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LOUVRE GROUP

Liechtenstein – unique opportunities

One of Louvre Group's key advantages as a wealth management organisation is the breadth of solutions we can offer in seeking to protect and grow our clients' wealth. We believe that a fundamental part of this is to be able to maximise the opportunities that arise from our presence in a variety of international jurisdictions, each of which have their own particular strengths.

Liechtenstein is one such location that, through its foundation laws, can provide opportunities that are not available elsewhere. That is why we're delighted to have representation in the principality that allows us to bring these benefits to our clients.

About Liechtenstein

Liechtenstein is a small, cosmopolitan, independent nation set in the heart of Europe. Occupying 160 square kilometers of land between Switzerland and Austria, its population of 36,000 enjoys one of the world's highest levels of employment and the lowest external debt.

The principality boasts a high degree of economic and political stability, a long established banking and legal system and a strong and flexible infrastructure. Its low corporate taxation regime, robust legislation governing professional due diligence, together with a modern, recently revised foundation law provide the building blocks of Liechtenstein's economic success.

The Foundation

Through Louvre Fiduciary Services (Liechtenstein) Limited we have established a range of trust and company management services. Among these, the foundation structure is the most frequently used in the Principality of Liechtenstein for planning opportunities. These include potential solutions for:

- estate planning
- maintaining the financial security of family members or other required individuals by providing a pre-defined post death succession plan
- a special purpose vehicle to hold and secure the continued existence of a company (e.g. family business)
- safeguarding of the ongoing legacy the life's work of a founder (e.g. art collections, philanthropy)
- privacy and confidentiality.

The foundation is based on the contribution of assets for a specific purpose by a founder in favour of chosen beneficiaries. The special purpose fund that is created takes on the status of a separate legal entity, ceases to be part of the private assets of the founder and forms the assets of the foundation. As with all such structures, there may be certain limitations that could apply to how the assets can be utilised to safeguard the integrity of a foundation. For example, a foundation is not permitted to undertake commercial activities such as trading operations.

A Liechtenstein foundation is recorded in the Liechtenstein Public Register.

Deposited Foundation

Liechtenstein foundation law also permits the creation of what is known as a deposited foundation. A deposited foundation is typically made up of direct and mixed family foundations. The foundation statutes and the formation deed have to be deposited at the Public Register however the bylaws that contain the names of the beneficiaries do not have to be registered so cannot be accessed by third parties.

Beneficiaries

A foundation does not have any members, proprietors or owners after it has been established. The founder only enjoys the rights that he has reserved for himself in the statutes and bylaws. The founder often reserves the right to change the statutes and bylaws, especially the rules in relation to the beneficiaries.

Those who benefit from foundations are known as the beneficiaries and payments under the foundation can be linked to terms or conditions that the founder determines. The beneficiaries are usually designated by the founder in a special bylaw and the founder can also name himself as a beneficiary.



Local expertise

How a foundation operates

A foundation is administered by a council that comprises one or more members. The members of the council represent the foundation individually or collectively and carry out the will of the founder as stated in the statutes and bylaws. It therefore has a serving function rather than a decision-making function.

The founder can also grant the council discretionary powers in carrying out the will of the founder, e.g. in making payments to beneficiaries (a discretionary foundation). These discretionary powers will be granted by the expressed wish of the founder as recorded in the statutes and bylaws. Other bodies such as an advisory board, a curatory body or a protector can be appointed by the founder to assist and support but also supervise the council in the performance of its duties and obligations.

A foundation is abrogated by law and therefore terminated if its object has become unattainable, particularly if it is no longer able to fulfil its tasks due to a lack of sufficient assets. Clearly this will apply if all the assets of a foundation have been distributed to the beneficiaries, and therefore exhausted. The option for dissolution at any time can also be included in the statutes by the founder.

The minimum statutory capital for a foundation is CHF 30,000.

A foundation is not usually required to keep accounting records but the preparation of an annual list of assets is recommended.

Karl-Heinz Hemmerle

Director



With over 30 years as a trust and foundation officer, Karl-Heinz is an accomplished and respected professional in his field.

He completed his clerkship in a prominent trust company in the Principality of Liechtenstein in 1980. After gaining valuable experience in the banking industry in both Liechtenstein and Switzerland, he joined the accounting department of two Liechtenstein trust companies. Thereafter he headed the accounting function of a trust department in one of the largest trust firms in the country during which time he gained the certificate for Swiss Accounting. He successfully completed his education as a Swiss certified accountant and controller and gained his license as a trustee in the Principality of Liechtenstein. Since January 2000 he has been director and owner of CorPa Treuhand AG, located in Vaduz. Karl-Heinz joined the Louvre Group in late 2011 and has been appointed Director of the Liechtenstein operation.

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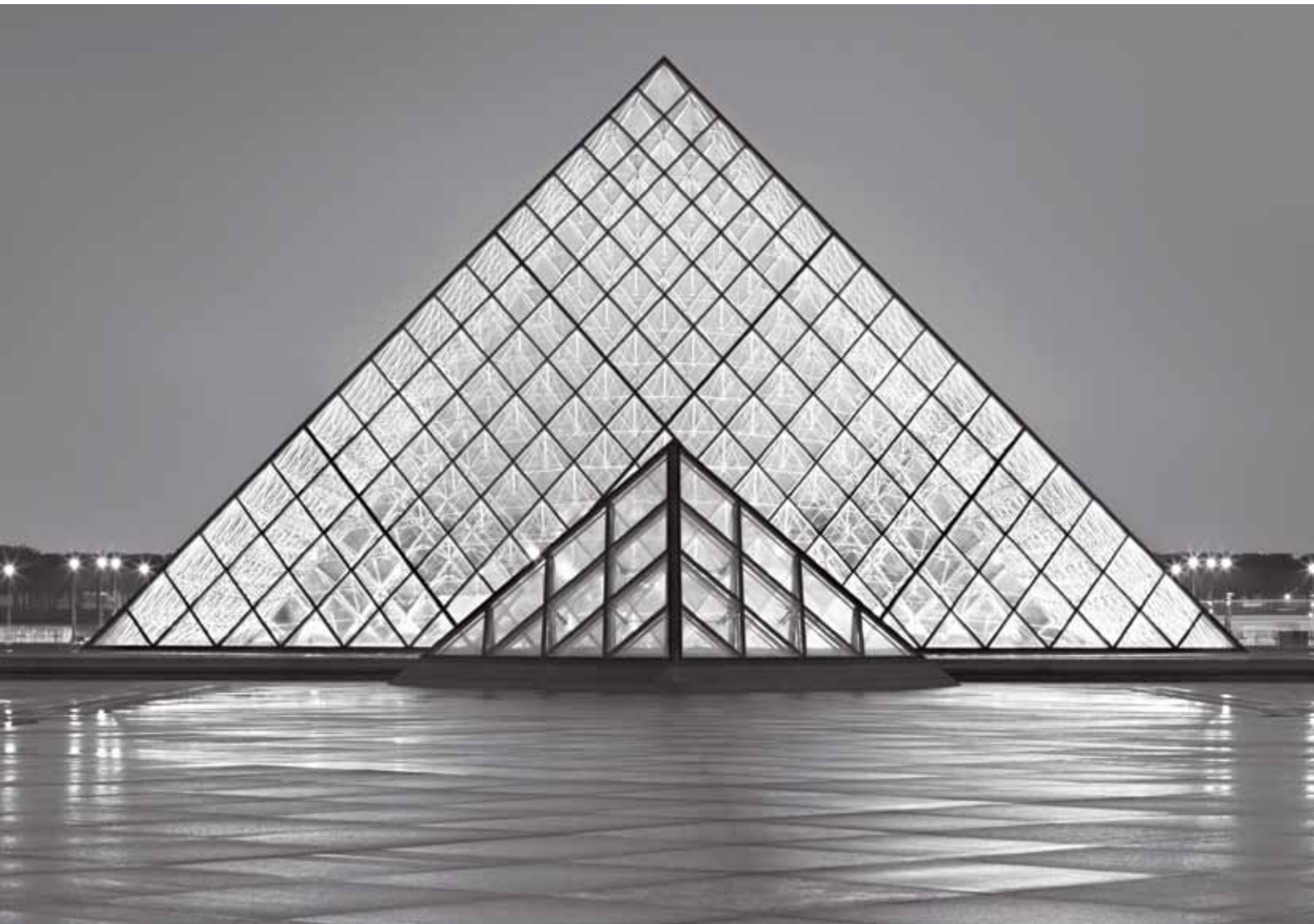
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Regulatory information

The main operating businesses within the Louvre Group are regulated, authorised or licensed, as appropriate, in each jurisdiction. For further information, please contact the required jurisdictional office, details of which are available on our website www.louvregroup.com.

For more information

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