



**FMA**

Financial Market Authority  
Liechtenstein



**LIECHTENSTEIN  
FINANCIAL  
CENTRE**

2023 edition



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## LIECHTENSTEIN FINANCIAL CENTRE

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Modern, multifaceted, and successful. These attributes distinguish the Liechtenstein business location. After industry and manufacturing, financial services are the country's most important economic sector. With its banking, insurance, fund, and fiduciary sectors, the financial centre is also highly diversified. It is safe and benefits from an extensive international network. Its core competencies lie in a broad range of services for long-term wealth solutions. Its market participants are service providers for the local economy and population as well as for international clients. Liechtenstein promotes innovation in the financial services sector with an entrepreneur-friendly environment.

### Attractive market access

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Liechtenstein has been a member of the European Economic Area (EEA) since 1995, giving financial service providers full freedom to provide services in all countries of the European Union, Norway, and Iceland. Companies also benefit from privileged access to Switzerland, thanks to the two countries' traditionally close neighbourly economic relations and their shared Customs Treaty. The Currency Treaty with Switzerland defines Liechtenstein as part of the Swiss franc monetary area, which means that banks have the same access to refinancing at the Swiss National Bank as Swiss institutions do.

## International regulatory compliance

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The financial centre offers clients a high degree of security. Thanks to its EEA membership, the same legal requirements apply in Liechtenstein as in the countries of the European Union. Implementation of these requirements is monitored by the Financial Market Authority (FMA), which is internationally recognised and integrated into the European System of Financial Supervision. The FMA safeguards client protection and combats abuse. Liechtenstein meets the highest standards and has an effective defensive mechanism at its disposal to prevent money laundering and terrorist financing. In tax matters, Liechtenstein implements the global standards of transparency and information exchange developed by the OECD.

Liechtenstein offers a stable legal and social order with a very high quality of life. The sound fiscal policy of the public budgets, short administrative channels, as well as a transparent and predictable tax and legal framework contribute to the attractiveness of Liechtenstein as a business location. Liechtenstein's AAA rating by Standard & Poor's reflects this reliability.

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## ONE-STOP SHOP

12 banks, 2 electronic money institutions,  
1 payment institution, 32 insurance undertakings,  
561 funds and 16 management companies,  
95 asset management companies,  
136 professional trustees and 217 trust companies,  
16 pension schemes, 3 pension funds.

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## SPOTLIGHTS

### HIGH CAPITALISATION

The capitalisation of Liechtenstein banks is significantly above the EU average.

### NET NEW MONEY IS STABLE

The net new money of Liechtenstein banks is stable. Despite this, assets under management declined slightly due to market performance.

#### Net new money incl. foreign group companies

CHF **37.5** billion

2021

CHF **38.2** billion

2022

### EFFICIENCY UNDER PRESSURE

#### Cost/income ratio of Liechtenstein banks incl. foreign group companies

**71.5** %

2020

**69.7** %

2021

**71.0** %

2022

### FUND CENTRE DEFIES MARKET DEVELOPMENT

The fund volume decreased slightly due to the market development. However, the number of funds continues to rise.

#### Number of funds

**532**

2020

**557**

2021

**561**

2022

## DEVELOPMENT OF THE FINANCIAL CENTRE

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The year 2022 was characterised by major geopolitical tensions and turbulence on the financial markets. Nevertheless, the Liechtenstein financial sector proved to be stable and resilient. It continues to be profitable and attractive for new clients.

The assets under management of the 12 Liechtenstein banks, which specialise primarily in private banking and international wealth management, fell by 3.1% from CHF 424.4 billion to CHF 411.4 billion at the consolidated level as of the end of 2022 (Liechtenstein banks incl. foreign group companies). The reasons for the decline were currency effects and the negative market performance. The development was cushioned by the continued stable inflow of net new money. The common equity tier 1 (CET1) ratio at the consolidated level amounted to 19.6% at the end of 2022. Earnings before tax for the banking sector amounted to CHF 753.5 million, an increase in profitability of 12.2% over the previous year (CHF 671.7 million).

The strong growth in the fund sector in recent years weakened somewhat in 2022. Although the number of funds increased, the fund volume fell to CHF 69.1 billion due to market developments, compared to CHF 70.3 billion in the previous year (–1.4%). At the end of 2022, 847 Liechtenstein single funds and sub-funds were licensed, 35 more than in the previous year. With direct European market access and the international compatibility of its products, the Liechtenstein fund centre offers an attractive environment for fund providers and investors.

Assets under management at the 95 asset management companies fell from CHF 59.6 billion to CHF 54.2 billion in 2022, corresponding to a decline of 8.9%. The main reason for the decline is the negative market development. At the end of 2022, the asset management companies maintained 10,379 client relationships, roughly the same number as in the previous year (+0.2%).

The premium income of insurance undertakings increased to CHF 5.59 billion in 2022. Of this amount, non-life insurance accounted for CHF 3.75 billion (67%), life insurance for CHF 1.78 billion (32%), and reinsurance for CHF 0.06 billion (1%). Non-life insurance recorded premium income growth of 3.1%, while the premium income of life insurance fell by 6.1%. The reinsurance segment also experienced a decline in premium income amounting to 16.7%.

At the end of 2022, 16 occupational pension schemes in Liechtenstein were under the supervision of the FMA. The provisional average funding ratio was about 103% as of the end of 2022.

At the end of 2022, 22 undertakings for 48 services were registered under the Token and TT Service Provider Act (TVTG). The law defines the legal requirements for providing services on TT systems. TT systems are transaction systems based on trustworthy technologies (such as blockchains), making a wide range of economic services possible.

**NATIONAL ECONOMIC SIGNIFICANCE**

After industry and manufacturing, the financial sector is the most important economic sector in Liechtenstein. It is strongly diversified with an extensive international network. Its major importance for the national economy is also reflected in its significance for the domestic labour market. 10.5% of all persons employed in Liechtenstein work in financial and insurance services, and another 7.2% in legal and tax advice or auditing. In total, 7,312 people worked in the financial sector at the end of 2021, which corresponds to about 17.7% of all employees.

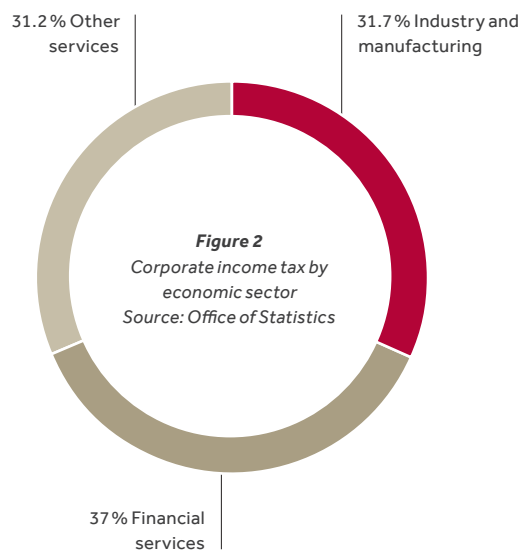
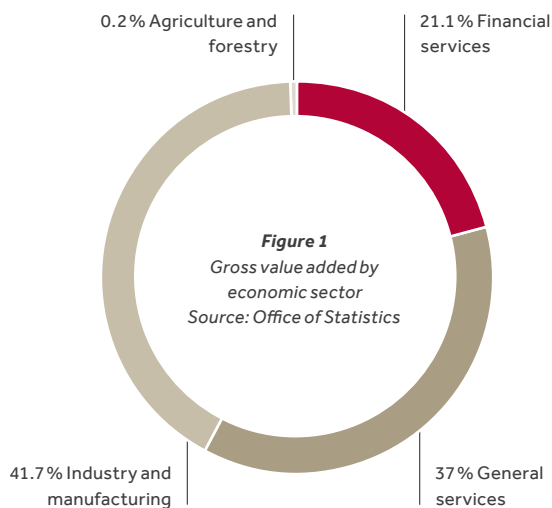
**Gross value added by economic sector**

In 2020, the Liechtenstein financial sector (provision of financial and insurance services, legal and tax advice,

and auditing) generated gross value added of CHF 1.22 billion. This means that about 21% of value added in Liechtenstein is generated in the financial sector. The industrial sector generated CHF 2.42 billion in 2021, making the largest contribution to GDP among all sectors at nearly 42%.

**Corporate income tax by economic sector**

The financial sector is also of major significance for public tax revenue in Liechtenstein. In the 2020 tax year, the largest share (37%) of corporate income tax revenue came from financial services. Through taxation of corporate income directly related to the economic activities of financial institutions, the State and the municipalities generated tax revenue in the amount of CHF 74 million.



## BANKING SECTOR

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As of the end of 2022, 12 banks were licensed and active in the Liechtenstein financial centre. Liechtenstein banks focus mainly on international wealth management. Thanks to Liechtenstein's membership in the European Economic Area (EEA), banks are granted full freedom to provide services throughout the European single market. Some banks are also represented outside Europe, especially in Asia.

Assets under management at the 12 banks (Liechtenstein banks incl. foreign group companies) amounted to CHF 411.4 billion at the end of 2022. Of that amount, CHF 187.2 billion or 45.5% is attributable to the banks in Liechtenstein. The net new money of Liechtenstein banks including foreign group companies (including acquisitions) amounted to approximately CHF 38.2 billion in 2022 (CHF 8.8 billion of which in Liechtenstein).

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## FINANCIAL STABILITY REPORT

In November 2022, the FMA published the fifth edition of its [Financial Stability Report on the stability of the financial sector](#). The report is one of the FMA's contributions to safeguarding financial stability.

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The balance sheet total of the Liechtenstein banks, including foreign group companies, amounted to CHF 106.8 billion at the end of 2022 (CHF 84.9 billion of which in Liechtenstein).

The CET1 capital ratio at the individual bank level was 21.3% at the end of 2022. The leverage ratio was 6.9% at the individual bank level and 7.2% on a consolidated basis. This means that capitalisation is significantly higher than the EU average. The liquidity coverage ratio (LCR) at the end of 2022 was 189.3% at the individual bank level and 210.5% on a consolidated basis. The structural liquidity ratio (net stable funding ratio, NSFR) at the same reporting date was 176.4% on a consolidated basis and 193.2% on an individual basis. This means that liquidity levels remained stable at a relatively high level from both a short- and longer-term perspective.

Two electronic money institutions were licensed in Liechtenstein as of the end of 2022, one fewer than in the previous year. Electronic money institutions provide electronically stored monetary assets with which payment transactions can be executed. Prepaid cards are an example.

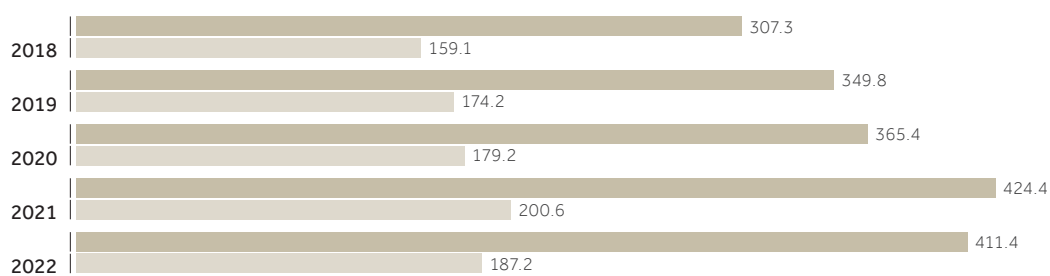
After the FMA granted the first licence to a payment institution in Liechtenstein in 2021, one payment institution continued to be registered and active in the reporting year.

Payment institutions are licensed to provide payment services in accordance with the Payment Services Act (ZDG) and ancillary activities on a commercial basis throughout the European single market.

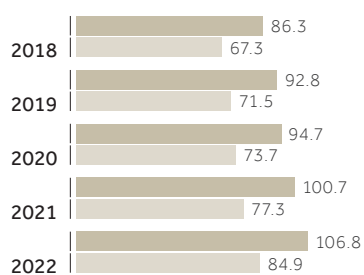
These activities include deposit and withdrawal transactions, payment account management, financial transfer transactions, account information services, and payment initiation services.



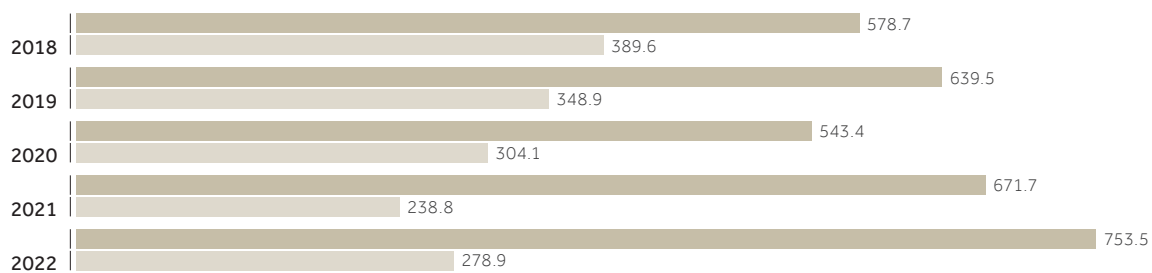
■ Consolidated view: Liechtenstein banks incl. foreign group companies  
 ■ Individual view: Liechtenstein banks without foreign group companies



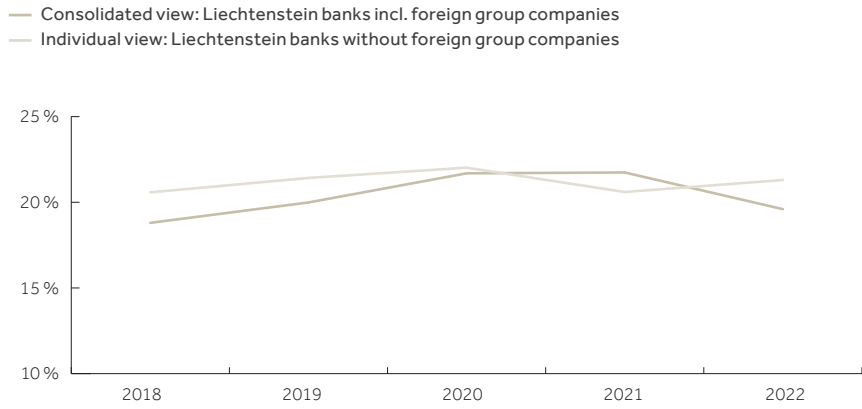
**Figure 3**  
 Assets under management (in CHF billion)



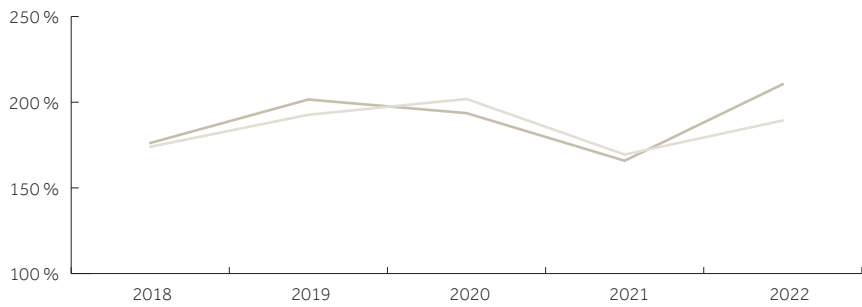
**Figure 4**  
 Balance sheet total (in CHF billion)



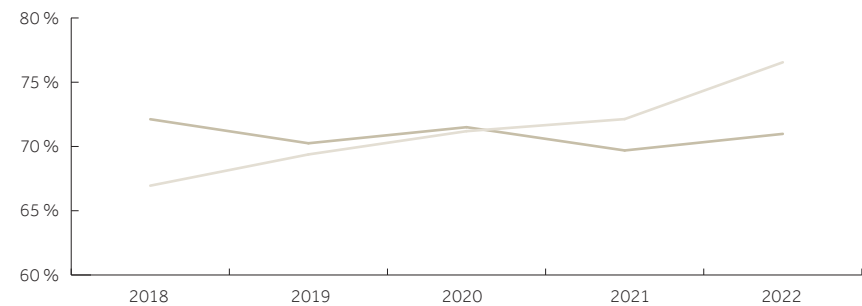
**Figure 5**  
 Earnings before tax (EBT) of the Liechtenstein banks (in CHF million)



**Figure 6**  
CET1 ratio of Liechtenstein banks (in % of risk-weighted assets)



**Figure 7**  
Liquidity coverage ratio of Liechtenstein banks (in %)



**Figure 8**  
Cost/income ratio of Liechtenstein banks (in %)

## ASSET MANAGEMENT COMPANIES

Asset management companies in Liechtenstein mainly specialise in:

- Portfolio management
- Investment advisory services
- Execution of orders on behalf of clients

Liechtenstein asset management companies may neither accept nor hold assets of third parties.

At the end of 2022, 95 asset management companies held licences in Liechtenstein. They had 10,379 client relationships at the end of 2022, of which 8,595 included an asset management mandate. 83% were private

clients, 13% professional clients, and 4% funds (investment undertakings, UCITS, AIFs).

## FACTS AND FIGURES

The FMA publishes facts and figures on [asset management in Liechtenstein](#) every half-year.

Total assets under management were CHF 54.2 billion. Asset management mandates accounted for CHF 45.6 billion of that amount, and other services such as investment advisory services accounted for CHF 8.6 billion. CHF 24.6 billion was invested at Liechtenstein banks as of the end of 2022.



**Figure 9**  
 Development of assets under management of asset management companies (in CHF million)



**Figure 10**  
 Development of number of client relationships

**FUND SECTOR**

Thanks to direct access to the European market and international compatibility of its products, the Liechtenstein fund centre offers attractive conditions for fund providers and investors.

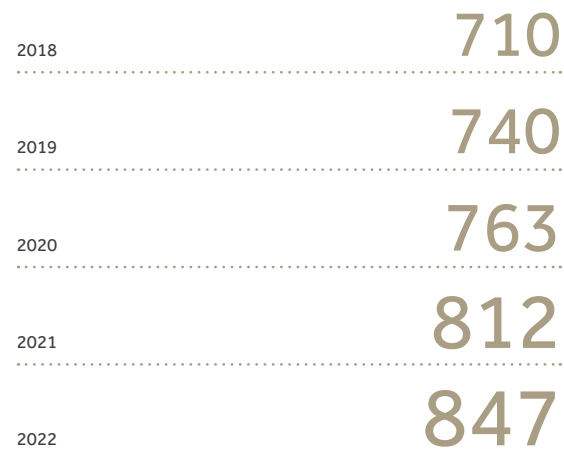
At the end of 2022, 561 Liechtenstein funds were licensed. A fund may consist of one or more subfunds. Net assets under management amounted to CHF 69.1 billion at the end of 2022.

**FACTS AND FIGURES**

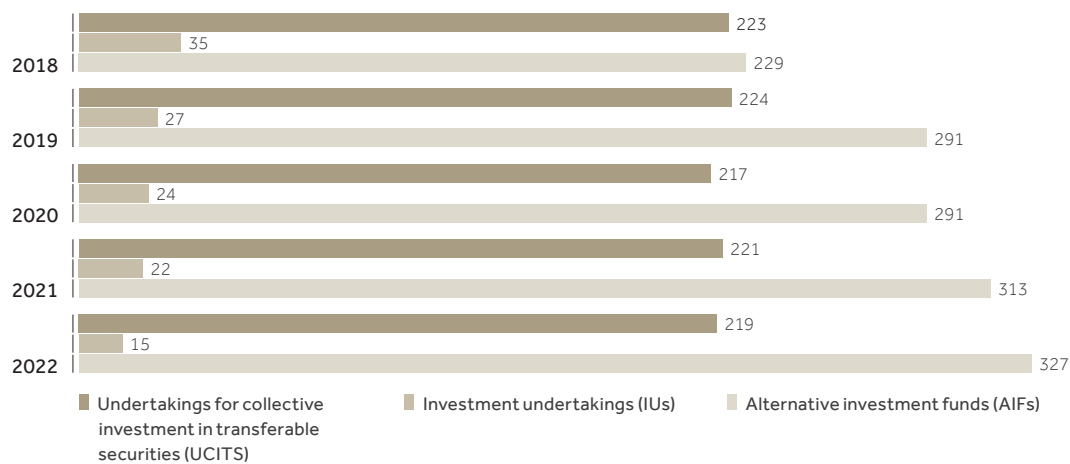
The FMA publishes facts and figures on the Liechtenstein fund centre every half-year.

The funds were managed by a total of 16 management companies or alternative investment fund managers (AIFMs) and one self-managing investment company. Other licence holders under fund law were one risk manager under the AIFM Act (AIFMG) and one selling agent under the AIFMG.

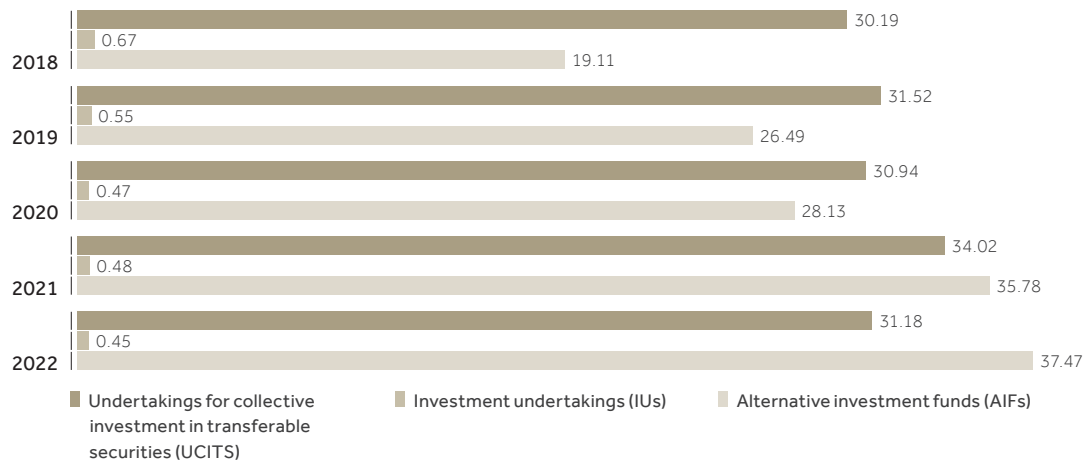
The number of foreign funds authorised for distribution in Liechtenstein was 927 (previous year: 574), and the number of subfunds authorised for distribution was 2,398 (previous year: 1,982). The number of foreign funds authorised for distribution in Liechtenstein has been rising strongly since 2016, when marketing of foreign AIFs became available in Liechtenstein through an EU passport.



**Figure 11**  
Development of number of single funds and subfunds



**Figure 12**  
Development of number of funds by category



**Figure 13**  
Development of fund volume (in CHF billion)

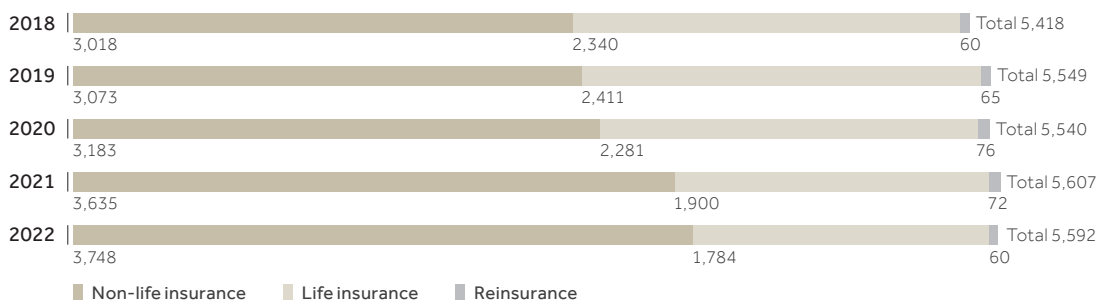
## INSURANCE UNDERTAKINGS

At the end of 2022, 15 life, 14 non-life, and 3 reinsurance undertakings were operating in Liechtenstein. Liechtenstein offers insurance undertakings direct market access to the countries of the European Economic Area and to Switzerland.

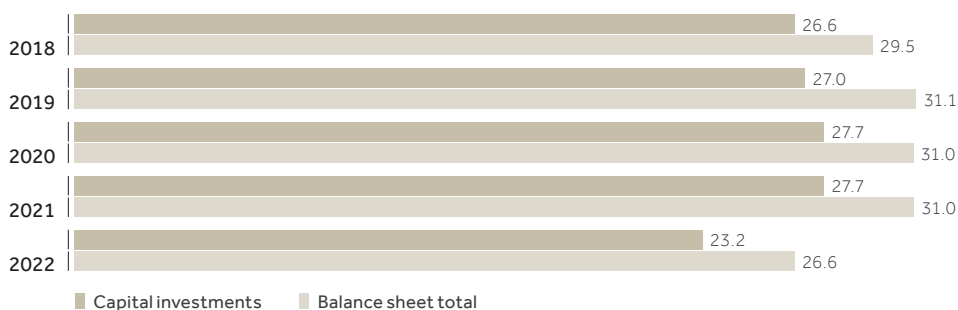
The life insurance undertakings mainly offer fund-linked/unit-linked life insurance. The importance of non-life insurance undertakings has increased considerably in recent years. In terms of gross premiums written, they now dominate the Liechtenstein insur-

ance market. The reinsurance companies are exclusively self-insurers, i.e. captives. These act as company-owned insurance undertakings that serve the parent company or other group companies to cover group-internal insurance risks.

According to provisional reporting, the premium income of the insurance undertakings amounted to CHF 5.59 billion in the 2022 fiscal year. Of that amount, non-life insurance accounted for CHF 3.75 billion (67%), life insurance for CHF 1.78 billion (32%), and reinsurance for CHF 0.06 billion (1%).



**Figure 14**  
Development of gross premiums written  
of insurance undertakings (in CHF million)



**Figure 15**  
Development of balance sheet total and capital investments  
of insurance undertakings (in CHF billion)

United States	1,018	Netherlands	479
Switzerland	1,018	United Kingdom	250
Germany	954	Jersey	94
Ireland	832	Sweden	77
Italy	590	other countries	280

**Figure 16**  
Gross premiums written in 2022 by country  
(in CHF million)

According to provisional reporting, the balance sheet total of the insurance undertakings was about CHF 26.6 billion at the end of 2022, and the capital managed as part of fund-linked/unit-linked life insurance for the account and risk of policyholders amounted to approximately CHF 23.2 billion, likewise on the basis of provisional reporting.

Under Solvency II, insurance undertakings in Liechtenstein have a solvency capital requirement (SCR) totalling CHF 1.83 billion. The weighted SCR ratio of the insurance undertakings amounted to 207% at the end of 2022, i.e. the insurance undertakings hold a total of more than twice as much eligible solvency capital as required by law.

The insurance undertakings had 1,092 employees at the end of 2022 (full-time equivalents).

18 foreign insurance undertakings maintained a dependent branch in Liechtenstein at the end of 2022. All 18 branches had their head office in Switzerland. In addition, 334 insurance undertakings from various EEA countries and Switzerland were notified via their home country supervisory authority to the FMA for cross-border provision of services in Liechtenstein as of the end of 2022.

**Figure 17**

Solvency ratio of Liechtenstein insurance undertakings (in %)

At the end of 2021, 12 insurance undertakings offered compulsory buildings insurance. The fire insurance sum at the end of 2021 was CHF 21.6 billion for buildings, CHF 2.1 billion for household effects, and CHF 4.7 billion for other movable objects. In 2021, the premium income amounted to CHF 9.4 million for fire insurance and CHF 11.4 million for natural hazards insurance. In total, premium income in compulsory buildings insurance was CHF 20.8 million in 2021. This stands in relation to claims payments amounting to CHF 1.9 million.

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## FACTS AND FIGURES

Each autumn, the FMA publishes its brochure entitled "[Fire and Natural Hazards Insurance in Liechtenstein](#)" with facts and figures on the insurance of buildings and household effects against fire and natural hazards.

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## PENSION SCHEMES AND PENSION FUNDS

### Pension schemes

Liechtenstein has three pillars of pension provision: Old Age, Disability, and Survivors' Insurance administered by the State (AHV/IV, first pillar), occupational pension provision (second pillar), and private pension provision on a supplementary basis (third pillar). As of the end of 2022, occupational pension provision was administered by 6 collective foundations and 10 company pension schemes. Pension schemes are autonomous legal entities in the form of foundations that are subject to the Occupational Pensions Act (BPVG).

### FACTS AND FIGURES

Each autumn, the FMA publishes its brochure entitled "Occupational Pension Provision in Liechtenstein" with facts, figures, and expert contributions on the second pillar of pension provision.

At the end of 2021, pension schemes insured 42,857 persons, of which 36,856 were active insured persons

and 6,001 were pensioners. Total assets amounted to CHF 8.7 billion. The average funding ratio was 119.9% at the end of 2021. According to provisional reporting, the average funding ratio fell to about 102.9% as of the end of 2022. The benefits paid out under the pension schemes' rules in 2021 amounted to CHF 234.3 million. Total contributions made to the pension schemes in the same year amounted to CHF 473.0 million. The average pension conversion rate of the pension schemes was 5.7% in 2021. At the end of 2021, pension schemes had 53 full-time equivalent employees.

### Pension funds

Pension funds are institutions for occupational retirement provision. Pension funds with registered offices in Liechtenstein can carry out cross-border activities in all the countries of the European Economic Area (EEA) thanks to Liechtenstein's membership in the EEA. The Pension Funds Act also allows pension funds to conduct business in countries outside the EEA. As of the end of 2022, three pension funds were licensed in Liechtenstein. At the end of 2022, the capital investments of pension funds totalled CHF 517.4 million, while the consolidated balance sheet total amounted to CHF 704.2 million. At the end of 2022, the pension funds had 5 full-time equivalent employees.



**Figure 18**  
 Benefits paid out under pension schemes' rules  
 (in CHF million)

## FIDUCIARY SECTOR

When it comes to wealth solutions, the Liechtenstein fiduciary sector plays an important role in the Liechtenstein financial centre. Liechtenstein professional trustees advise their clients on a wide range of financial and economic issues, from asset preservation to acting as persons of trust.

As of the end of 2022, 136 professional trustees and 217 trust companies in Liechtenstein were licensed in those capacities. 204 persons held a licence under the 180a Act.

The activities of professional trustees encompass in particular the formation of legal persons, companies, and trusts, the assumption of board mandates under Article 180a of the Law on Persons and Companies (PGR), the assumption of trust mandates, accounting and reviews, as well as financial, economic, and tax advice.

	2018	2019	2020	2021	2022
Professional trustees	152	151	147	139	136
Trust companies	243	245	245	229	217

**Figure 19**  
*Professional trustees and trust companies*

## **TT SERVICE PROVIDERS**

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The Token and TT Service Provider Act (TVTG) entered into force in Liechtenstein at the beginning of 2020. The TVTG defines the legal requirements for offering services on TT systems. TT systems are transaction systems based on trustworthy technologies, making

a wide range of economic services possible. Blockchains are the best-known example. The FMA is responsible for registration of TT service providers and ad hoc supervision. At the end of 2022, 22 undertakings for 48 services were registered under the TVTG.

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## **10 ROLES FOR TT SERVICE PROVIDERS**

The TVTG defines 10 different roles for which natural or legal persons offering TT services must register:

- Token issuers: Persons who, on a professional basis, offer tokens to the public on behalf of third parties, such as trading venues that conduct ICOs for their clients.
  - Token generators: Persons who generate tokens on behalf of third parties.
  - TT key depositaries and TT token depositaries: Persons who safeguard tokens or private keys for third parties, e.g. in a safe or a collective wallet. This also includes performing transactions for third parties.
  - TT protectors: Persons who hold tokens on TT systems in their own name for the account of third parties.
  - Physical validators: Persons who ensure the contractual enforcement of rights to property represented in tokens.
  - TT exchange service providers: Persons who exchange legal tender for tokens and vice versa, as well as tokens for tokens. This typically involves ATMs at which cryptocurrencies can be exchanged.
  - TT verifying authorities: Persons responsible for verifying legal capacity and other requirements for issuing a token.
  - TT price service providers: Persons who provide TT system users with aggregated price information on the basis of purchase and sale offers or completed transactions.
  - TT identity service providers: Persons who identify the holder of a token and record it in a directory.
  - TT agents: Persons who distribute or provide TT services in Liechtenstein on a professional basis in the name of and for the account of a foreign TT service provider.
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## FINANCIAL MARKET PARTICIPANTS AND PRODUCTS SUPERVISED BY THE FMA

Financial market participants and products supervised by the FMA	2021	2022	Market entries 2022	Market exits 2022
<b>Banking, payment services, and asset management</b>				
Banks	12	12	0	0
Investment firms and asset management companies	98	95	4	7
Payment institutions	1	1	0	0
Electronic money institutions	3	2	0	1
Postal institution*	1	1	n/a	n/a
<b>Insurance and pensions</b>				
Insurance undertakings	33	32	0	1
Insurance intermediaries	57	52	3	8
Pension schemes	17	16	0	1
Pension funds	3	3	0	0
<b>Fund sector</b>				
<i>Investment Undertakings Act (IUG)</i>				
Management companies	3	2	0	1
Domestic investment funds+	19	15	0	4
<i>Law concerning specific undertakings for collective investment in transferable securities (UCITSG)</i>				
Management companies	13	14	1	0
Undertakings for collective investment in transferable securities (UCITS) (funds)+	221	219	10	12
<i>Alternative Investment Fund Managers Act (AIFMG)</i>				
Large alternative investment fund managers	16	17	1	0
Risk managers	1	1	0	0
Selling agents	1	1	0	0
Alternative investment funds (AIFs)+	316	326	35	25
<b>Fiduciary sector</b>				
Professional trustees	139	136	8	11
Trust companies	229	217	4	16
Persons with a licence under the 180a Act	208	204	8	12
<b>Auditing</b>				
Auditors	45	47	5	3
Audit firms	24	23	0	1

**Table 1a**  
Financial market participants and products supervised by the FMA as of the end of the year

\* The FMA mainly exercises due diligence supervision  
+ Products

Financial market participants and products supervised by the FMA	2021	2022	Market entries 2022	Market exits 2022
<b>Patent law</b>				
Patent lawyers	5	5	0	0
Patent law firms	4	5	1	0
<b>TT service providers</b>				
Registered TT service providers	18	22	6	2
Services under the TVTG (roles)	39	48	11	2
<b>Deposit guarantee and investment compensation</b>				
Protection schemes	1	1	0	0
<b>Securities prospectuses</b>				
Approved prospectuses+	30	29	n/a	n/a
<b>Others</b>				
Casinos**	4	6	3	1

**Table 1b**  
Financial market participants and products supervised by the FMA as of the end of the year

\*\* Licensed by the Office of Economic Affairs  
+ Products

Financial market participants under the free movement of services	2022	2021
Free movement of services of EEA banks	252	206
Free movement of services of EEA investment firms	649	634
Free movement of services of EEA payment institutions	201	183
Free movement of services of electronic money institutions	167	145
Free movement of services of EEA-regulated markets	16	16
Free movement of services of EEA and Swiss insurers	334	337
Branches of Swiss insurance undertakings	18	18
Free movement of services of EEA investment undertakings	902	682
Free movement of services of EEA management companies	97	90
Investment undertakings with third-country market authorisation	25	25
Auditors engaged in free movement of services	40	36
Audit firms engaged in free movement of services	16	16
Patent lawyers engaged in free movement of services	3	2
Patent law firms engaged in free movement of services	0	1

**Table 2**  
Financial market participants under the free movement of services as of the end of the year

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**Concept and Design**

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The publication «Liechtenstein Financial Centre» appears  
once a year in April. It is available on the FMA website.  
No printed version is published.

Publication date: May 2023