

Public Limited Company (PLC., Corp.) in Liechtenstein

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Public Limited Company (PLC., Corp.) in Liechtenstein

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Your LCG Team

Public Limited Company (PLC., Corp.) in Liechtenstein

I. Legal structure of the public limited company in Liechtenstein (PLC., Corp.)

1. Concept

The Liechtenstein public limited company (PLC., Corp.) is a juridical person with a proprietary company whose capital (share capital), which is fixed in advance, is segmented into partial sums (shares) and for whose liabilities the company's own assets are solely liable. Thus the shareholders are obligated solely to render service as laid down in the articles of association and are not personally liable for the liabilities of the Liechtenstein public limited company (PLC., Corp.).

2. Purpose

The purpose of a Liechtenstein public limited company (PLC., Corp.) 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. Bank transactions, however, are reserved for banks, asset management companies and Liechtenstein trustees licensed to act for third parties.

3. Founding

The founding of the Liechtenstein public limited company (PLC., Corp.) is created by means of a formation deed and articles of association, which must be submitted to the competent authorities; it can be done in the form of simultaneous formation or gradual formation. Two natural or juridical persons are required for the founding, which is usually done on a fiduciary basis. Immediately after the founding, however, all shares may be combined in the hand of one person (single-person PLC., Corp.). The resolutions on the founding of a Liechtenstein public limited company (PLC., Corp.) are to be certified publicly by a certified notary. The formation of a Liechtenstein public limited company (PLC., Corp.) comes into being upon its entry into the Commercial Registry (Public Registry).

4. Nominal capital or minimum capital

The minimum capital of the Liechtenstein public limited company (PLC., Corp.) amounts to CHF/EUR/USD 50,000; it is mandatory that it is contributed with the founding. The share capital can consist of contributions in kind or a combination of cash and contributions in kind. A minimum

of 25% of each share has to be paid concurrently in cash or covered by contributions in kind that are described in detail in the articles of association. The public limited company (PLC., Corp.) can dispose freely of the share capital upon the entry into the Commercial Registry.

5. Company name

The Liechtenstein public limited company (PLC., Corp.) 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. Organisation

6.1. Governing bodies

The General Meeting of the shareholders is the governing authority of the Liechtenstein public limited company (PLC., Corp.). The General Meeting has to be summoned at least once a year to approve the annual accounts and deal with any other legal duties and those laid down in the articles.

6.2. Board of directors

The administrative body of the Liechtenstein public limited company (PLC., Corp.) is the board of directors, which can consist of one or several members and is elected by General Meeting. The board of directors is responsible for the Management and representation of the Liechtenstein public limited company (PLC., Corp.). In addition, it has all powers that have not been assigned or reserved for another body.

At least one member of the board of directors must have his law office address in Liechtenstein and be in possession of certain professional qualifications. In addition to this Liechtenstein administrative body, any number of natural or juridical persons, resident in Liechtenstein or abroad, may be co-opted.

6.3. Auditors or control agency

It is mandatory that public limited companies (PLC., Corp.) in Liechtenstein appoint auditors. The auditors are to audit the annual accounts and submit them to the Liechtenstein tax authority as well as make a report to the General Meeting.

6.4. "Qualified" managing director

A public limited company in Liechtenstein that is a company engaged in commercial activity has to have a so-called qualified managing director who is entered into the Commercial Registry.

6.5. Representative

A public limited company (PLC., Corp.) in Liechtenstein that is not engaged in commercial activities and thus does not usually have a domestic postal address has to appoint a representative.

The representative has to be entered into the Commercial Registry and acts as the official postal addressee of the company and as a connecting link with the authorities.

6.6. Beneficiaries

The shareholder of a Liechtenstein public limited company (PLC., Corp.) is entitled to the profit and the assets remaining after liquidation of the company.

7. Liquidation

The liquidation of the Liechtenstein public limited company (PLC., Corp.) can be initiated at any time on the basis of a resolution of the General 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 public limited company in Liechtenstein (PLC., Corp.)

A stamp duty in the form of a sales charge of 1% has to be paid in the case of the founding of a Liechtenstein public limited company (PLC., Corp.) 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 public limited companies (PLC., Corp.) 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, Liechtenstein public limited companies (PLC., Corp.) 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.

Liechtenstein public limited companies (PLC., Corp.) that are commercially active, however, are subject to the general income tax of 12.5%.

The tax reform in Liechtenstein also entails the tax exemption of dividends. A Liechtenstein public limited company (PLC., Corp.) is also exempt from the payment of capital and coupon tax.

III. Effective structure of the public limited company in Liechtenstein (PLC., Corp.)

Alongside the issuance of nominal shares, the Liechtenstein public limited company (PLC., Corp.) allows for the issuance of bearer shares; a minimum nominal value is not prescribed. The transfer of bearer shares is made without a form requirement. In addition, the issuance of voting shares is possible. Liechtenstein law does not prescribe qualifying shares for the management.

Due to these advantages, the legal form of the Liechtenstein public limited company (PLC., Corp.) is interesting for large companies as well as medium-sized companies.

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