

Compliance issues

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[Anti-avoidance and anti-abuse provisions](#) [Anti-money laundering provisions](#)

This article addresses various compliance issues in Liechtenstein, including anti-avoidance, anti-abuse and anti-money laundering provisions in the context of private client wealth management. **(1)**

Anti-avoidance and anti-abuse provisions

The 2019 amendment to the Tax Act introduced specific anti-avoidance provisions regarding the tax exemption on dividends and capital gains from participations, the notional interest deduction and depreciation or value adjustments on participations.

Under these new anti-avoidance rules, dividends from participations of foreign entities will not be tax exempt if the following requirements are met on a cumulative basis:

- more than 50% of the total gross revenue of the foreign legal entity is generated by passive sources; and
- the taxable net profit (ie, before taxes) of the foreign legal entity is directly or indirectly subject to low taxation.

Anti-money laundering provisions

As an EEA member, Liechtenstein has implemented the [Fourth EU Anti-money Laundering Directive](#) (2015/849/EC) and EU Regulation 2015/847 on information accompanying transfers of funds. Liechtenstein's implementation provisions are contained in the Due Diligence Act and the Due Diligence Ordinance. Further, Liechtenstein must implement the Fifth EU Anti-money Laundering Directive by 2020.

Law 952.8 of 6 December 2018 on the establishment of a central registry of beneficial owners of Liechtenstein entities was published in the *Official Gazette* on 29 January 2019. The law will enter into force in August 2019.

For further information on this topic please contact [Johanna Niegel](#) at [Allgemeines Treuunternehmen \(ATU\)](#) by telephone (+423 237 34 34) or email (office.frick@atu.li). The [Allgemeines Treuunternehmen \(ATU\)](#) website can be accessed at www.atu.li/en.

Endnotes

(1) This article is part of a series that examines recent developments in the provision of private client services in Liechtenstein. For the other articles in the series, please see:

- ["Recent developments and tax considerations for private clients"](#); and
- ["Private trusts, foundations and charities"](#).

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