

Liechtenstein financing structures in the new interest rate landscape



The Liechtenstein tax administration has published the interest rates applicable to advances or loans to related parties for the 2023 tax year (selection).

Liechtenstein minimum interest rates for tax

Borrower	Currency	Min. Interest Rate
Switzerland	CHF	2.25%
European Union	EUR	3.75%
United Kingdom	GBP	4.75%
USA	USD	4.75%
Czech Republic	CZK	6.50%
Canada	CAD	4.75%
Poland	PLN	8.00%

Tax implications of minimum interest rates

If loans are granted at the published interest rates, these are deemed to be in line with market rates in the calendar year without further proof. In the case of lower interest rates, the taxpayer must prove that the conditions stand up to a third-party comparison.

Without proof, the tax authorities add the difference between the minimum interest rate and the effective interest rate to the taxable income.

Importance for Liechtenstein financing structures

Various financing structures exist in Liechtenstein, which have benefited from an attractive effective taxation of interest income due to the notional interest deduction on equity. With the sharp increase in the minimum interest rate for tax purposes without a corresponding increase in the notional interest deduction on equity, the tax conditions for financing structures in Liechtenstein have shifted.

Recommendation for action

For existing financing structures, it is necessary to examine whether the tax burden can be optimized with certain measures. Such measures may include for example a change in currency, refinancing or an adjustment to the structure.



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