

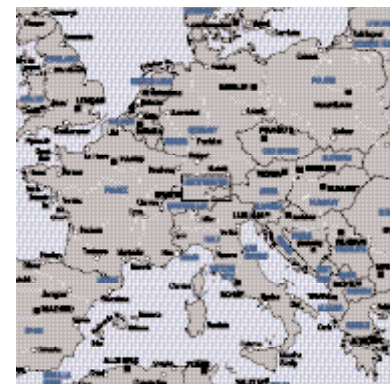
# Liechtenstein

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## Amendments to the laws governing investment undertakings

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In Liechtenstein, investment undertakings are governed by various laws. The provisions currently in force are as follows:

- Law of May 3 1996 on Investment Undertakings (IUG), LLG 1996 No 89;
- Law amending the Law on Investment Undertakings, LLG 1999, No 43;
- Executive Ordinance of July 10 1996 on the Law on Investment Undertakings (IUV), LLG 1996, No 90;
- Publication dated July 16 1996 regarding the amendment of LLG 1996 No 90, LLG 1996 No 108;
- Executive Ordinance on Fees concerning the Banking Act and the Act on Investment Undertakings, LLG 2000 No 237;
- Council Directive 85/611/EEC dated December 20 1985 on the coordination of laws, regulations and administrative provisions relating to undertaking for collective investment in transferable securities (UCITS); and
- relevant provisions of the Persons and Companies Act (PGR).

At the time of writing, the private placement of foreign funds is regulated by the Swiss authority (EBK). In Liechtenstein the regulating body is the Financial Services Authority.

A fund that is placed privately in Liechtenstein does not fall under the Law on Investment Undertakings. The number of offerees in a private placement must be restricted to 20 to keep the placement of the fund private. This limitation is also applicable to a sub-fund, otherwise it would be deemed to constitute a circumvention of the Investment Undertakings.

The most important criterion of ascertaining whether or not a fund is private regards whether the investors are already existing customers of the institution. If they are existing customers, the fund is normally considered as private, with the exception that this rule tends not to apply to large companies that have hundred or thousands of clients. At present there are no restrictions on the types of investors involved.

There are no express restrictions on the marketing methods available to be used. However, sending marketing materials can be problematic as there is then no guarantee that the number of offerees will be restricted to 20 investors. It is therefore recommended to add a disclaimer stating that the offer is personal and/or confidential and must not be disclosed to third parties.

Unsolicited calls to potential investors constitute marketing activities in Liechtenstein, if the potential investors are not existing clients. However, unsolicited calls can be made to existing investors and unsolicited calls can be received from existing investors without restriction.

A licence to distribute a fund is required if the fund is public and the regulations of the Investment Undertakings apply to the fund. According to the Law on Investment Undertakings, investment companies that are domiciled in an EU member state do not require a concession if they make a private placement of a foreign security fund. In this event the only requirements are a notification to the Financial Service Authority about the intended marketing and the paying agent.

The Law on Investment Undertakings and the Executive Ordinance on the Law on Investment Undertakings will be amended after the implementation by Liechtenstein of two further European directives.

The regulations regarding the above-mentioned marketing issues shall be the same. It is likely, however, that the new provisions will distinguish between institutional and non-institutional investors; the Financial Services Authority will almost certainly make some provision for institutional investors. But at the moment nothing is definite, as at the time of going to press the new Law on Investment Undertakings is still in draft form.

The aims of the amendments to the new Law on Investment Undertakings are first, the implementation of the above-mentioned European directives while considering the requirements of Liechtenstein and of the Financial Services Authority, and secondly, the compliance with IOSCO Principles according to the International Monetary Fund report.

Finally, it is worth noting that the current situation, where Liechtenstein does not have binding rules regarding the question of private placements, may change.

## Corporate and commercial

### Recommended firms

Dr Dr Batliner & Dr Gasser

Law Office Harry Gstöhl & Partner

Law Office Holzacker & Struth

Marxer & Partner

Walch & Schurti

Wanger Advokaturbüro

### Dr Dr Batliner & Dr Gasser

The law office of Dr Dr Batliner and Dr Gasser is recommended for the first time in the *IFLR1000*, due to the categorical praise it received from its peers. The firm is “good to work with,” has had “some big and outstanding cases” and as a result has had “quite a response in the local media”.

The press focus might be new, but the firm is 50 years old and one of the largest independent firms in Liechtenstein. It comprises Herbert Batliner, Johannes Gasser and six other lawyers, all working in the firm’s Vaduz office. Although the firm advises on a wide range of practice areas, including corporate, commercial, banking and

labour law, it is in litigation, and particularly financial litigation, that it draws the most recommendations. The firm “does a really great job in litigation” according to one contemporary, while another says he “likes litigating with Herbert Batliner because of his legal knowledge”.

### Key contact partners

Herbert Batliner  
Johannes Gasser

### Leading lawyer

Herbert Batliner

### Law Office Harry Gstöhl & Partner

Although Gstöhl has a smaller share of the market than competitors such as Marxer & Partner and Walch & Schurti, a survey of other lawyers in the market finds many praising the firm’s quality of work. “They do a far better job, despite their size,” says one.

The firm comprises Harry Gstöhl, Egon Hug, Sabine Mohr-Egger and Andrea Hofmann. Of these, Gstöhl himself has by far the highest profile and greatest reputation. He is the ex-president of Liechtenstein’s High Court of Administration, of the National Board of Examination for Lawyers and of the Supreme Constitutional Court.

Although the rules of client privilege in Liechtenstein prevent firms from releasing details of their work, it is acknowledged that Gstöhl specializes in banking, bankruptcy and corporate law. The firm is a member of both the International Lawyers Network and the Employment Law Alliance.

### Key contact lawyers

Egon Hug  
Sabine Mohr-Egger

### Leading lawyer

Harry Gstöhl

### Law Office Holzacker & Struth

Since the last edition of the *IFLR1000*, Guido Meier has left Meier & Holzacker (in March 2004) to work in the trust industry. So the firm has been rebranded Holzacker & Struth. Despite Meier’s status as a leading lawyer in Liechtenstein, other firms in the market say the departure has “not damaged the firm’s reputation”. Gerhard Holzacker fills much of the gap, highly regarded as he is among banks and corporates alike.

As well as acting for several international banks active in Liechtenstein, Holzacker & Struth is retained by the US government for litigation and works on many cases involving the misuse of corporate funds. The firm also works with UK and US law firms, including English firm Norton Rose.

### Key contact partner

Gerhard Holzacker

**Leading lawyer**

Gerhard Holzhaecker

**Marxer & Partner**

“Size-wise, Marxer is in a class by itself.” The firm is the largest and oldest in Liechtenstein, with eight partners, 15 associates and over 50 other staff. Its experience of corporate and commercial work in the country is unmatched, because “statistically, there is good chance that Marxer will be on one side of any deal”.

The firm was founded in July 1925 by the father of managing partner Peter Marxer. Peter Goop is the “& Partner” of the firm’s name, the son of Adolf Goop, who created the partnership in 1941. The star lawyer however, says the market, is Johannes Burger. He is highly commended by his contemporaries for his skills on banking and project finance transactions.

The firm’s range of work includes advice to trusts, accounting and auditing companies, real estate experts, banks and asset managers. It is also the Liechtenstein representative of the Lex Mundi association of independent law firms.

In 1993 the then-partners founded Centrum Bank, which expanded the firm’s range of services and gave it a dedicated client. Marxer & Partner is today permanent legal counsel to Centrum.

**Key contact partners**

Johannes Burger

**Leading lawyers**

Johannes Burger

Peter Goop

**Walch & Schurti**

Marxer & Partner and Walch & Schurti are the two largest firms in Liechtenstein and two of the most well known. Together they “account for the majority of the work” in the country.

Walch & Schurti’s reputation rests largely on the standing of Ernst Walch, the former foreign minister, president of the Liechtenstein parliament and deputy chairman of the National Bank. Yet his credentials are not limited to the political and financial spheres. Walch’s legal knowledge and skills were recommended to our research team as among the best in Liechtenstein.

The firm’s financial background does mean, however, that most of its work is taken up by banking and commercial advice. It advises several international banks, and worked on the creation of the Neue Bank in Liechtenstein. It is also one of the few large firms in Liechtenstein that is not attached to a specific national bank, as a result of which it provides much legal advice to the country’s independent banks.

Walch & Schurti operates in conjunction with the WalPart Trust, an accountancy and tax house that advises on the creation and administration of foreign trusts and Liechtenstein foundations. Name partner Andreas Schurti is also highly recommended.

**Key contact partners**

Andreas Schurti

Ernst Walch

**Leading lawyers**

Andreas Schurti

Ernst Walch

**Wanger Advokaturbüro**

Wanger Advokaturbüro is senior partner Markus Wanger, managing partner Markus Wille and associates Johannes Grabher and Philipp Schnyder. The firm has shrunk in the last couple of years, losing partners Birgitta Gassner and Ingrid Gassner. Yet, despite this loss of capacity in Liechtenstein, the Wanger Group remains a large, multinational legal network, with representatives or connections in Austria, Belgium, Brazil, Israel and Switzerland.

Wanger concentrates on work for trusts and holding companies. Wille is primarily a litigation expert. Grabher and Schnyder both deal with work coming from clients in Austria and Switzerland, but still find time to give banking and commercial advice in Liechtenstein.

The firm conducts its trust and intellectual property services through Patag, a licensed Liechtenstein trust company.

**Key contact partners**

Markus Wanger

Markus Wille