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Factsheet concerning the branch office

1. General

The **branch office** is a commercial enterprise that, while legally part of a main company upon which it depends, permanently exercises a similar activity as the main company on its own premises. At the same time, it enjoys a degree of economic and business independence.¹

A legal entity may have one or more branch offices in addition to its (principal) registered domicile.²

A distinction is drawn between branch offices of a domestic enterprise, an enterprise with registered domicile in the EEA as well as an enterprise with registered domicile outside the EEA. Pursuant to this distinction, the registration criteria for branch offices vary accordingly (for further details, see *Guidelines on Registering a Branch Office*).

2. Registering a branch office

2.1 Registering the branch office

Independent branch offices must be **recorded in the Commercial Register** at the place where their business premises or management are located, with reference to the entry of the principal branch office.³

Only branch offices of commercial enterprises may be entered in the Commercial Register.⁴ This consequently means that branch offices of legal entities that do not engage in activities of a commercial nature may not be entered in the Commercial Register.

2.2 Persons to be registered

No separate management may be appointed for a branch office. The persons who are authorised to represent the principal registered domicile are also entitled to represent the branch office.

3. Company law provisions

The name of the branch office must contain, in addition to the unchanged name of the head office and its registered domicile, the express designation as a branch office and the registered domicile of the branch office.⁵

¹ <https://www.zweigniederlassung.ch/begriff>

² Art. 113 Para. 3 PGR

³ Art. 119 Para. 2 PGR in conjunction with Art. 103 Para. 1 HRV

⁴ Art. 103 Para. 2 HRV

4. Branch office of a domestic enterprise⁶

The domestic branch office of a domestic enterprise is entered in the Commercial Register together with the head office (for further details, see *Guidelines on the Registration of a Branch Office*).

5. Branch office of an enterprise with foreign headquarters (general)

5.1 Foundation, amendment and dissolution

The foundation, amendment and dissolution of the branch office of a non-domestic legal entity in Liechtenstein is governed by Liechtenstein law. The relationship between the branch office and the head office is, however, based on the law of the head office.⁷

5.2 Representation of the branch office

In the case of the domestic branch office of a non-domestic legal entity, the **persons who are authorised to represent the head office are entered in the Commercial Register**.

The authority to represent a branch office is, however, based on Liechtenstein law: At least one person with the authority to represent the branch office must be an EEA citizen domiciled in an EEA member state, or an equivalent person under a state treaty, and must be entered in the Commercial Register.⁸

In addition, a representative must be appointed or a domestic service address must be designated and entered in the Commercial register.⁹

5.3 Liability for liabilities of the branch office

Non-domestic legal entities that have a branch office in Liechtenstein may be held liable for all claims **at the place of the branch office**. A **special bankruptcy** (so-called branch office bankruptcy) may be conducted for the branch office.¹⁰

A branch office registered in the Commercial Register is deemed to have legal capacity and capacity to act for the obligations entered into or to be performed domestically, even if this is not the case under the law applicable to the head office.

5.4 Liquidation of the branch office

If a domestic branch office of a non-domestic legal entity is closed, liquidation shall be carried out in the same way as for a domestic legal entity, unless the Office of Justice grants exceptions.¹¹

⁵ Art. 1015 Para. 1 PGR

⁶ Art. 104 HRV

⁷ Art. 236 Para. 1 and 2 PGR

⁸ Art. 236 Para. 3 PGR

⁹ Art. 239 PGR

¹⁰ Art. 114 Para. 3 PGR

¹¹ Art. 130 Para. 1a PGR

6. Entry of a branch office of an enterprise with registered domicile in the EEA¹²

The Commercial Register entry of branch offices of enterprises that have their registered domicile in an EEA member state must cite the registered domicile. The application to register the branch office must contain the information required by law and must be accompanied by the supporting documents required by law (for further details, see *Guidelines on Entering a Branch Office in the Commercial Register*).

Changes made to the branch office must be reported by the head of the branch office, accompanied by the necessary supporting documents.¹³

7. Entry of a branch office of an enterprise with registered domicile outside the EEA

The Commercial Register entry of branch offices of enterprises that have their registered domicile outside the EEA must cite the registered domicile.¹⁴ The entry of the first branch office of such an enterprise must correspond in form and content to the entry of a domestic head office, unless foreign law requires this to be different.¹⁵

The application to register the branch office must contain the information required by law and must be accompanied by the supporting documents required by law.

Changes made to the branch office must be reported by the head of the branch office, accompanied by the necessary supporting documents.¹⁶

8. Deletion of branch offices

Notification of the deletion of a branch office is made in the same way as the notification of changes. Proof must also be provided that business operations have ceased. Branches of non-domestic legal entities must also provide evidence that the domestic creditors have been secured or satisfied.¹⁷

Branch offices of domestic head offices are deleted ex officio if the head office is deleted.¹⁸

Branch offices of non-domestic head offices are deleted ex officio if it is officially established that their business operations have ceased and the main business located abroad does not comply with the request of the Office of Justice to delete the branch office or has itself ceased.¹⁹

9. Rendering of accounts and disclosure obligations

Domestic branch offices of non-domestic enterprises are subject to the regulations concerning account rendering and disclosure obligations.²⁰

¹² Art. 291a PGR in conjunction with Art. 106 HRV

¹³ Art. 107 Para. 1 HRV

¹⁴ Art. 291b PGR

¹⁵ Art. 108 Para. 1 HRV

¹⁶ Art. 108 Para. 5 in conjunction with Art. 107 Para. 1 HRV

¹⁷ Art. 109 HRV

¹⁸ Art. 975 Para. 1 PGR

¹⁹ Art. 975 Para. 2 PGR

²⁰ Art. 1062a PGR

In the case of a domestic branch office of a corporation having its registered domicile abroad, its legal representatives must disclose its annual and consolidated financial statements and audit reports prepared, audited and reported in accordance with the law applicable to the main office, i.e. must submit them to the Office of Justice²¹ (for further details, see *Guidelines on Account Rendering, Account Keeping and Disclosure of Annual Financial Statements*).

10. Legal principles

- *Persons and Companies Act (Personen- und Gesellschaftsrecht – “PGR”) of 20 January 1926 (Personen- und Gesellschaftsrecht (PGR) vom 20. Januar 1926 (LGBI. 1926 No. 4))*
- *Commercial Register Ordinance (Handelsregisterverordnung – “HRV”) of 11 February 2003 (LGBI. 2003 No. 66)*
- *Persons and Companies Ordinance of 19 December 2000 (Verordnung vom 19. Dezember 2000 zum Personen- und Gesellschaftsrecht); (LGBI. 2000 No. 281)*
- *Ordinance of 11 February 2003 concerning Land Register and Commercial Register Fees (Verordnung vom 11. Februar 2003 über die Grundbuch- und Handelsregistergebühren) (LGBI. 2003 No. 67)*

²¹ Art. 1128 Para. 1 PGR