

# Business Location

## Liechtenstein – a broadly diversified center of commerce

Despite the Principality's small size, Liechtenstein is extremely successful at holding its own on the international stage.

A small country is always confronted with great challenges. A surfeit of domestically produced raw materials and resources is not present, and the ability to exert economic as well as political influence is relatively meager. But in the «size» of the country also lie the strengths of the Principality of Liechtenstein. Tremendous flexibility and innovative power are the best guarantees that the opportunities to be had in a rapidly changing global economy can be successfully exploited even in future years.

For Liechtenstein as a center of commerce, globalization offers a great opportunity. Because its domestic market is relatively small, the Principality has always had to rely on opening up new foreign markets for its goods and services. Many Liechtenstein companies are world leaders in their specific niche. This global orientation, as well as the country's liberal business regulations, constitute the basis for the attractiveness of Liechtenstein within the international financial community.

### An overview of Liechtenstein

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#### Country & populace

- 160 km<sup>2</sup> of land area with approximately 35,500 inhabitants
- Central location in Europe
- Currency: Swiss francs; euros are also accepted
- Constitutional hereditary monarchy based on a democratic and parliamentary foundation
- Well-developed, modern infrastructure

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#### Politics & laws

- Stable social, legal and economic regulations
- Political stability and continuity
- Solid finance policy of the public-sector bodies
- Liberal corporate law
- Liberal tax legislation; holding-company privilege
- Strict financial market supervision through the creation of an integrated supervisory authority (FMA) in 2005

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#### Economy

- Advantageous investment environment (strong purchasing power, low interest rates)
- High level of education
- Longer working hours compared to the rest of Europe; higher retirement age
- Strong export industry
- High-performance banking system
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## High-performance banking system

### Significant economic branches (by number of employees)

- Industrial and commercial: 43.7%
- General services: 38.9%
- Financial services: 15.2%
- Agriculture & households: 2.1%

### Memberships

- EEA (since 1995)
- WTO (since 1995)
- EFTA (since 1991)
- UN (since 1990)
- European Council (since 1978)
- OSCE (since 1975)
- Economic, currency and customs union with Switzerland (since 1923)

### Special aspects of Liechtenstein as an EEA member

- Close relationships and open boundaries with Switzerland
- Low taxation of holding and domiciliary companies
- Strict banking client secrecy
- Special Liechtenstein corporate forms
- Unhindered market access (e.g. EU-wide distribution of investment funds)
- EU standards applied in legal provisions

## VP Bank and Liechtenstein

The VP Bank Group was founded in Vaduz in 1956 and today is one of the three largest banks in Liechtenstein. Of the Group's ca. 730 employees, close to 500 of them work in Liechtenstein.

### More information

- ▶ [Offizielles Webportal von Liechtenstein](#)
- ▶ [Portal der Liechtensteinischen Landesverwaltung](#)
- ▶ [Portal des Fürstenhauses](#)

### Contact

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