

Translation of Liechtenstein Law

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Auditors Act (WPG) of 5 December 2018

I hereby grant My consent to the following resolution adopted by Parliament:¹

I. General provisions

Article 1

Object and purpose

1) This Act governs the authorisation, practice of the profession, and supervision of auditors and audit firms.

2) It aims in particular to protect clients, to secure confidence in the Liechtenstein financial centre, to promote access to international markets, and to promote competitiveness.

3) It also serves to transpose and implement the following EEA legislation, as amended:

- a) Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, 87);

¹ Report and Motion of the Government No. 38/2017, Statement of the Government No. 99/2018

b) Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158, 27.5.2014, 77).

4) The version currently in force of the EEA legislation referred to in paragraph 3 is referenced in the promulgation of the decisions of the EEA Joint Committee in the Liechtenstein Law Gazette pursuant to Article 3(k) of the Promulgation Act.

Article 2

Scope

This Act applies to natural and legal persons who, as auditors or audit firms, perform the following activities on a professional basis:

- a) conducting business audits, in particular:
 - 1. statutory audits;
 - 2. reviews;
 - 3. audits under special legislation, without prejudice to special licensing and recognition obligations;
 - 4. sustainability reporting audits;²
- b) advisory services in the areas of finance and accounting, taxes, financing, organisation, and IT.
- c) performance of other audits set out by law.³

Article 3

Definitions and designations

- 1) For the purposes of this Act, the following definitions apply:
 - 1. "statutory audit" means the audit required by law or performed on a voluntary basis of:
 - a) the annual financial statement; or
 - b) the consolidated annual financial statement;

² Article 2(a)(4) inserted by LGBL 2024 No. 171. The provisions on the performance of sustainability reporting audits set out in LGBL 2024 No. 171 shall apply for the first time to audits for financial years beginning on or after 1 January 2024.

³ Article 2(c) inserted by LGBL 2024 No. 171.

2. "regulatory audit": an audit under special legislation, in which it is audited whether:
 - a) the business activities of the financial intermediaries licensed by the FMA conform to the applicable law, the articles of association, and the regulations;
 - b) the conditions for granting the licence are continuously met; and
 - c) the reporting to the FMA by the audited financial intermediary, beyond the annual report, conforms to the requirements of the law.The FMA may set out further contents of the regulatory audit in a guideline;
3. "EEA Contracting Party" means the Contracting Parties to the Agreement on the European Economic Area;
4. "on a professional basis" means the performance of an activity that is undertaken independently, regularly, and against remuneration or of which the profit-making intention can be inferred from the frequency of the activity or on other grounds;
5. "place of business" means the place in Liechtenstein where a natural person actually performs the activity licensed under this Act;
6. "international auditing standards" means International Standards on Auditing (ISA), the International Standard on Quality Control 1, and other related standards issued by the International Federation of Accountants (IFAC) via the International Auditing and Assurance Standards Board (IAASB), insofar as relevant to the statutory audit;
7. "annual financial statement" means the annual financial statement under the provisions of the Law on Persons and Companies (PGR) or in accordance with one of the laws referred to in Article 5 of the Financial Market Authority Act;
8. "group auditor" means the auditor or audit firm carrying out the statutory audit of consolidated annual financial statements or the sustainability reporting audit;⁴
9. "network" means the larger structure which:
 - a) is aimed at cooperation and to which an auditor or an audit firm belongs; and
 - b) is clearly aimed at profit- or cost-sharing or shares common ownership, control or management, common quality-control policies and procedures, a common business strategy, the use of a

⁴ Article 3(1)(8) amended by LGBL 2024 No. 171.

common brand-name or a significant part of professional resources;

10. "non-practitioners" means natural persons who, during their activity for the FMA and for at least three years immediately before such activity, have not carried out statutory audits, have not held voting rights in an audit firm, have not been a member of the administrative, management, or supervisory body of an audit firm and have not been employed by, or otherwise associated with, an audit firm;
11. "third-country auditor" means a natural or legal person carrying out statutory audits or sustainability reporting audits at entities whose registered office is not in an EEA Contracting Party or Switzerland and which is not authorised as a statutory auditor or sustainability reporting auditor in an EEA Contracting Party or Switzerland;⁵
12. "expert" means a natural person who has specific expertise in financial markets, financial reporting, auditing or other fields relevant for quality assurance, including practising auditors;
13. "public-interest entities" means
 - a) companies under Liechtenstein law whose transferable securities are authorised for trading on a regulated market of an EEA Contracting Party within the meaning of Article 4(1)(21) of Directive 2014/65/EU;
 - b) banks within the meaning of Article 4 of the Banking Act;⁶
 - c) insurance undertakings within the meaning of Article 2 of the Insurance Supervision Act;
 - d) market operators, including a Liechtenstein exchange operating company as defined in Article 3(1)(2) of the Trading Venues and Exchanges Act;⁷
14. "key audit partner" means an auditor licensed under this Act who:⁸
 - a) signs the report as referred to in Articles 196 and 196b of the Law on Persons and Companies;
 - b) has been designated by an audit firm as being primarily responsible for a statutory audit engagement, group audit engagement, or sustainability reporting audit engagement;

⁵ Article 3(1)(11) amended by LGBL 2024 No. 171.

⁶ Article 3(1)(13)(b) amended by LGBL 2025 No. 102.

⁷ Article 3(1)(13)(d) inserted by LGBL 2025 No. 102.

⁸ Article 3(1)(14) amended by LGBL 2024 No. 171.

- c) has been designated by an audit firm as being primarily responsible for a group audit engagement or sustainability reporting audit engagement at the level of material subsidiaries;
15. "audits under special legislation" means regulatory audits and statutory audits in accordance with one of the laws referred to in Article 5 of the Financial Market Authority Act;
16. "sustainability reporting audit" means the auditing of sustainability reporting as referred to in Article 1096k of the Law on Persons and Companies.⁹
- 2) The definitions set out in Directive 2006/43/EC and Regulation (EU) No 537/2014 shall apply *mutatis mutandis*.
- 3) The designations of persons, professions, and functions contained in this Act shall apply to persons of female and of male gender.

II. Licences

A. Licensing requirement and conditions

1. Auditors

Article 4

Licensing requirement

Auditors require a licence issued by the Financial Market Authority (FMA) prior to taking up their business activities.

Article 5

Licensing conditions

The licence shall be granted if the applicant:

- a) has capacity to act;
- b) is trustworthy as set out in Article 6;

⁹ Article 3(1)(16) inserted by LGBL 2024 No. 171. The provisions on the performance of sustainability reporting audits set out in LGBL 2024 No. 171 shall apply for the first time to audits for financial years beginning on or after 1 January 2024.

- c) produces evidence of training as set out in Article 7;
- d) has Liechtenstein citizenship or the citizenship of an EEA Contracting Party or Switzerland;
- e) provides evidence of practical experience as set out in Article 8;
- f) has passed the auditor examination as set out in Article 9;
- g) provides evidence of liability insurance as set out in Article 10; and
- h) has a place of business in Liechtenstein as set out in Article 11.

Article 6

Trustworthiness

1) The requirement of trustworthiness referred to in Article 5(b) is not fulfilled if the applicant has a final conviction to a custodial sentence exceeding three months or to a monetary penalty of more than 180 daily penalty units for a misdemeanour or a crime in connection with the applicant's professional activity.

2) Weighing all circumstances, the FMA may deem the requirement of trustworthiness not to be met if:

- a) in the last five years before the application was submitted, there has been an unsuccessful garnishment of the applicant;
- b) in the last five years before the application was submitted, an application for the opening of insolvency proceedings in respect of the applicant has been dismissed with legal effect for lack of assets sufficient to cover costs;¹⁰
- c) in the last five years before the application was submitted, bankruptcy proceedings have been opened with legal effect in respect of the applicant;¹¹
- d) a decision under supervision law has been issued against the applicant with legal effect due to a repeated or serious breach of enactments under financial market supervision law;
- e) a fine has been imposed on the applicant with legal effect pursuant to Article 101;
- f) criminal proceedings have been instituted against the applicant in connection with the applicant's professional activities, and an indictment has been issued in this connection with legal effect;

¹⁰ Article 6(2)(b) amended by LGBl. 2020 No. 387.

¹¹ Article 6(2)(c) amended by LGBl. 2020 No. 387.

- g) there is a final conviction against the applicant for a misdemeanour or crime.

3) Paragraphs 1 and 2 shall also apply in the case of foreign decisions and proceedings. Foreign criminal decisions and proceedings may be taken into account only if the underlying act is also punishable by the courts under Liechtenstein law at the time of commission.

Article 7

Evidence of training

1) Diplomas for auditors issued by the EEA Contracting Parties on the basis of Directive 2006/43/EC shall be deemed to be evidence of training as referred to in Article 5(c).

2) The diploma of a Swiss certified public accountant shall be deemed equivalent to the diplomas referred to in paragraph 1.

Article 8

Practical experience

1) The practical experience required for practicing the profession of auditor as referred to in Article 5(e) must consist of a full-time activity covering this profession with an auditor or an audit firm. The practical experience may also take place at a business operation with a corresponding audit department.

2) The practical experience referred to in paragraph 1 must cover three years, where of that duration:¹²

- a) at least two thirds must be completed with an auditor authorised in an EEA Contracting Party or with an authorised audit firm or with an audit expert authorised by the Swiss Federal Audit Oversight Authority or with an authorised, state-supervised audit undertaking; and
- b) at least eight months must be completed with a sustainability reporting auditor authorised in an EEA Contracting Party or Switzerland.¹³

¹² Article 8(2) amended by LGBL 2024 No. 171.

¹³ The requirements set out in Article 8(2)(b) must be proven for the first time for licences referred to in Articles 5, 59 and 67 that are granted after 30 June 2026 (LGBL 2024 No. 171).

Article 9

Auditor examination

- 1) The FMA shall admit an applicant to the auditor examination if the applicant meets the conditions set out in Article 5(a) to (e).
- 2) The auditor examination shall be taken before the Examining Board for Auditors.
- 3) The auditor examination shall comprise:
 - a) two written papers:
 1. one from the fields of auditing, financial reporting, and company law; and
 2. one from the field of tax and duty law;
 - b) an oral examination in the fields of professional law, company law, property law, and due diligence law.
- 4) The Government shall provide further details by ordinance.

Article 10

Liability insurance

- 1) The liability insurance referred to in Article 5(g) must:
 - a) cover the liability for damage arising from breach of professional duties in connection with activities referred to in Article 2;
 - b) provide for a sum insured of at least 1 million Swiss francs for each claim and 2 million Swiss francs for all claims in a year;¹⁴
 - c) provide for follow-up liability for at least three years, with the assumption of the initial risk being sufficient in the event of a simple change of insurance;
 - d) provide for a deductible of a maximum of 10% of the sum insured per claim. The FMA may permit deviations from this on request in justified cases; and
 - e) contractually oblige the insurance undertaking to notify the FMA immediately of the suspension or discontinuation of insurance coverage.

¹⁴ Article 10(1)(b) amended by LGBL 2020 No. 512.

2) Applicants are exempt from the obligation to take out liability insurance for whom the performance of activities referred to in paragraph 2 is covered by another liability insurance policy that satisfies the requirements of paragraph 1 and was taken out by another person.

Article 11

Place of business

The place of business in Liechtenstein as referred to in Article 5(h) must have the space, personnel, and organisation required for practising the profession of auditor.

2. Audit firms

Article 12

Licensing requirement

Audit firms require a licence issued by the FMA prior to taking up their business activities.

Article 13

Licensing conditions

The licence shall be granted upon application if:

- a) the majority of the capital of the legal person, which at the same time includes the majority of the voting rights, is legally and economically owned by auditors or audit firms licensed under this Act;
- b) the majority of the members of the administration of the legal person are auditors or audit firms licensed under this Act;
- c) the shareholders and owners referred to in point (a) as well as the members of the administration referred to in point (b) who do not hold a licence as auditors or audit firms are trustworthy as set out in Article 6;
- d) all members of the senior management of the legal person are trustworthy as set out in Article 6;

- e) the registered office and central administration of the legal persons are located in Liechtenstein;
- f) evidence of liability insurance as set out in Article 10 is provided.

B. Licensing procedure

Article 14

Licence application

- 1) The application for a licence as an auditor or audit firm shall be submitted to the FMA.
- 2) The application shall be accompanied by the documents required as evidence of meeting the conditions referred to in Article 5 or 13 including a curriculum vitae in the original. The FMA may permit certified copies instead of original documents and may require a certified translation for documents in a foreign language. Documents presented as evidence of trustworthiness may not be more than three months old at the time of presentation.
- 3) The FMA shall transmit to the applicant an acknowledgement of receipt within three working days of receipt of the completed application.
- 4) A decision on the application for a licence shall be made within six weeks of receipt of the complete application. In extraordinary cases, the FMA may extend this period appropriately.
- 5) The Government shall provide further details by ordinance.

Article 15

Granting of the licence and scope of the licence

- 1) The licence shall be granted if the statutory conditions are met. The licence may be granted subject to restrictions or stipulations.
- 2) The licence shall be strictly personal and not transferrable to third parties.

Article 16

Certificate for entry in the Commercial Register

The FMA shall issue a certificate for audit firms for the attention of the Office of Justice, confirming that the legal conditions have been met and that the audit firm will be granted the licence after entry in the Commercial Register. Without this certificate, the company may not be entered in the Commercial Register.

C. Registration

Article 17

Register of licensed auditors and audit firms

The FMA shall maintain an electronic register of the auditors and audit firms licensed under Article 15. Entry in the register shall take place when the licence becomes legally effective.

Article 18

Public nature of the register

- 1) The data entered in the register shall be public.
- 2) The FMA shall make the data accessible for free on the internet.
- 3) The FMA shall issue register extracts and certifications against payment of a fee. Register extracts and certifications for official use shall be issued free of charge.
- 4) On request, the FMA may refrain from publishing individual components of the entry in the register as referred to in Article 19 in exceptional circumstances that represent an imminent and significant threat to the personal security of any person.

Article 19

Content of the register

- 1) The entry of auditors shall contain the following information:
 - a) registration number;

- b) last name and first name;
- c) legal basis of the licence or registration;
- d) place of business;
- e) if applicable, the business name, legal form, place of business, and registration number of the audit firms by which the auditor is employed or with whom the auditor is associated as a partner or otherwise;
- f) if applicable, authorisations under special legislation in the Liechtenstein auditing sector, including the name and address of the authorising authority;
- g) if applicable, registrations with the competent authorities of other EEA Contracting Parties, Switzerland, or third countries, including the names and addresses of the authorising authorities and registration numbers;¹⁵
- h) the date of the first entry in the register.

2) The entry of audit firms shall contain the following information:

- a) registration number;
- b) business name and legal form as entered in the Commercial Register and Commercial Register number;
- c) legal basis of the licence or registration;
- d) place of business, contact information, primary contact person, and, where applicable, the website address;
- e) address of each branch in Liechtenstein;
- f) names and registration numbers of all authorised auditors employed by or associated as partners or otherwise with the audit firm;
- g) names and business addresses of all owners and shareholders;
- h) names and business addresses of all members of the administration and senior management;
- i) if applicable, the membership of a network and a list of the names and addresses of member firms and affiliates or an indication of the place where such information is publicly available;
- k) if applicable, authorisations under special legislation in the Liechtenstein auditing sector, including the name and address of the authorising authority;

¹⁵ Article 19(1)(g) amended by LGBL 2024 No. 171.

- l) if applicable, registrations with the competent authorities of other EEA Contracting Parties, Switzerland, or third countries, including the names and addresses of the authorising authorities and registration numbers;¹⁶
- m) the date of the first entry in the register.

Article 20

Updating and removal of the entry

1) Auditors and audit firms are required to notify the FMA in writing without delay of any changes in the data kept about them in the register. The register shall be updated *ex officio* following such notification.

2) The entry in the register shall be removed by the FMA if:

- a) the auditor is deceased;
- b) the audit firm has been dissolved or removed from the Commercial Register;
- c) the licence of the auditor or the audit firm has been revoked or withdrawn or the licence has lapsed;
- d) the auditor or the audit firm so requests.

Article 21

Keeping files

Files kept electronically or on paper relating to entries in the register must be retained for ten years after the removal of an entry pursuant to Article 20(2).

¹⁶ Article 19(2)(l) amended by LGBI. 2024 No. 171.

III. Rights and duties

A. General provisions

Article 22

Performance of activities

1) Auditors may perform activities referred to in Article 2 both on a self-employed basis and within the scope of employment by an auditor or audit firm licensed under this Act for such an auditor or audit firm. A person who is associated as a partner or otherwise with such an auditor or audit firm shall be deemed equivalent to an employee.

2) Audit firms may perform activities referred to in Article 2 only through auditors licensed under this Act who are employed by it or are associated with it as a partner or otherwise.

Article 23

Professional designation and business name

1) Auditors shall use the professional designation "Wirtschaftsprüfer" (auditor) or "Liechtensteinischer Wirtschaftsprüfer" (Liechtenstein auditor).

2) Audit firms shall choose a business name that is neither misleading nor in breach of enactments under financial market supervision law; in their business dealings, they shall refer to their licence as an audit firm in a suitable matter using the term "Wirtschaftsprüfungsgesellschaft" (audit firm) or "Liechtensteinische Wirtschaftsprüfungsgesellschaft" (Liechtenstein audit firm). The business name must be approved by the FMA.

Article 24

Professional honour

1) Auditors and audit firms must perform their activities in such a way that the trust placed in them is justified. They shall perform the engagements entrusted to them with due care within the framework of the applicable legal system and to the best of their knowledge and belief. They shall refrain from any activity that is incompatible with the reputation of the profession.

2) Auditors and audit firms must observe the rules of professional conduct issued by the Association of Auditors in accordance with Article 92(1)(g).

Article 25

Quality assurance

1) Auditors and audit firms shall take all measures necessary to ensure quality in the performance of business audits.

2) Business audits shall be carried out in accordance with the auditing standards referred to in Articles 38, 47c and 49(2) and (3), the auditing standards issued by the Association of Auditors, and the guidelines issued by the FMA for this purpose.¹⁷

Article 26

Obligation of secrecy

1) Auditors and audit firms are obliged to maintain secrecy about the matters entrusted to them and about the facts of which they have otherwise obtained knowledge in their professional capacity and which are to be kept secret in the interest of their clients, subject to the statutory provisions governing the obligation to act as a witness or to provide information to the criminal courts, supervisory bodies, and the Financial Intelligence Unit.

2) The right of auditors and audit firms to secrecy may not be circumvented by judicial or other official measures, in particular by an examination of the auxiliary staff of the auditor or audit firm, or by an order for the handing over, or by the seizure, of written material, video, audio or data storage media (documents); this shall not affect any special rules for the further specification of this prohibition.

¹⁷ Article 25(2) amended by LGBl. 2024 No. 171.

Article 27

Notification and approval obligations and obligation to provide information

1) Auditors and audit firms shall notify the FMA in writing without delay of any changes in the licensing conditions, in particular changes required for the assessment of trustworthiness as set out in Article 6.

2) The following shall require approval in advance by the FMA:

- a) a change in the owner of the majority of the capital, a member of the administration or a member of the senior management of an audit firm;
- b) a change in the business name of an audit firm;
- c) a change in the liability insurance.

3) Auditors employed by an auditor or an audit firm or with whom the auditor is associated as a partner or otherwise shall notify the FMA in writing without delay if they also perform activities referred to in Article 2 on a self-employed basis. Likewise, the FMA shall be notified in writing without delay if such self-employed provision of activities is terminated.

4) Auditors and audit firms must notify the FMA by 30 September of each year of the current number of statutory audit engagements and sustainability reporting audit engagements. The notification shall contain the following information for each audit engagement:¹⁸

- a) business name of the audited entity;
- b) industry affiliation;
- c) size classification according to Article 1064 of the Law on Persons and Companies; and
- d) auditor in charge (lead auditor) and, if applicable, the quality reviewer accompanying the engagement.

5) On request, the FMA shall be provided with all information and documents as well as with all responses to enquiries required for the performance of its responsibilities.

¹⁸ Article 27(4) introductory phrase amended by LGBI. 2024 No. 171.

Article 28

Independence

Auditors and audit firms shall perform their activities independently of their clients.

Article 29

Continuing education

Auditors shall undertake continuing education as part of appropriate programmes to maintain their theoretical knowledge and professional skills and value standards at a sufficiently high level.

Article 30

Publicity

1) Auditors and audit firms may provide information about their services and their person, to the extent that the information is factually correct, directly related to their profession, and justified by a public interest. They may not advertise their services or their person in an overly commercial manner.

2) Auditors and audit firms may neither cause nor tolerate third parties to engage in publicity on their behalf that they themselves are prohibited from engaging in.

B. Special provisions for the performance of statutory audits*Independence and objectivity*

Article 31

a) Basic principle

1) Auditors and audit firms, as well as any natural person in a position to directly or indirectly influence the outcome of the statutory audit, must be independent of the audited entity when carrying out a statutory audit and must not be involved in the decision-taking of the audited entity. Independence is required at least during both the period covered by the

financial statements to be audited and the period during which the statutory audit is carried out.

2) Auditors and audit firms shall take all reasonable steps to ensure that, when carrying out a statutory audit, the independence of the auditor or audit firm is not affected by any existing or potential conflict of interest or business or other direct or indirect relationship involving the auditor or the audit firm carrying out the statutory audit. This may also include the provision of additional services that are not audit services.

3) Paragraphs 1 and 2 shall apply *mutatis mutandis* also to the network, the senior management, auditors, employees, any other natural persons whose services are placed at the disposal or under the control of the auditor or the audit firm, or any person directly or indirectly linked to the auditor or the audit firm by control.

4) When carrying out statutory audits, auditors and audit firms shall document in the audit working papers all significant threats to their independence as well as the safeguards applied to mitigate those threats.

5) An auditor or a key audit partner who carries out a statutory audit on behalf of an audit firm shall not, before a period of at least one year has elapsed since they ceased to act as an auditor or key audit partner in connection with the audit engagement:

- a) take up a key management position in the audited entity;
- b) where applicable, become a member of the audit committee of the audited entity or, where such committee does not exist, of the body performing equivalent functions to an audit committee;
- c) become a non-executive member of the administrative body or a member of the supervisory body of the audited entity.

6) Employees and partners other than key audit partners of an auditor or of an audit firm carrying out a statutory audit, as well as any other natural person whose services are placed at the disposal or under the control of such auditor or audit firm, shall not, when such employees, partners or other natural persons are personally approved as auditors, take up any of the duties referred to in paragraph 5 before a period of at least one year has elapsed since they were directly involved in the statutory audit engagement.

7) The fees for statutory audits may not be influenced or determined by the provision of additional services to the audited entity nor may they be based on any form of contingency.

Article 32

b) Grounds for exclusion

1) Auditors and audit firms shall not carry out a statutory audit if there is any threat of self-review, self-interest, advocacy, familiarity or intimidation created by relationships as referred to in paragraph 2, as a result of which an objective, reasonable and informed third party, taking into account the safeguards applied, would conclude that the auditor's or the audit firm's independence is compromised.

2) Relationships for the purpose of paragraph 1 shall be financial, personal, business, employment, or other relationships between:

- a) the auditor, the audit firm, its network, and any natural person in a position to influence the outcome of the statutory audit on the one hand; and
- b) the audited entity on the other hand.

Article 33

c) Grounds for exclusion due to special financial relationships

1) The following persons may not have a material and direct beneficial interest in, or engage in any transaction in any financial instrument issued, guaranteed, or otherwise supported by, any audited entity within their area of statutory audit activities:

- a) auditors and audit companies, their key audit partners, their employees, and any other natural person whose services are placed at the disposal or under the control of such auditor or audit firm and who is directly involved in statutory audit activities;
- b) persons closely associated with the persons referred to in subparagraph (a) within the meaning of Article 3(1)(26) of Regulation (EU) No 596/2014.

2) Paragraph 1 shall not apply in the case of interests owned indirectly through diversified collective investment schemes, including managed funds such as pension funds or life insurance.

3) Persons referred to in paragraph 1 may not participate in or otherwise influence the outcome of a statutory audit of that entity if they:

- a) own financial instruments of the audited entity, other than interests owned indirectly through diversified collective investment schemes;

- b) own financial instruments of any entity related to an audited entity, the ownership of which may cause, or may be generally perceived as causing, a conflict of interest, other than interests owned indirectly through diversified collective investment schemes;
- c) have had an employment, or a business or other relationship with that audited entity within the periods referred in Article 31(1) that may cause, or may be generally perceived as causing, a conflict of interest.

Article 34

d) Merger or acquisition

1) If, during the period covered by the annual financial statement, an audited entity is acquired by, merges with, or acquires another entity, the auditor or the audit firm shall identify and evaluate any current or recent interests or relationships, including any non-audit services provided to that entity, which, taking into account available safeguards, could compromise the auditor's independence and ability to continue with the statutory audit after the effective date of the merger or acquisition.

2) As soon as possible, and in any event within three months, the auditor or the audit firm shall take all such steps as may be necessary to terminate any current interests or relationships that would compromise its independence and shall, where possible, adopt safeguards to minimise any threat to its independence arising from prior and current interests and relationships.

Article 35

e) Acceptance of inducements

Persons referred to in Article 33(1) shall not solicit or accept pecuniary and non-pecuniary gifts or favours from the audited entity or any entity related to an audited entity unless an objective, reasonable and informed third party would consider the value thereof as trivial or inconsequential.

Article 36

f) Preparation for the statutory audit and assessment of threats to independence

Before auditors or audit firms accept or continue an engagement for a statutory audit, they shall assess and document whether:

- a) they comply with the requirements of Article 31(1) to (4) and Articles 32 to 35;
- b) there are threats to their independence and the safeguards applied to mitigate those threats;
- c) they have the competent employees, time and resources needed in order to carry out the statutory audit in an appropriate manner;
- d) in the case of audit firms, the key audit partner is authorised as an auditor.

Article 37

Professional scepticism

1) When auditors or audit firms carry out the statutory audit, they shall maintain professional scepticism throughout the audit, recognising the possibility of a material misstatement due to facts or behaviour indicating irregularities, including fraud or error, notwithstanding the auditor's or the audit firm's past experience of the honesty and integrity of the audited entity's management and of the persons charged with its governance.

2) They shall maintain professional scepticism in particular when reviewing management estimates of the audited entity relating to fair values, impairments of assets, provisions, and future cash flow relevant to the entity's ability to continue as a going concern.

3) For the purposes of this Article, "professional scepticism" means an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence.

Article 38

Auditing standards

1) When carrying out a statutory audit, auditors and audit firms shall apply the international auditing standards adopted by the European

Commission in the procedure referred to in Article 26 of Directive 2006/43/EC.

2) Until the adoption of the international auditing standards by the European Commission, the Government shall provide further details regarding the applicable auditing standards by ordinance.

Article 39

Statutory audits of consolidated financial statements

1) In the case of a statutory audit of the consolidated annual report of a group of undertakings, the following shall apply:

- a) The group auditor shall bear the full responsibility for the report prepared for this purpose as referred to in Article 196 of the Law and Persons and Companies and, where applicable, the additional report to the audit committee. The documentation retained by the group auditor shall be such as to enable the FMA to review the work of the group auditor as part of a quality assurance review.
- b) If parts of the group audit have been carried out by other auditors, including any third-country auditors, the group auditor shall evaluate their work and document the nature, timing and extent of the work performed by those auditors in a verifiable manner. This also includes the review of relevant parts of those auditors' audit documentation by the group auditor.
- c) The group auditor shall review and document the audit work performed by other auditors, including any third-country auditors. Where this is not possible, the group auditor shall take appropriate measures and inform the FMA in writing. Such measures shall, as appropriate, include carrying out additional statutory audit work, either directly or by outsourcing such tasks, in the relevant subsidiary.
- d) If it is not possible for the FMA to obtain information on the basis of the procedures referred to in Article 88, it shall be the responsibility of the group auditor to request, at the request of the FMA, the relevant audit documentation prepared by the auditor from the third country. Where group audit working papers cannot, for legal or other reasons, be passed from a third country to the group auditor, the audit documentation prepared by the group auditor shall include evidence that the group auditor has undertaken appropriate procedures in order to gain access to the audit documentation from the third country. Where the group auditor is unable to gain access to the audit documents for impediments other than legal ones, the group auditor shall provide evidence supporting the existence of such impediments.

2) Where an auditor or an audit firm carries out a statutory audit of an undertaking which is part of a group whose parent undertaking is situated in a third country, the confidentiality and professional secrecy rules set out in this Act shall not impede the transfer by the auditor or the audit firm of relevant documentation concerning the audit work performed to the group auditor situated in a third country if such documentation is necessary for the performance of the audit of consolidated financial statements of the parent undertaking.

3) An auditor or an audit firm that carries out the statutory audit of an undertaking which has issued securities in a third country, or which forms part of a group issuing statutory consolidated financial statements in a third country, may transfer the audit working papers or other documents relating to the audit of that entity that they hold to the competent authority in the third country as referred to in Article 87(1) only by way of official administrative assistance under the conditions set out in Article 88.

4) The transfer of information to the group auditor situated in a third country shall be in conformity with the provisions set out in Article 8 of the Data Protection Act.

Article 40

Change of auditor or audit firm

Where, in the case of a statutory audit, an auditor or an audit firm is replaced by another auditor or audit firm, the outgoing auditor or audit firm shall provide the incoming auditor or audit firm with access to all relevant information concerning the audited entity and the most recent audit of that entity.

Article 41

Internal organisation of auditors and audit firms

1) Audit firms shall ensure that appropriate procedures are established for their employees to report potential or actual breaches of this Act or of Regulation (EU) No 537/2014 internally through a specific channel.

2) Audit firms shall establish appropriate policies and procedures to ensure that its owners or shareholders, as well as the members of the administrative, management and supervisory bodies of the firm, or of an affiliate firm, do not intervene in the carrying out of a statutory audit in

any way which jeopardises the independence and objectivity of the auditor who carries out the statutory audit on behalf of the audit firm.

3) Auditors and audit firms shall have sound administrative and accounting procedures, internal quality control mechanisms, effective procedures for risk assessment, and effective control and safeguard arrangements for information processing systems. Those internal quality control mechanisms must be designed to secure compliance with decisions and procedures at all levels of the audit firm or of the working structure of the auditor.

4) Auditors and audit firms shall establish appropriate policies and procedures to ensure that their employees and any other natural persons whose services are placed at their disposal or under their control, and who are directly involved in the statutory audit activities, have appropriate knowledge and experience for the duties assigned.

5) Auditors and audit firms shall establish appropriate policies and procedures to ensure that outsourcing of important audit functions is not undertaken in such a way as to impair the quality of the auditor's or the audit firm's internal quality control and the ability of the FMA to supervise the auditor's or the audit firm's compliance with the obligations laid down in this Act and Regulation (EU) No 537/2014. Any outsourcing of audit functions shall not affect the responsibility of the auditor or the audit firm towards the audited entity.

6) Auditors and audit firms shall establish appropriate and effective organisational and administrative arrangements to prevent, identify, eliminate or manage and disclose any threats to their independence as referred to in Articles 31 to 36.

7) Auditors and audit firms shall establish appropriate policies and procedures for carrying out statutory audits, coaching, supervising and reviewing employees' activities and organising the structure of the audit file as referred to in Article 42(6).

8) Auditors and audit firms shall establish an internal quality control system to ensure the quality of the statutory audit. The quality control system shall at least cover the policies and procedures described in paragraph 7. In the case of an audit firm, responsibility for the internal quality control system shall lie with an auditor.

9) Auditors and audit firms shall use appropriate systems, resources and procedures to ensure continuity and regularity in the carrying out of their statutory audit activities.

10) Auditors and audit firms shall establish appropriate and effective organisational and administrative arrangements for dealing with and recording incidents which have, or may have, serious consequences for the integrity of their statutory audit activities.

11) Auditors and audit firms shall have in place adequate remuneration policies, including profit-sharing policies, providing sufficient performance incentives to secure audit quality. In particular, the amount of revenue that the auditor or the audit firm derives from providing non-audit services to the audited entity shall not form part of the performance evaluation and remuneration of any person involved in, or able to influence the carrying out of, the audit.

12) Auditors and audit firms must monitor and evaluate the adequacy and effectiveness of their systems, internal quality control mechanisms and arrangements established in accordance with this Act and take appropriate measures to address any deficiencies. They shall in particular carry out an annual evaluation of the internal quality control system referred to in subparagraph 8. The auditors or audit firms shall document the findings of that evaluation and any proposed measure to modify the internal quality control system.

13) The policies and procedures referred to in paragraphs 1 to 12 shall be documented by the auditor or audit firm and communicated to their employees. Any outsourcing of audit functions as referred to in paragraph 5 shall not affect the responsibility of the auditor or the audit firm towards the audited entity.

14) Auditors and audit firms shall take into consideration the scale and complexity of their activities when complying with the requirements set out in paragraphs 2 to 13. They must be able to demonstrate to the FMA that the policies and procedures designed to achieve such compliance are appropriate given the scale and complexity of their activities.

Article 42

Organisation of the work of the auditor or audit firm

1) An audit firm shall designate at least one key audit partner for the carrying out of the statutory audit. Securing audit quality, independence and competence shall be the main criteria when the audit firm selects the key audit partner(s) to be designated. The key audit partner(s) must be actively involved in the carrying out of the statutory audit.

2) The audit firm shall provide the key audit partner with sufficient resources and with personnel that have the necessary competence and capabilities to carry out the key audit partner's duties appropriately.

3) When carrying out the statutory audit, auditors shall devote sufficient time to the engagement and shall assign sufficient resources to enable them to carry out their duties appropriately.

4) Auditors and audit firms shall keep records of any breaches of the provisions of this Act and of Regulation (EU) No 537/2014 concerning statutory audits, with the exception of minor breaches. Auditors and audit firms shall also keep records of any consequence of any breach, including the measures taken to address such breach and to modify the internal quality control system. Each year, they shall prepare a report containing an overview of any such measures taken and must communicate that report internally. When auditors or audit firms ask external experts for advice, they shall document the request made and the advice received.

5) Auditors and audit firms shall maintain a client account record. Such record shall include the following data for each audit client:

- a) the name, the address and the place of business;
- b) in the case of an audit firm, the names of the key audit partners;
- c) the fees charged for the statutory audit and the fees charged for other services in any financial year.

6) Auditors and audit firms must create an audit file for each statutory audit (audit documentation). The audit file shall contain the documentation required to be prepared under this Act. Auditors and audit firms shall retain in the audit documentation any other data and documents that are of importance in justifying audit findings and for observing compliance with the legal requirements. The audit findings and observations result from:

- a) the report to be prepared as referred to in Article 196 of the Law and Persons and Companies or Regulation (EU) No 537/2014; and
- b) the additional report to the audit committee to be prepared for the statutory audit of public-interest entities and the report on irregularities, including fraud or error.

7) The audit file must be closed no later than 60 days after the date of signature of the report as referred to in Article 196 of the Law on Persons and Companies or Regulation (EU) No 537/2014.

8) Auditors and audit firms shall keep records of any complaints made in writing about the performance of the statutory audits carried out.

Article 43

Retention obligations

Auditors and audit firms shall retain in Liechtenstein the audit documentation as well as the reports, notifications and notices submitted in this connection for a period of at least ten years after they have been prepared.

C. Special provisions for the performance of statutory audits of public-interest entities

Article 44

Applicable law

Unless otherwise specified below, Articles 31 to 43 and the provisions of Regulation (EU) No 537/2014 shall apply to the performance of statutory audits of public-interest entities.

Article 45

Independence and objectivity

An auditor or key audit partner who carries out a statutory audit on behalf of an audit firm may not perform any functions within the meaning of Article 31(5) in statutory audits of public-interest entities before a period of at least two years has elapsed since ceasing to act as an auditor or key audit partner in connection with the audit engagement.

Article 46

Exemptions to the prohibition of the provision of non-audit services

1) Auditors and audit firms carrying out the statutory audit of a public-interest entity, or any member of the network to which the auditor or the audit firm belongs, may provide the following services in accordance with the requirements set out in Article 5(3) of Regulation (EU) No 537/2014:

- a) preparation of tax forms;

- b) identification of public subsidies and tax incentives unless support from the auditor or the audit firm in respect of such services is required by law;
- c) support regarding tax inspections by tax authorities unless support from the auditor or the audit firm in respect of such services is required by law;
- d) calculation of direct and indirect tax and deferred tax;
- e) provision of tax advice;
- f) valuation services, including valuations performed in connection with actuarial services or litigation support services.

2) The services performed in accordance with paragraph 1 and the fulfilment of the requirements set out in Article 5(3) of Regulation (EU) No 537/2014 shall be documented.

Article 47

Audit fees

The FMA may, on request and on an exceptional basis, allow the auditor or audit firm to be exempt from the requirements in Article 4(2)(3) of Regulation (EU) No 537/2014 in respect of an audited entity for a period not exceeding two financial years.

C^{bis}. Special provisions for the performance of sustainability reporting audits¹⁹

Article 47a²⁰

Applicable law

1) Unless otherwise specified below, Articles 31 to 37 and 39 to 43 and additionally – in the case of public-interest entities – Articles 44 and 45, Article 46(1)(a) to (e) and (2), and Article 47 shall apply *mutatis mutandis* to the performance of sustainability reporting audits.

¹⁹ Title preceding Article 47a inserted by LGBL 2024 No. 171. The provisions on the performance of sustainability reporting audits set out in LGBL 2024 No. 171 shall apply for the first time to audits for financial years beginning on or after 1 January 2024.

²⁰ Article 47a inserted by LGBL 2024 No. 171.

2) Auditors and audit firms and any member of a network to which the auditor or audit firm belongs may provide the following services in addition to those specified in Article 46(1)(a) to (e) when auditing the sustainability reporting of public-interest entities, provided that they are not statutory auditors of these entities:

- a) tax advice in connection with issues relating to wage tax deduction at source (wage tax);
- b) tax advice in connection with issues relating to customs duties; and
- c) services in connection with payroll accounting.

Article 47b²¹

Performance of audits

If the same auditor or audit firm performs the statutory audit and the sustainability reporting audit, the audit file for the sustainability reporting audit may be included in the audit file for the statutory audit.

Article 47c²²

Auditing standards

1) When carrying out a sustainability reporting audit, auditors and audit firms must apply the auditing standards adopted by the European Commission in accordance with the procedure referred to in Article 26a of Directive 2006/43/EC.

2) Until the adoption of the auditing standards in accordance with paragraph 1, the Government shall provide further details regarding the applicable auditing standards by ordinance.

²¹ Article 47b inserted by LGBI. 2024 No. 171.

²² Article 47c inserted by LGBI. 2024 No. 171.

D. Special provisions for the performance of audits under special legislation

Article 48

Performance of regulatory audits

- 1) Unless otherwise provided by special legislation, Articles 31 to 47 – with the exception of Article 38 – shall apply *mutatis mutandis* to the performance of regulatory audits.
- 2) The FMA may issue guidelines on further principles for carrying out regulatory audits.

Article 49

Performance of statutory audits

- 1) Unless otherwise provided by special legislation, Articles 31 to 47 shall apply to the performance of statutory audits, subject to paragraphs 2 to 4.
- 2) When carrying out a statutory audit of entities which have been granted a licence under special legislation by the FMA, auditors or audit firms shall, in derogation from Article 38, apply the relevant international auditing standards in the version in effect at the time of the audit.
- 3) To the extent that international auditing standards as referred to in paragraph 2 have been adopted by the European Commission, auditors or audit firms shall apply them.
- 4) The FMA may issue guidelines on further principles for carrying out statutory audits.

IV. Quality assurance review

Article 50

Object and scope

1) Auditors and audit firms shall be subject to a quality assurance review with regard to the performance of statutory audits and sustainability reporting audits.²³

2) The quality assurance review shall, taking into account the scope and complexity of the work of the auditor or audit firm, include an appropriate and adequate assessment of at least the following areas:

- a) establishment of and adherence to quality assurance measures at the level of the audit firm;
- b) review of working papers to determine the effectiveness of the internal quality assurance system;
- c) an assessment, taking into account the results of the quality assurance review referred to in subparagraphs (a) and (b), of the content of the most recent annual transparency report published by an auditor or audit firm of a public-interest entity;
- d) compliance with relevant auditing standards, professional principles, and independence requirements;
- e) the quantity and quality of the resources used and the fees calculated;
- f) the appropriateness of continuous training;
- g) application of the auditing standards set out in Articles 38, 47c and 49(2) and (3) in a manner that appropriately takes account of the size and complexity of the audited entity's business activities.²⁴

3) Quality assurance reviews must be carried out at least:²⁵

- a) in the case of auditors and audit firms carrying out statutory audits:
 - 1. of public-interest entities that are considered large companies within the meaning of Article 1064(3) of the Law on Persons and Companies: every three years;
 - 2. of all other entities: every six years;

²³ Article 50(1) amended by LGBL 2024 No. 171.

²⁴ Article 50(2)(g) amended by LGBL 2024 No. 171.

²⁵ Article 50(3) amended by LGBL 2024 No. 171.

b) in the case of auditors and audit firms carrying out sustainability reporting audits: every six years.

4) The Government shall provide further details of the content and performance of quality assurance tests by ordinance.

Article 51

Quality assurance body

1) The FMA shall be responsible for carrying out quality assurance reviews.

2) The FMA may carry out quality assurance reviews itself at any time or, on an exceptional basis, have them conducted by experts mandated by the FMA. However, experts shall not be involved in any decision-making of the FMA.

3) The persons who carry out quality assurance reviews shall have appropriate professional education and relevant practical experience in statutory audit, preparation and audit of sustainability reports, and financial reporting as well as specific training on quality assurance reviews. They shall be selected in such a way that conflicts of interest are excluded and independence is not jeopardised.²⁶

4) A person shall not be allowed to act as a reviewer in a quality assurance review of an auditor or an audit firm until at least three years have elapsed since that person ceased to be a partner or an employee of, or otherwise associated with, that auditor or audit firm;

5) Reviewers shall declare that there are no conflicts of interest between them and the auditor or the audit firm to be reviewed.

Article 52

Review report and activity report

1) Each quality assurance review shall be the subject of a review report which shall contain the main conclusions of the review. The report shall not be published.

2) The recommendations made in review reports shall be followed up by the auditor or audit firm within a period determined by the FMA. In

²⁶ Article 51(3) amended by LGBL 2024 No. 171.

the case of recommendations on the internal quality assurance system of the auditor or audit firm, this period shall be no longer than 12 months.

3) The FMA shall report annually in an activity report on the overall results of its quality assurance reviews of auditors and audit firms and submit a work programme with objectives and priorities for the following year.

V. Termination of licence

Article 53

Revocation

1) The FMA shall revoke the licence if:

- a) the licence holder obtained the licence dishonestly by providing false information or in any other unlawful manner; or
- b) material circumstances were not known when the licence was granted.

2) Before revoking a licence, the FMA shall hear the Association of Auditors.

3) The revocation of a licence shall be published in the Official Journal at the licence holder's expense.

Article 54

Lapse

1) The licence shall lapse if:

- a) the licence holder dies or becomes incapable of acting or is removed from the Commercial Register;
- b) the business activity is not taken up within one year of the granting of the licence;
- c) the business activity is no longer carried out for at least one year;
- d) the licence is renounced in writing; or
- e) a permanent prohibition on practising the profession has been imposed pursuant to Article 80(3)(c).

2) In justified cases, the FMA may, upon application, appropriately extend the periods referred to in paragraph 1(b) and (c).

3) The lapse of a licence shall be published in the Official Journal at the licence holder's expense.

Article 55

Withdrawal

1) The FMA may withdraw the licence if:

- a) the conditions for granting the licence are no longer met or restrictions or stipulations associated with the licence are not complied with;
- b) the obligations under this Act, the associated ordinances, and Regulation (EU) No 537/2014 are gravely violated; or
- c) official orders are gravely violated, in particular the demand of the FMA to restore a lawful state of affairs is not complied with.

2) Before withdrawing a licence, the FMA shall hear the Association of Auditors.

3) The withdrawal of a licence shall be published in the Official Journal at the licence holder's expense.

Article 56

Compulsory dissolution

1) A company that carries out an activity referred to in Article 2 without a licence shall be dissolved at the request of the FMA by the Office of Justice, if required for the purposes of this Act.

2) The FMA shall take the measures necessary to carry out the liquidation and winding up of the ongoing business and shall give the necessary instructions to the liquidator.

3) The FMA shall be responsible for the selection of the liquidator to be appointed. The Office of Justice shall appoint and dismiss the liquidator.

4) The rules governing liquidation set out in Articles 130 et seq. of the Law on Persons and Companies, in particular concerning the apportionment of costs under Article 133(6) of the Law on Persons and

Companies, shall apply *mutatis mutandis*, if the Government agrees to bear costs.

5) Before a compulsory dissolution, the FMA shall hear the Association of Auditors.

6) The dissolution of a non-licensed company shall be published in the Official Journal at the expense of the responsible persons or at the expense of the estate.

Article 57

Winding up of mandates

1) If, in the event that a licence is terminated, a proper winding up of mandates cannot be guaranteed, the Association of Auditors shall coordinate the winding up of the mandates of the licence holder.

2) The Association of Auditors shall have comprehensive rights of information and inspection in relation to the courts, the FMA, and the clients for the purpose of performing its responsibilities under paragraph 1; it shall be bound to secrecy.

3) The FMA shall inform the Association of Auditors without delay of the termination of a licence.

VI. Relationship with the European Economic Area and Switzerland

A. Establishment

1. Auditors

Article 58

Basic principle

Natural persons who are citizens of an EEA Contracting Party or Switzerland and who are entitled under the rules of an EEA Contracting Party or Switzerland to perform activities on a professional basis as referred to in Article 2 may establish themselves in Liechtenstein in accordance with Article 59 to perform these activities.

Article 59

Licence and registration

1) Establishment as referred to in Article 58 shall require a licence issued by the FMA.

2) The licence shall be granted upon application if the natural person provides evidence that they:

- a) are entitled to perform activities on a professional basis as referred to in Article 2 in an EEA Contracting Party or Switzerland and are not prohibited from doing so, even temporarily, at the time the application is submitted;
- b) fulfil the conditions set out in Article 5(a), (b), (g), and (h); and
- c) have passed the examination of professional competence referred to in Article 60.

3) Once the licence becomes legally effective, the natural person shall be entered in the register as referred to in Article 17 et seq. The FMA shall inform the competent supervisory authority in the home State that the registration has occurred.

Article 60

Examination of professional competence

1) The examination of professional competence is a state examination limited to the professional knowledge of the applicant, with the aim of assessing the ability of the applicant to pursue the profession of auditor in Liechtenstein.

2) The examination of professional competence must take account of the fact that the applicant is a qualified professional in an EEA Contracting Party or Switzerland for performing activities referred to in Article 2. It shall merely be assessed whether the applicant has sufficient knowledge of the relevant Liechtenstein legal and administrative provisions to perform the activities referred to in Article 2.

3) The FMA shall admit an applicant to the examination of professional competence if the applicant meets the conditions set out in Article 5(a) to (c).

- 4) The examination of professional competence shall comprise:
 - a) two written papers:
 1. one from the fields of auditing, financial reporting, and company law; and
 2. one from the field of tax and duty law;
 - b) an oral examination in the fields of professional law, company law, property law, and due diligence law.
- 5) The examination of professional competence shall be administered by the Examining Board for Auditors.
- 6) The Government shall provide further details by ordinance.

2. Audit firms

Article 61

Basic principle

Legal persons whose registered office is in an EEA Contracting Party and who are entitled to perform activities on a professional basis there as referred to in Article 2 may establish themselves in Liechtenstein in accordance with Article 62 to perform these activities.

Article 62

Licence and registration

- 1) Establishment as referred to in Article 61 shall require a licence issued by the FMA.
- 2) The licence shall be granted upon application if the legal person provides evidence that it:
 - a) has its registered office in an EEA Contracting Party and is entitled to perform activities on a professional basis there as referred to in Article 2 and is not prohibited from doing so, even temporarily, at the time the application is submitted; and
 - b) fulfils the conditions set out in Article 13(c) to (f).

3) Once the licence becomes legally effective, the legal person shall be entered in the register as referred to in Article 17 et seq. The FMA shall inform the competent supervisory authority in the home State that the registration has occurred.

Article 63

Performance of activities

A legal person as referred to in Article 61 may perform the activities referred to in Article 2 only through natural persons holding a licence issued by the FMA under this Act.

3. Joint provisions

Article 64

Professional designation and business name

1) Natural persons with a licence pursuant to Article 58 must use a professional designation in accordance with Article 23(1) when performing the activities in Liechtenstein as referred to in Article 2.

2) Legal persons with a licence pursuant to Article 61 must use a business name in accordance with Article 23(2) when performing the activities in Liechtenstein as referred to in Article 2.

Article 65

Supplementary law

Unless otherwise provided in this Section, the provisions of this Act shall apply *mutatis mutandis* to natural and legal persons established in Liechtenstein.

B. Free movement of services

1. Auditors

Article 66

Basic principle

Natural persons who are citizens of an EEA Contracting Party or Switzerland and who are entitled under the provisions of an EEA Contracting Party or Switzerland to perform activities on a professional basis as referred to in Article 2 may perform these activities in Liechtenstein on a temporary basis in accordance with Article 67.

Article 67

Licence and registration

1) Performance of the activities as referred to in Article 66 shall require a licence issued by the FMA.

2) The licence shall be granted upon application if the natural person provides evidence that they:

- a) are entitled to perform activities on a professional basis as referred to in Article 2 in an EEA Contracting Party or Switzerland and are not prohibited from doing so, even temporarily, at the time the application is submitted;
- b) fulfil the conditions set out in Article 5(a), (b), and (g);
- c) have a professional domicile in an EEA Contracting Party or Switzerland; and
- d) have passed the examination of professional competence referred to in Article 60.

3) Once the licence becomes legally effective, the natural person shall be entered in the register as referred to in Article 17 et seq. The FMA shall inform the competent supervisory authority in the home State that the registration has occurred.

2. Audit firms

Article 68

Basic principle

1) Legal persons whose registered office is in an EEA Contracting Party or Switzerland and who are entitled to perform activities on a professional basis there as referred to in Article 2 may perform these activities in Liechtenstein on a temporary basis in accordance with Article 69 or 70, provided they are not prohibited from doing so, even temporarily, at the time the application for registration or licensing is submitted.

2) Legal persons as referred to in this Subsection shall be deemed equivalent to other entities, regardless of their legal form, which have been authorised under the law of an EEA Contracting party or Switzerland to perform activities referred to in Article 2.

Article 69

Registration of legal persons from EEA Contracting Parties

1) Legal persons whose registered office is in another EEA Contracting Party must register with the FMA before taking up their activities in Liechtenstein in accordance with Articles 17 et seq.

2) The registration shall be performed if:

- a) the legal person's key audit partner responsible for conducting the statutory audit in question holds a licence under this Act;
- b) the legal person has liability insurance as set out in Article 10; and
- c) the legal person presents a certification from the competent supervisory authority in the home State attesting to the authorisation and registration there, which is not more than three months old.

3) The FMA shall inform the competent supervisory authority in the home State that the registration has occurred.

4) If the conditions for registration set out in paragraphs 1 and 2 are no longer met, the registration shall be removed *ex officio*.

Article 70

Licensing and registration of legal persons from Switzerland

1) Legal persons whose registered office is in Switzerland shall require a licence issued by the FMA to perform the activities as referred to in Article 68. There is no entitlement to the granting of a licence.

2) The licence may be granted upon application if the legal person provides evidence that it:

- a) is entitled to perform activities on a professional basis as referred to in Article 2 in Switzerland and is not prohibited from doing so, even temporarily, at the time the application is submitted;
- b) fulfils the conditions set out in Article 13(c), (d), and (f); and
- c) has a place of business in Switzerland.

3) Once the licence becomes legally effective, the legal person shall be entered in the register as referred to in Article 17 et seq. The FMA shall inform the competent supervisory authority in Switzerland that the registration has occurred.

Article 71

Performance of activities

Legal persons as referred to in Article 68 may perform the activities referred to in Article 2 only through natural persons holding a licence issued by the FMA under this Act.

3. Joint provisions

Article 72

Professional designation and business name

1) Natural persons with a licence pursuant to Article 66 must use a professional designation in accordance with Article 23(1) when performing activities in Liechtenstein as referred to in Article 2.

2) Legal persons as referred to in Article 68 must use the business name which they are entitled to use in an EEA Contracting Party or Switzerland

in accordance with the law applicable there when performing activities referred to in Article 2.

Article 73

Supplementary law

1) Unless otherwise provided in this Section, the provisions of this Act shall apply *mutatis mutandis* to natural and legal persons licensed to perform activities on a temporary basis by virtue of free movement of services.

2) With respect to the quality assurance review pursuant to Article 50, the FMA shall take into account the circumstances in the home State in question.

VII. Relationship to third countries

Article 74

Registration of third-country auditors

1) Third-country auditors are required to register in accordance with Articles 17 et seq. if they intend to issue a report as referred to in Article 196 or 196b of the Law on Persons and Companies for an undertaking whose registered office is outside the EEA and whose transferable securities are admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU in Liechtenstein, except when the undertaking in question is an issuer exclusively of outstanding debt securities for which one of the following applies:²⁷

- a) They have been admitted to trading on a regulated market in an EEA Contracting Party prior to 31 December 2010 and the denomination per unit of which is, at the date of issue, at least 50 000 euros or, in the case of debt securities denominated in another currency, equivalent, at the date of issue, to at least 50 000 euros.
- b) They are admitted to trading on a regulated market in an EEA Contracting Party from 31 December 2010 and the denomination per unit of which is, at the date of issue, at least 100 000 euros or, in case

²⁷ Article 74(1) introductory phrase amended by LGBI. 2024 No. 171.

of debt securities denominated in another currency, equivalent, at the date of issue, to at least 100 000 euros.

2) Third-country auditors may be registered only if they meet licensing conditions equivalent to those set out in Article 5 or 13.

3) If the conditions for registration set out in paragraphs 1 and 2 are no longer met, the registration shall be removed *ex officio*.

Article 75

Obligations of third-country auditors

1) When carrying out the audit of the annual financial statements or consolidated financial statements or of sustainability reporting or consolidated sustainability reporting, third-country auditors must observe the following:²⁸

- a) the auditing standards set out in Article 38, 47c or 49(2) and (3);
- b) the provisions on independence, objectivity, and professional scepticism set out in Articles 31 to 37, 44 to 46 and 47a;
- c) the provisions on audit fees set out in Article 31(7), 47 and 47a.

2) Third-country auditors shall publish an annual transparency report on their website.

VIII. Organisation and implementation

A. General provisions

Article 76

Bodies

The following bodies shall be entrusted with the implementation of this Act:

- a) the FMA;
- b) the Association of Auditors;
- c) the Examining Board for Auditors.

²⁸ Article 75(1) amended by LGBl. 2024 No. 171.

Article 77

Processing of personal data

The competent domestic authorities and bodies may process or have processed personal data, including personal data relating to criminal convictions and offences, to the extent necessary for the performance of the tasks assigned to them under this Act.

Article 78

Official secrecy

1) The bodies mandated to implement this Act and any other persons consulted by these bodies shall be subject to official secrecy without any time limits with respect to the confidential information that they gain knowledge of in the course of their official activities.

2) The information subject to official secrecy may not be transmitted to others, subject to provisions of criminal law and other special legal provisions.

B. FMA**1. Responsibilities and powers**

Article 79

Responsibilities

1) The FMA is responsible for the supervision of auditors and audit firms. It is responsible in particular for:

- a) granting, revoking, and withdrawing licences;
- b) monitoring compliance with licensing conditions;
- c) monitoring compliance with the obligations under this Act and the associated ordinances, Regulation (EU) No 537/2014, and the rules of professional conduct issued by the Association of Auditors in accordance with Article 92(1)(g);
- d) carrying out quality assurance reviews;
- e) admitting applicants to the auditor examination and examination of professional competence;

- f) keeping a register as referred to in Article 17 et seq.;
- g) cooperating with domestic and foreign authorities;
- h) exercising powers under Article 80 and punishing contraventions under Article 101.

2) The FMA may engage experts for the purpose of ensuring and performing its duties. The mandated experts shall be released from their obligation of secrecy in relation to the FMA. The experts shall not be involved in the decision-making processes of the FMA.

Articles 80

Powers

1) The FMA may take the measures necessary to fulfil its supervisory and control duties. In particular, it may:

- a) demand from auditors and audit firms and their employees all information and documents necessary for the execution of this Act;
- b) demand that auditors and audit firms cease any practice in violation of this Act or the associated ordinances;
- c) impose a temporary prohibition on the performance of the activities referred to in Article 2 as auditors or audit firms.

2) In the event of breaches of the statutory audit or sustainability reporting audit obligations under Articles 31 to 43, 45 to 47c, and 49 of this Act or Articles 4 to 8, 10 to 15, 17 and 18 of Regulation (EU) No 537/2014, the FMA may furthermore, subject to Article 101(1):²⁹

- a) demand that the auditor or audit firm responsible for the breach cease the conduct and abstain from any repetition of that conduct;
- b) publish on its website a notice which indicates the auditor or audit firm responsible and the nature of the breach;
- c) impose a temporary prohibition, of up to three years' duration, banning an auditor, an audit firm, or a key audit partner from carrying out statutory audits or sustainability reporting audits or signing reports as referred to in Article 196 or 196b of the Law on Persons and Companies;³⁰

²⁹ Article 80(2) introductory phrase amended by LGBL 2024 No. 171.

³⁰ Article 80(2)(c) amended by LGBL 2024 No. 171.

- d) issue a notice that the report as referred to in Article 196 or 196b of the Law on Persons and Companies does not meet the legal requirements;³¹
- e) impose a temporary prohibition, of up to three years' duration, banning a member of an audit firm from exercising functions in audit firms.

3) In the event of breaches of the duties set out in Articles 23 to 26 and 28 to 30, as well as of the rules of professional conduct issued in this regard by the Association of Auditors in accordance with Article 92(1)(g), the FMA may, subject to Article 101(2), take the following action against auditors and audit firms:

- a) issue a written reprimand;
- b) impose a prohibition to perform the activities referred to in Article 2 for a period of up to one year;
- c) impose a permanent prohibition to perform the activities referred to in Article 2.

4) If the FMA gains knowledge of violations of this Act, the associated ordinances, or Regulation (EU) No 537/2014 or of any other irregularities, it shall take the measures necessary to restore a lawful state of affairs and to eliminate the irregularities.

5) The FMA shall have the power to carry out inspections or have inspections carried out at the business premises of auditors and audit firms (on-site inspections) in the event of suspected breaches of the provisions of this Act, the associated ordinances, or Regulation (EU) No 537/2014, if there are indications of such breaches or for the purpose of protecting clients. The costs incurred in this regard shall be borne by the auditor or the audit firm if a violation of provisions of supervision law is found; in all other cases, the costs shall be borne by the State.

6) If there are grounds to assume that an activity subject to this Act is being carried out without registration or a licence, the FMA may demand information and documents from the persons concerned as well as from third parties as if they were subordinated persons.

7) The FMA may, in an appropriate manner, inform the public that a named person or a company is not entitled to perform an activity under this Act.

³¹ Article 80(2)(d) amended by LGBI. 2024 No. 171.

Article 81

Independence of the FMA

- 1) The FMA must be independent of the supervised auditors and audit firms.
- 2) The supervision of the auditors and audit firms by the FMA shall be conducted by non-practitioners.

Article 82

Reporting of breaches

- 1) The FMA shall have an effective and reliable reporting system at its disposal through which potential or actual breaches of provisions of this Act, the associated ordinances, and Regulation (EU) No 537/2014 can be reported via a generally accessible, secure reporting channel.
- 2) The reporting system shall include at least:
 - a) specific procedures for the receipt of reports of breaches and their follow-up;
 - b) appropriate protection for employees of auditors and audit firms who report breaches committed within their undertakings against retaliation, discrimination, or other types of unfair treatment at a minimum;
 - c) protection of personal data in line with the Data Protection Act concerning both the person who reports the breach and the person who is suspected of committing, or who has allegedly committed that breach;
 - d) clear rules ensuring that confidentiality is guaranteed in all cases in relation to the person who reports a breach, unless disclosure is required in the context of prosecutorial, judicial, or administrative proceedings.
- 3) A report by employees of auditors and audit firms to the FMA shall not be considered a breach of a contractual or legal obligation of secrecy and shall not entail any liability of the reporting person in this regard.
- 4) The Government may provide further details by ordinance.

Article 83

Supervision taxes and fees

Supervision taxes and fees shall be in accordance with financial market supervision legislation.

**2. Cooperation with domestic authorities and the
Association of Auditors**

Article 84

Basic principles

1) Within the scope of its supervision, the FMA shall cooperate with domestic authorities and the Association of Auditors to the extent necessary for the performance of its responsibilities.

2) The competent domestic authorities and bodies may transmit to each other personal data to the extent necessary for the performance of their responsibilities.

Article 85

*Cooperation of the courts and the Office of the Public Prosecutor with the
FMA*

1) The courts shall transmit to the FMA, without being requested to do so, all decisions under insolvency or criminal law that the FMA requires for the performance of its responsibilities under this Act.³²

2) The Office of the Public Prosecutor shall inform the FMA of the initiation and discontinuation of criminal proceedings and shall transmit information on these proceedings.

3) The FMA shall transmit to the Office of the Public Prosecutor and the court, *ex officio* or on request, information that the latter require to perform their responsibilities.

³² Article 85(1) amended by LGBL 2020 No. 387.

Article 86

Information provided to the Office of Justice

The FMA shall inform the Office of Justice of the granting, revocation, lapse, and withdrawal of licences and of temporary prohibitions on performing the activities of an auditor or audit firm.

3. Cooperation with foreign authorities

Article 87

Cooperation with competent authorities of the EEA Contracting Parties and the European Supervisory Authorities

1) The FMA shall provide administrative assistance to an authority in another EEA Contracting Party for authorisation, registration, professional supervision, and quality assurance review and may in turn request administrative assistance from a competent foreign authority to the extent required to execute this Act and under Regulation (EU) No 537/2014. If a request cannot be completed within a reasonable period, the FMA shall provide information to that effect, stating the reasons.

2) The FMA shall also provide administrative assistance to the European Banking Authority, the European Insurance and Occupational Pensions Authority, and the European Securities and Markets Authority.

3) The administrative assistance shall consist of all information and documentation that is required for the exercise of the supervisory function in respect of auditors and audit firms, as well as persons who ought to have a licence to that effect.

4) If the FMA has concrete indications that an auditor or an audit firm from another EEA Contracting Party has breached EEA law relating to the audits of annual financial statements and consolidated financial statements or the audits of sustainability reporting and consolidated sustainability reporting, it shall notify the competent body of the other EEA Contracting Party thereof.³³

³³ Article 87(4) amended by LGBL 2024 No. 171.

5) If the FMA has withdrawn or revoked the licence of an audit firm or if the licence has lapsed, it shall notify the competent foreign authority with which the audit firm is also registered within the meaning of Article 69, together with the reasons for doing so.

6) If the FMA receives corresponding indications from the competent authority of another EEA Contracting Party with respect to Liechtenstein auditors or audit firms, the FMA shall take appropriate measures and inform the competent authority of the other EEA Contracting State of the outcome. In addition, the competent authority of another EEA Contracting Party may, through the FMA, request investigations in which representatives of the competent authority may participate if they are bound to confidentiality.

7) Within the scope of its supervision, the FMA may transmit information to competent foreign authorities if:

- a) the information requested is demonstrably necessary for the supervisory activities of the requesting foreign authority;
- b) the sovereignty, security, public order, or other substantial national interests are not violated;
- c) the recipients and the persons employed or engaged by the competent foreign authority are subject to an equivalent obligation of secrecy;
- d) it is guaranteed that the information given will be used only for the purposes of supervisory law relating to the supervision of auditors and audit firms. This includes administrative or judicial proceedings specifically relating to the exercise of this supervision;
- e) the information is forwarded only for those purposes to which the FMA has given its prior written consent;
- f) information that comes from abroad is given with the express consent of the authority that disclosed that information, and if it is guaranteed that the information will be forwarded only for the purposes to which such foreign authority has given its express consent; and
- g) no judgment is pending concerning the same actions and against the same person in Liechtenstein or no judgment has already been handed down concerning the same actions and against the same person in Liechtenstein.

8) Article 26b of the FMA Act (FMAG) shall apply *mutatis mutandis* to cooperation with foreign authorities.

Article 88

Cooperation with competent authorities of third countries

1) Article 87(1) and (3) to (8) shall apply *mutatis mutandis* to cooperation with the competent authorities of third countries, provided that the competent authority in the third country has been declared adequate by the European Commission for the purposes of cooperation and such cooperation is provided for on the basis of reciprocity within the framework of bilateral arrangements. The bilateral arrangements must ensure that:

- a) justification as to the purpose of the request for audit working papers and other documents is provided by the competent authority;
- b) the persons employed or formerly employed by the competent authorities of the third country that receive the information are subject to obligations of confidentiality;
- c) the protection of the commercial interests of the audited entity, including its industrial and intellectual property, is not undermined;
- d) the competent authority of the third country may use audit working papers and other documents only for the exercise of their functions of public oversight, quality assurance and investigations that meet requirements equivalent to in Liechtenstein;
- e) the request from a competent authority of a third country for audit working papers or other documents can be refused where:
 - 1. the provision of those working papers or documents would adversely affect the sovereignty, security or public order of the EEA or Liechtenstein;
 - 2. judicial proceedings have already been initiated in respect of the same actions and against the same persons in Liechtenstein; or
 - 3. final judgment has already been passed in respect of the same actions and against the same person in Liechtenstein.

2) In the event that no bilateral arrangement pursuant to paragraph 1 exists, the Government shall provide further details by ordinance.

4. Cooperation with the Committee of European Auditing Oversight Bodies

Article 89

Basic principle

1) The FMA shall cooperate with the Committee of European Auditing Oversight Bodies in accordance with Regulation (EU) No 537/2014 and Directive 2006/43/EC.

2) If the FMA communicates confidential information to the Committee of European Auditing Oversight Bodies within the scope of cooperation pursuant to paragraph 1, this exchange of information shall not be subject to official secrecy as set out in Article 78.

3) Confidential information as referred to in paragraph 2 may also include personal data on criminal convictions and criminal offences of persons authorised under this Act.

4) Information received in the exchange of information with the Committee of European Auditing Oversight Bodies shall be subject to official secrecy as set out in Article 78.

C. Liechtenstein Association of Auditors

Article 90

Composition and legal form

1) The Liechtenstein Association of Auditors (Association of Auditors) shall be formed by the auditors and audit firms holding a licence issued by the FMA under this Act.

2) The Association of Auditors is a corporate body under public law. It shall be subject to overall supervision by the Government to ensure its lawfulness.

Article 91

Responsibilities

1) The Association of Auditors shall be responsible for safeguarding the reputation and rights and for monitoring the duties of the profession of auditor.

2) In proceedings for breaches of duty against the rules of professional conduct issued by the Association of Auditors in accordance with Article 92(1)(g), the Association of Auditors shall have the status of a party with the rights of application and appeal.

3) The Association of Auditors shall conduct its business through its managing board, to the extent that such business is not expressly assigned to the plenary assembly.

Article 92

Plenary assembly

1) The following matters shall be assigned to the plenary assembly:

- a) election of the chair, the vice chair, and the other members of the managing board;
- b) election of the external auditor;
- c) enactment of the rules of procedure;
- d) fixation of the annual contributions of the members of the Association to defray the administrative costs;
- e) approval of the draft annual financial statement;
- f) approval of the annual financial statement;
- g) enactment of rules of professional conduct in the form of:
 1. professional guidelines;
 2. fee guidelines;
 3. guidelines on basic and continuing training;
 4. guidelines on independence when carrying out statutory audits and reviews;
 5. other auditing standards.

2) The plenary assembly shall be quorate if at least one fourth of the members of the Association are present; it shall pass its resolutions by a simple majority. The passing of resolutions on the rules of procedure shall mandatorily require the presence of at least half of the members of the Association and a majority of two thirds.

3) In order to be legally effective, the rules of procedure of the Association of Auditors shall require the approval of the Government.

4) In order to be legally effective, the rules of professional conduct as referred to in paragraph 1(g) shall require the approval of the FMA.

Article 93

Managing board

1) The managing board of the Association of Auditors shall be composed of at least five members.

2) The chair, the vice chair, and the other members of the managing board shall be elected from among the members of the Association by an absolute majority of the votes of the persons present. The term of office shall be three years. Re-election shall be permissible.

3) The sphere of responsibilities of the managing board shall include:

- a) interaction with authorities, in particular the FMA, and third parties;
- b) the fixation and collection of the annual contributions of the members of the Association;
- c) the preparation of expert opinions on the reasonableness of the fees and the remuneration of the services of auditors or audit firms as well as the requested amicable settlement in a dispute on this subject;
- d) the settlement of disputes between members of the Association;
- e) exercise of the rights of application and appeal in proceedings for breaches of duty against the rules of professional conduct issued by the Association of Auditors in accordance with Article 92(1)(g);
- f) preparation of the business and convening of the plenary assembly;
- g) execution of the resolutions passed by the plenary assembly;
- h) submission of proposals for legislation and expert opinions on bills;
- i) naming of the members of the Examining Board for Auditors;
- k) the organisation of basic and continuing training events or collaboration with other organisers of such events;

- l) collaboration with foreign auditors' organisations.

Article 94

Membership contributions and fixation of contributions

- 1) Auditors and audit firms shall pay an annual membership contribution.
- 2) The membership contribution for audit firms shall consist of:
 - a) a fixed annual contribution; and
 - b) a variable annual contribution based on the number of employees.
- 3) The legally effective fixation of contributions shall constitute an execution title as defined by the Execution Act.

Article 95

Publications of the Association of Auditors

The rules of procedure of the Association of Auditors and its rules of professional conduct shall be published on its website.

D. Examining Board of Auditors

Article 96

Appointment and responsibilities

- 1) The Examining Board for Auditors shall be appointed by the Government for terms of four years. It shall be composed of three members and the same number of substitute members. It shall include one judge of the Court of Justice and two auditors. The Government shall determine the chair.
- 2) The members of the Examining Board shall be independent in the exercise of their office.
- 3) The Examining Board shall be responsible for conducting the auditor examination and the examination of professional competence.
- 4) The Government shall provide further details by ordinance.

IX. Legal remedies

Article 97

Appeal against decisions of the FMA

- 1) Decisions and decrees of the FMA may be appealed within 14 days of service by way of complaint to the FMA Complaints Commission.
- 2) Decisions and decrees of the FMA Complaints Commission may be appealed within 14 days of service by way of complaint to the Administrative Court.

Article 98

Appeal against decisions of the managing board of the Association of Auditors

- 1) Decisions and decrees of the managing board of the Association of Auditors may be appealed within 14 days of service by way of complaint to the Government.
- 2) Decisions and decrees of the Government may be appealed within 14 days of service by way of complaint to the Administrative Court.

Article 99

Appeal against decisions of the Examining Board

- 1) Decisions and decrees of the Examining Board for Auditors may be appealed within 14 days of service by way of complaint to the Government.
- 2) Decisions and decrees of the Government may be appealed within 14 days of service by way of complaint to the Administrative Court.
- 3) The review powers of the Government and the Administrative Court shall be restricted to points of law and fact. Discretion shall be reviewed exclusively under the aspect of the law.

X. Penal provisions

Article 100

Misdemeanours

1) Anyone who performs an activity referred to in Article 2 on a professional basis without being entitled to do so shall be punished by the Court of Justice for a misdemeanour with a custodial sentence of up to one year or with a monetary penalty of up to 360 daily penalty units.

2) Anyone who without a licence uses the professional designation "*Wirtschaftsprüfer*" (auditor) or "*Liechtensteinischer Wirtschaftsprüfer*" (Liechtenstein auditor) or, when performing activities referred to in Article 2 on a professional basis, uses a business name not approved by the FMA shall be punished by the Court of Justice for a misdemeanour with a custodial sentence of up to six months or with a monetary penalty of up to 180 daily penalty units.

3) Where the offence is committed negligently, the maximum penalties shall be reduced by half.

4) The penalty does not remove the obligation to comply with the restrictions and stipulations imposed by this Act and any special decrees.

Article 101

Contraventions

1) The FMA shall punish for a contravention with a fine of up to 100 000 Swiss francs anyone who:

- a) violates the statutory obligations to provide information and reporting obligations vis-à-vis the FMA or a mandated third party within the scope of supervision, makes false statements, conceals material facts, or fails to disclose information and documents;
- b) fails to comply with final decrees, orders, or measures of the FMA;
- c) fails to comply with a demand to cooperate in investigative or administrative assistance proceedings of the FMA;
- d) violates the restrictions or stipulations attached to a licence;
- e) violates the obligations concerning the statutory audit or the sustainability reporting audit pursuant to Articles 31 to 43, 45 to 47c

and 49 of this Act or pursuant to Articles 4 to 8, 10 to 15, 17 and 18 of Regulation (EU) No 537/2014.³⁴

2) The FMA shall punish for a contravention with a fine of up to 50 000 Swiss francs anyone who breaches the duties set out in Articles 23 to 26 and 28 to 30, as well as the rules of professional conduct issued by the Association of Auditors in accordance with Article 92 (1)(g).

3) The FMA shall impose the fine referred to in paragraphs 1 and 2 against a legal person if the contravention is committed in the exercise of the business activities of the legal person (underlying offences) by persons, either acting alone or as a member of the board of directors, the senior management, the management board or supervisory board of the legal person or on the basis of another leadership position within the legal person or on the basis of rights of representation or contractual authority, on the basis of which they:

- a) are authorised to represent the legal person externally;
- b) exercise powers of control in a leading position; or
- c) otherwise exercise material influence over the management of the legal entity.

4) The legal person shall be punishable in accordance with paragraphs 1 and 2 only if it failed to take the necessary and reasonable action to prevent such underlying offences via members of the board of directors, the senior management, the management board or supervisory board or on the basis of another leadership position within the legal person or on the basis of rights of representation or contractual authority.

5) The responsibility of the legal person for the underlying offence in accordance with paragraphs 1 and 2 and the punishability of the persons referred to in paragraph 3 for the same offence are not mutually exclusive. The FMA may refrain from punishing a natural person if a fine has already been imposed on the legal person for the same infringement and there are no special circumstances preventing a waiver of the punishment.

6) The penalty does not remove the obligation to comply with the restrictions and stipulations imposed by this Act and any special decrees.

7) Where the offence is committed negligently, the maximum penalties shall be reduced by half.

³⁴ Article 101(1)(e) amended by LGBL 2024 No. 171.

Article 102

Proportionality and efficiency requirement

1) When imposing penalties under Article 101, the FMA shall take the following into account:

- a) with reference to the infringement, in particular:
 - 1. its gravity and duration;
 - 2. the profits gained or losses avoided, insofar as they can be determined;
 - 3. the losses sustained by third parties, insofar as they can be determined;
- b) with reference to the natural or legal persons responsible for the infringement, in particular:
 - 1. the degree of responsibility;
 - 2. the financial strength;
 - 3. the willingness to cooperate;
 - 4. previous breaches and the danger of repetition.

2) The General Part of the Criminal Code shall apply *mutatis mutandis*.

Article 103

Period of limitation

The period of limitation for prosecution shall be three years.

Article 104

Responsibility

Where violations are committed in the business operations of a legal person, then the penal provisions shall apply to the persons who acted or should have acted on its behalf; the legal person or company shall, however, be jointly and severally liable for monetary penalties and fines.

Articles 105

Publication of sanctions and measures and transfer of information

1) On its website, the FMA shall publish all final sanctions and measures pursuant to Article 80(2) and Article 101(1)(e) without delay, once the person concerned has been informed of the decision. Such publication does not constitute a violation of official secrecy under Article 78. The publication shall contain:

- a) information on the type and nature of the infringement; and
- b) the name or business name of the auditor or audit firm against which the sanction or measure was imposed.

2) The FMA shall announce final sanctions and measures on its website on an anonymous basis where publication of personal data:

- a) would be disproportionate, taking into account the damage to the natural or legal persons concerned; or
- b) would jeopardise the stability of the financial markets or ongoing criminal investigations.

3) If there are grounds for anonymous publication under paragraph 2, but if it must be assumed that these grounds will no longer apply in the foreseeable future, the FMA may refrain from anonymous publication and may publish the sanction or measure in accordance with paragraph 1 once the grounds no longer apply.

4) The FMA shall ensure that the publication is available on its website for at least five years after the sanction or measures has become final. The publication of personal data shall, however, be maintained only as long as none of the criteria referred to in paragraph 2 are met.

5) The FMA shall issue a decree for publication as referred to in paragraph 1; this shall not be the case for anonymous publications.

6) The FMA shall inform the Committee of European Auditing Oversight Bodies annually of all final sanctions and measures imposed.

The FMA shall inform the Committee of European Auditing Oversight Bodies without delay of the measures imposed pursuant to Article 80(2)(c) and (d).

XI. Transitional and final provisions

Article 106

Implementing ordinances

The Government shall issue the ordinances necessary to implement this Act.

Article 107

Repeal of law hitherto in force

The Law of 9 December 1992 on Auditors and Audit Companies (WPRG), LGBL 1993 No. 44, as amended, is hereby repealed.

Article 108

Licences and entitlements under the law hitherto in force

1) All licences granted and entitlements provided for on the basis of the law hitherto in force shall remain in force, subject to paragraphs 2 and 3.

2) Persons who hold a licence under the law hitherto in force but do not perform their business activity at the time of the entry into force of this Act must, within a period of one year after entry into force of this Act, provide the FMA with evidence that they have concluded liability insurance as set out in Article 10. If the deadline is not met, the licence shall lapse.

3) Legal persons who hold a licence granted or entitlement provided for under the law hitherto in force and who do not meet the licensing conditions under Article 13(a) and (b) must, within a period of three years after entry into force of this Act, provide the FMA with evidence of fulfilment of the licensing conditions under Article 13(a) and (b). If this deadline is not met, the licence shall lapse.

4) Liability insurance policies existing at the time of entry into force of this Act shall be adjusted to the provision of Article 10 within a period of six months after entry into force of this Act; evidence of the adjustment shall be submitted to the FMA. If the deadline is not met, the licence shall lapse. In justified cases, the FMA may, upon application, extend the deadline appropriately.

Article 109

Notification obligations

1) Persons holding a licence under the law hitherto in force shall, within six months after entry into force of this Act, notify the FMA of the information required for entry in the register as referred to in Article 19.

2) Auditors who, at the time of entry into force of this Act, are employed by an auditor or an audit firm or are associated with an auditor or an audit firm as a partner or otherwise and who, in addition, also perform activities referred to in Article 2 on a self-employed basis shall notify the FMA of the latter within six months after entry into force of this Act.

3) The notification obligation and the obligation to provide information under Article 27 shall also apply to proceedings pending at the time of entry into force of this Act.

Article 110

Pending proceedings

The law hitherto in force shall apply to proceedings pending at the time of entry into force of this Act.

Article 111³⁵*Performance of statutory audits*

1) The provisions of this Act and of Regulation (EU) No 537/2014 regarding the performance of statutory audits and statutory audits of public-interest entities shall apply for the first time to statutory audits for financial years beginning after 31 December 2020.

2) The law hitherto in force shall apply to the performance of statutory audits and statutory audits of public-interest entities for financial years ending before 1 January 2021.

Article 112

Enactment of rules of professional conduct

The plenary assembly of the Association of Auditors shall issue the rules of professional conduct in accordance with Article 92(1)(g) within 12 months after entry into force of this Act.

Article 112a³⁶*Transitional provisions to the amendments of 7 March 2024*

1) The provisions of this Act on the performance of sustainability reporting audits shall apply for the first time to audits for financial years beginning on or after 1 January 2024.

2) The requirements set out in Article 8(2)(b) must be proven for the first time for licences referred to in Articles 5, 59 and 67 that are granted after 30 June 2026.

3) Auditors who were authorised before 1 July 2026 must provide evidence of the necessary theoretical knowledge in the field of sustainability reporting audits by means of continuing education in accordance with Article 29. This evidence must be submitted to the FMA by 30 June 2026 at the latest. A breach of this obligation shall be punished in accordance with Article 101(2).

³⁵ Article 111 amended by LGBl. 2020 No. 512.

³⁶ Article 112a inserted by LGBl. 2024 No. 171.

4) Persons who have successfully completed the auditor examination or examination of professional competence before 1 July 2026, but are licensed as auditors in accordance with Articles 5, 59 and 67 only after that date, must provide evidence of theoretical knowledge in the field of sustainability reporting audits as referred to in paragraph 3 in the course of the licence application.

Article 113

Change of terms

1) The term "Law on Auditors and Audit Companies" or "Law on Auditors and Audit Companies, LGBL 1993 No. 44" shall be replaced by the term "Auditors Act" – in the grammatically correct form – in:

1. Article 129(2) of the Education Act (SchulG) of 15 December 1971, LGBL 1972 No. 7;
2. Article 24a(1) of the Law of 20 June 2002 on the Electricity Market (Electricity Market Act; EMG), LGBL 2002 No. 144;
3. Article 20a(1) of the Law of 18 September 2003 on the Natural Gas Market (Gas Market Act; GMG), LGBL 2003 No. 218;
4. Article 37(1) of the Gambling Act (GSG) of 30 June 2010, LGBL 2010 No. 235;
5. Article 2(1)(w)(2) and (x)(2) of the Law of 11 December 2008 on Professional Due Diligence for the Prevention of Money Laundering, Organised Crime and Financing of Terrorism (Due Diligence Act; SPG), LGBL 2009 No. 47;
6. Article 7(2) and Article 41(2) of the Law of 22 June 2007 on Takeover Bids (Takeover Act; ÜbG), LGBL 2007 No. 233;³⁷
7. Article 9a(1) of the Law of 18 December 1998 on the Liechtenstein Adult Education Foundation (EbLG), LGBL 1999 No. 49;
8. Article 25(1) of the Law of 25 November 2004 on the University of Liechtenstein (LUG), LGBL 2005 No. 3;
9. Article 10a(1) of the Law of 26 April 2007 on the Agency for International Education Affairs (AIBAG), LGBL 2007 No. 142;
10. Article 11(1) of the Law of 20 November 2009 on the Liechtenstein National Library (LLBiG), LGBL 2009 No. 368;

³⁷ Article 113(1)(6) amended by LGBL 2020 No. 512.

11. Article 10a(1) of the Law of 17 May 2000 on the Kunstmuseum Liechtenstein Foundation (LKMG), LGBL 2000 No. 137;
12. Article 10(1) of the Law of 20 November 2009 on the Liechtenstein National Museum (LLMG), LGBL 2009 No. 369;
13. Article 11(1) of the Law of 20 November 2009 on the Liechtenstein Music School (LMSG), LGBL 2009 No. 371;
14. Article 9a(1) of the Law of 13 December 2001 on the Liechtenstein School of Fine Arts Foundation (LKSG), LGBL 2002 No. 22;
15. Article 12(1) of the Law of 20 September 2007 on the Liechtenstein Cultural Foundation (LKStG), LGBL 2007 No. 291;
16. Article 12 of the Law of 19 November 2009 on the Liechtenstein Power Plants (LKWG), LGBL 2009 No. 355;
17. Article 11(1) of the Law of 1 December 2016 on the Liechtenstein Gas Supply (LGVG), LGBL 2017 No. 26;
18. Article 13(1) of the Law of 29 June 2011 on the LIECHTENSTEINmobil Transport Company (VLMG), LGBL 2011 No. 345;
19. Article 14(1) of the Law of 18 December 1998 on the Establishment and Organisation of the Liechtenstein Postal Service (Postal Organisation Act, POG), LGBL 1999 No. 36;
20. Article 9(1) of the Law of 25 November 2010 on Telecom Liechtenstein AG (TLIG), LGBL 2011 No. 3;
21. Article 27 of the Law of 23 October 2003 on Liechtenstein Broadcasting (LRFG), LGBL 2003 No. 229;
22. Article 16 of the Law of 21 October 1999 on the Liechtenstein National Hospital (LLSG), LGBL 1999 No. 240;
23. Article 12(1) of the Law of 30 June 2010 on Liechtenstein Old-Age and Sickness Assistance (LAKG), LGBL 2010 No. 243;
24. Article 10(1) of the Law of 14 December 1952 on the Old-Age and Survivors' Insurance (AHVG), LGBL 1952 No. 29;
25. Article 12(1) of the Law of 20 October 2011 on the Promotion of the Economic and Tourism Development of the Liechtenstein Location (Location Promotion Act; SFG), LGBL 2011 No. 544;
26. Article 13(1) of the Law of 4 November 2016 on the Establishment for the Financing of Financial Market Stabilisation Measures (Financial Market Stabilisation Establishment Act; FSAG), LGBL 2016 No. 494;

27. Repealed³⁸

28. Repealed³⁹

29. Article 6(1)(l) and Article 43(2) of the Law of 25 November 2005 on Asset Management (VVG), LGBL 2005 No. 278.

2) The term "audit companies" shall be replaced by the term "audit firm" – in the grammatically correct form – in:

1. Repealed⁴⁰

2. Article 2(e) and Article 8(1) of the Trustee Act (TrHG) of 8 November 2013, LGBL 2013 No. 421;

3. Article 23(1)(c) of the Law of 8 November 2013 on the Supervision of Persons under Article 180a of the Law on Persons and Companies, LGBL 2013 No. 426;

4. Article 9a(1) of the Law of 18 December 1998 on the Liechtenstein Adult Education Foundation (EbLG), LGBL 1999 No. 49;

5. Article 25(1) of the Law of 25 November 2004 on the University of Liechtenstein (LUG), LGBL 2005 No. 3;

6. Article 10a(1) of the Law of 26 April 2007 on the Agency for International Education Affairs (AIBAG), LGBL 2007 No. 142;

7. Article 11(1) of the Law of 20 November 2009 on the Liechtenstein National Library (LLBiG), LGBL 2009 No. 368;

8. Article 10a(1) of the Law of 17 May 2000 on the Kunstmuseum Liechtenstein Foundation (LKMG), LGBL 2000 No. 137;

9. Article 10(1) of the Law of 20 November 2009 on the Liechtenstein National Museum (LLMG), LGBL 2009 No. 369;

10. Article 11(1) of the Law of 20 November 2009 on the Liechtenstein Music School (LMSG), LGBL 2009 No. 371;

11. Article 9a(1) of the Law of 13 December 2001 on the Liechtenstein School of Fine Arts Foundation (LKSG), LGBL 2002 No. 22;

12. Article 12(1) of the Law of 20 September 2007 on the Liechtenstein Cultural Foundation (LKStG), LGBL 2007 No. 291;

13. Article 12 of the Law of 19 November 2009 on the Liechtenstein Power Plants (LKWG), LGBL 2009 No. 355;

14. Article 11(1) of the Law of 1 December 2016 on the Liechtenstein Gas Supply (LGVG), LGBL 2017 No. 26;

³⁸ Article 113(1)(27) repealed by LGBL 2020 No. 512.

³⁹ Article 113(1)(28) repealed by LGBL 2020 No. 324.

⁴⁰ Article 113(2)(1) repealed by LGBL 2020 No. 512.

15. Article 13(1) of the Law of 29 June 2011 on the LIECHTENSTEINmobil Transport Company (VLMG), LGBL 2011 No. 345;
16. Article 14(1) of the Law of 18 December 1998 on the Establishment and Organisation of the Liechtenstein Postal Service (Postal Organisation Act, POG), LGBL 1999 No. 36;
17. Article 9(1) of the Law of 25 November 2010 on Telecom Liechtenstein AG (TLIG), LGBL 2011 No. 3;
18. Article 27 of the Law of 23 October 2003 on Liechtenstein Broadcasting (LRFG), LGBL 2003 No. 229;
19. Article 16 of the Law of 21 October 1999 on the Liechtenstein National Hospital (LLSG), LGBL 1999 No. 240;
20. Article 12(1) of the Law of 30 June 2010 on Liechtenstein Old-Age and Sickness Assistance (LAKG), LGBL 2010 No. 243;
21. Article 10(1) of the Law of 14 December 1952 on the Old-Age and Survivors' Insurance (AHVG), LGBL 1952 No. 29;
22. Article 12(1) of the Law of 20 October 2011 on the Promotion of the Economic and Tourism Development of the Liechtenstein Location (Location Promotion Act; SFG), LGBL 2011 No. 544;
23. Article 13(1) of the Law of 4 November 2016 on the Establishment for the Financing of Financial Market Stabilisation Measures (Financial Market Stabilisation Establishment Act; FSAG), LGBL 2016 No. 494;
24. Article 17(2), Article 24(6), heading preceding Article 26, Article 26(1), Article 27, Article 31(1)(a) and (o) to (r), and Article 38(s) of the Law of 11 December 2008 on Professional Due Diligence for the Prevention of Money Laundering, Organised Crime and Financing of Terrorism (Due Diligence Act; SPG), LGBL 2009 No. 47;
25. Article 4(2)(a) and (b) of the Law of 2 March 2016 for the Implementation of Regulation (EU) No 236/2012 on short selling and certain aspects of credit default swaps (EEA Short Selling Regulation Implementation Act; EWR-LVDG), LGBL 2016 No. 147;
26. Repealed⁴¹
27. Article 4(2)(a) and (b) of the Law of 4 November 2016 for the Implementation of Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIP Implementation Act; PRIIP-DG), LGBL 2016 No. 513;

⁴¹ Article 113(2)(26) repealed by LGBL 2020 No. 324.

28. Repealed⁴²

Article 114

Entry into force

This Act shall enter into force at the same time as Decision of the EEA Joint Committee No 102/2018 of 27 April 2018 amending Annex XXII (Company law) and Protocol 37 to the EEA Agreement.⁴³

Representing the Reigning Prince:
signed *Alois*
Hereditary Prince

signed *Adrian Hasler*
Prime Minister

⁴² Article 113(2)(28) repealed by LGBI. 2020 No. 512.

⁴³ Entry into force: 1 January 2021 (LGBI. 2020 No. 426).