

THE PUBLIC LIMITED COMPANY



WHAT IS A PUBLIC LIMITED COMPANY?

A Public Limited Company, a common entity in various legal systems, operates with its capital divided into shares. Shareholders' liability is confined to their investment as outlined in the articles of association, protecting their personal assets from the company's debts. In Liechtenstein, this company type is versatile, engaging in commercial activities or serving as a holding entity for investments, intellectual property, real estate, and more.

WHAT ARE THE OBJECTIVES OF A PUBLIC LIMITED COMPANY?

A Public Limited Company can engage in various activities, both commercial and non-commercial, as long as they adhere to legal requirements. The company's purpose should clearly indicate whether it is conducting a commercial business. Activities like asset management, holding investments, or other rights do not constitute a commercial business unless their scale and nature necessitate commercial operations and systematic accounting.

WHAT IS THE REQUIRED INITIAL CAPITAL?

A Public Limited Company in Liechtenstein requires a minimum capital of CHF 50,000, or its equivalent in Euros or US dollars. This capital is divided into shares or quotas, which can be of equal or varying values. The capital must be fully paid up, either in cash or as contributions in kind. For a capital exceeding CHF 200,000, a minimum of 25% of each share must be paid in cash or covered by contributions in kind. The share capital can be adjusted, either increased or decreased, as needed.

HOW IS THE PUBLIC LIMITED COMPANY FORMED?

To establish a Public Limited Company, a minimum of two founders, either individuals or legal entities, is necessary. Post-establishment, the company can be owned by a single shareholder. Typically, formation involves a written foundation declaration, signed by all founders and notarized publicly. Alternatively, it can be established through a constituent General Meeting. In practice, these companies are often set up by a Liechtenstein professional trustee on behalf of clients.

IS THE PUBLIC LIMITED COMPANY ENTERED IN THE COMMERCIAL REGISTER?

A Public Limited Company gains its legal status upon being registered in the commercial register.

WHAT TYPE OF SHARES DOES THE PUBLIC LIMITED COMPANY HAVE?

A Public Limited Company can issue registered or bearer shares, and it's possible to have both types concurrently in a ratio specified in the Articles of Association. Additionally, the company can issue various other kinds of shares. The Articles of Association might also allow for the creation of participation capital, represented by participation certificates. These certificates, issued for a fee, carry no nominal value and do not confer voting rights.

WHICH ACCOUNTING AND DISCLOSURE OBLIGATIONS APPLY?

Public Limited Companies must keep proper accounts, regardless of their commercial activity. Their legal representatives need to submit the approved annual financial statements and audit report to the Office of Justice within twelve months after the balance sheet date.

WHAT ORGANS DOES THE PUBLIC LIMITED COMPANY HAVE?

General Meeting: The General Meeting of Shareholders, the company's highest authority, handles key decisions like appointing the Board of Directors, approving financial statements, and setting dividends. An Annual General Meeting is mandatory within six months after the fiscal year-end, with additional meetings as needed.

Board of Directors: This body manages and represents the company. Its members, elected by the General Meeting, can be one or more individuals. For companies with a capital of at least one million Swiss francs, the board must have at least three members. Management tasks can be delegated to non-members.

Auditor: An independent Auditor is appointed by the company, though under certain conditions, this requirement can be waived.

Supervisory Board: In a dualistic system, this board oversees management and participates in administration. Its members are listed in the commercial register.

Custodian: For companies with bearer shares, a Custodian must be appointed to hold these shares, with their role noted in the commercial register.

Representative Office: Non-commercially active companies without a delivery address must appoint a Representative Office, which acts as the company's postal address and liaises with authorities.

WHEN IS THE PUBLIC LIMITED COMPANY DISSOLVED?

The dissolution of the Public Limited Company occurs through the initiation of bankruptcy proceedings, a resolution passed by the General Meeting, or a ruling from the Princely Court of Justice.

CAN A FOREIGN PUBLIC LIMITED COMPANY RELOCATE ITS REGISTERED OFFICE TO LIECHTENSTEIN?

Yes, a foreign Public Limited Company can move its registered office to Liechtenstein without needing to dissolve and re-establish itself. This transfer is approved by the commercial register once specific formalities are met. Additionally, a company can shift its tax domicile to Liechtenstein while keeping its registered office abroad by appointing Liechtenstein directors who make decisions within Liechtenstein.

WHAT ARE THE KYC REQUIREMENTS?

Liechtenstein adheres to the 4th and 5th EU Anti-Money Laundering Directives, integrating them into its national legislation. This compliance necessitates the identification of the beneficial founder and all associated individuals. Founders are required to disclose their total wealth, which is then scrutinized for authenticity (source of wealth). Additionally, the origin of assets transferred to the Establishment must be verifiable, either through documentation or independent sources (source of funds). A Liechtenstein professional trustee continuously monitors these business relationships to ensure they align with risk management protocols.

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We are looking forward to hearing from you.