



LEGALINK

INTERNATIONAL BUT PERSONAL

FIVE ADVANTAGES OF DOING BUSINESS IN...

FOR PRIVATE CLIENTS
AND CORPORATE ENTITIES



INDEX

AUSTRALIA.....	04	NEW ZEALAND	68
Piper Alderman		Lowndes	
AUSTRIA.....	05	PARAGUAY	70
Fiebinger Polak & Partners		Altra Legal	
Rechtsanwälte Gmbh			
BELGIUM.....	06	PERU	73
Iustica.be		Hernández & Cía. Abogados	
BRAZIL.....	08	PORTUGAL.....	74
Felsberg Advogados		Sérvulo & Associados	
CHILE	11	RUSSIA.....	77
Grasty Quintana Majlis		Intellect	
COLOMBIA	15	SLOVAKIA	85
Muñoz, Tamayo & Asociados		Paul Q Law	
CYPRUS.....	18	SOUTH AFRICA	86
Ioannides demetriou llc		Fluxmans Inc.	
CZECH REPUBLIC	26	SPAIN	88
Felix A Spol.attorneys At Law		Ventura Garcés & López-Ibor Abogados	
FRANCE.....	28	SWEDEN	89
Bersay Et Associés		Hellström	
GERMANY	31	SWITZERLAND	91
Jakoby Rechtsanwälte		Bratschi Ltd.	
INDIA.....	33	TURKEY	93
Dua Associates		Gun+Partners	
ISLE OF MAN	37	UK.....	95
Laurence Keenan Advocates & Solicitors		Weightmans	
ITALY	42	UKRAINE	97
Cocuzza E Associati Studio Legale		Asters	
LIECHTENSTEIN.....	45	URUGUAY	99
Gasser Partner Rechtsanwälte		Hughes & Hughes	
LUXEMBOURG	48	USA - TEXAS	101
Brucher Thieltgen & Partners,		Bell Nunnally	
Avocats À La Cour			
MALTA.....	62	USA – NEW YORK	104
DF Advocates		Carter Ledyard & Milburn Llp	
NETHERLANDS	64	VIETNAM	106
Ekelmans & Meijer Advocaten		Indochina Legal Law Firm Limited	

LIECHTENSTEIN

GASSER PARTNER RECHTSANWÄLTE

1. Tax Benefits

Liechtenstein is interesting as a business location not only for local residents but also for those who live abroad. Non-residents of all nationalities can set-up a company in the Principality. Liechtenstein has Double Taxation Treaties (DTT) and Tax Information Exchange Agreements (TIEA) with a range of countries, including Germany, Switzerland, Austria and the US. Foreign legal entities and special dedications to assets without legal personality are subject to income tax with their domestic income (limited tax liability). All legal entities that manage, exclusively, private assets in pursuit of their purpose and carry on no economic activity may be qualified as a private asset structure (PVS), which guarantees a favourable tax treatment. All legal person which has received the status of PVS is subject merely to the minimum income tax in the amount of CHF 1.200.-. The current VAT rate is 7,7%. Compared to value added tax rate levied by other countries, Liechtenstein has a favourable VAT rate. The transfer of assets to trusts or foundations or other asset-holding vehicles is not subject to tax in Liechtenstein.

2. European Economic Area (Eea)

Liechtenstein combines the best of both worlds. Liechtenstein has been a member of the European Economic Area (EEA), unlike Switzerland, for over 20 years and at the same time maintains close ties with Switzerland. This combination forms a model for success which benefits everyone and makes Liechtenstein economy more competitive than ever before. For some it is one of the main arguments in favour of relocating to or setting up a business in Liechtenstein. For others it forms the basis for a long-term commitment to the Principality as an economic hub. Whichever way you look at it, Liechtenstein's close relationship with both the European Economic Area (EEA) and Switzerland opens up unique opportunities for the countrys economy. Companies benefit from the advantages of the EU/EEA single market: goods, services, capital and the free movement of people. Due to its particular geographical situation, Liechtenstein is subject to special provisions regarding the freedom of citizens to travel to and live in the Principality. Its membership of the European Free Trade Association (EFTA) gives the country access to one of the words largest networks of free trade agreements.

3. Foundations & Trusts

Liechtenstein is basically the cradle of the private foundation law in Europe, foundations are recognized and are considered to be a big part of the everyday legal dealings in Liechtenstein. The

LIECHTENSTEIN | GASSER PARTNER RECHTSANWÄLTE

Liechtenstein foundation is by far the most popular vehicle for asset protection followed by trust. In addition, foundations are broadly used as holding vehicles or as instruments for the preservation of family enterprise. In contrast to a company, the foundation does not have any owners or shareholders but only beneficiaries or prospective beneficiaries to enjoy the foundation's income and / or assets. In contrast to most other jurisdictions, Liechtenstein Foundations are not limited to common-benefit purposes but may also have private-benefit purposes or mixed purposes. A variant often selected in this context is the family foundation. In contrast, private-benefit foundations are not obligated to be entered in the public register. They acquire their legal personality through formation. This may be one of the advantages of foundations over trust. Taxation of Liechtenstein foundations is also very favourable. Furthermore, Liechtenstein was the first European country that codified its own genuine trust law. The Liechtenstein trust is based on the common law model and is clearly inspired by the English Trustee Act of 1925.

4. At The Heart Of Europe

Liechtenstein, being a tiny country located in the heart of Europe, is ready to provide an excellent business environment for foreign investors. Enclosed between Switzerland and Austria, Liechtenstein benefits from both neighbouring countries. It is a highly developed location both for specialized industries and for sophisticated banking and financial services for international clients. Although well-known for its banking and financial sector, Liechtenstein is an innovative and export-oriented industrial location. Liechtenstein also boasts swift bureaucracy and solid financial policy without a national debt. Since the creation of the customs treaty with Switzerland in 1924, the two countries have formed a customs union and the Swiss franc has been the official currency of the Principality. Thanks to an economic, customs and currency union formed with Switzerland in 1923, Liechtenstein is today part of one of the world's most stable economic areas. With one business for every nine citizens, Liechtenstein probably has the highest proportion of companies per capita of any country in the world.

5. Legal System And Investment Vehicles

To maintain and increase its international competitive edge, Liechtenstein is continually adapting and developing its legal system. To name but a few examples, tax law, arbitration law, IP law and trust law have been updated within the last couple of years. With low tax rates and a simple taxation system drafted according to the latest European standards, the country seeks to remain attractive to international firms.

6. Liechtenstein As An Attractive Location For Private Clients

The principality of Liechtenstein is a very attractive venue for international clients for an asset protection or estate-planning instrument. The liberal tradition of the Liechtenstein law system allows international clients to arrange different asset protection and succession planning instruments according to their needs. In addition, Liechtenstein is an offshore jurisdiction, which makes it even more suitable for asset protection.

CONTACT

Thomas Nigg

Senior Partner

E-mail: thomas.nigg@gasserpartner.com

