

# Overview of the Liechtenstein Establishment / “Anstalt”

The private law establishment is very popular due to her flexibility. The establishment in Liechtenstein has no counterparts in other legal systems. The establishment may be structured like a foundation or a corporation. The law defines the establishment as a legally autonomous, organized, permanent undertaking dedicated to economic or other objects and entered in the Commercial Register, which has holdings of material and possibly personal resources.



## The main features of the establishment are summarised as follows:

- In general, there is free choice of the company name. However, the term “Anstalt” or “Establishment” or “Etablissement” has to be added to the company name.
- The minimum capital amounts to at least CHF/EUR/USD 30,000 if the establishment is organized similar to a foundation or CHF/EUR/USD 50,000 if the capital is divided into shares.
- The payment can either be in cash or with a contribution in kind.
- Usually, the founder instructs a trustee to form an establishment in a fiduciary capacity. The trustee can undertake the formation in his own name to preserve the anonymity of the client.
- The corporate bodies of an establishment are: holder of the founder’s right, board of directors, maybe audit authority, legal representative and beneficiaries.
- The supreme body is/are the holder of founder’s rights, if any, or the board of directors in case of an establishment without founder’s rights.
- The board of directors is the only mandatory body.
- The board of directors conducts and manages the company’s business. • If the establishment does not carry out economic activities, at least one member of the board of directors must hold a professional trustee’s licence.

- The audit authority is only required if the establishment conducts a business run on commercial lines or if the description of the purpose is included in the articles of association.
- The legal representative is authorized to receive all communications of the establishment.
- If neither the articles nor the regulations provide for beneficiaries, the law presumes that the holder of the founder's rights is the beneficiary.
- The establishment can be terminated if there is a ground for dissolution (according to articles of association, judgement, law).

### A brief overview of fiscal aspects of an establishment:

- Establishments are generally subject to unlimited corporate income tax at a flat rate of 12.5%. However, the Liechtenstein tax law provides for several exemptions: Amongst others, dividends and capital gains from the sale of shares are tax exempt, as well as income from real estate and permanent establishments which are located abroad. Additionally, a notional interest deduction of currently 4% on the company's equity (after adjustments for tax purposes) is granted. Therefore, the effective tax rate is for most establishments less than 12.5%.
- If a legal person does not carry out economic activities and serves the private asset management of an individual (or a family), it may apply for the status of a Private Asset Structure (PAS). If the Liechtenstein tax authority approves the application, the legal person is only liable to minimum tax, which currently amounts to CHF 1'800.

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