

Liechtenstein

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1 Pre-entry Tax Planning

1.1 In Liechtenstein, what pre-entry estate and gift tax planning can be undertaken?

In Liechtenstein, no estate and gift taxes are levied. Hence, no pre-entry estate and gift tax planning needs to be undertaken.

1.2 In Liechtenstein, what pre-entry income tax planning can be undertaken?

Liechtenstein offers an appealing flat tax based on expenditure (*Aufwandbesteuerung* or *Pauschalbesteuerung*) for natural persons (Art. 30 ff *Steuergesetz*, SteG). This tax on expenditure is levied instead of wealth tax and personal income tax. Individuals considering this tax regime must meet the following requirements:

- foreign citizenship;
- taking up residence or habitual abode inland for the first time or after a period of 10 years of absence;
- no engagement in any gainful activity in Liechtenstein;
- living off the gain of global personal property; and
- application approved by the tax authority.

The taxable base is the overall expenditure for maintaining the individual's living standards. The following expenses are typically taken into account: housing; wages of employees; further education; and leisure activities, including ownership or special expenses for holiday residences, yachts and aeroplanes, respectively. The effective tax rate applied to the overall sum is 5%.

A further advantage of the tax on expenditure is that the tax can be fixed for several years in advance, therefore an individual does not have to meet any other reporting obligations except considerable alteration on the expenditures themselves.

We deem it absolutely noteworthy to point out the very restrictive regime in permitting foreigners taking up residence or habitual abode in Liechtenstein (*cf.* section 7).

1.3 In Liechtenstein, can pre-entry planning be undertaken for any other taxes?

Pre-entry planning cannot be undertaken for any other taxes.

Still, the tax regime of Liechtenstein provides a thoroughly prepared individual with some gadgets that could lower their tax burden. Depending on one's personal and professional occupations, the following instruments can be of good use if you are considering

moving to Liechtenstein or setting up specific legal vehicles in the Principality. These specific legal vehicles will secure your succession planning (*cf.* section 5) and are ideal for realising tax optimisation and asset protection (*cf.* sections 6 and 8). In order to foster an innovative and future-oriented entrepreneurial sector, Liechtenstein motivates research and development. 80% of all of the income stemming from intellectual property is tax deductible (Art. 55 SteG; Intellectual Property Box – IP-Box). With a privately owned asset structure (*Privatvermögensstruktur*), according to Art. 64 SteG any legal person can plan to just pay the flat tax of CHF 1,200.00 per year (*cf.* section 8).

If someone is planning their future in Liechtenstein, they are well-advised to keep these possibilities in mind to establish a suitable legal vehicle as a first step in realising any pre-entry planning.

2 Connection Factors

2.1 To what extent is domicile relevant in determining liability to taxation in Liechtenstein?

Liechtenstein does not recognise or apply the concept of “domicile” as the United Kingdom or other case law jurisdictions do. The notion of residence is decisive for establishing tax liabilities in Liechtenstein.

2.2 If domicile is relevant, how is it defined for taxation purposes?

Domicile is not relevant for tax purposes in Liechtenstein.

2.3 To what extent is residence relevant in determining liability to taxation in Liechtenstein?

Residence is the decisive factor for establishing tax liabilities in Liechtenstein. Any individual residing more than six consecutive months in Liechtenstein becomes liable to the tax authority. Unlimited tax liability is applied. This means that taxation in Liechtenstein encompasses worldwide income and assets (for exemptions *cf.* question 3.2).

2.4 If residence is relevant, how is it defined for taxation purposes?

The concept of residence is split into two legal definitions. The Liechtenstein Tax Act recognises a difference between the residence and the habitual abode. “Residence” is the location where a natural

person is situated with the will to stay there permanently (Art. 2 Abs. 1 lit. b SteG). The concept of habitual abode is slightly different. “Habitual abode” is legally defined as the location or region where a natural person deems to stay not just temporarily (Art. 2 Abs. 1 lit. c SteG).

2.5 To what extent is nationality relevant in determining liability to taxation in Liechtenstein?

Nationality is not a relevant criterion in determining liability to taxation in Liechtenstein. Residence and habitual abode are relevant for triggering tax liabilities in Liechtenstein (*cf.* questions 2.1, 2.2, 2.3 and 2.4).

2.6 If nationality is relevant, how is it defined for taxation purposes?

Nationality is not relevant for taxation purposes (*cf.* question 2.5).

To satisfy any interest in this matter note that Liechtenstein follows the legal principle of the *ius sanguinis* for granting citizenship. The *ius sanguinis* differs crucially from the concept of the *ius soli* which is applied, e.g. in certain jurisdictions of the Anglo-Saxon legal sphere. Generally, any child born to a mother or father holding Liechtenstein citizenship becomes by law a citizen of the Principality of Liechtenstein (§ 3 *Bürgerrechtsgesetz, BüG*; for further details *cf.* question 7.3).

3 General Taxation Regime

3.1 What gift or estate taxes apply that are relevant to persons becoming established in Liechtenstein?

In Liechtenstein no gift or estate taxes are levied.

3.2 How and to what extent are persons who become established in Liechtenstein liable to income tax?

Natural persons established in Liechtenstein have unlimited liability with their global income to income and wealth tax. Citizens of Liechtenstein have limited liability with their inland income and wealth if living abroad. According to Art. 7 SteG, liability takes effect at the time of taking up residence or general abode (unlimited liability) or disposing of property or attaining any acquisition (limited liability). Married couples and civil partnerships when living in *de facto* and *de iure* union are assessed jointly (Art. 8 SteG).

Tax-free income encompasses any income from foreign branches, single premiums and re-purchasable endowment insurance, capital gains and shares in profit as e.g. dividends. While assessing the effective tax duty, a variety of expenditures are tax deductible. Beside a deduction for donations we would like to highlight those for private assurances.

Wealth tax is integrated into income tax. According to Art. 10 SteG among others, foreign real estate and branches are not included in Liechtenstein wealth tax. Debts and duties are deductible (Art. 11 SteG). The total amount of wealth is subject to a tax rate of 4%. The sum from income and wealth is finally subsumed under the corresponding tariff (Art. 19 SteG).

Further, in Liechtenstein taxes are levied on two levels. To the first, national level, a second municipal level is added. The municipal tax burden depends on the elaborated tax duty on the national level. In

addition to this, 150%-250% is added on the municipal level. The council of the respective municipality fixes the surcharge annually (Art. 75 SteG).

With a marginal tax rate of 24.5%, which is hardly ever attained, Liechtenstein is a country worth living in if individuals want to pay low taxes.

Corporate moral persons, i.e. legal entities, must pay corporate income tax (Art. 44 SteG), however we explicitly highlight that no tax on capital is levied. Corporate moral persons have unlimited liability if their seat or location of effective management is inland (Art. 44 Abs. 1 SteG). If moral persons do have their seat or location of effective management abroad they have limited tax liability only on income generated in Liechtenstein (Art. 44 Abs. 2 SteG). Corporate income tax is measured by the net income that is calculated in accordance with international standards (Art. 47 SteG iVm Arts. 1045 *ff. Personen- und Gesellschaftsrecht, PGR*).

Entities that pursue ideal purposes or not-for-profit and general-purpose goals are free from any corporate tax (Art. 4 Abs. 2 iVm Art. 45 SteG). Incomes stemming from any foreign source, distributions from foundations and trusts, and quotas of profits from foreign corporations and investment funds, among others, are free from income tax (Art. 48 SteG).

In order to take up a leading role in terms of attracting companies, Liechtenstein grants the following advantages to corporate vehicles: the expected return on equity is tax deductible as operating expenses (Art. 54 SteG); an Intellectual-Property Box may be installed in order to deduct income from intellectual property (Art. 55 SteG); losses reduce the taxable net income (Art. 57 SteG); under the group taxation scheme losses can be offset against profits among a group of corporations (so-called group relief, Art. 58 SteG); and, as mentioned above (*cf.* question 1.3), privately owned asset structures, so-called *Privatvermögensstruktur (PVS)*, can follow a tax regime of paying CHF 1,200.00 annually on approved request. Any corporate vehicle not engaged in economic activity can qualify as a PVS (Art. 64 SteG).

In order to avoid any double taxation it is explicitly stipulated that Liechtenstein tax authorities pay respect to any respective agreement (Art. 63 iVm Art. 22 SteG, *cf.* section 9).

For the sake of completeness, it should be noted that Swiss stamp duty or the Liechtenstein duty on founding or duty on premiums are levied on issuing certain securities.

3.3 What other direct taxes (if any) apply to persons who become established in Liechtenstein?

In principle no other direct taxes apply to persons who become established in Liechtenstein. Depending on the activity, the following can trigger tax liability.

Any gain from selling real estate is taxable according to Art. 19 SteG (*cf.* question 4.3). The dedication of assets to a corporate vehicle triggers a dedication tax of 2.5% (Art. 31 SteG, *Widmungssteuer*). In addition, some rather rare cases trigger the fee on insurance premiums. It is only levied if the Swiss stamp duty is not applied. Most common types of insurances are exempt.

3.4 What indirect taxes (sales taxes/VAT and customs & excise duties) apply to persons becoming established in Liechtenstein?

Similar to many other jurisdictions, Liechtenstein levies value added tax (VAT). A peculiarity is that, based on the Customs Union Agreement of 29 March 1923, the territory of Liechtenstein is part

of the Swiss customs territory and thus Liechtenstein is obliged to implement Swiss VAT legislation (*cf.* Treaty between Switzerland and Liechtenstein, 28 October 1994; Agreement between Switzerland and Liechtenstein, 12 July 2012). Consulting the Swiss chapter on VAT matters may be of additional interest.

The tax rates are 8% as a general rate of taxation, 2.5% as a reduced rate of taxation and 3.8% as a special rate of taxation (Art. 25 *Mehrwertsteuergesetz, MWSStG*).

3.5 Are there any anti-avoidance taxation provisions that apply to the offshore arrangements of persons who have become established in Liechtenstein?

As mentioned above, persons who have become established in Liechtenstein have unlimited tax liability in Liechtenstein. Offshore arrangements of persons established in Liechtenstein are accepted. Liechtenstein does not have any provisions for controlled foreign companies (CFC) but deems any corporate vehicle controlled from, and managed in, Liechtenstein worthy of being taxed in Liechtenstein (*cf.* question 3.2).

Please note that any transfer of assets to legal entities triggers a dedication tax (*cf.* question 3.3). Receiving distributions could be subject to tax duties abroad or inland.

Misuse of the scope and possibilities the Liechtenstein jurisdiction provides is not tolerated (*cf.* question 3.6).

3.6 Is there any general anti-avoidance or anti-abuse rule to counteract tax advantages?

Misuse of the scope and possibilities the Liechtenstein jurisdiction provides is not tolerated. Any organisation *de iure* or *de facto* that is not set up appropriately to the economic circumstances and whose only purpose is achieving non-legitimate tax advantages is abusive. If misuse is proven, tax is levied according to the effective facts (Art. 3 SteG). This explicit realisation in the Tax Act of the general principle of good faith and trust applies to all actors in the Liechtenstein jurisdiction.

Sanctions are stipulated against violations of procedures and imperilment of contribution (Art. 135 SteG), tax dodging (Arts. 137 *ff.* SteG) and other offences (Arts. 140 *ff.* SteG).

4 Taxation Issues on Inward Investment

4.1 What liabilities are there to direct taxes on the remittance of assets or funds into Liechtenstein?

In Liechtenstein no such rules are in force. If assets or funds are transmitted into Liechtenstein, no direct taxes are triggered. Any resident with worldwide income and wealth is liable to the tax authorities, regardless of whether there has been a remittance into Liechtenstein.

For bankable assets the inland institute involved will demand its charges according to the contract. Further note that any bank is obliged to meet high compliance standards as crafted by national legislation.

4.2 What taxes are there on the importation of assets into Liechtenstein, including excise taxes?

Liechtenstein is part of the EFTA (European Free Trade Agreement) and the EEA (European Economic Area). Within a global

perspective, it is noteworthy that Liechtenstein is a member of the World Trade Organisation (WTO) as well as the General Agreement on Tariffs and Trade (GATT). Therefore customs duties are mostly negligible and trespassing of the borders is hustle free.

Any importation of goods and services for private use is subject to VAT (for further information concerning VAT *cf.* question 3.4). Certain goods, such as mineral oil, alcoholic beverages, meat, tobacco and automobiles, are subject to special custom and excise duties. They are exempt from customs under the so-called *de minimis* exemption of CHF 300.00.

4.3 Are there any particular tax issues in relation to the purchase of residential properties?

There are no particular tax issues in relation to the purchase of residential properties.

Please note that, due to the small size of the country, the purchase of residential property is very restrictively administered by the authorities. Fundamentally, buying any real estate is allowed only under the condition that the petitioner can prove a legitimate interest in buying (Art. 6 *Gundverkehrsgesetz, GVG*). If buying is approved, negligible charges are levied and some fees are paid in order to change the land register.

Liechtenstein submits any selling party to the so-called real estate capital gains tax (*Grundstücksgewinnsteuer*) according to Art. 35 SteG.

5 Succession Planning

5.1 What are the relevant private international law (conflict of law) rules on succession and wills, including tests of essential validity and formal validity in Liechtenstein?

The crucial stipulations in private international law or conflict of law rules can be found in Arts. 29 and 30 *Internationales Privatrecht (IPRG)*.

The nationality of the deceased defines the law applicable to the succession. As a general rule, any handling of heritages done by the Princely Court in Liechtenstein is done so with respect to Liechtenstein law. Still, a foreign testator and a domestic testator living abroad are entitled to choose their national law or the law of their last residence or general abode for their succession. This has to be done within the will or a contract of succession (Art. 29 IPRG).

Art. 30 IPRG sets the framework for the validity of any provision *mortis causa*. The testamentary capacity is given and the formal requirements are fulfilled when the legal requirements of one of the following jurisdictions are met: the national law of the testator; the law of the residence or general abode at the time of death of the testator; or the law of Liechtenstein, if the succession is being handled in Liechtenstein.

With regards valid wills, under Liechtenstein Law the Civil Code provides the testator with the following options. The testator can declare his last will privately (§§ 578 *ff.* *Allgemeines Bürgerliches Gesetzbuch, ABGB*) with a certain number of witnesses, or declare it at the court, where it is recorded, sealed and preserved (§§ 587 *ff.* *ABGB*). Married couples can install each other or a third party as heir (§ 583a *ABGB*). Another option is to conclude a contract of inheritance (§§ 602 *ff.* *ABGB*). Depending on the form a testator or contracting partners chooses, specific formal requirements must be met.

5.2 Are there particular rules that apply to real estate held in Liechtenstein or elsewhere?

In accordance with the general legal principle *lex rei situs*, any right *in rem* to domestic immovable property is governed by Liechtenstein law (Art. 32 IPRG). Of course, Liechtenstein authorities might not be competent in matters of real estate situated abroad. Still, any testator can choose a certain law applicable for its succession (Art. 29 Abs. 2 IPRG; *cf.* question 5.1).

6 Trusts and Foundations

6.1 Are trusts recognised in Liechtenstein?

Trusts are recognised in Liechtenstein. Liechtenstein is the only continental European jurisdiction that not only recognises trusts but also regulates trusts in its Company Act. The law regulates the trust as commonly known (Arts. 897-932 PGR) and further provides the market participant with the trust enterprise, i.e. a special form of trust with legal personality (Art. 932a §§ 1-170 PGR). Liechtenstein is a signatory to the Hague Convention on the Law Applicable to Trusts and on their Recognition.

The advantage of a Liechtenstein Trust is that there are no restrictions on its use or in its terms of purpose but the *ordre public*.

Trust settlements are very common in Liechtenstein. Stemming from the long tradition of trusts being set up in the jurisdiction we can consider ourselves specialists dealing with trusts.

6.2 If trusts are recognised in Liechtenstein, how are they taxed in Liechtenstein?

Taxation of trust settlements is very favourable. Tax levied on trusts amounts to CHF 1,200.00 – the minimum corporate income tax (Art. 65 iVm Art. 62 SteG). As they are not assessed annually the administrative burden is light.

Please note that a trust enterprise with legal personality is subject to tax on earnings (Art. 44 Abs. 1 lit. c SteG, *cf.* section 8).

6.3 If trusts are recognised, how are trusts affected by succession and forced heirship rules in Liechtenstein?

There is a tense relationship between the inheritance law and the trust law. Whereas the former aims to distribute the deceased's wealth among his heirs, the latter intends to keep the estate together and organises it in the long run to fulfil a special purpose as willed by the deceased.

There is no rule against perpetuities in force in Liechtenstein. Therefore trust settlements are not *per se* affected by succession.

Attention has got to be paid to forced heirship rules (§§ 762ff. ABGB). Close relatives, children and parents, as well as the spouse or civil partnership partner, are entitled to a statutory share of the estate of the deceased settlor. The statutory share of the estate can amount to half of the intestate portion. Any testator may avoid this compulsory portion by expressly disinheriting these persons for serious reasons.

Another strategy for avoiding forced heirship can be realised by concluding an irrevocable trust settlement. This strategy bares one risk. The dedication of assets to the trust is treated as a gift to it. Any transfer of assets realised more than two years prior to the death of the settlor cannot anymore be claimed by anybody entitled to a statutory share of the estate (§ 783 Abs. 3 ABGB).

A legal loophole to avoid even this two-year period opens when the settlor and the trustee organise the dedication formally within a donation contract governed by the law of a jurisdiction that does not know the term of two years for anybody to appeal against a donation *inter vivos* prior to the death of the settlor.

6.4 Are foundations recognised in Liechtenstein?

Foundations are recognised in Liechtenstein. They form an essential part of the business location in Liechtenstein and receive foremost appreciation. The new Foundations Act (Art. 552 §§ 1-41 PGR) has been in force since 1 April 2009. The Act has been remodelled and streamlined for modern use. Ever since, a Liechtenstein foundation is a trade mark for any global player looking for solutions encompassing asset protection, wealth organisation, family office and legal tax optimisation.

Without going in-depth, a Liechtenstein foundation offers widest scope for application of any jurisdiction offering foundations. The jurisdiction admits foundations for common, private and mixed purposes (Art. 552 § 2 PGR) but – and this is unique – you might use a Liechtenstein foundation for holding shares of, and hence running, businesses as well (the so-called *Unternehmensstiftung*).

6.5 If foundations are recognised, how are they taxed in Liechtenstein?

Foundations are legal persons and therefore subject to the corporate income tax (Art. 44 Abs. 1 SteG). They are subject to the minimum corporate income tax of CHF 1,200.00. It is fully allowable against income tax (Art. 62 SteG). The net income is subject to a rate of 12.5% (Art. 61 SteG).

Foundations that exclusively serve common purposes and do not endeavour any business activity are exempt from any tax duties (Art. 45 Abs. 1 lit. c SteG).

For further details in regards to corporate income tax *cf.* to section 8. Please note that any distribution to beneficiaries might trigger personal taxes raised with the beneficiary.

6.6 If foundations are recognised, how are foundations affected by succession and forced heirship rules in Liechtenstein?

Foundations are autonomous legal entities. Naturally, they do not perish but serve a purpose without any time limit. Therefore, they are not subject to succession.

Special attention has got to be paid to forced heirship rules in Liechtenstein (for further details please *cf.* to question 6.3).

7 Immigration Issues

7.1 What restrictions or qualifications does Liechtenstein impose for entry into the country?

No restrictions or qualifications whatsoever are applied on visiting persons staying for no longer than three months without the intention to work.

Granting of residence permits falls within the exclusive sphere of competence of the government. Permits for staying longer than three months for or without work within Liechtenstein are granted, due to the small size of the country, very selectively (*cf.* also to question 4.3).

Regulations for those in the European Economic Area (EEA) and Swiss Citizens are fixed in the Act on the Freedom of Movement of Persons (*Personenfreizügigkeitsgesetz, PFZG*), which implements the EU directive 2004/38. Third party citizens are regulated by the Act on Foreigners (*Ausländergesetz, AuG*).

With respect to the PFZG, please note that, apart from the legal stipulations, Liechtenstein grants permits on an annual base of a quota of 56 economically active persons and a quota of 16 economically non-active persons. Special annual quotas of 12 economically active persons and 5 economically non-active persons are applied for Swiss citizens (Art. 10 PFZG).

Relating to the AuG, please note that permits are granted under consideration of national interest only.

Awarded residence allows for family reunions (Arts. 40 *ff.* PFZG; Arts. 32 *ff.* AuG).

As our private clients mostly qualify for an allowance for residence for non-economic activity or are distinguished professionals needed by the industry, permits are usually obtained. Please note that for individuals with no economic activity the convenient tax on expenditure is levied (*cf.* question 1.2).

7.2 Does Liechtenstein have any investor and other special categories for entry?

Liechtenstein does not provide any special categories for entry.

7.3 What are the requirements in Liechtenstein in order to qualify for nationality?

The provisions in order to qualify for nationality are to be found in the Act on the Right to Citizenship (*BüG*). As mentioned above, Liechtenstein follows the *ius sanguinis* (*cf.* question 2.6). Any child of a mother or father with citizenship of the Principality becomes a Liechtensteiner.

Still, special procedures are provided by the BüG in order to qualify for nationality by admission. The simplified procedure is applied on marriage or civil partnership, long-term residence or statelessness. The ordinary procedure has got to be followed by any other foreigner. It is rather outdated and not very recommended.

7.4 Are there any taxation implications in obtaining nationality in Liechtenstein?

Obtaining nationality in Liechtenstein is not linked to tax matters (*cf.* question 7.3).

8 Taxation of Corporate Vehicles

8.1 What is the test for a corporation to be taxable in Liechtenstein?

Any corporate vehicle is subject to Liechtenstein taxation if its statutory seat or effective place of management is located inland. They have unlimited liability with their global income in Liechtenstein (Art. 44 Abs. 1 SteG).

The statutory seat is set up when registering a company in the commercial register. The effective place of management relates to the location from which a company is governed, i.e. management in general or essential business decisions and control of it.

8.2 How are branches of foreign corporations taxed in Liechtenstein?

Legal vehicles not being incorporated or effectively managed in Liechtenstein have limited liability to Liechtenstein tax authorities with their inland income (Art. 44 Abs. 2 SteG). Net income of an inland branch is legally defined as Liechtenstein taxable inland income (Art. 44 Abs. 3 lit. c SteG).

Branches are defined as any location where a business carries out economic activity on a permanent basis. The Tax Act explicitly names, among others, the effective place of management, a branch, a field office or manufacturing plant (Art. 2 Abs. 1 lit. a SteG).

Therefore any institution that can be subsumed to these definitions undergoes the tax regime of legal persons limited to their inland net income (for further details *cf.* question 3.2).

9 Tax Treaties

9.1 Has Liechtenstein entered into income tax and capital gains tax treaties and, if so, what is their impact?

Liechtenstein has turned itself into a trustworthy and forward-looking global player. It recognises the legitimate tax claims of partner states but at the same time it protects the legitimate interests of its financial centre's clients.

With the Liechtenstein Declaration dating 12 March 2009 the Principality committed to, and implemented, global standards of transparency and exchange of information as developed by the OECD. It has advanced its participation in international efforts in order to counteract non-compliance with foreign tax laws ever since. Liechtenstein addresses the global issue of tax fraud and tax evasion as well as double taxation very actively. With the Government Declaration of 4 November 2013 Liechtenstein reaffirmed its commitment to the applicable OECD standards of cooperation on tax matters. In regard to the Automatic Information in Tax Matters Liechtenstein belongs to the Early Adopters Group, professes transparency and fairness and will apply the new global OECD standard starting 2017.

Liechtenstein agreed a number of Double Taxation Agreements (DTA) and Tax Information Exchange Agreements (TIEA).

Liechtenstein concluded DTAs with the following states: the Czech Republic; Germany (TIEA as well); Georgia (initialled 8 May 2012); Guernsey; Hong Kong-China; Luxembourg; Malta; San Marino; Singapore; Switzerland; the United Kingdom (TIEA and Liechtenstein Disclosure Facility as well); and Uruguay.

Liechtenstein concluded TIEAs with the following states: Andorra; Antigua and Barbuda; Australia; Belgium; Canada; China; Denmark; Germany (DTA as well); Faroe Island; Finland; France; Greenland; Iceland; India; Ireland; Japan; Mexico; Monaco; Netherlands; Norway; South Africa; St. Kitts and Nevis; St. Vincent and Grenadines; Sweden; the United Kingdom (DTA and Liechtenstein Disclosure Facility as well); and the United States of America (plus Protocol to TIEA, FATCA Agreement and MoU as well).

The prominent advantage of any double taxation agreement is to avoid double taxation by allocating the object of taxation to one of the jurisdictions of the contracting partners. As shopping tools Liechtenstein engages in setting forth the best suitable to the profit of its financial centre's clients.

On 1 January 2011 the new user-friendly and streamlined Tax Act entered into force.

With its modern Tax Act and the unfolding number of agreements Liechtenstein stands firm as a leader among modern and state-of-the-art tax jurisdictions.

9.2 Do the income tax and capital gains tax treaties generally follow the OECD or another model?

Any treaty concluded follows the OECD model.

Note that the treaties with Liechtenstein's neighbouring countries, Austria and Switzerland, date way back and are set on bilateral terms following at least partly previous OECD models.



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Dr. Alexander Ospelt established the law firm Ospelt & Partners Attorneys at Law Ltd. in 1997. His main areas of activity are: European Law; Business and Commercial Law; Corporate Law; Arbitration; National and International Tax Law; Energy and Telecommunications Law; Health Law; Intellectual Property Law (Copyright, Trademark, Design and Patent Law); Sport, Entertainment and Art; Criminal Law; Bankruptcy Administration; and Out-of-court Settlements (Mediation).

From 1987 to 1993 he studied at the Faculty of Law at St. Gallen University, Switzerland, before he went on to take a degree in European Law at ULB in Brussels, Belgium, where he completed the Master of Laws programme (LL.M.).

In 1993, he worked as a staff member of Liechtenstein's Permanent Representation at the United Nations (UN) in New York. Dr. Alexander Ospelt passed the Liechtenstein Bar Examination in 1997 and gained the doctorate in law from St. Gallen University, Switzerland, in 1999.

He has been active in politics and various associations. Among others, he is currently President of the Foundation for crisis intervention Liechtenstein KIT, since 2008 he has been a member of the Board of the European advocates' association DACH, since 2012 Chairman of the Board of Liechtenstein Life Assurance Ltd. and a member of the Board of Directors of Liechtenstein Marketing as well as a member of the Scientific Advisory Board of the Private Universität Liechtenstein. Dr. Alexander Ospelt has also published several academic studies.

He speaks German, English, French and Italian.

9.3 Has Liechtenstein entered into estate and gift tax treaties and, if so, what is their impact?

As estate and gift taxes have been abolished in Liechtenstein, no special treaty has been entered regarding these two forms of tax.

9.4 Do the estate or gift tax treaties generally follow the OECD or another model?

There are no such treaties (*cf.* question 9.3).



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He started his career as a lawyer in 2009 and has worked several years in private-sector companies and administration.

Martin Gassner studied law and philosophy in Liechtenstein, Spain, Austria, France and Chile and completed his studies in Vienna, Innsbruck and Liechtenstein. After graduation and starting his career, he further qualified as Liechtenstein Fiduciary Specialist at the University of Liechtenstein.

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