

The Liechtenstein Foundation

At the crossroads of finance, tax and accounting, our clients count on us to look out for their best interests. To develop and deliver the most relevant solutions to suit your particular goals, we work together with the finest lawyers and financial experts. With our roots in banking and a large international network, we have the global reach and local knowledge to help you succeed. That's why we're still a leading player in Trust and Corporate Services, after more than 50 years.

Below is a short overview of the main characteristics of the Liechtenstein Foundation.

Main characteristics

A Liechtenstein Foundation is a separate legal entity, without members or shareholders. It exists to give effect to the wishes of its founder, as set out in the Foundation Deed, the Articles of Association and the Byelaws. The Foundation will be the legal owner of the assets it holds. A Foundation is absolutely exempt from taxation; except for a yearly Government tax of in general CHF 1,000. A foundation may not carry out any commercial activity.

Incorporation

A Foundation is always incorporated after intensive contact between the individual (or family) for which the Foundation is incorporated, his or her advisor and Intertrust. Close consideration is needed to ascertain that the intention of the client is within the scope of the (tax)

law and correctly stated in the Deed of Incorporation, the Articles of Association and the Byelaws. Setting up a Foundation requires the donation of assets for a defined purpose, with a requirement of minimum initial capital of CHF 30,000. The actual incorporation can be finalised within a couple of days.

People involved in the process

- ▶ The client (initiates the incorporation of the Foundation);
- ▶ The client advisor(s) (considering all tax and legal aspects);
- ▶ The founder (Intertrust for and on behalf of the client);
- ▶ The beneficiaries (may receive distributions, as mentioned in the Byelaws);
- ▶ The Foundation Board (the supreme and usually the sole organ of the Foundation);
- ▶ The Advisory Board, the Protector or other Foundation bodies (optional);
- ▶ The Bank (usually takes care of the management of the Foundation's portfolio);
- ▶ The professional Foundation Board will legally represent the Foundation and take care of the administration.

Comparable entities

Comparable entities are the Curaçao Private Foundation and the Panama Foundation. In practice, the use of foundations can be comparable with the use of Anglo-Saxon Trusts.


Practical use

A Foundation may represent a convenient method of ensuring that assets are smoothly and discreetly passed on from one generation to the next (estate planning). Such assets may for example be in the form of cash, portfolio investments, shares in underlying companies, or real estate.

A foundation may also make inter vivo distributions and gifts to any acceptable beneficiary, including the founder. Other reasons for incorporating a Foundation (separating assets) could be income tax planning, asset protection or privacy reasons. Furthermore, Foundations are commonly used as art Foundations, to protect the consistency of art collections, or as pension funds.

Our roots and relationships with the financial world run deep. We have the connections and knowledge to help our clients succeed. To bring you the best of the best, we work with the best. Our partners range across the corporate, legal and financial world.

Our clients come from every corner of the globe. Different countries, different cultures. Just like us. We have more than 1,000 professionals in more than 20 countries worldwide. So we have the local knowledge and sensitivity to see things from your point of view.

 Setting the standard since 1952

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