

Translation of Liechtenstein Law

Disclaimer

English is not an official language of the Principality of Liechtenstein. This translation is provided for information purposes only and has no legal force. The contents of this website have been compiled with the utmost care to reflect the current situation and the current state of knowledge. However, the provider of this website cannot accept any liability if any of its contents should be found to be inaccurate, incomplete or out of date.

English title:	Investment Undertakings Ordinance (IUV)
Original German title:	Investmentunternehmensverordnung (IUV)
Serial number (LR-Nr.):	951.301
First published:	7 April 2016
First publication no. (LGBl-Nr.):	2016-113
Last amended:	1 May 2022
Date of last amendment - publication no. (LGBl-Nr.):	2022-135
Translation date:	29 September 2022

Liechtenstein Law Gazette

Year 2016

No. 113

published on 7 April 2016

Investment Undertakings Ordinance (IUV)
of 22 March 2016

Pursuant to Article 4(2), Article 5(2), Article 6(4), Article 7(4) and (7), Article 8(4) and (5), Article 9(4) and (11), Article 10(8), Article 13(4), Article 15(1), Article 18(5), Article 19(4), Article 20(4), Article 23(8), Article 25(6), Article 28(2), Article 32(2), Article 34(5), Article 41(4), Article 42(1), Article 44(6), Article 51(7), Article 52(4), Article 61(5), Article 69(4), and Article 73 of the Investment Undertakings Act (IUG) of 2 December 2015, LGBL 2016 No. 45, as amended, the Government issues the following Ordinance:¹

I. General provisions

Article 1

Object

1) This Ordinance, implementing the Investment Undertakings Act (IUG), lays down detailed rules on the taking up, pursuit, and supervision of the activities of investment undertakings and their management companies, in particular:

- a) the categories of investment undertakings;
- b) the legal forms and the structure of the prospectus of investment undertakings;
- c) the business activities of investment undertakings;
- d) the licensing and obligations of management companies;
- e) the depositary;
- f) the investment policy and investor rights;

¹ Preamble amended by LGBL 2020 No. 26.

- g) the auditors; and
- h) supervision.

2) Unless otherwise provided for in this Ordinance, self-managed investment undertakings shall be governed by the rules applicable to the management company, with the proviso that the governing bodies of the investment undertaking shall stand in the place of the management company.

Article 2

Definitions and designations

1) For the purposes of this Ordinance, the following definitions apply:

- a) "single investor" means a natural or legal person who is a qualified investor within the meaning of Article 4(1)(a) or (b) IUG;
- b) "family" means one or more family members;
- c) "family members" means spouses, registered domestic partners, *de facto* domestic partners, and close relatives, such as parents, siblings, children, nephews, nieces and grandchildren, uncles and aunts, first cousins, as well as their respective survivors;
- d) "community of interests" means a group of natural or legal persons and their heirs or legal successors in existence before the investment undertaking has been certified (Article 17 IUG), where each natural or legal person is a qualified investor within the meaning of Article 4 (1)(a) or (b) IUG;
- e) "corporate group" means a group of undertakings with a parent undertaking which directly or indirectly controls one or more subsidiaries and which is obliged to prepare consolidated accounts; each subsidiary of a subsidiary shall also be considered a subsidiary of a parent undertaking which is at the head of those undertakings; the individual undertakings are group undertakings;
- f) "publication medium" means the print media or electronic platforms referred to in the prospectus through which the management company provides investors with the information required by law or ordinance.

2) Unless expressly provided otherwise, the designations of persons and functions contained in this Ordinance shall apply to persons of female and of male gender.

Article 3

Subscription certificate

1) A subscription certificate signed by the investor is a prerequisite for the acquisition of a unit in an investment undertaking.

2) The contents of the subscription form shall contain in particular the following information:

- a) the name and date of birth or business name and date of formation of the investor;
- b) category of the investment undertaking;
- c) information about the specific order;
- d) confirmation by the investor that the investor is a qualified investor as referred to in Article 4(1) IUG;
- e) confirmation by the investor that the investor is an eligible investor in accordance with the prospectus (point 2 of Annex 1).

3) Together with the market participants, the FMA may draw up sample subscription certificates and declare their use to be binding.

II. Investment undertakings

A. Categories

Article 4

Investment undertaking for single investors

An investment undertaking for single investors is an investment undertaking:

- a) which, in accordance with the prospectus, is intended exclusively for a single qualified investor;
- b) which does not invest assets originating from more than one natural or legal person; and
- c) whose investor does not consist of an entity or structure which has a total of more than one investor.

Article 5

Investment undertaking for families

An investment undertaking for a family is an investment undertaking which is exclusively intended to invest the assets of a family, irrespective of the type of legal structure it may set up.

Article 6

Investment undertaking for a community of interests

An investment undertaking for a community of interests is an investment undertaking which is exclusively intended to invest the assets of certain qualified investors of that community of interests, irrespective of the type of legal structure they may set up.

Article 7

Investment undertaking for a corporate group

An investment undertaking for a corporate group is an investment undertaking which is exclusively intended to invest the assets of its group undertakings, irrespective of the type of legal structure they may set up.

B. Legal forms

Article 8

Entry in the Commercial Register

1) The management company shall, within 30 days of delivery of the certification in accordance with Article 17(2) IUG for the contractual investment undertaking and the collective trusteeship, apply to the Office of Justice for entry in the Commercial Register.

2) The prospectus of the investment undertaking, into which the relevant instrument of formation (contract, trust agreement, articles of association, company agreement) is incorporated in accordance with point 1 of Annex 1, shall be deposited with the Office of Justice.

3) The facts entered in the Commercial Register shall be published in extracts by the Office of Justice in the official publication media.

4) Changes to facts entered in the Commercial Register shall be notified to the Office of Justice as soon as possible and within 30 days at the latest.

Article 9²

Recognition of other legal forms of an investment company

1) On application of the management company, the FMA may recognise an establishment, a foundation, or a limited liability company as the legal form of an investment company as referred to in Article 9 IUG.

2) The company agreement or foundation deed shall be governed by the provisions of the PGR.

Article 10

Formation of the investment limited partnership and the investment partnership of limited partners

As long as the investment limited partnership or the investment partnership of limited partners is not entered in the Commercial Register, it shall be regarded as a simple partnership. As soon as investors hold an interest, Articles 733 to 755 PGR apply *mutatis mutandis* to the benefit of the investors. However, the founders remain liable as simple partners until the entry.

Article 11

Exclusion of investors

1) Investors who do not meet the investment conditions may be excluded against reimbursement of their contributions in accordance with the instrument of formation. Moreover, an investor may be excluded if so provided in the instrument of formation.

2) In the event of exclusion, financial equal treatment shall be ensured.

² Article 9 amended by LGBl. 2020 No. 26.

C. Segments

Article 12

Segmented investment undertakings

- 1) Segmented investment undertakings with a single segment are permitted. The prospectus must refer to the fact that there is only one segment.
- 2) If further segments are opened or existing segments dissolved or combined, the prospectus must be adjusted accordingly.
- 3) It is permissible to convert a segmented investment undertaking into a non-segmented investment undertaking and vice versa. All documents to be prepared for an investment undertaking must be adjusted accordingly.
- 4) The prospectus must in particular refer to the fact that:
 - a) separation of the assets of the individual segments is ensured;
 - b) remunerations and liabilities are allocated to the individual segments according to where they arise;
 - c) costs that cannot be allocated to the individual segments according to where they arise shall be charged to the individual segments in proportion to their assets; and
 - d) the investor is entitled only to the assets and income of those segments in which the investor holds an interest.
- 5) If switching from one segment to another is not free of charges, this must be indicated in the prospectus.

D. Business activities

Article 13

Content and publication of the prospectus

- 1) The minimum content of the prospectus shall be governed by Annex 1.

2) Insofar as the IUG, this Ordinance, or the prospectus do not expressly provide for the publication of information in the publication medium, the management company may make such information available to the investor in other physical or electronic form.

Article 14

Changes to the prospectus in the event of restructuring measures or transfers of assets

1) For a change to the prospectus as referred to in Article 19(3)(a) and (c) IUG, the following conditions apply:

- a) the provisions of Article 18 IUG must be complied with;
- b) the prospectuses shall not differ materially from one another in terms of investment policy and the costs charged to the assets of the investment undertaking;
- c) the investment undertakings must be valued on the same valuation basis at the time of the merger or transfer, the exchange ratio must be fixed, and the assets and liabilities must be taken over; and
- d) the investment undertaking and investors shall not incur any direct costs.

2) Paragraph 1 applies *mutatis mutandis* to the merger, division, and transfer of segments.

3) Unit holders shall be given the opportunity to redeem their units within a reasonable period of time and at no additional cost, with the exception of costs provided for in the prospectuses.

4) The FMA may determine additional conditions or grant facilitations in individual cases.

Article 15

Procedural principles for mergers, divisions, and transfers of assets

1) The details of the merger procedure for investment undertakings shall be set out in the prospectus. The prospectus shall in particular contain information on the right of investors to return their units.

2) At the time of the merger or transfer, investors shall receive units in accordance with the specified exchange ratio.

3) In the event of a merger or transfer of investment undertakings, the corresponding provisions of the Law on Persons and Companies (PGR) governing liquidation shall not apply.

4) The FMA may grant a deferment for the redemption of units if the merger or transfer of assets takes more than one day.

5) The management company shall notify the FMA of the formal completion of the merger or transfer. The external auditor shall confirm the completion to the FMA.

6) The provisions of this Article apply *mutatis mutandis* to the division of investment undertakings.

Article 16

Transformation of an investment undertaking into a UCITS or AIF

Investment undertakings may be transformed into undertakings for collective investment in transferable securities (UCITS) or alternative investment funds (AIFs).

Article 17

Accounting principles

1) Unless otherwise provided by law and this Ordinance, investment undertakings are subject to the provisions on commercial accounting (Articles 1045 et seq. PGR).

2) Subject to special provisions, assets and liabilities as well as expense and income items may not be offset against each other.

3) In the case of segmented investment undertakings, the management company shall keep separate accounts for each segment.

4) In the case of segmented investment undertakings, the segments must be presented individually in the business report and in the case of investment companies also in aggregated form; the amounts must be reported in Swiss francs or in another currency in accordance with the relevant provisions of the PGR.

Article 18

Valuation of assets and units

1) The assets shall be calculated at current market value in accordance with the valuation rules set out in the prospectus:

- a) at the end of the accounting year; and
- b) for each day on which units are issued or redeemed.

2) The current market value of a property or right corresponds to the price that would probably be obtained if it were sold carefully at the time of the estimate. In the case of listed securities and of certificated or uncertificated securities traded on a regulated market open to the public, it corresponds to their market price.

3) The net asset value of a unit results from the current market value of the assets reduced by any debt obligations of the investment undertaking and the tax expected to be payable upon liquidation of the assets, divided by the amount of units in circulation.

Article 19

Straight-line depreciation and appreciation

1) In the case of investments in securities or money market instruments with a residual maturity of less than 397 days, the difference between the cost price (acquisition price) and the redemption price (price at maturity) can be depreciated or appreciated on a straight-line basis, and valuation at the current market price can be omitted, if the redemption price is known and fixed. This is subject to any adjustments due to changes in creditworthiness.

- 2) Straight-line depreciation is not permitted for bond funds.

Article 20

Capital gains and losses

1) Gains and losses on the sale of property and rights belonging to the investment undertaking shall be reported in the income statement on the account "Capital gains and losses" during the accounting year.

2) Realised capital gains of the accounting period may be distributed even if there were capital losses in previous accounting years.

Article 21

Revaluation and depreciation

Revaluation of assets credited to and depreciation charged to the income statement is not permitted, with the following exceptions:

- a) straight-line depreciation in accordance with Article 19;
- b) revaluation of building land and buildings in progress by means of interest accumulated during construction at market rates, provided that the investment costs of the object in question are not thereby increased beyond the estimated current market value;
- c) fair depreciation of real property, commensurate with the circumstances; and
- d) amortisation of capitalised start-up costs in connection with the establishment of an investment undertaking.

Article 22

Annual report

1) The annual report shall contain at least the following information, including any explanations:

- a) the financial statement, consisting of the balance sheet at current market value and the income statement, and the information on the appropriation of profit;
- b) the amount of units redeemed and newly issued in the year under review, as well as the total amount of units issued as of the end of the fiscal year;
- c) changes in the composition of the securities portfolio during the period under review;
- d) the depositary agents designated by the depositary;
- e) the names of the persons to whom investment decisions are delegated;
- f) information on matters of particular economic or legal significance with which the management company dealt in the year under review, in particular on changes to the prospectus or on material issues of interpretation of the law and the prospectus;
- g) a brief report by the external auditor on the information provided in accordance with subparagraphs (a) to (f);

- h) a comparative overview of the development of the net assets and value of a unit over the last three fiscal years; and
 - i) the commissions and costs charged to the assets of an investment undertaking on an ongoing basis (statement of the total expense ratio (TER)).
- 2) The structure of the annual report and other content are set out in Annex 2.
- 3) The FMA may make a form available in regard to the content of the report in accordance with Article 20(3) IUG.

Article 22a³

Provisions governing the winding-up of an investment undertaking

- 1) The provisions set out in the contract (Article 7(3) IUG), trust agreement (Article 8(3) IUG), or rules (Article 9(4a) IUG) on the winding-up of an investment undertaking shall at a minimum provide that the management company must, in regard to the resolution on the winding-up of an investment undertaking or subfund:
- a) communicate such resolution to the investors without delay, but at least 30 days before the winding-up commences; and
 - b) communicate such resolution to the FMA without delay after communication to the investors; at the same time, a copy of the investor information must be submitted to the FMA.
- 2) Where the documents referred to in paragraph 1 do not contain sufficiently specific rules governing the winding-up, Article 28(1) shall apply *mutatis mutandis*.

III. Management company

Article 23

Application materials

- 1) The application for a license as a management company must document the licensing conditions set out by law. In particular, the application must contain the following information and documents:

³ Article 22a inserted by LGBL 2020 No. 26.

- a) the articles of association of the management company;
- b) the personal composition of the board of directors and the general management of the management company;
- c) a business plan;
- d) documents providing evidence that the persons entrusted with the administration and management of the management company guarantee sound and proper business operation in accordance with Articles 31 and 32 IUG, in particular:
 - 1. documented curricula vitae;
 - 2. current criminal register extracts;
 - 3. information on any criminal and administrative criminal proceedings, as well as on debt collection and bankruptcy proceedings, to the extent that such proceedings impair the performance of the respective function, as well as the obligation to report changes in this respect;
 - 4. declarations of acceptance by the persons entrusted with administration of the management company; and
 - 5. declarations of signature by the persons entrusted with the management and administration of the management company;
- e) the name of the auditor as well as the auditor's statement confirming that:
 - 1. the auditor accepts the mandate as an external auditor; and
 - 2. the audited documents comply with the law and ordinance;
- f) designation of the founders (at least two shareholders are required to establish a public limited company (company limited by shares));
- g) the contracts required on a case-by-case basis in accordance with the instructions;
- h) the organisational and business regulations of the management company, which govern the division of responsibilities between the board of directors and the general management;
- i) confirmation by the Office of Justice that the name is capable of being entered; and
- k) a statement regarding knowledge of and compliance with the code of conduct.

2) The FMA shall provide further details regarding submission of the application materials referred to in paragraph 1 in the form of instructions.

Article 24

Qualifying holdings

1) The intention to acquire, increase, or sell a qualifying holding within the meaning of Article 25(1) IUG exists if a binding offer or a final decision of the general management or board of directors to acquire, increase, or sell a qualifying holding has been made, whichever event occurs first.

2) The procedure and the criteria for assessing the acquisition, the increase, or the sale of a qualifying holding shall be governed *mutatis mutandis* by Articles 10b and 10c of the Asset Management Act (VVG).⁴

Article 25

Reporting obligations

Any change to ownership as referred to in Article 28(1)(c) IUG must be notified to the FMA without delay, including the following information and documents in particular:

- a) designation of the persons with qualifying holdings and breakdown of ownership of the management company;
- b) documents providing evidence of the reliability of the persons with qualifying holdings, in particular up-to-date curricula vitae and criminal register extracts.

Article 26

Code of conduct

1) The management company shall confirm that it knows and will comply with the code of conduct.

2) The FMA shall issue a code of conduct containing at least the following principles:

- a) the management company must fulfil its responsibilities set out in Article 33 IUG in a right and proper manner in the best interests of investors and market integrity as well as with the requisite expertise, diligence, and conscientiousness;

⁴ Article 24(2) amended by LGBl. 2022 No. 135.

- b) the investment undertaking must have the means and procedures necessary for orderly business operation and must use them effectively; and
 - c) the management company must endeavour to avoid conflicts of interest. If a conflict of interest can nevertheless not be avoided, the management company must ensure that the investment undertakings it manages are treated in a right and proper manner.
- 3) The FMA may take appropriate measures to enforce the code of conduct referred to in paragraph 2.

Article 27

Delegation

1) Each delegation of responsibilities in accordance with Article 34 IUG shall be mentioned in the prospectus.

2) In the case of investment undertakings for single investors, the management company may delegate investment decisions to the single investor, provided that the single investor is one of the following qualified investors:

- a) a supervised insurance undertaking; or
- b) a pension scheme with a professional treasury. A professional treasury exists if at least one professionally qualified person experienced in the financial sector is entrusted with making investment decisions.

Article 28

Dissolution and liquidation, continuation of the management company

1) Unless the IUG provides otherwise and unless the FMA orders any other procedure for the protection of investors, dissolution and liquidation (Articles 39 and 41 IUG) are governed by the provisions of the PGR. The liquidator must be professionally suited to perform the task or call in a professionally suited person.

2) With the consent of the FMA, the management company dissolved in accordance with Article 39(1) IUG may decide to continue its business activities with a different company purpose. The continuation decision may also be taken in such a way that it enters into effect at the same time as the dissolution in accordance with Article 39(1) IUG.

3) A management company may relinquish its licence only when it no longer manages any investment undertakings.

IV. Depositary

Article 29

Depositary contract

1) The depositary contract referred to in Article 42(1) IUG between the depositary on the one hand and the management company on the other shall contain the following elements in particular:

- a) a description of the interfaces, responsibilities, monitoring procedures with regard to compliance with legal and contractual provisions, fees, and mutual information obligations;
- b) the duration and conditions for amendments to and termination of the contract, including a description of the situations which may lead to termination of the contract, the details of the termination procedure and, where appropriate, the procedures for the depositary's transmission of the relevant information to its successor;
- c) the confidentiality obligations applicable to the contracting parties in accordance with the relevant laws and administrative provisions. These obligations must not affect the FMA's access to relevant documents and information.

2) Amendments to the contract referred to in paragraph 1 shall be made in writing.

3) The parties may agree to transmit all or part of the information exchanged between them electronically, provided that a proper recording of this information is ensured.

4) There is no obligation to conclude a separate written contract for each investment undertaking; the management company and the depositary may, in a master agreement, list all investment undertakings managed by the management company concerned to which the contract applies.

V. Investment policy

Article 30

Investments

Any investments referred to in the prospectus which are not traded on a regulated market or for which no price is available must be valued at the price which would probably be obtained if they were sold at the time of valuation.

Article 31

Deviation from investment rules

1) The investment rules do not have to be complied with by an investment undertaking during the first six months from the date of the initial payment under subscription.

2) If the management company, the depositary, or the external auditor finds an unintentional deviation from the investment rules or a deviation resulting from the exercise of subscription rights, the primary objective shall be to normalise this situation, taking into account the interests of the investors.

Article 32

Securities lending and repurchase agreements

1) Securities lending and repurchase agreements are permissible. The management company shall lay down the procedure for the conclusion of a securities lending or repurchase agreement and the monitoring thereof in a guideline.

2) The depositary is liable for the market-compliant and professionally qualified settlement of securities lending and repurchase agreements.

3) Banks, investment firms, credit institutions, financial services institutions, insurance undertakings, and clearing organisations may be used as borrowers for securities lending, provided that they specialise in securities lending and provide collateral corresponding to the scope and risk of the transactions envisaged. Repurchase agreements may be

concluded with the aforementioned institutions under the same conditions.

4) Securities lending and repurchase agreements shall be governed by a standardised master agreement.

5) Loaned securities must continue to be taken into account when complying with investment rules.

6) Securities arising from repurchase agreements may not be loaned, sold, or used as collateral for derivative financial instruments.

7) In the periodic reports of the investment undertaking, the management company shall provide information on the type and scope of loaned securities as of the reporting date of the respective report, as well as on the amount of the commissions received from securities lending and the repurchase agreements concluded.

8) The FMA may issue guidelines on securities lending and repurchase agreements.

VI. Investor rights

Article 33

Exception to the right of termination at any time

1) In the case of investment undertakings whose investments have only limited marketability or are difficult to value, the prospectus may provide that termination may be effected only on certain dates, but at least once a year.

2) On the application of a management company, the FMA may, in justified individual cases and depending on the type of investment, permit additional termination dates or a shortening of the payout period, depending on the type of investment.

Article 34

Postponement of repayment by the administration

1) The prospectus may provide that, in extraordinary circumstances, repayment may be temporarily and exceptionally deferred by the management company while suspending the issue of units:

- a) if a market which forms the basis for the valuation of a substantial part of the assets is unexpectedly closed, or if trading on such a market is restricted or suspended;
- b) in the event of political, economic, or other emergencies; or
- c) where restrictions on the transfer of assets make it impossible for the investment undertaking to execute transactions.

2) The management company shall immediately notify the FMA, the external auditor and, in an appropriate manner, the investors of the delay.

3) If a proper valuation of the assets is not possible, the management company must inform the FMA without delay and submit proposals for appropriate measures.

VII. Auditor

Article 35

Qualification of the auditor

1) Auditors are qualified for the purposes of Article 61(5) IUG if they possess the knowledge necessary for auditing the investment management of the management company and, due to their operational organisation, ensure that the auditing and reporting activities are carried out in an appropriate and permanent manner, in particular by means of appropriate substitution rules.

2) Audit firms licensed or registered under the Auditors Act are also auditors within the meaning of the Act or this Ordinance.⁵

Article 36

Evidence of qualification

1) The auditor shall furnish the FMA with evidence of qualification.

2) The FMA shall publish on its website a list of auditors who are qualified for the purposes of Article 61(5) IUG and Article 35 of this Ordinance.

⁵ Article 35(2) amended by LGBL 2020 No. 483.

Article 37

Audit specifications

1) The FMA may, after consulting the Liechtenstein Association of Auditors, provide mandatory audit forms for investment undertakings and their management companies.

2) The FMA may further specify the principle of risk-oriented auditing as well as the form and content of the annual audit report by issuing guidelines.

Article 38

Duties of the auditors

1) The fees received from an audit mandate may not exceed an average of 20% of the auditor's total annual fees. The audit mandates of all collective investment undertakings managed by the same management company shall be considered a single audit mandate.

2) The auditors are required:

- a) to notify the FMA of any changes to the articles of association and regulations as well as any changes to the composition of its governing bodies and the lead auditors;
- b) to entrust the audit management only to auditors who have been notified to the FMA and meet the necessary requirements;
- c) to report the mandate manager and the lead auditor to the FMA before the beginning of the audit; and
- d) to submit the business report to the FMA each year.

3) The FMA may request information on the reasons for the departure of members of the general management and lead auditors notified to the FMA.

Article 39

Change of auditor

1) The management company shall notify the FMA of any change of auditor six weeks before the change comes into effect, stating the reasons in writing.

2) The notification pursuant to paragraph 1 must be signed by the previous auditor. If the management company and the auditor cannot agree on the reason for the change, the previous auditor must make a separate notification in accordance with paragraph 1.

3) The change of auditor shall be published by the management company in the publication medium at the time when the change comes into effect. Investors must be informed in that publication that they may demand the return of their units.

4) If the qualification of the auditor ceases to apply or if an auditor's authorisation is withdrawn, the management company must appoint a new auditor without delay and at the latest within one month. In exceptional cases, the FMA may, upon request, extend this deadline by a reasonable amount. The FMA must be notified of the appointment of the new auditor within one week of the assignment.

Article 40

Interim audit of the management company and the investment undertaking

1) The auditor shall conduct at least one unannounced interim audit of the management company during the accounting year.

2) As part of the interim audit of the management company, the auditor shall, in accordance with the risk-based approach, audit compliance in particular with:

- a) the licensing conditions;
- b) the rules governing the internal control mechanisms;
- c) the code of conduct; and
- d) the rules on delegation and associated obligations of the management company.

3) As part of the interim audit of the investment undertaking, the auditor shall audit in particular whether:

- a) the accounts are kept properly;
- b) the equivalent value of the newly issued units has accrued to the assets of the investment undertaking;
- c) the valuation of assets, the calculation of issue and redemption prices, as well as the issue and redemption of units comply with the provisions of the law and the prospectus;
- d) the constitutive assets have been maintained in full;

- e) the investment rules are complied with;
 - f) any unencumbered promissory notes are held in safe custody by the depositary.
- 4) The FMA is entitled to establish additional focus areas for the audit.
- 5) The result of the interim audit shall be reported in the annual audit report.
- 6) If, in the course of the interim audit, the auditor finds serious violations or deficiencies, the auditor shall inform the FMA without delay and send the FMA a report on the interim audit within 30 days.

Article 41

Appointment of the auditor for management companies under the IUG with authorisation as a management company under the UCITSG or as an AIFM under the AIFMG

A management company shall appoint the same auditor for its activities under the IUG, the UCITS, or the AIFMG.

Article 42

Notification duties

Notifications as referred to in Article 52(1) IUG shall be made to the FMA within three working days from verification of the circumstances.

Article 43

Audit reports

1) The audit reports are the confidential, detailed reports of the auditor on the supervisory audit of the management company and the investment undertakings under its management. They are not for publication.

2) The audit report shall cover all the information and indications relating to reservations and legal doubts communicated verbally and in writing to the management company and the investment undertakings under its management.

3) The audit report for the management company shall, in addition to the information in the annual report, contain as a minimum:

- a) information on ongoing compliance with the licensing conditions set out in Article 23 IUG;
- b) information on compliance with the obligations of the management company set out in Articles 24 to 35 IUG; and
- c) the results of the interim audit of the management company in accordance with Article 40.

4) The audit report for the investment undertaking shall, in addition to the information in the annual report, contain as a minimum:

- a) information on ongoing compliance with the provisions concerning investment policy in accordance with Articles 44 and 45 IUG; and
- b) the results of the interim audit of the investment undertaking in accordance with Article 40.

5) Insofar as the management company and the investment undertaking have the same auditor, the audit reports on the management company and those on the investment undertaking may be combined. The comments concerning the management company and the investment undertaking shall be set out in separate sections of an audit report. The audit report on the investment undertaking may make reference to the information in the audit report on the management company.

6) The audit reports pursuant to the IUG, UCITSG, and AIFMG may be combined. Paragraph 5 applies *mutatis mutandis*.

VIII. Supervision

Article 44

Directories

1) The FMA shall draw up a separate directory for each of the following entities licensed in Liechtenstein:

- a) investment undertakings;
- b) management companies; and
- c) depositaries.

2) The directories shall be made available to interested parties in an appropriate manner.

Article 45

Extraordinary audits

1) The FMA may, for the purpose of conducting an extraordinary audit in accordance with Article 61(4)(e) IUG, mandate a qualified auditor as referred to in Article 61(5) IUG in conjunction with Article 35 of this Ordinance.

2) The FMA may require the management company or the investment undertaking to make an advance payment on costs.

Article 46

Half-yearly report relating to the management company

Management companies shall draw up a report every six months on the basis of the form provided by the FMA and submit it to the FMA within two months of the relevant cut-off date.

IX. Extrajudicial dispute resolution

Article 47

Extrajudicial mediation body

The provisions of the Ordinance on Financial Services Mediation Bodies shall apply to the extrajudicial mediation body.

X. Final provisions

Article 48

Repeal of existing law

The following enactments are hereby repealed:

- a) Ordinance of 23 August 2005 on Investment Undertakings for Other Values or Real Estate (Investment Undertakings Ordinance; IUV), LGBL 2005 No. 179;

- b) Ordinance of 20 December 2005 amending the Investment Undertakings Ordinance (IUV), LGBL. 2005 No. 290;
- c) Ordinance of 16 December 2008 amending the Investment Undertakings Ordinance, LGBL. 2008 No. 367;
- d) Ordinance of 29 September 2009 amending the Investment Undertakings Ordinance, LGBL. 2009 No. 257;
- e) Ordinance of 9 December 2009 amending the Investment Undertakings Ordinance, LGBL. 2009 No. 317;
- f) Ordinance of 5 July 2011 amending the Investment Undertakings Ordinance, LGBL. 2011 No. 313.

Article 49

Entry into force

This Ordinance shall enter into force at the same time as the decision of the EEA Joint Committee incorporating Directive 2011/61/EU.⁶

The Government:
signed *Adrian Hasler*
Prime Minister

⁶ Entry into force: 1 October 2016 (LGBL. 2016 No. 305).

Annex 1
(Article 13(1))

Minimum content of the prospectus for an investment undertaking

The prospectus for an investment undertaking shall at a minimum contain the following:

- 1. General information on the investment undertaking**
 - 1.1 instrument of formation and date of formation;
 - 1.2 country of domicile;
 - 1.3 indication if there is only one segment; where applicable, indication of different segments;
 - 1.4 name of the management company;
 - 1.5 any delegations of responsibilities;
 - 1.6 for fixed-term investment undertakings, their term;
 - 1.7 information on the issue and/or redemption of units;
 - 1.8 name of the depositary;
 - 1.9 name of the external auditor.
- 2. Establishment of the category of the investment undertaking – qualified investors**
- 3. Investment information**
 - 3.1 definition of the investment objectives, the investment policy or strategy and their restrictions, the permissible investment technique and instruments, in particular the use of derivative financial instruments and borrowing as well as their scope;
 - 3.2 profile of the typical investor.
- 4. Economic information on the investment undertaking**
 - 4.1 indication of any tax rules relevant to the investor (including possible deductions from income);
 - 4.2 information on issue and redemption fees;

- 4.3 information on conversion fees between the different segments of an investment undertaking;
- 4.4 information on further costs, broken down by costs to be paid by the investor or the investment undertaking, with an indication of the TER.
- 5. Information on the subscription and acquisition of the units of the investment undertaking**
 - 5.1 information on subscription and acquisition as well as the issue and redemption of units;
 - 5.2 information on where subscription of the units can be carried out;
 - 5.3 type of appropriation of profit; where applicable, date and manner of distribution.
- 6. Additional information**
 - 6.1 indication of where the prospectus and annual reports are available on request;
 - 6.2 competent supervisory authority;
 - 6.3. indication of a contact point from which further information may be obtained if desired;
 - 6.4 date of certification in accordance with Article 17(2) IUG.

Annex 2
(Article 22(2))

Structure of the annual report

A. General Information

Investment undertakings shall prepare an annual report according to the following structure. The following provisions apply *mutatis mutandis* to the other permissible investments, provided that a separate point is to be used for each significant asset class.

B. Annual report

I. Financial statement

1. Balance sheet

The balance sheet shall be structured at a minimum into:

- 1.1 bank balances (including fiduciary investments at third-party banks), broken down by:
 - 1.1.1 sight deposits;
 - 1.1.2 time deposits;
- 1.2 money market instruments;
- 1.3 securities (including loaned securities);
- 1.4 other certificated and uncertificated securities;
- 1.5 other rights equivalent to securities;
- 1.6 derivative financial instruments;
- 1.7 other assets;
- 1.8 total assets;
- 1.9 liabilities;
- 1.10 net assets;
- 1.11 amount of units in circulation;
- 1.12 net asset value per unit.

2. Off-balance-sheet transactions (where applicable)

Off-balance-sheet transactions shall be structured at a minimum into:

- 2.1 information on the volume of contracts in derivative financial instruments outstanding as of the balance sheet date, broken down by type of transaction;
- 2.2 information on cash and cash equivalents tied up by contracts in derivative financial instruments outstanding as of the balance sheet date;
- 2.3 information on the underlying instruments tied up by contracts outstanding as of the balance sheet date;
- 2.4 information on the sum of loans taken out as of the balance sheet date;
- 2.5 information on the charges against the assets as of the balance sheet date, including margin deposits for contracts in derivative financial instruments;
- 2.6 information on the type and scope of loaned securities as of the balance sheet date and the amount of commissions received on securities lending during the accounting year.

3. Income statement

The income statement shall be structured at a minimum into:

- 3.1 income from bank balances;
- 3.2 income from money market instruments;
- 3.3 income from securities, broken down by:
 - 3.3.1 bonds, convertible bonds, warrant bonds;
 - 3.3.2 shares and other equity securities including income from bonus shares;
 - 3.3.3 units of other investment undertakings/funds;
- 3.4 income from other certificated and uncertificated securities;
- 3.5 income from other rights equivalent to securities;
- 3.6 income from derivative financial instruments;
- 3.7 other income;
- 3.8 purchases into current income due to the issue of units;
- 3.9 total income;
- 3.10 interest payable;

- 3.11 audit expenses;
- 3.12 regulatory compensation to the management company;
- 3.13 regulatory compensation to the custodian bank;
- 3.14 other expenses;
- 3.15 adjustment of current income due to the redemption of units;
- 3.16 net income;
- 3.17 realised capital gains and losses;
- 3.18 realised income;
- 3.19 non-realised capital gains and losses;
- 3.20 total profit.

4. Appropriation of profit

The statement on the appropriation of profit shall be structured at a minimum into:

- 4.1 net income of the accounting year;
- 4.2 capital gains of the accounting year intended for distribution;
- 4.3 capital gains of previous accounting years intended for distribution;
- 4.4 balance brought forward from previous year;
- 4.5 earnings available for distribution;
- 4.6 earnings intended for distribution to investors;
- 4.7 retained earnings for reinvestment;
- 4.8 balance carried forward to new account.

5. Changes of the net assets

A statement of changes of the net assets shall be drawn up for each investment undertaking, which shall be structured at a minimum into:

- 5.1 net assets at the beginning of the reporting year;
- 5.2 distributions;
- 5.3 balance from issue and redemption;
- 5.4 total profit;
- 5.5 net assets at the end of the reporting year.

II. Additional information**6. Amount of units in circulation**

- 6.1 amount of units at the beginning of the period;
- 6.2 newly issued units;
- 6.3 units redeemed;
- 6.4 amount of units at the end of the period.

7. Development of the net asset value (over three years)

- 7.1 net fund assets;
- 7.2 amount of units in circulation;
- 7.3 net asset value per unit;
- 7.4 net asset value at the beginning of the period;
- 7.5 percentage change.

8. Inventory of assets

The investment undertaking shall publish the inventory of assets as of the balance sheet date in its annual report. The individual assets shall be specified in detail.

9 Additional information

- 9.1 depositary agents appointed by the custodian bank;
- 9.2 names of persons to whom responsibilities are delegated;
- 9.3 information on matters of particular economic or legal significance with which the management company dealt in the reporting year, in particular on changes to the full and simplified prospectus or on material issues of interpretation of the law and the full prospectus;
- 9.4 statement of the TER.

10 Brief report of the external auditor (attestation)

Comments on the above information.