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CHAMBERS GLOBAL PRACTICE GUIDES

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# Investment Funds 2026

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**Liechtenstein: Law and Practice**  
Bernhard Rankl and Alexander Appel  
Schurti Partners Attorneys at Law Ltd



# LIECHTENSTEIN



## Law and Practice

### Contributed by:

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**Schurti Partners Attorneys at Law Ltd**

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## 1. Market Overview

### 1.1 State of the Market

The Liechtenstein investment funds market is well established and has developed into an internationally oriented fund domicile. As a member of the European Economic Area (EEA), Liechtenstein applies largely EU-equivalent fund regulation, allowing both collective investments in transferable securities (UCITS) and alternative investment funds (AIFs) to benefit from EEA passporting rights for cross-border distribution. Despite the country's small size, the funds sector is a significant pillar of the Liechtenstein financial centre. As of 30 June 2025, the Liechtenstein fund market comprised a total of 819 funds (single funds and sub-funds). Of these 819 funds, 349 were UCITS, 453 were AIFs and 17 were investment undertakings (IUs; see below), managing CHF117.58 billion in net assets, of which CHF31.37 billion were attributable to UCITS, CHF0.36 billion to IUs and CHF85.85 billion to AIFs.

An investment undertaking (IU) pursuant to the Liechtenstein Investment Undertakings Act (IUA) is a type of fund available in Liechtenstein that offers qualified investors a less regulated investment platform. However, as the figures show, IUs have become less popular and have been replaced by AIFs and UCITS funds. One of the reasons is that an IU does not benefit from the passporting options within the EEA (unlike the AIFs and UCITS funds).

The market is therefore clearly dominated and driven by AIFs, which account for the majority of Liechtenstein-domiciled funds both in number and in terms of assets under management. Alongside the AIF market, Liechtenstein also hosts a distinct, though smaller, retail funds segment, primarily comprising UCITS funds. These funds are subject to harmonised EU rules and are typically aimed at retail investors, with a strong focus on cross-border distribution within the EEA. While the UCITS segment is less dominant than the AIF market, it remains an important component of the fund landscape, in particular for retail investors.

Over the past few years, the Liechtenstein funds market has remained very active. Assets under management have almost doubled from around CHF60 billion at the end of 2020 to around CHF120 billion in 2025. In

particular, the AIF segment has shown robust activity and resilience, underscoring Liechtenstein's position as a stable and attractive European fund domicile for both alternative and retail fund structures.

## 2. Alternative Investment Funds

### 2.1 Fund Formation

#### 2.1.1 Fund Structures

In Liechtenstein, AIFs are established using a limited number of well-recognised legal vehicles that are aligned with EU standards. The choice of structure generally depends on the target investor base, tax considerations, governance preferences and the nature of the underlying assets.

An AIF based in Liechtenstein may take the following forms:

- **Contractual Fund in the Form of an Investment Fund (*Investmentfond*) or Collective Trust (*Kollektivtreuhänderschaft*):** From a legal perspective, the investment fund and the collective trust are not a legal entity with separate legal personality. Instead, the fund assets are held by the AIFM for the benefit of the investors. The AIFM acts in its own name but exclusively in the interests of the investors, and the fund assets are segregated from both the AIFM own assets and the assets of other funds. The participants' interests in a contractual fund are represented by units rather than shares. These units reflect the investor's proportional beneficial interest in the fund assets and entitle the holder to participate in the fund's profits and, where applicable, redemptions, in accordance with the fund regulations.
- **An Investment Company (*Investmentgesellschaft*):** This is a corporate fund vehicle with its own legal personality. From a legal perspective, investment company AIFs are typically established as a company limited by shares (*Aktiengesellschaft*, AG), either with variable capital (AGmvK, OEIC, SICAV) or fixed capital (AGmfKm, CEIC, SICAF). As legal entities, these investment companies can enter into contracts, hold assets, and assume obligations in their own name. The corporate form provides a clear and familiar structure, particularly for interna-

tional investors and lenders. Participants' interests in investment company AIFs are represented by shares. These shares reflect the investor's ownership interest in the AIF and entitle the holder to participate in profits in accordance with the articles of association and the fund's offering documents. Different share classes may be issued to accommodate varying fee structures, investor rights, or distribution policies.

- A Partnership (*Anlage-Kommanditgesellschaft* or *Anlage-Kommanditärengesellschaft*), Providing For a Partnership Structure With Legal Personality: The "*Anlage-Kommanditgesellschaft*" consists of at least one general partner (*Komplementär*) with unlimited liability and one or more limited partners (*Kommanditisten*) whose liability is limited to their committed capital contributions. The "*Anlage-Kommanditärengesellschaft*" only consists of partners with limited liability, meaning that there is no partner with unlimited liability. The partnership itself is the fund vehicle and holds the investment assets in its own name. Investors' interests are represented by partnership interests. Investors hold limited partnership interests, reflecting their capital commitment and entitlement to profits, losses, and distributions in accordance with the partnership agreement.

The collective trust remains the most common legal structure for funds in Liechtenstein. As of 30 June 2025, 306 funds, representing 56% of all Liechtenstein funds, were established in this form. However, its relative importance has declined over time, as collective trusts accounted for 82% of funds in 2020 and 72% in 2022. By contrast, the number of contractual investment funds has increased steadily in recent years. Their share rose from 8% in 2020 to 22% (120 funds) by 30 June 2025. In addition, 120 funds (22%) were established as investment companies with variable share capital as of 30 June 2025. The proportion of this legal form has remained largely stable compared with previous years, accounting for 20% of funds as of 30 June 2022.

## 2.1.2 Common Process for Setting Up Investment Funds

As a member of the European Economic Area (EEA), Liechtenstein transposed Directive 2011/61/EU (Alternative Investment Fund Managers Directive; AIFMD) into national law through the Liechtenstein Alternative Investment Fund Managers Act (*Gesetz über die Verwalter alternativer Investmentfonds* AIFMG) and the Alternative Investment Fund Managers Ordinance (*Verordnung über die Verwalter alternativer Investmentfonds* AIFMV). Liechtenstein law therefore follows the same principles and standards as foreseen in the harmonised EEA frameworks. In 2025, the Liechtenstein legislature approved national legislation to implement AIFMD 2. As a result, the revised Liechtenstein AIFM Act will enter into force in April 2026.

Other than fully licensed AIFMs, so-called small AIFMs only have to undergo a registration with the Liechtenstein Financial Market Authority (FMA).

### Small AIFMs – Registration Process

Liechtenstein law provides for a de minimis exemption for AIFMs (so-called small AIFMs) (i) whose assets under management, including any assets acquired through use of leverage, in total do not exceed a threshold of EUR100 million; or (ii) who manage portfolios of AIFs whose assets under management in total do not exceed a threshold of EUR500 million when the portfolios of AIFs consist of AIFs that are unleveraged and have no redemption rights exercisable during a period of five years following the date of initial investment in each AIF.

Small AIFMs are only required to register (instead of a full authorisation process) with the FMA. At the time of registration, they must identify themselves and the AIFs they manage and submit information on the investment strategies of those AIFs. On an ongoing basis, small AIFMs must inform the FMA annually, and additionally upon request, about the main instruments traded, as well as the largest risks and concentrations of the AIFs under management, in order to enable effective monitoring of systemic risks.

They must also immediately notify the FMA of the launch of any AIF and of the commencement of any winding-up or liquidation of an AIF, and must promptly

inform the FMA if they no longer meet the applicable de minimis threshold conditions. If a small AIFM exceeds the relevant thresholds, it must apply for full authorisation as an AIFM under the AIFMG within 30 calendar days. Irrespective of the thresholds, small AIFMs may at any time voluntarily apply for full authorisation; once authorised, they become subject to all provisions of the AIFMG.

Only a few provisions of the AIFMG apply to small AIFMs. These include the provisions relating to registration, the appointment of an auditor, the supervision by the FMA, the legal remedies as well as the penalties. This means that, on the one hand, small AIFMs are not required to, for example, appoint a depositary or comply with the marketing requirements; on the other hand, however, they do not have access to the EEA passporting regime.

The registration of a small AIFM is subject to a fee of CHF10,000.

### Fully Licensed AIFMs – Licensing Process

AIFMs that exceed the small AIFM thresholds or voluntarily opt for full licensing must undergo the full AIFM licensing procedure with the Liechtenstein FMA. The advantages of a full licence include the option to market fund units to retail investors, as well as the ability to rely on the EEA passporting mechanism.

Following the AIFMD requirements, the FMA grants authorisation to an AIFM if certain core requirements are met. In particular, the AIFM must have sufficient initial capital (self-managed AIF: EUR300,000; external-managed AIF/AIFM: EUR125,000), its management must be professionally qualified and of good repute (fit and proper) and the AIFM must have its registered office and its head office in Liechtenstein.

The application must be submitted to the FMA and must contain information on the individuals who effectively conduct the business of the AIFM, details of all shareholders or members holding a qualifying participation, including the size of such holdings, and a business plan describing the organisational structure of the AIFM and how it intends to comply with its statutory obligations. The application must also include information on the remuneration policy and

practices and details of any delegation or sub-delegation arrangements.

For each AIF to be managed, the application must include comprehensive information on the investment strategies, including leverage principles, risk profiles, and other key characteristics, as well as the domicile of the AIF. Additional information is required for feeder AIFs and funds of funds. The constitutive documents, details of the appointed depositary, and the required investor information must also be submitted. Where marketing to retail investors is envisaged, further documentation must be provided (see 2.1.4 Disclosure Requirements). The AIFM must also notify the FMA of the winding-up or liquidation of any AIF it manages.

The FMA must issue an acknowledgement of receipt within ten working days after receiving a complete application. An application is deemed complete once the core information relating to the AIFM and the basic information on the AIFs has been submitted. The FMA must decide on the application within three months of receipt of a complete application, although this period may be extended to up to six months if necessary to protect investors or the public interest.

Where the applicant is already authorised as a UCITS management company, documents previously submitted to and still valid with the FMA need not be resubmitted.

The authorisation of an AIFM is subject to a fee of CHF20,000.

### AIF – Notification Process

If a new AIF is to be managed, a notification in relation to the new AIF must be submitted to the FMA. In this context, the FMA reviews not only the fund-related circumstances, but also whether the AIFM continues to comply with its authorisation requirements when managing and/or marketing the new AIF, for example whether its described personnel and technical infrastructure remain sufficient and whether its risk management, liquidity management and conflict-of-interest policies remain appropriate and adequate. In practice, the FMA's review and approval only takes a few weeks. The Regulator's efficiency and high degree

of responsiveness constitute another advantage of the Liechtenstein fund system.

The mere management of an AIF does not permit the marketing of an AIF; the marketing of an AIF must be authorised separately by the FMA.

### 2.1.3 Limited Liability

In Liechtenstein, investors generally benefit from limited liability, although the precise scope and legal basis of that limitation depend on the legal form of the fund. As a general principle, investors are not liable for the obligations of the AIF beyond the amount of their committed or invested capital, and the AIF's liabilities are intended to be satisfied solely out of the assets of the AIF. Depending on the specific legal structure of the AIF, limited liability can be enhanced.

### 2.1.4 Disclosure Requirements

For each AIF, the AIFM must provide the FMA with detailed information on the investment strategies, the risk profile, and other key characteristics of the AIF, including information on the place of establishment of the fund. Furthermore, the constitutive documents of the AIF must be submitted, together with information regarding the appointment of the depositary. The application must also include the investor information insofar as such information has not already been covered by the previously submitted documents.

Where the AIF is to be marketed to retail investors, the AIFM must also provide a key investor information document (KIID) and a prospectus if the fund is a closed-end fund.

Ongoing disclosures are also required, including regular reporting on the fund's performance, material changes to the disclosed information and, where applicable, periodic investor reports and financial statements. AIFMs must also submit regular regulatory reports to the FMA, including AIFMD Annex IV reports covering portfolio composition, risk exposures, leverage and liquidity.

Furthermore, any material changes in an AIFM's shareholdings must be disclosed and notified to the FMA in advance.

To the extent an AIF is invested in listed companies, the disclosure obligations under the Disclosure Act must be complied with.

## 2.2 Fund Investment

### 2.2.1 Types of Investors in Alternative Funds

Investor appetite for AIFs in Liechtenstein is generally strong and has increased in recent years, reflecting both global demand for alternative asset classes and Liechtenstein's position as a stable, well-regulated EEA fund domicile. The core investor base consists of professional and institutional investors, including family offices and asset managers, both from Liechtenstein and from other EEA and non-EEA jurisdictions. Family offices and high net worth individuals play a particularly important role in the Liechtenstein market.

### 2.2.2 Legal Structures Used by Fund Managers

Liechtenstein AIFMs are typically established as companies limited by shares (*Aktiengesellschaften*).

### 2.2.3 Restrictions on Investors

Liechtenstein law does not provide for any restrictions on the types of professional investors that can invest in an AIF. Certain additional obligations (eg, in terms of information) apply to AIFs that are open to investments by non-professional investors.

However, when it comes to marketing AIF units in other EEA member states, Liechtenstein law only permits marketing to professional investors.

## 2.3 Regulatory Environment

### 2.3.1 Regulatory Regime

In Liechtenstein, AIFs are regulated under a comprehensive framework that implements Directive 2011/61/EU (Alternative Investment Fund Managers Directive; AIFMD) into national law, primarily through the Liechtenstein Alternative Investment Fund Managers Act (*Gesetz über die Verwalter alternativer Investmentfonds* AIFMG) and the Alternative Investment Fund Managers Ordinance (*Verordnung über die Verwalter alternativer Investmentfonds* AIFMV). Under this framework, AIFs must be managed by an authorised and registered AIFM, which is responsible for portfolio management, risk management, regulatory reporting, and compliance.

While Liechtenstein law does not impose detailed quantitative restrictions on asset allocation in the same way as UCITS rules, AIFMs must ensure that investment strategies are consistent with the AIF's stated objectives, documented in the constitutional documents and offering materials, and that risk exposures are transparent to investors.

AIFMs must set a maximum level of leverage which they may employ on behalf of each AIF they manage and must demonstrate to the FMA that the leverage limits are appropriate for each AIF and that the specified limits are not exceeded at any time. If AIF units are marketed to private investors, then the leverage of the AIF as set out in the constitutive documents must not exceed three times the NAV (see **2.3.6 Rules Concerning Marketing of Alternative Funds**).

### 2.3.2 Requirements for Non-Local Service Providers

AIFMs domiciled in another EEA member state may carry out their services in Liechtenstein on the basis of the EEA passporting regime. For a domestic AIF, custody of the AIF's assets must be delegated to a depositary established in Liechtenstein, whereas for an AIF established in another EEA member state, the depositary must be located in the AIF's home member state. Administrators, risk managers and distributors must be authorised and established in Liechtenstein and are subject to supervision by the FMA.

### 2.3.3 Local Regulatory Requirements for Non-Local Managers EEA AIFM

AIFMs domiciled in another EEA member state are permitted to manage an AIF, and market its fund units in Liechtenstein under the EEA passporting regime.

### Non-EEA AIFM

Non-EEA AIFMs are not permitted to manage AIFs in Liechtenstein without obtaining a respective licence. When it comes to marketing fund units, the FMA may permit a non-EEA AIFM to market units or shares of the AIFs it manages in Liechtenstein, provided certain conditions are met. For each AIF, the applicable Liechtenstein requirements relating to annual reports, investor disclosures, and regulatory reporting obligations must be complied with. In addition, there must

be appropriate co-operation arrangements in place to enable the monitoring of systemic risks between the FMA and the competent authorities of the third country in which the non-EEA AIFM is domiciled. Furthermore, the third country in which the non-EEA AIFM is established must not be listed as a non-cooperative jurisdiction by the Financial Action Task Force (FATF) in relation to anti-money laundering and counter-terrorist financing.

### 2.3.4 Regulatory Approval Process

The approval process for an AIFM takes up to three months. The managing of a new AIF only requires a notice to the FMA (see **2.1.2 Common Process for Setting Up Investment Funds**).

The marketing of new AIFs requires the approval of the FMA. The FMA must notify the AIFM within 20 working days of receiving all the documents whether it may commence marketing the AIF in question.

### 2.3.5 Rules Concerning Pre-Marketing of Alternative Funds

An AIFM may engage in pre-marketing activities to professional investors in Liechtenstein, provided that the information presented to potential professional investors does not enable them to commit to acquiring units or shares of a specific AIF. Such materials must clearly and prominently state that they do not constitute an offer or an invitation to subscribe for units or shares of an AIF and that the information provided should not be considered reliable, as it is incomplete and subject to change. In particular, the information must not constitute subscription forms or comparable documents, whether in draft or final form, nor may it consist of final versions of constitutional documents, prospectuses, or offering documents of an AIF that has not yet been managed or registered. In essence, the pre-marketing obligations pursuant to the AIFM Act correspond to the corresponding EU Directive.

Where professional investors subscribe for units or shares of an AIF within 18 months of the start of pre-marketing, the standard marketing rules apply if the AIF was referenced in the pre-marketing materials or if the marketing notification resulted from the pre-marketing.

## 2.3.6 Rules Concerning Marketing of Alternative Funds

### Professional Investors

- Liechtenstein AIFM: An AIFM established in Liechtenstein that intends to market an AIF to professional investors in Liechtenstein must notify the FMA in writing for each AIF prior to marketing. The notification must include, inter alia, a business plan with details of the AIF and its seat, the constitutive documents, the name of the depositary, a description of the AIF or the available investor information, details of the master AIF in the case of a feeder structure, the investor information required by law, and a description of the measures taken to prevent marketing to retail investors. The FMA informs the AIFM within 20 working days of receipt of complete documentation whether marketing may commence.
- EEA AIFM: If the FMA acts as the host member state authority for marketing by an AIFM established in another EEA member state, it accepts the documentation transmitted by the home authority electronically and does not impose additional national marketing requirements beyond those laid down in EU law. Marketing to professional investors in Liechtenstein may only begin once the notification has been duly transmitted by the home authority.

EEA AIFMs established in another EEA member state that qualify as a “small AIFM” within the meaning of Article 3 (2) of Directive 2011/61/EU (AIFMD) may market EEA AIFs to professional investors in Liechtenstein provided that they are registered with their home authority and that the home member state allows such marketing under conditions no stricter than those applicable in Liechtenstein. In this case, a prior notification to the FMA is required, including proof of registration, a commitment to notify material changes, and any additional information requested by the FMA. Marketing may commence if the statutory conditions are met and the FMA does not object within one month.

### Retail Investors

Under Liechtenstein law, EEA and non-EEA AIFMs may market units of AIFs they manage to retail investors in Liechtenstein if certain conditions are met:

- A marketing notification must be submitted to the FMA.
- A key investor information document (KIID) must be provided, and, for closed-ended AIFs, a prospectus prepared in accordance with securities prospectus requirements is necessary.
- The leverage of the AIF as set out in the constitutive documents must not exceed three times the NAV.

EEA and non-EEA AIFMs intending to market AIF units to retail investors in Liechtenstein must establish facilities to:

- process subscriptions, payments, redemptions, and repurchase requests;
- inform investors how to submit orders and receive proceeds;
- facilitate access to information and procedures regarding investor rights;
- provide annual reports and investor information;
- provide relevant operational information on a durable medium; and
- act as a contact point with the FMA.

However, a Liechtenstein paying agent is no longer required.

## 2.3.7 Marketing of Alternative Funds

In Liechtenstein AIFs can be marketed to professional and retail investors (see 2.3.6 Rules Concerning Marketing of Alternative Funds).

## 2.3.8 Marketing Authorisation/Notification Process

In Liechtenstein, authorisation or notification with the FMA is generally required before AIFs can be marketed. The specific procedure depends on the type of fund, the targeted investors and the AIFM (see 2.3.6 Rules Concerning Marketing of Alternative Funds).

## 2.3.9 Post-Marketing Ongoing Requirements

AIFMs are subject to ongoing obligations following marketing, in particular in connection with material changes to the information that was provided during the marketing phase (see 2.3.6 Rules Concerning Marketing of Alternative Funds).

## 2.3.10 Investor Protection Rules

The investor protection rules (eg, rules of conduct, transparency requirements) do not apply to registered small AIFMs. For fully licensed AIFMs, the full catalogue of investor protection rules pursuant to the AIFMD apply, which means that, inter alia, the rules on code of conduct, remuneration of employees and key personnel, conflict of interests, the organisation of the AIFM, risk and liquidity management have to be taken into account.

Additional protection rules apply when fund units are marketed to retail investors which entails in particular the issuance of a KIID and, for closed-ended AIFs, a prospectus prepared in accordance with securities prospectus requirements, as well as limitations in relation to the leverage (see **2.3.6 Rules Concerning Marketing of Alternative Funds**).

## 2.3.11 Approach of the Regulator

In Liechtenstein, the FMA is generally regarded as approachable, pragmatic, and responsive, particularly in the context of AIFs and AIFMs. It is evident that the timelines for filings with the FMA are very short, and, in comparison with foreign regulators, competitive.

The regulator encourages early engagement, and it is common practice for AIFM or prospective fund sponsors to seek informal guidance or clarification before formally submitting applications for authorisation, registration, or marketing approval. Face-to-face meetings with FMA representatives are possible and often recommended, especially for complex or novel fund structures, cross-border arrangements, or for first-time applicants. These meetings help to clarify documentation requirements, compliance expectations, and regulatory timelines, and can facilitate a smoother approval process.

## 2.4 Operational Requirements

In Liechtenstein, the operational framework for AIFs is in line with the AIFMD (and soon with AIFMD 2) which includes in particular:

- **The Appointment of a Depository (*Verwahrstelle*) for AIFs:** The depository is responsible for safe-keeping the fund's assets, monitoring cash flows, and overseeing compliance with applicable laws

and fund rules. The depository must generally be a licensed or otherwise authorised entity under Liechtenstein law.

- **The Prudent Employment of Leverage:** The FMA requires that leverage be monitored and reported, and that risk arising from borrowing be properly controlled. If AIF units are marketed to private investors, then the leverage of the AIF as set out in the constitutive documents must not exceed three times the NAV (see **2.3.6 Rules Concerning Marketing of Alternative Funds**).
- **The Establishment of Clear Valuation Procedures for All Fund Assets:** Valuations must be conducted independently from portfolio management to ensure fairness and transparency. Regular pricing must be disclosed to investors according to the fund terms.
- **Compliance With Liechtenstein Laws on Market Abuse and Insider Dealing:** These prohibit trading on non-public, price-sensitive information and other manipulative practices. Managers must implement internal policies to prevent market abuse.
- **Compliance with Liechtenstein AML and KYC Requirements:** These include verification of investor identities, monitoring transactions, and reporting suspicious activities.

## 2.5 Fund Finance

In Liechtenstein, the fund finance market for AIFs is relatively well developed, though smaller and more niche compared with larger European jurisdictions. The market supports a range of alternative fund types, including private equity, real estate, hedge funds, and other specialised strategies, with borrowing and financing arrangements tailored to the fund's strategy, investor base, and legal structure.

Borrowing is typically arranged through international credit institutions. The availability of borrowing depends on factors such as the fund's structure, assets under management, investor profile, and the creditworthiness of the fund or its management company. Private equity and real estate funds often have the strongest access to finance due to the tangible nature of their underlying assets.

There are no rigid statutory limits on fund borrowings in Liechtenstein, unlike UCITS regulations, but bor-

rowing must be consistent with the fund's investment strategy and disclosure documents. The FMA expects that leverage is appropriately disclosed to investors and managed prudently. Excessive leverage that threatens the fund's liquidity or solvency may attract regulatory scrutiny.

It is common for lenders to take security over the fund units, mortgages over real estate held by the AIF, or pledges over bank accounts or receivables. The nature of the security depends on the type of fund and the underlying assets.

## 2.6 Tax Regime

AIFs established in Liechtenstein are subject to unlimited tax liability in Liechtenstein, but the income from the managed assets of Liechtenstein AIFs is exempt from taxation, so that AIFs are effectively not subject to taxation at fund level. Liechtenstein does not levy withholding tax on distributions made by AIFs, and there is no subscription tax, capital duty or comparable fund-level tax. As a result, taxation is shifted to the level of the investors rather than the fund. Furthermore, Liechtenstein funds are exempted from stamp duty (*Umsatzabgabe*).

## 3. Retail Funds

### 3.1 Fund Formation

#### 3.1.1 Fund Structures

In Liechtenstein, retail funds are rarely set up as AIFs, so the details in **3. Retail Funds** will focus on UCITS. A Liechtenstein UCITS can adopt the form of a (contractual) investment fund (*Investmentfonds*), (contractual) collective trust (*Kollektivtreuhänderschaft*) or (corporate) investment company (*Investmentgesellschaft*).

#### 3.1.2 Common Process for Setting Up Investment Funds

The FMA grants authorisation to a UCITS only after approving the application by the authorised management company, the appointment of the depositary, and the constitutive documents of the UCITS.

The application must be accompanied by all information and documents necessary to demonstrate that the authorisation requirements are fulfilled, and the

management of the management company must at the same time confirm that no grounds for refusal exist. The FMA must acknowledge receipt of a complete application within three working days. It must decide on the application within ten working days after receipt of the complete documentation, or within one month in the case of the initial authorisation of a self-managed investment company. If additional documents, information or amendments are required to assess the application, the FMA may request their submission, and the running of the deadline is suspended until the requested material is received.

The FMA may extend the decision period to a maximum of two months if this is necessary for the protection of investors or the public interest. If the FMA does not extend the deadline, the authorisation is deemed to be granted upon expiry of the applicable period, and the FMA must confirm the effect of the authorisation in writing.

For UCITS without sub-funds, the authorisation fee amounts to CHF2,500. For UCITS with sub-funds, the fee is CHF3,000 for the first sub-fund and CHF500 for each additional sub-fund.

#### 3.1.3 Limited Liability

As described in **2.1.3 Limited Liability**, investors of Liechtenstein UCITS generally benefit from limited liability.

#### 3.1.4 Disclosure Requirements

The management company is required, for each UCITS, to publish a prospectus, an annual report within four months after the end of the financial year, a semi-annual report covering the first six months of the financial year within two months after the end of the reporting period, the issue, sale, redemption and pay-out prices in accordance with the applicable rules, and the KIID:

- Prospectus: The prospectus must generally contain all information necessary to enable investors to make an informed assessment of the investments and the associated risks, including a clear and easily understandable explanation of the fund's risk profile, irrespective of the type of assets invested in. It must specify the categories of assets in which

the UCITS invests, whether it may use derivatives and, if so, how derivatives affect the risk profile. It must also contain prominent disclosures where the UCITS primarily invests in certain asset classes, tracks an index, or may exhibit increased volatility. Upon request, investors must be provided with additional information on risk management limits, methods, and recent developments in risks and returns. Material information in the prospectus must be kept up to date. Additionally, it must include information on remuneration policies and practices, either in full or in summary form with a reference to a website, as well as information on securities financing transactions and total return swaps.

- Annual Report: The annual report must contain a balance sheet or statement of assets, an income and expenditure account, a report on the activities during the past financial year, and all other required information, enabling investors to assess the development, performance and results of the UCITS. It must also disclose detailed information on remuneration paid, how remuneration is calculated, the results of remuneration reviews, any material changes to remuneration policies, and information on securities financing transactions and total return swaps. The figures included in the annual report must be audited by an auditor.
- Semi-Annual Report: The semi-annual report must include the minimum prescribed financial information and, where applicable, show the after-tax result for the period and any interim distributions made or proposed, as well as information on the use of securities financing transactions and total return swaps.
- Issue, Sale, Redemption or Payout Prices: UCITS must publish their issue, sale, redemption or payout prices whenever such transactions occur, and at least twice a month, unless the FMA permits monthly publication where investor protection is not compromised.
- KIID: For each UCITS, a short and comprehensible key investor information document must be prepared in accordance with EU rules. The KIID must provide essential information on the identity of the UCITS, its investment objectives and strategy, past performance or performance scenarios, costs and charges, and the risk and reward profile, and must

indicate where further information, including the prospectus and reports, can be obtained free of charge.

The management company must submit the prospectus, any amendments thereto, and the annual and semi-annual reports to the FMA. Investors are entitled, upon request, to receive the prospectus and the most recent annual and semi-annual reports free of charge, either on a durable medium, via a website, or in paper form.

## 3.2 Fund Investment

### 3.2.1 Types of Investors in Retail Funds

In Liechtenstein, investor appetite for retail funds is moderate but stable (see 1.1 State of the Market). Retail funds are available to both investor types, private as well as professional investors. In practice, retail funds are mainly offered by AIFM companies, which are controlled by the largest Liechtenstein banks.

### 3.2.2 Legal Structures Used by Fund Managers

Liechtenstein retail fund managers are typically established as companies limited by shares (*Aktiengesellschaften*).

### 3.2.3 Restrictions on Investors

There are no regulatory restrictions on the types of investors that can invest in Liechtenstein UCITS.

## 3.3 Regulatory Environment

### 3.3.1 Regulatory Regime

Liechtenstein UCITS are subject to the Liechtenstein Undertaking for Collective Investment in Transferable Securities Act (*Gesetz über bestimmte Organismen für gemeinsame Anlagen in Wertpapiere UCITSG*) and the Undertaking for Collective Investment in Transferable Securities Ordinance (*Verordnung über bestimmte Organismen für gemeinsame Anlagen in Wertpapiere UCITSV*) which transpose Directive 2009/65/EC (UCITS Directive) into national law.

The investment limitations applicable to Liechtenstein UCITS therefore follow the UCITS Directive framework. Liechtenstein UCITS may only invest in certain types of assets, primarily:

- securities and money market instruments listed or traded on a regulated market;
- newly issued securities provided that admission to a regulated market is sought within one year;
- shares of other UCITS or similar collective investment undertakings limited to 10% of their assets per undertaking;
- sight deposits or deposits with a maximum maturity of twelve months held with credit institutions in EEA states or third countries with equivalent supervisory standards;
- derivatives whose underlying assets are eligible investment instruments, financial indices, interest rates, exchange rates, or currencies, provided that certain criteria are met; and
- non-listed money market instruments if the issuer or the issuance is subject to public supervision and meets certain regulatory criteria.

Liechtenstein UCITS may acquire assets not falling within one of the aforementioned categories, provided that they do not exceed 10% of their total assets (“*Schmutzgrenze*”). They may not acquire precious metals or certificates representing them.

Additionally, issuer thresholds apply to Liechtenstein UCITS, meaning that they must not invest more than 5% of their assets in the securities or money market instruments of the same issuer, nor more than 20% of their assets in deposits with the same issuer. For OTC derivatives with a credit institution as counterparty, risk is limited to 10% of the UCITS’ assets, and 5% for other counterparties. If the total value of securities exceeding 5% per issuer does not surpass 40% of the UCITS’ assets, the 5% limit may be raised to 10%. These limits may be further adjusted for government-issued instruments, index-tracking funds, or intra-group investments, while overall investor protection must be maintained.

### 3.3.2 Requirements for Non-Local Service Providers

See 2.3.2 Requirements for Non-Local Service Providers.

### 3.3.3 Local Regulatory Requirements for Non-Local Managers

See 2.3.3 Local Regulatory Requirements for Non-Local Managers.

### 3.3.4 Regulatory Approval Process

An application for the authorisation of a UCITS must be submitted to the FMA by the management company. Within three working days of receiving a complete application, the FMA issues an acknowledgement of receipt. The FMA must decide on the application within ten working days after receipt of the complete documentation.

If additional information, documents, or amendments are required to assess the application, the FMA may request their submission, in which case the decision period is suspended until the requested material is received. The FMA may extend the decision period to a maximum of two months if this is necessary to protect investors or the public interest. If no extension is granted, the authorisation is deemed to have been granted upon expiry of the applicable period, and the FMA must confirm this effect in writing.

If all requirements are met, the FMA usually issues the authorisation within four to five business days.

### 3.3.5 Rules Concerning Pre-Marketing of Retail Funds

Liechtenstein law does not provide for a pre-marketing regime for UCITS.

### 3.3.6 Rules Concerning Marketing of Retail Funds

In Liechtenstein, no notification or authorisation is required for the marketing of Liechtenstein UCITS units in Liechtenstein.

The cross-border marketing of UCITS units within the EEA is governed by the EEA passporting regime. A UCITS domiciled in another EEA member state must notify its home member state authority which then in turn informs the FMA of the cross-border marketing. The FMA, acting as host member state authority, ensures electronic archiving and public access to documentation, and does not impose additional documentation or national marketing requirements beyond those set out in the harmonised framework.

A UCITS may begin marketing in Liechtenstein upon receipt of confirmation that the notification has been transmitted. The UCITS must inform the FMA of any subsequent changes to documentation or marketing arrangements.

UCITS established in another EEA member state that intend to market their units in Liechtenstein must provide facilities to perform specific investor-facing and regulatory functions. These include processing subscription, redemption and repurchase orders and related payments, informing investors about how such orders are submitted and proceeds paid, facilitating access to information and procedures for exercising investor rights in Liechtenstein. Additionally, UCITS marketing in Liechtenstein must provide investors with all information required in the home member state, with key investor information translated into German or another language accepted by the FMA, and other documents translated into German, an accepted language, or English at the UCITS' discretion.

### 3.3.7 Marketing of Retail Funds

UCITS can be marketed to both types of investors – ie, private and professional investors.

### 3.3.8 Marketing Authorisation/Notification Process

See 3.3.6 Rules Concerning Marketing of Retail Funds.

### 3.3.9 Post-Marketing Ongoing Requirements

Liechtenstein UCITS must publish, amongst other things, a prospectus, an annual report to be published within four months after the end of the reporting period, a semi-annual report covering the first six months of the financial year to be published within two months after the end of the period, the issue, sale, redemption and pay-out prices of the units, and the KIID.

EEA UCITS must make available to investors in Liechtenstein all information and documents that it is required to provide to investors in its home member state. For this purpose, the key investor information must be translated into German or another language accepted by the FMA, while other information or documents may, at the UCITS' discretion, be translated into German, a language accepted by the FMA, or English. The frequency with which issue, sale, resale

or redemption prices of UCITS units are published is governed by the law of the UCITS' home member state.

### 3.3.10 Investor Protection Rules

For Liechtenstein UCITS, the full catalogue of investor protection rules pursuant to Directive 2009/65/EC apply, which means that, inter alia, the rules on code of conduct, remuneration of employees and key personnel, conflict of interests, the organisation of the AIFM, risk and liquidity management have to be taken into account.

### 3.3.11 Approach of the Regulator

In Liechtenstein, the FMA is widely regarded as approachable, professional and pragmatic, and is keen to enable a short time-to-market (see 2.3.11 Approach of the Regulator).

## 3.4 Operational Requirements

Other than Liechtenstein AIFs, Liechtenstein UCITS are subject to various investment restrictions (see 3.3.1 Regulatory Regime) and more rigorous disclosure requirements (see 3.1.4 Disclosure Requirements).

Additionally, borrowing by a UCITS is limited to temporary loans that may not exceed 10% of the UCITS' assets; this limit does not apply to the acquisition of foreign currencies through a back-to-back loan. A Liechtenstein UCITS may also take out loans for the acquisition of real estate that is indispensable for the direct exercise of its activities; in the case of UCITS in corporate form (investment companies), such loans may not exceed 10% of their assets. If a UCITS takes out loans under these provisions, the total amount of such borrowing may not exceed 15% of its assets. Beyond these limits, a UCITS may not borrow at all, and any agreements breaching this prohibition are not binding on either the UCITS or its investors.

A UCITS is prohibited from granting loans or acting as a guarantor for third parties; agreements violating these prohibitions are likewise not binding, although this does not prevent the acquisition of financial instruments that are not yet fully paid in.

Furthermore, a UCITS may not carry out uncovered short sales, meaning it may not sell assets that do not belong to its portfolio at the time the transaction is concluded.

### 3.5 Fund Finance

Other than AIFs, UCITS have to comply with limitations when it comes to taking out and granting loans (see **3.4 Operational Requirements**). Within those limits, the explanation given in **2.5 Fund Finance** also applies to UCITS.

### 3.6 Tax Regime

UCITS follow the same taxation principles as AIFs (see **2.6 Tax Regime**).

## 4. Legal, Regulatory or Tax Changes

### 4.1 Recent Developments and Proposals for Reform

In 2025, the Liechtenstein government proposed amendments to the Liechtenstein Managers of Alternative Investment Funds Act (AIFMG) and the Liechtenstein Undertakings for Collective Investments in Transferable Securities Act (UCITSG) to implement Directive (EU) 2024/927 (AIFMD II) and fully operationalise the revamped European Long-Term Investment Fund (ELTIF) regime under Regulation (EU) 2023/606 (ELTIF 2.0).

For AIFs, the planned changes focus on several key areas: clearer rules on credit granting by AIFs, more robust and harmonised outsourcing standards, improved supervisory data reporting, and enhanced liquidity risk management tools. The reform package also contemplates more flexible cross-border access to depositary services.

With respect to retail funds, the UCITS regime is being updated in parallel to maintain consistency with the latest EEA standards and to ensure a harmonised supervisory approach across both regulated retail and alternative funds. The reform package will align the UCITS Act (UCITSG) with the AIFMG and other financial sector laws.

The amended legislation was approved by Parliament at the end of 2025 and is expected to come into force in April 2026.

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