FMA

Financial Market Authority
Liechtenstein

24

ANNUAL REPORT 2024

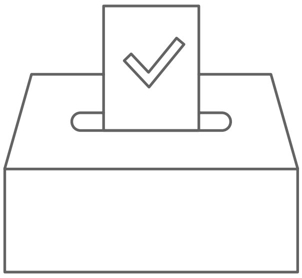
FOCUS

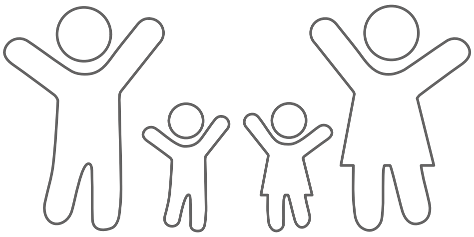
THEMATIC PAGES

TO
CONTENTS →

55.8 % ..

... of the Liechtenstein electorate voted in favour of joining the IMF. From the FMA's perspective, this is an important step towards strengthening Liechtenstein's economic stability and international integration.



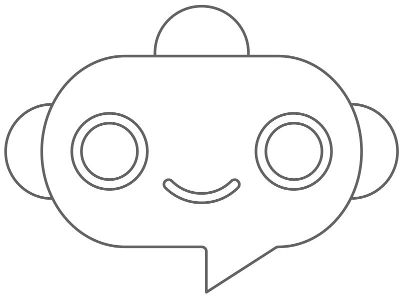


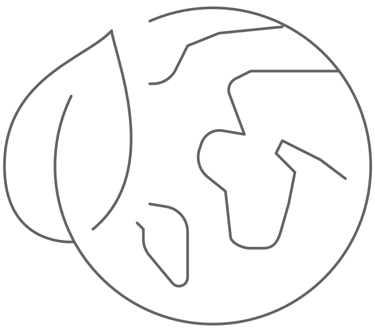
FAMILY DAY

In spring, the FMA hosted a Family Day. Employees had the opportunity to invite their loved ones – whether spouses, children, partners, parents, siblings, or close friends. More than 200 visitors came to the FMA.

APPROXIMATELY ¾ ...

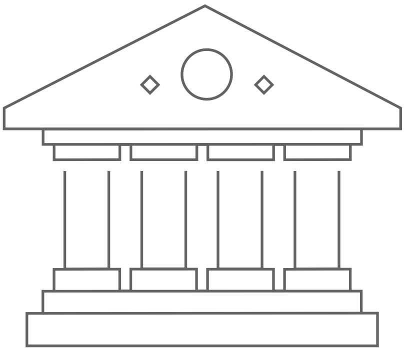
... fewer support requests for the e-Service Portal are reaching the FMA – thanks to the Chatbot ELI, which responds to queries autonomously.





0 METRIC TONS ...

... is the FMA aim for net zero CO_2 emissions by 2035, according to its Sustainability Strategy. This is one way the FMA seeks to contribute to mitigating climate change. It is working closely with experts to implement and monitor this target.

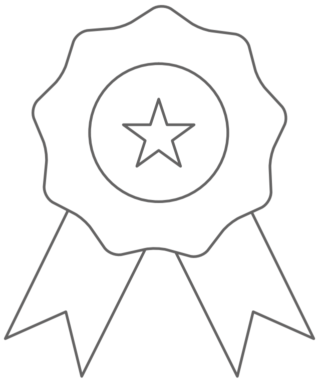


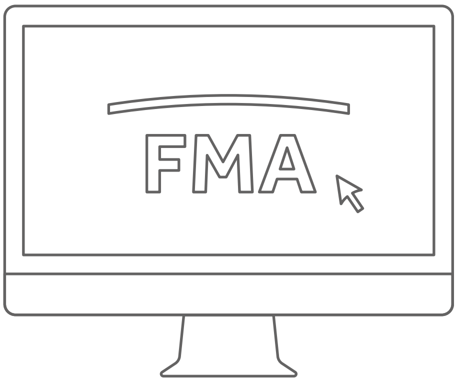
NEW LEGAL FOUNDATIONS FOR THE FINANCIAL CENTRE

In 2022, the FMA was mandated by the Government to completely revise the legal framework for the supervision of banks and investment firms and to align the structure of national legislation with the regulatory system of EEA law. The new legal framework entered into force on 1 February 2025.

THE FMA WAS RECOGNISED ...

... once again for its attractive working conditions. Employer attractiveness is more than just a buzzword for the FMA, as demonstrated by numerous labels, awards, and certificates.





SIMPLER AND MORE MODERN ...

... is the goal of the new FMA-Website, which went live in December. Its architecture is designed to ensure that users of the previous website can quickly find their way around.

In contrast to previous years, the risks to global financial stability weakened slightly overall in the past year – primarily due to the easing of monetary policy and the resulting relief for highly indebted sectors. Nevertheless, the outlook remains strained, given that uncertainty about future interest rate developments and new trade conflicts is still high. Geopolitical risks also remain elevated and have become more difficult to assess due to political developments at the beginning of 2025. Against this backdrop, the Liechtenstein financial sector once again demonstrated its stability. From the FMA's perspective, joining the International Monetary Fund (IMF) is a landmark decision and an important step towards further strengthening Liechtenstein's economic stability and international integration. The Liechtenstein electorate voted in favour of accession with a majority of 55.8 %.

Developments in financial market regulation remain dynamic. The year 2024 was marked by work on three major regulatory packages: the redesign of financial market law, the implementation of Regulation (EU) 2023/1114 on markets in crypto-assets (MiCAR), and Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (Digital Operational Resilience Act, DORA). The redesign of financial market law introduces a new regulatory structure for the supervision of banks and investment firms. MiCAR establishes a harmonised regulatory framework for crypto-assets within the EEA, while DORA strengthens the digital operational resilience of financial institutions.

In addition to longer-term priorities such as combating money laundering and addressing cyber risks, supervision in 2024 focused particularly on international sanctions. Non-compliance with foreign sanctions poses serious reputational, operational, and legal risks for the supervised entity concerned and for all those engaged in business with it. In 2024, Liechtenstein professional trustees and an affiliated asset management company were again subject to sanctions. These sanctions are highly damaging to the reputation of the Liechtenstein financial market and its participants. For this reason, the FMA issued FMA Communication 2024/2 during the reporting year, addressing risk management in relation to foreign sanctions law and once again underscoring the critical importance of compliance with foreign sanctions.

Employer attractiveness is a key factor in the FMA's corporate success. Only if the FMA succeeds in employing and recruiting suitable staff will it be able to fulfil its statutory mandate. Against this backdrop, it is particularly gratifying that the FMA was awarded the Friendly Work Space label at the beginning of 2025. Friendly Work Space is a quality seal for the FMA's systematic occupational health management. Safeguarding employer attractiveness is also a goal of the newly introduced Diversity & Inclusion Strategy, which has replaced the Gender Diversity Strategy. For the FMA, diversity and inclusion are not merely buzzwords for enhancing employer attractiveness. We are convinced that diversity and inclusion represent both an ethical responsibility and an important success factor for the FMA's future and overall success.

Dr. Christian Batliner
Chairman of the Board of Directors

Mario Gassner
Chief Executive Officer

THE FMA: MANDATE AND SELF-CONCEPTION

The FMA is the independent financial market supervisory authority of Liechtenstein, ensuring the stability and credibility of the financial market, the protection of clients, and the prevention and prosecution of abuse. But what exactly does this mean, and what role and self-conception does the FMA uphold?

For the FMA, it is not only important what it does, but also how it does it. While the FMA's mandate is defined by law, the Board of Directors and the Executive Board have issued a Code that sets out the FMA's role and self-conception.

LEARN MORE

The FMA's mandate

SCAN ME

The most important component of the FMA Code is the Core Principles, which briefly summarise the identity, role, self-conception, and culture of the FMA:

We supervise efficiently, consistently, and effectively.

- We are independent in the fulfilment of our supervisory mandate.
- We grant licences in a responsible and speedy manner, and our supervision is risk-based, close to the market, comprehensible, and fair.
- We orient ourselves by the best methods and practices of an integrated supervisory authority.
- We fight abuse and consistently punish violations of regulations and laws. In this way, we protect the clients of the financial centre and contribute to its good reputation and credibility.

We stand for sustainable regulation.

– We define minimum standards through regulation and further specify laws and ordinances with guidelines and instructions. For this purpose, we especially involve the professional and industry associations.

– We implement and enforce international standards. In doing so, we take account of the competitiveness and development of the financial centre.

– We stand for a good regulatory framework for the financial centre and advise the Government on questions relating to financial market strategy.

We pursue active dialogue.

– We engage in dialogue with our national and international stakeholder groups. We ensure that we are recognized as a competent and reliable supervisory authority in Liechtenstein and abroad.

– We contribute to international bodies and promote cooperation with other supervisory authorities. We represent Liechtenstein's interests in this regard.

We think and act entrepreneurially.

– We always follow the rules and practices of responsible and modern corporate governance. We employ our financial resources cost-effectively and efficiently.

– We offer our employees an environment where they enjoy to work for the long term, and we promote their skills through basic and continuing training.

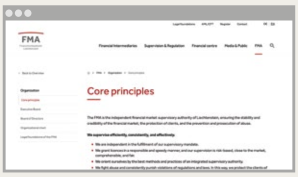
– We communicate in a business-like, transparent, and speedy manner.

We respect and value each other within our team.

– We are a team, actively valuing each other in our interactions, and we identify with our goals and responsibilities.

– We are proud to make a contribution to the success of the FMA and the Liechtenstein financial centre.

LEARN MORE
The FMA Core Principles



SCAN ME

CHATBOT ELI IN ACTION: ¾ FEWER SUPPOR REQUESTS

The FMA uses an electronic communication portal for interacting with supervised entities, particularly for reporting purposes. The e-Service Portal serves as a central entry point for various electronic services offered by the FMA. The system provides the foundation for the electronic integration of financial intermediaries with the FMA and is being continuously expanded and enhanced. Since last year, a chatbot has been making work easier – both for the FMA and for intermediaries.

Although the e-Service Portal facilitates communication with financial intermediaries, it also generates additional workload for both the FMA and the intermediaries. Questions about how to use the portal must be answered, which requires a considerable amount of time. Many of these questions are straightforward or repetitive in nature. However, due to certain deadlines in the reporting system, the main burden often arises within a very short time frame. There was also an issue with the allocation of queries. For instance, technical support frequently receives questions on specialist supervisory topics, while technical support requests are directed to the specialist departments.

To address this issue and ease the workload for both the FMA and intermediaries, the FMA employs the chatbot ELI. The aim is to enable repetitive and straightforward questions to be answered directly by the chatbot, while more complex queries are correctly triaged and forwarded. This ensures that resources can be allocated to more complex problems.

Of course, the legal framework – in particular the General Data Protection Regulation (GDPR) – had to be taken into account during implementation. For this reason, the chatbot is anonymous – no user-specific data is collected. The chatbot has no self-awareness and only provides pre-defined answers.

Chatbot ELI delivers a significant increase in efficiency.

ELI runs on an Azure cloud server, and questions and responses are not logged.

This first stage of the ELI chatbot has already made work significantly easier. Evaluations show that the chatbot is used daily. Support requests have decreased by around 72 %, repetitive requests by around 88 %, and very simple requests by as much as 91 %.

In a second stage, ELI will be further developed. It will be possible to create links to user profiles. If the chatbot is unable to answer a question, a support ticket will be generated automatically. This will ensure that intermediaries are always kept informed about the status of their support requests in the future. However, certain restrictions must of course be observed. For instance, the chatbot must never be allowed to manipulate data or messages, develop a life of its own, or access intermediaries' data. Even the first, comparatively simple version of ELI has already – as the figures show – significantly eased the workload and is therefore a success for the FMA. For this reason, the use of similar software in other areas is also being considered.

SUSTAINABILITY AT THE FMA

Sustainability plays a crucial role in the financial world as well and is one of the central issues of our time. The FMA considers sustainability in two dimensions: firstly in relation to its supervisory activities, and secondly as an enterprise itself. The role of sustainability in supervisory activities is largely determined by applicable EU regulations relating to sustainable finance. In its Sustainability Strategy, the FMA as an enterprise defines the four goals of "Climate neutrality by 2035", "Avoidance of negative environmental impacts", "Promotion of a sustainable human resources policy and management", and "Ensuring sustainable governance structures". These goals are based on the ESG (environmental, social, governance) criteria. The FMA Sustainability Strategy has been in effect since 1 January 2023.

In the first year after entering into effect, the focus was on drawing up the concrete implementation plan. The motto here is: "As much as possible, as quickly as possible." Accordingly, numerous improvements have already been introduced. For example, the FMA's mobility management led to a reduction of around 40 % in motorised private transport. This corresponds to approximately 750,000 car kilometres or 127 metric tons of CO_2. [1] The switch to a fully green electricity tariff was also completed, making the FMA's electricity consumption carbon-neutral. The lighting concept was promptly revised, and paper consumption was significantly reduced. The FMA's management training concept places a strong emphasis on sustainability. As multipliers, managers play a key role in the transition to a more sustainable working environment and are expected to contribute to cultural change.

1 *Based on average emissions of 170 grams of CO_2 per kilometre driven, according to* Our World in Data.

The FMA e-bikes are intended primarily for short business trips.

In the reporting year, particular focus was placed on the following measures:

- To further reduce motorised individual traffic, it was decided to purchase FMA bicycles. These bicycles have been available to employees since March 2024 and can be used for short business trips, for example.

- Since the beginning of 2024, fresh and locally produced meals from FELFEL have been available to employees. FELFEL is a young Swiss company that specialises in sustainable employee catering. The changing menus are freshly hand-cooked by regional partner chefs and provided in a refrigerator. Care is also taken to use healthy, seasonal, and sustainable ingredients. The contents of the refrigerator are tailored to employees' preferences based on data and restocked accordingly. This ensures a well-balanced selection and helps minimise food waste.

- At the beginning of 2024, e-charging stations were installed in the parking garage. These are available to both employees and visitors.

As a public enterprise, the FMA bears a special responsibility towards the environment and society and has a particular obligation to make an effective contribution. To exploit synergies and share proven approaches, the FMA coordinates its activities with the Liechtenstein Government, the National Administration, and other relevant interest groups. The FMA reports on its measures to reduce CO_2 emissions in its annual report, thereby also fulfilling a request from the Liechtenstein Parliament.

At the international level, the Financial Market Authority cooperates with the Network for Greening the Financial System (NGFS), of which it has been a member since the end of 2022.

PROGRESS REPORT

SUPERVISION AND RESOLU-TION

The risks to global financial stability decreased slightly overall in the past year – primarily due to monetary easing and the resulting relief for highly indebted sectors. Nevertheless, the outlook remains strained, as uncertainty about future interest rate developments and new trade conflicts remains high. The resolution authority updated three group resolution plans for systemically important banking groups and two resolution plans for smaller financial intermediaries. In the coming years, these resolution plans will be refined and tested to ensure that resolution strategies are operationalised in line with European standards. The development of the Liechtenstein resolution financing mechanism also continued. In close internal and inter-authority cooperation with the Financial Intelligence Unit, the Fiscal Authority, and the Office of the Public Prosecutor – as well as with the involvement of all business associations and individual financial intermediaries – the FMA prepared a National Risk Assessment to assess the risks of money laundering and terrorist financing. In the reporting year, Macroprudential Supervision was closely involved in the preparatory work for Liechtenstein's accession to the International Monetary Fund (IMF).

TRADE UNCERTAINTY AND WEAK GROWTH WEIGH ON THE REAL ECONOMY AND THE FINANCIAL SECTOR

The risks to global financial stability decreased slightly overall in the past year – primarily due to monetary easing and the resulting relief for highly indebted sectors (Figure 1). Nevertheless, the outlook remains strained, as uncertainty about future interest rate developments and new trade conflicts remains high, and geopolitical risks continue to be significant. Additionally, global economic growth was weak last year, especially in the major economies, which were affected by the impact of high interest rates. Global trade also remained sluggish, particularly in industrialised countries, where subdued investment activity and weak demand weighed on the industrial sectors. Despite these challenges, labour markets proved surprisingly resilient (Figure 2). Structural demographic developments contributed to a persistent labour shortage and kept unemployment rates low. Although inflation fell noticeably over the past year – prompting key central banks to ease their monetary policies – it remains above the central banks' target levels. Strong wage growth could continue to fuel inflationary pressures and delay the expected interest rate cuts. Overall, the global risks to financial stability did not materialise over the past year. While the economic outlook could improve due to the anticipated interest rate cuts, uncertainty over new tariffs and potential trade conflicts could slow disinflation and place further strain on an already fragile recovery.

Economic development in Liechtenstein also remains subdued due to weak foreign demand. In particular, sluggish growth in the Eurozone is placing noticeable pressure on domestic exports. The KonSens, a composite indicator published quarterly by the Liechtenstein Institute, has been signalling below-average growth and corresponding economic weakness for almost three years now. Despite the economic slowdown, the labour market remains robust. Unemployment is low, although companies in certain sectors continue to face a shortage of skilled workers. However, rising protectionism could significantly impair market access for export-oriented industries. Public finances remain a core strength, as Liechtenstein is debt-free and consistently generates budget surpluses. Although the limited availability of data hampers detailed economic analysis, Liechtenstein's recent accession to the International Monetary Fund (IMF) will help improve the macroeconomic data foundation over the long term.

As interest rates decline, overall vulnerabilities in the domestic mortgage and real estate market are easing. Although the volume of domestic mortgage loans has continued to rise in recent quarters, the household debt ratio relative to economic output has slightly decreased. Since the start of monetary policy tightening in 2022, rising interest rates on new loans initially led to a preference for variable or short-term fixed-rate mortgages. However, this trend reversed at the end of 2023, as long-term fixed-rate mortgages became increasingly cheaper than variable-rate loans due to the inverted yield curve. The majority of mortgage loans in Liechtenstein are fixed-rate and exhibit relatively conservative loan-to-value ratios. Moreover, the mortgage market benefits from the stable income situation of borrowers, while the banking sector also demonstrates high resilience thanks to strong capitalisation. These are key risk-mitigating factors that significantly limit the risks and impact of rising mortgage interest rates compared to other countries internationally. Commercial real estate loans, by contrast, make up only a small portion of banks' mortgage portfolios and are characterised by stable lending standards and solid asset quality.

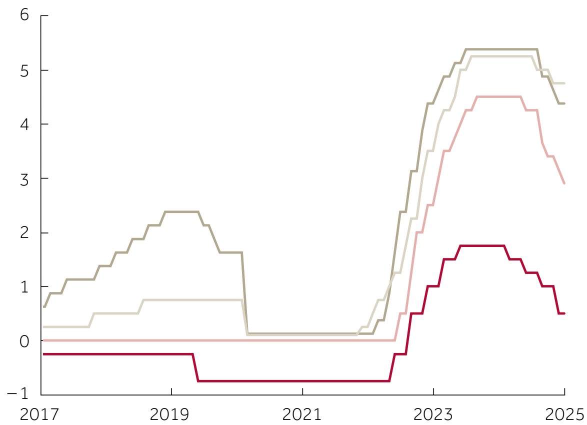


Figure 1
Key rates of central banks (in %)
Source: Bloomberg

The banking sector remains on a growth trajectory, with a strong capital base and robust liquidity ratios. While profits have developed positively over the past three years due to rising interest margins, medium- and long-term profitability remains a challenge, as rising operating costs are outpacing revenue growth at some banks, and falling interest rates are expected to place increasing pressure on interest margins. While larger banks benefit from economies of scale, smaller banks in particular are struggling with complex regulatory requirements and declining profitability.

Risks in the non-banking financial sector remain limited. Over the past two years, the insurance sector has been significantly influenced by rising interest rates and high inflation. While higher interest rates initially put pressure on interest-sensitive assets, insurers subsequently benefited from improved investment returns and more attractive savings products. At the same time, inflation led to increased technical provisions, necessitating premium adjustments, particularly in the non-life insurance segment. In the area of occupational pension provision, improved investment performance has strengthened coverage ratios. The fund sector in Liechtenstein has experienced strong growth in recent years, primarily driven by alternative investment funds (AIFs). Risks in the Liechtenstein fund sector remain low due to limited leverage and restricted exposure to illiquid assets such as corporate bonds and real estate.

Overall, the Liechtenstein financial sector continues to be characterised by sustained stability and soundness, with systemic risks remaining limited. However, in light of increasing global uncertainties, geopolitical tensions, and financial turbulences, it is essential to maintain strong capital buffers and a high level of resilience within the financial sector. For this purpose, national authorities have a range of macroprudential tools at their disposal, which will continue to be deployed as needed to safeguard financial stability over the long term.

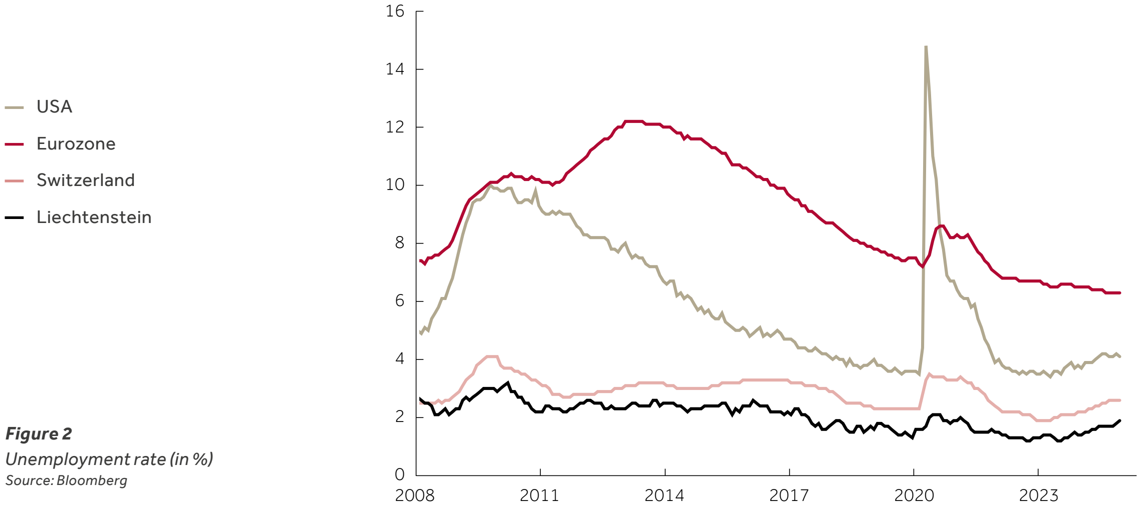


Figure 2
Unemployment rate (in %)
Source: Bloomberg

Sophia Doeme,
Deputy Head of Section
Macroprudential Supervision

TRENDS AND RISKS

The FMA pursues a risk-based approach to supervision that takes into account potential macroprudential and microprudential risks, as well as behavioural risks associated with supervised entities. For this reason, the FMA publishes its priorities of supervision for the following year at the end of each calendar year. These priorities are based on a prior assessment of trends and risks, which are briefly outlined below for the year 2024 (published at the end of 2023).

Macroeconomic environment: Despite the unstable environment and geopolitical tensions, the Liechtenstein financial sector remains characterised by overall stability and soundness.

Money laundering risk: Liechtenstein has a specialised, internationally connected, and stable financial centre that is of great importance to the national economy. Due to the small domestic market, financial service providers are heavily engaged in cross-border business. The primary focus is on asset management services for wealthy individuals abroad. This international orientation presents numerous opportunities for participants in the Liechtenstein financial market, but it also entails risks. The use of financial products that obscure the identity of beneficial owners from third parties further contributes to elevated risk.

Climate, social, and governance risks (ESG risks): The transition to a climate-compatible economy remains challenging. Assessing the impact of physical and transitional risks on financial institutions is complex. Although banks in Liechtenstein have only limited exposure to high-emission companies, some may face climate-related risks through their mortgage lending. Similarly, the insurance sector is increasingly exposed to climate risks arising from the growing frequency and unpredictability of natural disasters. Despite limited data availability at the international level, the monitoring of climate-related risks must be improved.

The Financial Services Sustainability Implementation Act (FNDG), which entered into force in May 2022, provides advance implementation of the EU Disclosure Regulation and Taxonomy Regulation in Liechtenstein. The implementation of the legal requirements poses a key challenge for intermediaries and the financial centre as a whole. Although the business associations and financial intermediaries are proactive in implementation, many detailed questions regarding the process remain unresolved. These implementation challenges increase the risk of greenwashing.

ICT and cyber risks: Cyberattacks have nearly doubled since the pandemic, with the financial sector particularly affected. In addition to targeted attacks, technical failures can also cause significant disruptions. Decentralised working arrangements, cloud solutions, and digital business models heighten these risks. The Digital Operational Resilience Act (DORA), which entered into force at the beginning of 2025, introduces new regulatory requirements for ICT security. Financial intermediaries must incorporate these risks into their risk management to ensure operational resilience.

Beat Waefler,
Chief Supervisor and Head of Supervision Section in the Insurance and Pension Funds Division

SUPERVISION OF AUDITORS AND AUDIT FIRMS

The FMA has been responsible for the supervision of auditors since the adjustment of the Auditors and Auditing Companies Act (WPRG) in 2011 transposing the EU Statutory Audit Directive. Since the introduction of the supervisory system, supervisory activities have been continuously further developed. For example, a cross-divisional interface was created, quality assurance reviews were established, and the follow-up enactments of the European Commission were implemented.

With the entry into force of the Auditors Act (WPG), which replaced the WPRG in 2021, the legal basis was comprehensively revised, and at the same time Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts was transposed.

Prudential supervision of auditors and audit firms includes issuing and withdrawing licenses, monitoring continued compliance with licensing requirements, disciplinary authority, conducting due diligence inspections, and maintaining the register of auditors. In addition, the FMA is responsible for issuing confirmations, announcing the auditor's examination (authorisation or suitability examination), and authorising auditors. An important part of supervision is also the performance of quality assurance reviews.

The FMA supervises a total of 87 auditors and 35 audit firms. Of these, 36 auditors and 14 firms are financial service providers domiciled abroad engaged in the free movement of services. The quality assurance review comprises a firm review and a file review. As part of the firm review, the appropriateness of the quality management systems, the existence of ongoing training, the quantity of fees, and independence are reviewed. The file review covers engagement-related quality assurance, the quantity and quality of resources, and compliance with auditing standards. Key findings include inadequate documentation in audit files, audits conducted by a firm lacking an auditor's licence, and the use of audit evidence of insufficient quality.

The quality assurance reviews aim to ensure that auditors comply with the required standards. In this way, the reviews ultimately serve to protect clients and the reputation of Liechtenstein's financial centre. With the introduction of the inspection system for auditors of public-interest entities (banks and insurance undertakings) and sustainability reporting audits, the supervision of auditors is currently undergoing a further significant expansion.

MACROPRUDENTIAL SUPERVISION

Financial crises have shown that – alongside the microprudential perspective, which focuses on the stability of individual institutions – macroprudential supervision is also necessary. Macroprudential supervision helps to protect the stability of the financial system as a whole, in particular by strengthening the resilience of the financial sector and reducing the accumulation of systemic risks. In Liechtenstein, macroprudential policy plays a particularly important role, owing to the large financial sector on the one hand, and the generally limited scope for economic policy on the other – against the backdrop of a low fiscal multiplier and monetary policy determined by Switzerland.

Responsibility for macroprudential policy and supervision is divided among several actors in Liechtenstein. Because Liechtenstein does not have its own central bank, the FMA assumes responsibility for the stability of the financial sector pursuant to Article 4 FMAG. This means the FMA plays the institutional role in the area of financial stability that central banks in other countries typically fulfil. To strengthen financial market stability and reduce systemic and procyclical risk, a Financial Stability Committee (FSC) was also established in 2019, composed of representatives of the Ministry of General Government Affairs and Finance and the FMA. By recommending macroprudential measures and issuing risk warnings, the FSC can initiate supervisory measures or amendments to ordinances or laws. The deliberations and discussions in the FSC are based on the financial stability analyses and expert opinions of the FMA.

The core tasks of macroprudential supervision include, in particular, the identification and mitigation of systemic risks within Liechtenstein's financial sector. In the 2024 reporting year, attention once again focused on the risks associated with high levels of household debt and the related vulnerabilities in the domestic real estate and mortgage market. Improved data availability has further strengthened risk monitoring, enabling the effectiveness of the borrower-based measures, which were adjusted in 2023, to be evaluated and monitored more precisely. Close cooperation with banks allows for regular exchange, enabling early identification of challenges on both sides and the development of joint solutions. While the measures introduce uniform minimum standards for exceptional transactions and thereby enhance risk monitoring, banks retain flexibility within their risk management regarding lending standards, as no upper limits have been set for such transactions. To clarify outstanding questions for various stakeholders, a FAQ section on borrower-based measures has been published on the FMA website.

In the area of macroprudential capital buffers, the capital buffer for other systemically important institutions (O-SRI) and the countercyclical capital buffer (CCyB) in Liechtenstein were re-evaluated in the reporting year and left unchanged compared to the previous year. The O-SRI buffer is calibrated annually, while the analysis of the CCyB in Liechtenstein is carried out quarterly and discussed accordingly in the Financial Stability Committee (FSC). In the context of the imminent introduction of the new Capital Requirements Regulation (CRR III) in Liechtenstein, the existing risk weights for residential real estate loans – which are stricter than those under CRR II – were evaluated in accordance with Article 124 CRR. Based on an analysis by the FMA, the FSC recommended that this option be phased out with the introduction of CRR III and that stricter rules than the European standards no longer be applied. The new risk weights, which apply as standard under CRR III, are more risk-sensitive and therefore more accurate than under CRR II, meaning that stricter national regulations are no longer necessary.

The annual Financial Stability Report also makes an important contribution to financial market stability, aiming for holistic risk identification through the involvement of individual supervisory areas in an internal risk workshop. The report highlights systemic risks across the entire Liechtenstein financial sector and was presented to the public in November as part of the Financial Stability Forum. The keynote speech by Prof. Aymo Brunetti examined the current too-big-to-fail (TBTF) regime in Switzerland and the lessons learned from the collapse of Credit Suisse. The subsequent discussion focused on crisis prevention and crisis management, as well as the potential implications for Liechtenstein. In addition to the Financial Stability Report, the quarterly National Economic Monitor on international economic and financial market developments also highlights the evolution of systemic risks in Liechtenstein's financial sector and, alongside the publication of risk warnings and recommendations, helps to raise risk awareness among market participants. Through the European Systemic Risk Board (ESRB), macroprudential supervision is closely integrated into the European System of Financial Supervision (ESFS). The ESRB's warnings and recommendations, along with the corresponding notifications, are implemented on an ongoing basis in close cooperation with the FSC.

Macroprudential Supervision was also closely involved in the preparatory work for Liechtenstein's accession to the International Monetary Fund (IMF) during the reporting year.

Martin Gaechter,
Head of Financial Stability Division

Brilliant emerald Ruggeller Riet

LICENSES, APPROVALS, REGISTRATIONS

In Liechtenstein, the provision of financial services subject to authorisation requires a licence issued by the FMA. The rules governing entry to the Liechtenstein financial market should be understood primarily in terms of client protection. The goal is to ensure the high quality of market participants and the seriousness of transactions. The licence is both a mark of quality and a preventive control instrument of the Financial Market Authority. The FMA not only issues licenses, but also monitors ongoing compliance with the licensing requirements. In the event of changes to a licensed financial intermediary, the financial intermediary is required to notify the FMA immediately. Changes subject to notification and approval include, for example, changes to the general management or the board of directors, changes to qualifying holdings, or a change of auditor. If licensing conditions are not met on a permanent basis, the FMA will withdraw licences where necessary.

In the reporting year, another bank in Liechtenstein entered liquidation. Given that a new institution was also licensed, the number of licensed banks in Liechtenstein remained unchanged at 11 at the end of 2024. The number of authorised insurance companies also remained constant at 32, with one market entry and one market exit. There were also entries and exits in the asset management sector, with the total number of licensed asset management companies declining slightly. At year-end, 89 companies held a licence. The number of electronic money and payment institutions, as well as investment firms, remained unchanged. Contrary to the long-term trend in the fiduciary sector, no further decline due to consolidation was observed. Although the number of licensed professional trustees fell slightly, the number of licensed trust companies increased by 5 to 219. The fund sector showed little movement, with the number of licensed market participants remaining nearly unchanged.

Approval of securities prospectuses

The FMA is responsible for reviewing and approving prospectuses and supplements for the public offer of securities or their approval for trading on a regulated market. Securities prospectuses are reviewed by the FMA for completeness, coherence, and comprehensibility. The FMA explicitly does not verify the content of the prospectus for accuracy. In principle, the respective issuer is liable for the correctness of the information provided in a securities prospectus. Consequently, the FMA does not assess the credibility of the issuer or the viability of the business model. Securities prospectuses are intended to eliminate information asymmetries between investors and issuers. The number of approved prospectuses in the reporting year was 36.

Registrations under the TVTG

The FMA is also responsible for the registration of TT service providers under the Token and TT Service Provider Act (TVTG). TT service providers can register for various roles, such as token generator or token issuer. Regulation (EU) 2023/1114 on markets in crypto-assets (MiCAR) and the associated revision of the TVTG have eliminated the registration requirement under the TVTG for several roles. At the same time, new approval categories were introduced under MiCAR. The TVTG will continue to exist alongside MiCAR and will regulate activities that are not covered by MiCAR.

In 2024, 11 companies were registered for a total of 17 roles under the TVTG. At the same time, nine companies renounced their existing registration during the course of the year. As a result, 30 service providers were registered for 69 roles in the TT Service Provider Register at the end of 2024.

Financial market participants and products supervised by the FMA	2023	2024	Market entries 2024	Market exits 2024
Banks, payment services, and asset management				
Banks	12	11	1	1
Investment firms and asset management companies	95	95	3	9
Payment institutions	1	1	0	0
Electronic money institutions	2	3	0	0
Postal institution*	1	1	n/a	n/a
Insurance and pensions				
Insurance undertakings	32	32	1	1
Insurance intermediaries	52	52	1	3
Pension schemes	16	16	0	1
Pension funds	3	3	0	0
Fund sector	3			
Investment Undertakings Act (IUG)				
Management companies	2	2	0	0
Domestic investment funds+	15	11	0	0
Law concerning specific undertakings for collective investment in transferable securities (UCITSG)				
Management companies	14	14	0	1
Undertakings for collective investment in transferable securities (UCITS) (funds)+	219	216	16	13
Alternative Investment Fund Managers Act (AIFMG)				
Large alternative investment fund managers	17	17	2	1
Risk managers	1	1	0	0
Selling agents	1	1	0	1
Alternative investment funds (AIFs)+	326	320	37	33
Fiduciary sector				
Professional trustees	136	135	3	12
Trust companies	217	214	14	9
Persons with a licence under the 180a Act	204	205	13	22
Auditing				
Auditors	47	44	8	1
Audit firms	23	20	1	0
Patent law				
Patent lawyers	5	5	0	0
Patent law firms	5	5	0	0
TT service providers				
Registered TT service providers	22	28	11	9
Services under the TVTG (roles)	46	63	17	11
Deposit guarantee and investor compensation				
Protection schemes	1	1	0	0
Securities prospectuses				
Approved prospectuses+	29	22	n/a	n/a
Others				
Casinos* **	6	6	0	0

Table 1
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 from EEA-regulated markets	15	16
Free movement of services of EEA and Swiss insurance companies	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

Category	Number of changes	Main changes	
Banks	28	– General management – Board of directors – Key functions	– Articles of association – Structure
Investment firms	3	– Board of directors – Participating interest	
Payment institutions	3	– Client money protection – Distribution	
Electronic money institutions	3	– Board of directors – Articles of association	
Asset management companies	182	– General management – Board of directors	– Qualifying holding – Auditors
Active management companies authorised under the IUG, UCITSG, AIFMG	33	– General management – Board of directors	
Investment undertakings (funds)	0		
Undertakings for collective investment in transferable securities (funds)	107	– Sub-fund – Unit class	– Name
Alternative investment funds	234	– Sub-fund – Unit class	– Auditor
Insurance undertakings	259	– General management – Board of directors – Outsourcing	– Key functions – Qualifying holding
Insurance intermediaries	59	– General management – Board of directors	
Pension schemes	21	– Regulations	
Pension funds	0		
Professional trustees	0		
Trust companies	56	– General management – Board of directors – Qualifying holdings	– Person actually managing the company – Liability insurance
Patent lawyers	0		
Patent law firms	0		
Auditors	3	– Liability insurance	
Audit firms	9	– General management – Board of directors	– Liability insurance – Business name
TT service providers	15	– Personnel	
Total	**1015**		

Table 3
Changes to licences and registrations

ONGOING SUPERVISION

Prudential supervision of the individual supervised financial intermediaries aims to ensure permanent compliance with the licensing conditions, including in particular the financial resources of market participants, and to identify risks at an early stage. Prudential supervision is governed by the relevant special laws, such as the Banking Act and the Insurance Supervision Act, and makes a significant contribution to client protection and to the stability of the financial market. In addition to prudential supervision, ongoing supervision also encompasses due diligence to combat money laundering. The basic instruments of ongoing supervision include reporting, auditing, on-site inspections, and management meetings.

Based on the risk assessment, the FMA defines its supervisory priorities for the current audit period. In addition to cross-sectoral supervisory priorities, the FMA also sets targeted, sector-specific supervisory priorities, which are generally aligned with the supervisory programmes and strategic guidelines of the European Supervisory Authorities. In the reporting year, the FMA set the following cross-sectoral supervisory priorities:

- Crisis prevention and crisis management
- Money laundering prevention
- Establishment of sustainability-related supervisory review (ESG risks)
- ICT security

In addition, the European Supervisory Authorities are entitled to set strategic supervisory priorities of the European Union. These priorities must be taken into account by the national supervisory authorities, with the aim of supervisory convergence among the EEA Member States.

In the area of **crisis prevention and crisis management,** the focus was on adequately addressing identified systemic risks. The turbulence in the US banking sector and the collapse of Credit Suisse demonstrated that financial sector stability cannot be taken for granted. Ongoing analyses of macrofinancial risks were conducted at both the domestic and international level to adequately assess the potential impact of these risks materialising in Liechtenstein. Risks in the real estate and mortgage sector were also consistently monitored, and an evaluation was carried out to assess how the agreed adjustment of the existing borrower-based measures contributes to mitigating these risks. An analysis of the reasons for the failure of Credit Suisse was conducted, and appropriate measures were developed to further strengthen the resilience of Liechtenstein banks.

The **prevention of money laundering** was also a supervisory priority in 2024. A primary focus was placed on implementing the recommendations from the MONEYVAL country assessment. As part of the on-site inspections, particular attention was paid to risk-adequate monitoring of business relationships and transactions. This also included the quality of clarifications and the respective reporting behaviour to the Financial Intelligence Unit (FIU). Regarding the latter, the reporting processes implemented by financial intermediaries were specifically reviewed, with attention given to anomalies such as delayed FIU reporting or a general reluctance to submit reports to the FIU. In the case of investment funds, the supervisory focus was on the correct application of the exemption rule for mutual funds, particularly whether it was applied solely in cases of low risk. The control and monitoring mechanisms implemented to ensure compliance with international financial sanctions were also reviewed in 2024.

ESG risks were a key supervisory priority in 2024. Following an assessment of compliance with ESG reporting obligations in the previous year, the questionnaire was converted into a standard for conducting sustainability-related supervisory reviews in 2024. At the business association level, the topics of ESG risk appetite and ESG in relation to reputational risks were addressed. In light of the focus of the European Securities and Markets Authority (ESMA) on ESG disclosure, the FMA also made this a priority. The emphasis was placed on investor protection and ensuring credibility.

Following the initial audit in 2023, the auditors continued their risk-based audit work on **ICT security.** The audit reports were used to further deepen the understanding of the existing risks and the measures in place.

Investment firms that conduct transactions with financial instruments must report all transactions in detail to the competent authority. The aims include combating insider trading and market manipulation and strengthening investor protection. The transaction data received by the FMA is examined using various scenarios relating to insider trading and market manipulation. The stored parameters are adjusted on an ongoing basis according to market events and market behaviour. In addition to indications of market abuse, transaction monitoring can also identify risks that jeopardise the functioning of the markets. The FMA not only receives reports from investment firms domiciled in Liechtenstein, but is also connected to supervisory authorities throughout Europe via the system that has been established for that purpose.

Investment firms or other supervisory authorities submitted about 8.4 million (previous year: 9.5 million) transaction reports to the FMA in 2024, which amounts to more than 23,000 (26,000) reports daily. The volume of reported transactions amounted to approximately CHF 160 billion (189 billion). In general, the previous year's trading volume was not sustained in 2024. The months of February and March saw the highest trading activity, with March showing significantly less activity compared to the previous year.

The transmitted transactions were validated at the technical level, subjected to content-related data quality tests on an ongoing basis, and evaluated. If the scenarios give rise to suspicion that indicate misconduct on the part of market participants, the FMA carries out further clarifications or takes appropriate measures. In the reporting year, a total of 1,142 (1,268) hits were generated that were analysed and evaluated.

On-site inspections

An on-site inspection is an institutionalised audit activity within the framework of ongoing supervision and enforcement on the premises of the financial intermediary. An on-site inspection is carried out by employees of the FMA. On-site inspections may be announced or unannounced. The FMA conducts a number of planned on-site inspections each year, as well as on an ad hoc basis where necessary. As a rule, on-site inspections are dedicated to one or more priority topics. In the reporting year, 21 on-site inspections were carried out.

Category	Number of on-site inspections	Priorities
Banks	2	Trading incident, disproportionate credit risk appetite
Audit firms	7	Scheduled quality control (cross-divisional)
Management companies	2	Disclosure
Insurers	5	Conduct of business, distribution, governance, head office, outsourcing
Pension schemes	3	Internal control system, governance, head office
Pension funds	1	Head office
Insurance intermediaries	1	Head office
Total	**21**	

Table 4
On-site inspections. For inspection activities relating to due diligence supervision for the purpose of combating money laundering, see the chapter on due diligence supervision.

Auditing

As part of prudential supervision, the FMA evaluates the audit reports submitted by auditors who, on behalf of the FMA, perform a risk-based audit of compliance with the regulatory requirements by the financial intermediaries. Where deficiencies arise, the FMA takes the necessary measures, or it sanctions the financial intermediary in accordance with the legal requirements.

The audits are based on the FMA's Audit Guideline. The Audit Guideline governs the procedure to be observed in the audits and reports of the external auditors authorised under the special laws, and it serves to ensure the high quality and uniform administration of supervisory audits. The uniform and detailed requirements governing audits make a significant contribution to the convergence of supervisory practice and implementation of risk-based supervision.

Vagrant darter Lawena reservoir, Triesen

Financial intermediary	Audit reports	Deficiencies	Deficiencies mainly in the following areas
Banks	12	69	– Cyber risks – Handling of payment orders – Disclosure – Liquidity reporting
Payment institutions	1	1	– Safeguarding requirements
Electronic money institutions	2	2	– Controls – Cyber risks
Protection scheme	1	0	
Asset management companies	89	29	– ICT security
(Fund) management companies	20	16	– ICT security
Insurance undertakings	32	109	– Implementation of ICT Guideline – Reporting obligations – Continuing training – Cost key – Solvency calculation – Provisions
Insurance intermediaries	13	15	– Implementation of ICT Guideline – Business continuity management – Continuing education – Manual processes
Pension schemes	3	3	– Implementation of ICT Guideline – Updating of guidance
Pension funds	9	3	– Organisational requirements – NAV reconciliation process
Total	**182**	**247**	
Products			
Funds	766	133	– Material valuation errors – Notification and reporting obligations – Active violations of investment limits

Table 5
Review of audit reports
This overview does not include audit reports for the purpose of preventing money laundering (see the chapter on due diligence supervision).

Reporting

Under the special laws, financial intermediaries are required to provide the FMA with the data necessary to evaluate the company and its risks. On the basis of the reports, the FMA verifies compliance with regulatory requirements and follows the business development of the supervised financial intermediaries in a timely manner. "Reports" refers to all legally required periodic or ad hoc information obligations of the financial intermediary vis-à-vis the FMA. This includes annual reports, semi-annual reports, quarterly reports, and other regular reports. Most reports under the reporting system are received via the FMA's e-Service Portal. The portal was introduced in 2015 and provides a convenient way for notifying entities from all sectors to submit data online. In the reporting year, a total of 14,430 reports (previous year: 11,000) were submitted via the portal.

Category	Reports
Banks	1333
Payment institutions	18
Investment firms	0
Electronic money institutions	49
Protection schemes	68
Audit firms	147
Asset management companies	485
Management companies	137
Funds	3931
Insurance undertakings	610
Insurance intermediaries	50
Pension schemes	106
Pension funds	36
TT service providers	99
Total	**7069**

Table 6
Reporting
This overview does not include reporting under the Due Diligence Act (SPG) for the purpose of combating money laundering, see the chapter on due diligence supervision.

Management meetings

FMA representatives hold regular management meetings with members of the general management and board of directors of supervised entities. The business strategy and business development of the companies as well as current topics are discussed. A total of 64 management meetings were held in the reporting year, including eight with banks, 23 with asset management companies, and 21 with insurance undertakings. In addition to strategic orientation and business development, governance and organisational topics were discussed. ESG risks were also addressed. Client complaints and the implementation of complaints and recommendations were also discussed with asset management companies and management companies.

Category	Meetings
Banks	8
Investment firms	0
Protection schemes	1
Electronic money institutions	1
Payment institutions	1
Management companies	1
Asset management companies	23
Insurers	21
Pension schemes	3
Pension funds	0
Insurance intermediaries	0
Professional trustees	5
Total	**64**

Table 7
Management meetings

AD HOC SUPERVISION OF TT SERVICE PROVIDERS

The registration obligation under the Token and TT Service Provider Act (TVTG) sets out fundamental requirements for all TT service providers in Liechtenstein. These requirements are particularly important in terms of customer protection. However, unlike traditional financial service providers, TT service providers are not subject to the same regulatory framework. The audit conducted as part of the registration process is limited in both scope and depth. Moreover, TT service providers are not subject to ongoing prudential supervision, but only to ad hoc inspections. As a result, the level of protection provided by supervision differs from that of an authorised financial intermediary governed by European legal requirements. To gain a better understanding of the market despite the absence of prudential supervision, the FMA collects general information on the business activities of registered fintechs through the annual reporting process.

In 2024, the FMA was frequently confronted with customer complaints concerning TT service providers. While some of these complaints did not involve issues relevant to supervisory law and were instead of a civil nature, in other cases the FMA carried out in-depth clarifications, which in several instances led to reports being submitted to the Financial Intelligence Unit (FIU), among other measures. During the reporting year, the FMA also focused on reviewing compliance with the minimum capital requirements under the TVTG. Also in 2024, one of the largest TT service providers, Bittrex Global GmbH, ceased its business operations and entered liquidation. As the TVTG does not contain any provisions on how liquidation is to be carried out, this process is not conducted under the supervision of the FMA – unlike intermediaries governed by other special legislation.

DUE DILIGENCE SUPERVISION TO COMBAT MONEY LAUNDERING

In line with its risk-based supervisory strategy, the FMA's inspections continue to focus particularly on those entities subject to due diligence and financial sector participants with an elevated risk profile. These risk profiles are developed based on information from the reporting system under the Due Diligence Act (SPG) and ongoing supervisory activities. Financial market participants must report annually to the FMA on inherent money laundering risks and the quality of their risk mitigation. On a supplementary basis, the FMA continuously evaluates information it receives in the course of its supervisory activities (e.g. ongoing inspections, press and media reports, reporting by partner authorities in Liechtenstein and abroad, etc.).

In accordance with the risk-based supervisory approach, the content of the inspections also focused on the vulnerabilities identified in National Risk Assessment II. As a consequence of the change in strategy, the FMA has also significantly increased the number of its own on-site inspections, in order to obtain a direct and comprehensive picture of the quality of due diligence measures in addition to the findings derived from the mandated inspections (audits carried out by auditors).

Both the FMA's own due diligence inspections and the mandated inspections were based on the supervisory priorities defined for 2024 in each sector. The aim of the inspections was, not least, to implement the recommendations from the MONEYVAL country report. With regard to due diligence inspections, the thematic SPG audits focused on four main areas. Across all sectors, attention was directed towards the risk-adequate monitoring of business relationships and transactions. In the area of investment funds, the focus was also placed on the correct application of the exemption rule for mutual funds. The FMA also

Emerald damselfly Lawena reservoir, Triesen continued to prioritise the preventive framework of TT service providers under the TVTG (virtual asset service providers). Finally, there was a cross-sectoral focus on reviewing the control and monitoring measures to ensure compliance with international financial sanctions during the past reporting year.

The FMA's own due diligence inspections additionally focused on the vulnerabilities identified in National Risk Assessment II and defined as priorities for action in the corresponding Government action plan. In this context, particular attention was paid to the risk-adequate monitoring of business relationships and transactions. This included the quality of the clarifications carried out and the respective FIU reporting behaviour. The focus was also on the control and monitoring mechanisms implemented to ensure compliance with international financial sanctions.

Because of the special situation relating to the war in Ukraine since February 2022 and the resulting sanctions packages, the FMA continued to pay special attention in all of its own inspections on compliance with financial sanctions in accordance with the International Sanctions Act (ISG) and potential evasion of those sanctions.

During the reporting period, the FMA conducted its own on-site inspections at three banks[1]. These were focused inspections with a risk-based emphasis. In addition to the organisational (firm) reviews in the priority areas, a further 36 customer dossiers and 84 cash or precious metal transactions were drawn and examined as random samples. In the majority of on-site inspections, only a small number of findings were identified, most of which related to individual samples. In addition, several recommendations were issued – for example, in relation to customer risk assessments (CRA) or business risk assessments (BRA), as well as in connection with the reports of the compliance and investigating officers. These recommendations generally aimed to further optimise and enhance various processes and reports that had already been implemented.

The FMA carried out independent on-site inspections of four life insurance undertakings and two life insurance intermediaries with a risk-based focus. In addition to the system audit, a total of 43 samples were reviewed over the past year. Deficiencies were identified in the report of the investigating officer. Furthermore, potential for improvement was noted concerning the informative value of business profiles, particularly regarding the source of wealth, the source of funds, and reporting behaviour.

The due diligence category "trust and company service providers" includes professional trustees and trust companies as well as persons under the 180a Act. The FMA carried out a total of 22 consolidated on-site inspections in the reporting period. A total of 85 trust and company service providers (trust companies, professional trustees, and persons licensed under the 180a Act) were subject to a focused inspection in this context and, in addition to the firm review conducted in each case, a total of 119 random samples were drawn and examined.

1 *In addition, the FMA conducted its own on-site inspection of a foreign subsidiary.*

Due diligence inspections	2020	2021	2022	2023	2024
Banks	**13**	**12**	**12**	**11**	**11**
Own/mandated inspections (full/focused/thematic audit)	6 / 14	5 / 12	4 / 3	3 / 3	3 / 3
Inspections in % of entities (density of inspections)	> 100 %	> 100 %	58 %	55 %	55 %
Asset management companies	**102**	**98**	**94**	**91**	**88**
Own/mandated inspections (full/focused/thematic audit)	2 / 29	1 / 32	5 / 14	5 / 28	5 / 27
Inspections in % of entities (density of inspections)	30 %	34 %	20 %	36 %	36 %
Life insurance companies	**19**	**18**	**16**	**16**	**16**
Own/mandated inspections (full/focused/thematic audit)	2 / 1	3 / 5	2 / 7	4 / 6	4 / 5
Inspections in % of entities (density of inspections)	16 %	44 %	56 %	63 %	56 %
Life insurance intermediaries	**21**	**17**	**14**	**14**	**14**
Own/mandated inspections (full/focused/thematic audit)	1 / 7	2 / 4	2 / 4	2 / 2	2 / 0
Inspections in % of entities (density of inspections)	38 %	35 %	43 %	29 %	14 %
Investment funds	**643**	**676**	**724**	**786**	**782**
Own/mandated inspections (full/focused/thematic audit)	6 / 21	3 / 75	0 / 153	48 / 188	93 / 165
Inspections in % of entities (density of inspections)	4 %	12 %	21 %	30 %	33 %
Trust and company service providers	**185**	**188**	**177**	**165**	**153**
Own/mandated inspections (full/focused/thematic audit)	11 / 40	19 / 33	17 / 33	21 / 32	22 / 51
Inspections in % of entities (density of inspections)	28 %	28 %	28 %	32 %	48 %
TT service providers	**13**	**21***	**34***	**38***	**25**
Own/mandated inspections (full/focused/thematic audit)	5 / 12	4 / 2	5 / 4	3 / 5	2 / 5
Inspections in % of entities (density of inspections)	> 100 %	29 %	26 %	21 %	28 %
Other persons subject to due diligence**	**97**	**127**	**148**	**147**	**131**
Own/mandated inspections (full/focused/thematic audit)	5 / 2	3 / 2	3 / 1	11 / 1	3 / 0
Inspections in % of entities (density of inspections)	7 %	4 %	3 %	8 %	2 %

Table 8
Due diligence inspections

** of which token issuers not subject to registration pursuant to Article 3(1)(s) SPG (7 in 2021; 15 in 2022; 11 in 2023); from February 2024, these token issuers are no longer subject to due diligence and accordingly no longer included from 2024*
*** item includes electronic money institutions, agents of EEA payment institutions, fund management companies with individual portfolio management, investment firms, casinos, and persons subject to due diligence pursuant to Article 3(3) SPG*

The inspections showed that, in general, the quality of due diligence in the fiduciary sector is predominantly good, and in particular the deficiencies identified in previous years – such as documentation of sources of funds and sources of wealth, and compliance with the reporting obligation in cases of suspected money laundering – were improved. Some significant exceptions related to deficiencies identified in individual inspections regarding the risk-based review of the use of assets and the detailed examination of the exposure of individual mandates to sanctions ordinances, particularly in the case of complex structures and in relation to the personal environment of sanctioned individuals).

The FMA conducted a total of five focused inspections of asset management companies last year. 31 samples were drawn and examined. Apart from a few primarily formal weaknesses, only a few deficiencies were identified overall (in particular relating to business profiles, including verification of the source of funds and in the area of direct screening obligations in connection with the enforcement of international sanctions). The FMA also conducted three of its own on-site inspections at management companies/AIFMs authorised to carry out individual portfolio management.

In addition, 93 funds managed by four management companies and AIFMs were audited. It was ascertained that all of these funds were subject to a new risk assessment in accordance with the SPG. As a result of these reassessments, about a quarter of the funds were no longer able to apply simplified due diligence pursuant to Article 22b(3) SPV. Despite the reassessment, individual funds were still identified in the course of the review activities that were incorrectly continuing to apply the exemptions under Article 22b(3) SPV. Deficiencies were also identified in the area of investment screening in connection with obligations under the International Sanctions Act (ISG).

Overall, the FMA was able to satisfy itself that, with a few exceptions, the defence mechanism in the fund sector is robust.

Finally, the FMA also carried out two of its own on-site inspections of TT service providers during the reporting period. In addition to the risk-appropriate monitoring of business relationships, the focus was also on business profiles and the identification of beneficial owners. 12 random samples were drawn as part of these inspections. In one of the two inspections, significant deficiencies were identified in connection with the risk-appropriate monitoring of business relationships/transactions. In addition, isolated deficiencies were identified in the business profile and the risk assessment.

In addition to the FMA's own inspections, focused SPG inspections by professional auditors were mandated for three banks, 27 asset management companies, five life insurance companies, 165 investment funds, and five TT service providers. In the fiduciary sector, 51 consolidated on-site inspections were commissioned.

In sum, the mandated inspections once again showed generally good results and robust defence mechanisms. Only a few inspections identified an elevated number of deficiencies. Overall, the findings in the individual sectors are consistent with the findings from the FMA's own on-site inspections, as in the previous year.

National Risk Assessment

Liechtenstein is required to carry out a National Risk Assessment (NRA) on a regular basis. This obligation is based on a provision in the Due Diligence Act (SPG), which in turn is founded on the standards of the Financial Action Task Force (FATF) and the requirements of the European Union (EU). On 12 December 2023, the FMA, in cooperation with other authorities, was mandated by the Government to prepare the third NRA for the years 2019 to 2022. NRA III was prepared during the reporting year through intensive internal and inter-authority collaboration with the Financial Intelligence Unit, the Fiscal Authority, and the Office of the Public Prosecutor, and with the involvement of all business associations and individual financial intermediaries.

NRA III identifies the existing risks (inherent and control risks) for money laundering (ML), terrorist financing (TF), and proliferation financing (PLF) within the individual sectors. The identification of these risks serves to enhance the fight against money laundering and, in doing so, helps to safeguard the reputation of the Liechtenstein financial centre. The risk assessment is intended to provide both financial intermediaries and authorities with a foundation for a risk-based approach, thereby ensuring the targeted application of compliance measures.

In accordance with international requirements, the identified risks must be directly integrated into risk-based supervision and other national measures to combat money laundering and terrorist financing. Financial intermediaries, in turn, base their own business and customer risk assessments on the findings of the NRA. At the European level, the results of the NRAs from individual Member States are also incorporated into the EU's supranational risk assessment. The National Risk Assessment also serves as the central evaluation point in international assessments.

The NRA outlines the risks to the financial centre with regard to money laundering and terrorist financing for the years 2019 to 2022. During the consultation process, it was established that the current assessment has received broad approval across all sectors and that a shared understanding of the risks has now been achieved.

INTERNATIONAL ADMINISTRATIVE ASSISTANCE

Supervisory authorities provide cross-border administrative assistance as needed. Administrative assistance is a key instrument of cooperation, and it contributes to achieving the goals of the Financial Market Authority: to safeguard confidence in the financial markets, protect clients, and combat abuses. In 2024, a total of 57 requests for administrative assistance were submitted to the FMA asking for information. Conversely, the FMA submitted 90 requests to foreign supervisory authorities.

Non-client-related administrative assistance: Non-client-related information is information under supervisory law relating to the general activities of a supervised entity in its capacity as a market participant. In addition to information on solvency and liquidity, this includes in particular information on the governing bodies or ownership of a supervised entity as well as information on any supervisory or criminal proceedings against the supervised entity or its governing bodies or ownership. In 2024, 41 such non-client-related enquiries were addressed to the FMA by 19 supervisory authorities. Of these requests, 28 were good standing enquiries or requests for letters of confirmation. In the same period, the FMA submitted a total of 86 non-client-related requests for administrative assistance to 30 different foreign supervisory authorities.

Client-related administrative assistance: If the information to be transmitted concerns individual clients of financial institutions, this constitutes client-related administrative assistance, which is subject to strict formal requirements. The focus is on administrative assistance in the area of securities supervision on the basis of the multilateral memorandum of understanding with the International Organization of Securities Commissions (IOSCO MMoU). The main topics here are violations of insider legislation, market manipulation, activities without a licence, and investment fraud. Outside of securities supervision, client-related administrative assistance takes place according to special laws such as the Banking Act. In 2024, the FMA was requested for client-related administrative assistance in 16 cases. Of these, 13 requests were made on the basis of the IOSCO MMoU, three on the basis of special laws.

The Market Abuse Regulation (MAR) and its Implementing Regulations have been in force in Liechtenstein since 2021. As a rule, administrative assistance in the area of securities supervision under the IOSCO MMoU falls within the scope of this regulation. MAR contains its own rules on the cooperation of supervisory authorities in the Member States and thus also on administrative assistance; these rules apply directly and compulsorily in Liechtenstein. If national rules contradict those of MAR, they must not be applied. If, on the other hand, subject matters are covered by national rules that are not regulated by MAR, the national rules continue to apply. Liechtenstein provides a special procedure for administrative assistance in the area of securities supervision that goes beyond the scope of MAR or its Implementing Regulations. In particular, the procedure specifies the form in which the requested information must be obtained from the requested authority, that a ban on information must be imposed on persons concerned and third parties, and that the Administrative Court must approve administrative assistance before the requested information is transmitted.

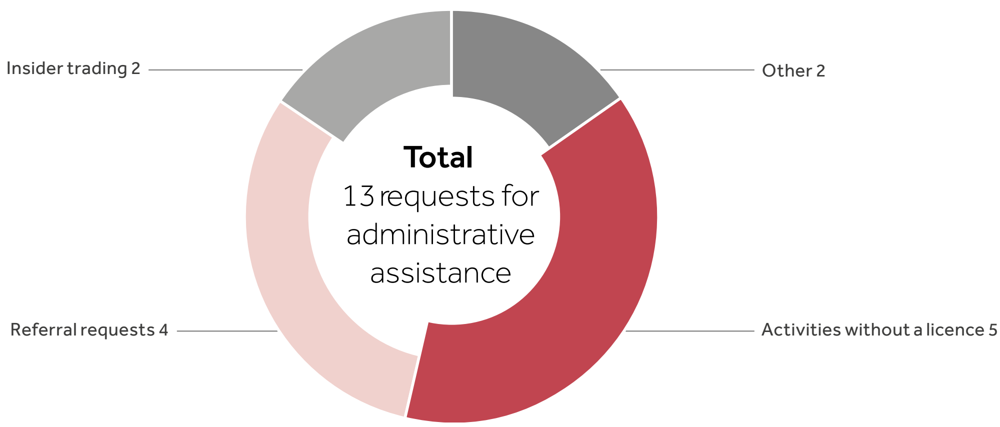


Figure 3
Reasons for client-related requests for administrative assistance (IOSCO MMoU and special laws)

Migrant hawker Lawena reservoir, Triesen

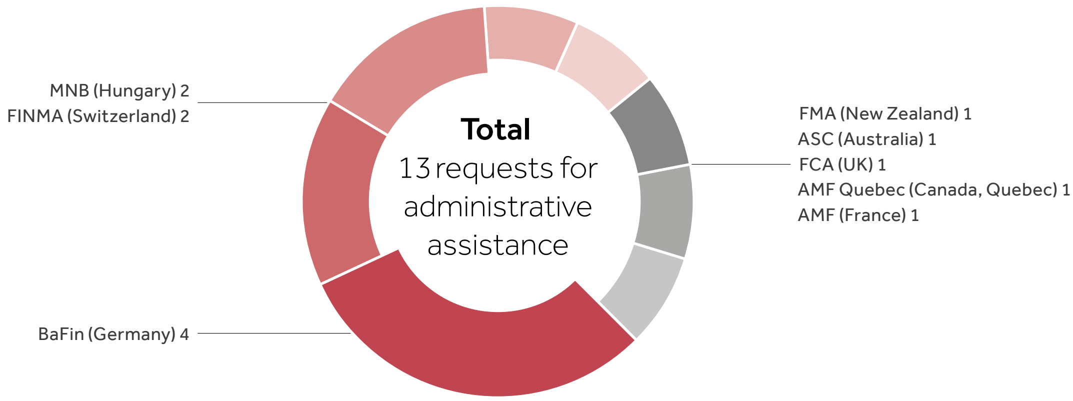


Figure 4
Client-related requests for administrative assistance by authority (IOSCO MMoU and special laws)

ENFORCEMENT

The FMA clarifies any indications it finds of violations of general criminal law or of the laws assigned to the FMA for execution. If the FMA arrives at a justified suspicion as a result of these preliminary investigations, or if the circumstances indicate that the reputation of the Liechtenstein financial centre is jeopardised, it initiates administrative or administrative criminal proceedings, establishes the facts of the case, and orders any necessary measures and fines.

In 2023, the FMA introduced a tool that enables the statistical recording of FMA enforcement activities. The various procedural steps can be tracked to provide a continuous overview of the current status of different proceedings and enforcement measures. The tool facilitates collaboration and serves as a valuable foundation for future developments.

The statistical analysis is carried out using a dashboard that provides an up-to-date, concise overview of pending proceedings and enforcement measures, and includes other useful information.[2]

As of the end of the reporting period, the FMA was conducting 34 administrative proceedings or administrative criminal proceedings. Administrative proceedings are proceedings for the enforcement of financial market rules governed by public law. Administrative criminal proceedings are proceedings carried out by the FMA to sanction violations of criminal law provisions set out in financial market legislation. During the reporting period, 84 proceedings were concluded with legal effect. The subjects of the proceedings included own funds requirements, violations in risk management, market manipulation, organisational requirements, head office requirements, accounting requirements, compliance with licensing

2 Due to the recent introduction of the tool, the following figures refer to a shorter reporting period from 1 January 2024 to 31 October 2024. For future reporting, the reporting period will be aligned with the fiscal year.

conditions, and governance. Of the 84 proceedings concluded, 15 ended with the proceedings being discontinued, 45 with measures issued by means of a simple letter, 8 with a final decree, 12 with submission, and 4 with an administrative injunction or administrative injunction with a penalty.

On 7 March 2023, the FMA announced Sora Bank AG's voluntary liquidation and the renunciation of its licence. To ensure client protection, the FMA took the measures necessary for the execution of the liquidation and the settlement of ongoing business and issued the necessary instructions to the liquidators. By decision dated 1 March 2024, the Court of Justice opened bankruptcy proceedings over the assets of Sora Bank AG in liquidation (Sora) and appointed Deloitte (Liechtenstein) AG as the bank liquidator. The bankruptcy order of the Court of Justice triggered a statutory guarantee and compensation case under the Deposit Guarantee and Investor Compensation Act (EAG) as of 5 March 2024. The covered deposits and covered investments of Sora's customers are protected under the EAG. Upon the occurrence of the guarantee and compensation case, the EAS reviewed the claims of depositors and investors and, if the legal requirements are met, satisfies them up to the statutory maximum amounts.

On 29 July 2024, the FMA announced Banque Havilland (Liechtenstein) AG's renunciation of its licence and voluntary liquidation. The bank's licence to operate lapsed on 29 July 2024 following a written renunciation. As a result, Banque Havilland (Liechtenstein) AG was no longer authorised to provide or offer banking services in accordance with Article 3 of the Banking Act. The FMA supervises the liquidators and the liquidation process to ensure that the interests of the bank's clients are protected.

At the end of June, the FMA published its FMA Practice. The publication provides information in anonymised form on the FMA's decisions and decrees as well as on decisions of the FMA Complaints Commission (FMA-CC) that concern the 2023 supervisory period. By describing selected cases, the FMA sets out each year how it applies and interprets supervisory law, thus creating transparency and predictability for financial intermediaries.

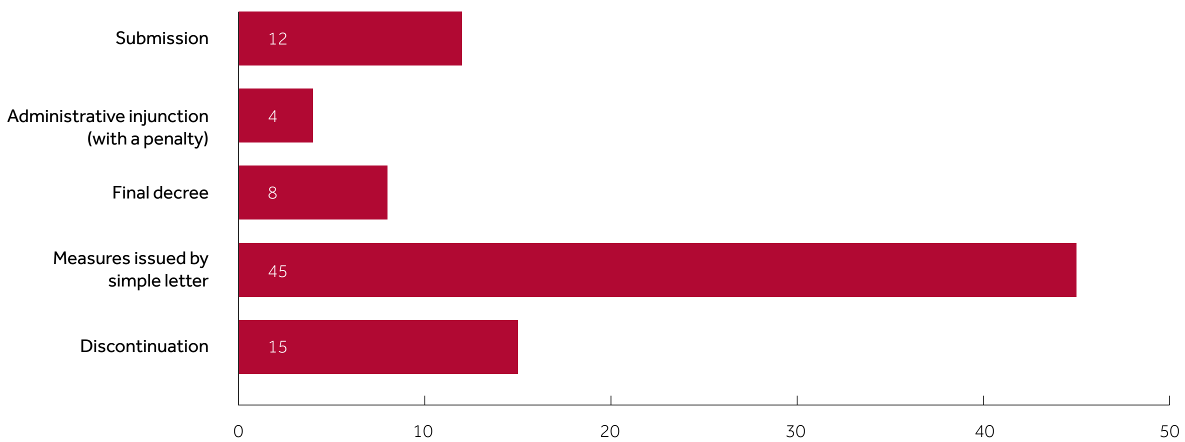


Figure 5
Concluded administrative (criminal) proceedings during the reporting period, by type of conclusion

During the 2023 supervisory period, several decisions of particular relevance for the FMA's further supervisory practice were taken.

In one case, the FMA appointed an observer at a bank. This appointment was preceded by various enquiries by the FMA to assess compliance with licensing requirements. The FMA identified deficiencies relating to own funds, organisational structure, risk management, and lending operations. The observer's responsibilities included monitoring compliance with reporting obligations and reporting directly to the FMA. The bank lodged a complaint against the FMA's administrative injunction with the FMA Complaints Commission (FMA-CC). The FMA-CC rejected the complaint, stating that there were sufficient indications that the serious deficiencies posed a threat to the claims of creditors. The Administrative Court dismissed an appeal against the FMA-CC's decision and upheld the contested decision.

In another case, the FMA imposed a temporary administrative injunction prohibiting a person from practising the profession. The prohibition was preceded by proceedings against an AIFM. In the course of these proceedings, account statements were also requested to determine the assets of the AIFM. The balance confirmations submitted to the FMA showed suspicious and false markings, which is why the FMA filed a criminal complaint with the Liechtenstein Office of the Public Prosecutor against members of the board of directors and the general management on the basis of these anomalies. In the opinion of the FMA, proceedings to determine whether a member of the board of directors guarantees sound and proper business operation constitute grounds for imposing a temporary prohibition on practising the profession. Due to the allegedly falsified documents submitted as evidence, it could no longer be assumed that the AIFM demonstrated personal integrity or sound and prudent management. The FMA states in this regard: If there are sufficient indications that the actions or omissions of a member of the general management or board of directors genuinely call into question the guarantee of sound and proper business operation, or that persons with qualifying holdings fail to meet the standards required for sound and prudent management of the AIFM, then a temporary prohibition on practicing the profession must be imposed as an appropriate and urgently necessary measure.

In 2024, the FMA filed 41 criminal complaints with the Office of the Public Prosecutor. Of these, 25 cases concerned violations of the Occupational Pensions Act (BPVG). Seven complaints related to intermediaries supervised by the FMA. If the FMA becomes aware of suspected criminal acts that must be prosecuted ex officio and that fall within its legal sphere of action, it is required to file a criminal complaint. The criminal complaints were filed on suspicion of market abuse, accepting deposits without the required licence, insider trading and unlawful disclosure of insider information, concealment of material facts, fraud in connection with a clone firm, and violation of designation protection, among other acts.

During the reporting period, the FMA submitted 24 reports to the Financial Intelligence Unit (FIU). This occurs in cases of suspicion of money laundering, a predicate offence of money laundering, organised crime, or terrorist financing.

Whistleblowing

For the reporting year, the FMA received a total of 19 whistleblowing reports. The reports contained information and details on potential legal violations, such as lack of a licence, breaches in governance (compliance), lack of integrity among management, allegations of fraud, or tax offences. Of the reports received, four were forwarded to other domestic authorities, given the responsibilities concerned. In eight cases, it was decided after reviewing the reports that the information did not provide sufficient grounds for suspicion to initiate further action, or no legal violations could be identified. Reports falling within the FMA's area of responsibility were reviewed as part of its supervisory activities and, where necessary, appropriate measures were taken, e.g. warning notices were published as necessary, other official arrangements were made, or criminal complaints were filed. Administrative proceedings and administrative criminal proceedings were also initiated.

Warnings

The FMA published ten warnings on its website in 2023. The FMA warned against four clone firms and strongly advised against investing via their websites. Clone firms wrongfully claim the identity of a real company and attempt to induce users to invest via their websites or by sending emails. In six cases, companies also falsely gave the impression on their websites or via other channels that they had a licence from the FMA. In each case, the FMA advised against making investments, responding to offers from the company, or transferring funds.

In July 2024, the FMA again issued a warning about certain practices related to investments in physical precious metals. The FMA observed a rise in enquiries concerning companies domiciled in Liechtenstein that had developed various models for the purchase and safekeeping of physical gold and other precious metals. These metals are sold via the internet or through distribution networks. The FMA reiterated that the sale and subsequent safekeeping of physical precious metals, along with the reporting of these holdings to customers, generally does not constitute an activity requiring a licence under special legislation and therefore does not require approval by the FMA. As such, the providers are not subject to prudential supervision by the FMA in this area, and the FMA does not review the purchase contracts or the holdings of precious metals. The FMA pointed out that in the event of any irregularities by the seller or custodian, investors must enforce the surrender of the physical precious metals themselves, if necessary through legal proceedings. In cases where counterparties lack creditworthiness, total losses cannot be ruled out.

Fines

In the reporting period, the FMA imposed legally enforceable fines totalling CHF 971,500 in 18 proceedings, and fines not yet legally enforceable totalling CHF 60,000 in three proceedings. By comparison, in 2023 the FMA imposed legally enforceable fines totalling CHF 903,500 in 17 proceedings.

On 23 July 2024, the FMA imposed a fine of CHF 180,000 on a legal person for a breach of due diligence obligations.

The FMA also imposed two fines of CHF 100,000 each on two legal persons on 18 April 2024 and 25 March 2024 for breaches of due diligence obligations (business profile and risk-adequate monitoring) and repeated breaches of due diligence obligations (risk assessment).

Overall, the majority of the fines were imposed due to violations of the provisions of the Due Diligence Act. Other fines related in particular to breaches of the provisions of the EEA Market Abuse Regulation Implementation Act (EWR-MDG) and breaches of the risk management provisions under the Banking Act.

ACTIVITIES OF THE RESOLUTION AUTHORITY

In its function as the national resolution authority, the responsibilities of the FMA include, in particular, ensuring the resolvability of banks domiciled in Liechtenstein and, if necessary, setting resolution measures. In doing so, it makes an important contribution to safeguarding financial market stability.

The legal basis for the FMA's work as a resolution authority is the Law of 4 November 2016 on the Recovery and Resolution of Banks and Investment Firms (Recovery and Resolution Act; SAG). The SAG is the Liechtenstein transposition of the EU Bank Recovery and Resolution Directive (BRRD).

A key element of an effective resolution regime is the targeted preparation of banks for default scenarios. For this purpose, formal resolution plans are developed in cooperation with the undertakings. These plans contain not only analyses of the importance of the banks for the Liechtenstein financial centre, but also include specific crisis management strategies and resolution approaches. For large banks, this includes, for example, the implementation of debt-equity swaps ("bail-in"; direct participation of creditors in the losses or capital cut) and merger & acquisition transactions ("asset deal"), and the sale of the shares of the crisis bank to interested buyers ("share deal"), the transfer of portfolios, or the establishment of a "bad bank".

Resolution planning also includes an assessment of the resolvability of the company concerned and covers the identification and removal of potential impediments to resolution. To enhance the efficiency of the resolvability assessment, the FMA issued a guideline on the review of resolvability by auditors (FMA Guideline 2023/2).

SUPERVISION AND ENFORCEMENT OF LAWS

As of February 2025, the FMA is responsible for supervising and enforcing 49 laws (Article 5(1) of the FMA Act), including the associated implementing ordinances and European Level 2 measures.

Laws newly included in 2024 and up to February 2025:

- Law on the Activities and Supervision of Securities Firms (Investment Firms Act; WPFG)
- Law on the Operation and Supervision of Trading Venues and Exchanges (Trading Venues and Exchanges Act; HPBG)
- Law on the Provision of Investment Services and the Exercise of Investment Activities (Investment Services Act)
- Law implementing (EU) 2022/2554 on digital operational resilience for the financial sector (EEA DORA Implementation Act; EWR-DORA-DG)
- Law implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets (EEA MiCA Implementation Act; EWR-MiCA-DG)
- Mortgage Bond Act (PfbG)
- Law implementing Regulation (EU) 2017/2394 on Cooperation between National Authorities Responsible for the Enforcement of Consumer Protection Laws (EEA Cooperation of Consumer Protection Authorities Implementation Act; EWR-VBKDG)

In the resolution plans, the FMA also sets the level of the minimum requirement for own funds and eligible liabilities (MREL). The MREL must be high enough to ensure at all times that the expected losses to be borne by the company can be fully absorbed. The resolution unit must also be recapitalised to a sufficiently high level so as to fulfil the authorisation conditions and continue to carry out its activities for a reasonable period of time. The FMA has published its strategy and approach for calibrating the MREL in its own national MREL policy (FMA Communication 2022/02). The policy was tailored to the Liechtenstein financial centre and increases both the transparency of the resolution authority's actions and the legal certainty for the financial intermediaries.

In autumn 2024, the resolution authority also published a standard for the provision of data for resolution purposes (FMA Guidelines 2024/2). The standard sets out specific minimum requirements for the internal management information system (MIS) and, in particular, calls for the implementation of a data point model for revaluing the balance sheet in the event of resolution.

In 2024, the FMA updated three group resolution plans for the systemically important banking and two resolution plans for smaller financial intermediaries. In the coming years, these resolution plans will be refined and tested to ensure the effective operationalisation of the resolution strategies in line with European standards. Simplifications were introduced in the reporting system for small banks.

In addition, development of the Liechtenstein resolution financing mechanism was continued. The financial resources available under this mechanism are intended to support effective application of the resolution regime as needed. The resolution financing mechanism is to be endowed with adequate resources by the Liechtenstein banks on a pro rata basis according to a statutorily defined contribution key. The pro rata contribution per institution is calculated by the FMA.

OUTLOOK

Based on the risk assessment, the FMA defined and published Its 2025 priorities of supervision in November. Through its supervisory activities, the FMA ensures that financial intermediaries adequately address potential risks. A key component of this is the assessment of the risk situation for the financial centre and the supervised financial intermediaries. The FMA aligns its priorities of supervision with the risk situation, thereby strengthening resilience to the identified risks.

At the international level, financial stability risks have decreased slightly but remain elevated due to persistent inflation and geopolitical uncertainties. In light of the considerable uncertainties associated with macrofinancial and geopolitical developments, as well as structural and reputational risks, the FMA will continue to place a strong emphasis on crisis prevention and crisis management in the coming year to adequately address identified idiosyncratic and systemic risks. This includes, in particular, the continuous analysis of macrofinancial risks at both the domestic and international levels in order to adequately assess the potential impact of these risks materialising on the Liechtenstein financial sector. In addition, consistent monitoring of vulnerabilities in the real estate and mortgage sector and a thorough evaluation of the effectiveness and efficiency of existing borrower-based measures are essential to ensure the effective mitigation of these risks.

Another priority of supervision is the sanctions regime. Non-compliance with foreign sanctions entails serious reputational, operational, and legal risks for the respective supervised entity and for all those maintaining business relationships with it. This includes, in particular, the risk of the supervised entity itself being sanctioned, which could restrict its access to payment systems and, consequently, threaten its ongoing economic viability. Of particular relevance in this context are the sanctions provisions of the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury. Ultimately, any sanctions with a connection to Liechtenstein pose a risk to the entire financial market and the country of Liechtenstein. Monitoring the implementation of these expectations will be a key priority of supervisory activities as part of risk management audits across all supervisory divisions. This will include audits of the relevant governance frameworks and the associated strategies, procedures, and controls for managing the risks related to foreign sanctions.

Liechtenstein has a specialised, internationally connected, and stable financial centre that is of great importance to the national economy. Due to the small domestic market, financial service providers are heavily engaged in cross-border business. In 2025, effective compliance with anti-money laundering regulations across all financial sectors will once again be a central priority of supervision. The FMA will continue to focus in particular on implementing the recommendations from the MONEYVAL country assessment. On-site inspections will place particular emphasis on the risk-adequate monitoring of business relationships and transactions.

In recent years, the threat posed by cyberattacks has intensified, with the number of attacks nearly doubling compared to the period before the Covid-19 pandemic. The financial sector is particularly exposed, accounting for one-fifth of all cyberattacks. In addition to cyberattacks, other ICT-related incidents can compromise the security of network and information systems, negatively affecting the availability, authenticity, integrity, or confidentiality of data. In Liechtenstein, the pre-implementation of Regulation (EU) 2022/2554 (Digital Operational Resilience Act, DORA) entered into effect on 1 February 2025. In 2025, the audit system will be used to further deepen the understanding of existing ICT risks and related measures in the context of DORA. In parallel, risk-based audit activities and on-site inspections will be carried out to ensure that financial intermediaries have implemented the necessary measures to strengthen digital operational resilience and to ensure compliance with the new DORA reporting requirements.

Supplementing the cross-divisional priorities, the FMA has defined the following sector-specific priorities of supervision: For banks, the focus in 2025 will be on crisis prevention. Banks must be able to identify and assess increasing economic and financial uncertainties by reviewing and adjusting their stress tests and conducting further analyses concerning capital, liquidity, and reputation. In the insurance sector, conduct of business supervision will continue to focus on the issue of value for money. The aim is to identify insurance products that do not deliver sufficient value to customers and to implement appropriate measures to improve these products. In both the asset management and fund sectors, the focus will be on ensuring compliance with transparency and disclosure requirements.

Golden-ringed dragonfly Schaanwald

FOREIGN SANCTIONS:

NON-COMPLIANCE ENTAILS SERIOUS REPUTATIONAL RISKS

Since its accession to the United Nations, Liechtenstein has been obliged under international law to implement UN sanctions at the national level. In addition, Liechtenstein participates in European Union (EU) sanctions through autonomous alignment. Although foreign sanctions are not directly applicable in Liechtenstein, financial intermediaries in Liechtenstein are required to implement international sanctions.

Non-compliance with foreign sanctions entails serious reputational, operational, and legal risks for the supervised entity and all those maintaining a business relationship with it. The sanctions provisions of the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury are of particular significance in this context, not least because of the key role of the United States in the global financial market infrastructure. Ultimately, any sanctions with a connection to Liechtenstein also pose a risk to the entire financial market and the country of Liechtenstein.

In 2024, Liechtenstein professional trustees and an affiliated asset management company were again subject to sanctions. These sanctions are highly damaging to the reputation of the Liechtenstein financial market and its participants.

For these reasons, the FMA issued FMA Communication 2024/2 on risk management in relation to foreign sanctions law during the reporting year, once again emphasising that the great significance of foreign sanctions must be acknowledged and is a prerequisite for legally compliant risk management. This applies in particular to OFAC sanctions.

In the Communication, the FMA sets out how foreign sanctions law is to be taken into account within the framework of risk management. For business relationships with a nexus to OFAC sanctions, the risk management requirements are further specified. Given the particularly high operational and legal risks, the FMA considers the termination of such business relationships to be the only appropriate means of adequately limiting risk in these cases.

In FMA Communication 2024/2, the FMA formalised in writing its previous interpretation and communications on handling risks related to foreign sanctions.

PROGRESS REPORT

REGULATION

Developments in financial market regulation continue to be very dynamic. The new legal framework for the supervision of banks and investment firms entered into force on 1 February 2025. It introduces both structural and substantive changes for banks and investment firms. On the same date, two further key legal acts for the Liechtenstein financial centre came into effect: the Digital Operational Resilience Act (DORA) and the Markets in Crypto-Assets Regulation (MiCAR). Further regulatory projects are also on the agenda in the coming months. The EU anti-money laundering package is of particular importance.

REGULATORY MOMENTUM REMAINS HIGH

Liechtenstein implements international standards as a member of the European Economic Area (EEA). Liechtenstein's financial market regulation is significantly influenced by the EEA-relevant financial market regulation of the European Union (EU). The regulatory activity of the European Union continued to be high in 2024.

Amendments to the Financial Market Supervision Act (FMAG) entered into force on 1 March 2025. The enactment introduces various adjustments to the FMAG and addresses deficits in the FMA's toolkit that have emerged from supervisory practice and recent case law. This enables effective supervision and continues to safeguard the FMA's credibility as an equivalent supervisory authority in the European and global context. In particular, a dedicated legal basis is established for warning notices issued by the FMA. Additionally, the FMA is granted the right to appeal decisions of the FMA Complaints Commission, as well as party status in proceedings before the Administrative Court.

REGULATORY ACTIVITIES OF THE FMA

In accordance with the Owner's Strategy, the FMA supports the Government in regulatory projects. For this purpose, a service agreement was concluded between the Government and the FMA. The FMA's regulatory reporting listed 25 regulatory projects in the process of implementation at the end of 2024. Additionally, the FMA works to implement numerous regulatory and implementing technical standards of the European Union. Alongside drafting work in the legislative process, incorporation of the new legal bases into the supervisory processes is also necessary, some of which involves substantial effort. A selection of regulatory projects is described in the Annual Report.

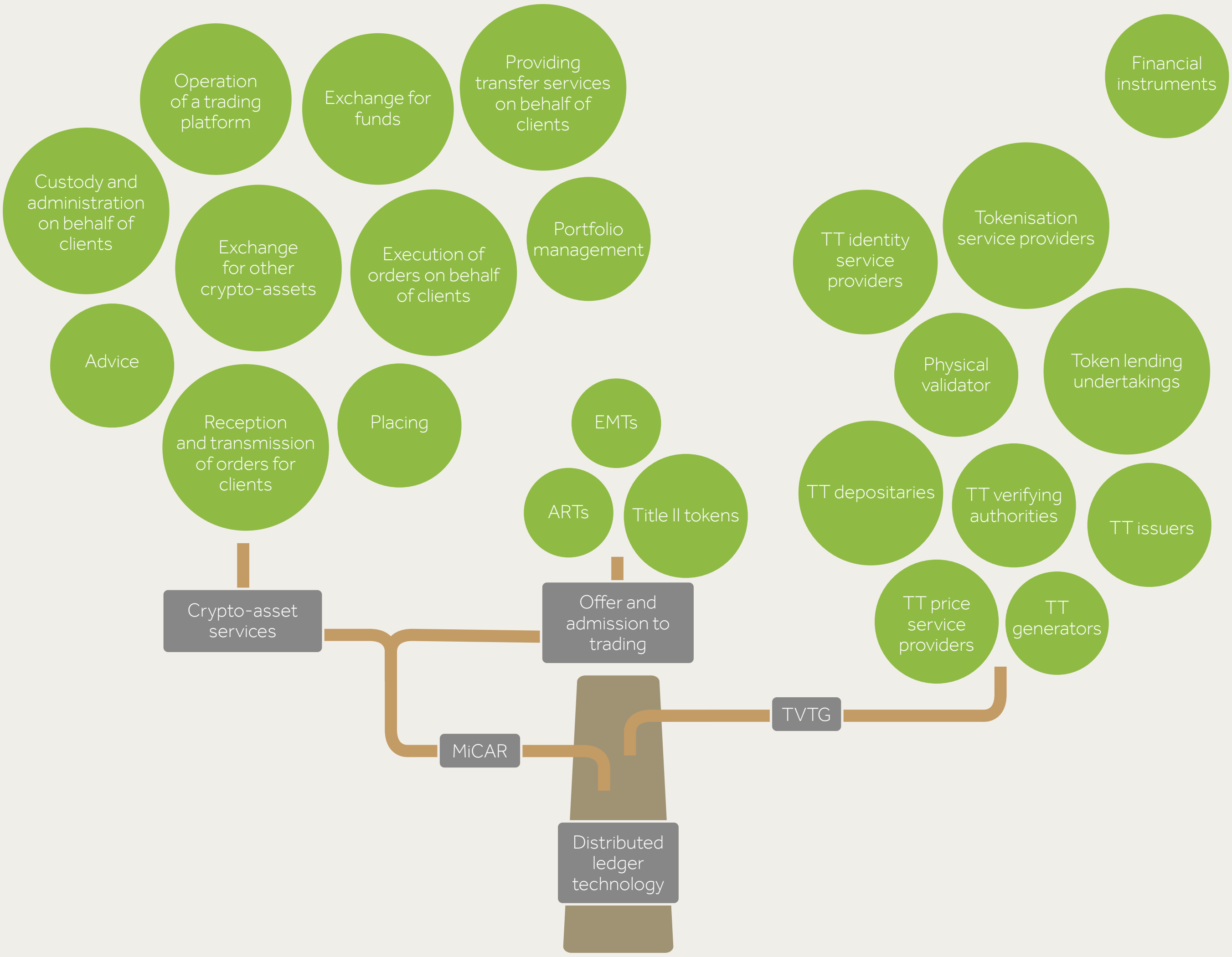
HARMONISED RULES FOR CRYPTO-ASSETS

Regulation (EU) 2023/1114 on markets in crypto-assets (MiCAR) is intended to establish a harmonised regulatory framework for crypto-assets within the EEA. MiCAR is directly applicable within the EEA, meaning national transposition is not required. However, an implementing act had to be enacted, in which the responsible supervisory authority – the FMA – was designated (EEA MiCA Implementation Act).

While MiCAR became fully applicable within the EU on 30 December 2024, it was pre-implemented in Liechtenstein through the aforementioned implementing act, which entered into force on 1 February 2025. This approach was necessary because MiCAR has not yet been incorporated into the EEA Agreement. The pre-implementation enables the FMA to authorise persons subject to MiCAR even though the option of passporting – operating across the entire EEA – is not yet available.

MiCAR covers activities and services that were previously largely regulated by the nationally applicable Token and TT Service Provider Act (TVTG). Registered TT service providers that now fall under the MiCAR regime may therefore continue operating in accordance with the TVTG until 31 December 2025. It should also be noted that cross-border activities within the EEA will be possible only once MiCAR has been incorporated into the EEA Agreement and a MiCAR authorisation has been obtained. TT service providers must therefore acquire a MiCAR authorisation by 31 December 2025 if they wish to continue their activities beyond that date.

The TVTG will continue to exist alongside MiCAR, with the respective scopes of application of the two legal acts being mutually exclusive. The TVTG addresses tokens and activities that are not covered by MiCAR. Depending on the business model and specific circumstances, service providers may therefore be required to hold authorisations under both pieces of legislation.



The FMA has been preparing for the implementation of MiCAR since 2023. It was decided that the licensing and supervision of crypto-asset service providers (CASPs) would fall under the Asset Management and Markets Division. This also applies to the receipt and processing of white papers relating to tokens that are neither asset-referenced tokens (ARTs) nor e-money tokens (EMTs). By contrast, responsibility for ARTs and EMTs has been assigned to the Banking Division. This decision reflects the fact that, on the one hand, crypto-asset services bear similarities to activities covered by MiFID II and, on the other hand, ARTs and EMTs may only be publicly offered by licensed banks, electronic money institutions, or persons with a specific authorisation. The regulatory framework for crypto-assets that are neither ARTs nor EMTs is, in contrast, more closely aligned with the regime governing securities prospectuses.

The thematic allocation within the FMA was implemented on 1 January 2025. This was accompanied by the dissolution of the Regulatory Laboratory/ Financial Innovation section, which had previously dealt with the registration and supervision of TT service providers. TVTG supervision was also incorporated into the Asset Management and Markets Division, and the employees of the Regulatory Laboratory were integrated into this division. A new Fintech Unit was created for this purpose, which will continue the non-operational activities of the Regulatory Laboratory.

STRENGTHENING DIGITAL OPERATIONAL RESILIENCE

Regulation (EU) 2022/2554, the Digital Operational Resilience Act (DORA), is a European Union regulation aimed at strengthening the digital operational resilience of financial institutions. It requires companies in the financial sector to secure their information and communication technology (ICT) systems and digital services against cyberattacks and other disruptions. The regulation was published in the Official Journal of the European Union on 16 November 2022. DORA has been in force in the European Union (EU) since 17 January 2025. In Liechtenstein, it was initially pre-implemented through the DORA Implementation Act, with effect from 1 February 2025.

In preparation for the applicability of the Digital Operational Resilience Act, the year 2024 was marked by efforts to strengthen digital operational resilience across the financial sector. While harmonised requirements for ICT risk management at financial intermediaries were already applicable in Liechtenstein through FMA Guidelines 2021/3, DORA introduces more extensive requirements for ICT risk management, the handling, classification, and reporting of ICT-related incidents, the testing of digital operational resilience, and the management of ICT third-party risk.

In preparation for DORA and the necessary identification of ICT third-party service providers relevant to the Liechtenstein financial centre, the FMA conducted a market survey in the first quarter of 2024. The aim of the survey was to identify all ICT third-party service providers of relevance to the Liechtenstein financial centre. Based on the survey data, it was possible to determine which ICT third-party service providers are of significant importance to the financial centre and whether increased reliance on individual providers has heightened any concentration risks.

NEW AND CHANGED RESPONSIBILITIES

In addition to the detailed requirements for the digital operational resilience of financial intermediaries, financial market supervision also faces new and revised responsibilities. One such responsibility is the new supervisory framework established under DORA for critical ICT third-party service providers. Based on defined criteria, the EFTA Surveillance Authority identifies and classifies critical ICT third-party service providers for the entire financial sector within the EEA. As part of the Joint Examination Teams (JET), national supervisory authorities support the lead supervisory authority appointed for each critical ICT third-party service provider in the performance of its supervisory tasks.

DORA also introduces a new area of responsibility for the FMA through the close oversight of threat-led penetration testing (TLPT). The entire process – from preparation and execution to completion and follow-up – is supervised by the FMA over a period of approximately nine to twelve months. If the test meets DORA's requirements, it is subsequently certified by the FMA.

A further innovation introduced by DORA is the reporting system, which, in addition to the reporting of serious ICT-related incidents and the voluntary reporting of significant cyber threats, also includes the register of information, which contains detailed information on all contractual agreements concerning the use of ICT services.

In addition to close cooperation with the European Supervisory Authorities (ESAs) and other national supervisory authorities, the FMA's new responsibilities also include participation in transnational working groups and frameworks, such as the Systemic Cyber Incident Coordination Framework (EU-SCICF).

IMPLEMENTATION IN SUPERVISION

In addition to the statutory implementation of DORA, the focus in 2024 was on incorporating its requirements into ongoing supervisory activities. For this purpose, the FMA launched a project involving all departments to coordinate and implement the necessary internal adjustments. As part of the project, changes were initiated to the organisation and supervisory processes to facilitate the implementation of DORA, and preparations were made to align the FMA's reporting system with the new DORA requirements. Financial intermediaries were also given the opportunity to voluntarily participate in a European exercise for submitting the DORA register of information. As part of the implementation process, the ICT Supervision and Cybersecurity Unit was established at the FMA.

Mathias Bartel,
Head of ICT Supervision and Cybersecurity Unit

Sarah Heijman-Schmid,
Deputy Head of ICT Supervision and Cybersecurity Unit

NEW LEGAL FRAMEWORK FOR THE SUPERVISION OF BANKS AND INVESTMENT FIRMS

The new legal framework for the supervision of banks and investment firms entered into force on 1 February 2025. It introduces both structural and substantive changes for banks and investment firms. FMA enactments will also be adapted to this new legal framework. Together, these laws constitute the new regulatory basis for the supervision of banks and investment firms in Liechtenstein. The implementing ordinances enter into force simultaneously with these laws.

The reason for the redesign of the legal framework is, in particular, to align with the structure of EEA law. The Banking Act (BankG) and the Asset Management Act (VVG) have been in force for several decades and also form the existing legal framework for the supervision of these financial intermediaries by the FMA.

The regulatory and systematic structure of the Banking Act could be traced back to the basic enactment of 1992, which was modelled in general on the Swiss Banking Act. Since Liechtenstein's accession to the European Economic Area (EEA), however, the Banking Act in force changed considerably, which diminished the homogeneity of the Banking Act and made it increasingly complex for anyone applying the law.

The VVG was created in 2005 in part to give smaller financial service providers the opportunity to obtain an independent licence as an asset management company with the option of offering their services throughout the EEA by means of a "European passport".

In 2019, the EU created a new prudential supervisory framework for investment firms as part of the implementation of the European Capital Markets Union Action Plan. This legal framework consists of the Regulation on the prudential requirements of investment firms (IFR) and the Directive on the prudential supervision of investment firms (IFD). With the creation of this independent supervisory regime for investment firms, a systematic separation was made at the level of EEA law between the prudential supervision of banks and of investment firms – a separation not reflected directly in the existing Banking Act.

Against this backdrop, the FMA was mandated by the Government in 2022 to comprehensively revise the legal framework for the supervision of banks and investment firms and to align the structure of national laws with the regulatory system of EEA law ("Redesign of financial market law").

With entry into force on 1 February 2025, the respective (sub-)areas of prudential supervision law applicable to banks and to investment firms were set out in separate, self-contained laws. The code of conduct to be observed when providing investment services and the supervision of business conduct are also governed by a separate law.

In substantive terms, the redesign incorporates the following main changes:

- The scope and content of fundamental terms such as "bank", "deposit", "credit", and "commercial activity" have been aligned with the EEA legal framework and with the interpretations of EEA law by the European Banking Authority (EBA) and the European courts.

- The banking business catalogue has been revised and new banking transactions have been included.

- The procedure and legal consequences in the event of the lapse or withdrawal of a licence have been restructured. From 1 February 2025, a voluntary renunciation of a licence will be permitted only once all outstanding banking transactions have been settled. If a licence is withdrawn while banking operations are ongoing, the FMA must appoint a liquidator to wind up all outstanding banking transactions. In future, neither the lapse nor the withdrawal of a licence will result in the automatic winding up and liquidation of the company.

- Functions in the senior management or board of directors of a bank may be assumed only after prior approval has been granted by the FMA. In the case of significant banks, this prior approval must also be obtained for holders of key functions.

- When designing their organisational structure, banks must ensure the separation of the "front office" and "back office" functions.

- The requirements for the risk management function and the compliance function are established at the statutory level, taking into account European standards.

- The approval and notification requirements have been modernised. In particular, amendments to the business regulations will require approval from 1 February 2025.

OUTLOOK

In July 2021, the European Commission presented a package to combat money laundering and terrorist financing (EU AML package). After more than two years of negotiations, the package was adopted by Parliament and the Council in April and May 2024 respectively. The final legal acts were published in the Official Journal of the European Union on 19 June 2024. The EU AML package is intended to further harmonise the provisions for combating money laundering and terrorist financing in the EU/EEA area. This is to be achieved in particular through the establishment of a new Anti-Money Laundering Authority (AMLA), which will be based in Frankfurt. The EU AML package comprises the following four legislative proposals:

Directive (EU) 2024/1640 (AMLD VI): AMLD VI must be transposed into national law and essentially contains provisions on cooperation between the competent authorities, the responsibilities and tasks of the financial intelligence units (FIUs), the register of beneficial owners, the bank account register, and administrative measures and sanctions.

Regulation (EU) 2024/1624 (AMLR): Material provisions for persons subject to due diligence will be governed by the directly applicable regulation (AMLR). However, this regulation does not merely transpose the provisions of the current Anti-Money Laundering Directive into a regulation. Instead, it introduces several significant changes aimed at achieving a higher degree of harmonisation and convergence in the application of anti-money laundering rules.

Regulation (EU) 2024/1620 (AMLAR): This regulation establishes the European supervisory authority AMLA. The AMLA's tasks will include, in particular, the direct supervision of high-risk, cross-border companies, as well as the monitoring and coordination of national supervisory authorities.

Regulation (EU) 2023/1113 (TFR): The revision of this regulation extends its scope to include transfers of crypto-assets. The TFR was separated from the EU AML package to ensure its simultaneous entry into force with MiCAR. Accordingly, the provisions of the TFR have been applicable in Liechtenstein since 1 February 2025.

The remainder of the EU AML package (with the exception of the TFR) is scheduled to apply three years after its publication in the Official Journal, i.e. from June 2027 at the earliest.

Subject to incorporation into the EEA Agreement, extensive legislative drafting adjustments will be required. In particular, the material due diligence obligations must be removed from the Due Diligence Act and the Due Diligence Ordinance, as they will be governed by a directly applicable EU regulation. This change will necessitate a complete revision of the Due Diligence Act. Further amendments to other related laws are also expected.

The Occupational Pensions Act (BPVG) is also set to undergo revision. As part of the Ageing Strategy adopted by the Government of Liechtenstein for the first time in December 2023, eight fields of action were defined and measures developed through a participatory process. One of these fields focuses on old-age provision, with an emphasis on strengthening the long-term sustainability of the second pillar. In line with the objectives of the Ageing Strategy, the planned revision of the BPVG and Occupational Pensions Ordinance (BPVV) will consider, in particular, a sensible extension of the insurance obligation and an increase in the level of benefits in the second pillar. The regulatory adjustments identified by the FMA in the course of its ongoing supervision of pension schemes will also be taken into account during the revision.

PROGRESS REPORT

EXTERNAL RELATIONS

The FMA is in close contact with representatives of industry associations and the public sector at both the national and international level. In 2024, the focus was on dialogue and knowledge transfer regarding regulatory projects such as DORA, MiCAR, and the European Union's AML package. The FMA also acts as host for related events. At the end of the year, the FMA launched a new website, replacing the technically outdated version after more than ten years. As a member of the most important European and international supervisory bodies, the FMA actively promotes Liechtenstein's interests on the global stage. The FMA leadership held work meetings in Berlin, where they met with representatives from both public authorities and the market. These encounters serve to convey knowledge about the Liechtenstein financial centre, build trust, and advocate effectively for the interests of Liechtenstein and its financial intermediaries.

INTENSIVE DIALOGUE AT ALL LEVELS

The FMA maintains intensive contact with representatives of the private and public sector as well as the media at both the national and international level. Promoting knowledge about the Liechtenstein financial centre and strengthening trust in it are regarded by the FMA as core responsibilities.

High-level representatives of the Financial Market Authority regularly visit international financial hubs to provide information about the domestic financial centre. Two such work meetings took place in Berlin in the reporting year.

Germany is an important market for Liechtenstein's banks, insurers, asset managers, the fund centre, and the fiduciary sector. Thanks to Liechtenstein's EEA membership, Liechtenstein's financial market participants have direct market access to this country of over 80 million inhabitants.

At the end of September 2024, a Liechtenstein delegation travelled to Berlin, where it met with members of the German Bundestag and high-ranking representatives from public authorities and the private sector. The discussions focused on the implementation of international sanctions, financial stability in light of geopolitical and economic risks, and the financial sector's contribution to achieving international sustainability goals. The delegation consisted of the Isabel Frommelt-Gottschald, Liechtenstein Ambassador to Germany; Mario Gassner, CEO of the FMA; and Johannes Kueng, Head of Legal and International Affairs at the FMA.

The FMA also maintains an active dialogue with the media. Each year, it receives numerous media enquiries, particularly concerning enforcement cases. As in the previous year. the FMA decided against holding an annual media conference and instead provided information on the state of the financial sector with extensive materials on its website. Due to transformations in the media sector and media use, interest in such in-person events has declined noticeably. Despite the challenging environment, the Liechtenstein financial centre once again proved to be very stable and resilient in 2023. Chairman of the Board of Directors Dr. Christian Batliner and CEO Mario Gassner also emphasised the strategic importance of sustainability and cybersecurity for the financial centre.

FINANCIAL STABILITY FORUM

How stable is the financial market in Liechtenstein? Where do potential risks lie, and what measures can be taken? These and similar questions are at the heart of the FMA's annual Financial Stability Forum, where the Financial Stability Report is also presented. Martin Gaechter, Head of the Financial Stability Division, outlined the key findings of the report before they were explored in greater depth by a panel of experts. Among the panellists was Prof. Dr. Aymo Brunetti from the University of Bern, who also delivered the evening's keynote speech.

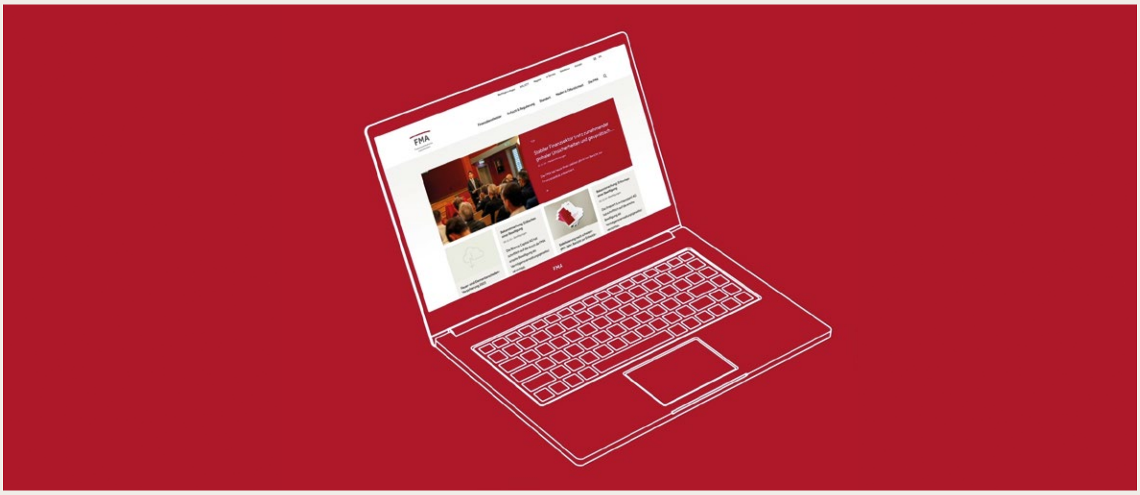
NEW FMA WEBSITE

The FMA's new website went live on 16 December 2024, replacing the previous version after more than ten years.

Due to technical limitations and user feedback, the FMA decided around three years ago to revise its website. It was important to the FMA to incorporate the experiences of website users into the design of the new site. For this reason, a user survey was conducted. The results were evaluated by user experience experts and factored into the development of the new website.

The new website is primarily intended to make things easier for users. Its architecture was therefore designed to ensure that users of the old website can quickly find their way around. Careful migration of the existing content was also a key priority.

To ease the transition, the FMA published a corresponding FAQ at launch and set up a help desk. However, feedback has shown that users were able to navigate the new site well even without these support measures.



BEGINNING OF THE CHAPTER →
TO CONTENTS →

NATIONAL COOPERATION

The FMA maintains a close dialogue with professional and industry associations. In addition to regulatory developments, which are always a key discussion point with market and industry representatives, sustainability and cyber risks were a major focus in the reporting year. The FMA also regularly participated in or organised relevant events and workshops. In 2024, workshop topics included the development of geopolitical risks and new European legislation such as MiCAR, DORA, and the AML package.

FMA specialists also gave presentations at several information events and conferences. These are welcome opportunities for the FMA to provide financial market participants with first-hand information on supervisory or regulatory issues.

Relations with the Government and other authorities arise from supervisory activities, the preparation of regulatory projects on behalf of the Government, or the involvement of the FMA in international supervisory bodies. In addition, several bodies convene regularly, such as the Financial Stability Council, the Task Force on Restrictions on Liechtenstein Companies and Financial Centre Participants, and the Financial Stability Dialogue, in which representatives of the Government, the public authorities, and market participants exchange views. Discussions are also held between the Financial Market Authority and the Government on current topics as needed, such as in the reporting year on the redesign of financial market law, MiCAR, and DORA.

BILATERAL COOPERATION

Cooperation with foreign partner authorities plays a key role in supervisory activities. Given that financial intermediaries operate globally, supervision must be coordinated internationally. In 2024, the FMA chaired numerous colleges with national supervisory authorities from other countries and also participated in colleges organised by other authorities. Since the Covid pandemic, these meetings have increasingly been held in the form of conference calls or videoconferences. In addition, the handling of supervisory cases required close collaboration with partner authorities.

It took place in Vienna in November 2024, with key topics including the European Union's Digital Operational Resilience Act (DORA) and developments in the real estate sector.

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COOPERATION WITHIN THE EUROPEAN

SYSTEM OF FINANCIAL SUPERVISION

The FMA is a member of the European System of Financial Supervision (ESFS). In this context, the FMA participates in numerous committees and working groups of the European Supervisory Authorities (ESAs) and the European Systemic Risk Board (ESRB) relevant for the Liechtenstein financial centre.

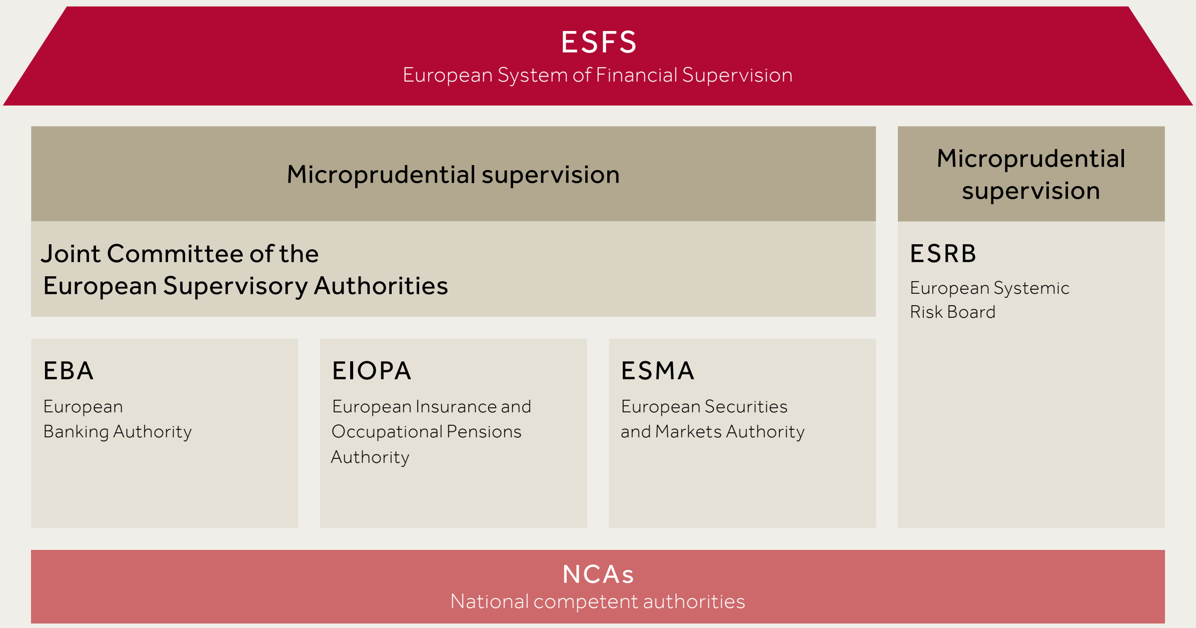


Figure 6
Cooperation within the European System of Financial Supervision

EUROPEAN COOPERATION

The three ESAs – the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Securities and Markets Authority (ESMA) – ensure consistent and equivalent implementation and application of the regulatory framework for financial market supervision throughout Europe. For this purpose, the national financial supervisory authorities undergo regular peer reviews. In the reporting year, the FMA was involved in five peer reviews. Three of these were completed in 2024.

EBA AML/CFT IMPLEMENTATION REVIEW

Over the past six years, the EBA has reviewed the AML/CFT supervisory approaches of all supervisory authorities in the 30 EEA Member States in the banking sector. These AML/CFT Implementation Reviews were conducted in four separate rounds. As part of the final round, the FMA Liechtenstein was also subjected to this review process. The process included an on-site inspection by an audit team composed of EBA staff. This on-site visit took place between 15 and 18 April 2024. The review process concluded with a non-public feedback letter, which the FMA Liechtenstein received in December 2024. The feedback letter assessed the FMA's AML/CFT supervisory activities positively overall and highlighted its strong understanding of risk. In addition to these positive findings, the report – as with other supervisory authorities – also included a number of recommendations.

All competent AML/CFT supervisory authorities in the EEA have now undergone such a review. Following each review round, the EBA publishes an anonymised report featuring examples of good supervisory practices. At the same time, the EBA highlights areas where improvements are still needed. The good

TRANSFER OF KNOWLEDGE AND INFORMATION

The FMA strives to pass on its specialist knowledge to financial market participants and students and to create added value with this transfer. Priorities included regulatory topics in banking, anti-money laundering, and new financial technologies. Employees also gave presentations at Compliance Day 2024, at workshops for auditors, and at information events of professional and industry associations. The FMA maintains close cooperation with the University of Liechtenstein and passes on knowledge to students and professionals in continuing training programmes. For this purpose, the FMA mainly teaches as part of master's, bachelor's, diploma, and certificate programmes at the Institute for Finance at the University of Liechtenstein. Ten FMA employees taught a total of 42 lessons.

Authority	Peer review	Outcome
EIOPA	Follow-up on outsourcing	Not completed by the end of 2024
ESRB	Peer review on ESRB recommendation 2022/9	Not completed by the end of 2024
EBA	Peer review on application of definition of default	Fully implemented
ESRB	Peer review on ESRB recommendation 2022/12	Fully implemented
EIOPA	Follow-up on collaboration of supervisory authorities	Fully implemented

Table 9
Peer reviews

practices and recommendations identified in the fourth and final review round – which also incorporated findings from the review of the FMA Liechtenstein – are included in the EBA report published in December 2024. The accompanying press release notes that the authorities assessed in this review round have made significant progress in their approaches to combating money laundering and terrorist financing.

The FMA also received 52 questionnaires from the ESAs (previous year: 53). One of the aims of these questionnaires – some of which are very extensive – is to examine supervisory practice. They also serve to gather information about new risks and trends, to harmonise supervisory practice in the EEA countries, and to serve as a basis for regulation. The topics covered are very diverse. For example, the EBA asked about plans for future cooperation with the European Anti-Money Laundering Authority (AMLA). Other important topics of the questionnaires in the reporting year included digitalisation, greenwashing, and ESG risks.

In the context of incorporation of new EU acts with EEA relevance into the EEA Agreement, the FMA represents Liechtenstein's interests together with the Ministry of General Government Affairs and Finance and the EEA Coordination Unit. Coordination in this regard largely takes place in the relevant EFTA working groups.

WELCOME TO THE FMA

The FMA is an approachable authority and is available to its clients in a timely manner. During the reporting year, nearly 596 meetings with external clients were held on the premises of the FMA.

GLOBAL COOPERATION

The FMA is represented in the most important international supervisory bodies, where it advocates for Liechtenstein interests. These include the International Organization of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS), and the International Organisation of Pension Supervisors (IOPS). Liechtenstein is also a member of MONEYVAL. MONEYVAL most recently evaluated Liechtenstein's compliance with international AML standards in 2022 and gave Liechtenstein good marks.

OUTLOOK

The FMA leverages its international relations to strengthen the reputation and promote understanding of the financial centre.

The FMA continues to strive to deepen its relationships with national institutions such as professional and industry associations, and to actively contribute to dialogue within national and international bodies. At the international level, these include in particular the European System of Financial Supervision (ESFS), the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Securities and Markets Authority (ESMA), and the European Systemic Risk Board (ESRB).

LIECHTENSTEIN SAYS YES TO THE IMF

The Liechtenstein electorate voted in favour of joining the International Monetary Fund (IMF) with a majority of 55.8 %. From the FMA's perspective, this landmark decision is an important step towards strengthening Liechtenstein's economic stability and international network.

While tasks related to IMF membership are typically divided between the finance ministry and the central bank in other countries, in Liechtenstein this role is assumed by the FMA alongside the Ministry of General Government Affairs and Finance (MPF). Accordingly, cooperation between the MPF and the FMA was close in preparing the report and application to the Liechtenstein Parliament, as well as in other preparatory steps for joining the IMF. These included consultations with the Swiss National Bank (SNB) regarding operational preparations for assuming the role of Liechtenstein's depository institution, support in developing macroeconomic statistics, responding to various IMF enquiries, and participating in the IMF's Spring and Annual Meetings in Washington DC. The FMA was also closely involved in preparations for the first Article IV consultation, which took place in January 2025. In line with the FMA Owner's Strategy, Macroprudential Supervision will continue to support the Government and the MPF with macroeconomic analysis and expertise as needed, and perform various tasks related to IMF membership.

In the absence of a national central bank, IMF membership represents a milestone in safeguarding financial stability. Beyond the goal of securing long-term financial stability through the IMF as a lender of last resort, membership notably enhances Liechtenstein's reputation and visibility as a business location and financial centre. Liechtenstein's inclusion in IMF statistics and reports raises global awareness of the country's high level of industrial innovation, robust financial sector, sound public finances, and strong compliance with international standards. The IMF also provides its member countries with free advisory services, which are particularly relevant for Liechtenstein in developing macroeconomic statistics. Furthermore, bilateral cooperation with Switzerland will be further strengthened through IMF membership and Liechtenstein's associated accession to the Swiss voting constituency.

FMA CEO Mario Gassner was appointed Alternate Governor of the IMF in the course of Liechtenstein's accession. In addition, on the recommendation of the Financial Stability Committee (FSC), Martin Meier was nominated as Liechtenstein's representative (Advisor) in the European Department Office of the Swiss constituency.

PROMOTING KNOWLEDGE ABOUT THE FINANCIAL CENTRE

The FMA issues numerous publications each year, fulfilling its core mandate to promote knowledge about the Liechtenstein financial centre and to strengthen confidence in it. One of the most important publications is the Annual Report. The following overview offers insight into some of the FMA's key regular publications and their findings. All publications are available in digital form on the FMA website.

LIECHTENSTEIN FINANCIAL CENTRE

This publication presents the most important facts and figures on market participants in a compact format. It is published annually in spring. In 2023, the global economy was marked by persistently high inflation, rising interest rates, and a slowdown in economic activity. Nevertheless, the Liechtenstein financial sector proved to be stable and resilient. It remains profitable and attractive to new clients.

FMA PRACTICE

The FMA publishes its FMA Practice annually to inform the public about its supervisory activities. It provides anonymised information on FMA decisions and decrees, resolutions, and court judgments.

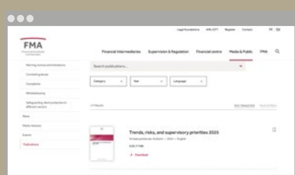
OCCUPATIONAL PENSION PROVISION IN LIECHTENSTEIN

The publication Occupational Pension Provision in Liechtenstein provides an overview of the state of the second pillar of the Liechtenstein pension system. In 2023, attention was focused on the stabilisation of global supply chains, a slight easing of inflation rates, and a cautious loosening of monetary policy in some regions. These developments had a positive impact on investment returns and the coverage ratios of pension schemes. With an average return of 5.9 %, the 2023 reporting year ranks in the middle of the past ten years. The average coverage ratio rose to 109 % at the end of 2023.

FIRE AND NATURAL HAZARDS INSURANCE IN LIECHTENSTEIN.

Together with Switzerland, Liechtenstein is one of the few countries to offer comprehensive insurance coverage against fire and natural hazards for buildings and household effects. The brochure provides information on current developments. In 2023, assets worth CHF 29.6 billion were insured against fire and natural hazards in Liechtenstein – more than four times the country's gross domestic product. This figure highlights the significant economic importance of this insurance. It is a key component of the country's integrated risk management system, which encompasses precautionary measures against natural hazards, management of natural events, and reconstruction efforts. In 2023, as in the previous year, storm wind was the most frequent cause of damage from natural events, accounting for 243 claims. In the area of fire insurance, lightning was the most common cause of loss. Overall, insurance undertakings paid out CHF 2.1 million for fire damage and CHF 2.7 million for natural hazard damage in 2023.

LEARN MORE
FMA publications



SCAN ME

PROGRESS REPORT

ENTERPRISE AND TEAM

Diversity and inclusion are not just buzzwords for the FMA. For this reason, the Board of Directors adopted the Diversity & Inclusion Strategy in 2024. This reflects not only an ethical responsibility for the FMA, but also a factor contributing to the organisation's success. Ultimately, it also enhances the FMA's attractiveness as an employer. The FMA's attractiveness as an employer is further evidenced by the numerous labels, certifications, and awards it has received. Digitalisation also continues to advance. For the FMA, the launch of the chatbot ELI marked a major milestone in its digital transformation.

DIVERSITY AND INCLUSION IN PRACTICE

For the FMA, diversity and inclusion are both an ethical responsibility and a key success factor for the organisation's future and overall performance. For this reason, the FMA Board of Directors approved the new Diversity & Inclusion Strategy at the end of 2024. It entered into effect on 1 January 2025, replacing the previous Gender Diversity Strategy.

The Gender Diversity Strategy was approved by the Board of Directors on 16 August 2018. As part of the 2024 FMA goals, it was planned to review and revise the Gender Diversity Strategy, taking into account the Human Resources Strategy and the FMA Sustainability Strategy. One of the aims was to reflect the broader significance that the topic of diversity has since acquired. Following a review of the existing Gender Diversity Strategy for relevance and effectiveness, it was expanded into a Diversity & Inclusion Strategy in collaboration with external experts and informed by current trends across various thematic areas.

The Diversity & Inclusion Strategy addresses the growing importance of diversity and inclusion as key components of the FMA's strategic orientation. It considers these values fundamental tools for fostering a positive corporate culture, strengthening the FMA's employer brand, and achieving sustainable success. The development of the original Gender Diversity Strategy into a comprehensive Diversity & Inclusion Strategy reflects the FMA's commitment to actively recognising and supporting all dimensions of diversity. This includes valuing all employees, regardless of gender, age, ethnic background, sexual orientation, or other individual characteristics, creating a genuinely inclusive corporate culture.

Specifically, the FMA understands "diversity" as the recognition of the unique characteristics, backgrounds, experiences, and perspectives that each employee brings to our organisation. Diversity includes differences such as gender, age, family status, and employment level, but does not exclude other, less visible traits. For the FMA, "inclusion" means creating a culture in which every employee feels valued and included, regardless of their individual characteristics and background. Inclusion ensures that everyone has a fair opportunity to grow, share their views, and actively contribute to the further development of the FMA.

The measures and objectives of the Diversity & Inclusion Strategy include the following:

- Managers are increasingly being trained to promote inclusive behaviour and ensure that all voices are heard. Inclusive leadership strengthens team dynamics and supports a positive corporate culture.
- The culture of psychological safety, in which employees feel encouraged to contribute without fear of rejection or negative consequences, is being further strengthened.
- Regular training on unconscious bias, cultural sensitivity, and inclusive communication promotes awareness and empowers employees to take action at all levels.
- A focus on inclusive recruitment practices is essential. This includes appropriate application procedures, diverse selection committees, and targeted recruitment strategies.

Finally, it is also important that the measures taken are regularly reviewed. By collecting and analysing data on recruitment practices, salary structures, and promotion opportunities, the impact of the strategy is measured – ensuring that diversity & inclusion do not remain mere buzzwords.

The availability of qualified specialists is of crucial importance for the FMA to be able to fulfil its mandate. It is therefore essential for the FMA to be an attractive employer and to take current trends in human resources policy into account. In 2015, the Board of Directors adopted a Human Resources Strategy aimed at increasing the attractiveness of the FMA as an employer and ensuring the further development of the human resources policy. In December 2021, an updated version of the Human Resources Strategy was adopted through 2028, focusing more strongly on factors such as sustainability and agility in human resources management.

The effectiveness of the Human Resources Strategy is regularly reviewed. At the beginning of 2024, the FMA was honoured with the Swiss Employer Award, taking second place in the medium-sized company category.

The FMA is committed to further increasing the proportion of women in management positions. This figure rose from 15 % in 2018 to 27 % in 2024. At the end of 2024, 6 women and 16 men held management positions.

The share of women in the FMA workforce has increased slightly in recent years, reaching 46 % at the end of 2023. According to the Employment Statistics, the share is 46 % for Liechtenstein as a whole.

The possibility of working part-time is a core element of the compatibility of family and career. Part-time positions are open to all employees, regardless of hierarchical level and function. At the end of 2024, 31 % of employees worked part-time, of which 79 % were women and 21 % men. Part-time work is also increasingly being taken up by men – also in management positions – albeit at a still relatively low level. According to the Employment Statistics, the share of part-time workers is 31 % for Liechtenstein as a whole.

The FMA is interested in the long-term loyalty of its employees. This factor is weighted accordingly in the design of working conditions and development opportunities. At the end of 2024, the employee turnover rate was at a low 4 %. Another indicator of employee satisfaction is the low absenteeism rate (illness, accident) of 1.8 % (excluding long-term illness and maternity) in 2024.

Due to its high demand for specialists, the FMA is dependent on employees from abroad. By positioning itself as an attractive employer with modern working conditions, exciting and responsible work, and good

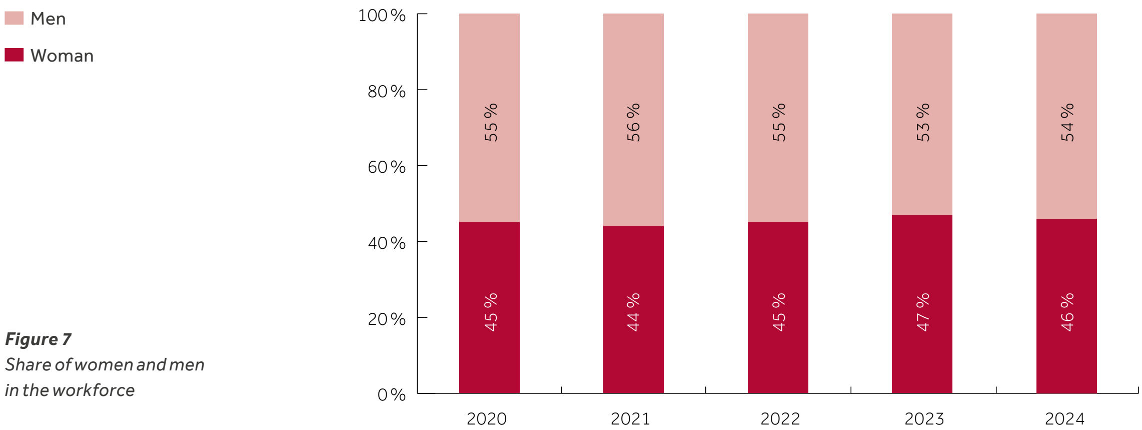


Figure 7
Share of women and men in the workforce

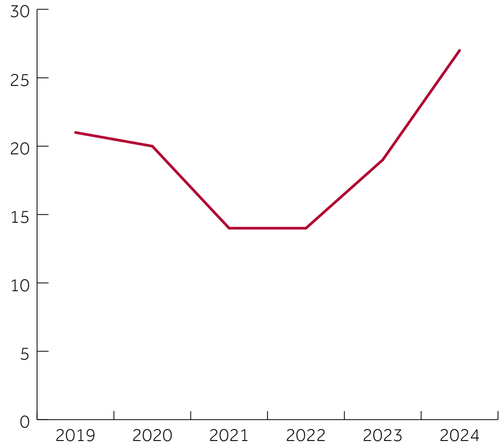


Figure 8
Share of women in management positions

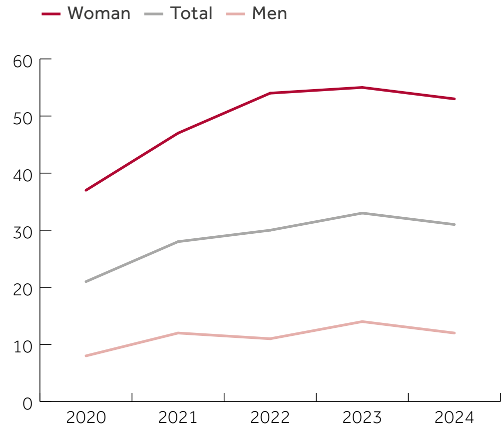


Figure 9
Share of employees with an employment level equal to or lower than 90 %

development opportunities, the FMA strives to motivate as many Liechtenstein citizens as possible to apply. Training formats such as internships and a trainee programme also have the potential to attract Liechtensteiners for subsequent permanent employment. At the end of 2024, 31 % of employees were Liechtenstein citizens. At the end of 2015, this share was still 22 %. At the end of 2024, 16 interns were working at the FMA.

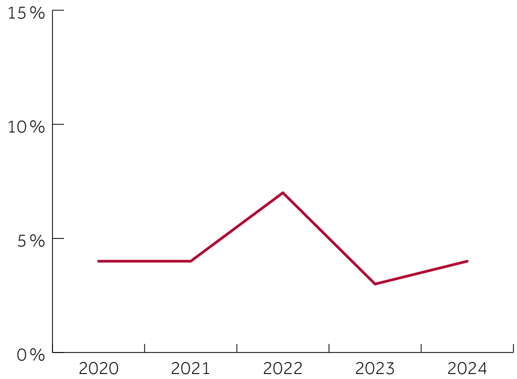


Figure 10
Employee turnover rate

DEVELOPMENT OF THE WORKFORCE

In 2024, the average workforce was 126 (previous year: 123). At the end of December, the FMA employed 127 people (124). Four (5) were employed on a temporary basis. The share of women was 46 % (47 %). 39 employees (41) worked part-time. Five employees (4) left the FMA during the reporting year, and seven new employees (5) joined the FMA. In total, 114.5 full-time equivalent positions (109.5) were filled at the end of 2024. The staffing plan approved by the Board of Directors provided for 115 full-time equivalent positions (111) at the end of 2024. The staffing plan calls for 122 full-time equivalent positions in 2025. Two new positions are being created to address the growing responsibilities and requirements in supervision and regulation of the banking sector, which includes three banks of national systemic importance. Two additional positions are planned to strengthen ICT supervision, supervisory tax administration, and fund supervision. One position each will be added to enhance anti-money laundering prevention and professional trustee supervision. Another position is allocated to the job pool, thereby increasing flexibility, particularly in terms of work-life balance. Three positions are reserved for Junior Specialists as part of the trainee programme.

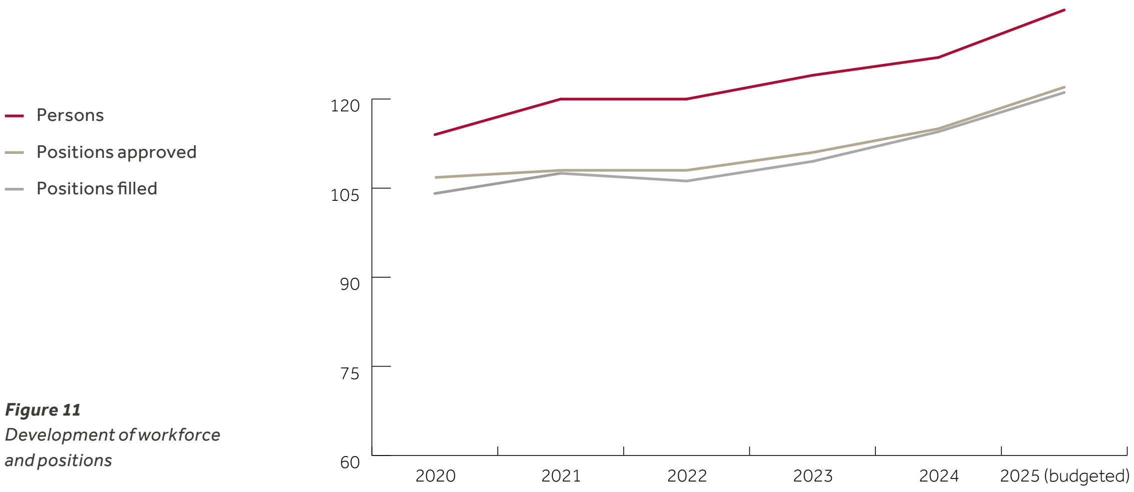


Figure 11
Development of workforce and positions

EDUCATIONAL BACKGROUND AND NATIONALITIES

Because of its complex and specialised areas of responsibility, the FMA has a very high share of employees with an academic background. 48 % of employees are lawyers, and 34 % are specialists such as auditors, banking experts, economists, and actuaries. 18 % of employees are officers or have a different educational background. IT specialists are becoming increasingly important.

FMA employees are largely from Liechtenstein and the surrounding countries of Switzerland, Austria, and Germany. 31 % of the employees are Liechtenstein citizens, 16 % Swiss citizens, 42 % Austrian citizens, 9 % German citizens, and 2 % citizens of other countries. In its recruitment, the FMA strives to encourage as many Liechtenstein citizens as possible to submit job applications.

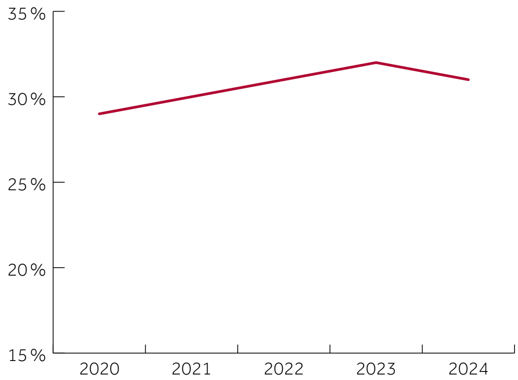


Figure 12
Share of employees with Liechtenstein citizenship

BIKE TO WORK: FROM VADUZ TO REYKJAVÍK AND BACK AGAIN

FMA employees once again participated in the "bike to work" campaign in 2024, in which each team commuted to work by bicycle as often as possible. Apart from strengthening team spirit and fitness, the campaign also aimed to promote sustainable mobility. Altogether, the five FMA teams covered 6,357 kilometres during the challenge – the equivalent of the distance from Vaduz to Reykjavík and back. The winning team cycled 90 % of their commute.

The winning teams at the award ceremony. Noah (left) presented the prizes.

CORPORATE GOVERNANCE

Declaration on compliance with the Recommendations on the Governance and Control of Public Enterprises in Liechtenstein
The Board of Directors and the Executive Board of the FMA Liechtenstein confirm that the Recommendations on the Governance and Control of Public Enterprises in Liechtenstein, in the version of July 2012, have been complied with without exception.

GOVERNANCE, RISK & COMPLIANCE

The FMA has a governance, risk & compliance (GRC) system for the purpose of quality assurance and to prevent damage to its reputation, cases of official liability, or organisational failures. The integrated approach of the GRC system includes aspects such as risk management and the internal control system, information security, compliance, personal security, data protection, and operational and occupational safety, summarising the most important levels of action for corporate governance. The GRC system of the FMA is continuously being improved and adjusted.

In September and October of the reporting year, respectively, the GRC annual report was taken note of by the Executive Board and the Board of Directors. The report again confirmed that this integrated approach and the integrated risk management and control system of the FMA have proven their worth. The GRC annual report provides a comprehensive overview of all significant sub-aspects of the GRC system and of the activities and events during the reporting period.

FMA FUNDING

The FMA is funded by a contribution from the State, supervisory taxes and fees, and income from the provision of services.

In 2023, the Liechtenstein Parliament passed the proposal to amend the Financial Market Authority Act (FMAG), defining the State contribution for the years 2024 to 2027. The Principality of Liechtenstein will contribute a maximum annual amount of CHF 6 million to FMA funding for that period. This represents an increase of CHF 1 million compared to the previous period. A comprehensive evaluation of the FMA's funding model found that the existing model has proven effective, enjoys broad acceptance among financial intermediaries, and a State contribution is called for given the lack of economies of scale and to ensure the sustained viability of the market. The increase was necessary in light of the growing scope of the FMA's responsibilities and the lack of economies of scale, since otherwise the minimum reserves would likely no longer be met and the State would have been subject to a statutory obligation to make additional contributions.

The effective contribution of the State for the year 2024 was CHF 4.97 million (2023: CHF 5.0 million). Due to fines imposed by the FMA, CHF 1.01 million was transferred to the National Treasury in the reporting year.

CHANGES AND PROMOTIONS

At its meeting on 28 November 2023, the Government appointed Arzu Tschuetscher of Ruggell as a Member of the Board of Directors effective 1 January 2024. At its meeting on 11 June 2024, the Government appointed Sonja Stirnimann of Rotkreuz (Switzerland) as a Member of the Board of Directors of the Liechtenstein Financial Market Authority effective 1 July 2024. At the end of 2024, Sonja Stirnimann stepped down from her mandate for professional reasons and left the Board of Directors of the FMA. Dr Gabriela Payer stepped down from the Board of Directors effective 30 June 2024.

In September 2023, the Board of Directors of the FMA appointed Simone Edelmann-Boeniger as a Member of the Executive Board and Head of the Anti-Money Laundering and DNFBP Division effective 1 March 2024. Simone Edelmann-Boeniger succeeded Werner Meyer, who left the FMA at the end of February 2024 upon reaching regular retirement age. Simone Edelmann-Boeniger has worked for the FMA for many years and is recognised in the financial centre as an expert in due diligence law and the supervision of professional trustees and auditors. She joined the FMA in 2009 and had headed the Supervision Section of the Anti-Money Laundering and DNFBP Division since 2013. She is from St. Gallen, Switzerland, and had previously held various roles at the FMA as well as at a court and in a law firm. Simone Edelmann-Boeniger studied law at the University of Zurich and holds an Executive MBA from the University of St. Gallen (HSG).

Daniel Gehri was promoted to Deputy Head of the Anti-Money Laundering and DNFBP Division effective 1 October 2024. Philipp Roeser took over as Head of the Supervision Section of the Anti-Money Laundering and DNFBP Division effective 1 March 2024. Martina Tschanz was appointed Head of the Legal Section of the Insurance and Pension Funds Division effective 1 May 2024.

Effective 1 January 2025, Mathias Bartel was appointed Head and Sarah Heijman-Schmid Deputy Head of the newly established ICT Supervision and Cybersecurity Unit within the Supervision Section of the Asset Management and Markets Division. Effective the same date, Dorothea Rohlfing was appointed Head and Gerhard Schedler Deputy Head of the newly established Fintech Unit. The Regulatory Laboratory/ Financial Innovation section was dissolved effective 31 December 2024.

FOCUS ON YOUNG TALENT: APPRENTICES, TRAINEES, INTERNS, AND SECONDEES

The FMA requires a broad spectrum of knowledge and competences of its employees to fulfil its responsibilities. This is why the FMA not only relies on employees who have completed their training and education, but also invests in the development of its staff and their basic and continuing training.

The FMA offers two training positions for commercial apprentices. The apprentices are employed with the Liechtenstein National Administration, and they work for a variety of public authorities and government offices over the course of their training. A similar cooperation agreement exists for one commercial intern position.

The trainee programme guides young professionals through the various supervisory divisions of the FMA. They gain insight into supervisory activities, learn about how various topics interrelate, and benefit from the training effect. At the end of 2024, three positions were filled with young Liechtenstein professionals.

The FMA offers internship opportunities for students and graduates. As of the end of 2024, 16 interns accounting for a total of 11.1 full-time positions (previous year: 10.2) were employed. These internships are generally in the legal or economic field, with a duration that ranges from six to 12 months. In addition, a total of six holiday interns were employed in various areas for a period of one to three months.

Secondments to foreign partner authorities are another opportunity to gain experience. The FMA benefits from the experience gained and at the same time cultivates relationships with its partner authorities.

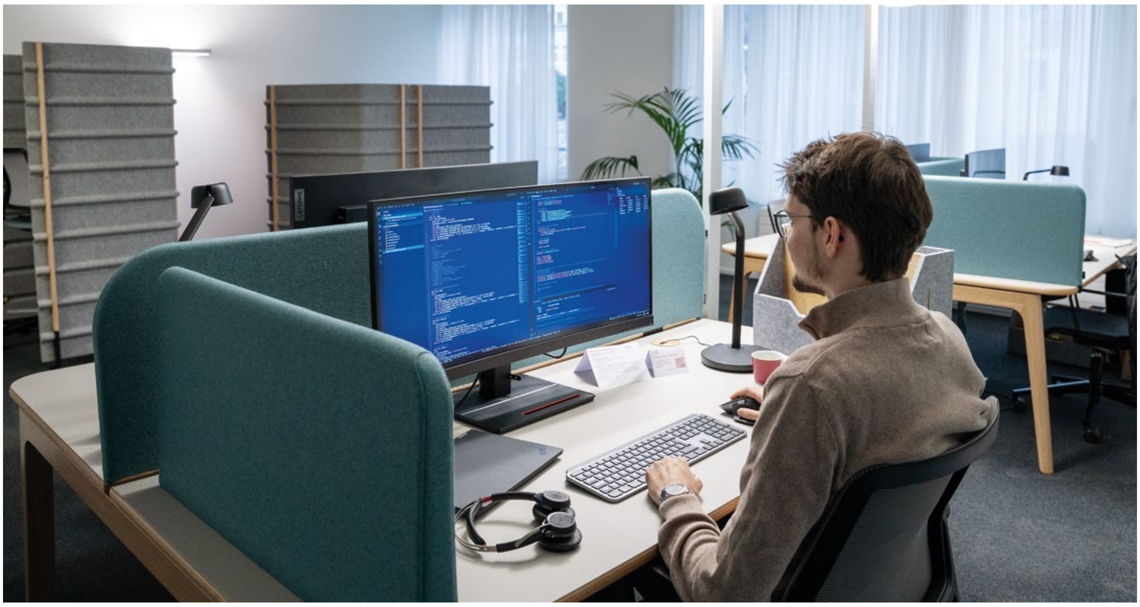
NEW WORK: PHASE 2 BEGINS

The world of work has been undergoing profound transformation in recent years due to digitalisation and societal changes. Already in its 2015 Human Resources Strategy, the FMA committed to offering employees modern working conditions. The new concept was implemented in a pilot zone in 2023.

In 2024, initial insights were gathered through a large-scale survey in which 114 employees participated. The survey revealed a high level of satisfaction and a clear improvement in opportunities for cross-divisional collaboration and the overall working atmosphere. Areas for improvement were identified in acoustics and hybrid IT solutions.

In Phase 2, additional office areas will be redesigned, taking into account the findings from the pilot phase.

The redesigned offices reflect future ways of working and support the FMA's attractiveness as an employer. The available space is optimally utilised and designed to create a pleasant working environment that promotes efficiency. Collaborative and cross-divisional work is actively encouraged.



FAMILY AND FRIENDS AT THE FMA

The FMA Family Day took place on Saturday, 27 April 2024. FMA employees had the opportunity to invite their loved ones – whether spouses, children, partners, parents, siblings, or close friends – to visit the FMA. In addition to discovering the workplace and touring the new office spaces, guests enjoyed food and entertainment.

FOCUS ON DATA QUALITY

The FMA is an integral part of the digital financial ecosystem and actively seeks to contribute pragmatically to its positive development. The foundation for the FMA's digital transformation was laid as early as 2010 with the introduction of a comprehensive IT Strategy. In 2018, a Digital Strategy was adopted for the period up to 2022. Building on this, the new Digital Strategy 2023–2026 was adopted in 2023. This strategy provides a robust framework for planning and managing the FMA's medium-term digital transformation. It focuses on five key areas: cybersecurity, workplace/cloud and digital mindset/skills, process digitalisation and automation, data analytics in supervision, and a technology-friendly approach to regulatory flexibility.

Particular attention is given to cybersecurity to ensure the ongoing protection of data and the availability of the FMA's IT systems. In addition to advancing technical capabilities, the FMA places strong emphasis on fostering a digital mindset and relevant skills among its employees. The goal is to promote digital affinity in a role-specific manner, enabling staff to make the most of their scope for innovation and development.

In light of the growing volume of data processed in its supervisory activities, the FMA has recognised the need for efficient, largely automated, and error-free data processing. To address these challenges, a Data Strategy was adopted at the end of 2020. Whereas data handling was previously largely manual, the strategy now focuses on automating processes. This not only boosts efficiency, but also enables a cross-sectoral view of the market and the generation of new insights. Additionally, the Data Strategy supports the internal transfer of expertise within the FMA and reduces reliance on individual staff members.

The Data Strategy was updated during the reporting year. Data Strategy 2.0 comprises four core topics.

CORE TOPICS OF THE DATA STRATEGY

- **Data organisation:** Data organisation is being optimised and strengthened. Each organisational unit will have two dedicated data stewards. The Data Lab (the committee comprising all data stewards from all organisational units) will be reinforced within the organisational structure.
- **Data infrastructure:** A modern, cloud-based infrastructure is being established for future data work. The development of this infrastructure is being coordinated with the Office of Information Technology, and the basic infrastructure is expected to be available during the first quarter of 2025.
- **Data quality:** Data quality is being further enhanced. Every employee shares responsibility for maintaining high data quality within their area of influence.
- **Data governance:** Seven strategic guidelines enable the efficient use of available resources. They offer behavioural recommendations establishing the framework for the targeted implementation of Data Strategy 2.0.

Data quality plays a particularly central role in this context. High data quality and transparency regarding quality deficiencies are essential for data-driven decision-making. Meaningful insights from available data can be expected only if the underlying data is accurate and complete. Deficiencies in quality result in increased internal workload and a lack of trust in the data and analyses provided. High data quality is not only crucial for reporting data – for example, publishing poor-quality data poses a reputational risk for the FMA. Further improvements in data quality should be targeted and risk-based, ensuring the efficient use of resources. This requires the identification of particularly critical data. Improving data quality is an ongoing process. The success of implemented measures must be evaluated, and adjustments made as necessary. A strong data foundation is especially critical in view of the future application of artificial intelligence.

CHATBOT ELI

The FMA uses the chatbot ELI to simplify reporting processes for both the FMA and financial intermediaries. The aim is for repetitive and simple questions to be answered directly by the chatbot. More complex queries are to be correctly triaged and forwarded. This has led to a significant reduction in support requests.

The FMA has continued its efforts to implement the E-Government Act. In 2020, the Government and Parliament decided to make electronic communication the mandatory standard for business transactions with public authorities. This aims to enhance the efficiency of public services and enable access to services and information irrespective of time and location. To support implementation, a legal obligation was introduced for public authorities and companies to communicate electronically in official business. The FMA has already made numerous adjustments to enable fully electronic communication. These include a framework for fully digital file management, a digital official signature that replaces physical signatures, and an application platform for incoming submissions. Going forward, electronic communication channels will be further expanded. The application platform will be complemented by a delivery platform, and a secure, encrypted communication and data exchange space (trust room) will be created. In this context, the FMA is leveraging synergies with the National Administration.

CARE4AWARE

In 2024, the FMA won third place in the PERFORM category of the Care4Aware Award for its security awareness campaign. The FMA's campaign is based on a gamification approach. The Care4Aware Award is the most prestigious award for security awareness in Europe and has been presented since 2019.

MULTIPLE AWARDS

130 employees, one goal: a strong, secure financial centre with a good reputation both at home and abroad. Every single person counts. That is why the FMA places great importance on an attractive working environment, a vibrant team spirit, and ensuring that employees feel good at work. The fact that these are not just empty words is reflected in the numerous labels, awards, and certificates the FMA has received. These include the following:

WE PAY FAIR

The FMA attaches great importance to fair wages. Its Human Resources Strategy therefore not only ensures equal pay but also mandates regular reviews by independent experts. A corresponding review by the Competence Centre for Diversity & Inclusion (CCDI) at the University of St. Gallen found that there is no systematic pay discrimination against women or men at the FMA – there is no statistically significant pay difference between the two genders. As a result of this positive outcome, the FMA was awarded the WePayFair label by the CCDI.

WE PAY FAIR
CERTIFIED BY CCDI@FIM-HSG 2022

FAMILY FRIENDLY 2024

In 2024, the FMA was recognised by the Government already for the second time as the most family-friendly company in the medium-sized enterprises category. The award from the Ministry of Social Affairs and Culture is of particular significance to the FMA because it is based on employee ratings.

FAMILIEN'24 FREUNDLICH
REGIERUNG
DES FÜRSTENTUMS LIECHTENSTEIN

FRIENDLY WORK SPACE

Friendly Work Space is a seal of quality for the FMA's systematic occupational health management. The health promotion organisation Gesundheitsförderung Schweiz examined the FMA's occupational health management and concluded that the FMA provides an optimal framework for the health of its employees. According to its report, "The consistent embedding of principles on health and performance in the FMA Code and in the HR and Sustainability Strategy demonstrates the FMA's commitment to the well-being of its employees and to sustainable HR management."

SWISS EMPLOYER AWARD

The FMA took second place in the Swiss Employer Award 2024. This means the FMA is recognised as one of the top employers in Switzerland and Liechtenstein. The Swiss Employer Award is the most representative award for determining employer attractiveness in Switzerland and Liechtenstein. The detailed assessments by a company's employees determine who wins the award. The employee survey, in which over 42,000 participants from 153 companies in Switzerland and Liechtenstein took part, is the largest of its kind. In the "Medium-sized companies with 100 – 249 employees" category, the FMA placed second among all participants.

ORGANISATIONAL CHART OF THE FMA AS OF 1 JANUARY 2025

BOARD OF DIRECTORS
Dr. Christian Batliner, Chairman
Volkmar Ritter, Vice Chairman
Arzu Tschütscher-Alanyurt
Juerg Meier

EXECUTIVE BOARD
Mario Gassner, CEO
Dr. Alexander Imhof, Deputy CEO
Dr. Reto Degen
Markus Meier
Martin Schaedler
Simone Edelmann-Boeniger

Financial Stability
Dr. Martin Gaechter

Macroprudential Supervision
Dr. Martin Gaechter

Resolution
Dr. Thomas Stern

Strategic Affairs
Mario Gassner

Communications
Lukas Mueller

Legal and International Affairs
Dr. Johannes Kueng

Banking Division
Markus Meier

Supervision
Boris Blum

Legal
Dr. Elena Seiser *

Insurance and Pension Funds Division
Dr. Alexander Imhof

Supervision
Beat Waefler *

Legal
Martina Tschanz

Asset Management and Markets Division
Dr. Reto Degen

Supervision
Franz-Anton Steurer*

Legal
Agnes Gehrer-Wachter

Anti-Money Laundering and DNFBP Division
Simone Edelmann-Boeniger

Supervision
Philipp Roeser

Legal
Daniel Gehri*

Operations Division
Martin Schaedler

Information and Communication Technologies
Roger Guntli *

HR/Finance and Services
Martin Schaedler

Figure 13
Organisational chart

* Deputy Head of the Division
valid as of 1 January 2025

GOVERNING BODIES OF THE FMA AS OF 31 DECEMBER 2024

Pursuant to Article 6 of the FMAG, the governing bodies of the FMA are:

a) the Board of Directors,
b) the Executive Board,
c) the Audit Office.

Board of Directors

Chairman
Dr. Christian Batliner, Triesen,
elected 2020 – 2024 (Chairman 2022 – 2024)
and 2025 – 2029

Vice Chairman
Volkmar Ritter, Vaduz,
elected 2022 – 2027 (Vice Chairman 2023 – 2027)

Members
Juerg Meier, Eschen,
elected 2016 – 2020 and 2021 – 2025
Arzu Tschuetscher, Ruggell,
elected 2024 – 2029
Sonja Stirnimann, Rotkreuz (Switzerland),
elected 2024 – 2029

Executive Board

Chief Executive Officer
Mario Gassner, Triesenberg

Deputy CEO and Head of Insurance and Pension Funds Division
Dr. Alexander Imhof, Vaduz

Head of Banking Division
Markus Meier, Buchs (Switzerland)

Head of Asset Management and Markets Division
Dr. Reto Degen, Rehetobel (Switzerland)

Head of Anti-Money Laundering and DNFBP Division
Simone Edelmann-Boeniger,
Rorschacherberg (Switzerland)

Head of Operations Division
Martin Schaedler, Triesenberg

Audit office

Applying Article 19(4) of the Financial Market Authority Act (FMAG), the Government transferred the function of Audit Office to the National Audit Office by its decision of 2 March 2010 (RA 2010/463). The responsibilities of the Audit Office are in principle governed by the specific provisions relating to the National Audit Office. The National Audit Office performs this function until the Government decides otherwise.

Figure 14
Governing bodies

ANNUAL REPORT AND FINANCIAL STATEMENT

Pursuant to Article 28 of the Financial Market Authority Act (FMAG), the FMA is funded by a State contribution, supervisory taxes and fees, and income from the provision of services.

ANNUAL REPORT

In its meeting of 28 November 2023, the Government approved the detailed 2024 FMA budget with a State contribution of CHF 6,000,000 and expenses of CHF 28,740,000. The actual expenses for the 2024 fiscal year were CHF 27,767,976, CHF 972,024 (3.4 %) below the approved budget.

Income without the State contribution amounted to CHF 23,307,898, 1,347,898 (6.1 %) above budget.

Pursuant to Article 30b of the FMA Act, the FMA is required to set aside reserves each year, until the total reserves have reached 25 % of the average ordinary expenses over the past three years according to the financial statement. Under this legal requirement, the reserves for the year 2024 may not exceed CHF 6,684,972. Given that the reserves already amounted to CHF 6,174,355 as of 1 January 2024, a further CHF 510,617 could be allocated to them as of 31 December 2024. The State contribution was adjusted accordingly. Instead of the budgeted CHF 6,000,000, the State contribution for 2024 amounts to CHF 4,970,695. The total income including the State contribution therefore amounts to CHF 28,278,593. After deducting total expenses of CHF 27,767,976, the accounts closed with an annual profit of CHF 510,617.

Personnel expenses in the 2024 fiscal year amounted to CHF 20,357,304, 57,304 (0.3 %) higher than budgeted.

At CHF 5,441,900, other operating expenses were CHF 463,100 (7.8 %) lower than budgeted. This was mainly due to lower IT costs, travel expenses, and expert fees than planned. Conversely, audit expenses in particular exceeded the budget.

At CHF 1,968,403, depreciation expenses were CHF 566,597 (22.4 %) below budget. Depreciation expenses for software in particular were lower due to delays in IT projects as a result of infrastructural and organisational challenges.

After the allocation of the profit for the 2024 fiscal year in the amount of CHF 510,617 to the reserves, the total reserves as of 31 December 2024 amounted to CHF 6,684,972. The maximum amount of reserves stipulated by law has thus been exhausted.

Outlook

The amendments to the Financial Market Authority Act in 2023 provide for the Principality of Liechtenstein to make an annual contribution of up to CHF 6,000,000 to the FMA for the years 2024 to 2027, subject to Article 30b FMAG (reserve rules). For the 2025 fiscal year, the Government has approved a budget with total expenses of CHF 30,181,000. The FMA will again be involved in numerous regulatory projects in 2025. These include, in particular, the implementation of the AML package and CRD VI. On the supervisory side, the focus will be on the implementation of DORA and MiCAR. In addition, the further implementation of the IT Strategy and the further digitalisation of the FMA are key topics in the 2025 fiscal year.

BALANCE SHEET AS OF 31 DECEMBER (IN CHF)

Assets			2024		2023
Fixed assets					
Intangible assets	– Software		1 597 747 40		1 684 763.98
Tangible assets	– Operating equipment		117 197.43		115 616.33
	– IT equipment		114 048.96		178 125.21
	– Furnishings		134 258.38		153 487.23
Current assets					
Accounts receivable	– Trade receivables	954 179.40		1 467 017.50	
	– Allowance for bad debts	– 418 330.74		– 424 290.74	
		535 848.66	535 848.66	1 042 726.76	1 042 726.76
	– Other receivables		115 942.92		196 131.37
Bank deposits and cash	– Bank deposits		21 504 106.03		8 287 203.08
	– Cash		744.30		475.55
Accrued items			729 063.74		338 606.15
Total assets			**24 848 957.82**		**11 997 135.66**

Liabilities			2024		2023
Equity capital					
	– Endowment	2 000 000.00		2 000 000.00	
	– Reserves	6 174 354.48		6 171 954.35	
	– Annual profit (+)/loss (–)	510 617.29		2 400.13	
		8 684 971.77	8 684 971.77	8 174 354.48	8 174 354.48
Provisions					
	– Other provisions		575 065.63		568 270.54
Accounts payable					
	– Trade payables		917 892.92		911 620.35
	– Accounts payable to the Principality of Liechtenstein		12 745 203.93		516 993.68
	– Other accounts payable		1 205 776.60		1 682 566.67
Deferred items			720 046.97		143 329.94
Total liabilities			**24 848 957.82**		**11 997 135.66**

INCOME STATEMENT FROM 1 JANUARY – 31 DECEMBER (IN CHF)

	2024	Budget 2024	Budget dev.	2023
Fees and taxes				
Licensing fees	1 137 636.98	1 100 000.00	37 636.98	1 020 255.00
Supervisory taxes	21 232 370.69	20 000 000.00	1 232 370.69	19 836 081.74
Audit fees	61 087.70	40 000.00	21 087.70	54 510.50
Other fees	767 594.48	800 000.00	– 32 405.52	1 001 205.49
Other operating income	109 208.59	20 000.00	89 208.59	44 045.88
State contribution	4 970 694.70	6 000 000.00	– 1 029 305.30	5 000 000.00
	28 278 593.14	**27 960 000.00**	**318 593.14**	**26 956 098.61**
Personnel expenses				
Wages and salaries	– 16 786 102.85	– 16 720 000.00	– 66 102.85	– 15 953 216.56
Social security contributions and expenses for retirement provision and related benefits	– 3 092 671.89	– 3 100 000.00	7 328.11	– 2 908 216.84
of which for retirement provision	*– 2 660 534.25*			*– 2 500 083.50*
Board of Directors	– 478 529.73	– 480 000.00	1 470.27	– 475 020.63
Depreciation and value adjustments				
Depreciation on software	– 1 781 434.25	– 2 330 000.00	548 565.75	– 1 730 560.24
Depreciation on IT equipment	– 123 378.90	– 135 000.00	11 621.10	– 126 626.95
Depreciation on furnishings	– 48 837.95	– 50 000.00	1 162.05	– 48 598.90
Depreciation on operating equipment	– 14 752.15	– 20 000.00	5 247.85	– 13 118.80
Other operating expenses				
Other personnel expenses	– 235 112.44	– 255 000.00	19 887.56	– 224 257.52
Basic and continuing training	– 437 469.74	– 450 000.00	12 530.26	– 442 005.64
Office expenses	– 189 795.12	– 215 000.00	25 204.88	– 189 701.21
Travel expenses	– 292 398.89	– 380 000.00	87 601.11	– 272 339.50
Expert fees/opinions	– 461 806.42	– 520 000.00	58 193.58	– 493 771.72
Audit firms	– 694 006.05	0.00	– 694 006.05	– 131 394.00
Reimbursements for audit firms	694 006.05	0.00	694 006.05	131 394.00
Premises	– 2 068 248.16	– 2 070 000.00	1 751.84	– 2 130 424.87
Insurances	– 91 346.70	– 95 000.00	3 653.30	– 91 417.00
IT costs	– 1 009 284.40	– 1 190 000.00	180 715.60	– 1 218 514.32
Public outreach	– 143 995.41	– 150 000.00	6 004.59	– 138 996.71
Events and representation	– 34 158.41	– 30 000.00	– 4 158.41	– 29 652.00
Membership fees for associations/institutions	– 354 247.71	– 370 000.00	15 752.29	– 341 839.82
Audit expenses	– 61 087.70	– 40 000.00	– 21 087.70	– 54 510.50
Other expenses	– 55 716.17	– 90 000.00	34 283.83	– 45 862.76
Losses on accounts receivable	– 7 232.94	– 50 000.00	42 767.06	– 24 889.34
Other interest and similar expenses	**– 367.92**	**0.00**	**– 367.92**	**– 156.65**
Annual profit (+)/loss (–)	**510 617.29**	**– 780 000.00**	**1 290 617.29**	**2 400.13**
Summary of income statement				
Operating income	*23 307 898.44*	*21 960 000.00*	*1 347 898.44*	*21 956 098.61*
State contribution	*4 970 694.70*	*6 000 000.00*	*– 1 029 305.30*	*5 000 000.00*
Total income	**28 278 593.14**	**27 960 000.00**	**318 593.14**	**26 956 098.61**
Personnel expenses	*– 20 357 304.47*	*– 20 300 000.00*	*– 57 304.47*	*– 19 336 454.03*
Depreciation and value adjustments	*– 1 968 403.25*	*– 2 535 000.00*	*566 596.75*	*– 1 918 904.89*
Other operating expenses	*– 5 441 900.21*	*– 5 905 000.00*	*463 099.79*	*– 5 698 182.91*
Other interest and similar expenses	*– 367.92*	*0.00*	*– 367.92*	*– 156.65*
Total expenses	**– 27 767 975.85**	**– 28 740 000.00**	**972 024.15**	**– 26 953 698.48**
Annual profit (+)/loss (–)	**510 617.29**	**– 780 000.00**	**1 290 617.29**	**2 400.13**

NOTES ON THE FINANCIAL STATEMENT

Financial accounting principles

According to Article 32 FMAG, the supplementary provisions for specific company forms set out in the Law on Persons and Companies (PGR) apply to the preparation of the annual report including the financial statement. The FMA uses the provisions for large companies. These provisions demand that the financial statement give a true and fair view of the assets and liabilities, financial position, and profit or loss.

Balancing and valuation methods

Tangible assets are valued at acquisition cost reduced by depreciation. Depreciation is calculated using the straight-line method, based on the acquisition value. The depreciation policy provides for the following useful lives:

Category	Useful life
Software	3 years
IT equipment	3 years
Furnishings	5 years
Operating equipment	10 years

Table 1
Useful life

Cash and cash equivalents are stated at nominal value. Receivables are stated at nominal value, reduced by any required value adjustments. Provisions are to be calculated so as to take sufficient account of all identifiable risks in accordance with sound commercial judgement. Accounts payable are valued at their nominal value or at the repayment amount, whichever is higher.

Foreign exchange rate

The FMA invoices only in CHF. Accounts payable in currencies other than CHF are stated at the mean spot exchange rate on the balance sheet date.

Receivables

All receivables have a maturity of less than one year. They are stated in the balance sheet at nominal value. Value adjustments for risks identifiable on the balance sheet date are made to the extent necessary for business purposes. All value adjustments are stated openly under the receivables item.

Fixed assets in CHF

The development of the individual fixed asset items is shown separately in the presentation of fixed assets:

Fixed assets		Software	IT equipment	Furnishings	Operating equipment	Total
Acquisition costs	Balance 01.01.2024	9 277 885.56	705 495.07	1 121 441.13	1 862 615.78	**12 967 437.54**
	Acquisitions	1 694 421.67	59 308.65	29 617.10	16 333.25	**1 799 680.67**
	Divestitures	175 624.40	24 177.21	6 174.40	0.00	**205 976.01**
	Balance 31.12.2024	10 796 682.83	740 626.51	1 144 883.83	1 878 949.03	**14 561 142.20**
Depreciation	Balance 01.01.2024	7 593 121.58	527 369.86	967 953.90	1 746 999.45	**10 835 444.79**
	Acquisitions	1 781 434.25	123 378.90	48 837.95	14 752.15	**1 968 403.25**
	Divestitures	175 620.40	24 171.21	6 166.40	0.00	**205 958.01**
	Balance 31.12.2024	9 198 935.43	626 577.55	1 010 625.45	1 761 751.60	**12 597 890.03**
Book value	Balance 01.01.2024	1 684 763.98	178 125.21	153 487.23	115 616.33	**2 131 992.75**
	Balance 31.12.2024	1 597 747.40	114 048.96	134 258.38	117 197.43	**1 963 252.17**

Table 2
Presentation of fixed assets

Provisions

All provisions are reassessed each year, justified, and adjusted where necessary. The provisions include outstanding holiday entitlements as of 31 December 2024 in the amount of CHF 575,066.

Accounts payable

All accounts payable of the FMA have a maturity of less than one year.

Long-term liabilities

The FMA has a rental contract with the Liechtenstein Old Age and Survivors' Insurance Authority concluded in December 2010, with a rental term of 20 years. The annual rent amounts to approximately CHF 1,800,000 (including ancillary costs).

Transactions with related companies and persons

Based on the Owner's Strategy, a service agreement exists between the Liechtenstein National Administration and the FMA. Under this service agreement, the National Administration provides services for the benefit of the FMA, e.g. in the areas of salary administration and IT. The services provided are not invoiced, provided they are in line with the usual standards of the National Administration.

Board of Directors	Government decision	Term of office
Dr. Christian Batliner (Chairman)	– BNR 2019/1388 of 22.10.2019 – BNR 2021/1846 of 07.12.2021 – BNR 2024/1983 of 10.12.2024	01.01.2020 – 31.12.2024 01.01.2022 – 31.12.2024 01.01.2025 – 31.12.2029
Volkmar Ritter (Vice Chairman)	– BNR 2022/497 of 29.03.2022	01.04.2022 – 31.03.2027
Juerg Meier	– BNR 2015/1727 of 16.12.2015 – BNR 2020/1403 of 29.09.2020	01.01.2016 – 31.12.2020 01.01.2021 – 31.12.2025
Arzu Tschuetscher	– BNR 2023/1907 of 28.11.2023	01.01.2024 – 31.12.2028
Dr. Gabriela Maria Payer (early resignation effective 30.06.2024)	– BNR 2023/757 of 02.05.2023	01.07.2023 – 30.06.2024
Sonja Stirnimann (early resignation effective 31.12.2024)	– BNR 2024/914 of 11.06.2024	01.07.2024 – 31.12.2024

Table 3
Board of Directors

Remuneration of the Board of Directors and Members of the Executive Board (Article 1092(9)(a) PGR)

a) Board of Directors

Remuneration for the Board of Directors of the FMA in the 2024 fiscal year, including social security contributions, was CHF 478,530 (previous year: CHF 475,021). Of this amount, social security taxes and expenses for retirement provision and related benefits amounted to CHF 53,530 (of which CHF 49,856 for retirement provisions). The composition of the Board of Directors in 2024 was as shown in Table 3. The remuneration of the Members of the Board of Directors is based on the Government decision of 31 January 2017 (BNR 2017/101) and of 14 December 2021 (BNR 2021/1897). The Government specified the following remuneration:

- Basic compensation for the Chairman
- Basic compensation for the Vice Chairman
- Basic compensation for other members
- Flat-rate compensation per meeting day

b) Executive Board

The gross remuneration of the Members of the Executive Board in the 2024 fiscal year was CHF 2,029,583 (previous year: CHF 1,963,667) without social security contributions.

The Members of the Executive Board are appointed by the Board of Directors. The Executive Board was composed of the following Members as of 31 December 2024:

- Mario Gassner, Chief Executive Officer
- Dr. Alexander Imhof, Deputy CEO and Head of Insurance and Pension Funds Division
- Dr. Reto Degen, Head of Asset Management and Markets Division
- Markus Meier, Head of Banking Division
- Simone Edelmann-Boeniger, Head of Anti-Money Laundering and DNFBP Division
- Martin Schaedler, Head of Operations Division

Workforce

In 2024, the average workforce was 126 (previous year: 123). At the end of December 2024, the FMA employed 127 people (124). Four (5) were employed on a temporary basis. The share of women was 46 % (47 %). 39 employees (41) worked part-time. Five employees (4) left the FMA during the reporting year, and seven new employees (5) joined the FMA.

In total, 114.5 full-time equivalent positions (previous year: 109.5) were filled at the end of 2024. The staffing plan approved by the Board of Directors provided for 115 full-time equivalent positions (111) at the end of 2024.

Audit firms/ Reimbursements for audit firms

The audit firms item in the amount of CHF 694,006 includes expenses in connection with extraordinary on-site inspections and examinations carried out by external audit firms. In return, these costs were invoiced to the financial intermediaries under the reimbursements for audit firm item in the amount of CHF 694,006.

Official liability claims

In January 2024, the FMA was served with an action under the Official Liability Act by the Court of Appeal. In December 2024, the Court of Appeal dismissed this action in its entirety, and the plaintiff appealed. The proceedings before the Supreme Court are currently still ongoing.

Events after the balance sheet date

No events occurred after the balance sheet date that have a material impact on the financial statement.

BEGINNING OF THE CHAPTER →
TO CONTENTS →

ATTESTATION OF THE AUDIT OFFICE

FINANZKONTROLLE
FÜRSTENTUM LIECHTENSTEIN

Testat der Finanzkontrolle betreffend Prüfung der Jahresrechnung der

Finanzmarktaufsicht (FMA) Liechtenstein

Bericht der Finanzkontrolle zur Jahresrechnung

Wir haben die Buchführung sowie die Jahresrechnung (bestehend aus Bilanz, Erfolgsrechnung und Anhang) der Finanzmarktaufsicht (FMA) Liechtenstein für das am 31. Dezember 2024 abgeschlossene Geschäftsjahr geprüft.

Nach unserer Beurteilung vermittelt die beigelegte Jahresrechnung (Seiten 88 bis 95) ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Finanzmarktaufsicht (FMA) Liechtenstein zum 31. Dezember 2024 sowie deren Aufwands- und Ertragslage für das dann endende Jahr in Übereinstimmung mit dem liechtensteinischen Gesetz.

Grundlage für das Prüfungsurteil

Basierend auf dem Finanzkontrollgesetz haben wir als Revisionsstelle unsere Prüfung gemäss liechtensteinischem Gesetz und nach den Grundsätzen des Berufsstandes durchgeführt.

In Übereinstimmung mit den Anforderungen des Berufsstandes sind wir von der Finanzmarktaufsicht (FMA) Liechtenstein unabhängig.

Zudem ist die Finanzkontrolle gemäss Finanzkontrollgesetz das oberste Fachorgan der Finanzaufsicht über das öffentliche Finanzgebaren und die öffentliche Rechnungslegung. Dabei handelt es sich um einen umfassenden gesetzlichen Auftrag, der auch die Prüfung der Verwendung von Staatsbeiträgen beinhaltet. Unsere Prüfungen erfolgen dabei nach den gesetzlichen Kriterien der Ordnungsmässigkeit, der Rechtmässigkeit und der Wirtschaftlichkeit. Die Ergebnisse und Anmerkungen unserer Prüfungen sind im detaillierten Bericht über die Prüfung 2024 der Finanzmarktaufsicht (FMA) dargelegt.

Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als eine Grundlage für unser Prüfungsurteil zu dienen.

Verantwortlichkeiten des Aufsichtsrates der Finanzmarktaufsicht (FMA) Liechtenstein

Der Aufsichtsrat ist verantwortlich für die Aufstellung einer Jahresrechnung in Übereinstimmung mit den allgemeinen und spezialgesetzlichen Vorschriften, welche ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt, für die Einhaltung der Vorgaben des Eigners und für die internen Kontrollen, die der Aufsichtsrat als notwendig erachtet, um die Aufstellung einer Jahresrechnung zu ermöglichen, die frei von – beabsichtigten oder unbeabsichtigten – wesentlichen falschen Darstellungen ist.

Bei der Aufstellung der Jahresrechnung ist der Aufsichtsrat dafür verantwortlich, die Fähigkeit der Finanzmarktaufsicht (FMA) Liechtenstein zur Fortführung der Geschäftstätigkeit zu beurteilen und Sachverhalte in diesem Zusammenhang transparent darzulegen.

Weiter ist der Aufsichtsrat für die im Geschäftsbericht enthaltenen zusätzlichen Informationen verantwortlich.

Verantwortlichkeiten der Finanzkontrolle für die Prüfung der Jahresrechnung

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob die Jahresrechnung als Ganzes frei von – beabsichtigten oder unbeabsichtigten – wesentlichen falschen Darstellungen ist und einen Bericht abzugeben, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Mass an Sicherheit, aber keine Garantie dafür, dass – basierend auf dem Finanzkontrollgesetz und in Übereinstimmung mit dem liechtensteinischen Gesetz sowie den Grundsätzen des Berufsstandes – die durchgeführte Abschlussprüfung eine wesentliche falsche

2/2

Darstellung, falls eine solche vorliegt, stets aufdeckt. Beabsichtigte oder unbeabsichtigte falsche Darstellungen werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieser Jahresrechnung getroffenen wirtschaftlichen Entscheidungen beeinflussen.

Wir identifizieren und beurteilen die wesentlichen Risiken – beabsichtigter oder unbeabsichtigter – falscher Darstellungen in der Jahresrechnung, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Dabei üben wir – basierend auf dem Finanzkontrollgesetz und in Übereinstimmung mit dem liechtensteinischen Gesetz sowie den Grundsätzen des Berufsstandes – während der gesamten Prüfung pflichtgemässes Ermessen aus und bewahren eine kritische Grundhaltung.

Wir erlangen ein Verständnis von dem für die Abschlussprüfung relevanten Internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind.

Wir beurteilen die Angemessenheit der angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängenden Angaben. Weiter beurteilen wir die Darstellung, den Aufbau und den Inhalt der Jahresrechnung einschliesslich der Angaben im Anhang sowie, ob die Jahresrechnung die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, sodass eine sachgerechte Darstellung erreicht wird.

Unser Prüfungsurteil zur Jahresrechnung erstreckt sich nicht auf die zusätzlichen Informationen im Geschäftsbericht, und wir bringen keinerlei Prüfungsschlussfolgerung hierzu zum Ausdruck.

Wir kommunizieren mit dem Prüfungsausschuss des Aufsichtsrats unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Prüfung sowie über bedeutsame Prüfungsfeststellungen, einschliesslich etwaiger bedeutsamer Mängel im Internen Kontrollsystem, die wir während unserer Prüfung identifizieren.

Weitere Bestätigungen

Der beigelegte Jahresbericht ist nach den geltenden rechtlichen Anforderungen aufgestellt worden, steht im Einklang mit der Jahresrechnung und enthält gemäss unserer Beurteilung – auf Basis der durch die Prüfung der Jahresrechnung gewonnenen Erkenntnisse, des gewonnenen Verständnisses über die Finanzmarktaufsicht (FMA) Liechtenstein und deren Umfeld – keine wesentlichen fehlerhaften Angaben.

Ferner bestätigen wir, dass die Jahresrechnung dem liechtensteinischen Gesetz, dem Gesetz über die Finanzmarktaufsicht (FMAG) und den Statuten entspricht und empfehlen der Regierung, die vorliegende Jahresrechnung zu genehmigen.

FINANZKONTROLLE
des Fürstentums Liechtenstein

Cornelia Lang	Fredy Baschleben
Leiterin	*Mandatsleiter*

Vaduz, 20. März 2025

DRAGONFLIES AND DAMSELFLIES IN LIECHTENSTEIN

Would you have known from the species names "migrant hawker" or "broad-bodied chaser" which animals are meant? These species names refer to odonates – dragonflies and damselflies – found in Liechtenstein. These fascinating insects require near-natural waters such as moors and rivers during their larval stage. As adults, they leave the water, hunt in the air, and mate.

In spring 2025, the Liechtenstein Government published a volume presenting the first systematic mapping of all dragonfly and damselfly species in Liechtenstein. While initial records date back to the 1970s, modern technologies have now enabled more precise documentation. The number of confirmed species has risen from 41 to 46, highlighting the positive trend in odonate diversity. The fascinating biology of these insects reveals their reliance on near-natural waters during the larval stage and their impressive aerial abilities as adults. This richly illustrated reference work aims to raise awareness of the need to protect these remarkable creatures and their habitats.

The fantastic photos were all taken by Rainer Kuehnis. We would like to thank him sincerely for providing the images.

Broad-bodied chaser Schaaner Fenkeri

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www.fma-li.li