

The Liechtenstein Investment Fund Association

Liechtenstein's ambitious investment fund centre offers a wide range of possibilities when it comes to setting up funds. On an international comparison it stands out positively with its swift licensing procedures and moderate start-up, administrative and supervisory costs.

The first investment fund pursuant to Liechtenstein law was set up in 1996. Since then the fund centre has experienced continuous growth. Clients benefit from the flexibility of an innovative fund centre with EU-compliant investment fund structures. EU passporting ensures simple and non-discriminatory access to the European market. A large proportion of the funds domiciled in Liechtenstein are private label funds. These investment funds are individually configured to meet the needs of the promotor. Fund promotors are mainly independent asset managers, managers of alternative investment funds (AIFM), family offices or high net worth private individuals. They determine the names, the investment and marketing structure as well as the fee structure.

A streamlined bureaucracy means that funds can be launched quickly and efficiently. There are statutory limits on the time that the Financial Market Authority is allowed to take to licence new funds for sale. Depending on the particular fund type, this amounts to 10 or 20 working days. On an international comparison, the cost of setting up, overheads and supervision fees are very competitive. Once they have been launched, Liechtenstein investment funds are fully liable for tax. Earnings are tax-exempt, however, and are therefore effectively not taxed. In addition, Liechtenstein does not impose withholding tax on distributions. In order to protect fund investors, Liechtenstein has introduced strict codes of conduct. The business activities of the fund companies are monitored by the Market Authority and accredited auditors.

At the end of 2021, a total of 556 Liechtenstein investment funds were licensed at a total of 16 asset management companies or managers of alternative investment funds (AIFM). An investment fund can consist of a single fund or as an umbrella of one or more sub-funds. At the end of 2021, 289 single funds and 523 sub-funds were licensed. Net assets under management at the end of 2021 amounted to CHF 70.3 billion. The number of non-domestic investment funds licensed for sale in Liechtenstein amounted to 574, and there were 1982 sub-funds with a sales licence.

Contact

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The Liechtenstein Investment Fund Association (LAFV) was founded in the year 2000 as an industry association. Its members include all UCITS management companies, most managers of alternative investment funds (AIFM) and further fund sector service providers, such as for example custodian banks, law firms, auditors, specialised IT service providers or training and further training institutions. It promotes the development of the Liechtenstein investment fund centre and represents the interests of the domestic fund sector at home and abroad. In addition, the LAFV is a member of the European umbrella association EFAMA as well as of the global association IIFA.