Translation of Liechtenstein Law

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Ordinance

of 14 January 2025

on the Activities and Supervision of Banks, Financial Holding Companies, and Mixed Financial Holding Companies (Banking Ordinance; BankV)

Pursuant to Article 14(4), Article 24(2), Article 27(3), Article 29(4), Article 63(11), Article 65(4), Article 71(5), Article 73(8), Article 74(9), Article 76(4), Article 79(11), Article 84(3), Article 90(4), Article 91(1), Article 93(3), Article 104(10), Article 116(6), Article 117(2), Article 125(2), Article 128(10), Article 135(5), Article 189(4), and Article 251 of the Law of 5 December 2004 on the Activities and Supervision of Banks, Financial Holding Companies and Mixed Financial Holding Companies (Banking Act; BankG), LGBl. 2025 No. 85, the Government issues the following Ordinance:

I. General provisions

Article 1

Object and purpose

1) This Ordinance, implementing the Banking Act, lays down detailed rules on the taking up, pursuit, and supervision of the activities of banks, financial holding companies, and mixed financial holding companies.

2) It also serves to transpose and implement the following EEA legislation:

a) Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions[1];

b) Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms[2];

c) Directive 2001/24/EC on the reorganisation and winding up of credit institutions[3];

d) Regulation (EU) No 575/2013 on prudential requirements for credit institutions[4].

3) The version currently in force of the EEA legislation referred to in this Ordinance 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

Definitions and designations

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

a) "ICT systems" means systems in the field of information and communication technology;

b) "ICT risk" means the risk of loss related to any reasonably identifiable circumstances related to the use of network and information systems which, if materialised, might compromise the security of the network and information systems, of any technology-dependent tool or

1 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338)

2 Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190)

3 Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions (OJ L 125, 5.5.2001, p. 15)

4 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1)

process, of operations and processes, or of the provision of services, by producing adverse effects in the digital or physical environment;

c) "environmental, social and governance risk" or "ESG risk" means the risk of any negative financial impact on a bank stemming from the current or prospective impact of environmental, social or governance (ESG) factors on the bank's counterparties or invested assets;

d) "reverse stress text" means a stress test that begins by determining the predefined result (e.g. points at which a bank's business model becomes unprofitable or at which it can be assumed that the bank is failing or likely to fail in accordance with Article 38(1)(a) of the Recovery and Resolution Act) and then investigating scenarios and circumstances that could lead to this result. Reverse stress tests should have one or more of the following characteristics:

   1. They are used as a risk management tool with the aim of enabling the bank to better identify its vulnerabilities by explicitly identifying and assessing the scenarios (or a combination of scenarios) that lead to a predefined result.
   2. The bank decides on the type and timing (triggering events) of senior management measures or other measures that are necessary both to remedy business failures or other problems and to adjust its risk appetite to the current risks identified in the reverse stress test.
   3. Specific reverse stress tests may also be applied in the context of recovery planning (e.g. reverse stress tests applied in a broader context can be used to inform a stress test relating to a recovery plan by identifying the conditions under which the recovery may need to be planned);

e) "amortisation" means the repayment of a (mortgage-backed) loan in one or more fixed instalments;

f) "mortgage lending rate" means the fixed percentage of the mortgage lending value of a collateral to determine the permissible loan utilisation;

g) "mortgage lending value" means the value of a lien which the bank uses as the basis for granting the secured loan;

h) "earnings value" means the capitalised rental income or rental value of a property, calculated on the basis of net rental income (excluding ancillary costs), which is sustainably achievable in the future and corresponds to the sum of all future rental income or rental values discounted to the valuation date;

i) "real estate promotions" means the project financing of residential real estate intended for sale, such as condominiums or single-family house developments;

k) "capitalisation rate" means the capitalisation rate used for the capitalisation of long-term income, which is generally composed of the imputed mortgage interest rate, surcharges for operating costs (e.g. ongoing maintenance, administrative costs, fees, insurance premiums, and taxes), surcharges for replacement investments or necessary depreciation and sufficient risk premiums, which take into account the property-specific characteristics (such as use, condition, location), and economic and regional aspects (economic and tax situation in the region, regional vacancy rate);

l) "credit policy" means the bank's lending activities, taking into account the risk strategy defined by the governing body responsible;

m) "(fair) market value" means the value corresponding to the price that can probably be achieved within one year under normal conditions and with free operation of supply and demand;

n) "property-related criteria" means criteria and risks associated with the property and independent of the borrower, in particular:

   1. the use, usability, or buildability of building land or, in the case of investment properties, conversion, vacancy risk, reduced value (refurbishment costs, maintenance backlog, age depreciation); or

   2. a particular disparity between the earnings value and the land value;

o) "residential property" means residential property as defined in Article 4(1)(75) of Regulation (EU) No 575/2013;

p) "investment properties" means properties held for investment purposes and leased to third parties that are not residential properties as referred to in subparagraph (o); this includes office and business properties, commercial properties, and mixed-use properties in particular;

q) "mortgage-backed loan" means exposures to natural or legal persons that are collateralised by residential or commercial properties.

2) The definitions set out in the applicable EEA legislation, especially Regulation (EU) No 575/2013, shall apply *mutatis mutandis* on a supplementary basis.

3) The designations of persons used in this Act shall be understood to mean all persons regardless of their gender, unless the designations of persons refer expressly to a specific gender.

II. Rehypothecation and carryover business

Article 3

Rehypothecation

1) The bank authorised to rehypothecate a pledge shall make sure that the rehypothecated securities shall not become subject to the rights of third parties, in particular to any rights of retention, for a higher amount than the one it may claim from its pledgor.

2) The bank shall be obliged to release title to the pledge to the pledgor immediately after the debt secured by the pledge has been properly paid.

3) If a bank induces its debtor to also sign a bill of exchange for its claims, it shall make sure on the occasion of the pledging or rediscounting of such bill of exchange that no higher claims arise against its debtor than those the bank itself has against the debtor.

Article 4

Carryover business

Any authorisation to use a pledge for carryover businesses of the bank shall indicate the time at which the bank shall retransfer ownership to the same titles carried over (not necessarily with the same numbers) to the pledgor for the pledged securities carried over.

Article 5

Individual rehypothecation

The entire rehypothecation of different pledge deposits shall be permissible only subject to the provisions set out in Article 12 of the Investment Firms Ordinance.

III. Licensing of banks, financial holding companies and mixed financial holding companies

Article 6

Application for a banking licence

1) In addition to the information required under Commission Delegated Regulation (EU) 2022/2580[5], the application for a banking licence under Article 24 of the Banking Act must be accompanied by the following documents in particular:

a) the draft articles of association and business regulations in accordance with the requirements set out in Article 23 of the Banking Act;

b) a description of the organisation as referred to in Article 65 of the Banking Act and of the governance arrangements as referred to in Article 71(1) of that Act;

c) a description of the risk management function and the compliance function as referred to in Articles 73 and 74 of the Banking Act;

d) a declaration by an audit firm recognised by the FMA that it accepts the engagement referred to in Article 130 of the Banking Act.

2) In accordance with Article 10 of Commission Delegated Regulation 2022/2580, the FMA may request additional information to verify compliance with the licensing conditions.

Article 7

Application for a licence as a financial holding company or mixed financial holding company

The application for a licence as a financial holding company or mixed financial holding company under Article 27 of the Banking Act must be accompanied by the following information in particular:

a) documents concerning the origin of funds and the basic ownership structure of the company capital as well as the nature thereof;

5 Commission Delegated Regulation (EU) 2022/2580 of 17 June 2022 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the information to be provided in the application for the authorisation as a credit institution, and specifying the obstacles which may prevent the effective exercise of supervisory functions of competent authorities (OJ L 335, 29.12.2022, p. 64)

b) information on the applicant's legal form and articles of association;

c) information on the applicant's registered office and address of the head office;

d) information the personnel composition of the governing bodies of the financial holding company or mixed financial holding company, including proof of the guarantee of the proper conduct of business for the persons who actually conduct business as referred to in Article 135 of the Banking Act;

e) information on the organisational structure of the group to which the financial holding company or mixed financial holding company belongs, including details of its subsidiaries and where applicable parent company, as well as the registered office and the nature of the operations of the individual companies within the group;

f) information on compliance with the criteria laid down in Article 22(1) of the Banking Act with regard to shareholders and members, if the financial holding company or mixed financial holding company has a bank as a subsidiary;

g) if the financial holding company or mixed financial holding company has a bank or investment firm as a subsidiary, the information that must be submitted for the review of the criteria laid down in Article 60(1) of the Banking Act; if the reliability of the criteria pursuant to Article 14 of Directive 2013/36/EU has already been assessed by another supervisory authority of an EEA Member State, proof of the result of that assessment;

h) the internal organisation and division of tasks within the group;

i) a description of the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that those governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;

k) a declaration by an audit firm recognised by the FMA that it accepts the engagement referred to in Article 130 of the Banking Act;

l) all other information required by the FMA in order to carry out the review pursuant to Article 28(1) of the Banking Act.

IV. Requirements for banks

A. Guarantee of proper business conduct

Article 8

Fitness and properness

1) Members of the board of directors and senior management and key function holders must regularly undergo appropriate continuing training.

2) In assessing fitness and properness, the FMA shall take into account, *inter alia*, the material and geographic scope of business and the organisation of the bank.

3) The designated persons must also be able to perform their duties in the bank properly, taking into account their other commitments and place of residence.

Article 9

Calculation of the number of senior management or board of directors mandates

1) For the calculation of the permissible number of senior management or board of directors mandates in accordance with Article 63(5) of the Banking Act, several mandates are considered as one mandate if they are exercised at undertakings:

a) belonging to the same group of companies;

b) which are members of the same institutional protection scheme, provided that the requirements of Article 113(7) of Regulation (EU) No 575/2013 are met;

c) in which the bank has a qualifying holding.

2) Mandates as a member of the senior management or board of directors in organisations that do not predominantly pursue commercial objectives and mandates as a representative of an EEA Member State on the board of directors of a bank shall not be taken into account for the calculation pursuant to paragraph 1(b).

B. Corporate organisation and governance

Article 10

General requirements for corporate organisation

1) The governance arrangements must be communicated to employees in writing. They shall be made available to them in the currently valid version. In the event of changes to business activities and procedures, the governance arrangements must be adapted promptly before they are implemented.

2) Banks must comply with the following general organisational requirements on a permanent basis:

a) employment of employees with sufficient knowledge and experience to perform the tasks assigned to them. Appropriate quantitative and qualitative staffing shall *inter alia* take into account the underlying business model, business strategy, and risk profile. Appropriate measures must be taken to ensure that the knowledge of employees is maintained at a high level. Appropriate measures should be taken to avoid lasting disruptions to internal procedures due to the absence or departure of employees;

b) introduction and guarantee of smoothly functioning reporting and dissemination of information essential for the performance of assigned tasks at all relevant levels;

c) creation and permanent application of systems and procedures for the security and protection of the integrity and confidentiality of information, in particular for the protection of banking secrecy or other professional secrecy under special laws;

d) ICT systems (hardware and software), associated ICT processes, and other ICT components must guarantee the integrity, availability, authenticity, and confidentiality of data;

e) creation of appropriate policies and procedures that ensure the continuation of the performance of services in the event of a failure of people and technical systems, or that guarantee the resumption of the performance of services as soon as possible in such an event.

3) The implementation of the organisational requirements shall correspond to the nature, scale, and complexity of the banking services provided and other transactions referred to in Article 6 of the Banking Act.

4) Banks must have policies for the approval of new products. These policies must contain in particular:

a) procedures for the development of new markets, products, and services;

b) procedures for significant changes to existing markets, products, and services and the associated processes and systems;

c) procedures for the execution of extraordinary transactions.

5) Before entering into new products or new markets (including distribution channels), the associated risks and problems and their impact on the bank's risk profile, capital adequacy, and profitability must be assessed as part of a policy. The risk management function and the compliance function must be involved in the analysis and approval process for new products and markets or significant changes to existing products, processes, and systems. The policy and the commencement of business activities must be approved by senior management. The new business activity may only be commenced once adequate quantitative and qualitative resources are available to manage the associated risks.

6) The governance arrangements must also include provisions on the consideration of the impact of ESG factors.

Article 11

Internal control framework and mechanisms

1) The bank must have an appropriate internal control framework and internal control mechanisms ("internal control system"). This includes all regulations, policies, mechanisms, and procedures that ensure the following:

a) effective and efficient operations;

b) prudent conduct of business;

c) adequate identification, measurement, assessment, management, mitigation, monitoring, and reporting of risks;

d) the reliability of financial and non-financial internal and external reporting;

e) sound administrative and accounting procedures; and

f) compliance with laws, ordinances, decisions, and decrees of the FMA as well as with regulations, internal policies, procedures, rules, and decisions of the bank.

2) The internal control framework shall cover the whole organisation, including the responsibilities and tasks of the board of directors and senior management, and the activities of all business lines and internal units, including internal control functions, outsourced activities, and

distribution channels. The organisational measures of the internal control framework are integrated into the operational work processes, i.e. they are carried out during work or immediately before or after work is carried out.

3) Banks shall have at least the following internal control mechanisms in place:

a) oversight by the board of directors and senior management: the board of directors and senior management shall receive regular performance reports and critically review them (e.g. development of financial results in relation to budget and objectives); the frequency of this reporting depends on the nature, scale, and complexity of the bank's business;

b) activity controls: all hierarchy levels concerned shall receive regular level-specific performance reports and review them critically; the frequency of this reporting depends on the nature, scale, and complexity of the bank's business;

c) physical inspections: dual control principle, limitation of technical access to cash and valuables, periodic inventory;

d) review of compliance with specified limits: the specified limits shall be regularly reviewed and appropriate measures taken if necessary;

e) (financial) competencies and authorisations: regular and sporadic inspections of compliance for selected transactions;

f) review and coordination of transactions and risk management models.

4) The internal control system must be flexible in order to be able to react quickly and appropriately to new or previously uncontrolled types of risk. For an effective internal control system, internal and external information relevant to decision-making must be prepared in a reliable, timely, accessible, and consistent manner. The bank must have a suitable management information system (MIS) that collects, distributes, and processes all relevant information on the operational business areas in a reliable and timely manner.

5) The appropriateness and effectiveness of the internal control system must be monitored on an ongoing basis. The board of directors shall define the corresponding responsibilities. The inspections carried out and the results must be documented in a comprehensible and appropriate manner. If deviations and deficiencies are identified, it must be ensured that corrective measures are initiated. The appropriate bodies and hierarchical levels must be informed in a timely manner of the relevant results, problems, and measures; serious cases must be reported to the board of directors and senior management.

6) The senior management must ensure that the individual regulations, internal policies, mechanisms, and procedures relevant to their activities are communicated to the respective employees and that the employees receive appropriate training. All employees must be familiar with the overarching principles and processes of the internal control system.

Article 12

Risk management function

1) In terms of organisational structure, the risk management function must be separated, up to and including senior management level, from the areas responsible for initiating and concluding transactions and for the operational mapping and execution of transactions. The divisions that initiate or conclude transactions include the front office and trading divisions, as well as other divisions that act as risk takers. Back office areas may not be involved in services to clients or initiate or conclude transactions.

2) The risk management function can make use of other market-independent areas and their information to fulfil these tasks, provided it checks the plausibility of this information.

Article 13

Compliance function

1) The compliance function must be assigned to a member of the senior management who is independent of the market or must report directly to such a member of the senior management.

2) The compliance function can be linked to other back office areas if there is a direct reporting line to senior management and the compliance function is separated from the operational business areas.

Outsourcing

Article 14

a) General principles

1) Banks shall examine whether agreements with third parties constitute outsourcing as referred to in Article 76 of the Banking Act. In this examination, particular consideration shall be given to whether:

a) the outsourced process, service or activity is provided or performed by the third party on a recurring or ongoing basis; and

b) critical or important outsourcing within the meaning of Article 15(1) occurs, taking into account that outsourcing may become critical or important over time.

2) Outsourcing as referred to in paragraph 1 shall comply with the following principles:

a) Before entering into an outsourcing agreement, banks shall assess whether the process, service or activity to be outsourced is the outsourcing of a critical or important function as defined in Article 15(1).

b) Banks shall identify, assess, monitor, and manage all risks associated with outsourcing arrangements as part of their risk management in accordance with Article 79 of the Banking Act. Within the risk management function referred to in Article 73 of the Banking Act, they shall establish an outsourcing function that is responsible for the documentation, management, and control of outsourcing arrangements and for the management and control of the risk arising from outsourcing arrangements.

c) Banks shall assess the potential impact of outsourcing arrangements, in particular with regard to their operational risk. This assessment shall include, where appropriate, scenarios of possible risk events and the potential impact of failure to provide the outsourced function or inappropriate provision of the outsourced function. Banks must document the results and analyses. The risk assessment shall be updated regularly.

d) Outsourcing shall be audited by the internal audit department using a risk-based approach, with a particular focus on the outsourcing of critical or important functions as referred to in Article 15(1). The internal audit department shall give due consideration within the audit to, *inter alia*, the findings of pooled audits or certifications by third parties and external or internal audit reports made available by the service provider, but may not rely on them exclusively.

e) Banks shall have adequate financial and human resources at all times to ensure compliance with Article 76(2) of the Banking Act.

f) Banks shall have written outsourcing policies that set out the principles, responsibilities, and processes related to outsourcing. As a minimum, the outsourcing policies must set out the responsibilities of the management body, the involvement of the business areas and internal control functions, the entire process for planning outsourcing agreements as well as implementation, monitoring, and management

and the corresponding documentation. Furthermore, the policies must include the specification and process for the necessary exit strategies and termination procedures. The outsourcing policy must be approved by the board of directors. The senior management shall regularly review and, if necessary, update the outsourcing policy and ensure that the outsourcing policy is applied on a consolidated, sub-consolidated or individual basis.

g) Banks shall identify, assess, and manage conflicts of interests with regard to their outsourcing arrangements.

h) Before entering into an outsourcing agreement, banks shall ensure in their selection and assessment process that service providers are suitable.

i) Each outsourcing shall be based on a written outsourcing agreement between the outsourcing bank and the service provider, in which the respective rights and obligations are clearly allocated and set out appropriately. In particular, this outsourcing agreement shall ensure that:

   1. the internal audit department and the recognised audit firm of the outsourcing bank are able to audit the outsourced process, service, or activity;

   2. when outsourcing non-critical or non-important functions, the service provider grants rights of inspection and audit and full access to the business premises of the service provider and its devices, systems, networks, information, and data ("access and information rights") to the FMA, the resolution authority, and the recognised audit firm according to a risk-based approach.

k) When outsourcing, banks shall monitor on an ongoing basis the performance of the service provider according to a risk-based approach; where relevant, banks shall ensure and monitor on an ongoing basis that the service provider complies with relevant IT security standards and with data and system security requirements.

l) Banks must also take the following into account in the case of intragroup outsourcing:

   1. The parent undertakings shall ensure that the intragroup governance arrangements, procedures, and mechanisms in the subsidiaries are consistent, well integrated, and adequate at all levels.

   2. The subsidiaries shall ensure that, in the event of intragroup outsourcing of operational tasks of internal control functions for the monitoring and audit of outsourcing arrangements, the

operational tasks are also performed for these outsourcing arrangements.

3. If there is no waiver of the application of prudential requirements on an individual basis pursuant to Article 7 of Regulation (EU) No 575/2013:

   aa) the subsidiaries shall ensure that, even in the case of a centralised monitoring function, at least for outsourced critical or important functions as referred to in Article 15(2), both independent monitoring of the service provider and appropriate oversight by each subsidiary are possible, and that reports of the centralised monitoring function are submitted to them at least annually or on an ad hoc basis;

   bb) the subsidiaries shall ensure that their senior management is informed of relevant planned changes regarding service providers that are monitored centrally and the resulting impact of these changes on critical or important functions and that an assessment of the impact by means of a risk analysis is made possible;

   cc) where the register as referred to in paragraph 3 is maintained centrally within the group at one of the group companies, an individual register of all outsourcing arrangements of each individual group company shall be made available to the group companies and the FMA;

   dd) the subsidiaries, when relying on a centralised exit plan for a critical or essential function at the group level, shall ensure that a summary of the exit plan is available and can be effectively executed.

3) Banks must record and document all existing outsourcing in a register, including a brief description of the outsourced activities, a classification of the criticality or materiality of the function, including the reasons for and date of this last classification, the name and address as well as an identification number of the service provider, the date on which outsourcing began, and the notice periods. In the case of the outsourcing of critical or important functions, all sub-outsourcing (subcontractors) and the result of the exit strategy must also be recorded in the register. The register must be kept up to date at all times.

4) When applying the requirements set out in this Article and in Article 15, the complexity of the outsourced process, service, or activity, the risks arising from the outsourcing arrangements, and the criticality or importance of the outsourced process, service, or activity shall be taken into account. The internal processes and procedures related to

outsourcing shall be commensurate with the individual risk profile, the nature and business model, and the scale and complexity of the operations of the outsourcing bank.

Article 15

b) Special requirements for critical or important functions

1) Banks may also outsource critical or important functions, subject to compliance with the principles set out in paragraph 2 and Article 14(2) and (3). A process, service, or activity shall be deemed a critical or important function in particular where:

a) a defect or failure in its performance would materially impair:
   1. compliance on an ongoing basis with the provisions of the Banking Act, the Payment Services Act, the Electronic Money Act, or Regulation (EU) No 575/2013;
   2. the financial performance of a bank; or
   3. the soundness or continuity of banking activities or payment services;
b) operational tasks of internal control functions are outsourced, unless a failure to provide the outsourced function or the inappropriate provision of the outsourced function would not have an adverse impact on the effectiveness of the internal control function;
c) functions are or are to be outsourced in such a scope or to such an extent that the service provider is subject to a licensing requirement under the Banking Act, the Payment Services Act, or the Electronic Money Act as a result of such outsourcing.

2) In addition to the principles set out in Article 14(2) and (3), an outsourcing of critical or important functions as referred to in paragraph 1 shall comply with the following requirements:

a) The outsourcing agreement shall ensure that, in the event of outsourcing of critical or important functions, the FMA, the resolution authority, and the recognised audit firm have unrestricted rights of inspection and audit and full access to the business premises of the service provider and its devices, systems, networks, information and data ("access and information rights") used by the service provider for the performance of the outsourced process, service, or activity.
b) The outsourcing agreement shall specify whether sub-outsourcing of critical or important functions, or material parts thereof, to another service provider is permitted. If sub-outsourcing is permitted, the outsourcing agreement shall specify in particular:

1. activities that are excluded from sub-outsourcing;
2. the conditions to be complied with by the service provider in the case of sub-outsourcing;
3. the monitoring obligations incumbent on the service provider with regard to the services it has sub-outsourced;
4. the authorisation and information obligations that exist for the service provider in the case of sub-outsourcing;
5. the termination rights for banks in the case of undue sub-outsourcing by the service provider.

c) Banks shall prepare, keep up to date, and regularly test appropriate business continuity plans for outsourced critical or important functions to ensure that they are able at any time, for example, to exit outsourcing arrangements or to compensate for the failure of a service provider without:

1. undue disruption to their business activities;
2. limiting compliance with supervisory requirements; and
3. any detriment to the continuity and quality of provision of services to clients.

d) When outsourcing critical or important functions as referred to in paragraph 1(c) to service providers located in Liechtenstein or another EEA Member State, banks shall ensure that the service provider has the necessary licences to perform the functions to be outsourced.

e) Outsourcing of critical or important functions as referred to in paragraph 1(c) to service providers located in a third country shall be permissible only if:

1. the service provider has the necessary licence in that third country for the provision of the services;
2. the service provider is subject to supervision by the competent authority of that third country;
3. there is a cooperation agreement as referred to in Article 187 of the Banking Act between the FMA and the competent authority of that third country, and the FMA can obtain access to information, data, documents, premises, or personnel in the third country at any time.

f) Banks shall ensure that service providers to which critical or important functions are to be outsourced have the business reputation, appropriate and sufficient abilities, the expertise, the capacity, the human and financial resources, and an appropriate

organisational structure to meet their obligations arising from an outsourcing agreement to be concluded.

g) If, in the case of outsourcing of critical or important functions, outsourcing agreements provide for the possibility of the service provider sub-contracting the functions to another service provider, banks shall take the resulting risks into account in their risk assessment pursuant to Article 14(2)(c).

h) Banks shall ensure, as part of the outsourcing agreement, that the service provider appropriately oversees the other service provider in the case of sub-outsourcing of critical or important functions or material parts thereof and that sub-outsourcing takes place only if the sub-contracted service provider undertakes to grant the bank, the external auditor, and the FMA the same contractual rights of access and audit as those granted by the service provider.

i) Banks shall regularly update their risk assessment pursuant to Article 14(2)(c) and regularly report to the senior management and the board of directors on the risks identified in the case of outsourcing of critical or important functions.

k) Banks shall have a documented exit strategy that is in line with their outsourcing policy and business continuity plans.

3) Banks shall ensure that, when outsourcing critical or important functions, they are able to do the following within an appropriate time frame:

a) transfer the outsourced process, service, or activity to an alternative service provider;

b) perform the outsourced process, service, or activity themselves again; or

c) discontinue those business activities that depend on the outsourced process, service, or activity.

C. Risk management

Article 16

Requirements for risk management

1) The strategies, principles and internal procedures for risk management must ensure that all risks are regularly identified, measured, assessed, managed, mitigated, monitored, and reported at both an

individual and aggregated level. Concentration risks, country risks, and the impact of ESG risks must be taken into account in an appropriate manner for all risks. Banks must review the strategies, principles, and internal procedures for risk management, in particular the assumptions behind the risk strategy and stress tests, and the appropriateness of the methods and procedures used at least once a year.

2) The board of directors must establish a consistent risk strategy, taking into account the business strategy and risk policy as well as the associated risks, and define a risk appetite in the form of quantitative and qualitative targets.

3) As part of the assessment of the adequacy of internal capital in accordance with Article 78 of the Banking Act, the bank must take stock of the risks as at the reporting date both periodically and on an ad hoc basis and plan the corresponding assessments and volumes by means of risk budgeting over a three-year horizon. Internal changes and external market developments must be taken into account quantitatively and assessed to determine which risks could have a significant impact on the financial position, including capital adequacy, earnings, and liquidity. The risks must be covered by the risk coverage potential, taking into account possible risk concentrations, *inter alia*. If several risks have been assessed as immaterial, but together are material, these must be appropriately taken into account in the procedures for ensuring risk-bearing capacity. The risk-bearing capacity must be quantified under normal and stress conditions and operationalised annually in the bank's internal limit system and in the governance arrangements. If limits are exceeded, suitable measures must be taken to restore compliance with the limits and, if necessary, an escalation procedure must be initiated.

4) The bank must have procedures in place to assess and ensure its risk-bearing capacity, covering both the normative and the economic perspective. The risk-bearing capacity must be ensured on an ongoing basis.

5) Suitable risk quantification methods in the form of appropriate procedures and models must be used to ensure the management and monitoring of risks. If a bank does not have suitable risk quantification methods and models for individual risks that are not material for the bank or are difficult to quantify, an amount for the individual risk can be estimated and determined on the basis of a plausibility check by a qualified expert. The methods, assumptions, and procedures for quantifying risk must be documented and submitted to the board of directors as part of the annual approval of the risk appetite.

6) Risk concentrations must be effectively limited and monitored using appropriate quantitative and qualitative measures and indicators, taking into account the risk-bearing capacity and risk appetite.

7) Banks must carry out regular and ad hoc stress tests both for material risks and for the overall risk profile that correspond to the type, scope, complexity, and risk content of the business activities. The stress tests must take appropriate account of the risk concentrations and diversification effects of the risks. Suitable scenarios must be defined for the stress tests of the overall risk profile, which take into account market-wide causes as well as bank-specific causes. The stress tests must reflect unusual but plausible events. The bank's business strategy and economic environment must be taken into account when defining the scenarios. Reverse stress tests must also be carried out. The appropriateness of the stress tests and their assumptions must be reviewed at least once a year.

8) Senior management must report to the board of directors on the risk situation, including risk concentrations, at least quarterly. A different reporting interval requires the approval of the board of directors. If the board of directors approves a different reporting interval, the bank must inform the FMA and provide the reasons for the approval by the board of directors.

Article 17

Credit and counterparty risk

1) The following requirements apply to the management of credit and counterparty risk:

a) credit-granting is based on sound and well-defined criteria and the process for approving, amending, renewing, and re-financing credits is clearly established in regulations or internal policies;

b) banks have internal methodologies that enable them to assess the credit risk of exposures to individual obligors, securities, or securitisation positions and credit risk at the portfolio level. In particular, internal methodologies shall not rely solely or mechanistically on external credit ratings. Where own funds requirements are based on a rating by an External Credit Assessment Institution (ECAI) or based on the fact that an exposure is unrated, this shall not exempt banks from additionally considering other relevant information for assessing their allocation of internal capital;

c) the ongoing administration and monitoring of the various credit risk-bearing portfolios and exposures of institutions, including for identifying and managing problem credits and for making adequate

value adjustments and provisions, is operated through effective systems; and

d) diversification of credit portfolios is adequate given an institution's target markets and overall credit strategy.

2) The regulations or internal policies referred to in paragraph 1(a) must in particular contain criteria and procedures for:

a) ongoing administration and monitoring of credit;

b) credit processing control;

c) classification and treatment as a problem credit (intensively monitored credit);

d) management of credit risk concentrations;

e) making adequate value adjustments and specific provisions;

f) the valuation, administration, and realisation of collateral.

3) The regulations or internal policies pursuant to paragraph 1(a) must be complied with on an ongoing basis and reviewed periodically, but at least annually. They must take into account the specific business areas, countries, sectors, asset classes, product types, and risks of the credit exposures.

4) Conflicts of interest in the granting of credit, the ongoing administration and monitoring of credit, and the valuation of collateral must be prevented by means of suitable measures and procedures, in particular through the organisational separation of the front and back office divisions. The valuation and review of collateral must always be carried out by the back office, taking risk aspects into account. If, in light of risk aspects, the valuation of certain collateral makes it possible for the front office to carry out the valuation, the back office must at least carry out a material plausibility check. The persons who carry out the valuation and plausibility check of mortgage-backed collateral must change at appropriate intervals, irrespective of whether the valuation was carried out by internal or external persons. In the case of valuation by external persons, the bank must carry out a material plausibility check.

5) Depending on the type, scope, and complexity of the credit exposure, credit must be granted by two independently approving qualified votes from the front and back office divisions. When granting a credit, compliance with the rules governing separation of responsibilities must be ensured. For credit that requires the decision of a committee, it must be ensured that the majority ratios within the committee are structured in such a way that the back office division cannot be outvoted. In the event of divergent votes by the front and back office divisions, the

credit must be rejected or referred to a higher level of authority for a decision as part of the defined escalation procedure. Credit decisions must be documented in a comprehensible manner.

6) Persons responsible for the valuation of collateral must have appropriate qualifications and experience.

7) When granting credit and in the case of periodic or ad hoc resubmissions, a risk assessment and classification of the loan exposure must be carried out using a rating system (risk classification procedure). Ad hoc reviews of credit exposures must be carried out immediately upon receipt of information indicating a significant negative change in the risk assessment or collateral. Quantitative and qualitative criteria must be taken into account in the risk classification process.

8) Banks must define criteria for the recovery and/or resolution of non-performing loans. Responsibility for the recovery and resolution process of a non-performing loan and the monitoring of such loans must not be assigned to the front office. Persons with appropriate experience and qualifications must be involved in the recovery and realisation process. The recoverability of collateral must be assessed at least once a year. In such cases, the collateral must be valued taking appropriate account of realisation costs, the realisation period, and value discounts. The waiver or use of value discounts must be appropriately justified in each case.

9) Banks must define quantitative and qualitative criteria and processes for the creation of value adjustments and specific provisions for the lending business, taking into account the accounting standards applied.

10) The principles set out in paragraphs 1 to 9 also apply to the granting of mortgage-backed loans, unless expressly excluded by Articles 27 to 32.

Article 18

Residual risk

The residual risk that recognised credit risk mitigation techniques used by the institutions prove less effective than expected must be identified, measured, assessed, managed, mitigated, and monitored by means of, *inter alia,* regulations or internal policies and procedures.

Article 19

Concentration risk

1) The concentration risk arising from exposures to each counterparty, including central counterparties, groups of connected clients, and counterparties in the same economic sector, geographic region or from the same activity or commodity, the application of credit risk mitigation techniques, and including in particular risks associated with large indirect credit exposures such as a single collateral issuer, must be identified and must be measured, assessed, managed, mitigated, and monitored in a timely manner including by means of written policies and procedures.

2) When assessing credit in the course of granting, amending, or extending credit and as part of ongoing administration and monitoring, in particular when assessing and classifying risk, the individual loans and underlying information, in particular on existing dependencies at consolidated level, must be taken into account in the case of undertakings within the group or of related clients. If the borrower belongs to a group of related clients, the necessary information on the relevant related client must be obtained, especially if the loan repayment is dependent on the cash flows of the related clients within the same group.

Article 20

Securitisation risk

1) The risks arising from securitisation transactions in relation to which the banks are investor, originator, or sponsor, including reputational risks, such as arise in relation to complex structures or products, shall be identified, measured, assessed, managed, mitigated, and monitored through appropriate policies and procedures, to ensure that the economic substance of the transaction is fully reflected in the risk assessment and management decisions.

2) Liquidity plans to address the implications of both scheduled and early amortisation must exist at banks which are originators of revolving securitisation transactions involving early amortisation provisions.

Article 21

Market risk

1) Banks shall enact regulations or internal policies and implement processes for the identification, measurement, assessment, management, mitigation, and monitoring of the sources and effects of market risks.

2) Market risks referred to in paragraph 1 include in particular:

a) price risks;

b) interest rate risks;

c) currency risks;

d) market price risks from commodity transactions.

3) Where the short position falls due before the long position, banks shall also take measures against the risk of a shortage of liquidity.

4) The internal capital shall be adequate for material market risks that are not subject to an own funds requirement.

5) Appropriate limits must be defined for limiting and monitoring market risks.

6) The procedures for assessing market risks must be reviewed on a regular basis. As part of this review, it must be assessed in particular whether the procedures lead to usable results in the event of serious market movements or disruptions. The bank may determine alternative valuation methods if market prices are missing or only outdated or distorted market prices are available. The results obtained must be regularly checked for plausibility.

7) The transactions carried out in the trading book involving market risks must be added to the relevant limit immediately and the position manager must be informed of the utilisation of the limit at least once a day. Market risk positions in the trading book must be valued daily. The individual existing exposures must be aggregated into an overall position at least once a day.

8) Banks which have, in calculating own funds requirements for position risk in accordance with Part Three, Title IV, Chapter 2, of Regulation (EU) No 575/2013, netted off their positions in one or more of the equities constituting a stock-index against one or more positions in the stock-index future or other stock-index product shall have adequate internal capital to cover the basis risk of loss caused by the future's or other product's value not moving fully in line with that of its constituent equities. Banks shall also have such adequate internal capital where they

hold opposite positions in stock-index futures which are not identical in respect of either their maturity or their composition or both.

9) Where banks use the treatment in Article 345 of Regulation (EU) No 575/2013, they shall ensure that they hold sufficient internal capital against the risk of loss which exists between the time of the initial commitment and the following working day.

Article 22

Interest risk arising from non-trading book activities

1) Banks shall implement adequate internal systems or shall use the standardised methodology or the simplified standardised methodology to identify, measure, assess, manage, mitigate, and monitor the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of the non-trading book activities of the bank.

2) Banks shall implement adequate internal systems to identify, measure, assess, manage, mitigate, and monitor the risks arising from potential changes in credit spreads that affect both the economic value of equity and the net interest income of the non-trading book activities of the bank.

3) The FMA may require use of the standardised methodology where:

a) the internal systems introduced by a bank for assessing the risks referred to in paragraph 1 are not adequate; or

b) the simplified standardised method by a small and non-complex institution as defined in Article 4(1)(145) of Regulation (EU) No 575/2013 is not adequate to identify, measure, manage, and limit the interest rate risk arising from non-trading book activities.

Article 23

Operational risk

1) Banks shall have adequate internal processes in place to measure and manage their operational risks, including model risk and risks associated with outsourcing, and to cover low-frequency high-severity events. For this purpose, they shall define operational risk according to Article 4(1)(52) of Regulation (EU) No 575/2013 and use it in a uniform manner.

2) Material operational risks arising from the bank's business model must be identified. Based on the operational risks identified, appropriate risk mitigation and risk management measures must be taken and their implementation monitored on an ongoing basis

3) The bank must maintain a central loss database in which losses are appropriately recorded and the causes of significant losses are analysed. The documented losses must be appropriately taken into account in the annual assessment of operational risks.

4) Appropriate processes and controls must be set up for the management and monitoring of ICT and security risks, including in particular the determination of the risk appetite for ICT and security risks, the identification and assessment of ICT and security risks, the definition of measures, the monitoring of the effectiveness of these measures, and reporting. Authorisations and competencies must be assigned in accordance with the principle of economy and checked regularly and on an ad hoc basis to ensure that they are up to date.

5) Banks shall have adequate contingency and business continuity policies and plans, including ICT business continuity policies and plans and ICT response and recovery plans for the technology they use for the communication of information, and shall ensure that those plans are established, managed and tested in accordance with Article 11 of Regulation (EU) 2022/2554[6], in order to allow banks to keep operating in the event of severe business disruption and limit losses incurred as a consequence of such disruption.

6 Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1)

Article 24

Liquidity risk

1) Banks shall have robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of liquidity risk over an appropriate set of time horizons, including intra-day, so as to ensure that institutions maintain adequate levels of liquidity buffers. Those strategies, policies, processes and systems shall be tailored to business lines, currencies and entities and shall include adequate allocation mechanisms of liquidity costs, benefits and risks.

2) The strategies, policies, processes and systems referred to in paragraph 1 must be proportionate to the complexity, risk profile, scope of operation of the bank and risk tolerance set by the board of directors. They must furthermore reflect the importance of the bank in each country in which it carries out business. Banks shall communicate risk tolerance to all relevant business lines.

3) Banks, taking into account the nature, scale and complexity of their activities, shall have liquidity risk profiles that are consistent with and, not in excess of, those required for a well-functioning and robust system.

4) Banks that have material liquidity risks in foreign currencies must introduce appropriate measures and procedures to manage foreign currency risks and liquidity in the major currencies, in particular through a separate liquidity overview, separate foreign currency stress tests and integration in the liquidity contingency plan for liquidity bottlenecks.

5) The measures and processes must ensure that the bank can meet its payment obligations at all times. The measures must also take into account the necessary management of intraday liquidity risk. The bank must have sufficiently diversified refinancing and adequate liquidity buffers. Concentrations of liquidity and refinancing must be monitored and limited. These processes must be reviewed regularly, at least annually.

6) The FMA shall monitor developments in relation to liquidity risk profiles, such as product design and volumes, risk management, funding policies and funding concentrations. The FMA shall take all necessary action where developments may lead to instability of individual banks or systemic instability. In particular, all powers under Article 154 of the Banking Act are at its disposal for this purpose. The FMA shall inform the EBA of all measures taken in accordance with this paragraph.

7) Banks shall develop methodologies for the identification, measurement, management and monitoring of funding positions. Those

methodologies shall include in particular the current and projected material cash-flows in and arising from assets, liabilities, off-balance-sheet items, including contingent liabilities and the possible impact of reputational risk. Taking into account the business strategy, risk appetite and business model, banks must draw up appropriate funding plans, which in particular must cover periods of several years.

8) Banks shall distinguish between pledged and unencumbered assets. Unencumbered assets must be available at all times, in particular during emergency situations. Banks shall also take into account the legal person in which assets reside, the country where assets are legally recorded either in a register or in an account, and their timely eligibility, and they shall monitor how assets can be liquidated in a timely manner.

9) Banks shall also have regard to existing legal, regulatory and operational limitations to potential transfers of liquidity and unencumbered assets amongst legal persons, both within and outside the European Economic Area.

10) A bank shall consider different liquidity risk mitigation tools, including the implementation of appropriate liquidity risk ratios, a system of limits, and liquidity buffers in order to be able to withstand a range of different stress events and an adequately diversified funding structure and access to funding sources. Those arrangements shall be reviewed regularly.

11) Alternative scenarios on liquidity positions and on risk mitigants shall be considered and the assumptions underlying decisions concerning the funding position shall be reviewed at least annually. For these purposes, alternative scenarios shall address, in particular, off-balance-sheet items and other contingent liabilities, including those of securitisation special purpose entities or other special purpose entities, in relation to which the bank acts as sponsor or provides material liquidity support.

12) Banks shall consider the potential impact of institution-specific, market-wide and combined alternative scenarios. Different time horizons and varying degrees of stressed conditions shall be considered.

13) Banks shall adjust their strategies, internal policies and limits on liquidity risk and develop effective contingency plans, taking into account the outcome of the alternative scenarios referred to in paragraph 11.

14) In order to deal with liquidity crises, banks shall have in place contingency plans setting out adequate strategies and proper implementation measures in order to address possible liquidity shortfalls, including at branches in another EEA Member States. Those plans shall be

tested by the banks regularly, at least annually, updated on the basis of the outcome of the alternative scenarios set out in paragraph 11, reported to and approved by senior management, so that internal policies and processes can be adjusted accordingly.

15) Banks shall take the necessary operational steps in advance to ensure that liquidity recovery plans as referred to in paragraph 14 can be implemented immediately. In the case of banks, those operational steps shall include holding collateral immediately available for central bank funding. The necessary operational steps shall also include holding collateral in the currency of another EEA Member State as needed, or the currency of a third country to which the bank has exposures, and where operationally necessary within the territory of a host Member State or of a third country to whose currency it is exposed.

Article 25

Risk of excessive leverage

1) Banks shall enact policies and implement processes for the identification, measurement and management of the risk of excessive leverage. Indicators for the risk of excessive leverage shall include, in particular, the leverage ratio determined in accordance with Article 429 of Regulation (EU) No 575/2013 and mismatches between assets and obligations.

2) Banks shall address the risk of excessive leverage in a precautionary manner by taking due account of potential increases in the risk of excessive leverage caused by reductions of the institution's own funds through expected or realised losses. To that end, banks must be able to withstand a range of different stress events with respect to the risk of excessive leverage.

D. Special risk management requirements for ETP transactions and mortgage-backed loans

Article 26

Risks associated with the execution of ETP transactions

1) The minimum requirements for the granting, internal reporting, and monitoring of ETP transactions under this Article apply only to:

a) transactions from the lending business; and

b) those internal requirements for which non-compliance means a significant increase in risk.

2) Banks must check and document the internal requirements for which non-compliance represents a significant increase in risk (materiality analysis), particularly in the context of lending and resubmissions. Non-compliance with internal requirements relating to client classification, creditworthiness, affordability, loan-to-value ratio, and amortisation is always considered to significantly increase risk.

3) The execution of ETP transactions within the meaning of this Article must be appropriately documented in all cases. The identification of business relationships and the execution process of ETP transactions must be fully traceable and verifiable at all times.

4) The internal directives and regulations for the execution of ETP transactions within the meaning of this Article must contain clear definitions, materiality and threshold values, constellations, and allocations of powers, in particular for approvals, rejections, and escalations.

5) ETP transactions within the meaning of this Article must be clearly identified within the bank and intensively monitored in accordance with their respective risk. Both the labelling and the monitoring of such ETP transactions must ensure a clear distinction between ETP transactions at the time the loan is granted and existing transactions that become ETP transactions within the meaning of this Article during the term of the loan.

6) Banks must have an internal reporting system for ETP transactions within the meaning of this Article to ensure that they have a meaningful picture of the risks arising from ETP transactions. The content, form, and frequency of internal reporting must be defined in the internal directives and regulations; internal reporting shall in any case include:

a) disclosure of the share of ETP transactions in newly concluded transactions;

b) disclosure of ETP transactions identified as part of resubmissions or when events relevant to creditworthiness occur;

c) disclosure of the number and volume of ETP transactions and the development of ETP transactions over time;

d) quantitative aspects and qualitative elements for risk assessment and justifications for significant changes;

e) ETP transactions from at least the following categories, which must be reported separately; risk classes can be formed within the various categories on the basis of internally defined thresholds:

1. affordability;
2. lending rates; and
3. amortisation.

7) The conformity of the total portfolio of ETP transactions within the meaning of this Article must be reviewed and documented by the bank at least once a year in accordance with the risk appetite, the general risk strategy, and the limit system. If the volume of these ETP transactions exceeds the limits of the risk appetite or the general risk strategy, the board of directors must be informed regularly and comprehensively.

Article 27

Policies for the assessment, valuation, and treatment of mortgage-back loans

1) For the assessment, valuation, and treatment of mortgage-backed loans and taking into account the institution's specific credit policy, banks shall issue regulations or internal policies on the credit business process (credit assessment, credit approval, credit monitoring, and reporting), which cover the following points in particular:

a) the procedures for the systematic calculation of affordability and the corresponding maximum limits;

b) the imputed mortgage interest rate for calculating affordability;

c) the periodicity of internal credit audits according to risk-relevant criteria and the definition of events that trigger an extraordinary credit audit;

d) the definition of property types and their eligibility as collateral;

e) the amortisation and mortgage lending concept, in particular the mortgage lending limits and minimum amortisation rates;

f) the valuation system and the valuation methods by property type;

g) the method for determining the capitalisation rate;

h) the procedures for the approval, reporting, and monitoring of ETP transactions.

2) Banks shall make their lending decision on the basis of a review of the borrower's creditworthiness (personal creditworthiness and financial creditworthiness) and the value of the mortgage and on the basis of regulated internal processes.

3) They shall ensure that the responsible employees are aware of the regulations and internal policies and apply them accordingly.

Article 28

Creditworthiness and affordability requirements when granting mortgage-backed loans

1) A maximum loan-to-value ratio of 80% (percentage of the mortgage lending value) is permissible for the initial granting and increase of mortgage-backed loans for residential properties and investment properties as well as for restructuring of usage agreements for residential properties and investment properties. A loan-to-value ratio greater than 80% is possible in exceptional cases, in which case these loan transactions then qualify as ETP transactions.

2) Paragraph 1 does not apply to redemptions with a constant loan amount, increases as part of the management of non-performing loans, and the granting of business loans with real estate as additional cover.

3) The basis for calculating affordability in the case of residential property is the borrower's sustainable disposable income (in the case of employed persons, the gross income less social insurance contributions) and their expenditure on the residential property as well as any other significant expenditure not associated with the residential property, in particular longer-term obligations prescribed by court order or contract. The relevant income and expenditure must be defined comprehensibly and conclusively by the bank in its regulations and internal policies with the aim of making a prudent assessment of the borrower's financial situation and reducing the credit risk.

4) Banks shall ensure that the calculation of affordability is carried out systematically and must define the procedure to be applied in their regulations and internal policies. Banks are also obliged to specify how affordability is to be proven and documented. They must also define the long-term imputed mortgage interest rate to be used for the affordability calculation. The imputed mortgage interest rate must be determined carefully and take into account long-term averages; its calculation must be justified in the bank's regulations and internal policies. Banks must set the maximum limits for the ratio between income and expenditure within the meaning of paragraph 3.

5) In the case of investment properties, it is primarily the income generated by the property that forms the basis for the creditworthiness and affordability assessment. The income and cost components to be taken into account and the imputed mortgage interest rate to be applied must be defined in the bank's regulations and internal policies.

6) In the case of owner-occupied commercial properties, the assessment of the borrower forms the basis for the creditworthiness and affordability assessment.

7) All mortgage-backed loans must be reviewed at fixed periodic intervals or when events relevant to creditworthiness become known. The principles of the credit assessment must be defined in the bank's regulations and internal policies.

8) If the bank becomes aware of events relevant to creditworthiness, a new assessment must be carried out and suitable measures must be derived from that new assessment. The bank must set out in its regulations and internal policies the frequency and conditions under which creditworthiness, affordability, and mortgage lending must be reassessed. The periodicity of the reassessment and the constellations for the reassessment must be determined on the basis of risk-relevant and property-related criteria.

9) When redeeming mortgage-backed loans, the lending bank shall carefully examine the borrower's motives, in particular for the purpose of identifying problem loans. A redemption constitutes a new transaction for the lending bank and must be examined accordingly. The first and second sentences also apply to redemptions within the same organisation.

Article 29

Valuation of the mortgage

1) The bank must value its mortgage collateral carefully, systematically, and periodically in accordance with uniform principles and taking into account all relevant documents, considering in particular the character, location, and situation as well as the current and future economic use of the property. Unless otherwise justified, the market value shall be used as a basis.

2) The properties to be used as collateral must in principle be inspected. Deviations from this principle must be specified in the bank's regulations and internal policies.

3) Banks shall set out the requirements for the skills and independence of real estate assessors in their internal directives and regulations.

4) Extraordinary transactions must be specifically regulated in the regulations and internal policies.

5) Banks must regulate the valuation of residential properties in its regulations and internal policies. For marketable residential properties, banks may perform the valuation using validated valuation models (hedonic or equivalent approaches). Banks must define a validation procedure for their own models and adequately document the method used for the valuation model and the statistical basis. Furthermore, banks must regulate the use of validated valuation models and manual value adjustments (upwards and downwards) in their regulations and internal policies and document them.

6) The earnings value is decisive for determining the mortgage lending value of investment properties. Property-related criteria must be taken into account appropriately. In their regulations and internal policies, banks must define the method and system for determining the capitalisation rates for each property type and regulate the monitoring and adjustment of these rates to new economic situations. In the case of mixed-use properties, the earnings value is calculated as the sum of partial earnings values resulting from the earnings for each type of use and the respective capitalisation rates. Banks must regulate the use of valuation models for the valuation of investment properties separately in their regulations and internal policies and document them.

7) For the determination of the mortgage lending value of owner-occupied commercial properties, the room rent according to the borrower's income statement is decisive. Banks must check the plausibility of this value. When determining the mortgage lending value, property-related criteria, the dependency on the property and operator, and the economic viability must be taken into account.

8) Valuations of building land must be carried out on the basis of current market conditions. The possible future use of the building land and the specific external and internal conditions must be taken into account in the valuation.

9) In the case of project financing for residential properties intended for sale, the marketability of the project as a whole must be taken into account in the valuation. This also applies in the event of a possible hedonic valuation of the individual properties.

10) Non-marketable properties must be assessed and valued individually and in accordance with their risk profile. The use of valuation models is not permissible for these properties.

11) The use of valuation models is generally possible for certain types of property, although their applicability must be specified in the bank's regulations and internal policies or justified in specific individual cases.

12) In their regulations and internal policies, banks must define the maximum permissible intervals within which the mortgaged properties are to be reassessed. These intervals are to be measured according to the type of property, the loan-to-value ratio, and the market situation. In the event of negative market changes, banks must assess the risk potential and define and take the necessary measures. As part of periodic specific risk analyses, banks must assess the impact on the value of the mortgage portfolio. The focus here must be on properties valued using valuation models.

Article 30

Mortgage lending and amortisation

1) The mortgage lending value may not exceed the market value. Banks must set out the methods for determining the market value and the mortgage lending value for the various property types in their regulations and internal policies.

2) In their regulations and internal policies, banks must set out the mortgage lending rates for each property type and the underlying values, taking into account their own risk capacity. In addition to the property type, they must take into account the purpose and possible uses of the property.

3) When applying the mortgage lending rates, property-related criteria and borrower-related aspects such as, in particular, affordability and existing assets must be taken into account appropriately. Senior or *pari passu* liens and the resulting interest claims must also be adequately taken into account.

4) In their regulations and internal policies, banks must regulate the conditions for lending against special mortgages such as non-excluded co-ownership shares and building rights as well as the treatment of senior and *pari passu* mortgages and charges on property.

5) Banks must define the amortisation rates for the various types of mortgages in their regulations and internal policies, taking into account the type of property or the expected useful economic life.

6) In the case of residential properties and investment properties, the mortgage debt must be amortised to two thirds of the mortgage lending value of the property within a maximum of 15 years. The amortisation must be linear.

Article 31

Special risk management principles for mortgage-backed loans

1) As part of their risk management, banks must determine the procedures and principles for monitoring its mortgage-backed loans, the frequency of periodic reviews of property and borrower quality, and the updating of documentation.

2) Banks must also monitor their mortgage-backed loans at the level of the entire mortgage portfolio. They must define suitable methods for the preparation of specific risk analyses in their regulations and internal policies and implement these models.

3) The procedures and compliance with the principles must be regularly reviewed by persons who are not involved in the acquisition of credit transactions.

4) In their regulations and internal policies, banks must define adequate procedures for the identification, treatment, and monitoring of non-performing loans (Article 2(1)(29) of the Bank Accounting Ordinance) and impaired loans (Article 2(1)(6) of the Bank Accounting Ordinance).

5) Banks must define their own risk profile, which provides information about their risk capacity and risk appetite.

6) Banks must regulate the processing of construction loans in their regulations and internal policies. In particular, the payment of own funds and the use of the loan according to the progress of construction must be monitored in accordance with the bank's regulations and internal policies.

Article 32

Internal reporting and documentation for mortgage-backed loans

1) Banks must ensure that they have a meaningful picture of the aggregated risks of the mortgage portfolio. They must determine the content, form, and frequency of reporting in their regulations and internal policies.

2) The credit relationship must be documented in an electronic or physical dossier in a complete, up-to-date, comprehensible, and verifiable manner. The documentation obligation includes all documents on which the bank has relied when granting, monitoring, and renewing the loan, in particular documents on the borrower's personal situation and information on the mortgage, including documents on the valuation method and the valuation result.

3) The results of the review of the borrower's creditworthiness and the periodic valuation of the mortgages must be recorded in the dossier and must be comprehensible. In the case of sub-participations and syndicated loans, it remains the responsibility of each participating bank to independently assess the loan and carry out its own monitoring.

4) In particular, the documents must also allow the audit firm and the FMA to form a reliable opinion on the business activity, the credit decision, and credit monitoring.

E. Risk data and risk reporting

Article 33

Policies for risk data aggregation and risk reporting

1) Banks shall establish in writing appropriate policies and processes for risk data aggregation and risk reporting on an individual and consolidated basis; these shall encompass:

a) a comprehensible presentation of the data structure and data hierarchy (data architecture);

b) the definition of corresponding responsibilities and control mechanisms; and

c) the requirements set out in paragraphs 2 to 4.

2) Banks must establish an appropriate data architecture and IT infrastructure that are suitable for aggregating risk data within an appropriate timeframe, largely on an automated basis. The data architecture and IT infrastructure must ensure the completeness and consistency as well as the high quality and timeliness of risk data both in normal times and in times of crisis.

3) Banks must establish appropriate processes for internal and external risk reporting. The processes must ensure effective risk reporting within an appropriate timeframe both in normal times and in times of crisis and shall cover both standardised and ad hoc requests. Risk reporting must be adapted to the respective addressee and must present the material risks in a complete, accurate, timely, consistent, and coherent manner. The frequency of risk reporting must be determined by the board of directors or the competent committee of the board of directors, the senior management, or other addressees as appropriate, taking into account the purpose of the report, the nature of the risks, the speed with which risks can change, and the importance of risk reports for sound risk

management and effective and efficient decision-making. In stress periods or times of crisis, the frequency of reports shall be increased. Consistency between internal and external risk reporting must be ensured.

4) Banks shall ensure a regular independent review of the policies and processes for risk data aggregation and risk reporting. This review may be carried out by the internal audit department, the recognised audit firm, or other independent and competent third parties. In the case of significant banks, the review must take place regularly, but at least every three years, and in the case of all other banks, every five years.

F. Remuneration policy

Article 34

Determination of a particularly high amount of the variable remuneration component

An amount of the variable remuneration component as referred to in Article 84(1)(n) of the Banking Act is in any event particularly high if the variable remuneration is at least 300 000 euros or the equivalent in Swiss francs.

G. Approval obligations

Article 35

Application documents

1) An application for approval of amendments to the articles of association and the business regulation as referred to in Article 90(1)(a) of the Banking Act must be accompanied by:

a) the amended articles of associations or the amended business regulation in a form in which the amendments have been made visible for the purpose of traceability;

b) in the case of a capital increase: the documents on the origin of assets;

c) in the case of a new version of the articles of association or business regulation: a statement from the engaged recognised audit firm that the new version has been audited and meets the regulatory requirements.

2) An application for approval of a merger with an undertaking with its registered office in Liechtenstein, in another EEA Member State, or in a third country as referred to in Article 90(1)(b) of the Banking Act must be submitted to the FMA at least one month before the general meeting that is to decide on the approval. The application must be accompanied by:

a) the terms of merger as referred to in Article 351a of the Law on Persons and Companies;

b) the merger report as referred to in Article 351b of the Law on Persons and Companies.

3) An application for approval of a proposed direct acquisition or a proposed direct disposal of a qualifying holding in a third-country bank or an undertaking with its registered office in a third country in accordance with Article 90(1)(c) of the Banking Act must be accompanied by:

a) a confirmation from the competent authority of the third country in which the third-country bank or undertaking has its registered office that the proposed acquisition or disposal of the qualifying holding has been approved;

b) a statement from a recognised audit firm as to what consequences the proposed acquisition or disposal of the qualifying holding will have on consolidation in accordance with Regulation (EU) No 575/2013 and the Law on Persons and Companies.

4) An application for approval of the assumption of an additional board of directors mandate in accordance with Article 90(1)(e) of the Banking Act must be accompanied by:

a) a list of all existing board of directors mandates held by the applicant;

b) a presentation by the applicant of how much time will be required to perform the existing board of directors mandates and the additional board of directors mandate;

c) a statement from the applicant as to how it will be ensured that the assumption of an additional board of directors mandate will not lead to any deterioration in the performance of existing board of directors mandates.

5) An application for recognition of contractual netting agreements in accordance with Article 90(1)(m) of the Banking Act must be accompanied by:

a) the disclosure of the counterparties together with the relevant documentation;

b) a declaration on Article 296(2)(a) to (d) of Regulation (EU) No 575/2013;

c) an ISDA legal opinion with indication of the author and date;

d) an indication of where the close-out netting agreement is recorded in the ISDA legal opinion;

e) a declaration of the existence of a walk away clause;

f) a declaration regarding recognition by supervisory authorities of other EEA Member States;

g) a confirmation that the requirements set out in Article 296(2) of Regulation (EU) No. 575/2013 are met.

6) The FMA may request further details and information if this is necessary for its review.

Article 36

Special approval requirements

The FMA may grant approval for the simultaneous exercise of the function of chair of the board of directors and a member of senior management in the same bank in accordance with Article 90(1)(i) of the Banking Act only if:

a) there are no conflicts of interest due to the simultaneous exercise of the function of chair of the board of directors and a member of senior management and this is proven to the FMA; and

b) it is ruled out that the simultaneous exercise of the function of chair of the board of directors and a member of senior management results in the applicant as chair of the board of directors controlling, even if only partially, their own activities as a member of senior management.

H. Netting agreements

Article 37

Recognition

1) Netting agreements shall be deemed to be recognised within the meaning of Article 296(1) of Regulation (EU) No 575/2013 if:

a) the provisions set out in paragraph 2 and, if applicable, paragraph 3 of Article 296 of Regulation (EU) No 575/2013 are fully complied with;

b) claims against the bank are subject to credit quality step 1 to 3 as set out in Article 120 of Regulation (EU) No 575/2013; and

c) compliance with the requirements of subparagraphs (a) and (b) is audited by the internal audit department at least every two years.

2) The treatment, timeliness, and inspection of netting agreements, as well as their differentiation into recognised and non-recognised agreements, shall be documented appropriately.

I. Large exposures

Article 38

Exceptions from the limits to large exposures

The following exposures shall be fully exempt from the application of Article 395(1) of Regulation (EU) No 575/2013:

a) covered bonds falling within Article 129(1), (3) and (6) of Regulation (EU) No 575/2013 and mortgage bonds under the Swiss Mortgage Bond Act (SR 211.423.4);[7]

b) asset items constituting claims on regional governments or local authorities of EEA Member States where those claims would be assigned a 20% risk weight under Part Three, Title II, Chapter 2 of Regulation (EU) No 575/2013 and other exposures to or guaranteed by those regional governments or local authorities, claims on which would be assigned a 20% risk weight under Part Three, Title II, Chapter 2 of that Regulation;

c) exposures incurred by a bank, including through participations or other kinds of holdings, to its parent undertaking, to other subsidiaries of that parent undertaking, or to its own subsidiaries and qualifying holdings, in so far as those undertakings are covered by the supervision on a consolidated basis to which the bank itself is subject, in accordance with Regulation (EU) No 575/2013, Directive 2002/87/EC[8] or with equivalent standards in force in a third country;

7 Article 38(a) amended by LGBl. 2025 No. 236.

8 Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and

exposures that do not meet those criteria, whether or not exempted from Article 395(1) of Regulation (EU) No 575/2013, shall be treated as exposures to a third party;

d) asset items constituting claims on and other exposures, including participations or other kinds of holdings, to regional banks or EEA credit institutions or central credit institutions with which the bank is associated in a banking network as referred to in Article 89 of the Banking Act in accordance with legal or statutory provisions and which are responsible, under those provisions, for cash-clearing operations within the network;

e) asset items constituting claims on and other exposures to banks or EEA credit institutions incurred by banks, one of which operates on a non-competitive basis and provides or guarantees loans under legislative programmes or its statutes, to promote specified sectors of the economy under some form of government oversight and restrictions on the use of the loans, provided that the respective exposures arise from such loans that are passed on to the beneficiaries via banks or EEA credit institutions or from the guarantees of these loans;

f) asset items constituting claims on and other exposures to banks or EEA credit institutions, provided that those exposures do not constitute such banks' or EEA credit institutions' own funds, do not last longer than the following business day and are not denominated in a major trading currency;

g) asset items constituting claims on central banks in the form of required minimum reserves held at those central banks which are denominated in their national currencies;

h) asset items constituting claims on central governments in the form of statutory liquidity requirements held in government securities which are denominated and funded in their national currencies provided that, at the discretion of the competent authority, the credit assessment of those central governments assigned by a nominated ECAI is investment grade;

i) 50% of bucket 4 off-balance-sheet documentary credits and of bucket 3 off-balance-sheet undrawn credit facilities referred to in Annex I of Regulation (EU) No 575/2013 with an original maturity of up to and including one year and subject to the competent authorities' agreement, 80% of guarantees other than loan guarantees which have a legal or

Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (OJ L 35, 11.2.2003, p. 1)

regulatory basis and are given for their members by mutual guarantee schemes that are a bank or EEA credit institution;[9]

k) legally required guarantees used when a mortgage loan financed by issuing mortgage bonds is paid to the mortgage borrower before the final registration of the mortgage in the land register, provided that the guarantee is not used as reducing the risk in calculating the risk-weighted exposure amounts;

l) exposures in the form of a collateral or a guarantee for residential loans, provided by an eligible protection provider referred to in Article 201 of Regulation (EU) No 575/2013 qualifying for the credit rating which is at least the lower of the following:

   1. credit quality step 2;
   2. the credit quality step corresponding to the central government foreign currency rating of the EEA Member State where the protection provider's headquarters are located;

m) exposures in the form of a guarantee for officially supported export credits, provided by an export credit agency qualifying for the credit rating which is at least the lower of the following:

   1. credit quality step 2;
   2. the credit quality step corresponding to the central government foreign currency rating of the EEA Member State where the protection provider's headquarters are located.

K. Periodic reporting

Article 39

Reporting of financial information

1) Banks shall submit the following financial information to the FMA on an individual basis as follows:

a) quarterly, no later than two months after the end of the quarter:

   1. balance sheet consisting of assets and liabilities, structured according to the applicable accounting provisions;
   2. income statement, structured according to the applicable accounting provisions;

9 Article 38(i) amended by LGBl. 2025 No. 236.

3. breakdown of assets under management in accordance with Article 98 of the Bank Accounting Ordinance;
4. disclosure of off-balance-sheet transactions in accordance with Article 20(1) of the Bank Accounting Ordinance;
5. disclosure of lending transactions and repurchase and reverse repurchase agreements (repo transactions) with securities in accordance Articles 50 and 51 of the Bank Accounting Ordinance;
6. disclosure of fiduciary transactions in accordance with Article 20(1) of the Bank Accounting Ordinance;
7. disclosure of amounts due from/to closely associated persons in accordance with Article 90(4) of the Bank Accounting Ordinance;
8. disclosures of loans to customers in accordance with Article 24 of the Bank Accounting Ordinance;

b) semi-annually, no later than six weeks after the end of the half-year:

1. detailed disclosure of provisions and reserves for general banking risks in accordance with Article 86 of the Bank Accounting Ordinance;
2. open derivative financial instruments in accordance with Article 96 of the Bank Accounting Ordinance:

aa) total open derivative financial instruments before consideration of netting agreements;

bb) total open derivative financial instruments after consideration of netting agreements.

2) On request, banks shall additionally submit the following to the FMA on an annual basis, no later than six weeks after the end of the financial year:

a) disclosure of their five main sources of revenue;

b) disclosure pursuant to Article 101(2) and Article 102(2) of the Banking Act.

3) Banks must submit the following reports to the FMA on a consolidated basis:

a) quarterly or semi-annual reporting of financial information in accordance with paragraph 1, unless they are already subject to the obligation to report financial information on a consolidated basis

pursuant to Commission Implementing Regulation (EU) 2021/451[10]; and

b) quarterly, no later than six weeks after the end of the quarter: reporting of the "breakdown of assets under management" in accordance with Article 98 of the Bank Accounting Ordinance.

4) The deadlines set out in paragraphs 1 to 3 may, in justified cases and on an exceptional basis, be extended by the FMA by a maximum of 20 days.

5) The FMA may request further documents or information as needed.

6) The financial information referred to in paragraph 1 shall be subsequently audited by the recognised audit firm as part of the audit of the business report and the consolidated business report. If it turns out that the disclosures provided in the business report or consolidated business report deviate materially from those provided pursuant to paragraph 1, the deviations must be pointed out and justified by the recognised audit firm in the audit report.

L. Capital buffer

Article 40

Determination of the systemic risk buffer

1) Banks granting mortgage loans on residential or commercial immovable property located in Liechtenstein must hold a systemic risk buffer in addition to the Common Equity Tier 1 capital used to comply with the own funds requirements under Article 92 of Regulation (EU) No 575/2013.

2) The systemic risk buffer rate shall be 1% of the risk exposure amount of all mortgage-backed loans granted on residential or commercial immovable property located in Liechtenstein.

10 Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 97, 19.3.2021, p. 1)

3) The systemic risk buffer shall be determined and held on an individual and consolidated basis in accordance with Articles 6 to 24 of Regulation (EU) No 575/2013.

M. Capital conservation measures

Article 41

Content of the capital conservation plan

1) The capital conservation plan referred to in Article 116 of the Banking Act must cover a period of three years.

2) The capital conservation plan must be approved by the board of directors.

N. Measures in relation to certain exposures

Article 42[11]

Repealed

O. Audit firms

Article 43

Application documents

The application for recognition as an audit firm as referred to in Article 125 of the Banking Act must be accompanied by the following materials in particular:

a) documents on the origin and significant ownership of share capital and the form of its payment;

b) the business report;

11 Article 42 repealed by LGBl. 2025 No. 236.

c) a list of engagements at banks, financial holding companies, or mixed financial holding companies with a licence under Article 26 of the Banking Act, investment firms, and asset management companies;

d) supporting documents for the qualifications and impeccable repute and good reputation of the head auditors and general management;

e) all documents showing compliance with the requirements set out in Article 124(2) and (3) and Article 127 of the Banking Act.

Article 44

Quality assurance of the audit of banks

1) Quality assurance must be carried out in accordance with the provisions of professional law.

2) The audit firm shall establish rules and measures for quality assurance, including engagement quality assurance, and shall ensure that these are complied with on a permanent basis. The quality assurance rules must cover the undertaking and engagement level.

3) The responsible auditor shall be responsible for the overall quality of the regulatory audit at the engagement level and shall have the following tasks in particular:

a) the instruction, planning, execution, and monitoring of the audit engagement;

b) guarantee of the appropriateness and factual accuracy of the reporting;

c) performance of reviews in accordance with the rules and procedures laid down by the audit firm for this purpose.

4) Sufficient and appropriately detailed audit documentation that is clear and comprehensible for a knowledgeable third party must be prepared in a timely manner for each individual regulatory audit.

5) For banks, engagement quality assurance must be carried out for the regulatory audit.

V. Requirements for financial holding companies and mixed financial holding companies

Article 45

Calculation of the number of senior management or board of directors mandates

Article 9 shall apply *mutatis mutandis* to the calculation of the permissible number of senior management or board of directors mandates for members of the senior management of financial holding companies or mixed financial holding companies in accordance with Articles 63 and 135 of the Banking Act.

Article 46

Audit firms

Articles 43 and 44 shall apply *mutatis mutandis* to the activity as a recognised audit firm in accordance with Article 136 of the Banking Act for financial holding companies or mixed financial holding companies with a licence under Article 26(1) or (2) of that Act.

Article 47

Outsourcing

Articles 14 and 15 shall apply *mutatis mutandis* to the outsourcing of processes, services, or activities by financial holding companies or mixed financial holding companies with a licence under Article 26(1) or (2) of the Banking Act.

VI. Reorganisation and winding up

A. Court of Justice

Article 48

Opinion of the FMA

1) The Court of Justice shall obtain the opinion of the FMA before granting a moratorium and for the measures to be taken in this connection.

2) Before making an appointment under Articles 191, 192, 202, 213 or 214 of the Banking Act, the Court of Justice shall obtain the opinion of the FMA.

Article 49

Petition for bankruptcy

The Court of Justice shall suspend the decision on petitions for bankruptcy filed against the bank after receipt of the request for moratorium until the request for moratorium has been dealt with.

Article 50

Public announcement

1) If the commissioner has issued an opinion on an extrajudicial reorganisation pursuant to Article 198 of the Banking Act, such opinion shall be made available for inspection by the shareholders and creditors at the Court of Justice for a period of 20 days.

2) The draft debt restructuring agreement, together with the accompanying files, shall be made available for inspection by the creditors at the Court of Justice for a period of 30 days.

3) Objections by creditors to the draft debt restructuring agreement must be submitted in writing to the Court of Justice during the availability period. Creditors who do not raise any objections within this period shall be deemed to have approved the draft debt restructuring agreement.

4) The Court of Justice shall publicly announce the place and time of availability.

B. Commissioner and liquidator

Article 51

Powers

1) The commissioner shall have the power to consult experts and to hire personnel either themself or to have them assigned by the bank.

2) The commissioner shall have the power to temporarily suspend or permanently dismiss any person in the service of the bank.

3) The commissioner may obtain an instruction from the Court of Justice for the order of payments under Article 195 of the Banking Act.

Article 52

Liability claims

If a moratorium has been granted or debt restructuring proceedings have been instituted, the commissioner or the liquidator shall ensure that liability claims to which the bank is entitled under Article 249 of the Banking Act and Article 221 of the Law on Persons and Companies are examined and safeguarded.

Article 53

Remuneration of the commissioner

1) The remuneration of the commissioner shall be determined by the Court of Justice, generally on a semi-annual basis.

2) The remuneration shall be secured by the bank. The amount and form of the security shall be determined by the Court of Justice when granting the moratorium.

C. Creditors' meeting

Article 54

Convening and chairing

A creditors' meetings pursuant to §§ 124 et seq. and 150 of the Final Part on the Law on Persons and Companies relating to the community of

bond creditors shall be convened and chaired by the commissioner or the liquidator.

VII. Final provisions

Article 55

Repeal of law hitherto in force

The Ordinance of 22 February 1994 on Banks and Investment Firms (Banking Ordinance; BankV), LGBl. 1994 No. 22, as amended, is hereby repealed.

Article 56

Entry into force

This Ordinance shall enter into force on 1 February 2025.

The Government:
signed *Dr. Daniel Risch*
Prime Minister

Transitional and commencement provisions

952.01 Banking Ordinance (BankV)

Liechtenstein Law Gazette
Year 2025 No. 236 published on 21 March 2025

Ordinance
of 11 March 2025
amending the Banking Ordinance

. . .

III.

Entry into force

This Ordinance shall enter into force at the same time as Decision of the EEA Joint Committee No 291/2024 of 6 December 2024 amending Annex IX (Financial services) to the EEA Agreement.[1]

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1 Entry into force: 1 April 2025 (LGBl. 2025 No. 234).