

THE LIECHTENSTEIN ESTABLISHMENT

The establishment is a form of enterprise under private law which only exists in Liechtenstein. Due to its considerable flexibility concerning various organisational issues, it can be used to fulfil a wide variety of clients' needs.

DEFINITION AND LEGAL NATURE

An establishment is a separate legal entity the liability of which is limited by its assets. The establishment must be entered in the Commercial Register and may be used for both commercial (e.g. trading transactions) and non-commercial purposes (e.g. to hold participations or real estate property).

Establishments may be structured in a manner similar to either a corporation or a foundation, depending on whether there are founder's rights.

ORGANISATION

*The minimum capital for an establishment is CHF 30,000/
EUR 30,000/USD 30,000.*

If the establishment is organised in a manner similar to a corporation, the bearer of the founder's rights constitutes the highest governing body. Founder's rights are functional rights which are generally reflected in a deed of assignment. This deed is drawn up for evidentiary purposes only, it does not have the same effect as a security such as a share. A meeting of the bearers of the founder's rights is comparable to the annual general meeting of a limited liability company.

In establishments which are similar to a foundation, there are no founder's rights, only beneficiaries on behalf of whom the board of directors, as the supreme body, administers the assets. The type of beneficial interest and the conditions for any distributions from the establishment's assets to the beneficiaries may be determined individually.

Establishments pursuing commercial purposes are required to keep accounts which must be audited on a yearly basis.

MONITORING

The founder may reserve certain monitoring rights concerning the administration of the establishment, or else delegate these rights to a third party.

TERMINATION OF THE ESTABLISHMENT

Liquidation proceedings are necessary in order to terminate an establishment which may then be deleted from the Commercial Register. In most cases, the former members of the board of directors are appointed as liquidators.