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Limited Liability Company (LLC., Ltd.) in Liechtenstein

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The following text is an excerpt from the LCG-brochure "Business Liechtenstein Company Formation".

May 2013

Your LCG Team

Limited Liability Company (LLC., Ltd.) in Liechtenstein

I. Legal structure of the limited liability company (LLC, Ltd.) in Liechtenstein

1. Concept

Several persons, firms or legal entities under private or public law can associate for any purpose in such a way that they constitute a limited liability company (LLC, Ltd.) in Liechtenstein. The liability of every shareholder of the Liechtenstein limited liability company (LLC, Ltd.) is limited to a certain amount.

2. Purpose

The purpose of a Liechtenstein limited liability company (LLC, Ltd.) may provide for the pursuit of commercial or non-commercial activities in any legally permissible form, e.g. the trade of goods, the acquisition of investments, financing, the administration of real estate, patent commercialisation, leasing, the management of the assets for certain beneficiaries or for purely charitable purposes. The company purpose, however, defines what the shareholders want to achieve with the company and is often—but does not have to be—identical with the company object.

3. Founding

The formation of the Liechtenstein limited liability company (LLC, Ltd.) is done by means of the submission of the publicly notarised articles of association to the responsible authorities. It is not required that the founder or founders of the limited liability company (LLC, Ltd.) be present in person. The formation of a Liechtenstein Liechtenstein limited liability company (LLC, Ltd.) comes into being upon its entry into the Commercial Registry (Public Registry).

4. Nominal capital or minimum capital

The minimum capital of the Liechtenstein limited liability company (LLC, Ltd.) amounts to CHF/EUR/USD 30,000; it is mandatory that it is contributed with the founding. The contribution can be made in cash or as contribution in kind. The share capital of the Liechtenstein GmbH may be fixed at any amount; the primary deposit, however, which cannot be reclaimed, has to amount at least to CHF 50; as a contribution in kind, it has to be 100% paid in. A founding with contributions in kind requires that contracts on the contributions in kind are submitted together with the registration. In so doing, it has to be observed that each shareholder can own only one contribution in kind and that at least 20% has to be paid in or covered by contributions in kind

when the Liechtenstein limited liability company (LLC, Ltd.) is founded.

The share capital, however, can be used for operative purposes again immediately upon the founding of the Liechtenstein limited liability company (LLC, Ltd.).

5. Company name

The Liechtenstein limited liability company (LLC, Ltd.) can choose the company's name freely in any language and can use imaginative names. Special permission must be obtained if one is intending to use national and international state or place names in a company name.

6. Registered office

Insofar as the articles of association of the Liechtenstein limited liability company (LLC, Ltd.) do not provide differently, the registered office of the company is at the location where the centre of its administrative activity is, subject to the regulations on the registered office in terms of international relations.

7. Organisation

7.1. Governing body

The governing body of the Liechtenstein LLC, Ltd. is the Shareholders Meeting that formally convenes at once a year.

7.2. Administrative body

The Liechtenstein limited liability company (LLC, Ltd.) has a board of directors consisting of one or several natural or juridical persons. It is elected by the Shareholders Meeting and assumes the management and representation of the Liechtenstein limited liability company (LLC, Ltd.).

7.3. Auditors or control agency

A Liechtenstein limited liability company (LLC, Ltd.) either has to appoint auditors or assign through the articles of association the powers of control to the non-managing shareholders.

8. Liquidation

The liquidation of the Liechtenstein limited liability company (LLC, Ltd.) can be initiated at any time on the basis of a resolution of the Shareholders Meeting. The deletion in the Commercial Registry is effected no earlier than at least six months after the third call to creditors.

II. Fiscal structure of the limited liability company (LLC, Ltd.) in Liechtenstein

A stamp duty in the form of a sales charge of 1%, a minimum of CHF 1,000, however, has to be paid in the case of the founding of a Liechtenstein limited liability company (LLC, Ltd.) or in the case of a possible capital increase. A general exemption limit of CHF 1 million applies. In this respect, the sales charge for the legal minimum or nominal capital in the amount of CHF 50,000 does not accrue.

Furthermore, Liechtenstein limited liability companies (LLC, Ltd.) have to pay an annual income tax. According to the concept of the private wealth structure (Privatvermögensstruktur, PVS), provided by the tax law that took effect on 1 January 2011 in Liechtenstein, companies qualifying as PVS are taxed only with the minimum income tax of CHF 1,200 annually. The PVS tax status is usually granted to companies that are not commercially active.

The Liechtenstein limited liability companies (LLC, Ltd.) that are commercially active, however, are subject to a general income tax of 12.5% .

III. Effective structure of the limited liability company (LLC, Ltd.) in Liechtenstein

The Liechtenstein limited liability company (LLC, Ltd.) can have the form of a single-member company, which is advantageous for an individual entrepreneur due to the limitation of liability; however, it also can assume the form of an operative unit or group company.

The Liechtenstein limited liability company (LLC, Ltd.) in practice is more suitable for the facilitation of an ongoing cost-effective operation than for the purpose of general asset management or asset protection.

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LCG Treuhand AG

You can contact the author at:

Tel.: 00423 371 12 12

office@lcg-liechtenstein.li

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Limited Liability Company (LLC, Ltd.) Articles of Association

I. Company, Registered Office, Duration, Purpose

Article 1

In accordance with Article 389 ff. of Liechtenstein's Persons and Companies Act, a Limited Liability Company with the name (name of the LLC.) with its registered office (place, municipality= the company's registered office) is formed. The duration of the company with respect to time is unlimited.

Article 2

The purpose of the company is

The company is permitted to establish branch offices in or outwith Liechtenstein and is permitted to have financial interests in other companies in and outwith Liechtenstein. The company is permitted carry on all commercial, financial and other activities which serve the purpose of the company.

II. Nominal Capital, Initial Contributions, Membership

Article 3

The nominal capital of the company is 30,000 CHF and is divided into an initial contribution of 15,000 CHF and an initial contribution of 15,000 CHF. The nominal capital is fully paid up.

For all initial contributions, the shareholders' names; the sum of each contribution; the performance therein executed; as well as every transfer of a share in the company and any other any other change in these facts is required to be clearly stated in the company's own share register.

Article 4

In the case of an increase in the company's nominal capital, all of the company's shareholders have the right to subscribe to the new shares proportionate to their contributions hitherto.

Article 5

The sale or pledging of the company shares or of a part thereof requires the consent of all of the company's shareholders. The said consent must be in writing. The sale or pledging of a share in the company or of a part thereof shall first take effect on the company when the said transfer is verified by and registered with the company.

The rights of the company's shareholders to proceeds from gains and liquidation are not permitted to be transferred to third parties.

III. The Shareholders' Meeting

Article 6

The supreme body of the company is the Shareholders' Meeting.

Article 7

The voting rights of the shareholders are measured in accordance with the initial contribution of each shareholder. One voting right is apportioned per 1,000 CHF. A shareholder is permitted to be represented by a fellow shareholder or by a third party. A power of attorney in writing is required therefor.

IV. The Company Management

Article 8

The Company Management is the administrative body of the company. The Company Management may consist of one or several persons. The said persons are not required to be shareholders of the company. At least one of the Company Managers must live in Liechtenstein. The Company Management is appointed by the shareholders. The shareholders may at any time revoke the said appointment as long as the management of the company is not carried on by all of the shareholders.

Article 9

The Company Management is authorised to perform all acts in the company's name which involve the company's purpose and which are not allocated by law or by the Articles of Association to the Shareholder's Meeting.

The Company Management has the permission of the shareholders to perform the following legal transactions:

- The acquisition, sale and encumbrance of the real estate;
- The appointment of an authorised officer of the company and of a holder of a commercial power of attorney
- The formation of and closure of branch offices
- The formation, acquisition and sale of other companies or shareholdings in the said c companies

V. Auditing

Article 10

The auditor(s) is to audit the annual accounts and to provide the General Meeting with a report thereupon.

VI. Dissolution and Liquidation

Article 11

The Shareholders' meeting can decided to dissolve or to liquidate the company at any time subject to the provisions contained in statute and the Article of Associations. Unless the Shareholders' meeting appoint a different person, the liquidation of the company shall be effected by the director.

VII. Notices and Official Announcements

Article 12

Notices to and the convening of the shareholders shall be done by the sending of letters to the addresses recorded in the company's share register. Official announcements shall be communicated via publication in Liechtenstein's national newspapers.

VIII. Final Provisions

Insofar as not provided for by the Articles of Association, the statutory provisions apply to the company.