
THE PRINCIPALITY OF LIECHTENSTEIN:
THE GOLD STANDARD
OF WEALTH STRUCTURING

1. BASIS: STABILITY AND CONTINUITY

TRIPLE-A STABILITY AS A BASE

S&P Global Ratings confirmed Liechtenstein's AAA country rating with a stable outlook in May 2025. This places the Principality among only eleven countries worldwide with the highest creditworthiness. The decisive factors are the solid development of public finances, substantial state reserves, and the resilience of the economy. Unlike many other financial centres, Liechtenstein has neither national debt nor structural deficits.

GLOBAL LEADERS IN GDP AND GNI PER CAPITA

Liechtenstein's economic strength is vividly reflected in its income levels: In 2024, the Principality achieved a gross domestic product (GDP) of USD 210 600 per capita, ranking second globally after Monaco. Regarding gross national income (GNI), Liechtenstein stood internationally at CHF 166 000 per resident – about six times the European average and seventeen times the global average. These key figures underscore the economic performance and stability of the location.

POLITICAL CONTINUITY THROUGH CONSTITUTIONAL MONARCHY

Liechtenstein's constitutional system is based on the constitution of 1921, ensuring political stability for over a century. Hereditary Prince Alois of Liechtenstein emphasizes: A monarchy brings stability and continuity because it is not subject to regular re-election. This institutional permanence contributes to the continuity of state institutions and enables long-term planning certainty – a crucial factor for multi-generational wealth structures.

2. LEGAL EXCELLENCE: FOUNDATIONS AND TRUSTS

LIECHTENSTEIN FOUNDATION LAW: GLOBALLY LEADING

The Liechtenstein foundation has been codified since 1926 and represents a flexible and secure instrument for asset protection. In contrast to the Anglo-Saxon trust, it possesses full legal personality and completely owns the assets. The “principles of foundation freedom” allow flexible structuring combined with robust creditor protection.

THE PROVEN TRUST REGIME: ALMOST 100 YEARS ESTABLISHED

In 1926, Liechtenstein was the first continental European country to legally anchor the Anglo-Saxon trust concept. This system, proven for nearly 100 years, offers an alternative to the foundation, thus enhancing long-term asset security.

COMBINATION OF FOUNDATION AND TRUST AS A UNIQUE LOCATIONAL ADVANTAGE

This unique combination of continental European foundation law and Anglo-Saxon trust law makes Liechtenstein one of the world's top locations, perfectly uniting two long-established legal systems and enabling tailor-made solutions for wealth structuring.

STRATEGIC ADVANTAGE: NO LUGANO CONVENTION

Liechtenstein has deliberately not acceded to the Lugano Convention, ensuring that foreign judgments – except those from Austria and Switzerland – cannot be enforced. This legal-political decision creates an additional protective barrier for asset structures.

3. ECONOMIC STRENGTH AND DIVERSIFICATION

DIVERSIFIED ECONOMIC STRUCTURE: MORE THAN FINANCIAL SERVICES

Liechtenstein's economy is characterized by exceptional diversification. Industry contributes around 42 percent to gross value added – the highest proportion among all European countries.

The services sector (excluding financial services) forms the backbone of employment with about 54 percent of jobs, while the financial industry accounts for around 11 percent of employment. This balanced structure provides economic stability beyond the financial sector.

BANKING SECTOR: STABILITY THROUGH SPECIALIZATION

Liechtenstein's eleven banks manage client assets exceeding CHF 500 billion (2025). This banking landscape, focused exclusively on private banking, stands out for its extraordinary stability: no state bailouts, a S&P Banking Industry Country Risk Assessment (BICRA) ranking in risk category 2, and a conservative orientation.

FUND CENTRE: GROWTH AND INNOVATION

The Liechtenstein fund centre currently manages over CHF 119 billion in 907 funds. With short market launch times and direct EEA passporting, Liechtenstein positions itself as agile and cost-efficient alongside Luxembourg while matching regulatory quality. Liechtenstein foundations and trusts can also act as fund holders, thus creating an efficient combination of asset protection and professional asset management. This structuring links the established advantages of foundation and trust law with the operational flexibility of modern fund management.

4. FISCAL EFFICIENCY: INTERNATIONALLY COMPETITIVE AND FUTURE-PROOF

ATTRACTIVE TAX REGIME FOR PRIVATE INDIVIDUALS

Liechtenstein's tax system combines international compatibility with exceptional efficiency. For private individuals, the Principality offers a unique blend of income and wealth taxes with progressive rates from 2.5 to 22.4 percent. Assets are taxed at a standard rate of 4 percent as imputed income, leading to an integrated solution that avoids double taxation.

For high-net-worth foreigners, lump-sum taxation is available: With a tax rate of 25 percent on annual living expenses (annual minimum tax CHF 300 000), this approach offers complete privacy. Moreover, there is no reporting obligation, so annual worldwide income disclosure is not required.

Liechtenstein levies no gift or inheritance tax, which can significantly benefit wealth creation.

UNRIVALLED CORPORATE TAX ENVIRONMENT

Companies benefit from an attractive tax landscape: corporate income tax is a flat rate of 12.5 percent. Liechtenstein also levies no capital tax and no withholding tax on dividends, interest, or royalties. The participation exemption for dividends and capital gains, as well as the notional equity deduction of 4 percent on modified equity, provide additional fiscal efficiency.

OECD-COMPLIANT FUTURE SECURITY

With the successful implementation of Pillar Two regulations, the Qualified Domestic Minimum Top-up Tax (QDMTT), and Qualified Refundable Tax Credits (QRTC), Liechtenstein demonstrates proactive adaptation to international standards.

With the QRTC, for example, companies in Liechtenstein benefit from direct and flexibly payable tax credits, which can be used immediately or within four years as financial support, regardless of the actual tax owed. This gives companies more liquidity for investment, innovation, and sustainable growth. The steadily growing network of more than 25 double taxation agreements strengthens the position as an international hub for wealth structures.

5. INTEGRATION AND MARKET ACCESS

CUSTOMS AND CURRENCY UNION WITH SWITZERLAND AND EEA MEMBERSHIP: DUAL MARKET ACCESS

For 100 years, the customs and currency union with Switzerland has unified both countries into a single economic area. The Swiss franc has been Liechtenstein's official currency since 1924 and guarantees top monetary stability. Since 1995, Liechtenstein has also been a full member of the European Economic Area (EEA), thereby enjoying unrestricted participation in the European single market.

Thanks to this dual membership, Liechtenstein's enterprises and investors benefit from privileged access both to the EEA and Switzerland, making the location truly unique.

6. INTERNATIONAL RECOGNITION AND MEMBERSHIPS

EXCELLENT MONEYVAL RATING: INTERNATIONAL AFFIRMATION

Liechtenstein's commitment to combating money laundering was impressively confirmed by the 2022 Moneyval assessment. Moneyval is a Council of Europe country review assessing compliance with international standards against money laundering and terrorist financing. The country achieved a rating of "compliant" or "largely compliant" for 37 out of 40 Financial Action Task Force (FATF) recommendations.

Because of this outstanding rating, Liechtenstein is subject only to the regular Moneyval follow-up process – a privilege shared by just five Moneyval member jurisdictions.

INTERNATIONAL EMBEDDING AND MEMBERSHIPS

Liechtenstein is a member of all major international organisations: United Nations (UN) – 1990, Organization for Security and Cooperation in Europe (OSCE) – 1975, Council of Europe (1978), European Free Trade Association (EFTA) – 1991, World Trade Organization (WTO), European Economic Area (EEA) – 1995, and since October 21, 2024, as the 191st member of the International Monetary Fund (IMF).

LIECHTENSTEIN AT A GLANCE: THE DECISIVE ADVANTAGES

Stability and Continuity

- AAA rating (S&P 2025) – only 11 countries worldwide
- Constitutional monarchy since 1921, over 300 years of political continuity
- No national debt
- World-leading GDP: USD 210 600 per capita (2nd worldwide)
- World-leading GNI: CHF 166 000 per capita (1st worldwide)

Legal Structures

- Foundation law since 1926, flexible structuring, full legal personality
- Trust law since 1926, first continental European trust regime
- Strategic enforcement protection: No Lugano Convention (except CH/AT)

Market Access and Integration

- Dual market access: EEA (nearly 500 million residents) and Switzerland via customs and currency union
- Swiss franc as currency since 1924

Economic Structure and Financial Sector

- Diversified economy: industry (42 percent of gross value added), services (54 percent of jobs), and financial services (11 percent of jobs)
- 11 specialist banks with CHF 500 + billion in assets under management
- S&P BICRA risk group 2 – extraordinary stability
- Fund centre: CHF 119 + billion in 907 funds, white-label specialist

Compliance and Reputation

- Moneyval: 37 / 40 FATF recommendations “compliant/largely compliant”
- OECD “Largely Compliant” (like Germany or the USA)
- Liechtenstein Financial Market Authority (FMA) as full member of the European Securities and Markets Authority (ESMA), EU standards
- International organisations: UN, IMF (2024), WTO, OSCE, Council of Europe

Fiscal Efficiency

Private individuals:

- Combined income and wealth tax: currently max 22.4 percent
- Lump-sum taxation available (25 percent on living expenses, annual minimum tax CHF 300 000)
- No gift or inheritance tax
- Assets imputed with a return of 4 percent and taxed as notional income

Companies:

- 12.5 percent corporate income tax (minimum tax CHF 1800)
- No capital tax, no withholding tax on dividends, interest, or royalties
- Exemption for participation income and equity deduction (4 percent)
- Pillar Two compliant, proactive OECD adaptation, refundable tax credits (QRTC)

International networking:

- 25+ double taxation treaties, steadily growing
- OECD-compliant transparency standards

CONCLUSION: THE INESCAPABLE CHOICE FOR SOPHISTICATED STRUCTURING

For families and businesses that place particular value on asset protection, generational continuity, and fiscal and regulatory security, Liechtenstein is not just an option – it is the optimal solution.

The combination of AAA rating, global top position in per capita income, proven foundation and trust law, strategic enforcement protection, dual market access, political continuity, and attractive tax regime creates an unparalleled environment for sustainable wealth creation and preservation.



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