1. Key facts

1.1. Main tax rates and filing dates

1.1.1. Corporations

• Top corporate tax rate: 12.5 percent. Minimum corporate tax: CHF1,800

• Corporate return filing date: The tax return must be filed by June 30 inclusive, of the year following the tax year. An extension from the tax authorities is possible on request. Entities will receive a provisional tax bill in August, which must be paid by September 30 of that year.

• Schedule for tax payments or deposits: There is no deposit of estimated tax required during the year. There is no internal system of withholding from business payments.

• State, provincial, or local top corporate rate: As Liechtenstein is very small, there is no state or provincial corporate tax; only the 12.5 percent national tax rate mentioned above applies (flat tax rate for all companies).

• State, provincial, or local filing date: As Liechtenstein is very small, there is no state or provincial corporate tax; only the 12.5 percent national tax rate mentioned above applies (flat tax rate for all companies).

1.1.2. Individuals

• Top personal tax rate: 28 percent; the rate is dependent on the community where the individual lives. There is a progressive eight-band tariff depending on the taxable income. A community tax between 150 and 250 percent of the “country tax” on income must also be paid.

• Personal return filing date: The personal filing date is fixed by the tax authority every year. Usually this is in the first two weeks of April. An extension is possible on request, usually for three months (maximum five). A tax deposit is requested by the authorities if the extension is more than one month.

• Schedule for tax payments or deposits: There is a withholding tax on wages (deductible from income tax), which each employer must pay quarterly. There is a withholding tax on remuneration for working in senior management at a Liechtenstein company and on income from retirement pension funds or insurances, too.
• State or provincial top individual rate: Currently, 200 percent of the national tax.

• State or provincial filing date: Same as national filing date.

1.1.3. VAT

• VAT standard rate: 8 percent.

• VAT return filing date: VAT returns must be filed quarterly. Usually no extension is possible. A six-monthly survey is possible upon request and under certain circumstances. Monthly filing is also possible upon request (if there is a regular excess amount of deduction).

1.2. Population and GDP

• Population: 37,531 (World Bank, 2015).


1.3. Currency

In Liechtenstein, the currency is the Swiss franc (CHF).

Since 1923, Liechtenstein and Switzerland have shared the same currency and an open border. As of March, 2017, exchange rate is approximately US$1.00 = CHF1.01.

1.4. Membership of economic groups

Liechtenstein is a member of the EEA (European Economic Area), EFTA, WTO and UNCTAD.

1.5. Major industries

Liechtenstein’s major industries include metalworking, machinery and electronics, food and financial services.

1.6. Official websites

In Liechtenstein, the following tax and finance authority websites apply:


• Staff Unit for Finance - http://www.llv.li/#/11563.


1.7. Repatriation restrictions
There are no repatriation restrictions such as exchange controls, but any bank transactions must be documented very diligently, due to very strict money laundering provisions.

2. Introduction

Liechtenstein is the fourth smallest European state with an area of 160 km²/61.8 sq miles. During the last century, the country enjoyed rapid development from an agrarian economy to a highly industrialised state. Liechtenstein and Switzerland have many bilateral agreements, including use of the same currency and an open border (since 1923). Liechtenstein and Switzerland also have the same VAT system and are regarded as one region for VAT purposes.

Liechtenstein joined the Schengen Community in December 2011. With its 15 banks and many trust and insurance companies, financial services form an important part of Liechtenstein's economy (around 24 percent). Industry at around 40 percent represents the most important segment of the economy.

Liechtenstein had the same tax law for over 60 years without major changes until 2011, when a new tax law came into force. After 2011 there have been several smaller changes in the current tax law. Corporate and indirect taxes are the same throughout the country. Personal income tax rates can vary slightly according to the place (community) where the individual lives. There is no “asset tax,” but the estimated income out of the assets (currently estimated as 4 percent of these assets) is taxed with the ordinary income tax together with all other income. The income tax rate depends on the height of the taxable income. Liechtenstein enjoys very low taxation; tax rates generally do not exceed 20 percent (highest income tax rate is 28 percent).

Corporations are taxed only on business income at normal rates. Capital gains are generally taxed as ordinary income but gains of participations are exempt from taxation (with some exceptions). Taxes may not be deducted from business income.

In principle, the taxed income of an individual is computed in the same way as taxed income of a corporation. There is one important difference: rental income derived from real estate and interest income on a bank account is not taxed the same way. The individual is taxed based on the estimated income out of the real estate and the portfolio (currently 4 percent of the assets). The corporation is taxed on the result, which is shown on its profit and loss account (which usually corresponds to the effective net rental income that has been received, whereas there are special provisions for interests and dividends). If real estate is sold, there is a special gains tax, which is the same for corporations and individuals.

In addition to the tax law, Liechtenstein has ordinances and the tax authorities publish newsletters and directives. Liechtenstein does not have a case law system but important decisions of the Supreme Court influence decisions made by the tax authorities.

As mentioned earlier, the indirect tax regime is not strictly national. For VAT purposes, Liechtenstein and Switzerland work closely together; the two countries have the same VAT law and regulations and are regarded as one region. One Swiss indirect tax is levied in Liechtenstein and due to the open border, Swiss stamp duties are levied in Liechtenstein directly.

3. Recent developments

Liechtenstein has enacted legislation to implement the OECD Standard for Automatic Exchange of Financial Account Information in tax matters (AEOI), and is one of the early-adopters, with information to be exchanged as early as 2017 (from tax year 2016 onwards).

4. Corporate taxes
4.1. General outline

4.1.1. Residence, taxable status, entity characterisation

4.1.1.1. Residence

A corporation is considered as resident and taxable if it is incorporated in Liechtenstein or its effective place of management is located in Liechtenstein. "Effective place of management" means the place where the centre of the undertaking's supreme management is located. In a given case, the tax authorities will attempt to create an overall picture of where the directors meet, how important decisions are taken, who belongs to the supreme management, and then come to a conclusion. The question where day-to-day management occurs is the most important factor in deciding whether a permanent establishment exists.

4.1.1.2. Taxable status

In Liechtenstein, corporate tax is paid by all legal persons, such as corporate bodies (associations, companies limited by shares, partnerships limited by shares, private companies limited by shares, cooperative societies, mutual insurance associations), establishments and foundations, investment undertakings, and trust enterprises with legal personality. Partnerships are not regarded as cooperative bodies and are usually treated as “transparent,” e.g., passing income to their owners who pay the tax. This means that if the owner is a natural person, the owner's part of the income will be subject to income tax; if the owner is a corporation, its part of the income will be subject to corporate tax.

4.1.1.3. Entity characterisation

A foreign entity that undertakes business activities in Liechtenstein without residence will be characterized as having the same form it holds in its country of origin for tax purposes. For example, a partnership or foreign corporation undertaking business activities in Liechtenstein should be characterized as foreign corporation or partnership for tax purposes and may be liable to tax accordingly subject to the provisions of an applicable tax treaty.

4.1.2. Corporate tax base

4.1.2.1. Resident corporations

In Liechtenstein, a corporation is considered a legal resident if it has a registered office or place of effective management in Liechtenstein and therefore subject to corporate income tax.

Corporate income is calculated on the basis of annual accounts prepared in accordance with the Liechtenstein Law. In principle, the tax base is worldwide, but profits derived from foreign permanent establishments or participations, as well as from foreign real estate or foreign agriculture, are explicitly excluded.

Corporate tax is imposed on business income. Capital gains are usually taxed as business income, with the exception of capital gains on participations, which are exempt and capital gains on the selling of real estate which are subject to the real estate capital gains tax.

As of January 1, 2017, shares of more than 25 percent in profits of participation in local or foreign legal persons, or belonging to an enterprise where the gains were taxable expenses for the disposer are subject to corporate tax.

4.1.2.2. Non-resident corporations
In Liechtenstein, non-resident corporations are foreign business entities that are neither domiciled nor effectively managed in Liechtenstein; they are subject to tax on income from a Permanent Establishment in Liechtenstein and immovable property (real estate lease and rental) income situated in Liechtenstein, subject to the terms of any applicable double tax treaty.

According to Article 2 of the Tax Law, a permanent establishment means any fixed place of business through which the economic activity of an undertaking or a liberal profession is wholly or partly carried out. It includes the effective place of management, a branch, an office, a factory, a purchasing or sales office, a workshop, a place of extraction of natural resources, a site for the conversion of water power, a building site, and a construction, assembly, or installation project with a duration of more than six months. An insurance undertaking shall be deemed to have a domestic permanent establishment if it generates premium receipts in Liechtenstein.

There are no special rules relating to whether or not a non-resident Internet seller has a taxable presence by reason of customers accessing a website or downloading information. Additionally, up to now there are no special provisions regarding whether or not a provider of cloud computing, storage, or other cloud services has a (taxable) presence simply because customers use the cloud services.

There are no specific legal provisions relating to whether or not a non-resident seller or service provider has a taxable presence as a result of servers or other computer equipment located in Liechtenstein. If this server (e.g., computer equipment) could be interpreted as a permanent establishment, the respective services could be taxed in Liechtenstein.

The country does not consider a non-resident seller or service provider to have a taxable presence as a result of repeated or extended calls into the country to one or more customers.

Commissionaire sales: If a non-resident seller employs a commissionaire who only, or mainly, works for him, this is considered a taxable presence in Liechtenstein. If a commissionaire who is self-employed and works for several different clients would do the same work, the non-resident seller would not be considered taxable.

4.1.2.3. Other business entities

4.1.2.3.1. Non-corporate business entities

Non-business entities include partnerships, which are usually treated as transparent. Income is computed in the same way as for a corporate entity. The applicable tax would be the income tax on individuals according to their participation.

4.1.2.3.2. Tax status of non-corporate business entities

For non-corporate business entities, income is computed in the same way as for a corporate entity. The applicable tax would be income tax on individuals according to their participation.

4.1.2.4. Permanent establishment

4.1.2.4.1. Domestic law definition

According to Article 2 of the Tax Law, a permanent establishment means any fixed place of business through which the economic activity of an undertaking or a liberal profession is wholly or partly carried out. It includes the effective place of management, a branch, an office, a factory, a purchasing or sales office, a workshop, a place of extraction of natural resources, a site for the conversion of water power, a building site, or a construction, assembly, or installation project with a duration of more than six months.
An insurance undertaking shall be deemed to have a domestic permanent establishment if it generates premium receipts in Liechtenstein.

4.1.2.4.2. Treaty definition

*Editor's note:* The OECD’s BEPS Action 7 relates to preventing the artificial avoidance of permanent establishment status. Action 15 relates to developing a multilateral instrument to modify bilateral tax treaties. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

In general, Liechtenstein uses the OECD definition of a permanent establishment in its treaty policy, although the domestic definition is wider to some extent.

4.1.2.4.3. Services permanent establishment

*Editor's note:* The OECD’s BEPS Action 7 relates to preventing the artificial avoidance of permanent establishment status. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Liechtenstein does not consider the performance of services in the country for a period of time, without other factors involved, as creating a permanent establishment. However, if a director’s fees, or fees for acting as part of higher management of a Liechtenstein entity, are paid to a corporation or business entity not otherwise taxable in Liechtenstein, these fees will be taxed at 12 percent at source as of January 1, 2017. The basis for that is the fiction that the foreign entity has a permanent establishment for these services in Liechtenstein.

4.1.2.4.4. Permanent establishment by customer downloads, website access, or other factors

*Editor's note:* The OECD's BEPS Action 1 relates to addressing the challenges of the digital economy. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Liechtenstein does not consider local customers’ access of websites, downloading information, or other use of the Internet as creating a permanent establishment.

4.1.2.4.5. Cloud services

*Editor's note:* The OECD’s BEPS Action 1 relates to addressing the challenges of the digital economy. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Liechtenstein does not consider local customers’ use of Internet cloud services as creating a permanent establishment.
4.1.3. Taxable year

4.1.3.1. Default taxable year

The corporate tax system does not require the tax year to end on a specific date. The profit of the business year according to the statutes of each corporation will be the basis for taxation. The tax declaration must be submitted by June 30, however an extension may be given on written demand for up to six months. This extension may be extended again for special reasons on written demand before the end of the extended period.

4.1.3.2. Reference year for computation of tax

In a given taxable year, taxpayers are subject to tax on income earned in that year. Thus, returns filed in 2017 with regard to the taxpayer's liability for the 2016 tax year will report income from 2016 and calculate tax on that basis.

4.1.4. Computing taxable income

4.1.4.1. General

Corporate taxable income is measured by net revenue reduced by operating expenses and certain special deductions in Liechtenstein. The company's profit and loss statement will form the basis of the tax declaration. Deductible operating expenses include normal day-to-day expenses of running the business. Taxes, fines, and certain "kickbacks" will not be accepted as tax-reducing expenses.

4.1.4.2. Exempt income

Exempt income includes dividends arising from participation in domestic or foreign legal persons, capital gains from the sale or liquidation of participations in domestic or foreign legal persons, and domestic real estate capital gains to the extent that they are subject to the real estate capital gains tax in Liechtenstein. As of January 1, 2017, concerning shares in profits of participations in local or foreign legal persons: if the participation is more than 25 percent, belongs to an enterprise, and the gains were taxable expenses for the disposer, corporate tax is due.

4.1.4.3. Inventory valuation and inventory flow

Inventory may be valued at the lower of cost or market. A general depreciation of one third of the stock of merchandise is accepted by the tax authorities.

4.1.4.4. Depreciation or capital allowances

Depreciation is allowed according to schedules listed in Article 26 of the Tax Ordinance.

4.1.4.5. Reserves

Provisions at the expense of the profit and loss statement shall be permissible for obligations during the business year where the amount is not yet determined or for other immediately imminent losses during the business year. Bad debts must be depreciated on a separate account. It is also possible to make a general depreciation of 10 percent for debts (5 percent for banks). No depreciation may be made if the debtor is a corporation or institution under public law, a bank, or a person or company with a close relationship to such
4.1.4.6. Special allowances

A deduction of 4 percent (which may be changed yearly) of the modified capital (special definition in the law) from the taxable profit is possible. This deduction is available for both legal entities and persons or partnerships, due to the “neutrality of decision” principle. The modified capital consists of capital paid in and reserves that represent own assets. Participations, foreign real estate, or permanent establishments, as well as assets which are not necessary for conducting the scope of the entity, and after these deductions 6 percent of the remaining values shall be deducted before the 4 percent can be calculated. The valuation will take place at the start of each business year. This 4 percent deduction is permanently under discussion anyhow.

Tax neutral replacement of assets is possible under certain conditions, basically the assets have to be necessary for the undertaking and they have to be part of the fixed assets of the entity.

Restructuring legal entities should be possible without adverse tax implications, according to Article 52 of the Tax Law, under the condition that the domestic right of taxation persists and that the accepting undertaking maintains the values previously relevant to the corporate income tax.

4.1.4.7. Special provisions or limits applicable to foreign companies

Editor's note: The OECD's BEPS Action 4 is concerned with limiting base erosion involving interest deductions and other financial payments. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

There are no special provisions or limitations applicable to foreign companies’ business or to foreign-owned companies.

4.1.5. Intercompany dividends

Inter-corporate dividends are not taxable in Liechtenstein.

4.1.6. Special tax regimes

4.1.6.1. Economic zones

Liechtenstein does not have special allowances for economic zones.

4.1.6.2. International finance or holding companies

Editor's note: The OECD's BEPS Action 5 relates to countering harmful tax practices (including certain preferential IP regimes) more effectively, taking into account transparency and substance. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

There are no special tax regimes for international holding companies or international finance companies in Liechtenstein. Since dividends arising from participation in domestic or foreign legal persons and
capital gains from the sale or liquidation of such participation are not included in the taxable income, such regimes are not needed. As of January 1, 2017, concerning shares in profits of participations in local or foreign legal persons: if the participation is more than 25 percent, belongs to an enterprise, and the gains were taxable expenses for the disposer, corporate tax is due.

4.1.6.3. Research and development companies and activities

Editor's note: The OECD's BEPS Action 5 relates to countering harmful tax practices (including certain preferential IP regimes) more effectively, taking into account transparency and substance. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

As of January 1, 2017, the deduction for expenses incurred in research and development under certain conditions is no longer in effect. Exceptions made in previous years will continue until 2020.

4.1.6.4. Other special regimes

There is a special tax regime for private asset structures. Companies holding and managing their own (bankable) assets are taxed only with the minimum tax of CHF1800 a year if they make a relevant application.

4.1.7. Double tax protection

Editor's note: The OECD's BEPS Action 6 relates to preventing the grant of treaty benefits in inappropriate circumstances. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

Income earned by a resident corporation in foreign countries is protected from international double taxation by exemption of foreign income deriving from real estate or agriculture, as well as from a permanent establishment in a foreign country. In cases where there is no double taxation agreement, a credit or exemption will only be available for the foreign income where reciprocity is granted.

4.1.8. Returns and filing dates

4.1.8.1. Filing deadline

Corporate tax returns are due by June 30.

4.1.8.2. Filing method

The Liechtenstein Ministry of Finance has announced that the tax regulation on the completion of tax returns has been amended to require legal entities to file electronically using the e-Tax portal. The portal ensures that the tax returns of entities are completed accurately for assessment and will be read using the barcode system. The amendment applies to tax returns filed after May 15, 2015 (see Section 4.1.8.2.).

4.1.8.3. Extensions
Six-month extensions are possible on request via the e-Tax portal. Extensions may be further extended on request in cases where unforeseen events occur.

4.1.8.4. Penalties

If a corporation does not pay taxes on time, interest will be charged from the time the payment was due. The interest rate fixed by the government in the tax ordinance is 4 percent. A tax bill is a legal title for execution, which means that following a reminder, the authorities can take execution of the entities' assets.

4.1.9. Payment mechanics

4.1.9.1. Internal withholding on resident companies

Payment of corporate tax is usually due 30 days after receipt of the tax assessment by the tax authority. If the tax could not be assessed by the general due date determined by the tax authority, a provisional tax invoice will be sent, which must be paid within 30 days and will be offset in the definite assessment.

4.1.9.2. Schedule for tax payments or deposits

There is no deposit of estimated tax required during the year. There is no internal system of withholding from business payments.

4.1.9.3. Electronic payments

The country does not require companies to establish a local bank account nor to provide for electronic transfers to the tax authority, but companies usually do. Electronic payments from bank accounts in other countries can be made and usually happen without incident, especially when they originate within Europe.

4.1.9.4. Interest and penalties

If a corporation does not pay taxes on time, interest will be charged from the time the payment was due. The interest rate fixed by the government in the tax ordinance is 4 percent. A tax bill is a legal title for execution, which means that following a reminder, the authorities can take execution in the entities' assets.

4.1.10. Statute of limitations

The right to assess tax ends five years following the year the taxable fact occurred. However, this right will be extended during a legal process of this assessment (appeal stages), if the payment of taxes has been guaranteed or deferred; if the taxable person has no domicile or permanent residence within the borders of Liechtenstein; and as long as penal proceedings of tax fraud and other tax offences concerning the tax assessment in question are continuing. There is a maximum limitation of 10 years after which an assessment is generally no longer possible (Article 115 of the Tax Law).

Taxes that have been assessed and thus, are due, have to be cashed in within five years. After 10 years from the end of the year in which the tax due has been assessed, execution of the tax is no longer possible (Article 128 of the Tax Law).

4.2. Corporate tax rates

4.2.1. National taxes
4.2.1.1. Corporate tax rate(s)

The main national tax rate for corporations is 12.5 percent. This is a flat tax applicable to all companies and permanent establishments in Liechtenstein. There is an annual minimum tax of CHF1,800, subject to an exception for small local companies.

4.2.1.2. Alternative tax regime

There is a minimum tax of CHF1,200 a year for all companies. Private asset structures (companies only holding and managing their own (bankable) assets) only pay the minimum tax and do not have to file a tax return on demand.

4.2.1.3. Special reduced rates or regimes

*Editor's note:* The OECD's BEPS Action 5 relates to countering harmful tax practices (including certain preferential IP regimes) more effectively, taking into account transparency and substance. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Small commercial entities (with total assets averaging under CHF500,000 for the prior three business years) do not have to pay the above-mentioned minimum tax, but will be assessed according to their tax declaration.

4.2.1.4. Special additional taxes or levies

There are no special additional taxes for corporate entities such as industry-related taxes or environmental taxes.

4.2.2. State, cantonal, provincial or other local taxes

4.2.2.1. Main rates

Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations. Corporate income tax is divided between state and community. It is also divided if there is economic activity in more than one community.

4.2.2.2. Reduced rates

Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations.

4.2.2.3. State or subnational income calculation

4.2.2.3.1. Tax base

Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations.

4.2.2.3.2. Deductions

Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations.

4.2.2.4. State incentives
Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations.

4.2.2.5. Non-income taxes in states

Since Liechtenstein is a very small country, there are no separate provincial taxes on corporations.

4.2.3. Taxes imposed as penalty

There are no taxes imposed as a penalty.

4.3. Corporate capital gains and losses

4.3.1. Taxation of corporate capital gains

In Liechtenstein, corporate capital gains (but not the gains on selling real estate) are generally taxed as business income. Capital losses may offset regular business income. Gains on the sale of shares are exempt.

There is a possibility for gains to be “rolled over” (deferred), e.g., by purchasing replacement property; this is only possible if the gain results from fixed assets that are essential for the business and a replacement has been necessary due to economical technical or legal reasons.

4.3.2. Definition of corporate capital gains

A capital gain in Liechtenstein is the sale price or amount realised from the sale of shares in a company or real estate or the sale of share in a Liechtenstein real estate. Depreciations that have reduced the book-value previously are not tax exempt.

4.3.3. Computation

A capital gain is the sale price or amount realised, reduced by the original cost.

4.3.4. Corporate combinations and divisions

4.3.4.1. Mergers

When two companies merge, neither company will be taxed on gain from transferring its properties to the surviving company and shareholders are not taxed on gain from exchanging their shares for shares in the merged company, or from the conversion of their shares to shares in the merged company, provided that the right of taxation remains in Liechtenstein and that the book values of the assets are carried on (Article 52 of the Tax Law).

4.3.4.2. Transfers of corporate property

A corporation or an individual may transfer a business to a company in exchange for its shares without paying tax on any gain, but only if an entire business is transferred and the right of taxation remains in Liechtenstein (special provisions if not) and the book values of the assets are carried on.

4.3.4.3. Share transfers

Share transfers are possible regarding the rules mentioned above.
4.3.4.4. Divisions or separations

A tax-free division of a company into two or more smaller companies is also possible according to the principles above.

4.4. Position of losses from business operations

4.4.1. Definition

An operating loss (“business loss”) may include capital losses. Foreign losses may offset domestic income under certain conditions and may be carried forward for up to five years. If these foreign losses are used to offset foreign income (rather than domestic income) during the following years, this will have the effect of increasing the domestic profits in any event. Five years later, the foreign losses which have first offset and have not later increased domestic income will increase the income of the respective tax period of the entity.

4.4.2. Treatment

In Liechtenstein, operating losses cannot be carried back to prior years. Operating losses may be carried forward to future years without limitation, however this is limited to losses created after 2006, due to the 2011 changes in tax law. Any loss can only be deducted from future profits up to 70 percent of the profit of the respective business year.

4.4.3. Losses after change in ownership

There are no restrictions on a company's use of previously incurred losses following a significant change in ownership.

4.5. Group treatment

4.5.1. General rule

In Liechtenstein, upon application, separate corporations may be treated as a single group if they are associated companies. When reporting as a group, losses arising in a given year may be compensated with profits generated during the same year within the group.

4.5.2. Definition of group

Legal persons may be regarded as associated if a legal person with domicile or effective place of management in Liechtenstein (group parent) has held, since the beginning of the business year without interruption directly or indirectly, more than 50 percent of the voting rights and more than 50 percent of the rights pertaining to the nominal capital, capital stock, or share capital of one or more other domestic or foreign legal persons (group members).

There are no special requirements for a foreign member to be included in a tax group. A foreign or non-resident parent may only be a parent of a group for the purposes of the allocation of losses if it does not have some business activity (permanent establishment) within Liechtenstein to which the participations may be allocated. Legal persons which have given up their business activity (totally or significantly) may not be regarded as a group parent.

Upon application, the tax authority may grant permission to report as a group.

Not all companies owned in sufficient amount must be included in a group. Inclusion is deliberate if the
conditions are met.

4.5.3. Special aspects

Since all dividends are tax exempt in Liechtenstein, there are no special provisions for intercompany or group dividends. A general exception applies: if the participation is more than 25 percent and the gains were taxable expenses for the disposer, then corporate tax is due. Asset transfers within the group should be at arm's length.

There are no other special provisions regarding group treatment, except the possibility to allocate losses first to the resident parent and second to other resident group members according to their participation. If a company leaves the group, its allocated losses would increase the profit of the companies who have “taken” the losses before. Anyhow this will be the case after five years.

4.6. Withholding taxes on non-resident taxpayers

4.6.1. Dividends, interest, royalties and services

4.6.1.1. Dividends

*Editor's note:* The OECD's BEPS Action 6 relates to preventing the grant of treaty benefits in inappropriate circumstances. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Dividends are tax free, regardless of whether the receiver is resident in a foreign state or in Liechtenstein. However, if the participation is more than 25 percent, and the gains were taxable expenses for the disposer, corporate tax is due. There is no withholding tax on dividends, with the exception of provisions in Liechtenstein's tax treaty with Austria.

4.6.1.2. Interest

*Editor's note:* The OECD's BEPS Action 6 relates to preventing the grant of treaty benefits in inappropriate circumstances. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

In Liechtenstein, there is no withholding tax on interest, with the exception of provisions in Liechtenstein's tax treaty with Austria.

4.6.1.3. Royalties

*Editor's note:* The OECD's BEPS Action 6 relates to preventing the grant of treaty benefits in inappropriate circumstances. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*
In Liechtenstein, there are no withholding taxes for payments of royalties to non-residents.

4.6.1.4. Services

There are no withholding taxes on payments for services to non-residents. Liechtenstein does not distinguish between “technical” and other services. As mentioned on in Section 1.1.2, there is a withholding tax for remunerations paid to senior management of a Liechtenstein company like attendance fees or directors’ fees. The rate is 12 percent of the remuneration. This tax will be imposed to all senior management no matter where they live.

4.6.2. Other withholding taxes

In Liechtenstein, there are no other withholding taxes.

4.6.3. Special tax havens rates

Liechtenstein has not defined other countries as tax havens up to now and there are no special rules concerning payments to such countries.

5. VAT/GST: main and reduced rates, exemptions, and registration

5.1. Main rates

In Liechtenstein, the standard VAT rate is 8 percent. Liechtenstein and Switzerland share a common sales tax law and should be regarded as a tax union in this respect. This means the laws are similar (in fact, practically identical) and the tax authorities exchange data. VAT rules are similar to the EU, but not identical.

5.2. Principal reduced rates, zero-rated activities, or exemptions

In Liechtenstein, there is a reduced tax rate for lodging (3.8 percent) and for basic food and goods (2.5 percent).

On the other hand, there are “zero-rated” supplies, meaning that supplies are exempt from VAT and the taxpayer can recover input VAT. These are: a supply of goods that is transported or dispatched directly abroad; the provision of supplies for use or exploitation abroad, provided that they are transported or dispatched directly abroad and are predominantly used abroad by the recipient; the supply of goods that were demonstrably subject to customs control in Swiss territory in connection with a transit procedure, a customs warehousing procedure (a temporary admission procedure, or inward processing procedure, or because of storage in a bonded warehouse); the movement or arrangement for the movement of goods abroad for reasons unrelated to a supply of goods; the transport or dispatch of goods in connection with the import of goods and all related supplies, as far as the destination to which the goods are to be transported at the time the tax debt is incurred; the transport or dispatch of goods and all related supplies in connection with the export of goods released for free circulation under customs law; the provision of transport services and ancillary logistics activities, such as loading, unloading, transshipment, clearing, or temporary warehousing abroad or in connection with goods that are under customs control; the supply of aircraft to airlines that carry on air transport and charter business commercially and whose turnovers from international flights exceed those from domestic traffic; the services of intermediaries acting expressly in the name of and for the account of others, provided the brokered supply itself is either zero-rated or is effected exclusively abroad; the supply of services in their own name by travel agents and organisers of events, to the extent that they make use of supplies of goods and services by third parties that are provided abroad; international air, bus, and rail traffic under certain conditions; and domestic supplies of goods, if exported in tourist traffic under certain conditions (Article 23 VAT law).
The highest authority in VAT matters is not the Liechtenstein supreme administrative court, as there is a final option to apply to the Swiss Supreme Court after having passed all Liechtenstein levels of jurisdiction (Article 73 VAT law).

Exempt supplies without credit are: postal services; health and welfare; supplies related to child and youth care or rendered by social assistance; education and training; supplies of non-profit organisations to their members; insurance, reinsurance and financial services; supplies of agricultural products by the producer, supplies within the same public body, and arbitration functions (Article 21 VAT law). An entity that has exempt and non-exempt income and activities will have to invest some time to distribute all of its engagements properly.

5.3. Registration

In general, a resident must register for VAT if the yearly turnover exceeds CHF100,000, Voluntary registration is possible at any time. After registration a Liechtenstein VAT number will be given to the entity. Anyhow if this entity has to do affairs with the Swiss administration especially the customs administration it will additionally need a Swiss entity identification number (UID) which will be easily given upon request.

In principal, the same rules apply to non-residents, but they are legally obliged to appoint a fiscal representative established in Liechtenstein. Furthermore, they must present collateral (e.g., a cash deposit or securities deposit) for future VAT liability.

Under certain circumstances, the recipient of a service from abroad is liable to account for Liechtenstein VAT. This applies to services with place of supply where the recipient is established, provided by foreign suppliers, if the recipient (either a company or an individual person) is resident or has a permanent establishment for which the service is provided in Liechtenstein. If these services total more than CHF10,000 annually, a VAT registration must be made and 8 percent VAT, the so-called acquisition tax, must be paid by this recipient.

A foreign entity which provides telephonic or computer services to recipients which are not liable for tax in Liechtenstein has to register for VAT purposes (the exception to the exception in Article 10(2) of the VAT Law) if its turnover in the VAT inland exceeds CHF100,000 a year. If its turnover is less than CHF100,000 and the entity has not registered for VAT purposes voluntarily, the recipients must pay acquisition tax.

6. Personal taxes

6.1. Domicile and residency requirements

An individual is fully taxable in Liechtenstein if they are domiciled or have their permanent residence in Liechtenstein. Individuals who have no domicile or permanent residence in Liechtenstein are subject to limited tax liability on their income from specific Liechtenstein sources.

6.2. Income tax base

6.2.1. Tax base for residents

Individuals fully taxable in Liechtenstein will be taxed on their worldwide income.

6.2.2. Tax base for non-residents

Non-residents will be taxed on certain income from Liechtenstein sources such as income from real property, working as an employee in Liechtenstein, working as a self-employed person in Liechtenstein, retirement pension funds or insurances (from community-insurances or pension funds of a former
employer), benefits from the dissolution of a vested benefits or a blocked account set up for the use of
vested benefits arising from occupational retirement provision in Liechtenstein, and remuneration for
working as senior management in a Liechtenstein company, such as remuneration for conferences,
management bonuses, etc.

6.2.3. Personal income subject to income tax

All income is taxable except income derived from real property or capital (such as dividends). Capital
gains (but not gains derived from the sale of real property or property held for business purposes) are
tax-exempt. Income which is beyond the existential minimum (which is determined by the government by
ordinance) is tax exempt.

Instead of the taxation of dividends, rental income or capital gains, taxation applies to the estimated
income out of taxable wealth in Liechtenstein, which equates to 4 percent (rate may change yearly) of
estimated earnings out of the subject property.

All “fringe benefits” an employer gives to his employees are treated as taxable income. Also, any payment
of a bonus will be treated as taxable income. If this payment is made by a Liechtenstein entity, the
respective tax must be withheld before the bonus is paid, no matter where the person receiving the
payment resides at the time.

6.2.4. Deductions and allowances

There are some minor deductions from taxable income, such as the cost of education, insurance, medical
treatments, etc. Self-employed persons are able to deduct 4 percent of the capital invested (modified
capital as described in Section 4.1.4.6). Losses (only of the same income sources) derived after 2006
may be deducted for an unlimited period but only to an extent of 70 percent of the profit of the respective
year.

6.3. Main rates and bands

6.3.1. Rates of tax on individuals

In Liechtenstein, taxation of income is on a national level where a progressive eight bracket tariff can be
found in Article 19 of the Tax Law.

The rates for single persons are as follows (deductions appears in parenthesis):

<table>
<thead>
<tr>
<th>Tax rate</th>
<th>Income (CHF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 percent</td>
<td>Up to 20,000</td>
</tr>
<tr>
<td>3 percent</td>
<td>Up to 40,000</td>
</tr>
<tr>
<td>4 percent</td>
<td>Up to 70,000</td>
</tr>
<tr>
<td>5 percent</td>
<td>Up to 100,000</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>---------------</td>
</tr>
<tr>
<td>6 percent</td>
<td>Up to 130,000</td>
</tr>
<tr>
<td>6.5 percent</td>
<td>Up to 160,000</td>
</tr>
<tr>
<td>7 percent</td>
<td>Up to 200,000</td>
</tr>
<tr>
<td>8 percent</td>
<td>Above 200,000</td>
</tr>
</tbody>
</table>

Additionally, a community tax between 150 and 250 percent of the “country tax” on income must also be paid. This equates to a top marginal tax rate of 28 percent taking account of both local and national tax. There are other rates for single parents raising children alone and for married couples who are generally taxed together.

### 6.3.2. Individual returns, filing dates, and payment

Every resident individual over the age of 16 has to file income tax returns to report income in Liechtenstein. Families are taxed as a single unit, but married couples can file separately.

The returns are due in the beginning of April on the date marked on the tax return, which is fixed by the tax authority every year.

Personal income taxes are withheld from wages of employees and are offset against the tax prescribed by the tax authority after having received and examined the respective tax declaration.

Individuals may file their income tax returns on paper or electronically. Extensions of up to five months are possible, on written request. If the extension is longer than one month, a payment of 80 percent of the taxes paid in the previous period is usually requested.

### 6.4. Dividends

#### 6.4.1. Domestic corporations

Individuals in Liechtenstein are not taxed on receipt of dividends from a domestic corporation. Four percent of the value of a participation (foreign and local) is taxed as estimated income derived from participations and other wealth. This estimated income is taxed together with all other income at the rate described in Section 6.3.1.

#### 6.4.2. Foreign corporations

Individuals are not taxed on receipt of dividends from foreign corporations in Liechtenstein. Four percent of the value of a participation (foreign and local) is taxed as estimated income derived from participations and other wealth. This estimated income is taxed together with all other income at the rate described in Section 6.3.1.

### 6.5. Interest

#### 6.5.1. Domestic borrowers

Individuals are not taxed on receipt of interest from a domestic bank account or bond. Four percent of the value of the bank accounts, bonds, and other wealth is taxed as estimated income derived from bank
deposits or bonds. This estimated income is taxed together with all other income at the rate described in Section 6.3.1. For foreign owners of Liechtenstein bank accounts as of January 1, 2016 the “Agreement between the European Community and the Principality of Liechtenstein providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments” implements an automatic exchange of information. Generally, all income from wealth is automatically reported to the countries involved and no withholding tax applies.

6.5.2. Foreign borrowers

Individuals are not taxed on receipt of foreign interest from a foreign corporation in Liechtenstein. Four percent of the value of the debt is taxed as estimated income derived from these debts. This estimated income is taxed together with all other income at the rate described in Section 6.3.1.

6.6. Social security/national insurance payments

6.6.1. Employer tax or contribution

In Liechtenstein, the employer is required to pay part of the social security expenses for the employee. This is the social security government insurance for retirees, widows, and orphans (AHV). There is also a small disability insurance that must be paid. From the total required AHV contribution of 11.67 percent, the employer pays 7.12 percent (usually on a quarterly basis).

The employer also has to pay part of the health and accident insurance contributions and 0.5 percent of an individual's salary for unemployment insurance. For many employees also contributions to a retirement trust have to be made. This depends on the height of the salary and the degree of employment. These contributions are also shared between employer and employee, the details will be found in the provisions of the respective retirement trust.

6.6.2. Employee tax or contribution

In Liechtenstein, 4.55 percent of the AHV has to be paid by the employee, which is deducted from their salary (usually monthly). The same applies for unemployment insurance where 0.5 percent of the salary must be paid by the employee and for health and accident insurance. Most employees also pay into their retirement pensions. This is paid into a retirement trust and the employee may only access it when they are no longer employed (e.g., in retirement or if the individual is self-employed).

Self-employed individuals are subject to social security (AHV, IV) too, but do not have to pay unemployment insurance.

6.6.3. Employee tax collection mechanism

In Liechtenstein, the monthly salary of an employee is usually reduced by the 4.55 percent AHV, withholding tax for income tax purposes, 0.5 percent unemployment insurance, and a contribution to accident insurance. It is also reduced by payments into retirement pensions, if required. These deductions are the responsibility of the employer who must attribute the payments correctly (usually quarterly).

Health insurance is usually paid by the employee directly. Generally, there is no option for the employee to elect out of the national health system. An employee resident in a member country of the EEA or Switzerland may be subject to the national system of that EEA country or Switzerland under certain conditions.

6.7. Royalties and rents
6.7.1. Domestic licensors

Resident individuals are not taxed on receipt of rents from a domestic or foreign property. The receipt of royalties creates taxable income for an individual in Liechtenstein.

6.7.2. Foreign licensors

Resident individuals are not taxed on receipt of rents from a domestic or foreign property. The receipt of royalties creates taxable income for an individual in Liechtenstein.

7. Transfer pricing and anti-avoidance rules

7.1. Transfer pricing

7.1.1. Application

*Editor’s note:* The OECD’s BEPS Actions 8 to 10 are concerned with aligning transfer pricing outcomes with value creation. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

Transactions between linked or closely connected entities or persons must be "at arm's length" according to Article 49 of the Tax Law. Entities must prove this by maintaining documentation as specified in the tax ordinance and BEPS provisions. There are also some transfer pricing rules in most of the double taxation treaties. In some cases, it might also occur that the local tax authorities do not accept special regimes which clearly would reduce the tax base substantially (not at arm's length), purely on the basis of general taxation principles.

7.1.2. Permissible pricing methods

There are no specific pricing rules. Liechtenstein follows the methods in the OECD transfer pricing guidelines. Therefore, linked entities are required to keep adequate pricing documentation.

7.1.3. Penalties for improper pricing

There are no regulations regarding penalties for improper pricing in Liechtenstein.

7.1.4. Advance rulings or pricing agreements

Advance rulings will be available upon negotiation. It is not very likely that the tax authority would negotiate bilateral agreements with other tax authorities, but the entity involved may negotiate with the tax authorities of the states involved.

7.1.5. Documentation

*Editor’s note:* The OECD's BEPS Action 13 relates to guidance on transfer pricing documentation and county-by-country reporting. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*
There are no specific documentation rules apart from the general rules for business documentation. Linked or closely connected entities are required to maintain adequate documentation. More specifications may be outlined in the tax ordinance.

Liechtenstein is a signatory to the Multilateral Competent Authority agreement on the automatic exchange of country-by-country reports, facilitating implementation of the transfer pricing reporting standards developed under Action 13 of the OECD’s Base Erosion and Profit Shifting (BEPS) Action Plan. The first exchange is planned for 2017-18, based on 2016 information.

7.2. Anti-avoidance provisions

7.2.1. General anti-avoidance

*Editor’s note:* The OECD’s BEPS Action 2 relates to neutralising the effects of hybrid mismatch arrangements. Action 12 relates to mandatory disclosure rules. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

In Liechtenstein, there is no statutory anti-avoidance rule. There is a general taxation principle, “abuse of structuring possibilities,” mentioned in Article 3, where a structure which has no other reason than to save taxes may be regarded as abusive and tax transparent under certain conditions. There is no requirement to report aggressive or questionable tax positions.

7.2.2. Thin capitalisation/other interest deductibility rules

*Editor’s note:* The OECD’s BEPS Action 4 is concerned with limiting base erosion involving interest deductions and other financial payments. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

In Liechtenstein, there are no thin capitalisation or interest deductibility rules. Remunerations for lending capital to connected or closely related entities is tax deductible only if there are at arm’s length.

Loans given to shareholders or associated persons have to be charged with interest of at least 2 percent when the loan derives from own capital, if it derives from outside capital this would be effective costs plus 0.5 percent. There are special rates for loans in foreign currency, all mentioned in the tax ordinance.

7.2.3. Controlled Foreign Company (CFC) rules

*Editor’s note:* The OECD’s BEPS Action 3 is concerned with designing effective controlled foreign company (CFC) rules. Key country developments can be found in the *Bloomberg BNA BEPS Developments Tracker.*

In Liechtenstein, there are no CFC rules.
8. Tax treaties

8.1. Bilateral income tax treaties

8.1.1. Number of treaties in force

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.

8.1.2. Number of treaties pending ratification

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.

8.1.3. Treaty or statutory priority

Editor's note: The OECD's BEPS Action 6 relates to preventing the grant of treaty benefits in inappropriate circumstances. Action 14 is concerned with making dispute resolution procedures more effective. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

In general, an international treaty would have priority to Liechtenstein laws. If a treaty requires the payor to withhold taxes, he has to do so even if local Liechtenstein taxes would be lower or non-existent. No treaty could reduce Liechtenstein taxes to less than zero, which means no foreign tax can be credited to a Liechtenstein tax subject if there is no taxation of the same matter in Liechtenstein or can only be credited to the amount of Liechtenstein taxes that would be due as well.

8.1.4. Source of interpretation

Editor's note: The OECD's BEPS Action 15 relates to the development of a multilateral instrument to modify bilateral tax treaties. Key country developments can be found in the Bloomberg BNA BEPS Developments Tracker.

Liechtenstein in general follows the OECD model treaty and commentary in its treaty policy and interpretation.

8.2. Social security totalisation agreements

8.2.1. Number of agreements in force

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.

8.2.2. Number of agreements pending ratification

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.
8.3. Tax information sharing agreements

8.3.1. Number of agreements in force

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.

Liechtenstein has ratified the Convention on Mutual Administrative Assistance in Tax Matters.

Liechtenstein is a signatory to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information with the first exchange planned for September 2017.

Liechtenstein has signed an agreement with the EU for the automatic exchange of financial account information, with the first information exchange scheduled for 2017.

Liechtenstein has signed a FATCA Model 1 IGA with the United States.

Liechtenstein is a signatory to the Multilateral Competent Authority Agreement on the automatic exchange of country-by-country (CBC) reports, with the first exchange planned for 2017-18 on the basis of 2016 information.

Liechtenstein is a member of the Inclusive Framework on BEPS, a group of countries that is developing standards on BEPS-related issues, and is reviewing and monitoring implementation of the OECD/G20 BEPS Action Plan.

8.3.2. Number of agreements pending ratification

For treaty information, including the number of agreements signed or in force, original treaty texts, translations, and consolidations, see the International Tax Treaties Collection.

8.4. Special tax agreements

8.4.1. The Liechtenstein Disclosure Facility (LDF)

The Liechtenstein Disclosure Facility (LDF) was closed by the United Kingdom on December 31, 2015.

8.4.2. Tax cooperation agreement with Austria

A tax treaty between Austria and Liechtenstein came into force in January 2014. All Liechtenstein paying agents who administer accounts or values for Austrian citizens are now obliged to either tax these values or report them via Liechtenstein authorities to the Austrian tax authorities. There is a one-time taxation of approximately 30 percent of the values (which practically legalises them) and a yearly taxation (of mostly 25 percent, corresponding to the Austrian KESt) of the specific income afterwards. Clients could choose to allow the paying agent to disclose their details to the tax authorities instead of this reduction on a yearly basis. As of 2017, the 25 percent taxation for individuals due to the automatic exchange of information rules no longer applies. For legal persons, the rules mentioned above continue.

8.4.3. Additional protocol to the TIEA with Italy

When negotiating the TIEA with Italy (signed in February 2015), a solution for formally not declared or incomplete declared taxes was uncovered. All Italian taxpayers can regularize their tax position on undeclared assets held with foreign intermediaries, relating to all tax years still assessable, through a
domestic voluntary disclosure program (VDP) available since January 1, 2015. Participants in the Italian VDP are not liable for criminal and administrative sanctions under the conditions provided for and granted by the VDP and are free to place their assets in any state or jurisdiction.

For Italians who neither tax their assets held in Liechtenstein nor participate in the Italian VDP, group requests shall be allowed, asking after closed accounts, accounts that have been emptied and other accounts where it cannot be proven by the bank that the assets are declared for the purpose of Italian taxation. As this is possible since the signing of the TIEA on February 26, 2015, any “loopholes” for Italian non-compliant tax payers seem to have been closed.

9. Other taxes

9.1. Taxes on payroll

Besides the income tax from working as an employee in Liechtenstein, taxes must be paid on:
• Income from retirement pension funds or insurances, including community insurance or pension funds of a former employer;
• Benefits from the dissolution of vested benefits or a blocked account, set up for the use of vested benefits arising from an occupational retirement provision in Liechtenstein;
• Remuneration for working in senior management at a Liechtenstein company, such as remuneration for conferences, management bonuses, etc. This remuneration is taxed on payroll whether paid to an individual or paid to an entity upon invoice.

9.2. Taxes on capital (capital duties)

There are no taxes on capital except the taxation of estimated income of wealth regarding natural persons.

9.3. Taxes on property

9.3.1. Property transfer taxes, including real estate transactions

Gains received by selling real property situated in Liechtenstein are taxed with the real estate capital gains tax; this tax is applicable for both individuals and companies.

9.3.2. Real property taxes

In Liechtenstein, a real property tax is not imposed.

9.3.3. Personal property tax

In Liechtenstein, a personal property tax is not imposed.

9.3.4. Fixed asset tax

In Liechtenstein, a fixed asset tax is not imposed.

9.4. Miscellaneous taxes

9.4.1. Taxation on endowments
There is a tax on endowments to foundations and other wealth management companies or trusts. This tax will only be levied if the endowment was previously taxed in Liechtenstein. The rate is 3.5 percent of the tax value of the endowment. As the community will also charge a surplus of between 150 and 250 percent on this 3.5 percent tax, it will amount to a total of around 10.5 percent which will not really encourage people to set up a foundation.

9.4.2. Formation tax

When a legal person is formed or its capital increased and unless the Swiss stamp duty law applies, a formation tax of 1 percent of the capital shall be levied with a general exemption of CHF1 million. There are special provisions for family foundations.

9.4.3. Excise and stamp duties

- Excise duty: In Liechtenstein, an excise tax is levied upon various items such as petroleum, tobacco, cars, beer, and distilled spirits.

- Stamp duty: A stamp duty rate of 1 percent is imposed on the nominal value of a share upon formation of a legal entity with capital divided into shares, however, the first CHF1 million is exempted. This rate is also imposed whenever an increase of the capital occurs or when shareholders make contributions without an increase of the entities’ capital. The duty is not levied upon bond and money market certificates. The stamp duty is corresponding with the stamp duty law in Switzerland and is in force in Liechtenstein due to the customs treaty of 1923 between Liechtenstein and Switzerland.

9.4.4. Tax on insurance premiums

The tax is levied on premium payments pursuant to a contract or an insurance relationship established by other means, provided the insured risk is situated in Liechtenstein. Unless the Swiss stamp duty law applies, a tax of 5 percent of the cash premium (for life insurance, 2.5 percent of the cash premium) shall be levied.

9.4.5. Inheritance and gift tax

Liechtenstein does not impose an inheritance or gift tax.

9.4.6. Automobile tax

There is also an automobile tax and tax for other motorised vehicles (Motorfahrzeugsteuer - the motor vehicle tax).

10. Special industries

10.1. Oil, gas and mineral extraction

There are no special taxes on businesses that extract oil, gas, or other minerals.

10.2. Banking and finance

There is no alternative tax computation or additional tax on banks or other businesses in the financial industry, except for the tax on insurance premiums.