



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.



Olivier F. Künzler

Partner, Head of Legal Services
Grant Thornton AG
T +423 237 42 42
E olivier.kuenzler@li.gt.com



Rainer Marxer

Partner, Audit Industry, Services, Institutions
Grant Thornton AG
T +423 237 42 42
E rainer.marxer@li.gt.com

©2023 Grant Thornton Switzerland/Liechtenstein



All rights reserved. Grant Thornton Switzerland/Liechtenstein belongs to Grant Thornton International Ltd (referred to as "Grant Thornton International" below). "Grant Thornton" refers to the brand under which each individual Grant Thornton firm operates. Grant Thornton International (GTIL) and each member firm of GTIL is a separate legal entity. Services are provided by the individual companies separately from another, i.e. no individual company is liable for the services or activities provided by another individual company. This overview exclusively serves the purpose of providing initial information. It does not provide any advice or recommendation nor does it seek to be exhaustive. No liability whatsoever is assumed for the content.