

Liechtenstein - Respectful, Safe and Solid

Independent and right in the heart of Europe, Liechtenstein is a perfect place for wealth and investment management services. While in large financial centres clients are being directed increasingly into standardised products, wealth and investment management services in Liechtenstein are still being offered with a personalised touch and in a customisable manner.



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The Principality of Liechtenstein is a constitutional monarchy and the fourth smallest country within Europe, its borders have remained unchanged since 1434. Liechtenstein spreads over an area of just over 160 square kilometres and its population counts roughly 38'000 inhabitants. Economically speaking, Liechtenstein is safe and rock-solid - it has no sovereign debt and its currency, the Swiss Franc, is among the most stable worldwide.

During the Great Financial Crisis of 2007/2008 none of the large Liechtenstein banks needed government support. Healthy balance sheets, realistic risk aversion, natural reservation against profit maximisation and prudent management helped avoiding the sort of calamities that happened to financial institutions in other financial centres.

A STABLE JURISDICTION

Since Liechtenstein is a member of the European Economic Area (EEA), it follows European Financial Markets Law. The Markets in Financial Instruments Directive II (MiFID II) and Markets in Financial Instruments Regulation (MiFIR) provide for a harmonised and robust regulatory environment for investment services across the member states of the EEA. The main objectives of these directives are, to increase competition and consumer protection in investment management services across the EEA member states. These laws are not applicable in Non-EEA member states and especially when it comes to consumer protection, regulations in countries outside the EEA are lagging behind currently.

Asset management and investment services providers in Liechtenstein, as in the rest of the EEA, need approval by Financial Markets Authorities (FMA). This leads to better enforcement of control mechanisms by the regulator and thus stands for higher levels of consumer protection. Additionally,



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all financial intermediaries in the EEA need to affiliate with a "Deposit Guarantee and Investor Compensation Foundation" in Liechtenstein or a local equivalent of it, again very much unlike in many other global financial centres. The system of "self-

regulating organisations" as applied in other financial centres is not legit within EEA member states.

A RESPECTFUL BUSINESS ENVIRONMENT

Finally, wealth and investment management knowhow has been part of Liechtenstein's DNA for decades. Therefore, offering personalised service comes quite naturally. Thanks to the backing and support by Liechtenstein demographics and to the customer-friendly and respectful business environment, clients feel welcome and appreciated. Last but not least, the internationally reputable University of Liechtenstein has an acknowledged faculty for financial sciences, which is dedicated to researching new trends and challenging existing financial markets theories. As such, Liechtenstein benefits from experienced, well-trained and educated financial professionals who are truly dedicated to providing a world-class service to their clients. **EG**

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