

6. LIECHTENSTEIN

6.1. Introduction

Foundations play a major role in the financial centre Liechtenstein. Foundations in Liechtenstein have also entered into the public consciousness again recently as a result of the tax evasion cases discovered in Germany at the beginning of 2008, as Liechtenstein foundations also played a key role in many of these cases. This survey is intended to provide an overview of the requirements under civil law and the tax treatment of foundations in Liechtenstein.

6.2. Civil Law Framework

The basis according to civil law for foundations in Liechtenstein is set out in the Persons and Companies Act (Personen- und Gesellschaftsrecht, PGR). A foundation within the meaning of the Persons and Companies Act is a special-purpose fund raised to the status of legal person and which has its own legal personality. The fund is then no longer the property of the donor, but rather becomes the capital of the foundation which is called a collective person (Verbandsperson) in Liechtenstein. Just as in Austria, in contrast to corporations or associations, the foundation has no owners or members. In creating the foundation, the endowment is dedicated to a special purpose. With respect to this purpose, a general distinction is made in Liechtenstein between church-related foundations, charitable and family foundations. Mixed forms are also possible; however this report only deals with the family foundation. The purpose of the foundation is the realization of the founder's will set out in the foundation deed and the foundation statutes. A family foundation is an entity in which the foundation assets permanently serve the purpose of covering the costs of raising, educating, outfitting or supporting one or more members of one or several specified families, or similar purposes. The foundation's beneficiaries are the persons who benefit from the realization of the foundation's purpose. The founder himself may also be a beneficiary.

The foundation deed (Stiftungsurkunde) must be drawn up as a written document and must bear the founder's signature certified by a notary. The foundation deed regulates the internal organization of the foundation. The following points must be provided for in the foundation deed:

- Name of the foundation
- Domicile the foundation
- Purpose or object of the foundation
- Amount of the foundation capital
- Members of the foundation's board of trustees