

Philanthropy in Liechtenstein

*Sustainably committed
to the common good*

CHARITABLE
FOUNDATIONS PROVIDE
INSPIRATION
FOR SOCIETY.

IDEAS IN DIVERSE
AREAS CAN GROW
AND FLOURISH.

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Values for the world of tomorrow

Ten years of VLGST are a reason to celebrate. But celebration should not be an end in itself. Rather, this kind of an anniversary is an opportunity to look back and look forward as well as to assess the current situation. It is important to look back at what has been achieved, at successes and unfinished tasks, and at the same time to look to the **future**, to the challenges and opportunities, and how they can be taken up.

The aim of this publication is to show what makes **Liechtenstein** an outstanding location for philanthropic and charitable work, and to raise awareness of the many opportunities offered by charitable work through a foundation or trust. Furthermore, it is also intended to provide an additional instrument for the players in the Liechtenstein's financial centre to attract new donors and settlers in order to **change** the world via Liechtenstein. Since charitable foundations outnumber charitable trusts in Liechtenstein by far, this publication mainly refers to the foundations. However, this naturally includes the charitable trusts and their charitable activities as well.

Civic-mindedness – thinking and acting on behalf of common interests rather than for the benefit of the individual – is the theme that unites all of the charitable work carried out by Liechtenstein foundations and trusts. It is the soil on which the **common good** can grow. With this civic-mindedness, which is described in this publication by means of examples, individuals and institutions that are active in Liechtenstein make important contributions to social change and transformation. They make an impact and contribute to the future and therefore to positive change in many areas of life.

On behalf of the Board of Directors, I would like to take this opportunity to **thank** the founders of the Association, especially the long-standing President Hans Brunhart, but also all member foundations and all private and public partners of VLGST for their valuable and lasting commitment and excellent cooperation.



Dr Thomas Zwiefelhofer
President of VLGST



Liechtenstein as a foundation location

A place of trust and sustainability

Financial services have a long **tradition** in Liechtenstein. The stable political and economic conditions, combined with liberal, internationally compatible corporate laws, form the ideal environment for securing and structuring assets. The popular foundation location in the heart of Europe represents **continuity** and **legal security**. Its reliability and the expertise of an experienced, well-positioned financial industry make Liechtenstein a place of trust and sustainability.

Liechtenstein as a foundation location

Location factors

-  **Innovative and versatile corporate law**
-  **Liberal and internationally compatible foundation law**
-  **Customer-oriented and internationally oriented consulting competence**
-  **Efficient administration with flat hierarchies**
-  **Solid fiscal policy and substantial state reserves**
-  **Political and economic stability**
-  **Central geographical location in the heart of Europe**

Combination of location factors and knowledge

Liechtenstein's attractiveness and strong competitive position are not the result of individual location factors. Its great strength and key difference compared to other locations is the combination of all these factors. In addition, there is the unique constellation that, as a member state of the European Economic Area (EEA), Liechtenstein enjoys the free movement of capital, and that the country is not only optimally integrated in Europe, but also has particularly close ties with Switzerland through the Customs and Currency Treaty. In addition, Liechtenstein has a recognised centre of excellence in the University of Liechtenstein, in particular the Chair of Company, Foundation and Trust Law, which also focuses on foundation and trust law and continuously expands and develops the relevant know-how in the Liechtenstein financial centre.

Internationally active and philanthropically inspired

Liechtenstein is a small country in which commitment to the common good and voluntary involvement in state and society are of great importance. Liechtenstein's charitable foundations and trusts make their contributions not only to domestic but also to a large extent to foreign institutions, organisations and individuals. The efforts of Liechtenstein charitable foundations and trusts, which are active around the globe, contribute to the country's reputation of the philanthropy location. The unique profile of the location makes it highly attractive to philanthropists.

The charitable foundation

Strengths of the Liechtenstein model

- **A great deal of freedom for founders** in terms of the purpose of the foundation
- **Effective foundation supervision** with efficient and lean administrative procedures
- **Progressive foundation governance** with a high level of privacy protection
- **No geographical restrictions on funding activities,** on the designation of beneficiaries or on the composition of the Board of Trustees
- **Tax exemption** for exclusively charitable purposes
- **Diversity of organisation** with innovative options such as the protected cell companies (PCCs)

The efforts underway around the globe radiate and have a major impact and are recognised internationally.

Supervision of charitable foundations in Liechtenstein

With the total revision of the provisions in the Persons and Companies Act concerning foundations in 2009, charitable foundations were placed under the supervision of the Foundation Supervisory Authority (STIFA). STIFA has to ensure that the foundation's assets are managed and used in accordance with its purposes. The supervision by STIFA is thus a central element in ensuring foundation governance for charitable foundations.

The criteria for effective supervision include, among other things, that STIFA, as the supervisory authority, has sufficient rights of inspection, information and disclosure vis-à-vis the supervised foundations. Likewise, it is important that the inspections carried out by the auditors comply with a uniform audit standard, which must be followed by appropriate reporting to STIFA. If STIFA detects misconduct by the foundation bodies, it can apply to the Court of Justice for coercive measures such as the dismissal of the offending foundation bodies. This combination of ongoing supervision by STIFA and judicial decision-making power is an adequate means of granting foundation participants a high degree of legal protection and legal certainty.

In international comparison, Liechtenstein has an exemplary supervisory system in the area of charitable foundations. In the course of the implementation of the government's 2019 financial centre strategy, the country's foundation law provisions will be examined in order to identify opportunities to further optimise the effectiveness of supervision and the high degree of recognition of charitable foundations abroad.

Dr Albert Kaufmann

Head of the Department
Foundation Supervisory Authority

Liechtenstein foundation law compared to other legal systems

Liechtenstein foundation law is embedded in an economically and politically stable financial centre. At the same time, the foundation environment is changing and its cross-border potential has been strengthened by the rulings of the European Court of Justice and the resulting mobility areas. In this context, it has become apparent that Liechtenstein foundation law is well equipped to compete with other legal systems thanks to its liberal structure. In particular, multidimensional foundation governance was the central element of the comprehensive revision of 2009 and has enormously strengthened the cross-border attractiveness of Liechtenstein foundations.

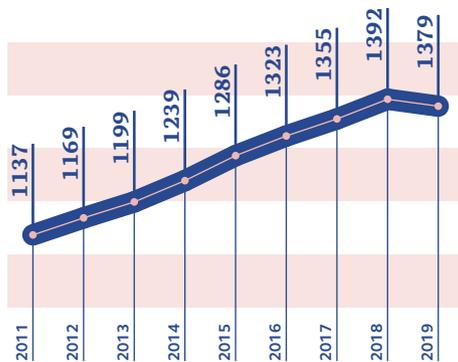
With the support of the VLGST, the Chair of Company, Foundation and Trust Law is examining international developments in the foundation environment, in particular as part of the research project "Liechtenstein Companies in Private International Law". A recent phenomenon of cross-border mobility is the establishment of a subfoundation abroad for the purpose of cross-border diversification of a foundation's assets. This once again demonstrates the potential of the liberal structuring possibilities of Liechtenstein foundation governance in the European foundation landscape. In particular, the freedom to adapt the rights of the foundation participants to the respective motives within the framework of the establishment of the foundation reflects the private autonomy underlying foundation law. At the same time, the modern and functional system of checks and balances ensures the protection of the foundation in its constantly changing environment. This allows Liechtenstein foundation law to serve as a role model beyond the country's borders.

Dr Alexandra Butterstein, LL.M.

Assistant Professor and Representative of
the Chair of Company, Foundation and Trust Law
at the University of Liechtenstein

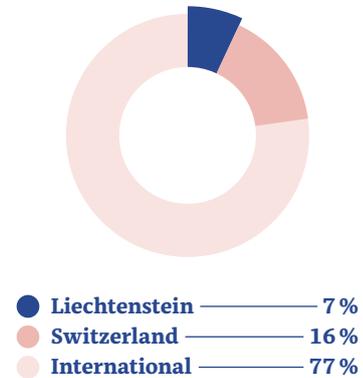
Development of the foundation system in Liechtenstein

Number of charitable foundations 2011 to 2019



Geographical radius of impact of the charitable foundations

Breakdown of funding volume by region
(Source: VLGST voluntary survey, 2019)



Charitable foundations in Liechtenstein – the best of both worlds?

The comprehensive revision of Liechtenstein foundation law in 2009 had an important side effect – one that is often underestimated by the public: it extrapolated the charitable foundation as an independent foundation type and integrated it into the overall context of Liechtenstein foundation law along with certain features that suit this type of foundation specifically. As a result, today's charitable foundation offers a contemporary foundation governance (embedded in international compliance standards) and, at the same time, it can invoke a great deal of organizational freedom on the founder's part and the flexible general framework of Liechtenstein as a foundation location. Furthermore, the revision established an innovative regime for mixed foundations that provides leeway for planning. In addition, Liechtenstein as a location offers access to the EEA and thus to the European Union (EU), and the Liechtenstein foundation and service sector has also oriented itself towards charitable foundations. All this is to be welcomed: A jurisdiction that combines the advantages of classic foundation law with a liberal general framework can be an interesting alternative to the jurisdictions of Germany and Switzerland, not only for internationally oriented founders. Liechtenstein as a location also serves as a role model for the legal systems and political structures in Germany and Switzerland by demonstrating that the foundation sector is moving and that traditional principles warrant a review in a modern world of foundations. One thing is certain: the appropriate mix of freedom and governance will be key to a sustainably successful foundation location in the future.

Prof Dr Dominique Jakob

Professor of Private Law and Head of the Centre for Foundation Law
at the University of Zurich, Independent Advisor

What charitable foundations and trusts do

A focus on the common good

“Let the good of the people be the supreme law.” These words were originally written by Marcus Tullius Cicero and, remarkably, date all the way back to the year 44 BCE. They describe man’s drive to be meaningful, to promote good developments and to contribute to the **common good**. The list of well-known patrons who have made a special contribution to the common good in the course of history includes, alongside many **world-famous** greats, the Princes of Liechtenstein as supporters of the arts, sciences and public welfare. Centuries ago, they established the connection between patronage and the name Liechtenstein. In more recent times, the country – which has a long and storied history and is involved in a **wide range of philanthropic activities** both at home and abroad, has become a popular location for charitable foundations and trusts with a global reach.

Flexible structuring options make the difference

According to Prof Dr Francesco A. Schurr, an expert on foundation law and the foundation landscape in Liechtenstein, there are good reasons why Liechtenstein has gained an international reputation as a location for philanthropy: “Liechtenstein law provides for complex regulation of the legal structures for the administration and supervision of charitable foundations. This regulation is much more differentiated than in other European legal systems. This is associated with a high degree of flexibility and leeway. For this reason, the Liechtenstein legal system enjoys great popularity among foreign founders. In this respect, it is not surprising that the number of charitable foundations in Liechtenstein has risen continuously on average in recent years.”

Making a positive difference with private efforts

As different as the philanthropists themselves are, so too is their work, which, according to our current understanding, encompasses every private voluntary act for a charitable purpose. A great variety of social initiatives and projects are initiated and made possible through the work of charitable foundations and trusts in Liechtenstein. In addition to the classic forms of endowments and donations, many donors are rethinking what foundation work means. They use new possibilities such as sustainable investment to achieve an impact not only through the distribution of funds to charitable projects, but also through their investment of assets. Charitable funding foundations contribute to the implementation of the UN Sustainable Development Goals (SDGs) set out in

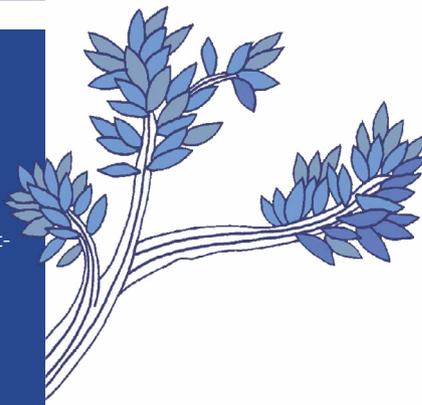


Segmented associations Protected cell companies (PCCs)

Segmented associations are a new form of organisation that was introduced into corporate law in 2016 and is open to all types of companies. It consists of two parts: a core and one or more segments that are organisationally separated from each other. In contrast to the umbrella foundations known in Switzerland and Germany that also combine the assets of different founders, PCC foundations have a genuine separation of liability, both between the core and the segments and between the individual segments of the foundation. The individual asset dedications, which would otherwise have to be set up as individual foundations, can remain separate from each other in terms of liability, capital and charitable purpose, but their administration is carried out jointly via the core. In this way, even smaller philanthropic projects can be managed in a cost-optimised manner while preserving the necessary individuality, in particular by freely naming the segments.

Charitable trust

Liechtenstein is one of the few countries in continental Europe where a charitable trust can be set up. Trusts for charitable, social, cultural or similar purposes offer an interesting alternative to the foundation, not least because of the different experiences and preferences of donors depending on their country of origin. For example, the trust in particular offers a familiar solution for philanthropists from the Anglo-American countries. The differentiated products for various forms of charitable giving represent a unique selling point for Liechtenstein as a foundation and trust location.



Agenda 2030 through solidarity-based and sustainable work in a wide range of areas in order to meet the ecological, social and economic challenges of our time. In doing so, they make a substantial contribution to achieving the goal of steering the world's development at all levels in a better, more sustainable direction.

A solid basis for charitable initiatives

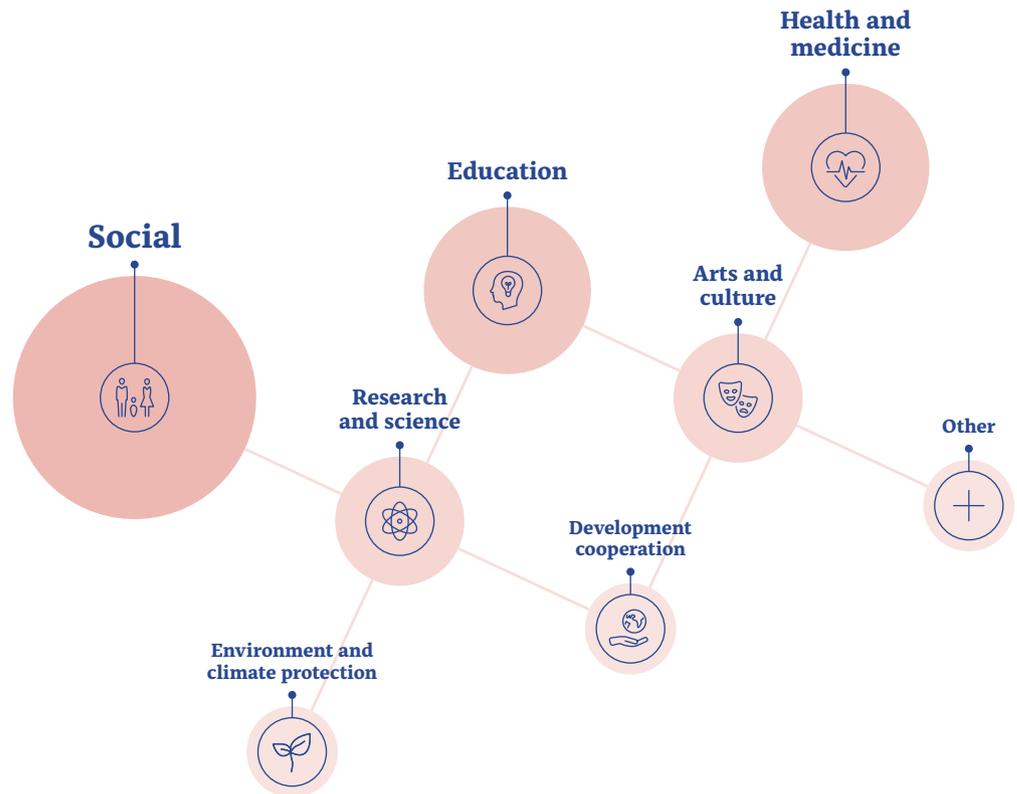
What makes Liechtenstein unique as a philanthropy location are not only the favourable framework conditions, but also innovations in asset structuring and unique selling points for charitable activities. These include, in particular, the protected cell company (PCC) and the charitable trust. The differentiated models for various forms of charitable organisations represent a trademark of Liechtenstein as a foundation and trust location.

Innovators for change in society

When discussing charitable foundations and trusts, one usually refers to grant-making foundations and trusts that have been endowed with assets by the founder or settlor and promote projects through funding or other forms of support. Collective foundations or trusts that are looking for financial support to implement their own projects are to be considered separately. Charitable grant-making foundations and trusts have the advantage that they have funds that can be used more flexibly and can also contribute additional know-how due to their funding activities. They therefore provide impetus and innovation to initiate and enable new approaches to solving social problems.

Funding areas of charitable foundations in Liechtenstein

by focus areas



**HRH Hereditary Princess
Sophie von und zu Liechtenstein**
President of the Sophie
von Liechtenstein Foundation
and President of the
Liechtenstein Red Cross

*An individual contribution for
the benefit of the community*

Helping, strengthening, promoting - these are the main objectives of charitable foundations. They also describe the individual efforts that **every one of us** can make for the benefit of our communities. Foundations pursue their goals over the long term and in a systematic and cooperative manner. They not only alleviate need, but also strengthen the structures that prevent it. And they improve the **quality of life** of every individual by supporting education and culture. In this way, they motivate us to get involved, make improvements and try new things.

Foundation work encourages civic-mindedness, meaning that people think and act on behalf of common interests rather than for the benefit of the individual.

The importance of giving back

In our family, it has always been important to give back. Especially nowadays, as we still experience areas of extreme poverty, perceive a division of society into polarizing camps, and the protection of our wildlife and environment is more important than ever, you have to take responsibility. Everyone can contribute to making the world a better place. I firmly believe that with a clear focus and a strategic approach, we can achieve a lot together, and I am positive because here in Liechtenstein, we cultivate a foundation environment with great potential.

Michèle Frey-Hilti

Member of the Board of Trustees of the Hilti Foundation

Foundation work contributes to positive change

Guido Feger was a successful entrepreneur and philanthropist. Devoted to culture, but also to social and charitable issues, he had a keen sense for people and current affairs. Accordingly, he chose the purpose of his foundation with care and foresight.

There is great responsibility in terms of continuing the spirit and the work of the founder as he had envisioned it and bring the purpose of the foundation in line with our current time and societal conditions. It is truly satisfying and a joy to see that, thanks to the cultural, social and charitable grants of the foundation, an essential contribution is being made to the promotion of cultural activities as well as to a more humane society. Many cultural initiatives would not be implemented, social cohesion could not be cultivated to the same extent and people in crisis could not be supported with equal effectiveness, if it were not for the commitment of charitable foundations. Foundation work distinguishes Liechtenstein and contributes to positive change far beyond the country's borders.

Angelika Stöckel

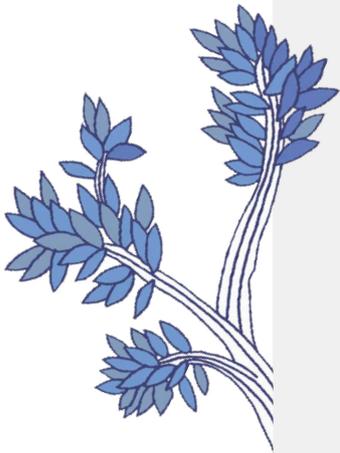
Managing Director of the Stiftung
Fürstlicher Kommerzienrat Guido Feger

Commitment and the causes close to our hearts

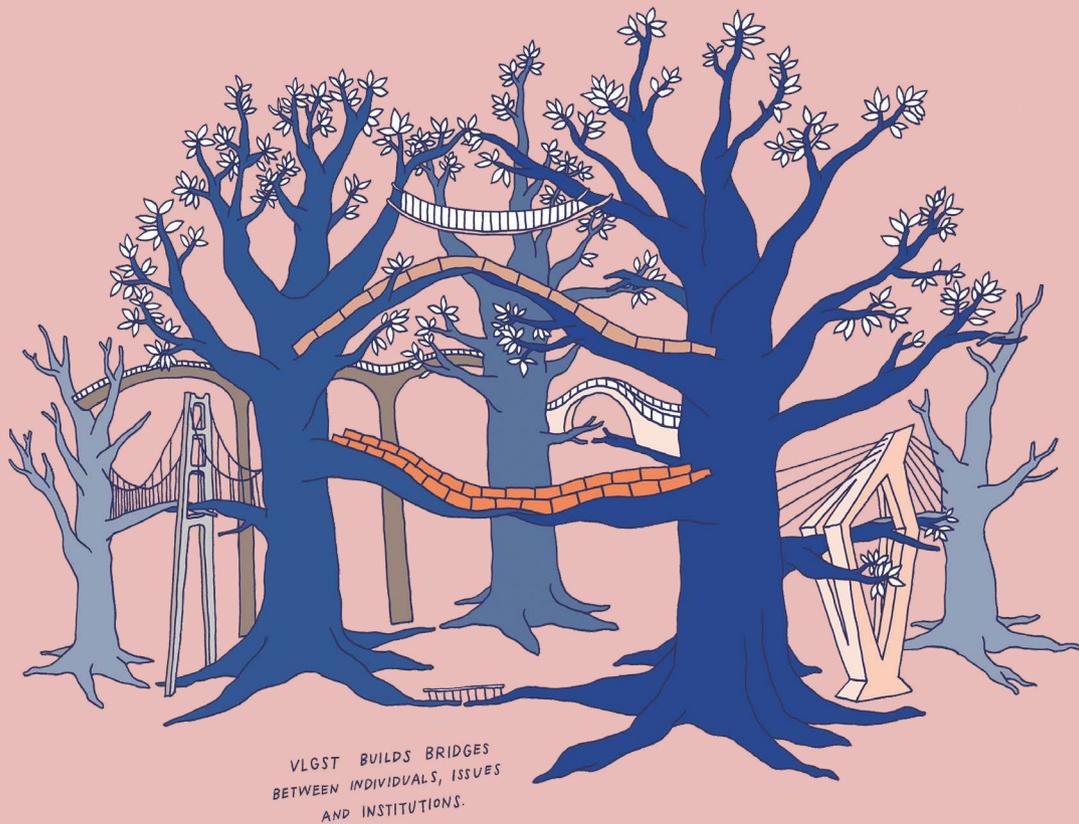
Having wealth brings with it responsibility to give something back to the community! This attitude, so important to my parents, was and is a guiding principle for me. I grew up seeing how they were engaged in helping the less fortunate, being there for others, interested in art and culture as well as taking over responsibility for the community.

Founding VLGST was a matter close to my heart, because charitable foundations are an important pillar of **civil society**. Their potential for exerting influence should serve not only to do good deeds out of altruism, but also to compensate for existing social inequalities and injustices. Safeguarding natural resources for long-term survival - also for the grandchildren's generation - is an increasingly urgent concern today.

As a young lawyer, I was already mainly involved exclusively in the creation of charitable foundations whose purposes corresponded to the genuine convictions of the founders. With VLGST, we are not only combining the interests of a large number of charitable foundations in Liechtenstein, but also allowing society to benefit from the potential of these foundations in a cooperative way. With VLGST, we not only ensure that assets are used responsibly and sustainably, but also promote a **future-oriented image of our country**.



Dr Peter Goop
Founding member of VLGST



The Association of Liechtenstein
Charitable Foundations and Trusts (VLGST)

Giving a voice to the non-profit sector

The idea of working **together** to achieve more led to the founding of the Association of Liechtenstein Charitable Foundations (VLGS) in 2010. In 2019, the Association was also opened to charitable trusts and, accordingly, changed its name to the Association of Liechtenstein Charitable Foundations and Trusts (VLGST). As an internationally networked **representative of the interests** of the non-profit sector, the Association gives a voice to its affiliated member foundations and trusts. As an umbrella organisation, VLGST advocates for good framework conditions and focusses on ensuring that recognised standards of good governance are adhered to and that charitable activities are publicised. The Association also works on **legal development** and supports taking a scientific approach to topics relating to foundation and trust law. The central concern is promoting the **reputation** of Liechtenstein as a foundation location, to positioning it in a future-oriented manner and therefore ensuring optimal opportunities for the development of non-profit legal entities in Liechtenstein.

Best practices – high standards for professional foundation management

The work of non-profit legal entities such as foundations and trusts is becoming more and more demanding and complex in an environment of ever-increasing regulation. By imparting specific know-how, the Association promotes high quality standards in the management of these structures. The scientific approach of the Chair of Company, Foundation and Trust Law at the University of Liechtenstein, which enables the Association and Liechtenstein as a philanthropy location to draw on well-founded expertise from within the country, has proven to be of particular importance. In addition, platforms have been created through cooperation agreements at home and abroad to provide training and further education. For example, in cooperation with the Center for Philanthropy (CEPS) at the University of Basel, the Foundation Management Seminar was developed especially for Liechtenstein and has been offered for several years with changing topics. In this way, the Association promotes professionalism and the application of best practices throughout the philanthropy sector.

Networking among members increases efficiency

The Association regularly provides information on important developments and events in the world of non-profit legal entities through various communication channels. Members have access to an exclusive area of the VLGST website that includes a database for the presentation of projects. On this internal project platform, members can provide information about their projects, search for project partners or, to avoid duplication, exchange information about whether another foundation has already considered a particular project. The Association's valuable services also include the institutionalised, regular exchange of ideas between members with representatives of the authorities on current topics. As a central point of contact for questions regarding foundations and trusts, VLGST provides information and puts its members in touch with networks and experts. Various events allow members to network and discuss their experiences. This makes VLGST the first port of call for charitable foundations and trusts in Liechtenstein.



Facts and figures

The Association of Liechtenstein Charitable Foundations and Trusts (VLGST) promotes and supports its members in their foundation work and makes a substantial contribution to the positioning and reputation of Liechtenstein as a philanthropy location. It is well networked and monitors international developments as well as relevant aspects for the foundation sector and the philanthropy sector in particular.

Foundation of VLGST: 15 December 2010

Member foundations: 98

95 member foundations, 3 associated partners (as of 15 December 2020)

Board members:

Dr Thomas Zwiefelhofer (President)

Dr Peter Goop

Dr Christine Rhomberg

Christian Verling

Fortunat Walther



Networks and partnerships

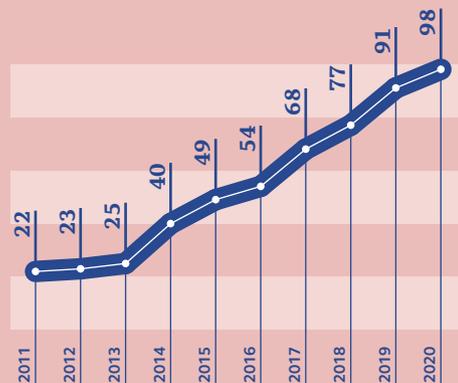
Donors and Foundations Networks in Europe (Dafne) is the largest network of donor and foundation associations in Europe. With 30 member associations from 28 countries and a collegial membership of more than 10,000 foundations, it is an important voice for European foundations. Dafne supports the individual activities of its members by promoting dialogue and cooperation between the national associations. The Association of Liechtenstein Charitable Foundations and Trusts (VLGST) has been a member of Dafne since 2013. VLGST also works closely with SwissFoundations, the association of Swiss charitable foundations. VLGST maintains close connections with proFonds, the umbrella organisation of charitable foundations in Switzerland, with the Association of German Foundations, with the Association for Charitable Foundations in Austria, as well as with the European Foundation Centre (EFC), the leading European association of charitable foundations, and the Center for Philanthropy Studies (CEPS) at the University of Basel.

Contribution of Liechtenstein perspectives at the international level

In the context of international regulations, Liechtenstein, like other countries, is subject to regular assessments in which the compatibility of national legislation and practices with international requirements is reviewed. The Association works closely with the Liechtenstein authorities and serves as a voice for charitable foundations and trusts during these processes. The international level – active participation in European associations and cooperation with national associations in other countries – plays an important role in the future-oriented positioning of the country as a philanthropy location. The Association uses these platforms and contacts to represent the specific interests of non-profit legal entities and actors from a Liechtenstein perspective in statements and position papers vis-à-vis European and global regulators.

VLGST’s continuous growth in terms of membership

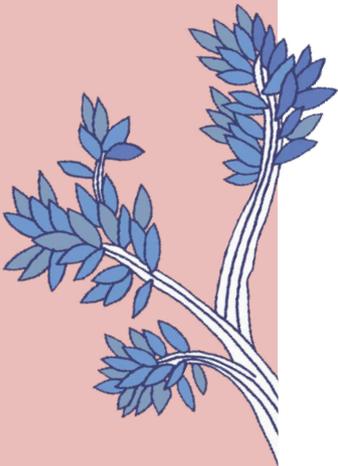
Number of members 2011 to 2020



*Building bridges between individuals,
issues and institutions*

Giving a voice to the non-profit sector is a goal that we pursue with a great deal of effort and **passion** in our daily work at VLGST. We want to represent the interests of our members and help them communicate transparently and openly about their valuable foundation work. Charitable foundations have the opportunity to introduce new topics and ideas, to use positive examples to force us as a society to **rethink** certain approaches, and to win people over in the process. They therefore often provide inspiration and encourage innovation in society. They demonstrate a great deal of flexibility and agility, and in turn the sector must work continuously to become increasingly professional. Charitable foundations must also be prepared to invest in infrastructure and not exclusively in funding projects in order to bring about **change**.

VLGST encourages member foundations to invest their assets in a sustainable and socially responsible manner in order to achieve a positive social impact. Thus, VLGST advocates for optimal framework conditions and regularly offers professional development opportunities for the entire philanthropy sector. As a bridge builder, it aims to promote **cooperation** between charitable foundations and other civil society, private sector and government actors. VLGST builds bridges between individuals, issues and institutions.



Dagmar Bühler-Nigsch
Managing Director of VLGST

An interview with Founding President
Princely Councillor Hans Brunhart

“I think that everyone should contribute to the welfare of society and those areas that need help, within their means.”



**Princely Councillor
Hans Brunhart**
Founding President of VLGST

You were the president of VLGST for almost 10 years from the time it was founded. What prompted you to accept this position and get involved back then?

The discussion about Liechtenstein as a financial centre was the deciding factor. On the one hand, private foundations in particular were very controversial from a foreign perspective, but on the other, I was convinced that the charitable foundation is a valuable instrument for society and serves as the expression of an idea that holds our society together. At that time, I was still Chairman of the Board of Directors of VP Bank, but also a chairman or member of the Board of Trustees of many charitable and collective foundations, so I knew the foundation system from both sides. I noticed that many people had similar ideas, for example, the two co-founders of VLGST, Peter Goop and Egbert Appel. When you are involved in this type of initiative, the path to the presidency is relatively short. I simply felt committed to the idea.

What does philanthropy mean to you personally?

People should promote the common good within their means. Not only in the literal sense of the word “philanthropy”. Everyone should contribute to the well-being of society and those areas that need help. There is also no religion without philanthropic elements. These efforts benefit the community, but by contributing, you are also

doing something for yourself. In foundations, this idea is professionalised and regulated by a legal framework.

What development have you been most pleased with in these 10 years?

At the time, we thought that if we reached 50 members, we would be satisfied. Now we are just under 100. I am also pleased that we were able to establish an administrative office that functions largely autonomously and was able to position the Association quickly and positively in the public eye. The Board always formed an almost “conspiratorial” community with the same goals. Today, no one asks why the Association exists.

What has VLGST achieved since 2010?

It is important that a cause or an issue has an advocacy group in order to position itself properly. The Association has certainly achieved that. It has increased knowledge about charitable foundations amongst the general public and resulted in more positive opinions about charitable foundations. This has made the non-profit sector more visible in terms of its importance for Liechtenstein as a financial centre, but also for society as a whole.

In addition to philanthropy, it is the idea of service that drives VLGST. How do you think the Association benefits its members in particular?

This is a key question. The membership fee is not insignificant, as the Association is self-financing and does not receive government funding. Therefore, we have to offer and create added value for our members. This added value is mainly provided through the ability to discuss experiences with other members. People meet each other, have a platform. This did not exist for charitable foundations in the past. Project platforms for discussions, a database and regular member events increase this added value. Further education on foundation management, sustainable investment and similar topics should also be mentioned. We try to design our seminars in such a way that members and those working in the sector benefit from them.

What has been particularly important to you in your role as President?

A good team and clear objectives. This has brought added value to Liechtenstein as a foundation location and to society as a whole. Of course, a positive atmosphere among my colleagues and national and international partnerships were also important to me.

The charitable foundation is a valuable instrument for promoting cohesion in society.

How does the Association work together with other institutions in the financial centre and with international partners?

Cooperation with the authorities is very unique to Liechtenstein. This is something that other countries envy. For example, VLGST holds an annual event with all the relevant official bodies and also has regular meetings with the government. This works excellently. I would also like to praise our management.

Internationally, our goal was to become a member of an organisation as soon as possible. The fact that this goal could be achieved was not a matter of course at the time of the discussion about establishing Liechtenstein as a financial centre. There were national associations that were rather sceptical about Liechtenstein’s membership for this reason. This meant we had to lobby for our position.

What is the importance of the foundation location and, in particular, the importance of charitable foundations for Liechtenstein in the future?

I believe that the importance will increase. Firstly, because a great deal of wealth will continue to be accumulated, and secondly, because there are people who do not complete their full professional career if they are wealthy. For example, they retire at the age of 60 and say: “I am now dedicating my efforts to charity and I am setting up a foundation for this purpose, which will ensure the continuity of the objective in the long term and beyond my lifetime.” I therefore believe that the institution of the charitable foundation has a future. The liberal nature of Liechtenstein foundation law combined with the international competence of financial service providers, the quality of research and teaching at the University of Liechtenstein, the stability of the country, and the awareness of the social importance of charitable activities will continue to form the basis for positive development. And VLGST will certainly also continue to make an important contribution.

Summary and outlook



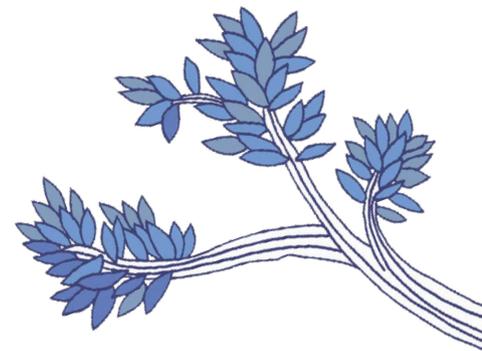
The title 'Values for the world of tomorrow' is written in a large, blue, sans-serif font. The word 'Values' is at the top, followed by 'for the', 'world of', and 'tomorrow' on separate lines. The text is decorated with several colorful illustrations: a hand holding a bird, a potted plant, a person climbing a ladder, a person pushing a cart with a plant, a bird singing, and a row of four birds.

Values for the world of tomorrow

Liechtenstein has the **potential** to position itself internationally as a leading and innovative foundation location that brings the concepts of philanthropy, charity work and sustainability closer together and strengthens their joint **impact**. There are already many examples of Liechtenstein foundations that strive for and implement sustainable initiatives. Charitable foundations often promote recognised social and ecological values and are therefore very similar to sustainable investments in their objectives. They assume **responsibility** for shaping the future and strengthening social structures.

For a more humane, colourful and socially just world

Charitable foundations are a sensible response to the challenges of today and those of the world of tomorrow. Environment and climate, education and equal opportunities, health and care, and energy and mobility are just a few of the many major issues that need to be addressed. The diversity of tasks and needs in our heterogeneous society is so great that public, governmental and semi-governmental institutions would be overtaxed to provide all this in the desirable and, in part, necessary scope. There are many gaps in the system that can only be filled by private commitment, personal involvement and initiative. This is where the sphere of action of private grant-making foundations and trusts lies. Often, private sponsors recognise issues long before the public sector gets involved. Such private commitment is a valuable complement to government action and makes a significant contribution to a more humane, more colourful and more socially just world.



Charitable foundations – a stroke of luck for Europe

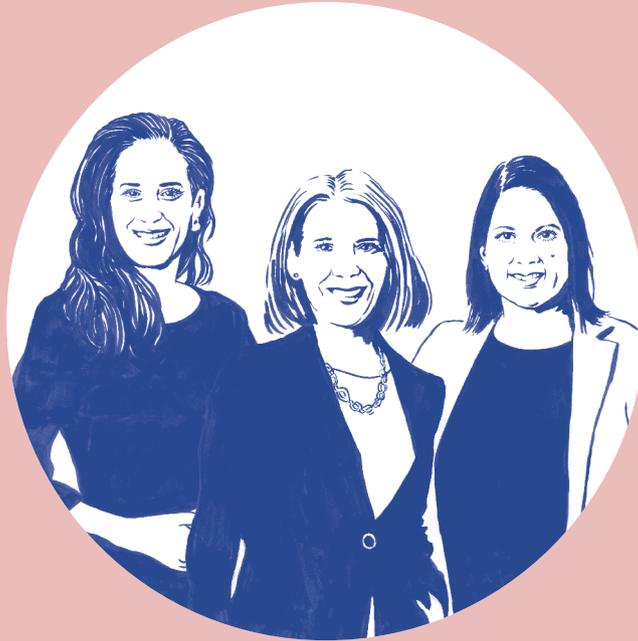
Charitable foundations are unique actors. They are more agile than public authorities and more willing to take risks than commercial enterprises while at the same time enjoying an independent status. During the COVID-19 pandemic, the social impact of foundations was particularly evident. Many foundations in Europe found generous arrangements with their funding partners to jointly weather the challenges of the crisis.

We are seeing a value profile among foundations in Europe that has become more focussed as a result of the pandemic, giving new meaning to the philanthropy sector in Europe. The European solidarity that we experience on a daily basis in cross-border foundation activities is an expression of a common good that is lived on a European scale. Cooperation between foundations and state actors has increased impressively. At the same time, providing knowledge, bringing together expertise from the various foundation networks, and initiating cooperation between foundations, non-governmental organisations (NGOs), and public institutions is at least as important and effective in terms of supporting foundations.

Dafne is working together with the Association of Liechtenstein Charitable Foundations and Trusts on the framework conditions that make foundation activity attractive, both now and in the future. Nothing less than the common good of our society is at stake.

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The management team's outlook for the future

Charitable foundations are **responsible** for shaping the future and strengthening social structures. The current trend indicates that the philanthropic involvement of the **next generation** will be more entrepreneurial and impact-oriented. Founders are becoming social investors. Among other things, they help social entrepreneurs to solve the most urgent social, ecological and societal problems with their companies. We feel certain that the new generation of philanthropists will be particularly active in the work of foundations in order to make a joint contribution to the implementation of the UN Sustainable Development Goals (SDGs). VLGST will continue to work together with its members in the future to further promote the **attractiveness** of the Liechtenstein philanthropy sector, with its outstanding instruments of foundations and trusts, and to strengthen and further develop the attractive framework conditions in this regard.

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