

Claim It, Prove It, Keep It: Unlocking WHAT makes the Liechtenstein PWS so powerful

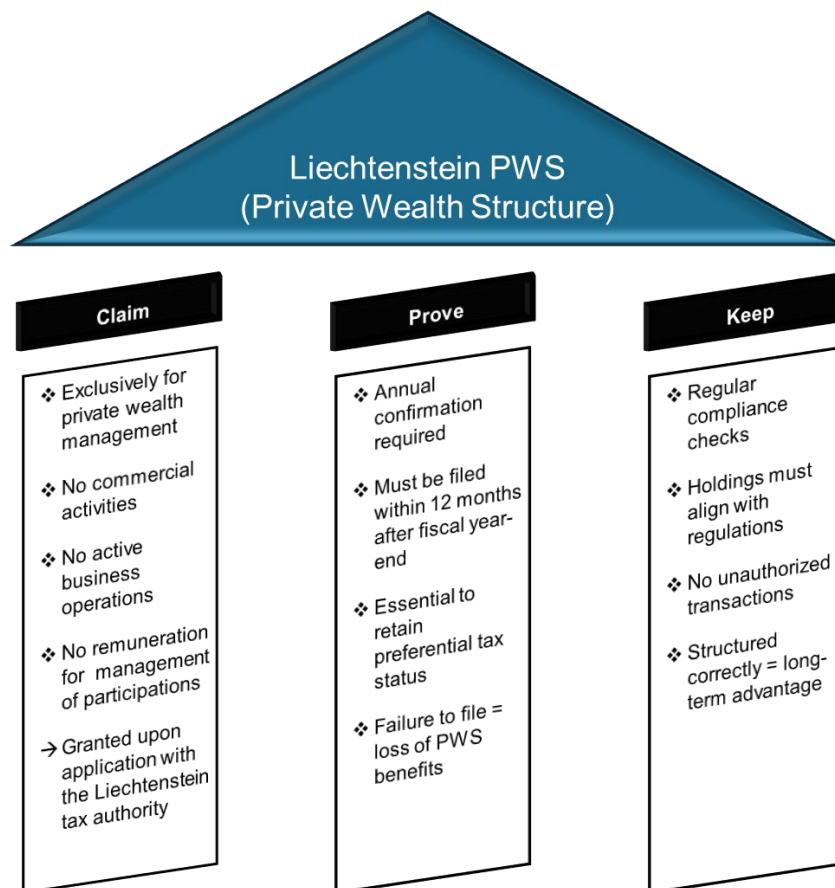
Be clever, structure your wealth.

May I introduce, one of the beauties of Liechtenstein tax law: The Private Wealth Structure (**PWS or German PVS**); a uniquely structured, tax-privileged entity designed exclusively for private asset management.

With a fixed annual tax and a strict separation from commercial activities, it remains one of the most stable and efficient structures for wealth preservation.

However, as is the case with all beautiful things, there is a catch. **It is time for the annual confirmation filing**, the crucial step to ensure the PWS retains its preferential status.

The three pillars of a strong PWS



- Claim it: A PWS is built for private wealth management only. It must not engage in commercial activities (**this includes loans**), receive remunerations for the management of its participations, or conduct business operations.
- Prove it: Each year, the PWS must submit its annual confirmation within twelve months after the fiscal year-end to retain its status. Without this, preferential tax treatment can be lost.

Lesson Nr. 1: Don't Fall Tax Blog

- Keep it: A well-structured PWS remains an advantage, not a liability, when regularly reviewed to ensure that holdings, transactions, and reporting align with Liechtenstein's legal framework.

What to check before filing

Purpose: The PWS must still serve exclusively private asset management purposes. Any deviation could trigger reclassification.

Holdings: Traditional assets like securities and cash are generally unproblematic. Crypto, tokenized assets, and alternative investments require closer scrutiny to ensure compliance.

Careful with loans: A PWS must not grant interest-bearing loans or engage in financial transactions that resemble business activities. Only under certain conditions, e.g. interest-free loans to beneficiaries or participants, may not jeopardize its tax-privileged status.

Filing deadline: The annual confirmation must be submitted no later than twelve months after the end of the fiscal year via the official Liechtenstein Tax Administration portal.

Why it matters

A Liechtenstein PWS is a powerful tool for wealth structuring, but only if you know how to work its magic. The framework exists to provide stability, predictability, and efficiency in wealth management. The annual check is not just an administrative task, it is the foundation for ensuring your structure remains protected and effective.

- For further information, check the information sheet of the Liechtenstein tax authority:
<https://archiv.llv.li/files/onlineschalter/Dokument-1510.pdf>