



Factsheet concerning the establishment (Art. 534 to Art. 551 Liechtenstein Persons and Companies Act (“PGR”))

1. Terminology and legal nature

The establishment (Anstalt or établissement) is a legally independent and organised company dedicated to a permanent economic or other purpose with its own legal personality. The establishment may pursue any commercial or non-commercial purpose, provided it is legally admissible.

It is mandatory for the establishment to be entered in the Commercial Register.

2. Setting up the establishment

An establishment may be founded by one or more natural persons or legal entities. Setting up the establishment requires written articles signed by all founders.

The establishment acquires legal personality once it has been entered in the Commercial Register.

3. Organisation of the establishment

The establishment may be organised in the manner of a foundation, i.e. without members and without capital divided into shares, or in a corporate manner.

In the case of an establishment with founder’s rights, the holder or holders of the founder’s rights constitute, as a rule, the **supreme body**. The articles can, however, also entrust the powers of the supreme body to the management, which is usually the case with establishments organised in the manner of a foundation.

In the case of an establishment without founder’s rights, the **management** constitutes the **supreme body**.

The **management** conducts the business and represents the establishment externally and may consist of one or more members. The holder or holders of the founder’s rights may also be members of the management themselves.

In the case of establishments that do not engage in activities of a commercial nature, a member of the management authorised to manage and represent the establishment must fulfil the requirements pursuant to Art. 180a Para. 1 or 2 of the Liechtenstein Persons and Companies Act (“PGR”). Excluded from this obligation are establishments that are either required by the

Liechtenstein Trade Act (“Gewerbegesetz”) or another special statutory provision to have a managing director or that are supervised by the government, a municipality or another public authority.¹

If an establishment engages in activities of a commercial nature or if its articles permit the conduct of such a business, an **audit authority** must be appointed, unless a review is waived (details see below under Fig. 10). Unless the articles stipulate otherwise, the audit authority is appointed by the supreme body.

In addition, a **representative** must also be appointed, insofar as no domestic service address is designated.² The representative is authorised to receive declarations, communications and notifications and to represent the legal entity in dealings with public authorities.

4. Articles of the establishment

The articles of the establishment must contain the information and provisions required by law (for further details, see *Guidelines for the New Registration of an Establishment – (“Wegleitung zur Neueintragung einer Anstalt”)*).³

The articles or by-laws must also contain more detailed provisions concerning any possible beneficiaries. In the absence of such a provision, there is a legal presumption that the holder of the founder's rights is himself a beneficiary.

5. Registered domicile of the establishment

Unless the articles stipulate otherwise, the registered domicile of the establishment shall be at the place where the establishment has the centre of its administrative activities. Provisions concerning registered domiciles within an international context remain reserved.⁴

6. Purpose of the establishment

The purpose of the establishment may be both an economic and a non-economic one and may take any form permitted by law (e.g. trade in goods, acquisition of participations, financing, real estate management, etc.).

The purpose of the establishment must clearly state, however, whether or not it is engaged in **activities of a commercial nature**.⁵ The investment and management of assets or the holding of participations or other rights does not constitute a commercial activity, unless the nature and size of the enterprise requires commercial operations and orderly accounts.⁶

7. Capital of the establishment (establishment funds)⁷

The minimum capital of the establishment is **CHF 30,000.00**. If the capital is registered in euros or US dollars, the minimum capital requirement is either EUR 30,000.00 or USD 30,000.00. If the establishment capital is divided into shares, it must amount to at least CHF 50,000.00, EUR

¹ Art. 180a Para. 3 PGR

² Art. 239 PGR

³ Art. 536 Para. 2 PGR

⁴ Art. 113 Para. 1 PGR, Art. 232 Para. 1 PGR

⁵ Art. 3 Persons and Companies Ordinance of 19 December 2000 (Verordnung vom 19. Dezember 2000 zum Personen- und Gesellschaftsrecht); (LGBl. 2000 No. 281)

⁶ Art. 107 Para. 3 PGR

⁷ Art. 122 PGR

50,000.00 or USD 50,000.00. The minimum capital must be **fully paid up or contributed** at the time of foundation.

The establishment may be founded by means of **cash or contributions in kind**. Contributions in kind must be valued within the context of an expert opinion. The capital must be at the free disposal of the establishment once this has been entered in the commercial register.

8. Liability and responsibility

Only the **establishment assets** are liable for the liabilities of the establishment.

Each founder is only obliged to render the performances assumed at the time of foundation.

Obligations to make additional contributions or a limited liability of the founder or third parties can be provided for in the articles, but this rarely occurs in practice.

The managing bodies of the establishment are liable in accordance with the general liability provisions.⁸

9. Accounting and bookkeeping obligations

Establishments that engage in activities of a commercial nature are obliged to keep **proper accounts**.

Establishments that do not engage in activities of a commercial nature must, taking into account the principles of **proper accounting**, keep records appropriate to the financial circumstances and retain documents from which the course of business and the development of the assets can be traced.⁹

Establishments that do not engage in activities of a commercial nature and whose purpose pursuant to their articles does not permit this either must submit a declaration pursuant to Art. 182b PGR to the Commercial Register within six months of the end of the financial year. This obligation shall not apply if other legal provisions require the annual accounts to be submitted annually to the Tax Administration.¹⁰

10. Audit and review obligations¹¹

Insofar as annual financial statements have to be prepared for establishments, they must be reviewed by an auditor or audit company.¹²

Establishments that engage in activities of a commercial nature and are classified as micro-companies may waive the audit review¹³ (for further details, see *Guidelines for the New Registration of an Establishment*).

⁸ Art. 218 et seq. PGR

⁹ Art. 1045 Para. 3 PGR

¹⁰ Art. 182b Para. 2 PGR; the declaration obligation pursuant to Art. 182b PGR was repealed on 1 August 2022. Similar declaration obligations must now be fulfilled to the Tax Administration instead (Art. 64 Para. 4 SteG). This will apply for the first time to financial years beginning as of 31 December 2022.

¹¹ Art. 1058 PGR

¹² Art. 1058 Para. 2 PGR

¹³ Art. 1058a PGR

11. Legal principles

- *Persons and Companies Act (Personen- und Gesellschaftsrecht – “PGR”) of 20 January 1926 (Liechtenstein Law Gazette (“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)*