



Financial Market Authority
Liechtenstein

25

LIECHTENSTEIN FINANCIAL CENTRE

2025 edition

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LIECHTENSTEIN FINANCIAL CENTRE

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

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

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.

ONE-STOP SHOP

11 banks, 3 electronic money institutions,
1 payment institution, 32 insurance undertakings,
554 funds and 19 management companies,
89 asset management companies,
126 professional trustees and 219 trust companies,
15 pension schemes, 3 pension funds.

SPOTLIGHTS

HIGH CAPITALISATION

The capitalisation of Liechtenstein banks is significantly above the EU average.
The Common Equity Tier 1 ratio at individual bank level was 20.1 % in 2024.

CLIENT ASSETS UNDER MANAGEMENT INCREASED, COST-INCOME RATIO UNDER PRESSURE

Client assets under management at Liechtenstein banks rose significantly again in 2024 due to the high inflow of new money. However, the cost-income ratio is under pressure, having deteriorated in 2024.

Client assets under management (incl. foreign group companies)

CHF **439.0** billion
2023

CHF **503.7** billion
2024

Cost-income ratio (incl. foreign group companies)

70.7 %
2023

79.4 %
2024

FUND VOLUME INCREASED

Liechtenstein offers attractive conditions for funds. The volume of assets under management in the 840 authorised funds also rose sharply in 2024

Fonds volume

CHF **100.25** billion
2023

CHF **117.8** billion
2024

ASSET MANAGEMENT WITH NEW MONEY INFLOW

The asset management centre was able to acquire new clients and thus record an increase in client assets under management.

Client assets under management

CHF **50.6** billion
2023

CHF **54.2** billion
2024

Number of client relationships

9,013
2023

10,587
2024

DEVELOPMENT OF THE FINANCIAL CENTRE

The risks to global financial stability have decreased slightly overall in 2024. Nevertheless, the outlook remains tense as uncertainty about future interest rate developments and new trade conflicts remains high. Nevertheless, the Liechtenstein financial sector proved to be stable and resilient. It continues to be profitable and attractive to new clients.

The assets under management at the 11 Liechtenstein banks, which specialise primarily in private banking and international wealth management, rose by 14.7% from CHF 439.0 billion to CHF 503.7 billion at the consolidated level as of the end of 2024 (Liechtenstein banks incl. foreign group companies). The main reasons for the increase were the stable inflow of net new money and the positive market development. The Common Equity Tier 1 (CET1) ratio amounted to 19.0% at the consolidated level as of the end of 2024. Earnings before tax for the banking sector amounted to CHF 718.5 million, representing a 8.5% decrease in profitability compared to the previous year (CHF 784.8 million).

The strong growth in the fund sector in the previous year resumed in 2024. The fund volume increased to CHF 117.8 billion, up from CHF 100.2 billion in the previous year (+18%). At the end of 2024, a total of 840 Liechtenstein single funds and subfunds were licensed, four 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 89 asset management companies increased from CHF 50.6 billion to CHF 54.2 billion in 2024, representing a rise of 7.1%. The primary driver of this growth was the inflow of net new money. At the end of 2024, asset management companies maintained 10,587 client relationships, an increase of approximately 17.5% over the previous year*.

The premium income of insurance undertakings decreased slightly in 2024, reaching CHF 5.70 billion. Of this amount, non-life insurance accounted for CHF 3.30 billion (58.1%), life insurance for CHF 2.36 billion (41.5%), and reinsurance for CHF 0.03 billion (0.5%). Premium income in all insurance segments (non-life, life and reinsurance) remained virtually unchanged.

At the end of 2024, 15 occupational pension schemes in Liechtenstein were under the supervision of the FMA.

At the end of 2024, 30 undertakings for 69 services were registered under the Token and TT Service Provider Act (TVTG). Regulation (EU) 2023/1114 on markets in crypto assets (MiCAR) and the associated revision of the TVTG have removed the registration requirement under the TVTG for several roles. At the same time, new authorization categories were created in accordance with MiCAR.

* The previous year's figures (client assets under management and client relationships) have been adjusted due to a change in the method of counting.

NATIONAL ECONOMIC SIGNIFICANCE

After industry and manufacturing, the financial sector is the most important economic sector in Liechtenstein. It is highly diversified and internationally connected. Its major importance for the national economy is also reflected in its significance for the domestic labour market. 10.9% of all persons employed in Liechtenstein work in financial and insurance services, and a further 7.3% in legal and tax advice or auditing. In total, 7,739 people worked in the financial sector at the end of 2022, accounting for approximately 18.2% of the total workforce.

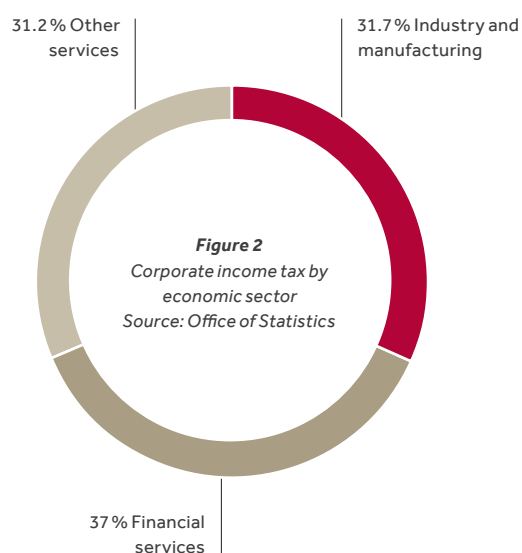
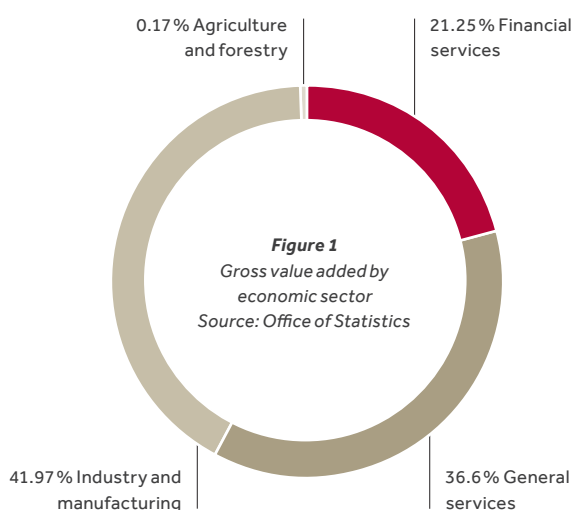
Gross value added by economic sector

In 2021, the Liechtenstein financial sector (provision of financial and insurance services,

legal and tax advice, and auditing) generated gross value added of CHF 1.43 billion, accounting for just over 21% of the country's total value added. The industrial sector, meanwhile, generated CHF 2.83 billion in 2021, making it the largest contributor to gross value added, at just under 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

As of the end of 2024, 11 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 11 banks (Liechtenstein banks incl. foreign group companies) amounted to CHF 503.7 billion at the end of 2024, with CHF 217.3 billion, or 43.1%, attributable to the banks in Liechtenstein. The net new money of Liechtenstein banks, including their foreign group companies and acquisitions, totalled approximately CHF 17.6 billion in 2024, of which CHF 3.7 billion in Liechtenstein).

FINANCIAL STABILITY REPORT

In November 2024, the FMA published the sixth 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.

The balance sheet total of the Liechtenstein banks, including foreign group companies, amounted to CHF 107.9 billion at the end of 2024 (CHF 84.8 billion of which in Liechtenstein).

The CET1 ratio at the individual bank level was 20.1% at the end of 2024. The leverage ratio was 7.0% at the individual bank level and 7.3% on a consolidated basis.

This means that capitalisation of banks is significantly higher than the EU average. The liquidity coverage ratio (LCR) at the end of 2024 was 176.2% at the individual bank level and 192.3% on a consolidated basis. The structural liquidity ratio (net stable funding ratio, NSFR) at the same reporting date was 163.8% on a consolidated basis and 172.3% on an individual basis. This means that liquidity levels decreased slightly at a relatively high level from both a short- and longer-term perspective. After the cost-income ratio fell slightly in the previous year, it deteriorated to 79.4% at consolidated level in 2024 (previous year: 70.7%). On an individual basis, the ratio remained stable at around 65.7%.

Three electronic money institutions were licensed in Liechtenstein as of the end of 2024. 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

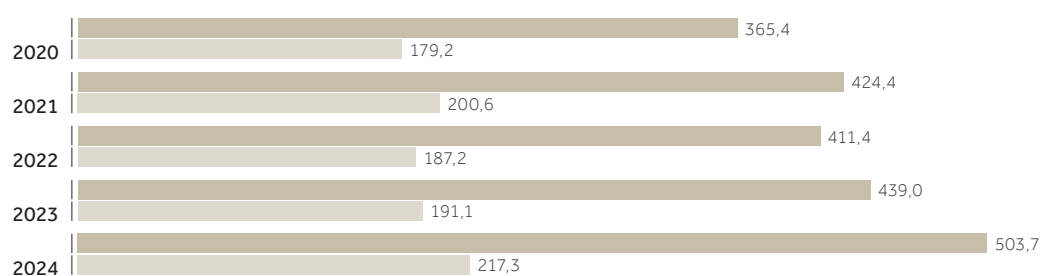


Figure 3
Assets under management (in CHF billion)

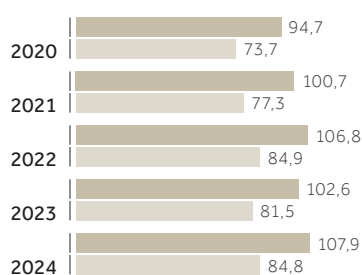


Figure 4
Balance sheet total (in CHF billion)

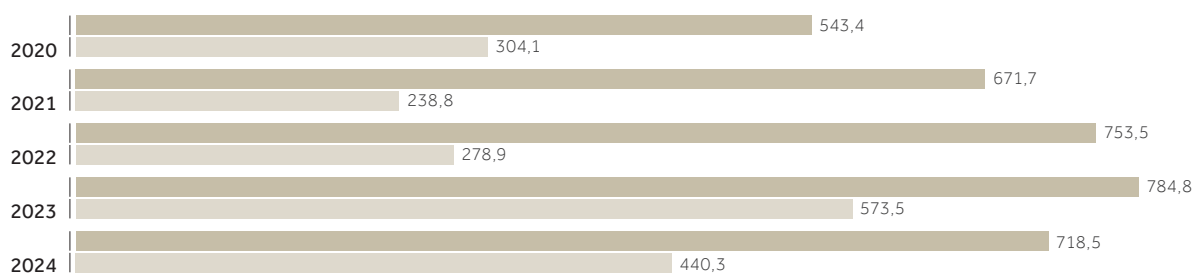


Figure 5
Earnings before tax (EBT) of the Liechtenstein banks (in CHF million)

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

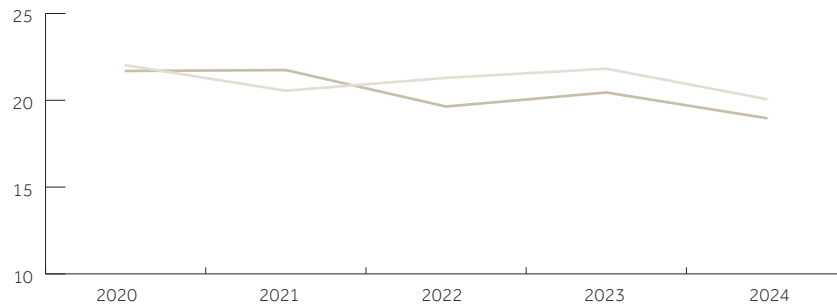


Figure 6
CET1 ratio of Liechtenstein
banks (in % of risk-weighted
assets)

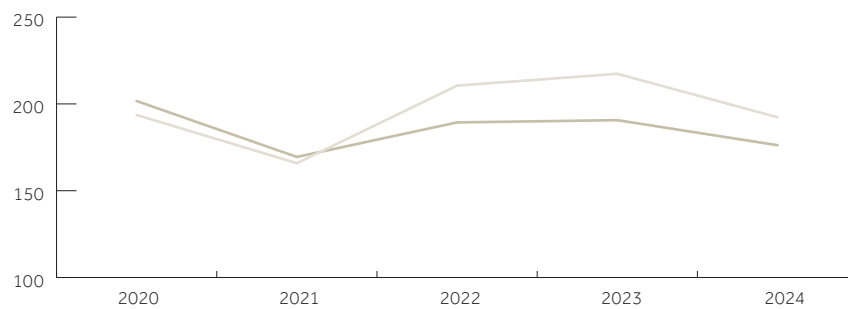


Figure 7
Liquidity coverage ratio of
Liechtenstein banks (in %)

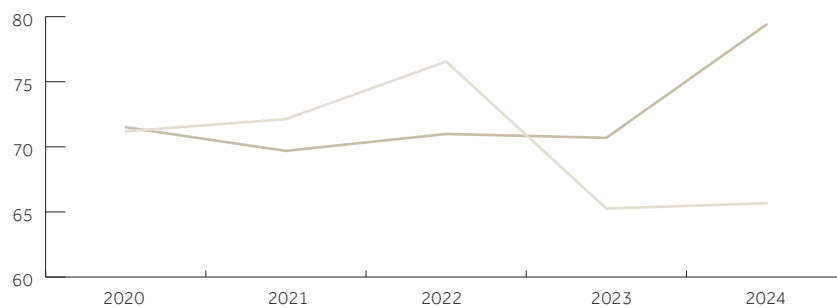


Figure 8
Cost/income ratio of
Liechtenstein banks (in %)

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 2024, 89 asset management companies held licences in Liechtenstein. They had 10,587 client relationships at the end of 2024, of which 9,171 were non-professional clients. 87% were private

clients, 10% professional clients, and 3% 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 52.5 billion of that amount, and other services such as investment advisory services accounted for CHF 10.7 billion. CHF 26.9 billion was invested at Liechtenstein banks as of the end of 2024.



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



Figure 10
Development of number of client relationships*

* The previous year's figures have been adjusted due to a change in the method of counting.

FUND SECTOR

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

At the end of 2024, 840 funds were licensed in Liechtenstein. A fund may consist of one or more subfunds. Net assets under management amounted to CHF 117.8 billion at the end of 2024.

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 19 management companies.

The number of foreign funds authorised for distribution in Liechtenstein was 1,326 (previous year: 1,035), and the number of subfunds authorised for distribution was 2,633 (previous year: 2,451). 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.

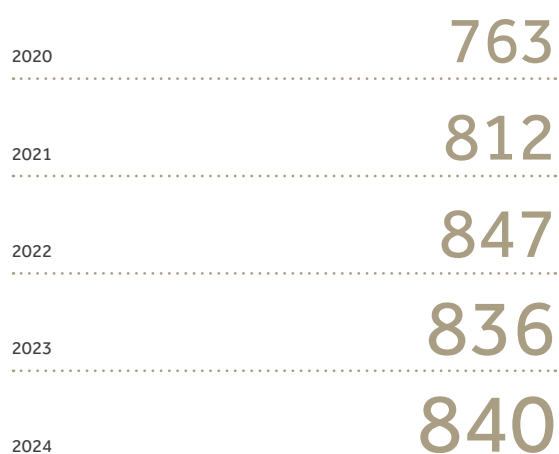


Figure 11
Development of number of single funds and subfunds

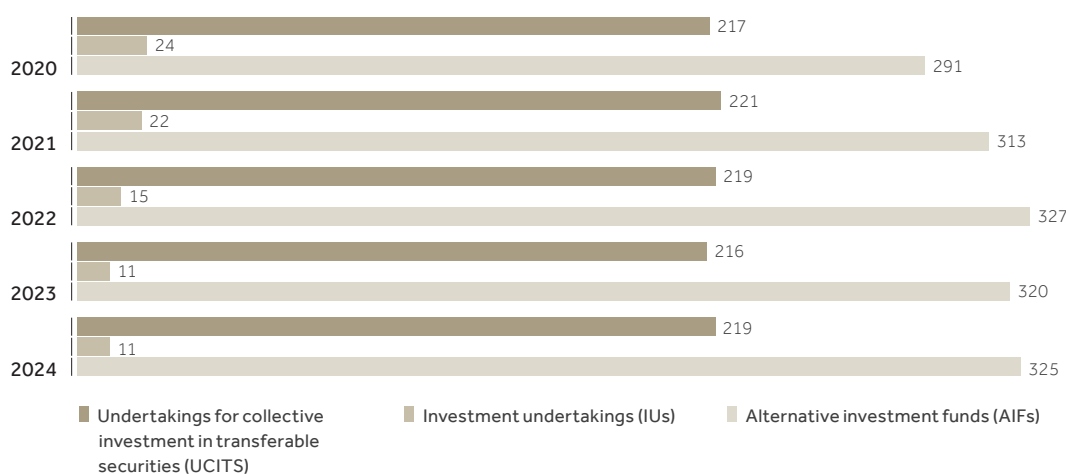


Figure 12
Development of number of funds by category

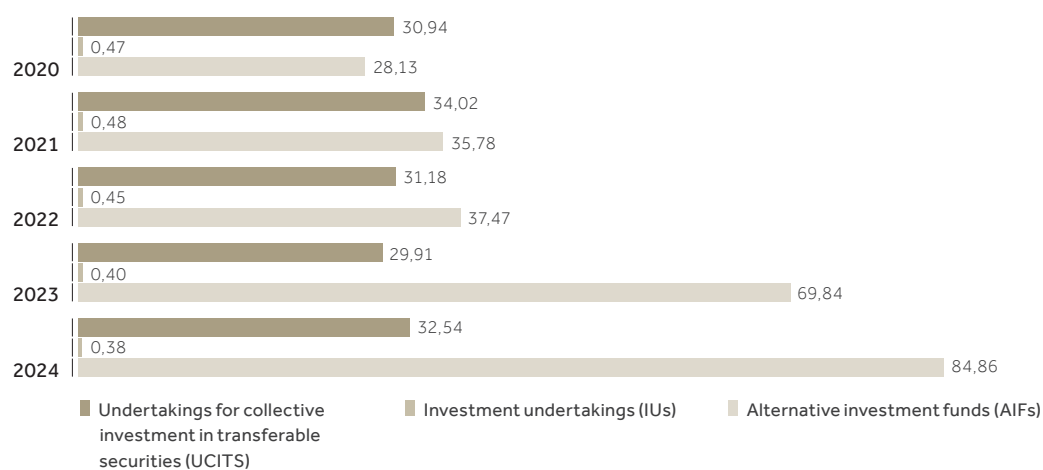


Figure 13
 Development of fund volume (in CHF billion)

INSURANCE UNDERTAKINGS

At the end of 2024, 32 insurance 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 5.70 billion in the 2024 fiscal year. Of that amount, non-life insurance accounted for CHF 3.31 billion (58.1%), life insurance for CHF 2.36 billion (41.5%), and reinsurance for CHF 0.03 billion (0.5%).

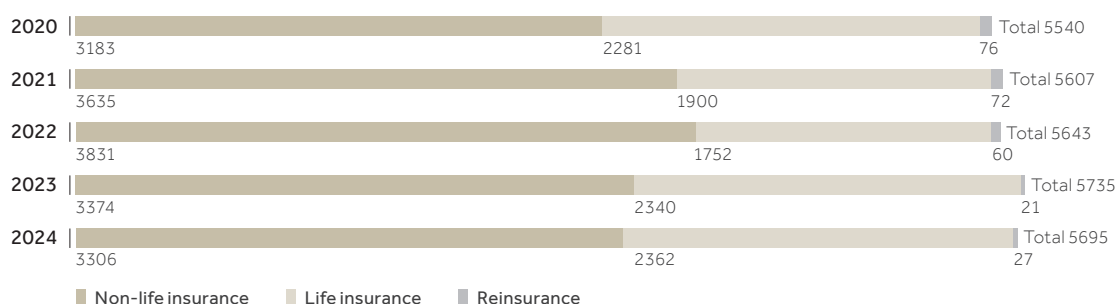


Figure 14

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

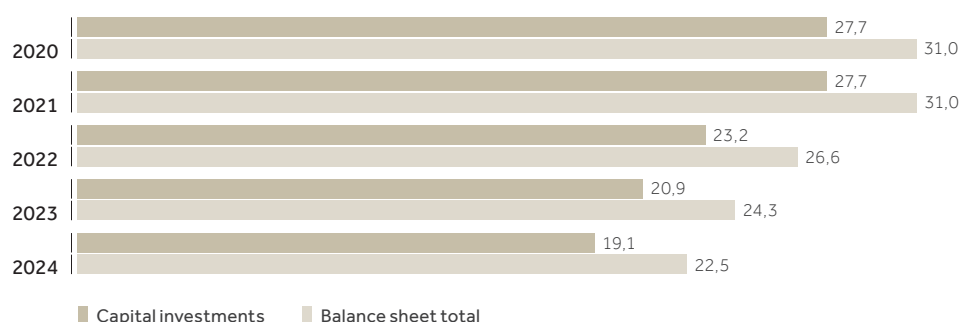


Figure 15

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

Switzerland	1,161	United Kingdom	266
Germany	878	Sweeden	102
Ireland	853	Poland	126
Netherlands	613	Norway	148
Italy	377	other countries	1,171

Figure 16
Gross premiums written in 2024 by country
(in CHF million)

According to provisional reporting, the balance sheet total of the insurance undertakings was about CHF 22.5 billion at the end of 2024, and the capital managed as part of fund-linked/unit-linked life insurance for the account and risk of policyholders amounted to approximately CHF 19.1 billion, likewise on the basis of provisional reporting. The decrease in investments is primarily attributable to fund-linked/unit-linked life insurance, where divestments in large-volume business for the account and risk of policyholders were not offset by new business.

Under Solvency II, insurance undertakings in Liechtenstein have a solvency capital requirement (SCR) totalling CHF 1.91 billion. The weighted SCR ratio of the insurance undertakings amounted to 186% at the

end of 2024, i.e. the insurance undertakings hold a total of nearly twice as much eligible solvency capital as required by law.

The insurance undertakings had 1,147 employees at the end of 2024 (full-time equivalents).

19 foreign insurance undertakings maintained a dependent branch in Liechtenstein at the end of 2024. All 19 branches had their head office in Switzerland.

**Figure 17**

Solvency ratio of Liechtenstein insurance undertakings (in %)

At the end of 2023, 12 insurance undertakings offered compulsory buildings insurance. The fire insurance sum at the end of 2023 was CHF 22.1 billion for buildings, CHF 2.1 billion for household effects, and CHF 4.3 billion for other movable objects. In 2023, the premium income amounted to CHF 6.8 million for fire insurance and CHF 11.9 million for natural hazards insurance. In total, premium income in compulsory buildings insurance was CHF 18.7 million in 2023. This stands in relation to claims payments amounting to CHF 5.1 million.

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.

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 2024, occupational pension provision was administered by 6 collective foundations and 9 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 2023, pension schemes insured 45,471 persons, of which 39,009 were active insured persons and 6,462 were pensioners. Total assets amounted to CHF 7.9 billion. The average funding ratio was 110.2% in mid 2024. The benefits paid out under the pension schemes' rules in 2023 amounted to CHF 279.1 million. Total contributions made to the pension schemes in the same year amounted to CHF 543.2 million. The average pension conversion rate of the pension schemes was 5.7% in 2023.

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 2023, three pension funds were licensed in Liechtenstein.



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 2024, 126 professional trustees and 219 trust companies in Liechtenstein were licensed in those capacities. 196 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.

	2020	2021	2022	2023	2024
Professional trustees	147	139	136	135	126
Trust companies	245	229	217	214	219

Figure 19

Professional trustees and trust companies

TT SERVICE PROVIDERS

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 2024, 30 undertakings for 69 services were registered under the TVTG. Regulation (EU) 2023/1114 on markets in crypto assets (MiCAR) and the associated revision of the TVTG have removed the registration requirement under the TVTG for several roles. At the same time, new authorization categories were created in accordance with MiCAR.

FINANCIAL MARKET PARTICIPANTS AND PRODUCTS SUPERVISED BY THE FMA

Financial market participants and products supervised by the FMA	2023	2024	Market entries 2024	Market exits 2024
Banking, payment services, and asset management				
Banks	11	11	1	1
Investment firms and asset management companies	95	89	3	9
Payment institutions	1	1	0	0
Electronic money institutions	3	3	0	0
Postal institute*	1	1	n/a	n/a
Insurance and pensions				
Insurance undertakings	32	32	1	1
Insurance intermediaries	52	50	1	3
Pension schemes	16	15	0	1
Pension funds	3	3	0	0
Fund sector				
<i>Investment Undertakings Act (IUG)</i>				
Management companies	2	2	0	0
Domestic investment funds+	11	11	0	0
<i>Law concerning specific undertakings for collective investment in transferable securities (UCITSG)</i>				
Management companies	14	13	0	1
Undertakings for collective investment in transferable securities (UCITS) (funds)+	216	219	16	13
<i>Alternative Investment Fund Managers Act (AIFMG)</i>				
Large alternative investment fund managers	17	18	2	1
Risk managers	1	1	0	0
Selling agents	1	0	0	1
Alternative investment funds (AIFs)+	320	324	37	33
Fiduciary sector				
Professional trustees	135	126	3	12
Trust companies	214	219	14	9
Persons with a licence under the 180a Act	205	196	13	22
Auditing				
Auditors	44	51	8	1
Audit firms	20	21	1	0

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

** Licensed by the Office of Economic Affairs
+ Products

Financial market participants and products supervised by the FMA	2023	2024	Market entries 2024	Market exits 2024
Patent law				
Patent lawyers	5	5	0	0
Patent law firms	5	5	0	0
TT service providers				
Registered TT service providers	28	30	11	9
Services under the TVTG (roles)	63	69	17	11
Deposit guarantee and investment compensation				
Protection schemes	1	1	0	0
Securities prospectuses				
Approved prospectuses+	22	36	n/a	n/a
Others				
Casinos**	6	6	0	0

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

* The FMA mainly exercises due diligence supervision
** Licensed by the Office of Economic Affairs
+ Products

Financial market participants under the free movement of services	2024	2023
Free movement of services of EEA banks	275	268
Free movement of services of EEA investment firms	698	689
Free movement of services of EEA payment institutions	250	228
Free movement of services of electronic money institutions	205	191
Free movement of services of EEA-regulated markets	15	16
Free movement of services of EEA and Swiss insurers	384	352
Branches of Swiss insurance undertakings	19	18
Free movement of services of EEA investment undertakings	1301	1035
Free movement of services of EEA management companies	107	105
Investment undertakings with third-country market authorisation	25	24
Auditors engaged in free movement of services	36	37
Audit firms engaged in free movement of services	14	16
Patent lawyers engaged in free movement of services	2	2
Patent law firms engaged in free movement of services	0	0

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

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