

Factsheet on the reporting obligation of the auditor of foundations subject to supervision

1. General legal situation

Pursuant to Art. 552 § 27 para. 4 PGR, in the case of foundations subject to supervision, the court-appointed auditor must, as statutory body of the foundation, examine once per annum whether the foundation assets are managed and used in accordance with its purpose. The auditor must submit a report on the findings of this audit to the foundation council and to the Foundation Supervisory Authority (Stiftungsaufsichtsbehörde - "STIFA").

If there are no grounds for objection, confirmation that management and use of the assets of the foundation has been carried out in accordance with the purpose of the foundation and in compliance with the law and the foundation documents is sufficient. If, during the performance of their duties, the auditor discovers facts that endanger the continued existence of the foundation, it must also report these facts and inform STIFA immediately.¹

The following statements apply mutatis mutandis to establishments organised under foundation law that serve exclusively common-benefit purposes and are subject to STIFA supervision (Art. 551 para. 2 in conjunction with Art. 552 §§ 27, 29 and 39 PGR). The same applies to establishments organised under foundation law that pursue private-benefit purposes and have voluntarily placed themselves under the supervision of STIFA.

2. Deadline for submitting the audit reports and first reporting year

The reports prepared in fulfilment of the reporting obligation pursuant to Art. 552 § 27 para. 4 PGR must be submitted to STIFA **within 9 months of the end of the financial year**.

This means that in those cases where the financial year coincides with the calendar year, the reports must be submitted to STIFA **by the end of September** of the year following the completed financial year at the latest. If the financial year differs from the calendar year, the end of the submission period is determined on the basis of the nine-month period from the end of the respective financial year.

An extension of the submission deadline is possible on an exceptional basis in justified cases. Requests to extend deadlines must be submitted to STIFA in writing.

If the date of foundation incorporation or the start of STIFA supervision falls in the second half of the respective financial year, there is a choice between a **rump reporting year**, which already closes at the end of the first financial year, and an **extended reporting year**, which only closes at the end of the following financial year. For example, if the incorporation of a foundation subject to supervision falls on 1 July and the financial year ends on 31 December, the duration of the first reporting year is either 6 or 18 months. The maximum duration of the first reporting year is 18 months.

¹ Further information about the audit and reporting obligations of the auditor (standard for the auditing of common-benefit foundations, sample confirmation report etc.) are available on the homepage of the Liechtenstein Association of Auditors (Liechtensteinischen Wirtschaftsprüfer-Vereinigung) under www.wpv.li.

3. Interaction between STIFA and Tax Authority

Common-benefit foundations subject to supervision that are exempt from tax due to their common-benefit status may also submit the documents for the attention of the Tax Authority to STIFA at the same time as reporting to STIFA (Art. 3 para. 3 SteV). In these cases, STIFA must be requested to forward a copy of the duplicate report as defined in Art. 552 § 27 PGR to the Tax Authority together with the audited annual financial statements or schedule of assets pursuant to Art. 21 para. 2 SteV that are also intended for the Tax Authority.² STIFA will then forward the documents intended for the Tax Authority to the Tax Authority.

² cf. Factsheet of the Tax Authority on the exemption from direct taxes for common-benefit legal entities and special asset endowments without legal personality