



Stock corporation

GN Treuhand

“Stock corporation are the most popular and most widely used corporate structures.”





Stock corporation

- A stock corporation or also known as public limited company (PLC) is the internationally best-known legal form. Since Liechtenstein is part of the European Economic Area (EEA), Liechtenstein's stock corporation law is harmonised with EU legislation and recognised worldwide.
- The purpose of a stock corporation can be both commercial and non-commercial; in fact in any form permitted by law. For example, handling trading operations, acquiring shares (holding function) as well as real estate, financing and managing assets for shareholders.
- The supreme body of the stock corporation is the general shareholders assembly. A general meeting must be held at least once a year.
- The board of directors conducts business for the stock corporation and is comprised of one or more members. The members of the board of directors individually or collectively represent the company externally.
- The stock corporation is required to appoint an auditor to review the annual accounts and report to the general assembly.





Advantages of a stock corporation

- Corporation is a legal entity and therefore only liable to the company's capital. Shareholders are only obligated to statutory performance and are not personally liable for the company's liabilities.
- Share capital allocated in predefined shares (shares can have any nominal value).
- Option of non-cash formations (e.g. by contributing an existing company).
- Option of organised liquidation based on the resolution of a general assembly.
- Registered or bearer shares.

Differences between stock corporation and LLC

For commercial activities or as a holding company, an LLC is another option in addition to the stock corporation or an establishment (separate brochure). We will therefore briefly list the differences to a LLC under Liechtenstein law.

Stock corporation

- Minimum capital CHF/EUR/USD 50,000.—.
- Only liable to the extent of company assets.
- Unlimited number of shareholders.
- Shareholders may exercise their rights through the general assembly.
- Shares may be freely traded or restricted on transferability.
- The bodies of the stock corporation are the general assembly, board of directors and auditor.



Limited liability company (LLC)

- Minimum capital CHF/EUR/USD 10,000.– (as of 2017).
- Liability of each shareholder is limited to a certain amount.
- The number of shareholders may be officially limited to 30.
- Shareholders are disclosed in the excerpt from the commercial register.
- Assigning a share to third parties always requires the approval of the other shareholders.
- The bodies of the LLC are the general assembly and auditor.
- Non-executive shareholders must be granted control rights.

Formation

Share capital

- Minimum capital CHF/EUR/USD 50,000.–.

Structure

- Company bodies
 - The *general shareholders* assembly is the supreme body of the company.
 - The *board of directors* is responsible for managing operations. It may assign a director of operations.
 - The *auditor* is the controlling body and annually reviews the statutory report.
- Annual accounts including attachments (profit and loss account) must be prepared annually and reviewed by the auditor.

**Publication/Confidentiality**

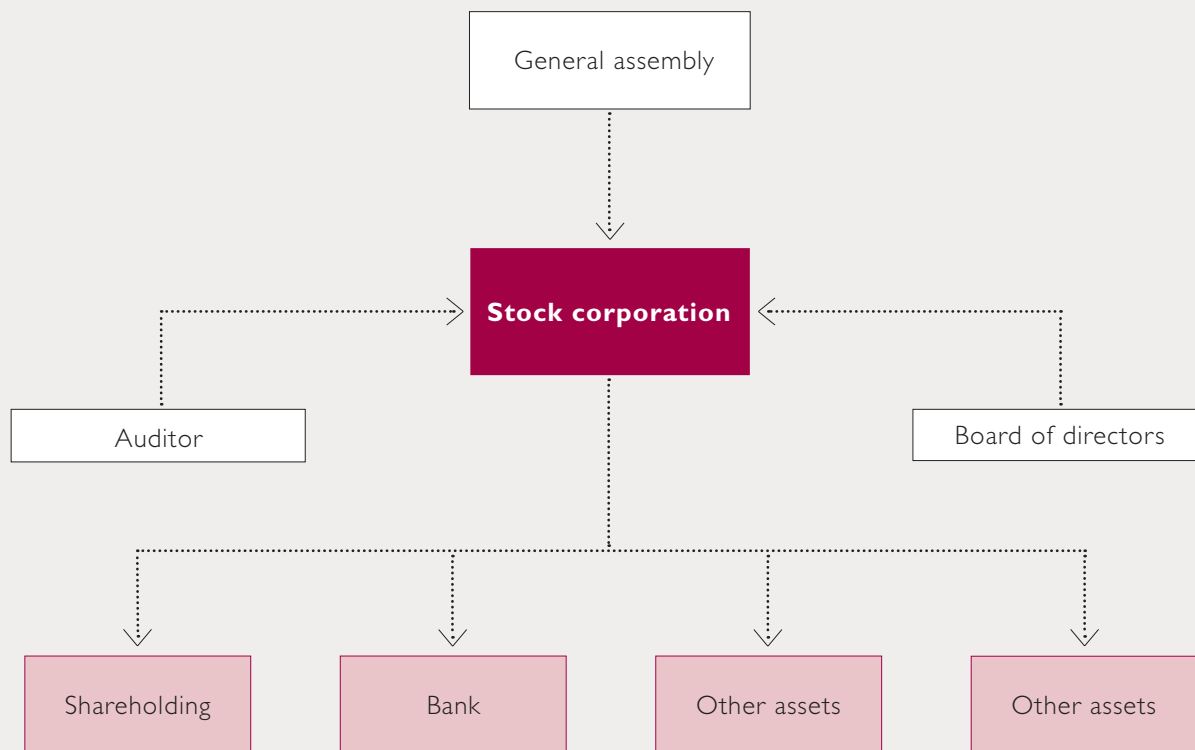
- Company information for a stock corporation is published in the commercial register. Shareholders, however, are not listed.
- The articles of association and yearly (audited) annual accounts are also kept in the commercial register but not published. Furthermore, no additional agreements or regulations must be submitted or published. This excludes institutes controlled by the financial market, e.g. investment companies or fund management companies, which must submit the corresponding internal company regulations to the Financial Market Authority (FMA) on licensing.





Taxes

- A stock corporation is subject to income taxes (12.5 % of the taxable net profits and an interest deduction on equity capital of 4%, but a minimum of CHF 1,800.– per year; as of 2017).
- In Liechtenstein, profit distributions are not subject to deduction at source.
- No taxation of dividends and capital gains for equities.
- Real estate is subject to local taxes where the property is located and income from it is therefore not subject to Liechtenstein taxes.
- Value added tax, stamp duties/turnover tax are subject to Swiss law.
- Liechtenstein is also familiar with the principle of IP Box.



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