

The Liechtenstein foundation

1- The Liechtenstein foundation is a legal entity without any shareholders and partners to which the founder transfers assets. These assets are then managed and used by the Board of Foundation in line with the wishes of the founder for the benefit of the beneficiaries.

2- Objectives:

- Succession planning and preservation of the family's assets over generations.
- Making provisions for family members or other people.
- Providing assistance for family members or other people.
- Assets protection.
- Flexibility for the pursuit or promotion of charitable purposes.
- Use as a holding instrument or as an instrument for protecting companies in inheritance situations.
- Realizing the wishes of the founder on a confidential basis.
- International tax planning.

3- Purposes and forms permitted:

- Private Interest foundations (family maintenance foundations)
- Foundations with combinations of private and charitable purposes.

Frequently charitable foundations are subject to supervision by the Liechtenstein Foundation Supervision Authority and require an auditor.

4- Duration of a foundation:

They can be established for an unlimited or a specified period or until revoked by the founder.

How is it created?

The founder issues a Declaration of intent, defines the purpose and endows the minimum capital to the foundation.

Private Interest foundations are created through the issue of the foundation documents which are only deposited with the Public Register.

Charitable Foundations only come into effect when they are entered in the Public Register.

5- What assets does the Foundation have?

The minimum capital required to establish a foundation is CHF/EUR/USD 30'000. The foundation's assets can be increased at any time.

6- Foundation documents normally issued:

The statutes regulate the defined purpose, the organization of the foundation, the powers of the Board of Foundation and other governing bodies.

The binding by-laws are issued to define the purpose of the foundation in detail, in particular by specifying the beneficiaries.

Neither statutes nor by-laws of private interest foundations are deposited with the Public Register or submitted to another authority.



As an option, the governing bodies of the foundation and/or the founder can issue regulations.

7- Governing bodies of a foundation:
The Board of Foundation (mandatory) is the supreme governing body for the administration and representation of the foundation.

The representative is appointed to represent the foundation in dealings with the Liechtenstein authorities and acts as a correspondence address for the foundation.

The protector is an optional governing body, primarily for monitoring the implementation of the foundation's purpose by the Board of Foundation.

An auditor is only a mandatory requirement for charitable foundations. However, there is the option of also appointing an auditor at the request of the founder.

8- Rights of the founder:

The founder can realize his/her wishes when the foundation is established, and for the period after the foundation has been established, he/she can expressly reserve the right to subsequently change and revoke the foundation. However, a right of revocation can entail detrimental consequences for the recognition of the foundation under civil and tax law. The rights of change and revocation are not transferable and cannot be inherited.

9- Beneficiaries of a foundation:

The beneficiaries are those people or institutions who derive a benefit from the foundation.

They are initially defined by the founder when the foundation is being established and must be determined or at least determinable. It is therefore possible to nominate the beneficiaries by name or to purely define a group of beneficiaries.

The beneficial interest relates to the entire or a proportion of the assets or the entire or a proportion of the income of the foundation, or to both. It can be conditional or for a limited period, or subject to requirements and be granted on a revocable or irrevocable basis.

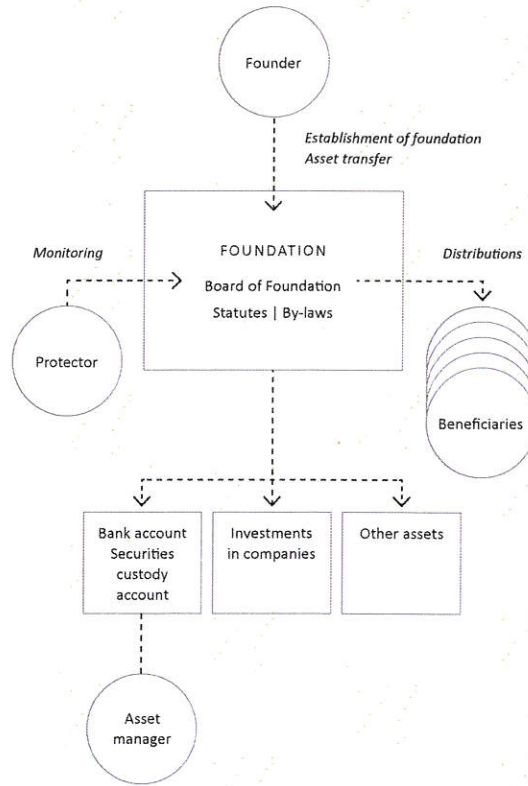
10- Situations in which a foundation is terminated:

- If the foundation has fulfilled its purpose or its purpose can no longer be realized.
- As a result of bankruptcy proceedings being initiated against the assets of the foundation.
- On revocation by the founder.
- Or if the period specified in the statutes has expired.

11- How is a Liechtenstein foundation taxed?

Foundations that qualify as private asset structures are taxed at a flat rate of CHF 1'200 per annum. Other foundations are taxed in the normal manner (tax or income).

The endowment of assets as well as distributions from a Liechtenstein foundation are tax-free in Liechtenstein.



Please feel free to contact us with any questions or queries.

Trust 4 Trust Group

Email: info@trust4trust.com

Ph.: +41 91 220 4710

Fax: +41 91 220 4711

Mob: +41 79 93 400 50