registration must include the following documents:

- foundation deed (certified), last will and testament, or contract of inheritance (certified copy),
- copy of the Statutes (certified) if these are not included in the foundation deed,
- if not already contained in the foundation deed, a list of members of the foundation council (including the first and last names, citizenship, and place of residence/business address or the corporate name and domicile),
- certified acceptance and specimen signature statement of the members of the foundation council,
- proof of capital (for foundations which carry out commercial activities),
- publication authorization from the Liechtenstein Tax Administration (*Steuerverwaltung*).

The following information will be entered onto the Register:

- date on which the foundation was established,
- name of the foundation,
- domicile and objectives,
- organization, representation, and type of signature rights (the names of the members of the foundation council have to be indicated).

Anyone may obtain from the Land Register and Public Register Office (*Grundbuch- und Öffentlichkeitsregisteramt*) an *extract from the Register*, which includes the fol-

lowing details: date of entry, foundation's name, domicile, date of the Statutes, objectives, foundation capital, members of the foundation council, signing authority, signature for the foundation by (a) duly authorized officer(s), notices, legal representative. Other details such as the name of the founder and the names of the beneficiaries etc. are neither registered nor published.

Exemption from entry onto the Public Register The law acknowledges various types of foundations, which immediately acquire legal personality upon formation (*i.e.*, without registration). These include

- ecclesiastical foundations,
- pure and mixed family foundations,
- foundations, where the beneficiaries are specifically designated or definable on the basis of the rules regarding the beneficiaries.

However, this is the case only if such foundations do not engage in commercial activities. Otherwise such foundations would also come into existence as a legal person only upon registration.

However, foundations that do not require registration must deposit the deed of foundation and the Statutes if they are not contained in the deed of foundation with the Land Register and Public Register Office. An actual entry onto the Public Register will not be made. The deposit is recorded in the *firm register (Firmenverzeichnis)*, indicating the name of the foundation, its domicile, and its legal representative. The Office must also be notified of each change to the deposited documents. The precise rules regarding the beneficiaries (specification of names, etc.) are usually not set down in the Statutes, but rather in the so-called *by-statutes (Beistatuten)*, which need not to be deposited.

The depositing requirement serves only to check whether registration is required, to exclude foundations with illegal or immoral purposes, and to avoid the evasion of any contingent supervision. It has, therefore, no influence on the time when the foundation comes into existence as an independent legal entity.

The deeds deposited are not accessible to the general public. The Land Register and Public Register Offices issues an *official confirmation (Amtsbestätigung)*, which includes the formation of the foundation, names and residence/business address or domicile of the members of the foundation council, and other information that can be seen from the deposited deeds (for example signature rights) only upon demand of the members of the foundation council or the legal representative.

C. PURPOSES OF THE FOUNDATION

The founder must explicitly indicate the objectives; whether or not the foundation engages in commercial activities must be clear from this specification. The founder is free to define the objectives provided that they are neither immoral nor illegal.

General

Some examples of possible objectives are:

- making distributions and granting other economic benefits to certain members of specifically designated families, for the defrayal of expenses for their upbringing and education, outfitting and support, and similar objects (*a pure family foundation*);
- the support and promotion of endeavours in charitable, artistic, scientific, welfare and similar fields (*charitable foundation*);
- the support of ecclesiastical holders of office and functionaries, as well as promoting of the education of bear-

Examples

ers of ecclesiastical or religious offices (*ecclesiastical foundation*).

Maintenance Foundation In Liechtenstein it is possible to establish a foundation as a *maintenance foundation (Unterhaltsstiftung)*. This type of foundation is solely for the purpose of supporting the persons or family specified. It is not necessary to have a specific need, such as covering costs of education and upbringing. In this form, the foundation is similar to the legal institution of the estate in fee-tail (*fideicommissum*), which is still acknowledged and permitted by Liechtenstein law, unlike most other jurisdictions in the world.

Enterprise Foundation Another important and useful type of the foundation is the enterprise foundation (*Unternehmensstiftung*), primarily in the form of a holder of a participating interest (a so-called *holding foundation [Holdingstiftung]*). In this case, the foundation holds a considerable interest in a company which operates an enterprise, and exercises a controlling influence on basic business decisions of the company.

Commercial Activity A foundation cannot be formed to pursue commercial objectives. *Commercial activities* may only be undertaken by the foundation if such activities are either in pursuance of its non-commercial objectives, or the type and scope of interests held require the facilities of a commercial business.

Apart from the above mentioned limitation the foundation has full legal status and is able to act and authorized to enter into legal transactions of all kinds.

D. FOUNDATION FUND AND FOUNDATION CAPITAL

The *foundation fund (Stiftungsvermögen)* is defined as the foundation's total assets. This must be distinguished from

the *foundation capital (Stiftungskapital)*, which is defined as the foundation assets shown in the foundation deed or Statutes, as capital.

The *minimum capital* for a foundation must be CHF 30,000. If the capital indicated in the Statutes and, if applicable, on the Public Register is denominated in euros or US dollars, however, the minimum capital is EUR 30,000 or USD 30,000, as the case may be. It must be endowed to the foundation by the founder upon formation. After the foundation has come into existence, the founder is obliged to transfer the assets mentioned in the deed of foundation to the foundation as soon as this is requested by the other parties involved.

The foundation may receive *further assets* from the founder or third parties after formation, but in the case of a gift, which is the usual case, the provisions of the law concerning donations must be observed.

E. LIABILITY AND RESPONSIBILITY

Only the *foundation fund* is available to creditors in payment for the foundation's debts. Therefore, personal liability of the founder or the foundation's officers does not exist, and there is also no obligation to make any further contributions. The founder is only required to transfer to the foundation the assets that have been endowed to it.

Liability for Obligations

Any *income* which a beneficiary receives from a foundation free of charge may only be seized by the beneficiary's creditors by injunction, levy of execution and writ or bankruptcy proceedings if the said income is not required for the defrayal of the necessary living expenses of the beneficiary, the beneficiary's spouse and the beneficiary's children unprovided for.

In the case of *family foundations*, the founder may stipulate that creditors must not deprive specifically indicated third-party beneficiaries of such gratuitously acquired benefits by injunction, levy of execution and writ or bankruptcy proceedings.

Responsibility The officers of the foundation are personally liable for any damage which they have caused negligently or intentionally; damages may be claimed primarily by the foundation or, in the event of its bankruptcy, its estate.

F. ORGANIZATION OF THE FOUNDATION

General The foundation is able to act once the members of the various bodies required by the law and deed of foundation or Statutes have been appointed. The bodies of a foundation have primarily *administrative function* to realize the founder's wishes and intentions as set out in the deed of foundation and Statutes or by-statutes.

The bodies and the type of management and representation are specified and set out in the deed of foundation or Statutes. In many cases, there will be just one body, namely the foundation council. Additionally an audit authority is often instituted as a further body. Of course, other bodies may also be appointed.

Foundation council The foundation council consists of one or more members. Members of the foundation council may be natural or legal persons, nationals or foreigners, with domicile in Liechtenstein or abroad. In the case of foundations in the form of a holding or domiciliary enterprise, the following applies: at least one council member empowered to manage and represent the foundation must be a citizen and permanent resident of a country within the European Economic Area or an equivalent person on the basis of an

international treaty. This person must have a license to practice as a fiduciary in Liechtenstein or an equivalent certificate of qualification (so-called «180a-Person» pursuant to Article 180a of the Persons and Companies Act [PGR]; see subsection «O. Domiciliary Enterprises and Holding Enterprises» below).

The *method of appointment* for members of the foundation council must be defined in the foundation deed or Statutes. The first members of the foundation council are always designated by the founder in the deed of foundation. Members of the foundation council often have the right to *co-opt* further members, and it is also often provided that they shall appoint a successor in case of incapacity to act or in cases of retirement.

The foundation council has *powers of administration, representation, and disposition*. The foundation deed or the Statutes must include detailed provisions concerning the form of resolutions (quorum and majority requirements) and the signing authority (sole or joint signature rights).

The founder stipulates the purpose for which the endowed assets are to be used. Then the foundation council is obliged to implement the founder's order in this regard. The founder is, however, free to expressly reserve certain rights deriving from his capacity as a body of the entity (*organschaftliche Rechte*) by including corresponding regulations in the foundation deed or the Statutes, such as for example a right of revocation or right of amendment. Unlike the rights of the founder(s) of an establishment, the *rights of the founder of a foundation* may not be transferred or inherited, nor may they be delegated to the foundation council.

Founder

The founder may be a natural or legal person, a national or a foreigner, with residence or domicile in Liechtenstein or abroad.

Audit Authority An audit authority (*Revisionsstelle*) is usually not required for foundations, but may arbitrarily be provided for in the Statutes at any time. Only if the foundation engages in commercial activities or the objectives of the foundation permit such operations is it mandatory to appoint an audit authority, and to enter the foundation onto the Public Register. The foundation is then obliged to issue annual financial statements (see below). The foundation is allowed to engage in commercial activities only in order to realize its non-commercial objects, or if this is required a result of the type and scope of the interests which it holds.

The functions of a mandatory audit authority may be performed by certified public accountants, auditing companies, fiduciaries with full fiduciary examination on file (the supplementary examination for attorneys provided for in the Act on Fiduciaries [*Treuhandergesetz*] is not sufficient) and legal persons or trust enterprises holding a full fiduciary's license (*volle Treuhanderbewilligung*).

Other Bodies The Statutes may also provide for other bodies (for example an *advisory board* [*Beirat*] or so-called *collators* [*Kollatoren*] with the right to appoint beneficiaries replacing the foundation council in this function) and set out in detail provisions for their constitution and powers.

G. BENEFICIARIES

Normally, beneficiaries are appointed by the founder in the foundation deed, Statutes or by-statutes, which will also set out the nature and extent of the beneficial inter-

est. In the case of foundations where the beneficial interest derives from the foundation's tasks (for example, charitable foundations), beneficiaries are appointed by the body specified for this purpose (for example, collators or the foundation council). The identity of the beneficiaries is not disclosed to the public.

H. LEGAL REPRESENTATIVE

The legal representative serves as the *official service agent* (*Zustellungsbevollmächtigter*) for the foundation. By law he is empowered to accept declarations and communications of all kinds from all domestic courts and administrative authorities on the foundation's behalf. The legal representative must be notified to the Land Register and Public Register Office for entry onto the Public Register.

The appointment of a legal representative is usually mandatory. Permission of the Land Register and Public Register Office is required to deviate from this provision. If no legal representative has been appointed and such an exception has not been granted, the legal entity will be dissolved and put into liquidation by the authorities.

The legal representative must be a domestic legal person or a citizen of a country within the European Economic Area who is a permanent resident of Liechtenstein; a legal person acting as legal representative must in turn appoint a natural person as its legal representative.

I. SUPERVISION

Foundations are subject to *Government supervision* with the exception of:

- ecclesiastical foundations,
- pure and mixed family foundations,

- foundations where the beneficiaries are specifically designated or definable natural or legal persons, firms or their successors in title,
- foundations which only administer assets and distribute the income from such assets, or foundations, which only hold interests or like assets.

In the foundation deed, however, the above-named types of foundation may also be placed under Government supervision.

It is the supervisory authority's duty to ensure that the foundation fund is administered and applied pursuant to the objectives. Any person able to prove a legal interest may appeal to the supervisory authority concerning any act of administration or application of the foundations fund which is in conflict with the purpose of the foundation.

J. AMENDMENT OF THE FOUNDATION DEED OR STATUTES

At the time the foundation is established, the founder may expressly reserve the unconditional right to modify the foundation deed or the Statutes. This *founder's right* however may not be transferred or inherited.

The foundation deed may also reserve the right of effecting amendments (including the revision of the objects and organization) to a particular *foundation body*, above all the foundation council. Such reservation should enable the foundation body to undertake the necessary revision without involving the authorities when an amendment of the foundation deed and Statute is needed. The bodies must strictly observe the (hypothetical) wishes and intentions of the founder, and in addition to meeting any

requirements set by the Statutes, must act in compliance with legal limitations.

For example, on the basis of the relevant legal provisions, a change in the objectives of the foundation may be made by the foundation body only if the objectives have become unattainable, impermissible or unreasonable or for some equivalent reasons. This also applies in cases where the foundation deed or the Statutes do not provide for limitations of this kind.

On the other hand, in cases where the foundation deed or the Statutes do not provide for the authorization to make amendments or even exclude such possibility, the law permits amendments of the foundation deed or the Statutes, if certain requirements are met, for example, if the original objectives of the foundation have acquired a completely different meaning and, as a result, the foundation has obviously been alienated from the original intentions of the founder. The supervisory authority or the Lower Court (*Landgericht*), as the case may be, is entitled to make such amendment.

K. REVOCATION AND CONTESTATION OF THE FOUNDATION

As long as the foundation has not come into existence, the founder has the right of unilateral revocation. After coming into existence, the foundation is irrevocable unless the revocation has been specifically provided for in the foundation deed. This right of the founder cannot be transferred or inherited, and it can also not be delegated to the foundation council.

Revocation

On revocation the foundation becomes null and void, and the foundation fund reverts to the founder.

Contestation If there has been a *deficiency of intention (Willensmangel)* on part of the founder when forming the foundation, the validity of the foundation may be contested by the founder and his heirs pursuant to the applicable provisions of contract law.

Furthermore, the law provides that any of the founder's lawful heirs who have not received what is due to them (i.e., the full compulsory portion [*Pflichtteil*]) under the applicable forced heirship rules and any unsatisfied creditor may contest a foundation in the same way as a donation. Such a claim is not directed against the existence of the foundation, but its purpose is to release some part of the foundation fund which is required to provide what is due to those parties by law.

L. KEEPING BOOKS AND DRAWING UP BALANCE SHEETS

No Commercial Activity *Registered foundations* not engaged in commercial activities and whose Statutes do not permit them to do so, must draw up an annual statement which gives adequate information about their assets and liabilities.

Each year, within six months after the close of the business year, a *declaration* signed by the council member who fulfils the requirements of Article 180a PGR, must be submitted to the Land Register and Public Register Office. This declaration must confirm that a statement of assets and liabilities for the last business year is available and that no commercial activities took place in this period. In the event of default, the Land Register and Public Register Office must issue a reminder and, after at least another twelve months, institute *ex officio* dissolution and liquidation proceedings. The imposition of an administrative penalty is reserved. The Land Register and Public Register

ter Office can examine the *accuracy* of the submitted declaration at any time for two years after its submission unless the declaration has been confirmed as correct by a duly licensed certified public accountant or auditing company.

The foregoing does not apply to foundations exempt from entry onto the Public Register (*hinterlegte Stiftungen*). Nevertheless, the obligation *to* the foundation beneficiaries to provide annual financial statements remains unaffected.

Foundations engaged in commercial activities or whose Statutes permit such activities (i.e., commercially active foundations) are required to *observe proper accounting procedures*. They are obliged to keep an accurate inventory and to keep books which clearly indicate the economic situation of the business. Accounting books and records must be retained for ten years.

Commercial Activity

Moreover, commercially active foundations must provide a balance sheet when they are entered onto the Public Register, and thereafter *annual accounts* (balance sheet, profit-and-loss statement and, possibly, notes) reviewed by the auditor. Such accounts must comply with generally accepted accounting principles.

Additionally, foundations which are active within Liechtenstein must submit a tax declaration. Foundations in the form of a holding or domiciliary enterprise (see subsection «O. Domiciliary Enterprises and Holding Enterprises») which only carry on commercial activities abroad must submit annual accounts examined by the audit authority to the Tax Administration within six months after the close of a business year. If such audited annual accounts are not be submitted within the appointed

period, the *Tax Administration* will notify the defaulting foundation and, if default continues for more than further twelve months, inform the Land Register and Public Register Office, which will then order involuntary dissolution and liquidation. The imposition of an administrative penalty is reserved.

M. CONVERSION

If conversion is provided for in the Statutes, a foundation may, without being wound up, be converted into an establishment or trust enterprise by the foundation council. It is advisable to provide for this possibility in the foundation deed or Statutes, in case the founder's wishes and intentions can no longer be realized in the best possible way in the legal form of a foundation.

N. DISSOLUTION AND CANCELLATION OF THE FOUNDATION

Dissolution A foundation formed for an unlimited period of time may not be dissolved as long as the foundation's objectives are realized and its duties fulfilled. The founder determines whether a foundation is formed for an *unlimited* or a *limited period*.

A foundation may also be dissolved by the *agreement of all parties concerned*, i.e., the founder, the foundation council, the beneficiaries and the reversioners (*Anwartschaftsberechtigte*), if any. The consent of the founder and his universal successors may be replaced by that of the Land Register and Public Register Office if there is good cause.

Furthermore, a foundation will be dissolved if its specified or actual objects pursued are illegal or immoral or dam-

age the standing and reputation of the Principality of Liechtenstein.

It is advisable to specify in the foundation deed or Statutes which body is entitled to pass a resolution concerning the dissolution of a foundation. The *application of the foundation fund* in the event of dissolution must in any case be specified in the foundation deed or Statutes. In most cases, it is provided that the foundation fund shall pass to the beneficiaries after dissolution.

After dissolution the *liquidators* shall proceed to carry out the liquidation.

A foundation is cancelled by operation of law when the objects can no longer be achieved, when due to a lack of adequate funds the duties of the foundation cannot be realized, or when the period specified in the foundation deed has expired.

Cancellation

O. DOMICILIARY ENTERPRISES AND HOLDING ENTERPRISES

Legal entities whose purpose is exclusively or predominantly managing assets, holding equity capital or the continuously managing shares in other entities are qualified by law to be a holding enterprise (domiciliary enterprise and holding enterprise; *Sitz- und Holdingunternehmen*).

General

A foundation that is registered with or deposited with the Public Register is understood as a domiciliary enterprise if it is domiciled only in Liechtenstein and does not undertake business or commercial activities. Whether a certain activity in the home country is deemed a business or commercial activity, is sometimes difficult to decide. The mere maintaining of an office in Liechtenstein does not change

The Foundation as a Domiciliary Enterprise or Holding Enterprise

the status of a foundation as a domiciliary enterprise. Therefore, foundations can generally be considered domiciliary enterprises and holding enterprises.

CHARACTERISTICS IN COMPANY LAW

Name The name of a foundation can be entered onto the Public Register in German, in German and in a foreign language or only in a foreign language provided that Latin script is used. To the name the supplement «*Stiftung*» must be added, which may be replaced by the relevant expression in a foreign language (e.g. «foundation», «fondation» etc.). If a foundation has several names in different languages, all the names used in business transactions have to be registered. Moreover, the meanings of the different versions have to correspond to each other as far as possible. These provisions apply to both deposited and registered foundations.

Management As with other foundations, the deed of foundation or the statutes prescribe the bodies of the foundation as a domiciliary enterprise and holding enterprise and how such bodies are composed. For domiciliary enterprises and holding enterprises Art 180a PGR provides an important exception. At least one member of the foundation council empowered to manage and represent the foundation must be a citizen of and permanent resident of a country within the European Economic Area or an equivalent person on the basis of an international treaty. Furthermore, such person must have a professional license to practice as a fiduciary in Liechtenstein.

The same rights as for Liechtenstein fiduciaries are granted to citizens of and permanent residents of a country within the European Economic Area or equivalent persons on the basis of an international treaty. They must

have a certificate of qualification which is specifically detailed for that purpose in the Act on Fiduciaries (*Treuhändergesetz*) (for example a university degree in law or economics or a diploma in accounting). Moreover, they must have had fixed main employment with a Liechtenstein fiduciary for at least one year and whose tasks must have included administrative activities for legal entities. Persons who are neither EEA citizens nor granted equality of status must have an establishment permit (*Niederlassungsbewilligung*) in Liechtenstein.

The member of the foundation council fulfilling the requirements of Art 180a PGR has to be notified to the Land Register and Public Register Office (*Grundbuch- und Öffentlichkeitsregisteramt*), which will examine whether such member meets the respective requirements. Changes, if any, must also be registered. If necessary, the Office will issue a confirmation of the authorization. The Office maintains a *list* of authorized persons, which conveys information on all relevant facts about the respective authorization and is kept up-to-date. In addition to the member of the foundation council that meets the requirements of Art 180a PGR, the management of such a foundation may include an unlimited number of natural or legal persons, nationals or foreigners, irrespective of residence (*Wohnsitz*) or domicile (*Sitz*).

TAXES AND FEES

Foundations as holding enterprises and domiciliary enterprises are treated in a special way as far as taxes are concerned. Foundations are exempt from payment of property and gains tax as well as regular capital and profits tax and have to pay only *reduced capital tax* as defined under the section on «Special company taxes» (Art 83 and Art 84 of the 1961 Tax Act).

General

Reduced Capital Tax The annual capital tax for holding enterprises and domiciliary enterprises is 1‰ of the capital paid in or of invested assets and reserves, but at least CHF 1,000 annually. This tax is reduced to 0.75‰ in respect of assets which (together with the reserves) exceed CHF 2 million, and to 0.5‰ in respect of assets which (together with the reserves) exceed CHF 10 million. The minimum amount of CHF 1,000 is payable annually *in advance*.

Formation Stamp Duty or Revenue Stamp Duty When forming the foundation a Formation Stamp Duty or Revenue Stamp Duty has to be paid. The formation duty or revenue stamp duty is levied by the *Liechtenstein Tax Administration (Steuerverwaltung)*. The assessment basis is only the *capital* of the legal entity as indicated in the balance sheet and not other assets (for example reserves), if any. From a general exemption limit of CHF 250,000 upwards, the tax rate is 1% of the capital. The formation stamp duty or revenue stamp duty is reduced to 0.5% for capital amounts exceeding CHF 5 million, and to 0.3% for capital amounts exceeding CHF 10 million.

Provided that commercial activities are not undertaken, the duty will be *reduced* for ecclesiastical, charitable and family foundations, as well as for foundations and trust enterprises whose sole objects are to administer assets or to acquire, or permanently administer, shares or interests in other enterprises. The duty amounts to 2‰, the minimum duty is CHF 200. The general exemption limit of CHF 250,000 also applies in this case. The duty is payable by the foundation. The Land Register and Public Register Office will effect the entry onto the register, or accept documents for deposit, only after the publication authorization from the Liechtenstein Tax Administration has been presented as proof of payment of the duty.

A registration duty of CHF 700 is due for the entry onto the Public Register of a foundation.

Registration Duty

A duty of CHF 300 is levied on the depositing with the Land Register and Public Register Office of the formation deed of a foundation not requiring registration.

Deposition Duty

Further duties varying in amount are incurred for drawing up public documents, official confirmations, the authentication of signatures, extracts from the Public Register or publication authorizations from the Tax Administration etc.

Other Duties

Distributions to beneficiaries of a Foundation are not subject to Coupon Tax. However, the 4% Coupon Tax is levied on interest payments on loans under very special legal conditions and in extra-ordinary circumstances.

Coupon Tax

Coupon Tax must be paid by the foundation itself and payable when the interest payment becomes due.

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