



LIECHTENSTEIN

FINANCIAL CENTRE

Liechtenstein

One location,
**TWO
MARKETS.**



Finance
Liechtenstein



Liechtenstein provides **A SENSE OF PURPOSE...** with common-benefit foundations.

Liechtenstein generates **THE RIGHT STIMULI** to let ideas thrive.

Liechtenstein – the
ONE-STOP SHOP
for financial services.

STABILITY
in times of change.

Liechtenstein is ...
**THE PERFECT COMBINATION OF
TRADITION AND INNOVATION.**



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The innovative financial centre and its market participants

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SINCE 1861

Stability and security offer room for innovation

The only constant is change. This has also been true of the Liechtenstein financial centre in recent years. The Principality has taken up the challenge, building on its values to prepare for the future. At the same time, the country continues to stand for outstanding stability and security – not least thanks to the diversified basis provided by the financial centre. The first bank was founded in the Principality of Liechtenstein in 1861. Today the financial centre includes investment fund companies, asset managers and foundations in addition to banks, insurers and fiduciaries. The fact that Liechtenstein is not just a financial centre offers even greater stability. The country is also a broadly diversified industrial centre. The second sector contributes around 40% of Liechtenstein's gross domestic product. This makes Liechtenstein one of the most heavily industrialised countries in Europe.

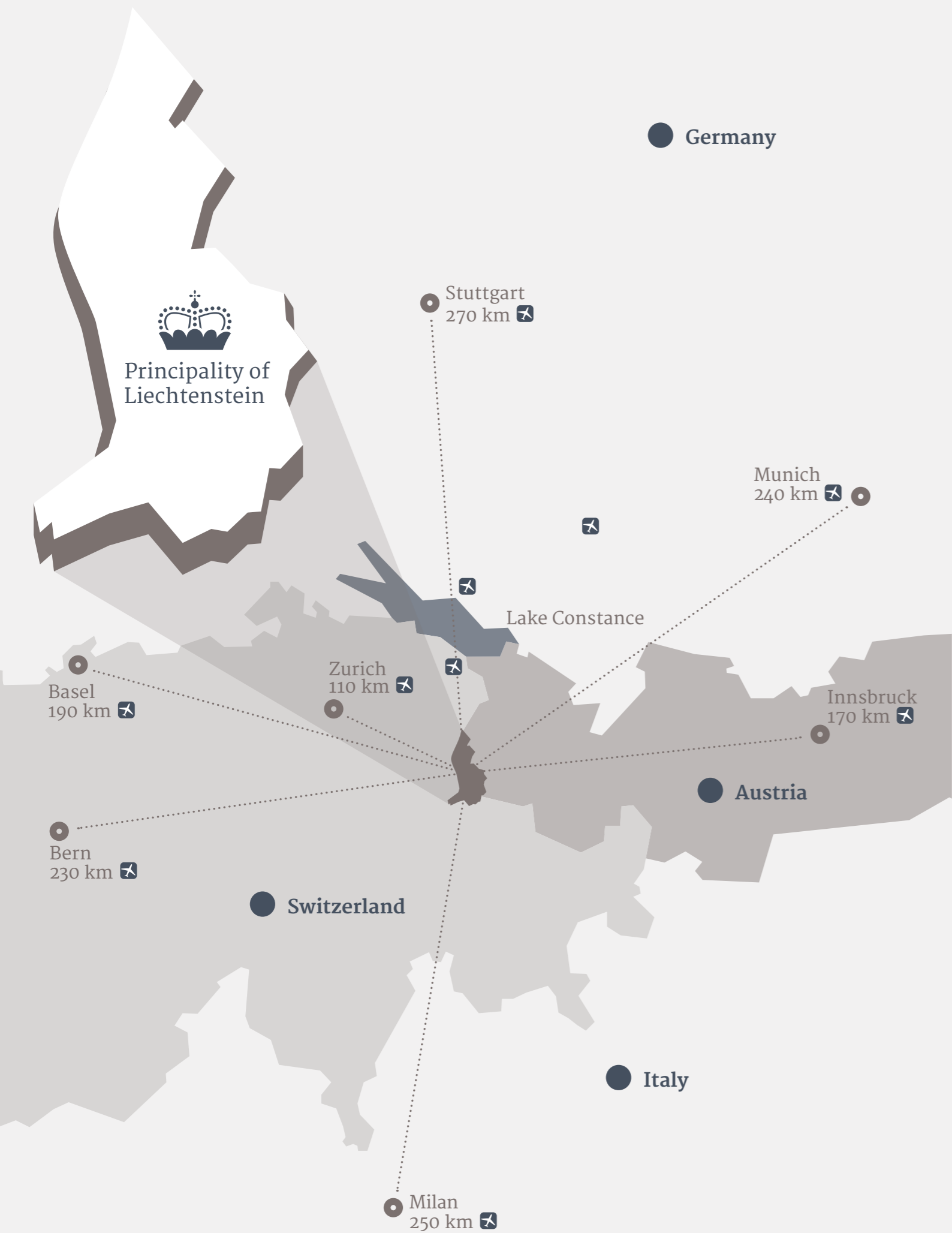
Particularly in terms of international, political and economic relations, the framework conditions in Liechtenstein create crucial added value. As part of the European Economic Area (EEA), Liechtenstein adopts all EU legal instruments or introduces these into national law. In addition, the country was one of the first to introduce the Automatic Exchange of Information (AEOI). At the same time, Liechtenstein is a very lean state. The Liechtenstein financial centre has for many years been characterised by efficient administrative channels, as well as a transparent and predictable legal and tax framework. Quick ac-



cess to the Government and Financial Market Authority means that new market opportunities can be realised within very competitive timeframes. Entrepreneurial energy flows directly into the actual business, without frictional losses. This means financial services remain one of the central pillars of the Liechtenstein economy.

The Principality of Liechtenstein will continue to safeguard legal security and continuity in the future, thereby creating framework conditions that support its traditionally liberal economic system, facilitate innovation and promote sustainability.


H.S.H. Hereditary Prince Alois
of Liechtenstein



About Liechtenstein

Form of government, population and history

AN OVERVIEW

Monarchy and democracy

Liechtenstein is a constitutional hereditary monarchy on a democratic and parliamentary basis. The country's name comes from one of the oldest aristocratic families in Europe, the House of Liechtenstein. The current

Head of State

Reigning Prince Hans-Adam II is the 15th Prince of the House of Liechtenstein. In 2004 he delegated government duties to his son, Hereditary Prince Alois.

State authority lies with the Prince and the people. The people elect the Liechtenstein Parliament, which is called Landtag. The 25 members of Parliament, together with the Reigning Prince, form the legislative power. In addition, the people can exercise direct democratic rights through initiatives and referendums.

The Government is Liechtenstein's supreme executive organ, consisting of five members. The Prime Minister since 2013 has been Adrian Hasler of the Fortschrittliche Bürgerpartei (Progressive Citizens Party), which forms a coalition government with the Vaterländische Union (Patriotic Union). Traditionally, the two parties together have a comfortable majority in Parliament.

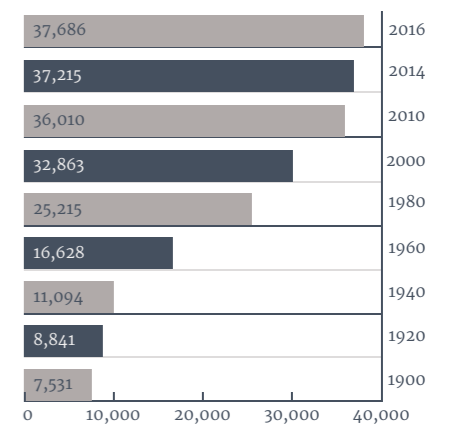
A small state that makes smart use of its sovereignty

The Principality of Liechtenstein is the fourth-smallest state in Europe, and with its 160 square kilometre geographic size ranks sixth in the list of the world's smallest states. To its west the River Rhine forms a natural boundary to neighbouring Switzerland, while to its east Liechtenstein borders Austria.

Liechtenstein's population has more than doubled since the early 1960s. Around 37,800 people currently reside in the Principality, spread amongst eleven municipalities between what is known as Oberland (Upper Country) and Unterland (Lower Country). The largest municipality, Schaan, has around 6,000 inhabitants. The capital is Vaduz with some 5,400 inhabitants. This is where the Government is based and where the Princely Family lives – in a castle that sits majestically over the town on a rocky terrace. One third of the country's inhabitants do not have a Liechtenstein passport. Most of these are Swiss, Austrian and German citizens.

Liechtenstein was closely linked to Austria-Hungary up until the end of the First World War.

Number of inhabitants



Source: Population Statistics, 30 June 2016

After this, the then impoverished Principality, which was a predominantly agrarian country, shifted its focus and entered into a customs treaty with Switzerland in

1923.

The Swiss franc was then introduced as the official currency. The sovereign use of its independent statehood, above all in the field of company law, in combination with close links to the economically successful and politically stable Switzerland, paved the way for Liechtenstein to experience an unparalleled economic upturn that transformed the Principality in the last century into one of the wealthiest and most highly industrialised countries in the world.

About Liechtenstein

Industry and financial centre

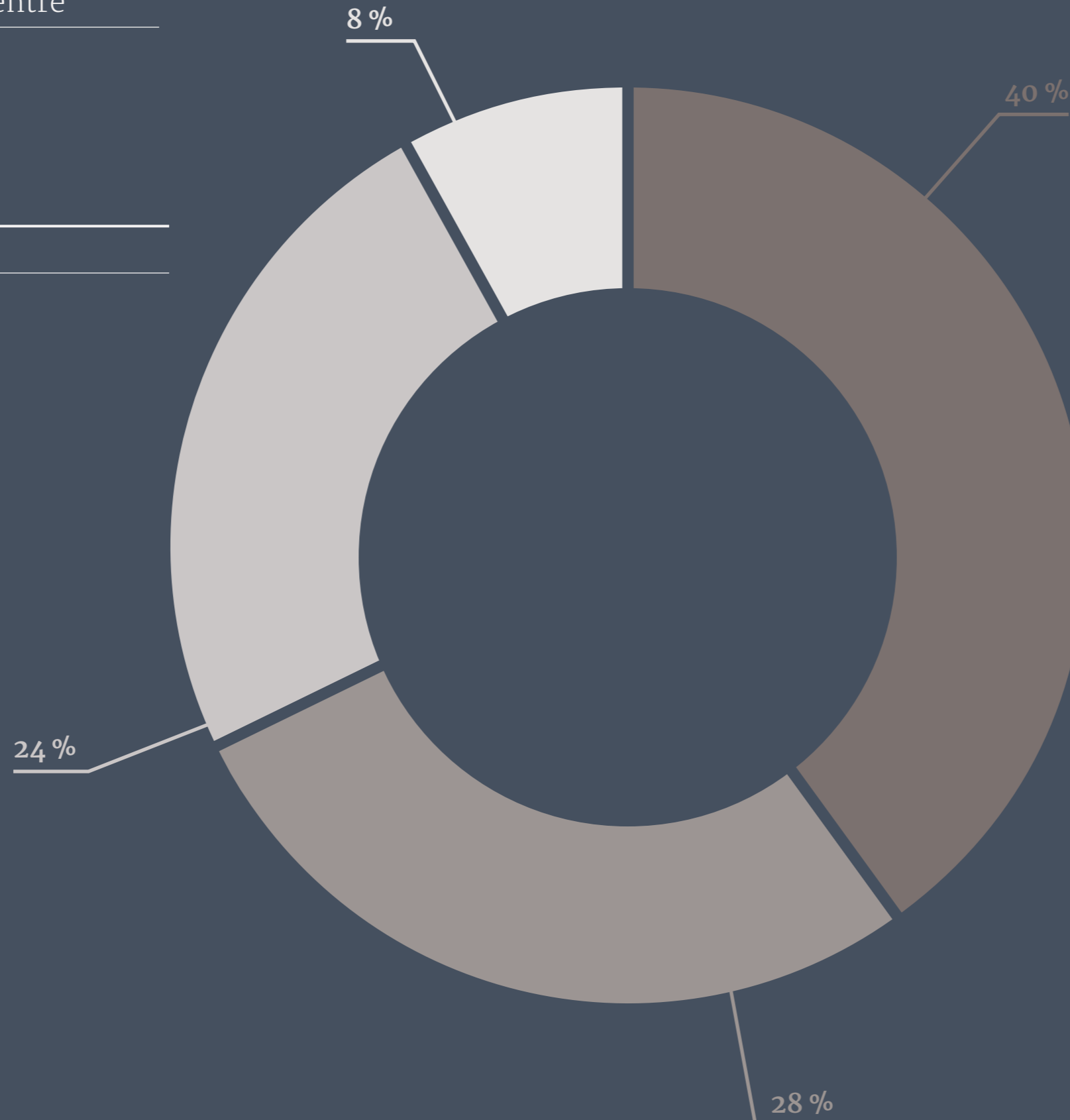
ECONOMY

An employment miracle

Liechtenstein offers the same number of jobs as the country has inhabitants. For this reason the economy is dependent on foreign workers. Almost 20,000 people commute every day – mainly from Switzerland and Austria, but also from Germany – to work in Liechtenstein.

Over the past 20 years, gross domestic product has doubled to the current figure of around CHF 5.3 billion. It is not just the internationally focused financial centre that is responsible for this. In fact, over 40% of people employed in Liechtenstein work in industry and commerce.

The approximately 4,480 companies that operate in Liechtenstein include famous names such as the construction technology group Hilti, the automotive supplier thyssenkrupp Presta and the industrial corporation Oerlikon Balzers. Almost all goods manufactured in Liechtenstein are intended for export. Each year, goods worth over CHF 3 billion are exported. Because of the customs union, this does not include exports to Switzerland.



Gross output according to economic sectors

40%

Industrial and manufacturing sector
Liechtenstein has 584 companies in this sector. Important subsectors are mechanical engineering, the manufacture of dental products and vehicle construction.

28%

General services
Public administration, trade, social services, education and teaching: This economic sector accounts for almost one third of gross output.

24%

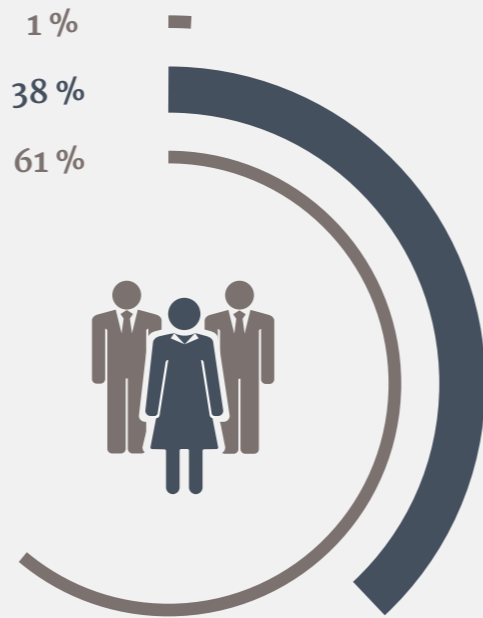
Financial services
Banks, insurers, fiduciary companies and auditors constitute an important pillar of Liechtenstein's economy.

8%

Agriculture and households
Agriculture as well as output resulting from the letting of properties by private individuals and the notional rental value of owner-occupied properties make a relatively minor contribution to total GDP.

Source: Liechtenstein in Figures 2017

- 1% 285 Farming
- 38% 14,096 Industry
- 61% 22,374 General financial and other services



In total, around

6,000

persons are employed in the financial sector. Of these, some 2,500 individuals are employed by the approx. 250 companies in the fiduciary sector.

Location benefits for financial service providers

- Free access to the European market
- Stable social, legal and economic system
- High degree of political continuity and stability
- Liberal economic policy and liberal company law
- Moderate corporate taxation
- Flexibility and short decision-making channels

Liechtenstein has the lowest ratio of state expenditure of all European countries. State expenditure amounts to

24.2%

of gross domestic product.



Standard & Poor's has repeatedly awarded the top "Triple-A with stable outlook" rating to the Principality of Liechtenstein.

About Liechtenstein The financial centre

BASIS FOR SUCCESS

International

After the industry and manufacturing sector, financial services represent the biggest economic sector and consequently a key pillar of the Liechtenstein economy. And because the significance of the financial sector is higher than in other states, the long-term focus of the financial centre is tremendously important for Liechtenstein. Extensive international networking forms the basis of this.

Liechtenstein has been a member of the European Economic Area (EEA) since 1995. For Liechtenstein-based companies, this ensures

free market access

to 31 states and around 500 million people in Europe. The free movement of goods, people, services and capital simplifies business relations with Europe. The customs and currency union with Switzerland also secures access to the neighbouring state.

Political and economic stability

The Principality of Liechtenstein is an outstanding location for financial service providers and their clients. They benefit from political continuity and economic stability. In addition, the debt-free Principality stands for a traditionally liberal economic system.

The lean public administration is characteristic for Liechtenstein. At 24.2%, public expenditure as a percentage of GDP is the lowest of all European countries. This is the result among other things of the efficient public administration, which produces results quickly and non-bureaucratically. Analysts at Standard & Poor's confirm the country's high attractiveness. They have for years awarded Liechtenstein a AAA rating and underscored the country's stable outlook.

The business-friendly company law, introduced some

100 years ago

offers wide-ranging opportunities and is to this day a role model for other financial centres. In addition to common legal forms such as stock corporations, Liechtenstein's company law also permits the establishment of structures such as foundations, protected cell companies, and – uniquely in continental Europe – trusts. The Liechtenstein Venture

Cooperative, created specifically to promote financial market innovations, brings together ideas, work and capital for that purpose.

The tax framework for companies is attractive. The flat corporate income tax rate for Liechtenstein companies is 12.5%. Payment of this flat tax settles all fiscal obligations, for Liechtenstein does not impose any capital tax or coupon tax. Similarly, no distribution surcharge or taxes on dividends, capital and liquidation earnings on shareholdings are imposed. At the international level, the introduction of the Automatic Exchange of Information (AEOI) as well as various double taxation agreements and tax information treaties, including with Germany, Switzerland, Austria and the USA, safeguard legal security and recognition.

Banks, insurers, fiduciaries, investment fund companies, asset managers and common-benefit foundations all value the Liechtenstein financial centre. The Principality of Liechtenstein is stable and sovereign, and its financial centre is transparent, secure and professional.

Innovation
New technologies

DIGITAL FINANCIAL CENTRE

Room for manoeuvre

The digital revolution and in particular new financial technologies are great innovation drivers for the international financial industry. The Liechtenstein financial centre is also positioning itself at the front in the competition for the best FinTech solutions.

Investors are supported by the Government and Liechtenstein's Financial Market Authority (FMA), which are promoting innovations in the FinTech field through various innovations. The FMA's

Regulatory Laboratory

serves as a port-of-call for start-ups and established financial service providers who have questions relating to the FinTech field. The FMA is guided by the principle that regulations must comply with European standards and must be used and configured so that innovative business models can be realised, while ensuring client protection.

Through its "Innovation Clubs", the Government also offers a public innovation process for improving economic framework conditions. Where necessary, amendments of the legislative and especially the regulatory framework can be reviewed and proposed for implementation.

Attractive framework conditions for FinTech

Technological, regulatory and social developments are changing the financial sector profoundly. In his address to the Finance Forum Liechtenstein 2017, Liechtenstein's Prime Minister Adrian Hasler emphasised the need to seize opportunities in this field at an early stage. "The pace of change is increasing inexorably. For this reason, strategic decisions need to be taken early, so that we can remain successful in the competitive environment, creating legal security and long-term stability from the outset." He stressed that Liechtenstein, thanks to its responsiveness and practical approach, offers advantages over other financial centres. "Within the context of my 'Impulse Liechtenstein' programme, I also supported the establishment of the Regulatory Laboratory at the FMA. It is only through efficient cooperation among innovative entrepreneurs, the supervisory authority and the Government that strategic locational advantages can be created that meet today's time-to-market needs."

The FinTech Liechtenstein association shares this view. "What makes Liechtenstein particularly interesting for FinTech companies is the fact that decision-making procedures and communication channels are so short and direct. If one considers the extensive regulatory hurdles associated with founding a company in the financial sector, then this alone could be the decisive factor when it comes to choosing where to base the company," says association co-founder David Meyer.

In addition, the Liechtenstein financial centre offers enormous know-how in the financial field. "Being able to draw upon this expertise, whether as a competitor or cooperation partner of established companies, also speaks for Liechtenstein." Factors such as the attractive corporate tax rate and the capital resources available in Liechtenstein are further reasons why this is a good place to do business.



24.7 billion

US dollars were invested in FinTech worldwide in 2016 according to KPMG.

600%

of Europeans who own a smartphone regularly used mobile banking apps in 2015 according to Ispos.

700 companies

were working on blockchain platforms according to a report published in 2016 by PricewaterhouseCoopers.

New technologies set the benchmark for financial centres.

Innovation New standard

TRANSFORMATION

Further development of business models with FinTech

The trends Big Data, Digital Banking and FinTech are set to change financial markets fundamentally in the coming years. Innovation drivers are not merely the new technological opportunities, but above all the clients who increasingly want to conduct their financial transactions not at cashier desks, but instead at home or while on the go. In the meantime, many people have come to take online banking on the computer and mobile banking on the smartphone for granted. Innovative offers such as opening accounts by means of video identification, chat advice, digital credit brokering and client contact support using social media are increasingly boosting acceptance of the digital approach.

It is not just existing financial centre operators who need to make the most of the opportunities offered by the digital transformation. Innovations also need to be driven forward by FinTech start-ups. "Developments are being advanced by both sides," says David Meyer of the FinTech Liechtenstein association.

"On account of the new business concepts and their

flexibility

FinTech start-ups are predestined to promote innovation and consequently the development of this sector in general. At the same time, existing players will certainly not be content to watch these developments from the sidelines."

It is particularly important for existing financial centre players to understand that in the digital age, it is no longer enough to see digitalisation as "nice to have". In addition, according to Meyer, the boundaries between existing financial centre operators and FinTechs are set to become increasingly blurred. "Cooperation will increasingly arise between them, leading to a shared learning process. And this process is crucial for the ecosystem - the financial centre."



Sustainability Taking care

FUTURE

Acting responsibly

Liechtenstein is one of the most sustainable and innovative countries in the world. In 2016 Liechtenstein was ranked 13th out of 180 countries in the Global Sustainable Competitiveness Index. The Liechtenstein financial centre has traditionally placed particular importance on the need to accept responsibility and to show commitment in the field of sustainability, and has nurtured this through various activities and initiatives as well as special niche products.



At a cross-national level, financial market operators, political decision-makers and academics agree that institutional investors are set to remain the driving force behind further growth in the sustainable investment market. For this reason there has been an increasing focus on the impact of environmental, social and governance (ESG) criteria on the risk and earnings profile of a company and consequently on the investment portfolio of an investor. It was within this context that in 2016 an ESG equity fund analysis was drawn up in Liechtenstein for the first time.

The results are impressive:

Around 60% of the equity funds included in the ESG fund rating have a rating of "A" or above.

The breadth of measured parameters ranges from a score of 75.4 (ESG fund rating scale "AA") to a score of 43.8 (ESG fund rating scale "BBB").

The Liechtenstein FinTech portal yourSRI.com gives investors access to comprehensive information. yourSRI is designed as a "one-stop solution" that encompasses financial and non-financial information and includes a broad range of search, comparison, evaluation and screening functions. This facilitates an in-depth comparison of investments - from a financial perspective as well as in terms of sustainability.

Sustainability is tangible in Liechtenstein.

Sustainability Commitment

LONG TERM

Preserving values

The Liechtenstein financial centre promotes the development of cutting-edge products and structures that meet the sense of responsibility shown by clients towards society and the environment. In the case of Liechtenstein banks, the topic of sustainability has become an integral part of their corporate culture. This is demonstrated not just by the wide-ranging commitment exercised by banks through their in-house common-benefit foundations, the membership or involvement of all three big banks in the Swiss and Liechtenstein Climate Foundations, a wide range of energy efficiency measures including climate neutrality, or the high corporate governance standards. It is also firmly anchored in the core business of the banks. For example, the Liechtensteinische Landesbank has been offering an ecological and renovation mortgage since 2004, a model based on sustainable principles. Its reporting on sustainability topics also applies the standards of the globally recognised Global Reporting Initiative (GRI). LGT is one of the pioneers and promotes sustainability in many ways, for example through LGT Venture Philanthropy or with Impact and Sustainable Investing. In addition, it is a signatory to the UN Principles for Responsible Investment (UN PRI), a founding member of Swiss Sustainable Finance (SSF) as well as a member of the Forum for Sustainable Investment and of Eurosif, the European umbrella association for sustainable and responsible investment. VP Bank is also a member of SSF and of the UN Global Compact.

Sustainability is, moreover, a key topic for the insurance industry. "Insurance is a sector that is being heavily impacted by increasing environmental risks. It is therefore in the interest of the insurance sector to minimise those risks – specifically, to protect the environment over the long term and to encourage economic and social transformation in the direction of ecological sustainability," says Caroline Voigt, President of the Liechtenstein Insurance Association.

Investment fund companies in Liechtenstein are also working hard to address environmental, social and governance (ESG) criteria. David Gamper, Managing Director of the Liechtenstein Investment Fund Association, explains: "The results of the equity funds included in the ESG fund rating demonstrate that sustainability is thriving in Liechtenstein, not least in the investment fund sector. They are a

reflection

of the attitude of Liechtenstein, its Government, its inhabitants and its businesses."

Positively shaping the future with sustainable projects: this is what the market participants of the Liechtenstein financial centre stand for.

Positively shaping the future with sustainable projects: this is what the market participants of the Liechtenstein financial centre stand for.

Supervision and regulation

Client protection

POWERFUL NETWORK

Internationally recognised financial market regulation

Liechtenstein applies the internationally recognised standards for supervision and for combating money laundering and terrorist financing, and it is represented in the relevant international organisations and bodies. Because Liechtenstein is a

member of the European Economic Area (EEA)

financial market stakeholders in the Principality are subject to the same legal framework as in EU countries. With its prompt and market-compliant implementation of EU directives, the country promotes the competitiveness and attractiveness of the financial centre.

The Liechtenstein Financial Market Authority (FMA) is responsible for implementing the supervisory standards for financial market operators. The FMA is internationally recognised and represented in all European supervisory authorities and important global organisations that address questions of financial market supervision and regulation. Responsibility for issuing licences and permits for financial service providers also lies with the FMA.

With its Financial Intelligence Unit (FIU), Liechtenstein has a central authority for combating money laundering and terrorist financing. For this purpose, the FIU procures and analyses information in order to identify predicate offences of money laundering, organised crime and terrorist financing. In addition, the FIU performs various enforcement responsibilities such as receiving reports pursuant to agreed international sanctions. The FIU has been a member of the Egmont Group for over 15 years, heads Liechtenstein's delegation at the Council of Europe's committee on money laundering (Moneyval), and in this function also takes part in the activities of the Financial Action Task Force (FATF).

Liechtenstein has also established the Foundation Supervisory Authority (STIFA). STIFA is a division of the Office of Justice, and has overseen common-benefit foundations since 1 April 2009. STIFA ensures that foundation assets are managed and used in accordance with the respective foundation purpose. Private benefit foundations may voluntarily subject themselves to its supervision.

Tax compliance

Liechtenstein supports the applicable international standards on transparency and tax cooperation, and it pursues a clear strategy of tax compliance. The country plays an active part in the relevant OECD and Global Forum bodies, and it is a recognised partner within the international community.

Implementation of the standards pertaining to the exchange of tax information in Liechtenstein was positively received by the Global Forum. Liechtenstein has also adopted and put into practice the OECD measures concerning the undesired shifting of corporate profits (BEPS). Liechtenstein is continuously and actively expanding its network of bilateral double taxation agreements.



Banks under the supervision of the Financial Market Authority.

15

Countries with which Liechtenstein has concluded bilateral tax treaties. These include Germany, Austria and the United Kingdom.

56

Common-benefit foundations under the supervision of STIFA.

1,323

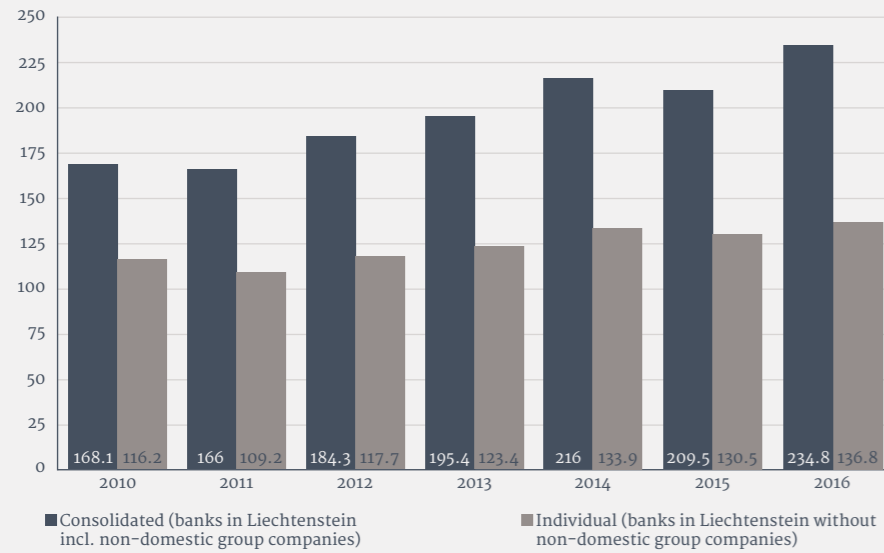
Insurance companies under the supervision of the Financial Market Authority.

39

European and international bodies in which Liechtenstein's International Office for International Financial Affairs (SIFA) is active.

10

Client assets under management (in CHF billion)



At the end of 2016 the 15 licensed banks had cumulative assets in excess of

230 billion

Swiss francs under management, 136 billion of which in Liechtenstein.

(Source: FMA)

Liechtenstein banks generate added value in Liechtenstein and abroad. In 2016 Liechtenstein banks employed

2,313

persons in Liechtenstein. In the same year they employed 2,307 persons abroad.

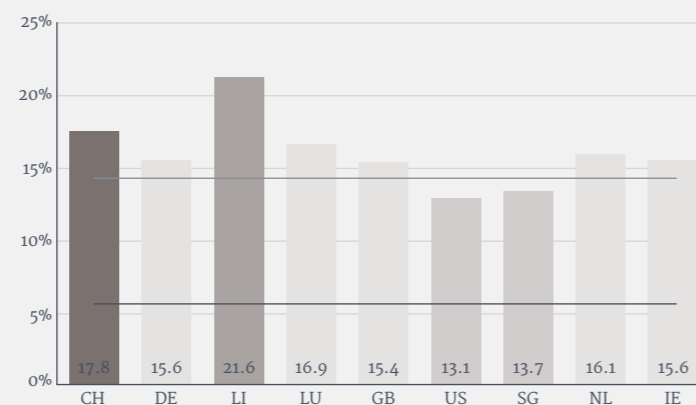
Banks in Liechtenstein have long-standing expertise in the private banking field. The first bank was founded back in the year

1861

Tier 1 ratio in EU-28 and peer country comparison

21.6 %

is the average Tier 1 capital ratio of Liechtenstein banks - this means they are amongst the best capitalised banks in Europe and worldwide.



Tier 1 ratio sources: ■ SNB ■ FMA ■ IMF ■ EBA
■ EU28 ■ Basel III criterion

(Source: LBA)

Market participants Banks

STABILITY

Internationally operating banking centre

The internationally focused banking sector plays a key role in the Liechtenstein financial centre, and is economically extremely important. The total balance sheet of all 15 banks corresponds to twelve times the country's gross domestic product (GDP). The banks have traditionally concentrated on private banking and wealth management, and have avoided the more risky field of investment banking. They offer holistic solutions, bespoke products and outstanding services.

The 15 banks based in Liechtenstein had cumulative assets of over CHF 230 billion at the end of 2016. They have a total of 4,620 employees in Liechtenstein and abroad. The biggest bank is LGT, the bank of the Princely Family. LGT has offices at over 20 locations and is the world's largest private banking and asset management group in family ownership. Liechtensteinische Landesbank, which is listed on the SIX Swiss Exchange, follows in second place. The principal shareholder is the state of Liechtenstein. It was the first bank to be founded in the country in 1861. The third-largest bank is VP Bank, which was founded in 1956. VP Bank is likewise listed on the stock market and has offices in seven countries.

The Liechtenstein banking centre is characterised by stability, legal security and dependability. The banks stand for reliability and quality as well as financial strength.

With a core capital ratio averaging over 21 percent, they are amongst the best-capitalised banks in the world. In addition, not a single bank required state aid during the 2008 international financial crisis. This offers assurance of financial centre stability and security for bank clients.

Liechtenstein banks fully support the Government's measures in the field of international cooperation in tax matters, and rigorously pursue a zero tolerance policy towards abuses. They also promote the development of cutting-edge products and business models that take into account the sense of responsibility shown by clients towards society and the environment.

The Liechtenstein Bankers Association (LBA), to which all banks are affiliated, has represented Liechtenstein banks since 1969. The LBA is a member of key bodies at the European level and plays an active role in the European legislative process. With the Roadmap 2020 strategy paper, the banking centre set itself the objective of further strengthening its position as a professional, stable and sustainable partner for the long term.

**New,
flexible
solutions
thanks to
EEA and
business-
friendly
legislation.**

Market participants
Insurers

SECURITY

One site – twin market access

Liechtenstein is a diversified insurance centre. Insurers make use of the locational advantages with a broad range of competitive and Europe-compliant products. 39 insurance companies are active in Liechtenstein. Most work in life insurance, but some offer property insurance and re-insurance. Life insurers have a strong retail business, and in addition to innovative risk insurance, also offer fund-linked and unit-linked pension solutions as well as investment products for high net-worth private clients. The activities of property insurers cover all insurance segments and likewise engage in extensive retail business. They moreover specialise in international industrial insurance and supplementary health insurance, which can also be marketed in Liechtenstein under the life licence.

At the end of 2016 the balance sheet total of the insurance companies in Liechtenstein amounted to CHF 26.7 billion. They recorded gross premiums in the amount of CHF 3.2 billion and invested capital totalling CHF 25.1 billion. Insurers employed a total of about 650 persons at their Liechtenstein offices.

In addition to direct market access to the EU region, insurers in Liechtenstein also profit from the direct insurance treaty with Switzerland. They are able to distribute insurance solutions from Liechtenstein and can bring these into line with the laws of

the respective target markets. The ideal conditions offered by Liechtenstein as a place to do business help the development of innovative products and new marketing strategies. Captives, in-house corporate insurers, also benefit from this locational advantage. Liechtenstein-based captives can insure the subsidiaries and branch offices of their parent companies not just in Switzerland, but also throughout the EEA. These Europe-compliant, innovative and flexible insurance solutions, which are tailored to the legal and tax framework of the target markets, have contributed significantly to the success and growth of the insurance market in Liechtenstein.

As an umbrella organisation, the Liechtenstein Insurance Association (LVV), which was founded in 1999, represents the interests of member companies at the national and international level. The objective of the association, which has 33 members, is to develop and expand the Liechtenstein insurance centre. In addition, the LVV represents the political and business interests of the insurance industry at the national and international level.

25 billion

CHF of capital investments by insurers in the year 2016.

3.2 billion

CHF of recorded gross premiums in the year 2016.



Trust is based on long-standing tradition and extensive specialist expertise.

Market participants

Fiduciaries

INTEGRITY

Asset protection

Liechtenstein company law offers attractive opportunities to secure and structure assets. In particular the business-friendly and proven foundation and trust law, in combination with the stable economic and political framework, has always established an ideal environment for setting up sustainable and attractive succession solutions. This enables assets to be secured and protected across generations, while minimising potential hazards such as geopolitical risks or liability issues.

The Liechtenstein fiduciary sector looks back at decades of experience in wealth services of the highest standard. It has extensive networks and offers its services to clients around the world. The Liechtenstein Institute of Professional Trustees and Fiduciaries has 400 members, 250 of which are organised as companies with approximately 2,500 employees. These Liechtenstein fiduciaries support around 35,000 companies such as foundations, establishments, trusts, stock corporations and other legal forms.

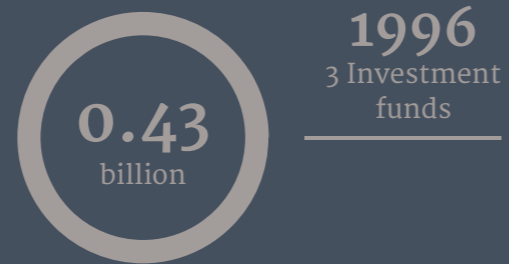
Particularly in times of global financial crises and government debt, Liechtenstein has proven to be a stable, reliable and efficient operator on the international market. Liechtenstein has for many years adhered to international standards in the fields of due diligence, financial market supervision and in the fight against money laundering and terrorist financing. The financial centre has repeatedly demonstrated that its operators are able to adjust and innovate. This underscores Liechtenstein's potential to position itself even more strongly as a secure centre for wealth. The development of the financial centre into a comprehensive wealth centre is particularly attractive for asset structuring, family offices, private banking, life insurance solutions, specialised investment funds, philanthropy and common-benefit foundations, as well as for the storage of highly sensitive data or physical assets such as precious metals, art and important documents.

All fiduciaries and trust companies licensed in Liechtenstein are affiliated to the Liechtenstein Institute of Professional Trustees and Fiduciaries (THK). The THK is responsible for safeguarding the honour, reputation and rights of fiduciaries as well as overseeing the duties of fiduciaries towards their clients. A key aspect of its remit is supporting the basic and further training of its members.

Securing assets over generations and protecting them from potential risks.

from potential risks. protecting them generations and securing assets over

Fund assets in CHF



A large proportion of the funds domiciled in Liechtenstein are private label funds.

Market participants Investment fund companies

EU-COMPLIANT

Expertise and service

Committed and dynamic is the best description of the Liechtenstein fund centre. The first investment fund was established in 1996. Since then the fund centre has experienced continuous growth. Clients benefit from the flexibility of an innovative fund centre with EU-compliant investment fund structures. EU passporting ensures simple and non-discriminatory access to the European market. A large proportion of the funds domiciled in Liechtenstein are private label funds. These investment funds are individually configured to meet the needs of the promotor. Fund promoters are mainly independent asset managers, managers of alternative investment funds (AIFMs), family offices or high net worth individuals. They determine the names, the investment and marketing structure as well as the fee structure.

16 investment fund management companies were operating in Liechtenstein at the end of 2016. They oversaw net assets of CHF 47.36 billion. There are a total of 490 investment funds in Liechtenstein. If sub-funds are included, then 695 single or sub-funds are licensed.

A streamlined administrative network means that funds can be launched quickly and efficiently. There are statutory limits on the time that the Financial Market Authority is allowed to take to license new funds. Depending on the particular fund type, it amounts to 10 or 20 working days.

Compared internationally, the cost of setup, overhead and supervision fees are very competitive. The minimum fees that are generally imposed in Liechtenstein are often significantly lower than in other countries. Once they have been launched, Liechtenstein investment funds are fully liable for tax. Earnings are tax-exempt, however, and are therefore effectively not taxed. In addition, Liechtenstein does not impose withholding tax on distributions.

In order to protect fund investors, Liechtenstein has introduced strict codes of conduct. The business activities of the fund companies are monitored by the supervisory authority and accredited auditors.

The Liechtenstein Investment Fund Association (LAFV) was founded in the year 2000 as an industry association. Today, all investment fund companies that set up funds in Liechtenstein are LAFV members, along with two custodian banks as active members. It promotes the development of the Liechtenstein investment fund centre and represents the interests of the domestic fund sector at home and abroad. In addition, the LAFV is a member of EFAMA, the representative association for the European investment management industry.

Market participants

Asset managers

PARTNERSHIP

Expertise and commitment

Those who wish to invest their assets securely are well-advised to place this task in qualified hands. Independent asset managers invest resources in accordance with the personal circumstances and risk tolerance of their clients. They look after and optimise the investments. This task requires support that is based on partnership, and Liechtenstein asset managers specialise in very personal and independent client service.

The Liechtenstein Asset Management Act (Vermögensverwaltungsgesetz, VVG) came into force in 2006 and regulates the activities of all asset management companies based in Liechtenstein. This also enables companies to apply for independent licences to act as asset managers, although they may neither accept nor hold third-party assets. Independent asset managers have quickly established themselves as a distinct professional group. At the end of 2016 there were 116 asset management companies active in the Principality, with around 650 employees. In overall terms, asset managers oversee 10,276 client relationships and manage client assets totalling CHF 35.13 billion. Today, independent asset managers constitute an important pillar of the Liechtenstein financial centre.

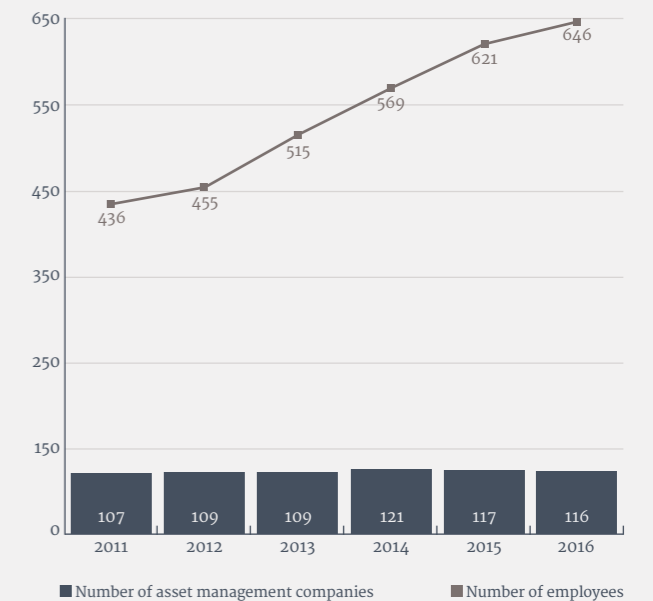
Like all Liechtenstein companies, asset management companies also benefit from the fact that they are able to offer their services not just in Liechtenstein, but also throughout the EEA and in Switzerland. Because the financial centre already has extensive experience in the asset management business, the profession of the independent asset manager profits from the wide-ranging know-how and excellent professional qualifications of the advisors. Due to the sovereignty of the asset managers, highly individual investment strategies that correspond to personal preferences can be developed together with the client. Asset management is a matter of trust. Close and personal client support is its most important characteristic, and independence and individuality gives it a competitive edge.

The Association of Independent Asset Managers in Liechtenstein (VuVL) is the central industry association for licensed, domestic asset management companies. The association promotes the interests of the entire profession at the national and international level. The VuVL code of ethics and professional conduct has been declared universally binding by the Liechtenstein Financial Market Authority.

Strong and recognised partners.

Asset managers create jobs

While the number of asset management companies has remained stable, the number of people employed by the sector is rising.



At the end of 2016 the 116 Liechtenstein asset management companies oversaw

10,267

client relationships.

2006

was when the Asset Management Act (VVG) came into force.

In 2016 Liechtenstein asset managers managed CHF

35.13 billion

of which 58% or CHF 20 billion was invested with Liechtenstein banks.

Market participants
Common-benefit foundations

PHILANTHROPY

Socially responsible investment

Philanthropy offers room for innovation and commitment.

In recent years, Liechtenstein has developed into a philanthropy centre at the heart of Europe. The strategic objectives of the Liechtenstein Government have identified the promotion of philanthropy as an important pillar. They see philanthropy not just as an element of the financial centre, but also as a social need with a long-term impact.

Thanks to the internationally competitive conditions, the number of common-benefit foundations in Liechtenstein has risen steadily in recent years. At the end of 2016 there were 1,323 common-benefit foundations in the Principality. A survey conducted in the year 2016 on the level of support that these provided was answered by 280 common-benefit foundations. In the year 2015 the 280 common-benefit foundations distributed support amounting to CHF 220 million. Within three years (from 2013 to 2015), institutions and projects were supported to the tune of well over CHF 500 million. This highlights the positive contribution made by common-benefit foundations towards social solidarity and the country's international reputation.

Today, philanthropy offers room for innovation and commitment. Liechtenstein amended its foundation law in 2009, thereby creating optimum conditions. What makes Liechtenstein foundation law so effective is the clear definitions and boundaries it imposes, in particular in respect of foundation governance provisions. For this reason it enjoys an excellent international reputation. During the course of the amendment of foundation law, an effective supervisory mechanism was also established in the form of the Liechtenstein Foundation Supervisory Authority (STIFA). In addition, the University of Liechtenstein has for several years had a professorship specialising in foundation law. This consequently helps to disseminate and develop know-how across the Liechtenstein financial centre.

In order to strengthen the foundation sector in Liechtenstein, the Association of Liechtenstein Charitable Foundations (VLGS) was founded in 2010. The VLGS unites Liechtenstein's common-benefit foundations and fosters the interests of the philanthropy sector. It supports the positioning of the sector and the sharing of experience, and it promotes standards and professionalism. The association is a member of the Donors and Foundations Networks in Europe DAFNE.

1,323

is the number of common-benefit foundations based in Liechtenstein.

2009

was when the amended version of the original 1926 Foundation Act came into force.

220 million

CHF was the volume of support provided in 2015 by 280 of the over 1,300 Liechtenstein common-benefit foundations.

The Liechtenstein financial centre Contacts

FINDING ANSWERS

Associations and bodies

Liechtenstein Investment Fund Association

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Liechtenstein Bankers Association

T +423 230 13 23, www.bankenverband.li

Association of Liechtenstein Charitable Foundations

T +423 399 19 11, www.vlgs.li

Liechtenstein Pension Fund Association

T +423 236 92 30 www.lpkv.li

Liechtenstein Chamber of Lawyers

T +423 232 99 32, www.rak.li

Liechtenstein Institute of Professional Trustees and Fiduciaries

T +423 231 19 19, www.thk.li

Liechtenstein Association of Corporate Consultants

T +423 399 30 39, www.lvu.li

Association of Independent Asset Managers in Liechtenstein

T +423 388 23 50, www.vuvl.li

Liechtenstein Insurance Association

T +423 237 47 77, www.lvv.li

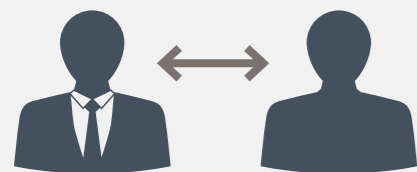
Liechtenstein Association of Auditors

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Public authorities

Government of the Principality of Liechtenstein
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T +423 236 76 70, www.sifa.llv.li**Foundation Supervisory Authority**
T +423 236 71 44, www.stifa.li**Financial Intelligence Unit**
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Further information

About the Principality of Liechtenstein:
www.liechtenstein.li/en

About the financial centre:
www.finance.li/en

About Liechtenstein as a place to do business:
www.liechtenstein-business.li/en



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