Collection of Liechtenstein Laws
Company Law

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COLLECTION OF LIECHTENSTEIN LAWS
COMPANY LAW

As of February 2, 2026, with version LGBl No. 12/2026 | 3rd edition

LR 216.0	Personal and Corporate Law (PGR)

With special subdivision into:

General provisions
Stock Corporation Law (AktR)
Limited liability company law (GmbH)
Establishment law (AnstR)
Foundation law (StiG)
Trust company law (TrUG)
Final section on PGR (SchlT)

LR 216.01	Regulation on PGR (PGV)

Legal notice

Bibliographic information from the German National Library: The German National Library lists this publication in the German National Bibliography; detailed bibliographic data is available on the Internet at dnb.dnb.de.

The automated analysis of the work in order to obtain information, in particular about patterns, trends, and correlations in accordance with §44b UrhG ("text and data mining"), is prohibited.

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Editors: Josef Bergt, Thomas Stern | Status: February 2, 2026 | 3rd edition

https://www.bergt.law/ | https://bergt.tax/

Publisher: BoD · Books on Demand GmbH, Überseering 33, 22297 Hamburg, bod@bod.de
Printing: Libri Plureos GmbH, Friedensallee 273, 22763 Hamburg

ISBN: 978-3-6957-1077-5

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I. Personal and Company Law

of January 20, 1926

Introduction

Art.

A. Application of the Act

1) The Act applies to all matters of private law for which it contains a provision, either by its wording or by interpretation.

2) It shall only apply to matters of public law to the extent provided for in the Act itself.

3) If no provision can be found in the Act, the judge shall decide according to customary law and, where there is no such law, according to the rule that he would establish as a legislator (legal determination).

4) In doing so, he shall follow established doctrine and tradition.

B. Content of legal relationships

Art. 2

I. Acting in good faith

1) Everyone shall act in good faith in the exercise of their rights and in the fulfillment of their duties.

2) The obvious abuse of a right shall not be protected by law. Art. 3

II. Good faith

1) Where the law has linked a legal effect to a person's good faith, the existence of such good faith must be presumed.

2) Anyone who, given the attention that may be expected of them under the circumstances, could not have been acting in good faith is not entitled to invoke good faith.

Art. 4

III. Judicial discretion

1) Where the law refers the judge to his discretion or to the assessment of the circumstances or to important reasons, he shall make his decision in accordance with law and equity.

2) This rule shall apply mutatis mutandis to decisions and orders to be made by administrative authorities under this Act.

Art. 5

C. General provisions of the Code of Obligations and practice and local custom

1) The general provisions applicable to the Code of Obligations (law of obligations) shall also apply mutatis mutandis to the legal relationships regulated herein, unless this law provides otherwise.

2) Where the law refers to practice or local custom, the previous law shall be deemed to be an expression thereof, unless a different practice or local custom is proven.

Art. 6

D. Rules of evidence

1) Unless otherwise specified by law, the existence of an alleged and disputed fact must be proven by the party who derives rights from it or who invokes it in defense against a claim by the opposing party.

2) Public registers and public documents provide full proof of the facts or circumstances attested to by them, unless the inaccuracy of their content is proven.

3) This proof is not subject to any particular form. Art. 7

E. Competent authority

1) Unless otherwise specified by law, the district court shall have jurisdiction.

2) The court shall decide on disputes arising from the application of this Act in litigation proceedings, unless non-contentious proceedings are reserved or otherwise specified.

3) The right to appeal its decisions or orders to higher courts is reserved.

4) Unless otherwise specified by law, decisions or orders of municipal bodies may be appealed to the government, and those of the government or other administrative authorities or bodies of the state may be appealed to the Administrative Court in administrative proceedings.

Art. 8

F. International law

Repealed

1. Division

Individuals (natural persons)

1. Title

The Law of Personality

1. Section

Personality in general

Art. 9

A. Legal Capacity

1) Everyone has legal capacity.

2) Accordingly, all persons (natural persons) have the same capacity to have rights and obligations under private law within the limits of the legal system.

3) This provision is also mandatory under international law.

B. Capacity to act

I. Legal age

Art. 10

1. Content

1) A person who has legal capacity has the ability to establish, change, revoke, or transfer rights and obligations under private law through their actions or omissions.

2) In the case of a representative, however, the capacity to judge is sufficient for this purpose.

3) Unless otherwise provided by law or legal transaction, everyone is liable for their obligations with their entire assets (unlimited).

2. Requirements

Art. 11

a) In general

1) A person who is of legal age and has the capacity to judge is capable of acting, unless the law provides for an exception in individual cases, such as limited capacity to act and capacity to make a will.

2) Legal capacity is presumed unless its absence is obvious, as in the case of children, for example.

Art. 12

b) Legal capacity

A person is of legal age if they have reached the age of 18.

c) Declaration of
legal capacity Art.
13 Repealed

Art. 14

Repealed Art. 15

d) Capacity to judge

1) For the purposes of private law, anyone who, due to their young age or as a result of mental illness, mental deficiency, intoxication, or similar conditions, lacks the ability to recognize the motives and consequences of their behavior or to act in accordance with correct knowledge is deemed to have capacity.

2) The judge must determine in each individual case whether, given the circumstances described, the person lacks the capacity to act rationally.

II. Capacity to act

Art. 16

1. In general

Persons who are incapable of judgment or who are minors are incapable of acting.

Art. 17

2. Lack of capacity to judge

Persons who lack capacity to exercise judgment cannot, subject to statutory exceptions and provisions on third-party liability, produce any legal effects through their conduct.

3. Minors or incapacitated persons with capacity to judge

Art. 18

a) In general

1) Minors who have reached the age of 14 are presumed to have capacity to exercise judgment. They may only enter into obligations or relinquish rights through their actions with the consent of their legal representatives.

2) Without this consent, however, they are able, even without the involvement of their legal representative, to obtain benefits that are free of charge and, where the law does not provide for an exception, to exercise rights to which they are entitled on account of their personality.

3) They are liable for damages arising from unlawful acts.

4) The assertion of strictly personal rights is the exclusive right of the entitled persons, subject to the cooperation of the legal representative as specifically provided for by law.

5) Paragraphs 2 to 4 shall apply mutatis mutandis to persons for whom a guardian has been appointed.

b) Own actions of the ward or of a person for whom a guardian has been appointed

Art. 19

aa) Consent of the guardian or curator

1) If persons under guardianship or persons for whom a guardian has been appointed are capable of judgment, they may enter into obligations or relinquish rights as soon as their guardian has given his express or tacit consent in advance or subsequently approves the transaction.

2) The other party shall be released from the obligation if the approval is not given within a reasonable period of time, which they themselves have set when making this declaration of intent or which they subsequently set for the guardian or trustee or have set by the judge in non-contentious proceedings.

Art. 20

bb) Lack of consent

1) If the guardian or curator does not give their approval, either party may reclaim the benefits provided, but the person under guardianship or the person for whom a curator has been appointed shall only be liable to the extent that the benefit was used for his or her benefit or that he or she still possesses the benefit at the time of the reclaim or is still enriched or has maliciously disposed of the enrichment.

2) If the ward or the person for whom a guardian has been appointed has misled the other party into believing that he or she has legal capacity, he or she shall be liable for the damage caused in accordance with the provisions on tortious acts.

Art. 21

cc) Profession or trade

A ward or a person for whom a guardian has been appointed, who has been expressly or tacitly permitted by the guardianship court to pursue a profession or trade independently, may carry out all transactions that are part of the regular business and is liable for these with his or her entire assets, unless exceptions are provided for or permitted.

Art. 22

c) Limited legal capacity of children

1) Under parental authority, a child has the same limited capacity to act as a person under guardianship.

2) The provisions on representation by the guardian shall apply mutatis mutandis, with the exception of the provisions concerning the involvement of the guardianship authority.

3) The child's assets shall be liable for the child's obligations, regardless of the parents' property rights.

Art. 22a

Reservation of the ABGB

The detailed provisions of Articles 9 to 22 are contained in the General Civil Code.

III. International law

Art. 23

1. In general

1) Repealed

2) Acquisition of Liechtenstein citizenship does not result in the loss of legal capacity once attained.

3) [A foreign national who is not of legal age and who marries a Liechtenstein citizen shall attain legal age through marriage, even if this is not provided for under the law of her country of origin.

Art. 24

2. Exceptions

Repealed

C. Kinship

Art. 25

I. Blood relatives

1) The degree of blood relationship is determined by the number of births between them.
2) Two persons are related in a direct line if one descends from the other, and in a collateral line if they both descend from a third person and are not related to each other in a direct line.
Art. 26
II. Affinity
1) A person who is related by blood to another person is related by marriage to that person's spouse or registered partner in the same line and to the same degree.
2) Affinity is not terminated by the dissolution of the marriage or registered partnership that established it.
Art. 27
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Repealed Art. 31
c) Stateless persons
Repealed
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2) No one may have their domicile in more than one place at the same time, but they may have one or more business establishments in addition to their domicile in accordance with the provisions governing companies and the commercial register.

Art. 33

2. Other types of domicile

1) The preceding article does not affect the establishment and residence under public law, nor does it affect tax residence and the like.

2) The deposit of identity documents, the obtaining of a residence permit, the transfer of movable property to a specific location, entry in the commercial register, participation in a business, rental of premises, and the like are not in themselves sufficient to establish residence.

Art. 34

3. Residence

1) Residence in the private law sense is the actual temporary stay in a place, regardless of the permanence of the connection with that place.

2) Residence in a place for the purpose of attending an educational institution, the accommodation of a person in an educational, care, medical, or penal institution, or for temporary work, such as seasonal work, does not constitute residence.

Art. 35

4. Change of residence or residence

1) Once a person has established residence, it remains in effect until a new residence is acquired.

2) If a previously established residence cannot be proven, or if a residence established abroad has been given up and no new residence has been established in Liechtenstein, the place of residence shall be deemed to be the place of domicile.

Art. 36

5. Residence

1) The place of residence of a minor child is deemed to be the place of residence of the parents or, if the parents do not have a common place of residence, the place of residence of the parent who has custody (§ 144 ABGB).

2) If the minor child is under guardianship, the seat of the guardianship court shall be deemed to be his or her place of residence.

3) If there are important reasons that justify it, the district court may, after hearing the parties involved in non-contentious proceedings, allow a minor child to establish an independent residence.

4) Minors who are capable of discernment and who, with the consent of their legal representative, reside outside the family community with the intention of remaining there permanently and who have independent control over their earnings have an independent place of residence.

Art. 37

6. International law

Whether a foreigner resides or stays in Liechtenstein or a Liechtenstein national resides or stays abroad shall be determined exclusively in accordance with Liechtenstein law.

2. Section

Protection of personality

A. General

Art. 38

I. Inalienability

1) No one may waive their legal capacity or capacity to act, either in whole or in part.

2) No one may relinquish their freedom through legal transactions or restrict its use to an extent that violates the law or morality.

II. Enforcement

Art. 39

1. In general

1) Anyone who is unlawfully harmed or threatened in their personal circumstances (personal rights), such as in their physical and mental integrity, honor, credit, domestic peace, freedom, name, coat of arms, household signs and similar signs, the right to one's own image, in correspondence, business and similar circumstances, and in general in the right to respect and recognition of one's personality, unless personal rights, such as copyright, inventor's rights and the like, are regulated by special laws, and insofar as their protection is compatible with the interests of fellow human beings, may demand a determination of the circumstances, elimination (cessation) of the disturbance, restoration of the previous state by revocation and the like, and cessation of further disturbance may be demanded without the claimant having to prove fault on the part of the other party.

2) In order to prevent future disturbance, the judge may, if damage has been caused, also impose an appropriate security deposit in the judgment or an equivalent document, such as a legal notice, using the means permitted under enforcement law.

3) The injunction may also be enforced if the act to be prohibited also constitutes a criminal offense.

4) In all cases, the necessary protective measures may be taken in advance of the legal dispute upon request in summary proceedings.

Art. 40

2. Compensation and satisfaction

1) Anyone whose personal circumstances have been unlawfully infringed upon is also entitled to compensation for damages in the event of fault.

2) The claim for payment of a sum of money as compensation is only admissible in the cases provided for by law, unless it is justified by the particular severity of the injury (such as the special value of the property attacked, the severity of the attack, or the like) and by intentional fault.
3) Instead of or in addition to this payment, the judge may, in cases of malice, award another form of satisfaction, such as a judicial declaration of honor, publication of the judgment at the expense of the other party, payment of a sum of money to a charitable foundation or institution designated by the injured party, or to a fund for the poor or similar.

3. Right of reply Art. 40a to 40e

Repealed

4. Common provisions

Art. 41

a) General

1) The various claims arising from the violation of a personal right may be asserted jointly or individually or as an annex to criminal proceedings, whereby the provisions on tortious acts shall apply in addition.
2) The claim for removal, restoration, securing, and mere determination is non-transferable and non-heritable on both the plaintiff's and the defendant's side, while the claim for personal injury is non-transferable and non-heritable only on the plaintiff's side, subject to the claim of the heirs for attacks on the memory of a deceased person and the corpse.
3) Claims for damages and satisfaction are transferable and inheritable on both sides.
4) Claims shall become time-barred one year from the date on which the injured party becomes aware of the injury and the identity of the injuring party, but in any case three years after the date of the injurious act, provided that the injury is no longer subject to criminal prosecution.
5) Insofar as other laws, such as the Code of Obligations, have established special provisions for the protection of personal circumstances, such as for homicide and bodily injury, the provisions given here shall only apply in a supplementary manner.

Art. 42

b) International law

Repealed

B. Right to a name, in particular

I. Protection of names

Art. 43

1. In general

1) Unless the law allows exceptions, the right to a name is inalienable, non-transferable, and non-heritable, and is not subject to any other disposition by the bearer of the name.

2) Both the civil name and the pseudonym that a person adopts in place of their original name for the purpose of carrying out a specific activity or undertaking certain ventures are protected.

3) However, the alias does not protect the actual name holder if it leads to confusion with another person to the detriment of the latter.

4) This is without prejudice to the special provisions on business names, company or trademark protection and the like, as well as on name changes.

2. Enforcement

Art. 44

a) In general

1) If someone's right to use their name is disputed, they may bring an action for a declaratory judgment (action for recognition of a name).

2) If someone is affected by another person demonstrably assuming or misusing their name, they may seek redress in accordance with the provisions on the assertion of personality rights in general (name assumption).

3) If the name is revoked by a court, the judge shall, if necessary, issue the relevant order for correction of the civil status register or commercial register or other public registers ex officio.

4) Individual claims arising from an infringement of the name shall become time-barred one year after the infringement, but the right to a name itself shall be imprescriptible and inalienable.

Art. 45

b) International law

1) Repealed

2) A Liechtenstein citizen who lives abroad but whose name is infringed upon in Liechtenstein may seek protection before the district court.

II. Change of name

Art. 46

1. General

1) A name may be changed if there are important reasons for doing so in personal, business, or professional circumstances. An important

Personal circumstances are deemed to exist in particular if the applicant wishes to take the surname of a parent, the spouse of a parent, or a person from whom they derived their surname and whose surname has been changed.

2) A name change is required for any alteration of the name in the civil register (such as additions to the family name or changes to the first name).

3) The Princely Government shall determine both the scope and content of the change, such as the effect of the father's name change on his children and the like.

4) Special provisions remain reserved, such as in the case of declarations of marriage, divorce, adoption, and the like.

Art. 47

2. Procedure

1) The Princely Government is responsible for name changes in administrative proceedings.

2) The name change shall be officially communicated to the registrar for entry in the birth register and, if the change concerns a married person, for entry in the marriage register, and shall be published in the official gazette.

3) The entry does not effect any change in the person's status under personal and family law.

Art. 48

3. Contestation

1) Anyone who feels aggrieved by the name change may contest it in court within one year of becoming aware of it in legal proceedings against the person whose name has been changed.

2) The legal remedies otherwise provided for the enforcement of name protection are inadmissible in addition to this.

Art. 49

4. International law

1) The government may only grant a foreigner residing in Liechtenstein permission to change their name if they can prove that the law or practice of the competent authorities in their home country recognizes the application of Liechtenstein law and the jurisdiction of the Liechtenstein authorities.

2) A name change granted by a foreign authority to a Liechtenstein citizen residing abroad in accordance with Liechtenstein or foreign law shall be recognized in Liechtenstein, subject to the right of retaliation.

3) An action to contest the validity of a Liechtenstein national abroad may also be brought in Liechtenstein under Liechtenstein law.

Art. 49a

Delegation of business

The government may, by ordinance, delegate business pursuant to Art. 46, 47, and 49 to an official body for independent execution, subject to the right of appeal to the collegial government.

3. Section

Beginning and end of personality

Art. 50

A. Birth and death

1) Personhood begins with life after birth and ends with death.

2) Before birth, the child has legal capacity subject to the proviso that it is born alive.

B. Evidence

Art. 51

I. Burden of proof

1) Anyone who invokes the fact that a person is alive or dead, or lived at a certain time or survived another person, in order to exercise a right must provide evidence of this.

2) If it cannot be proven that one of several deceased persons survived the others, they shall be deemed to have died at the same time.

Art. 52

II. Means of proof

1) Proof of a person's birth or death shall be provided by civil status records.

2) If such documents are missing or are proven to be incorrect, proof may be provided by other means.

3) The death of a person may be considered proven, even if no one has seen the body, as soon as the person has disappeared under circumstances that make their death appear certain.

Art. 53

III. International law

Repealed

C. Declaration of missing

Art. 54

I. General

1) If the death of a person is highly probable because they disappeared under circumstances that pose a high risk of death or have been absent without trace for at least five years, the judge may, in non-contentious proceedings, declare them missing at the request of those who derive rights from their death.

2) The principle of investigation applies in non-contentious proceedings. In order to protect the rights of the missing person, a guardian shall be appointed for the proceedings.

Art. 55

II. Proceedings

1) The application may be filed after at least one year has elapsed since the time of the danger of death or five years since the last news.

2) The judge shall publicly request, in an appropriate manner, anyone who can provide information about the missing or absent person to come forward within a specified period of time.

3) This period shall be set at a minimum of one year from the date of the initial announcement.

4) If the missing or absent person comes forward within the period, or if information about them is received, or if the date of their death is proven, the application shall lapse.

Art. 56

III. Effect

1) If no report is received within the specified period, the missing or absent person shall be declared missing, and the rights derived from his death may be asserted as if his death had been proven, unless the law provides for exceptions.

2) The effect of the declaration of death shall be retroactive to the time of the danger of death or the last news.

Art. 57

IV. International law

1) The district court has exclusive jurisdiction over the declaration of a domestic resident as missing.

2) Foreigners may be declared missing by the district court if they own property in Liechtenstein or if the surviving spouse or registered partner is resident in Liechtenstein and the conditions for the district court to have jurisdiction over divorce or dissolution of marriage are met.

3) Similarly, the district court may declare a foreigner missing if his wife is resident in Liechtenstein and possessed or still possesses Liechtenstein citizenship prior to the marriage.

4) Repealed

2. Title

The civil register (recording of civil status)

Art. 58

A. Significance of registration

1) Civil status registers are kept to record the legal status of natural persons (their civil status).

2) Entries made in the correct form have full probative value unless their inaccuracy is proven.

B. Organization and procedure

I. Civil registry office

1. Inventory

Art. 59

a) Staff

1) The country forms a registry office district.

2) The registry office (civil registry office) is run by a registrar (civil registrar) appointed by the government and his or her deputy.

Art. 60

b) Deputy

1) The deputy shall act when the registrar is unable to do so, or when the registration concerns himself, his wife, his registered partner, or a person who is engaged to him or related to him in a direct line or in a collateral line up to the second degree, or when the registrar makes the notification.

2) If both the registrar and his deputy are prevented from performing their duties or are recused, the government shall appoint an extraordinary deputy upon notification by these persons or by a party involved.

3) Where reference is made to the registrar in the following, the provisions shall apply mutatis mutandis to the deputy, unless otherwise specified in the individual provisions.

Art. 61

c) Duties

1) The registrar shall keep the registers in accordance with the regulations, make entries, prepare extracts, issue notifications, and perform all duties assigned to him by law or by instruction from the supervisory authority.

2) In particular, the government may require the registrar to compile periodic lists, such as those of citizens who have become eligible to vote, children who are subject to compulsory vaccination and schooling, or children whose parents are married or unmarried, and to prepare statistical reports for the competent authorities.

Art. 62

2. Remuneration and expenses

Repealed Art. 63

3. Responsibility

Repealed

4. Supervision

Art. 64

a) Supervisory authority and complaints

1) The civil registry office is subject to regular supervision by the government, which may issue the necessary instructions, have the register inspected periodically, and report on this to the state parliament.

2) Complaints against the conduct of the registrar, such as refusals, delays, or specific decisions, shall be decided by the government and subsequently by the Administrative Court.

Art. 65

b) Disciplinary penalties

Repealed

Art. 66

5. Certification of civil status abroad

1) The government may entrust the diplomatic and consular representatives of the country abroad with the duties of a civil registry office, either generally or in individual cases.

2) It may issue the necessary instructions regarding supervision and tasks.

3) In this regard, the government may also conclude the necessary agreements with the state representing Liechtenstein abroad and with other states.

Art. 67

6. Procedure, administrative assistance, and announcements

1) The provisions on administrative procedure shall apply to proceedings in civil registry matters, unless otherwise specified in the individual provisions below.

2) All authorities shall provide administrative assistance to the civil registry office.

3) Unless otherwise provided by law, announcements shall be made in the official gazette by the registrar.

II. Register system

1. Main and auxiliary registers

Art. 68

a) General

1) The civil register consists of the registers of births, deaths, marriages, and registered partnerships.

2) Additional registers may be prescribed by the government; in particular, the government may order the maintenance of duplicate registers in accordance with more detailed instructions.

Art. 69

b) Equipment of the registers

1) The registers must be set up, bound, and numbered consecutively in accordance with government instructions.

2) The government must officially certify the page numbers on one side of the cover.

3) The numbering of entries shall recommence at the beginning of each year.

4) When a volume is full, the registrar shall certify the completion of the volume after the last entry has been made.

5) The opening of a new volume shall be certified by the registrar on the first page before the first entry with a reference to the previous volume.

Art. 70

2. Index of persons

1) For all registers, an alphabetical index of persons to whom the entries of civil status events and the marginal notes made thereto refer must be compiled and kept up to date.

2) The table of contents shall list each person by their surname, adding their first names, date of birth, place of residence and place of origin or, in the case of foreigners, their nationality and the page number.

3) Persons who have changed their name as a result of marriage, divorce, declaration of marriage, adoption of a child, or for other reasons must be listed in the index under the various names they have borne.

Art. 71

3. Supporting documents

1) All supporting documents on which the entries in the register are based shall be arranged chronologically by register in separate sections and by year, unless they are to be disclosed.

2) Each document is assigned the number of the entry to which it relates.
3) The documents and correspondence relating to each entry may also be combined in a file or bundle of files.

Art. 72

4. Language

1) Civil status registers, extracts, and notifications shall be drawn up in the national language.
2) However, extracts, copies, or notifications may be issued in foreign languages.
3) The registrar may call in interpreters, who in this case must co-sign the entry or the translated extracts.

Art. 73

5. Storage

1) All registers and supporting documents, unless they are issued, shall be stored carefully and in accordance with government instructions and may not be destroyed.
2) Other documents and announcements, such as those in newspapers, public notices, and the like, which relate to the entries, shall also be kept with the relevant registry files.

III. Register maintenance

Art. 74

1. Responsibility

The civil registry office has exclusive responsibility for entries relating to births, deaths, marriages, and partnerships.

2. Notifications regarding residence and domicile

a) Notifications to be submitted

Art. 75

aa) Within the country

Repealed Art. 76

bb) Liechtenstein citizens abroad and notifications to foreign countries

1) Civil status cases concerning Liechtenstein citizens residing or staying abroad shall not be communicated to foreign countries, unless otherwise stipulated by international treaties or other agreements.
2) All notifications sent abroad must be forwarded by the registrar via the government, unless they concern Liechtenstein citizens.

Art. 77

b) Incoming notifications

1) The registrar who receives notifications from abroad concerning facts that are subject to registration shall enter them in the relevant register as soon as possible.

2) On the instructions of the government, this register may also include civil status facts that have occurred abroad but have not been officially recorded there, provided that they are otherwise duly proven.

Art. 78

c) Indication of the recipient or sender of the notifications

1) In the case of incoming notifications, the source of the notification must always be indicated at the end of the entry or annotation.

2) Similarly, in the case of communications sent by the registrar, it must be noted to whom they were sent.

3. Inspection, extracts

Art. 79

a) General

1) The civil registers must be made available for inspection by anyone upon request.

2) At the request of interested parties or an authority, the registrar shall issue extracts from the register in accordance with official forms.

3) He may also make certified copies of the documents and notifications.

4) The extracts issued and certified by the registrar have the same evidential value as the register itself.

5) The registrar may only issue confirmations of life, place of residence, or whereabouts for those persons who, to his official knowledge, live, stay, or reside in the registry district.

Art. 80

b) Contents of extracts

1) The extracts shall reproduce the entry together with the marginal notes and, if they have been corrected, the corrected wording.

2) Repealed

3) In extracts requested by private individuals, a reference to the fact that the parents of a child are not married to each other shall only be included if expressly requested.

4) Excerpts from the death register shall not contain the cause of death.

IV. Notification

Art. 81

1. In general

1) The notification must be made by the person responsible themselves, either verbally for the record or in writing, or in the same manner by a representative, stating the points to be entered.

2) The minutes to be taken of the verbal notification, for which forms may be used, shall contain the information required for registration and the exact date of the notification, and shall be read aloud to the notifying party and signed by him and by the registrar.

3) If the persons who are required to sign the registrar's certifications in accordance with the following provisions are unable or refuse to do so, the registrar shall certify this in the register.

4) Judicial and administrative authorities and their bodies are obliged to notify the registrar of any facts requiring registration and any changes in accordance with the existing regulations.

Art. 82

2. Control by the registrar

1) If the registrar does not know the persons or the signature of the notifier, or if the notification does not appear credible to him, he shall only make the entry after he has satisfied himself of its accuracy.

2) He shall request the necessary identification documents and explanations.

3) The registrar must always verify his or her jurisdiction. Art.
83

V. Ex officio action

1) If the person subject to the reporting obligation fails to report and the registrar becomes aware of this, he shall request the persons subject to the obligation to disclose the facts and circumstances subject to reporting in administrative enforcement proceedings, under threat of a fine in the event of failure to comply.

2) The provisions governing the procedure for entries in commercial register matters shall apply mutatis mutandis to the further procedure.

VI. Entries

Art. 84

1. On the basis of forms

1) Entries in the register shall be made using a standard form, the wording and format of which shall be determined by the government.

2) The spaces on the form that remain blank shall be filled in with horizontal lines.

3) If the blank lines on the form are not sufficient, they shall be replaced by additional lines, which shall also be filled in with lines if necessary.

4) If individual sections of the form cannot be used, they shall be crossed out.

5) If a fact to be entered is not known, this shall be noted in the text.

Art. 85

2. Type of entry

1) Entries shall be made immediately upon receipt of the notification or communication, stating the date of entry, and shall be signed by the registrar in his own hand.

2) Entries shall be written out in full without abbreviations, with important dates being written in words and numbers.

3) Entries in the registers shall be made chronologically in the order of the notifications or communications.

4) Nothing that is not relevant to the purpose of the registers may be entered in them.

5) Notified marriages, registrations of partnerships, births, and deaths shall be numbered consecutively.

6) Annotations shall be made in the relevant section or in the margin of an entry in the cases provided for by law.

Art. 86

3. Shaving, corrections, interlineations

1) Entries must be made in careful handwriting without erasures, corrections, or interlineations.

2) If a fact cannot be certified within the space provided on the form, it shall be entered as a marginal note, and if the entry is only partially made in the margin, the connection with the part within the form shall be indicated and the number of lines written in the margin shall be noted at the end of the entry.

3) Errors noticed before the entry is signed may be corrected by a marginal note signed by the registrar or by a note at the foot of the entry before the signature.

Art. 87

4. Corrections

1) A completed entry may only be corrected by order of the government.

2) If, after registration, a notification proves to be incorrect, or if an entry otherwise needs to be corrected, the registrar or the representative of public law as well as the parties involved themselves may apply to the government for correction in administrative proceedings, provided that the correction is not ordered in other proceedings.

3) The correction of an obvious oversight or error on the part of the registrar shall be ordered by the government on its own initiative as soon as it becomes aware of it.
4) The parties involved may lodge an administrative appeal with the appeals authority against this correction, which must be communicated to them.
5) The correction shall be entered in the form of a marginal note without changing the corrected entry.

Art. 88

5. Changes in municipal and cantonal citizenship

Changes in municipal and cantonal citizenship must be communicated by the government to the civil registry office.

Art. 89

6. Foreign documents

1) If foreign decisions or other documents concerning changes in civil status, citizenship, or name, or concerning the declaration of marriage of a person whose birth, marriage, or registration of partnership in a domestic register, they shall be noted accordingly, provided that the government or, subsequently, the appeal authority approves this on the basis of the law.
2) However, approval shall only be granted if the decision or document has been issued or drawn up by the competent authority in accordance with the applicable law.
3) If the birth, marriage, or partnership has been entered in a foreign civil registry, changes in civil status, citizenship, or name, or declarations of marriage, as well as corrections to entries in the birth, death, marriage, or partnership registers, may be noted in the register in accordance with the instructions of the government.
4) In the case of Liechtenstein nationals, this entry must be made if the change is to be considered legally valid.

C. Birth register

I. Notifications

Art. 90

1. Notification cases

1) Every birth and every miscarriage occurring after the sixth month of pregnancy must be reported to the registrar within three days of its occurrence; however, late notifications must be accepted.
2) If a child of unknown parentage is found, the head of the municipality in whose territory the child was found must be notified immediately

and shall determine the information required for registration and notify the registrar.

3) The day of birth or discovery is not included in the calculation of the deadline.

4) If the child's first name is not known at the time of notification, it must be reported subsequently, at the latest within one month of the birth.

Art. 91

2. Persons required to report

1) The biological father is primarily responsible for reporting the birth, followed in order by the midwife, the doctor, any other person who was present at the birth, and the head of the household or the owner of the dwelling or apartment where the birth took place, and finally the mother, as soon as she is able to do so.

2) The birth of a child born out of wedlock may be reported by the father, provided that he acknowledges the child.

3) If the birth took place in a public institution, such as a prison, poorhouse, or hospital, the head or administrator of that institution is obliged to report it.

II. Registration

Art. 92

1. If the parentage is known

1) The following must be entered in the birth register:

1. Place, year, month, day, and hour of birth; in the case of multiple births, each child must be entered separately, if possible with precise details of the order of birth;

2. Surname, first name, and sex of the child; for stillborn children or children who died before the birth was registered, a first name shall only be entered upon request;

3. Surname, first name, place of origin, and place of residence of the parents, or, if the child was born out of wedlock, of the mother and her parents, as well as the year of birth of the mother and an indication that the parents of a child are not married to each other;

4. Surname and first name, occupation, and place of residence of the person registering the birth, with the capacity in which they registered it, such as father or midwife.

2) Children born dead after the sixth month of pregnancy shall be entered in the birth register.

Art. 93

2. In the case of foundlings

1) For children of unknown parentage, the entry shall contain the following information in brief form:

1. Place, time, and circumstances of discovery;

2. the sex of the child, as well as its presumed age, physical characteristics, and distinguishing features;

3. The condition of the clothes and other items found on the child;

4. the name to be given to the child according to the decision of the competent municipal authority;

5. the persons with whom the child is being accommodated.

2) If the child's parentage can be subsequently determined by decision or in any other way, this shall be added as a marginal note.

3) If it transpires that the birth has already been registered in another place, the registration of the finding shall be crossed out on the instructions of the government with an explanatory marginal note.

4) If the birth has not yet been registered at the place where it took place, this must be done after the parentage has been determined and a marginal note must be added to the registration of the discovery.

III. Registration of changes

Art. 94

1. In general

1) Changes in civil status, such as those resulting from a declaration of marriage, contestation of legitimacy, recognition of a child born out of wedlock, judicial award with civil status consequences or adoption, as well as subsequent determination of parentage and name changes, shall be noted in the margin of the birth register upon official notification or notification by the parties involved and, if the change concerns a married person, in the marriage register.

2) Decisions on such changes shall be communicated by the deciding authority in extract form to the registrar in whose registers the birth and, in the case of married persons, the marriage of the persons affected by the change are entered.

Art. 95

2. Recognition of a child born out of wedlock

1) The recognition of a child born out of wedlock shall be communicated by the district court or the competent authority to the civil registry office responsible for the person recognizing the child and the child for the purpose of annotation.

2) If an objection to recognition under family law is not upheld, or if no appeal is lodged against it within the prescribed period, this shall be noted in the margin and communicated by the registrar of the place of origin of the person granting recognition to the other registry offices where the recognition has also been noted.

Art. 96

Repealed

D. Register of deaths

I. Notification

Art. 97

1. Notifiable cases and calculation of time limits

1) Every death and every discovery of a corpse shall be reported to the registry office within one day at the latest.

2) If an official investigation into the death is conducted, the entry shall be made on the basis of written notification from the competent authority.

3) The date of death or the date of discovery shall not be included in the notification period.

Art. 98

2. Obligation to report

1) The head of the family is primarily responsible for reporting the death or discovery of the body of a known person, followed in order by: the spouse or registered partner, the closest relative of the deceased who is present at the location, the head of the household or the owner of the dwelling or apartment where the death occurred or the body was found, any person who was present at the time of death, and finally the municipal authorities.

2) If the body of an unknown person is found, the head of the municipality in whose territory the body was found must be notified, and he must report this to the registrar.

II. Entries

Art. 99

1. For known persons

1) For known persons, the following must be entered in the death register:

1. Place, year, month, day, and hour of death;

2. Surname, first names, and any nicknames of the deceased and their parents, their place of origin and place of residence, including house number, occupation, and marital status (single, married, in a registered partnership, widowed, divorced, or in a dissolved partnership), year, month, and day of birth;

3. Surname, first name, and occupation of the living, deceased, or divorced spouse or of the living, deceased, or dissolved partner;

4. the cause of death, certified by a doctor whenever possible;

5. Surname, first name, occupation, and place of residence of the person filing the report and, if related to the deceased, the degree of kinship.

2) Repealed

3) Stillborn children are not to be entered in the death register. Art. 100

2. In the case of unknown persons

1) If the person is unknown, the notification and entry must contain:
1. the place, time, and circumstances of the discovery of the body;
2. their sex and presumed age;
3. physical characteristics and distinguishing features;
4. a description of the clothing and other items found with the body;
5. the presumed cause of death and the presumed time of death.
2) If the identity of the deceased becomes known, the entry on the government's Weisung may be supplemented, and if it is established by decision, this shall be noted in the margin.
3) Repealed
Art. 101
3. Failure to locate the body
1) If, under the circumstances, the death of a missing person must be assumed to be certain, the death may be registered on the instructions of the government, even if no one has seen the body.
2) However, any interested party may request a judicial determination of the person's life or death in non-contentious proceedings.
3) Such a decision shall be noted in the same way as a correction decision. Art. 102
4. In the case of a declaration of disappearance
1) If someone is declared missing, the decision must be communicated ex officio by the district court to the registrar for entry in the register.
2) If the declaration of missing is overturned, either by establishing that the missing person is alive or by determining the time of their death, this decision shall be noted in the margin.
Art. 103
5. After burial
1) A burial prior to entry in the death register may only take place with the permission of the head of the municipality where the burial is to take place.
2) If the burial has taken place without this authorization, the death may only be registered on the instructions of the government after the facts have been established.
Art. 104
E. The marriage register
The facts and circumstances prescribed by marriage law, as well as any changes thereto, shall be entered in the marriage register.
Art. 104a
E. The partnership register

The facts and circumstances prescribed by the Partnership Act, as well as any changes thereto, shall be entered in the partnership register.

Art. 105

F. International law

1) Unless otherwise specified in the preceding or following provisions, domestic law shall apply to the civil register.

2) Foreign public documents shall be accepted for entry in the civil register.

Art. 105a

G. Regulatory authority

1) The government may issue supplementary provisions on the organization, procedure, and record keeping by means of ordinances.

2) The municipalities may be called upon to assist in civil status matters.

Art. 105b

Delegation of business

The government may, by ordinance, delegate matters pursuant to Art. 76, 77, 87, 88, 89, 93, 101, and 103 to an administrative office for independent handling, subject to the right of appeal to the collegial government.

2. Division

Legal entities

3. Title

General provisions

A. Personality

I. Requirements

Art. 106

1. Registration

1) Associations of persons organized as corporations (corporations or corporations) and independent institutions dedicated to a specific purpose, including foundations, acquire the right of personality through entry in the commercial register (incorporation), and, in the absence of any deviating legal provisions, even if the requirements for registration were not actually met, subject to the nullity procedure.

2) Registration is not required:

1. for public-law entities and institutions;
2. for associations that do not meet the requirements under Art. 247 para. 2;
3. Repealed
4. insofar as the law otherwise provides for an exception. Art. 107

2. Purpose and object

1) Associations and foundations whose economic purpose is to operate a commercial, manufacturing, or other business conducted in a commercial manner may, unless the law allows an exception, only acquire legal personality as companies (stock corporation, limited partnership, partnership, limited liability company, registered cooperative, registered mutual insurance association, or registered relief fund) or as an institution, and where legal personality has not been acquired and the requirements for another form of association or company are not met, they shall be subject to the provisions governing simple partnerships.

2) Corporations with legal personality and institutions may also be established for purposes other than economic ones.

3) Where the law refers to associations that are treated as legal entities, this shall be understood to include all other associations whose main purpose is to operate a commercial business, unless otherwise specified by law. Businesses that are not

commercial nature are, in particular, the investment and management of assets or the holding of participations or other rights, unless the nature and scope of the enterprise require commercial operation and orderly accounting.

4) The object of the enterprise may otherwise be any type of business for economic or other purposes, and the articles of association may specify this in general or in particular.

4a) Where the law refers to charitable or benevolent purposes, these are to be understood as purposes whose fulfillment benefits the general public. The public interest is served in particular when the activity benefits the common good in the charitable, religious, humanitarian, scientific, cultural, moral, social, sporting, or ecological sphere, even if the activity only benefits a specific group of people.

5) Associations of persons and institutions, including foundations, established for immoral or unlawful purposes cannot acquire legal personality by operation of law.

Art. 108

II. Absence thereof

1) If a legal entity has acted before or without acquiring legal personality, the persons acting, in particular founders or persons already designated as organs or, in the case of meetings, the participants taking decisions, shall be liable in accordance with the provisions on simple partnerships, subject to the right of recourse against the other participants.

2) Those who have not acted themselves shall only be liable if, under the circumstances, it must be assumed that they have granted power of attorney to an acting party.

3) Persons who have become fully liable through their actions, with or without authority, may have this liability assumed by the association within three months of it acquiring legal personality, if the obligation was expressly entered into by the persons acting on behalf of the association to be formed and the association appears to be authorized to assume this liability under the law or its articles of association.

4) After this assumption, only the association is liable to creditors, subject, however, to the special provisions on contributions in kind and acquisitions of property and on tortious acts.

5) If assets have been transferred to someone for the purpose of forming a legal entity, in case of doubt, the provisions on tacit fiduciary relationships shall apply.

Art. 109

III. Legal capacity

1) Legal entities are, by law, capable of exercising all rights in the same way as natural persons, such as property rights, the right to a name or honor, membership rights, shareholdings in companies, and all obligations, insofar as these rights or obligations do not require the natural conditions or characteristics of human beings, such as gender, age, or kinship, as a necessary prerequisite.
2) The provisions applicable to natural persons therefore also apply to legal entities with this restriction.
3) In this sense, legal entities may, through their appointed organs or representatives, act under their name or company name before all judicial and administrative authorities and in all proceedings as a party, intervener, co-respondent, interested party, or in a similar capacity, and may obtain entries in public registers, such as the land register, commercial register, patent register, and the like, and may seek legal protection.
4) In disputes involving the association, each member may, by operation of law, appear at its own expense as an intervener, interested party, or co-respondent alongside one of the parties; however, where the law recognizes minority members as parties, only members belonging to that minority may intervene in a dispute involving the minority.

IV. Capacity to act and capacity to commit a tort

Art. 110

1. Prerequisite

1) The association's legal entities have capacity to act as soon as the organs required for this purpose by law and the articles of association (statutes) have been appointed.
2) Unless otherwise specified in the individual provisions, the articles of association, the partnership agreement, the deed of foundation (foundation deed) and similar documents are also considered statutes in this sense.

2. Activities

Art. 111

a) In general

1) Natural persons as well as legal entities and companies may be appointed as members of a body.
2) The bodies are called upon to express the will of the association.
3) Regardless of their jurisdiction and subject to the right of recourse against the guilty party and the special provisions on the liability of the principal, they are legally bound to represent the legal entity both by concluding legal transactions and by their other conduct, provided that this constitutes the performance of their representative activities or took place on the occasion and under the opportunity presented by the representative activities.

4) For unlawful acts committed by an organ or other representative appointed in accordance with the statutes in the exercise of their representative functions, the association's organs are also criminally liable within the limits of their legal capacity and capacity to act, subject to any right of recourse against the persons at fault.

5) If an association member or company is an organ or representative of another association member, the actions of its authorized organs and persons directly entitle and oblige the represented association member or company, subject to any right of recourse against the guilty parties.

6) The persons acting are also personally liable for their unlawful culpable conduct and, if the conditions of the preceding paragraph apply, so is the association or company authorized to represent them.

Art. 112

b) Resolution

1) Unless otherwise specified by law or the articles of association, the subject matter of the resolution shall be specified when convening a multi-member body.

2) Unless otherwise provided, the resolutions of a multi-member body require a simple majority of the votes counted to be valid.

3) Countable votes are those that are represented in each individual case, have been cast, and are not excluded from voting.

4) Unless otherwise provided by law or the articles of association, resolutions of the bodies may also be passed as follows:

a) by way of written consent to a motion submitted (circular resolution), unless a member of the body requests a meeting and oral deliberation; or

b) using electronic means in accordance with Art. 177a to 177d.

V. Registered office and place of jurisdiction

Art. 113

1. Registered office

1) Unless otherwise specified in their statutes, the registered office of legal entities shall be located at the place where they have their administrative headquarters, subject to the provisions on registered offices in international relations.

2) The registered office of the association is, by law, equivalent under private law to the place of residence of individuals.

3) An association may have one or more branches (subsidiaries) in addition to its registered office.

4) Any relocation of the registered office within the country's borders must be reported to the commercial register for entry.

Art. 114

2. Place of jurisdiction, etc.

1) Subject to special legal provisions, the courts and administrative authorities at the place of their registered office shall have jurisdiction over associations.

2) For disputes between an association and its members arising from membership, as well as for claims by creditors arising from liability or due to dissolution or similar, the place of jurisdiction shall be the place of the association's registered office, even if the articles of association otherwise provide for arbitration, unless an exception is provided for by law, such as in the case of associations under foreign law.

3) Foreign associations that have a branch office in the country may be sued by law for all claims at the location of this branch office, and insolvency proceedings may be conducted.

4) The Liechtenstein court shall have jurisdiction in all cases of liability claims if the defendant is a Liechtenstein legal entity or branch office or if the defendant has its domicile or registered office in Liechtenstein.

Art. 115

VI. Protection of personality

1) Legal entities enjoy the same protection of personality as natural persons, unless restrictions arise from the limitation of their legal capacity or from the nature of the circumstances.

2) In particular, they are protected in their right to a name, company name, logo, honor, correspondence, business secrets, and other secrets worthy of protection.

3) Insofar as an association operates a company, its admissibility and any changes thereto shall be governed by company law and other applicable statutory or regulatory provisions.

4) The change of name of an association that is not entered in the commercial register shall be governed mutatis mutandis by the provisions established for the company, without any obligation to register, unless the statutes provide otherwise, subject to the prohibition of unfair competition.

B. Formation

I. Articles of association

Article 116

1. General

1) Unless otherwise provided by law, written statutes are required to establish a legal entity.

2) Repealed

3) Unless the law allows an exception, the articles of association must designate the association as an association, stock corporation, limited partnership, limited liability company, registered cooperative, registered mutual insurance association, or registered relief fund, institution, or foundation.

4) If a corporate entity is required or intended, it must be set out in the statutes in a manner consistent with the law, and the intention of the parties involved to have legal personality must be sufficiently apparent from them.

5) Where, apart from the case of the meeting of the supreme body, public certification is required for the statutes, the founders or members may give their consent in writing in various public certifications, even if these are separated in time and place.

6) The articles of association and any amendments thereto must in all cases be signed by a founder or member.

Art. 117

2. Relationship to the law

1) If there are no mandatory provisions of law and the articles of association do not contain any supplementary provisions regarding the association, such as those relating to its organization, the relationship between the members of the association, their relationship with their members or with third parties, the non-mandatory provisions of law shall apply supplementarily.

2) Provisions whose application is mandatory by law or otherwise cannot be amended by the articles of association.

3) Repealed

II. Entry in the commercial register

Art. 118

1. Registration with the register

1) If entry in the commercial register is required to obtain legal personality or is requested voluntarily, it shall be made at the registered office of the association, enclosing the articles of association for storage in the register files and stating the facts or circumstances eligible for entry and the persons comprising the administrative bodies and, where applicable, the auditors.

2) The persons entrusted with administration are responsible for applying for entry in the commercial register. Representatives, notaries, and notary substitutes are also authorized to apply. The government shall regulate the details by ordinance.

Art. 119

2. Registration of branches

1) If a company with legal personality has branches, such as a place of business or a comptoir, with a certain degree of independence that are not mere agencies, in addition to its head office (registered office), they must also be entered in the commercial register at the location of the latter with reference to the entry for the head office.

2) The application shall be made by the persons authorized to represent the company in accordance with the articles of association, enclosing an extract from the register or similar.

3) If another association operates a commercial business for its own purposes, it is obliged to register its branches.

4) If a domestic association operates a branch abroad, a reference to the branch must be entered in the register:

1. at the request of the persons authorized to represent the association; or
2. ex officio, provided that the branch office is located in an EEA member state and notification has been made via the register networking system in accordance with Art. 993 (3).

Section 120

3. Amendments and dissolution

1) Like the formation of the company, any amendments to the articles of association, the composition of the bodies to be specified in the registration, and the dissolution of the company must be reported to the commercial register if there is a reporting obligation or if registration has been requested voluntarily and is permissible.

2) Amendments to the articles of association shall be dealt with in the same way as the original articles of association, insofar as they have been amended, by the persons authorized to sign. Even in the case of amendments that are not subject to registration, the articles of association must be enclosed in full in the currently valid version of the registration.

3) Repealed

4) Repealed

Art. 120a

III. Information on letters, order forms, and websites

1) All letters and order forms, regardless of whether they are created on paper or in any other form, as well as websites used by stock corporations, limited partnerships or limited liability companies, must contain the following information:

1. the company name and legal form;
2. the registered office of the company;

3. where applicable, the fact that the company is in liquidation;

4. the necessary information to identify the register in which the company is registered; and

5. the number under which the company is entered in the register.

2) If the company's share capital is stated on these letters, order forms, and websites, the subscribed and paid-up capital must be indicated.

3) All letters, order forms, and websites used by a branch of a company within the meaning of paragraph 1 with its registered office abroad must, in addition to the information about the company, also state:

1. the necessary information for identifying the register in which the branch is entered; and

2. the number under which the branch itself is registered. Art. 121

IV. Number of members

1) When establishing any corporation, there must be at least as many members as are necessary to form the administrative bodies, unless the law permits an exception.

2) If the number of members subsequently falls below this minimum number, this does not automatically result in the dissolution of the corporation.

3) However, if this situation persists, with the result that the arrangements required by law or the statutes cannot be made for more than one year, at the request of a member or a dissatisfied or threatened creditor, the court shall, in non-contentious proceedings, after hearing the parties concerned, set a reasonable deadline for the corporation to restore the lawful situation and, if this does not happen, declare the corporation dissolved by means of a decision that is legally binding.

Art. 122

V. Minimum share capital or minimum equity and the like

1) The minimum capital or minimum assets must be at least CHF 50,000 for stock corporations and other associations whose capital is divided into shares, at least CHF 10,000 for limited liability companies, and at least CHF 30,000 for associations whose capital is not divided into shares.

1a) In addition to registering the minimum capital or minimum assets in the local currency, such registration may also be made in euros or US dollars. In this case, the minimum capital or minimum assets for stock corporations and other legal entities whose capital is divided into shares must be at least 50,000 euros or 50,000 US dollars, and for limited liability companies at least 10,000 euros or 10,000 US dollars, and for legal entities whose capital is not divided into shares, at least 30,000 euros or 30,000 US dollars.

limited liability companies at least EUR 10,000 or USD 10,000, and for associations whose capital is not divided into shares at least EUR 30,000 or USD 30,000.

2) The minimum capital and minimum assets must be fully paid up or contributed.

3) If the minimum share capital (minimum equity capital) falls below the prescribed amount, members or creditors may, for important reasons, file a petition for dissolution with the court in non-contentious proceedings, as in the case of a lack of the required number of members.

4) Where the law refers to share capital, this is to be understood as a numerical sum expressed in monetary terms; where it refers to equity capital, this is to be understood as assets consisting of any items or rights that are usually valued in monetary terms for accounting and other purposes.

5) The provisions of this article may be applied mutatis mutandis to the minimum amount or minimum quota of a share.

6) Repealed

C. Termination

I. Reasons for dissolution

Art. 123

1. In general

1) The association persons are dissolved:

1. in accordance with the law or the articles of association;

2. by a resolution of the supreme body, which, in the absence of any other provision in the articles of association, must be passed by a two-thirds majority of the votes to be determined in accordance with the following paragraph and, where the law so provides, must be recorded in a public document;

3. by court order if a member with unlimited liability has important reasons related to the circumstances of the association, or if members representing at least one-tenth of the share capital or net assets (non-prescribed monetary capital expressed in figures) of the association or, where this is not available, at least one tenth of the members, demand dissolution after prior security for any damage in order to avoid imminent serious damage; However, instead of dissolution, the judge may order other measures, such as the dissolution or exclusion of the members bringing the action in compliance with the provisions for the reduction of share capital, the sale of membership shares in favor of the members bringing the action, or the appointment of an administrator.

4. by the opening of bankruptcy proceedings, unless otherwise provided by law;

5. by court judgment if all the shareholders involved in the formation were legally incompetent.

2) The provisions on the provision of security, the joinder of several actions, the effect of the judgment, and damages in actions for the annulment or contestation of resolutions of the supreme body shall apply mutatis mutandis to the action for dissolution pursuant to clause 3.

3) If a legal entity is dissolved for other reasons, such as termination by members or third parties as provided for in the articles of association, the provisions on liquidation shall also apply unless otherwise required by law.

4) In the event of tacit continuation of an association beyond the period specified in the statutes, , subject to forfeiture of this right, a minority as specified in paragraph 1, item 3 may demand dissolution within six months of the expiry of that period, unless its dissolution or exclusion is effected at the discretion of the judge in compliance with any provisions governing the reduction of share capital.

Art. 124

2. Due to illegality or immorality of the purpose, etc.

1) If the actual purpose of an association is unlawful or immoral, its legal capacity shall be revoked and it shall be dissolved without compensation:

1. upon administrative action by the representative of public law before the administrative court;
2. upon legal action by a party involved or a representative of public law through the proper legal channels.

2) In any case, the ordering of precautionary measures such as the suspension of business operations, the appointment of a receiver and the announcement thereof, the seizure of books and documents, assets and the like shall remain reserved until the final decision by the government in administrative enforcement proceedings or, at the option of the applicant, by the district court in non-contentious proceedings.

3) If dissolution proceedings against an association are pending before one authority, they may no longer be initiated before the other, and if they are pending before both at the same time, the final decision rests with the Administrative Court.

4) The action for dissolution may be entered in the commercial register for associations registered in the commercial register upon application or ex officio before or during the dispute until the final conclusion of the proceedings in the commercial register.

5) As soon as the decision has become final, the judge shall instruct the Office of Justice to enter the dissolution ex officio; after liquidation has been carried out, the entry of the association shall be deleted ex officio.
6) The above provisions shall also apply if an association is dangerous to the state in its purposes or means.
3. Due to substantial deficiencies in the statutes (voidability)
Art. 125
a) In general
1) If the original or amended statutes do not contain the provisions designated as essential by law, or if a statutory provision contradicts these, proceedings for nullity may be initiated, provided that this does not concern the form, the lack of a provision on notification to members or third parties, or the minimum number of members.
2) Any member or any other person entitled to vote on behalf of an association, the administration, or the auditors may, through the Office of Justice, initiate administrative proceedings against the association after hearing its representative bodies and, if necessary, an advisor specially appointed by the Office of Justice, to remedy the defect within a reasonable period of time, which may be extended if necessary and shall not be less than three months from the date of service.and, if necessary, a representative appointed by the Office of Justice, set a reasonable, extendable deadline of not less than three months from the date of notification for the competent body to remedy the defect and, if the defect is not remedied within the set deadline, effect dissolution by means of legal action.
3) The association may remedy the defect at any time, even during annulment proceedings, until a final decision is made by its competent bodies; however, if this remedy is only effected after the expiry of the period mentioned in the preceding paragraph, the association shall pay all costs incurred by the opponents, without prejudice to its right of recourse against those at fault.
4) In all cases, the association retains its legal personality until the completion of its liquidation in accordance with the other provisions of this Act, subject to bankruptcy.
5) This applies in particular with regard to the position of any members and third parties.
6) No legal action may be taken after five years have elapsed since the establishment of a provision designated as essential.
Art. 126
b) Action for annulment
1) The action for annulment shall be brought against the association, which shall be represented by the administration if the latter brings the action, or by the auditor if there is one; however, if both the members of the administration and those of the auditor are unable to bring the action, the court shall appoint a representative for the proceedings in accordance with the provisions of the Rules of Procedure.

the auditors bring legal action, or if there are no auditors and no other representative for the association, the court shall appoint a representative for the proceedings in accordance with the provisions of the rules of procedure.

2) Several actions shall be combined for simultaneous hearing and decision; the filing of the action and the date of the hearing itself may also be published at the discretion of the court in the manner specified in the statutory provisions for announcements and, if no such provision exists, in the official publication organ, and shall be entered ex officio in the commercial register.

3) At the request of the association, the court may order the plaintiff to provide security, to be determined at its discretion, due to the threat of disadvantage to the association. The provisions of the Code of Civil Procedure on security for legal costs shall apply mutatis mutandis to the provision and replacement of such security.

4) Conversely, the court may suspend the execution of the contested provision in official order proceedings if credible evidence is provided of an imminent, irreparable disadvantage to the association.

5) Any member or other person entitled to vote in the association may join the legal dispute at his own expense as an intervener on one side or the other.

Art. 127

c) Ex officio proceedings

1) Upon notification or on its own initiative, the Office of Justice may, under the same conditions as for an action for annulment, order the dissolution of the association without compensation in administrative proceedings.

2) The Office of Justice shall first give the association a reasonable period of at least three months, which may be extended for important reasons, to submit a written or oral statement for the record and, depending on the circumstances, to remedy the defect, and shall order the entry of the nullity proceedings in the commercial register if the association is registered there.

3) If the defect is not remedied and no statement is made, and if an action for annulment has not already become final in the meantime, the notifier and the association shall be summoned to a hearing to discuss the defects, and a decision shall be made on the dissolution.

4) In all other respects, the provisions applicable to actions for nullity shall apply mutatis mutandis to the proceedings and the decision.

Art. 128

d) Effect and responsibility

1) Insofar as the decision declares or rejects nullity, it shall have effect for and against all members and organs of an association, regardless of whether they participated in the proceedings or not.
2) The decision pronouncing the dissolution shall be communicated to the Office of Justice for registration and publication, if it has not been issued by the latter, either ex officio or upon request, insofar as the registered provision has been published.
3) The plaintiffs or complainants shall be liable to the association for any damage caused by unfounded legal action or complaints, unless the latter is a representative of public law or unless other official action has been taken, in cases of intent or gross negligence, in accordance with the provisions on tortious acts, without limitation and jointly and severally.
Art. 129
II. Use of assets
1) If an association is dissolved, its assets shall, unless otherwise provided by law, the statutes, or the competent bodies, fall to the state, which shall be liable as universal successor for the liabilities only to the extent of the value of the assets taken over and in the same way as a bona fide owner.
2) The assets shall be used in accordance with the provisions on tacit trusts in a manner that corresponds as closely as possible to their previous purpose, and this use may be demanded by the former participants in the dissolved association through administrative channels.
3) If an association is dissolved by a court of law due to the pursuit of immoral or unlawful purposes, the assets shall, after official liquidation, be transferred to the state for free use, even if otherwise specified.
III. Liquidation
Art. 130
1. General
1) The dissolution of an association for reasons other than bankruptcy shall result in its liquidation, unless otherwise provided by law.
1a) If a domestic branch (subsidiary) of a foreign company with legal personality is dissolved, the liquidation shall be carried out in the same manner as for a domestic company with legal personality, unless the Office of Justice grants exceptions.
2) If, after the conclusion of the bankruptcy of a legal entity, assets are still available, these shall also be liquidated unless it is decided to continue the legal entity.

3) The procedure for liquidating the assets of the legal entity is governed by the following provisions, unless special provisions have been established for individual legal entities or their applicability is partially excluded, as in the case of associations or foundations not entered in the commercial register or in the absence of an obligation to keep books.
4) If, during the liquidation proceedings, it transpires that the assets do not cover the liabilities to third parties, the liquidators shall cease their activities and apply for the opening of insolvency proceedings in respect of the association's assets.
5) If the application is not made by all liquidators, the court shall hear the members of the administration and the other liquidators before opening the insolvency proceedings and, if they do not share the same opinion, shall only open the insolvency proceedings if it is satisfied that the association is insolvent or over-indebted.
6) Unless otherwise provided by law or the articles of association, an association may, with the consent of all members, be converted into another association or company with a business name without liquidation, whereby in all cases the rights of third parties existing prior to the conversion shall remain reserved.

Art. 131

2. State of liquidation

1) When entering into liquidation, legal entities retain their legal personality and continue to operate under their previous name with the addition of "in liquidation," "in Liq." or "i.L." until the liquidation has been completed vis-à-vis third parties and any members.
2) They may be sued under their previous company name, and enforcement measures may be taken against them as long as the addition "in liquidation" or "in Liq." or "i.L." is not entered in the commercial register for a legal entity registered in the commercial register, even if they have added the aforementioned addition to their signature on the documents.
3) The organs of the association, with the exception of the administration, whose powers as an organ are transferred to the liquidation office, have the same powers during liquidation as they did before liquidation, but with the restriction imposed by law to those actions that can be justified by the nature of the liquidation.
4) However, new members may no longer be admitted; nevertheless, during the liquidation, the members remain obliged to make payments, such as the payment of membership shares that have not been paid in full, additional contributions, and the like, which appear to be continuously enforceable for the duration and during the liquidation due to its purpose and insofar as they serve to satisfy the creditors or to compensate the members.

3. Liquidators

Art. 132

a) Ordinary appointment and dismissal

1) The liquidators of the association are the managing and representing members, unless the liquidation is assigned to other persons in the articles of association or by a resolution of the supreme body.

1a) At least one of the liquidators pursuant to paragraph 1 must meet the requirements of Art. 180a or, as a legal entity, have a license pursuant to Art. 13 of the Fiduciary Act.

2) The powers of such liquidators may be extended, restricted, or revoked at any time by the supreme body or, if there are important reasons, in particular in the event of inaction or a threat to national interests, at the request of a member or other interested party or ex officio by the Office of Justice in administrative proceedings.

3) The Office of Justice may, at the request of creditors representing at least one-third of all unsecured claims, representatives of professional associations, members, or ex officio for important reasons, in particular in the event of inactivity or a threat to national interests, order an official liquidation under its supervision or under that of a creditors' committee to be appointed, and have it carried out in accordance with the provisions laid down for liquidation.

4) In the case of official liquidation, the court may order the suspension of all enforcement proceedings pending against the association.

5) The provisions governing liquidators shall apply mutatis mutandis to substitute liquidators.

Art. 133

b) Official appointment and position in bankruptcy

1) If the liquidators are not appointed in the manner specified, or if the association is dissolved due to the pursuit of unlawful or immoral purposes or its dissolution and liquidation is ordered in accordance with Art. 971, they shall be appointed by the Office of Justice in administrative proceedings and may in this case only be dismissed by the latter for important reasons, in particular in the event of inactivity or endangerment of national interests.

1a) The officially appointed liquidator must be a member of the administration who fulfills the requirements of Art. 180a or, as a legal entity, must have a license in accordance with Art. 13 of the Trustee Act. The Office of Justice may, upon request by the parties involved or ex officio, also appoint another suitable person as liquidator, provided there are important reasons for doing so.

2) The official appointment or dismissal of liquidators shall be registered ex officio.

2a) If a legal entity or trust company is dissolved and liquidated on the basis of Art. 971 para. 1 no. 2 or 2a, the address of the liquidator shall be entered ex officio as the delivery address in the commercial register, provided that it is a domestic address.

3) Upon the opening of bankruptcy proceedings against the assets of the association, the insolvency administrator shall ensure liquidation in accordance with insolvency law; however, the organs, including any liquidators of an association, shall have the same status as before the opening of bankruptcy proceedings, unless dispositions of components of the estate are involved.

4) The liquidators shall have the status of a natural person as a debtor vis-à-vis the insolvency administrator.

5) The costs of the liquidators appointed by the authorities shall be borne by the association.

6) If the assets of the association are insufficient to cover the costs of liquidation, the state shall bear the costs of the liquidator, provided that the latter was not previously an organ of the association. To the extent of the payments made by the state, any liability claims of the company against the offending body shall be transferred to the state. If further assets emerge after the liquidation has been completed, the state shall have a priority claim to compensation for the liquidator's costs.

Art. 134

c) Duties and responsibilities

1) The provisions on the obligation to register, on the filing of claims, and on the rights and obligations of liquidators, which are established in relation to general partnerships, shall also apply to legal entities, subject to the following provisions and on the understanding that the filings for entry in the commercial register shall be made by the administration.

2) Any change in the composition of the liquidators, as well as the termination of their power of representation, must be reported by them.

3) Unless otherwise provided by law, the same provisions apply to the liquidators as to the administration, but not the prohibition of competition.

4) Liquidators who violate or neglect the obligations imposed on them by law or the articles of association shall be liable to the association, and after the dissolution of the association, to the members and creditors of the dissolved association, for the damage incurred, without limitation and jointly and severally, in the same way as the organs of the association.

5) Unless otherwise specified, the liquidators shall act collectively and decide by a simple majority of votes.

4. Liquidation activities

Art. 135

a) Preparation of the balance sheet

1) Upon taking office, the liquidators shall prepare a liquidation balance sheet, for which purpose the administration shall assist them and provide them with all relevant books and business documents.

2) Creditors whose whereabouts can be determined, as evidenced by the business records or otherwise known, shall be notified by special notice, unknown creditors shall be requested by the Office of Justice to register their claims by publication in the official publication organ, stating their address, unless the Office of Justice does not permit another type of request in the administrative procedure or unless all creditors agree to such a request.

3) At the same time, they may apply to the court for a stay of all enforcement proceedings.

4) Repealed

5) The request pursuant to the preceding paragraphs shall also apply to legal entities that do not operate a commercial business.

Art. 135a

b) Liquidation balance sheet

1) Unless exceptions are provided for or arise from the circumstances, the liquidation balance sheet shall consist of assets on the one hand and liabilities to third parties, excluding equity capital, special funds without legal personality or without a fiduciary purpose, as liabilities on the other.

2) For the purposes of valuation in the liquidation balance sheet, the sale value at the time of drawing up the balance sheet shall be decisive for all assets without distinction.

3) The distribution of organizational costs, exchange rate losses incurred on the issue of bonds, depreciation, and similar items over time is not permitted.

4) Likewise, hidden reserves may no longer be retained.

Art. 136

c) Procedure

1) The liquidators shall terminate ongoing business, settle the liabilities of the association to the extent permitted by its assets in accordance with the order of priority applicable in insolvency proceedings

and to realize the assets and collect any outstanding member contributions to the extent necessary to cover liabilities.

2) When liquidating the assets, real estate or equivalent rights may also be sold privately with the consent of the supreme body or another body authorized by the statutes.

3) A balance sheet shall be prepared annually showing the financial position of the association in liquidation; however, no profits may be distributed and no allocations may be made to the reserve fund during the liquidation.

4) Funds received that are not required to pay creditors may be deposited with the Landesbank (the state savings and loan bank) or, if there are important reasons, in another manner, or used for partial payments with the consent of the court in non-contentious proceedings.

Art. 137

d) Protection of creditors

1) If known creditors have failed to file a claim, the amount of their claims shall either be deposited with the court or paid to them without filing a claim.

2) Similarly, a corresponding amount shall be deposited for the association's outstanding and non-due liabilities, as well as for its disputed liabilities, unless the distribution of the association's assets is suspended until their settlement or the creditors are provided with security equivalent to a court deposit.

3) In order to supervise the liquidators and accelerate the liquidation process, a creditors' committee may be appointed at the request of creditors and with the approval of a creditors' meeting convened under the chairmanship of the court, provided that there are important reasons for doing so and that a simple majority of the votes represented are in favor. This committee shall be assigned to the liquidators and shall be solely responsible to them.

Art. 138

e) Distribution of assets and deletion

1) The assets of a dissolved association shall be distributed among the members after the debts have been repaid, if certain shares are due to the members and insofar as they are due to them and not to the association itself and unless otherwise specified, in proportion to the amounts paid in for these shares, but otherwise, in case of doubt, on a per capita basis.

2) The distribution may not be carried out until six months have elapsed from the date on which the announcement of the dissolution with a request to register claims was published in the official publication organ

or, unless exceptions are permitted, in accordance with the order of the Office of Justice in administrative proceedings.
3) Distribution before the expiry of this six-month period may be approved by the Office of Justice in administrative proceedings if, under the circumstances, there is no risk whatsoever to creditors.
4) Upon completion of their work, the liquidators must apply for the deletion of the association entity from the commercial register. This entry must be published in the case of association entities that are subject to disclosure requirements.
5) The deletion may take place before the end of the six-month blocking period.
6) Upon completion of the liquidation, unless otherwise specified in the articles of association or by the competent body, the liquidators must convene the supreme body, if one exists, for the purpose of approving the final accounts and discharging the liquidators; if the discharge resolution is refused without good reason, the liquidators may seek a court order to have the discharge confirmed.
Art. 139
5. Supplementary liquidation
1) If, after the deletion and its entry in the commercial register, further assets subject to distribution are discovered, the Office of Justice shall, at the request of interested parties such as members, creditors, or ex officio, have the assets distributed by officially appointed liquidators in accordance with the order of priority under insolvency law in administrative proceedings. In all other respects, the provisions of Art. 130 (4) and (5) shall apply mutatis mutandis.
2) This provision applies mutatis mutandis if a legal entity has been dissolved as a result of bankruptcy and no special liquidators have been appointed by the supreme body or a decision has been made to continue the legal entity.
3) If there are still undistributed assets of the association, the statute of limitations that has come into effect since the distribution cannot be invoked against a creditor, provided that the creditor seeks satisfaction only from those assets.
Art. 140
6. Sale of the entire assets
1) Unless otherwise provided in the articles of association, the assets may be transferred in their entirety in accordance with the provisions on a resolution to dissolve the association, and the resolution shall result in the dissolution of the association, unless this has already been decided or the entire assets have been transferred to a trustee for the satisfaction of the creditors.

2) Unless otherwise provided by law, the contract of sale shall be in simple written form and the transfer of the assets to the purchaser shall be effected in accordance with the transfer provisions applicable to the individual assets.

3) The provisions governing liquidation shall apply in the sense that the liquidators shall also be authorized to carry out those transactions and legal acts which are necessary for the execution of the agreed sale, but the transfer of the assets to the transferee may only take place in accordance with the provisions laid down for the distribution of the assets among the members.

Art. 141

IV. Assertion of claims against a deleted legal entity

1) If a legal claim is asserted against an association that has been deleted from the commercial register, for example as a result of an action for reinstatement or annulment, the court shall, at the request of the parties involved, appoint a representative for the deleted association to represent it in the proceedings and enter this representative in the commercial register. The provisions on the guardian ad litem (curator) shall apply mutatis mutandis to the costs thereof.

2) The relevant provisions on liability shall remain reserved for liability for the unjustified receipt of liquidation shares.

3) If legal successors or other persons (companies, associations) are liable for the debts of the association deleted from the commercial register and the statute of limitations has not yet expired, they may be sued as co-defendants alongside the association or separately, individually or jointly, in accordance with their liability.

4) Paragraphs 1 to 3 apply mutatis mutandis to foundations and associations not entered in the commercial register.

Art. 142

V. Retention of business records and documents as well as founding documents

1) The business records and documents of a dissolved company with legal personality or an equivalent association shall be kept at the expense of the liquidation estate in a secure location to be determined by the liquidators in accordance with Art. 1059 for a period of ten years and shall be disposed of at the discretion of the liquidators after this period has expired.

1a) Paragraph 1 shall apply mutatis mutandis to the storage of founding documents and documents relating to subsequent amendments to the founding documents in accordance with Art. 182 para. 3. During the retention period, the liquidators shall ensure that the founding documents and documents pursuant to Art. 182 para. 3 are available in the country within a reasonable period of time.

2) If an association is dissolved due to bankruptcy, the insolvency administrator shall issue detailed instructions regarding storage at the expense of the insolvency estate.
3) Anyone who can demonstrate a legitimate interest may be authorized by the regional court in non-contentious proceedings to inspect the records, such as former members, legal successors, or creditors.

VI. Takeover by the community

Art. 143

1. Through acquisition of shares

1) If a public authority (state or municipality) has acquired all the membership shares, such as stocks and cooperative shares, of an association, the dissolution of the association may be waived even if the public authority remains the sole member of the association, without, however, losing its status as an association under private law.
2) The public authority or the persons designated by it shall then perform the functions of the various organs of the association.
3) In the event of the dissolution of the association, liquidation may take place in such a way that the community declares that it will assume all liabilities of the association.
4) The provisions on single-member associations remain reserved.

2. Takeover of assets and liabilities

Art. 144

a) Effects

1) If a public entity has taken over the entire assets and liabilities of an association, only the public entity shall be liable to the creditors of the association after the transfer of the liabilities.
2) However, if the members of an association are not personally liable for its liabilities, the liability of the public body shall be limited to the assets taken over, unless otherwise specified at the time of the takeover.
3) The liabilities of the association shall be transferred to the community ten days after publication of the entry of the takeover in the commercial register, if an entry is made in the commercial register, otherwise immediately after the takeover.
4) The establishment of a single-member association remains reserved.

Art. 145

b) Procedure

1) Any necessary application for entry in the commercial register shall be made jointly by the competent representatives of the public body and the association, enclosing the takeover agreement.

2) The entry and publication may only take place after the liquidation of the association has been entered in the commercial register.
3) The liquidation may be carried out in such a way that the community pays either a specific sum or the surplus assets of the association to the association in liquidation or to its members.

Art. 146

VII. Continuation of a dissolved association

1) If an association has been dissolved for the purpose of selling its assets in their entirety or for conversion into another association, or by resolution of the competent body, if the intended purpose has not been achieved or is no longer pursued and the distribution of the assets has not yet begun, the body responsible for the dissolution may decide to continue the association with the majority required for a resolution to amend the articles of association.
2) The same applies in the event that the association is dissolved by the opening of bankruptcy proceedings, but the bankruptcy proceedings have been discontinued after the conclusion of a reorganization plan or with the consent of the creditors, provided that the capital or assets required for continuation under the law are still available.
3) If the association is entered in the commercial register, the body responsible for registering the dissolution must also register the continuation.

D. Membership

I. Accession

Art. 147

1. In general

1) The declaration to join an association as a member with shares or to otherwise participate in its assets must, apart from the tacit condition of its conclusion, be unconditional and may not contain any conditions, but may contain a date until which the subscription or other declaration remains binding.
2) The form for acquiring membership also applies to preliminary agreements in this regard.
3) Conditional declarations may only be taken into account when determining membership if other binding declarations of membership or participation exist in the event that the condition is not met.
4) If the date until which the declaration of accession to an association in the process of being founded is to be binding has not been set and

it cannot be determined from the circumstances, the declaration shall be limited to a period of six months.

5) Where the law or the statutes refer to members, this shall be understood to mean membership of the association and not membership of a collegial body, unless otherwise specified in individual cases. Art. 148

2. Contestation

1) Unless otherwise stipulated by law, once an association has been formed, a member's declaration of membership by subscribing to shares and the like, as well as the articles of association, cannot be contested by a member on the grounds of defects of consent (error, fraud, intimidation) or by a creditor or heir on the grounds of disadvantage.

2) This shall not affect claims for damages against those who caused the defect of consent, the creditor's right of enforcement, and other means of contestation provided for by law.

II. Membership shares

Art. 149

1. In general

1) Unless otherwise provided by law or the articles of association, associations may grant their members share rights to which the provisions applicable to cooperative shares in registered cooperatives apply in the absence of other provisions, in particular with regard to rights and obligations.

2) Unless otherwise provided by law or the Articles of Association, membership is indivisible, transferable, and inheritable.

3) The transfer of membership and the creation of a limited right in rem to it shall be effected by written agreement, provided that no securities exist in respect of the membership and the articles of association do not contain any more restrictive provisions, such as a right of first refusal or the consent of bodies or members.

4) In the event of a member's bankruptcy, the transfer requires the consent of the bankruptcy administration in order to be valid, insofar as it involves a disposition of the estate.

5) In case of doubt, profits shall be distributed in proportion to the financial contributions made by a member in relation to the membership shares.

6) Unless otherwise provided by law, participation certificates with or without membership may be issued to legal entities, and the provisions governing participation certificates shall apply to these if they are not linked to membership, otherwise those governing participation shares in stock corporations shall apply mutatis mutandis.

7) The appointment of trustees with or without the issue of trust certificates for shares in profits, liquidation proceeds, and the like, and the transfer of membership by operation of law, remain reserved.

Art. 150

2. Securities representing membership

1) Securities representing membership may only be issued if expressly permitted by law.

2) If securities are issued in violation of this provision or before legal personality has been obtained, they shall be null and void, and the issuers and, to the extent that they are at fault, the other parties involved shall be jointly and severally liable to the holders for all damages caused by the issue, without prejudice to the obligations and rights arising from the accession or any subscription.

3) The provisions on shares as securities, in particular those on share certificates, shall apply mutatis mutandis to other membership securities.

Art. 151

3. Own shares

1) In the absence of other provisions in the law or the articles of association, a corporate entity may neither acquire its own shares for consideration nor take them as collateral.

2) This prohibition shall not apply:

1. if the acquisition is made for the purpose of amortization in accordance with legal or statutory provisions;
2. if it is made in accordance with the provisions of the law and the articles of association for the purpose of partial repayment of the share capital;
3. if it is made to satisfy the association's own claims and is necessary to protect the interests of the association;
4. if the acquisition or pledge is connected with the operation of a branch of business that is part of the company's business according to the articles of association;
5. if it takes place together with that of a group of assets.

3) In the cases referred to in paragraph 2, items 1 and 2, the repurchased shares shall be immediately rendered unusable for any further sale, and in the cases referred to in paragraph 2, items 3 to 5, they shall be sold as quickly as possible.

4) Own shares held by an association shall not be taken into account in the distribution of profits and other benefits arising from membership, including in relation to liquidation shares.

5) In order to circumvent the law or the articles of association, a corporate entity may not appoint trustees for its own shares.
6) Where a statutory reserve fund is required, the fund may only be invested in whole or in part in own shares with the approval of the Office of Justice.
7) Other provisions regarding treasury shares remain reserved. Art. 152

4. Shares held by several persons

1) A membership share to which several members are jointly entitled shall be represented by them jointly in terms of rights and obligations.
2) As long as there has been no dispute among them regarding the membership share, they shall be jointly and severally liable to the association for the payments on the membership share.
3) Several members shall appoint a joint representative.
4) If they fail to appoint a representative and notify the association thereof, declarations of intent may be made to one of them and the judge may appoint a joint representative in non-contentious proceedings.

5. Trust certificates

Art. 153

a) In general

1) Unless otherwise specified in the Articles of Association, members with membership shares representing property rights may appoint a trustee in accordance with the relevant provisions and, accordingly, transfer the shares to the trustee for the limited or unlimited exercise of the personal (controlling) rights arising from membership, namely voting rights, subject to the property rights and obligations arising from membership.
2) In the absence of any other provision in the trust deed, the trustee shall deposit the securities transferred to him with the association in exchange for trust certificates that are transferable in the same way as the membership securities or in another manner, for the benefit of the members (trustors).
3) Trust certificates with the character of securities relating to property rights arising from membership may, unless prohibited by the articles of association, be issued by the member as trustee or by a specially appointed trustee even if the membership is not linked to a security or is indivisible.

Art. 154

b) Form and effect

1) The trust certificate shall specify the powers of the trust agency from which the property rights arising from membership can be obtained and shall otherwise contain the same content as the deposited security relating to membership, unless the issue of several trust certificates relating to one membership or other deviations result in deviations.

2) The deposited securities are non-transferable by law as long as trust certificates have been issued for them; if they are issued contrary to this provision, the issuers and, to the extent that they are at fault, the other parties involved shall be jointly and severally liable to the holder for all damages caused.

3) With regard to the obligation to perform services for the association, the members are in the same position as other members; however, unless otherwise specified in the trust deed, only the trustee may assert the rights arising from membership or have them asserted by others.

4) If a trust exists, claims arising from membership may only be asserted in the event of enforcement proceedings against the member or the opening of bankruptcy proceedings against the member's assets in accordance with the provisions governing the trust.

5) The establishment of other trusts remains reserved. Art. 155

III. Vested and other rights

1) Vested rights to which members are entitled as such may not be withdrawn or restricted without their consent, even by an amendment to the articles of association, unless all members with equal rights are affected in the same way by the withdrawal or restriction.

2) Unless otherwise provided by law or the articles of association, if a member leaves or is expelled without the association being dissolved and is entitled to a claim for dissolution, compensation, or the like, this claim shall be determined on the basis of a liquidation balance sheet drawn up for this purpose, whereby statutory reserves shall be included on the liabilities side.

3) Every member shall be entitled by law to inspect and make copies of the articles of association and, where they have been reproduced, to receive a copy against reasonable payment.

IV. Liability and obligation to make additional contributions

Art. 156

1. In general

1) Only the assets of a legal entity are liable for its obligations, unless otherwise stipulated or permitted by law and, in the latter case, prescribed by the articles of association.
2) Liability or additional payment obligations of individual members may therefore only be stipulated in the articles of association if permitted by law, and joint and several liability only exists where provided for by law or the articles of association.
3) In the absence of any other provision, they shall be enforced in accordance with the provisions governing the apportionment procedure.
4) If the association entity holds its own shares, liability and the obligation to make additional contributions are suspended for the duration of the holding, but so too is any subscription right, which, in the absence of other provisions in the articles of association, is governed by the provisions established for stock corporations.

2. The apportionment procedure

Art. 157

a) In general

1) If the insolvency creditors cannot be satisfied from the association's assets available at the time of the opening of the insolvency proceedings due to their claims to be taken into account in the subsequent final distribution in the insolvency proceedings, members with liability or additional payment obligations shall be required to make contributions (allocations) to the insolvency estate for the shortfall to be covered in accordance with the insolvency liquidation balance sheet, in the absence of other statutory provisions, in the case of limited liability or additional payment obligations in proportion to the liability amounts or additional payment amounts, but otherwise on a per capita basis (contribution amount).
2) If individual members, including those who are no longer required to pay contributions under the law or the Articles of Association, are unable to pay contributions due to insolvency or other reasons, these contributions shall be distributed among the remaining members, provided that this does not conflict with limited liability or additional payment obligations.
3) Voluntary payments made by members in excess of the contributions owed under the above provisions shall be reimbursed to them in advance after the creditors have been satisfied from the contributions and may, if necessary, be claimed by means of a supplementary payment calculation.
4) A member may offset a claim against the association against the contributions, provided that the conditions under which it can claim satisfaction as an insolvency creditor for the claim from the contributions are met.
5) If the apportionment procedure is applied outside the insolvency proceedings in accordance with individual provisions of this Act, the insolvency administrator shall be replaced by the administrators or liquidators, with the proviso that the powers and duties otherwise vested in them under the provisions on the apportionment procedure shall lapse.

insolvency administrator shall be replaced by the administration or the liquidators, with the proviso that the powers and duties otherwise vested in them under the provisions on the apportionment procedure shall cease to apply.

b) Advance payment calculation

Art. 158

aa) In general

1) Immediately after the opening of insolvency proceedings, the insolvency administrator shall calculate, on the basis of the liquidation balance sheet drawn up, the contributions to be paid in advance by the members to cover the shortfall shown in the balance sheet, taking into account the various liability and additional payment relationships among groups of members, such as in mixed cooperatives.

2) The calculation shall list all members by name (company name) and place of residence (registered office) and the contributions attributable to them, whereby the amount of the contributions shall be calculated in such a way that, in the event of foreseeable insolvency, regardless of whether this has been determined by a court of law or not, no shortfall in the total amount to be covered arises for individual members in respect of their contributions.

Art. 159

bb) Declaration of enforceability

1) At the request of the insolvency administrator, the calculation shall be declared enforceable by the regional court in expedited non-contentious proceedings by means of a decision that can only be challenged by way of legal action.

2) For this purpose, the court shall immediately order a hearing to be announced in the official gazette for the parties involved to comment on the calculation (date) to be announced in the official gazette, at which the members listed in the calculation or their legal successors, the members of the administration or the liquidation office, any auditors, and the insolvency administrator, as well as any members of a creditors' committee appointed by the regional court, shall be summoned and briefly heard without actual evidentiary proceedings.

3) The public announcement and the summonses shall indicate that the calculation is available for inspection at the court registry one week before the hearing.

4) The court shall decide on the objections raised, correct the calculation if necessary or order its correction, and finally declare the calculation enforceable by means of a decision.

5) The decision shall be announced in the same hearing or in a hearing specially arranged in accordance with the second paragraph, to which the parties involved in the first hearing may be summoned orally, and at the same time it shall be explained that the calculation shall be made on the basis of the enforceable decision that is not served, for the parties' inspection in the court registry.

, and at the same time it shall be explained that the calculation with the decision declared enforceable, which is not served, is available for inspection by the parties at the court registry.

Art. 160

cc) Enforcement

1) Once the calculation has been declared enforceable, the insolvency administrator shall collect the contributions from the members without delay.

2) Enforcement against a member shall take place in accordance with the existing provisions on the basis of an enforceable copy of the decision to be served on the member, together with a statement of account showing at least the total shortfall, the name (company name) of the member, and the amount attributable to the member.

3) The legal remedies available to the member as a debtor in enforcement proceedings against an enforcement order or the underlying claim, such as lawsuits, complaints, and the like, shall remain unaffected.

4) The contributions collected shall be deposited or invested with the Landesbank or another institution designated by the insolvency administrator or the creditors' committee.

Art. 161

dd) Action for rescission

1) Each member or its legal successor may contest the calculation declared enforceable and the decision by bringing an action against the insolvency administrator with a request to set aside the contribution calculation and the decision enforceable against it, for example because it is not or is no longer a member, because the calculation does not comply with the statutory or regulatory provisionsor the balance sheet is incorrect, or because contributions are not being demanded but other payments, and the like.

2) The appeal may only be lodged within the emergency period of one month from the announcement of the decision and only to the extent that the plaintiff asserted the grounds for appeal at the hearing on the declaration of enforceability or was unable to assert them through no fault of his own, for example if the grounds arose only after the hearing or due to ignorance of the law.

3) The oral hearing in the appeal proceedings shall not take place before the expiry of the emergency period, and several appeal proceedings shall be combined for simultaneous hearing and decision.

4) During the legal dispute, the court may, upon request and against any security deposit, to which the provisions on securing the costs of the proceedings shall apply mutatis mutandis, suspend enforcement or order the lifting of enforcement measures.
5) The final judgment shall be effective for and against all members liable to pay contributions, regardless of whether they have appeared as interveners in the proceedings or not.
6) After the expiry of the one-month grace period, the membership of the members listed in the membership directory shall be deemed to have been legally established for the purposes of the apportionment procedure.

Art. 162

ee) Additional calculation

1) If the total amount to be covered is not reached due to the inability of individual members to pay contributions, or if the calculation has to be amended in accordance with a judgment on an action for annulment or for other reasons, the insolvency administrator may draw up an additional calculation.
2) The additional calculation shall be repeated if necessary.
3) The preceding provisions on advance calculation, declaration of enforceability, enforcement, and action for avoidance shall apply to the additional calculations.

Art. 163

c) Additional payment calculation

1) As soon as the final distribution in accordance with the provisions of the Insolvency Code has begun, the insolvency administrator shall, in addition to and in correction of the advance payment and the supplementary calculations made in relation thereto, determine how much the members still have to pay in contributions in accordance with the applicable provisions, including the costs of the insolvency and apportionment proceedings, unless the members have already been called upon to pay up to the limit of their liability or additional payment obligation through an advance payment procedure.
2) The last paragraph of the preceding article shall apply to this additional contribution calculation, with the proviso that contributions shall not be apportioned to members who are found to be unable to pay contributions.
3) By means of a supplementary contribution calculation, membership recourse claims arising from liability or the obligation to make supplementary contributions may also be asserted, unless otherwise claimed.

Art. 164

d) Distribution of contributions

1) Once any necessary additional contributions have been declared enforceable, or otherwise after the advance contributions have been made, the insolvency administrator shall immediately distribute the available contributions and, if

often a sufficient amount has been received from the contributions still to be collected, distribute these among the creditors by means of a supplementary distribution in accordance with the provisions of the Insolvency Code.

2) In addition to the insolvency shares (insolvency dividends) to be retained, which are attributable to the claims specified in the Insolvency Code, the shares on claims that have been disputed by the administration or the liquidators in the proceedings concerning the claims of the insolvency creditors must also be retained.

3) It is left to the insolvency creditor to remove the objection of the administration or the liquidators by filing an objection within one month of the action being brought against the association and with effect for the contribution fund; however, if the objection has been declared legally valid, the shares become available for distribution among the other creditors of the additional contribution fund.

4) In a dispute over the objection, the non-plaintiff creditors and the insolvency administrator may intervene.

5) Any surpluses not required to satisfy the creditors, insofar as no voluntary payments by members or third parties are to be reimbursed in advance, shall be repaid by the insolvency administrator to the members in proportion to the amount of the contributions made.

Art. 165

V. Default on contributions in kind, exclusion of set-off, right of retention, etc.

1) Unless otherwise specified, the provisions of the Swiss Code of Obligations on the consequences of default in general shall apply to default in contributions in kind arising from membership, such as contributions in kind or other non-monetary ancillary benefits, and only the person who has undertaken to make such a contribution shall be liable.

2) For contributions in kind that are attributable to the share capital or equity capital, the association may, after they have arisen, claim a reduction in price and damages in accordance with the principles of the purchase agreement, but not rescission, and if the contribution is completely worthless, it may claim payment of the contribution in cash.

3) A claim by the association against a member arising from the member's obligation to pay for capital shares or from any other contribution obligation or additional contribution obligation as a member cannot be offset or a right of retention asserted on an object belonging to the association.

4) If a service other than a contribution in kind is owed, the objection of a possible non-fulfillment of consideration cannot be raised.

5) If the withdrawal of a member has been delayed or prevented through the fault of organs and the member has suffered damage as a result, the members of the organ concerned shall be primarily liable and the association shall be secondarily liable.

E. Organization

I. Supreme body

Art. 166

1. In general

1) In the case of associations with membership, the meeting of members shall constitute the supreme body, unless the law or the articles of association provide otherwise, as in the case of delegate meetings, circular resolutions, and the like.

2) The statutes may transfer all or part of the powers of the general meeting to a committee or council consisting of members or non-members, which is elected by the entire membership at the general meeting or at section or department meetings provided for in the statutes and separated according to location, profession, or similar criteria (representative constitution).

3) Unless otherwise provided or unless the nature of the matter dictates otherwise, the same provisions as for the general meeting, including minority rights, shall apply to these committee or section or department meetings.

4) In the case of associations without membership that have a supreme body, the provisions established for the supreme body of corporations shall apply mutatis mutandis to the latter, unless otherwise provided.

2. Convocation

Art. 167

a) In general

1) The supreme body shall be convened by the administration (executive board), the liquidators or, by operation of law, by the representatives of the bondholders or other bodies authorized to do so under the articles of association or their individual members or third parties and, during the insolvency proceedings, also by the insolvency administrator, as often as required by law or the articles of association or as required in the interests of the association; in cases of imminent danger, the auditors may also convene a meeting.

2) In the case of companies with legal personality and equivalent associations, the supreme body must be convened at least once a year, unless, in the case of associations with fewer than 20 members, all resolutions are passed by circular resolution, or unless the articles of association expressly stipulate the time, place, and agenda of the ordinary meeting of the supreme body once and for all.

3) The form of the convocation, whether verbal, written, or by public announcement, may be specified in more detail in the articles of association, unless the law provides otherwise, and shall specify the place, time, and purpose of the meeting, in particular the essential content of any intended amendments to the articles of association; However, unless otherwise specified by law or the articles of association, every meeting must be announced in the Liechtenstein national newspapers at least one week before it is held.

4) No resolutions may be passed on items that have not been announced in the manner required by law or the articles of association (agenda), with the exception of resolutions on the chairmanship and the taking of minutes, on the motion made at the meeting of the supreme body to convene an extraordinary meeting, and on the opening of an investigation into the management of the company and the appointment of persons to carry out this investigation.

5) No prior announcement is required for the submission of motions and for discussions without resolution.

6) If all members or representatives are present and no authorized person raises an objection, they may form a meeting of the supreme body without observing the otherwise prescribed formalities for convening a meeting, and valid negotiations and resolutions may be conducted at this meeting on matters within its sphere of activity (universal meeting).

Art. 168

b) Minority rights

1) The meeting must be convened if the representatives of at least one-tenth of the countable votes, or at least three votes if there are fewer than 30 countable votes, request it in a petition signed by the applicants, stating the purpose.

2) If the request is not adequately granted by the competent body, the Office of Justice may, at the request of the voters and after hearing the members of the administration, convene a meeting in administrative proceedings and appoint a chairperson at the same time. and, in addition, damages may be claimed against the bodies at fault on the basis of their contractual relationship, if necessary in accordance with the provisions on tortious acts.

Art. 169

3. Participation

1) Unless otherwise specified, members or other persons entitled to vote may be represented by themselves or by third parties with written power of attorney.

2) The legal, statutory, or corporate representatives of persons lacking legal capacity, associations, or companies must be admitted to participate in the proceedings and decision-making without special powers of attorney, even if the statutes do not allow representation or only allow representation by other persons entitled to vote.
3) Persons incapable of negotiating, such as those who are intoxicated, may be excluded from the meeting.
4) Members of the audit committee may participate in an advisory capacity if they are not members of the association.
5) The articles of association may determine, within the framework of the law, the extent to which non-members, such as bondholders and the like, are entitled to participate in deliberations and voting.
6) A list signed by the chairperson must be drawn up and made available during the meeting (attendance list) detailing the participants who are present or represented at the meeting of the supreme body of a company with legal personality and the votes to which they are entitled.
4. Powers and decision-making
Art. 170
a) In general
1) Unless otherwise specified by law or the articles of association, the supreme body shall have the powers established for registered cooperatives; in particular, it shall supervise the activities of other bodies and decide on the powers of the bodies.
2) Voting may take place either at the meeting or, if public certification of the resolutions is not required, without a meeting, by means of ballot boxes or in such a way that, in the case of associations with fewer than 20 members, the expressly formulated resolutions are sent to the members entitled to vote instead of the meeting of the supreme body., by means of ballot boxes or, in the case of associations with fewer than 20 members, by sending the expressly formulated resolutions to the voting members by registered letter instead of holding a meeting of the supreme body, and the minimum number of voting members required for a resolution to be passed give their written consent.
3) The same rules that apply to votes also apply to elections.
4) A minority in accordance with the provision on minority rights may request, by means of a signed submission to be delivered to the management or other convening body at least five days before the meeting, that specific items be placed on the agenda for discussion and resolution.
4a) Members of large companies within the meaning of Art. 1064 para. 3 who are not covered by Art. 339d and who together represent at least 5% of the share capital have the right to request by means of signed petitions that:

1. an auditor or auditing firm that is neither the company's auditor nor a member of the auditor's network conducts an audit of certain components of the sustainability report;
2. the report on the audit referred to in clause 1 is submitted to the company's supreme body.

5) Unless otherwise provided by law or the articles of association, the rules of parliamentary procedure shall apply to the management, consultation, and decision-making.

Art. 171

b) Chairing and minute-taking

1) Unless otherwise specified in the articles of association, a member elected by the meeting shall chair the meeting.

2) The administration shall ensure that minutes are kept which provide sufficient information about the proceedings, resolutions, and elections, and shall make the necessary arrangements for the form of voting and for determining voting rights.

3) In the absence of any other provision in the articles of association or by the meeting, the minutes shall be kept by a member and signed by the chairperson and the secretary.

4) Any person entitled to vote shall be allowed to inspect the minutes during business hours and shall be provided with a copy upon request.

c) Required majority

Art. 172

aa) In general

1) Unless otherwise specified, resolutions shall require the approval of a simple majority of the votes present to be valid, with at least one-tenth of all votes represented, unless the administration of the judge in non-contentious proceedings grants an exception for important reasons upon request.

2) Unless otherwise provided by law or the articles of association, such as in the case of multiple voting rights or proportional representation, each member shall have one vote.

3) The articles of association may grant bondholders or lenders, with or without the right to convert their creditor rights into membership rights, a more precisely defined voting right, to which the provisions on the exercise of voting rights by members shall apply in addition, provided, however, that the total number of such voting rights may not exceed half of all votes; if more than one-third of all voting rights are to be granted, the approval of at least three-quarters of the total votes is required.

4) If membership is linked to a security, the majority shall be calculated according to the number of shares in case of doubt; at delegate meetings, however, each delegate shall have one vote in case of doubt.

5) The articles of association may also stipulate that individual groups of members or shares are entitled to different voting rights, whereby each member must have at least one vote.

6) If the law or the articles of association stipulate that a minimum number of votes must be present for a resolution to be passed, and if there are not enough votes represented at a first meeting, then, subject to other provisions in the articles of association, this resolution on the same matters may be passed by a simple majority at a second meeting to be convened within a reasonable period of at least eight days, regardless of the minimum number, unless otherwise provided.

7) In the event of a tie, the opinion supported by the chair shall be deemed to be the resolution.

8) The preceding paragraph shall apply mutatis mutandis in particular where circular resolutions are permissible.

Art. 173

bb) Special rights and obligations

1) If a legal entity has members or shares with different rights or obligations, such as preferred and common shares or limited and unlimited liability or additional payment obligations, those with equal rights or obligations shall form one party in litigation and special groups (classes) in voting, provided that the resolution to be passed affects their rights or obligations in an unequal manner, and the consent of all groups required for an amendment to the articles of association shall be necessary for the validity of such a resolution.

2) In the absence of other provisions in the articles of association, these special meetings shall be convened by the administration and chaired by a participant elected by the meeting; in all other respects, the provisions governing the supreme body shall apply mutatis mutandis.

3) In the absence of any other statutory provision, the provisions of the preceding article shall apply to the passing of resolutions.

4) If the difference in entitlement consists solely of an unequal number of votes, only a joint resolution shall be passed, taking into account the difference in voting rights.

Article 174

cc) Amendment of the Articles of Association

1) Unless otherwise specified in the Articles of Association, they may be amended with the consent of three-quarters of all members present at the meeting of the supreme body, representing at least half of all shares or, in the absence thereof, of all members.
2) Unless otherwise specified, new performance obligations on the part of the members may only be established or increased with their consent; otherwise, a resolution is only valid if it has not been contested.
3) Amendments to the bylaws require only written form, even if such provisions were established in a public document.
4) Amendments to the Articles of Association shall be drawn up in writing to the same extent as the original Articles of Association and, if necessary, shall be publicly certified and entered in the commercial register.
5) The implementation of changes that only affect the wording may be delegated to another body by resolution of the supreme body.
6) An amendment to the articles of association does not exist if, in accordance with company law, a clearly distinguishable addition is made to the name of a branch.
Art. 175
d) Exclusion from voting rights
1) Without prejudice to the right to participate in the meeting and deliberations, every person entitled to vote is excluded by law from voting in their own name or on behalf of another person when a decision is being made on a legal transaction or legal dispute between them, their spouse, registered partner, fiancé, or a person directly related to them on the one hand, and the association on the other, as well as when deciding on a legal transaction or legal dispute between a third party and the association from which a person entitled to vote derives a personal advantage or disadvantage.
2) Own shares held by the association itself are not entitled to vote and are not counted as votes, but the association appointed as trustee may exercise the voting rights.
3) When it comes to decisions on discharging the administration for its management and accounting, people who have been involved in management in any way are not allowed to vote by law.
4) Any resolution that violates these provisions may be challenged in accordance with the provisions on challenging resolutions of the supreme body.
5) These restrictions do not apply to associations with fewer than 30 voting members, to members of the audit committee, in elections and dismissals, or if the Office of Justice grants an exception in administrative proceedings.

Art. 176

e) Voting rights in the case of usufruct, pledges, and other rights

1) If there is a limited right in rem on the membership right, only the member or the trustee equivalent to the member is entitled to vote, subject to representation.

2) If securities are available via membership, the owner of the title is obliged to enable him to exercise his voting rights, provided that the immediate return of the unchanged title after exercising the voting rights is guaranteed.

3) If a membership right is held in usufruct, only the member is entitled to vote; however, the member must obtain the consent of the usufructuary for all resolutions that do not constitute ordinary administrative acts and shall be liable for damages in the event of a breach of this obligation.

4) The depositary may only exercise voting rights for securities held in custody (custody votes) if it has a special power of attorney from the custody account holder, unless the law allows exceptions, such as in the case of fiduciary deposits.

5) Unless otherwise specified or agreed, the exercise of other personal (controlling) rights arising from membership is equivalent to the exercise of voting rights.

6) This provision applies mutatis mutandis to other voting rights.

Art. 177

f) Public certification of resolutions

1) In all cases where membership consists of a property interest or where the law otherwise requires it, a public document must be drawn up for resolutions of the supreme body concerning the constitution, amendment of the articles of association, and dissolution of an association, unless the law itself provides for an exception, such as in the case of cooperatives, small insurance associations, and institutions, in the case of certification by circular letter.

2) The certifying officer must be present in person at the meeting and must take minutes stating the place and time of the meeting and accurately and concisely recording the resolutions passed, as well as all events that occurred and statements made in their presence at the meeting that are relevant to assessing the regularity of the proceedings.

3) The minutes shall be signed by the chairperson of the meeting and a person appointed as secretary.

4) If the conditions for this are met and it is specifically requested, confirmation of the identity of the chairperson and other persons present at the meeting may also be deemed sufficient in the minutes.
5) Where applicable, the draft articles of association of the founders, declarations of accession, the signed prospectus, the articles of association approved by the general meeting, and similar documents shall be attached to the public document.
5a) Public certification may also be carried out electronically via the certification and authentication system (Art. 6d E-GovG) in accordance with the provisions of the Notary Act and the Legal Security Ordinance. In all other respects, paragraphs 1, 2, 4, and 5 shall apply mutatis mutandis, with the proviso that the physical presence of the parties is not required.
6) In all cases, except for stock corporations, limited partnerships, and limited liability companies, a declaration signed and certified by all parties involved may be used in place of a public document.

4a. Use of electronic means

Art. 177a

a) General

1) The administration may provide that participants who are unable to attend a physical meeting (Art. 170 para. 2) may exercise their rights using electronic means.
2) The meeting, including the passing of resolutions, may be held by electronic means, regardless of the number of members, even without the physical presence of the participants and without a meeting location, provided that this is stipulated in the articles of association.

Art. 177b

b) Convening of the meeting

The meeting shall be convened in accordance with Art. 167 para. 3, with the proviso that it must contain the exact modalities for participation and voting, but not the location of the meeting in the cases referred to in Art. 177a para. 2.

Art. 177c

c) Requirements

The administration shall regulate the electronic means and ensure that:
1. the identity of the participants is established;
2. votes are transmitted directly during the meeting;
3. every participant can submit motions and participate in discussions;
4. the voting results cannot be falsified. Art. 177d

d) Technical problems

If technical problems arise during a meeting that prevent it from being conducted properly, it must be repeated. Resolutions passed before the technical problems arose remain valid.

5. Contesting resolutions

Art. 178

a) In general

1) The management and, if it does not bring an action itself, the auditors of the association may challenge resolutions of the supreme body or another body that violate the provisions of the law or the articles of association by bringing an action, counterclaim, defense, or legal notice against the association before the judge of the registered office.

2) If the resolution concerns a measure whose implementation would render the members of the administration or the auditors liable to prosecution or liable to the creditors or members of the association, any member of the administration or the auditors may challenge it by law or refuse to implement it.

3) In addition, in the case of legal entities with members, subject to the provisions on acquired rights, the representatives of at least one-twentieth of all votes, but at least three votes, and in the case of fewer than ten votes or members, each vote or each member may challenge and have a resolution that they did not approve of overturned by law, whereby the judge may impose security on them in accordance with the provisions of the Code of Civil Procedure on security for legal costs, failure to comply with which will result in the claim for annulment lapsing.

4) Similarly, individual shareholders may not have participated in the meeting or vote if they were not convened to the meeting in accordance with the law or the articles of association, or if their participation in the meeting or vote was otherwise prevented or unreasonably impeded, and as a result have not participated in the meeting or vote, or if, in the case of a circular resolution, voters have voted against it or have been overlooked, or finally, if persons not authorized to participate have participated in a resolution, whether or not an objection has been raised, they may challenge and have a resolutionand have it overturned if they can simultaneously demonstrate that these deficiencies had an influence on the resolution.

5) The court may suspend the execution of the contested resolution in summary proceedings if credible evidence is provided that the association is facing imminent and irreparable harm.

Art. 179

b) Assertion of claims, liability for damages, etc.

1) The right of the voting members to contest the resolution shall expire if they do not announce their intention to bring an action to the administration within one month of the resolution being passed or, if the articles of association provide for a special contestation procedure, immediately after exhausting all avenues of appeal, and if they do not bring the action before the court within a further month of the resolution being passed at the latest.

2) If the contested decision is entered in the commercial register, the judgment shall, at the request of the contesting party, be entered by the registration authority in amendment of the previous entry and published, insofar as the latter is necessary.

3) The judgment declaring nullity shall have effect for and against all persons entitled to vote in an association.

4) The plaintiffs who acted negligently in bringing the action shall be liable to the association for any damage caused by an unfounded challenge to the decision of the association, in accordance with the provisions on tortious acts, without limitation and jointly and severally.

5) The provisions on actions for annulment shall apply supplementarily to actions for contestation.

6) In addition, resolutions may also be revoked ex officio by the Office of Justice in accordance with the provisions established for ex officio nullity.

Art. 179a

6. Submission of the annual financial statements

If the association is required to prepare proper accounts (Art. 1045), the draft annual financial statements and, where applicable, the annual report and the consolidated annual report must be submitted to the supreme body for approval within six months of the end of the financial year, unless there are important reasons justifying an exception.

II. Administration

1. General

Art. 180

a) Principle

1) Each association must have an administration (board of directors, managing director, and the like) which, unless otherwise specified, may consist of one or more natural or legal persons or companies and is appointed by the supreme body for a term of three years from among the members of the association or third parties, whereby the members of the administration may be reappointed and may or may not be remunerated.

2) Subject to the provisions on public participation, the articles of association may also grant other third parties, such as loan and bond creditors or non-profit organizations, the right to appoint individual members of the administration or its chairperson (restricted administration).

3) If, during a financial year, some of the members of the administrative body leave or are prevented from performing their duties, the remaining members may continue to manage and represent the association until the next meeting of the supreme body, unless the articles of association provide otherwise.

4) The respective members of the administration or other authorized signatories and the expiry or change of their power of representation must be reported without delay to the association persons entered in the commercial register, enclosing proof of appointment, such as an extract from the minutes or similar, unless reappointment has taken place.

5) The provisions established for the members of the administration also apply to their deputies, if they act or are to act as such.

6) A special administration cannot be appointed for a branch office, but a special representative may be appointed as an authorized signatory.

7) Unless otherwise provided by law or the articles of association, the power of management also includes the power of representation.

8) The articles of association may declare the provisions on the board of directors of stock corporations to be applicable.

Art. 180a

b) Qualified member of the management

1) At least one member of the management of an association who is authorized to manage and represent it must be a national of a contracting party to the Agreement on the European Economic Area, a person treated as equivalent under an international agreement, or a legal entity, and must hold a license under the Fiduciary Services Act.

2) Persons who hold a license under the law on the supervision of persons pursuant to Art. 180a of the law on persons and companies are treated as equivalent.

3) Association representatives who are required to have a managing director under the Trade Act or another special law, or who are supervised by the government, a municipality, the land registry authority, or another authority, are exempt from the obligation under paragraph 1. This does not apply to foundations that are subject to supervision under Art. 552 § 29.

4) Associations that are not required to be entered in the commercial register are also exempt from the obligation under paragraph 1.

1. are not required to be entered in the commercial register;

2. are required to be entered in the commercial register pursuant to Art. 247 para. 2 no. 3, provided that all payments of the association are made via one or more bank accounts held in its name in Liechtenstein, another EEA member state, or Switzerland.

5) Repealed

Art. 180b

c) Grounds for exclusion

1) Natural persons may not be members of the management of a stock corporation, a limited partnership or a limited liability company with power of representation if they:

1. are legally incompetent within the meaning of Art. 16; or

2. have been convicted of one or more intentional criminal offenses:

a) under Sections 156 to 158, Sections 160 to 163, and Section 292a of the Criminal Code (insolvency offenses); or

b) under Sections 146 to 148 and Sections 153 and 153a of the Criminal Code to an unconditional prison sentence of at least one year.

2) The exclusion pursuant to paragraph 1, item 2 shall apply for a period of five years from the date on which the judgment becomes final.

3) Natural persons may also not be members of the management of a stock corporation, a limited partnership or a limited liability company without power of representation if there is a reason for exclusion in another EEA member state that corresponds to a reason for exclusion under paragraph 1.

4) Natural persons who have been appointed as members of the management of a stock corporation, a partnership limited by shares, or a limited liability company with power of representation must declare, when applying for entry in the commercial register, that there are no grounds for exclusion under paragraph 1 or 3. If a ground for exclusion under paragraph 1 or 3 arises after entry in the commercial register, the person concerned must either resign as a member of the management of the public limited company, limited partnership or limited liability company or waive their power of representation and arrange for their removal or the removal of their power of representation from the commercial register.

5) In justified individual cases, the Office of Justice may require that a certificate of legal capacity or a criminal record certificate be submitted, or may inquire with individual EEA member states via the European system of register networking whether there are grounds for exclusion under their law with regard to a specific person.

6) If the declaration pursuant to paragraph 4 or the certificate of legal capacity or criminal record certificate is not submitted despite a request by the Office of Justice, or if a request pursuant to paragraph 5 reveals that there are grounds for exclusion, the Office of Justice shall refuse to register the person concerned as a member of the management of a stock corporation, a limited partnershipor a limited liability company.

Art. 180c

d) Processing of personal data

1) The Office of Justice may process personal data of persons pursuant to Art. 180b in accordance with data protection regulations, insofar as this is necessary for the fulfillment of its statutory duties.

2) Personal data transmitted for the purposes of Article 180b may not be stored for longer than necessary, but at most for as long as personal data relating to the formation of a company, the registration of a branch, or the submission of documents and information by a company or branch.

2. Management

Art. 181

a) General

1) Unless otherwise specified or ordered by a resolution of the competent body, management is the responsibility of all members of the administration.

2) If the administration consists of several members and the articles of association do not stipulate otherwise, no member may perform an act pertaining to the management of the company on their own, unless there is imminent danger.

3) If, according to the articles of association or regulations established on the basis thereof, each member of the administration is authorized to manage the business on their own, then if one of them objects to the performance of an act pertaining to the management of the business, this act must not be performed, unless the articles of association stipulate otherwise.

4) However, the effects vis-à-vis third parties remain unaffected.

b) Powers and duties

Art. 182

aa) In general

1) The administration has all powers and duties that are not delegated or reserved to another body, such as the appointment and revocation of power of attorney. In particular, it must also ensure the preservation of the share capital and the security and success of the company within the scope of its legal duties and the opportunities presented.

2) It must manage and promote the association's business with care and is responsible for observing the principles of prudent business management and representation. A member of the administration acts in accordance with these principles if they have not been guided by irrelevant interests in their business decisions and could reasonably assume, on the basis of adequate information, that they were acting in the best interests of the association.

3) The founders must provide the administration with all documents and records relating to the establishment of the association. The administration must keep the founding documents and documents relating to subsequent amendments to the founding documents and ensure that the founding documents and documents are available in the country within a reasonable period of time. Art. 1059 applies mutatis mutandis.

4) The administration is obliged to comply with all restrictions imposed by law, the articles of association, resolutions of the competent body, or in any other way.

5) Unless otherwise specified, the administration of an association has the same powers and duties as the administration of a registered cooperative.

Art. 182a

bb) Compliance with accounting regulations

1) The members of the administrative, management, and supervisory bodies of an association that is required to maintain proper accounting records (Art. 1045) have a collective duty to ensure that the necessary accounting documents, namely the annual financial statements, the consolidated annual financial statements, the annual report and the consolidated annual report, as well as the corporate governance report, if presented separately, are prepared and disclosed in accordance with the provisions of Title 20 on accounting.

2) The members of the administration must ensure that the accounting records (Art. 1046) or records and supporting documents (Art. 552 § 26, Art. 1045 para. 3) are available at the registered office of the association within a reasonable period of time.

Art. 182b

Repealed Art.

182c

dd) Interim dividends

1) The distribution of interim dividends (interim dividends, interim distributions, advance payments on current profits) during the financial year is permitted.

2) Interim dividends may only be distributed by associations that are required to prepare proper financial statements (Art. 1045) on the basis of interim financial statements (interim balance sheet and interim income statement).
3) The articles of association may stipulate that the board of directors may distribute interim dividends on current profits or from profit carried forward from previous years or from special reserve funds on certain dates during the financial year without a prior resolution by the supreme body.
4) Interim dividends may only be distributed if this does not affect the share capital and any statutory reserves.

Art. 182d

ee) Inspection of annual financial statements by members

1) The administration of association members who are obliged to prepare proper accounts (Art. 1045) is required by law to ensure that the annual financial statements and, where applicable, the consolidated annual report are made available to the members in accordance with the articles of association at least twenty days before the meeting of the supreme body responsible for approving the annual financial statements or before a resolution is passed by circular, and also for a period of three months after the meeting.meeting of the supreme body responsible for approving the annual financial statements or before a resolution is passed by circular letter, and also for a period of three months after the meeting.
2) Any member of the company may, by law, upon proof of their shareholding, request a copy of the annual financial statements and, where applicable, the annual report and the consolidated annual report or the report on the course of business of the board of directors.

Art. 182e

ff) Capital loss, over-indebtedness, and insolvency

1) If the last annual balance sheet of an association shows that half of the share capital is no longer covered, the administration shall immediately inform the members of the supreme body and notify them of the restructuring measures to be taken.
2) If there is justified concern that an association is over-indebted or insolvent, the administration shall immediately prepare an interim balance sheet at going concern and liquidation values. At the same time, the administration shall convene a meeting of the supreme body and propose these restructuring measures.
3) The interim balance sheet must be audited by an auditor within the meaning of the Auditors Act in the case of association members:
1. if bonds have been issued;
2. if the capital shares are listed on a stock exchange; or
3. in the case of medium-sized and large companies within the meaning of Art. 1064.

4) All other association members must be audited by the statutory auditor.

Art. 182f

gg) Notification of the court

1) If the interim balance sheets at going concern and liquidation values show that the association is overindebted or insolvent, the administration must notify the court.

2) The court does not need to be notified if the association's creditors are subordinated to all other creditors to the extent of the shortfall at going concern values and defer their claims, or if there is a concrete prospect that the over-indebtedness or insolvency will be remedied within two months of the preparation of the interim balance sheets or the determination of insolvency.

3) If there is an obligation to make additional contributions, the court shall only be notified if the over-indebtedness or insolvency is not remedied within two months of the determination by the parties obliged to make additional contributions.

Art. 182g

Repealed Art.

183

c) Non-competition clause

1) Unless otherwise specified in the articles of association, in companies with legal personality that operate a commercial business, and in other associations of the same status, the members of the administration may not, without the consent of the supreme body or, in the absence of such a body, without the approval of the judge in non-contentious proceedings, conduct business in the same line of business for their own account or for the account of others, nor may they participate in a company without legal personalityor in an association of the same business sector as partners or members with unlimited liability, or hold a position in the administration or in the audit office.

2) Consent may be expressed in general terms in the articles of association; it shall also be deemed to have been given if, at the time of appointment as a member of the administration of the association, the member was aware of such activity or participation and nevertheless did not expressly stipulate that it be discontinued.

3) Members of the administration who violate the prohibition set forth in the first paragraph may be dismissed at any time without obligation to pay compensation; in addition, the association may claim damages or, alternatively, demand that the transactions concluded on behalf of the member of the administration be regarded as having been concluded on its behalf and, with regard to transactions concluded on behalf of third parties, demand the surrender of the remuneration received for this purpose or the assignment of the claim to remuneration.

transactions concluded for third parties, the surrender of the remuneration received for this or the assignment of the claim to remuneration.

4) The above-mentioned rights of the association shall expire three months after the date on which the other members of the administration and, if there are none, the members of the audit committee became aware of the facts giving rise to them, and in all cases after one year has elapsed.

5) Further contractual agreements, such as the non-competition clause and the like, remain reserved.

3. Representation

Art. 184

a) General

1) Legal entities are represented by the bodies appointed for this purpose or other special representatives in accordance with the provisions of the articles of association, whereby the administration does not require any special power of attorney provided for by law.

2) The conduct of the association's business and the representation of the association in this business may, if the administration consists of several members, also be transferred to individual members or other authorized representatives or employees of the association.

3) Associations or companies whose authorized representatives or managing directors are then, unless special delegates are appointed for this purpose, responsible for all acts of the body or representative, may also be appointed as bodies authorized to represent or manage, such as the executive board or administration, or as members or other representatives of such bodies.

4) Unless otherwise provided by law, the administration shall have the status of a legal representative.

5) Upon request by the Office of Justice, associations that are not entered in the commercial register are obliged to disclose the members of their administration (executive board) who are appointed to represent them, in order to avoid the administrative penalties permitted in commercial register proceedings.

Art. 185

b) Status as a party

1) An association is considered to be acting in bad faith if one of the persons acting as an organ or representative is acting in bad faith, or if a person authorized to represent the association fails in bad faith to draw the attention of the responsible persons to the defect.

2) The provision of the preceding paragraph shall apply mutatis mutandis when assessing the knowledge, fault, or good faith of the association.

3) Oaths, vows, and the like are taken on behalf of the association by the members of the body authorized to represent it, in the same way as a party.
4) If insolvency proceedings have been opened against the assets of the association, the members of the administration have the same obligations toward the district court as a natural person as a debtor. The administration must protect the rights of the association against the insolvency administrator.
Art. 186
c) Exclusion
1) When concluding legal transactions on behalf of the association in which a member of the administration has an interest, such as concluding legal transactions with themselves, they may not participate by law, except in cases of urgency.
2) If, as a result, a valid resolution cannot be passed, the transaction must be submitted to a body provided for in the articles of association or, in the absence of such a provision, to the highest body, which shall entrust one or more special representatives with the representation of the association or shall carry out the transaction itself.
3) This provision shall not apply if the articles of association contain a deviating provision or in the case of associations with fewer than thirty members.
Art. 187
d) Authority of the bodies and representatives
1) The organs and other persons appointed to manage and represent the association (representative organs) are authorized by law to conclude all transactions for the association in good faith vis-à-vis third parties. This is subject to legal and statutory provisions regarding the manner in which representation is exercised.
2) Associations or companies in which the association is a member are also considered third parties.
3) In their relationship with the association, the representative bodies are obliged to comply with the restrictions imposed by law, the statutes, or corresponding resolutions of the competent bodies.
4) The legal transactions they carry out are also valid for the association even if they were not expressly carried out in the name of the association, but it is clear from the circumstances at the time of the transaction that they were intended to be carried out for the association in accordance with the will of the parties involved.
5) The power of representation of the authorized representatives is governed by the power of attorney granted to them; in case of doubt, it extends to all legal acts that are usually involved in the execution of such transactions.

Art. 187a

e) Restrictions on the effect of representation

1) The association is not bound by acts of representative bodies that exceed the powers assigned or assignable to these bodies by law.

2) The association shall not be bound by acts of representative bodies that exceed the scope of the association's purpose if it proves that the third party knew or, under the circumstances, should have known that the act exceeded the scope of the association's purpose. The publication of the articles of association and corresponding resolutions of the competent bodies shall not suffice as evidence.

3) If the representative body exceeds its powers as defined internally by the articles of association or by resolutions of the competent bodies, the association shall not be bound by such actions if it proves that the third party was aware or, under the circumstances, should have been aware that the action exceeded the internally defined powers.

Art. 188

f) Exercise

1) The articles of association shall determine for each member of the association the form in which the management is to declare its will, who is authorized to sign, and, if several persons are authorized to sign, whether one individual or several individuals together (collectively) may provide the legally binding signature. In the case of stock corporations, limited partnerships, and limited liability companies, the articles of association must contain such provisions in any case.

2) The articles of association may stipulate, in particular, that a member of a multi-member management body is only authorized to sign in conjunction with a proxy; however, this must be reported for entry in the commercial register, entered there, and published.

3) Unless otherwise specified by law or the articles of association and if the management is multi-member, the participation and signature of at least two members of the management is required to represent the association and to sign on its behalf. However, even in the case of joint management and representation, declarations of intent, such as summonses and other notifications to the association, are validly delivered if they are made to only one of the members authorized to represent the association or to a representative.

Art. 189

g) Legitimacy and signature

1) For the legitimacy of the administration vis-à-vis authorities, it is sufficient if an entry has been made in the commercial register, a certificate from the registration authority that the persons named therein are registered as members of the administration in the commercial register, or, in the case of unregistered associations, proof of appointment by the competent body, such as minutes of a meeting or a certified copy or extract.
2) The signature must be made in such a way that the signatories affix their handwritten signatures to the company name or the name of the association, regardless of who wrote or otherwise attached it, unless the law allows for exceptions.
3) If another association member or company is authorized to sign on behalf of an association member or company, the signature shall be sufficient if the representative of the latter adds his or her personal signature by hand to the name or company name of the association member or company represented.

4. Appointment of a guardian

Article 190

a) In general

1) If an existing legal entity temporarily lacks the necessary executive or representative bodies or a representative in accordance with this title, or if the persons who make up the administration are unknown, or if the representatives are excluded from representation in individual cases, the court shall, if no other means of management and representation are available, appoint an assistant at the request of the parties involved and at the expense of the association in non-contentious proceedings, provided that this is in the interests of the association, its members, its creditors, or the public.
2) The assistant shall immediately convene the competent body for the appointment and shall be vested by law with all the powers of the missing body or representative.
3) The provisions on the formation and dissolution of associations remain reserved.

Art. 191

b) Withdrawal of management and representation

1) At the request of members and at the discretion of the judge, the management and representation of a legal entity may be temporarily withdrawn by appointing a guardian ad litem if it can be credibly demonstrated that the interests of the legal entity are at risk and that there is imminent danger.

2) The withdrawal of representation and management, as well as the appointment of an assistant, with the exception of cases where it is only an assistant for individual transactions, such as legal representation, must be entered in the commercial register for legal entities registered in the commercial register, stating the assistant and his or her power of representation, and must be published.

III. Auditor

Art. 191a

1. Exercise of the auditor's duties

1) Unless otherwise provided by law, the following persons are qualified to perform the function of auditor:

1. auditors;
2. auditing companies;
3. fiduciaries;
4. Associations and trust companies with a trustee license.

2) Where the law refers to a recognized auditor or expert, this shall be understood to mean persons in accordance with the Auditors Act, provided that the transaction involves companies within the meaning of Art. 1063 and Art. 182e para. 3.

Art. 192

2. Appointment

1) The supreme body may appoint one or more auditors as auditors who may not be members of the administration or employees of the association who are subordinate to the latter and who exercise their powers and duties in accordance with the law, the articles of association and, where applicable, resolutions of the supreme body, either for remuneration or free of charge.

2) The auditors may not hold any share rights, including through third parties, in the company to be audited, through which they could exert any influence on the administration or management of the company.

3) An auditor in which the company to be audited holds share rights, including through third parties, through which it could exert any influence on the administration or management of the auditing company may not be elected.

3a) Any contractual clause that restricts the options available to the supreme body when appointing the auditor to carry out the audit of the financial statements within the meaning of Art. 1058 para. 1 and the audit of the sustainability reporting pursuant to Art. 1096k at this company to certain categories or lists of auditors or auditing companies shall be null and void.

4) The articles of association may also provide for a special auditor with its own responsibility for individual lines of business, business departments, or business branches.

5) Apart from the participation of the public sector, the articles of association may also grant other third parties, such as loan and bond creditors, non-profit organizations, the right to appoint individual members of the audit committee or its chairperson (tied audit committee).

6) For companies that are required to disclose information in accordance with Art. 1057, an auditor must be appointed. An auditor or auditing firm within the meaning of the Auditing Act must be appointed as auditor.

7) If, in accordance with the law or the articles of association, the auditor has not been appointed or is not complete, the court shall, in non-contentious proceedings, at the request of a party involved, set a three-month deadline for the association to appoint or supplement the auditor and, if the deadline has expired without result, appoint the necessary members of the auditor itself for the period until the appointment is made.

8) An association that operates a commercial business or whose statutory purpose permits the operation of such a business must appoint an auditor in accordance with paragraph 1. This does not apply to associations that have waived the review in accordance with Art. 1058a.

9) Resolutions or other documents relating to the appointment or resignation of the auditor and the personal details of the auditors must be reported to and filed with the commercial register.

10) If the audited public-interest entity has a nomination committee in which the shareholders or members have significant influence and whose task is to make recommendations for the selection of auditors, the nomination committee may perform the functions of the audit committee specified in this article. In this case, it is required to submit the recommendation to the supreme body in accordance with Article 16(2) of Regulation (EU) No. 537/2014.

11) Notwithstanding Article 17(1) of Regulation (EU) No. 537/2014, the maximum duration of the audit mandate for public-interest entities may be extended:

a) to 20 years if a public tender procedure for the audit is conducted in accordance with Article 16(2) to (5) of Regulation (EU) No. 537/2014 and after the maximum term specified in Article 17(1)(2) of Regulation (EU) No. 537/2014 has expired; or 2 of Regulation (EU) No. 537/2014; or

b) to 24 years if, after the expiry of the maximum term referred to in Article 17(1)(2) of Regulation (EU) No 537/2014, the relevant maximum term has been reached, more than one auditor or auditing firm has been appointed at the same time, provided that the audit leads to the submission of a joint report in accordance with Art. 196.

12) Networks within Switzerland are also considered networks within the meaning of Art. 17 para. 3 of Regulation (EU) No. 537/2014.

Article 193

3. Position

1) In the case of companies with legal personality and equivalent associations, the position of auditor may not be held for more than one year for the first time and for more than three years thereafter.

2) In case of doubt, the latter term shall apply to the auditors of all associations.

3) The members of the audit office may not delegate the exercise of their duties, unless this involves representation before judicial or administrative authorities or the articles of association provide otherwise.

4) The provisions established for the members of the auditors shall apply mutatis mutandis to their deputies when they act or are to act as such.

5) Unless exceptions are provided for, the auditors shall act as a single entity in external matters and shall be represented by their chairperson.

Art. 194

Repealed

4. Duties

Art. 195

a) In general

1) The annual financial statements and, where applicable, the annual report, as well as, where applicable, the consolidated annual financial statements and the consolidated annual report of the stock corporation, the limited liability company, and the limited partnership, as well as companies without legal personality, provided that their partners with unlimited liability are associations within the meaning of Art. 1063, shall be audited by the appointed auditors to ensure that they comply with the law and the articles of association.

2) Other associations that operate a commercial business are subject to the provisions of paragraph 1, unless otherwise provided by law.

3) For the purpose of the audit, the auditors or individual members thereof may request that the books of account and supporting documents be submitted to them, that they be involved in the inventory as far as possible, and that the management provide them with information on specific items.

4) The auditors may request that certain items be dealt with by the administration or that they be included in the agenda of the supreme body for discussion and decision-making.

Art. 196

b) Reporting on audits

1) In the case of an audit of the financial statements, the auditor or auditing firm must report in writing to the supreme body on the results of the audit of the annual report (annual financial statements and, if applicable, annual report) submitted to it by the management. The written report must:

a) state at the outset which company's annual financial statements were audited, the reporting date or period, and the accounting principles according to which they were prepared. It shall then name the persons who conducted the audit and confirm that the requirements for competence and independence have been met. Furthermore, the nature and scope of the audit must be described, and this description must at least include information on the auditing principles according to which the audit was conducted;

b) to include an opinion on whether the annual financial statements submitted to the supreme governing body comply with the law and the articles of association and, if applicable, whether the annual financial statements give a true and fair view of the net assets, financial position, and results of operations in accordance with the applicable accounting principles; The report must contain an audit opinion that is either unqualified, qualified, or adverse. If the auditor or auditing firm is unable to express an audit opinion, this must be stated in the report.

c) refer to other circumstances to which the auditor or auditing firm has drawn particular attention without qualifying the audit opinion;

d) include a statement on material uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern;

e) include an additional opinion on whether the annual report submitted to the supreme body in accordance with Art. 1096, if such a report is required, is consistent with the financial statements for the relevant financial year and whether the annual report has been prepared in accordance with the applicable legal requirements, except for the requirements for sustainability reporting under Art. 1096b ff. Furthermore, it must be stated whether, in light of the findings and understanding gained during the audit regarding the company and its environment, any material misstatements were identified in the annual report, and the nature of these misstatements must be addressed;

f) to provide information on whether the disclosures to be made in the corporate governance report pursuant to Art. 1096a (1) nos. 3 and 4, if such a report is prepared, must be consistent with the annual financial statements; with regard to the other information specified in Art. 1096a para. 1, the report must indicate whether the corporate governance report has been prepared;

g) contain a recommendation to the supreme body to approve the annual financial statements with or without reservations or to refer them back to the management if it was unable to issue an audit opinion;

h) provide information on whether the management's proposal regarding the appropriation of profits complies with the law and the articles of association.

2) If the audit was conducted by more than one auditor or auditing firm, they must agree on the results of the audit and issue a joint report and opinion. In the event of disagreement, each auditor or auditing firm shall issue its own opinion in a separate paragraph of the report and state the reasons for the disagreement.

3) The report must be signed by the auditor, stating the date and place of the branch office. If an audit is carried out by an auditing firm, the report must be signed at least by the responsible auditor.

4) If more than one auditor or auditing firm has been commissioned at the same time, the report shall be signed by all auditors or at least by the auditors who conducted the audit for the respective auditing firm.

5) If a consolidated annual report is to be prepared, paragraphs 1 to 3 and paragraphs 6 to 8 shall apply mutatis mutandis. When assessing whether the annual report is consistent with the annual financial statements, the auditor or auditing firm shall take into account the consolidated annual financial statements and the consolidated annual report. If the annual financial statements of the parent company are attached to the consolidated annual financial statements, the reports required by this article from the auditors and auditing firms may be combined.

6) If, in the course of the audit, the auditor or auditing firm discovers violations of the law or the articles of association, he or she must report this in writing to the administrative or supervisory body and, in important cases, also to the general meeting.

7) The annual financial statements may not be approved by the supreme body without prior submission of a report in accordance with paragraph 1. In addition, in the case of medium-sized and large companies within the meaning of Art. 1064 paras. 2 and 3, the auditor must be present at the meeting of the supreme body. If the auditor is not present, the decision of the supreme body may be contested.

The supreme body may waive the presence of the auditor by unanimous resolution.
8) A minority of the same size that can request the convening of the supreme body has the right to draw the attention of the auditor or the auditing firm to specific items to be audited, provided that the auditor or auditing firm reports to the next meeting of the supreme body for the purpose of passing a resolution.
9) Repealed
Art. 196a
c) Reporting during the review
1) In the case of a review pursuant to Art. 1058 para. 2, the auditors must report in writing to the supreme body on the results of their review of the annual report (annual financial statements and, if applicable, annual report) submitted to them by the management.
2) The report must begin by stating which financial statements were subject to the review and the accounting principles according to which they were prepared, then name the persons who conducted the review and confirm that the requirements for competence and independence have been met, and describe the nature and scope of the review. Furthermore, the report must be signed by the auditor(s) responsible, stating the date.
3) The report must also provide information on:
a) that, based on the review, the auditors have not encountered any circumstances that would lead them to conclude that the annual financial statements submitted to the supreme body do not comply with the law and the articles of association (negative assurance);
b) whether the annual report, if one has been prepared in accordance with the statutory provisions, is consistent with the annual financial statements;
c) whether the auditors recommend that the supreme body approve or reject the annual financial statements.
Art. 196b
c) Preparation of an audit opinion on sustainability reporting
1) The auditor or auditing firm shall present the results of the audit of the sustainability reporting in accordance with Art. 1096k in an audit opinion on sustainability reporting.
2) The audit opinion on sustainability reporting shall be in writing and shall contain the following information:
a) the name of the company whose annual or consolidated sustainability reporting is the subject of the audit engagement, a statement as to whether it is annual or consolidated sustainability reporting,

the date and period to which it relates, as well as the framework for sustainability reporting used in its preparation;

b) a description of the scope of the audit of the sustainability report, which shall include at least information on the standards for the audit according to which the audit of the sustainability report was carried out;

c) an opinion on whether:

1. the sustainability report complies with legal requirements;

2. the sustainability report complies with the reporting standards referred to in Art. 1096c and 1096f para. 2;

3. the procedure carried out by the company to determine the information reported complies with the reporting standards referred to in paragraph 2;

4. the requirement to label sustainability reporting in accordance with Art. 1096h and Art. 1121(3d) is complied with; and

5. the reporting requirements under Article 8 of Regulation (EU) 2020/852 are complied with.

3) If the audit of the sustainability reporting has been carried out by more than one auditor or audit firm, they shall agree on the results of the audit of the sustainability reporting and prepare a joint report and a joint audit opinion. In the event of disagreement, each auditor or audit firm shall issue its own audit opinion in a separate paragraph of the audit report on the sustainability reporting and explain the reasons for the disagreement.

4) The audit opinion on the sustainability reporting shall be signed by the auditor who performs the audit of the sustainability reporting, stating the date.

5) If the audit of the sustainability reporting is carried out by an auditing firm, the audit opinion on the sustainability reporting shall be signed at least by the responsible auditor who carried out the audit of the sustainability reporting for the auditing firm.

6) If more than one auditor or auditing firm has been commissioned at the same time, the audit opinion on the sustainability reporting shall be signed by all auditors or at least by the auditors who performed the audit of the sustainability reporting for the respective auditing firm.

7) The report of the auditor or auditing firm on the consolidated sustainability reporting must comply with the requirements set out in paragraphs 1 to 6.

Art. 197

d) Confidentiality obligation

Outside the meetings of the supreme body, communications by auditors concerning their findings to persons other than members of the administration and the audit office are not permitted, subject to other responsibilities, in particular in accordance with the provisions on the protection of privacy.

Art. 198

5. Further provisions of the articles of association

1) The articles of association reserve the right to make further provisions regarding the organization of the auditors, to extend their powers and duties, and in particular to provide for interim audits.

2) In addition to the regular auditors (auditors), the supreme body may at any time appoint special commissioners or experts to audit the management or individual parts thereof.

Art. 199

6. Supervisory board

1) In addition to the management, the articles of association may provide for a supervisory board, which shall be appointed in accordance with the provisions governing the management and which may be assigned the function of permanent supervision of the management and participation in the administration.

2) It may also bring actions for liability against members of the management.

3) The members of the supervisory board must be entered in the commercial register. Art. 200

IV. Other bodies and applicable law

1) Unless otherwise specified by law, the articles of association may also provide for other direct or indirect bodies, such as management, committees, and other representatives.

2) Unless otherwise provided, the relationship between the bodies and the association, insofar as it does not concern the supreme body or the institutional position of minorities or special categories of members, shall be governed by the provisions on the tacit fiduciary relationship and, in addition, those on the mandate or, if remuneration has been agreed or can be assumed under the circumstances, the provisions on the employment contract. Art. 201

V. Appointment, dismissal, and resignation

1) Unless otherwise provided by law or the articles of association entrust this task to another body, the supreme body shall be authorized at any time to dismiss members of the management, the auditors or other bodies, as well as other authorized representatives or agents appointed by it.
2) The right to appoint a body, a member of such a body, or an authorized representative includes the right to dismiss or terminate them, in the case of appointment by public authorities by operation of law, and in other cases only unless otherwise provided.
3) Contrary to any provisions in the articles of association to the contrary, this right of dismissal exists by law if justified by important reasons, such as gross breach of duty or inability to manage the business properly.
3a) An auditor appointed to conduct an audit within the meaning of Section 1058(1) or an audit of sustainability reporting pursuant to Section 1096k may only be dismissed for good cause. Differences of opinion regarding accounting methods or auditing procedures do not constitute sufficient grounds for dismissal. In the event of the dismissal or resignation of an auditor, the association and the auditor are obliged to notify the Financial Market Authority (FMA) of this, stating the reasons.
4) The administration may also dismiss the committees, delegates, directors, and other authorized representatives appointed by it at any time and suspend the authorized representatives appointed by the supreme body from their functions by notifying the latter.
5) This is without prejudice to any claims for compensation by the dismissed persons arising from contracts, such as employment contracts or mandates, or from tortious acts, and the temporary withdrawal of management and representation by a judge.
6) If the judge dismisses members or bodies, he shall at the same time order the competent bodies to appoint new members or bodies and take appropriate measures in the meantime in accordance with the provisions governing the appointment of a guardian.
7) In the case of a final audit or an audit of the sustainability reporting of a public-interest entity, shareholders holding at least 5% of the voting rights or share capital, or the FMA, may apply for the judicial dismissal of the auditor or auditing firm if there are important reasons for doing so; the provisions of paragraph 3a remain reserved.

F. Settlement

Art. 202

I. General

Repealed

II. Annual balance sheet requirements Art. 203 to 209

Repealed

III. Official audit

Art. 210

1. Prerequisites and appointment

1) If a resolution by the competent body of any association has rejected a motion to appoint expert auditors, or if a motion submitted in good time has not been put to the vote, then, within two months of the rejection or meeting, the regional court may, at the request of members representing at least one tenth of the share capital or equity or votes, appoint one or more auditors in non-contentious proceedings if the members can simultaneously demonstrate that dishonesty or gross violations of the law or the articles of association have taken place.

2) Before appointing the auditors, the court shall hear the management and the audit office, may require the applicants to provide security at its discretion in accordance with the provisions of the Code of Civil Procedure on the provision of security for legal costs, and may appoint one or more auditors depending on the circumstances.

3) The members concerned may only transfer their membership during the audit with the consent of the association, otherwise their application shall be invalid and they shall be liable for costs and damages, or, if securities such as shares have been issued, they must deposit these with the court or at a location designated by the court.

4) If a member of the association conducts banking, insurance, savings bank, or actual fiduciary business on a commercial basis, the government may, on its own initiative, order an official audit at the expense of the member of the association without being liable for compensation.

Art. 211

2. Position of the auditors

1) Before commencing their work, the auditors shall take an oath before a judge that they will faithfully perform their duties and, in particular, keep secret from everyone any business and operational matters that come to their knowledge during the audit, and they shall be liable in the same way as the members of an audit office.

2) The auditors shall have the right to inspect the books, accounting documents, and inventories, to request information and explanations from the members of the administration and control bodies and from any employees of the association entrusted with accounting for the purpose of determining the accuracy of the last annual balance sheet, and to demand the contents of the cash register and the cash holdings of the association.

accounting of the association for the purpose of determining the accuracy of the last annual balance sheet, and to examine the cash holdings and other assets.
3) The requested clarifications and information must be provided accurately and truthfully by those requested to do so without delay, otherwise they will be liable for any damage.
4) The members of any control body shall be involved in the audit; in addition, the court may, at its discretion, allow one or more of the applicants to be involved.
5) The remuneration of the auditors shall be determined by the court in non-contentious proceedings, but they may not receive any other remuneration.
Art. 212
3. Handling of the audit report
1) The written report on the results of the audit, which must state whether all the auditors' requests regarding the conduct of the audit have been fulfilled and whether the latest annual balance sheet gives a true and fair view of the financial position of the association, shall be communicated by the auditors to the administration and the supervisory body without delay.
2) The applicants shall have the right to inspect the auditors' report at the business premises or, in the absence of such premises, at a location to be determined by the judge in non-contentious proceedings.
3) The administration and the supervisory body are obliged to submit the auditors' report for resolution at the next meeting of the supreme body, to have it read out in full at the meeting, and to report on the results of the audit and on the steps taken to remedy any illegalities or irregularities discovered.
4) The supervisory body is responsible for reporting to the meeting on the association's claims for compensation.
5) If the auditors' report reveals that a gross violation of the law or the statutes has occurred, the meeting of the supreme body must be convened without delay.
Art. 213
4. Costs and damages
1) In the absence of an agreement in non-contentious proceedings, the court shall decide, in accordance with the provisions on legal costs, depending on the outcome of the audit and after assessing all circumstances, whether the costs of the investigation are to be borne in whole or in part by the association.
2) If, following the results of the review, the request for review proves to be unfounded, the applicants shall be jointly and severally liable without limitation for any damage incurred by the association as a result of the request

, as well as any compensation, provided that they are guilty of malicious intent or gross negligence.

G. Social policy share and profit rights

Art. 214

I. Work shares

1) Association entities with membership rights may provide in their articles of association for the issue of work shares to employees and workers, to which the provisions applicable to work shares shall apply mutatis mutandis.

2) Non-transferable work shares may also be provided for in accordance with the statutes as the property of individuals or a cooperative on the basis of work performance in such a way that there is no share in the share capital or equity capital, but rather a claim to the personal rights arising from membership, to profits, subscription rights, and a share in the liquidation proceeds upon termination of employment, with or without priority, of the other capital or asset shares.

II. Welfare fund

Art. 215

1. Requirements

1) The articles of association of an association may provide for funds to establish and support welfare institutions for members, workers, and employees or for similar purposes.

2) Such funds, as welfare institutions for members, workers, and employees, have the character of foundations without further formalities, and their assets are legally separated from the assets of the association and are no longer liable for the debts of the association.

3) Repealed

4) Contributions from the net profits generated may be decided upon by the supreme body for the establishment and support of welfare institutions for members, employees, and workers or for other welfare purposes, even if this is not provided for in the statutes.

5) The special provisions on trusts and segmented associations remain reserved.

Art. 216

2. Structure and dissolution

1) These foundations are not subject to the supervisory authority, but remain under the administration of the association unless otherwise provided for in the statutes, and their balance sheet may not be included in that of the association.

2) If the purpose of such a foundation ceases to exist, the fund shall revert to the association in the absence of any provision in the articles of association.
3) The statutes may lay down further provisions regarding the foundation. Art. 217

III. Other profit sharing

1) The articles of association of an association may also provide that its employees and workers shall participate in the net profits, which shall be paid to them in cash or in another form.
2) By resolution of the supreme body of an association, its employees and workers may be granted voluntary benefits in cash or in other forms, even if this is not provided for in the statutes.

H. Responsibility

I. For companies with legal personality and equivalent associations

Art. 218

1. Type of fault, etc.

1) The organs of a corporation and equivalent associations are liable to the association for damage caused by them if they have caused it intentionally or through negligence.
2) They are liable to the members for intent and negligence only if the association is not entitled to claim damages.
3) If, on the other hand, the association has such a claim, the members have an independent claim only in the case of intentional damage.
4) Third parties who have been involved in the issue of shares, share certificates, or bonds are liable to all parties only in the event of intentional damage.

2. Liability cases

Art. 219

a) In general

1) Anyone who is involved in the formation of a corporation with legal personality or an equivalent association is liable for damages:
1. if they have made or disseminated false statements in prospectuses or circulars;
2. if he has contributed to the fact that a contribution or the acquisition of assets or the favoring of individual members or other persons has been incorrectly or incompletely stated, concealed, or disguised in the articles of association or a founding report, or if he has otherwise acted contrary to the law in approving such a measure;
3. if he was aware of the subscribers' inability to pay or otherwise perform their obligations in respect of the share capital or equity capital;

4. if he contributed to the company being entered in the commercial register on the basis of a certificate or document that actually contains false information.

2) This provision shall apply mutatis mutandis if, after the company has been formed, the same acts or omissions have caused damage.

3) If such a company with legal personality or an association has issued shares, share certificates, or bonds, either itself or through a third party, anyone who has been involved in this process is liable for any damage caused by false information provided or disseminated in prospectuses or circulars.

4) Anyone who has received payments from the association, such as profits or construction interest, contrary to the provisions of the law is obliged to return them if it can be proven that they were acting in bad faith at the time of receipt.

5) If, on the other hand, a liquidation share has been received by members or, in the case of gratuitous legal transactions, by third parties contrary to the provisions of the law, they shall be liable, even if they are acting in good faith, to the extent of the enrichment.

Art. 220

b) In the management and control

1) Persons entrusted with the management and control of a company are liable for any damage they cause by failing to fulfill their duties.

2) If the breach of duty is committed by the adoption or omission of a resolution by a multi-member body (collegial body), all members of the collegial body who were obliged to participate in the resolution in question are liable.

3) Members who voted against the resolution giving rise to liability or, in the case of an omission to adopt a resolution giving rise to a breach of duty, who voted in favor of the resolution rejected by the majority, shall remain free from liability.

4) Members of a collegial body who have also participated in its deliberations are liable if the failure to exercise their votes through their own fault could have prevented the breach of duty on the part of the collegial body, or if, with their proven consent, other members have caused the collegial body to be liable for a breach of duty.

5) If it is a case of a breach of duty by failing to take a decision without this having been discussed by the collegial body, each member shall be liable from the time at which they became aware of the matter and

has not taken the steps within its power to bring the matter before the collegial bodies for discussion.

6) If the administration or one of its members receives an order from a higher body, such as the supreme body or the audit office, the execution of which would violate the obligations incumbent upon it under the first paragraph, the execution may be refused without the association being held liable.

7) The provisions on the liability of liquidators remain reserved.

8) Anyone who is only liable for slight negligence in audits within the meaning of Art. 1058 para. 1 or 2 shall be liable up to a maximum amount of 1.5 million Swiss francs. In the case of audits of stock corporations whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state, liability for slight negligence is limited to 6 million Swiss francs.

Art. 221

c) Liability of major shareholders

1) If, in the case of banking companies or trust companies, a major shareholder who is not a member of the management but directly or indirectly causes members of the management of such an undertaking to violate the duty of care of a prudent businessman in the management of their business, he shall be jointly and severally liable with such members of the management for the damage incurred by the association, subject to the right of recourse of the members held responsible by the association against the major shareholder.

2) A major shareholder within the meaning of this Act is anyone who, on the basis of their own shareholding or on the basis of another legal title, holds voting rights for at least one tenth or at least such a large portion of the share capital- or own assets of the association, such that the votes to which they are entitled carry decisive weight in view of the amount of share capital or own assets that, based on experience, are represented at meetings of the supreme body of the company concerned.

3) Shares transferred to another person for the purpose of circumventing this provision shall be attributed to the majority shareholder; an intention to circumvent the law shall be presumed if the transfer is made to a spouse, registered partner, or relative up to the second degree.

4) The government may, by ordinance, extend this liability to companies other than those referred to in the first paragraph where circumstances justify this for important reasons.

3. Liability claim

Art. 222

a) Claims of the company and individual members

1) The claim for damages shall primarily accrue to the injured company and, in the event of the opening of insolvency proceedings, to its estate.

2) If the company does not have a claim, or in the event of malicious damage, each individual member may demand that the damage caused to them be compensated directly.

3) If the company waives its right to assert a claim or fails to assert it within three months of being requested to do so by a member, each individual member may, subject to a binding discharge resolution, sue for compensation for the damage intentionally caused to the company for the benefit of the company.

4) If the company does not assert its claim, the individual member shall only be entitled to bring an action for intentional damage if he or she can prove that he or she did not participate in the resolution or voted against it, or that he or she only became a member after the resolution and without having knowledge of it.

5) If such an action is brought by a member, further actions may only be brought within the prescribed period on this matter to the extent that the damage was not claimed in full in the first action; however, the other members who have suffered damage are entitled to join the first action as interveners.

6) This claim by the individual member shall become time-barred six months after it has become aware of the resolution.

Art. 223

b) Claims of creditors

1) If the creditors of the company have suffered damage, they may, if the company has no claim, demand that the damage caused to them be compensated directly.

2) In the event of intentional damage to the company, individual creditors may demand compensation for the damage caused to the company in favor of the company if insolvency proceedings have been opened against the company's assets and the insolvency estate waives the claim or does not assert it within one month despite being requested to do so.

3) Creditors are also entitled to injunctive relief against violations of the provisions established for their protection.

c) Discharge

Art. 224

aa) Relationship to the right of action

1) Unless there is malicious damage, the supreme body may discharge those liable for compensation by waiving the claim, concluding a settlement with the responsible persons, or in any other way, as long as insolvency proceedings have not been opened against the company's assets, although the right to contest the discharge decision itself remains reserved.

2) A resolution to discharge the company may be invoked against the member or creditor entitled to bring an action in all circumstances in the event of damage to the company, unless the injured party proves that the persons discharged-imposed no obligation to pay compensation or an obligation that is manifestly insufficient in view of their fault and their ability to pay, or that there has been malicious damage.

3) If at least three-quarters of all countable votes have approved the discharge resolution, the claim can only be asserted if both the insufficient compensation and the malicious intent are proven.

4) Repealed

5) The discharge granted by the competent administrative body on the basis of an audit report covers only those transactions that are apparent to the auditors.

Art. 225

bb) Entitlement to discharge

1) If the management and representation or control have been carried out in accordance with the law, the articles of association, and other permissible instructions, the members of the administration or the auditors are entitled to discharge from the company by the competent body with effect vis-à-vis the company, its members, and creditors.

2) Discharge may be granted in a court ruling. Art. 226

4. Type of liability

1) The liability of the persons responsible under the above provisions is subject to the provisions on contractual liability and expires three years from the time at which the damage and the person responsible for the damage or liable for compensation became known to the injured party, but in any case ten years after the damaging act. In the case of knowingly false statements or intentional damage, liability shall become time-barred ten years after the harmful act, regardless of whether the damage and the person who caused the damage or is liable for compensation have become known (*valid from April 1, 2026*).

2) If several persons are liable for compensation for damage, each of them shall be jointly and severally liable with the others to the extent that the damage is personally attributable to them on the basis of their own fault and the circumstances.
3) Liability arising from the unlawful receipt of payments by the association shall become time-barred for the recipient acting in bad faith in the case of liquidation shares after ten years, in other cases after five years, and for the recipient of liquidation shares acting in good faith after two years, calculated from the date of receipt.
Art. 227
5. Procedure
1) During the duration of the legal dispute, the plaintiff members may not relinquish their membership rights, nor may the plaintiff creditors relinquish their other claims establishing creditor status, otherwise the legal dispute shall become null and void and liability shall arise for all damages incurred by the company or the members of the company's organs.
2) The relevant provisions governing actions to contest resolutions of the supreme body shall apply mutatis mutandis to the provision of security for damages incurred by the company or other defendants, to the joinder of several causes of action, and to liability for damages. Art. 228
II. For other legal entities
1) Insofar as companies with legal personality or equivalent associations are not involved, the principles of liability applicable to the underlying contractual relationship between the organs and the association shall apply to the liability of the organs; in case of doubt, those relating to the mandate shall apply.
2) With regard to the claims of the association and its individual members, the discharge of liability and the nature of liability, the preceding provisions shall apply mutatis mutandis.
J. Participation of public-law associations
Art. 229
I. General
An association may, in its statutes, grant the community a special legal status on the basis of a special agreement with it, with or without its inclusion in the membership, with regard to the obligation to pay contributions, voting rights, participation in the association's assets, the right to appoint representatives, the right to participate in the association's management,-other agreement with the latter, with or without its inclusion in the membership, with regard to the obligation to pay contributions, voting rights, participation in the administration and audit body or their appointment, liability to creditors, termination of the relationship, and participation in the liquidation proceeds.
Art. 230
II. Responsibility

1) In the case of such associations, as well as in mixed-economy enterprises in which a public-law association is a member, the liability of the members of the administration and the audit body shall be governed by the provisions applicable to members elected by the supreme body, unless the government determines otherwise in individual cases, with regard to the association, its members, and its creditors.

1. towards the association, the members, and the creditors, unless the government determines otherwise in individual cases, in accordance with the provisions applicable to members elected by the supreme body;
2. towards the public-law association in accordance with the contractual relationships existing between the latter and the member, such as employment contracts, contracts for services, and the like.

2) However, the public-law association may assume statutory liability for ensuring that its representatives in the association's bodies perform their duties with due care, subject to recourse against the persons responsible.

3) The representatives of the public-law association remain liable in all circumstances for intentional breach or neglect of their duties.

4) The special provisions on public utilities remain reserved.

Art. 231

K. Announcement

1) If the statutes do not contain the information required by law regarding the form of notification to members of the association or third parties, the notification shall, in case of doubt, be made by the administration and in the Liechtenstein national newspapers, but in the case of associations, small cooperatives, and small insurance companies limited to a local sphere of activity, it shall be made in the manner customary in the locality.

2) In the case of legal entities that do not operate a commercial business, publication shall be made in the official gazette in non-contentious proceedings.

3) If a form of publication provided for by law or the articles of association is no longer applicable, the Office of Justice shall, at the request of the administration, determine a means of publication for as long as the law or articles of association do not do so themselves.

4) With the exception of legal entities that do not operate a commercial business, or if the Office of Justice does not otherwise grant an exception, public announcements must be made in the national language.

L. International law

Art. 232

I. Foreign or domestic legal entities and applicable law

1) Depending on whether an association is organized under foreign or domestic law, i.e., whether its articles of association declare foreign or domestic law to be applicable, or whether it complies with foreign or domestic disclosure or registration requirements

or, if no such requirements exist, has organized itself under foreign or domestic law, it shall be regarded as a foreign or domestic association under private law, and the corresponding foreign or domestic law shall apply to it. It shall also have its registered office there in international relations.
2) If an association does not meet these requirements, it is subject to the law of the state in which it is actually administered.
3) The provisions on diplomatic protection and the protection of personality rights remain reserved.

II. Relocation of an association

Art. 233

1. Relocation of an association from abroad to Switzerland

1) With the approval of the Office of Justice, a foreign association may, by means of entry in the commercial register and the appointment of a representative, insofar as both are required, submit to domestic law without dissolution abroad and reestablishment in the domestic territory or without transferring its business activities or administration, and thus transfer its registered office to the domestic territory.
2) This approval may only be granted if the association proves that it has adapted to domestic law and that foreign law permits the transfer of the association.
3) Prior to registration, an association must prove that the share capital declared as fully paid up in the articles of association is covered at the time of the association's relocation.
4) A legal entity that is not subject to registration under domestic law is subject to domestic law as soon as the intention to be subject to domestic law is clearly recognizable, there is a sufficient connection to the domestic jurisdiction, and adaptation to domestic law has taken place.

Art. 234

2. Transfer of the association from the domestic territory to a foreign country

1) The subjection of a domestic association to foreign law and thus the transfer of its registered office abroad is only permissible without dissolution with the approval of the Office of Justice.
2) Authorization for the transfer of the registered office of a domestic legal entity abroad shall only be granted if:
1. the association continues to exist under foreign law;
2. the competent body of the association has passed a resolution on the transfer of its registered office abroad;

3. the association has publicly invited its creditors to register existing claims, referring to the forthcoming amendment to the articles of association;

4. it is demonstrated that the claims of all creditors who are entitled to and assert a claim for security for their claims have been adequately secured, insofar as the creditors cannot demand satisfaction. Creditors are only entitled to security if:

a) the claims arose before or one working day after the request pursuant to clause 3;

b) they demonstrate that the transfer of the registered office abroad jeopardizes the satisfaction of their claims; and

c) they register their claim in writing within two months of the date of the request, stating the reason and amount.

Creditors must be informed of this right when the request is made in accordance with section 3;

5. in the case of associations subject to accounting requirements, the annual financial statements and annual report for the last financial year, together with the audit report, which have been published by the Office of Justice within the meaning of Art. 956 ff., are enclosed with the application; members and creditors have the right to inspect these documents and to request copies free of charge;

6. the association submits a certificate from the tax administration showing that all taxes due in Liechtenstein have been paid.

3) Associations may only be deleted due to relocation of their registered office abroad if it can be credibly demonstrated that:

1. in accordance with paragraph 2, item 4, the creditors have been satisfied or their claims have been adequately secured; or

2. the creditors agree to the deletion.

III. Legal capacity and capacity to act

Art. 235

1. General

1) Legal capacity and capacity to act, including capacity to commit a tort, are governed by the law applicable to the association (Art. 232).

2) This law determines in particular the creation, modification, and dissolution of a legal entity, the organization, rights, and obligations of the individual organs, the legal status of a member, and the acquisition and loss of membership.

3) However, it cannot acquire rights and assert claims for legal protection in Switzerland to a greater extent than domestic legal entities can, and a foreign legal entity has at least the same capacity to commit torts as a domestic legal entity.

4) Legal entities cannot assert privileges acquired abroad.

5) If, under the law applicable to the association, the assets of an association fall to a public entity upon dissolution, the assets located in the domestic jurisdiction do not fall to the foreign public entity, but are to be treated in accordance with domestic law.

6) If a foreign association does not have legal capacity, capacity to act, or capacity to commit a tort under the law applicable to it, but does have such capacity under domestic law, the latter shall apply to its domestic activities.

Art. 236

2. Branch

1) Liechtenstein law shall govern the establishment, modification, and dissolution of a branch office of a foreign legal entity in Liechtenstein.

2) However, the relationship between the branch office and the head office shall be governed by the law of the head office.

3) The power of representation of a branch office is governed by Liechtenstein law. At least one person authorized to represent the branch office must be an EEA national residing in an EEA member state or a person treated as equivalent under an international agreement and must be entered in the commercial register.

4) If a branch office of a foreign legal entity is entered in the domestic register, the legal entity is deemed to have legal capacity and capacity to act for liabilities incurred or to be fulfilled in Liechtenstein, even if it does not have such capacity under the law applicable to the head office.

5) Branches may also be established in Liechtenstein by foreign legal entities that do not comply with Liechtenstein law.

6) If a foreign association is dissolved by a measure taken in the country of its principal place of business that violates public order and morality, the effects of the dissolution shall not be recognized in the domestic jurisdiction; however, if there is a branch office in the domestic jurisdiction, it shall, in the event of other official liquidation, form itself as an independent association within a period to be determined by the Office of Justice, unless its dissolution is ordered.

Art. 237

3. Protection of personality

1) A foreign legal entity may only assert protection of privacy in Liechtenstein in accordance with the law applicable to it, but at most to the extent provided for under Liechtenstein law.

2) Liechtenstein law shall apply to the domestic branch of a foreign legal entity with regard to the protection of personality rights.

Art. 237a

4. Protection of names and company names

1) If the name or company name of an association entered in the domestic commercial register is infringed within Switzerland, its protection shall be governed by domestic law.

2) If an association is not entered in the domestic commercial register, the protection of its name or company name shall be governed by the law applicable to unfair competition or infringement of personal rights. Art. 237b

5. Restriction of the power of representation

A legal entity may not invoke a restriction on the power of representation of an organ or representative that is unknown to the law of the country of habitual residence or establishment of the other party, unless the other party was aware of this restriction or should have been aware of it. This provision shall not apply to legal transactions disposing of immovable property situated in another country or of a right equivalent thereto.

Art. 237c

6. Liability for foreign legal entities

If a legal entity established under foreign law gives the impression that it is subject to domestic law and its business is conducted in or from the domestic territory, the liability of the persons acting on its behalf for this business shall be subject to domestic law.

Art. 237d

7. Claims arising from the public issue of equity securities and bonds Claims arising from the public issue of equity securities and bonds on the basis of prospectuses, circulars, and similar announcements may be asserted under the law applicable to the association or under the law of the country in which the issue took place.

Art. 238

Repealed

IV. Representative and address for service

Art. 239

1. Obligation to appoint

1) Domestic associations and registered trust companies, as well as branches of foreign legal entities, must appoint a representative who is a citizen of an EEA member state and is permanently resident in Switzerland to represent the association vis-à-vis the authorities.

resident of an EEA member state to represent the association before the authorities as its representative.

2) Instead, a domestic association may also be designated as a representative, which shall appoint a natural person as its representative within the meaning of paragraph 1.

3) Notwithstanding the provision on the appointment of a legal representative, compliance with the provisions of this article may be monitored by the government in administrative proceedings.

4) The obligation to appoint a representative may be waived with the consent of the government if the other representatives of the association offer sufficient assurance as a substitute for the representative or if a domestic address for service has been designated. The government may, by ordinance, transfer this task to an official body, subject to the right of appeal to the collegial government for independent execution.

5) Paragraph 4 does not apply to associations under Article 247(2)(3).

Art. 240

2. Entry in the commercial register

1) If the association is not entered in the domestic commercial register, the bodies authorized to represent it shall, enclosing an extract from the registers kept abroad on the association or, if necessary, other credible evidence of its existence, notify the representatives or the domestic address for service (Art. 239 para. 2) for entry in the commercial register, stating:

1. the company name or name of the association or, in the case of a domestic delivery address, the exact address, consisting of the street name and house number, as well as any other information necessary to ensure proper delivery;

2. the name, place of residence, and nationality of the representative or

- in the case of a domestic delivery address - the exact address, consisting of the street name and house number, as well as any other information necessary to ensure proper delivery.

2) Repealed

3) If the application is not accompanied by a certified copy of the representative's signature or company signature, the representative must submit it to the head of the Office of Justice for recording in the minutes.

4) Repealed

Art. 241

3. Legal power of attorney or presumption

1) The representative is authorized by law vis-à-vis all domestic judicial and administrative authorities in all matters, without prejudice to any obligation to compensate the association for damages, to receive declarations and communications of any kind, including deliveries and the like, and to keep files and maintain books if and to the extent required by domestic operations.

2) Apart from representing the association before the authorities, the representative may only bind the association if he has been authorized to do so by the association.

3) Notifications and documents from authorities and private individuals addressed to a legal entity or a trust company that require receipt shall be deemed to have been effectively delivered if they are delivered to the delivery address specified in Art. 240. Deliveries by the authorities shall be made in accordance with the provisions of the Delivery Act.

4) In case of doubt, several representatives appointed by an association shall have collective power of attorney.

5) Representatives shall sign on behalf of the association by affixing their handwritten signature to the wording or the company name or name written or otherwise attached by whomever, with an addition indicating their representation.

6) In all other respects, the provisions governing the signing of documents by legal entities shall apply mutatis mutandis to the signing of documents by representatives.

Art. 242

4. Responsibility

1) The representative shall be liable to the association for any damage caused by his activities in the same way as an agent.

2) Several representatives are jointly and severally liable for all damage caused by their activities.

L. Segmented legal entities (Protected Cell Companies; PCC)

Art. 243

Establishment

1) Associations that are subject to registration in the commercial register under this Act or have voluntarily registered may be established as segmented associations (Protected Cell Companies; PCC) provided that they pursue exclusively one or more of the following purposes:

1. charitable or benevolent purposes within the meaning of Art. 107 (4a);
2. Acquisition, management, and exploitation of interests in other companies (subsidiaries);
3. Exploitation of copyrights, patents, trademarks, designs, or models;

4. Deposit guarantee and investor protection schemes in accordance with the applicable EEA legislation.

2) A segmented association may have one or more segments (cells), whereby certain assets must be expressly and exclusively allocated to each segment.

3) Each segment is subject to a specific area of activity, which must be described in more detail in the articles of association or in a set of regulations. The individual segments do not have their own legal personality.

4) A segmented association must have an auditor in accordance with Art. 191a and is subject to proper accounting in accordance with Art. 1045 ff.

Art. 243a

Conversion

1) An existing association that meets the requirements of Art. 243 para. 1 may be converted into a segmented association on the basis of a statutory provision.

2) The conversion into a segmented association shall be based on a resolution of the supreme body, unless the articles of association specify another body. The resolution shall be published in accordance with Art. 956 para. 2.

3) A resolution pursuant to para. 2 may only be passed if a special audit report or, in the absence of an auditor, an expert report confirms that the creditors' claims are fully covered despite the conversion into a segmented association. The audit report must be prepared by a recognized auditor or an expert.

4) Creditors whose claims were established before the decision was announced must be provided with security if they report for this purpose within two months of the announcement, unless they can demand satisfaction. Creditors must be informed of this right in the announcement. Creditors are only entitled to demand security if they have demonstrated that the change to a segmented legal entity jeopardizes the satisfaction of their claims.

5) The conversion may only be entered in the commercial register after the expiry of the period set for creditors and after the registered creditors have been satisfied or provided with security. When applying for entry of the conversion in the commercial register, the conversion resolution pursuant to paragraph 2 and the special audit or expert report pursuant to paragraph 3 must be submitted to the Office of Justice together with the other documents required for registration.

registration, the conversion resolution in accordance with para. 2 and the special audit or expert report in accordance with para. 3 must be submitted to the Office of Justice.

6) In the case of the conversion of a segmented legal entity into a non-segmented legal entity, paragraphs 2 to 5 shall apply mutatis mutandis.

Art. 243b

Company name or name

The company name or name of a segmented entity must contain either the suffix "segmented entity" or the abbreviation "SV" or the suffix "protected cell company" or the abbreviation "PCC." The suffix must be indicated on all letters and order forms, regardless of whether they are created on paper or by other means, as well as on the websites used by the segmented entity. Art. 243c

Legally required content of the articles of association and regulations

1) In addition to the provisions required for the respective legal form, the articles of association of a segmented association must contain the following information:

1. the determination that it is a segmented legal entity;
2. Provisions on the organization and representation of the segmented legal entity;
3. the names of the individual segments;
4. the areas of activity of the individual segments.

2) The information referred to in paragraph 1, items 3 and 4, may also be included in the regulations issued on the basis of the articles of association, provided that the articles of association contain a corresponding reference.

3) If the information referred to in paragraph 1, items 3 and 4, is included in the regulations in accordance with paragraph 2, these must be submitted to the Office of Justice with the application for registration. However, the filing of the regulations is not mandatory.

4) If the information pursuant to para. 1 nos. 3 and 4 is amended in the regulations, this must be reported to the Office of Justice, otherwise it shall be legally invalid. Art. 243d

Administration and representation

1) The administration and representation of the segmented association shall be carried out by the bodies authorized by law or the articles of association.

2) The provisions on trusteeship pursuant to Art. 897 ff. shall apply mutatis mutandis to the relationship between the segmented association and the individual segment assets, unless otherwise provided for by law or the articles of association.

Art. 243e

Assets and capital

1) The assets of the segmented legal entity consist of the core assets of the legal entity and the assets of the individual segments (segment assets). Core assets are defined as assets that are not allocated to the individual segments.

2) The provisions on minimum capital apply to the segmented association with regard to its core assets. In addition, each segment must have a legal reserve equal to the minimum capital of the segmented association.

3) This statutory reserve may only be used to cover losses or for measures that are appropriate to keep the company afloat in times of poor business performance. As soon as half of the statutory reserve pursuant to paragraph 2 is no longer covered, the management shall inform all known creditors whose claims are limited to the respective segment of this circumstance, unless such creditors, to the extent of the shortfall at going concern values, take a back seat to all other creditors and defer their claims, or there is a concrete prospect that the shortfall will be remediedwithin two months of its discovery.

4) The assets of the individual segments must be clearly identifiable and must be kept separate from each other and from the core assets. The administration may apply to the judge in non-contentious proceedings for transfers of assets between segments, provided that there are objectively justified reasons for doing so.

5) If the segmented entity is a stock corporation, treasury shares may be issued in respect of individual or all segments, which are shares of the segmented entity. However, shareholders are only entitled to the assets of the segment in which they hold an interest. The provisions on preference shares apply mutatis mutandis to the issue of own shares in relation to individual segments. The articles of association must contain corresponding provisions on the issue of own shares in relation to individual segments and the associated rights.

Art. 243f

Relationship with third parties and liability

1) A segmented legal entity must inform third parties with whom it enters into legal transactions in writing of its status as a segmented legal entity when entering into contract negotiations. In doing so, the segment whose assets the segmented legal entity is liable for the legal relationship in question must be specified, otherwise the culpable body will be personally but subordinately liable to the contractual partner. If the core assets are liable, this must also be indicated accordingly.

entity is liable for the legal relationship in question. If the core assets are liable, this must also be indicated accordingly.

2) Contractual claims of third parties against the segmented entity are limited to the assets of the segment in whose area of activity the claim is based. If the assets are not sufficient to satisfy the claim, the core assets are liable on a subordinate basis.

3) Non-contractual claims by third parties are limited to the core assets. If the core assets are insufficient to satisfy the claim, the assets of the segment in whose area of activity the segmented association entity caused the claim are liable on a subordinate basis. The administration shall provide any entitled parties with the information necessary to assert their claims. If the administration fails to comply with this obligation, it may be required by the court, upon request, to provide all documents necessary for asserting the claim in addition to the required information.

4) Bankruptcy proceedings may be conducted for each of the individual segment assets in accordance with the provisions of the Insolvency Code.

5) In the event of bankruptcy of the segmented association, Art. 915 shall apply mutatis mutandis to the relationship between the association and the individual segment assets. The articles of association shall provide for regulations on the further use of the individual segment assets. The judge shall decide on the separation to another segmented association or to any entitled persons, taking all circumstances into account.

Art. 243g

Transfer of shares

Unless otherwise provided for in the articles of association or statutory provisions, all or part of the segment assets may be transferred to third parties. However, the statutory reserves of the segments may only be disposed of within the framework of Art. 243e para. 3.

Art. 243h

Dissolution

If an individual segment is dissolved, its assets shall be transferred to the core assets, unless otherwise specified in the Articles of Association.

M. Reservation and scope of application

Art. 244

I. Reservation

1) Public law remains reserved for public-law entities, ecclesiastical entities, and associations governed by this law.

2) For corporations or institutions (banks, insurance associations, etc.) that are established by special laws and administered with the participation of public authorities

, the provisions of this title shall not apply, with the exception of the provision on legal capacity and capacity to commit torts, even if the required capital is divided wholly or partly into shares or other interests and is raised through the participation of private individuals, provided that the state assumes subsidiary liability for their obligations. unless the laws provide otherwise.

3) However, public-law and ecclesiastical legal entities shall be deemed to have legal capacity and capacity to act as soon as they would be under the provisions of this Act, unless public or ecclesiastical law, with the exception of ecclesiastical foundations, provides otherwise.

4) However, the provisions on the tortious liability of associations also apply to public-law and ecclesiastical associations in the area of their private-law activities if the administration or a member thereof or another representative appointed on the basis of the legal provisions commits a tortious act or omission within the scope of his or her powers.

5) This is without prejudice to the special provisions on the liability of such associations for compensation under public law for the unlawful or lawful exercise of public authority entrusted to their organs, officials, and employees.

Art. 245

II. Scope

1) All entities and institutions regulated in the following titles, including foundations, are subject to the general provisions of this title, unless otherwise specified in the special provisions established for them or in the individual provisions of this title.

2) Legal entities under private law other than those provided for by law cannot exist.

4. Title

The entities

Section 1

Associations

A. Establishment

Art. 246

I. Corporate associations

1) Associations dedicated to political, religious, scientific, artistic, charitable, social, or other non-economic purposes acquire legal personality as soon as their statutes indicate their intention to exist as a corporation. Associations that are required to be entered in the commercial register in accordance with Art. 247 para. 2 acquire legal personality upon registration.

2) The statutes must be in written form and provide information about the purpose of the association, its resources, and its organization.

3) Insofar as the statutes do not lay down any provisions regarding the organization and the relationship of the association to its members, the following provisions shall apply.

4) Statutory provisions cannot be amended by the articles of association.

Art. 247

II. Entry in the commercial register

1) Once the association's statutes have been adopted and the executive committee (administration) has been appointed, the association is authorized, upon resolution of the competent body, to be entered in the commercial register.

2) The association is required to register if it:

1. it operates a commercially run business for its purpose;

2. is subject to audit; or

3. primarily collects or distributes assets intended for charitable purposes, unless an exception applies in accordance with paragraph 4.

3) The predominance within the meaning of paragraph 2, item 3, shall be assessed on the basis of the ratio of assets intended for charitable purposes to those intended for other purposes. If it is not clear whether the association's assets are wholly or predominantly intended for purposes other than charitable purposes at a given point in time, it shall be regarded as a charitable association within the meaning of paragraph 2, item 3.

4) The Office of Justice may, upon request, exempt associations from the registration requirement in accordance with paragraph 2, item 3, if they are exposed to a low risk of abuse for terrorist financing, in particular on the basis of the following criteria:

1. Amount of assets collected or distributed;

2. Origin or destination of the assets collected or distributed;
3. Intended use of the assets collected or distributed.

5) The application must be accompanied by the articles of association, a list of the members of the executive committee and, where applicable, a declaration that the association is an association in accordance with paragraph 2, item 3.

6) The government shall regulate the details of the registration requirement and the exceptions to the registration requirement by ordinance, in particular:

1. the conditions for granting an exemption;
2. the obligation to notify if the conditions for an exemption no longer apply;
3. the withdrawal of an exemption. Art. 247a

IIa. List of members

1) Associations that are required to be entered in the commercial register in accordance with Art. 247 para. 2 no. 2 or 3 must keep a register in which members are entered with their surname, first name, and residential address or company name and registered office.

2) The executive committee must keep the membership register and ensure that:

1. the register is available within the country within a reasonable period of time; and
2. the representative of an association in accordance with Art. 247 para. 2 no. 3 has access to the register.

3) It must retain the information specified in para. 1 for each member for ten years after the member in question has been removed from the register and ensure that:

1. this information is available domestically within a reasonable period of time; and
2. the representative of an association pursuant to Art. 247 para. 2 no. 3 has access to this information.

4) In all other respects, Art. 1059 shall apply mutatis mutandis to the maintenance and storage of the membership register.

Art. 248

III. Associations without legal personality

Associations that do not have legal personality or have not yet acquired it are treated in the same way as simple partnerships.

B. Organization

I. Association meeting

Art. 249

1. Significance and convening

1) The meeting of members is the highest body of the association.

2) It is convened by the board.

3) The meeting shall be convened in accordance with the provisions of the Articles of Association and, in addition, by operation of law if one-fifth of the members request that it be convened.

Art. 249a

2. Responsibilities

1) The general meeting decides on the admission and exclusion of members, elects the executive committee, and decides on all matters that are not delegated to other bodies of the association.

2) It supervises the activities of the bodies and may dismiss them at any time, without prejudice to the claims to which the dismissed persons are entitled under existing contracts.

3) The right of dismissal exists by law if justified by good cause.

3. Association resolution

Art. 249b

a) Resolution

1) Association resolutions are passed by the association meeting.

2) If all members have given their written consent to a motion, this is equivalent to a resolution of the association meeting.

Art. 250

b) Voting rights and majority

1) All members have equal voting rights at the association meeting.

2) The association's resolutions are passed by a majority of the votes of the members present.

3) Resolutions on items that have not been duly announced may only be passed if the statutes expressly permit this.

Art. 250a

c) Exclusion from voting rights

Each member is excluded by law from voting on resolutions concerning a legal transaction or a legal dispute between a member, their spouse, their registered partner, or a person directly related to them on the one hand, and the association on the other.

II. Executive Board

Art. 251

1. In general

1) In case of doubt, the Executive Board shall be deemed to be the body entrusted with the regular management and representation of the association in accordance with the Articles of Association and authorized to sign on its behalf.

2) The executive committee may consist of one or more members or non-members and has the right and duty, in accordance with the powers granted to it by the statutes

, to manage the affairs of the association, such as accounting, cash management, and the like, and to represent the association.

3) In the absence of other provisions in the articles of association, it may, under its own responsibility, entrust other persons with the management and representation of the association in specific cases.

4) Unless otherwise specified in the entry in the commercial register or if the third party has assumed the Executive Board's power of representation in good faith, the association shall be bound by its actions, without prejudice to any claims for compensation by the association arising from contract or tort.

5) Appeals may be lodged at any time with the executive board against decisions and resolutions of the bodies subordinate to it, and with the supreme body against decisions and resolutions of the executive board or other bodies.

Art. 251a

2. Accounting

The Executive Board shall keep accounts of the association's income and expenditure and financial situation in accordance with Art. 1045 (3).

Art. 251b

III. Auditor

1) The accounts shall be audited at the expense of the association by an auditor to be elected by the association meeting if:

1. two of the following thresholds are exceeded in two consecutive financial years:

a) total assets of 6 million Swiss francs,

b) sales revenue of 12 million Swiss francs,

c) 50 full-time positions on average over the year; or

2. a member of the association who is subject to personal liability or an obligation to make additional contributions requests this.

2) In all other respects, the association is free to determine its own auditing procedures.

C. Membership

Art. 252

I. Admission and resignation

1) Members may join at any time.

1a) Associations whose statutes state that their purpose is to represent the interests of employees must specify the conditions for membership in their statutes. If an applicant who fulfills these conditions is not accepted, he or she is entitled to the rights under Art. 255 para. 4 and 5 mutatis mutandis.

2) Resignation is permissible if it is given with three months' notice to the end of a calendar quarter, or if an administrative period is provided for, at the end of which notice is given, and may only be restricted in accordance with the regulations applicable to registered cooperatives.

3) Membership is neither transferable nor inheritable.

4) The sale of voting rights without transfer of membership is not permitted.

5) The provisions on membership shall only apply to honorary, passive, and similar members insofar as the articles of association so provide.

Art. 253

II. Liability of the association and its members

1) Only the association's assets are liable for the association's liabilities.

2) However, the articles of association may introduce limited liability or a limited obligation to make additional contributions for all members or certain groups in accordance with the provisions applicable to registered cooperatives.

3) In this case, the board of directors shall keep a precise record of the admission and withdrawal of members.

4) In this case, each member must sign a liability or additional contribution declaration upon joining or being introduced if it is to be valid for them; otherwise, in the absence of any other provision in the articles of association, they shall be deemed to have left the association, subject to their existing obligations.

Art. 254

III. Obligation to pay contributions

Contributions may only be demanded from members if this is provided for in the statutes.

Art. 255

IV. Exclusion

1) The articles of association may specify the reasons for which a member may be expelled, but they may also permit expulsion without giving reasons.

2) In the latter cases, the expulsion may not be contested on the grounds of the reason given.

3) If the Articles of Association do not contain any provisions in this regard, expulsion may only take place by resolution of the supreme body for important reasons and with notification to the member.

4) However, the expelled member may challenge this decision in court within one month of notification of the expulsion.

5) The right to lodge a complaint with the supreme body and to claim damages from the association, the personally acting bodies or, if applicable, other persons for tort or for violation of personal circumstances remains reserved.

Art. 256

V. Status of former members

1) Members who resign or are expelled shall have no claim to the association's assets, unless otherwise specified in the statutes.

2) If the assets of a dissolved association are distributed among the members, members who resigned during the previous year shall be taken into account accordingly.

3) They shall be liable for contributions or other payments in proportion to the length of their membership.

Art. 257

VI. Protection of the association's purpose and membership

1) A change in the purpose of the association can only be decided by law with three-quarters of all votes.

2) Members who can prove that they did not agree to such a resolution are entitled by law to resign without further ado within one month of the resolution or the settlement of any challenge to it.

3) Resolutions of the supreme body that violate the law or the statutes, even if they have been duly adopted, may be challenged and annulled by any member who has not agreed to them within one month of becoming aware of them, after becoming aware of them, whereby the provisions on legal action to challenge resolutions of the supreme body shall apply mutatis mutandis under the general provisions.

4) Similarly, a member may have a resolution replaced by a court decision if the association fails to pass a resolution in violation of the law or the articles of association.

5) This shall not affect any claims for damages arising from contract or tort.

Art. 258

D. Dissolution

1) The dissolution of the association may also be effected ex officio by the judge in non-contentious proceedings if, contrary to the law, it exclusively operates a commercial business.

2) If the association is entered in the commercial register, the executive committee and the judge must notify the Office of Justice of the dissolution for the purpose of deleting the entry.

Art. 259

E. Special associations

1) Repealed

2) Repealed

3) Mutual associations, provided they are not mutual insurance associations subject to licensing, are subject to the provisions governing associations.

4) This is without prejudice to the special provisions governing small cooperatives and insurance associations, including mutual aid funds.

Art. 260

F. Subsidiary scope

The provisions governing associations apply supplementarily to all associations under private law, unless otherwise specified by special legal provisions or the articles of association, or unless the nature of the matter dictates otherwise.

2. Section

The public limited company

A. General provisions

I. Definition

Art. 261

1. In the case of par value shares

1) A public limited company is a company with its own name, whose predetermined capital (share capital) is divided into partial sums (shares) and whose liabilities are covered solely by the company's assets.

2) The shareholders are only obliged to make the statutory contributions and are not personally liable for the company's liabilities.

3) This is subject to the deviating provisions on special legal entities under foreign law, investment companies with variable share capital, shares with additional benefits, and the like.

Art. 262

2. In the case of quota shares

1) The share capital of a stock corporation determined in advance may be divided into fractions (quotas), which may be equal or unequal, instead of into partial amounts (shares without par value).

2) Quota shares are denominated in fractions of the share capital without having to contain a specific partial amount.

3) Par value shares and quota shares may also be combined, and the provisions governing par value shares shall apply to quota shares insofar as the relevant provisions do not render them inapplicable.

4) In the case of securities issued as quota shares, the total share capital and any reserves must be stated in addition to the quota in words. Art. 262a

3. For listed shares

1) Public limited companies whose shares are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU located or operated in an EEA member state are considered to be publicly listed companies in the EEA.

2) Stock corporations whose shares are admitted to trading on a stock exchange outside the European Economic Area may apply the provisions of Art. 332 para. 2a, 5, and 6, Art. 332a, Art. 334 para. 5, Art. 339a to 339e, and Art. 340a.

II. Share

Art. 263

1. Type of shares

1) Shares shall be issued in registered or bearer form and may also consist of both types in the proportions specified in the articles of association.

2) The articles of association may stipulate that registered shares shall or may be converted into bearer shares, or bearer shares into registered shares.

3) The provisions on special classes of shares, such as ordinary and preferred shares, remain reserved.

Art. 264

2. Division, consolidation, and alteration of shares or share units

1) The division or consolidation of shares or share units by a shareholder is not permitted, subject to sub-participation between a shareholder and a third party and to trust certificates.

2) However, the General Meeting is authorized to amend the Articles of Association to divide the shares into shares of a smaller par value or into share units, or, with the consent of the shareholders, to consolidate them into shares of a larger par value, provided that the share capital remains unchanged.

Art. 265

3. Reduction of the par value

1) A reduction in the par value of individual shares is permissible if the previous amount of share capital is kept unchanged by simultaneously issuing new shares in the amount or proportion of the reduction made to the previous shares.

2) However, a reduction in the par value of individual shares without such a simultaneous new issue of shares may only be carried out in compliance with the provisions governing the repayment and reduction of share capital.

3) A reduction in the ratio is subject to the provisions of the preceding article.

Art. 266

4. Amount of the share

1) The issue of shares at less than their par value or, in the case of quota shares, at less than their calculated value is only permissible for registered shares that are transferable with the consent of the company and only to persons who are professionally involved in the placement of shares. This transaction must be approved by the Office of Justice.

2) The conversion of such registered shares into other shares may be effected by reducing the statutory share capital to the amount actually paid in or still

existing or if the authorized share capital is actually available through further allocations from profits and similar sources.

3) If shares have been issued below par value or the calculated value in the case of quota shares, the par value or calculated value of all issued shares must be included on the liabilities side of the balance sheet.

4) Issuance at a higher amount is permissible if it is provided for in the articles of association or decided by the general meeting or another body authorized by the general meeting to do so.

5) The surplus value achieved in excess of the par value may not be distributed as profit, but must be used to cover the issue costs or for write-offs or the creation of reserves.

5. Share certificate

Art. 267

a) General

1) The company is only obliged to issue a share certificate (share letter, share certificate, share title) if the articles of association do not stipulate otherwise.

2) The articles of association may specify the form and content of the share certificates in detail.

3) The share certificates must bear the signature of at least one member of the management or a mechanical reproduction of that member's handwritten signature.

4) The share certificate must consist of a share wrapper and may also be accompanied by a renewal certificate (coupon) and coupon sheet (dividend payment certificate).

Art. 268

b) Share certificate

1) The share certificate (the original or main certificate) contains the certification of membership in a stock corporation, in particular the right to capital participation, dividends, and voting rights.

2) In the case of registered shares, the detailed statutory provisions for transfer and, in the case of shares with additional benefits, the additional benefits shall be included in the share certificate.

3) Where the deposit of shares is required for the exercise of voting rights and the like, the deposit of the share certificate shall suffice in case of doubt, unless the articles of association expressly stipulate otherwise, such as the presentation of the certificate with the coupon, or unless participation in the general meeting is only permitted to holders of coupons for the past financial year.

4) With regard to the declaration of invalidity, unless the articles of association stipulate otherwise, the provisions applicable to bearer, order, or registered securities shall apply, depending on the type of shares, whereby the person who has obtained the declaration of invalidity may, in the absence of any deviating provision in the articles of association, demand the issuance of a new certificate at his expense.

Art. 269

c) Coupon

1) The talon (coupon sheet subscription certificate or renewal certificate) is an authorization to subscribe for new coupon sheets if the old coupons have been used up, lost, or misplaced.

2) The renewal certificate can only be transferred together with the share certificate.

3) The procedure for declaring the certificate invalid is governed by the provisions applicable to bearer securities.

4) In the absence of special authorization, only the shareholder is entitled to obtain a renewal certificate from the company.

d) Coupon

Art. 270

aa) General

1) The coupons issued certify the membership right to dividends and, after the dividend has been determined by the competent body, an independent claim that cannot be revoked by the company.

2) As long as they are linked to the share certificate, the coupons form part of it and share its legal fate; however, after separation or if they are issued independently, they are independent securities and, in case of doubt, are subject to the provisions governing bearer securities, in particular with regard to invalidation.

3) With the extinction of the share, for example through a lottery, redemption, withdrawal, and the like, the right arising from the coupon also expires, even if it is independent, provided that the distribution of a dividend has not yet been decided at the time of extinction.

4) The independent coupon can be declared invalid independently of the share, but the coupon linked to the share can only be declared invalid together with the share.

Art. 271

bb) Legal status of the coupon

1) The coupon of the individual share has the same status with regard to the dividend entitlement as the share itself, so that the coupon of the preferred share takes precedence over the coupon of the common share, and the coupon of the common share takes precedence over that of the participation certificate or participation share, unless the articles of association provide otherwise.

2) In the absence of deviating provisions in the articles of association, such as in the case of participation certificates, the preemptive or subsequent subscription right and the final dividend payment are governed by the legal status of the share, and, subject to other provisions in the articles of association, only the shareholder has the right to challenge a dividend determination resolution of the competent body.
3) Unless otherwise agreed, coupons shall be deemed to be pledged insofar as the lien on them has been duly established.
4) In case of doubt, the profitability or dividend guaranteed to a company shall accrue to the coupon holder.

6. Employee shares

Art. 272

a) In general

1) Employees and workers of a company may be granted employee shares in accordance with the detailed provisions set out in the articles of association, even without the requirement to confirm subscription and capital payment of at least 25% at the time of issue and without the requirement for entry in the commercial register.
2) Employee shares have the same nominal value or quota as other capital shares of the company, but are only to be listed in the balance sheet at the amount paid in.

Art. 273

b) Registered shares, transfer and payment

1) Employee shares are registered and cannot be transferred at all as long as the shareholder is an employee or worker of the company, and later only with the approval of the management.
2) This transfer approval may not be refused if the purchaser of the shares pays the unpaid amount upon transfer.
3) Furthermore, there is an obligation to pay for these shares only to the extent that the owner must have the share of the company's net profit to which he is entitled under the articles of association, as well as the dividends attributable to the paid-up share amounts themselves, credited to him until the par value (the quota) of the employee share has been paid in full.

Art. 274

c) Registration, voting rights, and conversion

1) As soon as the employee shares have been paid up at 25%, the capital increase resulting from them must be entered in the commercial register.
2) The shareholder's voting rights shall commence from this point in time.

3) A new entry must be made in the commercial register each time a further 25% is paid in.
4) Once the labor share has been paid in full, it will be converted into an ordinary capital share of the same par value (ratio) and with the characteristics of the type of shares issued by the company that are most favorable at that time or in the future.
Art. 275
d) Dividend entitlement
1) During the term of the employee share, it is entitled to dividends at the same rate as the type of capital shares issued by the company that are currently most entitled, in accordance with the amount paid in on it.
2) The dividend is paid by crediting the outstanding capital contribution with a value date of the previous balance sheet date.
Art. 276
e) Employee shares in connection with an employee cooperative
1) The articles of association may stipulate that a certain portion of the annual profit may be used to set up a fund for the purpose of issuing shares to workers and employees, who in this case may form a workers' cooperative in accordance with the regulations governing small cooperatives.
2) In case of doubt, the shares issued shall be the joint property of this cooperative.
3) The articles of association shall also contain provisions on the representation of employee shares in the company's bodies.
Art. 277
Repealed Art.
278
Repealed
III. Articles of association
Art. 279
1. Legally required content
1) The articles of association of a stock corporation must contain information or provisions on the following:
1. the company name;
2. the registered office of the company;
3. the purpose of the company;
4. the founders;
5. the amount of share capital and the amount of contributions made thereto;
6. if the company has authorized and/or conditional capital, the amount of authorized and/or conditional capital;

7. the number, par value or quota and type of shares, as well as the rights attached to them;
8. the convening of the general meeting, the voting rights of shareholders, and the passing of resolutions;
9. the number and manner of appointment of the members of the management, representation, supervisory, or control bodies, as well as the distribution of responsibilities among these bodies (unless this is stipulated by law);
10. the manner in which representation is exercised;
11. the manner in which announcements made by the company are communicated to shareholders and third parties;
12. at least approximately the total amount of all costs incurred by the company in connection with its formation or invoiced to it, including, where applicable, costs incurred before the company commences business operations;
13. the balance sheet date.

2) The provisions of paragraph 1, items 1, 3, and 5 are considered material within the meaning of the nullification procedure (Art. 125 ff.).

Art. 280

2. Provisions to be included where applicable

1) Provisions or disclosures that are only valid under the law if they are provided for in the articles of association (bylaws) include, in particular, the following:

1. Information concerning non-cash contributions, stating the names of the contributors, acquisitions of assets, stating the acquisition price, acceptance of shares or other payments in lieu of cash, stating the number of shares, and precise details of any type of founder's benefits;
2. provisions deviating from the statutory provisions on the revision of the articles of association, business expansion, or business contraction;
3. Provisions on authorized and conditional capital increases;
4. if a company allows employees to participate in the capital of the enterprise, deviations from the statutory provisions on the minimum payment obligation, capital increases (Art. 173, Art. 295 para. 1 and 7, Art. 295a and 295b), the acquisition of own shares (Art. 306a para. 1 no. 1) and subscription rights for shareholders;
5. If a company issues, in addition to capital shares, employee shares in favor of all employees represented at the general meeting by proxies with voting rights, deviations from the statutory provisions on capital reduction (Art. 173, Art. 355 para. 1 and para. 2, Art. 358, and Art. 359) and the acquisition of own shares (Art. 306a para. 1 no. 1);
6. Admissibility and regulations regarding the conversion of shares;

7. the number of shares that may be deposited by members of the board of directors;
8. Building interest promises;
9. Limitation of the duration of the company;
10. Contractual penalties for late payment for shares;
11. Exemption from the obligation to pay in more than half or a higher proportion of the share capital;
12. Prohibition or restriction on the transfer of registered shares;
13. Issuance of founder's shares, participation certificates, and participation shares, as well as the issuance of preferred and common shares below par value or shares with multiple voting rights, shares with additional benefits, or bonds or similar obligations with conversion or option rights, specifying the number of shares of each class;
14. Restriction of shareholders' voting and representation rights;
15. cases not provided for by law in which the general meeting can only pass resolutions by a qualified majority;
16. the authorization to transfer individual powers of the management to individual members or third parties and the appointment of a board of directors;
17. Regulations going beyond the statutory provisions concerning the organization of the auditors and the extension of their powers and duties;
18. Provisions supplementing the statutory provisions on accounting and auditing and the calculation and distribution of profits.

2) The provisions and information referred to in paragraph 1, items 1 to 6, 9, 12, and 13 must be included in the articles of association themselves or in supplementary articles of association, which must be publicly certified and disclosed in accordance with Art. 956, paragraph 2.

B. Establishment

I. Successive formation

Art. 281

1. General requirements for formation

1) Subject to simultaneous formation, the formation of a stock corporation requires:
1. the founders must establish the articles of association in a public document, whereby the draft articles of association must be signed by the founders;
2. the subscription of the shares constituting the share capital;
3. a resolution by the general meeting of subscribers approving the subscriptions and payments made, as well as appointing the necessary corporate bodies.

2) At the time of formation, the stock corporation must have at least two founders.

2. Share subscription

Art. 282

a) Invitation to public subscription

Repealed Art.

283

b) Subscription and payment

1) Share subscriptions, including those involving contributions in kind, require a written declaration referring to the draft articles of association and, in the case of public subscription, to the prospectus in order to be valid.

2) Apart from the tacit condition of the formation of the corporation, they must be made out to the order of the subscriber and must state the issue price and the date until which the subscription remains binding.

3) Of the subscribed share capital, an amount of at least 25% per share must be paid in at the time of subscription or at the latest at the constituent general meeting at a location to be specified in the invitation, for the exclusive use of the future management of the company, provided that the amount owed by the subscribers for the minimum payment is covered by non-monetary assets to be acquired by the company.. Art. 284

3. Constitutive resolution

1) After the conclusion of the share subscription, a general meeting of subscribers, to be convened in accordance with the statutory and regulatory provisions, shall determine by resolution, on the basis of the certificates to be submitted to it, that the share capital has been fully subscribed and that the minimum amount specified in the articles of association, but at least 25% of each share, has been paid in cash or is covered by the contributions in kind described in more detail in the articles of association.

2) Furthermore, the necessary bodies shall be designated at the same meeting and the draft articles of association on which the share subscription is based shall be discussed and definitively adopted, whereby significant changes may only be made with the consent of all subscribers represented at the general meeting.

3) The draft must be voted on and a public document must be drawn up recording the resolution and the final version of the articles of association.

4. Procedure for contributions in kind and acquisitions in kind

Art. 285

a) Expert report

1) If assets or rights are to be contributed in exchange for a portion of the share capital, or if individual shareholders are to be granted special advantages, an expert must submit a written report to the general meeting before the resolution is passed.

2) The expert report to the general meeting must contain:

1. a description of the subject matter of each contribution;

2. the valuation methods used to determine the value of the contributions;

3. a statement as to whether the values determined correspond at least to the number and nominal amount or the calculated value and, where applicable, the additional amount of the shares to be issued in return;

4. information on the founder's advantages granted, as well as their reason and appropriateness.

3) This report must be made available for inspection in the form of the original or a certified copy at each subscription office from the start of the subscription period. It must be published in accordance with Art. 956 para. 2.

Section 285a

b) Acquisitions in kind

1) The acquisition of assets (contributions in kind) from the founders with a value of more than one tenth of the subscribed capital shall be treated as contributions in kind.

2) If such acquisitions of assets are made within two years of the company's formation, they require the approval of the general meeting.

3) Paragraphs 1 and 2 do not apply to the acquisition of assets in the course of the company's ordinary business, to the acquisition of assets on the stock exchange, or to acquisitions made on the order or under the supervision of an administrative authority or a court.

Art. 286

c) Exceptions

An expert report within the meaning of Art. 285 para. 1 may be dispensed with if nine-tenths of the nominal value or the calculated value (in the case of quota shares) of all shares are issued to one or more companies with legal personality in exchange for contributions in kind and if:

1. the founders waive the preparation of the expert report and this waiver is announced within the meaning of Art. 956 para. 2;

2. the contributing companies have reserves that cannot be distributed under the law or the articles of association and that correspond at least to the nominal value or the accounting value (in the case of quota shares) of the shares issued in exchange for the contributions in kind;

3. the contributing companies undertake to be liable for the company's debts up to the amount specified in clause 2 above, which arise from the date of issue of the shares against contributions in kind up to one year after the publication of the annual financial statements relating to the financial year in which the contributions were made, whereby any transfer of these shares

within this period is prohibited, and this obligation is disclosed in accordance with Art. 956 (2);

4. the contributing companies shall establish a reserve in the amount specified in clause 2 above. This reserve may be distributed at the earliest after a period of three years following the publication of the company's annual financial statements relating to the financial year in which the contributions were made, or, where applicable, at a later date on which all claims asserted within the period under clause 3 above have been satisfied.

Art. 286a

d) Simplified report

1) An expert report within the meaning of Article 285 may be dispensed with if the board of directors determines by resolution that:

1. transferable securities or money market instruments within the meaning of Directive 2014/65/EU are contributed as contributions in kind and their valuation corresponds to the weighted average price on a regulated market within the meaning of the aforementioned Directive or other stock exchanges over the last 30 days prior to the actual contribution. If the average price has been influenced by exceptional circumstances that result in a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation;

2. assets other than those specified in clause 1 are contributed as a contribution in kind and have already been valued by a recognized expert. The valuation shall be carried out in accordance with generally accepted valuation principles and may not have been carried out more than six months prior to the date of the actual contribution. If new significant circumstances have arisen that result in a material change in the fair value of the asset at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation;

3. Assets other than those mentioned in paragraphs 1 and 2 are contributed as contributions in kind, the valuation of which is shown in the statement of assets in the statutory financial statements for the previous financial year, provided that these have been audited in accordance with the provisions of Title 20 (Accounting). If the fair value has been influenced by exceptional circumstances that result in a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall initiate a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation.

2) If no revaluation has been carried out in accordance with paragraph 1, one or more shareholders who, on the date of the resolution on a capital increase, together hold at least 5% of the company's subscribed capital may request a valuation by an expert in accordance with Article 285. This request may be submitted by the entitled parties until the date of the actual contribution of the contribution in kind, provided that the entitled parties hold at least 5% of the company's subscribed capital at the time of the request, as they did on the date of the resolution on a capital increase.

3) If a contribution in kind has been made in accordance with paragraph 1, item 1 or 2, a report must be submitted to the Office of Justice within one month of the date on which the assets were actually contributed. This report must be published in accordance with Art. 956, paragraph 2 and must contain the following:

1. a description of the contribution in kind concerned;
2. value, basis, and, where applicable, method of valuation;
3. Information on whether the determined value corresponds at least to the number and nominal value or, if there is no nominal value, to the calculated value and, if applicable, the additional amount of the shares to be issued for such a contribution in kind;
4. a statement that no new significant circumstances have arisen with regard to the original valuation.

Art. 286b

e) Contribution period for contributions in kind

Contributions in kind must be paid in full within five years of the company's entry in the commercial register.

Art. 287

f) Resolution by the general meeting

1) The provisions of the articles of association relating to contributions in kind, acquisitions, and founder's advantages require special approval at the general meeting to be held after the close of the share subscription, for which the following provisions apply by law:

1. each person present has only one vote;
2. Each item shall be voted on separately, whereby a shareholder who makes the contribution in question or appears as the seller of an asset to the company or obtains special benefits may not cast his vote either for himself or as a representative.
3. the contribution, acquisition, or benefit must be approved by a majority of at least three-quarters of the votes present or represented;

4. A public document or a document to be signed by all parties who have given their consent shall be drawn up regarding the decision, and the original expert report shall be attached thereto.

2) This article shall not apply if no public subscription for shares has taken place.

3) The judge may, at the request of the founders, grant exceptions to the provisions of the first paragraph in non-contentious proceedings, for example if all founders make contributions in kind or if the required majority of founders with voting rights who are not involved in the contributions, acquisitions, or advantages could not otherwise be achieved.

II. Simultaneous formation

Art. 288

1. Formation of the company

1) A stock corporation may be established in such a way that all founders, at least two in number, declare in a public document signed by them that they are establishing a stock corporation and at the same time lay down the articles of association thereof, confirm the acquisition of all shares and the payment of at least 25% or, where applicable, more for each share, either in cash or by transfer of contributions in kind in accordance with an expert report based on bank statements and the like, approve the granting of founder's benefits, and appoint the necessary organs of the company.

2) The creation of such a document replaces the constituent general meeting.

3) If the contribution involves assets or rights in exchange for a portion of the share capital, an expert must submit a written report to the founders' meeting prior to the resolution being passed. The report shall describe the subject matter of each contribution, indicate the valuation methods used to determine the value, and state whether the values resulting from these methods correspond at least to the number and nominal amount or the calculated value (in the case of quota shares) and, where applicable, the additional amount of the shares to be issued in return. The report shall be published in accordance with Art. 956 para. 2.

4) Sections 285 to 286b shall apply.

Section 289

Repealed

III. Registration of the company

Art. 290

1. Application for registration

1) The application by the members of the administration authorized to sign must be accompanied by the complete deed of incorporation, a copy or certified copy of the articles of association and the minutes of the general meeting, or the deed or a declaration containing:

1. a statement that the entire amount of the share capital is covered by signatures, subject to the issue below par value and the authorization of the management to issue further share capital without a resolution of the general meeting;
2. proof that at least twenty-five percent or a higher minimum amount stipulated in the articles of association has actually been paid up or covered by contributions in kind for each share;
3. proof that the management and the auditors have been appointed, stating their surnames, first names, and places of residence, and in the case of members of the management, also their nationality or, in the case of companies, their names and registered offices;
4. where applicable, the resolutions of the general meeting concerning contributions, acquisitions, and founder's advantages, and the relevant expert reports.

2) If representatives are appointed by the administration, they must also be registered, attaching the minutes of the administration if applicable.

3) The articles of association and the minutes of the general meeting or the deed or declaration must be published after registration in accordance with Art. 956 (2).

Art. 291

2. Registration and publication

1) The following must be entered in the commercial register and published in the official publication organ:

1. the date of adoption of the articles of association;
2. the name, legal form, and registered office of the company;
3. the purpose and, where applicable, the duration of the company;
4. the amount of share capital and the amount of contributions made thereto;
5. the number, par value, or quota, as well as the type of shares, restrictions on transferability, and the preferential rights and conversion rights of individual categories;
6. the subject matter of the contribution in kind and the shares issued in return for it, the subject matter of the transfer of assets and the consideration paid by the company, as well as the content and value of the special advantages;
7. the number of participation certificates with details of the rights associated with them;

8. the members of the management, supervisory, and representative bodies, stating their surnames, first names, places of residence, and nationalities or the names and registered offices of their companies;

9. the manner in which representation is exercised;

10. the name or company name of the auditor, stating their place of residence, registered office, or a branch registered in the commercial register;

11. the form in which announcements by the company are made to shareholders and third parties;

12. the balance sheet date.

2) In the case of stock corporations that do not conduct business in a commercial manner, notification of the entry within the meaning of Art. 956 para. 1 is sufficient.

IV. Branch offices

Art. 291a

1. Registered office in the European Economic Area

1) Branches of stock corporations whose registered office is located in the European Economic Area must be registered with reference to the company's entry in the commercial register.

2) The application shall be made by a member of the administration who has sole signing authority or by two members who have collective signing authority, accompanied by an extract from the company's register or something equivalent. 2a) The Office of Justice may verify the information on the company via the European system of register networking.

3) The following must be entered in the commercial register and published in the official gazette:

1. the address of the branch;

2. the purpose of the branch;

3. the register and registration number of the entry of the head office;

4. the name of the head office and the name of the branch if it differs from that of the head office;

5. the members of the administration and the persons appointed to represent the head office, stating their surnames, first names, place of residence, and nationality, or the company name and registered office;

6. the persons appointed to represent the branch on a permanent basis, stating their surnames, first names, place of residence, and nationality, and indicating their powers;

7. if applicable, the dissolution of the head office, the surnames, first names, and places of residence of the liquidators, and the completion of the liquidation or the dissolution of the company;

8. insolvency proceedings or similar proceedings concerning the head office;
9. the closure of the branch office.

4) If the Office of Justice receives notification of a change in the company via the European system of register networking (Art. 993 para. 3), it must, provided that no notification has been received in relation to the changes communicated at the time of receipt of the notification, immediately request the company to notify the changed facts.

5) The accounting documents of the head office must be disclosed in accordance with Art. 1128, unless they are disclosed in the EEA member state in which the head office is registered.

6) If there are several branches of the same head office, disclosure of the documents in accordance with Art. 956 para. 2 for one of the branches is sufficient. For the other branches, disclosure is limited to stating the registration number of the branch that publishes the aforementioned documents.

7) If the disclosure at the branch differs from the disclosure at the foreign head office, the disclosure at the branch shall be decisive for business transactions with the branch.

Art. 291b

2. Headquarters outside the European Economic Area

1) If a stock corporation or a company whose legal form is comparable to that of a stock corporation has branches in addition to its head office (registered office), which is located outside the European Economic Area, the following provisions must be observed in addition to the provisions of Art. 291a.

2) The deed of incorporation and, if they are the subject of a separate deed, the articles of association of the head office, as well as any amendments to these documents, must be submitted to the commercial register and published in accordance with Art. 956 para. 2.

3) The following must also be entered in the commercial register and published:

1. the law of the country to which the head office is subject;
2. the legal form, registered office, and purpose of the head office, as well as the amount of share capital on an annual basis, unless this information is provided in the documents referred to in paragraph 2;
3. the scope of the power of representation of the administration and the representatives of the head office, as well as the manner in which representation is exercised at the head office;
4. the manner in which representation is exercised at the branch office.

Art. 291c

V. Conversion into a stock corporation

For the conversion of an association into a stock corporation, the provisions on the form and content of the articles of association, the purpose of the company, the liability of the founders, the minimum capital, cash or non-cash contributions, and the contribution obligation as applicable to the formation of a stock corporation shall be observed in particular.

C. Protection of share capital and shareholders

I. Protection of acquired rights

Art. 292

1. Protection of individuals

1) The vested rights of one or more shareholders are those statutory or legal claims which, according to the provisions of the law or the Articles of Association, are independent of the resolutions of the General Meeting and the management, or which constitute a prerequisite for participation in the General Meeting.

2) These include membership, voting rights, the right to contest, entitlement to construction interest, dividends, and a share in the liquidation proceeds, unless the articles of association restrict or exclude individual entitlements within the scope of this law.

3) Shareholders must be treated equally under the same conditions. Art. 293

2. Requirement for a qualified majority at the general meeting

Unless otherwise provided in the articles of association, the approval of three-quarters of the votes represented at a general meeting, but at least the representatives of two-thirds of all shares, is required for a resolution of the general meeting to be valid in the following cases:

1. Conversion of the company's purpose;
2. Conversion of the corporation into another legal entity;
3. Removal of requirements provided for in the articles of association that make it difficult to pass resolutions at the general meeting.

Art. 294

II. Expansion and narrowing of business

1) Unless otherwise provided for in the articles of association or by law, any expansion of the company's business activities to include related items or any narrowing of those activities, any change in the company's name or registered office, or any dissolution before the date specified in the articles of association may only be decided at a general meeting at which at least two-thirds of all shares are represented.

2) If two-thirds of all shares are not represented at an initial general meeting, a second meeting must be convened at least eight days later

second meeting must be convened at a date at least eight days later, at which the resolutions mentioned in the preceding article or in this article may be passed, even if only one-third of all shares are represented.

III. Issue of new shares

Art. 295

1. General requirements

1) Unless special provisions are set forth below, an existing stock corporation may issue new shares only in compliance with the provisions set forth for the formation of stock corporations, without the share capital specified in the articles of association having to be paid in full.

2) If shares have been issued below par value, new shares of this type may only be issued again after the shortfall resulting from the below-par issue has been covered from reserves or profits.

3) However, registration in the commercial register is sufficient if it is carried out by a person authorized to represent or sign on behalf of the company.

4) The shares must be subscribed with reference to the resolution on the capital increase.

5) If a capital increase is not fully subscribed, the capital shall only be increased by the amount of the subscriptions received if the terms of issue expressly provide for this.

6) The capital increase may be carried out alone or in conjunction with a reduction in the existing share capital, as is the case, for example, with reorganizations.

7) The resolution to increase capital and the implementation of the increase must be announced in accordance with Art. 956 para. 2.

2. Authorized capital

Art. 295a

a) General requirements

1) Unless the authorization is already contained in the deed of incorporation or in the articles of association, the general meeting may, by amending the articles of association, authorize the board of directors to increase the share capital up to a certain amount. The articles of association shall specify the nominal amount or the calculated value (in the case of quota shares) by which the Board of Directors may increase the share capital. The authorized capital may not exceed half of the existing share capital.

2) The authorization is granted for a maximum period of five years. It may be extended by the general meeting for a maximum period of five years at a time. It must be announced in accordance with Art. 956 para. 2.

Art. 295b

b) Amendment of the Articles of Association

1) After each capital increase, the Board of Directors shall reduce the nominal amount or the accounting value (in the case of quota shares) of the authorized capital in the Articles of Association accordingly.

2) After expiry of the period specified for the implementation of the capital increase, the provision on the authorized capital increase shall be deleted from the Articles of Association by resolution of the Board of Directors.

3. In consideration of contributions in kind and rights

Art. 296

a) In general

1) If new shares are issued in consideration for the contribution of property or rights, the resolution to increase the capital and the approval of the contributions in kind and rights may only be passed at a general meeting at which at least two-thirds of the share capital, after deduction of the portion held in contributions in kind, is represented, and the majority must constitute at least two-thirds of the votes represented.

2) Shareholders involved in the contribution of assets or rights are not counted and have no voting rights.

3) The details of the contributions in kind and rights must be included in the articles of association and, as in the case of the formation of the company, a written report must be submitted to the general meeting by an independent expert before the resolution is passed. The report must describe the subject matter of each contribution and indicate the valuation methods used to determine the value and whether the values thus determined correspond at least to the number and nominal amount or the calculated value (in the case of quota shares) and, where applicable, the additional amount of the shares to be issued in return.

4) If, in the context of an authorized capital increase, the items of contributions in kind are known at the time of authorization, the expert report must be submitted to the general meeting before the resolution is passed, or otherwise to the board of directors.

5) This report must be made available for inspection in the original or in a certified copy at each subscription office from the start of the subscription period. It must be published in accordance with Art. 956 para. 2.

6) Paragraphs 3 to 5 shall not apply if the capital increase is carried out for the purpose of implementing a merger for which a report by an independent expert on the merger plans is prepared in accordance with Art. 351c, a public takeover, or an exchange offer with the purpose of paying the consideration to the shareholders of one of the companies involved.

Art. 296a

b) Exceptions to the expert report

An expert report within the meaning of Art. 296 para. 3 may be dispensed with if all shares are issued to one or more companies with legal personality in exchange for contributions in kind and if:

1. all shareholders of the receiving company waive the preparation of the expert report and this waiver is announced in accordance with Art. 956 (2);
2. the contributing companies have reserves that cannot be distributed under the law or the articles of association and that correspond at least to the nominal value or the calculated value (in the case of quota shares) of the shares issued in exchange for the contributions in kind;
3. the contributing companies undertake to be liable for the debts of the company up to the amount specified in clause 2 above, which arise from the date of issue of the shares against contributions in kind up to one year after the publication of the annual financial statements relating to the financial year in which the contributions were made, whereby any transfer of these shares within this period is not permitted; and this obligation is announced in accordance with Art. 956 (2);
4. the contributing companies shall establish a reserve in the amount specified in section 2 above. This reserve may be distributed at the earliest three years after publication of the company's annual financial statements for the financial year in which the contributions were made, or, where applicable, at a later date on which all claims asserted within the period specified in clause 3 above have been satisfied.

Art. 296b

c) Simplified report

1) An expert report within the meaning of Art. 296 para. 3 may be dispensed with if the board of directors determines by resolution that:

1. Transferable securities or money market instruments within the meaning of Directive 2014/65/EU are contributed as contributions in kind and their valuation corresponds to the weighted average price on a regulated market within the meaning of the aforementioned Directive or other stock exchanges over the last 30 days prior to the actual contribution. If the average price has been influenced by exceptional circumstances that result in a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 296 para. 3 shall apply mutatis mutandis to this revaluation;
2. assets other than those mentioned in clause 1 are contributed as contributions in kind and have already been valued by a recognized expert

The valuation is carried out in accordance with generally accepted valuation principles and must not have been carried out more than six months prior to the date of the actual contribution. If new significant circumstances have arisen that result in a material change in the fair value of the asset at the time of its actual contribution, the Board of Directors shall initiate a revaluation; Art. 296 (3) shall apply mutatis mutandis to this revaluation.

3. Assets other than those mentioned in paragraphs 1 and 2 are contributed as contributions in kind, the valuation of which is shown in the statement of assets in the statutory financial statements for the previous financial year, provided that these have been audited in accordance with the provisions of Title 20 (Accounting). If the fair value has been influenced by exceptional circumstances that result in a significant change in the value of the contribution at the time of its actual contribution, the board of directors shall initiate a revaluation; Art. 296 para. 3 shall apply mutatis mutandis to this revaluation.

2) If no revaluation has been carried out in accordance with paragraph 1, one or more shareholders who, on the date of the resolution on a capital increase, together hold at least 5% of the company's subscribed capital may request a valuation by an expert in accordance with Article 296 (3). This request may be submitted by the entitled parties until the date of the actual contribution of the contribution in kind, provided that the entitled parties hold at least 5% of the company's subscribed capital at the time of the request, as they did on the date of the resolution on a capital increase.

3) If a contribution in kind has been made in accordance with paragraph 1, a report must be submitted to the Office of Justice within one month of the date on which the assets were actually contributed. This report must be published in accordance with Art. 956 (2) and must contain the following:

1. a description of the contribution in kind concerned;
2. value, basis, and, where applicable, method of valuation;
3. Information on whether the determined value corresponds at least to the number and nominal value or, if there is no nominal value, to the calculated value and, if applicable, the additional amount of the shares to be issued for such a contribution in kind;
4. a statement that no new significant circumstances have arisen with regard to the original valuation.

Art. 296c

d) Performance period for contributions in kind

Contributions in kind must be paid in full within five years of the capital increase resolution.

Art. 297

4. Issue without cash or contribution in kind

New shares may be issued, whether in addition to the old shares or in replacement of the old shares in the same or a different number or ratio or in the same or a different amount, without payment of cash capital and without contribution in kind:

1. if, in lieu of company debts, shares with or without preference are issued to the consenting creditors (debt repayment through shares);

1a. if conversion rights are exercised within the framework of a conditional capital increase;

2. by using the reserve fund, other reserves, and retained earnings, unless a minimum reserve is required by law (stamping or increases);

3. by adjusting the par value to the actual value of the assets, as in the case of currency devaluation and conversion of the hidden reserves contained therein into shares (revaluation or reclassification);

4. by reducing the share capital and the share amount (stamping down or devaluation);

5. when converting the share capital or part thereof into another currency, as well as the par value of shares or share quota (re-stamping);

6. conversion of preferred shares into fully entitled common shares and the like.

5. Conditional capital increase

Art. 297a

a) Principle

1) The general meeting may resolve on a conditional capital increase by granting rights to subscribe for new shares (conversion or option rights) in the articles of association to creditors of new bonds or similar obligations to the company or its group companies, as well as to employees.

2) The share capital shall be increased automatically at the time and to the extent that these conversion or option rights are exercised and the contribution obligations are fulfilled by offsetting or payment.

Art. 297b

b) Limits

1) The nominal amount or the calculated value (in the case of quota shares) by which the share capital may be conditionally increased may not exceed half of the previous share capital.

2) The contribution made must correspond at least to the par value or the calculated value (in the case of quota shares).

Art. 297c

c) Statutory basis

1) The articles of association must specify:

1. the nominal amount or the calculated value of the conditional capital increase;
2. the number, par value, or ratio, as well as the type of shares;
3. the group of persons entitled to conversion or options;
4. the cancellation of the subscription rights of existing shareholders;
5. the privileges of individual categories of shares;
6. restrictions on the transferability of new registered shares.

2) If the bonds or similar obligations to which conversion or option rights are attached are not offered to shareholders for subscription in advance, the articles of association must also specify:

1. the conditions for exercising the conversion or option rights;
2. the basis on which the issue price is to be calculated.

3) Conversion or option rights granted before the provisions of the articles of association on the conditional capital increase are entered in the commercial register are null and void.

Art. 297d

d) Protection of shareholders

1) If, in the case of a conditional capital increase, bonds or similar obligations to which conversion or option rights are attached are to be issued, these obligations must first be offered for subscription to the shareholders in accordance with their previous shareholdings pursuant to Art. 303 and Art. 303a.

2) This preemptive subscription right may be restricted or waived in accordance with Art. 303b.

3) The cancellation of subscription rights required for a conditional capital increase and the restriction or cancellation of shareholders' preemptive rights for bonds or similar obligations to which conversion or option rights are attached shall not result in any party being unfairly favored or disadvantaged.

Art. 297e

e) Protection of holders of conversion or option rights

1) Creditors or employees who are entitled to a conversion or option right to acquire registered shares may not be prevented from exercising this right on the grounds of a restriction on the transferability of registered shares, unless this is reserved in the articles of association and in the prospectus.

2) Convertible or option rights may only be impaired by an increase in share capital, the issue of new convertible or option rights, or in any other way

if the conversion price is reduced or the beneficiaries are granted appropriate compensation in some other way, or if the same impairment also affects the shareholders.

f) Implementation of the capital increase

Art. 297f

aa) Exercise of rights; contribution

1) Conversion or option rights are exercised by means of a written declaration that refers to the provision in the articles of association regarding the conditional capital increase; if the law requires an issue prospectus, the declaration shall also refer to this.

2) The contribution must be made in cash or by offsetting at a bank within the meaning of Art. 4 para. 1 lit. a of the Banking Act.

3) Shareholder rights arise upon fulfillment of the contribution obligation.

Art. 297g

bb) Audit confirmation

1) At the end of each financial year, or earlier at the request of the Board of Directors, an expert shall verify whether the issue of the new shares complies with the law, the Articles of Association and, if applicable, the prospectus.

2) The expert shall confirm this in writing.

Art. 297h

cc) Amendment of the Articles of Association

1) Upon receipt of the audit confirmation, the board of directors shall determine in a public document the number, par value or quota and type of the newly issued shares, as well as the privileges of individual categories and the status of the share capital at the end of the financial year or at the time of the audit. It shall make the necessary amendments to the articles of association.

2) In the public document, the certifying officer shall confirm that the audit confirmation contains the required information.

Art. 297i

dd) Entry in the commercial register

The board of directors shall notify the commercial register of the amendment to the articles of association no later than three months after the end of the financial year and shall submit the public document and the audit confirmation.

Art. 297k

ee) Deletion

1) If the conversion or option rights have expired and this is confirmed by an expert in a written report, the board of directors shall repeal the provisions of the articles of association relating to the conditional capital increase.

2) In the public document, the certifying officer shall record that the expert's report contains the required information.
Art. 298
Repealed
IV. Issue of preferred shares
Art. 299
1. Authority to issue
1) The general meeting may, in accordance with the articles of association or by way of an amendment to the articles of association, resolve to raise new share capital or to change the existing share capital by issuing preference shares (priority shares), subject to the provisions on subscription rights. The resolution must be published in accordance with Art. 956 para. 2.
2) When issuing preference shares, their conversion into other shares (in particular ordinary shares) or into bonds with or without voting rights or profit sharing may be reserved. For stock corporations with variable share capital, the provisions of the Act on Certain Organizations for Collective Investment in Securities, the Investment Companies Act, and the Act on Alternative Investment Fund Managers apply.
3) Unless otherwise provided in the articles of association, after the issue of preference shares, shares that are to take precedence over them may only be issued with the approval of both the general meeting of all shareholders and a special general meeting of preference shareholders.
4) The same provision shall also apply in cases where special rights conferred by the articles of association on preference shares are subsequently to be amended.
5) The articles of association may stipulate that, for the purpose of raising new funds without carrying out a capital increase, shareholders may be invited to voluntarily pay a certain amount in excess of the par value of the share (additional payments) and that those shares for which an additional payment has been made shall be converted into preference shares.
Art. 300
2. Resolution
1) Resolutions on the issue of preference shares or on the amendment or cancellation of the preferential rights granted to preference shares are subject to the same provisions as those laid down for resolutions on the expansion of the company's business activities.
2) Repealed
Art. 301
3. Status of preferred shares

1) Preference shareholders shall enjoy the preference expressly granted to them in the original Articles of Association or in the resolution amending the Articles of Association governing the issue of preference shares over ordinary shareholders and shall otherwise be treated as ordinary shareholders.
2) The preferential rights may relate in particular to voting rights, the exclusive election of certain bodies, such as the management or the passing of resolutions on certain matters specified in the articles of association, dividends, with or without preemptive rights, the liquidation share, and subscription rights in the event of the issue of new shares.
3) Unless they have acquired rights, preferred shareholders are bound by any resolutions passed at a special general meeting of preferred shareholders with regard to the assertion or waiver of their claims.
4) Unless otherwise provided in the articles of association, the latter resolutions must be passed by three-quarters of all votes of the preferred shareholders.
5) Unless otherwise specified in the articles of association, in insolvency proceedings the insolvency administrator shall first demand payment of arrears on ordinary shares and then, if these payments are insufficient, demand payment of arrears on preferred and other shares in order of their legal status.

V. Issue of bonus shares

Art. 301a

1. General meeting

1) The general meeting may, in accordance with the original articles of association or by way of an amendment to the articles of association, resolve to increase the capital in such a way that shares are issued to shareholders or third parties without consideration or only against reimbursement of expenses (bonus shares), the amounts of which are covered by the company itself from funds available in addition to the share capital, profit reserves, and the like. The resolution must be announced in accordance with Art. 956 para. 2.
2) Coverage of the increase amount shall be demonstrated in the annual financial statements approved by the shareholders or, if the balance sheet date is more than six months ago, in audited interim financial statements.

Art. 302

2. Issue

1) Shares that are issued to shareholders or third parties without consideration or only against reimbursement of expenses, and whose amounts are covered by the company itself from funds, profit reserves, and the like available in addition to the share capital (bonus shares), may be issued in accordance with the original or amended articles of association.

2) They may also be issued with partial stamping, revaluation, or similar procedures, or in lieu of dividend rights (dividend shares) or participation certificates.
3) With the exception of the obligation to pay in, profit-sharing shareholders have all the obligations and rights of other shareholders, such as voting rights, the right to dividends, and the right to subscribe for new shares, unless the articles of association provide otherwise.
4) The formal distribution of accumulated statutory reserves to shareholders (bonus) and immediate repayment or offsetting of the amount against the transfer of shares by the company (non-genuine bonus shares) is also permitted.

VI. Subscription rights and subscription obligations

Art. 303

1. Subscription right

1) Each shareholder is entitled to the portion of the newly issued shares that corresponds to their previous shareholding.
2) The offer to exercise subscription rights and a period of not less than fourteen days within which the subscription rights may be exercised must be published in the Liechtenstein national newspapers. If all shares in the company are registered shares, written notification of all shareholders is sufficient.
3) Special transferable securities may be issued in relation to the subscription rights of shareholders.

Art. 303a

2. Exceptions

Art. 303 does not apply to shares for which the right to dividends and/or the right to participate in the distribution of the company's assets in the event of liquidation is restricted.

Art. 303b

3. Exclusion of subscription rights

1) The resolution of the general meeting on the increase in share capital may, by a two-thirds majority of the votes represented, exclude subscription rights in whole or in part. The resolution must be announced in accordance with Art. 956 para. 2.
2) Before the resolution is passed, the board of directors must submit a written report to the general meeting on the reasons for the partial or complete exclusion of subscription rights. The report must justify the proposed issue price.
3) The resolution of the General Meeting on the introduction of authorized capital or on a conditional capital increase may, subject to the conditions set forth in

paragraphs 1 and 2, authorize the Board of Directors to exclude subscription rights in whole or in part within the scope of the authorized capital. The authorization shall be granted for a maximum period of five years. It may be extended for a maximum period of five years at a time.

4) Preemptive rights shall not be excluded if, following the capital increase resolution, the shares are taken over by a bank or other financial institution with the obligation to offer them to shareholders for subscription in accordance with Art. 303.

Article 303c

4. Applicability

Articles 303 to 303b apply mutatis mutandis to the issue of all securities that can be converted into shares or are linked to a subscription right to shares, but not to the conversion of these securities or the exercise of the subscription rights.

Art. 303d

5. Subscription obligation

Registered shareholders may be required to subscribe to new shares to an extent specified in the articles of association in accordance with the provisions governing shares with additional benefits.

Art. 304

VII. Participation certificates

1) The articles of association may provide for the creation of participation certificates in favor of persons who are connected with the company through previous capital participation or as shareholders, creditors, employees, or in a similar manner. They must specify the number of participation certificates issued and the content of the rights associated with them.

2) The participation certificates may only grant the beneficiaries claims to a share in the balance sheet profit or liquidation proceeds or to the purchase of new shares.

3) The participation certificate may not have a par value; it may not be called a participation certificate nor may it be issued in exchange for a contribution that is reported under assets in the balance sheet.

4) The beneficiaries form a community by operation of law, to which the provisions on the community of creditors for bond obligations apply mutatis mutandis. However, only the holders of the majority of all participation certificates in circulation may bindingly decide to waive individual or all rights arising from the participation certificates.

5) Participation certificates may only be created in favor of the founders of the company on the basis of the original articles of association.

VIII. Participation certificates

Art. 304a

1. Definition; applicable provisions

1) The articles of association may provide for participation capital that is divided into partial amounts (participation certificates). These participation certificates are issued in return for a contribution, have a par value, and do not confer voting rights.

2) Unless otherwise provided by law, the provisions on share capital, shares, and shareholders also apply to participation capital, participation certificates, and participants.

3) The participation certificates must be designated as such.

Art. 304b

2. Participation capital and share capital

1) Participation capital may not exceed twice the amount of share capital.

2) The provisions on minimum capital and minimum total contribution do not apply.

3) In the provisions on restrictions on the acquisition of own shares, the general reserve, the initiation of an official audit against the will of the general meeting, and the reporting obligation in the event of a capital loss, the participation capital shall be added to the share capital.

4) An authorized or conditional increase in share capital and participation capital may not exceed half of the total amount of the existing share capital and participation capital.

5) Participation capital may be created in the process of an authorized or conditional capital increase.

3. Legal status of the participant

Art. 304c

a) In general

1) The participant has no voting rights and, unless the articles of association provide otherwise, none of the associated rights.

2) Rights associated with voting rights include the right to convene a general meeting, the right to participate, the right to information, the right to inspect documents, and the right to submit motions.

3) If the articles of association do not grant the participant the right to information or inspection or the right to request an official audit, the participant may submit a written request for information or inspection or for an official audit to the general meeting.

Art. 304d

b) Announcement of the convening and resolutions of the general meeting

1) Participants must be notified of the convening of the general meeting together with the agenda items and motions.

2) Every resolution of the general meeting must be made available for inspection by the participants without delay at the company's registered office and at the registered branches. The participants must be informed of this in the notice.

Art. 304e

c) Representation on the Board of Directors

The articles of association may grant participants the right to a representative on the board of directors.

d) Property rights

Art. 304f

aa) In general

1) The articles of association may not place participants at a disadvantage compared with shareholders in terms of the distribution of net profits and liquidation proceeds or the subscription of new shares.

2) If there are several categories of shares, the participation certificates must be at least equal to the least preferred category.

3) Amendments to the articles of association and other resolutions of the general meeting that worsen the position of participants are only permissible if they also adversely affect the position of shareholders who are equivalent to the participants.

4) Unless the articles of association provide otherwise, the privileges and statutory participation rights of participants may only be restricted or revoked with the consent of a special meeting of the participants concerned and the general meeting of shareholders.

Art. 304g

bb) Subscription rights

1) If participation capital is created, shareholders have a subscription right as in the case of the issue of new shares.

2) The articles of association may stipulate that shareholders may only subscribe for shares and participants may only subscribe for participation certificates if the share capital and participation capital are increased simultaneously and in the same ratio.

3) If the participation capital or the share capital is increased alone or proportionally more than the other, the subscription rights shall be allocated in such a way that shareholders and participants can continue to participate in the total capital as before.

Art. 305

IX. Certification and registration of amendments to the Articles of Association

1) Any resolution of the general meeting or the board of directors that involves an amendment to the provisions of the articles of association must be recorded in a public document.

2) The resolution must be registered with the commercial register either by the entire board of directors or by a member authorized to represent and sign on behalf of the company, and must be entered in the commercial register and published on the basis of the same documents as the original articles of association. It shall only have legal effect after it has been entered in the commercial register.

3) In the case of an increase in share capital, subject to the provisions on the issue of new shares in return for contributions in kind and rights, in addition to the resolution to amend the Articles of Association, the confirmation of the subscription and the necessary and actual payments shall be entered on the basis of a declaration by a person authorized to represent and sign on behalf of the company.

4) After each amendment, the current version of the Articles of Association must be published in accordance with Art. 956 para. 2.

Art. 306

X. Subscription of own shares

1) The stock corporation or third parties acting in their own name but on behalf of the company may not subscribe to shares in the company.

2) If a stock corporation, a limited partnership, a limited liability company, or a company that is not subject to the law of an EEA member state but whose legal form is comparable to the aforementioned legal forms shares in a stock corporation and this stock corporation directly or indirectly holds the majority of the voting rights in the former company or can directly or indirectly exercise a controlling influence over it, this shall be deemed equivalent to the subscription of own shares in accordance with paragraph 1. The companies referred to in sentence 1 are treated as equivalent to general partnerships and limited partnerships, provided that all of their partners with unlimited liability are companies within the meaning of sentence 1 or companies that are not subject to the laws of an EEA member state but whose legal form is comparable to the legal forms referred to in sentence 1. The subscription is only permitted in accordance with Art. 306d para. 3 (suspension of voting rights in the event of an indirect majority of votes or indirect controlling influence).

3) Article 306b (1) (10) applies.

4) If the shares of the company are subscribed by a person acting in their own name but on behalf of this company, the subscription shall be deemed to have been made for the subscriber's own account.

5) If shares are subscribed in violation of these provisions in accordance with para. 2, the founders or, in the case of a capital increase, the members of the board of directors shall be liable for the full contribution. This shall not apply to those founders or members of the board of directors who can prove that they are not at fault.

XI. Acquisition of own shares

Art. 306a

1. Principle

1) Without prejudice to the principle of equal treatment of all shareholders who are in the same position and without prejudice to Directive 2003/6/EC, the public limited company or third parties acting in their own name but on behalf of the company may only acquire shares in the company if all of the following conditions are met:

1. the general meeting grants its approval; the approval must contain the details of the acquisition, in particular the maximum number of shares to be acquired, the period of validity of the approval, which may not exceed five years, and, in the case of a purchase for consideration, the minimum and maximum consideration;
2. the acquisition of shares, including shares that the corporation has previously acquired and still holds, as well as shares that the third party has acquired in its own name but on behalf of the company, must not result in the net assets as reported in the annual financial statements falling below the amount of the subscribed capital plus the reserves whose distribution is not permitted by law or the articles of association as a result of the acquisition;
3. if the acquisition involves fully paid-up shares.

2) The board of directors must satisfy itself that the conditions set out in paragraphs 1(2) and (3) are met at the time of each approved acquisition.

3) If the acquisition is necessary to avert serious, imminent damage to the company, it is sufficient for the board of directors to inform the next general meeting of the reasons and purpose of the acquisition, the number and nominal value or accounting value (in the case of quota shares) of the shares acquired, their share of the share capital, and the equivalent value of the shares.

4) If a company referred to in Art. 306 para. 2 acquires shares in a stock corporation and this stock corporation directly or indirectly holds the majority of voting rights in the other company or can directly or indirectly exercise a controlling influence over it, this is equivalent to the acquisition of own shares. The acquisition is only permitted in accordance with Art. 306d para. 3 (suspension of voting rights in the case of indirect majority of votes or indirect controlling influence).

Art. 306b

2. Exceptions

1) The acquisition of own shares is permitted without regard to Art. 306a if it:

1. is made in accordance with a statutory or regulatory provision;
2. is carried out in accordance with the provisions of the law and the articles of association for the purpose of partial repayment of the share capital;
3. is carried out by way of a transfer of assets by way of universal succession;
4. in the case of fully paid-up shares, is either carried out free of charge or by banks on the basis of a purchase commission;
5. is carried out on the basis of a legal obligation or a court decision to protect minority shareholders, in particular in the event of a merger, a change in the purpose or legal form, the transfer of the registered office abroad, or the introduction of restrictions on the transferability of shares;
6. serves to acquire shares from a shareholder who does not make his contribution;
7. serves to compensate minority shareholders of affiliated companies;
8. serves to acquire fully paid-up shares at a judicial auction for the purpose of satisfying a claim by the company against the owner of those shares;
9. serves to acquire fully paid-up shares of a fixed capital investment company within the meaning of the Investment Companies Act at the request of investors, either directly or through an affiliated company. This acquisition may not result in the net assets falling below the amount of the share capital plus reserves that may not be distributed under the law;
10. on behalf of a person other than the acquirer, and the person concerned is neither the stock corporation nor another company in which the stock corporation directly or indirectly holds the majority of voting rights or over which it can directly or indirectly exercise a controlling influence; or if the other company acquires shares in its capacity or within the scope of its activities as a professional securities dealer, provided that it is a member of a stock exchange based or operating in a contracting state of the European Economic Area or is licensed or supervised by an authority of a contracting state of the European Economic Area responsible for the supervision of professional securities dealers;
11. takes place before the restrictive provisions in Art. 306a come into force.

2) In the cases referred to in paragraph 1, items 1 and 2, the repurchased shares must be immediately rendered unusable for any further sale.

Art. 306c

3. Sale and redemption of own shares

1) If the company has acquired its own shares in violation of Art. 306a and 306b, they must be sold within one year of their acquisition.

2) If the nominal amount or the calculated value of the shares that the company has acquired in a permissible manner in accordance with Art. 306b para. 1 nos. 3 to 8 and still holds exceeds 10% of the share capital, the portion of the shares exceeding this percentage must be sold within three years of the acquisition of the shares.

3) If treasury shares have not been sold within the periods specified in paragraphs 1 and 2, they must be destroyed as part of a reduction procedure.

Art. 306d

4. Consequences of acquisition and ownership

1) The company has no rights to its own shares.

2) The company must allocate an amount corresponding to the book value of its own shares to an unavailable reserve, unless the international accounting standards pursuant to Art. 1139 are applied.

3) If a corporation indirectly holds the majority of voting rights in a company or can indirectly exercise a controlling influence over it, the voting rights attached to the shares of the corporation held by the other company shall be suspended (Art. 306 para. 2 and Art. 306a para. 4).

Art. 306e

5. Acquisition by third parties

1) A legal transaction involving the granting of an advance or a loan or the provision of security by the company to a third party for the purpose of acquiring shares in that company is permissible provided that the following conditions are cumulatively met:

1. The board of directors is responsible for executing the legal transaction. This must be carried out on fair, market terms, in particular with regard to the interest paid to the company and the collateral provided for the loans or advances granted. The creditworthiness of the third party or the parties involved must be adequately verified.

2. The acquisition or subscription of shares on the occasion of an increase by the third party must be made at a reasonable price.

3. The Board of Directors shall submit a report to the General Meeting setting out the reasons for the transaction, the Company's interest in the transaction, the terms and conditions of the transaction, the risks to the Company's liquidity and solvency associated with the transaction, and the price at which the third party is to acquire the shares.

4. The resolution of the General Meeting approving the legal transaction must be passed by a two-thirds majority of the votes represented. Once approved, this report must be submitted to the Office of Justice and published in accordance with Art. 956 para. 2.

5. The total financial support granted to third parties may at no time result in the net assets falling below the amount of the subscribed capital plus the reserves whose distribution is not permitted by law or the articles of association. Any reduction in net assets that may have occurred as a result of the acquisition of its own shares by the company or on behalf of the company shall also be taken into account. The company shall include a non-distributable reserve on the liabilities side of the balance sheet in the amount of the total financial support granted.

2) Legal transactions carried out in the ordinary course of business by banks and for the purpose of acquiring shares by or for employees of the company or an affiliated company are also permitted; However, such legal transactions are void if they result in the net assets falling below the amount of the subscribed capital plus the reserves whose distribution is not permitted by law or the articles of association.

3) If an individual member of the board of directors is a party to a legal transaction within the meaning of paragraph 1, or if members of the board of directors of a company referred to in Art. 1097 (1) or such a company itself or a person acting in their own name but on behalf of these members or this company party to such a legal transaction, the legal transaction may not be contrary to the interests of the company, otherwise it shall be null and void.

4) Paragraph 2 shall not apply to transactions carried out within the scope of Art. 306b para. 1 no. 9.

Article 306f

6. Pledging of own shares

1) The acquisition of own shares is treated as equivalent to the pledging of own shares.

2) This does not apply to the pledging of own shares in the ordinary course of business of banks.

D. Rights and obligations of shareholders

I. Profit and liquidation share

Art. 307

1. General

1) As long as the company exists, each shareholder is entitled to a proportionate share of the net profit determined on the basis of the annual balance sheet, insofar as this is intended for distribution among the shareholders in accordance with the law and the articles of association.

2) Upon dissolution of the company, he shall be entitled to a proportionate share of the proceeds of liquidation, unless the articles of association stipulate otherwise, subject to acquired rights.
3) The preferential rights provided for in the articles of association for individual classes of shares remain reserved.
Art. 308
2. Method of calculation
1) Unless otherwise provided in the articles of association, shares in the profits and liquidation proceeds shall be calculated in proportion to the amounts paid in.
2) Shareholders shall not be entitled to reclaim the amount paid in or contributions in kind either before or upon dissolution of the company.
3) When the company publicly announces dividends, with the exception of stock corporations that do not operate a commercial business, if the amount is stated as a percentage, this shall be stated on the one hand as a percentage of the nominal value of the shares, unless they are quota shares, and on the other hand per cent of the share capital plus all reserves.
II. Reserves
Art. 309
1. Legal reserve
1) One-twentieth of the net profit must be allocated annually to the legal reserve until it reaches one-tenth of the share capital.
2) If shares are issued below par value, a further one-twentieth of the net profit must be allocated to the legal reserve each year until the par value of the shares is reached.
3) Any excess proceeds from the issue of shares above their par value shall be allocated to capital reserves, unless they are used to cover issue costs or write-offs, for welfare purposes, or for employee profit sharing. The same applies to the amount remaining from the payments made on shares that have been declared invalid after any shortfall in proceeds from the shares issued for them has been covered.
4) The legal reserve and capital reserves, provided that together they do not exceed half of the share capital, may only be used to cover losses or for measures designed to enable the company to survive periods of poor business performance, to counteract unemployment, or to mitigate its consequences.
Art. 310
2. Statutory reserve fund

1) The articles of association may stipulate higher contributions to the reserve fund.

2) They may provide for the establishment of additional funds, such as welfare, renewal, and amortization funds, and determine their purpose and use.

Art. 311

3. Ratio of profit share to reserve investments

1) The dividend may only be determined after the contributions to the legal reserve and the statutory reserve and other funds in accordance with the law and the articles of association have been deducted from the net profit.

2) Before determining the dividend, the general meeting is also authorized to decide on reserve allocations that are not provided for in the law or the articles of association, provided that this appears appropriate in order to secure the company or to ensure that the dividend is as uniform as possible.

3) The provisions on social policy share and profit rights remain reserved.

Art. 311a

4. Offsetting of losses

1) Losses from the reporting period or earlier periods may be carried forward.

2) Losses from previous periods shall be offset against the profit for the reporting period.

3) If losses are offset against reserves, the following order must be observed:

1. Statutory and other reserves with a corresponding purpose;
2. Legal reserve;
3. Capital reserve.

III. Dividends, construction interest, royalties, etc.

1. Dividends

Art. 312

a) Principle

1) Interest may neither be paid nor guaranteed on share capital.

2) Dividend payments shall only be made from the net profit shown in the annual financial statements, plus profit carried forward and withdrawals from reserves created for this purpose, taking into account losses from previous financial years and allocations to statutory or regulatory reserves.

3) Except in cases of a capital reduction, dividend payments may not be made to shareholders if this would cause the net assets according to the annual financial statements to fall below the amount of the share capital plus the reserves whose distribution is not permitted by law or the articles of association.

4) The articles of association may stipulate that, on the basis of an interim balance sheet, the management may distribute dividends during the year in a specified amount from the profit carried forward from the previous financial year and withdrawals from reserves created for this purpose, plus the interim result achieved since the last financial year, taking into account losses from previous financial years and allocations to legal or statutory reserves. may distribute dividends during the year to a specified extent.

5) The special provisions on increasing the share capital from company funds remain reserved.

6) In the absence of other statutory provisions, dividends shall be paid in cash.

7) The articles of association may provide for the payment of dividends by means of coupons or in other ways, such as by check or similar means.

8) Any dividend that was legally and statutorily approved for payment prior to the commencement of insolvency proceedings against the company may be claimed as an insolvency claim.

Art. 312a

b) Exceptions

1) Art. 312 para. 3 shall not apply to investment companies with fixed capital within the meaning of the Act on Certain Undertakings for Collective Investment in Transferable Securities, the Investment Companies Act, and the Act on Alternative Investment Fund Managers.

2) If the net assets of investment companies fall below the amount specified in Art. 312 para. 3, a dividend payment may only be made to shareholders if this does not result in the total assets according to the annual financial statements falling below one and a half times the total liabilities of the company according to the annual financial statements.

3) If the amount specified in the preceding paragraph is not reached, a corresponding note must be included in the annual financial statements.

Art. 313

2. Construction interest

1) For the period required for the construction and preparation of the enterprise until the start of full operation, shareholders may be granted interest of a certain amount at the expense of the investment account.

2) The articles of association must specify the date on which the payment of interest shall cease at the latest.

3) If the company is expanded through the issue of new shares, the capital increase resolution may grant the new shares a certain rate of interest charged to the investment account for the period until the new facility begins operation. Art. 312 para. 2 must be observed.

4) For payments of construction interest, an item must be included under assets, which must be repaid as quickly as possible from the profits generated.

5) Construction interest accrued prior to the opening of insolvency proceedings against the company may be claimed as an insolvency claim.

Art. 314

3. Royalties

The payment of profit shares to members of the administration, auditors, or other bodies provided for in the articles of association is only permissible after the contribution has been made to the statutory reserve fund and a dividend of five percent or a higher rate specified in the articles of association has been paid to the shareholders.

Art. 315

4. Other claims

In addition to or in lieu of dividend rights, shareholders may be granted rights of use or enjoyment of the company's assets, provided that these do not reduce the company's capital and lapse upon the opening of insolvency proceedings against the company's assets.

Art. 316

IV. Limitation

1) The entitlement to dividends, construction interest, and royalties, and in the case of rights of use and enjoyment, the entitlement to individual benefits, shall become time-barred three years after they become due.

2) Rights of use and enjoyment as such are governed by membership law.

V. Shareholder's obligation to perform

Art. 317

1. Subject

1) With the exception of shares with additional benefits, shareholders are not obliged to contribute more to the purposes of the company and the fulfillment of its obligations than the amount set by the company for the purchase of a share when it is issued.

2) This amount may not be waived or deferred, except in the event of a reduction in share capital, subject to the provisions governing shareholder liability.

2. Bonus shares

Art. 318

a) General

1) In addition to the fixed share amount, the articles of association may grant a shareholder additional benefits, but these may not be included in the share capital or taken into account in the balance sheet, and they may not involve a one-time or recurring monetary or other obligation, including omissions.

balance sheet, the obligation to make one-time or recurring monetary or other contributions, including omissions, or limited additional contributions or limited liability, whereby the articles of association may prescribe joint and several liability, up to twice the nominal value of the shares in accordance with the relevant provisions of the cooperative, and whereby the liability or additional contribution obligation is enforced by means of a levy procedure.

2) In such companies, only registered shares that are transferable with the consent of the company may be issued in respect of shares subject to ancillary obligations.

3) The obligation and the scope of the service must be evident from the shares or interim certificates, and an amendment to the articles of association whereby such obligations are newly established or existing ones are extended is only permissible with the consent of all shareholders affected thereby.

4) The articles of association must stipulate contractual penalties in the event that this obligation to make non-monetary payments is not fulfilled or not fulfilled properly, or that a shareholder wishes to surrender his shares even after full payment has been made; in all other respects, each shareholder is entitled, after full payment has been made, to redeem his shares in the same way as a partner in a partnership, unless limited liability applies.

5) The company may only refuse to consent to the transfer of shares for important reasons. Under these conditions, the transfer may be approved by a judge in non-contentious proceedings if consent is refused.

6) The obligation to make individual payments of this kind shall expire three years after they become due.

Art. 319

b) Remuneration

1) For recurring non-monetary contributions to which shareholders are obligated in addition to capital contributions, remuneration not exceeding the value of the contribution, which constitutes a creditor claim, may be paid regardless of whether the annual balance sheet shows a net profit.

2) Only dividends may be paid for recurring monetary benefits.

3) The right to remuneration or return of individual benefits shall expire three years after they become due.

3. Consequences of default

Art. 320

a) According to law and the articles of association

1) A shareholder who fails to pay the amount of his or her share on time is required by law to pay default interest.

2) In addition, the management has the right in all cases to declare the defaulting shareholder's rights from the subscription of shares and partial payments forfeited and to issue new shares in place of those forfeited.

3) The articles of association may also oblige a shareholder to pay a contractual penalty in the event of default.

4) This is without prejudice to the provisions on shares with additional benefits, where, in the absence of other provisions in the articles of association, the declaration of forfeiture may also be made due to default on the additional benefits.

Art. 321

b) Request for payment

1) A shareholder may only be subject to a contractual penalty and declared to have forfeited his rights arising from the share and the subscription if the request for payment has been published at least twice in the newspapers designated for this purpose, the last time at least two weeks before the deadline set for payment, or if it has been communicated to him by registered letter within the same period.

2) If the shares are registered, the public invitation shall in all cases be replaced by a special one-time notification sent by registered letter to the individual shareholders entered in the share register at least four weeks before the closing date for payments.

3) The defaulting shareholder shall be liable to the company, insofar as he is personally obligated, for the amount not covered by the issue of the new share.

VI. Legal relationship between shareholders

Art. 322

1. General

1) If share certificates or interim certificates (promissory notes) are issued, they shall be subject to the provisions governing securities, unless special rules are laid down in the preceding provisions on share certificates or in the following provisions.

2) Until such securities are issued, the legal relationship between the subscriber and any successors and the company shall be governed by the general provisions of the Swiss Code of Obligations, in particular the provisions on the assignment of claims and the assumption of debt.

3) The extent to which the legal relationship can be transferred by means of the transfer of depository receipts for registered shares, blocked shares, and interim certificates must be assessed on a case-by-case basis.

4) Prior to listing on the stock exchange and one year after a company's delisting, the provisions governing registered shares shall apply mutatis mutandis to bearer shares.

2. For bearer shares

Art. 323

a) Issue of bearer securities

1) Bearer shares may only be issued after payment of an amount specified in the original articles of association, which must be at least half of the nominal value.

2) If no such information is specified in the articles of association, bearer shares may only be issued after the full par value has been paid in.

3) Bearer securities issued prior to this are void, and the subscribers and shareholders remain subject to the provisions governing shareholders in general until the aforementioned payment has been made.

4) Bearer shares are transferable as bearer securities.

Art. 324

b) Liability of the subscriber

1) The subscriber remains liable with his entire assets for the payment of the amount provided for by law or the articles of association, even if he has transferred his rights to another person and the latter has assumed the obligation to pay, with or without the approval of the management, remains liable with his entire assets for the payment up to the amount stipulated by law or the articles of association and may be sued by the company, even if the share has been transferred to a third party, as soon as the latter fails to meet his payment obligation despite a proper request by the management and the share is consequently declared forfeited.

2) If there is no provision for the subscriber to be released from further payments in excess of the amount specified in the articles of association or by law, or if insolvency proceedings are opened against the company's assets within one year of its entry in the commercial register, the subscriber may be required to make further payments even if he no longer holds the share.

Art. 325

c) Liability of the holder

1) Once the bearer share has been issued, the respective holder who is not the subscriber is not personally liable for further payments in the absence of any other agreement, but only to the extent that, in the event of non-payment of a due payment, his rights arising from the share may be declared forfeited in accordance with the provisions on the consequences of default in the event of late payment.

2) However, this limitation of liability shall not apply if insolvency proceedings have been opened against the company's assets within one year of its entry in the commercial register and the holder has not made the payment and has therefore forfeited his rights arising from the share.

3) If interim certificates, which can only be issued in the name of the holder, have been issued for bearer shares, they are subject to the provisions governing registered shares.

Art. 326

d) Recourse of the subscriber

1) The subscriber who is required by the company to make payments on a sold share has a legal right of recourse against the current shareholder or subsequent owner of the share.

2) However, in the absence of any other agreement, the latter is liable to the subscriber only to the extent of the share itself.

Art. 326a

e) Deposit

1) Bearer shares must be deposited with the custodian (Art. 326b).

2) Paragraph 1 does not apply to:

1. bearer shares of listed companies;

2. bearer shares of undertakings for collective investment in transferable securities and management companies under the UCITSG, as well as alternative investment funds and alternative investment fund managers under the AIFMG.

3) Paragraph 1 also applies to talons or coupons not connected with the bearer share.

Art. 326b

f) Appointment of a custodian

1) The company must appoint a custodian. If the board of directors does not have a quorum, the district court shall appoint a custodian in non-contentious proceedings.

2) Subject to paragraph 3, only persons who:

1. are subject to the Due Diligence Act or a regulation equivalent to Directive (EU) 2015/849 and supervision abroad; or

2. provided that they are not subject to any regulation under section 1, have their registered office or domicile in Liechtenstein, and have an account in Liechtenstein or another EEA member state in the name of the shareholder.

3) In the case of legal entities pursuant to Art. 180a para. 3, the custodian is not required to be subject to the Due Diligence Act or a regulation and supervision equivalent to Directive (EU) 2015/849 abroad, nor to have its registered office or domicile in Liechtenstein; in such cases, an account in Liechtenstein or another EEA member state in the name of the shareholder is sufficient.

4) The custodian must be entered in the commercial register with an indication of its function.

Art. 326c

g) Registration

1) The custodian shall keep a register in which the following information shall be entered for each bearer share:

1. the surname and first name, date of birth, nationality, and place of residence or company name and registered office of the shareholder;
2. the date of deposit;
3. in the cases referred to in Art. 326b para. 2 no. 2 and para. 3, an account in Liechtenstein or another EEA member state in the name of the shareholder;
4. where applicable, the pledging of the bearer share.

2) In relation to the company, anyone who is entered in the register is considered a shareholder.

3) All payments by the company to the shareholder must be made to the registered account in the cases specified in Art. 326b para. 2 no. 2 and para. 3.

4) The register may also be kept electronically, provided that it can be made readable at any time.

5) The register must be kept at the company's registered office. Art. 1059 applies mutatis mutandis.

6) Upon written request by the shareholder, the custodian shall immediately issue a confirmation of the number, par value, and category of the bearer shares deposited (deposit certificate). The deposit certificate shall be deemed to be documentary evidence.

Art. 326d

h) Inspection of the register

1) Shareholders are entitled to inspect the data entered about them in the register.

2) Domestic authorities and courts may inspect the register and make copies within the scope of their jurisdiction.

Art. 326e

i) Surrender

The custodian may only surrender bearer shares:

1. upon termination of its function to its successor as custodian;
2. upon conversion of the bearer shares into registered shares in accordance with the articles of association, to the company;
3. upon redemption, withdrawal, or amortization of bearer shares to the company.

Art. 326f

k) Exercising shareholder rights

Shareholder rights arising from bearer shares may only be exercised if the shares are deposited with the custodian and all details of the bearer shareholder are registered.

Art. 326g

l) Representation

1) If the shareholder does not exercise his voting rights at the general meeting himself, the custodian may exercise the voting rights for the bearer shares deposited with him. To this end, he shall request instructions for voting from the bearer shareholder before each general meeting.

2) If instructions are not received in time, the custodian shall exercise the voting rights in accordance with general instructions from the bearer shareholder; in the absence of such instructions, it shall follow the proposals of the Board of Directors.

3) The custodian shall prove its entitlement to exercise voting rights by means of a written declaration, which must contain:

1. a reference to its function as custodian;
2. the number, par value, and category of the bearer shares represented;
3. a statement as to whether the representation is based on specific, general, or no instructions.

4) If a public document is to be drawn up on the resolution of the shareholders, the declaration shall be attached to the document in accordance with paragraph 3.

Art. 326h

m) Transfer of bearer shares

1) If a shareholder intends to transfer bearer shares, he must notify the custodian thereof.

2) The notification pursuant to paragraph 1 must contain the surname and first name, date of birth, nationality, and place of residence or company name and registered office of the purchaser of the bearer share.

3) The transfer of bearer shares shall take effect upon entry of the acquirer in the register pursuant to Art. 326c.

Art. 326i

n) Supervision

1) Compliance with the duties of a custodian shall be checked as part of the annual audit or review obligation and confirmed by the person who carried out the audit or review.

2) If deficiencies are identified, the person who carried out the audit or review shall immediately submit a report to the Office of Justice. The Office of Justice shall set a deadline for the custodian to remedy the deficiencies. If the deficiency is not remedied, the Office of Justice shall report the matter to the district court.

3) The Office of Justice must also immediately report to the district court if it becomes aware of any of the following circumstances:

1. issuance of an incorrect confirmation of the deposit of bearer shares in accordance with Art. 326c;
2. unlawful surrender of bearer shares (Art. 326e); or

3. issuance of an incorrect confirmation pursuant to Art. 326i para. 1 or failure to submit a report pursuant to Art. 326i para. 2.

3. For registered shares

Art. 327

a) Transfer

1) Unless otherwise specified in the articles of association, registered shares are freely transferable by blank endorsement and, in case of doubt, are considered to be order securities.

2) The transfer of registered shares is effected by handing over the endorsed share certificate to the purchaser.

3) The exclusion of the transferability of a share shall not apply in the event of inheritance, foreclosure, or the opening of insolvency proceedings; however, the purchaser shall be obliged and entitled to assign the share to the company in return for compensation equal to the value of the last annual balance sheet.

4) Registered shares that are not fully paid up or interim certificates, which are only transferable with the consent of the company, can only be validly transferred during insolvency proceedings with the consent of the insolvency administrator.

Art. 328

b) Entry in the share register

1) The company must keep a register (share register) of the owners of registered shares, in which the following data must be entered:

1. Surname and first name, date of birth, nationality, and place of residence or company name and registered office of the shareholders; and

2. Number and category of shares.

2) In relation to the company, anyone who is entered in the share register is considered a shareholder as soon as such a register is created.

3) The entry is made on the basis of proof of the transfer of the share, in the case of inheritance upon notification by the heir or the probate authority, and in the case of dissolution of a company or association upon notification by the legal successor.

4) The company shall note the entry on the share certificate.

5) Repealed

6) Repealed

Art. 329

c) Refusal of registration

1) The company may refuse entry in the share register for the reasons specified in the articles of association.

2) If the articles of association do not contain any provisions in this regard, entry in the share register may only be refused for important reasons.

3) In the case of shares that have not been paid up in full, a declaration of commitment by the purchaser to make further payments must be provided prior to registration, and the administration must verify the purchaser's solvency and, if necessary, demand security and, if this is not provided, refuse registration.

4) In the case of acquisition by inheritance or by virtue of matrimonial property rights, entry in the share register may only be refused if the stock corporation or the shareholders agree to take over the shares at the current market price.

Art. 329a

d) Maintenance and storage of the share register

1) The share register may also be kept electronically, provided that it can be made readable at any time.

2) The share register shall be kept at the registered office of the company. Art. 1059 shall apply mutatis mutandis.

Art. 329b

e) Inspection of the share register

1) Shareholders are entitled to inspect the data entered about them in the share register.

2) Domestic authorities and courts may inspect the share register and make copies within the scope of their jurisdiction.

Art. 330

f) Liability of registered shareholders

1) The purchaser of a registered share that has not been paid up in full is obliged to pay the company as soon as he is entered in the share register.

2) The seller who is not the subscriber is thereby released from the obligation to pay, but the subscriber remains liable despite the transfer to the new purchaser if insolvency proceedings are opened against the company's assets within one year of its entry in the commercial register and may be sued by the company as soon as the legal successor fails to meet his payment obligation despite a proper request and his share has consequently been declared invalid by the administration.

Art. 331

VII. Indication of non-full payment of shares

1) As long as shares, whether bearer or registered shares, are not fully paid up, the amount actually paid up must be clearly indicated on each certificate.

2) Furthermore, in all public announcements made by the company (advertisements, circulars, reports, letterheads, etc.) that refer to the share capital, the amount that has actually been paid in must be clearly highlighted.
3) The amount of further payments into the share capital must be reported by the administration to the commercial register and will be published in accordance with the statutory provisions.

VIII. Personal membership rights

1. Participation in the general meeting

Art. 332

a) In general

1) The rights to which shareholders are entitled in matters concerning the company, in particular with regard to the management of its business, the auditing of its balance sheet, the calculation of profits, and the distribution of profits, shall be exercised by the General Meeting of Shareholders, unless the law provides otherwise.
2) Each shareholder with voting rights is free to represent their shares at the General Meeting themselves or, unless otherwise specified in the Articles of Association, to have them represented by a third party who does not need to be a shareholder. The representative has the same rights to speak and ask questions at the General Meeting as the shareholder they represent.
2a) The rights of shareholders to be represented at the general meeting in accordance with paragraph 2 may not be restricted in the case of stock corporations listed on the EEA stock exchange.
3) In the case of registered shares, the representative must be provided with a written power of attorney, unless the articles of association provide otherwise.
4) All shares owned by a shareholder may only be represented by a single person, subject to the provisions governing fiduciary duties.
5) In the case of stock corporations listed on the EEA stock exchange, a person acting as a representative may represent more than one shareholder.
6) In the case of stock corporations listed on the EEA stock exchange, the power of attorney referred to in paragraph 3 may be granted either in writing or electronically. The same applies to the revocation of the power of attorney and to the proof of the power of attorney vis-à-vis the company; the company must offer at least one electronic means of transmitting the proof.

Art. 332a

b) Special forms of participation and voting

1) The articles of association of stock corporations listed on the EEA stock exchange may provide that the general meeting may be recorded in sound and image and made available in this way to shareholders who are not present (broadcast of the general meeting).

thus made accessible to shareholders who are not present (broadcast of the general meeting).

2) The articles of association of stock corporations listed on the EEA stock exchange may stipulate that shareholders may participate in the general meeting without being present at the venue and without a representative, and may exercise all or some of their rights by means of electronic communication. The articles of association may authorize the management to lay down provisions on the procedure.

3) If stock corporations listed on the EEA stock exchange use electronic means in accordance with paragraphs 1 and 2 to enable their shareholders to participate in the general meeting, their use may only be subject to restrictions that are necessary and appropriate for establishing the identity of shareholders and ensuring the security of electronic communications.

4) The articles of association of stock corporations listed on the EEA stock exchange may provide that shareholders may also cast their votes in writing without attending the general meeting (postal vote). The articles of association may authorize the management to lay down provisions on the procedure. However, the articles of association may only impose requirements for postal voting that are necessary and appropriate for establishing the identity of shareholders.

Art. 333

c) Unauthorized participation

1) The borrowing or lending of shares for the purpose of exercising voting rights at the general meeting is not permitted, nor is the exercise of voting rights by persons other than the owner if this leads to the circumvention of a voting restriction.

2) Every shareholder is entitled to object to the participation of a person not entitled to vote in the general meeting, unless the law or the articles of association provide for exceptions.

2. Voting rights at the General Meeting

Art. 334

a) In general

1) Voting rights commence by operation of law as soon as at least 25
% have been paid in.

2) The articles of association may stipulate that, six months after the company's formation or the issue of new shares, only those shareholders who can prove that they have held their shares for at least six months are entitled to vote.

3) Shareholders exercise their voting rights at the general meeting in proportion to the number of shares they hold, and all shares are granted the same voting rights in proportion to

their nominal value or their quota, unless otherwise specified in the articles of association.

4) Each shareholder has at least one vote, even if they only own one share.

5) In the case of stock corporations listed on the EEA stock exchange, a person representing one or more shareholders in accordance with Art. 332 para. 5 may vote differently for each of the shares he represents.

Art. 335

b) Voting shares and bonds with voting rights

1) The company reserves the right to limit the number of votes held by owners of multiple shares in its articles of association. The articles of association may also stipulate that shares entitle the holder to multiple votes (open voting shares) or that voting rights are exercised independently of the nominal value according to the number of shares held by each shareholder, so that each share carries one vote (closed voting shares).

2) Unless otherwise specified in the Articles of Association, the cancellation or amendment of special rights under the Articles of Association associated with open or hidden voting shares is only permissible if the group of voting shareholders affected by this measure approves such a motion by a majority vote.

3) Preference shares or a class thereof may be granted preference in the articles of association such that their voting rights increase in proportion to the other votes with each capital increase or introduction of other voting shares or increase in the voting rights thereof, also according to a specific ratio (floating voting rights).

4) With the approval of the Office of Justice, the articles of association may also grant creditors of bonds or similar obligations to which conversion or option rights are attached the same or different voting rights, subject to further provisions in the articles of association.

3. Control rights of shareholders

Art. 336

a) Right to disclosure of the annual report

1) No later than twenty days before the annual general meeting, the annual report and the audit report must be made available for inspection by shareholders at the company's registered office and made easily accessible. The same applies to the consolidated annual report and the consolidated audit report.

2) If bearer shares are issued, this requirement must be published in the official gazettes designated for such announcements.

3) Instead of public announcement, this notice shall be given to the registered shareholders listed in the share register by means of a special communication.

4) Repealed

Art. 337

b) Right to control the administration

1) Shareholders are entitled to draw the attention of the auditors to questionable items and to request the necessary information from them and the management.

2) They are permitted to inspect the books and correspondence with the authorization of the general meeting or with the permission of the management or by court order in non-contentious proceedings after hearing the management, whereby the necessary consideration must be given to business secrecy.

3) The control rights of shareholders may not be revoked or restricted by the Articles of Association or by resolutions of the General Meeting, subject to the provisions on trust certificates.

E. Organization

I. General meeting

Art. 338

1. Powers

1) The supreme body of the stock corporation is the General Meeting of Shareholders, which expresses the will of the company vis-à-vis shareholders and bodies.

2) Its powers include:

1. the election of the Board of Directors and the appointment of the auditors;
2. approving the annual report and the consolidated annual report and determining the dividend;
3. discharging the management board;
4. passing resolutions on the adoption and amendment of the Articles of Association and, unless otherwise provided for in the Articles of Association, the establishment of branches;
5. passing resolutions on matters reserved for the General Meeting by law or the Articles of Association or submitted to it by other bodies.

3) However, the articles of association may delegate all or part of the statutory and statutory tasks of the general meeting to another body.

Art. 339

2. Convocation

1) An ordinary meeting shall be held annually within six months of the end of the financial year; extraordinary meetings shall be convened as required.
2) The General Meeting shall be convened in the manner specified in the Articles of Association, and the purpose of the General Meeting shall be announced at the time of convocation, with a clear and complete statement of the items on the agenda.
3) Legal or statutory exceptions remain reserved.

3. Convocation of public limited companies listed on the EEA stock exchange

Art. 339a

a) Time and form

1) The convening of the general meeting must be announced at least 30 days before the general meeting through media that can be assumed to disseminate the information to the public throughout the European Economic Area.
2) If the shareholders of the company are known by name, the general meeting may, unless otherwise provided in the articles of association, be convened by registered letter sent to the last known address of each shareholder. With the express consent of a shareholder, the notice convening the general meeting may also be sent to that shareholder by electronic mail.
3) Unless it is an ordinary general meeting, the general meeting may be convened in the manner specified in paragraphs 1 and 2 no later than 21 days before the general meeting, provided that the company offers all shareholders the same opportunity to vote electronically and the ordinary general meeting so decides. The resolution requires a two-thirds majority of the votes represented at the General Meeting or of the subscribed share capital represented and is only valid for the period until the next Annual General Meeting.
4) The costs of convening and announcing the meeting in accordance with paragraphs 1 and 2 shall be borne by the company.

Art. 339b

b) Content

In addition to the information specified in Art. 339 para. 2, the convocation shall contain:
1. the exact location and time of the general meeting;
2. a description of the procedures for participating in the general meeting and exercising voting rights, as well as, where applicable, the record date pursuant to Art. 339c para. 1 and a note that only persons who are shareholders of the company on this record date are entitled to participate in the general meeting and exercise their voting rights;

3. the procedure for casting votes:

a) by a proxy, with reference to the forms to be used for granting a proxy and the manner in which proof of the appointment of a proxy can be transmitted to the company electronically; and

b) by postal vote or by means of electronic communication, provided that the articles of association provide for such a form of voting;

4. the rights of shareholders under Art. 339d and the deadlines by which these rights may be exercised, whereby the information may be limited to the deadlines for exercising the rights if, in addition, a reference to further explanations on the company's website is included;

5. the total number of shares and voting rights at the time of the convocation;

6. the company's website where the information pursuant to Art. 339e (1) is available;

7. Information on where and how the complete and unabridged text of the documents and draft resolutions pursuant to Art. 339e (1) nos. 2, 4, and 5 and (2) can be obtained.

Section 339c

c) Proof of shareholder status

1) In the case of bearer shares, proof of shareholder status for participation in the general meeting and for the exercise of shareholder rights must be provided in writing or electronically at the end of the twelfth day before the date of the general meeting (record date). Share ownership must be proven on the proof date by means of a custody confirmation, which must be received by the company or an agency designated by it no later than the sixth working day before the General Meeting at the address specified in the notice of meeting.

2) In the case of registered shares, proof issued in the name of the person entered as a shareholder in the share register on the day of the general meeting is sufficient.

3) The right of shareholders to sell or otherwise transfer their shares in the period between the record date pursuant to paragraph 1 and the date of the general meeting shall not be subject to any restrictions that do not apply at other times.

4) The right to participate in the general meeting and exercise voting rights may not be made dependent on the deposit of shares or any other restriction on disposal.

Art. 339d

d) Special rights of shareholders

1) Shareholders who together represent at least 5% of the share capital have the right to:
1. to place items on the agenda of the Annual General Meeting, provided that each item is accompanied by a justification or a proposal for a resolution to be passed at the General Meeting;
2. to submit draft resolutions on items that are already on the agenda of the General Meeting or are added to it.
2) Requests pursuant to paragraph 1, item 1 must be received by the company no later than 21 days before the date of the general meeting. Requests pursuant to paragraph 1, item 2 may still be made during the general meeting.
3) An agenda amended pursuant to paragraph 1, item 1 must be announced in the same manner as the original agenda. The announcement must be made before the record date specified in Art. 339c.
4) Every shareholder has the right to ask questions at the general meeting regarding items on the agenda. The management must answer the questions put to it, provided that the proper conduct of the general meeting and the protection of confidentiality and business interests are ensured.
Art. 339e
e) Publication on the company's website
1) Public limited companies listed on the EEA stock exchange must make at least the following information available to their shareholders on their company website for an uninterrupted period beginning no later than 21 days before the General Meeting:
1. the content of the notice of meeting;
2. the documents to be made available to the general meeting;
3. the total number of shares and voting rights at the time of the convocation, broken down by share class where applicable;
4. resolutions submitted by shareholders;
5. an explanation if no resolution is to be passed on an item on the agenda;
6. where applicable, the forms to be used for granting proxy for the General Meeting and for postal voting, unless the forms are sent to all shareholders with the notice of convocation.
2) Requests and motions from shareholders received by the company after the general meeting has been convened must be made available in the same manner immediately after they are received by the company.
3) If, for technical reasons, the forms referred to in paragraph 1, item 6 cannot be made available on the Internet, the company must indicate on its website how the forms can be obtained in paper form. In this case,

the company must send the forms free of charge to all shareholders who request them.

Art. 340

4. Resolution

1) A resolution of the general meeting on the dissolution of the company is valid, if the share capital has been reduced by half and the articles of association so provide, as soon as the majority of shareholders who have approved the dissolution represent one-quarter of the share capital.

2) This shall be without prejudice to other cases in which the law or the articles of association require a special majority or the unanimity of the votes represented at the general meeting.

Art. 340a

5. Determination and publication of voting results for stock corporations listed on the EEA stock exchange

1) For each resolution, companies must at least determine:

1. the number of shares for which valid votes were cast;
2. the proportion of share capital represented by the valid votes;
3. the total number of valid votes cast;
4. the number of votes cast for and against a resolution and, where applicable, the number of abstentions.

2) However, if no shareholder requests a comprehensive presentation of the voting results in accordance with paragraph 1, it is sufficient to determine for each resolution that the majority required for the resolution has been reached.

3) Companies must publish the voting results determined in accordance with paragraph 1 or 2 on their website within seven days of the general meeting.

II. Administration

Art. 341

1. Appointment

1) The members of the administration are elected by the general meeting, initially for a maximum of three years and subsequently for a maximum of six years.

2) For the first three years, the members of the administration may be designated by the articles of association.

3) The Articles of Association may lay down provisions on the type of election to protect minority shareholders and, instead of election by the General Meeting, provide for election by the shareholders by ballot or by delegates.

4) If persons who, according to the Articles of Association, are required to deposit shares in order to perform their duties are elected and, according to the Articles of Association, only shareholders may be elected, the election shall be carried out by the shareholders.

Members may only take office after they have become shareholders by acquiring shares.

5) The provisions on tied management remain reserved.

2. Deposit of shares

Art. 342

a) Making the deposit

1) If the articles of association so require, the members of the board of directors must deposit the number of shares in the company specified in the articles of association for the duration of their term of office.

2) With the consent of the board of directors, this deposit may also be made by a third party.

3) The articles of association may stipulate that the deposited shares must in all cases be issued or transferred in the name of the individual members.

Art. 343

b) Effect thereof

1) The deposited shares are not transferable during the period of deposit.

2) They serve as collateral for the company, the shareholders, and the creditors to secure their claims arising from the liability of the members of the administration.

3) They may not be withdrawn until discharge has been granted.

3. Board of Directors

Art. 344

a) Appointment and general order

1) If the administration is entrusted to several persons or companies, they form the board of directors, whose powers may be specified in more detail in the articles of association or in special regulations.

2) Stock corporations with a share capital of at least one million francs must have a board of directors consisting of at least three members, unless they are companies that only have their registered office in Switzerland, with or without business premises, or that manage assets but do not conduct any other business in the country.

Art. 345

b) Order of proceedings

1) The board of directors shall appoint a chairperson and the other members of its office, insofar as this is provided for in the articles of association or in regulations permitted by them, or is deemed necessary by the board.

2) Minutes shall be kept of its decisions and shall be signed by the chairperson.

Art. 346

c) Deputation

1) The articles of association may provide that absent members of the board of directors may be represented at a meeting by another member or by substitutes entered in the commercial register.

2) The relevant powers of attorney must be granted for a specific meeting and must be attached to the minutes.

3) No member may represent more than two other members.

Art. 347

d) Committees of the Board of Directors

The Board of Directors may appoint one or more committees from among its members to supervise specific areas of business, prepare matters to be submitted to the Board of Directors, report to the Board on all important issues, in particular the preparation of the annual report and the consolidated annual report, and monitor the implementation of the Board's decisions.

Art. 347a

d) Audit committee for public-interest entities

1) Every public-interest entity is required to appoint an audit committee. The audit committee is either an independent committee or a committee of the administrative or supervisory body of the audited entity. The audit committee shall be composed of members of the administrative body who are not involved in the management of the audited company, members of the supervisory body of the audited company, or members appointed by the shareholders' meeting or general meeting of the audited company or, in the case of companies without shareholders or stockholders, by an equivalent body. At least one member of the audit committee must have expertise in accounting or auditing. Each committee member must be familiar with the industry in which the audited company operates. The majority of the members of the audit committee must be independent of the audited company. The chair of the audit committee is appointed by the committee members or the administrative or supervisory body of the audited company and must be independent of the audited company.

2) Notwithstanding paragraph 1, the tasks assigned to the audit committee may be performed by the administrative or supervisory body as a whole if:

a) the public-interest entity meets the criteria set out in Article 1064(1) and (2); and

b) the chair of the administrative or supervisory body, if he or she is an executive member, does not act as chair while this body performs the tasks of the audit committee.

3) The following public-interest entities are not required to establish an audit committee:

a) Public-interest entities that are directly or indirectly subsidiaries within the meaning of Article 1097(1) and that meet the requirements of paragraphs 1 and 4 and Article 16(5) of Regulation (EU) No. 537/2014 at group leveland which, pursuant to Art. 11 of Regulation (EU) No. 537/2014, are required to submit the additional report to the audit committee at group level, as well as those for which the proposal for the appointment of the auditor or audit firm is submitted at group level;

b) Public-interest entities that are undertakings for collective investment in transferable securities under the Act on Certain Undertakings for Collective Investment in Transferable Securities or alternative investment funds under the Act on Alternative Investment Fund Managers or investment companies under the Investment Companies Act;

c) Public-interest entities whose sole activity is to act as issuers of securities backed by claims within the meaning of Article 2(5) of Regulation (EU) No. 809/2004;

d) banks within the meaning of Art. 4 of the Banking Act whose shares are not admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in any EEA Member State and which have continuously or repeatedly issued only debt securities admitted to trading on a regulated market, provided that they have been authorized in accordance with Directive 2014/65/EU and have continuously or repeatedly issued only debt securities admitted to trading on a regulated market; 21 of Directive 2014/65/EU and which have continuously or repeatedly issued only debt securities admitted to trading on a regulated market, provided that the total nominal value of all such debt securities is less than CHF 122,000,000 and they have not published a prospectus in accordance with Art. 3 of Regulation (EU) 2017/1129.

4) Public-interest entities as defined in paragraph 3(c) shall publicly disclose the reasons why they do not consider it appropriate to establish an audit committee or to entrust their administrative or supervisory body with the tasks of an audit committee.

5) If all members of the audit committee are members of the administrative or supervisory body of the audited company, the independence requirements under paragraph 1 shall not apply to the audit committee.

6) Without prejudice to the responsibilities of the members of the administrative or supervisory body or other members appointed by the shareholders' meeting or general meeting of the audited company, the tasks of the audit committee shall include, among other things:

a) informing the administrative or supervisory body of the audited company of the results of the audit of the financial statements and the audit of the sustainability reporting, and explaining how the audit of the financial statements contributed to the integrity of the financial reporting and how the audit of the sustainability reporting contributed to the integrity of the sustainability reporting, and what role it played in this process;

b) the accounting process and the sustainability reporting process, including the electronic reporting process pursuant to Art. 1096h and Art. 1121 para. 3d, and the process carried out by the company to determine the information reported, in accordance with the standards for sustainability reporting pursuant to Art. 1096c para. 1, and to make recommendations or suggestions to ensure its integrity;

c) the effectiveness of the internal control system and the risk management system, as well as, where applicable, the internal audit of the company, which affects the preparation of the financial statements and the audit of the company's sustainability reporting, including the process of electronic reporting in accordance with Art. 1096h and Art. 1121 of the Swiss Code of Obligations (CO)-

d) monitor the audit of the financial statements and the audit of the sustainability reporting, in particular their performance, taking into account the findings and conclusions of the FMA from quality assurance reviews;

e) monitor the independence of auditors or audit firms in accordance with Art. 31 to 36, 41 (2) to (14), Art. 42, 45, and 47a of the Austrian Public Accountants Act and, in particular, the appropriateness of the non-audit services provided to the audited company pursuant to Art. 46 of the Austrian Public Accountants Act;

f) to carry out the procedure for selecting auditors or audit firms and to recommend that they be appointed in accordance with Article 16 of Regulation (EU) No. 537/2014.

Art. 348

e) Transfer of management and representation to special bodies

1) The articles of association may stipulate that the management and representation of the company be transferred by the general meeting or the board of directors to one or more persons, members of the board of directors (delegates) or third parties who need not be members of the company, who shall then also be subject to the provisions on liability.

2) If they are entrusted with the entire management, they form the executive board.

3) The persons (companies) entrusted with management and representation in this manner are organs of the company.

Art. 349

f) Duties of the Board of Directors

1) The Board of Directors is obliged to:

1. preparing the business of the General Meeting and implementing its resolutions;
2. drawing up the regulations necessary for the orderly conduct of business and issuing the necessary instructions to the management for this purpose;
3. supervising those entrusted with management and representation with regard to their correct execution in accordance with the provisions of the law, the Articles of Association, and the regulations; and
4. to keep itself regularly informed about the course of business and the management for this purpose.

2) It is responsible for ensuring that the minutes of the general meeting and the administration, as well as the necessary business records, are kept properly and that the annual report and the consolidated annual report are prepared, audited, and, where necessary, published in accordance with the statutory provisions.

Art. 350

III. Auditors

1) The supreme body must elect an auditor in all cases.

2) An auditor or auditing firm within the meaning of the Auditing Act must be appointed as the auditor of medium-sized and large companies within the meaning of Art. 1064. The same applies to small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in an EEA member state. The audit of the consolidated annual report is reserved for auditors and auditing companies within the meaning of the Auditor Act.

3) Repealed

4) Repealed

5) Repealed

6) Repealed

F. Merger

Art. 351

I. Nature and type of merger

1) Stock corporations may be merged by dissolution without liquidation. The merger may take place:

1. by transferring the assets of one or more companies (transferring companies) as a whole to another company (acquiring company) in exchange for the granting of shares in that company to the shareholders of the transferring company or companies and, where applicable, a cash payment not exceeding 10% of the nominal amount or the calculated value (in the case of quota shares) of the shares granted (merger by acquisition);

2. by establishing a new stock corporation to which the assets of each of the merging companies are transferred as a whole in exchange for shares in the new company and, if applicable, a cash payment not exceeding 10% of the nominal value or the calculated value (in the case of quota shares) of the shares granted (merger by amalgamation).

2) The merger is also permissible if the transferring or merging companies are in liquidation and the distribution of their assets to shareholders has not yet begun.

II. Merger by acquisition

Art. 351a

1. Preparation of the merger

1) The boards of directors of the companies involved in the merger shall draw up a merger plan.

2) The plan must contain at least the following information:

1. the legal form, name, and registered office of the companies involved in the merger;

2. the agreement on the transfer of the assets of each transferring company as a whole to the acquiring company in exchange for the granting of shares in the acquiring company to the shareholders of the transferring company;

3. the share exchange ratio and, if applicable, the amount of the cash payment;

4. the details for the transfer of the shares of the acquiring company;

5. the date from which these shares confer the right to a share in the balance sheet profit and any special features relating to this entitlement;

6. the date from which the actions of the transferring companies are deemed to have been carried out on behalf of the acquiring company;

7. the rights granted by the acquiring company to individual shareholders with special rights and to holders of other securities, as well as the measures envisaged for these persons;

8. any special advantage granted to a member of an administrative, management, or supervisory body of the companies involved in the merger or to an expert within the meaning of Art. 351c.

3) The merger plan must be publicly certified. Art. 351b

2. Merger report

1) The boards of directors of each of the companies involved in the merger must prepare a detailed written report explaining and justifying the merger plan, in particular the share exchange ratio, from a legal and economic perspective. Any particular difficulties in the valuation must be pointed out.

2) The boards of directors of the companies involved in the merger must inform their shareholders of any significant changes in the company's assets that have occurred between the preparation of the merger plan and the date of the general meeting's decision before the decision on the merger is made. The boards of directors must also inform the boards of directors of the other companies involved of such changes; the latter must in turn inform the shareholders of the companies they represent before the general meeting.

3) If all shareholders of all companies involved in the merger waive this right, the report referred to in paragraph 1 and the notification referred to in paragraph 2 may be dispensed with.

Art. 351c

3. Review of the merger

1) The merger plan must be audited for each of the companies involved in the merger by one or more independent experts.

2) The experts shall be appointed for each of the companies involved by their board of directors. An examination by one or more experts for all companies involved shall suffice if these experts are appointed by the Office of Justice at the joint request of the boards of directors.

3) Each expert shall have the right to obtain from the companies involved all information and documents necessary for a thorough review.

4) The experts must report the results of the audit to the shareholders in writing. The audit report may also be submitted jointly. It must conclude with a statement as to whether the proposed share exchange ratio is appropriate. The following information must be provided:

1. the methods used to determine the proposed exchange ratio;

2. the reasons why the application of these methods is appropriate;

3. the exchange ratio that would result from the application of different methods, if several have been applied; at the same time, the weighting given to the various methods in determining the proposed exchange ratio and the underlying values, and any particular difficulties encountered in the valuation, must be explained.

5) If all shareholders and holders of other securities with voting rights of all merging companies waive this right, both the review of the joint merger plan by independent experts and the preparation of an expert report may be waived. Art. 351d

4. Preparation of the general meeting

1) The merger plan must be submitted to the commercial register by each company at least one month before the general meeting that is to decide on its approval and must be published in accordance with Art. 956 para. 2.

1a) The obligation under paragraph 1 shall not apply if the merger plan is made available to the public free of charge on the website of each company at least one month before the general meeting that is to decide on its approval. At least one month before the general meeting, a reference to this website, which must include the date of publication of the merger plan on the internet, shall be published on the website of the Office of Justice.

2) At least one month before the general meeting that is to decide on the merger plan, the following must be made available for inspection by shareholders at the company's registered office:

1. the merger plan;

2. the annual financial statements and annual reports of the companies involved in the merger for the last three financial years;

3. if the last annual financial statements relate to a financial year that ended more than six months before the merger plan was finalized, a balance sheet as of a date that is not earlier than the first day of the third month preceding the finalization or preparation (interim balance sheet);

4. where applicable, the reports of the boards of directors pursuant to Art. 351b;

5. where applicable, the audit reports pursuant to Art. 351c.

3) The interim balance sheet must be prepared in accordance with the provisions that were applied to the company's last annual balance sheet. However, an inventory is not required. The values stated in the last annual balance sheet may be carried over. However, depreciation, value adjustments, and provisions, as well as significant changes in the actual value of assets that are not apparent from the books, must be taken into account up to the date of the interim balance sheet.

value of assets up to the date of the interim balance sheet must be taken into account.

3a) The preparation of an interim balance sheet in accordance with paragraph 2, item 3 may be waived if:

1. the company has published a half-yearly financial report in accordance with Art. 5 of the Disclosure Act since the last annual financial statements and makes this available to shareholders in accordance with paragraph 2; or
2. all shareholders of all companies involved in the merger have decided to do so.

4) Upon request, each shareholder shall be provided with a copy of the documents referred to in paragraph 2 immediately and free of charge or, with their consent, transmitted electronically, unless the documents referred to in paragraph 2 are published on the company's website in accordance with paragraph 5.

5) A company is exempt from the obligation to make the documents referred to in paragraph 2 available for inspection by shareholders at its registered office if the documents are published on its website for a continuous period beginning at least one month before the general meeting that is to decide on the merger plans and ending no earlier than the conclusion of the general meeting.

Art. 351e

5. Resolutions of the general meetings

1) The merger plan (and any amendments to the articles of association necessary for its implementation) shall only take effect if the general meeting of each merging company approves it.

2) The resolution requires a majority of at least two-thirds of the share capital represented. If at least half of the share capital is represented, a simple majority of votes is sufficient, unless the articles of association provide for a higher approval requirement.

3) The approval of the general meeting of the acquiring company is not required if:

1. the announcement of the merger plan by the acquiring company is made at least one month before the general meeting of the transferring companies that is to decide on the merger plan;
2. each shareholder of the acquiring company may inspect the documents at the company's registered office at that time in accordance with Art. 351d para. 2.

4) In cases covered by paragraph 3, one or more shareholders representing at least 5% of the share capital of the acquiring company may request that a general meeting be convened to decide on the approval of the merger plan.

5) For the purposes of para. 3 no. 2, Art. 351d paras. 3 to 5 shall apply.

Art. 351f

6. Capital increase

If the acquiring company increases its share capital in order to carry out the merger, no subscription of shares is required, and existing subscription rights and obligations do not apply to these new shares.

Art. 351g

7. Notification of the merger

1) The dissolution of the transferring company and the takeover of its assets by the other company must be reported by the relevant administration for entry in the commercial register. The administration of the acquiring company is entitled to report the entry in the commercial register of the transferring companies.

2) The original or a certified copy of the merger plan and the merger resolutions must be attached to the notification.

3) Each transferring company must attach a balance sheet for that company (closing balance sheet) to the notification. The provisions on annual balance sheets and the auditing of annual balance sheets apply mutatis mutandis to this balance sheet. The Office of Justice may only register the merger if the balance sheet has been prepared on a date no more than eight months prior to the notification.

Art. 351h

8. Registration of the merger

1) The merger may only be entered in the commercial register for the acquiring company after it has been entered for the transferring companies. It becomes effective upon entry for the acquiring company.

2) Upon entry of the merger in the commercial register, the assets, including liabilities, are transferred to the acquiring company. However, the acquiring company may only dispose of assets whose transfer requires entry in public registers such as the land register or similar registers once the prescribed transfer has been entered in the public registers.

3) The transferring companies cease to exist upon registration of the merger. The shareholders of the transferring companies become shareholders of the acquiring company; however, this does not apply if the acquiring company or a third party acting in its own name but on behalf of this company holds shares in the transferring companies, or if a transferring company holds its own shares or a third party acting in its own name but on behalf of this company holds shares in this company.

4) After the merger has been registered, the shares of the acquiring company designated for compensation shall be transferred to the shareholders of the dissolved companies in accordance with the merger plan.
5) The merger must be announced for each of the companies involved in accordance with Art. 956 para. 2.

Art. 351i

9. Creditor protection

1) The creditors of the companies involved in the merger shall be provided with security if they register for this purpose within six months of the announcement of the registration of the merger by the company of which they are creditors, insofar as they cannot demand satisfaction. However, creditors are only entitled to this right if they can prove that the merger jeopardizes the fulfillment of their claim. Creditors shall be informed of this right in the announcement of the registration.
2) The preceding paragraph shall not apply to bondholders if the creditors' meeting or each bondholder individually has approved the merger.
3) Creditors who, in the event of insolvency, are entitled to preferential satisfaction from a cover pool established for their protection in accordance with statutory provisions and supervised by the state are not entitled to the right to security.

Art. 351k

10. Protection of holders of special rights

1) The acquiring company shall grant holders of securities that are associated with special rights but are not shares rights that are equivalent to those in the transferring companies.
2) Such equivalent rights need not be granted if a meeting of the holders of the securities or each holder individually has agreed to the change in these rights or if the holders are entitled to have their securities repurchased by the acquiring company.

Art. 351l

11. Responsibility

1) The members of the management of a transferring company are jointly and severally liable to the shareholders of that company for any damage they cause through intentional or negligent conduct in the preparation and implementation of the merger.
2) The experts referred to in Art. 351c are jointly and severally liable to the shareholders of the transferring companies for any damage they cause through intentional or negligent conduct in the performance of their duties.

3) Members of the management and experts who have exercised due care in the performance of their duties are exempt from liability.
4) Claims under paragraphs 1 and 2 shall become time-barred in the case of intentional damage after ten years and in the case of negligent damage after two years from the date on which the entry of the merger in the commercial register pursuant to Art. 956 para. 2 is deemed to have been announced.
Art. 351m
12. Nullity of the merger
1) In the absence of public certification of the merger plan and in the event of nullity or contestability of the merger resolutions, the judge may, upon the request of an affected party and after hearing the management of the acquiring company, declare the merger null and void.
2) If the defect can be remedied, the judge shall grant the companies involved a reasonable period of time to do so.
3) The judgment declaring the nullity of the merger shall be published in accordance with Art. 956 (2).
4) Legally valid obligations of the acquiring company that arose after the announcement of the merger but before the announcement of the judge's judgment within the meaning of paragraph 3 shall not be affected by the nullity. The companies involved shall be jointly and severally liable for these obligations.
5) The right to bring an action shall lapse if the action is not brought within six months of the announcement of the merger at the latest. In addition, the provisions on actions for annulment shall apply.
13. Inclusion in special cases
Art. 351n
a) Majority of share capital held by the acquiring company
1) If, upon transfer of all assets and liabilities, at least nine-tenths of the share capital of a transferring company is held by the acquiring company and/or by persons who hold these shares in their own name but on behalf of the acquiring company, the approval of the general meeting of the acquiring company for the merger (Art. 351e) is not required.
2) However, one or more shareholders representing at least 5% of the share capital of the acquiring company have the right to request that a general meeting be convened to decide on the approval of the merger.
3) The acquiring company must take the measures provided for in Art. 351d para. 1 and 2 nos. 1 and 2 and, where applicable, nos. 3 to 5 at least one month before the general meeting of the transferring company that is to decide on

the merger plan. Art. 351d paras. 3 to 5 shall apply.
4) The preparation of the merger report (Art. 351b) and the audit of the merger (Art. 351c) as well as the application of Art. 351d paras. 2 to 4 may be waived if the acquiring company is prepared to purchase the shares of the minority shareholders of the transferring company at a price corresponding to the value of the shares.
5) If the parties cannot agree, the value of these shares shall be determined by a judge in non-contentious proceedings upon request.

Art. 351o

b) All shares held by the acquiring company

1) If, upon transfer of all assets and liabilities, all shares of a transferring company are held by the acquiring company and/or by persons who hold these shares in their own name but on behalf of the acquiring company, the approval of the general meetings for the merger pursuant to Art. 351e is not required.
2) However, one or more shareholders representing at least 5% of the share capital of the acquiring company have the right to request the convening of a general meeting to decide on the approval of the merger.
3) The acquiring company must take the measures provided for in Art. 351d para. 1 and 2 nos. 1 to 3 at least one month before applying for registration of the merger (Art. 351g). Art. 351d paras. 3 to 5 shall apply.
4) The provisions on the exchange of shares (Art. 351a para. 2 nos. 3 to 5), the merger report (Art. 351b), the examination of the merger (Art. 351c), as well as Art. 351d para. 2 nos. 4 and 5, Art. 351h para. 3 sentence 2, and the provisions on the responsibility of the management and the experts (Art. 351l) shall not apply.

Art. 352

III. Merger by amalgamation

1) In the case of a merger of stock corporations by forming a new stock corporation, the provisions on mergers by acquisition shall apply mutatis mutandis, with the exception of Art. 351e paras. 3 and 4. Each of the merging companies shall be deemed to be the transferring company and the new company shall be deemed to be the acquiring company.
2) The merger plan and, where applicable, the deed of incorporation and the articles of association of the new company require the approval of the general meeting of each of the transferring companies.

3) The provisions governing the formation of a stock corporation shall apply mutatis mutandis to the formation of the new company. The expert report on contributions in kind may be waived.

4) In addition, the following provisions apply:

1. The companies shall set out the articles of association of the new company in a public deed, confirm the acquisition of all shares and their payment by contributing the assets of the previous companies, and appoint the necessary bodies of the new company.
2. The articles of association and the deed of incorporation of the new company require the approval of the general meetings of the merging companies.
3. Based on the merger resolutions, the boards of directors of the merging companies must apply for registration of the new company in the commercial register.
4. Upon registration of the new company, the assets, including liabilities, are transferred to the new company. However, the acquiring company may only dispose of assets whose transfer requires entry in public registers such as the land register or similar once the prescribed transfer has been entered in the public registers.
5. Upon registration of the new company, the merging companies cease to exist. The shareholders of the merging companies become shareholders of the acquiring company; however, this does not apply if the acquiring company or a third party acting in its own name but on behalf of this company holds shares in the merging companies, or if a transferring company holds its own shares or a third party acting in its own name but on behalf of this company holds shares in this company.
6. Once the new company has been registered, the shares of the new company shall be transferred in accordance with the merger plan upon delivery of the old shares.
7. The board of directors of the new company shall apply for the dissolution and takeover by the new company to be entered in the commercial register for each of the merging companies. The entry may only be made once the new company has been registered.
8. The merger must be announced for each of the companies involved in accordance with Art. 956 para. 2. The announcement may be made for all companies by the new company.

IV. Cross-border merger

Article 352a

1. Principle

1) Stock corporations may merge across borders with corporations within the meaning of Directive (EU) 2017/1132 that have been established under the law of another EEA member state and have their registered office, central administration, or principal place of business in the European Economic Area.

2) Articles 352b to 352k do not apply to cross-border mergers involving an undertaking for collective investment in transferable securities (Art. 3 para. 1 no. 1 UCITSG), an investment firm (Art. 3 para. 1 lit. a IUG) or an alternative investment fund (Art. 4 para. 1 no. 1 AIFMG). 352b to 352k do not apply.

Art. 352b

2. Applicable law

Unless otherwise specified below, Art. 351 ff. apply to cross-border mergers, even if, contrary to Art. 351 para. 1, may exceed 10% of the nominal value or, in the absence thereof, the calculated value of the shares or other interests in the capital of the company resulting from the cross-border merger.

Art. 352c

3. Merger plan

1) The merger plan pursuant to Art. 351a must contain the following additional information:

1. the legal form, name, and registered office of the merging company and the company resulting from the merger;
2. the anticipated impact of the cross-border merger on employment;
3. the articles of association of the company resulting from the cross-border merger;
4. where applicable, information on the procedure for determining the involvement of employees in the company resulting from the cross-border merger in the exercise of their co-determination rights;
5. details of the valuation of the assets and liabilities to be transferred to the company resulting from the cross-border merger;
6. the reference date of the annual financial statements of the companies involved in the merger, which are used to determine the terms of the cross-border merger.

2) The announcement of the merger plan pursuant to Art. 351d (1) must contain the following additional information:

1. Legal form, name, and registered office of each of the merging companies;

2. the register in which the documents to be disclosed are filed for each of the merging companies and the number of the entry in the register;

3. For each of the merging companies, a reference to the procedures for exercising the rights of creditors and, where applicable, minority shareholders of the merging companies, as well as the address at which complete information on these procedures can be obtained free of charge.

3) The obligation to publish the merger plan pursuant to paragraph 2 shall not apply if the merger plan is made available to the public free of charge on each company's website at least one month before the general meeting that is to decide on its approval. At least one month before the general meeting, a reference to this website, which must include the date of publication of the merger plan on the internet, must be published on the website of the Office of Justice.

Art. 352d

4. Merger report

1) In the case of a cross-border merger, the board of directors shall explain and justify the legal and economic aspects of the merger, in particular the effects on shareholders, creditors, and employees, in a report to the general meeting.

2) The report referred to in paragraph 1 shall be made available to the shareholders and the employee representatives or, if there are no such representatives, to the employees directly at least one month before the general meeting. Any comments made by employee representatives shall be attached to the report.

Art. 352e

5. Preliminary certification

After checking that everything's legit, the Office of Justice will quickly give a domestic stock corporation involved in a cross-border merger a preliminary certificate saying that the legal steps and formalities before the merger were done right.

Art. 352f

6. Legality check

1) The Office of Justice shall check the legality of the cross-border merger with regard to its implementation and the formation of a new stock corporation resulting from the cross-border merger and subject to domestic law. In particular, the Office of Justice shall ensure that:

a) the companies involved in the merger have agreed to a joint merger plan with identical wording; and

b) where applicable, an agreement on employee participation within the meaning of the Act on Employee Participation in Cross-Border Mergers of Corporations has been concluded.

2) To this end, all companies involved in the merger must submit their preliminary certificates in accordance with Art. 352e, the merger plan approved by each general meeting, and, if applicable, proof of the conclusion of an agreement in accordance with para. 1 lit. b within six months of their issuance.

Art. 352g

7. Approval by the general meeting

The general meeting may make its approval of a cross-border merger conditional upon its express confirmation of the arrangements for employee participation in the company resulting from the cross-border merger.

Art. 352h

8. Registration of the cross-border merger

1) A cross-border merger may only be entered in the commercial register once a legality check has been carried out in accordance with Art. 352f.

2) A cross-border merger that has become effective through entry in the commercial register may no longer be declared null and void.

3) The Office of Justice shall immediately notify the foreign registration authorities with which the companies involved had to file their documents of the entry of a cross-border merger in the commercial register.

Art. 352i

9. Exchange of shares

Shares in the acquiring company shall not be exchanged for shares in the transferring company if these shares are held:

1. by the acquiring company itself or by a person acting in their own name but on behalf of the acquiring company; or
2. by the transferring company itself or by a person acting in their own name but on behalf of the transferring company. Art. 352k

10. Majority or entirety of the share capital held by the acquiring company

1) If, upon transfer of all assets and liabilities, at least nine-tenths of the share capital of a transferring company is held by the acquiring company and/or by persons who hold these shares

in their own name but on behalf of the acquiring company, Art. 351n shall apply.

2) If the transferring stock corporation is a domestic company, Art. 351n para. 4 shall apply in the event of the intended waiver of the merger report and an audit of the merger.

3) If all shares are held by the acquiring company or by persons who hold these shares in their own name but on behalf of the acquiring company, Art. 351o shall apply.

Art. 353

V. Takeover by a limited partnership limited by shares

1) If a stock corporation is dissolved by takeover by a limited partnership, the members of the latter with unlimited liability become debtors of the dissolved stock corporation.

2) In all other respects, the provisions concerning takeover by a stock corporation shall apply mutatis mutandis.

Art. 354

G. Transfer to the public sector

1) If the assets of a stock corporation are taken over by the state or by a Liechtenstein municipality with the guarantee of the state, subject to the provision on dissolution without liquidation under the general provisions, it may be agreed with the consent of the general meeting that liquidation shall not take place.

2) The resolution of the general meeting shall be passed in accordance with the provisions on dissolution and shall be registered with the commercial register.

3) Upon registration of this resolution, the transfer of the company's assets, including its debts, is complete and the company ceases to exist.

4) In the case of transfers of real estate or other rights entered in the land register, the transfer shall be effected on the basis of the entry in the commercial register.

H. Repayment and other reductions of share capital

Art. 355

I. Repayment and reduction resolution, etc.

1) A repayment of share capital to shareholders or a reduction thereof may only be effected, with the exception of an order by a court decision, on the basis of a provision in the articles of association with a resolution of the general meeting that complies with the legal and statutory requirements and is passed by at least two-thirds of the votes represented. The resolution must be published by the Office of Justice in the official gazette in accordance with Art. 956 para. 2.

2) The invitation to the general meeting must state at least the purpose of the reduction and the procedure for its implementation.
3) The general meeting may only resolve to reduce the capital if a special audit report confirms that the creditors' claims are fully covered despite the reduction in share capital. The audit report must be prepared by a recognized auditor or an expert (Art. 191a para. 2), who must be present at the general meeting at which the resolution is passed.
4) Creditors whose claims were established before the decision was announced must be provided with security if they report for this purpose within two months of the announcement, unless they can demand satisfaction. Creditors must be informed of this right in the announcement. Creditors are only entitled to demand security if they have demonstrated that the capital reduction jeopardizes the satisfaction of their claims.
5) Payments to shareholders may only be made on the basis of the reduction in share capital after the expiry of the period set for creditors and after the registered creditors have been satisfied or secured, or after a court has determined that their application does not need to be complied with. Similarly, the release of shareholders from their obligation to make contributions shall not take effect before the specified date and not before the creditors who have filed their claims in good time have been satisfied or secured.
5a) Creditors may also apply to the court for appropriate security if they can demonstrate that the satisfaction of their claims is jeopardized by the capital reduction and they have not received adequate security from the company.
Art. 355a
II. Simplified capital reduction in the event of losses
1) The request to creditors and their satisfaction or provision of security may be omitted if the purpose of the capital reduction is to offset losses or to allocate amounts to a special reserve. The resolution must specify that the reduction is being carried out for these purposes. The resolution must be published in accordance with Art. 956 para. 2.
2) The amount of the reserve may not exceed 10% of the reduced share capital. It may only be used to offset losses or to increase the share capital by converting reserves.
3) The amounts gained from the simplified capital reduction in the event of losses may not be used for payments to shareholders or to release shareholders from their obligation to make contributions.

4) If different classes of shares have been issued and these are not preference shares in relation to the liquidation proceeds, or if nothing else has been specified at the time of issue, the shares issued earlier shall be affected by the capital reduction before those issued later.

Art. 356

III. Capital repayment subject to repayment

1) The General Meeting may, in accordance with the original Articles of Association or by way of an amendment to the Articles of Association, resolve by a two-thirds majority of the votes represented that, without complying with the provisions governing repayment to shareholders, a portion of the share capital, which may not, however, be less than 25% or 50% if bearer shares have been issued, per share, may be repaid to shareholders without complying with the provisions governing repayment to shareholders, subject to the express proviso that it may be repaid at a later date at the request of a body specified in the resolution. The resolution must be announced in accordance with Art. 956 para. 2.

2) The capital repayment may only be made with funds that may be distributed in accordance with Art. 312.

3) The shareholders concerned retain their rights vis-à-vis the company, with the exception of the right to participate in the distribution of a first dividend for shares that are not affected by the capital repayment.

Art. 357

IV. Consolidation and reduction of the number of shares

1) If the legal requirements for a reduction in share capital are met, such a reduction may also be carried out by way of a consolidation of shares with the consent of the shareholders.

2) If a resolution to consolidate and reduce the number of shares has been passed by a three-quarters majority of all votes at the general meeting, the shares of the shareholders who did not approve the resolution shall be forfeited to the company and may be redeemed in cash according to the results of a liquidation balance sheet.

V. Amortization

Art. 358

1. Compulsory amortization

1) The compulsory amortization of shares is permissible subject to the following conditions:

1. It is prescribed or permitted by the articles of association prior to the subscription of the shares to be redeemed.

2. If it is merely permitted by the articles of association, it must be resolved by the general meeting, unless the shareholders concerned have unanimously approved it.
3. The corporate body that decides on compulsory amortization shall determine the conditions and implementation of this measure, unless this has already been done in the articles of association.
4. Art. 355 paras. 4 and 5 shall apply unless the shares are fully paid-up shares that have been made available to the company free of charge or that are redeemed using funds that may be distributed in accordance with Art. 312; in such cases, an amount equal to the par value or the calculated value (in the case of quota shares) of all shares withdrawn shall be transferred to a reserve. Except in the case of a reduction in the subscribed capital, this reserve may not be distributed to the shareholders; it may only be used to offset losses or to increase the subscribed capital by converting reserves.
5. The decision on compulsory amortization must be published in accordance with Art. 956 para. 2.

2) Article 173 shall only apply in the case of paragraph 1, item 2, whereby the resolutions shall be passed in accordance with Article 355(1). Otherwise, Article 355(1) and Article 355a shall not apply.

3) The redeemed shares shall be destroyed and the share capital shall be reduced accordingly.

Art. 359

2. Voluntary share amortization

1) In the event of a capital reduction through the amortization of shares acquired by the company itself or by a person acting in its own name but on behalf of the company, the amortization must be resolved by the general meeting.

2) Art. 355 paras. 4 and 5 shall apply unless the shares are fully paid-up shares that have been made available to the company free of charge or that have been redeemed using funds that may be distributed in accordance with Art. 312. in such cases, an amount equal to the par value or the calculated value (in the case of quota shares) of all shares withdrawn shall be transferred to a reserve. Except in the case of a reduction in the subscribed capital, this reserve may not be distributed to the shareholders; it may only be used to offset losses or to increase the subscribed capital by converting reserves.

3) Art. 355a shall not apply in the cases referred to in paragraph 1. If there are several classes of shares, the provisions of Art. 173 shall apply. The resolutions

shall be passed in accordance with Art. 355 para. 1 and announced in accordance with Art. 956 para. 2.

Art. 360

3. Issue of profit participation shares by drawing lots

1) In the event of shares being drawn by lot, the articles of association may provide that transferable profit participation shares (replacement shares) shall be issued for the shares drawn and redeemed, which do not represent a nominal value but do grant membership rights, in particular voting rights and the right to a share in the net profit and the liquidation proceeds.

2) In addition, participation shares may also be issued in other cases with the approval of the Office of Justice.

I. Stock corporation with variable share capital

Art. 361

I. In general

1) A stock corporation with variable share capital may only be operated as an investment company with variable capital within the meaning of the Act on Certain Undertakings for Collective Investment in Transferable Securities, the Investment Companies Act, or the Act on Alternative Investment Fund Managers.

2) Notwithstanding the provisions on fixed share capital, the articles of association of a public limited company with variable share capital may stipulate that the share capital may be increased by the gradual issue of new shares to existing shareholders or third parties and that the share capital may be reduced by thegradual full or partial repayment of the share capital through the redemption of shares, without having to comply with the procedure for increasing or reducing the share capital provided for in the preceding articles. When new shares are issued, the subscription rights of existing shareholders shall not apply.

3) Unless otherwise provided, the other provisions relating to stock corporations shall apply to stock corporations with variable share capital.

Art. 362

Repealed

II. Reduction

Art. 363

1. Retention upon repayment

The shares acquired by the company through redemption may be retained for the purpose of reissue, but may not be treated as membership rights.

Art. 364

2. Liability

1) If a reduction in share capital has been carried out in violation of the statutory or regulatory provisions, the guilty members of the executive bodies and the shareholder who has received a payment shall be jointly and severally liable without limitation for the damage caused to the company intentionally or through negligence in accordance with the provisions on liability.

2) If, within one year of since the share of a company has been redeemed or its nominal value has been reduced instead of repayment, the shareholder and the redeemer of the share shall be liable to the insolvency estate for the amount received or the remaining amount waived, without being entitled to assert any right of set-off or retention in respect of the company's assets.

Art. 365

III. Mandatory reserve fund

Stock corporations with variable share capital do not require a reserve fund.

Art. 366

IV. Conversion

1) If the share capital is depleted through gradual repayment and no profit-sharing shares have been issued, the articles of association must specify the legal form in which the company is to continue to exist, such as an institution, foundation, or similar.

2) The conversion without liquidation of a company with variable share capital into a stock corporation with variable share capital requires an amendment to the articles of association, the necessary change of the company name, and registration in the commercial register.

3) The conversion without liquidation of a stock corporation with variable share capital into a cooperative with shares without liability and additional payment obligations is possible at any time on the basis of a company resolution with an amendment to the articles of association and application for entry in the commercial register.

K. Participation of shareholders in stock corporations listed on the EEA stock exchange

I. General

Art. 367

1. Subject matter and scope

1) This subsection sets out the requirements for the exercise of certain rights of shareholders associated with voting shares in connection with the general meeting of stock corporations listed on the EEA stock exchange (Art. 262a

para. 1) that have their registered office in Switzerland. It also sets out specific requirements to promote the long-term participation of shareholders; these apply to:

1. the identification of shareholders, the transmission of information, and the facilitation of the exercise of shareholder rights;
2. transparency for institutional investors, asset managers, and proxy advisors;
3. remuneration policy and the remuneration report;
4. transparency of and approval for transactions with related companies or persons.

2) Articles 367b to 367f apply to intermediaries who provide services to shareholders or other intermediaries in connection with shares of companies that have their registered office in an EEA member state and whose shares are admitted to trading on a regulated market located or operated in an EEA member state.

3) Articles 367h to 367l apply to:

1. institutional investors for whom Liechtenstein is the home Member State within the meaning of applicable sector-specific EEA legislation and who invest, either directly or through an asset manager, in shares traded on a regulated market;
2. asset managers for whom Liechtenstein is the home Member State within the meaning of applicable sector-specific EEA legislation and who invest in such shares on behalf of investors;
3. Proxy advisors that have their registered office in Germany or, if they have neither a registered office in Germany nor in another EEA member state, have their head office in Germany, or, if they have neither a registered office nor a head office in Germany or in another EEA member state, have a branch in Germany, and provide services to shareholders in connection with shares of companies that have their registered office in an EEA member state and whose shares are admitted to trading on a regulated market located or operated in an EEA member state.

4) The provisions of this subsection shall apply without prejudice to the provisions of sector-specific EEA legislation regulating certain types of companies or legal entities. Where the provisions of this subsection contain more specific rules or add requirements to those laid down in sector-specific rules, the relevant provisions shall apply together with the provisions of this subsection.

5) The provisions on shareholder participation in public limited companies listed on the EEA stock exchange pursuant to Art. 332 (2a), (5) and (6), Art. 332a, Art. 334 (5), Art. 339a to 339e and Art. 340a remain unaffected.

Art. 367a

2. Terms

For the purposes of this subsection, the following definitions shall apply

1. "Intermediary": a person such as, in particular, an investment firm within the meaning of Article 4(1)(1) of Directive 2014/65/EU, a credit institution within the meaning of Article 4(1)(1) of Regulation (EU) No. 575/2013, and a central securities depository within the meaning of Article 2(1)(1) of Regulation (EU) No. 909/2014, which provides services of safekeeping or administration of securities or maintenance of securities accounts on behalf of shareholders or other persons;

2. "institutional investor":

a) an undertaking carrying on life insurance activities within the meaning of Article 2(3) and reinsurance activities within the meaning of Article 13(7) of Directive 2009/138/EC, insofar as those activities relate to life insurance obligations, and which is not excluded under that Directive;

b) an institution for occupational retirement provision within the meaning of Article 2 of Directive (EU) 2016/2341;

3. "Asset manager": an investment firm within the meaning of Art. 4 para. 1 no. 1 of Directive 2014/65/EU that provides portfolio management services to investors, an alternative investment fund manager (AIFM) within the meaning of Art. 4 para. 1 letter b of Directive 2011/61/EU, that does not meet the conditions for an exemption under Art. 3 of the aforementioned Directive, or a management company within the meaning of Art. 2 para. 1 letter b of Directive 2009/65/EC or an investment company authorized in accordance with Directive 2009/65/EC, provided that it has not appointed a management company authorized for its management in accordance with the aforementioned Directive;

4. "Proxy advisor": a legal entity that, on a commercial basis and for a fee, analyzes disclosures by companies and, where applicable, other information about listed companies in order to inform investors about their voting decisions by providing research, advice, or voting recommendations regarding the exercise of voting rights;

5. "Information on the identity of shareholders": information that enables the identity of a shareholder to be determined and includes at least the following:

a) Name and contact details (including full address and, where applicable, email address) of the shareholder and, in the case of a legal entity

, its registration number or, if no registration number is available, its unique identifier, such as the legal entity identifier;

b) the number of shares held; and

c) if requested by the company, one or more of the following details: the categories or classes of shares held or the date from which the shares have been held;

6. "Member of the management body": any member of the administrative, management, or supervisory body of a company, as well as the executive management or management.

II. Identification of shareholders, transmission of information, and facilitation of the exercise of shareholder rights

Art. 367b

1. Identification of shareholders

1) Companies have the right to identify their shareholders.

2) Intermediaries must immediately provide the company with information about the identity of shareholders upon request by the company or a third party designated by the company.

3) In a chain of intermediaries, the intermediaries must immediately forward the request pursuant to paragraph 1 to each other so that the information on the identity of shareholders is transmitted directly to the company or to the third party designated by the company by the intermediary who has the requested information. Each intermediary in the chain must make the information about the identity of shareholders in its possession available to the company or the third party designated by the company.

4) By disclosing information about the identity of shareholders in accordance with this provision, intermediaries do not violate any contractual or statutory prohibitions on the disclosure of information.

Art. 367c

2. Transmission of information

1) Intermediaries must immediately transmit the following information from the company to the shareholders or any third parties designated by the shareholders:

1. the information that the company must provide to shareholders so that they can exercise the rights arising from their shares, and which is intended for all shareholders holding shares of the relevant class; or

2. if the information referred to in paragraph 1 is available to shareholders on the company's website, a notice that the information can be found there.

2) Companies must provide intermediaries with the information referred to in paragraph 1, point 1, or the notice referred to in paragraph 1, point 2, in a timely manner and in a standardized form.
3) The information referred to in paragraph 1, item 1, or the notification referred to in paragraph 1, item 2, does not have to be transmitted or forwarded if the companies transmit this information or this notification directly to all their shareholders or any third parties designated by the shareholders.
4) Intermediaries must immediately transmit to the companies the information received from shareholders in connection with the exercise of rights attached to the shares, in accordance with the instructions of the shareholders.
5) In a chain of intermediaries, each intermediary must forward the information referred to in paragraphs 1 and 4 without delay from one intermediary to the next, unless the information can be transmitted directly by the intermediary to the company or the shareholders or any third party designated by the shareholders.
Art. 367d
3. Facilitation of the exercise of shareholder rights
1) Intermediaries shall facilitate the exercise of shareholders' rights, including the right to participate in and vote at the general meeting, by taking at least one of the following measures:
1. They shall take the necessary precautions to enable shareholders or any third parties designated by the shareholders to exercise their rights themselves.
2. They shall exercise the rights attached to the shares with the express permission and in accordance with the instructions of the shareholders for their benefit.
2) In the case of electronic voting (Art. 332a para. 2), the company shall send an electronic confirmation of receipt of the vote to the person who cast the vote.
3) Shareholders or any third parties designated by the shareholders may, within three months of the Annual General Meeting, request confirmation from the company that their votes have been effectively recorded and counted, unless this information is already available to them.
4) If intermediaries receive confirmation in accordance with paragraphs 2 or 3, they must forward it immediately to the shareholders or any third parties designated by the shareholders. If there is more than one intermediary in a chain of intermediaries, they must forward the confirmation received immediately from one intermediary to the next, unless the confirmation can be forwarded directly to the shareholder concerned or any third party designated by the shareholder. Art. 367e
4. Non-discrimination, proportionality, and transparency of costs

1) Intermediaries shall disclose the fees for each service provided in accordance with Art. 367b to 367d.

2) All fees charged by an intermediary to shareholders, companies, or other intermediaries must be non-discriminatory and proportionate to the actual costs incurred in providing the service. Differences between the fees charged for exercising rights domestically and in cross-border cases are only permissible if they are justified and correspond to the differences in the actual costs incurred in providing the services.

Art. 367f

5. Processing of shareholders' personal data

1) Companies and intermediaries may process shareholders' personal data for the purposes of identification, communication, exercising shareholders' rights, and cooperating with shareholders. In all other respects, the provisions of data protection legislation shall apply.

2) If companies and intermediaries become aware that a shareholder is no longer a shareholder of the company, they may not store their personal data for longer than twelve months, subject to other legal provisions.

3) Legal entities have the right to correct incomplete or incorrect information about their identity as shareholders.

Art. 367g

6. Information on implementation

The Office of Justice shall inform the EFTA Surveillance Authority (ESA) of any significant practical difficulties in enforcing Articles 367b to 367f or of any non-compliance with these provisions by intermediaries.

III. Transparency for institutional investors, asset managers, and proxy advisors

Art. 367h

1. Participation policy

1) Institutional investors and asset managers shall develop and publicly disclose a participation policy. The participation policy shall describe how institutional investors and asset managers:

1. integrate shareholder engagement into their investment strategy;
2. monitor the companies in which they have invested with regard to important matters, in particular with regard to strategies, financial and non-financial performance and risks, capital structures, social and environmental impacts, and corporate governance;

3. engage in dialogue with companies in which they have invested;
4. exercise voting rights and other rights attached to shares;
5. cooperate with other shareholders;
6. communicate with relevant stakeholders of the companies in which they have invested; and
7. Deal with actual and potential conflicts of interest in connection with their engagement.

2) Institutional investors and asset managers must disclose annually how they have implemented their engagement policy, including a general description of their voting behavior, an explanation of the most important votes, and their use of proxy advisors. They must also disclose their voting behavior at general meetings of companies in which they hold shares, unless the vote is insignificant due to its subject matter or the extent of their participation in the company.

3) If institutional investors and asset managers do not comply with one or more of the requirements set out in paragraphs 1 and 2, or do not comply with them in full, they must publicly explain why they are not doing so.

4) The information referred to in paragraphs 1 to 3 must be made available to the public free of charge on the website of the institutional investor or asset manager. If an asset manager implements the engagement policy, including voting, on behalf of an institutional investor, the institutional investor must indicate where the relevant information on voting has been published by the asset manager.

5) The provisions applicable to institutional investors and asset managers regarding conflicts of interest, including Art. 14 of Directive 2011/61/EU, Art. 12 para. 1 lit. b and Art. 14 para. 1 lit. d of Directive 2009/65/EC and their respective implementing provisions, as well as Art. 23 of Directive 2014/65/EU, also apply to ancillary activities.

Art. 367i

2. Investment strategy of institutional investors and agreements with asset managers

1) Institutional investors shall publicly disclose the extent to which the main elements of their investment strategy correspond to the profile and maturity of their liabilities, in particular long-term liabilities, and how they contribute to the medium- and long-term performance of their assets.

2) If an asset manager invests on behalf of an institutional investor, regardless of whether with discretionary authority under an individual client mandate or under a collective investment scheme, the institutional investor must publicly disclose the following information about its agreement with the asset manager:

1. how the agreement creates incentives for the asset manager to align its investment strategy and decisions with the profile and maturity of the institutional investor's liabilities, in particular long-term liabilities;
2. how the agreement creates incentives for the asset manager to make investment decisions based on an assessment of the medium- to long-term development of the financial and non-financial performance of the company in which the investment is to be made and to engage with the company in which the investment has been made in order to improve its performance in the medium to long term;
3. how the method and relevant period for assessing the asset manager's performance and the remuneration for asset management services correspond to the profile and duration of the institutional investor's liabilities, in particular long-term liabilities, and how they take into account long-term overall performance;
4. how the institutional investor monitors the portfolio turnover costs incurred by the asset manager and how it sets and monitors a target portfolio turnover or target portfolio turnover range;
5. the term of the agreement with the asset manager.

3) If one or more of the items of information referred to in paragraph 2 are not included in the agreement with the asset manager, the institutional investor must publicly explain why this is the case.

4) The information referred to in paragraphs 1 to 3 shall be made available free of charge on the institutional investor's website and updated annually, unless there has been no significant change. Institutional investors regulated by Directive 2009/138/EC may instead include this information in their solvency and financial condition report pursuant to Article 51 of that Directive.

Article 367k

3. Transparency for asset managers

1) Asset managers shall disclose annually to institutional investors with whom they have concluded an agreement pursuant to Article 367i(2) how their investment strategy and its implementation are consistent with that agreement and contribute to the medium- and long-term performance of the institutional investor's assets. This includes reporting on:

1. the main medium- to long-term risks associated with the investments;

2. the composition of the portfolio, portfolio turnover, and portfolio turnover costs;
3. the use of proxy advisors for the purposes of engagement activities; and
4. their policy on securities lending and how it is applied, if at all, to achieve their engagement activities, in particular at the time of the general meeting of the companies in which they have invested.

2) Disclosure pursuant to paragraph 1 shall also include information on whether and, if so, how asset managers make investment decisions based on an assessment of the medium- to long-term performance, including non-financial performance, of the company in which they have invested, and whether and, if so, what conflicts of interest arose in connection with the engagement activities and how these were handled.

3) If the information referred to in paragraph 1 is already publicly available, the disclosure requirement does not apply.

Art. 367l

4. Transparency for proxy advisors

1) Proxy advisors must declare annually that they have complied and continue to comply with the requirements of a code of conduct, or whether they have deviated or are deviating from one or more recommendations of the code of conduct and what measures have been taken instead. If proxy advisors do not comply with a code of conduct, they must explain why.

2) Proxy advisors must publish the following information annually:
1. the key features of the methods and models they use;
2. their main sources of information;
3. the procedures established to ensure the quality of research, advice, and voting recommendations, as well as the qualifications of the employees involved;
4. whether and, if so, how they take into account national market conditions and legal, regulatory, and company-specific conditions;
5. the key features of the voting policy pursued for each market;
6. whether they engage in dialogue with the companies concerned by their research, advice, and voting recommendations, and with the companies' stakeholders, and, if so, the extent and nature of this dialogue;
7. the approach to avoiding and dealing with potential conflicts of interest.

3) The information referred to in paragraphs 1 and 2 shall be made publicly available on the proxy advisor's website for at least three years and updated annually.

4) Proxy advisors must inform their clients immediately of any actual or potential conflicts of interest and of any countermeasures taken in this regard.

5) This article also applies to proxy advisors who have neither their registered office nor their head office in an EEA member state and who carry out their activities through a branch in Germany.

IV. Remuneration policy and remuneration report

Art. 367m

1. Principles for the remuneration of members of the management

1) The supervisory board or, if no such board has been appointed, the board of directors shall establish principles for the remuneration of members of the management (remuneration policy).

2) The remuneration policy must promote the business strategy and long-term development of the company and explain how it does so. It must be clear and comprehensible.

3) The compensation policy must contain:

1. a description of the various fixed and variable remuneration components that may be granted to members of the company's management, including all bonuses and other benefits in any form, stating their respective relative share;
2. an explanation of how the remuneration and employment conditions of the company's employees have been taken into account in determining the remuneration policy;
3. clear, comprehensive, and differentiated criteria for any variable remuneration components granted;
4. financial and non-financial performance criteria, including any criteria relating to the company's social responsibility, and explanations of how these criteria promote the objectives set out in paragraph 2 and the methods used to determine whether the criteria have been met;
5. Information on any waiting periods and on the company's ability to reclaim variable remuneration components;
6. an explanation of the extent to which any share-based remuneration awarded promotes the objectives set out in paragraph 2 and a specification of any vesting and holding periods;
7. the duration of the contracts of members of the company's management, the relevant notice periods, the main features of supplementary pension schemes and early retirement programs, and the conditions for termination and the payments to be made in such cases;

8. Explanations of the process by which the remuneration policy is established, reviewed, and implemented, including how it avoids or manages conflicts of interest and, where applicable, the role of any remuneration committee or other relevant committees.

4) In exceptional circumstances, the company may temporarily deviate from its compensation policy, provided that the policy describes the procedure for such deviation and specifies the parts from which deviation is permitted. Exceptional circumstances are defined as situations in which deviation from the compensation policy is necessary for the long-term development of the company or to ensure its profitability.

5) Any revised compensation policy must describe and explain all material changes. It must also describe how the votes and opinions of shareholders on the compensation policy and compensation reports since the last vote on the compensation policy at the Annual General Meeting have been taken into account.

Art. 367n

2. Vote on the compensation policy and publication

1) The compensation policy must be submitted to the general meeting for approval at least every four years and whenever there is a significant change. The vote is of a recommendatory nature. The resolution is not contestable.

2) The company may only remunerate members of the management in accordance with a remuneration policy that has been submitted to the general meeting for a vote. If the general meeting rejects the proposed remuneration policy, the company must submit a revised remuneration policy at the next general meeting.

3) After the vote at the general meeting, the compensation policy must be published on the company's website together with the date and result of the vote no later than the second working day after the general meeting and must remain accessible there free of charge for at least the duration of its validity.

Art. 367o

3. Preparation and content of a compensation report for the remuneration of members of the company management

1) The supervisory board or, if no such board has been appointed, the board of directors must prepare a clear and comprehensible remuneration report. This report must provide a comprehensive overview of the remuneration granted or owed to current and former members of the company management during the last financial year in accordance with the remuneration policy set out in Art. 367m, including all benefits in any form.

2) The compensation report must contain the following information on the compensation of the individual members of the company management:

1. the total remuneration, broken down by components, the relative share of fixed and variable remuneration components, and an explanation of how the total remuneration complies with the remuneration policy recommended by the general meeting, including information on how the total remuneration promotes the long-term performance of the company and how the performance criteria were applied;

2. the annual change in total remuneration, the company's earnings, and the average remuneration of the company's other employees on a full-time equivalent basis, at least for the last five financial years and in a manner that allows comparison;

3. any remuneration from companies in the same group within the meaning of Article 2(11) of Directive 2013/34/EU;

4. the number of shares and share options granted or offered and the main conditions for exercising the rights, including the exercise price, the exercise date, and any changes to these conditions;

5. information on whether and how the possibility of reclaiming variable remuneration components has been used;

6. Information on any deviations from the procedure for implementing the remuneration policy pursuant to Art. 367m (2) and (3) and on any deviations that were practiced pursuant to Art. 367m (4), including an explanation of the nature of the exceptional circumstances and details of the specific parts from which deviations were made.

3) The remuneration report may not include any special categories of personal data relating to individual members of the management board within the meaning of Art. 9 of Regulation (EU) 2016/679 or personal data relating to the family situation of individual members of the management board.

4) The company shall process the personal data of members of the management included in the remuneration report solely for the purpose of increasing transparency with regard to remuneration. This is to ensure that members of the management are better able to fulfill their accountability obligations and that shareholders are better able to monitor their remuneration.

5) Notwithstanding longer periods specified in sector-specific EEA legislation, the company may no longer make the personal data of members of the management included in the remuneration report publicly available ten years after the publication of the remuneration report.

ten years after the publication of the remuneration report.

Art. 367p

4. Right to vote on the remuneration report

1) The remuneration report for the last financial year must be submitted to the general meeting for a vote. The vote is of a recommendatory nature. The resolution is not contestable. In the following remuneration report, the company must explain how the result of the vote at the last general meeting was taken into account.

2) In small and medium-sized companies within the meaning of Art. 1064 paras. 1 and 2, the remuneration report for the last financial year may also be submitted for discussion at the general meeting as a separate agenda item. The company must explain in the following remuneration report how the discussion at the last general meeting was taken into account.

Art. 367q

5. Publication of the remuneration report

1) After the general meeting, the company must make the remuneration report available to the public free of charge on the company's website for a period of ten years. The remuneration report may remain accessible for longer if it no longer contains personal data relating to members of the company management.

2) The auditors must verify that the required information has been made available.

Art. 367r

V. Transparency of and approval for transactions with related parties

1) A significant transaction with related parties requires the approval of the supervisory board or, if no such board has been appointed, the general meeting, and disclosure in accordance with paragraph 4, unless it is an exception under paragraphs 5 or 6.

2) Related companies and persons are those defined in accordance with international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002.

3) A transaction is material if its value exceeds 5% of the company's total assets. The total assets for the respective financial year are determined by the annual financial statements that were to be submitted to the ordinary general meeting of the previous financial year. In the case of a parent company that is required to prepare consolidated financial statements, the total assets in the consolidated financial statements replace the balance sheet total. If several transactions are concluded with the same related party or

the same related company within a financial year that would not be material when considered in isolation, their values must be added together.

4) The company must disclose a transaction within the meaning of paragraph 1 at the latest at the time of its conclusion in the manner prescribed for announcements to shareholders. The announcement must in any case contain the names of the related companies and persons, the date of the transaction, and a note that further information on the transaction is available on the company's website. This information shall include at least the nature of the relationship with the related companies and persons, their names, the date and value of the transaction, and all other information necessary to assess whether the transaction is appropriate and reasonable from the perspective of the company and all shareholders who are not related companies and persons. The information must be available on the company's website until the end of the financial year beginning after the conclusion of the transaction in question.

5) A transaction within the meaning of paragraph 1 that is concluded in the ordinary course of business and at arm's length does not require the approval referred to in paragraph 1 or the disclosure referred to in paragraph 4. The company must establish an internal procedure for regularly assessing whether these conditions are met. Related companies and persons may not participate in this assessment.

6) Unless otherwise specified in the articles of association, the following transactions within the meaning of paragraph 1 also do not require the approval referred to in paragraph 1 or the disclosure referred to in paragraph 4:

1. Transactions between the company and:

a) a domestic subsidiary;

b) a foreign subsidiary, provided that it is a wholly owned subsidiary or a subsidiary in which no other companies or persons related to the company hold an interest;

c) a foreign subsidiary in which no other companies or persons related to the company hold an interest, provided that foreign law provides for adequate protection of the interests of the company, the subsidiary, and its shareholders who are not related companies or persons in such transactions;

2. Transactions that must be decided by the general meeting in accordance with the provisions on mergers or conversions, the SE Act, or the Takeover Act;

3. Transactions relating to the remuneration of members of the management board, which are granted or owed in accordance with the company's remuneration policy (Art. 367m);
4. Transactions by credit institutions within the meaning of Art. 4 para. 1 no. 1 of Regulation (EU) No. 575/2013 on the basis of measures to protect their stability that have been approved by the competent supervisory authority;
5. Transactions offered to all shareholders on the same terms and conditions, ensuring equal treatment of all shareholders and protection of the company's interests.

7) The company must also disclose material transactions between its related companies and persons and its subsidiaries in accordance with paragraph 4, unless one of the exceptions in paragraphs 5 or 6 applies.

Art. 367s

VI. Supervision

1) Compliance with the provisions of this subsection shall be reviewed as part of the annual statutory audit or review obligations and confirmed by the auditor or the audit office that carried out the audit or review.

2) If, during the audit or review pursuant to paragraph 1, the auditor or the audit office determines that mandatory provisions of this subsection have been violated, a report shall be submitted to the Office of Justice.

3) If the Office of Justice receives a report in accordance with paragraph 2, it shall request the company concerned to remedy the situation within a reasonable period of time. If the deficiency is not remedied within the period specified or if it is not possible to remedy the deficiency, the Office of Justice shall immediately report the matter to the district court.

4) The government shall regulate the details of supervision by ordinance.

L. Gender representation in public limited companies listed on stock exchanges in the EEA *(only applicable once EEA Directive [EU] 2022/2381 has been adopted)*

Art. 367t

I. Target

1) For public limited companies listed on the EEA stock exchange within the meaning of Art. 262a para. 1 that are domiciled in Switzerland and are not small or medium-sized companies within the meaning of Art. 1064 para. 1, 1a, and 2, the underrepresented gender must make up at least 33% of the members of the administrative, management, or supervisory body. This target applies to administrative, management, or supervisory bodies with more than two members.

2) The number of all positions in the administrative, management, and supervisory bodies for which the target specified in para. 1 is deemed to have been met corresponds to the number that comes closest to the 33% quota but does not exceed 49%.

Art. 367u

II. Means of achieving the target

1) If a company does not meet the target set out in Art. 367t para. 1, it must, if necessary, adapt the procedure for selecting members of the administrative, management, or supervisory body so that candidates are selected on the basis of a comparison of each candidate's qualifications.

2) When choosing between candidates who are equally qualified in terms of their suitability, ability, and professional qualifications, priority shall be given to the candidate of the underrepresented gender, unless, in exceptional cases, priority must be given to a candidate of the other gender for important reasons based on non-discriminatory criteria.

3) If a candidate of the underrepresented gender is not selected without good cause within the meaning of paragraph 2, they are entitled to a judicial determination of discrimination and reimbursement of the expenses incurred. Any further claim for damages is excluded.

4) A violation of the provisions of paragraph 2 shall be presumed if the candidate who was not selected can credibly demonstrate that he or she has the same qualifications as the candidate of the opposite sex who was selected.

Art. 367v

III. Reporting and publication obligations

1) Companies must submit annual reports to the Office for Social Services on the gender representation in their administrative, management, or supervisory bodies, as well as on the measures they have taken to achieve the target set out in Art. 367t para. 1, and publish this information on their website.

2) Companies that do not achieve the target set out in Art. 367t para. 1 must also state the reasons for not meeting the target and outline the measures they plan to take to meet the target in future.

Art. 367w

IV. Regulatory power

The government shall regulate the details concerning gender representation, the selection of candidates, and reporting and publication requirements by means of an ordinance.

3. Section

The limited partnership

Art. 368

A. Definiti on

1) A limited partnership with share capital is a company whose share capital is divided into shares and in which one or more members are jointly and severally liable to the company's creditors in the same way as a limited partner.
2) The relationship between the partners with unlimited liability, vis-à-vis all shareholders and third parties, is governed by the provisions on limited partnerships, unless exceptions are provided for below.
3) Unless otherwise provided, the provisions governing stock corporations apply to limited partnerships with share capital.

Art. 369

B. Unlimited liability members

1) The members with unlimited liability (limited partners) must be listed in the articles of association with their full name or company name; this is an essential provision in accordance with the provisions on the nullity procedure.
2) The surname and first name, place of residence and occupation or company name and registered office must be entered in the commercial register and published.
3) Changes in this membership shall be made by way of an amendment to the articles of association and shall be reported by the administration for entry in the commercial register.
4) The provision on the non-competition clause for general partnerships applies to limited partnerships if the consent of the other partners with unlimited liability has not been obtained and, unless the authority to grant such consent has been transferred to the supervisory board by the articles of association or by a resolution of the general meeting, has not been granted by the latter.
5) The member with unlimited liability has the same right of termination as a general partner.
6) If one of several members with unlimited liability withdraws, dies, becomes incapacitated, or bankruptcy proceedings are opened against their assets, the company shall continue among the remaining members and the share of the other member shall be paid out, unless the partnership agreement provides otherwise.

C. Organization

Art. 370

I. Supreme body

1) In the absence of any other provisions, the supreme body of the limited partnership is the general meeting of all shareholders.
2) The resolutions of the supreme body require the approval of all members with unlimited liability and a majority of the shareholders, the latter being calculated in accordance with the provisions applicable to stock corporations.

3) Resolutions on the appointment of auditors and the assertion of liability of members do not require the approval of the partners with unlimited liability if one or more partners with unlimited liability belong to the management.

4) If none of the partners with unlimited liability are members of the management, the approval of at least half of the partners with unlimited liability is required.

5) In all other respects, the provisions governing the supreme body of a stock corporation shall apply mutatis mutandis.

Art. 371

II. Management

1) The management is the responsibility of the partners with unlimited liability.

2) Third parties or companies may also be entrusted exclusively with the administration by resolution of the company, provided that the articles of association so provide.

3) In the absence of any other provision in the articles of association, a member of the administration who is a partner with unlimited liability may only be deprived of the power to manage and represent the company under the same conditions as those applicable to a managing general partner.

4) Members of the administration who are not partners with unlimited liability may be dismissed by the general meeting and the partners with unlimited liability jointly or, if there are important reasons, by each of the latter individually in accordance with the provisions applicable to stock corporations.

Art. 372

III. Supervisory Board

1) In all cases, a limited partnership requires a supervisory board, which is responsible for auditing and permanently supervising the management and to which further duties may be assigned by the articles of association.

2) The members of the supervisory board must be reported for entry in the commercial register in the same way as the members of the management board, and must be entered and published there.

3) The supervisory board may hold the members of the management accountable on behalf of the company and, if necessary, take legal action against them.

4) To the extent of its own responsibility, and in the event of fraudulent conduct on the part of members of the management, it is entitled to initiate and conduct legal proceedings against them, even against the will of the general meeting. Art. 373

D. Dissolution

1) The limited partnership with share capital shall also be terminated if all partners with unlimited liability leave the company for any reason.

2) The articles of association may stipulate that dissolution shall also occur if a single partner with unlimited liability leaves the company.

3) The dissolution of a limited partnership is subject to the same provisions as the dissolution of a stock corporation in general, with the proviso that dissolution by resolution of the general meeting before the date specified in the articles of association may only take place with the consent of the partners with unlimited liability.

4) The provisions governing the merger of stock corporations shall apply to the dissolution of a limited partnership by a stock corporation or another limited partnership.

5) The conversion into a limited partnership may take place at any time in accordance with the provisions governing amendments to the articles of association by means of a public deed without liquidation, provided that the share certificates are destroyed and the necessary notifications for entry in the commercial register are made.

6) Similarly, subject to the previous liability for liabilities incurred up to the date of entry of the conversion in the commercial register, such a company may be converted into a limited partnership or a general partnership with limited liability.

Art. 374

E. Other division of limited partnership capital

1) If limited partnership capital is divided into shares solely for the purpose of regulating the extent of the participation of several limited partners, but is not to be treated as shares, the provisions governing limited partnerships shall apply rather than those governing limited partnership companies, unless the conditions for a limited partnership or a general partnership with limited liability are met.

2) This is without prejudice to limited partnership shares and limited partnerships with capital shares.

4. Section

The share company

Art. 375

A. Definition and delimitation

1) A partnership (Gewerkschaft) is a company within the meaning of this title with its own name, whose assets, not necessarily determined in a sum of money,

, subject to sole proprietorships, is divided into shares of the assets and for whose liabilities only the company's assets are liable.

2) The shareholders (members) are liable both for contributions to the acquisition and management of the assets and for all liabilities of the company incurred in the name of the company against third parties only with their shares (Kuxen) in the joint assets.

3) Associations of workers or employees under the actual name of trade union or trade association are subject to the provisions governing the relevant associations, such as clubs, cooperatives, and the like.

Art. 376

B. Reference

1) Unless otherwise specified in the provisions of this section, in the general provisions, or in the articles of association, the provisions governing registered cooperatives shall apply mutatis mutandis to the joint-stock company, in particular with regard to its organization and dissolution.

2) The articles of association may also stipulate a fixed amount of real estate assets.

C. Creation

Art. 377

I. Articles of association

1) The formation of a company requires a publicly certified or by all members signed partnership agreement with articles of association, which must contain:

1. the name or company name, registered office of the company, and purpose of the enterprise;
2. the exact description of the assets, unless these are listed in a separate register and submitted to the Office of Justice;
3. the number of shares (Kuxe), if any, stating whether there are different classes of shares and whether share certificates are issued;
4. where applicable, the type and size of additional contributions to be made by the members in deviation from the law;
5. the organization of the company: the composition and appointment of the supreme body, such as the shareholders' meeting, trade union meeting, and the like, the administrative bodies, and any auditors;
6. the form in which announcements made by the company are communicated to members or third parties.

2) With the exception of sections 3, 4, and 6, these provisions are essential in terms of the nullity procedure.

3) The articles of association must expressly designate the company as a joint-stock company or a trade union.

Art. 378

II. Registration

1) The application, to which the original or a certified copy of the articles of association must be attached, the entry in the commercial register and its publication must contain, in addition to the aforementioned content of the articles of association, the names and places of residence or company names and registered offices of the members of the administration and, in particular, the representatives of the company.

2) Repealed

D. Membership

Art. 379

I. Share register

1) The management shall keep a share register (Gewerkenbuch) of all members of the company and their shares, stating the names and places of residence or companies and registered offices of the members and the number of shares.

2) Anyone who is listed in the share register as the owner or trustee with regard to the exercise of the membership rights and obligations of a share shall be regarded as a shareholder by the company.

3) The transfer of shares in the share register may only be recorded upon presentation of the endorsed share certificate or, if no such certificate has been issued, upon presentation of a written assignment and, if the share certificate has been declared invalid, upon presentation of the certificate of invalidity.

4) Every shareholder has the right to inspect the share register. Art. 380

II. Shares

1) If, in accordance with the detailed provisions of the articles of association, the company's assets constitute one or more shares, which in the latter case are usually denominated as a quota of the assets, such as one hundredth, and cannot be reclaimed, the administration may issue a share certificate on the basis of the entry in the share register.

2) Share certificates shall be issued at the shareholder's discretion for individual shares or for several shares belonging to the same shareholder.

3) Share certificates are securities equivalent to registered shares and may only be issued in the name of the shareholder, not to the bearer, and any declaration of invalidity shall be made in accordance with the provisions established for bearer securities.

4) If the assets are divided into several shares, the shares are indivisible, but joint ownership of a share is possible.

5) The company may also issue free share certificates for the company's assets without the person for whom the share certificates are issued having transferred assets to the company in accordance with the share quota or share sum or being obliged to make additional contributions.
6) Unless an exception is provided for by law, the provisions on the acquisition of own shares shall apply mutatis mutandis to the acquisition of own shares.

Art. 381

III. Acquisition and loss of membership

1) Acquisition and loss of membership in share companies is governed by the acquisition or loss of a share.
2) Any shareholder may voluntarily renounce his membership and his share in favor of the company if the share is not subject to any outstanding contributions or other liabilities and if, in addition, the provisions governing the transfer of shares are complied with.
3) The company may sell the share.
4) If the share is unmarketable, the last paragraph of the article on the declaration of forfeiture shall apply mutatis mutandis.
5) The purchaser must accept the legal acts performed by the company vis-à-vis the seller or by the latter vis-à-vis the company in relation to the company relationship prior to registration, and the purchaser shall be jointly and severally liable with the seller for any payments outstanding on the share at the time of registration.

IV. Rights and obligations of members

1. Offsetting provisions

Art. 382

a) Balance sheet provisions

Repealed

Art. 383

b) Yield, profit, and loss

1) Distributions of profits and benefits from the company's assets to the shareholders shall be made by resolution of the supreme body and, unless a fixed capital stock is provided for in the articles of association, shall only be permissible insofar as they are not necessary for the operation of the company and the company's liabilities to third parties are covered by the remaining assets.
2) If the articles of association provide for fixed assets, the provisions on the reduction and repayment of share capital in public limited companies shall also apply.

3) The shareholders participate in the profits and losses in proportion to their shares and in accordance with the provisions of the articles of association.

2. Additional contributions

Art. 384

a) In general

1) Unless otherwise specified in the articles of association, the shareholders are liable without limitation and, if provided for in the articles of association, jointly and severally for the contributions to the company required to meet the company's liabilities and to operate the business, in proportion to their shares.

2) In the absence of any other provision in the articles of association, contributions shall be called up by resolution of the supreme body, on the basis of which the management shall, unless otherwise provided in this section, collect the contributions in accordance with the provisions governing the payment of cooperative contributions.

3) An action against a member for payment of a contribution determined by a resolution of the members may not be brought before the expiry of the period for contesting the resolution.

Art. 385

b) Abandonment

1) Unless otherwise provided in the articles of association, a member may release himself from the obligation arising from his membership to make further contributions to the company by surrendering his share certificate or, if no such certificate has been issued, by written declaration surrendering his share to the company for realization, which, in the absence of any other provision in the articles of association, may only take place by public auction..

2) The declaration of forfeiture also releases the predecessor of the person who declared the share forfeited from the obligation to pay the membership fees outstanding from his membership.

3) The surplus proceeds remaining after deduction of the costs of realization and the contributions owed shall accrue to the shareholder, unless the articles of association provide otherwise.

4) If a share cannot be realized, it shall be allocated to the other shareholders in proportion to their shares and, if this is not possible, to the company; in the latter case, the rights and obligations of a share may not be asserted as long as it is allocated to the company.

Art. 386

E. Qualified resolutions

1) Unless otherwise specified in the Articles of Association, any disposal of real estate or parts thereof by sale, exchange, pledge, or other encumbrance or lease requires a special resolution of the shareholders' meeting (general meeting or union meeting) approved by at least three-quarters of all shares.
2) Donations and waivers of real estate require unanimity in the absence of other provisions in the Articles of Association.
Art. 387
F. Limited partnership
If, in addition to the other members, one or more partners with unlimited liability are members of a partnership, the provisions governing limited partnerships shall apply to such a partnership, with the proviso that the provisions governing stock corporations shall be replaced by those governing partnerships.
Art. 388
G. Conversion and merger
1) The conversion without liquidation of a partnership into a sole proprietorship or institution, joint-stock company, or limited liability company as universal successor may be effected at any time by resolution of the shareholders by means of a public deed or a deed signed by all members, by adapting to the relevant form of enterprise and appointing the necessary organs, and shall be registered in the commercial register by the persons responsible in accordance with the relevant provisions.
2) Conversely, one of the forms of enterprise referred to in the first paragraph may be converted into a partnership at any time in a corresponding manner.
3) The provision on dissolution without liquidation in the case of a limited liability company applies mutatis mutandis to the merger in the case of a partnership limited by shares.

5. Section

The limited liability company

A. Definition and formation

A. Definition and formation

Art. 389

I. Association of persons

1) One or more persons, companies, or private or public legal entities may form a limited liability company for any purpose with their own company and a predetermined capital (share capital).

2) Liability is limited to a specific amount for each participant, without the shares being treated as stocks.

3) The government may stipulate by ordinance that the number of participants, apart from social policy share rights, may not exceed 30, and if, in this case, the number rises above 30 for any reason after the company has been formed, the number must be reduced to a maximum of 30 within one year unless the number falls back to a maximum of 30 in the meantime, the company must be managed in accordance with the regulations governing the number of members in corporations, or the company must be converted into a permissible form of company.

Art. 390

II. Articles of association

1) In order to be established, a limited liability company requires articles of association drawn up in the form of a public deed, bearing the signatures of all participants or their representatives, together with entry in the commercial register.

2) Unless exceptions arise from the individual points themselves, the articles of association must specify the following essential provisions:

1. the object of the company;
2. the amount of the share capital;
3. the amount of the capital contribution to be made by each participant to the share capital;
4. the name of the company;
5. the registered office and, where applicable, the head office of the company;
6. the duration for which the company is to be limited, if such a limitation is to be imposed;
7. provisions deviating from the statutory provisions regarding the manner in which representation is to be exercised;
8. the manner in which announcements are made to shareholders or third parties;
9. the balance sheet date.

3) Paragraphs 2(1) to (4) are considered essential for the purposes of the nullity procedure.

4) The articles of association must be published after registration in accordance with Art. 956 para. 2.

5) The company may be founded in a simplified procedure without public certification of the articles of association if it has no more than three shareholders and one managing director. The articles of association of the company must be drawn up in accordance with the model template provided by the Office of Justice. Furthermore, no provisions deviating from the law may be made. The signatures of the shareholders on the articles of association must be certified. The articles of association also serve as the list of shareholders.

Art. 391

III. Share capital and capital contribution

1) The share capital may be set at any amount, but the non-refundable capital contribution of each shareholder must be at least 50 francs; the government may, by ordinance, limit the maximum share capital to an amount equivalent to 5 million francs.

2) Repealed

3) The amount of the capital contributions may vary for individual shareholders, but must be a multiple of fifty.

4) Instead of a specific sum, the capital contribution may also be based on a quota, which corresponds to a share in the assets amounting to at least 50 francs.

5) Unless there is a legal exception, each participant may only have one capital contribution and must have paid it in full or covered it with contributions in kind at the time of incorporation.

6) If, according to the articles of association, interest on acquired assets is to be credited to a capital contribution, the payment must be made in full immediately.

IV. Additional services, deposits, and remuneration

Art. 392

1. General

1) The shareholders are only obliged to make contributions other than the capital contribution to the extent that this is specified in the articles of association or in regulations provided for in the articles of association and attached thereto.

2) If shareholders are required to make contributions to the share capital that are not to be made in cash, or if remuneration is to be approved for assets to be acquired by the company, or if a shareholder is to be granted other special benefits, the articles of association must specify the subject matter of the

contribution or acquisition, the amount to be credited or the remuneration or the special privilege granted, and the person of the shareholder concerned.
3) Compensation for the formation of the company or its preparation, such as a founder's commission, may not be granted to a shareholder from the share capital; in particular, it may not be credited against the share contribution.
4) Reimbursement of the costs of establishing the company, such as fees, printing costs, and the like, may only be requested within the maximum amount specified for the formation costs in the articles of association.

Art. 393

2. In the case of recurring non-monetary contributions

1) If one or more shareholders undertake to make recurring non-monetary contributions that represent an asset in addition to their capital contributions, the scope and conditions of this service, as well as any contractual penalties that may be imposed in the event of default, shall be precisely defined and specified in the articles of association or in regulations provided for therein and attached thereto as the basis for calculating the remuneration to be granted by the company for the services, and it shall be stipulated that the transfer of company shares requires the consent of the company.
2) For such recurring services, remuneration not exceeding the value of these services may be paid in accordance with the assessment principles laid down in the articles of association or in the regulations, regardless of whether the annual balance sheet shows a net profit.
3) In foreclosure and insolvency proceedings, the remuneration shall be treated as a creditor's claim, unless the articles of association exclude this.

Art. 394

V. Registration

1) The application for registration in the commercial register, to which a copy or certified copy of the articles of association must be attached, must contain, in addition to the legally required content of the articles of association, the names and first names of all shareholders, date of birth, nationality, and place of residence or company name and registered office, their capital contributions, as well as the managing director's first and last name, date of birth, nationality, occupation, and place of residence or company name and registered office, and the manner in which representation is exercised.
2) The necessary content of the articles of association, the number of participants, the amount of payments made and contributions in kind, the first and last names, dates of birth, nationalities, and places of residence or company names and registered offices of the managing directors and representatives, the manner in which management and representation are exercised, and the auditors must be registered and published.

3) The names of the shareholders are also registered. Instead, a list of shareholders may be kept at the company's registered office (Art. 402 para. 2).

4) For limited liability companies that do not operate a commercial business, publication of the registration within the meaning of Art. 956 para. 1 is sufficient.

5) Repealed

Art. 394a

VI. Branch offices

The provisions governing branches of stock corporations shall apply mutatis mutandis to the registration and disclosure of branches established by limited liability companies with their registered office abroad.

B. Organization

I. Shareholders' meeting

Art. 395

1. Convocation

1) Shareholders representing at least one-tenth of the share capital may at any time request that a meeting be convened, stating the agenda, or, if necessary, convene the meeting themselves for the same agenda without requiring the approval of the registration authority.

2) In the absence of a form specified in the articles of association, the meeting shall be convened and the request for written voting shall be made by registered letter at a specific time, observing a notice period of at least one week and stating the items on the agenda.

3) Legal or statutory exceptions remain reserved. Art. 396

2. Powers and resolutions

1) In the absence of other provisions in the Articles of Association, the shareholders' meeting or other supreme body shall have the following powers:

1. Approval of the annual balance sheet and distribution of the net profit resulting therefrom in accordance with the law and the articles of association;
2. Dividing and redeeming shares and calling for additional contributions;
3. Appointing and dismissing managing directors and representatives as organs of the company, and appointing authorized signatories and agents for the entire management;

4. Monitoring the management and issuing instructions to the executive bodies, as well as discharging them from liability;
5. Assertion of claims for damages to which the company is entitled against the executive bodies or individual shareholders arising from the formation, management, or control of the company;
6. the conclusion of contracts through which the company is to acquire existing or future assets or real estate intended for permanent use in business operations for a consideration exceeding one-fifth of the share capital, as well as the amendment of such contracts at the expense of the company, provided that the acquisition is not by way of foreclosure or insolvency proceedings;
7. Amendment of the articles of association.

2) Unless otherwise provided by law or the articles of association, each 50 francs of share capital shall entitle the holder to one vote; in all cases, however, each shareholder shall have one vote by operation of law.

3) In companies with five or fewer shareholders, unless the articles of association stipulate otherwise, resolutions must be passed unanimously.

4) If all shares are held by one person, the sole shareholder shall have the powers of the shareholders' meeting alone. Resolutions shall be recorded in writing.

II. Management and representation

Art. 397

1. By the shareholders

1) Unless otherwise specified in the articles of association, the management and representation of the company (administration) shall be carried out jointly by all shareholders, whereby shareholders who join after the company has been established shall only be entitled to this power if it is transferred to them.

2) The articles of association or a resolution of the company may assign the management and representation of the company to one or more shareholders.

Art. 398

2. By non-shareholders

1) The articles of association or a resolution of the company may transfer the management and representation of the company in whole or in part to one or more persons who are not shareholders.

2) They are subject to the same provisions as the organs with regard to their powers and responsibilities.

Art. 399

3. Withdrawal

1) The withdrawal of management and representation among the shareholders is governed by the provisions established for general partnerships, unless the articles of association stipulate otherwise.
2) Management and representation rights transferred to a non-shareholder may be revoked at any time by a resolution of the shareholders, subject to any claims for compensation arising from a contract, such as an employment contract, mandate, or similar, or from a tortious act.
3) Unless otherwise specified in the articles of association, the revocation of power of attorney may be effected by any managing director.
Art. 400
III. Auditor
1) The supreme body must elect an auditor in all cases.
2) An auditor or auditing firm within the meaning of the Auditing Act must be appointed as the auditor of medium-sized and large companies within the meaning of Art. 1064. The same applies to small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in an EEA member state. The audit of the consolidated annual report is reserved for auditors and auditing companies within the meaning of the Auditors Act.
Art. 400a
Repealed
C. Legal relationship between shareholders and the company and among themselves
I. Company shares
Art. 401
1. General
1) In the absence of other statutory provisions, the amount of the capital contribution made by each shareholder determines their share in the company (business share), and this share is also transferable and inheritable among the shareholders themselves in accordance with the following provisions.
2) The share in the company includes the claims to net profit, liquidation assets, and the rights to which the shareholders are entitled in matters concerning the company.
3) If a document is drawn up for the share in the company, it cannot be drawn up as a security, but only as a document of evidence.
4) Repealed
Art. 402
2. Share register

1) A share register shall be kept of the capital contributions of all shareholders, showing the surname and first name, date of birth, nationality, and place of residence or company name and registered office of each shareholder, the amount of the contributions made, and any transfer of a company contribution and any changes thereto.
2) At the beginning of each calendar year, a list of these entries, which must correspond to the share register, shall be submitted to the Office of Justice for storage with the register files, or notification shall be given that no changes have occurred since the last submission.
3) The managing directors shall be jointly and severally liable for any damage caused by improper maintenance of the share register in accordance with the provisions on liability.
4) The submitted list may be inspected by anyone.

3. Transfer of the entire share

Art. 403

a) Due to a transfer

1) The assignment of a share in the company shall only be effective if it has been notified to the shareholders and entered in the share register.
2) Unless otherwise specified in the articles of association, this entry may only be made if three-quarters of all participants, representing three-quarters of the share capital, have given their consent, unless the transfer is made to other shareholders.
3) The articles of association may stipulate that the transfer may take place without the consent of the shareholders, or that it is subject to further restrictions, such as the shareholders' right of first refusal, the consent of the management, or similar.
4) The transfer of a share in the company, as well as the obligation to make such a transfer, but not the creation of a limited right in rem, requires public certification to be valid.
5) This article does not apply to the transfer of company shares by the company, or the transfer or creation of a limited right in rem to individual property claims of the shareholder, such as profits or liquidation shares.
6) From the date of entry in the share register, the acquirer shall bear the obligations as a shareholder, whereas the transferor and acquirer shall be jointly and severally liable for payments already due, unless otherwise provided for in the articles of association.

Art. 404

b) On the basis of inheritance and similar circumstances

1) If company shares are acquired through inheritance, division of an estate, or matrimonial property rights, all rights and obligations associated with them are transferred to the acquiring person without the consent of the shareholders' meeting.

2) However, in order to exercise voting rights and the associated rights, the acquiring person requires recognition by the shareholders' meeting as a shareholder with voting rights.

3) The shareholders' meeting may only refuse to approve the acquisition if the company offers to purchase the shares at their actual value at the time of the application. The offer may be made on its own account or on behalf of other shareholders or third parties. If the acquiring person does not reject the offer within one month of becoming aware of the actual value, it shall be deemed to have been accepted.

4) If the shareholders' meeting does not reject the application for recognition within six months of receipt, recognition shall be deemed to have been granted.

5) The articles of association may waive the requirement for recognition.

6) The articles of association may stipulate that shares which have been transferred to a third party by inheritance, division of an estate, or matrimonial property rights in accordance with paragraph 1 may be redeemed by the company or taken up by the company or one or more co-shareholders or by another person, or that this third party may be excluded from the company. The compensation may be contractually determined and, in particular, may also be below the actual value of the share, provided that the provision is not contrary to public policy and the compensation is at least equal to that provided for in the articles of association in the event of the exclusion of a shareholder for good cause.

Art. 405

c) In the event of foreclosure or insolvency proceedings

1) If a share in the company that is only transferable with the consent of the shareholders is to be sold in foreclosure or insolvency proceedings, the district court shall determine the estimated value of the share and, when approving the sale, shall also notify the shareholders and all creditors who have obtained attachment of the share up to that point, informing them of the estimated value determined.

2) The estimate may be omitted if the creditor, the debtor, and the shareholders reach an agreement on the purchase price.

3) If the share is not acquired within 14 days of notification of the shareholders by a buyer approved by them in return for payment of an amount equal to the estimated value, the sale shall take place in enforcement proceedings or in insolvency proceedings without the consent of the shareholders being required for the transfer of the share.

4) Art. 404 para. 6 applies mutatis mutandis.

Art. 406

d) On the basis of a decision

1) If the shareholders refuse to consent to the transfer of a share in the company, the shareholder concerned may, after hearing the managing directors, be permitted by the court in non-contentious proceedings to transfer the share if there are no sufficient grounds for refusing consent and the transfer can be effected without prejudice to the company, the other shareholders, and the creditors.

2) Even if the court approves the transfer, the latter is inadmissible if, within one month of the decision becoming final, the company informs the shareholder concerned by registered letter that it will permit the transfer of the share in question on the same terms to another purchaser designated by it who has agreed to take over the share.

Art. 407

4. Division

1) The division of a share in the company and the sale of part of such a share are permissible if the articles of association do not exclude this and the parts do not fall below the minimum amount of a share permitted by law, but require the same consent and registration as the transfer of the entire share in order to be valid.

2) If there are important reasons, the judge may, in the event of refusal by the shareholders, permit the division or sale in non-contentious proceedings after hearing the managing directors.

3) If new company shares arise as a result of the division or sale, they must be entered in the share register and reported to the Office of Justice, but not published.

Art. 408

5. Acquisition by a co-partner

1) If a shareholder acquires the share of another shareholder or part thereof, their capital contribution shall increase by the nominal value of the acquired share.

2) However, there shall be no increase in the capital contribution; rather, each share shall retain its legal independence if ordinary and preferred shares are held by one shareholder.

Art. 409

Repealed

II. Payment

Art. 410

1. Obligation and type of payment

1) Subject to the provisions on contributions in kind, the capital contributions shall be paid in cash by the shareholders at the same time and may not be waived or deferred, except in the event of a reduction in the share capital.

2) Reservations and restrictions on the assumption of the capital contribution or on payments are void.

Art. 411

Repealed Art.

412

Repealed Art.

413

Repealed Art.

414

Repealed Art.

415

III. Liability of shareholders

Only the company's assets are liable for the company's liabilities. Art. 416

IV. Additional contributions

1) The articles of association may require shareholders or certain groups of shareholders to make additional contributions in excess of their capital contributions. Unless otherwise specified, these additional contributions must be for specific amounts and, unless otherwise specified, must be paid in proportion to the capital contributions.

2) In case of doubt, these additional contributions shall be demanded by the managing directors by registered letter on the basis of a company resolution, but shall only serve to cover balance sheet losses and shall therefore not constitute new capital contributions and shall not be subject to the provisions governing share capital.

3) Repealed

4) However, the articles of association may also stipulate that the additional contributions may be collected by the management by means of a levy.

Art. 417

V. Entitlement to share in profits

1) The shareholders are not entitled to interest or construction interest, but are entitled to a share of the net profit resulting from the annual balance sheet in proportion to their shares, subject to other statutory provisions and the payment of profits in the meantime.

2) The same rules apply to challenging the calculation of net profit as for public limited companies.

3) The provisions on the statutory reserve fund for stock corporations apply accordingly.
4) Participation certificates may be issued as securities in respect of the entitlement to profits.

Art. 418

VI. Repurchase and amortization

1) The company may only acquire its own ordinary shares if it has freely available equity capital in the amount of the funds required for this purpose.
2) Repealed
3) Company shares may be amortized in accordance with the articles of association or with the approval of the shareholders' meeting, provided that the amortization is covered by the company's assets in excess of the share capital. Amortization at the expense of the share capital is only permissible if the provisions on the reduction of the share capital are complied with.
4) Participation certificates may be issued in accordance with the regulations established for stock corporations.

Art. 418a

VII. Contracts with the sole shareholder

Contracts between the sole shareholder and the company must be in writing. This does not apply to contracts relating to ongoing business transactions concluded under normal conditions.

D. Amendment of the articles of association

Art. 419

I. Amendment resolution

1) The articles of association may be amended by a resolution of the shareholders in a public document, but the amendment shall only take effect upon entry in the commercial register.
2) Unless otherwise specified in the articles of association, the amendment requires the approval of a majority of three quarters of all shareholders, representing three quarters of the share capital.
3) Unless otherwise provided in the articles of association, any increase in the contributions of the shareholders or any reduction in the rights granted to individual shareholders by the articles of association may only be decided with the consent of all shareholders concerned.
4) After each amendment, the current version of the articles of association must be published in accordance with Art. 956 para. 2.

II. Increase in share capital

Art. 420

1. In general

1) An increase in the share capital requires public certification of the assumption of each capital contribution to be made to the increased capital by shareholders or third parties; if third parties assume a share, the public document must declare their accession to the company in accordance with the articles of association, and any other contributions must also be declared.

2) The increase is subject to the same regulations as the formation of share capital.

3) If a shareholder takes over a capital contribution to the increased capital, this is to be regarded as an increase in his share in the company.

4) Repealed

Art. 421

2. Right and obligation to take up shares

1) Unless otherwise specified in the articles of association or in a resolution to increase the capital, the existing shareholders shall have a preemptive right to acquire the new capital contributions in proportion to their old shares within one month of the date of the resolution.

2) The articles of association may stipulate that a shareholder has an obligation to acquire new capital shares in the same proportion.

3) The provisions applicable to stock corporations regarding bonds or similar obligations to which conversion or option rights are attached shall apply.

Art. 422

III. Reduction of share capital

1) When reducing the share capital, the amount thereof and the amount of the individual capital contributions may not be reduced below the minimum amounts required for the formation of the company, unless the capital contribution has been reduced as a result of losses.

2) In all other respects, the provisions governing the reduction of the share capital of stock corporations shall apply mutatis mutandis to limited liability companies.

3) The reduction of the share capital may take place at the same time as a capital increase, in which case the provisions on the call to creditors shall not apply.

E. Dissolution of the company

Art. 423

I. General

1) Unless otherwise specified in the articles of association, the resolution to dissolve the company requires a majority of at least three-quarters of all members who hold at least three-quarters of the share capital.

2) An individual shareholder may also request dissolution for important reasons, and the company may request the exclusion of a shareholder by court order for important reasons.
3) If the shareholders are obliged to make further contributions in addition to their capital contributions, the judge may, for important reasons, order the withdrawal or exclusion of a shareholder from the company instead of dissolving the company for such reasons.
4) The expelled or excluded shareholder cannot be released from the obligation to pay the capital contribution, and any contributions already made will not be refunded.
5) If the articles of association grant a shareholder the right to withdraw from the company under certain conditions, the withdrawal shall only take effect once the provisions on the reduction of the share capital, which shall be reduced by the amount of the capital contribution of the withdrawing shareholder, have been complied with.
6) In the case of the second paragraph, the bankruptcy of the company, and the third paragraph, the initiation of dissolution proceedings may be noted in the commercial register upon request.
Art. 424
II. Dissolution without liquidation
1) Liquidation shall not take place if the assets of a limited liability company as a whole, including its debts, are transferred to a stock corporation in exchange for shares or to another limited liability company in exchange for company shares (merger) and both parties waive the liquidation.
2) Such a resolution requires unanimity, unless otherwise specified in the articles of association.
3) In addition, the provisions governing the takeover of a stock corporation by another apply mutatis mutandis to limited liability companies.
4) The provisions governing the merger of several stock corporations shall apply mutatis mutandis to the merger of several limited liability companies for the purpose of forming a new limited liability company. Art. 425
III. Conversion
1) The conversion of a stock corporation into a limited liability company as universal successor may take place without liquidation under the following conditions:
1. The share capital of the limited liability company may not be less than the share capital of the stock corporation.

2. Shareholders shall be given the opportunity, by means of a public announcement, to participate in the new company up to the nominal amount or quota of their shares or part thereof.
3. This participation must represent at least three quarters of the share capital of the previous company.
2) Any shareholder who does not participate in the new company may demand payment from the new company of the share of the assets of the stock corporation to which he is entitled under the law and the articles of association on the basis of the liquidation balance sheet.
3) The assets of the dissolved company shall automatically become the assets and liabilities of the new company upon registration of the latter.
4) Immediately after the new company has been entered in the commercial register, the creditors of the dissolved company shall, unless the Office of Justice grants an exception, be requested to file their claims by means of a notice in accordance with the statutory provisions; and creditors who file claims but do not consent to the conversion shall then be satisfied or secured. Creditors are only entitled to demand security if they have demonstrated that the fulfillment of their claims is jeopardized by the conversion.
5) The conversion of a limited liability company into a cooperative without liability of the members or into one with limited liability or additional payment obligations, or into a stock corporation or partnershipor into a limited partnership or a limited liability partnership is permissible at any time by means of a public deed, applying the provisions of the preceding paragraphs mutatis mutandis.
6) The mandatory provisions established for the individual legal entities remain reserved.
Art. 426
Repealed
Art. 427
F. Reference
Unless otherwise specified in the foregoing or in the articles of association or under the general provisions, the provisions on general partnerships shall apply mutatis mutandis to limited liability companies.

6. Section

The cooperative

Art. 428

A. General

1) A cooperative is an association organized as a corporation of an unlimited number of persons or commercial companies whose main purpose is to promote or secure certain economic interests of its members through mutual self-help.

2) For small cooperatives, such as alpine cooperatives and the like, the special provisions at the end of this section apply (unregistered cooperatives).

3) The business activities of cooperatives may extend to members and non-members, unless otherwise specified by law or the articles of association.

4) It is not permissible to determine the share capital in advance.

B. Creation

Art. 429

I. In general

The formation of a cooperative requires:

1. written articles of association;
2. the appointment of the governing bodies and, unless the articles of association have been signed by all founders of the cooperative, the adoption of the articles of association by the constituent general meeting;
3. entry in the commercial register (registered cooperatives).

II. Contents of the articles of association

Art. 430

1. Legally required content

1) The articles of association must contain provisions on:

1. the name (company name) and registered office of the cooperative;
2. the purpose of the cooperative;
3. any obligation on the part of the members to make monetary or other contributions, as well as the nature and amount of such contributions;
4. the administrative and supervisory bodies and the manner in which representation is exercised;
5. the form of announcements issued by the cooperative.

2) The provisions of paragraph 1 shall be deemed essential within the meaning of the nullity procedure.

Art. 430a

2. Provisions to be included where applicable

The following provisions must be included in the articles of association in order to be binding:

1. Provisions on the creation of cooperative capital through cooperative shares (share certificates);
2. Provisions on contributions to the cooperative capital not made by payment (contributions in kind), their subject matter and their credit amount, as well as on the person of the contributing member;
3. Provisions on assets acquired upon formation, on the remuneration to be paid for this, and on the person of the owner of the assets to be acquired;
4. Provisions deviating from the statutory provisions on admission to the cooperative and on the loss of membership;
5. Provisions on the personal liability and additional payment obligations of the members of the cooperative;
6. regulations deviating from the statutory provisions concerning the organization, representation, amendment of the articles of association, and decision-making by the general meeting;
7. restrictions and extensions in the exercise of voting rights;
8. Provisions on the calculation and use of net income and liquidation surplus.

Art. 431

III. Constitutive general meeting

1) If the articles of association are not signed by all founders (initiators) and the necessary bodies are demonstrably appointed, they shall convene a constituent general meeting at which the purposes of the cooperative, the means of achieving them, the rights and obligations of the members, and, where applicable, the written report on contributions in kind, acquisitions of assets, or benefits for founders or members, and the relationships with cooperative associations are openly presented.

2) The meeting shall discuss the articles of association, decide on their adoption, and appoint the necessary bodies.

IV. Entry in the commercial register

Art. 432

1. Registration

1) The application for registration of the cooperative must name the members of the administration and the persons entrusted with representation, stating their place of residence and nationality.

2) The application must be submitted to the Office of Justice in certified form by at least two members of the administration.

3) The application must be accompanied by the articles of association, a report on any contributions in kind and assets to be transferred and, in the case of a cooperative with unlimited or limited personal liability or with a liability for additional contributions on the part of the members, a list of the members.

Art. 433

2. Registration and publication

1) In addition to the date and the legally required provisions of the articles of association, the names, place of residence, and nationality of the persons entrusted with the administration and representation of the company shall be entered in the commercial register, stating their signing authority.

2) Information about the company, its registered office, purpose, liability relationships, and manner of publication, as well as all registered information about the administration of the cooperative, must be published.

3) The register of members, which must be submitted to the Office of Justice by cooperatives with personal liability or additional payment obligations, is open to public inspection but is not published.

Art. 434

V. Contributions in kind and other services provided by members

1) If members are to make contributions that are not to be paid in cash or if remuneration is to be approved for assets to be acquired by the cooperative, the articles of association must specify the subject of the contribution or acquisition, the amount to be credited or the remuneration, and the person of theThe articles of association submitted to the commercial register shall be accompanied by a written report on the contributions in kind and the assets to be acquired and any special advantages for the founders or members of the cooperative.

2) The articles of association submitted to the commercial register shall be accompanied by a written report on the contributions in kind and the assets to be acquired and any special advantages for the founders or members if a constituent general meeting has been held or if the cooperative shares are to consist of securities.

3) The articles of association may introduce an obligation on the part of the members of the cooperative to make recurring non-monetary contributions, in which case, unless otherwise specified in the articles of association, the relevant provision for limited liability companies shall apply in addition.

Art. 435

VI. Protection of acquired rights

The acquired rights of the members of the cooperative shall be deemed to be the same rights as those of a stock corporation, unless the articles of association provide otherwise.

C. Membership

I. Acquisition

Art. 436

1. General

1) Unless otherwise specified by law or the articles of association, or if freely transferable securities are not issued for membership, written and unconditional declaration by the applicant is required to acquire membership in a cooperative.

2) With reference to the articles of association, declarations of membership must, if they are not written in the articles of association themselves, contain the following remark, otherwise they shall be invalid, unless the law permits exceptions:

1. in the case of cooperatives with unlimited liability, that the individual members are jointly and severally liable for the liabilities of the cooperative and its creditors in accordance with this law with their entire assets;
2. in cooperatives with unlimited additional payment obligations, that the individual members are obliged to use their entire assets to make the additional payments required by law to satisfy the cooperative's creditors.

Art. 437

2. Before and after registration

1) Membership of a cooperative that is to be established and not yet registered is binding if the applicant has signed the cooperative's articles of association or another written declaration referring to the articles of association, even if the applicant is not listed in the application for entry in the commercial register.

2) Admission to an already registered cooperative is effected by a resolution of the general meeting, unless the articles of association assign the admission of new members to the administration or a delegates' meeting or specify the conditions under which a simple written declaration of membership by the new member or the acquisition of a share certificate is sufficient for admission. Art. 438

3. Admission of new members

1) Unless otherwise specified in the articles of association, new members may be admitted to an existing cooperative at any time.

2) If membership is to be limited, the articles of association must specify the necessary conditions for admission, such as membership of a profession or association, residence in a specific location, or a maximum cooperative capital; in addition, the cooperative may refuse admission at its own discretion.

3) Where urgent needs justify it, the government may order that the articles of association of individual cooperatives or types of cooperatives may not restrict the admission of new members.
4) This is without prejudice to the provisions of public law which impose an obligation on certain persons to join certain cooperatives.

II. Loss

1. Withdrawal

Art. 439

a) Free withdrawal

1) As long as the dissolution of the cooperative has not been decided and no share certificates representing membership have been issued, every member of the cooperative is free to withdraw.
2) Any statutory prohibition or excessive hindrance to withdrawal by the articles of association or by contract is invalid.
3) However, reasonable conditions of a financial nature may be attached to withdrawal (redemption amount), in particular if, depending on the circumstances of the cooperative, the withdrawal would cause considerable damage or even jeopardize its continued existence.
4) The claim for payment of a redemption sum shall become time-barred three years after withdrawal.

Art. 440

b) For cooperatives with long-term investments and contracts

1) Cooperatives that acquire or establish long-term investments (real estate, buildings, mechanical equipment, inventories, etc.) or conclude long-term supply or purchase contracts may stipulate in their articles of association that the withdrawing member must pay a redemption amount corresponding to the disadvantage incurred by the cooperative as a result of the withdrawal due to the insufficient utilization of these assets or the fulfillment of the contracts.
2) The last paragraph of the preceding article shall apply mutatis mutandis.

Art. 441

c) Waiver of withdrawal

1) Waiver of withdrawal may be provided for by law, by the articles of association, or by contract for a maximum period of ten years.
2) However, withdrawal is also permitted by law during this period if there are important reasons justifying it.
3) A restriction on the waiver is permissible in the case of cooperatives within the meaning of the preceding article or subject to the obligation to pay an appropriate severance payment.

Art. 442

d) Termination

1) If the articles of association do not specify a notice period and the date of withdrawal, withdrawal may in all cases only take place in writing at the end of the financial year and subject to a notice period of at least three months.

2) The articles of association may extend the notice period, which in case of doubt is the same for all members, to a maximum of three years.

3) Repealed

4) The articles of association may grant the competent bodies the power to expel a member from the cooperative for important reasons or at their discretion at the request of a creditor without observing the notice period.

5) Under the same conditions, the cooperative may terminate a member's membership, unless the articles of association provide otherwise.

Art. 443

2. Exclusion of members

1) The articles of association may specify the reasons for which a member may be expelled from the cooperative, but expulsion for good cause is permissible in all cases.

2) If the articles of association do not contain any provisions on this matter, exclusion may only take place by resolution of the general meeting and for important reasons, which are subject to judicial review at the request of the excluded member against the cooperative.

3) If the important reasons lie in continued conduct contrary to the articles of association or other malicious behavior on the part of the person to be expelled, they shall be liable for any damage caused to the purpose of the cooperative and its business operations.

4) From the time of notification of expulsion, the member may not be a member of the administration or any other appointed body and is excluded from exercising voting rights in the supreme body.

5) The provision of the articles of association regarding the payment of a severance payment or compensation to those leaving cooperatives with long-term investments, supply or purchase contracts shall apply mutatis mutandis to the expelled member.

Art. 444

3. Termination by a creditor or the insolvency administrator

1) The creditor of a member of a cooperative who, after an unsuccessful attempt at enforcement against the member's assets within the last six months, has seized the member's assets in accordance with the articles of association

or has obtained a severance payment claim under this Act, or the insolvency administrator of the cooperative member whose assets are subject to insolvency proceedings, may exercise the cooperative member's right of termination in his place for the purpose of satisfaction, subject, however, to the provisions on the severance payment or compensation in accordance with the last paragraph of the preceding article.Article shall remain reserved.

2) Termination by a creditor must be accompanied by a certified copy of the debt instrument and the documents relating to the unsuccessful enforcement proceedings, whereas the insolvency administrator may terminate without further ado.

3) If freely transferable share certificates have been issued in a cooperative, the creditor or the insolvency administrator shall only have a right of termination if the articles of association so permit; otherwise, however, enforcement may be obtained on the share certificate.

Art. 445

4. Death or lapse of a member of a cooperative

1) Unless the articles of association provide otherwise, membership shall expire upon the death of the member of the cooperative and, if the member is a company or association, upon its dissolution, provided that the acquisition and loss of membership are not linked to the rights attached to the share certificate.

2) However, the articles of association may stipulate that the legal or appointed heirs or one of several heirs shall be recognized as members in place of the deceased member of the cooperative upon mere notification of succession under inheritance law.

3) The articles of association may also stipulate that the heirs must assume all the rights and obligations of the deceased member; heirs who wish to evade the obligations imposed on them in this way shall be treated in the same way as those who resign.

4) If several heirs join the cooperative, the community of heirs must appoint a representative.

5) The designation of one successor from among several heirs is made either by disposition of property upon death or by the partition agreement of the heirs, and, if this is omitted for any reason, the judge shall designate him in non-contentious proceedings at the request of one heir or the cooperative; However, declarations by the association may be made to one of the heirs with legal effect until a joint representative has been appointed and the association has been notified thereof.

6) The above provisions shall apply mutatis mutandis to companies and associations as members of the cooperative, provided that upon their dissolution their assets and liabilities are transferred to another party; in all other cases,

the articles of association shall set out the necessary provisions and, in the absence of such provisions, the judge shall order the necessary measures in non-contentious proceedings at the request of the parties involved and after hearing the administration.

5. Transfer of membership

Art. 446

a) In general

1) The transfer of a cooperative share automatically makes the purchaser a member of the cooperative in place of the seller only if the articles of association so stipulate and insofar as the law does not require a written declaration of membership for cooperatives with unlimited liability or additional payment obligations.

2) If this is not the case, the purchaser only becomes a member of the cooperative by means of an admission resolution in accordance with the law and the articles of association, and the personal membership rights remain with the seller until the admission has been finalized.

Art. 447

b) In the case of share certificates

1) Membership in a cooperative in which only the cooperative's assets are liable or only limited liability or additional payment obligations exist may be linked to a certificate.

2) The provisions on registered shares apply to such share certificates and, where share certificates are issued in connection with limited liability or additional payment obligations or an obligation to make other non-monetary contributions, those on shares with additional benefits.

3) Repealed

4) Repealed

5) The cooperative must keep a register of the owners of the share certificates and enter any changes therein.

6. Deletion

Art. 448

a) In the event of employment

If membership of a cooperative is linked to civil service or employment or to another contractual relationship, then, unless the articles of association provide otherwise, termination of civil service or employment or of the contractual relationship shall result in withdrawal from the cooperative.

Art. 449

b) Other requirements

1) Membership in a cooperative may be subject to the ownership of real estate or an economic enterprise in accordance with the articles of association.

2) In such cases, the articles of association may exclude the right of termination for the period during which the member remains the owner of the real estate or continues to operate the business.

3) The articles of association may also impose an obligation on the member to transfer membership to the purchaser or transferee in the event of the sale of the real estate or the transfer of the business.

4) However, the articles of association may also expressly stipulate that membership shall be transferred to the purchaser or transferee without the need for further agreement, but in order for this provision to be effective vis-à-vis third parties, it must be noted in the land register pages of all affected properties or, in the case of companies as members, in the commercial register page for the relevant company entry, whereby the right of priority of existing encumbrances under property law remains reserved.

5) Instead, the obligation to provide cooperative services may also be entered in the land register as an encumbrance.

6) Persons who wish to relinquish the membership obligations assumed in this way shall be treated in the same way as those who resign.

Art. 450

7. Non-members associated with the cooperative

1) Persons who enter into a permanent relationship with the cooperative's commercial activities through regular deliveries or through cooperation or contributions may be placed in a position by the articles of association or by a cooperative resolution that equates them with the members to a certain extent with regard to their participation.

2) Unless otherwise specified in the articles of association or by a cooperative resolution, they have the right and obligation to use cooperative facilities under the same conditions as those applicable to cooperative members, and they must also receive their share of the surplus of the cooperative enterprise in accordance with this use, as do the cooperative members themselves.

3) With their consent, such persons may be made liable for the liabilities of the cooperative in the same way as members in the articles of association.

III. Rights and obligations of cooperative members

Art. 451

1. In general

1) All members of the cooperative have the same rights and obligations within the limits of the law and the articles of association.

2) They have the right to use the cooperative's facilities in accordance with the provisions of the articles of association and to participate in the cooperative's activities in accordance with the cooperative's rules.

principles to cover their needs at the cooperative or to deliver their agricultural and labor products and the like to it.

3) The rights to which the members are entitled in matters concerning the cooperative, in particular with regard to the management of the cooperative's business and the promotion of the cooperative's activities, are exercised through participation in the meetings of the supreme body.

4) Like shareholders, members have the right to control the administration.

5) Members are obliged to protect the interests of the cooperative in good faith, to use the cooperative's facilities, and to adhere to their cooperative in matters of payment and utilization, insofar as this can reasonably be expected of them.

Art. 452

2. Entitlement to profits

1) Unless otherwise specified in the articles of association, the net profit from the operation of the cooperative shall accrue to the cooperative's assets.

2) If the articles of association provide for the distribution of net profit, this shall be done, unless otherwise specified in the articles of association, on a per capita basis among the members of the cooperative at the end of the financial period.

3) If cooperative shares exist, the net profit shall be distributed according to shares, unless otherwise provided for in the articles of association, and interest may be provided for in the articles of association.

Art. 453

3. Reserve funds and other investments

1) The articles of association may stipulate that reserves shall be set aside from the net profit (surplus) or that funds shall be invested for the establishment and support of welfare institutions for members, workers, and employees or for professional purposes.

2) The general meeting is authorized to decide, before distributing the profits among the members, to create reserve investments, even if these are not provided for in the law or in the articles of association, provided that this is necessary to secure the company.

3) Insofar as the net income from the cooperative's operations is used in any way other than to accumulate the cooperative's assets, or if cooperative shares exist, one-twentieth of the net profit must be allocated to a general reserve fund each year before any dividend is paid to the cooperative shares.cooperative shares exist, one-twentieth of the net profit shall be allocated to a general reserve fund each year before any dividend is paid on the cooperative shares, until this fund reaches one-tenth of the remaining cooperative assets.

4. Compensation claim

Art. 454

a) According to the articles of association

1) The articles of association shall determine whether and what claims on the cooperative's assets are available to departing members or the heirs of a deceased member or the legal successors of dissolved companies or associations.

2) If share certificates exist as evidence, the departing member is entitled to repayment in proportion to the assets available at the time of departure, but not exceeding the amount of the payments made. However, if registered or bearer share certificates with the character of securities are issued in accordance with the articles of association, this right to repayment prior to dissolution upon transfer of the share certificate to another person shall only exist if the articles of association so provide.

3) In all cases, the repayment may be offset against any redemption sum paid and, if this is not the case and the cooperative would suffer considerable damage as a result of the payment or its continued existence would even be jeopardized, it may be deferred for up to one year.

Art. 455

b) According to the law

1) If the articles of association do not specify the claims of a departing member or the heirs of a deceased member, or the universal successors of dissolved companies or associations as members of the cooperative, to the cooperative's assets, no compensation can be claimed.

2) However, in the case of cooperatives with permanent investments or long-term contracts, the departing member may be required to pay a redemption sum.

3) In the event that the cooperative dissolves within one year of the departureresignation or death of a cooperative member or since the dissolution of a company or association as a cooperative member and the assets are distributed, the same legal or statutory claim shall also be available to the person who has left or the heir or universal successor as to the cooperative members existing at the time of dissolution.

Art. 456

c) Limitation period

1) The claim of the person who has left or the heir or legal successor of dissolved companies or associations shall become time-barred three years from the date on which they can demand payment.

2) However, the claim for compensation may be offset against claims of the company even if it is time-barred.

5. Obligation to make contributions and payments

Art. 457

a) General

1) The articles of association govern the obligation to pay contributions and provide servic

2) Anyone who becomes a member of a cooperative shall, upon joining, acquire at least one share in the cooperative, where cooperative shares exist.

3) Unless the articles of association stipulate otherwise, the acquisition of several shares is permitted.

4) The articles of association or the body designated for this purpose in the articles of association determine the date and amount of any partial payments or other partial contributions.

Art. 458

b) Payment

1) If the members of the cooperative are obliged to pay for cooperative shares or make other contributions, they shall be requested to do so within a reasonable period of time in the manner provided for in the articles of association.

2) If payment is not made upon the first request, and if a member also fails to comply with a second request for payment sent to him by special notice within one month, he may be declared to have forfeited his cooperative rights without this exempting him from his obligation to pay, in particular from paying default interest, in the absence of any other provision in the articles of association.

3) If share certificates have been issued, the obligation to pay in accordance with the provisions established for bearer or registered shares shall apply in the absence of other provisions in the articles of association.

6. Liability of the cooperative and its members

Art. 459

a) General

1) The cooperative's assets are liable for the cooperative's liabilities. They are exclusively liable unless the articles of association provide otherwise.

2) Each member of the cooperative is only obliged to make the contributions provided for in the articles of association in the form of the acquisition of a cooperative share or the payment of membership fees as contributions, and these contributions cannot be waived or deferred with effect in insolvency proceedings and in the enforcement of the cooperative, nor can they be offset or withheld for any other reason.

3) The articles of association may provide for different types or different degrees of liability or additional contributions for individual members or specific groups of members, or they may exclude them entirely for individual members or groups (mixed cooperatives).

4) In the case of mixed cooperatives, the following provisions shall apply to the respective individual groups.

5) Repealed

Art. 460

b) Liability of the cooperative without liability of the members

Unless otherwise specified in the articles of association, the cooperative's assets are solely liable for its liabilities, and there is no personal liability or obligation on the part of the members to make additional contributions.

Art. 461

c) Unlimited liability of the members

1) The articles of association may stipulate that the members are personally liable without limitation beyond the assets of the cooperative (solidary cooperative).

2) In this case, the members are jointly and severally liable for all liabilities of the cooperative with their entire assets, unless the articles of association exclude joint and several liability, and to the extent that the creditors have suffered losses in enforcement proceedings or in the cooperative insolvency proceedings.

3) As long as insolvency proceedings have not been opened, the claim can be asserted by creditors who have suffered losses in enforcement proceedings, but once insolvency proceedings have been opened, it can only be asserted by the insolvency administrator in the distribution proceedings.

4) The right of recourse among the paying members of the cooperative is subject to the provisions generally applicable to joint and several liabilities and may also be asserted in the apportionment proceedings before the judge in non-contentious proceedings or by the bankruptcy administration.

5) Members of a cooperative who are held liable by creditors of the cooperative can no longer dispute the obligations recognized by the cooperative.

Art. 462

d) Limited liability of members

1) The articles of association may stipulate that members are personally liable for obligations to third parties beyond the cooperative's assets, but only up to a certain amount of capital calculated on the basis of the individual member or share.

2) In this case, the liability of the members also extends to all liabilities of the cooperative that remain uncovered in the event of enforcement or insolvency proceedings, but only in the sense that they can be held liable beyond the payment of their cooperative shares and membership fees and other member contributions up to a maximum of the additional capital amount specified in the articles of association.
3) The last three paragraphs of the preceding article apply accordingly.

Art. 463

e) Additional contribution obligation (coverage obligation)

1) The articles of association may oblige the members of the cooperative to make additional contributions beyond the cooperative shares and membership fees and other member contributions, either without limitation or up to a capital amount specified in the articles of association (additional contribution cooperative).
2) Unless otherwise specified in the articles of association or the guarantee obligations, the latter are subject to the provisions on the obligation to make additional contributions; the articles of association may also stipulate additional contribution insurance in lieu of the obligation to make additional contributions.
3) These additional contributions may be demanded at any time by the administration to cover balance sheet losses and, in addition, immediately after the opening of insolvency proceedings against the cooperative's assets by the insolvency administrator.
4) The levy is collected by distributing the additional contribution requirement among the members of the cooperative in accordance with the provisions of the articles of association or, in the absence of such provisions, in proportion to their cooperative shares or, where these are not available, on a per capita basis, using the apportionment method.
5) The obligation to make additional contributions to cover balance sheet losses may be introduced in addition to the liability of the cooperative members.

f) Amendment of the liability and additional payment provisions

Art. 464

aa) In general

1) Amendments to the liability or additional payment obligations of the members can only be made by revising the articles of association and, if they limit liability or additional payments, only apply to debts incurred after publication.
2) Furthermore, liability or additional payment obligations may only be reestablished or increased with the consent of three-quarters of all members.
3) Such a resolution must be immediately reported to the Office of Justice as an amendment to the articles of association and published by the latter.

4) The new establishment or increase of liability or additional payment obligations shall take effect upon registration of the resolution in favor of all creditors of the cooperative.

5) The new provisions shall not apply to members who have not approved the reestablishment or increase of liability or the obligation to make additional contributions and who resign within three months of the resolution being entered in the register; instead, they shall be subject to the statutory and legal conditions for resignation that existed prior to the amendment of the liability or additional contribution provisions.

Art. 465

bb) In the case of multiple shares

1) If a member of a cooperative may hold several shares in accordance with the statutory provisions and has acquired several shares, this shall have no effect vis-à-vis third parties in the case of unlimited liability or additional payment obligations, but shall have an effect in the relationship between the members of the cooperative in the sense that the right of recourse is based on the number of shares.

2) The liability or obligation to make additional contributions of a member with several shares in cooperatives with limited liability or additional contribution obligations increases to a multiple of the liability or additional contribution obligation corresponding to the number of shares.

Art. 466

g) Liability of new members

1) Anyone who joins a cooperative for whose liabilities the members are personally liable, or in which there is an obligation to make additional contributions, is liable in the same way as the others for debts incurred prior to their joining.

2) Any agreement to the contrary shall have no effect vis-à-vis third parties, unless the third party has entered into a special agreement with the new member.

3) In the case of mixed cooperatives, the group of members to which the new member is joining must be specified in the declaration of membership.

Art. 467

h) Liability after the withdrawal of a member or the dissolution of the cooperative

1) If a member with limited or unlimited personal liability leaves the cooperative due to death or in any other way and does not transfer their membership to anyone else, their liability for liabilities incurred prior to their departure shall continue provided that insolvency proceedings are opened against the cooperative's assets within one year or a longer period specified in the articles of association since the notification of withdrawal to the list of members, or if an attempt to enforce execution against the assets has been unsuccessful.

2) Under the same conditions, the obligation to make additional contributions shall continue for one year after withdrawal or for a longer period specified in the articles of association from the date of entry of the withdrawal in the list of members.

3) If a cooperative is dissolved, the members remain liable or obliged to make additional contributions in the same manner if, within one year or within a longer period specified in the articles of association since the dissolution of the cooperative was entered in the commercial register, insolvency proceedings are opened against the assets of the cooperative.

4) Instead of the above provisions, the articles of association may stipulate that members who have left the cooperative may still be held liable for the cooperative's liabilities, regardless of whether they arose before or after their departure, for a period of one and a half years after the date of their departure.

5) If the articles of association of cooperatives with liability or additional payment obligations provide for a severance payment claim by the departing member, the latter may be held liable on a pro rata basis to cover balance sheet losses incurred prior to his departure within one year of registering his departure with the register of cooperative members.

6) In the case of cooperatives for which there is no obligation to register the withdrawal of a member in the register of members, the date of withdrawal of a member shall be deemed to be the date on which the facts or circumstances giving rise to the withdrawal occurred.

i) Registration in the register of members

Art. 468

aa) In general

1) If the members are personally liable for the debts of the cooperative without limitation or with limitation, or are obliged to make additional contributions in any form, the administration shall, subject to other liability for any damage incurred by the withdrawn member, even if such obligations are only conditional, submit a list of all members to the Office of Justice with the registration, stating their names and places of residence or company names and registered offices, and shall report any subsequent withdrawals or admissions within three months at the latest.

2) Furthermore, any member who has resigned or been expelled, as well as the heirs of a member who has died, and also the attaching creditors or the insolvency administrator, shall be entitled to have the resignation, expulsion, or death entered in the list of members without the intervention of the administration, provided that the Office of Justice immediately informs the administration of such a declaration.

administration, whereby the Office of Justice must immediately notify the administration of such a declaration.

3) The same authority shall also be granted to the company or association that has resigned or been expelled as a member of the cooperative or, in the event of its dissolution, to its universal successors.

4) This notification of withdrawal shall become incontestable vis-à-vis the administration of the cooperative and its creditors one month after notification of the Office of Justice to the administration, unless the administration contests it beforehand by way of legal action.

Art. 469

bb) Exceptions

1) There is no obligation to register in the case of cooperatives in which each member may only hold one share and in which the liability or additional payment obligation of a member, individually or collectively, does not exceed the amount of 100 francs.

2) In addition, the government may, by ordinance, exempt cooperatives from the obligation to register their members in the list of members in special circumstances, such as in the case of cooperatives that operate mutual insurance companies.

Art. 470

k) Limitation period for liability

1) Unless claims arising from the personal liability (liability or obligation to make additional contributions) of individual members have already expired in accordance with the statutory provisions, they shall become time-barred one year after the date on which the insolvency proceedings against the cooperative's assets are discontinued or the enforcement proceedings have been unsuccessful.

2) The statute of limitations shall not be interrupted by proceedings against individual members in relation to the others, but it shall be interrupted by proceedings against the cooperative.

D. Organization

I. General meeting

Art. 471

1. Powers

1) The general meeting of the cooperatives or its substitute shall pass resolutions appropriate for the best possible achievement of the cooperative's purpose and shall supervise the cooperative's works and the entire management.

2) In the absence of any provisions in the articles of association, the supreme body alone shall be responsible for:

a) the election of the management and, if necessary, the auditors;

b) the approval of the annual report and the consolidated annual report, if necessary, the resolution on the appropriation of net profits and the discharge of the administration and auditors;

c) making amendments to the articles of association;

d) establishing the guiding principles for management and for the terms of employment of auxiliary staff, and approving the general operating regulations;

e) Decisions on dissolution.

3) Unless otherwise specified in the statutes, it is the highest authority for dealing with complaints against the administration, particularly with regard to the admission or exclusion of members.

2. Convocation

Art. 472

a) Right and duty

1) The general meeting shall be convened by the administration or another body authorized to do so under the articles of association, or, if necessary, by the auditors. The liquidators and representatives of the bondholders shall also have the right to convene the meeting.

2) The general meeting must be convened if at least one tenth of the members of the cooperative or, in the case of cooperatives with fewer than thirty members, at least three members request the convening of the meeting.

3) If the administration does not comply with this request within a reasonable period of time, the judge shall order the convening of the meeting at the request of the applicants.

Art. 472a

b) Form

1) The general meeting must be convened at least ten days before the date of the meeting in the form provided for in the articles of association.

2) In the case of cooperatives with more than thirty members, the convocation shall in any case be legally effective as soon as it has been made public.

Art. 472b

c) Agenda

1) When convening the meeting, the agenda items must be announced, and in the case of amendments to the Articles of Association, the essential content of the proposed amendments must be disclosed.

2) No resolutions may be passed on items that have not been announced in this manner, except for a motion to convene a further general meeting.

3) No prior announcement is required for the submission of motions and for discussions without resolution.

Art. 472c

d) Universal meeting

If and as long as all members of the cooperative are present at a meeting, they may, if no objection is raised, pass legally valid resolutions even without complying with the rules for convening meetings.

Art. 473

3. Voting rights

1) Unless otherwise provided by law or the articles of association, voting rights shall be exercised by the member personally.

2) If they are unable to attend, they may authorize another member to represent them, but a proxy may only represent one other member, unless the articles of association provide otherwise.

3) Persons who have participated in any way in the management of the cooperative shall not have the right to vote on resolutions concerning the discharge of the management. This prohibition does not apply to members of the audit committee.

Art. 473a

4. Resolution

1) Unless otherwise stipulated by law or the Articles of Association, the General Meeting shall pass its resolutions and conduct its elections by an absolute majority of the votes cast.

2) The dissolution of the cooperative and amendments to the Articles of Association require a majority of at least two-thirds of the votes cast.

3) Resolutions on the introduction or increase of personal liability or additional payment obligations of the members require the approval of three-quarters of all members.

4) Resolutions pursuant to paragraph 3 are not binding on members who have not approved them if they declare their withdrawal within three months of the publication of the resolution. This withdrawal shall take effect on the date on which the resolution comes into force and may not be made conditional upon the payment of a redemption sum.

II. Administration

Art. 474

1. General

1) If the administration (executive board) consists of several persons, at least the majority of them must be members of the cooperative.

2) The articles of association may also, while preserving the supervisory rights of the administration, transfer the management to one or more administrators or managing directors appointed by the administration or the supreme body, who need not be members of the cooperative.

3) The powers of the administration and the administrators or managing directors (management) are regulated in accordance with the provisions governing stock corporations, unless exceptions are provided for.

Art. 475

2. Duties of the administration

In the absence of other provisions in the articles of association, the administratio responsible in particular for

1. business operations, elections for other bodies provided for in the statutes, unless another body is expressly responsible, such as the operating committee, administrator, or managing director, and other personnel, as well as the dismissal of persons elected by it;
2. the implementation and, if necessary, the enactment of implementing provisions for the regulations established by the supreme body, the determination of business operations and their expansion within the limits of the statutes and regulations;
3. the handling of complaints and accounting;
4. the obligation to prepare the business of the supreme body, to submit the annual financial statements to it, and to provide an annual report that is as detailed as possible under the circumstances, enabling the supreme body to gain an insight into the state of the cooperative's operations and to make an independent assessment thereof.

Art. 476

3. Balance sheet

1) Repealed

2) Individual cooperatives or types of cooperatives that are not required to publish their balance sheets under the general regulations may be subject to the obligation to publish their balance sheets by the government.

III. Auditing body

Art. 477

1. In general

1) Unless exceptions are permitted, every cooperative must appoint an auditor who, in addition to the tasks specified in the general provisions, is responsible for checking whether the cooperative register is being kept properly in the case of cooperatives with liability or additional payment obligations.

2) Cooperatives with at least five hundred members must have a professional audit carried out, as must cooperatives whose share capital, including external unsecured funds, amounts to at least one million francs.

3) At the request of a member of the cooperative, the judge may order compliance with this provision in non-contentious proceedings.

Art. 478

2. Umbrella organizations of cooperatives

1) Where umbrella associations of cooperatives exist, the regulations established for the umbrella associations shall apply, and their association bodies shall also be authorized to ensure that the statutes of the individual cooperatives comply with the statutory provisions and that the resolutions of the cooperatives and the administrative bodies comply with the statutory and regulatory provisions.

2) They may request all information and carry out all investigations concerning the management of the individual cooperatives that are in the interest of the association.

3) They may also impose on the individual members of the affiliated cooperatives the obligation to comply with the standard terms and conditions or price agreements concluded by the association with other associations.

E. Use of the assets of a liquidated cooperative

Art. 479

I. In general

1) In the case of cooperatives whose articles of association stipulate that the amounts paid in for shares are forfeited when a member leaves, the net assets resulting from liquidation must be retained for cooperative purposes, unless the articles of association stipulate otherwise.

2) Similarly, such a surplus must always be retained for cooperative purposes unless the articles of association provide for a specific alternative use.

3) The articles of association may also stipulate that the assets of the cooperative shall continue to exist as an independent foundation after its dissolution.

Art. 480

II. Facilitation and hindrance of amendments to the articles of association

1) An amendment to the articles of association stipulating that, in the event of liquidation, the remaining assets of the cooperative shall be retained for cooperative purposes may be made at any time by a simple majority of votes cast in the case of cooperatives that do not operate a commercial business.

2) An amendment to the articles of association that seeks to repeal the provision on the use of the liquidation proceeds for cooperative purposes requires the approval of three-quarters of the cooperative members.

Art. 481

III. Management of special-purpose assets

1) If the assets must remain available for cooperative purposes, the articles of association or the supreme body shall determine whether they are to be entrusted to the state or a domestic municipality or a cooperative association with the necessary purpose requirement, or whether they are to continue to exist as an independent foundation.

2) In the same way, they shall determine whether the transfer shall be subject to interest or whether the interest may be used for charitable or cooperative purposes.

3) In case of doubt, the administrator of the special-purpose assets is subject to the provisions governing tacit fiduciary relationships.

Art. 482

F. Conversion and merger

1) The provisions governing the conversion of a stock corporation into a limited liability company apply mutatis mutandis to the conversion of a cooperative without personal liability of the members or with only limited liability for additional contributions into a stock corporation, partnership limited by shares, or limited liability company.

2) In the event of the dissolution of the cooperative without liquidation through its takeover, with assets and liabilities, by another cooperative, the following provisions shall apply in addition to the provisions governing a merger resolution:

1. The assets of the dissolved cooperative shall be managed separately until its creditors have been satisfied or secured, whereby the provision set out in section 7 for the takeover of a stock corporation by another shall apply mutatis mutandis with regard to the priority of the creditors of the dissolved cooperative to be satisfied from its assets.
2. The previous place of jurisdiction of the dissolved cooperative shall remain in force for the duration of the separate asset management, which shall be carried out by the acquiring cooperative.
3. The members of the administration of the acquiring cooperative shall be personally and jointly and severally liable to the creditors for the execution of the separate administration.
4. The dissolution of the cooperative must be registered by both administrations in the commercial register.
5. The public invitation to the creditors of the dissolved cooperative may be postponed if their consent cannot be obtained, but the merger of the assets of the two cooperatives is only permissible at the point in time at which the assets of a dissolved cooperative can be disposed of.

6. Upon entry of the dissolution of the cooperative in the commercial register, its members shall be deemed members of the acquiring cooperative with the rights and obligations arising from such membership.
7. During the period of separate asset management, the members of the dissolved cooperative can only be held liable for the liabilities of that cooperative on the basis of their liability principles.
8. During the same period, if the liability of the members of the dissolved cooperative or their obligation to make additional contributions is reduced as a result of the merger, this cannot be invoked against the creditors of the dissolved cooperative.
9. If the merger results in the introduction or increase of the liability or additional payment obligation of the members of the dissolved cooperative, the relevant provisions shall not apply to those cooperative members who did not approve the merger resolution and who declare their withdrawal within three months of the registration of the resolution in accordance with the statutory and regulatory provisions.

3) Unless the nature of the cooperatives gives rise to deviations, the provisions governing the merger of several stock corporations and the preceding paragraph shall apply mutatis mutandis to the merger of several cooperatives by means of a newly founded cooperative, without prejudice to any liabilities to third parties existing prior to the merger.

G. Small cooperatives

Art. 483

I. In general

1) Small cooperatives, such as small livestock cooperatives for calves, goats, sheep, pigs, poultry, beekeeping, and similar cooperatives, as well as small cooperatives that have a locally and materially limited sphere of activity, such as livestock, hunting, and fishing cooperatives, or that pursue a common purpose related to land, such as common land, alpine, field, forest, pasture, winegrowing, fruit-growing, dairy, well, irrigationand drainage cooperatives and the like, even if they call themselves cooperatives, acquire the right of personality as soon as they are formed in accordance with special legal provisions applicable to them, such as those for alpine cooperatives, or, in the absence of such provisions, in accordance with the following provisions and, in addition, the provisions established for associations, without having to be entered in the commercial register.

1a) Small cooperatives may also be established for the purpose of jointly developing an innovation or holding shares in order to exploit this innovation.

2) If an association of persons has been formed with the intention of becoming a small cooperative without voluntarily registering in the commercial register, and it subsequently transpires that it is a cooperative subject to registration in accordance with this section, it shall nevertheless have acquired legal personality even before registration, but shall be required to comply with the relevant requirements.

3) The associations referred to in the first paragraph may expressly form themselves as associations or as another type of association such as cooperatives subject to registration; however, the provision on the restriction of the dissolution of alpine cooperatives and the fragmentation of the cooperative alpine pasture shall remain in force in this case as well.

Art. 484

II. Formation

1) The formation of such a cooperative requires written statutes, accepted by all members individually, either by signature or at a founding meeting, which must contain provisions on the following in particular:

1. the name, registered office, and object of the enterprise or purpose of the cooperative;
2. acquisition and loss of membership and the type and amount of any contributions in cash or in kind, such as labor, and the like;
3. the organization of the cooperative, the administrative bodies and the manner in which representation is exercised and, where applicable, the auditor;
4. the form in which announcements issued by the cooperative are made.

2) Repealed

3) Repealed

4) The points listed in the first paragraph under items 1 to 3 are considered essential in accordance with the provisions on nullity, unless there are specific exceptions.

III. Membership

Art. 485

1. In general

1) The articles of association may restrict the acquisition and loss of membership; membership may be transferable and inheritable, linked to ownership of real estate, and so on.

2) If membership is linked to ownership of real estate, the provisions established for registered cooperatives shall apply mutatis mutandis.

3) Insofar as membership is inheritable, descendants whose parents are not married to each other may not be excluded from acquiring membership by law.

4) The provisions on withdrawal from registered cooperatives with permanent investments and contracts, on the connection of membership with other requirements in registered cooperatives under this section may be applied in accordance with the provisions of the articles of association.

5) The articles of association may lay down detailed provisions on the rights and obligations of members, in particular on limited liability or additional payment obligations as in the case of registered cooperatives.

6) The provision on termination by a creditor in the case of registered cooperatives shall apply mutatis mutandis.

Art. 486

2. Wintering principle

1) Unless otherwise specified in the statutes of alpine or pasture cooperatives, only livestock that has been overwintered with feed (flowers) grown in the municipality where the cooperative has its registered office and the cooperative member has his place of residence may be taken to alpine pastures or pastures (wintering principle).

2) Members whose livestock has not been overwintered in accordance with the above principle are entitled by law to reasonable compensation in the form of grazing fees for the unusable alpine or pasture rights, apart from other uses or the compensation to be paid for this; However, they must bear the usual costs in the same way as cooperative members who exercise their alpine or grazing rights.

3) If a sufficient number of cattle cannot be found that have been overwintered in accordance with the first paragraph, and if they register in good time before the start of the alpine or grazing season, such members are entitled by law to bring their cattle in the same way as other members.

3. Share rights (Tesslen)

Art. 487

a) In general

1) If members of the cooperative hold partial rights, such as cow rights, pasture rights, dairy rights, and the like, they acquire and lose membership with the acquisition or transfer of partial rights, unless otherwise provided for in the statutes.

2) Unless otherwise specified, any obligation to provide services in the form of money, labor, or similar in cooperatives with partial rights is based on the number and size of the partial rights to which the individual member is entitled.

3) A share register must be kept for cooperative shares such as cow rights, dairy rights, and the like, and share certificates (Tesslen, Beiglen) may be issued as evidence.
4) In the case of cooperative alpine pastures (corporate alpine pastures), a Seybuch must be kept in accordance with the provisions of property law.
5) By means of an ordinance, the provisions on the Seybuch may be declared applicable to other cooperatives with transferable partial rights.

Art. 488

b) Interpretation

1) It is rebuttably presumed that a cow right (Stoss, Weide) means as much right to communal use as is necessary to graze a cow in the usual manner.
2) The rights and obligations arising from partial rights are otherwise determined by the statutes and, in the absence of such provisions, by custom or local practice.
3) Share rights may also be associated with other uses, such as the procurement of wood, litter, and the like.

Art. 489

c) Restrictions on disposal

1) The statutes of cooperatives with partial rights may stipulate, with effect against everyone, that
1. that the use of shares may only be leased or otherwise transferred for use on a limited basis, such as to citizens of the municipality in which the alpine pasture, dairy, or similar facility is located;
2. that the sale of shares is only permitted to citizens of the municipality in which the cooperative alpine pasture, cooperative dairy, or similar is located, or that members or citizens of the municipality have a right of first refusal (municipal or cooperative option) at the same price paid by the third party or at a determined reasonable estimated value.
2) If the partial rights relate to real estate, these restrictions may be noted in the land register at the request of the executive board.

IV. Organization

Art. 490

1. Cooperative meeting

1) In the absence of other statutory provisions, the highest body of the cooperative is the cooperative meeting.
2) For the cooperative assembly to have a quorum, all members of the cooperative must have been invited to the assembly, as far as possible.

3) At the cooperative meeting, each member of the cooperative, or in the case of cooperatives with partial rights, each full partial right, has one vote, and fractions of a partial right that are not less than one quarter have a voting right corresponding to their fraction.

4) The resolution on the sale of the cooperative's assets or the dissolution of the cooperative requires a two-thirds majority of all votes to be valid.

5) Any member may challenge a cooperative meeting resolution on the grounds of infringement of acquired rights within one month of becoming aware of the resolution, at the latest within three months, by bringing an action before the district court, whereby the provisions contained in the general regulations for actions challenging resolutions of the supreme body shall apply mutatis mutandis.

Art. 491

2. Executive Board and Auditors

1) The statutes of cooperative alps may introduce the administrative obligation to accept a position as a member of the board of directors or another body in accordance with and with effect from the provisions established for the municipal council.

2) An auditor shall only exist if the articles of association provide for one. Art. 492

V. Dissolution

1) If the cooperative is dissolved, the assets shall be distributed to the last members of the cooperative in proportion to their share, unless the articles of association provide otherwise.

2) In the case of cooperatives with partial rights, the assets shall be distributed in accordance with their partial rights.

3) Alpine cooperatives may not be dissolved, unless there are serious reasons justifying such action, and cooperative alpine pastures located within the country may not be sold, divided up, or encumbered, insofar as the encumbrance exceeds 10,000 francs.

4) Exceptions require the approval of the government after consultation with the National Alpine Commission, against which any member of the cooperative may appeal to the Administrative Court.

VI. Cooperatives by law

Art. 493

1. In general

1) If one or more alpine pastures owned by a municipality are used continuously for a certain period of time, such as Rhod and the like, in return for alpine rent, grass rent, and the like, the livestock users shall, by law, form a cooperative for which, in addition to the

Alpine laws and any special Alpine statutes, the existing practice shall be decisive.

2) In the absence of other regulations or practice, these cooperatives shall be legally represented by bodies appointed by the municipal council or another competent authority, such as alpine masters, alpine bailiffs, and the like, both officially and unofficially.

3) In the absence of other regulations or practice, each member of the cooperative is liable for contractual obligations in proportion to the number of cattle he has raised.

4) The provision on the obligation to accept a position on a body may be introduced in accordance with the provision applicable to the executive committee.

Art. 494

2. Cattle drive

1) The right and duty to drive cattle shall be regulated by statutes or municipal resolution and, in the absence of such regulations, by custom or local practice.

2) The alps may only be grazed in accordance with the law and the rules of good alpine farming.

3) Disputes concerning cattle driving shall be decided by the government through administrative channels, unless otherwise provided by law or the alpine statutes.

Art. 495

VII. Reservation

1) Special legal provisions, such as those governing land improvement companies and water cooperatives, to which the above provisions apply only in a supplementary manner, remain reserved.

2) The provisions on small cooperatives shall also apply to cooperatives under public law.

7. Section

Mutual insurance companies and relief funds

Art. 496

A. Definition, personality rights, and reference

1) An association that wishes to provide insurance for its members and any other persons on a mutual basis shall acquire the right of personality (registered mutual insurance association) through the license to conduct business granted by the government as the insurance supervisory authority and through entry in the commercial register as a mutual insurance association.

mutual insurance association.

2) The special provisions on small insurance associations and small mutual aid funds not subject to registration at the end of this section remain reserved.

3) The general provisions on associations and the provisions on registered cooperatives shall apply mutatis mutandis to mutual insurance associations, unless the following provisions provide otherwise.

B. Establishment

Art. 497

I. Articles of association

1) The establishment of a mutual insurance association requires articles of association, which must be publicly certified and, in addition to the otherwise prescribed content, must also contain provisions on the following in particular:

1. the company and its registered office, or headquarters where applicable;
2. the insurance branches and local areas of activity to which the business is to extend;
3. the commencement and termination of membership;
4. the administration, the auditors, and the supreme body (such as the general meeting of members, the delegates' meeting, and the like);
5. the establishment of a founding fund and a reserve fund (general security reserve);
6. the coverage of expenses and the conditions under which any additional contributions or levies are to be announced and collected;
7. Repealed;
8. Provisions on the form of announcements and which newspapers are to be used for this purpose.

2) With the exception of point eight or, unless otherwise specified, these points are considered essential in accordance with the provisions on voidability.

3) A fixed or variable share capital is not required, but is permissible.

4) The articles of association may also regulate the general insurance conditions.

II. Entry in the commercial register

Art. 498

1. Registration

1) The association must be registered in the commercial register by all members of the administration.
2) The following must be enclosed with the application:
1. the document granting permission to conduct business;
2. the articles of association;
3. Details of the name and place of residence or company name and registered office of the administration and the auditors;
4. the documents relating to the establishment of the founding fund, together with a statement from the administration indicating the extent to which the founding fund is covered by cash payments or other means and is in its possession.
Art. 499
2. Registration
1) The following shall be entered in the commercial register:
1. the name and registered office of the association;
2. the branches of insurance to which the business is to extend;
3. the amount of the initial fund;
4. the date on which the license to conduct business is granted, and
5. the names and places of residence or companies and registered offices of the members of the administration and the auditors.
2) If the articles of association contain special provisions on the duration of the association and on the authority of the members of the administration or the liquidators to represent the association, these provisions must also be entered.
Art. 500
3. Publication
In addition to the content of the entry, the announcement in the official gazette must contain:
1. an indication of whether the expenses are to be covered by contributions in advance or by a pay-as-you-go system and, in the former case, whether with the exclusion or reservation of additional contributions, whether the obligation to pay contributions is limited or not, and whether a reduction in insurance claims or an increase in insurance premiums is reserved;
2. the provisions governing the form of the announcements and which newspapers are to be used for this purpose;
3. the nature of the appointment and composition of the administration and the audit office.
Art. 501
III. Official gazettes

For announcements to be made in public gazettes, if the association's business operations extend beyond the territory of the country, the foreign gazettes specified in the articles of association shall be designated.

Art. 502

IV. Amendment of the articles of association

1) The statutes may only be amended by resolution of the supreme body.

2) Amendments that only affect the wording may be delegated to another body by resolution of the supreme body.

3) By resolution of the supreme body, other bodies may be authorized to adapt its resolution to amend the articles of association to any requirements that the supervisory authority may impose for approval.

4) If the resolution of the supreme body involves the discontinuation of an insurance line or the introduction of a new one, it requires a majority of three-quarters of the votes cast; the articles of association may stipulate other requirements.

Art. 503

V. Amendments to the general insurance conditions

1) The provisions governing amendments to the articles of association shall also apply mutatis mutandis to amendments to the general insurance conditions approved by the supervisory authority vis-à-vis the members, but not to the technical basis of business.

2) The management may be authorized by the articles of association or by a resolution of the supreme body to make urgent amendments to the general insurance conditions on a provisional basis with the approval of the supervisory authority.

3) These amendments must be submitted to the supreme body at its next meeting and, if not approved, must be repealed.

4) An amendment to the articles of association or the general insurance conditions shall not affect an existing insurance relationship in accordance with the provisions of the insurance contract.

5) This shall not apply to amendments which the Articles of Association expressly provide for with effect for existing insurance contracts with members.

C. Membership

Art. 504

I. In general

1) Unless otherwise specified by law or the Articles of Association, the acquisition and loss of membership are linked to the conclusion or termination of an insurance contract.

2) In addition to the actual members of the association who have entered into an insurance contract, the association may also have other members, such as honorary members, passive members, or members or persons or companies who grant it contributions or subsidies outside of a membership or insurance relationship or otherwise support it on the basis of any kind of donation and provide certain services in return.

or members or persons or companies that grant it contributions or subsidies outside of a membership or insurance relationship or otherwise support it on the basis of any kind of donation and are granted certain membership rights in return, such as the right to participate in administration, control, and the like (non-voting members).

3) The transfer of membership by sale, assignment, inheritance, or similar means is permitted in the absence of other statutory provisions.

4) The transfer of insurance policies with fixed premiums without simultaneous acquisition of membership is not permitted.

Art. 505

II. Contributions

1) Members' contributions (advance premiums and additional contributions or levies) may only be calculated according to the same principles under the same conditions.

2) Supporting members of the association may make equal or unequal, one-time or ongoing contributions for one or more purposes of the association without thereby acquiring any insurance claims.

III. Foundation fund

Art. 506

1. Statutory provisions

1) The statutes shall provide for the creation of a foundation fund to cover the costs of establishing the association and to serve as a guarantee and operating fund, the respective amount of which shall be included in the balance sheet on the liabilities side.

2) The statutes shall contain the conditions under which the fund is available to the association and, in particular, shall specify the manner in which the founding fund is to be repaid and whether and to what extent the persons who have made the founding fund available are to be granted the right to participate in the management of the association, even if they are not members of the association.

3) The supervisory authority may permit the establishment of a start-up fund to be waived if, due to the nature of the business to be conducted or due to special arrangements made by a company, other security is provided, such as reinsurance, subsidies or support from third parties, a waiting period for claims or the possibility of reducing the latter, and the like.

Art. 507

2. Status of the same

1) The start-up fund must be paid in cash, unless the articles of association permit the submission of promissory notes, bills of exchange, or other securities in lieu of cash payment.
2) Those who have made the founding fund available may not be granted a right of termination and are not entitled to a right of withdrawal.
3) In addition to interest from the annual income, the articles of association may grant them a share in the surplus resulting from the annual balance sheet.
4) The interest itself may not exceed the customary interest rate in the country, and the total remuneration may not exceed an additional two percent of the amount paid in cash.
5) The start-up fund may only be repaid from annual income and only to the extent that the formation of a planned reserve fund has progressed; repayment must begin after the start-up costs (the costs of establishment and the costs of setting up the business incurred in the first financial year) have been repaid.

Art. 508

3. Shares

1) The foundation fund may be divided into shares, for which share certificates may be issued, which shall be regarded as evidence in the absence of any other provision in the articles of association.
2) The articles of association shall lay down more detailed provisions in this regard and may permit the issue of securities.

Art. 509

IV. Reserve fund (general security reserve)

1) The articles of association shall determine the formation of a reserve to cover any extraordinary losses arising from business operations (reserve fund), in particular the amounts to be set aside annually for this purpose and the minimum amount, which may not be set below the amount of the founding fund, up to which the reserve must be set aside.
2) For the same reasons that the formation of a founding fund may be waived, the insurance supervisory authority may also permit the formation of a reserve fund to be waived.

V. Distribution of surplus

Art. 510

1. In general

1) Any surplus resulting from the balance sheet, insofar as it is not allocated to the reserve fund or other reserves in accordance with the Articles of Association, or used for the distribution of

bonuses or carried forward to the next financial year, shall be distributed among the members specified in the Articles of Association.

2) The articles of association shall determine the basis for distribution and whether distribution shall be made only to members present at the end of the financial year or also to members who have left the association.

Art. 511

2. Restriction

1) The articles of association of mutual insurance companies must stipulate that the cash paid-in founding fund may only be remunerated and repaid from surpluses and that an amount of the surpluses equal to that used for the general security reserve must be used for repayment.

2) Surpluses or profit shares may only be distributed to members once the costs of establishment and initial set-up have been repaid and the founding fund has been repaid.

3) Repealed

VI. Liability of the association and its members

Art. 512

1. General

1) Only the association's assets are liable to the association's creditors for the association's debts, and the members are not liable to the creditors.

2) The articles of association shall determine whether expenses are to be covered:

1. by means of one-time or recurring contributions in advance, subject to additional contributions or excluding such contributions, with or without reservation of a reduction in insurance claims or an increase in insurance premiums;

2. by contributions that are allocated according to the needs that arise.

3) The articles of association may stipulate a limited or unlimited obligation to make additional contributions or apportionments in favor of the association.

4) A restriction whereby additional contributions or apportionments may only be demanded for the purpose of covering the insurance claims of members is not permitted.

2. In the case of a combination of life insurance with non-life insurance branches

Art. 513

Repealed Art.

514

3. Liability of former members

1) Members who have left during the course of the financial year shall also contribute to additional contributions and levies.
2) The contribution obligation of these members, as well as of members who joined during the course of the financial year, is calculated on the basis of the length of membership within the financial year or other circumstances specifically provided for in the Articles of Association.
3) If the amount of the additional contribution or apportionment to be paid by the individual member is calculated on the basis of the amount of the contribution or the sum insured collected in advance, the higher amount shall be used as the basis for calculation if there has been an increase or decrease in the contribution or the sum insured during the financial year.
4) The provisions of this article shall only apply in the absence of any deviating statutory provisions.
5) The extent to which a member is released from its additional contribution obligation by means of additional contribution insurance shall be determined by the articles of association if necessary.
Art. 515
4. Announcement of additional contributions and apportionments
The articles of association shall stipulate the conditions under which additional contributions or levies are to be announced, in particular the extent to which other available funds (founding fund, reserves) are to be used and the manner in which the additional contributions or levies are to be announced and collected.
D. Organization
Art. 516
I. Supreme body
1) The appointment and composition of a supreme body, such as a general meeting or a committee of delegates, its composition, powers, and the like shall be regulated in more detail in the articles of association.
2) The articles of association may also entrust the administration with the powers of the supreme body, but in this case, the auditor may only be dismissed by a judge in non-contentious proceedings and for important reasons at the request of the administration.
3) The articles of association shall set out more detailed
provisions. Art. 517
II. Administration and auditors
1) The acting members of the administration are in particular liable to the association for damages if, contrary to the law, interest is paid or the founding fund is repaid or the association's assets are distributed, or if payments are made after the association has become insolvent or overindebted.

2) Remuneration for the members of the auditors, calculated on the basis of the annual surplus, may only be granted from the amount remaining after all depreciation and reserves have been made and after the commercially permissible and stipulated share of the surplus has been deducted for those persons who have made the founding fund available in return for a guarantee of a share in the surplus.

3) The members of the audit committee are also liable to the association for damages if, with their knowledge and without their intervention, members of the administration have taken actions that give rise to liability for damages.

E. Dissolution

I. By resolution or ex officio

1. Approval of the resolution

Art. 518

a) In general

1) The decision of the supreme body to dissolve the association by mutual agreement requires a majority of three-quarters of all votes cast and the approval of the insurance supervisory authority, which must also notify the registration authority.

2) If the association provides disability, old-age, widow's, or orphan's benefits, resolutions must be passed to fulfill or secure the obligations entered into with the insured persons.

3) Any other dissolution, in particular as a result of legal action on grounds of illegality or immorality, nullity, and the like, shall also require the approval of the supervisory authority.

Art. 519

b) Existing insurance contracts

1) The insurance contracts existing between the members and the association shall expire at the time specified in the resolution, but at the earliest after four weeks, with the effect that the insurance claims arising up to that point in time may be asserted, but otherwise only the premiums paid in advance for future insurance periods, less the costs incurred for this purpose, may be reclaimed.

2) Repealed

3) Repealed

Art. 520

2. Dissolution ex officio

1) The insurance supervisory authority may, in accordance with the preceding article, dissolve the association upon notification by a party involved or by

Ex officio, if the bodies violate legal, official, or statutory provisions and do not comply with the orders of the supervisory authority, in particular:

1. if more than a quarter of the members are in arrears with their membership fees and, despite a request from the supervisory authority, the association neither collects the outstanding fees nor takes action against the defaulters in accordance with the statutes;
2. if the supreme body has approved the use of the association's assets in a manner contrary to this law or the statutes, or if it has taken another decision contrary to this law or the statutes, and if, in the cases described, the supreme body has not complied with the supervisory authority's request to revoke the decision within a specified period;
3. if a requested change to the insurance plan has not been complied with within a reasonable period of time.

2) Instead of dissolution, the supervisory authority may also order other appropriate measures, such as an ex officio amendment to the insurance plan and the like.

3) Where the Office of Justice or the judge is called upon to dissolve the association ex officio, it must notify the supervisory authority of the reason for dissolution and, if necessary, the supervisory authority must order the dissolution.

II. Liquidation

Art. 521

1. General

1) If the insurance supervisory authority orders dissolution, the court shall, unless insolvency proceedings are to be opened, appoint liquidators in non-contentious proceedings at the request of the supervisory authority, publish their names or company names, and supervise their activities.

2) During liquidation, additional contributions and apportionments may be requested and collected to the extent necessary for liquidation, whereby the apportionment procedure shall apply with the proviso that the liquidators shall take the place of the insolvency administrator.

3) New insurance policies may no longer be taken out, and existing policies may not be increased or extended, but must be terminated or otherwise dissolved at the earliest opportunity.

Art. 522

2. Repayment of the founding fund

1) The founding fund may only be repaid after the claims of all other creditors, in particular the claims of the members arising from the insurance relationship, have been satisfied or secured.

2) Additional contributions or levies may not be collected for the purpose of repayment.

Art. 523

3. Distribution of surplus

1) The association's assets remaining after the settlement of debts shall, unless the statutes specify another beneficiary, be distributed among the members existing at the time of dissolution, and, in the absence of any provision to the contrary in the statutes, shall be distributed according to the same criteria as those used for the distribution of surplus funds during the association's existence.

2) The statutes may stipulate that the beneficiaries shall be determined by resolution of the supreme body.

III. Insolvency proceedings

Art. 524

1. In general

1) If, in the case of a mutual insurance association with additional contributions or apportionments, additional contributions or apportionments are not received within six months of the due date, the administration must examine whether, if the additional contributions or apportionments not received in cash are disregarded, this results in over-indebtedness.

2) If such over-indebtedness exists, the supervisory authority must be notified within one month of the expiry of the specified period so that appropriate measures can be ordered.

3) The same reporting obligation applies to liquidators.

Art. 525

2. Liability of members

1) Insofar as members are obliged to pay contributions under the law or the articles of association, they are liable to the association as its debtors in the event of insolvency proceedings.

2) Members who have resigned shall still be considered members with regard to liability for the association's debts if their resignation took place within the last year prior to the opening of insolvency proceedings.

Art. 526

3. Claims for repayment of the founding fund

1) Claims for repayment of the founding fund are subordinate to all other insolvency claims.

2) Among the insolvency claims, claims arising from insurance relationships, insofar as they are due to members belonging to the association at the time of the opening of the insolvency proceedings or who left within the last year prior to the opening, shall be satisfied after the claims of the other insolvency creditors.

or who left within the last year prior to the opening of proceedings, shall be satisfied after the claims of the other insolvency creditors.

3) No additional contributions or levies may be collected for the repayment of the founding fund.

Art. 527

4. Claims by the insolvency administrator

1) The determination and announcement of the additional contributions required in the event of insolvency proceedings shall be carried out by the insolvency administrator.

2) After preparing the balance sheet, the insolvency administrator shall determine how much the members have to contribute to cover the deficit shown in the balance sheet on the basis of their contribution obligations and shall demand the contributions before the final distribution in accordance with the provisions on the apportionment procedure.

F. Small insurance associations

Art. 528

I. In general

1) Associations that, by their nature, have a narrowly defined scope of activity in terms of subject matter, location, or membership, such as health insurance funds, company pension funds, local or regional funeral associations, or livestock insurance associations with similar spheres of activity, are subject to the following provisions and, in addition, to those relating to associations, unless the legal form of another type of association, such as a cooperative or similar, is expressly chosen.

2) Repealed

3) The insurance supervisory authority shall determine whether or not a small insurance association or other association not subject to insurance supervision exists. For this purpose, the statutes must be submitted, avoiding the administrative penalties permitted in administrative proceedings. However, the association shall in all cases have the right of personality until the supervisory authority has made its decision.

4) The supervisory authority may also decide over time whether a small insurance association has developed into one that requires a license. Art. 529

II. Financial statements

1) Small insurance companies shall prepare annual financial statements for each line of insurance, consisting of an operating statement (profit and loss statement) and a balance sheet, as well as summaries of changes in the insurance portfolio and claims incurred.

2) The operating statement and the individual fund statements should show in particular:

1. under income:

the net asset value at the end of the previous year;

income from contributions, levies, and the like, with details of any advance or additional payments;

Administrative income, such as writing fees and similar items; Income from capital investments, exchange rate gains, and other income;

2. in expenditures:

support or compensation for damages paid in accordance with the statutes; administrative costs; taxes and fees;

exchange rate losses and other expenses;

net assets at the end of the financial year.

3) The statement of assets and liabilities must show all assets and liabilities, the difference between which represents the assets of the association or the fund in question.

Art. 530

III. Investment of assets

The assets of such associations may only be invested in domestic securities, in domestic real estate up to half of the official valuation, or in the state savings and loan bank, otherwise the organs shall be liable for any damage arising from another investment.

G. Auxiliary funds

Art. 531

I. In general

1) Unless otherwise specified below, or unless the provisions for registered insurance associations apply, the provisions for small insurance associations shall apply to auxiliary funds such as health, nursing, widow's and orphan's, workers' and support, fire, and similar funds.

2) Instead of the term "mutual insurance associations," the term "relief fund" may also be used and, if it must be entered in the commercial register, the term "registered relief fund" may also be used.

Art. 532

II. Special provisions

1) In addition to insuring members or their dependents, the relief fund may also provide assistance for travel, employment placement

or reading rooms, libraries, and the like, and these ancillary purposes must be financed by specially collected contributions, which must be collected and administered separately from the others.

2) Members who support the relief fund may participate in its administration, control, and general assembly in accordance with more detailed statutory provisions.

3) A start-up fund is not required unless the insurance supervisory authority requires one for relief funds subject to licensing.

4) Unless otherwise specified in the articles of association or unless the assets are required to cover security claims, the assets of a dissolved relief fund shall fall to the state, which shall use them for charitable purposes in accordance with the provisions on tacit trusteeship.

Art. 533

H. Exclusion of enforcement

The assets of small insurance associations or relief funds, such as death, health
sickness assistance funds, factory health insurance funds, widows' and orphans' funds and similar insurance associations, or from other associations which operate an insurance branch in place of small relief funds or small insurance associations, may not be withdrawn from the entitled persons by their creditors by way of enforcement or insolvency proceedings, nor by security measures, unless the beneficiary is required by law to provide maintenance.

5. Title

Institutions and foundations

Section 1

Institutions

Art. 534

A. Definition and delimitation

1) An institution (Etablissement) within the meaning of this title is a legally independent and organized enterprise dedicated to permanent economic or other purposes, entered in the commercial register as an institutional register, which has a stock of material and, where applicable, personal resources and is not governed by public law or has any other form of legal personality.

AnstR

2) Public institutions that serve a specific permanent purpose and are in the hands of the public administration are subject to public law, unless exceptions exist and, if they are independent, to the following provisions in addition.

3) Church institutions are subject to public law and, in addition, to canon law.

4) Institutions without legal personality (dependent institutions) and other dependent endowments subject to a specific purpose are not subject to the following provisions, but to the provisions on tacit fiduciary relationships; foundations are reserved.

5) Repealed

B. Establishment

Art. 535

I. Founder

1) An institution may be founded and operated by an individual, a company, a community, or associations of municipalities, or any other association not entered in the commercial register.

2) Municipalities and municipal associations require government approval to establish an institution.

3) More than one founder is not required. Art.
536

II. Articles of association

1) The establishment of an institution requires written articles of association signed by one or more founders.

2) The articles of association of an institution must also contain provisions on the following:

1. the name or company name and registered office and designation as an "institution";
2. the purpose of the institution, and, where applicable, the object of the enterprise;
3. the estimated value of the institution's fund, if it does not consist of money (institutional capital), and the manner of its acquisition and composition;
4. the powers of the supreme body;
5. the bodies responsible for administration and, where applicable, control, and the manner in which representation is exercised;
6. the principles governing the preparation of the balance sheet and the use of the surplus;
7. the form in which announcements made by the institution are to be published.

3) These provisions are considered essential in accordance with the provisions on nullity, with the exception of items 6 and 7.

4) If the institution's fund consists of assets other than cash, the dedicated assets may be listed in detail in a special register to be filed with the commercial register instead of in the articles of association.

5) An institution may also be established with a variable institutional fund, as in the case of a stock corporation (Art. 363 to 366); this must be reported to the commercial register for entry and publication.

III. Entry in the foundation register

Art. 537

1. Registration with the register

1) All institutions are subject to registration in the commercial register, unless the law provides for exceptions.

2) The application must be accompanied by a copy of the articles of association and a deed of endowment containing:

1. the founding document (founding resolution or founding declaration, founding deed), if not already included in the articles of association;
2. a declaration that at least half of the institution's fund has been paid in or is covered by contributions in kind and how the remainder will be raised or secured;
3. a list of the members of the administration, stating their names and places of residence or company names and registered offices.

Art. 538

2. Registration and publication

1) The following must be entered in the commercial register and published in an extract:

1. the deed of incorporation, if it is not contained in the articles of association themselves;
2. the date of the articles of association;
3. the name or company name and registered office of the institution;

4. the object of the company or purpose and, where applicable, the duration of the institution;
5. the amount of the fund dedicated to the institution, as well as the amount paid in or other assets contributed with their estimated values;
6. where applicable, profit participation rights specifically established for third parties, together with the beneficiaries;
7. the surname, first name, and place of residence or company name and registered office of the members of the management, the form in which the management expresses its declarations of intent, and the manner in which representation is exercised;
8. the form in which announcements issued by the institution are made. 1a) In the case of institutions that do not operate a commercial business, notification of registration within the meaning of Art. 956 (1) is sufficient.

2) The institution is only established and acquires legal personality upon entry in the commercial register. If an institution has been acted for before or without it having acquired legal personality, the persons acting, in particular founders or persons already designated as organs, shall be liable in accordance with the general provisions on legal entities.

Art. 539

IV. Institution fund, liability

1) The foundation fund (endowment or dedicated fund) may be dedicated either in full or up to a partial amount to be determined in the articles of association to fund contributions by the founders, who, however, shall not be entitled to interest in a specific amount.

2) The fund contributions must be paid in or contributed within the period specified in the articles of association.

3) If the founders contribute assets to the institution that are to be credited to the fund contributions, the articles of association or the register must specify in detail and completely the object of the contribution, its expert valuation, and any special benefits associated with it.

4) If, during the course of business, the institution's fund is subsequently paid in full or covered by assets, this must be reported to the commercial register for entry.

Art. 540

V. Institutional shares

1) Institutional shares for founders or third parties in the institution's assets shall only exist in accordance with the provisions of the articles of association if fund contributions are made and beneficiaries are designated to receive the institution's profits.

2) Shares and share certificates of an institution are also void as long as the admissibility of the shares or share certificates is not provided for in the articles of association, and the issuer and third parties involved are liable in accordance with the provisions set out in the general regulations.

3) The shares provided for the founders in the articles of association are based, in case of doubt, on the amount of their capital contributions, if any, and, in the absence of such contributions, they are equal.

4) Institutional shares shall only be treated as securities if the articles of association expressly provide for this.

5) Institutional share certificates as securities are subject to the provisions governing registered shares, unless the articles of association contain more restrictive provisions regarding their transferability.

6) The administration must keep a share register for the institution shares, applying the provisions governing share registers for limited liability companies mutatis mutandis.

Art. 541

C. Founder's rights

The founder's rights to which one or more persons are entitled may be assigned or otherwise transferred and inherited, but may not be pledged or otherwise encumbered.

Art. 542

D. Contestation

The contestation of an institution by the heirs or creditors of a founder shall take place if it has been established free of charge in favor of third parties, as in the case of a gift.

E. Organization

Art. 543

I. Supreme body

1) The holder or holders of the founder's rights constitute the supreme body of the foundation. The statutes may also entrust the administration with the powers of the supreme body.

2) Unless otherwise provided by law or the articles of association, the supreme body shall have the powers provided for in the general provisions for the supreme body.

3) If the founder's rights are held by several persons, resolutions require the consent of all holders of the founder's rights in order to be valid, unless the articles of association provide otherwise.

4) A holder of founder's rights is free to represent the founder's rights to which he is entitled himself or to have them represented by a third party, who need not be a holder of founder's rights, by means of a written power of attorney.

Art. 544

II. Institutional administration and auditors

1) The members of the administration may or may not be entitled to receive benefits.

2) Unless otherwise specified by law or the articles of association, the judge may, at the request of the parties involved, appoint the administration for a period of three years in non-contentious proceedings and dismiss it or individual members at any time without prejudice to their claims for compensation.

3) In the absence of any provision to the contrary, the administration is also obliged to comply with all restrictions imposed on the scope of its authority to manage and represent the institution's affairs by order of the judge in non-contentious proceedings at the request of interested parties. However, a restriction of the power of representation shall only have legal effect vis-à-vis bona fide third parties to the extent permitted by law.

4) If an auditor is required under the general provisions or is provided for in the articles of association, the judge may, in the absence of any other provision in the law or the articles of association, appoint or dismiss them in the same way as members of the administration.

F. Legal relationship between the founders and beneficiaries and the institution, among themselves and with third parties

Art. 545

I. In general

1) The statutes must specify in detail:

1. who shall benefit from the institution and any net profits it generates (beneficiaries, legatees);

2. how these are to be determined in more detail;

3. whether and how the beneficiaries are to participate in the organization (supreme body, administration, control).

1bis) As long as no third parties have been appointed as beneficiaries (beneficiaries, persons entitled to enjoy the benefits), it is assumed that the holder of the founder's rights is the beneficiary.

2) Only an amount corresponding to the surplus of the net assets over the statutorily paid-in or otherwise covered institutional funds, after any reserves have been transferred to the reserve funds provided for in the statutes, may be withdrawn from the institutional assets as available net profit.

3) Unknown beneficiaries may be requested by the administration in a public notice procedure, with the proviso that individual unclaimed benefits shall lapse in favor of the state three years after the request, unless the statutes provide otherwise.

Art. 546

II. Irrevocability

1) In the case of family institutions, the founder may stipulate in the statutes that the third parties specifically designated as beneficiaries may not be deprived of the benefits of the institution to which they are entitled free of charge by their creditors through enforcement or insolvency proceedings against them; this must be noted in the entry in the commercial register.
2) Apart from the aforementioned provision in the statutes, income accruing to a third-party beneficiary free of charge from an institution established by another person may only be withdrawn by his creditors by way of enforcement or insolvency proceedings to the extent that the beneficiary, his spouse, registered partner, and dependent children do not need it to cover their basic living expenses.
Art. 547
III. Determination of assets and income
Repealed Art.
548
IV. Liability of the institution, limited liability, or obligation to make additional contributions
1) In all cases, only the institution's assets are liable for the institution's debts.
2) Each founder is only obligated to make contributions as provided for in the institution's articles of association, including limited liability or additional payment obligations as in the case of registered cooperatives, and these contributions cannot be waived or deferred with effect in the institution's insolvency proceedings.
3) Instead of members, or in the absence of such, third parties may also assume limited liability for the institution's liabilities or a limited obligation to make additional contributions.
Art. 549
G. Amendment of the articles of association
1) The founder may at any time amend the articles of association and, in particular, the purpose, subject to the rights of creditors, such as by increasing or reducing the institution's fund, changing the organization, and the like.
2) The articles of association may authorize other persons, associations, companies, or authorities to amend the articles of association instead of or in addition to the founders and may lay down more detailed provisions in this regard.
3) If the founder's rights cannot be exercised and the articles of association do not provide otherwise, they may be amended by the judge in non-contentious proceedings at the request of the institution's administration or a beneficiary, taking into account the purpose of the institution.
Art. 550
H. Dissolution, merger, and conversion

1) The extent to which the dissolution of an association, company, or firm that is the founder or owner of an institution results in its dissolution shall be assessed by the judge in each individual case, taking all circumstances into account.
2) Unless otherwise provided for in the law governing institutions or in the articles of association, the relevant provisions on registered cooperatives shall apply mutatis mutandis to the takeover of an institution by another institution and to the merger of several institutions.
3) The provisions governing the conversion of a stock corporation or a limited liability company into an institution shall apply mutatis mutandis to the conversion of a stock corporation into a limited liability company.

Art. 551

J. Reference

1) Insofar as no mandatory provisions are set out in this section or no or insufficient provisions are otherwise contained therein, the provisions on trust companies with legal personality shall apply in addition to the general provisions on legal entities.
2) Institutions serving exclusively charitable purposes without members shall be subject to the supplementary provisions on the supervision, conversion, and dissolution of foundations, and family institutions without members shall be subject to the provisions on family foundations, unless this section or the articles of association provide otherwise.

Foundation law

Section 2

Foundations

Art. 552

The following provisions apply to foundations:

A. General

I. Definition and purpose

§ 1

1. Description and delimitation

1) A foundation within the meaning of this section is a legally and economically independent special-purpose fund which is established as a legal entity (legal person) by the unilateral declaration of intent of the founder. The founder dedicates the specifically designated foundation assets and determines the specific purpose of the foundation, which is directly oriented towards the outside world, as well as the beneficiaries.

2) A foundation may only engage in commercial activities if this directly serves its charitable purpose or is permitted under specific legislation. Insofar as the proper investment and management of the foundation's assets requires it, the establishment of a commercial enterprise is also permitted for private foundations.

3) If none of the cases specified in paragraph 2, sentence 1 apply, the foundation may also not be an unlimited liability partner in a partnership under civil law that operates a commercial business.

§ 2

2. Foundation purposes

1) The purposes of the foundation may be charitable or private.

2) A charitable foundation within the meaning of this section is one whose activities, according to the foundation declaration, are intended to serve wholly or predominantly charitable purposes in accordance with Art. 107 (4a), unless it is a family foundation.

3) A private-benefit foundation within the meaning of this section is one which, according to the foundation declaration, is intended to serve wholly or predominantly private or self-beneficial purposes. The predominance is to be assessed according to the ratio of the services serving private purposes to those serving charitable purposes. If it is not clear that the foundation is intended to serve wholly or predominantly private purposes at a given point in time, it shall be regarded as a charitable foundation.

4) The following, in particular, are considered private foundations:

1. Pure family foundations: these are foundations whose assets are used exclusively to cover the costs of education or training, to provide for or support members of one or more families, or to serve similar family interests.
2. Mixed family foundations; these are foundations that primarily pursue the purpose of a pure family foundation, but also serve charitable or other private purposes in addition to this.

II. Foundation participants

§ 3

1. Definition

The following are considered participants in the foundation:

1. the founder;
2. the beneficiaries;
3. the contingent beneficiaries;
4. the discretionary beneficiaries;
5. the final beneficiaries;
6. the organs of the foundation in accordance with §§ 11, 24, 27, and 28, as well as the members of these organs.

§ 4

2. Founders

1) Founders may be one or more natural persons or legal entities. A foundation established by testamentary disposition may only have one founder.

2) If a foundation has several founders, the rights to which the founder is entitled or which are reserved for the founder may only be exercised jointly by all founders, unless the foundation declaration provides otherwise. If one of the founders ceases to exist, the aforementioned rights shall expire in case of doubt.

3) If the foundation is established by an indirect representative, the principal (authorizing party) is considered the founder. If the principal also acts as an indirect representative for a third party, the principal of the third party is considered the founder. In any case, the indirect representative is obligated to disclose the identity of the founder to the foundation board.

§ 5

3. Beneficiary

1) A beneficiary is defined as any natural or legal person who, with or without consideration, actually, unconditionally or under certain conditions or requirements, for a limited or unlimited period, restricted or unrestricted, revocable or irrevocable, at any time during the legal existence of the foundation or upon its termination, enjoys or may enjoy an economic advantage from the foundation (benefit).

2) Beneficiaries within the meaning of paragraph 1 are:
1. those entitled to benefits (Section 6 (1));
2. the persons entitled to benefits (§ 6 (2));
3. the discretionary beneficiaries (§ 7); and
4. the final beneficiaries (Section 8).

§ 6

4. Beneficiaries with legal entitlement

1) A beneficiary is entitled to a legal claim based on the foundation deed, the supplementary foundation deed, or the regulations to a benefit from the foundation's assets or income that is specified or determinable in terms of amount.

2) A beneficiary is someone who, after the occurrence of a condition precedent or upon the arrival of a date, in particular after the removal of a beneficiary with higher priority, has a legal claim to obtain beneficiary status on the basis of the foundation deed, the supplementary foundation deed, or a set of regulations.

§ 7

5. Discretionary beneficiary (beneficiary without legal claim)

1) A discretionary beneficiary is someone who belongs to the group of beneficiaries designated by the founder and whose possible benefit is at the discretion of the foundation board or another body appointed for this purpose. Anyone who only has an entitlement to such a future benefit is not considered a discretionary beneficiary.

2) In any case, a discretionary beneficiary's legal entitlement to a specific benefit from the foundation's assets or income only arises once the foundation board or other competent body (§ 28) has passed a valid resolution on an actual distribution to the respective discretionary beneficiary and expires upon receipt of the same.

§ 8

6. Final beneficiary

1) The final beneficiary is the person to whom, according to the foundation deed or supplementary foundation deed, any assets remaining after the liquidation of the foundation are to be transferred.

2) In the absence of a provision for a final beneficiary or the existence of a final beneficiary, the assets remaining after liquidation shall fall to the state.

3) In the absence of a provision on the use of assets in the event of revocation pursuant to § 30 (1), the founder himself shall be deemed the final beneficiary, regardless of whether he previously held beneficiary status.

III. Rights of beneficiaries to information and disclosure

§ 9

1. In general

1) The beneficiary is entitled, insofar as his rights are concerned, to inspect the foundation deed, the supplementary foundation deed, and any regulations.

2) Furthermore, insofar as their rights are concerned, they are entitled to receive information, reports, and accounts. To this end, they have the right to inspect all business records and documents and make copies, as well as to examine and investigate all facts and circumstances, in particular the accounting, either personally or through a representative. However, this right may not be exercised with unfair intent, in an abusive manner, or in a manner that conflicts with the interests of the foundation or other beneficiaries. In exceptional cases, this right may also be denied for important reasons in order to protect the beneficiary.

3) The final beneficiary is only entitled to these rights after the foundation has been dissolved.

4) The beneficiary's rights must be asserted in non-contentious proceedings.

5) The exceptions pursuant to §§ 10 to 12 remain reserved.

§ 10

2. In the event of the founder's right of revocation

1) If the founder has reserved the right to revoke the foundation in the foundation declaration (§ 30) and is himself the final beneficiary, the beneficiary is not entitled to the rights under § 9.

2) If the foundation was established by several founders, these rights may be exercised by each individual founder who has reserved the right of revocation.

§ 11

3. Establishment of a supervisory body

1) If the founder has established a supervisory body for the foundation in the foundation declaration, the beneficiary may only request information about the purpose and organization of the foundation and about his or her own rights vis-à-vis the foundation and verify the accuracy of this information by inspecting the foundation deed, the supplementary foundation deed, and the regulations.

2) The following may be established as a supervisory body:

1. an auditing body, to which § 27 applies mutatis mutandis;

2. one or more natural persons named by the founder who have sufficient expertise in the field of law and economics to be able to perform their duties; or

3. the founder.

3) The supervisory body must be independent of the foundation. Section 27 (2) applies mutatis mutandis.
4) The supervisory body is obliged to check once a year whether the foundation's assets are being managed and used in accordance with its purposes. It must submit a report on the results of this audit to the foundation board. If there are no grounds for objection, a confirmation that the foundation's assets have been managed and used in accordance with the foundation's purpose and in compliance with the provisions of the law and the foundation documents shall suffice. If this is not the case, or if the supervisory body discovers facts in the course of its duties that jeopardize the existence of the foundation, it must notify the beneficiaries, insofar as they are known to it, and the court. If necessary, the court shall proceed in accordance with § 35.
5) If a supervisory body has been established, the beneficiary may request the foundation and the supervisory body to submit the reports in accordance with paragraph 4.
6) If the beneficiary asserts his rights in accordance with § 9, the foundation shall be responsible for proving that a supervisory body exists that meets the requirements of paragraph 2 in conjunction with paragraph 3.

§ 12

4. For supervised foundations

The beneficiary is not entitled to the rights under § 9 if the foundation is subject to supervision by the foundation and trust supervisory authority (§ 29).

§ 13

IV. Foundation assets

1) The minimum capital of the foundation is 30,000 Swiss francs. It can also be raised in euros or US dollars, in which case it amounts to 30,000 euros or 30,000 US dollars.
2) If the founder makes a further donation to the foundation after its legal establishment, this is considered a subsequent donation.
3) If a third party makes a contribution to the foundation's assets, this is considered an additional donation. The additional donor does not thereby acquire the status of a founder.
4) If the foundation only becomes effective upon the death of the founder or after the termination of a legal entity, the founder's contributions are deemed to have been made before his death or termination.

B. Establishment and creation

I. In general

§ 14

1. Foundation among living persons

1) The foundation is established by means of a foundation declaration. It must be in writing and the signatures of the founders must be certified.

2) In the case of direct representation or indirect representation in accordance with § 4 (3), the representative's signature must be certified on the foundation deed.
3) In the case of direct representation, the representative requires a special power of attorney from the founder for this transaction.
4) Charitable foundations and private foundations that operate a commercially managed business on the basis of special legislation must be entered in the commercial register and acquire legal personality through this entry.
5) Other private-benefit foundations may be entered in the commercial register. However, there is no legal obligation to do so.

§ 15

2. Foundation upon death

1) The foundation may also be established by last will and testament or by inheritance contract in accordance with the applicable formal requirements.
2) The registration or filing of a notice of establishment of a foundation established by testamentary disposition may only take place after the death of the founder and, in the case of an inheritance contract, unless otherwise specified therein, of one of the founders.
3) § 14 (4) and (5) apply accordingly.

II. Foundation documents

Section 16

1. Foundation deed (statutes)

1) The foundation deed must in any case contain:
1. the founder's intention to establish the foundation;
2. the name or company name and registered office of the foundation;
3. the dedication of specific assets, which must at least correspond to the statutory minimum capital;
4. the purpose of the foundation, including the designation of the specific beneficiaries or group of beneficiaries who can be identified by objective characteristics, unless it is a charitable foundation or the beneficiaries are otherwise determined by the purpose of the foundation, or unless express reference is made to a supplementary foundation deed that regulates this;
5. Date of establishment of the foundation;
6. Duration of the foundation, if limited;
7. Regulations governing the appointment, dismissal, term of office, and type of management (decision-making) and power of representation (signatory authority) of the foundation board;
8. a provision on the use of the assets in the event of the dissolution of the foundation in accordance with section 4;

9. the surname, first name, and place of residence or company name and registered office of the founder or, in the case of indirect representation (§ 4 (3)), the surname, first name, and place of residence or company name and registered office of the representative. Express reference must be made to the role of indirect representative.

2) If the following contents are regulated, they must also be included in the foundation deed:

1. a reference to the fact that a supplementary foundation deed has been or may be drawn up;
2. a reference to the fact that regulations have been or may be issued;
3. a reference to the fact that other bodies have been or may be established; further details on the composition, appointment, dismissal, term of office, and duties may be provided in the supplementary foundation deed or in regulations;
4. the reservation of the right of the founder to revoke the foundation or amend the foundation documents;
5. the reservation of the right to amend the foundation deed or supplementary foundation deed by the foundation board or by another body in accordance with §§ 31 to 34;
6. the exclusion of enforcement in accordance with § 36 (1);
7. the reservation of conversion (§ 41);
8. the provision that the foundation, although it is a private-benefit foundation, is subject to supervision (§ 29 (1) sentence 2).

3) The provisions in accordance with para. 1 nos. 1, 3, and 4 are considered essential in the sense of the nullification procedure.

§ 17

2. Supplementary foundation deed (additional statutes)

The founder may draw up a supplementary foundation deed if he has reserved this right (§ 16 (2) No. 1). It may contain elements of the foundation declaration that do not have to be included in the foundation deed.

Section 18

3. Regulations

For the further implementation of the foundation deed or the supplementary foundation deed, the founder, the foundation board, or another foundation body may issue internal instructions in the form of regulations if this has been reserved in the foundation deed (§ 16 (2) No. 2). Regulations issued by the founder take precedence over those of the foundation board or any other foundation body.

Section 19

III. Entry in the commercial register

1) If the foundation is subject to registration, each member of the foundation board, regardless of their power of representation, is obliged to register the foundation.

The registration must be submitted in writing, accompanied by the original or a certified copy of the foundation deed. The foundation board must confirm that the statutory minimum capital is at the free disposal of the foundation. The representative is also authorized to submit the registration.

2) If the registration is made without an obligation to register (Section 14 (5)), the foundation board must also confirm that the founder has designated the specific beneficiaries or group of beneficiaries who can be identified by objective characteristics, unless this is apparent from the stated purpose of the foundation.

3) The registration must contain the following information:

1. Name or company name of the foundation;
2. Registered office of the foundation;
3. Purpose of the foundation;
4. Date of establishment of the foundation;
5. Duration of the foundation, if limited;
6. Organization and representation, specifying the surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the members of the Foundation Board, as well as the type of signature;
7. Surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the auditors;
8. Surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the representative;
9. the fact that the foundation is subject to supervision pursuant to § 29 (1) sentence 1.

4) If necessary, the registration may also be carried out on the basis of the foundation deed by order of the judge in non-contentious proceedings:

a) at the request of parties involved in the foundation;

b) upon notification by the Office of Justice or the probate authority; or

c) ex officio.

5) If the purpose of a foundation that is not entered in the commercial register changes in such a way that registration becomes mandatory, the members of the foundation board are obliged to apply for registration of the foundation in the commercial register within 30 days in accordance with paragraphs 1 and 3. Paragraph 4 applies mutatis mutandis.

6) The registration shall be announced in accordance with Art. 956 para. 1.

IV. Notice of establishment

§ 20

1. Filing of the notice of establishment

1) If the foundation is not subject to any registration requirement, each member of the foundation board is obliged to file a notice of establishment with the Office of Justice within 30 days of its establishment in order to monitor the registration requirement and prevent foundations with illegal or immoral

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purposes and to prevent circumvention of any supervision, each member of the foundation board shall be obliged to file a notice of establishment with the Office of Justice within 30 days of the foundation's establishment. The representative shall also be authorized to file the notice. A lawyer, trustee, or holder of an authorization pursuant to Art. 180a licensed in Liechtenstein must confirm the accuracy of the information pursuant to para. 2 in writing.

2) The notice of establishment must contain the following information:

1. Name of the foundation;
2. Registered office of the foundation;
3. Purpose of the foundation;
4. Date of establishment of the foundation;
5. Duration of the foundation, if limited;
6. Surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the members of the foundation board, as well as the type of signature;
7. Surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the legal representative;
8. Confirmation that the founder has designated the specific beneficiaries or group of beneficiaries who can be identified by objective criteria, unless this is apparent from the stated purpose of the foundation;
9. Confirmation that the foundation is not intended to serve entirely or predominantly charitable purposes;
10. a statement as to whether the foundation is subject to supervision in accordance with a provision of the foundation deed; and
11. confirmation that the foundation has free disposal of the statutory minimum capital.

3) In the event of any change to the information contained in the notification of establishment, or if there are grounds for dissolution in accordance with § 39 (1), the members of the foundation board are obliged to submit a notification of change to the Office of Justice within 30 days. The representative is also authorized to submit this notification. A lawyer, trustee, or holder of an authorization pursuant to Art. 180a licensed in Liechtenstein must confirm the accuracy of the information in the notification of change in writing.

4) Upon request by the foundation, the Office of Justice shall issue an official confirmation of the filing of the notice of establishment after each legally executed notification. It shall not issue an official confirmation if:

1. the purpose notified is unlawful or immoral; or
2. the notification results in a registration requirement for the foundation.

§ 21

2. Power of inspection and measures

1) As the foundation and trust supervisory authority, the Office of Justice is entitled to verify the accuracy of the filed notifications of establishment and amendment. To this end, it may request information from the foundation and inspect the foundation's documents through the control body or, if no such body has been established, through an authorized third party, to the extent necessary for the verification.
2) Copies and transcripts may only be made if the review provides evidence that the notification of establishment or amendment is incorrect.
3) If the review reveals that the foundation pursues an unlawful or immoral purpose, it shall be dissolved in accordance with the general provisions governing legal entities. The provisions governing changes to the purpose that has subsequently become unlawful remain reserved (Sections 31 and 33). If it transpires that the foundation is subject to registration, the registration shall be carried out by the Office of Justice in accordance with § 19 (4). If the review reveals that the foundation is subject to supervision in accordance with § 29, the Foundation and Trust Supervisory Authority shall take the necessary measures.
4) If courts, the public prosecutor's office, or an administrative authority become aware that the notification of establishment or amendment has not been submitted or that the content of the notification of establishment or amendment submitted is incorrect, a report must be prepared and forwarded to the Foundation and Trust Supervisory Authority.
5) The government may issue regulations containing more detailed provisions on the exercise of the supervisory authority's powers of inspection and on the setting and collection of fees by the Foundation and Trust Supervisory Authority.

C. Revocation of the foundation declaration

§ 22

I. By the founder

Revocation of the foundation declaration is only permissible:

1. if the foundation has not yet been entered in the commercial register, if such entry is necessary for its creation;

2. if registration of the foundation is not necessary and it is to become legally effective during the founder's lifetime, until his or her signature on the foundation deed has been certified;

3. in the case of foundations established by last will and testament or inheritance contract, in accordance with the applicable inheritance law provisions.

§ 23

II. Exclusion of heirs

1) In the case of foundations established by testamentary disposition or inheritance contract, the heirs have no right to revoke the foundation declaration after the death of the testator and founder, even if the foundation has not yet been entered in the commercial register.
2) Similarly, the heirs have no right of revocation if the founder established the foundation inter vivos and drew up the foundation deed, but died before the foundation was entered in the commercial register.

D. Organization

I. Foundation board

§ 24

1. General

1) The Foundation Board manages the affairs of the foundation and represents it. It is responsible for fulfilling the foundation's purpose in accordance with the provisions of the foundation documents.
2) The Foundation Board shall consist of at least two members. Legal entities may be members of the Foundation Board.
3) Unless otherwise specified in the foundation deed, the Foundation Board is appointed for a term of three years, whereby reappointment is permissible and members may perform their duties for remuneration or without remuneration.
4) The provisions established for the members of the Foundation Board also apply to any deputies.
5) The members of the Foundation Board shall sign in such a way that they affix their signature to the name of the Foundation.
6) If members of the Foundation Board perform their duties without remuneration, liability for slight negligence may be excluded in the foundation declaration, provided that this does not harm the creditors of the foundation.

2. Special obligations

§ 25

a) Asset management

1) The Foundation Board shall manage the Foundation's assets in accordance with the founder's wishes, the purpose of the Foundation, and the principles of good business management.
2) The founder may specify concrete and binding management criteria in the foundation deed, the supplementary foundation deed, or a set of regulations.

§ 26

b) Accounting

Foundations that operate a commercially managed business are subject to the general accounting regulations. For all other foundations

, the foundation board must keep records appropriate to the financial circumstances of the foundation and retain supporting documents from which the course of business and the development of the foundation's assets can be traced, taking into account the principles of proper accounting. Furthermore, the foundation board must keep an inventory of assets showing the status and investment of the foundation's assets. Art. 1059 applies mutatis mutandis.

§ 27

II. Auditor

1) For each foundation subject to supervision by the Foundation and Trust Supervisory Authority pursuant to § 29, the court shall appoint an auditor in non-contentious proceedings in accordance with Art. 191a para. 1. The Foundation and Trust Supervisory Authority shall have party status in these proceedings.

2) The auditor must be independent of the foundation. It is obliged to disclose to the court and the foundation and trust supervisory authority any reasons that would compromise its independence. The foundation and trust supervisory authority may request the auditor to provide the certificates and evidence necessary to assess its independence. In particular, the following persons are excluded from acting as auditors:

1. belongs to another foundation body;
2. is employed by the foundation;
3. has close family ties to members of foundation bodies; or
4. is a beneficiary of the foundation.

3) The founder may submit two proposals for the auditor, stating their preference. If the founder has not exercised this right, the foundation board may submit such a proposal to the court. Subject to paragraph 2, the court shall generally appoint the auditor proposed as the preferred candidate.

4) As an organ of the foundation, the auditor is obliged to check once a year whether the foundation's assets are being managed and used in accordance with its purposes. It must submit a report on the results of this audit to the foundation board and the foundation and trust supervisory authority. If there are no grounds for objection, a confirmation that the foundation's assets have been managed and used in accordance with the foundation's purpose and in compliance with the provisions of the law and the foundation documents is sufficient. If, in the course of its duties, the auditor discovers facts that jeopardize the existence of the foundation, it must also report this. The

Foundation and Trust Supervisory Authority may request information from the auditors about all facts that have come to their attention in the course of the audit.

5) In the case of charitable foundations, the Foundation and Trust Supervisory Authority may, upon request, refrain from appointing an auditor if the foundation manages only a small amount of assets or if this appears appropriate for other reasons. The government shall lay down the conditions for exemption from the obligation to appoint an auditor by ordinance.

§ 28

III. Other bodies

1) The founder may establish additional bodies, in particular to determine a beneficiary from among the group of beneficiaries, to determine the time, amount, and conditions of a distribution, for the administration of the assets, for advising and supporting the foundation board, for monitoring the foundation's administration to ensure that the foundation's purpose is upheld, for reserving the right to give consent or issue instructions, and for safeguarding the interests of those involved in the foundation. These bodies do not have the power of representation.

2) § 24 (6) shall apply mutatis mutandis.

§ 29

E. Supervision

1) Charitable foundations are subject to supervision by the Foundation and Trust Supervisory Authority. The same applies to private foundations that are subject to supervision by virtue of a provision in the foundation deed.

2) The Foundation and Trust Supervisory Authority is the Office of Justice.

3) The foundation and trust supervisory authority shall ensure ex officio that the foundation's assets are managed and used in accordance with its purposes. To this end, it shall have the right to request information from the foundation and to inspect the foundation's books and records through the auditor. If the appointment of an auditor pursuant to § 27 (5) has been waived, the Foundation and Trust Supervisory Authority shall generally exercise the right of inspection itself. Furthermore, it may obtain information from other administrative authorities and the courts and apply to the judge in non-contentious proceedings for the necessary orders, such as the control and dismissal of the foundation's organs, the performance of special audits, or the annulment of resolutions of the foundation's organs.

4) In addition, any party involved in the foundation may apply to the judge in non-contentious proceedings for the necessary measures to be ordered in accordance with paragraph 3 in the event of the foundation's organs administering and using the assets in a manner contrary to the foundation's purpose. If there is an urgent suspicion of a criminal offense by a foundation organ, the judge may also take action ex officio, in particular

on the basis of a notification from the public prosecutor's office. The foundation and trust supervisory authority shall have party status in such proceedings.

5) Unknown beneficiaries shall be identified in summary proceedings at the request of the foundation and trust supervisory authority.

6) The government may issue regulations containing more detailed provisions on the activities of the foundation and trust supervisory authority and on the setting and collection of fees by the foundation and trust supervisory authority.

F. Amendment

§ 30

I. Rights of the founder to revoke or amend the foundation documents

1) The founder may reserve the right to revoke the foundation or amend the foundation declaration in the foundation deed. These rights cannot be assigned or inherited. If one of these rights is to be exercised by a direct representative, the representative requires a special power of attorney for this transaction.

2) If the founder is a legal entity, they may not reserve the rights under paragraph 1.

3) If the rights under paragraph 1 are exercised by an indirect representative (§ 4 (3)), the legal effects shall apply directly to the founder.

II. Rights of the foundation bodies

§ 31

1. Change of purpose

1) A change to the purpose of the foundation by the foundation board or another foundation body is only permissible if the purpose has become unattainable, impermissible, or unreasonable, or if circumstances have changed to such an extent that the purpose has taken on a completely different meaning or effect, thereby alienating the foundation from the founder's intentions.

2) The change must correspond to the presumed will of the founder, and the authority to make the change must be expressly reserved for the foundation board or the other foundation body in the foundation deed.

§ 32

2. Amendment of other contents

Amendments to other contents of the foundation deed or the supplementary foundation deed, such as in particular the organization of the foundation, are permissible by the foundation board or another body if and to the extent that the authority to make amendments is expressly reserved for the foundation board or the other foundation body in the foundation deed. The Foundation Board shall exercise the right to make amendments in accordance with the purpose of the Foundation if there is an objectively justified reason for doing so.

III. Rights of the judge

1. Supervised foundations

§ 33

a) Amendment of the purpose

1) If a foundation is subject to supervision by the Foundation and Trust Supervisory Authority, the latter may apply to the judge in non-contentious proceedings for an amendment to the purpose of the foundation if:

1. the purpose has become unattainable, impermissible, or unreasonable, or circumstances have changed to such an extent that the purpose has taken on a completely different meaning or effect, so that the foundation has become alienated from the founder's intentions; and
2. the foundation deed has not entrusted the foundation board or another foundation body with the change of purpose.

2) The amendment must correspond to the presumed will of the founder.

3) The right to submit an application also applies to the parties involved in the foundation; in this case, the foundation and trust supervisory authority has party status.

§ 34

b) Amendment of other contents

1) If a foundation is subject to the supervision of the foundation and trust supervisory authority, the latter may apply to the judge in non-contentious proceedings for an amendment to other contents of the foundation deed or the supplementary foundation deed, such as, in particular, the organization of the foundation, if:

1. this is appropriate to preserve the purpose of the foundation, in particular to ensure the continued existence of the foundation and to secure the foundation's assets; and
2. the foundation deed has not entrusted the foundation board or another foundation body with the amendment of the other contents.

2) The parties involved in the foundation are also entitled to submit a request; in this case, the foundation and trust supervisory authority has party status.

§ 35

2. Other foundations

1) In the case of foundations not subject to the supervision of the Foundation and Trust Supervisory Authority, the judge may, at the request of a party involved in the foundation and in certain cases, if necessary on the basis of a notification from the Foundation and Trust Supervisory Authority (§ 21 (3)) or the public prosecutor's office, also initiate non-contentious proceedings ex officio.cases, if necessary on the basis of a notification from the Foundation and Trust Supervisory Authority (§ 21 (3)) or the public prosecutor's office, also exercise the powers pursuant to §§ 33 and 34 ex officio in non-contentious proceedings and issue the orders required pursuant to § 29 (3). An urgent case exists in particular if there is an urgent suspicion of a criminal offense by a foundation body.

2) Unknown beneficiaries may be identified by the judge in the summons procedure upon request.

§ 36

G. Enforcement provisions

1) In the case of family foundations, the founder may stipulate that the creditors of beneficiaries may not withdraw their gratuitously acquired entitlement to benefits or entitlement to benefits in the future, or individual claims arising therefrom, by way of security proceedings, enforcement proceedings, or insolvency proceedings. In the case of mixed family foundations, such an order may only be made to the extent that the respective entitlement serves the purposes of the family foundation.

2) If a creditor of the foundation cannot obtain satisfaction from the foundation's assets and the founder has not yet fully contributed the dedicated assets, the foundation board is obliged to provide the creditor with the information necessary for legal action. This applies mutatis mutandis to the insolvency administrator in the event of insolvency proceedings against the foundation.

§ 37

H. Liability

1) Only the foundation's assets are liable to creditors for the foundation's debts. There is no obligation to make additional contributions.

2) The Foundation Board may only make payments to beneficiaries for the fulfillment of the Foundation's purpose if this does not diminish the claims of the Foundation's creditors.

§ 38

I. Contestation

1) The transfer of assets to the foundation may be contested by the heirs or creditors in the same way as a gift.

2) The founder and his heirs may contest the foundation on the grounds of defects of will in the same way as the provisions on defects in the conclusion of a contract, even after registration.

K. Dissolution and termination

§ 39

I. Reasons for dissolution

1) The foundation shall be dissolved if:

1. bankruptcy proceedings have been opened against the foundation's assets;
2. the decision rejecting the opening of insolvency proceedings due to a lack of assets sufficient to cover the costs of the insolvency proceedings becomes final;
3. the court has decided to dissolve the foundation;
4. the Foundation Board has passed a legally valid resolution to dissolve the foundation.

2) The foundation board must pass a resolution to dissolve the foundation as soon as:

1. it has received an admissible revocation from the founder;
2. the purpose of the foundation has been achieved or is no longer achievable;
3. the term specified in the foundation deed has expired;
4. other reasons specified in the foundation deed apply.

3) The resolution to dissolve the foundation pursuant to paragraph 2 must be passed unanimously, unless otherwise specified in the foundation deed. In the case of foundations subject to the supervision of the Foundation and Trust Supervisory Authority, the foundation board must notify the latter of the resolution to dissolve the foundation.

4) If a resolution pursuant to paragraph 2 is not passed despite the existence of a reason for dissolution, the judge shall dissolve the foundation in non-contentious proceedings at the request of the foundation's stakeholders in the case of foundations not subject to the supervision of the Foundation and Trust Supervisory Authority; in the case of other foundations, dissolution may also be requested by the Foundation and Trust Supervisory Authority.

5) If a resolution to dissolve the foundation is passed in accordance with paragraph 2 even though there are no grounds for dissolution, the judge shall, in the case of foundations not subject to the supervision of the Foundation and Trust Supervisory Authority, revoke the resolution of the foundation board to dissolve the foundation in non-contentious proceedings at the request of the foundation's stakeholders; in the case of other foundations, the Foundation and Trust Supervisory Authority shall also have the right to apply.

6) If the foundation operates a commercial business without meeting the requirements set out in § 1 (2), the judge shall, at the request of a party to the foundation or ex officio, decide to dissolve the foundation if the foundation has not complied with a legally binding cease-and-desist order within a reasonable period of time.

§ 40

II. Liquidation and termination

1) The general provisions on legal entities shall apply to the liquidation and termination of the foundation.

2) The provisions concerning the call to creditors shall not apply to foundations that are not entered in the commercial register.

3) The Office of Justice shall issue a confirmation of deletion in the form of an extract from the register for registered foundations or an official confirmation for unregistered foundations.

4) If the foundation is subject to supervision by the Foundation and Trust Supervisory Authority, the foundation board must notify the Foundation and Trust Supervisory Authority of the termination of the foundation. If the foundation is entered in the commercial register, an extract from the register must also be submitted. The legal representative is also authorized to make the notification.

5) Any assets that subsequently come to light shall be distributed in accordance with the provisions on supplementary liquidation (Art. 139). In the case of foundations subject to the supervision of the Foundation and Trust Supervisory Authority, the Foundation Board shall immediately inform the Authority of any assets that subsequently come to light. The legal representative shall also have the power to notify the Authority.

trust supervisory authority, the foundation board must inform the latter immediately of any assets that have subsequently come to light. The legal representative also has the authority to notify the foundation board.

§ 41

L. Conversion

A private-benefit foundation may be converted by the foundation board, without liquidation or winding up, into an institution organized under foundation law or a trust company organized under foundation law with legal personality, by means of a duly executed deed, provided that the conversion:

1. is subject to the conditions specified in the foundation deed; and
2. serves the purpose of the foundation. Art. 553 to 570

Repealed

6. Title

Special forms and types of enterprises

1. Section Public-sector

enterprises

A. Public-sector entities

Art. 571

I. Description

1) The government may grant public-service status to entities within the meaning of this section upon their request if, with or without capital participation, the state, municipalities, municipal associations, or public-service institutions, or their workers and employees participate in the administration, supervision (control), or profits.

2) Public-service status may be noted in the commercial register upon notification by the government or at the request of the administration.

Art. 572

II. Administration and audit body

1) Participating bodies (such as the state, municipalities) or representatives elected by the workers and employees must participate in the administration (the board of directors) of the public-service corporation or in its audit office in accordance with government regulations.

2) Unless otherwise specified in the articles of association, representatives elected by employees and workers do not have signing authority.

3) The liability of the representatives of the public sector in the administration is governed by the provisions on the participation of public-law associations in the administration or audit office under the general provisions on associations.

4) An audit office must be provided for in the statutes.

5) The provision on the audit trust agency for public utilities shall apply mutatis mutandis.

Art. 573

III. Right of participation of the community

1) With the consent of the state parliament, the government may require that, when corporations are established, the public authority (state, municipality) be granted a participation in the capital or funds of the corporation of up to half, to the extent required by the public interest, on terms equivalent to the most favorable terms otherwise applicable.

2) In the case of capital increases, this right may also be exercised in full until the public authority's participation reaches half of the total capital of the corporation.
3) However, the government may validly waive this right when establishing a legal entity or thereafter, with the Administrative Court deciding on any disputes.

Art. 574

IV. Appropriation of profits

1) If the net profit or surplus exceeds the customary interest rate on the corporation's capital, the excess amount shall be distributed between the corporation and the participating public authority.
2) The share of the public authority increases in line with the amount of the net profit or surplus.
3) The articles of association must contain more detailed provisions on this matter.
4) When distributing the net profit, a share specified in more detail in the articles of association must be used for the benefit of employees and workers in accordance with the instructions of the public authority.

Section 575

V. Issuance of bonds

In order to raise external capital for public-sector entities, the government may authorize the issuance of bonds in accordance with the regulations for public-sector institutions.

Art. 576

VI. Reference

In all other respects, public corporations shall be subject to the relevant provisions governing stock corporations, limited partnerships, joint stock companies, limited liability companies, cooperatives, mutual insurance companies, mutual aid funds, or associations, as set out in the following sections, depending on their form.

B. Public-service institution

Art. 577

I. Definition

1) Public-service institutions may be established to perform economic tasks in the service of the people.
2) With the approval of the State Parliament, they may be declared to be public-law institutions, which, however, are subject to the following provisions in the absence of any deviating regulations.

3) Apart from the public-service institutions regulated in this section, other institutions referred to in the preceding title may be granted public-service status in accordance with the preceding sections.

II. Establishment

Art. 578

1. Founder

1) Public utilities are established by the state, municipalities, or a majority of local authorities for the purpose of transferring existing private or public enterprises to the ownership or administration of public utilities by means of an agreement, or of establishing new enterprises in this form.

2) If special economic considerations so require, the government may also involve other associations or companies in the establishment of public-service institutions, with their consent.

3) If a public utility is not to be established by the state, the decision to establish it, as well as the statutes and any amendments thereto, are subject to approval by the government, unless the establishment is carried out in accordance with special laws.

2. Endowment capital

Art. 579

a) General

The endowment fund (institutional or dedicated fund) may be provided either in full or up to a partial amount to be determined in the statutes by fund contributions from the founders, with the remainder being raised, with the consent of the government and through the mediation of the state savings and loan bank (Landesbank) or another enterprise authorized by the government for this purpose, by means of redeemable partial debentures (bonds).

Art. 580

b) Partial debentures

1) For claims arising from partial debentures, a lien shall be established on real estate or, if necessary, on other assets of the public utility.

2) After obtaining the approval of the government, the founding municipalities shall assume liability for the interest and repayment of the partial debentures.

3) On the basis of such partial debentures, the state savings and loan bank (Landesbank) or, with the approval of the government, another institution may issue bank bonds on the partial debentures in its possession, which must be entered in a special coverage register in accordance with the provisions applicable to mortgage bonds.

in a special cover register, issue bank bonds.

4) Partial debentures of public-sector institutions that are issued under the liability of a public authority or for which a lien with the value limit prescribed for mortgage bonds is entered in a public register may be used for the investment of ward funds.

5) If public-sector institutions take out loans from the state savings and loan bank instead of redeemable partial debentures, the founding public authorities must, with the approval of the government, assume liability for the interest and repayment of these loans if bank debentures are to be issued on the basis of these loans.

6) The government may issue regulations containing more detailed provisions on the issue, collateralization, and trusteeship of such partial debentures.

III. Organization

1. The institutional assembly

Art. 581

a) Composition and duration

1) The institutional assembly, as the supreme body, consists of representatives of the founding communities and the administration.

2) The statutes may stipulate that, in addition to or instead of representatives of the administration, other public or private corporations or institutions or companies, the state savings and loan bank, organizations representing a significant proportion of the institution's customers, other private interested parties, or representatives of the institution's employees and workers must also be represented in the institution's assembly.

3) When selecting the representatives mentioned in the first paragraph, consideration shall be given as far as possible to their expertise in commercial, financial, technical, legal, and similar matters.

4) The term of office of the institution's assembly shall be three financial years and shall expire, unless revoked earlier, with the adoption of the third annual balance sheet.

5) If representatives are sent to the institutional assembly on the basis of elections, their mandate shall expire at the end of the term of office of their principals and they shall be replaced by representatives elected on the basis of new elections.

Art. 582

b) Powers

1) The following are subject to resolution by the institutional assembly:

1. The examination and approval of the financial statements, the distribution of net profits, and the discharge of the administration (management);

2. the appointment of the administration and the decision on whether power of attorney or authority to act on behalf of the institution may be granted for all business operations;
3. the assertion of claims for compensation arising for the institution from the management of the business against the administration;
4. the conclusion of long-term loan agreements whereby the institution draws down a loan amount exceeding a certain amount specified in the articles of association;
5. the conclusion of agreements whereby the institution is to acquire existing or future assets or real estate intended for its business operations for a consideration exceeding a portion of the institution's funds specified in the articles of association, as well as the amendment of such agreements at the expense of the institution, unless the acquisition of real estate by way of compulsory auction is involved. This resolution may only be passed with a majority of three-quarters of the votes cast;
6. the dismissal of members of the administration;
7. motions to amend the statutes of the institution.

2) The statutes may also reserve other matters for decision by the institution's assembly.

3) The activities reserved by law or by the statutes of the institution's assembly shall be exercised by resolutions of the same.

2. Administration and audit office

Art. 583

a) Appointment

1) The members of the administration shall be appointed by the institutional assembly, unless the statutes provide otherwise.

2) The audit office consists of representatives of the founding communities in a number not exceeding five, as determined by the statutes.

3) The appointment of the first auditors shall be valid until a resolution is passed on the first annual balance sheet; thereafter, the term of office shall not exceed three financial years and shall expire upon the passing of a resolution on the third annual balance sheet of the term of office.

4) Members of the institutional assembly may not be appointed as members of the auditor.

Art. 584

b) Duties of the auditors

1) In addition to the duties imposed on the auditors under the general provisions governing companies with legal personality, the auditors shall be responsible for the following, unless otherwise specified below:

1. the approval of long-term loans exceeding an amount to be specified in the articles of association;

2. approving the purchase and sale of real estate in excess of an amount to be determined in the articles of association;
3. approving the management's proposals to the institution's meeting regarding the distribution of profits;
4. the dismissal of members of the administration, even against the will of the institution's general meeting, in cases of breach of trust, self-serving management, violation of essential provisions of the articles of association, or exceeding the scope of authority granted to the administration, thereby jeopardizing the interests of the institution, as well as the convening of the institution's general meeting for the immediate appointment of a new administration;
5. the dissolution of the institution's assembly in the event of persistent gross violation of its duties under the law and the statutes;
6. Convening the institution meeting when it seems necessary in the interests of the institution.

2) The auditors and their individual members have the right to be informed about the course of the institution's business; they may, at any time, either collectively or through individual members, inspect the institution's books and papers and examine the contents of the institution's cash register and the stocks of securities, school documents, and goods.

3) The auditors may regulate the exercise of their duties by means of rules of procedure.

Art. 585

c) Auditing agency

1) The government may, at the expense of the institution, commission an expert auditing agency to examine the institution's books, business papers, cash transactions, and balance sheet at any time.

2) If any objections arise during the review, these shall be reported to the auditors for clarification and rectification of the deficiencies.

IV. Accounting

Art. 586

1. Management and accounting

1) The management, in particular the accounting and financial organization of the public-service institution, shall be based on commercial principles; its accounting system shall be kept separate from the accounting systems of the founding bodies and shall be designed in such a way that the current status of its assets can be determined with certainty at any time.

2) The assets of the public-service institution shall be managed separately from the assets of the founding bodies.

3) The extent to which the results of its operations are to be shown in the estimates and financial statements of the founding public bodies shall be determined by the regulations governing the financial management of the latter.

Art. 587

2. Use of income

1) The institution's income shall generally be used as follows:

1. First, operating expenses, including the interest on the partial debentures and the necessary amortization, shall be covered.
2. Furthermore, provisions must be made to a minimum extent specified in the statutes for the technically and economically necessary organization of the enterprise and for any operating losses.
3. Then, the share of income attributable to the fund contributions must be paid up to the amount of the interest rate customary in the country for fund contributions.

2) Unless otherwise specified in the Articles of Association, the remaining proceeds shall be used for charitable and benevolent purposes in accordance with the decision of the institutional assembly or, in the absence of such a decision, in accordance with the decision of the administration.

Art. 588

V. Dissolution

1) The public-service institution shall also be dissolved at the request of the institution's assembly, the auditors, or one of the founding bodies or institutions, unless the dissolution is based on a liquidation balance sheet, and finally by order of the government.

2) The founders may draw up special liquidation rules. Art. 589

VI. Reference

The provisions governing institutions in general shall apply mutatis mutandis to public-service institutions.

2. Section

Mortgage institutions and licensed insurance companies

Art. 590 to 613

Repealed

3. Section

Other associations Art. 614
to 648 Repealed

3. Division

Companies without legal personality (associations governed by the law of persons)

7. Title

Common provisions

Art. 649

A. Definition, forms, etc.

1) A company is a contractual association of two or more natural persons, legal entities, or firms for a common economic or other purpose, using joint forces or resources.

2) The contributions of the members may also consist of an omission.

3) Unless otherwise provided by law, no special form is required to establish a company.

4) With the exception of general partnerships and limited partnerships, including limited liability partnerships and limited partnerships, companies without legal personality have no legal capacity or capacity to be a party to legal proceedings, and only the partners as such may appear as parties, i.e. as plaintiffs or defendants, in legal proceedings.

5) Unless otherwise provided for in the provisions of this Act, the company shall be governed by the relevant agreement.

B. Relationship between the partners

Art. 650

I. Contributions

1) Each partner must make an equal contribution, whether in cash, goods, claims, labor, or other assets, unless the partnership agreement or the purpose of the company excludes this.

2) A partner is not required to make a contribution in excess of the agreed amount, but may withdraw or be excluded if, due to changed circumstances, the purpose cannot be achieved without an increase in the contribution.

3) Contributions may be demanded both from the individual shareholders and, in the case of companies with firms, from the company itself for its own benefit.

4) With regard to the assumption of risk and the warranty obligation, the principles of the rental agreement shall apply mutatis mutandis if the individual shareholder transfers the use and enjoyment, and the principles of the purchase agreement shall apply mutatis mutandis if he has to transfer ownership.

Art. 651

II. Profit sharing

1) Each partner is obliged to share with the other partners any profit that by its nature accrues to the partnership.
2) If a share in the profits or a share in the losses has been agreed, this agreement shall apply to both in case of doubt.
3) The agreement that a shareholder shall share in the profits but not in the losses is only permissible if he contributes to the common purpose.

Art. 652

III. Company resolutions

1) Unless otherwise specified in the articles of association, company resolutions shall be passed with the consent of all shareholders.
2) If a majority of votes is sufficient under the agreement, the majority shall be calculated on the basis of the number of persons, unless the partnership agreement provides otherwise.

IV. Management

Art. 653

1. General

1) All partners with unlimited liability are entitled to manage the company, unless the management has been extended or validly restricted by contract or resolution, or third parties have been exclusively entrusted with the management.
2) If management is vested in all or several partners, each of them may act without the participation of the others, but any other partner authorized to manage the company has the right to prevent the action by raising a justified objection before it is completed.
3) Unless otherwise specified in the partnership agreement, the management of the company transferred to individual partners or third parties does not entitle them to perform legal acts and services of a factual nature that affect the foundations of the company, such as amendments to the partnership agreement, dissolution of the company, transfer and withdrawal of the right to manage the company, admission or exclusion of partners.
4) Unless there is imminent danger, the consent of all shareholders is required to appoint a general representative and to perform legal acts that go beyond the ordinary course of business, unless the articles of association stipulate otherwise.
5) Unless otherwise provided by law or the articles of association, management also includes representation, whereby the provisions on tacit fiduciary relationships shall apply supplementarily to the legal relationship between the managing director and the company.

Art. 654

2. Companies and legal entities

1) Companies or associations may also be entrusted with the management of the company, either individually or collectively with other shareholders.
2) In this case, the management of the company shall be carried out by those persons who exercise it for the shareholder concerned.
3) They shall no longer be authorized to manage the company as soon as the firm or association they represent is no longer authorized to manage the company, or as soon as these persons themselves no longer have the authority to manage the firm or association to which they belong.

3. Responsibility

Art. 655

a) Claims arising from activities for the company

1) A partner may demand proportional compensation from the other partners for expenses or liabilities incurred or entered into by him in the affairs of the company, as well as for losses suffered by him directly as a result of his management or from the risks inseparably connected therewith.
2) Anything that cannot be obtained from one shareholder shall be borne by all the others in proportion to their shares.
3) He may demand interest at the customary rate for the advanced funds from the date on which the advance was made.
4) However, in the absence of any other agreement, he shall not be entitled to any special remuneration for personal efforts.

b) Degree of care

Article 656

aa) General

1) Each partner is obliged to apply the same diligence and care to the affairs of the company as he would apply to his own affairs, but he is not exempt from liability for gross negligence.
2) They are liable to the other partners for any damage caused by their fault, without being able to offset this against any benefits they may have brought to the company in other cases.
3) The managing partner, who receives remuneration for his activities, is liable in accordance with the provisions governing agency.
4) Both managing and non-managing partners may not conclude or conduct any transactions for their own particular benefit that would frustrate or impair the purpose of the company.

Art. 657

bb) Default interest and remuneration

1) Unless otherwise specified in the contract, a shareholder who fails to make his contributions on time or fails to deliver company funds or other assets to the company on time oris not authorized to take assets, shall be obliged by law to pay default interest or a corresponding remuneration from the date on which the contribution or delivery should have been made or the income was received.
2) The general provisions on default of acceptance in the Swiss Code of Obligations shall apply to default in the acceptance of contributions from a shareholder.
3) The obligation to compensate for any greater damage incurred and the other legal consequences of the action are not excluded by this.
Art. 658
4. Withdrawal, restriction, and termination of management
1) The power of management granted to a partner in the partnership agreement may not be withdrawn or restricted by the other partners without good cause.
2) If there are important reasons, it may be withdrawn by any of the other partners even if the partnership agreement stipulates otherwise.
3) An important reason exists in particular if the managing director is guilty of a gross breach of duty or lacks the ability to manage the company properly.
4) Similarly, a managing partner or third party may terminate the management immediately for good cause, even if he has waived the right to terminate.
Art. 659
5. Managing and non-managing partners
1) Unless otherwise provided for in the provisions of this section or in the articles of association, the provisions governing tacit fiduciary relationships shall apply to the relationship between managing partners and the other partners or between a third party acting as managing director and the partners.
2) If a third party or a shareholder who is not authorized to manage the company handles company affairs, or if a third party or shareholder authorized to manage the company exceeds his powers, the provisions on agency without authority shall apply.
3) A shareholder who is excluded from management has the right to personally inform themselves about the progress of company affairs, to inspect the company's business books and documents

and to prepare an overview of the status of the company's assets for themselves.
4) Any agreement to the contrary is void.
5) Permission to inspect may be enforced by the courts in non-contentious proceedings.
Art. 660
V. Company assets
1) Unless otherwise specified, property, claims, rights in rem, and other rights, such as contributions made or outstanding by the partners, which have been duly transferred to the company or acquired for it, belong to the joint assets of the partners (company assets) and are held by them undivided and in their entirety.
2) Company assets also include anything acquired on the basis of a right belonging to them, such as fruits, growth, or as compensation for the destruction, damage, or removal of an item belonging to the company assets.
Art. 661
VI. Admission of new shareholders and sub-participation
1) In the absence of any other agreement, third parties may only be admitted as shareholders with the consent of all shareholders, and the partnership may only be transferred under the same conditions.
2) If a shareholder is a trustee or unilaterally grants a third party a share in his shares or transfers his shares to him, the beneficiary or third party does not thereby become a shareholder of the others and, in particular, does not obtain the right to inspect the company's affairs.
3) The partnership agreement may stipulate that the partnership shares are transferable.
4) Insofar as the claims arising from the partnership are not transferable, the creation of limited rights in rem on them and their attachment are also excluded.
5) This does not affect the transfer of claims to which a shareholder is entitled from the management of the company, insofar as their satisfaction can be demanded before the settlement, such as reimbursement of advances, compensation for expenses and damages, as well as claims to a share of the profits or to what the shareholder is entitled to in the settlement.
C. Relationship of the shareholders to third parties
Art. 662
I. Representation

1) If a shareholder concludes transactions with a third party on behalf of the company but in his own name, he shall be solely entitled and obligated vis-à-vis the third party.
2) If a shareholder expressly or tacitly concludes transactions with a third party on behalf of the company or all shareholders, the other shareholders shall only be entitled and obligated vis-à-vis the third party to the extent required by the provisions on representation.
3) An individual shareholder is presumed to be authorized to represent the company or all shareholders vis-à-vis third parties as soon as he or she is entrusted with the management of the company.
4) A shareholder authorized to represent the company may conclude transactions with himself on behalf of the company or all shareholders, but shall be liable for damages if he fails to exercise the diligence of a prudent businessman in doing so.

II. Liability

Art. 663

1. Of the company's assets

1) The company's creditors are entitled to satisfaction from the company's assets, taking precedence over the special creditors of the individual shareholders.
2) Unless otherwise specified in the articles of association, the creditors of a shareholder may only claim the liquidation share of their debtor for satisfaction.
3) Unless otherwise specified by law, enforcement against the assets of a company without a business name requires an enforcement order against all shareholders or against all managing directors. Art. 664

2. The shareholder

1) The members of a company are liable for its liabilities to third parties with their entire assets, without limitation and jointly and severally, unless a limitation of liability is permitted by law and entered in the commercial register or the individual creditor has not consented to the limitation of liability.
2) If the shareholders have entered into obligations towards a third party jointly or through representation, they are jointly and severally liable to that third party, unless otherwise agreed or stipulated.
3) In a lawsuit brought by the other shareholders as such against third parties, each shareholder may intervene at his own expense as an intervener.

Art. 665

III. Set-off and right of retention

1) The debtor may not set off a claim against an individual shareholder against a claim by the company.

2) Similarly, a partner may not set off a claim that the company has against his creditor.

3) However, if a company creditor is also a special debtor of a shareholder, offsetting is permitted in favor of both the company creditor and the shareholder as soon as the latter could be sued by the former.

4) For claims that cannot be offset, the creditor may not assert a right of retention on the assets of the shareholder or the company.

D. Dissolution and exclusion

Art. 666

I. In general

1) The company shall be dissolved:

1. if the purpose for which it was formed has been achieved or if its achievement has become impossible;
2. if a partner with unlimited liability dies or, in the case of a company or association, is dissolved, and it has not been agreed in advance that the company shall continue to exist with the heirs or other legal successors; unless the company consisted of only two partners;
3. if the liquidation share of a partner with unlimited liability is subject to compulsory liquidation, or if such a partner goes bankrupt, or if an administrator has been appointed for him whose duties include handling the legal relationships arising from the company, unless, in the latter case, the guardianship court orders otherwise and provided that the other partners do not exercise their right of exclusion by taking delivery of the liquidation share and do not continue the company among themselves;
4. by resolution of the company;
5. upon expiry of the term for which the company was established, upon the occurrence or non-occurrence of a condition or the like;
6. by termination on the part of a shareholder, if such termination is reserved in the articles of association or if the company has been entered into for an indefinite period or for the lifetime of a shareholder; the termination must be notified to all other shareholders or, if a company is operated, to the company;

7. by a court ruling in the event of dissolution for good cause, such as intentional or grossly negligent failure to fulfill company obligations, impossibility of fulfilling such obligations, bitter enmity between the partners, serious insults or malicious slander, lack of ongoing profitability of the business, misuse of the company for private purposes, and the like.

2) For good cause, a shareholder may either withdraw from the company before the end of the term of the contract or, if it has been concluded for an indefinite period, without prior notice and with immediate effect, or, where circumstances justify it, request dissolution by a judge.

3) Similarly, the other shareholders may, for important reasons, exclude another shareholder by unanimous resolution, paying him his share of the liquidation proceeds.

4) The action for dissolution shall be brought against all other shareholders, even if the company operates under a trade name.

5) In the event of dissolution for good cause, the person who, through culpable conduct, gave rise to the dissolution shall be liable for all damages.

Art. 667

II. Company for an indefinite period

1) If the company has been formed for an indefinite period or for the lifetime of a partner, each partner may terminate the contract with six months' notice.

2) However, the termination shall be made in good faith and not at an inopportune time and, if annual financial statements are provided for, may only take place at the end of a financial year.

3) If a company is tacitly continued after the expiry of the period for which it was formed, it shall be deemed to have been renewed for an indefinite period.

Art. 668

III. Effect of dissolution with regard to management

1) If the company is dissolved in a manner other than by termination, the authority of a shareholder to manage the company, insofar as it has existed to date, shall nevertheless continue to exist in his favor until he becomes aware of the dissolution or, with due diligence, should have become aware of it.

2) If the company is dissolved due to the death of a shareholder, the heir of the deceased shareholder shall immediately notify the others of the death and continue to manage the business of his or her predecessor in good faith until other arrangements have been made.

3) This provision shall apply mutatis mutandis to legal successors if a company or association dissolves as a partner.

4) The other managing partners shall continue to conduct business in the same manner for the time being.

IV. Termination by a creditor or the insolvency administrator

Art. 669

1. In general

1) A shareholder's share in the individual items belonging to the company's assets cannot be seized, but their share in the liquidation proceeds and profits can.

2) If a creditor of a partner has obtained enforcement against a partner's share in the company's assets, he may terminate the company, regardless of whether it was entered into for a definite or indefinite period, with three months' notice.

3) Similarly, the insolvency administrator may terminate the partnership for a partner whose assets are subject to insolvency proceedings.

4) As long as the company exists, the creditor or insolvency administrator may not assert the rights of the shareholder arising from the corporate relationship, with the exception of the share of profits.

Art. 670

2. Effect

1) However, the effect of such judicial or extrajudicial termination may be averted at any time, as long as the dissolution has not been completed, by the company or the remaining shareholders satisfying the terminating insolvency administrator or creditor or by excluding the shareholder by paying out the liquidation share to them and continuing the company among themselves.

2) In enforcement proceedings, the court may authorize the creditor to take all steps to assert the seized rights of the shareholder in his name, in particular to assert the seized right and individual claims arising from it in litigation and enforcement proceedings against third parties.

3) In the insolvency proceedings of a shareholder, the insolvency administrator is authorized by law to take these measures.

V. Liquidation

Art. 671

1. General

1) After the dissolution of the company, the distribution of the company's assets shall take place among the shareholders.

2) The company shall be deemed to continue to exist for the purpose of completing pending transactions, entering into new transactions necessary for this purpose, and maintaining and managing the company's assets.

3) The following provisions shall apply to the settlement, unless otherwise provided for in the contract or unless circumstances dictate otherwise.

4) Unless otherwise provided by law or the articles of association, a company without legal personality may, with the written consent of all shareholders, be converted into another company or association without liquidation, whereby in all cases the rights of third parties arising prior to the conversion shall remain reserved.

Art. 672

2. Treatment of contributions

1) In the settlement to be made between the partners after dissolution, the property contributed by a partner shall not revert to him.

2) However, he shall be entitled to the value for which they were taken over.

3) In the absence of such a valuation, his claim shall be limited to the value of the items at the time of their contribution.

4) In the case of an item that has been lost or damaged by accident and which a partner in the company has only provided for use, he may demand compensation upon return in accordance with the principles governing rental or lease agreements.

Art. 673

3. Adjustment of debts, distribution of surplus and deficit

1) The joint debts, including those which are divided among the partners vis-à-vis the creditors or for which the other partners are liable as debtors, shall be settled first from the company's assets.

2) If a debt is not yet due or is disputed, the amount required for repayment shall be deposited or retained.

3) If, after deduction of the joint debts, reimbursement of expenses and disbursements to individual shareholders, and repayment of capital contributions, a surplus remains, it shall be distributed among the shareholders as profit.

4) If, after repayment of debts and reimbursement of expenses and uses, the joint assets are not sufficient to reimburse the capital contributions made, the shareholders shall bear the shortfall as a loss.

5) In the absence of other provisions, division shall be carried out in accordance with the provisions governing joint ownership and, in addition, those governing simple legal community, unless the law provides for exceptions.

Art. 674

4. Conduct of the settlement

1) The division after dissolution of the company shall be carried out jointly by all partners, including those who were excluded from management.

2) However, if the partnership agreement only related to certain individual transactions that a partner had to carry out in his own name on joint account, he shall also settle these transactions alone after the dissolution of the partnership, provide information to the other partners, and render account.

Art. 675

VI. Liability and limitation period

1) The dissolution of the company does not affect liabilities to third parties.

2) Claims between shareholders arising from the liquidation or from withdrawal shall become time-barred five years after the completion of the liquidation or the date of withdrawal or, in the case of shareholders entered in the commercial register, after the date of deletion or, if a claim becomes due at a later date, from the date on which it becomes due, unless there are still undistributed company assets from which the shareholder seeks satisfaction; in the latter case, the statute of limitations cannot be invoked against him.

3) Shorter limitation periods remain reserved.

E. International law

Art. 676

I. Domestic companies

1) Domestic companies are those that are organized under domestic law, i.e. they comply with domestic disclosure or registration requirements or, if such requirements do not exist, are organized under domestic law or, if no discernible choice of law has been made, have their administration here or conduct a significant part of their business here, or at least half of their shareholders are domiciled in the country. Liechtenstein law applies to these companies.

2) The provisions on diplomatic protection and the provision of security for the costs of proceedings remain reserved.

II. Foreign companies

Art. 677

1. Legal capacity, capacity to act, and capacity to be a party of foreign companies

1) The legal capacity, capacity to act, and capacity to be a party of foreign companies shall be assessed in accordance with the law of the state under whose regulations they are organized, provided that they comply with the disclosure or registration requirements of that law. If no such publicity or registration requirements exist and if no recognizable choice of law has been made, the legal capacity, capacity to act, and capacity to be a party of a foreign company shall be governed by the law of the state under which it is organized.

2) However, foreign companies cannot acquire rights in Germany to a greater extent than domestic companies, and they have at least the same capacity to commit tortious acts as domestic companies.

Art. 678

2. Relocation from abroad to Germany

1) A foreign company may submit to domestic law without re-establishing itself or relocating its business activities if it has adapted to domestic law.

2) When registering such a company in the commercial register, it must be stated which domestic company form the registered company corresponds to. Art. 679

F. Scope of application and reference

1) The provisions of this title shall apply to the following forms of companies, unless otherwise specified in the special provisions.

2) In the case of companies, an organization may be created in the articles of association in accordance with the general provisions governing legal entities.

3) Unless otherwise specified by law, the general provisions established for legal entities shall apply mutatis mutandis to companies with business names, regardless of whether they are specifically regulated below, insofar as they relate to:

1. the protection of personality;
2. legal capacity, capacity to act, and capacity to commit torts;
3. the place of jurisdiction;
4. the registration of branches;
5. termination due to illegality or immorality of the purpose or danger to the state and the use of assets, supplementary liquidation and the assertion of claims against a dissolved association;
6. the power of attorney and signature of the organs and their representatives;
7. official auditing;
8. social policy profit rights; and

9. the provisions on special forms and types of enterprises (with the exception of the provisions on segmented legal entities and sole proprietorships) and on international law.

8. Title

The simple partnership

Art. 680

A. Definiti on

A company is a simple company within the meaning of this title, provided that the requirements for another type of association regulated by law do not apply.

B. Relationship between the partners

Art. 681

I. Contributions and ownership

1) Unless otherwise agreed, the shareholders shall make equal contributions in the manner and to the extent required by the agreed purpose.
2) In the absence of any other agreement, a shareholder shall not be obliged to increase the agreed contributions or to supplement the contribution reduced by loss.
3) If replaceable or consumable items are to be contributed, it shall be assumed in case of doubt that they become the joint property of the shareholders.
4) The same applies to other items if they are to be contributed according to an estimate that is not solely intended for the distribution of profits.

Art. 682

II. Closing of accounts and distribution of profits

1) In the absence of any other agreement, a partner may only demand the closing of accounts and the distribution of profits or losses after the dissolution of the partnership.
2) If the company is of longer duration, the accounts shall be closed and profits distributed at the end of each financial year in case of doubt.
3) The articles of association may provide for reserve funds and similar provisions. Art. 683

III. Shares in profits and losses

1) Unless otherwise agreed, each partner shall have an equal share in the profits and losses, regardless of the nature and size of their contribution.
2) It is permissible to agree that individual partners shall not receive a share in the profits, but shall receive other compensation such as a salary, wages, and the like.

3) Profits may not be reduced by arbitrarily undervaluing individual items without the consent of all partners.

C. Special types

Art. 684

I. Participations, groups, and the like

Organizational forms (such as shareholdings, interest groups or groups of companies, promotional or user associations and similar associations) are subject to the provisions governing simple partnerships only insofar as they do not have another form of partnership regulated by this Act, or as there is no legal entity, or as the relevant agreement does not contain deviating or other provisions regarding the management of the association, withdrawal, the participation ratio, the profit distribution key, and the like.

II. Cartels

Art. 685

1. Description and admission of members

1) Associations of entrepreneurs formed for the purpose of regulating production or sales by restricting or excluding competition may, if they are constituted as simple partnerships, admit new members on the same terms as existing members by a majority vote of two-thirds of all members.

2) Admission under less stringent conditions requires the consent of all members.

Art. 686

2. Withdrawal of shareholders

1) Unless otherwise specified in the partnership agreement, individual members may only withdraw before the end of the term of the agreement for important reasons, such as the unattainability of the purpose.

2) The death of a partner or the opening of insolvency proceedings against their assets shall not result in the dissolution of the company.

3) If a member withdraws prematurely in any way, apart from in the event of dissolution, the remaining members are also entitled to withdraw after giving three months' notice, unless the partnership agreement provides otherwise.

Art. 687

3. In the case of a corporation-like organization

If such an association has created a corporation-like organization, the internal relationship between the members shall be governed by the provisions on cooperatives, with the exception of the provisions on the admission and withdrawal of members.

Art. 688

III. Profit-sharing agreements (partiarische Rechtsgeschäfte)
Contracts whereby one party promises another party certain services in return for a share of the profits earned by the other party, such as sharecropping, service contracts, contracts for work and labor, publishing contracts, and similar contracts with profit sharing, are subject to the provisions governing the relevant contracts or the provisions governing contracts in general and, insofar as no deviations arise from this, the provisions governing simple partnerships apply supplementarily to the ancillary social agreement, unless a silent partnership exists.

9. Title

The general partnership

(General partnership)

A. Definition and establishment

Art. 689
I. Concept and form
1) If two or more individuals or associations under private or public law or companies operating under a joint name run a business for economic or non-economic purposes in such a way that each partner is personally liable without limitation and jointly and severally, a general partnership is formed as soon as it is entered as such in the commercial register.
2) The partnership agreement, in which the company is to be designated as a general partnership or, if it operates a commercial business, as a general trading company, as well as other agreements relating to the partnership agreement and the preliminary agreement, must be in writing to be valid.
3) Prior to entry in the commercial register, the actions of the partners and their representatives shall be assessed in accordance with the provisions governing simple partnerships.
4) If individual partners refuse to have the entry made in the commercial register without good reason, despite being requested to do so, this shall constitute grounds for withdrawal for the other partners.
5) If assets have been transferred to someone for the purpose of forming a general partnership, in case of doubt, they are subject to the provisions governing tacit fiduciary relationships.
6) The provisions governing limited liability general partnerships remain reserved.

II. Register entry

Art. 690

1. Place, content, and significance

1) A general partnership must be entered in the commercial register at its place of business.

2) The entry and publication must contain:

1. the surname, first name, status, and place of residence or company name and registered office of each partner, specifying any legal representative or person acting as an organ of the company,
2. the company name, registered office, and object of the enterprise or purpose of the company,
3. information about the representation of the company.

2a) In the case of general partnerships that do not operate a commercial business, notification of registration within the meaning of Art. 956 (1) shall suffice.

3) The registration and entry of the company, made in the proper form and with the knowledge of the partners, establishes unlimited and joint and several liability, irrespective of the validity of the partnership agreement.

Art. 691

2. Formal requirements

1) Notifications of facts subject to registration or changes thereto must be signed by all partners in person or by representatives before the registration authority or submitted in certified form.

2) They must be entered in their entirety in the commercial register.

B. Relationship between the shareholders

Art. 692

I. Freedom of contract and reference

1) The legal relationship between the shareholders is initially governed by the partnership agreement.

2) Insofar as no agreement has been made, the provisions on simple partnerships and the common provisions shall apply, but with the deviations resulting from the following provisions.

Art. 693

II. Offsetting provisions

1) Repealed

2) Repealed

3) Repealed

4) To the extent that the profit is sufficient, each shareholder shall be credited with the amount corresponding to their capital share, regardless of any reduction in the capital share due to the

loss from the financial year, interest in accordance with the contract, or, in the absence of a contractual agreement, at 4%.
5) A contractually agreed fee for the work of a shareholder shall be treated as a company debt when determining profit and loss.

Art. 694

III. Distribution of net profit, receipt of profit and fees

1) If the company's financial statements show a net profit, it shall be distributed among the shareholders on a per capita basis, unless otherwise agreed.
2) Each shareholder has the right to withdraw from the company's cash reserves the fee for the last financial period and, insofar as this is possible without reducing the capital contribution (capital share), the interest and profit shares to which they are entitled.
3) The fee may be withdrawn during the financial period in accordance with the due date specified in the contract.
4) Any profits, interest, and fees not withdrawn shall be added to his capital contribution at the end of the financial period, unless one of the shareholders objects.

Art. 695

IV. Coverage of losses

1) If a partner's capital contribution has been reduced by losses, he shall retain his entitlement to interest, insofar as this is possible without further reducing the capital contribution, but shall not be entitled to payment of his share of profits until his contractual contribution has been replenished.
2) Furthermore, no shareholder is obliged to replenish his contribution reduced by loss or to increase it above the amount specified in the contract.
3) As with cooperatives, a contractual obligation to make additional contributions may be provided for.

Art. 696

V. Non-competition clause

1) Without the consent of the other shareholders, a shareholder may neither conduct business in the company's line of business for his own account or for the account of a third party, nor participate in another similar enterprise as a shareholder or member with unlimited liability.
2) If a partner acts contrary to these provisions, the other partners may, without prejudice to their right to dissolve the company in appropriate cases, decide that the company's claims under the provisions on non-competition shall be asserted in accordance with the general provisions on legal entities.

3) In addition, the other shareholders are entitled to demand that future acts of competition be refrained from.

4) Consent to participation in another company is deemed to have been given if, at the time the company is formed, the other shareholders are aware that the shareholder is participating in another company or enterprise and yet the termination of this participation has not been stipulated.

C. Relationship between the company and the shareholders and third parties

Art. 697

I. Legal capacity and capacity to sue

1) The general partnership may acquire rights and enter into obligations under its name, acquire ownership and other rights in rem to movable property and real estate, appear before all courts and administrative authorities and in all related proceedings as a party, intervener, intervener, co-respondent, and in similar capacities, and obtain entries in public registers such as the land register, commercial register, patent register, and the like.

2) In disputes involving the company, each partner may, at their own expense, act as an intervening party, but not as a witness.

3) Oaths, solemn affirmations, and the like shall be taken on behalf of the company by the managing or representing partners or third parties on behalf of the party.

4) Insofar as a decision issued against the company is also binding on a shareholder, the shareholder is entitled to raise the defense of res judicata against subsequent proceedings or a subsequent decision.

II. Representation relationships

Art. 698

1. Power of representation

1) Every shareholder authorized to represent the company is empowered to perform all types of legal acts and transactions on behalf of the company that may be necessary to achieve the purpose of the company, but not to amend the articles of association, sell the business as a whole, or the like.

2) If the commercial register does not contain any conflicting provisions regarding the power of representation of the individual shareholders, bona fide third parties are entitled to assume that each individual shareholder is authorized to represent the company.

3) In the case of knowledge of facts, as in the case of good or bad faith, the knowledge of a single partner is sufficient.

4) If a company or association represents the general partnership as a partner, representation is exercised by those persons who are authorized to represent the association or company in question.

5) If a declaration of intent, such as a summons or other service of process and the like, is to be delivered to the company, delivery to one of the partners or authorized signatories authorized to participate in the representation is sufficient.

Art. 699

2. Exclusion and restriction

1) By means of the partnership agreement and entry in the commercial register, all partners may be excluded from representation and third parties may be entrusted with this task in accordance with the provisions on management in limited liability companies.

2) A restriction of the scope of the power of representation has no legal effect vis-à-vis bona fide third parties without registration; third parties also include associations or companies in which the general partnership is a member.

3) The commercial register may include a restriction that a partner may only represent the head office or a branch office, or a restriction that only several partners together (joint representation) or a shareholder with a proxy, who in this case is authorized by law to sell and encumber real estate, can jointly manage the company, or finally, that all shareholders are excluded from representation and third parties are entrusted with the management and representation of the company in accordance with the provisions governing the administration of a company with legal personality.

4) Anyone whose power of representation is limited to the head office or branch office must, in order for this restriction to be effective vis-à-vis bona fide third parties, express this restriction in the form of a signature, for example by adding "for the head office" or "for the branch office" and stating the location of the same.

Art. 700

3. Withdrawal of power of representation

1) If there is imminent danger, the judge may, at the request of a shareholder, provisionally revoke the power of representation in summary proceedings, setting a deadline for filing a lawsuit, failure to meet which will result in the provisional revocation of the management authority becoming void, as soon as good cause for this has been substantiated.

2) The judge may make the order contingent upon the provision of security, to which the provisions on the provision of security for legal costs shall apply mutatis mutandis.

3) Conversely, the judge may temporarily appoint an assistant, as in the case of legal entities.

4) Claims for damages remain reserved. Art. 701

4. Granting and revocation of power of attorney

1) The consent of all shareholders authorized to represent the company is required to appoint a proxy.

2) If there is imminent danger or if there are other important reasons, the judge may also appoint a proxy at the request of a single shareholder.

3) The revocation of power of attorney, on the other hand, can be carried out by any shareholder with effect against third parties.

4) Any managing partner may grant or revoke power of attorney, as well as hire or dismiss employees.

Art. 702

5. Legal transactions and tortious acts

1) The company is entitled and obligated by the legal transactions concluded in its name by a partner authorized to represent it.

2) It is irrelevant whether the transaction was expressly concluded in the name of the company or whether this intention is apparent from the circumstances.

3) The company is liable for unlawful acts committed by the partners in the exercise of their business representation.

4) The representative acting personally and the company are jointly and severally liable for damages resulting from tortious acts, subject to the right of recourse against the shareholder or third party who caused the damage.

III. Legal status of the company's creditors

Art. 703

1. Insolvency proceedings of the company

1) The creditors of the general partnership are entitled to be satisfied from the assets of the company before the special creditors of the partners and may, for the purpose of asserting this privilege in accordance with the insolvency regulations, also apply for the opening of insolvency proceedings against the assets of the company.

2) The special creditors of the individual partners are excluded from participating in the insolvency proceedings of the company, with the exception of interest that would have accrued to the partner in the absence of other contractual agreements.

3) The collective partners may not participate as creditors in the company's insolvency proceedings for their capital contributions, but may, like other creditors, assert claims to which they are entitled against the company under any other title, such as interest and the like.

Art. 704

2. Liability of the partners

1) The partners are jointly and severally liable for all liabilities of the company with their entire assets; any agreement to the contrary between the partners has no legal effect vis-à-vis third parties.

2) However, individual shareholders may only be held personally liable for due company debts, even if they have left the company, if the company is dissolved as a result of bankruptcy proceedings or for other reasons, or if enforcement attempts are unsuccessful, or if insolvency proceedings are opened against the shareholder's assets.

3) In this case, the shareholder may also assert the defenses to which the company is entitled, except in cases where a shareholder provides security such as a guarantee or pledge.

4) The shareholders are not jointly and severally liable for the company's bill debts and equivalent liabilities.

3. Relationship between the various insolvency proceedings and enforcement measures

Art. 705

a) In general

1) The opening of insolvency proceedings against the company does not automatically result in the bankruptcy of the individual shareholders.

2) Nor does the insolvency proceedings of a shareholder justify insolvency proceedings against the company.

3) Enforcement against a shareholder on the basis of an enforceable debt instrument against the company shall only take place if the conditions for personal liability pursuant to the second paragraph of the preceding article are met.

4) Repealed

Art. 706

b) Enforcement in particular

1) By means of an enforceable debt instrument obtained against the company, subject to challenge in enforcement proceedings, if the conditions for personal liability are met, enforcement may be demanded against the assets of a shareholder if, by submitting an extract from the commercial register to the district court in the enforcement application, it is proven that the person against whom enforcement is sought is liable for the company's debts.If enforcement on the basis of such an instrument is only sought after the dissolution and distribution of the company's assets, the enforcement may be sought against a former shareholder.

2) If enforcement on the basis of such a title is requested against a former shareholder who has left or been excluded from the company only after the dissolution and distribution of the company's assets, the decision on the enforcement application must be preceded by a hearing of the obligated party.

, the decision on the application for enforcement must be preceded by a hearing of the obligated party.

3) If the obligated party disputes that he is or was a member of the company against which enforcement was obtained, or if he raises objections to which he or the company is otherwise entitled against the creditor, the claim must be asserted by way of legal action, subject, however, to the provision on the enforceability of members.

Art. 707

c) Position of the company's creditors

1) After the dissolution of the company, the company creditors may assert their entire claim against each shareholder to which they are entitled against the company until it is fully covered, whereby the provision of the preceding article shall apply mutatis mutandis.

2) Similarly, even without the dissolution of the company, they may file their entire claim in the insolvency proceedings of a shareholder.

3) However, if insolvency proceedings are opened simultaneously against the assets of a company and one or more of its shareholders, the company's creditors in the insolvency proceedings of each shareholder are only entitled to a share of the remainder of their claim that remains unpaid in the company's insolvency proceedings for any reason, as soon as the dividend of the company's insolvency proceedings has been determined.company insolvency proceedings has been determined.

4) If the insolvency proceedings of the shareholder are conducted first, the amount attributable to the company's creditors shall be deposited until the insolvency proceedings of the shareholder have been conducted.

Art. 708

IV. Liability of new partners

1) Anyone who joins an existing general partnership as a general partner shall also be jointly and severally liable for the liabilities incurred prior to their joining, regardless of whether the company name changes or not.

2) Any agreement to the contrary shall have no legal effect vis-à-vis third parties.

Art. 709

V. Legal status of a partner's special creditors

1) The special creditors of a partner are not entitled to claim the assets, claims, or rights belonging to the partnership for their satisfaction or security.

2) In foreclosure or insolvency proceedings, you can only claim what your debtor is entitled to in terms of profits, interest, fees, and liquidation shares from the corporate relationship.

D. Dissolution
Art. 710
I. Dissolution due to bankruptcy
1) The general partnership shall also be dissolved upon the opening of bankruptcy proceedings against its assets.
2) Even after the dissolution of the general partnership, insolvency proceedings against its assets shall be admissible until the distribution has been completed.
3) Once insolvency proceedings have been opened against the partnership's assets, enforcement proceedings may no longer be brought against the partnership, but may be brought against its partners.
4) If the partnership is dissolved by the opening of bankruptcy proceedings against its assets, but the bankruptcy proceedings are discontinued after the conclusion of a reorganization plan or with the consent of the creditors, the partners may decide to continue the partnership as long as the liquidation has not been completed.
5) The continuation must be reported by all shareholders for entry in the commercial register.
Art. 711
II. Termination by special creditors
1) If insolvency proceedings have been opened against the assets of a shareholder, the insolvency administrator may demand the dissolution of the company subject to a notice period of at least six months, regardless of whether the company was established for a definite or indefinite period.
2) A special creditor of a shareholder may, regardless of whether the company was established for a definite or indefinite period, terminate the company six months before the end of the financial year for that date, after an unsuccessful attempt to enforce execution against the movable assets of the shareholder within the last six months and he has obtained enforcement of the claim to what is due to the shareholder in the settlement on the basis of an enforceable title.
3) The effects of termination by the special creditor or the insolvency administrator in accordance with the joint provisions remain reserved.
III. Withdrawal of shareholders
Art. 712
1. On the basis of agreements
1) The shareholders may agree in advance that the company shall not be dissolved if a reason for dissolution affects only one or a few shareholders rather than all of them.

2) In this case, the shareholders affected by this shall leave the company, while the company shall continue among the others and shall continue to exist in all other respects with all its previous rights and obligations.

Art. 713

2. Exclusion

1) If the reasons for which the dissolution of the company may be requested lie predominantly with certain shareholders, their exclusion may be decided upon, provided that all the other shareholders request this (distribution).

2) If a shareholder goes bankrupt or if a special creditor gives notice of termination, the remaining shareholders may decide to exclude him and pay him his share of the company's assets.

3) If there are only two shareholders, under the same conditions, the one who did not give cause for dissolution may pay compensation to the other and take over the business with assets and liabilities without liquidation.

4) The judge may order the same if dissolution is requested for a reason that lies predominantly with another partner (company).

5) Upon the departure of the other partner, the remaining partners shall automatically be deemed entitled to the assets of the company without any transfer of ownership or similar being necessary.

Art. 714

3. Determination of the compensation amount

1) The compensation amount for a departing or excluded partner, which represents the value of their share in the company's assets, shall be determined by agreement.

2) If the parties involved cannot agree, the amount shall be determined at the discretion of the judge based on the financial situation at the time of withdrawal.

3) Under no circumstances shall the retired or excluded shareholder be entitled to a proportionate share of the individual assets.

4) In insolvency proceedings against the company, the shareholder is a creditor with regard to the company's liabilities incurred after his withdrawal.

4. Continuation with the heirs or universal successors

Art. 715

a) In general

1) If the articles of association stipulate that in the event of the death of a shareholder, the company is to be continued with his heirs, each heir may

make his continued membership in the company contingent upon being granted the position of limited partner with the same share of profits as before and upon the portion of the deceased's contribution attributable to him being recognized as his limited partnership contribution.

2) If the other partners do not accept the heir's request to this effect, the heir is entitled to declare his withdrawal from the company without observing a period of notice.

3) The heir may only assert the aforementioned rights within a limitation period of three months from the date on which he became aware of the inheritance.

4) If, after three months, the right to renounce the inheritance has not yet been lost, the period shall not end before the expiry of the renunciation period.

5) The heir's right of choice may be indicated by a note in the commercial register.

Art. 716

b) Liability of the heir and mandatory law

1) If the heir leaves the company within the specified period, or if the company is dissolved within the period, or if the heir is granted the status of a limited partner and is registered as such in the commercial register in accordance with the provisions governing limited partnerships, he shall be liable for the company's debts incurred up to that point only in accordance with the provisions governing the liability of heirs for estate liabilities.

2) The partnership agreement may not exclude the application of the provisions of the preceding paragraph and the preceding article.

3) However, if the heir makes his continued membership in the company contingent upon his position as a limited partner, his share of profits may be determined differently than that of the testator.

Art. 717

c) Universal succession in the case of companies or associations

1) The provisions on continuation with the heirs apply mutatis mutandis to the universal successor of a dissolved company or association if the latter was a partner.

2) If the partnership agreement contains a provision on continuation with the heirs, it is presumed that this also applies to these universal successors. Art. 718

IV. Registration

1) The dissolution of the company, the withdrawal or exclusion of a partner, and the continuation of the business by a single partner or with the heirs must be entered in the commercial register.

2) The managing directors must notify the Office of Justice of this as soon as possible.
3) The entry must be made even if the company is terminated due to the expiry of the period for which it was established.

E. Liquidation and limitation period for legal action

I. Liquidation

Art. 719

1. In general

1) After the dissolution of the company, its liquidation shall be carried out in accordance with the following provisions, unless the shareholders agree on a different type of settlement or insolvency proceedings have been opened in respect of the company's assets.
2) If the company is dissolved by the termination of a special creditor or following the opening of insolvency proceedings against the assets of a shareholder without the shareholder having been excluded, liquidation may only be waived with the consent of the creditor or the insolvency administrator.
3) If assets are still available after the insolvency proceedings have been terminated, they shall also be liquidated unless it is decided to continue the company.
4) Despite the dissolution of the company, the remaining provisions of this title shall continue to apply to the legal relationship between the shareholders and between the company and third parties until the liquidation is completed, in particular with regard to the place of jurisdiction and the position of the liquidators, unless the following provisions on liquidation and its nature provide otherwise.
5) However, liquidation may be omitted if the company has no assets and the shareholders have already paid their contributions in full.

2. Appointment and dismissal of liquidators

Art. 720

a) General

1) The shareholders authorized to manage and represent the company shall continue to act as liquidators in the event of liquidation, unless otherwise determined by a resolution of the shareholders or by the articles of association, or unless there is an impediment to their person.
2) They shall continue to represent the company vis-à-vis the insolvency administrator and, in particular, provide the latter with the necessary information.

3) At the request of shareholders, the special creditor pursuing the claim, or the insolvency administrator of a shareholder whose assets are subject to insolvency proceedings, the court shall, for important reasons, appoint liquidators who need not be shareholders or dismiss the appointed liquidators and replace them with others in non-contentious proceedings after hearing the parties involved, unless they can otherwise reach an agreement.

4) Liquidators appointed by the court may only be dismissed by the court.

Art. 721

b) Registration

1) The surnames, first names, and places of residence or company names and registered offices of the liquidators, as well as any changes in the persons of the liquidators or in their power of representation, shall be reported by all shareholders jointly for entry in the commercial register, even if the previous representation of the company remains unchanged.

2) In the event of the death of a shareholder, if it can be assumed that the notification corresponds to the facts, the entry may be made even without the involvement of the heirs in the notification, provided that there are no particular obstacles to such involvement.

3) The same applies if, upon dissolution of a company or association that is a shareholder, the universal successor or the liquidators or the insolvency administrator are prevented from filing the application.

4) The registration of court-appointed liquidators and the registration of the court-ordered dismissal of liquidators shall be carried out ex officio.

5) The liquidators must sign the liquidation company name along with their signatures for safekeeping at the Office of Justice or submit it in certified form.

Art. 722

3. Representation of heirs and universal successors

1) The heirs of a partner must appoint a joint representative during liquidation and, if this does not happen for any reason despite a request by the company, the appointment and registration of the joint representative may be carried out by the Office of Justice in administrative proceedings at the request of the company or an heir.

2) The same provision shall apply mutatis mutandis to several universal successors of associations or partnerships.

4. Scope of business activities and signing for the company

Art. 723

a) In general

1) The liquidators shall terminate the current business, fulfill the obligations of the dissolved company, collect the claims, and liquidate the assets of the company to the extent required by the settlement.
2) The sale of the entire business or of real estate may not take place without the consent of all shareholders, except by public auction, unless, at the request of a shareholder, the Office of Justice approves the sale in another manner in administrative proceedings.
3) If the company has claims against a shareholder (such as claims for damages), both the liquidators and the individual shareholders may sue for payment to the liquidation estate.
4) The liquidators shall draw up a balance sheet at the beginning and at the end of the liquidation and, if the liquidation takes a long time, annually for the purpose of determining the assets.

Art. 724

b) Relationship with third parties

1) The liquidators shall represent the company in matters relating to the liquidation, may conduct lawsuits on its behalf, conclude settlements and arbitration agreements, take oaths, solemn promises or similar on its behalf and, to the extent required by the liquidation, may also enter into new transactions, but may not appoint representatives with powers exceeding their own.
2) A transaction concluded by the liquidators is only non-binding vis-à-vis third parties if it can be proven to the third party that they were not acting in good faith with regard to the liquidators' power of representation.
3) The liquidators shall sign documents in such a way that they add their name or company name to the name of the company, which shall be designated as the liquidation company.

Art. 725

c) Multiple liquidators

1) If there are several liquidators, they may only perform the acts pertaining to the liquidation jointly, unless the shareholders or the Office of Justice determine in administrative proceedings that they may act individually; however, such a determination shall be entered in the commercial register.
2) The provision of the preceding paragraph does not preclude the liquidators from authorizing individual liquidators to carry out certain transactions or certain types of transactions.
3) If a declaration of intent is to be made to the company, such as summonses or other notifications, it shall suffice to make it to one of the liquidators authorized to participate in the liquidation.

Art. 726

5. Use of funds

1) Funds that are not required during the liquidation shall be distributed provisionally among the shareholders.

2) The funds required to cover liabilities that are not yet due or are disputed shall be retained, but during liquidation, shareholders shall not be entitled to receive any profits.

Art. 727

6. Distribution

1) The assets remaining after the repayment of debts or the securing of liabilities that are not yet due or are disputed shall first be used to repay the capital to the shareholders in accordance with the liquidation balance sheet and then to pay interest for the liquidation period.

2) Any surplus remaining thereafter shall first be used to pay interest on capital contributions and then distributed as profit in accordance with the provisions of the articles of association or, in the absence thereof, equally among all shareholders.

3) If there is a surplus after the aforementioned uses, it shall be distributed among the shareholders in accordance with the provisions on profit sharing.

4) Disputes among the shareholders regarding the distribution shall be settled by a court of law, and the distribution may be suspended until the dispute has been resolved.

Art. 728

7. Deletion and retention of books and papers

1) Upon completion of the liquidation, the liquidators shall notify the commercial register of the dissolution of the company.

2) The books and papers of the dissolved company shall be kept for ten years after the liquidation has been completed at the expense of the liquidation estate at a location to be designated by the shareholders or by the registration authority in administrative proceedings in accordance with Art. 1059.

3) The shareholders and their heirs or other universal successors retain the right to inspect the books and papers, which may be asserted in administrative proceedings before the Office of Justice.

4) In bankruptcy proceedings and in reorganization proceedings without self-administration, the insolvency administrator shall ensure the storage of the books and business documents at the expense of the estate.

II. Limitation period for actions against shareholders

Art. 729

1. Subject matter and limitation period

1) Actions against a shareholder arising from claims against the company shall become time-barred five years after the dissolution of the company has been registered or the opening of insolvency proceedings against it has been noted, or after the shareholder has left the company, unless a shorter limitation period applies due to the nature of the claim.
2) If the claim only becomes due after registration, the limitation period shall commence on the date of maturity.
3) This limitation period does not apply to claims between shareholders.

Art. 730

2. Exclusion, interruption, and effect

1) If undivided company assets are still available, the five-year limitation period cannot be invoked against the creditor, provided that he seeks satisfaction only from those assets.
2) If the business with assets and liabilities is transferred to a shareholder as undivided company assets, the latter may not invoke the five-year limitation period against the creditors.
3) The limitation period in favor of a retired partner shall not be interrupted by legal acts taken against the continuing company or another partner.
4) Before the limitation period expires, a retired partner is only released from his liability for the company's debts if the creditors have expressly released him or if this can be inferred from the circumstances.

Art. 731

III. Dissolution without liquidation

If, prior to the dissolution of the company, the business with assets and liabilities is taken over by one or more shareholders, the provisions on the withdrawal of shareholders shall apply with regard to the assertion and limitation period of the liability of the remaining shareholders.

Art. 732

F. Conversion

1) If a limited partner joins an existing general partnership or if a previous general partner becomes a limited partner, the company is registered as a limited partnership.
2) It is not necessary to take over the assets and liabilities of newly formed limited partnerships.
3) The previous general partner who becomes a limited partner may be held liable for the previous debts of the general partnership from the date of registration of the limited partnership, as if he had left the partnership.

10. Title

The limited partnership

A. Definition and establishment

Art. 733

I. Commercial and non-commercial companies

1) A limited partnership is formed when two or more persons, companies, private or public legal entities, such as municipalities, as partners, join together under a common name to operate a commercial, manufacturing, or other business conducted in a commercial manner, or for other purposes, by means of a written contract in such a way that at least one member is liable as a general partner (general partner) with unlimited liability, but one or more as limited partners (limited partners) with liability only up to a certain maximum amount, the limited partnership sum, and register as a limited partnership in the commercial register.

2) By means of a regulation, the government may, if special circumstances justify it, prescribe a minimum amount for the limited partnership contribution and the consequences of violating this provision.

3) Unless otherwise provided in this title, the provisions relating to general partnerships shall apply to limited partnerships, for example with regard to legal capacity, the status of partners, and the like.

II. Entry in the commercial register

Art. 734

1. Place, content, and publication

1) A limited partnership must be entered in the commercial register at its place of business.

2) The entry must contain:

1. the surname, first name, status, and place of residence or company name and registered office of each partner with unlimited liability,
2. the name, status, and place of residence or company name and registered office of each limited partner and the amount of their limited partnership contribution,
3. the company name, registered office, object of the enterprise, or purpose of the company,
4. information on any restrictions on representation.

3) If a limited partnership contribution is not made in cash, this must be expressly stated in the commercial register and included in the entry with a specific valuation.

4) When announcing the registration, only the number of limited partners shall be disclosed; the name, status, and place of residence or company name and registered office of the limited partners, as well as the amount of their limited partnership contribution, shall not be disclosed unless specifically requested.
5) These provisions shall apply mutatis mutandis in the event of a limited partner joining an existing, registered partnership without legal personality and in the event of a limited partner leaving a limited partnership.

Art. 735

2. Formal requirements

1) Notifications of facts subject to registration or changes thereto must be signed personally by all partners, including limited partners, before the registration authority or submitted in certified form.
2) They must be entered in their entirety in the commercial register.
3) The partners with unlimited liability who are entitled to represent the company must sign the company name and their own names in person before the registration authority or submit the signature in certified form.

Art. 736

III. Multiple partners with unlimited liability

If there are several partners with unlimited liability in a limited partnership, they are subject to the provisions governing general partnerships.

B. Relationship between the partners

Art. 737

I. Freedom of contract

1) The legal relationship between the partners is initially governed by the partnership agreement.
2) If no agreement has been made, the provisions applicable to general partnerships shall apply, subject to the deviations resulting from the following provisions, and the limited partners shall be treated as general partners, except that their liability shall be limited to the amount of their limited partnership contribution.
3) The non-competition clause only applies to limited partners if this is provided for in the partnership agreement.
4) A limited partner may only have one limited partnership contribution in the same company, which may increase or decrease.
5) If the limited partner is also the trustee for the limited partnership, they may issue trust certificates as securities in favor of third parties.

Art. 738

II. Management

1) The management of the company is the joint responsibility of the general partners, unless the partnership agreement assigns this responsibility to individual partners, limited partners, or third parties.
2) As such, the limited partner is neither entitled nor obliged to manage the company's business.
3) Nor is he authorized to object to any act of management unless the act goes beyond the ordinary course of business.
4) They are entitled to request a copy of the balance sheet and the profit and loss statement and to check their accuracy by inspecting the books and papers or having them checked by an independent expert.
5) These rights may be asserted before a judge in non-contentious proceedings after hearing the managing director.

Art. 739

III. Profit and loss sharing

1) A limited partner shall only share in losses up to the amount of his paid-in or outstanding contribution.
2) The interest and profits accruing to a limited partner shall be attributed to his capital share as long as it does not reach the amount of the stipulated contribution; thereafter, they shall constitute a creditor's claim.
3) However, if the limited partnership contribution is lost in whole or in part through the fault of the limited partner, the latter shall be liable to the limited partner for compensation.
4) In all other respects, the amount of the limited partner's share in the profits and losses shall be determined at the discretion of the court, unless otherwise agreed.

C. Relationship of the company and the partners to third parties

Art. 740

I. Representation

1) The limited partnership shall be represented by the general partner(s) unless otherwise agreed.
2) The power of representation is governed by the provisions relating to collective partnerships.

II. Liability

Art. 741

1. Cases of unlimited liability

1) A limited partner who concludes transactions for the company without being appointed to do so in accordance with the entry in the commercial register or without expressly declaring that he is acting only as a limited partner, authorized signatory, or agent is liable to bona fide third parties in these

transactions to third parties acting in good faith in the same way as a general partner.

2) Each limited partner is liable for the company's obligations to third parties incurred prior to registration in the same way as a general partner, unless he can prove that they were aware of his limited participation in the company.

3) The limited partner whose name appears in the company name is liable to the company's creditors in the same way as a general partner, unless the limited partner's name is identical to that of the limited partner or the Office of Justice has granted an exception for the formation of the company.

2. Liability from the limited partnership

Art. 742

a) Extent of liability

1) The limited partner is liable to third parties for the limited partnership amount entered in the commercial register.

2) If he himself or with his knowledge has announced to third parties by circular or in any other way a higher sum than the limited partnership contribution, he shall be liable for this sum.

3) The registered value of contributions in kind is subject to the objection of creditors that it does not correspond to the actual value of the contribution at the time of its contribution.

Art. 743

b) Enforcement of liability

1) During the term of the limited partnership, its creditors have no direct right of action against the limited partner.

2) If the company is dissolved in a manner other than through bankruptcy, creditors shall only have a direct right of action against the limited partner to the extent that the limited partnership contribution has either not yet been paid in or has been withdrawn.

3) If the company is dissolved, its creditors may only demand that the limited partnership contribution, insofar as it has not yet been paid in or withdrawn, be delivered to the estate or for liquidation.

Art. 744

c) Reduction of liability

1) If the limited partner reduces the limited partnership contribution entered in the commercial register or announced in some other way by agreement with the other partners or by withdrawals from the partnership assets, this change shall in any case only take effect vis-à-vis third parties once it has been entered in the commercial register and published.

2) The undiminished limited partnership sum shall remain liable for liabilities incurred prior to this announcement.

Art. 745

d) Reduction due to loss

1) If a limited partner has acted as managing director of the company, any reduction in the limited partnership contribution must be entered in the commercial register within six months of the end of the financial year, but does not need to be published.

2) If this entry is not made, the managing limited partner shall be liable for the company's liabilities incurred by him after the expiry of the six months in the amount of the undiminished limited partnership contribution, even if he has paid the latter in full, unless the managing limited partner proves that he was not aware of the loss or that he did not receive a balance sheet.

3) The limited partner is entitled to register the reduced limited partnership sum with the commercial register on his own initiative.

4) In this case, the management is responsible for sending such a limited partner a copy of the balance sheet and profit and loss statement on its own initiative, otherwise it shall be liable to the bona fide third party and the limited partner for damages up to the amount of the reduced limited partnership contribution, without prejudice to any further liability as a partner.

Art. 746

3. Liability of the unlimited partner

The partner with unlimited liability may only be held personally liable for a company debt if the company has been dissolved or if enforcement proceedings against it have been unsuccessful.

Art. 747

III. Levying of interest and profits

1) Interest may only be paid to the limited partner, even if specifically stipulated in the contract, on the basis of a proper balance sheet and only to the extent that this does not reduce the limited partnership sum.

2) Until the contribution reduced by losses has been replenished, the limited partner may not receive either interest or profits.

3) The limited partner is liable for the liabilities of the company in excess of his limited partnership contribution, insofar as he has received payments from the company contrary to these provisions, but is not obliged to repay interest and profits which he has received on the basis of a proper balance sheet and in good faith.

Art. 748

IV. Joining an existing company

1) Anyone who joins an existing limited partnership as a limited partner is liable with the limited partnership amount also for liabilities incurred prior to their joining, regardless of whether the company name changes or not.

2) Any agreements that conflict with this provision shall have no legal effect vis-à-vis third parties.

Art. 749

V. Entitlement of special creditors

1) The special creditors of both a partner with unlimited liability and a limited partner are excluded from direct access to the assets of the company in accordance with the provisions established for general partnerships.

2) The subject of enforcement proceedings against the limited partner or in insolvency proceedings against the same may only be that which would accrue to the limited partner in terms of interest, profits, and liquidation share.

3) If the limited partner entered in the commercial register is merely a trustee, the legal position of the special creditors of the trustee limited partner vis-à-vis him and the trustor or any beneficiaries shall be governed by the provisions on trusteeship (trust limited partnership) in the absence of any other provision in the trust deed.

4) A company creditor who is also a special debtor of the limited partner may only demand set-off from the latter if the conditions for the limited partner's liability are met.

VI. Insolvency proceedings of the company and the shareholders

Art. 750

1. Insolvency proceedings of the company

1) In insolvency proceedings of the limited partnership, the company's assets shall be used to satisfy the company's creditors, excluding the special creditors of the individual shareholders.

2) The limited partnership contribution paid in full or in part cannot be registered as a claim, even if it is a trust limited partnership contribution, but the amounts paid in excess of this can be registered.

3) Similarly, the amount not yet paid in cannot be offset against claims of the limited partner against the company.

Art. 751

2. Insolvency proceedings of a partner with unlimited liability

1) After the dissolution of the company, the company's creditors may assert their entire claim against each unlimited liability partner until it is fully covered.

2) However, if insolvency proceedings are opened simultaneously against the company and a partner with unlimited liability, the company's creditors may only assert the balance remaining unpaid in the company's insolvency proceedings in the partner's insolvency proceedings.
3) Repealed
Art. 752
3. Insolvency proceedings of a limited partner
1) In the insolvency proceedings of a limited partner, neither the individual company creditors nor the company or its insolvency estate have a preferential right over the special creditors.
2) However, if the company has been dissolved without bankruptcy, the company creditors may assert the unpaid remainder of their claims, but in total no more than the amount of the limited partnership sum, in competition with the special creditors.
3) However, special circumstances remain reserved if the limited partner is only a trustee.
4) Repealed
Art. 753
D. Dissolution
1) If a limited partner dies or goes bankrupt or an administrator is appointed for him, or his liquidation share is seized, this shall not result in the dissolution of the company.
2) In this case, however, as in other cases in which he is entitled to withdraw, the limited partner may demand that his liquidation share be paid out to him.
Art. 754
E. Participation as a simple partner
1) If a person participates in another person's business with a contribution, sharing in the profits or losses of the business or both, assuming unlimited liability for the debts of that business, without registering the participation in the commercial register and without the participation being reflected in the company name, a simple partnership exists between them and the owners of the enterprise, without prejudice to any existing obligation to enter the partnership in the commercial register.
2) Such participation may be entered in the commercial register as a limited partnership or general partnership, but if the name of such a participant is included in the company name, either the registration or the change of the company name must be made, whereby in the latter case the provisions regarding the liability of the limited partner when the name (of the company) is mentioned in the company name remain reserved.

company name must be made, whereby in the latter case the provisions regarding the liability of the limited partner remain reserved when the name (of the company) is mentioned in the company name.

Art. 755

F. Limited partnership and general partnership with limited liability

1) If a company is established by means of a written agreement under a joint company name in such a way that all partners are limited partners and are each liable for the liabilities of the company with a limited partnership contribution, the provisions of this title shall apply to this company (limited partnership), but with the following deviations:

1. The application for registration in the commercial register, which shall be accompanied by the partnership agreement, and its entry must state:

the surname, first name, status, and place of residence or company name and registered office of each limited partner, together with their limited liability amount and the actual contribution made by each partner, as well as the total amount of all limited liability amounts;

the company name, in which the name of a limited partner may also appear without increasing liability, the registered office, the object of the enterprise or the purpose of the company;

Surname, first name, and place of residence or company name and registered office of the partners or third parties who manage and represent the company.

The publication shall be limited to the company name, the object of the enterprise, the total amount of the limited partnership contributions, and the names and places of residence or company names and registered offices of the persons responsible for the management and representation of the company.

These provisions shall also apply mutatis mutandis if the facts or circumstances subject to registration undergo a change.

2. Non-managing partners have the same status vis-à-vis the managing partners as a general partner, and in the absence of any other agreement, a non-competition clause applies as for general partners, but only for managing partners, managing and representing partners or third parties vis-à-vis the partners and third partiesthe position of managing directors in a limited liability company.

3. If a minimum share capital is stipulated by regulation for a limited liability company, the minimum amount of the capital contribution made by the shareholders when the company is formed must be equal to this minimum share capital; if the net assets of the company subsequently fall below this amount, any shareholder or creditor may

creditors may demand dissolution under the same conditions as for a single-member association.
4. In addition to the limited partnership sum, the shareholders may commit themselves in the articles of association to make limited additional contributions or recurring non-monetary contributions, as is the case with a registered cooperative.
5. The amount of the limited partnership contributions paid in shall be included on the liabilities side; unless otherwise agreed, the partners shall participate in the profits and losses in proportion to their limited partnership contributions and, if there is no limited partnership contribution, as in the case of work performed, the share shall be determined at the discretion of the court.
6. This company shall be dissolved upon the opening of bankruptcy proceedings and, unless the Office of Justice grants an exception, liquidation shall take place in accordance with the general provisions governing legal entities.
2) However, if a company is established by means of a written agreement under a joint name by entry in the commercial register in such a way that all partners are jointly and severally liable in the same way as general partners, but only up to a certain amount specified in the partnership agreement, the provisions on general partnerships and paragraphs 1 to 4 of the preceding paragraph shall apply mutatis mutandis to such a company (general partnership with limited liability).

11. Title

The casual society

A. Definition, etc.

Art. 756

I. In general

1) If two or more individuals or legal entities under private or public law or companies contractually join together for the purpose of preparing an economic enterprise or carrying out the takeover, purchase, or utilization of any assets for joint account (such as consortia, syndicates, groups, founding companies, study companies), without establishing a joint company or legal entity, they form an occasional partnership.
2) The occasional partnership does not constitute a separate legal entity and cannot independently sue or be sued or appear in any other proceedings.
3) In case of doubt, the partners are co-owners of the property that belongs to them jointly.

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4) In case of doubt as to whether an occasional partnership exists, the existence of a simple partnership shall be assumed in the absence of other evidence.

Art. 757

II. Formation of several partnerships

1) Ad hoc companies may also be established in such a way that one or more persons, legal entities, or companies acting as managers of the business enter into a similar agreement with other persons, with whom they need not have any relationship, to conduct the business on a joint account, with the understanding that all partners shall share in the profits of the business in proportion to their participation and the terms of the agreement.

2) In this case, there are as many occasional partnerships as there are individual contracts concluded.

Art. 758

B. Reference to the simple partnership

1) Unless otherwise specified below, the occasional partnership is subject to the provisions governing simple partnerships.

2) In particular, its establishment is not subject to any special form.

3) Entry in the commercial register is excluded. Art. 759

C. Contributions

1) The contributions of the partners are governed by the agreement and may consist of capital contributions or labor.

2) They may also merely contain the obligation to assume, in accordance with the contractual participation in the transactions undertaken for joint account, the part for one's own account that could not be settled upon the dissolution of the occasional partnership or upon the liquidation of one of several transactions undertaken by it.

Art. 760

D. Profit and loss and liability

1) The profits and losses of an occasional partnership shall be distributed among the partners in accordance with the contract.

2) Unless otherwise specified, any business contributions shall initially bear interest at five percent and any surplus shall be treated as profit.

3) In the case of transactions for the execution of which all participants have to make contributions in cash or other fungible items, or have to assume numerically defined obligations as contributions, this distribution shall, unless the contract provides otherwise, be made not on a per capita basis but according to the amount of the contribution or obligation.

4) If the partners jointly or through representation enter into obligations towards a third party, each partner shall be liable to the third party, subject to other agreements, in proportion to their share in the partnership.

E. Company resolutions and management

Art. 761

I. Company resolutions

If the agreement provides for resolutions to be passed by majority vote, this shall be calculated in accordance with the rule applicable to the distribution of profits, unless otherwise stipulated in the agreement.

II. Management and representation

Art. 762

1. General

1) By means of the articles of association or by unanimous resolution of the shareholders, management and representation may be transferred to one or more shareholders individually or collectively, to the exclusion of the others, or to one or more third parties who are not shareholders, individually or collectively.

2) Similarly, as in the case of so-called management companies, it may be stipulated that the managing partner shall conduct the business of the company in his own name but on behalf of the company (silent partnership); in this case, the provisions on indirect representation and, in addition, those on tacit trusteeship shall apply in relation to third parties.

3) Participation in losses in a silent occasional partnership may be restricted as desired (limited silent occasional partnership).

Art. 763

2. Responsibility

1) The shareholders owe each other the duty of care of a prudent businessman in the management and representation of the company.

2) The managing partners shall also be liable under these provisions if they do not receive any special remuneration for their activities beyond the share of the business income to which they are entitled on the basis of their participation.

Art. 764

3. Position of non-managing partners

1) Shareholders who are not entrusted with the management of the company are not entitled to request information about the course of the company's affairs and invoicing before the date specified in the contract for the completion of the transaction or before the expiry of a period deemed reasonable for the completion of the transaction

or to inspect the company's books and business papers.

2) If there are important reasons, the judge may, in non-contentious proceedings, authorize the non-managing partners to make the aforementioned request. Art. 765

F. Sub-participation

1) If, after the formation of the occasional partnership, a joint sub-participation is assigned to a third party by all partners, this third party shall not become a partner in the absence of any other agreement and shall not be entitled to participate in the management of the partnership or in the approval thereof, but shall share in the profits or losses determined by the partnership.

2) If an individual participant in an occasional partnership grants a sub-participation to a third party, the latter does not become a partner of the other participants, but rather the relationship between the two forms an occasional partnership, whereby the assignor is to be regarded as the managing partner and, as such, is liable to the non-participant only for the same care that he owes to the main company with regard to his own participation.

Art. 766

G. Dissolution

1) The occasional partnership shall not be dissolved by the death of a partner or the demise of a participating company or association, or finally by unilateral termination before the end of the business, unless there is good cause, unless dissolution results from the contract or the nature of the business.

2) However, if the deceased partner or the dissolved company or association was the sole managing director, such as a consortium leader, the partnership shall be dissolved in case of doubt.

Art. 767

H. Liquidation

1) Unless the nature of the business or the contract dictates otherwise, pending transactions shall be settled upon dissolution by the managing partner or partners, such as the consortium leader.

2) Goods or securities intended for sale but not sold, as well as those acquired for a purchasing consortium, shall, unless otherwise agreed, be distributed among the individual partners in proportion to their participation in the partnership, unless they are to be used to cover costs incurred.

12. Title

The silent partnership

Art. 768

A. Definition and delimitation

1) If one or more individuals or private or public legal entities or companies participate in a company entered in the commercial register, which is operated by another (general partner) operates under its name, with a capital contribution or with services or the transfer of certain assets for use on a permanent basis, without assuming liability for the debts of this company, without the participant(s) being entered in the commercial register, and without the participation being reflected in the company name, they form a silent partnership with the owner of the company.

2) Such a silent partnership in a company not entered in the commercial register is subject to the provisions on profit-sharing agreements in simple partnerships, unless it is an occasional partnership.

3) If an amount is transferred to another party with the declaration that the claim against a specific third party should be liable like a limited partnership contribution, the legal relationship is to be treated as a loan with profit and loss sharing, and the liquidation quota in enforcement or insolvency proceedings against the recipient shall be deemed to have been assigned to the third party in advance up to the uncovered amount of its claim.

4) In the absence of any other provision, the assets contributed by the silent partner shall become part of the assets of the owner of the enterprise.

Art. 769

B. Management, representation, and liability of the silent partner

1) The owner of the enterprise is solely responsible for management and representation and is obliged to exercise the same care as he would in his own affairs.

2) He shall be solely entitled and obligated in respect of the transactions concluded in the business.

3) The silent partner is neither entitled nor obligated to manage the business as such.

4) The name of a silent partner may not be included in the name of the owner of the business, but if it has been used with his knowledge, the silent partner shall be jointly and severally liable to the business creditors without limitation.

5) If the admission as a silent partner has been announced in public newspapers, letters, circulars, or similar with the consent of the silent partner, he shall be jointly and severally liable to creditors up to the amount of the announced capital contribution together with the owner of the enterprise, and if the silent partnership has been entered in the commercial register by mistake, he shall be liable

to bona fide parties in the same way as a limited partner for the registered limited partnership amount.

C. Relationship between the partners

Art. 770

I. In general

1) The owner of the enterprise may only use the contribution for the purposes agreed in the partnership agreement or otherwise resulting from the circumstances and may neither abandon nor reduce the business without the consent of the silent partner.

2) In case of doubt, the entrepreneur is required to use the contribution as profitably as possible.

3) In the event of culpable breach of these obligations, he shall be liable to pay damages to the silent partner, and the dissolution of the company may be demanded.

4) In the absence of any other agreement, the provision on non-competition applies only to the owner of the business.

5) The partnership agreement may stipulate that the silent partner's shareholding is freely transferable without the owner's consent or that transferable securities in the form of registered shares are issued for the shareholding.

II. Share in profits and losses

Art. 771

1. In general

1) If the silent partner's share in profits and losses is not specified, a share in both that is appropriate under the circumstances shall be deemed to have been agreed.

2) The partnership agreement may stipulate that the silent partner shall not participate in losses; his participation in profits cannot be excluded.

Art. 772

2. Calculation and payment

1) At the end of each financial year, the profit and loss shall be calculated and the profit attributable to the silent partner shall be paid to him.

2) The silent partner shall only participate in the losses up to the amount of his paid-in or outstanding contribution. He shall not be obliged to repay the profits received due to subsequent losses; however, as long as his contribution is reduced by losses, the annual profits shall be used to cover the losses.

3) The profit not claimed by the silent partner does not increase his contribution, unless otherwise agreed.

4) Participation certificates with the character of securities may be issued in respect of the silent partner's right to receive profits.

Art. 773

III. Notification of the balance sheet and review

1) The silent partner is entitled to request a copy of the annual balance sheet and to verify its accuracy by inspecting the books and business documents.

2) At the request of the silent partner, the court may, if there are important reasons, order the disclosure of a balance sheet or other information, as well as the presentation of the books and papers for inspection and copying, at any time in non-contentious proceedings.

3) If the silent partner does not hold an interest in the entire company, but only in individual branches or subsidiaries, his rights shall extend to the extent of his interest.

D. Dissolution

Art. 774

I. In general

1) A creditor of a silent partner may terminate the partnership in the same way as a special creditor in a general partnership, unless the silent partner has only participated with trust assets.

2) If a silent partner dies or an administrator is appointed for them, or if a company or association ceases to exist when they are silent partners, the partnership is not dissolved, but the relationship with their universal successors continues.

3) However, the partnership may be terminated by either party during the year with six months' notice.

Art. 775

II. Settlement

1) After the dissolution of the company, the owner of the business must pay the silent partner his share.

2) Any business pending at the time of dissolution shall be settled by the owner of the enterprise.

3) The silent partner shall participate in the profits and losses resulting from these transactions.

4) At the end of each financial year, he may request an account of the transactions completed in the meantime, payment of the amount due to him, and information on the status of pending transactions.

Art. 776

III. Bankruptcy

1) If bankruptcy proceedings are opened against the assets of the owner of the enterprise, the silent partner may assert the paid-in contribution as an insolvency claim to the extent that it exceeds the amount of his share of the loss.
2) If the contribution is in arrears, the silent partner must pay it into the insolvency estate up to the amount necessary to cover his share of the loss.
Art. 777
E. Contestation
1) If, on the basis of an agreement concluded between the owner of the company and the silent partner in the last year prior to the opening of insolvency proceedings, the latter's contribution has been returned in whole or in part, or his share of the losses incurred has been waived in whole or in part without compensation, this agreement may be contested by the insolvency administrator, regardless of whether or not it took place upon dissolution of the company.
2) In particular, the return shall be deemed to be equivalent to offsetting, payment in lieu, conversion into a loan, or any other claim favored in the insolvency proceedings.
3) Contestation is excluded if the silent partner proves that the insolvency proceedings are based on circumstances that arose only after the agreement was concluded.
4) Furthermore, the provisions of the contestation regulations, whose provisions on the assertion of contestation and its effect also apply to the contestation claim regulated here, remain reserved.
Art. 778
F. International law
The legal relationship between the general partner and the silent partner shall be governed by the law of the jurisdiction in which the company has its registered office or domicile.
13. Title
The Community
A. Justification
Art. 779
I. Authority
Assets may be linked to a family by relatives either allowing an inheritance to continue in whole or in part as community property, or by combining assets into a community (pooling).
Art. 780
II. Form

1) The agreement establishing a community must be publicly notarized and signed by all community members or their representatives in order to be valid.
2) The deed must expressly designate the community as such, otherwise such a community is not subject to the provisions set forth herein, but to the otherwise applicable provisions, such as those concerning joint ownership, community, simple partnership, and the like.
Art. 781
B. Duration
1) The community may be established for a definite or indefinite period.
2) If it is established for an indefinite period, any member of the community may terminate it with six months' notice.
3) In the case of agricultural operations on the common property, termination is only permissible at a spring or autumn date in accordance with local custom.

C. Effect
Art. 782
I. Type of community
1) The community unites the community members for joint economic activity.
2) In the absence of other provisions, they participate in the community with equal rights and obligations.
3) During the community, they may neither claim a division nor dispose of their community shares.
II. Management and representation
Art. 783
1. In general
1) The affairs of the community are managed jointly by all members of the community.
2) Each of them may perform ordinary administrative acts without the involvement of the others.
Art. 784
2. Authority of the head
1) The community members may designate one of their number as head of the community.
2) The head of the community represents it in all matters and manages its economic activities.

3) However, the exclusion of others from representation is only effective vis-à-vis bona fide third parties if the representative is entered in the commercial register with their surname, first name, and place of residence.

Art. 785

III. Community property and personal assets

1) The assets of the community are jointly owned by all members of the community.

2) The members are jointly and severally liable for the debts.

3) Unless otherwise agreed, any assets that an individual member of the community owns in addition to the community property, or that he acquires for himself during the community by inheritance or in any other way free of charge, shall be his personal property.

D. Revocation

Art. 786

I. Reasons

1) The community shall be dissolved:

1. by agreement or termination,
2. upon expiry of the period for which the joint ownership was established, unless it is tacitly continued,
3. if the seized share of a member of the community in the common property has been realized,
4. if a co-owner has gone bankrupt,
5. at the request of a member for important reasons.

2) The reason for termination or the legal dispute may be noted in the commercial register for a partnership registered in the commercial register at the request of a party involved until the final deletion.

Art. 787

II. Termination, insolvency, marriage

1) If a co-owner terminates the co-ownership, or if one of the co-owners has gone bankrupt, or if the seized share of a co-owner is sold, the remaining co-owners may continue the co-ownership by compensating the departing co-owner or his creditors.

2) If a member of the community marries, he or she may claim compensation without termination.

Art. 788

III. Death of a member

1) If a member of the community dies, the heirs who are not members of the community may only claim compensation.

2) If he leaves behind descendants who are entitled to inherit, they may, with the consent of the other members of the community, join the community in place of the deceased.

Art. 789

IV. Division rule

1) The division of the community property or the compensation of a departing member of the community shall be based on the financial situation as it stands when the reason for termination arises.

2) Their implementation must not be demanded at an inopportune time.

E. Community of income

Art. 790

I. Contents

1) The members of the community may entrust the management of the community property and its representation to a single member, with the provision that this member must pay each of the other members an annual share of the net profit.

2) Unless otherwise agreed, this share shall be determined in a fair manner on the basis of the average yield of the common property over a reasonably long period, taking into account the services rendered by the transferee.

3) Unless otherwise agreed, the members of the community shall be liable for debts to third parties arising from the community, with the exception of the member of the community who is responsible for the management and representation, who shall only be liable with the community property.

Art. 791

II. Special grounds for dissolution

1) If the community property is not properly managed by the transferee, or if the transferee fails to fulfill his obligations to the community members, the community may be dissolved.

2) At the request of a member of the community, the judge may, for important reasons, order the transferor to enter into the transferee's business in non-contentious proceedings, taking into account the provisions on the division of inheritance.

3) In all other respects, the joint ownership of the proceeds is subject to the rules governing joint ownership with joint management.

Art. 792

F. Entry in the commercial register

1) At the request of all municipalities, the community shall be entered in the commercial register under a collective name.

2) The application for entry in the commercial register, which must be signed by all members of the community or by the head of the community in certified form or declared in the minutes of the Office of Justice, must contain:

1. the name and registered office of the community, the names and places of residence of each member,

2. a statement as to whether a property or income community has been established, and the value of the community property, together with a list of the individual assets as an appendix,
3. the duration of the community,
4. any exclusions from representation, stating the surname, first name, occupation, and place of residence of the head of the community.

3) The entry and publication in the official gazette must contain the points listed in the preceding paragraph, with the exception of the list of assets.

4) If a community or even just the exclusion from representation is entered in the commercial register, all changes relating to the registered facts, such as the dissolution of the community, changes in representation, and the like, must also be reported and published by the community members or the head of the community.

5) If, in the opinion of the registration authority, another form of publication, in particular publication on the authority's website, appears sufficient, publication in the official gazette may be omitted.

Art. 793

G. International law

1) In the absence of other contractual agreements, Liechtenstein law shall apply to the community.

2) If the greater part of the assets are located in the country or the majority of the members reside in the country, domestic law shall apply in all cases with regard to the assets located in the country.

4. Division
Special asset allocations and simple legal community

14. Title
Homesteads and entailments

Art. 794

A. Purpose of the homestead

1) The purpose of the Heimstätte is to secure for the owner (Heimstätter), either alone or in conjunction with other persons whose circle is to be defined in more detail, or for his family or third parties designated by the owner, the sole ownership of an agricultural property or a property used for another commercial purpose (Wirtschaftsheimstätten) or a residential building or building rights for the construction of a residential building (residential properties) from economic risks and to protect them from loss of the property or house.

2) Unless the law or the government allows an exception, only natural persons may be home owners.

B. Establishment

Art. 795

I. Requirements and subject matter

1) Agricultural property or property used for other commercial purposes, a residential building with appurtenances, or a building right may be declared a home under the following conditions:

2) The property, house, or building right (home property) may not be larger than is necessary to provide one or more specific persons or, in the case of family homes, a family with their ordinary maintenance, regardless of the mortgage burden or other assets of the owner, or to serve as a dwelling or for the construction of a residential building, possibly together with garden land.

3) The owner or their family or third parties must manage the property, operate the business, or live in the house themselves, unless the district court grants an exception for important reasons.

4) The provisions on house homesteads apply mutatis mutandis to building right homesteads.

II. Procedure

Art. 796

1. Legal assistance procedure. Application for approval

1) Unless otherwise specified below, the establishment, modification, or dissolution of a home shall be carried out with the participation of the district court in non-contentious proceedings.

2) Anyone wishing to establish a family home must submit a request to the district court, which must include a statement of the reasons for establishing a family home, the property or house according to the land register, any encumbrances attached to it, any appurtenances, and the names, first names, and places of residence of the beneficiaries and details of their entitlement.

3) Anyone wishing to establish a residence for themselves and their family must expressly designate it as a family residence in the application.

4) If, after preliminary examination by the district court and any hearing of the applicant, the requirements for establishing a home are not met, the court shall reject the application by means of a decision.

2. Announcement

Art. 797

a) Publication of the application

1) If, after preliminary examination of the application by the district court, the conditions for establishing a family home are met, all creditors of the applicant and other persons who consider their rights to be infringed by the establishment of the family home shall be shall be requested, by means of an official announcement in the official gazette, to submit their objections in writing or in the minutes within 14 days of publication, specifying the right which they claim to be threatened by the establishment of the domicile, or the exact amount of their claim and the reasons for their objection.

2) In the case of family homesteads, if the family members to be favored are not already specified in the application, the district court shall also determine the blood relatives of the owner of the homestead in ascending and descending lines up to the second degree and his siblings who wish to be included in the homestead, and request them to register their claims within 14 days of the announcement.

3) The registration period may be extended by the court to two months if appropriate.

4) The announcement shall describe the property or house in detail, contain an unambiguous description of the applicant, and finally indicate that the list of appurtenances, if any, may be inspected at the district court.

Art. 798

b) Special notices to interested parties

1) Special copies of this request shall also be sent by the court to the mortgagees and other parties with rights in rem entered in the land register for the properties intended as a home, known pledgees to whom pledge titles have been pledged on the property rights attached to the property, and, in the case of family homes, to the aforementioned blood relatives and siblings, if applicable.

2) The right to contest the establishment of the home under gift law, inheritance law, or the contestation regulations is reserved.

3. Settlement of objections

Art. 799

a) Consultation with the applicant

After the expiry of the notice period, the court shall inform the applicant of the objections received and request him to submit a written or recorded response.

Art. 800

b) Determination of disputed rights

1) If the applicant asserts that the claim or other right of a creditor does not exist or does not exist to the extent asserted, the

regional court shall, unless legal proceedings are already pending, set a period of 14 days within which the applicant may request the judge to revoke the alleged right.

2) If the applicant files a lawsuit in time, the proceedings for the establishment of a domicile shall be suspended until the dispute has been settled; if the applicant fails to file a lawsuit, the registered right shall be deemed to have been recognized for the domicile proceedings.

3) If a creditor whose right is not disputed has not responded to the special notification in the affirmative, the establishment of the home may only take place if the debtor satisfies the dissenting creditor, without being bound by any existing notice period, by making payment or otherwise providing security and proves this to the court.

Art. 801

c) Subsequent objections

1) If the proceedings have been discontinued as a result of a legal dispute, the district court shall re-examine whether any encumbrances have been entered in the land register in the meantime and shall give any entitled parties the opportunity to lodge objections retrospectively by means of a special notification.

2) The preceding article applies mutatis mutandis to the settlement of subsequent objections.

Art. 802

d) Inclusion of relatives

1) In the case of family homes, if the applicant has not specifically designated the family members to be favored, the district court may impose on the owner the obligation to admit his blood relatives up to the second degree in the ascending and descending line and his siblings, as well as the spouse or registered partner living with him, provided that they are in urgent need of accommodation and do not appear unworthy of it.

2) If such persons have applied for admission, the court shall examine whether they are in need of and worthy of admission.

Art. 803

4. Decision

1) After completing the procedure, the district court decides on the approval for the establishment of a home.

2) The approval decision shall specify the persons involved, the land designated for the homestead and its appurtenances, which share its fate, the encumbrances on the land, and, in the case of family homesteads, the composition

of the family to be served by the homestead, and the conditions under which the approval has been granted.
Art. 804
5. Subsequent changes to family homesteads
1) In the case of family homes, the admission of blood relatives and siblings to the home may be ordered retrospectively upon special request after consultation with the owner of the home, provided that the applicant did not restrict admission to certain relatives when the home was established and that the need only arose later.
2) The admission of persons to whom the homeowner has a family law obligation to support may also be ordered by the judge in non-contentious proceedings, provided that they are in urgent need of admission and are not unworthy of it, even if the homeowner has stipulated otherwise.
Art. 805
6. Land register entry and home register
1) The establishment of a home becomes legally valid upon entry as a priority notice in the land register.
2) The entry in the land register shall be published in the official gazette at the expense of the applicant, unless the judge decides that it can be omitted entirely.
3) In addition, in accordance with government instructions, the court shall keep a register (homestead register) of homesteads, which shall be open to public inspection.
C. Withdrawal of approval
I. Requirements
Art. 806
1. At the request of a creditor
The district court shall, upon application by a creditor of the owner of the home, revoke the approval decision after hearing the parties involved:
1. if a mortgagee proves that he did not receive a special notice and was otherwise unaware of the intended establishment of a residence, and the debtor, depending on the due date of the claim, does not provide him with other appropriate security or satisfy him; if the claim is disputed, the provisions governing the determination of disputed rights shall apply;
2. if it is established that the owner has rented or leased the home without court approval or no longer lives in or manages it without such approval.
Art. 807
2. At the request of third parties

Upon application by other interested parties, the authorization shall be revoked after prior consultation with the owner:
1. if the owner of the family home does not or no longer fulfills the obligation imposed on him by law by the judge to take in persons entitled to support under family law, or only fulfills it in a manner that makes their stay in the home unbearable;
2. if a third party whose objection has been disregarded by the regional court in non-contentious proceedings submits a court decision establishing that his right has been infringed by the establishment of the home and that he has not been satisfied or secured from the remaining assets of the owner of the home in accordance with the maturity of the claim.

Art. 808

II. Notification of withdrawal and deletion

Any subsequent revocation of the approval shall, after it has become legally binding, be publicly announced in the same manner as the approval itself, and the entry in the land register shall be deleted ex officio.

D. Effect of the establishment of a home

Art. 809

I. Appurtenances

1) The appurtenances of the property or house listed in the register belong to the home, with the exception of those appurtenances that are not owned by the homeowner.

2) An appurtenance ceases to be part of the homestead property as soon as it ceases to be appurtenant to the house or estate.

Art. 810

II. Division, sale, and enlargement

1) The division of the homestead and the sale of individual plots of land or parts of plots of land require judicial approval, which may not be refused:
1. in the case of division, if the parts become independent homesteads,
2. in the case of sale, if it is compatible with the rules of proper economic management and does not significantly endanger or impair the economic viability of the homestead.

2) With the approval of the judge, another plot of land that is not encumbered with usufruct, building rights, land charges, or mortgages may be merged with the homestead or attributed to it (enlargement) after the appropriate public notice procedure has been carried out.

3) In the case of family homes established in favor of third parties, these parties must be consulted prior to any division, sale, or enlargement in order to safeguard their rights.

Art. 811

III. Encumbrances

1) No new mortgage, usufruct, right of residence, or encumbrance may be placed on a property or house that has become a home by means of a legal transaction; this does not apply to encumbrances arising by operation of law.

2) Existing real estate liens and any new ones that arise shall be converted into annuity real estate liens unless they are otherwise redeemed.

3) The district court may, at the request of the owner or the creditor, determine the annual repayments at its discretion and, if the owner is more than two repayments in arrears, order the cancellation of the home.

Art. 812

IV. Sale, etc.

1) The owner may not sell the home, and neither the owner nor a beneficiary third party may rent or lease it without court approval.

2) However, sale as a whole is permitted with the consent of the district courtto the spouse or registered partner, to a person who is related to the owner of the home in a direct line or up to the third degree in a collateral line or up to the second degree by marriage, or to persons who have been expressly designated at the time of establishment or subsequently by means of a public deed and court approval.

3) In all cases, the purchaser must declare to the district court at the time of transfer who is to benefit from the home.

V. Enforcement

Art. 813

1. In general

1) The home and its appurtenances may not be taken away from the homeowner by foreclosure, insolvency proceedings, or similar measures that could lead to their alienation, subject to receivership.

2) If the house or property is free of encumbrances such as mortgages, usufruct, and land charges at the time the home is established, the owner may request that the court's approval decision include a provision that receivership is also excluded (non-revocability clause).

3) Lien rights arising by operation of law or otherwise under public law may also be enforced by compulsory administration in the case of a home marked with the non-revocability clause.
4) Under the same conditions as for the compulsory administration of a limited liability sole proprietorship, compulsory letting or compulsory leasing may take place instead of compulsory administration, whereby the provisions on the accession of creditors and termination shall also apply accordingly.
5) In all cases, the right to bring an action for rescission under the rescission regulations and to enforce execution against the remaining assets of the owner of the home is reserved.
2. Compulsory administration
Art. 814
a) Prerequisite
1) If the owner of a home that is not subject to the irrevocability clause becomes insolvent and the creditors have suffered losses in the foreclosure of his other assets or in insolvency proceedings, receivership is permissible, and the house or property is assigned a receiver by the regional court, who must protect the interests of the creditors in accordance with the instructions of the regional court while maintaining the home.
2) Furthermore, compulsory administration may only be ordered if, on the basis of an investigation of the personal and economic circumstances of the debtor, the family, and, if applicable, third-party beneficiaries, the regional court concludes that the income from the home, while maintaining its purpose (providing maintenance or housing), yields a surplus available to the creditor.
3) The appointment of a receiver must be publicly announced with reference to the first paragraph of the following article and may be noted in the land register.
Art. 815
b) Position of the administrator
1) Upon appointment of the receiver, administration of the family home shall pass to him, and the owner or beneficiary shall only be authorized to make decisions affecting the income with the consent of the administrator.
2) However, the owner, his family, or the beneficiaries have a right to possession of the home and its income within the scope of the decision approving the home, insofar as this is necessary to maintain the purpose of the home.

3) Each party involved has the right to appeal to the court against the administrator's decisions, his accounting, and distribution of the proceeds, and against the court's decision in accordance with the provisions on enforcement proceedings, unless other legal remedies are provided for against judicial decisions.

Art. 816

c) Joining and satisfaction of creditors

1) The provision governing the accession of creditors in the compulsory sale of a limited liability sole proprietorship applies mutatis mutandis to the accession of creditors to an already pending compulsory administration.

2) The satisfaction of mortgage creditors shall be in the order of the date of unsuccessful enforcement proceedings and, in all other respects, in accordance with the order of priority under insolvency law.

Art. 817

d) Termination

1) Compulsory administration shall be terminated by operation of law upon the death of the owner of the home.

2) It shall also be revoked by the district court at any time at the request of the owner of the home if the legally approved accounts of the forced administrator have not resulted in an adequate surplus available to the creditors within a period of one year.

3) It may be reordered at a later date at the request of a creditor in the event of a subsequent change in circumstances, but no more than once within two years.

VI. Revocation

Art. 818

1. During lifetime

1) The owner may have the homestead removed during his lifetime by applying to the district court for deletion of the entry, unless otherwise specified at the time of establishment, as in the case of homesteads in favor of third parties.

2) The district court shall then, by public announcement in the official gazette or in any other manner it deems appropriate, in particular by serving an invitation, request those who wish to raise objections to the cancellation to submit their reasons in writing or for the record within one month.

3) If the home is under compulsory administration, the administrator shall be requested to comment on the application.

4) The district court shall approve and execute the revocation unless it infringes on important interests of the family or the rights of third parties and unless it occurs at an inopportune time; if the home is under compulsory administration,

the cancellation shall in any case only take place at the end of a one-year administration period.
5) The termination of the homestead due to the destruction of the property or house and the like remains reserved, unless a replacement takes its place.
Art. 819
2. In the event of death
1) If the owner dies, the home may only continue to exist if a binding arrangement has been made for its transfer by disposition of property upon death or by public deed among living persons, or if the court orders it in accordance with the following paragraphs.
2) If no such arrangement exists, or if the inheritance or bequest is renounced or successfully contested, and if there are no spouse or children to whom the district court may grant the transfer, individually or jointly, at its discretion, or if the third parties designated refuse to accept it, the entry in the land register shall be deleted ex officio.
3) In the absence of any other provision, the transfer pursuant to the preceding paragraphs shall be based on the income value determined, if necessary, at the request of the parties involved in non-contentious proceedings.
4) The home that is not taken over shall be included in the general division of the estate in the event of division or liquidation of the estate by the insolvency court.
E. Issuing residences
Art. 820
I. Requirements
1) With the consent of the government, municipalities may grant ownership of land, including building rights on their properties, to residents as residential or commercial homesteads, or, with their consent and designation as the issuing authority, land may be granted as a homestead by others.
2) The government may allow other public-law associations, non-profit enterprises, the princely domain administration, companies, or other third parties to issue homes.
3) The plots of land may not be encumbered with mortgages, easements, usufructs, or any other right of preemption or repurchase, or any right of lease or tenancy, if, in the opinion of the judge, the encumbrance would be contrary to the purpose.
Art. 821
II. Land registry entry
1) The homeowner shall be entered in the land register as the owner, and in addition to the name of the issuer, the property shall be designated as a home by means of an entry

restriction on disposal, and the home shall be expressly designated as an "issuer's home"; if the latter designation is missing, the home shall be subject to the rules established for other homes.

2) The rights of the issuer of such a homestead may only be transferred to another person if that person is themselves entitled to issue such a homestead.

3) The contract for the transfer of a home must specify the amount of the consideration payable to the issuer for the land without any buildings erected or other improvements made in the meantime, and this amount must be indicated in the land register entry.

Art. 822

III. Division, sale, and enlargement

1) The division of the home site and the sale of individual plots or parts of plots require not only the approval of the judge but also the consent of the issuer.

2) If, with the consent of the issuer, another plot of land is merged with the home site or attributed to it as a component, the ownership as a home site extends to the entire enlarged plot of land, and an amount as remuneration in accordance with the third paragraph of the preceding article must be specified in the land register entry.

IV. Right of first refusal and reversionary interest

Art. 823

1. Right of first refusal

1) The issuer of such a home has a statutory and unlimited right of first refusal, which can be exercised in the event of both voluntary sale and sale by way of foreclosure or insolvency proceedings.

2) If the holder of the right of residence sells their residence to a person to whom they are also permitted to sell a normal residence, the exercise of the right of first refusal is also excluded.

3) The entry of the sale in the land register may only be made after proof has been provided to the Office of Justice that the right of first refusal has not been exercised after a period of one month.

Art. 824

2. Right of reversion

1) The issuer may demand that the home be transferred to him if the homeowner does not permanently reside in or manage it without his consent, or if he engages in gross mismanagement.

2) With the approval of the judge, the issuer may be granted a reversionary interest by contract for further cases.

3) The reversionary interest also extends to the appurtenances of the property existing at the time of its assertion.

Art. 825

3. Exercise

1) The right of first refusal and the right of reversion shall also be effective against third parties.

2) The exercise of the right of first refusal or reversionary interest shall not affect the rights registered on the home with the consent of the issuer or within the limits of liability.

3) When exercising the right of first refusal or the reversionary interest, the issuer shall pay as the purchase price no more than the amount resulting from the amount determined for the home property at the time of its construction or enlargement, taking into account any reduction in value and adding the remaining value of any buildings and improvements, but without taking into account any services that the third-party purchaser has otherwise undertaken to provide.

4) If the issuer exercises its right of first refusal or right of reversion, it may designate a third party to whom the owner of the property must transfer the property.

5) Where there are important reasons, the court may, in non-contentious proceedings and after hearing the parties involved, order the issuer to repurchase the property in accordance with the two preceding paragraphs.

Art. 826

V. Encumbrance

1) Any contractual encumbrance of the property with rights in rem requires the consent of the issuer.

2) Unless the government grants an exception, real estate liens may only be registered in the form of non-cancellable repayment obligations.

3) If the issuer refuses to consent to the registration of an easement or encumbrance, the owner may, in non-contentious proceedings, request that the judge, after hearing the parties involved, grant consent in place of the issuer, provided that this is compatible with the rules of proper business practice and does not significantly jeopardize or impair the economic viability of the property.

4) He may request consent to the registration of a mortgage in non-contentious proceedings, after hearing the parties involved and with the approval of the judge, for up to two-thirds of the market value, if the registration is compatible with the rules of proper business practice and is carried out:

1. to cover the costs of acquisition, production, or furnishing,

2. for improvements to the home,
3. to compensate co-heirs.

5) In all other cases, the debt limit for encumbering real estate with mortgages shall be half of the estimated value of the mortgage deeds; however, the government may permit a higher encumbrance by means of a regulation.

Art. 827

VI. Reference

1) Unless the provisions on the issuing homes provide otherwise, the provisions on homes concerning non-contentious proceedings, applications for approval, land register entries, redemption, appurtenances, division, disposal, and enlargement, with the following modification:

1. the person to whom the homestead is to be issued (the homesteader) is to be regarded as the applicant at the district court,
2. the declaration of reversion to the issuer shall replace the withdrawal of approval,
3. The termination of the right of residence may be approved by a judge for important reasons, but otherwise may only take place with the consent of the issuer, who must pay a purchase price to the holder of the right of residence or their heirs in accordance with the provisions governing the exercise of the right of reversion.

2) Issuers other than those mentioned in the first paragraph are also subject to the provisions governing the procedure for establishing a right of reversion.

3) In particular, such a right of reversion may also be established with an irrevocability clause, without prejudice to the issuer's declaration of reversion and reversion claim and the limited rights in rem existing at the time of establishment, in which case a further encumbrance on the property is excluded.

Art. 828

F. International law

A home estate over property or a house located in the country is subject exclusively to Liechtenstein law, regardless of whether the homeowner is a resident or a foreigner.

G. Entail

Art. 829

I. Establishment

1) An estate may be permanently and inalienably, but subject to the rights of third parties, connected to a family or other specific

group of persons by establishing an entail by means of a public deed or a disposition of property upon death and regulating its details, in particular the succession, in the deed or in a statute.

2) However, real estate in the country may only be part of a trust estate to the extent that it appears necessary for the maintenance of a maximum of five persons.

3) The establishment of an entail, insofar as it consists of immovable property, requires the approval of the government and the consent of the state parliament; this also applies to any significant change, but not to its revocation.

4) In the case of real estate and rights entered in the land register, the entail shall be noted in the land register as a restriction on disposal, but in the case of other rights entered in public registers, it shall be noted in the relevant entry.

5) The provisions of the contestation regulations, gift law, and inheritance law remain reserved.

6) An entail may also be established in accordance with the provisions on trust companies (entail trust companies).

II. Position of the parties involved

Art. 830

1. In general

1) Unless otherwise specified by law, the deed of establishment, or the statutes, or unless the purpose permits otherwise, the provisions governing tacit trusts shall apply to the entail, in particular with regard to the investment of assets, with the proviso that the fideicommissary judge shall assume the position of the settlor, the respective owner of the fideicommissum that of the trustee, and the candidates that of the beneficiary.

2) However, the provisions governing transactions for one's own benefit shall only apply to the extent permitted by the rights of the owner of the entail.

3) According to the entailment deed, the current holder has possession, administration, and use, but also bears all burdens; the other members of the family or persons have an irrevocable, in rem right of expectancy, which is expressed in the power of supervision, and, in accordance with the entailment deed, in participating in legal transactions, as well as in special uses such as compensation, maintenance, pensions, and the like.

4) The holder of the entail is not liable for any reduction in value that occurred through no fault of his own.

5) If the succession is not regulated in the entailment deed, the usual legal succession applies.

6) Unknown candidates for the entail may be requested by the parties involved to assert their claims through the judge in a public notice procedure.

Art. 831

2. Sale and encumbrance

1) Unless the trust deed stipulates otherwise, the respective trust owner shall only be authorized to dispose of the trust property, if it does not concern the income accruing to him, to the extent that the court permits this for important reasons in non-contentious proceedings after hearing the next candidates.

2) Rights in rem to the entailed property may only be established by the owner of the entail in such a way that they expire with his rights and do not conflict with the rights of bona fide third parties existing at the time of the establishment of the entail or the establishment of the former rights, or with the orders of the entail judge.

3) A lien established by the owner of an entailed estate on entailed property extends, subject to the protection of good faith, only to the income accruing to him, and creditors may only proceed by way of foreclosure to that extent.

4) For important reasons relating to the entailed estate itself, in particular for its preservation or improvement, despite any provision to the contrary in the entailment deed, at the request of the entailment owner and after hearing the candidates, the judge may, in non-contentious proceedings, grant the creation of liens, which must exist in the case of real estate in the form of redemption mortgages, on the entailed estateproperty itself, provided that the owner of the entailed property who incurred the debt and the successors to the entailed property are liable only with the property and its income.

Art. 832

III. Dissolution

1) If a family involved in a family entail or the circle of entitled persons dies out, the assets shall pass to the state as universal successor upon the death of the last member, unless otherwise specified in the deed, and, if it has served purposes that correspond to the public tasks of the community, it shall be used as appropriately as possible in accordance with the provisions on tacit trusts; otherwise, the state shall establish a charitable foundation or transfer the assets to such a foundation.

2) The state shall be liable for the entailment debts as in the case of the devolution of the assets of a legal entity.

3) An entail shall be terminated by the destruction of the entailed property, unless it is replaced, by a decision of the respective family members or other entitled persons, unless the deed of establishment provides otherwise, and also by the opening of insolvency proceedings.

Art. 833

IV. International law

1) Only domestic law applies to entailments in the country.

2) Foreign entailed estates may acquire real estate in the same way as domestic entailed estates, and the provision regarding the extinction of the beneficiary's rights with regard to assets located in the domestic territory shall apply to them.

3) If necessary, they must appoint a representative.

4) The provisions on trusts under foreign law apply to entailed estates under foreign law, with the proviso that only Liechtenstein law applies to the acquisition of real estate in Liechtenstein.

15. Title

The sole proprietorship with limited liability

Art. 834 to 896a

Repealed

16. Title

Fiduciary relationships (Salman's right)

1. Section

Trusts in general

A. Description

Art. 897

I. The fiduciary relationship

A trustee (or fiduciary) within the meaning of this Act is any individual, company, or association to whom another person (the trustor) transfers movable or immovable property or a right (as trust property) of any kind, with the obligation to manage or use this as trust property in their own name as an independent legal entity for the benefit of one or more third parties (beneficiaries) with effect against everyone.

Version as of July 1, 2026:

A trustee (trustee or Salmann) within the meaning of this Act is any individual, company, or association to whom another party (the trustor) transfers movable or immovable property or a right (as trust property) of any kind, with the obligation to manage or use this trust property in their own name as an independent legal entity for the benefit of one or more third parties (beneficiaries) or for a specific purpose (special-purpose trust) with effect against all persons.

Art. 898

II. The presumed fiduciary relationship

1) Wherever a person, by virtue of law or official order or in any other way, without express appointment as trustee, possesses assets or rights of any kind in his own name but for the benefit of the previous owner or a third party, the legal relationship between him and the third party shall, in the absence of any other provision, be treated as a fiduciary relationship.

2) Unless the law establishes special rules for such legal relationships or unless the specific circumstances dictate otherwise, the provisions relating to fiduciary relationships, in particular those concerning the status of fiduciary property in enforcement and insolvency proceedings, shall apply mutatis mutandis to the legal relationships between the owner of the property or rights and the third party.

Art. 898a (from July 1, 2026)

III. Charitable and private trusts

1) A charitable trust is one whose trust assets, according to the trust documents, are to be managed or used wholly or predominantly for charitable purposes in accordance with Art. 107 para. 4a or for beneficiaries in this sense.

2) A private trust is one whose trust assets, according to the trust documents, are to be managed or used wholly or predominantly for private or self-serving purposes or for beneficiaries in this sense. The predominance is to be assessed according to the ratio of the services serving private purposes or beneficiaries to those serving charitable purposes or beneficiaries. If it is not clear that the trust property is intended to be used wholly or predominantly for charitable purposes or beneficiaries at a specific point in time, it is to be regarded as a private trust.

B. Creation and termination of the trust relationship

I. Establishment

Art. 899

1. Trust deed

1) A fiduciary relationship is established by written agreement between the trustor and the trustee. It is not necessary to state the legal basis.

2) If a trustee is appointed by unilateral declaration of the trustor, a written declaration of acceptance by the trustee is required to establish a fiduciary relationship.

2) If a trustee is appointed by unilateral declaration of the trustor, a written declaration of acceptance by the trustee is required to establish a fiduciary relationship. If the trustor is also the trustee, a written declaration of acceptance is not required. (from July 1, 2026)

3) In all cases, a fiduciary relationship must be expressly designated as such and given a name that distinguishes it from the fiduciary.

3) In all cases, a fiduciary relationship must be expressly designated as such, given a name that distinguishes the fiduciary, and the fiduciary property, the beneficiaries, and the beneficiary status or purpose must be specified. (from July 1, 2026)

4) The formal requirements applicable to the transfer of property and other assets remain reserved.

Art. 899a (from July 1, 2026)

2. Trust documents

1) The trust deed must in any case contain:

1. the designation of the fiduciary relationship;

2. the determination of the trust property;

3. the trustee;

4. any indication that further authorized representatives are or may be provided for in accordance with Art. 917 (3a);

5. any representative pursuant to Art. 905 (1);

6. any content expressly assigned to the trust deed in other provisions of this title.

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2) The trust deed or the supplementary deed to the trust deed must in any case contain:
1. the designation of the beneficiaries and their beneficiary status or the purpose of the trust relationship;
2. in the case of private trusts pursuant to Art. 898a (2), the designation of at least one person entitled to information and one successor (Art. 928a) as well as any provisions regarding the dismissal and term of office of the person entitled to information and his successor in order to ensure that the position of the person entitled to information is filled without interruption;
3. any provisions governing the composition, appointment, dismissal, term of office, and powers of other persons with authority pursuant to Art. 917 para. 3a;
4. any other provisions concerning the requirements of independence and expertise pursuant to Art. 928a para. 9;
5. any other provisions concerning claims for compensation and reimbursement of expenses pursuant to Art. 928d (7) and (8).
3) If the information referred to in para. 2 is not regulated in the trust deed, the trust deed must expressly refer to the regulation in the supplementary deed.
4) The trustee shall retain the trust documents and all documents amending the trust documents in accordance with Art. 1059 and shall ensure that the trust documents and documents are available in the country within a reasonable period of time. This also applies to trust documents and records relating to terminated trusts, which must be kept in a secure location for a period of ten years from the date of termination in accordance with Art. 1059.

2. Entry in public registers

Art. 900

a) General

1) Any fiduciary relationship established for a period of more than twelve months must be registered in the commercial register within twelve months of its establishment, subject to the following provisions.
2) The application for entry in the commercial register must contain:
a) the description of the fiduciary relationship;
b) Date of establishment of the fiduciary relationship;
c) Duration of the fiduciary relationship;
d) Surname, first name, and place of residence or company name and registered office of the trustee.
3) Any change to a registered fact must also be reported for registration.

Art. 900 (from July 1, 2026)

a) General

1) Any fiduciary relationship established for a period of more than twelve months must be reported for entry in the commercial register within 30 days of its establishment, subject to the following provisions.
2) The application for entry in the commercial register must contain:

1. the description of the fiduciary relationship;
2. the date on which the fiduciary relationship was established;
3. the duration of the fiduciary relationship;
4. the surname, first name, date of birth, nationality, and place of residence or registered office or the company name and registered office of the trustee;
5. the surname, first name, date of birth, nationality, and place of residence or registered office or company name and registered office of the representative in the case of trusts pursuant to Art. 905 (1); and
6. a confirmation signed by the trustee regarding the appointment of at least one person entitled to receive information and one successor, except in the case of charitable trusts pursuant to Art. 898a para. 1.
3) Any change to a registered fact must also be reported for registration within 30 days.
4) The representative is also authorized to apply for registration in the commercial register.

Art. 901
b) Exceptions
If the subject matter of a trust is property that is entered in other public registers, such as the land register, patent register, and the like, and if the trust relationship is entered in these public registers, the additional entry of the trust relationship in the commercial register may be waived with the consent of the Office of Justice.
Art. 902
c) Deposit
There is no obligation to enter a trust relationship in the commercial register if a certified copy or certified transcript of the deed of trust is deposited with the Office of Justice within twelve months in accordance with the provisions on the deposit of deeds. In this case, a copy or certified copy of any document amending the deed of establishment must also be deposited with the Office of Justice.
1) There is no obligation to enter a fiduciary relationship in the commercial register if a certified copy or certified transcript of the fiduciary deed is deposited with the Office of Justice within 30 days of the establishment of the fiduciary relationship in accordance with the provisions on the deposit of documents. In this case, a copy or certified copy of any document amending the trust deed must also be filed with the Office of Justice within 30 days. The representative is also authorized to file a copy or certified copy of the trust deed or amendment deed.

2) If the person entitled to information and their successor are designated in an additional deed to the trust deed, the trustee must confirm the designation of at least one person entitled to information and one successor to the Office of Justice together with the initial filing of the trust deed in accordance with paragraph 1.

3) The filing of a copy or certified copy of the trust deed is excluded for charitable trusts pursuant to Art. 898a (1).

Section 902a

4. Notification of charitable trusts

1) Charitable trusts pursuant to Art. 898a para. 1 must be reported to the Foundation and Trust Supervisory Authority within 30 days of their establishment or of becoming aware of a change in their purpose or beneficiaries, with the indication that they are charitable trusts.

2) The duty to report pursuant to paragraph 1 applies to every co-trustee regardless of their power of representation. If one co-trustee fulfills this duty, it shall be deemed to have been fulfilled by all co-trustees.

Art. 903

5. Notification of appointment

1) If a trustee has been appointed not by a contract between living persons but by a trust deed or will, the appointment shall be notified to the trustee by the Office of Justice or by the probate authority, upon notification by interested parties or ex officio, unless the settlor has notified the trustee of the appointment and the latter has accepted it.

2) Within 14 days of receiving the notification, which may be extended if necessary, the designated trustee must notify the Office of Justice or the probate authority of their acceptance of the trusteeship, otherwise it will be assumed that they have declined the office.

3) A refusal shall also be assumed if the acceptance was conditional, limited in time, subject to a condition, or otherwise restricted, contrary to the trust deed.

4) In all other respects, the provisions on entry in the commercial register shall apply mutatis mutandis.

6. Judicial and public trustees as well as representatives or service to a domestic co-trustee

Art. 904

a) Judicial and public trustees

1) Except in the cases provided for by law, the district court shall appoint a judicial trustee in non-contentious proceedings if, according to a unilateral deed of establishment between living persons or a disposition of property upon death, a trust, such as an endowment, has been ordered, but a trustee is not named or otherwise identified in a recognizable manner, or if the

Refuses to accept the office, or if a trustee appointed in any other way ceases to be available for any reason and it is not clear from the trust deed how another trustee is to be appointed or what is to happen to the trust property.

2) The Office of Justice or the probate authority, as well as other judicial and administrative bodies, must notify the district court of such reasons for appointment.

3) The district court shall, as far as practicable after obtaining the opinions of the interested parties, appoint a judicial trustee, whereby the wishes of the settlor shall be taken into account first and foremost and, in the absence of such wishes, the interests of the trust property.

3) The district court shall, as far as practicable, after obtaining the opinion of the trustor and, if the trustor is deceased, incapacitated or unavailable, that of the person entitled to information, appoint a judicial trustee, whereby the wishes of the trustor, if any, and, in the absence of such wishes, the interests of the trust property shall be taken into account in the first instance.

4) As a rule, the Liechtenstein Landesbank shall be appointed as judicial trustee and, if it declines the office and no important reasons justify an exception, only Liechtenstein nationals who meet the personal requirements for appointment as representatives of legal entities shall be appointed.

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4) As a rule, only persons who have a license for comprehensive or limited activities pursuant to Art. 3 para. 1 lit. b or c of the Fiduciary Act may be appointed as judicial trustees.

5) The Liechtensteinische Landesbank is considered a public trustee and, in this capacity, is responsible for performing the duties prescribed by law, the authorities, or a trust deed.

5) A trustee appointed by the district court who fulfills the requirements under para. 4 and who, in this capacity, is assigned the tasks prescribed by law, the district court, or a trust deed is considered a public trustee.

Art. 905

b) Representative or service to a domestic co-trustee

1) If no persons resident in Switzerland or no legal entities domiciled in Switzerland have been appointed as trustees in a trusteeship, a representative must be appointed in accordance with Art. 239.

2) In the case of trusts where persons residing exclusively abroad or legal entities with their registered office abroad have been appointed as trustees, notifications and documents from domestic judicial and administrative authorities shall be deemed to have been effectively delivered if they are delivered to a co-trustee residing or established in Switzerland, regardless of his or her power of representation.

II. Termination

Art. 906

1. General

1) The fiduciary relationship shall terminate in accordance with the provisions of the trust deed and also if the trust property is lost and no replacement is provided.

2) A trust relationship may be dissolved by the regional court in non-contentious proceedings under the same conditions as the dissolution of a foundation by the regional court.

3) Unless the trust deed stipulates otherwise, upon termination of the fiduciary relationship, the trustee or his legal successor shall render account and provide information about the trust property in the same manner as during its existence.

3) Upon termination of the trust relationship, the trustee or his legal successor shall render account and provide information about the trust property in the same manner as during the existence of the trust.

4) Unless otherwise specified in the trust deed or in the above provisions, the trust property shall be returned to the settlor or his legal successors and, in their absence, to the entitled beneficiary and, if there is no such beneficiary, to a foundation with as similar a purpose as possible.

5) The trustee or his legal successors shall be obliged to take the necessary dispositions and administrative actions for the surrender.

6) If the termination of the trust relationship would jeopardize the interests of the trust property, the trustee, his heir, his representative, or other universal successor in the case of companies or associations shall be obliged to continue the trust business until the trustor, his heir or representative, or, following notification, the district court has ordered the necessary measures.

7) The termination of a charitable trusteeship pursuant to Art. 898a para. 1 must be reported to the foundation and trust supervisory authority within 30 days. The reporting obligation applies to each co-trustee regardless of their power of representation. If one co-trustee fulfills this obligation, it is deemed to have been fulfilled for all co-trustees.

Art. 907

2. Reasons for termination in the person of the settlor

1) The settlor may only withdraw from the trust agreement or revoke it if the agreement or the trust deed expressly reserves such withdrawal, or if revocation is permitted under the provisions governing foundations, testamentary dispositions, or inheritance contracts.

2) In all other cases, the trust transaction is irrevocable, subject to challenge by the settlor or third parties in accordance with the provisions on defects in the conclusion of contracts, inheritance law or the rules on contestability and, where applicable, gift law.

3) In the case of fiduciary relationships established by last will and testament or statute through a legal entity, withdrawal or revocation is also subject to the special rules governing the legal relationship.
4) The death of the settlor or, in the case of companies, firms, associations, and the like, their dissolution, as well as incapacity to act and insolvency proceedings, shall not terminate the trust relationship unless otherwise provided for in the trust deed or by the circumstances.

3. Termination in the person of the trustee

Art. 908

a) Termination by the trustee

1) Unless otherwise specified in the trust deed, anyone who has assumed a trust is obliged to perform the trust business for at least one administrative year, provided that he remains capable of acting during this period.
2) Unless the trust deed provides otherwise, the trustee is entitled to terminate the trust at the end of each calendar year with three months' notice, unless important reasons justify a shorter notice period.

2) Unless otherwise specified in the trust deed, the trustee is authorized to terminate the trust at the end of each calendar year with three months' notice, unless there are important reasons justifying a shorter notice period. Unless otherwise specified in the trust deed, notice of termination shall be given to the settlor or, if the settlor is deceased, incapacitated, or unavailable, to the co-trustee, and in the absence of a co-trustee, to the person entitled to information.

3) In the absence of any other provision in the trust deed, or if there is no trustor, co-trustee, or beneficiary entitled to receive information, the termination shall be notified to the Office of Justice.

3) If the notice of termination cannot be sent to any person referred to in paragraph 2, the Office of Justice shall be informed of the termination. In the case of registered trusts pursuant to Art. 900, the trust deed and all documents amending the trust deed shall be submitted to the Office of Justice together with the notice of termination.

4) The latter shall notify the trustee succeeding under the trust deed thereof, and if no successor trustee is named, or if the office does not wish to or cannot assume office, the Office of Justice shall report this to the district court, which shall appoint a trustee as in all other cases in which a trust estate has been left without a trustee.

4) The person to whom the termination was notified in accordance with paragraph 2, or the Office of Justice, shall notify the successor trustee named in the trust deed thereof and, if no successor trustee is named or the office is unwilling or unable to assume the office, shall report

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the district court, which, as in all other cases in which a trust estate has been left without a trustee, shall appoint a trustee.

Art. 909

b) Death or termination, incapacity to act, and insolvency proceedings of the trustee

1) Insofar as the trust deed does not regulate the appointment of a replacement in the event of death, incapacity, or any other reason for termination (Art. 23 ff. TrHG) of the initially appointed trustee, each heir of a trustee and, in the event of incapacity, their representative is obliged to notify the district court thereof.

1) If the trust deed does not provide for the appointment of a replacement in the event of death or incapacity of the first trustee appointed, each heir of a trustee and, in the event of incapacity, their representative, as well as each co-trustee, is obliged to notify the regional court thereof.

2) If the trustee is a company, a firm, or a legal entity, the shareholders, representatives, or successors of the firm, or the organs of the legal entity or the insolvency administrator shall notify the district court of the termination upon its dissolution.

3) In addition, each beneficiary is entitled to notify the district court for the purpose of appointing another trustee.

3) In addition, any person entitled to information is entitled to notify the district court for the purpose of appointing another trustee.

4) The procedure for appointment is the same as in the case of resignation.

4) The procedure for appointment is the same as in the case of termination.

5) Unless otherwise specified in the trust deed, the trustee shall not be removed from the legal relationship if insolvency proceedings have been opened against his assets, unless the trust property appears to be at risk and the judge orders his removal; however, the judge may appoint a co-trustee at the request of the parties involved or the insolvency administrator.

5) In the absence of any other provision in the trust deed, the trustee shall not be removed from the legal relationship if insolvency proceedings have been opened in respect of his assets, unless the trust property appears to be at risk and the judge orders his removal; However, the judge may appoint a co-trustee at the request of the settlor or, if the settlor is deceased, incapacitated, or unavailable, at the request of the person entitled to information or the insolvency administrator.

C. Content and effect of the fiduciary relationship

Art. 910

I. General

1) The content of the trust deed, such as the contract, the letter of trust, the disposition of property upon death, and the statutes, is primarily decisive for the interpretation of the fiduciary relationship between the settlor, trustee, and beneficiary.

1) The content of the trust documents is primarily decisive for the interpretation of the trust relationship between the settlor, trustee, and beneficiary.

2) If the content of such a document contradicts the mandatory provisions or public policy of the country, it shall be interpreted in such a way that it complies with them, unless the law or the document provides otherwise.

2) If the content of the trust documents conflicts with the mandatory provisions or public policy of the country, it shall be interpreted in such a way that it complies with them, unless the law or the trust documents provide otherwise.

3) If the content and effect of the fiduciary relationship between the parties involved and third parties cannot be assessed on the basis of the fiduciary deed, the provisions contained in this title shall apply, whereby the fiduciary relationship registered in the land register shall be effective against all persons, while the fiduciary shall have the status of a person with a right in rem (right of administration in rem) in respect of other rights.

4) The provisions on the amendment of a foundation shall also apply mutatis mutandis to the amendment of a trusteeship by the regional court in non-contentious proceedings.

4) The provisions on the amendment of the organization and purpose of a foundation pursuant to Art. 552 §§ 31 to 35 (1) shall apply mutatis mutandis to the amendment of a trust by the trustee or other persons expressly designated in the trust documents as having the power to make amendments, as well as by the regional court in non-contentious proceedings; provided that the parties involved within the meaning of Art. 552 § 33 para. 3, § 34 (2) and § 35 (1) of the Trust Act are understood to mean the trustor, the trustee, the person entitled to information, and other persons expressly designated in the trust documents as having authority, and only these persons are entitled to file a petition and have standing as parties in proceedings before the regional court.

5) Unless otherwise specified in the operation of a commercially managed business or in the entry in the trust register, the provisions governing trust companies shall apply supplementarily.

6) The interpretation and application of all provisions relating to trusts and all other fiduciary arrangements shall be based on the principle of fairness.

II. The trust property

Art. 911

1. In general

1) Trust property (trust assets, trust funds, or sale) includes all assets designated as such by the trustor or by law, as well as all assets acquired through their management, regardless of whether they have been included in a list or inventory.

2) If items are included in a list or inventory, they are presumed to belong to the trust property.

3) Trust property also includes anything acquired on the basis of a right belonging to it as compensation for the destruction, damage, or deprivation of an item belonging to the trust property or otherwise acquired with funds from the trust property or through a legal transaction relating to it.
4) Unless otherwise provided by law or other trust arrangements, the provisions on joint ownership shall apply to trust property as special property, but excluding those relating to division, with the proviso that the trustees are entitled and obliged to act jointly and that, in the event of a trustee leaving or a new trustee joining, the rights and obligations shall automatically accrue to the respective trustees, unless special formal requirements have been established for the transfer and, apart from the obligation to appoint new trustees.
Art. 912
2. Individual trust assets
1) If real estate or rights entered in the land register are the subject of a fiduciary relationship, they shall be transferred to the name of the trustee, unless otherwise specified in the fiduciary deed and for the purpose of the fiduciary relationship with third parties, either with or without restriction of disposal as a preliminary note or by noting the fiduciary relationship in the land register.
2) If a company entered in the commercial register under a company name or an asset belonging to the trust property is entered in another public register, such as a patent register or similar, then, unless otherwise specified in the trust deed, the description of the undertaking or the object shall be transferred to the name of the trustee at the request of the parties involved.register, such as a patent register or similar, the transfer of the company or the object in the public registers shall be carried out at the request of the parties involved, with the express designation as trust property, unless otherwise stipulated in the trust deed.
3) If third parties have acquired property or rights belonging to the trust assets in the knowledge of their fiduciary nature from the trustee without the latter being authorized to dispose of them, the trustor, a co-trustee or a beneficiary, or finally a trustee appointed by the regional court, either individually or as a co-litigant with others, may assert a claim for surrender or enrichment in favor of the trust property.
3) If third parties have acquired property or rights belonging to the trust from the trustee with knowledge of their fiduciary status, without the trustee having the right of disposal, the trustor, a co-trustee, a person entitled to information, beneficiary, or a trustee appointed by the regional court, either individually or as a co-litigant with others, may assert a claim for restitution or enrichment in favor of the trust property.
4) The debtor shall only be required to accept that a claim belongs to the trust property once he has been informed of this fact.
5) In the event of the transfer of claims by the trustor or, in his place, by third parties to the trustee, the debtor may not, in the absence of other provisions

of the trust deed, but may assert all objections to which he is entitled or was entitled against the trustor.

Art. 913

3. Trust-secure investments

1) Unless otherwise specified in the trust deed, if the trustee is required to invest trust assets, he may invest them in the Liechtenstein Landesbankin securities issued by the latter, in bonds, in uncertificated claims for which domestic public authorities guarantee the interest rate, in loans from Liechtenstein public authorities, or in real estate liens in accordance with the encumbrance limit established for annuities.

2) The investment of trust assets through the purchase of real estate or the construction of homes or participation in enterprises is only permitted if the trust deed so stipulates or permits it, or if the judge permits it in non-contentious proceedings.

3) In exceptional cases, if there are important reasons and if the trust deed does not prohibit it, the investment of the assets or individual parts thereof may also be permitted by the district court in non-contentious proceedings in other securities or in other forms.

4) These restrictions do not apply to trusts whose assets belong to persons residing abroad or to associations or companies based abroad (domiciliary trusts).

4. Enforcement and insolvency proceedings

Art. 914

a) Creditors of the settlor and beneficiaries

1) The creditors of the settlor or his legal successors may only assert a claim against the trust property if and to the extent that the conditions for this are met in accordance with the rules on contestability or otherwise in accordance with the type of transfer, such as in the case of a gift or in accordance with inheritance law.

2) The beneficiary's creditors may only assert any claims against the trust property by way of enforcement or insolvency proceedings to the extent that the beneficiary himself has claims against the trust property and there is no provision regarding irrevocability as in the case of family foundations.

3) If the beneficiary is also the trustee, the above provisions shall apply mutatis mutandis.

Art. 915

b) Creditors of the trustee

1) In legal proceedings, in foreclosure and in insolvency proceedings against the trustee, the trust assets shall be regarded as third-party assets and the trustee's creditors shall therefore have no claim to them, unless they are claims for compensation and indemnification.

2) If the trust property consists of real estate, movable property, or other separable assets, it shall be separated out, insofar as this can be reasonably expected under the circumstances, and shall be transferred in the ordinary course of business, as in the event of the termination of a trustee, to the next trustee or to a trustee to be appointed by the court, whereby the relevant dispositions, such as entries in public registers, shall be initiated ex officio by the regional court.

3) If trust assets are mixed with the debtor's assets to such an extent that immediate official separation is not possible, the separation shall be carried out by the regional court as quickly as possible.

4) If separation is not possible during the enforcement or insolvency proceedings, the claim for restitution of the trust property shall take precedence over all other creditors, with several trustors or entitled beneficiaries having equal rank among themselves.

5) The trustor or his legal successor, the co-trustee or beneficiary may, unless otherwise specified in the trust deed, assert claims for separation or compensation, either individually or as joint litigants, against the trustee or the insolvency administrator, and they shall be permitted to inspect all of the debtor's business records and documents.

5) The trustor, a co-trustee, person entitled to information, beneficiary, or a trustee appointed by the district court may assert claims for separation or compensation against the trustee or the insolvency administrator, either individually or as joint litigants, unless the trust deed stipulates otherwise. They shall be permitted to inspect all of the debtor's business records and documents.

6) The trustee's creditors, for their part, may, within a period to be set by the court, contest the claims for separation or compensation, insofar as these are unjustified, in whole or in part, in particular by asserting that a mixed trusteeship exists and that their debtor is therefore entitled to a partial claim on the trust assets in respect of money, but not in respect of other assets.

Art. 916

c) Creditors of the trust property

1) The trustee shall be personally liable without limitation and jointly and severally with any co-trustees for debts incurred by him on behalf of the trust property, insofar as they are not covered by the trust property, However, unless the trust deed provides otherwise, this is subject to the right of recourse against the settlor and, if the conditions for contestation or unjust enrichment are met, against the beneficiary. However, the trustee's liability and right of recourse only exist to the extent that it cannot be proven that the third party did not rely on further liability.
2) Repealed
3) If the trustee participates in a company or association, the trustee's creditors may only make claims against the trustee to the extent permitted by the regulations governing the relevant enterprise.
4) Special insolvency proceedings may be conducted in respect of the trust assets in accordance with the provisions of the Insolvency Code, in which case the creditors of the trust property may assert their claims for loss against the trustee, unless such assertion is excluded in accordance with the preceding paragraphs.

III. Rights and obligations of the settlor

Art. 917

1. Rights

1) The trustor is entitled to place any part of his assets under the trusteeship of a trustee designated by him by means of a trust agreement, trust deed, will, or statute and, subject to the mandatory provisions of the law, to describe the terms of the trust relationship in more detail; in particular, he may make provisions whereby the trust property shall revert to him under certain conditions or after a certain period of time, or shall be transferred to his heirs.provisions of the law, to describe the terms of the trust relationship in more detail; in particular, he may make provisions whereby the trust property shall revert to him under certain conditions or after a certain period of time, or shall pass to his legal successors or to third parties such as foundations or institutions.
2) He is entitled to stipulate in the deed the conditions under which a trustee appointed by him may be dismissed and, if necessary, future trustees appointed.
3) Furthermore, he is entitled to stipulate the conditions under which a beneficiary under the trust deed shall cease to be a beneficiary and another beneficiary shall be appointed in his place, as well as to stipulate the conditions under which trust property shall pass to other beneficiaries as a result of the death or disqualification of beneficiaries or similar circumstances.
3a) In addition to the trustee and the person entitled to information, the trustor is also entitled to appoint other authorized persons, in particular to determine a beneficiary from the circle of beneficiaries

, to determine the time, amount, and conditions of a distribution, to manage the assets, to advise and support the trustee, to monitor the proper administration of the trust, to reserve the right to give consent or issue instructions, and to protect the interests of the parties involved in the trust.

4) If the relevant disposition establishes an entail, they may not contradict its mandatory provisions in this regard.

Art. 918

2. Obligations and other status

1) The trustor may not otherwise establish any provisions that bind the trustee to ongoing instructions from the trustor.

2) If such provisions are established, this constitutes a normal mandate within the meaning of the Swiss Code of Obligations, unless the circumstances indicate a different legal relationship, such as a contract of service.

3) By accepting the trust agreement or the office on the basis of another trust deed, the settlor is bound by the provisions laid down by the trustee.

4) However, the trustee shall not be liable to the trustor for actions taken on his behalf but in violation of the trust provisions.

5) In proceedings concerning the trust property, the trustor cannot be heard as a witness, but only as a party, and the defense of res judicata applies for and against him and his legal successors.

IV. Fiduciary power and fiduciary duty of the trustee (Salmannes)

1. Power of trust

Art. 919

a) In general

1) After conclusion of the contract, the trustee may, unless otherwise specified in the trust deed, demand performance of the contract from the trustor.

2) Unless otherwise specified in the trust deed or arising from the particular circumstances, the trustee may, after accepting the office, demand performance of the trust transaction from the trustor or other obligated third parties such as heirs or the like.

3) Subject to his obligations under the trust deed, the trustee is entitled to dispose of the trust property in the same way as an independent holder of rights and obligations, such as an owner, creditor, member or organ of a legal entity or company or the like, and to act on behalf of the trust property before all authorities and in all proceedings in his own name as a party, participant, intervener, intervening party, and the like, to administer and exercise the rights pertaining to him

administers and exercises the rights belonging to him against all third parties in accordance with the trust deed and, if necessary, liquidates and reinvests them, unless the purpose of the trust provides otherwise.

4) Unless otherwise specified in the trust deed, the trustee may advance to the beneficiary an appropriate portion of the assets that will later accrue to the latter.

5) Insofar as the personal fulfillment of fiduciary duties is not required, the trustee may have all administrative acts performed by third parties.

6) If the trustee is in doubt as to the permissibility or appropriateness of an administrative act or a disposition of the trust property or as to an unusual transaction at the expense of the trust property, or if one of the co-trustees refuses to cooperate, he shall, to the extent necessary, apply to the regional court for binding information in non-contentious proceedings, and the court may call upon suitable persons to assist in determining the law.

6) The trustee shall, where necessary, apply to the regional court for binding instructions in non-contentious proceedings, setting out the facts and circumstances, if:

1. he has reasonable doubts about:

a) the permissibility of performing or refraining from performing a specific action to be taken at present, or a disposition of the trust property or an unusual transaction at its expense; or

b) the interpretation of the trust documents, such as the allocation of capital and income or the like; or

2. a co-trustee refuses to participate in a specific action to be taken at present, a disposition of the trust property, or an unusual transaction to the detriment of the trust property.

6a) In urgent cases or for important reasons, the right under paragraph 6 may be exercised by any trustee, even if the trust documents stipulate otherwise.

6b) In the cases referred to in paragraph 6, the regional court may consult suitable persons in order to determine the law.

6c) If a binding instruction pursuant to paragraph 6 is followed, no claim for liability may be asserted against the trustee.

7) In accordance with the provisions governing the administration of companies with legal personality, the trustee shall be entitled to reimbursement for his activities in accordance with the last two paragraphs of the following article.

b) Compensation, trustee's remuneration, etc.

Art. 920

aa) Claims

1) The trustee shall be entitled to reimbursement of all necessary expenses incurred, to reimbursement of disbursements made in the interest of the trust property, to compensation for damage incurred by him from the trust property

, for the discharge of liabilities incurred or otherwise arising in the interest of the trust property, and for reasonable compensation (trust remuneration) for his efforts, unless otherwise provided for in the trust deed or in the other legal relationship between the parties involved.

2) From the date of the expenses or expenditures, the trustee may demand reimbursement of interest at the rate customary in the country (interest on expenditures).

3) Unless otherwise specified in the trust deed or unless otherwise stipulated by the legal relationship between the trustee and the settlor, claims shall be directed primarily against the settlor and then against the beneficiary who is entitled to the trust property or its proceeds.

4) Instead, the claims may be directed directly against the trust property under the designation assigned to it in accordance with the trust deed, or against the trust property and the persons liable under the preceding paragraph as co-defendants.

Art. 921

bb) Assertion

1) Without prejudice to any subsequent assertion in litigation, the trustee may have the compensation for his efforts determined by the district court in non-contentious proceedings after hearing the parties involved.

1) Without prejudice to any subsequent assertion in litigation proceedings, the trustee may have the compensation for his efforts determined by the regional court in non-contentious proceedings after hearing the trustor and, if the latter is deceased, unable to be reached or unavailable, the person entitled to information.

2) He may satisfy his claims against the beneficiary from the trust property and, in addition, assert a right of set-off against the trustor or the beneficiary and a right of retention in respect of the objects belonging to the trust property.

2. Fiduciary duties

Art. 922

a) General

1) The trustee is obliged to faithfully comply with the provisions of the trust deed and the provisions set out herein that do not conflict with it, to hold and manage the trust property with the care of a prudent businessman and, where customary or appropriate, to insure the assets against risks.

2) He may not dispose of the trust property in any way that could impair or frustrate the specific purpose of the trust.

3) Co-trustees (Konsalmannen) must act jointly (collectively) unless otherwise specified in the trust deed or if urgent measures are not required.
4) Trustees who conduct deposit transactions on a commercial basis, such as banks, are obliged to keep the trust property strictly separate from their other assets, unless otherwise specified in the trust agreement (trust deposits).
5) Anyone who deals with fiduciary transactions on a commercial basis must keep a special register for this purpose.

Art. 923 (from July 1, 2026)

b) Accounting, filing of accounts, and provision of information

1) Fiduciaries who conduct business in a commercial manner are subject to the general accounting regulations. In all other cases, the trustee must keep records of the management and use of the trust property in accordance with the principles of proper accounting and in a manner appropriate to the financial circumstances of the trust, and must retain supporting documents from which the course of business and the development of the trust property can be traced. Furthermore, the trustee must keep an inventory of assets showing the status and investment of the trust property and correct it at least once a year. Art. 1059 applies mutatis mutandis.

2) The trustee shall ensure that the business books and business documents or the records and supporting documents as well as the inventory of assets pursuant to paragraph 1 are available in the country within a reasonable period of time. This also applies to the books and business papers or the records and receipts, as well as the list of assets of terminated trusts, which must be kept in a secure place for a period of ten years from termination in accordance with Art. 1059.

3) If the object of the fiduciary trust is a company that is subject to the provisions of Title 20 on accounting (Art. 1045 ff.), the trustee is obliged to comply with them.

4) The trustee is obliged to render accounts annually to the person entitled to information and to provide information on the status of the trusteeship at any time in accordance with Art. 928d para. 2.

5) If the person entitled to information is a company or an association, the rendering of accounts and provision of information pursuant to para. 4 must be made to the representative shareholders or organs of the association.

6) If the person entitled to information is a minor or if a guardian has been appointed for them, or if the rendering of accounts or provision of information pursuant to paragraph 4 proves impossible for any other reason, in particular due to unsuitable or missing provisions in the trust documents for determining a person entitled to information or a successor, the trustee must notify the regional court of this deficiency within 14 days of becoming aware of it. The notification obligation applies to each co-trustee regardless of their power of representation. If one co-trustee fulfills this obligation, it shall be deemed to have been fulfilled by all co-trustees.

7) Until an information officer has been duly appointed, any decisions by the trustee regarding the capital or the intended termination of the trusteeship require the prior approval of the district court in non-contentious proceedings. The district court may consult suitable persons in order to reach a decision.

c) Responsibility

Art. 924

aa) Breach of trust, etc.

1) If the trustee violates the provisions set forth in the trust deed or other relevant provisions of this title (breach of trust), he shall be personally liable to the settlor and, if there is no longer a settlor, to the beneficiary in accordance with the principles of contract law and with his entire assets, but a third party acting in bad faith shall be liable for compensation for damages in accordance with the provisions established for tortious acts, but only to the settlor and the beneficiary insofar as they themselves did not give cause for the breach.

1) If the trustee violates the provisions set forth in the trust documents or other relevant provisions of this title (breach of trust), he shall be liable to the trustor and, if the trustor is deceased, incapacitated, or unavailable, to the person entitled to information, beneficiary or a trustee appointed by the regional court in accordance with the principles of contract law, personally and with his entire assets, but the third party acting in bad faith shall be liable for compensation for damages in accordance with the provisions established for tortious acts, but only to the extent that the settlor and the beneficiary have not themselves given cause for the breach.

2) Co-trustees shall be liable for breach of trust, subject to their right of recourse against the guilty party, unless otherwise specified in the trust deed, without limitation and jointly and severally, unless they can prove that they exercised the diligence of a prudent businessman in supervising the co-trustee.

3) The trustee shall also be liable, subject to the right of recourse or unless the circumstances of the individual trust dictate otherwise, for the acts and omissions of a third party to whom he has entrusted the handling of trust business or whom he has otherwise employed in this connection, such as authorized signatories, commercial agents, and the like.

Art. 925

bb) In transactions for own benefit

1) Unless otherwise specified in the trust deed and with the exception of claims for compensation and indemnification, the trustee is not entitled to derive any benefits from the trust relationship.

2) Unless otherwise provided for in the trust deed, the trustee is therefore only entitled to use the trust property for his own account, for example to rent or lease trust property for himself, to use funds from the trust property for his own business purposes, to make advances to himself, to take over assets of the trust property for his own account, or to transfer them to close relatives or friends, insofar as these are legal transactions.

business purposes, making advances to himself, taking over assets of the trust for his own account or transferring them to close relatives or friends, only to the extent that these are legal transactions that do not go beyond the scope of ordinary administration.

3) Any other transaction, unless it can be rescinded, shall render the trustee liable for damages to the trustor or the beneficiary, subject to claims against the third party acting in bad faith.

3) Any other transaction, insofar as it cannot be rescinded, shall render the trustee liable for damages to the trustor, persons entitled to information, and beneficiaries, subject to claims against third parties acting in bad faith.

4) Where it transpires that the trustee has mixed funds from the trust property with his own funds, he shall be obliged to pay interest on these funds at one and a half times the customary interest rate in the country on an annual basis and, if he has used these funds to conduct profitable transactions, he shall be obliged to account for these transactions and provide information about them and to pay out the full share of the profits accruing to the trust property; where the amount of the profit (interference acquisition) cannot be determined, the trustee shall be obliged to pay out the full share of the profits accruing to the trust property.and to disclose information about them and to surrender the entire share of the profits attributable to the trust property; where the amount of the profit (interference acquisition) cannot be determined, the trustee is obliged to pay higher interest on such funds depending on the circumstances (remuneration interest).

5) Unless otherwise specified in the trust deed, the above claims may be asserted by the settlor and, if the settlor is deceased or otherwise unable to do so, by the beneficiary, and if the beneficiary fails to do so, by a trustee appointed by the district court in non-contentious proceedings for the benefit of the trust property.

5) Unless otherwise specified in the trust deed, the above claims may be asserted by the settlor and, if the settlor is deceased, incapacitated, or unavailable, by the person entitled to information or the beneficiary, and, if such person does not do so, by a trustee appointed by the district court in non-contentious proceedings for the benefit of the trust property.

Art. 926

3. Reference, etc.

1) The provisions governing agency shall apply mutatis mutandis to the legal relationship between the trustor and the trustee, unless the provisions of this title or the specific purpose of the trust relationship provide otherwise or the provisions of another legal relationship, such as a publishing contract, service contract, partnership agreement, consignment agreement, and the like, are to be applied in addition.

2) The provisions governing changes to the organization and purpose of family foundations shall apply mutatis mutandis to trusts (deleted as of July 1, 2026).

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3) Insofar as the trustee simultaneously provides a guarantee for the fulfillment of his fiduciary duties (guarantee), the provisions on guarantees shall also apply to this.

4) There shall be no statute of limitations or acquisitive prescription in favor of the trustee with regard to the trust property during the existence of the trust.

V. Position of the beneficiary

Art. 927

1. In general

1) The beneficiary (trust beneficiary, beneficiary) is entitled to demand the execution of the trust provisions, unless otherwise specified in the trust deed or unless such execution is subject to the discretionary power of the trustee vis-à-vis individual or all beneficiaries. (expires on July 1, 2026)

2) Any beneficiary who considers that their rights or interests have been impaired by a disposition or administrative act of the trustee may, in the absence of any other provision in the trust deed, request the district court to issue the necessary orders to remedy the defect in non-contentious proceedings. (expires on July 1, 2026)

3) If the appeal to the regional court is unjustified, the beneficiary shall be liable to the trustee for costs and damages in accordance with the provisions on tortious acts. (expires on July 1, 2026)

4) Whether and to what extent someone is a beneficiary shall be determined in court proceedings, unless the question is to be decided as a preliminary or interim issue in other proceedings.

5) Unknown beneficiaries may be summoned by the judge in summary proceedings to assert their claims, as is the case with institutions.

6) The beneficiaries of a fiduciary relationship (trust, fiduciary, trust) may also include the settlor, but not exclusively the trustee himself, as is the case, for example, with conditions in favor of the testator after his death.

7) In the case of charitable or similar trusts where there are no eligible beneficiaries and the trust agreement does not provide otherwise, the claims granted to the beneficiaries in other trusts may be exercised by the representative of public law at the expense of the trust property, or, in the event of fault, at the expense of the guilty party, upon request or ex officio.

7) A beneficiary may request the trustee to disclose the identity of the person entitled to information in order to assert the claim for confirmation or information pursuant to Art. 928d para. 6, provided that the beneficiary does not know the identity of the person entitled to information. The claims must be asserted by the beneficiary in non-contentious proceedings.

Art. 928

2. Trust certificate

1) The trust deed may stipulate that trust certificates are to be issued to the beneficiaries as securities for the trust property.
2) Unless otherwise specified in the trust deed or by the nature of the trust relationship, such as in the case of trust certificates relating to membership rights, the certificates grant the beneficiary a creditor's right to enjoy the trust property, such as a share in the income, the liquidation proceeds, and the like.
3) The trust certificates must be registered, are transferable in the same way as registered shares, and must be recorded by the trustee in the same way as in the share register.
4) The trust certificate shall list the trustee and the individual entitlements, with reference to the trust deed and the law.
5) The community of creditors in the case of bond obligations shall apply to the rights of the beneficiaries of trust certificates, with the proviso that a simple majority of all certificates shall suffice for the beneficiaries to pass resolutions, unless otherwise specified in the text of the certificates at the time of issue.
6) The special provisions on trust certificates, such as those for associations and companies, to which the above provisions apply, remain reserved.
apply to .

VI. Person entitled to information Art. 928a (from July 1, 2026)

1. Appointment of a person entitled to information

1) In the case of private trusts pursuant to Art. 898a (2), the trustor must appoint at least one person entitled to information and a successor.
2) The following persons may be appointed as persons entitled to information and their successors:
1. the trustor;
2. a beneficiary, except in the case of special purpose trusts;
3. another person designated by the trustor, in particular other authorized persons pursuant to Art. 917 para. 3a (other interested parties).
3) Natural persons, companies, or associations, as well as several natural persons, companies, or associations, may be designated as persons entitled to information and their successors in accordance with para. 2, either concurrently or in succession. Natural persons who hold the position of persons entitled to information must have the capacity to act in accordance with Art. 11.
4) If the power to appoint the person entitled to information or their successor is transferred to the trustee in accordance with the trust documents, the trustee may only apply for the appointment of an auditor as a court-appointed person entitled to information in accordance with Art. 928c.

5) A beneficiary only holds the position of the person entitled to information in his capacity as beneficiary if, at the time of exercising this position, he is entitled to the trust property or its income or is a discretionary beneficiary. In all other cases, a beneficiary is considered to be an other interested party.

6) In the case of charitable trusts pursuant to Art. 898a para. 1, the foundation and trust supervisory authority is entitled by law to receive information. This does not preclude the designation of other persons entitled to receive information pursuant to para. 2. Art. 928d does not apply to the foundation and trust supervisory authority as a person entitled to receive information.

7) If another party involved, or only one or more but not all beneficiaries, are entitled to receive information, they must be independent of the trustee. The reasons for any lack of independence must be disclosed to the trustee. In particular, the following persons are excluded from receiving information:

1. is in an employment relationship with the trustee; or

2. has close family ties to the trustee.

8) If other parties involved hold the position of information recipient, they must, in addition to the independence requirement under para. 7, have sufficient expertise in the field of law or economics to be able to perform the tasks assigned to them as information recipients under this title. In addition to the independence requirement under para. 7, an auditor must have the qualifications specified in Art. 191a para. 1.

9) The requirements of independence under paragraph 7 and expertise under paragraph 8 may be expressly regulated otherwise in the trust documents, provided that an auditor does not hold the position of the person entitled to information.

Art. 928b

2. Appointment of an information recipient by the trustee

1) The trustee must appoint the persons entitled to information specified in the trust documents immediately after they assume this position, in compliance with the provisions of Art. 928a.

2) The obligation to appoint an information representative pursuant to paragraph 1 shall not apply:

1. in the case of a judicial appointment of the person entitled to information pursuant to Art. 928c;

2. for charitable trusts pursuant to Art. 898a (1) with regard to the foundation and trust supervisory authority as the information recipient.

3) The trustee must inform the persons entitled to information in writing within 30 days of their appointment about:

1. their status as persons entitled to information; and

2. their rights and obligations under Art. 928d.

4) The duty to provide information under para. 3 applies to each co-trustee regardless of their power of representation. If one co-trustee fulfills this duty, it is deemed to have been fulfilled for all co-trustees.

Section 928c
3. Court appointment and dismissal of a person entitled to information
1) Taking into account the duty of notification under Art. 923 para. 6, the trustee must apply to the regional court in non-contentious proceedings for the appointment of an auditor as a court-appointed person entitled to information in accordance with Art. 928a paras. 7 and 8 if:
1. the trust documents do not contain provisions for the appointment of a person entitled to information or a successor;
2. the provisions set out in the trust documents for the appointment of an information recipient or a successor do not lead to the proper appointment of an information recipient in accordance with Art. 928b para. 1; or
3. the filing of accounts pursuant to Art. 923 para. 4 or the provision of information pursuant to Art. 928d para. 2 proves impracticable for any other reason.
2) The appointment of an auditor as a court-appointed information officer must be requested within three months of becoming aware of a defect pursuant to paragraph 1.
3) When submitting an application pursuant to paragraph 1, the trustee may submit two proposals for an information officer to the regional court, including his preference. If an auditor is already named in the trust documents, its appointment as information officer shall be requested as a matter of preference.
4) Upon becoming aware of a defect pursuant to paragraph 1, the district court may appoint an auditor as the person entitled to information ex officio and after hearing the parties involved pursuant to Art. 929 para. 3.
5) The duration of the activities of an information officer appointed in accordance with paragraph 1 or 4 shall be determined by the regional court in accordance with Art. 193 (1).
6) The trustee may apply to the district court for the dismissal of the persons entitled to information appointed in accordance with paragraph 1 or 4 if the person entitled to information specified in the trust documents:
1. is now able to exercise his position as an information beneficiary; and
2. has been duly appointed in accordance with the provisions of the trust documents pursuant to Section 928b (1); proof of the appointment must be provided to the regional court.
7) A person entitled to information appointed in accordance with paragraph 1 or 4 must notify the trustee and the regional court 30 days in advance of the termination of their activities or the end of the period of activity determined by the court. After hearing the parties involved pursuant to Art. 929 (3) and in accordance with paragraphs 1, 3, and 5, the regional court shall appoint a successor as the person entitled to information.
Art. 928d
4. Rights and obligations of the person entitled to information
1) The rights and obligations associated with the position of the person entitled to information in accordance with the relevant provisions of this title shall be vested in the person who

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holds the position of the person entitled to information. If there are several persons entitled to information, these rights and obligations shall be vested in each of them individually.

2) In order to ensure the proper management and use of the trust property, the person entitled to information has a comprehensive right to information and disclosure vis-à-vis the trustee. To this end, the person entitled to information is authorized to inspect the trust documents and resolutions, all business books and papers or records and receipts, as well as the list of assets, and to make copies thereof, and to examine and investigate all facts and circumstances, in particular the accounting, either personally or through a representative. However, this right may not be exercised with unfair intent, in an abusive manner, or in a manner that conflicts with the interests of the trusteeship or the beneficiaries.

3) The person entitled to information is obliged to check once a year whether the trust property is being managed and used in accordance with the trust documents. He must submit a report on the results of this check to the trustee. If there is no cause for complaint, a confirmation that the trust property has been managed and used in accordance with the trust documents is sufficient. If this is not the case, or if the person entitled to information discovers facts in the course of performing their duties that jeopardize the existence of the trust property or concern conduct by the trustee that is in breach of their duties, they must, subject to paragraph 4, inform the regional court and, if necessary, the foundation and trust supervisory authority. The regional court and the foundation and trust supervisory authority shall proceed as necessary in accordance with Art. 929 (1) and (3).

4) The obligation to report to the regional court and, if necessary, to the foundation and trust supervisory authority pursuant to paragraph 3 shall not apply if the trustee has been notified of a minor breach of duty by the person entitled to information and the trustee restores the lawful situation within a reasonable period of time. Once the lawful situation has been restored, the person entitled to information shall issue a confirmation pursuant to paragraph 3, sentence 3.

5) If the settlor or all beneficiaries are entitled to information, they are not subject to the audit requirement under paragraph 3.

6) A beneficiary who does not hold the position of the person entitled to information may request the person entitled to information, with the exception of those referred to in paragraph 5, to provide confirmation in accordance with paragraph 3. If, in the course of their annual audit, the person entitled to information has discovered facts relating to the management and use of the trust property or the endangerment of the trust property in contravention of the trust documents, or to conduct by the trustee in breach of their duties, the person entitled to information may inform a beneficiary who does not hold the position of the person entitled to information exclusively as to whether a notification has been made to the district court and, if applicable, to the foundation and trust supervisory authority pursuant to paragraph 3.

7) The person entitled to information is entitled to reasonable compensation for their activities and to reimbursement of all necessary expenses, unless the trust documents expressly provide otherwise. If an auditor *holds the position of the person entitled to information, these claims can neither be excluded nor regulated differently.*

8) The claims under para. 7 are primarily directed against the trust property and then against the beneficiary who is entitled to the trust property or its income. Notwithstanding this, the trust documents may provide that the claims may be asserted directly against the settlor.

9) The right to information and disclosure under paragraph 2 and the claims for compensation and reimbursement of expenses under paragraph 7 must be asserted by the person entitled to information in non-contentious proceedings.

D. Supervision and other measures, and cooperation between domestic authorities

Art. 929 (version as of July 1, 2026)

I. Supervision and other measures

1) Non-profit trusts pursuant to Art. 898a para. 1 are subject to supervision by the foundation and trust supervisory authority. It performs its duties in accordance with Art. 552 § 29 para. 3, unless otherwise specified in the provisions of this title.

2) For trusts subject to supervision by the Foundation and Trust Supervisory Authority, an auditor shall be appointed in accordance with Art. 552 § 27 paras. 1 to 3 and 5. The auditor shall perform its function in accordance with Art. 552 § 27 para. 4.

3) If a trustee or other authorized representative fails to fulfill their duties, or if the trust property is managed and used in a manner contrary to the trust documents, the regional court may, at the request of the settlor, a trustee or a person entitled to information, or ex officio and after hearing the aforementioned parties, but without further ado in non-contentious proceedings if there are important reasons inherent in the trust relationship, issue the orders available to it, such as in particular:

1. a warning;

2. an official audit pursuant to paragraph 7;

3. the appointment of an official trust supervisory authority pursuant to Art. 932a §§ 154 ff.;

4. the revocation of resolutions;

5. the dismissal of the trustee or other authorized persons.

4) The trustor, trustee, and persons entitled to information shall have party status in the supervisory proceedings.

5) In the cases referred to in paragraph 3, the regional court may also examine ex officio whether supervisory proceedings should be initiated on the basis of a report by a party not named therein. These parties do not have party status in the supervisory proceedings.

6) Claims for damages by the trustor, persons entitled to information, beneficiaries, or any trustee appointed by the regional court against the trustee, as well as such

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the trustee and his claim against the trustor, persons entitled to information, beneficiaries or any trustee appointed by the regional court for breach of personal circumstances remain reserved.

7) The ordering of an official audit by the regional court pursuant to paragraph 3, item 2, shall be carried out in accordance with Art. 932a § 161 (3) and (4) and §§ 162 to 164, with the proviso that, in deviation from Art. 932a § 163 (2) and (3), shall only be delivered to the regional court, the person entitled to information, and the trustee, and the beneficiary shall have no further rights of inspection or review, unless otherwise specified in the trust deed.

E. International law and trusts under foreign law

Art. 930

I. International law

1) The law of the country specified in the trust deed shall apply to the trust relationship. If no express choice of law is apparent, the trust relationship shall be governed by the law of the country in which the trustee or the majority of trustees have their habitual residence or registered office and, subsidiarily, by the law of the country in which the fiduciary functions are actually exercised.

2) Trusts not subject to domestic law cannot claim a better legal position in the country than that accorded to domestic trusts.

Art. 931

II. Trusts under foreign law

Trusts under foreign law may be established in the country subject to the following conditions:

1. that, where necessary in individual cases, the trust provisions of foreign law, which are to be included in detail in the trust deed, shall apply to the relationship between the trustor, trustee, and beneficiary, and that the provisions of domestic law shall apply to the relationship of the trusteeship vis-à-vis third parties,
2. that disputes between the trustor, trustee, and beneficiary shall be decided by a mandatory arbitration tribunal.

Art. 932

F. Commercial trustee

The statutory provisions on the professional exercise of fiduciary activities remain reserved.

Section 2

Section 2

The trust company (commercial trust)

Art. 932a

A trust company (commercial trust) may be established and operated in accordance with the following provisions:

A. In general

I. Special trust companies

1. Definition

§ 1

a) Trust companies with and without legal personality

1) A trust company as a true business trust under the law is a company that is managed or operated on the basis of the trust deed by one or more trustees (as fiduciary owners) under their own name or company namecontinued to be operated on a trust basis, legally independent, organized, serving economic or other purposes, and endowed with its own assets, without legal personality, for whose liabilities there is liability under this law ("trust companies without legal personality") and which has neither a public law character nor any other legal form under private law.

2) If, in accordance with the preceding paragraph, a company is expressly established as a trust company with legal personality in the trust deed (deed of incorporation) drawn up in accordance with the provisions of this Act, the provisions on actual business trusts, in particular those on liability for liabilities, shall apply mutatis mutandis to this quasi-trust company ("trust company with legal personality").

§ 2

b) With segments, trust funds, or similar

1) Several trust companies in accordance with this Act with the same or different participants may be combined in one and the same trust deed in such a way that each individual trust forms a segment, provided that it is a trust company with legal personality within the meaning of § 1 (2) and the following provisions of this Act (on trust companies), in particular those relating to liability, registration or notification to the Office of Justice and, in addition, Art. 243 ff. apply accordingly to the individual segments ("trust companies with segments").

2) In addition, a trust company may act as trustee for other trusts operated under a special name or company name without the aforementioned types of structure in accordance with the provisions on trusts in

in general as a trustee, provided that the trust assets transferred to the trust company or one of its segments are solely liable for liabilities arising from legal transactions of this trust and that the trust company also acts in legal transactions for these trusts, which are to be listed under its name or company name.

3) In the absence of any other provision in the trust deed, the establishment of a "trust company without legal personality" and without segments, hereinafter referred to as a trust company, shall be irrefutably presumed.

§ 3

2. Purpose or object

1) A trust company may be established for any specific, reasonable, and possible purpose that is not unlawful, immoral, or dangerous to the state, in particular for the investment of assets, distribution of income, consolidation of companies through the transfer of shares to a trust or for acquisition, for family welfare, charitable, benevolent, other personal, impersonal, or similar purposes.

2) A fiduciary company managed in accordance with commercial principles may only be operated as a fiduciary company with the exclusion or limitation of the liability of the parties involved unless another form of company subject to registration is chosen in accordance with the provisions on trusts in general or this Act, or an exclusion or limitation of liability is agreed with the third party in each case.

3) Fiduciary companies for the purpose of family welfare or charitable or benevolent activities may, in particular, also establish homes of any kind for beneficiaries.

4) If a trusteeship is established for a purpose other than the operation of a commercially run business (company), such as for the purpose of satisfying creditors without commercial operation, any special provisions and the provisions on trusteeships in general shall also remain reserved.

§ 4

II. Other fiduciary enterprises

Repealed

§ 5

III. Reference, etc.

1) The general provisions on legal entities, in particular those on legal personality, shall apply mutatis mutandis to fiduciary companies with and without legal personality, insofar as no deviations arise from the

absence of membership, the nature of the trust company, and the law.

2) The provisions governing companies with legal personality that engage in trade, manufacturing, or other commercial activities shall apply mutatis mutandis to trust companies with commercial operations in accordance with the preceding paragraph.

3) The right and obligation to report facts and circumstances to the commercial register as a trust register, as well as the entry and publication thereof, shall be governed by the provisions established for institutions.

4) Insofar as no deviations arise from the provisions of the law, the other provisions on trusts shall apply in general, with the proviso that the Office of Justice shall act in administrative proceedings instead of the district court in non-contentious proceedings.

4) Insofar as no deviations arise from the provisions of the law, the remaining provisions on trusteeships in general, with the exception of those relating to the person entitled to information, shall apply with the proviso that the Office of Justice shall act in administrative proceedings instead of the district court in non-contentious proceedings.

5) Insofar as the Office of Justice is competent and the provisions on the commercial register are not to be applied, those on administrative proceedings shall apply in addition, with the proviso that decisions may be appealed to the district court and the higher courts.

6) In official proceedings, a trust company may be designated as a party in the same way as a legal entity represented by its administration, or in such a way that the managing trustees are listed as such with their surname, first name, and place of residence or with their company name and registered office and in their capacity as trustees of the company.

§ 6

IV. Relationship between law and trust order

1) Provisions of the law whose application is mandatory by law or otherwise take precedence over any deviating trust arrangement, unless exceptions are permitted for trust companies under foreign law or approved foreign trust companies or otherwise.

2) Other statutory provisions shall only apply in the absence of a deviating provision in the trust agreement.

3) By entering the trust in the trust register, the intended legal form for a trust company is obtained, subject to compensation for damages or other legal consequences against the parties involved, even if the requirements for this were not met.

4) Furthermore, the invalidity of a provision that contradicts the mandatory provisions of the law is only remedied by registration to the extent provided for by law.

5) Unless otherwise specified by law, the term "trust arrangement" refers to the trust deed, trust statutes, regulations, supplementary statutes, or similar documents, and the term "trust statutes" also refers to the declaration of trust or trust management document for a trust company.

B. Creation

I. Trust register

§ 7

1. Registration

1) Every trust company shall only come into existence upon entry in the commercial register as a trust register.

2) Unless otherwise specified by law, the provisions on the formation of legal entities under general regulations shall apply mutatis mutandis to the formation of a trust company.

§ 8

2. Absence thereof

1) If actions are taken in the name of the trust company prior to its establishment, the persons acting shall, unless otherwise provided for in the provisions on trusts in general, be liable to bona fide third parties by operation of law, without limitation and jointly and severally, subject to the right of recourse of the persons acting against those who caused them to act in this capacity and to claims for enrichment against the trust company established later.

2) If someone has acquired assets for the purposes of a trust company prior to its establishment and it transpires that the trust company is invalid or does not come into being, that person shall, subject to their claims, shall nevertheless be treated as a tacit trustee with regard to the assets received, in particular with regard to accounting and the provision of information, in accordance with the provisions on trusts in general.

3) He is obliged to reimburse the trustors, including statutory interest or other corresponding remuneration, or, in accordance with the underlying legal relationship, those who made the assets available to the latter, or, unless otherwise provided by law, their legal successors, or to transfer them to the trust company established at a later date.

3. Trust deed

§ 9

a) Required content

1) The trust deed (declaration of trust) may be contained in the trust document itself, which is established in accordance with the provisions governing trusts in general, or in a document provided for or permitted by the trust document and executed in accordance with the trust document by the trustor and the trustee or a third party, or in a document specially drawn up and certified by one or the other.
2) The trust deed must specify:
1. Company name, registered office, duration, purpose of the trust company or the object of the company and the explicit designation as "trust company," "trust foundation," or "business trust," or a similar expression;
2. the trust fund, if applicable its procurement, whereby the individual assets, if necessary at an appropriate estimated value, must be listed in the statutes themselves or in one of the attached and certified signed lists with the assurance that the information is correct;
3. Number, manner of appointment of trustees, as well as information on how future trustees are to be appointed in the event of termination for any reason, unless the termination of the first trustees or individual trustees would result in the dissolution of the company, finally
4. the form of notification to third parties.
3) Unless otherwise specified in the above information, or unless it concerns sections 3 and 4, they shall be deemed to be essential in accordance with the provisions on the nullity procedure under the general provisions on legal entities.
4) Repealed
§ 10
b) Further information and implementing provisions
1) The trust deed itself may also contain further information in accordance with this law, such as with regard to other trusts or segments, the organization, in particular the appointment of a supervisory or auditing body, more detailed regulations on beneficiaries or similar, or further regulations may be reserved for a set of rules (bylaws) provided for therein.
2) Implementing provisions contained in the trust deed or in the regulations or similar documents which have been drawn up without the consent of the settlor may not contradict the trust deed or the regulations drawn up by the latter; otherwise the conflicting provisions shall be invalid, subject to the claims of bona fide third parties, unless the Office of Justice permits exceptions for important reasons.
4. Establishment in the event of the settlor's demise

a) In general

§ 11

aa) After the death of the settlor

1) If a disposition of property upon death provides for the establishment of a trust, specifying the purpose and amount of the trust fund but without other necessary details, or if the settlor dies after the trust deed has been drawn up but before the trust deed has been drawn up, and no one else, such as the executor or administrator of the estate, is obliged to draw up and execute the trust deed, then, subject to the rights of the heirs and creditors, the heirs, or, if applicable, the legatees, executor or administrator of the estate, or, upon request by other legally interested parties or, in the case of charitable, benevolent, or similar purposes, the representative of public law, after hearing the legally interested parties, arrange for the establishment of a corresponding trust deed, the transfer of the assets to the company, the appointment of trustees, and, if necessary, the registration or notification at the expense of the estate., if necessary, registration or notification.

2) At the request of legally interested parties, the Office of Justice may, after hearing other interested parties, order the establishment of the trust company.

3) The establishment shall not take place if the trustor or his estate is overindebted or insolvent and he himself has not received a corresponding payment from others for the trust fund to be dedicated.

4) These provisions shall also apply mutatis mutandis if, after the creation of a trust deed ordering the establishment of a trust company, specifying its purpose and trust fund, the settlors or one of them die or become incapacitated before the execution of the trust deed, unless the surviving settlor or the heirs, executors, or similar parties withdraw from the trust in a permissible manner, provided that the trust is not a charitable, benevolent, or similar trust. executors of wills, or the like withdraw from the trust transaction in a permissible manner, provided that the trust company is not a non-profit, charitable, or similar enterprise.

§ 12

bb) Upon termination of companies or associations

Upon termination of a company or association, the liquidators or, if necessary, the Office of Justice shall be obliged, under the same conditions and with the same measures as in the case of a disposition of property upon death, to establish a trust at the expense of the liquidation estate if such a trust is to be established in accordance with the articles of association of the dissolved company or association, its statutes, or similar.

§ 13

cc) Legal authorization

1) If a trust exists in general, the trustees shall, after the death of the trustor or after the termination of the trustor company or association, without prejudice to their liability for liabilities to third parties incurred up to the conversion, by operation of law, for the purpose of excluding or limiting their liability, to convert this trust into a trust company with or without legal personality, in accordance with the trust deed, and to carry out all legal acts necessary for this purpose at their expense.
2) If, according to the trust deed, a trust company is to be established for members of a family or otherwise a trust company for the benefit of certain third parties and they waive the establishment of the trust company, whether with or without compensation, the establishment shall not take place unless otherwise specified.
3) In this case, the provisions governing the distribution of assets upon liquidation shall apply mutatis mutandis in the absence of any other provisions in the trust deed or in the appointment of beneficiaries.

§ 14

b) Establishment procedure

1) Before a trust company is established by the Office of Justice in administrative proceedings, those with a legal interest in the establishment, in particular those to whom the assets are to fall in the event that the trust company is not established, may be heard by the Office of Justice and have the right to appeal against the establishment and, if necessary, the right to contest it in court.
2) The provisions on the involvement of beneficiaries in consultations shall also apply to the involvement of parties with a legal interest in the establishment procedure provided for here.
3) If a decision to establish the trust or the trust deed is contested, the establishment shall be suspended until the decision permitting the establishment becomes final.

II. Registration, entry, and publication or notification

§ 15

1. Obligation, right, and content

1) Every trust company must be registered in the commercial register as a trust register by at least one trustee or one of the parties involved in its establishment. If the Office of Justice establishes the trust company itself, the entry in the commercial register shall be made ex officio.
2) The application for entry in the commercial register, the entry, and the announcement must contain:

1. Company name, registered office, duration, and purpose or object of the company;
2. the amount of the trust fund or an indication of its estimated value if it does not consist of money, with further brief information on its composition and, if it has not been paid in full, information on how the remaining payments are to be made;
3. the names, first names, occupations, and places of residence or company names and registered offices of the trustees who are to exercise the power of trust;
4. information on the form of notifications to third parties.

3) The application must be accompanied by a copy or certified copy of the trust deed, or, if necessary, a certified extract from the trust deed, which must contain the information required for registration.

4) In the case of trust companies that do not operate a commercial business, notification of the registration within the meaning of Art. 956 para. 1 is sufficient. In all other respects, the provisions on notification in accordance with the general provisions for legal entities shall apply mutatis mutandis.

§ 16

2. Amendments and other information

1) Any change in the facts and circumstances subject to registration or notification must be reported by the managing trustees to the Office of Justice at a later date, if necessary enclosing the trust deed or a certified extract.

2) In the absence of managing trustees, the Office of Justice may proceed in accordance with the provisions governing the commercial register upon notification by interested parties or on its own initiative.

3) The government may, by means of a regulation, order the registration, entry, or publication or notification of further facts and circumstances or the deposit of documents relating to the establishment, amendment, or termination of the trust company.

C. Termination (dissolution and expiry)

§ 17

I. In general

1) In addition to the provisions of this Act, the relevant provisions of the general regulations governing associations and those governing trusts in general shall apply mutatis mutandis to termination.

2) Dissolution or termination shall take place in particular:

1. Upon the opening of bankruptcy proceedings, upon proceedings for dissolution on the grounds of illegality, immorality, or danger to the state, or

activities that endanger the state, and by annulment proceedings due to substantial defects in the trust deed in accordance with the rules established under this Act and the general provisions on legal entities;
2. unless otherwise specified in the trust deed, by the consent of all trustees, beneficiaries and, if applicable, all contingent beneficiaries to a motion for dissolution and, if according to the trust deed the beneficiary status has been acquired free of charge, also with the consent of the settlor himself or his direct universal successors, which consent may be replaced by the Office of Justice for important reasons;
3. after the expiry of a maximum period which may be set by government decree in accordance with the provisions on the time limitation of reversionary inheritance for all or individual types of trusts that do not pursue a charitable, benevolent, or similar purpose;
4. unless otherwise provided by law or trust order, in accordance with the rules established for the dissolution of a foundation.
3) In the case referred to in paragraph 2, the unknown or uncertain beneficiaries or persons entitled to benefits shall be summoned in accordance with the provisions governing the determination of beneficiaries, and the Office of Justice shall appoint a special trustee in accordance with the provisions of the Code of Civil Procedure governing the appointment of a curator ad litem at the expense of the applicants, who shall give or withhold consent on behalf of the unknown or uncertain beneficiaries.represent them at the expense of the applicants, who may grant or refuse consent on behalf of the unknown or uncertain beneficiaries.
4) The provisions on the amendment of the trust order, conversion or merger of trust companies and those on the amendment of the organization or purpose ex officio or similar, and the claims of a beneficiary whose rights have been infringed in accordance with these provisions, remain reserved.
§ 18
II. Insolvency proceedings
1) If an application to open insolvency proceedings is not made by all managing trustees, the others must be consulted and, if there is no agreement on the application or if it is not possible to consult them in good time, the insolvency proceedings may only be opened if insolvency or over-indebtedness can be substantiated.
2) Trustees are jointly and severally liable to bona fide parties or third parties for any damage caused by the failure to file the petition for the opening of insolvency proceedings in a timely manner in accordance with the above provisions.

TrUG

III. Liquidation

§ 19

1. In general

1) If the company is dissolved for reasons other than the opening of bankruptcy proceedings, in particular as a result of a challenge for any reason, or if no other proceedings are provided for by law, the provisions on the liquidation of legal entities shall apply in addition to the following provisions.

2) If, after the insolvency proceedings have been terminated, there are still undistributed assets, no liquidation shall take place unless other conditions for this are met, but the trust company shall be continued and the relevant entries shall be made in the trust register at the request of the parties involved or, if necessary, ex officio.

3) In the case of trust companies with no liabilities to non-participants, liquidation may be limited to the collection of any necessary compensation amounts from the participants and to cover the costs, as well as to the distribution or allocation of the assets to the beneficiaries without calling on the creditors or waiting for the deadline, and to any necessary cancellation registration.

4) In the case of the preceding paragraph, however, the Office of Justice may require the submission of a distribution or allocation list for the assets.

5) Other provisions on the exclusion of liquidation, such as in the case of gradual distribution of assets, conversion, or merger, also remain reserved.

§ 20

2. Liquidators, deadline, and call to creditors

1) Unless the trust order specifies otherwise, the liquidators shall be or a supreme body formed by all trustees decides otherwise, or the Office of Justice, either at the request of the parties involved or ex officio, does not order otherwise in the administrative proceedings for important reasons, or if no official or officially supervised liquidation is to take place, the managing trustees shall act as liquidators.

2) The period after which the assets may be distributed or transferred to the beneficiaries after all liabilities of the trust company have been settled or secured may be reduced with the consent of the Office of Justice or waived entirely for important reasons.

3) Under the same conditions, the call to creditors may also be waived.

4) At the request of the liquidators, the call to creditors (call for debts) may be made by the Office of Justice at the expense of the trust company, setting a deadline for registration and with the warning and effect that the assets will be distributed to the registered or otherwise known creditors and that other creditors will not be considered.

§ 21

3. Distribution of assets

1) If certain claims to the assets are granted in accordance with the trust order or the law, the assets shall be distributed among the beneficiaries or their universal successors, if possible without liquidation; otherwise, in the event of a lack of or inadequate provisions, the provisions on beneficiaries and, in addition, those on the use of assets in the case of legal entities shall apply mutatis mutandis.

2) In the case of family trust companies with special succession arrangements, the beneficiaries must be specified in the event of the termination of the trust company or the extinction of the relevant families or group of persons, otherwise the provisions on the devolution of property to the state in the case of entailed estates shall apply mutatis mutandis.

3) In order to implement the termination and the provision on the devolution of assets to the state, the representative of public law may, in case of doubt as to the existence of beneficiaries, apply to the Office of Justice for the procedure for determining beneficiaries.

4) After termination of the trust, the three-year limitation period that has elapsed since the distribution or transfer of the assets cannot be invoked against a beneficiary if satisfaction is sought from assets that are still undistributed.

D. Trust fund

Section 22

I. General

1) The value of the trust fund must be at least CHF 30,000. If the entry in the commercial register is made in euros or US dollars, the value of the trust fund must be at least EUR 30,000 or USD 30,000.

2) Unless the trust deed excludes this possibility, the trust fund may be increased by successive contributions, made in full or in part, by existing or new trustors against a written declaration of accession to the trust company, or reduced by gradual distribution.

3) Each year after the end of a calendar year, the managing trustees must submit to the companies entered in the trust register, if an increase or decrease in the trust fund as such has taken place in this manner

, to the Office of Justice for the purpose of correcting the relevant entry, without this entry being made public.

4) If all trustees are jointly and severally liable without limitation for all liabilities of the trust company in accordance with the relevant provisions for registered cooperatives, this provision may be included in the trust statutes and registration in the trust register instead of the information on the trust fund itself.

§ 23

II. Securities in particular

1) If securities are to be issued to the trust fund in return for services, the trust deed must contain a provision to this effect in order to avoid the consequences of the improper issue of securities.

2) If securities are to be issued below par value or in such a way that their total issue amount does not correspond to the total estimated value of the trust fund, this requires the approval of the Office of Justice, and the provisions on the issue of shares below par value shall apply mutatis mutandis.

3) In all other respects, the provisions governing securities in the case of trust benefits, in particular with regard to default, shall apply mutatis mutandis to the securities and their owners.

§ 24

III. Liability and default

1) Unless otherwise specified in the trust agreement and subject to unlawful acts or special agreements, several trustees as such are not jointly and severally liable for their obligations incurred as a result of establishing the trust company.

2) If obligations associated with a benefit in favor of the trust fund are assumed by someone whom the transferors, but not the managing trustees as such, know to be insolvent at the time of the assumption, the transferors shall be jointly and severally liable with the transferee for the defaulted performance without limitation.

3) Repealed

4) Insofar as the trustors' payments to the trust fund or other funds are not fulfilled in full, the trustors shall be liable in the event of default, without prejudice to the admissibility of provisions on the forfeiture clause, the loss of all rights as beneficiaries or the like, in the same way as a debtor under the law of obligations.

5) The provisions on default of performance in the case of trust benefits shall apply mutatis mutandis.

E. Trust assets

§ 25

I. In general

1) The provisions on trust property under trusts in general shall apply supplementarily to trust assets as special property, unless the provisions on trust companies provide otherwise.

2) The rules applicable to foundations shall apply in addition to the transfer of assets before and after the establishment of the trust company.

3) If, under certain conditions, the settlor has reserved the right to reversion of the trust property to himself or his descendants or to a third party, this may only take place without prejudice to the provisions governing the liability of the trust for liabilities to bona fide third parties if the reverted or devolved trust property forms part of the trust fund (right of reversion or right of devolution).

4) However, the right of reversion or right of devolution may be noted or registered in the land register at the request of the parties involved in the case of real estate or limited rights in rem to such real estate, or, insofar as entries similar to those in the land register are permissible in other public registers for other assets, in these registers.

5) The provisions on the trust fund remain reserved.

II. Separation and distribution of assets and income

§ 26

1. In general

1) Repealed

2) If, according to the trust order, the net income or part thereof or assets are to be distributed to the beneficiaries as income annually or at shorter or longer intervals, in the absence of any other provision, the managing trustees shall, at their reasonable discretion, determine on the basis of the rules of proper income management and in addition to those relating to usufruct, what is to be included in the income statement (profit and loss account) as benefits, charges, expenses, or the like on the income statement (profit and loss statement) and what is to be credited to the trust assets, including the increase, and, if applicable, after what period of time the net income is to be distributed.

3) If trust companies are operated exclusively on a commercial basis, in the absence of other instructions, the distribution of income to the beneficiaries shall be made at the end of each calendar year on the basis of an annual balance sheet and, in case of doubt, in equal shares to be determined by the managing trustees.

4) If, in a trust company, one beneficiary is entitled to the income and another to the trust assets to be distributed, or if a succession order has been established for the enjoyment of the trust, income may not be paid to the beneficiaries in lieu of assets, or assets in lieu of income, as in the case of fictitious income, purely accounting-related added value on permanent investments belonging to the trust assets or similar.

5) If, in the case of trust companies with specific beneficiary rights, the income or assets to be distributed are determined by the trustees or other competent bodies in a manner that cannot be contested, the beneficiaries acquire an unconditional creditor's right.

§ 27

2. Gradual distribution

1) A gradual distribution (allocation) of trust assets among beneficiaries, such as payment of severance sums as a result of termination, exclusion, or the like, or payment of interest or amortization, or repurchase of benefits by means of trust assets without liquidation, may only be carried out with the otherwise unlimited and joint and several liability of the acting trustees and asset recipients, and subject to the latter's obligation to reimburse any creditors and beneficiaries who may have suffered damage or any trustees who may have been held liable for this, only to the extent that the liabilities of the trust company towards third parties and other beneficiaries are still secured by the available assets, unless someone has become a creditor or beneficiary in the knowledge of the inadmissible distribution.

2) If, as a result of amortization, repurchase, declaration of forfeiture, or in any other way, all benefits accrue to the continuing trust company, the trust order shall further specify who is to receive the income and assets, otherwise the provisions on the accrual of assets to the state shall apply mutatis mutandis under the general provisions on legal entities.

3) If someone has been authorized to dissolve the company by the trust deed, they shall also be authorized, unless the circumstances dictate otherwise, to dissolve the company in part by ordering the gradual distribution of the assets to the beneficiaries in accordance with the trust order or the law.

III. Asset management

§ 28

1. In general

1) Within the framework of the law and the trust agreement, the trustees shall ensure the proper management and preservation of the trust assets in their legal and economic entirety and, in particular, shall ensure that the

trust assets, insofar as the nature of the business, the circumstances, or the achievement of the purpose permit, become the property of the enterprise, are not mixed with its own assets, and that assets invested in an uncertain manner are withdrawn and invested appropriately.

2) An obligation to preserve, improve, and insure trust assets also exists to the extent that the proper execution of the purpose of the trust company or the object of the company in accordance with the law or trust order or, even contrary to the trust order, the principles of good business management require it in view of the circumstances.

3) The trustees may, at their discretion, advance assets to those beneficiaries who are entitled to the trust assets to be distributed at a later date, with or without security, in their capacity as debtors, up to the point in time at which the assets are to be distributed to them, provided that advance portions of the assets against or without security in their capacity as debtors until the date on which the assets are to be distributed to them, but in the case of multiple beneficiaries, only to the extent that this does not infringe or jeopardize the claims of other beneficiaries or third parties in the absence of their consent.

4) In the case of family trust companies for maintenance, education, training, or similar purposes, the Office of Justice may, upon application by the parties involved and for important reasons, order the payment of advances accordingly, unless the trust order provides otherwise.

5) Repealed

§ 29

2. Disposals and encumbrances

1) If, according to the trust agreement, the trust assets and income of trust companies without business operations are inalienable or only transferable within a certain family or group of persons, or are subject to these restrictions, such a restriction may be noted or registered as a restriction on disposal in the trust register and in the land register or other public registers whose entries have an effect similar to that of the land register.

2) Repealed

3) The trustees are authorized to sell or encumber trust assets, including the income, within the scope of the purpose or object of the enterprise and also by virtue of law: in the case of quickly consumable or perishable items, the proceeds of which replace the item; to pay off the liabilities of the parties involved, insofar as trust assets can be used for this purpose; if, according to the trust agreement, the trust benefit is not free of charge

, with the consent of all beneficiaries and, where applicable, also of all prospective beneficiaries, but otherwise also with the consent of the trustors or their immediate universal successors; or with the consent of the Office of Justice for important reasons, such as for dispositions that serve public purposes or for the preservation or improvement of trust assets, provided that the rights arising from the benefit must take second place to the rights of the relevant creditors in accordance with the order of the Office of Justice.

4) Pure and mixed gifts or other similar gratuitous transfers, as well as the recognition without legal grounds of the existence of a liability to the detriment of the trust company or the non-existence of a claim to the detriment of the trust company, may only be made by the trustees to the extent permitted by the trust order or to the extent that this appears to be customary due to a moral obligation or considerations of decency.

5) Claims for damages and other measures permitted by law against trustees and other wrongdoers, as well as the provisions on acquisition in good faith for consideration, on the limitation of liability, and on encumbrance by operation of law, remain reserved.

§ 30

3. Claims for restitution and enrichment

1) If a trustee or representative of the trust company has unlawfully disposed of trust property in contravention of the trust agreement or the law, any other trustee or beneficiary or prospective beneficiary shall have the right to trace the trust property and may, after notifying the managing trustee, demand its return in the name and on behalf of the trust company in accordance with the rules of possession, unless the trust property has been acquired for reasonable consideration by a third party who was unaware of its fiduciary nature at the time of acquisition.

2) Anyone who is obliged to surrender the item in accordance with the preceding paragraph must, in accordance with the rules of possession, if he is no longer able to do so, in the event of his bad faith, surrender everything that has taken its place to the trustee in return for compensation for his performance or the value thereof; the bona fide purchaser who has acquired the item free of charge but only to the extent that he is still enriched.

3) Any trustee, beneficiary or prospective beneficiary may, if trust property is wrongfully included in foreclosure or insolvency proceedings, demand the surrender of the trust property or its substitute in favor of the trust company in accordance with the above and other provisions and take the permissible measures, in particular the action to set aside.

4) The preceding provisions shall apply mutatis mutandis to the unlawful encumbrance of the trust property or the unlawful obligation at the expense of the trust company; in addition, the provisions on the limitation of the liability of the trust company, as well as those on transactions for its own benefit and other provisions such as those on liability, shall remain reserved.

5) If enforcement proceedings against the trust company are unsuccessful (issuance of a certificate of loss), the aggrieved creditors shall, in the event of insolvency proceedings, the insolvency administrator is authorized to assert the claim for surrender or enrichment, provided that the creditors concerned did not participate in the unlawful sale.

§ 31

4. Investment of assets

1) Unless otherwise specified in the purpose of the trust company, or unless the trust agreement contains an express provision on the investment or deposit of trust assets (investment clause), the trustees may decide by a simple majority to invest the trust assets, in particular available income, in a secure and profitable manner until they are distributed in accordance with the provisions governing trusts in general.

2) The trustees may at any time convert an investment that is inadmissible under the law or the trust order into an admissible one, unless all beneficiaries or another competent authority approve it.

3) If the conditions for the appointment of a fiduciary assistant are met or if there are other important reasons, the Office of Justice may, at the request of the parties involved, or, if necessary, ex officio, order the trustees to invest or deposit the trust assets or individual parts thereof with the Landesbank or another suitable institution, or order the debtors of the trust company to fulfill their obligations in a legally effective manner only by making payments to the same or another institution designated by the Office of Justice.

4) If a debtor of the trust company has good reason to believe that the trustees are committing a breach of trust with the money to be paid by him, he may also make payment of this debt to the Landesbank in favor of the trust company with legal effect.

§ 32

IV. Costs

1) The costs incurred by persons or bodies appointed by law or trust agreement for the establishment and termination of a trust company, trust management, trust supervision, trust monitoring, and the activities of other persons or bodies appointed by law or trust agreement for this purpose shall, in the absence of other provisions of law or trust agreement, be covered by the proceeds of the trust property or, if necessary, by the trust property itself.

in accordance with the law or trust order, shall be borne from the proceeds of the trust property or, if necessary, from the trust property itself, unless otherwise provided by law or trust order.
2) If a person or body has acted culpably, in particular if an action or omission is demanded without reason by a person authorized to do so, the costs shall, in the absence of any other order, be borne by the person at fault.
3) Where an authority intervenes upon request or ex officio in accordance with the law or trust regulations without anyone being at fault or anything else being ordered, the costs shall be charged to the income statement and, where there is no or insufficient income, to the trust asset statement.

§ 33

V. Reserve funds and other reserves

1) Unless otherwise specified or unless the purpose of the enterprise dictates otherwise, such as in the case of liquidation trusteeships, trustees are authorized to establish appropriate reserve funds to protect against losses, devaluation, or a sustained loss of earning capacity or similar circumstances, and to include a corresponding item on the liabilities side of the balance sheet.
2) Insofar as the preservation of assets requires it, such as in the event of devaluation or similar circumstances, as well as in the case of commercial enterprises, they are obliged to make appropriate provisions, unless important reasons justify an exception.
3) In the case of trust companies with commercial operations, in the absence of other instructions, they must allocate one tenth of the net income annually to the reserve fund for balance sheet losses until it reaches one tenth of the trust assets.
4) The reserve fund for balance sheet losses or, in the case of companies without commercial operations, for accounting losses, must also be allocated to existing beneficiaries any income that is due but has not been withdrawn within three years of the due date, as well as any income that becomes due during an interim period until the new legally binding allocation (interim trust income).
5) Similarly, any fines payable by the parties involved under the trust deed for failure to attend meetings or for late attendance at such meetings, or for other reasons, shall, in case of doubt, be subject to the provisions on contractual penaltiesand, in the absence of other arrangements, any assets released due to the loss of individual beneficiaries shall be added to the reserve fund.

6) In all other respects, the provisions governing reserve funds in stock corporations shall apply mutatis mutandis, with the proviso that the reserve fund for balance sheet or accounting losses shall be invested as far as possible in secure assets that can be easily converted into cash.

§ 34

VI. Accounting

1) Unless otherwise stipulated for a trust company managed in a commercial manner, managing trustees shall, from the time of their appointment, comply with the provisions of this Act and the regulations governing trusteeships in general with regard to the inventory of assets and the presentation of accountsand keep correct, regular, clear, and appropriate accounts, accompanied by supporting documents where necessary and kept separate from other records, or, if they are unable to do so, have them kept by others.

2) Insofar as a commercially managed enterprise (business) is operated, the provisions of this Act and, in addition, those relating to commercial accounting shall be observed from the time of its establishment, as in the case of an institution engaged in commercial activities, with the managing trustees being otherwise responsible.

3) The provisions on official audits remain reserved.

§ 35

F. Contestation and right of redemption

1) The provisions governing the contestation of trusts in general shall apply to the contestation of the establishment or amendment of a trust company; however, in all cases, the claims of bona fide third parties against the trust company that arose prior to the legally binding revocation shall take precedence over the claims of the contesting parties.

2) If, on the basis of the trust arrangement, the trustors are at the same time the sole beneficiaries of the external and transferable benefits, with or without membership, contestation by the trustors or their creditors or by the bankruptcy or composition administration after the establishment is only permissible in accordance with the provisions on membership under the general provisions on legal entities.

3) If a trust company was established within the last five years prior to the opening of insolvency proceedings against the trustor's assets or prior to the execution of fruitless enforcement against the trustor's assetsfor the benefit of third parties or if assets were otherwise transferred to the company in this manner, then, if the trustor's creditor or the insolvency administrator proves that the trustor in question was insolvent after the separation

the assets dedicated to the trust company, without prejudice to the rights of interested parties or third parties acquired in good faith and for consideration in the meantime, the trust company may only be liquidated in favor of the trustor's creditors by order of the enforcement authority if the creditor cannot be satisfied in any other appropriate manner on the basis of a liquidation balance sheet drawn up for this purpose.

4) If someone has become a creditor of the trustee on the basis of a legal transaction, even though they were aware of the insolvency at the time of the establishment, contestation by them or, in their place, by their insolvency administrator is excluded.

5) The spouse, registered partner, or descendants of the settlor may, within a period to be determined by the Office of Justice and, if necessary, in a manner ordered by it, assert the right of redemption against the creditors or the insolvency administrator after payment of the relevant claim, but not exceeding a reasonable amount determined on the basis of a liquidation balance sheet.

6) This provision on the right of redemption shall apply mutatis mutandis if one or more of several trustors were insolvent, with the proviso that, in addition to the spouse or registered partner or descendants, the beneficiary shall also be entitled to the right of redemption within a period to be set by the Office of Justice and, where applicable, in a manner ordered by it.

7) If a trustor, in his capacity as trustee of another trust or in fulfillment of any other obligation to a third party who has made assets available to him free of charge for this purpose, has established the trust, the preceding provisions on creditors or the insolvency administrator or on the right of redemption shall apply mutatis mutandis to the settlor of the other trust or the relevant third party (indirect settlor) or to their spouses, registered partners, or descendants.

8) The provisions on the revocation of the benefit and on the breach of the duty of support shall also remain reserved.

G. Liability for the liabilities of the trust company

§ 36

I. By operation of law

1) Only the trust fund specified in the trust deed, as well as any other assets of the trust company, and the personal liability of the parties involved shall be liable for the liabilities of the trust company towards third parties.

does not apply, unless otherwise provided by law, unless the liabilities of the trust company are also those of all or individual shareholders.

2) If trustees, in exercising their fiduciary powers, have caused damage to a bona fide third party through deliberate deception by claiming that, contrary to the fiduciary arrangement, there is a liability or obligation to make additional contributions exceeding the trust assets, or that the trust assets are greater than the actual trust assets, or similar, the acting trustees are jointly and severally liable without limitation for the damage incurred by the third party in connection therewith, subject to their right of recourse against the trust company or other persons insofar as they have been enriched or otherwise benefited.

3) In the case of a trust company with commercial operations, the managing trustees shall also be jointly and severally liable, in the absence of other arrangements, for six months from the due date of salaries and wages to workers and employees for any shortfall in this respect not covered by the trust company.

4) For unlawful acts and omissions committed by trustees in the exercise of their fiduciary powers or by an organ or other representative appointed under the trust deed in the exercise of their representative activities, they shall be jointly and severally liable without limitation alongside the trust company, in accordance with the relevant provisions applicable to legal entities.

5) Unless otherwise provided for in the provisions governing trust companies, the provisions governing trusts in general shall apply mutatis mutandis to the legal position of the creditors of the trust company in security, enforcement, or insolvency proceedings.

6) In the case of trust companies with segments or with specially separated trust funds, each segment or fund shall, in the absence of any other provision of law and unless mutual claims dictate otherwise, occupy a special position in such proceedings equivalent to that of an independent trust company.

II. By virtue of a trust order and other legal transactions

§ 37

1. Extension of liability

1) The trust deed may stipulate that the company shall also be liable for other trust assets not included in the company as trust funds or otherwise, arising from a trusteeship to which the company itself belongs.

2) If assets are transferred to the company for the trust property which are associated with obligations towards third parties, such as in the case of shares that have not been fully paid up, the trust order or the relevant declaration of accession may stipulate that the transferors remain personally liable for the obligations alongside the company or alone, unless otherwise specified in the legal relationship with the third party.
3) The articles of association may further stipulate, without establishing membership unless exceptions are permitted, that individual or all participants or third parties shall be liable in accordance with the relevant provisions of the articles of association for the liabilities of the company towards third parties, for the compensation amounts among those liable or required to make additional contributions, and for the costs, or that they shall be liable to a limited extent.for the liabilities of the company towards third parties, for the compensation amounts among those liable or required to make additional contributions, and for covering costs, or that individual or all trustees in commercially managed companies are jointly and severally liable or required to make additional contributions without limitation.
4) The provisions on the assertion of liability or additional payment obligations in the apportionment procedure may also be declared applicable by the trust deed outside the cases provided for by law.
5) In the case of a commercially managed enterprise, the provisions governing liability or additional payment obligations, as well as any amendments thereto, must be reported in extract form to the trust register, entered therein, and published, otherwise they shall be null and void.
6) The provisions on the register of members with liability or additional payment obligations and those on the list of members in registered cooperatives shall, where applicable, apply mutatis mutandis to trust companies operating on a commercial basis to the register of participants, which may be linked to the register of beneficiaries, and to the list of participants in the sense mentioned here.
§ 38
2. Limitation of liability
1) In the trust deed, in the case of a trust company without commercial operations and without engaging in any other business, a provision may be included for entry in the trust register stipulating that, after the company has been established, private liabilities valid for the company, apart from claims arising from tortious acts, may only be incurred with the consent of a special body or the next candidates or third parties, or that a private creditor may only seek satisfaction from assets not belonging to the trust fund or only from the income, or neither from the trust property nor from the income, as long as the trust company has not been terminated.

2) In the case of trust assets entered in the land register or another public register whose entries have a similar effect to land register entries, such a restriction may be noted as a provisional entryor a debt limit or a mortgage with a restriction to the income from the relevant trust property may be entered in the land register.
3) If neither the trust property nor the income can be legally encumbered, or if no valid liabilities can be incurred by the managing trustees, other bodies, or persons at the expense of the company, the trustees exercising the trust power or other representatives of the trust company shall be liable if they do not expressly draw the attention of the third party dealing with them in good faith to such restrictions, without limitation and jointly and severally, subject to any claim for enrichment against the trust company.
4) Repealed

H. Parties involved

I. Common provisions

§ 39

1. Types and regulation of legal status

1) In the absence of other provisions in law or trust agreements, the parties involved shall be deemed to be the trustors, trustees, and beneficiaries, including candidates, without distinction as to gender, and, unless otherwise specified by law or trust agreement, the parties involved holding the respective legal status or individual types thereof, whether singular or plural.
2) Insofar as, within the meaning of individual provisions, persons other than trustors, trustees, or beneficiaries are members of bodies or organs or have rights and obligations, in particular liability or additional payment obligations for liabilities of the trust company, they shall also be regarded as parties involved (irregular parties involved) in this respect.
3) The trust deed or trust agreement may regulate the legal relationship between the parties involved and the trust company, between themselves and third parties within the framework of the law in special regulations to be signed by the managing trustees or other competent bodies which, insofar as it contains facts or circumstances subject to registration, must be submitted to the trust register in a certified extract or in the original.
4) Each party involved shall be granted access to the trust agreement, insofar as they are entitled to a right, in particular a contingent right, if and to the extent that the relevant documents are not deposited with the public trust registry office, and may make copies of the documents (articles of association, regulations, and the like) at

at their own expense or, if they have been reproduced, demand copies in return for reasonable compensation for the reproduction costs.

§ 40

2. Rights and obligations in particular

1) Their rights and obligations towards the trust company, among themselves, and towards third parties are primarily governed by the provisions of the Trust Ordinance, then those on trusts in general and, in addition, unless the absence of membership, the nature of the trust, and the position of the parties involved dictate otherwise, those on membership under the general provisions on legal entities shall apply in a supplementary manner.

2) Where a person simultaneously holds the position of trustee (co-trustee) and beneficiary (co-beneficiary), the fiduciary duties shall prevail.

3) If one or more parties, apart from any payments to the trust fund or liability or obligation to make additional contributions, commit themselves to recurring monetary or other payments (actions or omissions), in particular also to cartel or group-related payments in the trust order or otherwise in writing, the relevant provisions for limited liability companies shall apply mutatis mutandis.

4) If the conditions for this are met, enforceable deeds may also be drawn up concerning the obligations of the parties involved or third parties to the trust company, such as payments to the trust fund or similar, or concerning the obligations of the trust company to the parties involved, subject to the rights of creditors.

5) If the timely exercise of a right by a participant is jeopardized, the competent authority may, at the request of the entitled party, also take protective measures.

6) If, according to law or fiduciary regulations, one party is granted rights or imposed obligations vis-à-vis another party, then, in the absence of any deviating provisions, the other party shall have corresponding obligations or rights vis-à-vis the former.

3. Organization

§ 41

a) In general

1) The trust arrangement may regulate the legal relationship between the parties involved or between individual groups of parties involved, such as trustees or beneficiaries, in more detail by creating an organization and regulating the rights and obligations of these organized parties involved, such as the joint assertion of

rights vis-à-vis the trust company or other parties involved, or similar.

2) If such an organization is not specified in detail or is inadequately provided for, in case of doubt the provisions on the supreme body under the general provisions on associations, in particular the provisions on minority rights, shall apply in addition, unless the nature of the trusteeship or the absence of membership gives rise to a deviation.

3) Even if the trust order does not provide for an organization, groups of participants in the same legal situation may create such an organization by means of supplementary statutes or similar documents signed by them or under another legal form provided for by law. However, such provisions, which are otherwise void, must not conflict with mandatory laws, the instructions of the settlor, the trust deed, or public order and morality.

4) Insofar as resolutions of bodies may be contested or revoked ex officio in accordance with the applicable provisions, the proceedings shall be conducted expeditiously.

§ 42

b) Resolutions and membership

1) Where, according to law or trust regulations, the parties involved or third parties have a right of choice or voting rights or both, and unless otherwise specified, each person entitled to vote and, if securities have been issued, each security shall have one vote in elections and resolutions, whereby the provisions on voting rights and resolutions under the general provisions on associations shall apply supplementarily.

2) If, due to the involvement of so many participants who had registered to participate in the decision-making process of a supreme body or had deposited securities entitling them to vote in this manner and for this purpose, but were prevented from participating as a result of an unforeseen or unavoidable event, a different decision could have been reached, these participants may, within ten days of the resolution being passed, submit a reasoned request to the trust company and the Office of Justice, casting their vote and requesting the proposed amendment to the resolution in administrative proceedings after hearing the trust company, the relevant supreme body, or similar, at their own expense (subsequent amendment of the resolution).

3) However, legal acts performed in the meantime by the competent authority in accordance with the earlier decision remain legally effective vis-à-vis bona fide third parties, without prejudice to any claims of those who were prevented from participating arising from liability or the taking of other permissible measures.
4) In an organization with voting rights that makes decisions by majority vote, the majority of the parties involved may only exercise their powers in such a way that, in their position as tacit trustees vis-à-vis the minority, they do not act contrary to the interests of the trust company and to the detriment of the minority, or contrary to good morals.
5) Contrary decisions may be overturned in accordance with the provisions governing the supreme body of associations, and the parties participating in the majority shall be jointly and severally liable to the trust company or to the parties belonging to the minority and suffering damage in accordance with the provisions governing tortious acts for all damage incurred by the trust company or the individual parties.
6) Membership, as in the case of associations with members, can only be validly granted to the participants with the consent of the Office of Justice.

§ 43

c) Supervisory trust agency

1) Insofar as the general provisions governing associations require it, or if it is specifically provided for in the trust order, an audit office shall be established to which the provisions governing audit offices, whose members may not also be managing trustees, shall apply mutatis mutandis under the general provisions governing associations, unless otherwise specified.
2) Their members may be registered for entry in the trust register by the trustees or other bodies or persons responsible under the trust agreement, stating their surname, first name, occupation, and place of residence or company name and registered office.
3) However, the trust agreement may also provide for a supervisory board consisting of one or more participants or third parties to act as the supervisory trustee. If an auditor is mandatory under the general provisions governing legal entities, such a supervisory board may be provided for in addition to the auditor.
4) The provisions on the responsibility of the auditor under the general provisions on legal entities shall also apply mutatis mutandis to the members of the supervisory trust agency, unless otherwise provided by law.

5) The appointment of an official supervisory body and an official auditor remains reserved.

§ 44

4. Limitation period

1) Unless otherwise specified by law or unless it concerns the law as a whole, individual claims of the trust company against parties who are not or are no longer trustees shall become time-barred three years after they become due.

2) Individual claims of the parties involved as such against the trust company shall become time-barred three years after they become due in favor of the trust company, unless it affects the right as a whole or is otherwise specified.

3) Claims of the parties involved against each other arising from the fiduciary relationship, insofar as they are not against active trustees and subject to the provisions on liability, shall become time-barred within the same period from the date on which they become due.

4) Shorter limitation periods, any longer limitation periods in the case of a criminal offense, and special provisions of this Act remain reserved.

5) The provisions on the statute of limitations shall apply mutatis mutandis to irregular parties as such.

5. Place of jurisdiction, arbitration tribunal, and procedural status of participants

§ 45

a) In general

1) The provisions on the registered office and place of jurisdiction under the general provisions on legal entities shall apply mutatis mutandis to the place of jurisdiction and administrative jurisdiction with regard to the parties as such.

2) The trust agreement may provide for all disputes between the parties involved and vis-à-vis the trust company, or for one or the other, insofar as the law has not laid down mandatory provisions, an impartial arbitration tribunal or such a conciliation body may be provided for in accordance with domestic or foreign law, regardless of whether the parties concerned have signed the trust agreement or not.

3) The legally binding decisions of such an arbitration tribunal are enforceable in the same way as judgments of a domestic court, provided they do not violate public order and morality.

b) Procedural status of parties involved

§ 46

aa) In general

1) In legal and administrative matters, including administrative disputes involving the trust company, as well as all or groups (classes) of parties involved as such

In the absence of further instructions, any other legally interested party, including beneficiaries, may, at their own expense, or, where there are no beneficiaries or beneficiaries in expectation, the representative under public law may act as an intervener or in a similar capacity alongside one of the parties at the expense of the trust company. However, where the law allows minority parties to act as parties in the same way as minority members in legal entities, the party belonging to this minority may act on one side or the other at its own expense.

2) For all or some of the parties involved in official proceedings whose life, whereabouts, or name is unknown or uncertain, the Office of Justice may, after conducting the summons procedure or without such a procedure, at the request of the parties involved or legally interested third parties, or ex officio, appoint a litigation trustee (litigation trustee) to safeguard the interests of the parties concerned, who may act or be sued alone or alongside other parties.

3) If a party ceases to exist, the remaining parties or the legal representative appointed by the Office of Justice in accordance with the preceding paragraph may continue any proceedings or other official procedures that have been initiated without, as a rule, any interruption occurring.

4) Insofar as a decision rendered against the trust company or against all or groups of parties involved is also binding for or against a party involved, that party or the relevant opponent is entitled to raise the defense of res judicata against subsequent proceedings or a subsequent decision in the same matter, unless otherwise provided by law.

5) Where the Office of Justice has to intervene at the request of parties, third parties, or ex officio, it shall, except where there are important reasons, such as imminent danger or the like, hear the managing trustees and other legally interested parties or, if necessary, an officially appointed trustee or representative before issuing an order or making a decision.

§ 47

bb) Virtual representation

1) Furthermore, with the consent of the relevant authority, one or more parties may initiate official proceedings on behalf of other parties whose identity is unknown or uncertain for any reason but who have a common legal interest, or may appear on one side or the other in such proceedings if the unknown or uncertain parties are numerous.

2) The latter parties may invoke the final decision, provided that there is no harmful intent or detrimental agreement between the parties involved in the proceedings and the opposing party

or the interests of the party appearing are not in conflict with those of the others who can derive rights from the decision.

§ 48

6. Position of interested parties

1) If nothing else arises from the provisions governing the supreme body for all or groups of participants, or from the trust order, or from the provisions governing virtual representation, or from other provisions of the law, with regard to the legally permissible assertion of rights by the trust company or all or groups of participants, and if such a right has not been asserted by all entitled parties and not to the full extent for the trust company or for all of them, or if the right could not or was not asserted for a reason inherent in the person (company or association) who appeared as the claimant in the proceedings, such as as a result of acknowledgment, waiver, omission, set-off, or the like, or if the right itself has not been rejected in relation to all parties, the trust company or the other entitled parties who did not act as claimants may assert their rights independently and independently of previous proceedings, in whole or in part, provided that they have not acknowledged or waived the claim for themselves in other proceedings as interveners or the like.

2) If the same rights are asserted in whole or in part by different claimants in identical proceedings conducted at different times, the proceedings may, at the request of one of the parties or ex officio, be combined for simultaneous hearing and decision at the discretion of the competent authority.

3) At the request of one of the parties, a right that has not been asserted by all entitled parties, as well as the date of any hearing, may be announced in accordance with the trust deed or, if this is not possible, in the manner prescribed for official announcements or in any other manner deemed appropriate by the competent authority, and may also be noted in the trust register if necessary.

4) If only individual beneficiaries proceed, the respondent may also apply to the competent authority, in accordance with the provisions on the determination of beneficiaries, for a summons and the appointment of an official trustee for the remaining beneficiariesto make up for and supplement the right not asserted or not fully asserted by the claimant at the expense of the claimants and with the threat and effect that the other beneficiaries can only assert a further claim if the defendant, as a result of his intentional

harmful behavior does not comply fully with the asserted rights.

§ 49

II. Trustor

1) In case of doubt, the trustor shall be deemed to be the person who makes or promises a contribution to the trust fund.

2) The trust arrangement may grant the trustors as such (trust founders, trust settlors, trustors) or their universal successors, within the framework of the law and without prejudice to their other and simultaneous position as trustees or beneficiaries, only to the extent that they do not, apart from the right of supervision in the case of charitable or similar trust companies, consist of a continuous and exclusive influence on the organization or trust management of the trust company.

3) Insofar as the trustors who have contributed to the trust fund free of charge and, on the basis of this contribution, have provided benefits to others free of charge, do not also have the legal status of trustees, they may, to the same extent as beneficiaries, demand compliance with the trust order vis-à-vis other parties involved or third parties in accordance with the law.

4) Unless otherwise provided for in the provisions on trust funds, the provisions on default in the case of beneficiaries shall apply mutatis mutandis to the default of the trustors in the case of other obligations.

5) The provisions on the other rights and obligations of the trustor under the law or trust agreement, in particular those relating to the trustor's creditors, remain reserved.

III. Trustee

1. Appointment, dismissal, termination, etc.

a) In general

§ 50

aa) For trust companies without segments

1) The trust agreement shall regulate the appointment and replacement of a trustee (trustee) for any reason (such as death, incapacity, dismissal, termination, or the like), unless otherwise provided.

2) If there are only certain beneficiaries, they may unanimously, if necessary with the assistance of a trustee appointed by the registry office for unknown or uncertain beneficiaries, appoint or dismiss trustees at the expense of the company or take similar action by means of a written resolution passed at a meeting or by circulation.

3) The right to appoint, dismiss, or propose (right of presentation) may, in accordance with the trust order, be transferred to all or individual trustees, all or individual participants, or third parties, or the Office of Justice may be designated for this purpose in general, without, however, being obliged to execute such an order.

§ 51

bb) With segments and in the case of multiple trusteeships, etc.

1) If a trust company consists of several segments, or if someone is appointed as a trustee for several trusts at the same company or only for a branch office, then, in the absence of other instructions, it must be specified exactly for which segment, other trust, or branch office they are appointed, dismissed, or proposed.

2) In case of doubt, a person may only accept or reject the position of trustee for all segments, special trusteeships, or the like if he or she was appointed as trustee everywhere in accordance with the same order.

b) Appointment

§ 52

aa) Right to do so

1) In the absence of other provisions, the right to appoint new trustees shall be vested in the person who has the right to dismiss them, subject to the appointment of a registered or public trustee in accordance with the provisions governing trusteeships in general and other provisions that may have been established.

2) If fewer than three trustees have been appointed in accordance with the trust agreement, the trustees may, at the expense of the trust company, appoint new trustees to join the existing ones (additional trustees) or appoint substitute trustees in the event of incapacity or similar circumstances, with the same rights and obligations as they themselves have.

3) For important reasons, the Office of Justice may, for the entire trust company, for a part of the trust assets that is to be separated or has been separated, a fund, a branch office, or, if the conditions for the appointment of a judicial trustee are met in accordance with the provisions on trusts in general, appoint or dismiss a trustee, additional trustees, or similar persons, with or without supervision of the trust order.

§ 53

bb) Selection and notification requirement

1) After the removal of a trustee, the person who has the right or duty to appoint trustees may also appoint himself as trustee,

unless he himself has been dismissed as trustee or there are other important reasons against his appointment.

2) In the case of any subsequent appointment of trustees, the purpose of the trust undertaking shall be taken into account as far as possible with regard to the expertise in commercial, financial, technical, or similar matters and the personal relationships of the trustees with the other parties involved.

3) Legal representatives, universal successors, legatees, executors, estate administrators, liquidators, insolvency administrators, or similar persons shall, as soon as they become aware of their fiduciary status and the reason for appointing a trustee for the represented or deceased person or debtor, notify the persons authorized or obligated to make the appointment at the expense of the company, if necessary to the Office of Justice, and to provisionally continue the fiduciary business until a replacement is appointed, and shall be liable for any damage incurred by the trust company or other parties involved as a result of gross negligence or intentional violation of this duty in accordance with the provisions on tortious acts.

c) Dismissal

§ 54

aa) In general

1) In case of doubt, the right of dismissal does not include the right to withdraw from the dismissed persons the authority to appoint or propose other suitable trustees, the right to enjoy the trust, or other rights to which they are not entitled as trustees.

2) For important reasons, such as a conflict of interest, unsuitability, or incompetence for the position of trustee or similar, a trustee may be dismissed with immediate effect by the other trustees, at the request of the parties involved, or, in urgent cases, ex officio by the Office of Justice, without prejudice to any claims the dismissed trustee may have against those who dismissed them, if it does not concern the head of the Office of Justice, or against the parties involved who made the request, arising from a contract, tort, or violation of personal circumstances, and subject to the right to appeal the dismissal decision.

3) Trustees appointed by the Office of Justice or other authorities may only be dismissed with the consent of the relevant authority.

4) The provisional withdrawal (suspension) of a trustee's right to manage business may, at the discretion of the Office of Justice, also be effected at the request of interested parties by applying mutatis mutandis the provisions on the withdrawal of the power of representation in a general partnership, subject, however, to claims under the second paragraph.

§ 55

bb) In the case of security provided by third parties

1) If anyone has provided security or otherwise guaranteed the fulfillment of the duties of a trustee in accordance with the law or other regulations to the trust company or all parties involved, he shall be entitled, if his security or guarantee is endangered as a result of the trustee's conduct, to request the authority authorized to dismiss the trustee, or, if necessary, the Office of Justice, to dismiss the trustee who is endangering his security or guarantee or to order other measures to protect him.

2) If his request is not granted, he may, in the absence of any further agreement, terminate his relationship with immediate effect from the date of the notified request in such a way that his security may not be used for future obligations and, in addition, unless claims have already arisen, demand the surrender or cancellation of the security provided and, in case of doubt, claim damages in accordance with the principles of contract law.

3) The other powers to which third parties are entitled under a guarantee or other legal relationships remain unaffected.

d) Termination

§ 56

aa) In general

1) A trustee may terminate his appointment at any time at his own expense vis-à-vis the other trustees or, if necessary, vis-à-vis the Office of Justice, but he must continue to perform his duties until a replacement has been appointed at the expense of the trust property in accordance with the trust order or the law.

2) A trustee may resign with immediate effect for important reasons by notifying the other trustees or the competent authorities, or the Office of Justice if necessary.

3) If there are only certain beneficiaries, a trustee may resign at any time with their consent, even if the trust order stipulates otherwise; the same applies in all cases with the consent of the Office of Justice.

§ 57

bb) Significance

1) If a person is a trustee for several related trusts or for several segments or branches of a trust company, the termination shall apply to all trusts, segments, or branches in the absence of other trust arrangements, unless all beneficiaries determine otherwise or important reasons justify an exception with the consent of the Office of Justice.

2) If a trustee, regardless of his position as such, is granted the right to appoint, propose, or dismiss trustees at the same trust company or other related trusts, it is assumed that the termination does not extend to this right.

Section 58

e) Form

1) Any appointment, dismissal, termination, or proposal must be made in writing by those authorized or obligated to do so, failing which it shall be invalid, and, unless otherwise provided by law, must be communicated to the trust company and, where applicable, to the Office of Justice.

2) The appointment must be made with the written consent of the person to be appointed; however, it may be replaced by the formal submission of his or her signature to the Office of Justice.

3) These procedures must be reported to the trust companies entered in the trust register, stating the facts and circumstances to be entered.

f) Effect

§ 59

aa) For those appointed, dismissed, resigning, etc.

1) trustees must fulfill their duties until a successor has been duly appointed and, if necessary, registered with the registry office, unless the law, the trust order, all beneficiaries of the trust, or the Office of Justice determine otherwise, or unless the circumstances dictate otherwise.

2) Unless otherwise specified, such as where a specific form is required for the transfer of rights and obligations or for signing, or where there is a provision for the protection of bona fide third parties, trustees appointed as replacements or subsequently or remaining in office shall automatically assume the same legal position as their predecessors, but not in the legal relationships of their predecessors or co-trustees arising from responsibility, personal liability, or additional payment obligations, or other purely personal legal relationships.

3) Dismissal, termination, or similar events shall not affect the obligations entered into by the trustees or arising from the appointment itself.

4) Where the law or the trust order refers to trustees, in case of doubt this shall also be understood to include additional or substitute trustees or the like.

§ 60

bb) In the event of default or failure to exercise the right or duty to appoint, dismiss, propose, or the like

1) If a person is solely entitled or obliged to make an appointment, revoke an appointment, or make a proposal, and he does not exercise his right or fulfill his obligation, or does not do so in a timely manner, the appointment, revocation, or proposal may, in the absence of other instructions, also be made by the beneficiaries, together with the next living beneficiaries, if applicable, in accordance with the provisions governing the organization of the beneficiaries.

2) In other fiduciary undertakings and in other cases, the appointment, dismissal, or exercise of the right of nomination shall be carried out by the Office of Justice at the request of the parties involved if someone is solely responsible for this but does not exercise, cannot exercise, or does not wish to exercise this right or duty, unless otherwise specified.

3) If several persons are called upon to participate in the exercise of the same rights or duties and some of those called upon are unwilling or unable to participate in the exercise of the right or duty, the others shall be entitled or obliged to exercise it, and if all those called upon are unable or unwilling to participate, the preceding provisions shall apply mutatis mutandis.

4) For important reasons, the Office of Justice may, at the request of the parties involved, temporarily or permanently withdraw or revoke the right or obligation to appoint, dismiss, or propose, or entrust the right to do so to someone else, subject to any claims the person concerned may have against the culpable applicants under contract or tort or for violation of personal circumstances.

5) If someone culpably fails to fulfill their duty to appoint, dismiss, or propose, or fails to do so in a timely manner, they shall be liable in accordance with the principles of contract law to the trust company and all others who have suffered damage as a result, without limitation and, where applicable, jointly and severally.

§ 61

2. Organization

1) Unless otherwise specified, co-trustees appointed in accordance with the trust order shall, in accordance with the provisions governing the board of directors of stock corporations, form a board of trustees (trustee board, trustee committee, trustee committee, or similar), which shall appoint from among its members a chairperson, treasurer, secretary (actuary) or similar from among its members, determining their powers and duties, and may also dismiss them.

2) In case of doubt, the chairperson, treasurer, secretary, or similar shall have the powers and duties that are usually assigned to persons in similar

positions in associations of a similar nature.

3) The trust agreement may, within the framework of the law governing the legal relationship between co-trustees vis-à-vis the trust company, among themselves, and vis-à-vis other parties involved, provide for a more detailed arrangement, in particular, it may provide for the organization of trustees in such a way that, within the framework of the trust arrangement, they form an advisory and decision-making body equivalent to the supreme body under the general provisions governing legal entities, whose decisions are to be implemented by the executive trustee council in the same way as by the management of a legal entity.

3. Trust management

§ 62

a) In general

1) unless otherwise specified by the trust agreement or by law, all trustees are jointly responsible for the management of the trust and are obliged to act and decide jointly in good faith; in the case of charitable or similar trusts, however, in the absence of any other provision, a majority decision is also binding on the minority of trustees.

2) The trust agreement cannot stipulate that all trustees are excluded from management; otherwise, the rule in the preceding paragraph applies.

3) Unless otherwise specified in the trust order or by the nature of the trusteeship and the law, the relevant provisions on administration under the general provisions on legal entities shall apply mutatis mutandis to the management of the trustees.

4) Within the scope of the trust agreement and the law, the trustees are authorized to perform all business acts in pursuit of the purpose of the trust or the object of the enterprise and are obliged to exercise due care.

§ 63

b) Position of non-executive trustees

1) If there are other trustees besides those entrusted with the management and exercise of fiduciary power, the latter shall have the same rights and obligations as substitutes, unless the fiduciary power is the same as in the case of representation by the administration of a legal entity, or unless the law or fiduciary order stipulates otherwise.

2) Non-executive trustees have, within the framework of the trust arrangement, the right under the law and, depending on the circumstances, also the duty, individually or jointly or with the assistance of suitable, impartial, and disinterested experts, to inspect the progress of the business at the expense of the trust company

, to inspect all business books and papers, to obtain information from the managing directors, and to demand accounting at reasonable intervals or, if important reasons justify it, at any time.

3) You may object in good faith to the performance of uncompleted business transactions with the effect that these must be omitted, otherwise the acting trustees shall be liable to the company and, if applicable, to the other parties involved.

§ 64

c) Regulations (bylaws) and transfer of management

1) Within the framework of the law and the trust agreement, the trustees may transfer management to individual trustees or third parties or, if they lack specialist knowledge or if it is customary to do so, assistants and issue regulations on the management of the business, provided that individual trustees or third parties may also be entrusted with the execution of individual branches of the company or individual fiduciary transactions, with or without compensation and under the responsibility of all trustees for the selection and supervision they have made.

2) If co-trustees are to manage the business at their discretion, they may not transfer this responsibility to a single trustee.

3) A delegated management may be revoked at any time by law by the managing trustees and, in cases of imminent danger, by any trustee, subject to the obligations of the trust company or the trustees at fault arising from contract, tort, or breach of personal circumstances towards the other party.

d) Fiduciary duties

§ 65

aa) In general

1) Fiduciary duties are governed by the provisions on fiduciary duties in trusteeships in general, within the framework of the law and the trust agreement.

2) In the exercise of their management duties, trustees and representatives shall exercise the care of a prudent businessman as he would apply in his own business affairs and shall be liable for any culpable breach of their duties.

3) Trustees must familiarize themselves thoroughly with the trust agreement and may not invoke ignorance of its provisions as an excuse.

4) Unless otherwise provided by law or the trust order, trustees must comply with the written instructions of all beneficiaries, including any contingent beneficiaries, in accordance with the provisions governing the organization of the beneficiaries.
5) If someone has been invalidly appointed as a trustee through no fault of their own and acts in this capacity, they shall nevertheless be treated as a trustee in relation to bona fide parties and shall be liable from the date of their appointment, even if they are not entered in the trust register.
6) A non-competition clause applies to trustees to the extent that the trust agreement so provides or that it is equitable.

bb) Own interest

§ 66

aaa) In general

1) Every trustee is obliged to avoid any conflict between his interests and those of the trust company or the parties involved as such and, insofar as such a conflict has already arisen, to eliminate it.
2) If a trustee, contrary to the law or trust agreement, or where applicable to resolutions and instructions from competent authorities, derives personal benefits from the trust or in connection with the management of the trust, and these benefits are not customary occasional gifts, they shall be obliged, as a constructive trustee, in the same way as a tacit trustee, to render account, provide information, and surrender the benefits or their equivalent.
3) The provisions governing transactions for one's own benefit among trustees in general shall apply mutatis mutandis, whereby the claims shall be primarily due to the aggrieved company, then to the aggrieved creditors in the event of unsuccessful enforcement or, in insolvency proceedings, to the insolvency administrator and, ultimately, to the parties involved, provided that the creditors or parties involved did not themselves participate in the transaction.
4) If a trustee is also the sole beneficiary, he may, in the absence of other instructions, conclude transactions with himself or as a representative or organ of others under the same conditions as for sole proprietors.

§ 67

bbb) Acquisition of trust property and beneficiary rights

1) In accordance with the preceding provisions and in the absence of other instructions, trustees may only acquire trust assets from themselves or a co-trustee or the trust company in full transparency of the acquisition transaction at a public auction or with the consent of other beneficiaries or authorized bodies or

acquire, rent, lease, or similar from the Office of Justice, unless it involves the acquisition of freely transferable beneficiary rights or such rights that are sold at the instigation of third parties, or unless business practice dictates otherwise.

2) Circumvention of this provision, such as, in particular, the sale of trust property to a third party for the purpose of repurchasing this trust property before the sale has been completed, is not permitted.

3) If trustees acquire, rent, or lease rights from beneficiaries that are not embodied in freely transferable securities, they must, at the beneficiary's request, provide the beneficiary with all information affecting the sale price in good faith before the acquisition, otherwise they shall be liable for damages in accordance with the principles of contract law vis-à-vis the seller for a limitation period of three years from the date of sale.

4) The foregoing provisions shall apply mutatis mutandis if trustees sell, rent, lease, or otherwise dispose of trust assets or benefits or individual claims arising therefrom to beneficiaries.

5) In addition, the provisions on claims for surrender and unjust enrichment in the event of unjustified sale or encumbrance of trust assets remain reserved.

cc) Duty to provide information

§ 68

aaa) Towards beneficiaries

1) Unless otherwise provided by law or trust order or circumstances, trustees shall, upon request, provide all beneficiaries, including contingent beneficiaries, with fair information on all facts and circumstances, in particular on the status and investment of the trust assets, insofar as their rights are concerned, to report and render accounts at appropriate intervals, and to explain why they have not actually received or earned assets, including income, which they should or could have received or earned in the normal course of events or under other circumstances.

2) In the absence of any other provision of law or trust order, trustees are obliged to allow beneficiaries, including any prospective beneficiaries, to inspect and copy all business records and documents at their own expense, insofar as their rights are concerned, and to examine and investigate all facts and circumstances, in particular the accounting system, either personally or through a representative.

3) If not all beneficiaries, including any contingent beneficiaries, jointly assert the above rights, the assertion may, in the absence of other instructions, only be made to the extent that it is not done with unfair intent, in an abusive manner or in a manner that conflicts with the interests of the trust company or other beneficiaries or prospective beneficiaries, or as is otherwise required in good faith.

§ 69

bbb) Towards co-trustees, etc.

1) Trustees shall provide each other with information in the same way as they provide beneficiaries, both about individual transactions concluded by them and about all other facts and circumstances.

2) Trustees who cease to hold office for any reason, or their universal successors, shall provide the succeeding trustees with unrestricted information on all facts and circumstances and hand over all business records, documents, or assets relating to the trust company, unless they have a right of set-off or retention in respect of the latter.

3) Successor trustees shall examine the management of the terminated trustees as required by the circumstances and assert any claims of the trust company against them or their legal successors.

e) Fiduciary powers

§ 70

aa) In general

1) The powers of the trustees are governed by law and the trust regulations and, in cases of doubt, by the general provisions on trusteeship or, where applicable, by the instructions of the Office of Justice.

2) If the managing trustees think it's necessary and the trust agreement doesn't say otherwise, they can sign arbitration and conciliation agreements for the trust company and set up branches, maybe with special trustees.

3) If branches of registered companies are established, they and the relevant trustees or representatives shall be reported to the trust register for registration and publication, stating the facts and circumstances subject to reporting requirements.

bb) Claims for compensation and fiduciary remuneration

§ 71

aaa) In general

1) Within the framework of the law and the trust agreement, trustees may, for their claims (reimbursement of expenses and disbursements for the trust company and damages incurred by them as a result of the company, as well as exemption from the

The company's creditors may only demand satisfaction for obligations entered into or otherwise incurred at their expense, as well as for trust remuneration and compensation for interest customary in the country, to the extent that these obligations were not incurred through their own fault and appear justified by the circumstances.

2) If the trust order does not provide for a trust fee or does not provide for an appropriate trust fee and the legal relationships between the parties involved do not indicate otherwise, the Office of Justice may, subject to other permissible orders, set a trust fee appropriate to the circumstances in a legally binding manner after hearing the parties involved.

3) If the claims of the trustees as such have been satisfied by another party who was obliged to do so in addition to the trust company, the right to satisfaction vis-à-vis the company shall, in the absence of any other agreement, be transferred by operation of law to this other party, insofar as the claims were justified and the right to compensation is not excluded under the underlying legal relationships.

4) The claims of the trustees as such take precedence over the claims against the trust company arising from the benefit, unless otherwise provided by law or trust regulations.

§ 72

bbb) Assertion

1) The trustees' claims arising from the management of the trust are primarily directed against the trust company, subject to the right of set-off and retention, whereby the proceeds are to be used first and then the trust property itself, and secondarily, in the absence of other arrangements, against those beneficiaries who have been enriched in individual cases or who have benefited from the trust company or from the management activity free of charge.

2) If several beneficiaries have been enriched or have benefited free of charge, the claim for compensation shall be based on the extent to which they have benefited or been enriched.

3) If trustees can be held liable for the liabilities of the trust, they may, unless the trust has a right to compensation from them or unless otherwise specified, also surrender trust property in lieu of performance.

4) A trustee forfeits his claims up to the amount of the damage caused by a breach of trust, subject to any further claims by the trust company and other injured parties.

4. Fiduciary power

§ 73

a) General

1) The scope, duration, effect, exercise, and the like of the trustee's power of trust shall be governed by the provisions on representation by the administration under the general provisions on legal entities, supplemented by those on the power of trust among trustees in general and those on the management of trusts within the framework of this Act and the trust order.

2) The trustees appointed to exercise fiduciary power, as well as other authorized signatories and the expiry or change of fiduciary power or power of representation, must be reported without delay to the companies entered in the trust register, enclosing proof of their appointment and stating the relevant facts and circumstances that can be entered in the register, unless a reappointment has been made.

3) The transfer of fiduciary power in whole or in part is permitted within the framework of the fiduciary arrangement, where applicable in accordance with the law or the provisions governing the transfer of fiduciary management.

§ 74

b) Appointment of representatives by the Office of Justice

1) In cases of imminent danger or if there are other important reasons, the Office of Justice may, apart from the admissibility of appointing guardians, appoint or dismiss, at the request of the parties involved or ex officio and after or without hearing the parties involved, authorized signatories or other representatives for the trust company or a department or a special trusteeship or, finally, a branch office.

2) However, the dismissal may only take place without prejudice to any claims of the dismissed persons against the parties at fault arising from contract, tort, or breach of personal circumstances.

§ 75

c) Minimum fiduciary power and minimum power of representation by law

1) Managing trustees and other organs or representatives of the trust company shall, by law, have at least those powers and duties as are provided for representation in administration under the general provisions on legal entities, subject to any deviating provisions of the law.

2) Unless otherwise stipulated and, where applicable, registered in the trust register, or in cases of urgency, managing trustees must exercise their power of representation jointly.

3) If co-trustees have not acted collectively, such action requires the approval of the others in order to be effective vis-à-vis the trust company, unless otherwise specified, without prejudice to any claims of the aggrieved, bona fide third party against the acting party.
4) However, a declaration or notification to the trust company may also be made legally effective to one of the managing trustees or a representative in the same way as to a member of the administration of a corporate entity.

§ 76

d) Signature

1) The trustees appointed to exercise fiduciary power, as well as other authorized signatories, must, in the case of trust companies subject to registration or those that register voluntarily, upon initial registration and, if there is a subsequent change in the composition of these trustees or authorized signatories or in the fiduciary power or power of representation, the persons appointed subsequently shall, as in the case of the administration as an organ of a company with legal personality or its representative, sign before the head of the Office of Justice or submit their signatures in certified form.
2) In the absence of other trust arrangements and, where applicable, entry in the trust register, the signature for the trust company vis-à-vis third parties must be made by all trustees in the same way as by the members of the administration of a legal entity, whereby seals or similar may also be used for the company's letterhead (name).
3) If the subscription is not made in the prescribed manner, the parties involved shall be jointly and severally liable to the trust company and bona fide third parties for any damage incurred if the trust company does not recognize the validity of the legal transaction.
4) If the trust company is acted for without signing, such as verbally or in a similar manner, this must be made apparent to third parties in order to avoid the above-mentioned consequences and, if necessary, must be done collectively.

§ 77

e) Legitimacy (identification)

1) The relevant provisions for legal entities shall apply mutatis mutandis to identification vis-à-vis authorities and private individuals, with the proviso that the authority appointing a trustee or a competent third party may also issue an identification card.

2) If a certificate of legitimacy has been issued to the trustee, he is obliged to return or deposit the certificate with the Office of Justice at the free disposal of the trust company after his trust power has expired.

3) If the trust company or, where applicable, its universal successor does not require him to do so, the trust company or its universal successor shall be liable to the trustee and the bona fide third party for any damage, subject to the right of recourse against the trustee, unless the third party had otherwise become aware of the expiry of the power of trust.

IV. Beneficiaries

1. Beneficiaries in general

§ 78

a) Types

1) Unless otherwise specified by law, the beneficiary (beneficiary, beneficiary, legatee, or similar) is understood to be the person who, in accordance with the trust order, derives any present or future advantage from the trust, such as a share in the income or in the trust assets or in both, irrespective of whether they are entitled to it or not, or whether securities have been issued in respect of the benefit or whether it is a charitable or similar trust, and subject to their simultaneous claims as other participants or third parties.

2) Unless the benefit is excluded from certain persons, beneficiaries (beneficial owners) are those who, according to the trust agreement or law, actually receive a specific benefit in the manner described above and, if they also have a legal claim to it, are to be understood as beneficiaries (trust beneficiaries).

3) If the right to benefit is generally limited to a clearly defined group of persons (companies or associations) and, after the beneficiaries have ceased to exist, others are called upon to succeed to the beneficial ownership by virtue of a legal claim in accordance with a specific order based on the trust arrangement, the latter have contingent rights (contingent beneficiaries).

4) Unless otherwise specified, the term beneficiary or trust beneficiary or trust beneficiary also includes the candidate with and without entitlement, in particular also the beneficiary and the benefit also includes the entitlement.

§ 79

b) Legal nature of the benefit, etc.

1) The trust beneficiary may be conditional, limited in time, subject to a condition or similar restrictions, or may also be designated for impersonal purposes.

2) The right of the beneficiary based on the trust arrangement is limited by law only by this and by any existing entitlement of others.
3) If the trust arrangement allows for beneficiary rights or contingent rights (trust benefit or contingent trust benefit entitlement), in case of doubt they shall be treated only as limited creditor rights which may be realized, asserted, and transferred to others in accordance with the law and the trust arrangement.
4) It may be stipulated by ordinance that, if the relevant provision of the trust order is otherwise invalid, the determination of the beneficiaries may no longer be postponed beyond the period of admissibility of the appointment of a reversionary heiror that the income or other benefits from the trust enterprise may not be distributed, or that the non-sale of trust property or beneficiary rights may also not be stipulated for longer than this period, unless important reasons justify an exception, such as in the case of charitable enterprises or inalienable trust property or the like.

c) Acquisition and loss (creation and extinction)

§ 80

aa) In general

1) The trust benefit may arise with or without consideration, such as purchase funds, ongoing contributions, or the like, on the part of the trustor for the beneficiaries or on the part of the latter as trustor to the trust company, and with or without the issuance of securities relating to the benefit, provided that the trustdoes not provide for a charitable or similar trust with beneficiaries not specified in advance or with impersonal benefits or the like.
2) Rights and obligations arising from the beneficiary status may, in particular, be established in accordance with the trust agreement even after the establishment of the trust company by the original beneficiaries, other parties involved, or third parties as new beneficiaries in the same or unequal manner or gradually (successively established beneficiary status).
3) Certain bodies or agencies or third parties may be granted the authority to grant or withdraw the trust benefit at their discretion or due to the cessation of certain conditions, or a right of pre-emption or redemption of the trust benefit that is effective against everyone and can be noted in the trust register at the request of the managing trustees or other competent bodies.in the event of its sale or similar.

4) The acceptance of the rights arising from the benefit by beneficiaries is presumed, provided that this only entails advantages and the circumstances do not indicate otherwise.

5) The creation and termination of the benefit may also be regulated, even without membership, by analogy with the rules established for the acquisition and loss of membership in registered cooperatives.

§ 81

bb) Tax exemptions and socio-political benefits

1) In particular, benefits may also be granted without the beneficiaries contributing to the trust fund or otherwise to the trust company (free benefits, including free entitlements) and socio-political benefits may also be granted.

2) In case of doubt, the provisions governing social policy share and profit rights for associations shall apply mutatis mutandis to benefits of the latter type.

3) The provision on gradual distribution from the trust assets remains reserved.

§ 82

cc) Special ability

1) If, according to the trust order, the acquisition (granting) or loss of the benefit is contingent upon the presence or absence of a certain characteristic (capacity), such as membership of a particular profession or group of persons or a family, residence in the country or a specific municipality or the like, this characteristic must, in case of doubt, be present or not present at the time the beneficiary status accrues to the candidate.

2) If the beneficiary status can only be assumed while such a characteristic is present, then in case of doubt this characteristic must have continued to exist throughout the relevant period.

§ 83

dd) Convertible creditor and beneficiary rights

1) The creditors of a trust company may also be granted, in particular, the right to convert their creditor rights into ordinary or preferential beneficiary rights, which may be linked to the possession of a security (convertible bonds).

2) Conversely, beneficiaries may be granted the right to convert their beneficiary rights into unconditional creditor rights (conversion benefits) in the same manner.

3) The application of the provision on the gradual distribution of assets to the conversion of conversion benefits remains reserved.

§ 84

ee) Termination, etc.

1) The trust order may grant the beneficiary a right of termination for withdrawal from the beneficiary relationship, to which, in the absence of more detailed provisions, the provisions on termination in registered cooperatives shall apply supplementarily.

2) If the trust order also grants a beneficiary who is entitled to a portion of the trust fund or similar the right to withdraw from the beneficiary relationship under certain conditions, such as termination or similar, the withdrawal shall only be effective if the provisions on the gradual distribution of trust assets are complied with.

§ 85

ff) Exclusion

1) The trust agreement may also specify the reasons for which a beneficiary may be excluded from the trust relationship by the trustee or another body.

2) After notification of the exclusion by the trustee or the competent authority, the beneficiary may no longer act as trustee, except in cases of imminent danger, and shall be excluded from exercising any voting rights or similar rights from that point in time.

3) The exclusion is void if the provisions on the gradual distribution of trust assets have not been complied with.

4) The claims of the excluded party against the guilty parties arising from other legal relationships, such as contracts, tort, or violation of personal circumstances, also remain reserved.

gg) Revocation

§ 86

aaa) Due to unworthiness

1) If the trust benefit from a trust company has been transferred to the beneficiary free of charge in accordance with the trustor's instructions, the trustor or his legal heir, provided that the latter is not himself unworthy of trust, shall have the right to revoke the trust benefit or the entitlement to it on the grounds of unworthiness, with effect against the person at fault:

1. if the beneficiary or prospective beneficiary has committed or attempted to commit a serious crime against the trustor or a person closely associated with the trustor,

2. if the relevant beneficiary or prospective beneficiary has seriously violated his or her family law obligations towards the trustor or one of the trustor's relatives, or
3. if the aforementioned beneficiaries unjustifiably fail to fulfill the conditions or other obligations associated with the beneficial ownership or entitlement.
2) If the settlor, in the performance of his duty as trustee of another trust, has granted the gratuitous benefit, the settlor or his heirs may be considered as trustees or heirs with regard to the unworthiness of the settlor of the other trust or his heirs.
3) If a trustor, in fulfillment of another obligation to a third party who has provided or promised consideration free of charge, has granted a gratuitous benefit to someone, the above provisions regarding trustworthiness shall apply to the third party or his universal successor.
4) The breach of trust shall be waived by the forgiveness of the trustor or the third party concerned.

§ 87

bbb) For other reasons

1) The revocation of the order to grant the trust benefit free of charge and the refusal to fulfill it may also be effected by the trustor or his heirs who have assumed the fulfillment of the promise:
1. if, since the promise to transfer assets to the trust company free of charge for the purpose of gratuitous benefit, the financial circumstances of the settlor or his relevant heirs have changed to such an extent that the further fulfillment of the promise to the trust company, without the settlor or his heirs enjoying the benefit, would place an extraordinary burden on him or them,
2. if, since the above-mentioned promise was made, the settlor or his or her heirs have incurred family law support obligations that did not exist before or were significantly less extensive.
2) If a trustor has established a trust company in his capacity as trustee of another trust or, on the basis of an obligation to a third party who has provided or promised consideration free of charge, has granted another party the benefit of the trust free of charge, the conditions for revocation must have arisen in the person of the first trustee or his heirs.or their heirs.
3) The right of the settlor's creditors or his heirs to contest the trust remains reserved.

§ 88

ccc) Assertion of revocation and referral

1) The revocation of beneficial ownership or entitlement shall be effected by the person entitled to do so in favor of the settlor or the relevant third party and, if their heirs or other legal successors are concerned, in their favor, with notification to the trust company and to the person against whom there is a reason for revocation.

2) If a candidate has committed a serious crime against life or limb against his predecessor in beneficial ownership in order to obtain this ownership, the person succeeding him in the beneficial ownership may assert the revocation in his favor.

3) The revocation may take place within one year from the time when the person entitled to revocation became aware of the reason for revocation.

4) Revocation is excluded if five years have already elapsed since the reason for revocation arose, unless the reason for revocation consists of a serious crime and the prosecution or enforcement is not yet time-barred.

5) The provisions applicable to the statute of limitations shall apply mutatis mutandis to the running of the period, and those applicable to gifts shall apply supplementarily to the legal relationship between the trustor and the relevant beneficiary or their heirs.

§ 89

hh) Breach of the duty to provide support

1) If a trustor has deprived himself of the means to cover his necessary living expenses or to fulfill his legal obligation to provide support by making a gratuitous donation, the judge may oblige the trust company to provide support to the person in need of support or entitled to support, offsetting these payments against what the trust company is required to pay free of charge to any beneficiary of the trust in accordance with the trust order and that donation.

2) If a trustor has established a trust company in his capacity as trustee of another trust or if, in fulfillment of another obligation to a third party who has provided or promised him consideration free of charge, he has procured the trust benefit free of charge, the conditions for the need or obligation to provide support must have arisen in the person of the first trustor or the relevant third party.

3) In the case of mixed gratuitous benefits, the above provisions shall apply mutatis mutandis.
4) The heirs' right to bring an action for reduction on the grounds of violation of the compulsory portion, the creditors' right to contest the will, and the claim for enrichment of the person in need of support or entitled to support against the enriched person who is no longer the beneficiary remain reserved.

ii) Division and union

§ 90

aaa) In general

1) The division of benefits as a whole, the sale or encumbrance of such a part, and the consolidation of several independent benefits or parts thereof that constitute more than one whole benefit in one hand are, in the absence of other trust arrangements or provisions of law, permissible only with the consent of the managing trustees, without prejudice to the rights of other beneficiaries.
2) If there are important reasons, the consent may, unless it concerns a trust company with a special succession order, be replaced by the Office of Justice at the request of the beneficiaries after hearing the managing trustees and, if necessary, other legally interested parties.
3) If a list of beneficiaries or parties involved in liability or additional payment obligations is maintained, and accordingly a list of parties involved, any changes resulting from division or merger, in particular the joint representative, must be entered in the list.

§ 91

bbb) Effect

1) If several such parts of benefits are combined in sufficient numbers in one hand, they grant the same rights by law as an undivided benefit, and if several previously independent benefits are combined, the rights are increased accordingly in the absence of other provisions.
2) If the benefits are associated with obligations, the partial beneficiaries shall be jointly and severally liable for the obligations, including outstanding amounts, after the division only to the extent that these comprise monetary payments to the trust fund or that joint and several liability or additional payment obligations apply, and without prejudice to any rights of recourse.
3) If several independent benefits are combined, the obligations shall also increase accordingly, whereby the relevant provisions on multiple shares in registered cooperatives shall apply with regard to liability or additional payment obligations.

4) At the request of the trust company, such beneficiaries with partial claims must appoint a joint representative, otherwise all declarations of intent and other legal acts may be made vis-à-vis them with effect for and against all of them, or the Office of Justice may appoint such a representative at the request of the managing trustees and at the expense of the beneficiaries concerned.

§ 92

kk) Limitation period

1) A limitation period for the entitlement or beneficial ownership may only apply in favor of the reserve fund for balance sheet or accounting losses of the trust company, subject to the provisions governing the transfer of assets to the state and similar provisions.

2) A limitation period for the entitlement as such shall only commence at the point in time at which the rights associated with the beneficial ownership could have been exercised as a result of accrual to the relevant beneficiary, but were not exercised.

3) Trust benefits as a whole are otherwise subject to the ordinary statute of limitations, unless the law allows for exceptions.

§ 93

ll) Redemption amount

1) If, as a result of termination, exclusion, or similar reasons, and no securities have been issued, the claim shall, in case of doubt, consist of the cash amount with which the trust company's performance could be acquired in terms of value from a sound annuity company in the form of a corresponding annuity.

2) In the case of a trust company with commercial operations or securities, the redemption amount shall, in case of doubt, be determined on the basis of a liquidation balance sheet, without the need for liquidation.

3) However, the judge may determine the compensation in a different manner if there are important reasons for doing so.

d) Rights and obligations arising from the beneficiary status

§ 94

aa) In general

1) The rights and obligations of beneficiaries are generally determined by law or trust agreement, where applicable by the content of the securities issued in respect of the beneficiary status, and additionally by the provisions governing trusts in general.

2) Under the same conditions and with the same benefits for the beneficiaries, in the absence of other provisions, their rights and obligations may only be treated in the same way, in particular amended, restricted, or revoked, without their consent, and individual beneficiaries may not be given preference to the detriment of others.
3) In the absence of other provisions, beneficiaries shall have no right to dissolve the trust, to claim individual items of the trust property or to demand its division.
4) Insofar as a beneficiary makes contributions to the trust fund or has undertaken to make such contributions, and unless otherwise provided by law, he is at the same time subject to the relevant provisions as a trustor in this respect.

§ 95

bb) Distribution of benefits and claims for compensation

1) If a beneficiary entitled to the payment of income and parts of the assets receives amounts without further details as to their nature, they shall be presumed to be income, subject to the obligation to make any refund in accordance with the principles of unjust enrichment or, where applicable, the rules on the gradual distribution of trust assets.
2) If a beneficiary loses the right to benefits during an administrative period or if this right lapses during such a period, after the end of which the regular income or other benefits are distributed and no securities have been issued, the proceeds from the benefit shall be distributed according to the duration of their ownership during the management period among the persons who have ceased to be beneficiaries or the universal successors of their predecessors and the successors to the beneficial ownership in accordance with the provisions on the allocation and distribution of assets and income; this shall apply in particular to family trust companies.
3) In the case of securities, the income or other asset payments shall, in the absence of other instructions, be paid to the securities holder at the time the relevant claim falls due.
4) Amounts to be distributed among the beneficiaries may be rounded down, unless this is a liquidation or redemption result or unless otherwise specified.
5) If a beneficiary has incurred expenses in the common interest and others actually benefit from this, he shall, upon timely notification thereof to the managing trustees, have a preferential right to proportional compensation from other beneficiaries from the relevant benefit prior to distribution, including, where applicable, for that which cannot otherwise be obtained from a beneficiary.

§ 96

cc) Default

1) Insofar as no securities have been issued for benefits and the trust order does not provide otherwise, the relevant provisions for membership under the general provisions on associations and, in addition, those of the law of obligations shall apply to the beneficiary's default in performance.
2) The trust agreement may stipulate that, in the event of default by the beneficiary or third parties, the benefit acquired on the basis of this performance obligation shall be declared void in favor of the reserve fund for balance sheet or accounting losses, without releasing the beneficiary or third parties from their obligations to the trust company.
3) If there are still outstanding payments on the securities issued in connection with the benefit, the beneficiary may be declared by law to have forfeited all of his rights arising from the securities in question by the managing trustees in accordance with the provisions on shareholder default, without this releasing him as a debtor from his remaining performance obligation insofar as it relates to the trust fund or the liability or additional payment obligation for the period of his benefit.

§ 97

dd) Repudiation and right of redemption

1) In the absence of other trust arrangements, a beneficiary may avoid the obligations arising from the benefit to make further contributions to the trust company, insofar as these are not to accrue to the trust fund, by surrendering his external beneficiary status in writing to the trust company in favor of the reserve fund for balance sheet or accounting losses, thereby also releasing his predecessors in beneficiary status from the obligation to pay the contributions in arrears from their period of beneficiary status.
2) If, according to a specific order, there are candidates with succession rights, they shall have the right to redeem these entitlements or contingent entitlements in the order of their contingent entitlements after they have been notified in writing by the managing trustees or, if applicable, by the other body authorized to do so in accordance with the trust agreement, of the default or of the revocation of a beneficiary or third party in default. the right to redeem this beneficiary or contingent entitlement against performance or, where permissible, against appropriate security for the defaulted performance (right of redemption).
3) If the right of redemption is not exercised in accordance with the preceding paragraph, and in all other cases, the spouse, registered partner, or descendants of the beneficiary may exercise this right, and if several persons entitled to redemption cannot agree, they may exercise it in accordance with the instructions of the Office of Justice.

ee) Assertion of rights

§ 98

aaa) Rights of beneficiaries

1) Beneficiaries and persons entitled to benefits may, within the scope of their rights under the trust order and the law, individually or in groups or all together, demand that the trust company and the trustees or other persons obligated to do so comply with or fulfill their rights and, for this purpose, also demand that protective measures be taken.

2) Individual beneficiaries or groups of such beneficiaries or all of them together, as well as prospective beneficiaries, may assert their claims against third parties only to the extent provided for by law or to the extent that third parties themselves have committed themselves to them or have committed a tortious act.

3) In accordance with the provisions on actions for annulment in the case of legal entities, security may be requested from the defendant.

4) The trust order may authorize trustees or third parties exclusively to protect the rights arising from beneficial ownership or entitlement vis-à-vis non-beneficiaries, provided that the beneficiaries' rights cannot be asserted among themselves and the interests of the trust company do not conflict with the beneficiaries' rights.

§ 99

bbb) Rights of the trust company

1) The beneficiaries and contingent beneficiaries may, individually or in groups or all together, in the name and for the benefit of the trust company, demand from the trustees or other persons or bodies obliged to do so that they comply with the regulations, in particular that they fulfill their fiduciary duties in accordance with the law or the trust agreement and that they revoke any inadmissible measures, or take immediate measures to secure against actions or omissions by them that jeopardize the rights of the trust company.

2) If trustees do not assert a claim of the trust company against parties involved or third parties, which has become known to them, whether due or not due but endangered, such as in particular a claim due to disturbance or deprivation of possession or ownership of the trust property, in accordance with their duties and the circumstances, then, in the absence of any other order, individual beneficiaries or prospective beneficiaries, or groups or all of them together, may themselves request the defaulting trustees to assert the claims within a reasonably set period of time, or have them requested by the Office of Justice.within a reasonable period of time, or have them asserted by the Office of Justice. After this period has expired or if the trustees have failed to assert the claims, the relevant beneficiaries may assert the claims on behalf of and for the benefit of the company.

3) The provisions on the provision of security in actions for annulment shall apply mutatis mutandis in favor of the defendant.

§ 100

ccc) In the case of an organization

1) Where an organization of beneficiaries is provided for and implemented in the trust order or ordered by the Office of Justice, the powers of the beneficiaries may be exercised in accordance with this organization and subject to any minority rights and rights that only individuals are entitled to, in particular acquired rights, such as income due or similar.

2) The organization and any minorities shall have the capacity to be parties and to sue and be sued in official proceedings in which they must be represented by statutory or other authorized representatives, unless they already have this capacity.

3) Resolutions passed by a meeting of beneficiaries or prospective beneficiaries, including preferential beneficiaries or similar, convened on the basis of such an organization may be contested by the parties concerned or revoked ex officio in accordance with the provisions governing the contestation of resolutions of the supreme body under the general provisions governing legal entities, in particular if they are unlawful, immoral, or dangerous to the state.

4) Furthermore, resolutions may be contested in the same manner if they are contrary to the interests of the trust company, the beneficiaries as a whole, or a particular class of beneficiaries, such as preferred beneficiaries, and are only likely to harm a minority or individuals.

5) The relevant proceedings shall be conducted expeditiously by the competent authority.

§ 101

ddd) Exceptions, etc.

1) The provisions on the assertion of rights in the presence of an organization shall not apply if the certificate holders cooperate by operation of law in accordance with the provisions on the community of creditors in the case of bond obligations, or if, in the case of trust companies with charitable or similar purposes, the interests of the beneficiaries are represented by a representative under public law.

2) If trust companies enjoy benefits other than those available to individuals (companies or associations), anyone other than representatives of public law may, with the consent of the Office of Justice, demand that these benefits be fulfilled in accordance with the purpose or object of the company (impersonal benefit).

e) List of beneficiaries

§ 102

aa) Obligation to maintain and inspect

1) If the trust benefit is not linked to a bearer instrument, or if the determination of the beneficiaries is not left to the discretion of the trustees, other bodies, or third parties, or if there is no other trust company with a charitable or similar purpose with undefined beneficiaries, or if there are no impersonal benefits, then, especially in the case of family trust companies, in the absence of other bodies obligated to do so under the trust agreement, the managing trustees must create a list of the specific beneficiaries or living beneficiaries and keep it up to date.

2) Each beneficiary is entitled to inspect and make copies of the register in good faith at their own expense, either at the premises of the persons obliged to maintain it or at the Office of Justice, provided that it is deposited there for inspection, during normal business or office hours.

3) If the register is not deposited with the Office of Justice for inspection, a beneficiary may, at his own expense, request a certificate (certificate of beneficial ownership, certificate of entitlement) from the person responsible for keeping the register as proof of his right to beneficial ownership or entitlement.

4) If the certified right has lapsed or changed, such a certificate shall be returned to the person responsible for maintaining the register for the purpose of correction, if necessary.

§ 103

bb) Registration

1) The register shall contain in particular: surname, first name, place of residence, if possible also date and place of birth, if no securities have been issued, or company name and registered office of the beneficiaries, if applicable the living beneficiaries, including the same information about their joint representative, if any, date of acquisition or loss of the beneficial ownership or entitlement, type of benefit, and the like.

2) Unless otherwise specified, the transfer of the beneficiary status or entitlement shall be registered on the basis of proof of the transfer in the proper form, in the case of inheritance upon notification by the heir, legatee, executor, or estate administrator or the probate authority, and in the event of the dissolution of a company or association, upon notification by other universal successors or the liquidators or the insolvency administrator.

3) If registration is refused, it shall be carried out in the event of important reasons at the request of the persons entitled to do so in accordance with the instructions of the Office of Justice.

§ 104

cc) Effect

1) Once such a register has been created, only those persons who are entered in the register shall be deemed to be entitled to exercise the rights and obligations arising from the beneficial ownership or expectancy vis-à-vis the trust company.

2) The acquirer must accept the legal acts performed by the trust company vis-à-vis the transferor or, conversely, by the latter vis-à-vis the trust company in relation to the beneficiary relationship prior to the registration of the transfer.

3) The transferor and the acquirer shall be jointly and severally liable for any outstanding payments under the beneficiary relationship at the time of registration.

4) The trustees or other persons obligated in this regard shall be jointly and severally liable without limitation for any damage caused by improper maintenance of the register or by unjustified refusal to make an entry, in accordance with the provisions on liability.

2. Determination of beneficiaries

a) In the event of missing or defective instructions

§ 105

aa) In general

1) In the absence of other trust arrangements or if the provisions on beneficiaries cannot be implemented for any reason, in particular if the rights arising from the beneficiary status are not or not fully transferred to the persons envisaged as beneficiaries in one direction or the other (companies or associations) or are not accepted by them, it is assumed in the case of trusts other than charitable or similar trusts that the settlor alone has the right to the beneficiary's property during his lifetime and, unless he orders otherwise by disposition inter vivos or mortis causa regarding succession, that thestatutory heirs, in accordance with their inheritance rights, have the sole right of succession to the beneficiary status, in particular also to the assets (presumed beneficiary status and presumed succession).

2) If the settlor was obliged to establish a trust company on the basis of a gratuitous transfer of assets by a third party, or if a beneficial interest was only acquired under these conditions, it is presumed, in the absence of or in the event of defective arrangements, that this third party, beneficial owner

or his universal successors are presumed successors (presumed benefit in the case of indirect trust).
3) If persons other than natural persons are to be entitled to benefits, in the event of the termination of the company or association, the further determination of the beneficiaries shall, in the absence of other instructions, be governed by the provisions on the transfer of membership as a result of the dissolution of companies or associations in the case of registered cooperatives.
4) If the trust deed generally specifies a charitable, benevolent, or similar purpose without specifying in detail how it is to be fulfilled, either alone or alongside other purposes, the government shall, at the request of interested parties or upon notification by other authorities or on its own initiative, order the necessary administrative measures to be taken to fulfill this only generally specified purpose, as far as possible in accordance with the trust agreement.
bb) Rules of interpretation, etc.
§ 106
aaa) With regard to beneficiaries
1) The following rules of interpretation apply with regard to beneficiaries:
1. If the beneficiaries are designated as the children of a specific person, this includes the descendants of that person who are entitled to inherit, and the spouse or registered partner is understood to be the surviving spouse or surviving registered partner if and as long as he or she has not remarried or entered into another registered partnership.
2. The terms "estate," "heirs," "legal successors," "family," "relatives," next of kin or similar of a person are understood to mean the descendants who are entitled to inherit and the surviving spouse or surviving registered partner, if and as long as they have not remarried or entered into another registered partnership, and in the absence of such persons, those persons (companies or associations) who are entitled to inherit the estate of that other person.
2) A candidate who was not yet alive at the time of the transfer of beneficial ownership from the previous owner to the person initially appointed in accordance with the law or trust order (succession case), but who had already been conceived, is deemed to have been born before the succession case.
3) The rules of interpretation of inheritance law concerning heirs and, where applicable, legatees shall apply in addition.
§ 107
bbb) Regarding beneficiary shares
1) In case of doubt, the following applies to beneficiary shares:

1. If the beneficial ownership of the trust falls to the descendants who are entitled to inherit and the surviving spouse or registered partner as beneficiaries, the statutory succession shall apply in all other respects; however, if other heirs are designated as beneficiaries, it shall fall to them in accordance with their inheritance rights;
2. if other persons who are not entitled to inherit are designated as beneficiaries without specifying their share, they shall be entitled to the trust property in equal shares;
3. If a beneficiary ceases to be a beneficiary, for example as a result of the prior death of the settlor, rejection by the beneficiary, revocation of the beneficiary status, or similar, this share shall be distributed equally among the remaining beneficiaries.

2) If the beneficiaries are descendants with inheritance rights, a spouse or registered partner, parents, grandparents, or siblings, they shall receive the beneficial ownership even if they do not accept the settlor's inheritance.

3) If a trust benefit provision is expressed in a doubtful manner, it shall be interpreted in such a way that the benefit can be exercised as freely as possible.

4) The rules of inheritance law on the interpretation of inheritance shares and, where applicable, legacies shall apply in addition.

b) Special succession rules for family trust companies

§ 108

aa) In general

1) The trust order or an authorized body may stipulate a succession order whereby the excluded relatives of equal proximity or similar persons shall permanently succeed to the trust property or parts thereof, with or without an obligation on the part of the respective beneficiary to pay compensation.in such a way that either the firstborn of the older line of kinship of the settlor or another person, or the youngest of the youngest line, or the relative of the last beneficiary who is next in line of succession, with the preference of the eldest or youngest among several equally close relatives, or, regardless of the line and degree of kinship to the last beneficiary, the eldest or youngest of the entire family or another person in a similar position is entitled to succeed as the legal successor of the settlor or other persons (entailment trust).

2) Apart from the order of succession, special provisions may be established regarding eligibility for succession, subject to the provisions on revocation of the benefit.

3) The special order of succession, including any special eligibility for succession to the beneficial ownership of the trust property, may be noted or annotated in accordance with the provisions

on the restriction of the sale of trust property.

4) In the case of family trust companies with special succession arrangements, including any special succession rights, securities may not be issued in respect of the benefit as a whole, but may be issued in respect of individual claims that are already due.

§ 109

bb) Rules of interpretation

1) In the case of first-born rights from the older line of kinship, which is presumed to be the succession order in case of doubt, the younger line shall, in the absence of other arrangements, only become entitled to the trust benefit after the older line has expired, so that, for example, the brother or sister of the last trust beneficiary must take precedence over the latter's descendants.

2) If the trust arrangement appoints the person who is either closest in degree to the trustor or the first acquirer of the beneficial ownership, if the beneficial interest is intended for a family other than that of the trustor, or closest in degree to the last beneficial owner, in case of doubt, greater consideration shall be given to the degree of kinship to the last beneficiary than to that to the trustor or the first acquirer, and among several relatives of equal degree of kinship, the older shall prevail.

3) If it is stipulated that the trust benefit shall always accrue to the closest relative in the family, in case of doubt this shall be understood to mean the person who, according to the usual legal succession, is the closest relative of the settlor or the person in question (hereditary trust enterprise), and between several relatives of equal closeness, the benefit is shared, and the provisions on the division of benefits apply in addition.

4) In the absence of other trust provisions, male descendants shall not be given preference over female descendants, and the waiver of a trust beneficiary or beneficiary-in-waiting shall only apply to that person and not to other persons or their descendants.

5) In all other respects, the rules of interpretation shall apply mutatis mutandis in the absence of or in the event of defective provisions.

§ 110

cc) In the case of multiple family trusts

1) If special trusts or other trusts have been established by the same or different settlors for several lines of the same family, so that in addition to a family trust for the first-born line, one or more trusts exist for subsequent lines,

in case of doubt, the beneficiary of the first trust and his descendants shall only be entitled to benefit from another trust if there are no descendants entitled to benefit from the trust in the other lines, and the various beneficial interests shall only remain united in one person until two or more further lines without provision arise.
2) If, in the case of several trusts of this kind with a succession order, the second line dies out, the terminated trust benefit shall, in the absence of any other provision, pass to an appointed, unprovided-for line and, in the absence of such a line, shall revert to the first line and remain there with the beneficiary until further lines have been established.
3) In the absence of other provisions, several lines shall only be deemed to have been established when the head of the line to which the trust beneficiary's property of the extinct line has passed has died and left several descendants eligible for succession.

c) Right of nomination and conferral (beneficial interest patronage)

§ 111

aa) In general

1) The determination of the acquisition (conferral) or loss of the benefit and of any persons entitled to it may, in accordance with the trust order, be left to other bodies or third parties (collators) instead of to the discretion of the trustees if necessary, with the corresponding application of the rules of interpretation in the event of missing or inadequate instructions; if necessary, a call for applications for the benefit or similar may be issued.
2) The trust agreement may grant or impose a right, to the exclusion of third parties involved, or, with their consent, an obligation to propose persons (companies or associations) eligible for the granting of the benefit to the trustees, other bodies, or third parties (trust patronage).
3) In cases of doubt, those entitled to make proposals or those obliged to do so (presenters), as well as trustees, if other bodies are entitled to make awards, also have the duty or the corresponding right to monitor the award and take appropriate measures to ensure that the award and execution of the benefit are correct.

§ 112

bb) Public tender

If a public tender for the application for trust benefits is published in the Liechtenstein national newspapers or another announcement or similar that best serves the purpose by the trustees or other bodies, it shall contain in particular: the subject matter of the trust benefit, any obligations of the beneficiaries associated with it, the group of persons appointed in accordance with the trust order, described as precisely as possible, and the date by which the application or similar must be submitted, otherwise the application will be excluded.

§ 113

cc) Effect

1) The granting of the trust benefit shall take effect from the time of notification to the relevant beneficiary.

2) However, the trust benefit may only be granted at the earliest after the expiry of a period of one month for judicial or other legally permitted challenges since the granting or after the decision has become final, unless important reasons justify an exception.

3) If, as a result of a challenge to the granting of trust benefits, another applicant is designated as the beneficiary, the trust company shall have a claim for reimbursement against the person who may have wrongfully received the trust benefits in favor of the trust reserve fund for balance sheet or accounting losses.

4) If these proposing or awarding bodies or third parties do not exercise their authority or fulfill their obligations in a timely manner, they shall, upon application by the parties involved or, in the case of trusts with charitable or similar purposes, upon application by the representative of public law, be transferred to the Office of Justice after a reasonable period of time has been set by the Office of Justice for the individual case and in the absence of any other order, whereby it may, if necessary, proceed in accordance with the regulations on the determination of beneficiaries (replacement proposal and replacement award).

5) In all other respects, the provisions on the withdrawal of the right of nomination when appointing trustees shall apply mutatis mutandis to the withdrawal of the right or obligation to award the benefit or to nominate beneficiaries, as well as the relevant provisions on compensation for damages.

d) Securities relating to the trust beneficiary

§ 114

aa) In general

1) Rights and obligations arising from the benefit and the beneficiary (certificate holder, certificate holder) may, in accordance with express instructions, be transferred together with ownership of a security, such as an ordinary or preferred trust certificate, beneficiary certificate, supplementary certificate, bonus certificate, interim certificate, voucher, deposit certificate, or similar types or kinds of

securities, to which, in the absence of other provisions, the regulations on securities and, if they embody membership rights, also those on membership securities under the general regulations on associations shall apply mutatis mutandis.

2) If the trust order provides for the issue of securities without specifying whether they are to be registered or bearer securities, or if the beneficiaries are obliged to make recurring payments or to assume liability or make additional contributions, only registered securities that are transferable with the consent of the trust company may be issued.

3) The securities may not be designated in such a way that, in the absence of the legal requirements, they could be confused with securities without contribution payments or without other obligations to the trust company, with another form of enterprise, or with other securities issued in connection therewith, such as shares, profit participation shares, bonds, or the like, or could otherwise lead to deception.

4) Securities relating to trust benefits may only be issued domestically through a public subscription of contributions to the trust company in compliance with the regulations on the obligation to issue a prospectus for bond obligations and only with the approval of the Office of Justice.

5) The government may issue regulations restricting or prohibiting the issuance of securities on preferential terms in accordance with the provisions applicable to securities.

Section 115

bb) Registration in the trust register

1) In the case of trust companies that are subject to registration or voluntarily registered, the authority to issue securities in accordance with the trust agreement must be registered with the trust register, accompanied by an extract from the trust agreement and a form of the security, and must be entered in extract form and published by the Office of Justice.

2) The registration in the trust register shall also indicate, where applicable, whether the securities denominated at a specific nominal amount and certifying a contribution to the trust fund may be issued above or below their nominal value, or in successive issues.

§ 116

cc) Consequences of non-compliant issuance

1) If securities have been issued contrary to the provisions of the law, the Office of Justice may, within three years of the issue, at the request of interested parties, in particular the subscribers or purchasers,

or ex officio, take action against the issuers using the coercive measures permitted in non-contentious proceedings, declare the securities and, if applicable, the relevant provisions of the trust agreement to be null and void in a public announcement.

2) In addition, the issuers and all those involved in the issue shall be jointly and severally liable to bona fide certificate holders for any damage without limitation.

dd) Form and content

§ 117

aaa) In general

1) In the absence of other instructions, the securities certificate shall, as far as possible, be denominated in terms of a share of the relevant trust income, such as a share of the income or assets, or both, whereby in the case of multiple beneficiaries, equal shares shall be assumed in case of doubt.

2) Repealed

3) The certificate issued in respect of the beneficiary shall be deemed to be evidence.

§ 118

bbb) Special information

In addition to the explicit designation as a "security," the security certificate shall also contain the special rights arising from the beneficiary status, if necessary with reference to the relevant provisions of the trust order, the number of securities issued in each case, and, if applicable, the following:

1. in the case of registered securities whose transfer is subject to the consent of the company, interested parties, or third parties in accordance with the law or trust agreement, the inclusion of the relevant provisions and the requirement for such a transfer in accordance with the trust agreement;
2. if different classes of securities are issued to the beneficiaries, the listing of the different classes of ordinary or preferred securities, as well as the designation of the class to which the relevant security itself belongs;
3. if the beneficiaries of the trust are obliged to make recurring payments as trustors in the case of registered or bearer securities, or if the certificate holders are liable or obliged to make additional payments, the provision governing this obligation and the scope of the payment;
4. the amount of any partial payments made to the trust fund and, if possible, the outstanding balance on a security that has not been paid in full, as well as the consequences of default on the remaining payment or recurring payments;
5. if the signing of the securities certificate in the trust agreement is subject to compliance with a specific form, the specification of this form requirement

and the handwritten or otherwise customarily produced signature of at least one managing trustee or other authorized representative.

3. Determination of beneficiaries

§ 119

a) In general

1) Beneficiaries whose whereabouts, life, or name are unknown or uncertain may be summoned by the Office of Justice at the request of the managing trustees or other interested parties.

2) For unknown or uncertain beneficiaries, after consultation with the managing trustees, an official trustee shall be appointed at the expense of the trust property in accordance with the provisions of the Code of Civil Procedure via the court-appointed guardian, unless a guardian or similar legal representative has already been appointed for individual beneficiaries.

§ 120

b) Contents of the summons

1) The summons shall be issued by means of a public announcement, which, at the discretion of the Office of Justice, may also be published in foreign newspapers or in any other suitable manner, in accordance with the provisions governing missing persons proceedings.

2) The announcement shall state the relevant circumstances such as the name and registered office of the trust company, the date of establishment, the name, first name, and place of residence or company name and registered office of the trustors, as well as the initially appointed beneficiaries and the like, and shall contain a request for the disclosure of appointed but unknown or uncertain beneficiaries to the Office of Justice or the trust company or the officially appointed or other trustee.

3) The announcement must also include, if possible, what will happen if the beneficiary does not come forward within one year of the announcement or does not prove their disputed entitlement within a further year of the dispute by means of expedited legal proceedings, what will happen to the benefit after the specified deadlines have expired, as well as the warning that, until better entitled persons come forward, others may receive the benefit without being obliged to make restitutionor that the benefits will be declared forfeited by the managing trustees in favor of the reserve fund for balance sheet or accounting losses, or that, if necessary, the trust company will be dissolved or its purpose or organization changed.

4) If securities have been issued, the relevant request may only be made after five years have elapsed since the last subscription or other exercise

benefit on the relevant securities, with the warning that the latter may be declared forfeited.

§ 121

c) Declaration of forfeiture

1) If benefits are to be declared forfeited after the preliminary investigation has been conducted, this may only be done without prejudice to any obligation on the part of the beneficiary to make contributions or to be liable or to make additional payments up to the date of the relevant announcement and subject to the claim for restitutionof a beneficiary who subsequently comes forward within the limitation period of three years from the date of the declaration of forfeiture against the person who has been enriched as a result of the forfeiture.

2) The trust company shall not be liable for any obligations associated with the benefits declared forfeited and shall reduce the trust fund accordingly without liquidation in the event of any outstanding payments.

3) If, as a result of the investigation, all benefits are declared forfeited at once or gradually in favor of the reserve fund for balance sheet or accounting losses or the trust company, the provision established for the gradual distribution of assets upon the accrual of all benefits to the trust company shall apply accordingly.

4) The provisions on the invalidation of securities and special provisions of law and trust agreements shall remain unaffected.

4. Sale, encumbrance, and transfer

§ 122

a) In general

1) Unless otherwise specified in the case of family trusts with or without succession arrangements or in the case of other trusts, such as in the case of non-transferability of trust benefits, or if the content of the benefit is changed by transfer to another party, the beneficiary as a whole andindividual rights and obligations arising from the beneficial interest, including those arising from the expectancy, are transferable, assignable, and inheritable, and the benefit and individual rights arising therefrom may be encumbered with limited rights in rem and, subject to the provisions governing the beneficiaries' creditors, may be included in foreclosure and insolvency proceedings.

2) Even if, according to the trust order, the benefit as such is inalienable or non-transferable, individual claims that are due may, subject to irrevocability, be sold or encumbered and transferred by legal transaction in the absence of any other order.

3) Unless otherwise provided by law or trust agreement, or as long as no

securities have been issued, in accordance with the provisions governing the assignment of claims and, if obligations are also associated with the benefit, in accordance with those governing the assumption of debt, or, where applicable, in accordance with the provisions of matrimonial property law or inheritance law or similar.

4) In order to be effective vis-à-vis the trust company, the assignment or encumbrance with limited rights in rem requires written notification of the managing trustees by the assignor or assignee or by the encumbering beneficiaries or the usufructuary, pledgee or similar, and in the case of assumption of debt, the written consent of the managing trustee, unless otherwise stipulated.

5) If securities have been issued in respect of the beneficiary, the assignment or encumbrance shall be effected in accordance with the provisions applicable to securities, unless otherwise provided by law.

§ 123

b) Requirement for other consent and its substitution

1) Any other consent to the transfer of rights arising from the beneficiary by the managing trustees, other bodies, or third parties is only required if provided for by law or trust order.

2) If the transfer is permissible at all, consent to the transfer may be refused for important reasons at the request of the beneficiary, the executor, the administrator of the estate, the heirs of the legatee, upon acquisition as a result of matrimonial property rights or in foreclosure or insolvency proceedings, provided that a trust benefit or entitlement is subject to these, by the Office of Justice, applying mutatis mutandis the relevant provisions for the transfer of a share in a limited liability company requiring consent.

3) In addition to the aforementioned cases, consent may also be granted or replaced for important reasons at the request of the entitled parties by the Office of Justice after hearing the managing trustees or, where applicable, other bodies and any other legally interested parties.

5. Organizational matters

§ 124

a) In general

1) An organization exists among the beneficiaries and contingent beneficiaries or for individual groups (classes), such as ordinary or preferred beneficiaries, only to the extent provided for in the trust order or by law.

2) The exercise of the rights of beneficiaries or groups of beneficiaries may be transferred by the trust order to a special body, such as a family or beneficiaries' council or family guardian or family committee, whose members are subject to the principles of the mandate and whose decisions or orders may be binding on the parties involved in accordance with the provisions governing decisions of the supreme body in the case of legal entities.

3) In the absence of other provisions, the regulations governing the application of the community of creditors in the case of bond obligations to securities holders who are legally equivalent to the trust company, the creation of a special organization by the beneficiaries to protect their rights among themselves, the provisions on family agreements, and on compulsory cooperation shall also remain reserved.

b) Consultation

§ 125

aa) In general

1) If the trustees are allowed to act at their discretion, they are also authorized, even in the absence of such an organization, to convene all beneficiaries and prospective beneficiaries, insofar as their rights are affected in individual cases, in accordance with the provisions on the supreme body, at the expense of the trust property, for consultation on the arrangements to be made by the trustees, or to have them convened by the Office of Justiceif their opinion cannot be obtained at a general meeting or in writing by circulation.

2) At the request of the relevant beneficiaries or ex officio, the Office of Justice may invite them to a meeting in the summons procedure, announcing the items on the agenda, the place, and the time of the meeting, In the absence of other trust arrangements, at the request of the parties involved or ex officio, the Office of Justice may appoint an official trustee at the expense of the trust property to protect the rights of unknown or uncertain beneficiaries who do not attend the meeting. In case of doubt, the legal acts of this trustee require the approval of the Office of Justice, similar to an advisory board in guardianship matters.

§ 126

bb) In the case of special types of entitlements or obligations

Insofar as different types of entitlements or obligations exist, such as ordinary or preferential benefits with or without securities, special meetings may be held and resolutions passed in accordance with the above provisions, insofar as this concerns the legal relationships of the beneficiaries belonging to the type in question.

§ 127

cc) Deposited proposals

1) Instead of meetings, the relevant resolutions may also be adopted as the opinion of the relevant beneficiaries by means of written consent to a proposal deposited with the trustees or elsewhere.

2) The relevant notice or other announcement must also contain detailed information about the proposal, the place of deposit, the deadline by which written consent must be given, and after which it can be replaced by the official trustee for unknown or uncertain beneficiaries.

c) Family decisions

§ 128

aa) General

1) The affairs of the trust company may, unless they are to be handled by the trustees or another body or other agencies, or unless otherwise provided by law or trust regulations, be regulated by family agreements as unanimous, binding statements by beneficiaries or prospective beneficiaries, without the need for a specific order of succession in the beneficial ownership of the trust or a family relationship between the beneficiaries.

2) The following provisions shall apply to the conclusion of binding family agreements, unless otherwise specified in the trust agreement or a binding family agreement, or if not all beneficiaries-finally all prospective beneficiaries or their representatives agree to a family agreement in a general meeting or by circular letter in accordance with the relevant provisions on consultation and, in addition, in accordance with the provisions on decision-making by the supreme body under the general provisions on legal entities, separated by type of benefit where applicable.

3) The conclusion of such family agreements, which, in the absence of other orders or approval by the Office of Justice for important reasons, must be unanimous, is not precluded by the fact that there is only one beneficiary.

4) Those entitled to apply for the dissolution of a family trust are, within the framework of the trust agreement and the law, the managing trustees or the majority of the remaining trustees or one-fifth of all eligible voters, as well as the Office of Justice, unless it takes action ex officio for important reasons.

5) The right to amend the organization or purpose ex officio in accordance with the regulations established for family foundations is also reserved.

§ 129

bb) Convening, submission to the trust register, etc.

1) The persons entitled to participate shall be convened by means of a copy of the draft family agreement, in case of doubt by the managing trustees by registered letter, unless the law or the Office of Justice stipulates otherwise.

2) In the case of trust companies entered in the trust register, a draft of the family agreement shall be submitted to the Office of Justice in advance, together with a list of all beneficiaries to be consulted, unless the family agreement has been adopted at a general meeting held without convocation or the Office of Justice proceeds on its own initiative.

3) After the resolution has been drafted and, where applicable, approved, the prescribed notification must be submitted, accompanied by an extract detailing the changes to the registered facts and circumstances, insofar as these changes affect registered trust companies.

4) If facts and circumstances subject to notification change in unregistered trust companies, the relevant notification must be submitted to the Office of Justice.

§ 130

cc) Right to participate

1) All beneficiaries and prospective beneficiaries or their representatives with written power of attorney are entitled to participate in the meeting insofar as their rights or obligations are affected, provided that they can prove their entitlement by means of a public document or a document issued by the managing trusteesor another competent authority, or finally by entry in the register of beneficiaries kept by the trust company or a certificate to that effect, or if all other beneficiaries who have appeared to form the family decision and the trustees recognize them as eligible to participate.

2) If there is no reason to assume that there are other eligible persons besides those who are known and have been summoned, a written assurance from the managing trustees that no other eligible beneficiaries are known is sufficient; otherwise, the family decision may only be made after the eligible persons whose whereabouts or names are unknown or uncertain have been excluded by way of a public notice procedure, unless an official trustee has been appointed for them at the request of the parties involved or ex officio. whereabouts, or names are unknown or uncertain, have been excluded by way of a public notice procedure, unless an official trustee has been appointed for them at the request of the parties involved or ex officio.

3) If an objection to the right to participate in the family reunion is raised by means of a written notification to the trust company, the latter shall request the person against whose participation the objection is raised within one month of receiving the request to bring an action against those who dispute the right to participate in order to prove the right to participate as quickly as possible, otherwise the family agreement concluded without his involvement shall be final and binding on him.
4) A person entitled to vote may not participate in a family decision or exercise a voting right on behalf of another person for the same reasons that a member of an association is excluded from voting at the meeting of the supreme body and, in addition, if it concerns his or her special rights and obligations.
§ 131
dd) Summoning procedure (official notification)
1) The identification of unknown or uncertain beneficiaries shall be carried out in accordance with the provisions on the identification of beneficiaries, unless the provisions set out here provide otherwise.
2) In addition to the subject matter of the family decision, the public announcement must also contain a request that the beneficiaries concerned may, within a specified period of at least one month from the date of the announcement, lodge a written objection with the trust company against the wording of the family decision or against their entitlement to participate in it, otherwise they shall be excluded from raising any objection and the family agreement shall be legally binding on them.
§ 132
ee) Formulation and approval of resolutions
1) The family agreement shall be drawn up in a public document or in a document signed by all participants or official trustees.
2) A family agreement may only be established in this form once the preceding provisions have been complied with, the relevant deadline has expired, and, in the event of a timely legal action, a final decision has been made on the right to participate, unless in the latter case a special trustee is provisionally involved in place of the person whose right to participate is disputed.
3) In the absence of other trust arrangements, the family trust requires the approval of the Office of Justice if an official trustee has participated on behalf of unknown or unknown beneficiaries or candidates, or if the law itself requires approval for actions by legal or other officially appointed representatives.

beneficiaries or candidates, or insofar as the law itself prescribes approval for actions of legal or otherwise officially appointed representatives.

§ 133

d) Compulsory association

1) In the absence of any other trust arrangement, if there is no organization or if the organization is inadequate, the Office of Justice may, for important reasons, such as in particular the joint protection of rights, establish a compulsory organization for all beneficiaries or certain groups (classes) at the request and expense of the parties involved, applying mutatis mutandis the provisions on small cooperatives.

2) Before the cooperative is established, the applicants, the managing trustees, and the relevant beneficiaries, or, in the case of unknown or uncertain beneficiaries, a trustee appointed by the registry office, must be heard, who may be appointed after issuing a summons stating the purpose of the summons to the beneficiaries with the warning that, after a reasonable period of time has elapsed, the trustee appointed by the registry office may act on their behalf in a legally binding manner.

3) Within the framework of the trust order, the Office of Justice is authorized by law and with effect for and against the trust company, interested parties, and third parties to take all measures necessary for the establishment of such a compulsory organization, in particular to draw up the articles of association stipulating the obligation to contribute to the costs, to appoint the board of directors, and, if necessary, any other necessary bodies.

4) Such a compulsory cooperative is dissolved or terminated with the approval of the Office of Justice by a resolution passed by an absolute majority of all members of the cooperative, furthermore by operation of law upon the death of all beneficiaries or the termination of the trust company and, unless important reasons justify an exception, without liquidation.

V. Creditors of the parties involved

§ 134

1. In general

1) In security, enforcement, or insolvency proceedings, the relevant provisions on trusteeship in general shall apply mutatis mutandis to the legal position of the creditors of the parties involved as such, unless otherwise specified by law.

2) A trust company without commercial operations for the purpose of family welfare or charitable or benevolent purposes may also assert its claims against parties involved as such in subsequent enforcement proceedings in the same way as a

Wards may assert their rights, notwithstanding the other status of the trust property in enforcement proceedings against the parties involved and in their insolvency proceedings.

3) The provisions of the law on contestation, as well as those of the contestation regulations, gift law, or inheritance law, remain reserved, unless exceptions are provided for.

§ 135

2. Creditors of the trustor

1) If a trustor is unsuccessfully pursued by a creditor other than the trust company or if insolvency proceedings are opened against him, in the case of a trust company where the benefit is obtained free of charge as a result of an order by the trustor, the promise of a gratuitous contribution by the trustor in favor of the creditors or the insolvency administrator shall lapse.

2) If the trustor, in his capacity as trustee of a trust established by another person or in performance of an obligation entered into with a third party who has made or promised him a gratuitous financial contribution for this purpose,, the conditions for the invalidity of the promise must be met by the first trustor or the third party in question.

3. Creditors of the beneficiaries

a) Irrevocability (protective trust)

§ 136

aa) In general

1) The creditors of a beneficiary or a successor beneficiary may not deprive them of their benefits or entitlements acquired free of charge on the basis of the trust arrangement, or of individual claims arising therefrom, by way of security, enforcement, or insolvency proceedings.

2) If the trust agreement contains a provision stipulating that a trust benefit acquired in return for payment is inalienable but may be transferred by way of universal succession, or that it shall no longer accrue to someone or that someone shall no longer be entitled to it as soon as they become insolvent or wish to assign or encumber the benefit, or that the trust benefit may or should be transferred by the trustees or other bodies to the former beneficiary, their spouse, registered partner or descendants or other persons from such a point in time, or may or should be granted at their discretion, or if a similar provision exists, the trust benefit shall likewise not be withdrawable by the creditors of the beneficiaries or candidates, subject to the provisions of the contestation regulations, gift law, and inheritance law.

3) Benefits received from trust companies with charitable or benevolent purposes may not be withdrawn under any circumstances.

§ 137

bb) Special cases

1) If the candidates have acquired their rights in accordance with the preceding paragraph, but not their predecessors or the current beneficiaries, the rights of the latter may be withdrawn, without prejudice to those of the other candidates, only to the extent that they extend to the period of the relevant right of use.

2) If the preferential or contingent rights acquired in accordance with the preceding paragraph are only partially available, the preceding provisions shall apply mutatis mutandis in the absence of further fiduciary arrangements.

3) If, as a result of revocation due to unworthiness or as a result of claims being asserted due to a breach of the duty of support or due to a need for support, the benefit is transferred to a person other than the trustor, the irrevocable nature of the benefit shall nevertheless remain unaffected.

b) Revocability

§ 138

aa) Beneficial ownership

1) If the conditions for irrevocability are not met, property claims arising from the benefit and the benefit itself may be revoked in accordance with the following provisions by way of security, enforcement, or insolvency proceedings, insofar as the beneficiary himself has rights and insofar and as long as he can dispose of them, the existence of the rights of others is not called into question, and the obligations associated with the beneficiary status are assumed by the acquirer in the absence of other arrangements.

2) If the trust agreement provides for the transfer of part of the assets to the beneficiary as a result of the beneficiary's right of termination, dissolution, or similar reasons, the creditor or insolvency administrator may exercise the right of termination in place of the beneficiary and demand the transfer of the assets in accordance with the relevant provisions on termination in registered cooperatives, insofar asmay exercise the right of termination in place of the beneficiary and demand the transfer of the asset in accordance with the relevant provisions on termination in registered cooperatives, unless the provision on the redemption amount provides otherwise.

3) If the inalienable benefit acquired for consideration on the basis of the trust order can only be transferred to another person by way of universal succession, the irrevocability of the creditor's satisfaction does not preclude claims arising from intentional and unlawful damage caused by the beneficiary in question.

4) For claims against a beneficiary arising from malicious and unlawful acts or omissions, the injured party may seek satisfaction despite the irrevocability of the benefit, unless the loss of the gratuitously acquired trust benefit is provided for by any reason or the trust arrangement stipulates otherwise and by asserting a claim for damages arising from intentional and unlawful acts or omissions.irrevocability of the benefit if the loss of the gratuitously acquired trust benefit is not provided for for any reason or if the trust order does not stipulate otherwise and if the assertion of such a claim does not infringe the rights of others or the provision of adequate living expenses (food, clothing, and housing) and the appropriate upbringing of the beneficiary at fault, his or her spouse who has not remarried, his or her partner who has not re-registered, or his or her minor or otherwise dependent descendants from the benefit.

5) If the beneficiary who benefits from the irrevocability has a family law obligation to provide support, the relevant beneficiaries may access the benefit or individual claims arising therefrom for the duration of the support obligation, provided that this does not deprive the beneficiary of the necessary means of subsistence.

6) If the trustor is also the sole primary beneficiary, or if he subsequently acquired the benefits for consideration without there being any successor beneficiaries, or if, as the case may be, someone else acquired all rights arising from the benefits for consideration, regardless of whether he is also the sole trustee (single-person trust) or not, the provisions on special creditors in sole proprietorships with limited liability apply accordingly.

§ 139

bb) Entitlement

1) Before the benefit accrues, a contingent right representing a present asset may only be withdrawn by way of protective proceedings, enforcement or insolvency proceedings if it is external and if nothing else arises from the law or trust order as for beneficial ownership; otherwise, any contrary disposition thereof shall be void.

2) If a beneficial interest and a related contingent right have been claimed by creditors at the same time, the creditor of the beneficial owner may only assert his claims without prejudice to the rights of the creditors of the contingent beneficiary.

§ 140

c) Right of entry

1) If enforcement proceedings are instituted against the right arising from the beneficiary status as such, or if insolvency proceedings are opened against the beneficiary's assets, a named candidate or other successor entitled to succession may

, in the absence of other legal provisions, with the consent of the beneficiary or, in the case of a contingent beneficiary, with the consent of the Office of Justice, in lieu of the latter, for important reasons, upon reimbursement of the present value of the relevant benefit to the enforcing creditor or the insolvency estate, enter into the fiduciary relationship in place of the relevant beneficiaryin the fiduciary relationship.

2) If there is no successor or named candidate, the same right shall be granted to the spouse or registered partner and the descendants of the beneficiary, jointly or individually, in the event of a dispute, as ordered by the Office of Justice.

3) Entry shall take place by written notification of the persons entitled to enter to the trust company and the creditor or the insolvency administrator; this notification may only be made within one month after the person entitled to enter has become aware of the initiation of enforcement or the opening of insolvency proceedings and only as long as the realization has not taken place.

4) Repealed

J. Responsibility

§ 141

I. General

1) Unless otherwise provided by law, in the case of trust companies with commercial operations, the provisions on liability for companies with legal personality and, in the case of other trust companies, the other provisions on liability under the general provisions on legal entities shall also apply mutatis mutandis to the trust company, the parties involved, and third parties.

2) Where the law refers to members of legal entities in accordance with the preceding paragraph, this shall instead be understood to mean the eligible beneficiaries of the trust company and, where it refers to major shareholders, those beneficiaries with corresponding trust shares.

3) Those responsible cannot offset the obligations arising from their responsibility against any benefits they have otherwise procured for the trust company or for anyone else who has a liability claim arising from the responsibility (no offsetting of benefits).

4) Unless otherwise specified, several responsible parties are jointly and severally liable to the claimant without limitation; among themselves, they bear the damage arising from their responsibility in equal shares and also have rights of recourse in the same proportion, but with corresponding offsetting

of the benefits received by the individual, unless the claims are based on malicious intent.

5) The trust order may, in deviation from the provisions of this law on liability, declare those on liability under the general provisions on legal entities to be exclusively applicable.

6) Unless otherwise provided by law or trust agreement or by the relevant legal relationship, members of other bodies or other persons acting in accordance with the trust agreement shall be liable in accordance with the provisions on agency.

II. Fiduciary responsibility

§ 142

1. In general

1) With the exception of cases otherwise provided for by law, trustees entrusted with the management of business are obliged to the trust company, other interested parties, and third parties, insofar as they are affected in individual cases, to comply with the law, trust arrangements, resolutions or instructions from competent authorities, third parties, the court or the Office of Justice, and shall be liable for any damage resulting from culpable non-compliance with these obligations (breach of trust) in the same way as the members of the management of a company with legal personality.

2) Non-executive trustees are liable for damages resulting from inadequate supervision of executive trustees and, if they themselves appointed these trustees or employees to executive positions or other bodies or offices, also for damages resulting from negligence in the appointment (selection) process and from the improper use of employees.

3) The liability of the trustees for gross negligence or intent cannot be excluded in advance by fiduciary orders or resolutions and instructions from the competent bodies.

2. Special cases of liability

§ 143

a) In the case of co-trustees

1) In the absence of other instructions, a co-trustee is also responsible for damage caused by the actions or omissions of another trustee, in particular:

1. if he transfers the trust property received to another trustee or allows such a trustee to receive it alone without taking the precautions prescribed or

precautions required by the circumstances in the individual case for faithful administration and use, or fails to supervise the trustee appropriately;
2. if he becomes aware of an attempted or actual breach of trust by his co-trustee and fails to take the necessary steps appropriate to the circumstances to prevent the breach of trust or to assert the claims arising therefrom for the trust company or similar.
2) If a trustee has jointly signed a confirmation of receipt in the usual or prescribed manner without having received anything himself, and if the receiving trustee has misused what he has received, the co-signatory shall not be liable, without prejudice to his obligations arising from the breach of his duty of supervision or similar.
3) If one of several trustees alone has received and misused trust property or otherwise obtained unlawful advantages, or if a breach of trust has been committed solely as a result of advice from a co-trustee who was appointed as an expert for the company, or if only one of the co-trustees alone is at fault, then this trustee shall be solely liable for the damage in the absence of other fiduciary arrangements.
§ 144
b) Subsequent and departing trustees
1) A trustee appointed subsequently shall be guilty of a breach of trust liable to compensation if he does not assert the company's claims for compensation arising from a breach of trust committed by one of his predecessors, of which he is aware, in a manner appropriate to the circumstances and at the expense of the company.
2) A trustee who resigns from office shall be liable for any damage caused if he resigns with the intention of committing a breach of trust.
§ 145
III. Beneficiary liability
1) If co-beneficiaries have induced a trustee to breach his fiduciary duty or have otherwise committed such a breach themselves in their concurrent position as trustees or have consented to such a breach, they shall be liable up to the amount of their beneficiary rights alone, beyond that, jointly with other offenders, to the other entitled parties for the damage incurred; however, the trust company shall, insofar as it is entitled, have a statutory lien on the trust property, unless the latter has been declared inalienable.
2) In the absence of other provisions and subject to the right of set-off or retention, this lien on the rights of the beneficiaries does not extend to

the claims to which the beneficiary is entitled from another trust, even if they are included in the same trust arrangement.

3) The provisions on the liability of third parties remain reserved.

§ 146

IV. Liability of third parties as constructive trustees

1) If a third party acts towards the trust company with the deliberate deception that he is authorized to do so as a trustee, or if he otherwise interferes in the management of the company without authorization, or if he receives trust assets in an impermissible manner in his specified capacity as trustee or in the knowledge that another person has committed a breach of trust, or otherwise unlawfully or in bad faith derives benefit from the trust property, or in other cases knowingly assists the trustees in committing a breach of trust, he shall be liable in the same way as the trustee and shall be obliged to provide information in the same way as the trustee.

2) Representatives, employees, other assistants, and the like of a trust company are also considered third parties.

3) Furthermore, a third-party acquirer of trust assets is not obliged to ensure that his consideration is used in accordance with the law and the trust order.

V. Exemption from liability

§ 147

1. In general

1) If, despite committing a breach of trust, a trustee proves that he acted in good faith and, under the circumstances, was unable to obtain the consent of those authorized to do so, other competent authorities or the instructions of the Office of Justice, the court or other competent authority may, at its discretion, determine whether liability for damages exists and whether other consequences are to be incurred or not.

2) If a beneficiary causes a trustee to breach a trust, consents to such a breach, or cooperates in such a breach, the trustee shall not be liable to the beneficiary in question or, if the beneficiary is the sole beneficiary, to the trust company, provided that the trust company is not overindebted.

3) The right to waive liability in cases of slight negligence or to seek exoneration from all beneficiaries or other authorized bodies is also reserved, provided that this does not harm the creditors of the trust company.

2. Limitation period

§ 148

a) In general

1) Unless otherwise specified, claims arising from liability shall become time-barred within three years from the date on which the act or omission giving rise to liability was committed and no longer continues.
2) However, if the claim is based on a criminal act or omission for which criminal law prescribes a longer limitation period, this shall also apply to the claim arising from liability.
3) As long as a trustee holds office, the limitation period shall only begin to run in his favor if the fault is minor and he no longer possesses the trust property or its replacement value from the breach of trust.

§ 149

b) In the case of rights of recourse

Recourse rights between the responsible parties are subject to the principles of the legal relationship that is decisive in each individual case and expire after the aforementioned periods, which, however, only begin to run from the point in time at which one of the jointly responsible parties has been held legally responsible.

VI. Safeguarding and preventive measures

§ 150

1. Directive of the Office of Justice

1) In the event of justified doubt as to the admissibility of the execution or omission of a specific action to be taken at present, or as to the interpretation of the trust order, such as the allocation of capital and income or the like, the managing trustees may, at the expense of the trust property, with or without the involvement of other parties concerned and with a statement of the facts and circumstances, request a directive from the Office of Justice, in compliance with which no claim for liability can be asserted against them (official instruction).
2) In urgent cases or for other important reasons, this right may be exercised by any trustee, even if the trust agreement stipulates otherwise.

§ 151

2. Liability insurance and right of refusal

1) The managing trustees are authorized to take out appropriate liability insurance at the expense of the trust company against all obligations arising from their responsibilities, provided these are not the result of gross negligence or intent (trustee liability insurance).

2) The managing trustees may refuse to carry out provisions of the trust order, resolutions, or instructions from other responsible parties, agencies, or authorized third parties may be refused by the managing trustees, unless the law permits exceptions with regard to instructions from the beneficiaries, if they violate the law or legally permissible provisions of the trust agreement and if the trustees would be held liable for their execution in accordance with the provisions set forth herein or elsewhere (right of refusal).

§ 152

3. Temporary audit

1) If neither an auditor nor a special supervisory trustee or similar body is required and the trust agreement does not contain a provision to the contrary, the trustees shall be entitled, without prejudice to any official audit otherwise permitted by law, to have an audit carried out from time to time at the expense of the trust company.

2) Other measures permitted by law or the trust order remain reserved.

§ 153

4. Security deposit, etc.

1) The trust order may stipulate or permit, or the Office of Justice may, after hearing the parties involved, order for important reasons that trustees may only take up or continue to exercise their office after they have provided adequate security for the faithful and conscientious performance of their duties and for any claims for compensation at their expense, which may be provided by means of a promissory note, a guarantee, or similar.

2) If the security is not provided within a reasonable period of time, to be set by the Office of Justice if necessary, it shall be presumed that the person appointed as trustee or already acting as trustee does not wish to accept the office or has renounced its continued exercise, in which case any necessary notificationsto the trust register shall be made and claims for damages shall remain reserved.

3) Managing trustees, as well as individual trustees or employees, may, for important reasons, also relinquish any further responsibility for the management of the trust assets by transferring the trust assets, to the extent permissible, at the expense of the Landesbank trust company or, with the consent of the Office of Justice, to another suitable body for appropriate management and use.

4) The above provisions apply mutatis mutandis to members of other bodies or agencies appointed in accordance with the trust agreement.

K. Official trust supervisory authority and audit

I. Official trust supervisory authority

§ 154

1. Appointment

1) In the case of trust companies without commercial operations, the Office of Justice may, for important reasons, appoint a trust supervisory authority at the request of interested parties or persons or bodies entitled to appoint or dismiss trustees or to propose trustees, or entitled to propose or grant trust benefits, or the universal successor or executor of the settlor who have provided the entire trust fund for the benefit of others free of charge, may appoint a trust supervisory authority.

2) Such an office may also be appointed at the request of the settlor, but the Office of Justice is not obliged to make such an appointment in the absence of important reasons.

3) A supervisory body may be appointed regardless of whether the otherwise prescribed number of trustees is available or not.

4) When appointing a supervisory body, the Landesbank should be considered as a public trustee in the absence of any other order.

§ 155

2. Revocation

At the request of the supervising or other trustees or interested parties, the Office of Justice may, after examining all the circumstances, in particular if it is the unanimous wish of all beneficiaries of the trust, or if it appears appropriate for other important reasons and the trust order does not stipulate otherwise, revoke the trust supervisory body in whole or in part.

3. Rights and obligations

§ 156

a) In general

1) Unless otherwise specified by law or the trust order, the supervisory body shall have the rights and obligations assigned to it by the Office of Justice at the time of appointment or thereafter, but at least those which the supervisory board has in a stock corporation, and its members shall additionally have the status of additional trustees.

2) In exercising their rights and obligations, the supervising trustees shall take into account not only the nature and position of the other trustees, but also the wishes of the beneficiaries as far as possible, insofar as these are compatible with the law or trust regulations or instructions from the Office of Justice.

3) Insofar as no deviations are established for the supervising trustees or the purpose of the supervisory body does not require otherwise

, the provisions governing other trustees shall apply mutatis mutandis, except that the supervising trustees shall decide by an absolute majority of votes.

b) Relationship to the other trustees

§ 157

aa) In general

1) In relation to the other (managing) trustees, the supervising trustees shall, without prejudice to the rights and obligations of other parties involved or third parties, supervise the entire trust business, in particular the assets, any securities, documents, or the like, with the proviso that the other trustees shall have access to the assets, securities, documents, or the like at any time during normal business hours access to the assets, securities, documents, or similar items and make the necessary copies at the expense of the trust company.

2) The other trustees shall retain the right to directly manage the assets and exercise their powers in accordance with the law or the trust order or instructions from the Office of Justice.

3) The supervising trustees shall cooperate and do everything necessary to enable the other trustees to exercise their powers and fulfill their duties, unless such cooperation would constitute a breach of trust or result in personal liability on the part of the supervising trustees.

§ 158

bb) Cooperation in the appointment of trustees, etc.

1) Unless otherwise specified, the right or duty of the other trustees to appoint trustees, to propose or dismiss them, or similar, shall be exercised jointly with the supervising trustees.

2) Before trustees are appointed or dismissed, or similar measures are taken by the Office of Justice at the request of interested parties or third parties, or ex officio, the supervising trustees shall be heard, unless there is imminent danger or the measure is only temporary.

§ 159

cc) With regard to trust assets and income

1) Without prejudice to the managing activities of the other trustees, the supervising trustees shall, as if they were the sole trustees, take particular care to ensure that the trust assets and their income are managed and used in accordance with their purpose.

2) In the absence of other fiduciary arrangements, payments from the trust assets or income must be made by the supervising trustees; likewise, payments to the trust company must be made to the supervising trustees.

3) However, the latter may permit payments to the trust company to be accepted by other trustees or third parties without the supervising trustees being liable for any fault on the part of these other trustees or third parties, unless there is a defect in supervision.

§ 160

4. Responsibility

1) The provisions governing the responsibility of other trustees shall apply mutatis mutandis to supervising trustees, with the proviso that they shall not be responsible for the acts or omissions of other trustees or other bodies, provided that they themselves are not at fault in their supervision.

2) If the supervising trustees act in good faith on the basis of written information provided by the other trustees or other competent bodies with regard to the determination of beneficiaries and the payment of benefits, they shall not be liable, without prejudice to the possible liability of the other trustees.

II. Official audit

§ 161

1. Appointment and dismissal of auditors

1) If there are important reasons, one or more uninvolved third parties may be appointed as auditors at the request of the parties involved or the universal successor or executor of the trustor who provided the trust fund free of charge for the benefit of others, or the trust supervisory authority or endangered creditors of the company, or ex officio by the Office of Justice.

2) These auditors shall be dismissed by the Office of Justice upon unanimous request of all beneficiaries, unless their appointment was made ex officio or at the request of creditors at risk.

3) They may be dismissed for important reasons at the request of the parties involved or other persons who initiated the appointment.

4) In the event of termination before the end of the audit as a result of dismissal, death, bankruptcy, or insolvency, or if the auditors are unable to fulfill their duties, or for other important reasons, a successor may be appointed in the same manner as his predecessor.

2. Rights and obligations

§ 162

a) In general

1) Officially appointed auditors shall have the rights and obligations specified in the law and all those rights and obligations that the Office of Justice deems necessary for the performance of their duties.

2) In the absence of other instructions, the auditors shall audit the entire trust company, in particular its management, the status and investment of its assets, and its accounting.
3) All trustees and employees of the trust company must provide the auditors with information on all facts and circumstances upon request, otherwise they will be liable for damages, including costs, and may be dismissed in accordance with the provisions on the duty to provide information.
4) Other parties involved or third parties engaged in business activities who possess trust assets, books, or business documents are also obliged to provide information; in the event of refusal, the preliminary decision of the Office of Justice may be invoked.

§ 163

b) Audit report

1) In addition to a clear balance sheet or, in the case of a company without commercial operations, a clear statement of accounts for the trust assets, the auditors shall submit an audit report with a statement as to whether the management has acted in accordance with the regulations, in particular whether the accounts have been kept correctly and whether the assets have been invested and managed correctly.
2) The balance sheet (financial statements) together with the audit report must be submitted to the Office of Justice, and a copy must also be sent by the auditors to those who requested the official audit and to the trustees.
3) Each beneficiary may, at their own expense and in accordance with the provisions on the duty to provide information, examine the balance sheet (financial statements) and audit report during normal business hours, inspect them and make copies or extracts, or have them examined or copied by a representative.

§ 164

3. Reference

The provisions on official auditing under the general provisions on legal entities shall apply mutatis mutandis, in particular with regard to the costs and remuneration of the auditors.

L. Amendment of the trust order, conversion and merger, etc.

§ 165

I. Amendment

1) The trust agreement may provide for its amendment, including correction, by one or more of the parties involved, by all of them together, or by third parties.

2) With the consent of all parties concerned or in accordance with the provisions on family decisions, the trust order may, for important reasons and after careful consideration of all circumstances, be amended or corrected in any case with the approval of the Office of Justice, but in the absence of any other provision of law or trust order, the trust undertaking may not be revoked if the amendment is excluded or prohibited.
3) In the absence of other provisions, a mere correction of the trust order may be made by the Office of Justice upon application and after hearing the parties concerned, in particular the managing trustees.
4) In the absence of known beneficiaries, the amendment may only be made subject to the reservation that such beneficiaries may subsequently come forward during the limitation period if the rights of others may be infringed and the trust order does not provide otherwise.
5) If a party or third party has the right to revoke the trust deed, this does not, in case of doubt, also entitle them to amend it, unless the Office of Justice permits an exception for important reasons or the law allows it.

§ 166

II. Conversion and merger

1) The trust agreement may provide for the conversion of a trust company into another legal form of enterprise (company or association) or the merger with such an enterprise or another trust company or another fiduciary enterprise without liquidation of the trust company, subject to more detailed provisions and in compliance with the regulations otherwise applicable to the other legal form.
2) The conversion of a trust company without legal personality into one with legal personality, or vice versa, from the latter type of trust company into the former type without any other change to the trust deed, may, in the absence of any other provisions, be carried out by the managing trustees by operation of law at any time without liquidation.
3) The provisions established for registered cooperatives shall apply mutatis mutandis to the conversion and merger of trust companies with liability or additional payment obligations of participants or third parties.
4) The permissible conversion or merger provided for by law as a result of a change in the organization or purpose shall also remain reserved.

§ 167

III. Form

1) Unless otherwise provided by law, any amendment to the trust order must be drawn up in writing by the persons authorized to do so, submitted by the managing trustees to the trust register together with an extract from the amendment document, insofar as this concerns the registered facts and circumstances, and, if necessary, entered and published by the Office of Justice.
2) In the case of an amendment to the trust agreement of a trust company not entered in the trust register, each amendment shall be reported to the Office of Justice insofar as it concerns facts and circumstances subject to reporting and the Office of Justice has not been involved or the files are not otherwise deposited with it.
3) The preceding provisions shall apply mutatis mutandis in the event of a merger or conversion, unless otherwise provided by law or unless the relevant provisions relating to another form of enterprise apply.
Section 168
IV. Effect
1) The special liability of the assets of the dissolved or modified trust company with a commercial enterprise and any participants or third parties for the liabilities of the trust company arising prior to the modification, merger, or voluntary conversion shall continue to exist for one year from the date of the merger, and in the event of a merger, unless the Ministry of Justice grants exceptions or there are no liabilities, the assets of the dissolved trust company shall be managed separately and separate accounts shall be kept.
2) Until that time, in the case of a merger, the assets taken over shall still be deemed to be those of the dissolved company in relation to the creditors of the dissolved trust company and the acquiring trust company and its other creditors, and enforcement proceedings may be brought against the acquiring trust company and special insolvency proceedings may be conducted with restriction to the assets taken over.
3) The trust deed may stipulate that the certificate holders are obliged to return their securities to the new form of company in exchange for any corresponding claims, otherwise they may forfeit their rights with or without compensation.
4) The provisions on the expiry of liability or the obligation of participants or third parties to make additional contributions in the event of conversion or merger remain reserved.
§ 169

V. Withdrawal of approval and annulment

1) If a trustee appointed by the registry office for unknown or uncertain beneficiaries has been involved in the modification, conversion, or revocation and the rights of such a beneficiary have been seriously violated, the beneficiary may apply to the Office of Justice in administrative proceedings for the approval to be withdrawn, the approved act to be declared null and void, and the previous situation to be restored or, if the latter no longer appears possible, the person whose rights have been violated may demand compensation from the person who has been unjustly enriched by the contested transaction.

2) The withdrawal and annulment may only take place after hearing the other parties involved and shall have no effect on the validity of the disposition of the trust assets made on the basis of the approval vis-à-vis bona fide third parties.

§ 170

M. International law and trust companies under foreign law, etc.

1) Unless otherwise provided by law, the provisions of international law under the general provisions on legal entities shall apply mutatis mutandis to trust companies, in particular the provisions on representatives.

2) Repealed

3) Repealed

4) Repealed

17. Title

The simple legal community

Art. 933

A. Definition and formation

1) If several parties are jointly entitled to a specific fraction (ideal share) of an item or right, or if several parties are simultaneously entitled to such an item or right without there being a special personal relationship between the parties involved by contract (such as a partnership agreement) or by law (such as in the case of a community of heirs and community of property), they are subject to the following provisions, subject to the provisions on co-ownership or other existing provisions.

2) If, on the other hand, there is a personal community among the parties involved, the provisions on joint ownership shall apply mutatis mutandis.

3) The provisions on simple legal community shall apply supplementarily to all other communities, regardless of how they arose. Art. 934

B. Shares

1) In case of doubt, it shall be assumed that the partners are entitled to equal shares.

2) Each partner is entitled to a fraction of the fruits corresponding to their share.
3) Each partner is entitled to use the common property to the extent that this does not interfere with the joint use by the other partners and unless otherwise stipulated by law or contract.
4) Each partner may dispose of his share alone, but the partners may only dispose of the common property jointly.
5) A partner is obliged to bear the costs of the common property and the necessary or usual costs of maintenance, administration, and joint use in proportion to his share, or to reimburse the other partners.

C. Administration

Art. 935

I. General

1) The administration of the common property or other rights is the joint responsibility of the partners, unless otherwise agreed.
2) A partner is entitled to take the usual administrative actions and the measures necessary for the maintenance of the property without the consent of the other partners, unless the majority decides otherwise.
3) Unless the management and use are regulated by agreement or majority resolution, each partner may demand management and use that is in the interests of all partners and is reasonable at their discretion.
4) A partner may demand the submission of accounts, the provision of information, and the distribution of profits.
5) The partner is liable for any fault. Art. 936

II. Regulation

1) The consent of the majority of partners whose shares together represent more than half is required for the arrangement of important administrative acts.
2) The sale or encumbrance of the property or right, as well as any significant change or change in its intended purpose, requires the unanimous consent of all partners, unless the partners have unanimously decided otherwise.
3) The right of an individual partner to a fraction of the benefits corresponding to his share may not be impaired without his consent.

4) If the administration and use of the joint object or right is regulated by majority decision or judgment or equivalent document, the provision made shall also apply for and against all special successors, but in the case of rights entered in the land register, only if it has been noted.

D. Cancellation

I. Requirements

Art. 937

1. In general

1) Any partner may at any time demand the dissolution of the community, but not at an inopportune time or if such dissolution appears to be impossible due to the nature of the matter, as in the case of walls on the boundary between two properties or documents for joint use.

2) By legal transaction, termination may be excluded for a maximum of ten years without judicial approval.

3) If the right to demand termination is excluded permanently or temporarily, it may nevertheless be demanded if there is good cause, subject to the provisions of property law on the division of co-ownership.

4) Under the same conditions, if a notice period is specified, termination may be demanded without observing a notice period.

5) Any agreement that excludes or restricts the right to demand rescission contrary to these provisions shall be null and void.

Art. 938

2. Effect of exclusion

1) If the partners have temporarily excluded the right to demand termination, the agreement shall, in case of doubt, cease to be effective upon the death of a partner or upon the termination of a company or association.

2) If the partners have excluded the right to demand dissolution of the partnership permanently or for a limited period or have specified a period of notice, the agreement shall be effective for and against all special successors, but in the case of rights entered in the land register, it shall only have effect in rem if it has been noted in the land register.

II. Implementation in the absence of an agreement

Art. 939

1. Division in kind

1) If the partners cannot agree on the manner of dissolution, the partnership shall be dissolved by physical division, provided this is possible without significantly reducing its value.

2) The distribution of equal shares among the partners shall be determined by lot. Art. 940

2. Sale
1) If division in kind is impossible, the jointly owned property shall be auctioned off publicly or among the co-owners in accordance with the order of the district court.
2) In the case of rights entered in the land register, the action for partition and the judgment may be noted with effect against any successor in title.
3) If sale to a third party is not possible due to a prohibition on sale, the object shall be auctioned off among the co-owners.
4) If the attempt to auction the object is unsuccessful, each co-owner may demand that it be repeated, but shall bear the costs if the repeated attempt fails.
5) The sale of a joint claim is only permissible if individual co-owners object if it cannot yet be collected; otherwise, only collection may be demanded.
Art. 941
III. Debts and rights in rem
1) If the partners are jointly liable for a liability arising from the partnership, each partner may demand, upon dissolution, that the debt be settled from the partnership property.
2) The claim may also be asserted against the special successors.
3) The costs of division shall be borne by the partners in proportion to their shares.
4) If the sale of the joint property is necessary to settle the debts, the sale must take place.
Art. 942
IV. Claim of one partner against another
1) If a partner has a claim against another partner based on the partnership, he may, upon dissolution of the partnership, demand settlement of his claim from the debtor's share in the partnership property, in which case the last two paragraphs of the preceding article shall apply.
2) If, upon dissolution of the partnership, a partnership asset is allocated to one partner, each of the remaining partners shall be liable for its share in the same way as a seller in the event of a defect in title or a defect in the asset.
3) In the insolvency proceedings of a partner, the others may demand separate satisfaction of their claims arising from the partnership from the shares determined in the division.
4) The right to dissolve the partnership is not subject to any statute of limitations.
Art. 943

E. International law

1) If the legal relationship arising from the community relates to an item, the rules of property law shall apply under international law, unless otherwise specified.

2) In other cases, however, the community is subject to the law under which the legal transaction leading to the community was carried out, unless otherwise specified.

Section 5

The commercial register, companies, and accounting

Title

The commercial register

A. Establishment

I. Existence

Art. 944

1. General

1) A commercial register is maintained for the entire country.

2) The commercial register contains data from the former commercial, cooperative , association, institution, foundation, and matrimonial property registers and similar registers for which it contains facts and circumstances.

3) The commercial register may be kept on paper or by means of electronic data processing.

4) When the commercial register is maintained by means of electronic data processing, the legal effects are attributed to the data that is properly stored in the system and can be read in writing and in numbers on the devices of the Office of Justice using technical aids.

5) The government shall regulate the details of the establishment and maintenance of the commercial register by ordinance. When maintaining the commercial register by means of electronic data processing, it shall also specify the requirements, in particular with regard to data access, data protection, data format, and the long-term storage and archiving of data.

2. Obligation to register and right to register

Art. 945

a) Obligation to register

1) Anyone who operates a commercial, manufacturing, or other business conducted in a commercial manner is obliged to have their company entered in the commercial register at the location of their principal place of business.

2) If there is no principal place of business, the entry shall be made at the domicile of the person required to register or at the seat of the Office of Justice.

3) If a person subject to registration operates several businesses with head offices or branches under the same company name, they shall be registered as one business. If they are operated under different company names, each company and its associated branch must be registered separately.

4) The government shall issue detailed regulations on the obligation to register in the commercial register by ordinance. Insofar as the obligation to register does not exist in accordance with other regulations, the annual business tax and annual turnover shall be taken into account.
5) If there is any doubt about the obligation to register, the Office of Justice shall decide in administrative proceedings.
6) Independent companies belonging to domestic communities are entered in the commercial register, unless they are exempt from the registration requirement under public law.
7) Instead of their place of residence, members of the administration of an association may register their domestic office or professional address if they are lawyers under the Lawyers Act or have a special license from the FMA.

Art. 946

b) Right to registration

1) Anyone who does not operate a business subject to registration and has a residence or place of business in Austria is entitled to be entered in the commercial register at the location of their principal place of business.
2) Anyone who wishes to operate a business or practice a profession under a company name is only entitled to do so if they have or choose a principal place of business, branch office, or residence in Austria and are entered in the commercial register.
3) If they have a branch office in another location in Germany, they may register it under the name of the main office, adding a clearly distinguishing suffix if necessary.
4) The registration is carried out using the same procedure and with the same content as that of the person required to register.

II. The effects of registration

Art. 947

1. Commencement of effectiveness

1) The date of entry in the commercial register is determined by the date on which the application is entered in the journal.
2) An entry in the commercial register shall only take effect vis-à-vis third parties on the next working day following the date of publication of the entry, provided that publication is required by law. This working day shall also be the decisive day for the running of any period beginning with the publication of the entry.
3) This is subject to special legal provisions according to which legal effects vis-à-vis third parties or the commencement of time limits are associated directly with the entry.

Art. 948

2. Public faith

1) Any person acting in good faith may rely on the accuracy of the entries, amendments, and deletions in the register.

2) The registered party must accept the content of the entry, amendment, or deletion, provided that it has been made in accordance with his will.

Art. 949

3. Effect of publicity

1) Once an entry has become effective vis-à-vis third parties, the objection that someone was unaware of the entry is excluded.

1a) In the case of stock corporations, limited partnerships or limited liability companies, a registered and published fact cannot be invoked against a third party if:

1. it relates to a legal act that was performed within fifteen days after the registration took effect; and
2. the third party proves that they neither knew nor had to know about it.

2) If a fact subject to registration has not been registered, it may only be invoked against a third party if it is proven that the third party was aware of it.

3) Entries in the commercial register provide full proof of the facts they attest to, unless the inaccuracy of their content is proven.

4) Anyone who disputes the accuracy of the entry is responsible for providing proof.

5) This proof is not subject to any particular form. Art. 950

4. Constitutive and declaratory effect

1) The law and regulations determine whether a legal relationship only comes into existence through entry in the commercial register.

2) Unless otherwise specified by law or regulation, the legal effects vis-à-vis the parties involved in the legal transaction shall take effect even without entry in the commercial register.

3) The legal effects of appointing a person or company as an authorized representative shall take effect vis-à-vis a registered association even without entry of the appointment in the commercial register.

Art. 951

5. The curative effect

1) Legal personality is acquired through entry in the commercial register even if the actual requirements for this were not met, provided that the law so provides.

2) The law and ordinance shall also determine whether the entry of a legal relationship in the commercial register has the effect that certain defects therein can no longer be asserted.

Art. 952

III. Responsibility

1) Anyone who is obliged to apply for entry in the commercial register and intentionally or negligently fails to do so shall be liable for any damage caused thereby.

2) The owner of a company is liable for transactions concluded by another party under the company name on a subsidiary basis alongside the latter if he allows transactions to be concluded under his company name by another party and the third party is acting in good faith.

B. Procedure

I. Publicity and announcements

1. Publicity of the register

Art. 953

a) Inspection

1) The commercial register, including applications and supporting documents, is open to the public.

2) Public access begins with the submission of the application or the filing of supporting documents that are suitable as evidence for the entry.

3) Anyone is entitled to inspect the entries in the commercial register for a fee.

4) Anyone is entitled to inspect the supporting documents and papers on which the entries are based for a fee.

5) The Office of Justice makes the following entries in the commercial register available free of charge via a publicly accessible information platform:

1. Company name;
2. Legal form;
3. Registered office;
4. Representative office or delivery address;
5. Date of registration and date of all changes, including journal number;
6. Commercial register number and European Union identification number (EUID);
7. Subject matter or purpose;
8. Members of the management of public limited companies, limited partnerships, and limited liability companies, as well as the manner in which they exercise their representation;

9. branches established in other EEA member states, including the name or company name, registration number, EUID, and member state in which the branch is registered.

6) The government shall regulate the details of access to information by ordinance.

Art. 954

b) Excerpts, copies, and certificates

1) Upon request, the Office of Justice shall issue extracts, copies, or transcripts from the entries and registry files in electronic form or, upon express request, in paper form for a fee.

1a) If documents are only available in paper form, transmission in electronic form may only be requested for documents that were submitted to the Office of Justice less than ten years prior to the date of the request.

2) Excerpts from the register, transcripts, or copies of documents and certificates in paper form shall be certified by the Office of Justice, unless the applicant waives this requirement.

2a) When transmitting data in electronic form in accordance with paragraph 2, the data shall only be certified if requested by the applicant. An advanced electronic signature within the meaning of Regulation (EU) No. 910/2014 of the European Parliament and of the Council of July 23, 2014, on electronic identification and trust services for electronic transactions in the internal market shall be used for certification.

3) Excerpts or copies of registry files may also be issued without certification upon request.

4) Official certificates can be used to confirm:

a) that a particular company or a particular entry does not appear in the register of companies;

b) the content of a deleted entry, but with the remark that it has been deleted;

c) only parts of an entry;

d) that an application has been made.

5) Upon request, the Office of Justice may issue extracts, copies, and certificates in an official language of another EEA member state for a fee, provided that the corresponding translations have been submitted to the Office of Justice.

Art. 955

c) Editing of files

1) The original files, books, registers, index cards, or electronic data carriers relating to an entry may only be released on the order of a judge or the public prosecutor's office.
2) In all cases, the borrowing authority shall be required to provide a receipt, which shall be placed in the archive in place of the document issued.
3) The originals handed over must be returned to the Office of Justice in full and in order within 14 days at the latest. The borrowing authority is entitled to make copies of the originals.
Art. 955a
1a. Public access to deposits
1) Inspection, extracts, copies, or certificates of files and documents deposited in accordance with Art. 990, as well as registrations and supporting documents of foundations and trusts not entered in the commercial register, may only be requested by the depositor and those authorized to do so. This is subject to the disclosure of the information listed in Art. 552 § 20 para. 2 nos. 1 to 7 and 10 to third parties by means of an official confirmation, as well as data access in accordance with Art. 955b para. 2 nos. 2 and 3. The government shall regulate the details by ordinance.
2) Upon request, the Office of Justice shall confirm whether or not a trusteeship that is not entered in the commercial register exists.
Art. 955b
1b. Data access via retrieval procedure
1) Domestic authorities and courts have access to the data in the commercial register via a retrieval procedure.
2) In addition to the data referred to in paragraph 1, domestic law enforcement authorities, the FIU, the FMA, and the tax administration shall have access via retrieval to:
1. the registrations and supporting documents relating to the data in the commercial register;
2. the information reported on foundations not entered in the commercial register (Art. 552 § 20 para. 2); and
3. the information recorded electronically by the Office of Justice and the documents filed for trusts not entered in the commercial register.
3) The data referred to in paragraphs 1 and 2 may only be used for the purpose of fulfilling the tasks assigned to the authorities and courts by law. In all other respects, the provisions of data protection law shall apply.
4) Access pursuant to paragraph 2 shall be logged.
5) The government may regulate the details by ordinance.
2. Announcements
Art. 956
a) General

1) Entries in the commercial register shall be published in full without delay by the Office of Justice in the official publication.
2) Similarly, all documents and information whose filing and publication is required by law shall be made public in the same form.
3) In cases where the law does not mandatorily require publication in the official publication organ, the announcement may be made by publication on the authority's website or in another form approved by the government by ordinance.
4) Entries in the commercial register shall also be published by the Office of Justice in electronic form on a website, sorted by date. The government shall regulate the details by ordinance.
Art. 957 and 958
Repealed Art.
958a Repealed
Art. 959
b) Effect, protection of traffic
1) The announcement may be invoked against anyone immediately upon expiry of the day of its public publication.
2) If there is a contradiction between the application, registration, and publication, the content of the registration shall take precedence, followed by the publication, and finally the supporting documents.
3) In the event of a conflict between the registration and the publication, bona fide third parties may also invoke the content of the publication against the person in whose name the registration was made.
4) The Office of Justice shall take all necessary measures to prevent contradictions between the registration and the publication. The government may regulate the details by ordinance.
II. Entries
Art. 960
1. Accuracy of entries
1) All entries in the commercial register must be true, must not give rise to any deception, and must not be contrary to the public interest.
2) If, after an entry has been made, it transpires that it does not meet these requirements, it must be amended or deleted in accordance with the procedure set out in Art. 968.
Art. 961
2. Principle of documentation

1) Only facts that are proven to be true by appropriate documents may be entered in the commercial register.
2) The law and ordinance determine which supporting documents must be provided by those obliged to register in order to register certain facts.
3) The supporting documents must generally be submitted in the form of originals, authenticated copies, or certified copies, unless the law and ordinance provide for exceptions.
3a) Repealed
4) Where the law and regulations do not contain any information on the supporting documents to be provided, the Office of Justice shall decide at its discretion.
5) The documents relating to an entry shall remain with the commercial register. There is no right to have them returned, even after an entry in the commercial register has been deleted.
6) Documents not pertaining to an entry are not supporting documents within the meaning of paragraph 1; they may be kept with the correspondence files.

Art. 962

3. Facts and circumstances eligible for registration

1) The law and ordinance determine the scope of registration in the commercial register, in particular which facts and circumstances are to be entered in the commercial register.
2) Facts that are not intended to be entered may only be entered if the public interest justifies giving them effect vis-à-vis third parties.
3) The registration procedure shall be initiated upon submission of the application or upon submission of deeds or other documents suitable for use as evidence for entry in the commercial register.

Art. 963

4. Application

1) Unless otherwise provided by law or ordinance, entries in the commercial register shall only be made upon application by the persons obliged to do so.
2) The application consists of the application letter and the accompanying documents. The application letter and the documents must contain the necessary content of the entry.
2a) Repealed
3) If, due to the nature of the fact to be entered, no special supporting documents are required, the application must contain all facts to be entered in the commercial register.
4) The application is made by the persons responsible signing the application letter and attaching the supporting documents required for registration.

4a) In the case of an electronic application, if there is suspicion that the person making the application lacks legal capacity or authority to act, or that they lack the power of representation, the Office of Justice may, in individual cases, require their physical presence. The same applies in cases of suspected identity theft or identity fraud.

5) If the Office of Justice has been instructed by a final decision of an administrative authority or a final judgment of a judge to make an entry, amendment, or deletion, the entry shall be made immediately on the basis of the order without registration and supporting documents. There is no legal remedy against such entries.

Art. 964

5. Obligations of the parties involved

1) The law and ordinance determine the formal requirements for registration and who is responsible for registering an entry in the commercial register.

2) If several persons are obliged to file an application and the law does not provide otherwise, the application need only be signed by one person. In the case of legal entities, the scope of the legal representative's power of representation must be observed in all cases.

3) Those obliged to file the application must sign the application letter personally.

4) Unless otherwise stipulated by law or regulation, persons required to register may not be represented by another person authorized or required to register, nor by a third party.

Art. 964a

IIa. Submission of translations

1) Documents may also be submitted to the Office of Justice in any official language of an EEA member state. The Office of Justice shall indicate in an appropriate manner on the extracts and official certificates it issues that these translations are available.

2) If a submitted translation differs from the original version, the former cannot be invoked against third parties. However, third parties may rely on the submitted translation unless it is proven that they were aware of the original version.

Art. 965

III. Amendments and deletions

1) If a fact is entered in the commercial register, any change to this fact must also be entered. The application for registration of changes must be made without delay.

2) Unless otherwise specified by law or ordinance, amendments and deletions in the commercial register shall be made in accordance with the same provisions as new entries. The dissolution of an association shall be treated as an amendment.
3) The reason for the deletion of a company must be stated.
4) Those subject to the registration requirement must also arrange for the entry of any restrictions or changes in the management or representation of companies ordered by an administrative authority or a judge, unless the order instructs the Office of Justice to make the entry directly.

Art. 966

IV. Preliminary proceedings

1) Documents and records that are suitable as evidence for registration can be submitted to the Office of Justice in draft form for review.
2) Legal issues relating to the registration may also be examined.
3) The preliminary proceedings, correspondence, and draft supporting documents submitted are not public.
4) If the decision on the preliminary proceedings is issued in the form of an order, the same legal remedies apply as for orders in the registration procedure.

V. Official proceedings

Art. 967

1. Failure to register

1) Anyone who is obliged to register in the commercial register and has not fulfilled this obligation shall be requested by the Office of Justice, with reference to the regulations and the threat of an administrative fine, to apply for registration within 14 days.
2) Registration may also be requested by a third party. The request must be justified. The Office of Justice shall issue the request if it can conclude from the circumstances that the conditions for the registration obligation are met.
3) The persons requested are obliged to provide the information necessary for the examination of the registration requirement and for the registration and to submit existing business records.
4) If neither the application has been submitted nor an objection lodged within the specified period, the Office of Justice shall order the registration ex officio. At the same time, the offender shall be fined.
5) In addition to the content specified by law and ordinance, the notice of ex officio registration shall be included.

Art. 968

2. Failure to amend or delete

1) If an entry in the commercial register no longer corresponds to the facts, the Office of Justice shall request the person or persons required to register to make the necessary amendment or deletion within 14 days, referring to the regulations and threatening an administrative fine or, in serious cases, imposing an administrative fine immediately.

2) In all other respects, the provisions of Art. 967 shall apply mutatis mutandis.

Art. 969

3. Corrections and additions

1) If the Office of Justice determines that the content of the entry or the announcement does not correspond to the content of the application letter or the supporting documents accompanying the entry, it shall correct the entry ex officio and make the announcement, provided that the law and ordinance require an announcement for the entry of the corrected fact. In the event of an incorrect announcement, the actual registration shall be published with reference to the correction.

2) If the Office of Justice determines that facts that must be entered are missing from the entry and can be inferred from the application letter or the supporting documents for the entry, the Office of Justice shall add these facts ex officio. The addition shall be published at the expense of the person required to register, provided that the law and ordinance require the added fact to be published. In the event of incomplete publication, the fact shall be published retrospectively with reference to the addition.

3) The correction or addition of a fact in the registration shall only be made ex officio if it can be inferred from the application letter or the supporting documents relating to the registration in question. In all other cases, the procedure for amendment shall be followed.

4) The parties involved are obliged to notify the Office of Justice of any facts that have been incorrectly entered or are missing from the entry. Third parties have the right to report such facts.

4. Dissolution and deletion

Art. 970

a) Sole proprietorships, general partnerships, and limited partnerships

1) A sole proprietorship shall be deleted ex officio if business operations have ceased as a result of the owner's relocation or death and six months have elapsed since then without the owner himself or, in the event of death, his heirs being able to request deletion.

2) A collective or limited partnership shall be deleted ex officio if business operations have ceased for all partners as a result of death, relocation, bankruptcy, or the appointment of a trustee, and the parties obligated to initiate the deletion could not be compelled to do so.
3) These companies may also be deleted if the above conditions have not been met for all partners and no justified objection is raised to the public announcement of the deletion within the period set by the Office of Justice.

Art. 971

b) For companies of associations, etc.

1) The dissolution and liquidation of a legal entity or a trust company shall take place ex officio:
1. if business operations have ceased and its organs and representatives in Liechtenstein have ceased to exist;
2. if, despite the lack of approval by the Office of Justice or in the absence of a domestic delivery address, no representative has been appointed (Art. 239);
2a. if delivery cannot be made to the address for service entered in the commercial register or notified to the commercial register;
3. if the requirements under Art. 180a are not or no longer met or the legal obligation to appoint an auditor is not or no longer fulfilled;
4. at the request of the tax administration, if public taxes are not paid despite repeated requests;
5. if a company damages Liechtenstein's national interests or is detrimental to the country's reputation and disrupts its relations with other states or international organizations. The government shall decide whether any of these conditions are met. For the duration of the administrative proceedings, the government may apply to the district court for the appointment of a receiver as a security measure within the meaning of the Law on General State Administration;
6. in all other cases provided for by law.
2) If the Office of Justice becomes aware that a legal entity or trust company no longer has any realisable assets, it may order the deletion ex officio.
3) Furthermore, an association shall be deleted ex officio if it has been dissolved and there are no longer any liquidators, administrative or executive board members who can be required to apply for deletion.

Art. 972

c) Non-commercial companies and procurations

1) The non-commercial company of a natural person shall be deleted ex officio:
1. if the owner has died or been deleted from the commercial register;
2. in the event of loss of legal capacity, unless the guardianship authority permits the company to continue operating;
3. in the event of departure from the country, unless special reasons justify an exception.
2) These provisions apply mutatis mutandis to the deletion of the entry of a natural person who has exercised the right of registration because they were able to enter into contracts.
3) Non-commercial power of attorney shall be deleted ex officio:
1. if insolvency proceedings have been opened against the principal's assets, as soon as the Office of Justice has received official notification of the opening of the insolvency proceedings;
2. after death or, if the registered person is not a natural person, after the dissolution of the principal, if one year has elapsed since then and the heirs or universal successors cannot be compelled to delete the entry;
3. if the authorized signatory has died or, if the authorized signatory is not a natural person, has been dissolved, provided that the principal or its representative cannot be compelled to delete the entry.

Art. 973

d) In the case of representatives

The registration of a representative shall be deleted ex officio:
1. at the same time as the company is deleted;
2. if the representative has died or moved out of the country;
3. if an association not entered in the commercial register for which a representative was appointed has been dissolved.

Art. 974

e) Associations and foundations

1) Associations shall be deleted on the instructions of the judge if they are dissolved because they are operating a commercial business without government authorization, contrary to the law.
2) Foundations shall be deleted ex officio on the instructions of the government or the court if the conditions for such official intervention are met in accordance with foundation law.

Art. 975

f) Branch offices

1) Branch offices shall be deleted upon notification by the registrar of the head office if the latter has been deleted.

2) Branches of foreign companies shall be deleted if it has been officially determined that they have ceased trading and the main business located abroad has not complied with the request of the Office of Justice to delete the branch or has itself ceased to exist.

Art. 976

g) Procedure for official dissolution and deletion

The procedure for official dissolution and deletion shall be regulated by the government by means of an ordinance.

5. Administrative offenses; violations

Art. 977

a) Administrative fines

1) The Office of Justice shall impose administrative fines on those responsible for violations of:

1. statutory reporting obligations pursuant to § 65 (3) and (4) of the final section;
2. disclosure requirements pursuant to § 66 (2) of the final section.

2) The administrative fine shall be imposed:

1. in the case of violations under para. 1 no. 1: the founders, organs or representatives of legal entities, business owners or shareholders who are obliged to register or who have other legal obligations towards the commercial register;
2. in the case of violations under paragraph 1, item 2: the association member concerned.

Art. 978

b) Legal remedies

The same legal remedies apply to fines imposed by the Office of Justice as to decisions in ordinary registration proceedings.

Art. 979

c) Obligations

The fine does not release the person fined from the obligation to register, the obligation to file a notice, or other legal obligations vis-à-vis the commercial register. Furthermore, the legal consequences arising from the provisions on the commercial register remain unaffected.

VI. Appeals

Art. 980

1. Appeals

1) Appeals against decisions of the Office of Justice may be lodged in writing with the Office of Justice or with the Appeals Commission for Administrative Matters within 14 days of delivery.

2) An appeal against the decision of the Appeals Commission for Administrative Matters may be lodged with the Administrative Court within 14 days of delivery.
3) In the event of an appeal, the Office of Justice has the right to respond.

Art. 981

2. Objection

1) The person requested may lodge a written objection with the Office of Justice against requests from the Office of Justice to register a new entry, make a change, or delete an entry. The objection must contain a request and the reasons for it.
2) The Office of Justice is obliged to examine the objection and make a decision without delay.
3) An appeal may be lodged with the Office of Justice or a complaint may be filed with the Complaints Commission for Administrative Matters against the decision of the Office of Justice in the appeal proceedings.

Art. 982

3. Private law objection

1) If third parties lodge an objection with the Office of Justice against an entry made on the grounds of infringement of their rights, they shall be referred to the judge, unless they invoke provisions which the registry authority is required to observe ex officio.
2) If an objection under private law is lodged against an entry that has not yet been made, the Office of Justice shall grant the objector a period of time sufficient under procedural law to obtain a provisional order from the judge.
3) If the judge does not prohibit the registration within this period, it shall be carried out, provided that the other requirements are met.
4) The appellant may be granted access to the files upon request.
5) The party against whom the objection is lodged shall be notified immediately by the Office of Justice of the private law objection.

Art. 983

4. Precautionary objection

1) If a private law objection is raised against an entry that has not been notified or announced to the Office of Justice, or that is in the preliminary proceedings stage, the Office of Justice shall take note of the private law objection.

2) The Office of Justice shall immediately notify the objector and the party against whom the objection is directed of the receipt of the precautionary objection.
3) As soon as the application is submitted, the Office of Justice shall proceed as in the case of an objection under private law.
4) If, within three months of the filing of the precautionary objection, neither the application is filed nor a registry block is imposed by the judge, the Office of Justice shall set the objector a deadline in accordance with procedural law to obtain a decision from the judge prohibiting registration.
5) The precautionary objection is settled when the objector withdraws it, when the deadline set for the objector expires without result, or when the judge issues a decision.
6) The objector has no further rights as a party in the preliminary objection proceedings, in particular no right to inspect the files.

VII. Fees

Art. 984

1. Principle

1) Fees are charged for official acts performed by the Office of Justice. The fees also apply equally to electronic business transactions (Art. 984c ff.).
2) The capital-dependent fees are as follows:
a) for the new registration of a stock corporation, limited partnership, limited liability company, cooperative, institution, or trust company with capital exceeding CHF 200,000: 0.2‰ of the amount exceeding this sum as a surcharge on the fixed basic fee;
b) For the registration of amendments to the articles of association if the capital is increased or reduced and exceeds CHF 200,000: 0.2‰ of the amount exceeding this sum as a surcharge on the fixed basic fee; in the case of capital reductions with simultaneous reinstatement, the fee is reduced by 50%.
c) for the creation of public documents on the occasion of the creation of share capital or stock capital, as well as in the event of a capital increase or reduction: 1‰ of the capital or the amount of the increase or reduction.
3) The government may set minimum and maximum amounts for the capital-dependent fees pursuant to paragraph 2 by ordinance.
4) For other official acts, the government shall determine the fees by ordinance. They shall be commensurate with the time required and the significance of the transaction.
5) The government shall regulate the procedure for levying fees, securing fees, and collecting fees by ordinance.

Art. 984a

2. Fee exemption

1) Entries or deletions in the commercial register made ex officio or by order of the supervisory authority shall be free of charge, as shall extracts from the register intended for official use.

2) The Principality of Liechtenstein, the Prince, all domestic authorities and persons acting on their behalf, as well as corporations, institutions, and foundations under public law, insofar as they are demonstrably involved in proceedings as a party in pursuit of their statutory or legal duties, are exempt from the obligation to pay fees.

Art. 984b

3. Fee debtor

1) The fees are payable by the person requesting the official action.

2) If the request is made by several persons, they shall be jointly and severally liable.

3) The parties reserve the right to recourse and deviating agreements.

VIII. Electronic commerce

Art. 984c

1. Principle

1) Subject to special provisions of this Act, the provisions of the E-Government Act shall apply to electronic commerce with the Office of Justice.

2) Unless otherwise specified below, the general provisions (Section 2, Title 3) and the provisions on the commercial register, companies, and accounting (Section 5) shall apply. Art. 984d

2. Registration

1) Electronic applications for entry in the commercial register shall be submitted via an online service portal of the Liechtenstein national administration. The application letter shall be submitted using the following means of identification:

1. an electronic identity (eID) within the meaning of Art. 3 para. 1 lit. i of the E-Government Act; or

2. an electronic means of identification within the meaning of Art. 15 of the E-Government Act.

2) Unless otherwise provided for by law or regulation, documents must be submitted either using a qualified electronic signature in accordance with Article 25(2) of Regulation (EU) No. 910/2014 or an electronic means of identification in accordance with paragraph 1.

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3) If the law or regulation requires the signature on the document to be certified, the qualified electronic signature pursuant to paragraph 2 must be certified. If the document was submitted using an electronic means of identification pursuant to paragraph 1, no additional certification is required.

Art. 984e

3. Duration of the procedure for entry in the commercial register

1) If the electronic application for the initial registration of a limited liability company in which only natural persons are involved is made using model templates (Art. 986a para. 1), the entry in the commercial register must be made within five working days of receipt of the complete application, otherwise within ten working days.

2) If the electronic application for the initial registration of a branch office is made using sample templates (Art. 986a para. 1), the entry in the commercial register must be made within a period of ten working days from receipt of the complete application.

3) If the registration cannot be carried out within the time limits specified in paragraphs 1 or 2, the applicant shall be informed of the reasons for the delay.

Art. 984f

4. Regulatory authority

The government regulates the details of electronic commerce with the Office of Justice by means of a regulation.

C. The registry authority

Art. 985

I. Principle

The registry authority is the Office of Justice.

II. Tasks and duties of the Office of Justice

Art. 986

1. Duty to examine

1) The Office of Justice must examine whether the legal requirements for registration are met.

2) When registering legal entities, it must in particular check whether the articles of association do not contradict any mandatory provisions and contain the information required by law.

3) The Office of Justice shall examine ex officio compliance with formal requirements and provisions of public law.

4) If mandatory provisions of private law have been violated, the Office of Justice is only entitled to intervene if these provisions were enacted to protect public interests or third parties.
5) In all other cases, the examination upon complaint is the sole responsibility of the ordinary judge.
Art. 986a
1a. Provision of templates and information
1) The Office of Justice provides sample templates on its website for establishing a limited liability company and setting up branches, as well as for registering changes and deletions.
2) The Office of Justice also provides free information on its website, which must include at least the following:
1. Instructions on the use of the model templates referred to in paragraph 1;
2. Regulations on the formation of stock corporations, limited partnerships, and limited liability companies, including electronic procedures and requirements for the documents necessary for formation, as well as on the identification of persons, the use of languages, and the applicable fees;
3. Regulations on the establishment of branches, including electronic procedures and requirements for the documents necessary for registration, as well as on the identification of persons, the use of languages, and the applicable fees;
4. Overview of the procedures for appointing members of the administrative body, management body, and supervisory body of stock corporations, limited partnerships with a limited liability company structure, and limited liability companies, including the provisions governing the grounds for exclusion from appointment as members of the management of such companies with power of representation, and the authorities and bodies responsible for providing information on the existence of such grounds for exclusion; and
5. Overview of the powers and responsibilities of the administrative body, the management body, and the supervisory body of stock corporations, limited partnerships, and limited liability companies, including powers of representation.
3) The government may regulate the details of the provision of model templates and the information referred to in paragraph 2 by ordinance.
Art. 987
2. Warnings and sanctions

1) The Office of Justice shall urge the parties involved to comply with the registration requirement and, if necessary, make the prescribed entries ex officio.
2) If the parties involved violate their procedural obligations, in particular the obligation to cooperate, the Office of Justice shall impose the statutory sanctions.
Art. 988
3. Data collection
1) The Office of Justice is obliged to identify the owners of businesses subject to registration and to ensure that they are registered.
2) Furthermore, the Office of Justice shall determine which registrations no longer correspond to the facts.
3) To this end, judicial and administrative authorities, as well as individual police agencies, are obliged to support the Office of Justice in fulfilling its duties and, in particular, to report any facts and circumstances of any kind that are subject to registration.
4) The representative of public law appointed by the government for individual cases or on a permanent basis is entitled to the duty of notification; he may request that any register entries that conflict with the rights or facts be corrected or deleted and may lodge an appeal against any relevant decisions of the Office of Justice.
Art. 989
4. Ex officio intervention
1) The Office of Justice shall intervene ex officio or at the request of the representative under public law or upon notification by a third party and, if necessary, set a deadline and impose the administrative penalties permitted in the registration procedure against anyone who:
1. has deliberately caused the Office of Justice, in the registration procedure, to record in the register a fact that is likely to cause deception, whether about the person to be entered in the register (company), their place of residence or their nationality, or about the amount, composition or payment of the capital or assets of an association, company or sole proprietorship with limited liability, or about other legally relevant facts and circumstances;
2. uses, with or without intent to deceive, a company name for a company entered in the register that does not correspond to the name entered in the register;
3. uses a name for a company that is not entered in the commercial register, regardless of whether it is required to be registered or not, which is likely to cause deception, or uses a name for such a company without authorization that may only be used with official permission;

4. uses a national or international emblem, such as a coat of arms, in connection with a company name or business name, if this connection is likely to cause deception as to the nationality or internationality of the company.
2) The Office of Justice may order the confiscation of items, in particular letterheads, forms, brochures, and signs, which have been used or were intended to be used to commit the offense, and may order the destruction or rendering unusable of these items or their modification, provided that the confiscation, rendering unusable, destruction, or modification is not ordered in other proceedings.
3) Furthermore, any criminal prosecution remains reserved. Art. 990
D. Deposit of documents
1) Documents, other files, and similar items may be deposited with the Office of Justice for safekeeping, security, or similar purposes by all or individual parties involved, subject to the payment of fees, provided that they are suitable for deposit.
2) Where the law requires associations or similar entities to report to the Office of Justice, this may be replaced by the deposit of documents containing the facts and circumstances that are subject to reporting.
3) The government shall issue more detailed provisions in a regulation, in particular regarding the legal relationships in which documents, files, or similar items must be deposited, otherwise they shall be invalid, the possible establishment of special registers, the procedure, and the fees to be paid.
E. Exchange of information via the European system of register networking
Art. 991
1. Principle
1) Entries in the commercial register, including registrations and supporting documents, as well as the accounting documents of stock corporations, European stock corporations, limited liability companies, and limited partnerships, as well as branches of corporations governed by the law of another EEA Member State, are also accessible via the European Judicial Portal. To this end, the Office for Justice transmits the data from the commercial register to the European platform in accordance with Art. 22(1) of Directive (EU) 2017/1132, insofar as the transmission is necessary to provide access to the authentic data via the search service on the website of the European e-Justice Portal.

2) The Office for Justice participates in the exchange of information between registers via the central European platform with regard to the companies and branches referred to in paragraph 1. For this purpose, the companies and branches referred to in paragraph 1 are assigned a uniform European identifier. The Office for Justice transmits information to the central European platform in accordance with paragraph 3 on:
1. the registration of the commencement or termination of bankruptcy proceedings relating to the company's assets;
2. the registration of the dissolution and the registration of the conclusion of the liquidation or winding-up or of the continuation of the company;
3. the deletion of the company; and
4. the effective date of a cross-border merger pursuant to Art. 352h (2).
3) The government may issue regulations specifying, in particular, provisions concerning:
1. the structure, allocation, and use of the uniform European identifier;
2. the scope of the notification obligation within the framework of the exchange of information between the registers and the list of data to be transmitted;
3. the details of electronic data transmission pursuant to paragraphs 1 and 2, including specifications on data formats and payment methods;
4. the date of the first data transmission. Art. 992

2. Transmission of information on grounds for exclusion

1) If the Office of Justice receives a request from another EEA member state via the European system of interconnected registers for information on whether there are grounds for excluding a specific person from appointment as a member of the administration, the Office of Justice shall request the regional court to provide information on the existence of grounds for exclusion pursuant to Article 180b(1). The Regional Court shall confirm to the Office of Justice whether there are grounds for exclusion.
2) The Office of Justice shall transmit the information to the requesting EEA Member State via the European System of Interconnection of Registers as to whether there are grounds for exclusion pursuant to paragraph 1 for a specific person.
3) The government may regulate the details of the transmission of information by ordinance.

Article 993

3. Transmission of information between the register of the company and the register of the branch

1) After the registration or deletion of a domestic branch of a company whose registered office is in another EEA member state, un-

The Office of Justice shall notify the register of the EEA Member State in which the company is registered of the registration or deletion of the branch via the European system of interconnection of registers.

2) In the case of a company pursuant to Art. 991 (1) with its registered office in Germany that has a branch in another EEA member state, the Office of Justice shall immediately notify the register of the EEA member state in which the branch is registered via the European System of Interconnection of Registers of any changes relating to:

1. the name or business name of the company;
2. the company's registered office;
3. the company's registration number;
4. Legal form of the company:
5. changes relating to persons entered in the commercial register;
6. Accounting documents.

3) The Office of Justice confirms receipt of notifications it receives via the European system of register networking in relation to:

1. Changes affecting a legal entity based in another EEA member state that has a branch in Germany;
2. the registration or deletion of a branch in another EEA member state of a company pursuant to Section 991 (1) with its registered office in Germany.

Art. 994 to Art. 1010d

Repealed

19. Title

The companies

Art. 1011

A. Concept and meaning of the company name, etc.

1) The company name is the name under which an entrepreneur has registered a business in the commercial register, operates it, and signs on its behalf.

2) A natural person as a sole proprietor may appear before all judicial and administrative authorities and in all proceedings as a party, intervener, participant, or co-respondent for the business under the company name.

3) Registered companies, sole proprietorships with limited liability, and associations subject to registration may, in accordance with the preceding paragraph, only act under their company name, unless exceptions are permitted by law.

4) Companies, associations, and sole proprietorships with limited liability registered in the commercial register and their branches may only operate under one company name, unless exceptions are permitted.

B. Principles for the formation of companies

I. In general

Art. 1012

1. Permissible information

1) In addition to the information required by law, the company name may only contain information that is permitted by law.

2) Additions to the core of the company name may include personal details of the company owner, information about the company's business activities, succession arrangements, business names, trademarks, the location of the company, or imaginative names, provided that they are not untrue, immoral, or illegal, or do not constitute unfair competition.

3) Information for purely advertising purposes in a company name and so-called subtitles are not permitted.

4) The cases in which the inclusion of additions is mandatory are determined by the specific regulations.

5) Permissible abbreviations of legal forms of companies without legal personality with a company name, associations, sole proprietorships with limited or unlimited liability may only be used in the company name in such a way that confusion with another legal form is ruled out.

6) Subject to the provisions on unfair competition, the government may determine by ordinance what purposes an enterprise must pursue or what object it must have in order to be authorized to use the designation "Treuhand," "Fiduzia," or a similar equivalent term in its company name (in its name) or in an addition.

Art. 1013

2. National and international designations and Red Cross

1) National designations, in particular the words "Principality," "princely," "Liechtenstein," "Liechtensteinish," "state," and "country," either alone or in conjunction with the rest of the company name, may not be included in the company name; this also applies to the official country codes LIE, LI, and FL.

2) However, the use of such designations may be approved in exceptional cases by the Office of Justice, after consultation with the FMA, the Liechtenstein Chamber of Commerce, or the Liechtenstein Chamber of Industry and Commerce, if there are special reasons justifying the approval of the designation.

3) The same provisions apply mutatis mutandis to municipal designations, provided that they do not merely indicate the location of the place of business.

4) The words "Red Cross" may not appear in the company name or in any additional designation.

5) Similarly, other international designations may only be used if there are special reasons justifying the approval of the designation.

Art. 1014

3. Language and characters

1) Companies whose headquarters are located in Liechtenstein must be registered in German, unless the registration authority grants an exception; additions in other languages are permitted.

2) Registration in a foreign language alone is permitted for legal entities that do not operate a commercial business, but otherwise only in addition to registration in the national language, unless the Office of Justice grants an exception.

3) If a company name is registered in more than one language, the different language versions must correspond as closely as possible in terms of content.

4) The characters used in a company name must be Latin or German. Art. 1015

4. Branch offices

1) The name of the branch office must contain the unchanged name of the head office and its location, as well as the explicit designation as a branch office and the location of the branch office.

2) If a company with the same name is already registered in the place or municipality where a branch office is to be established, the name of the branch office must be supplemented by an addition that clearly distinguishes it from the company already registered.

Art. 1016

5. Exclusivity of the registered company name

1) A company name entered in the commercial register may not be used by any other company in the country.

2) Where there is a risk of confusion with a company name that is already registered, a distinguishing addition must be made even if the new business owner has the same civil name as the older company.

3) A company name is clearly distinguishable from another in the country if the difference is recognizable when applying the usual care in business transactions.

4) Repealed

II. For individual companies

1. Sole proprietorships

Art. 1017

a) In general

1) A natural person who operates a business without the participation of a general partner or limited partner, but with or without silent partners, may only use their family name (civil name), with or without their first name, as the company name.
2) If first names are used in a sole proprietorship, at least one first name must be written out in full.
3) A sole proprietorship may also be formed using a name borrowed from the object of the business or another designation, in which case the owner's personal name must be added to the company name.
4) No addition may be made to the company name that suggests a corporate relationship.

Art. 1018

b) Sole proprietorship with limited liability

1) The name of a sole proprietorship with limited liability must either include the owner's surname or company name, or a name derived from the subject matter of the business or a fantasy name, with the words "sole proprietorship with limited liability" or, if a natural person is operating a commercial business, "sole trader with limited liability" in unabbreviated form and, if a family name or other company name appears in the company name, an addition indicating the object of the company.
2) However, if the name of a natural person, a proper name, or a fictitious name is used, the company name may instead be formed in such a way that it or an addition contains the words "with limited liability" or "with limited responsibility" or a similar expression in full.
2a) The name of a limited partnership must include this designation or add it in an addition.
3) In all other respects, the provisions governing the formation of a sole proprietorship shall apply mutatis mutandis.

2. Names of companies without legal personality (collective name)

Art. 1019

a) General partnerships and limited partnerships

1) The name of a general partnership must, as a rule, unless it includes the names (company names) of all partners, or unless an exception applies as described below, contain the family name (company name) of at least one of the partners with an addition indicating the existence of a partnership.

2) Unless an exception is provided for below, the names of limited partnerships must always include, in addition to the name (company name) of at least one partner with unlimited liability, an addition indicating the partnership relationship.
3) It is not necessary to include first names.
4) General partnerships and limited partnerships may also choose a company name derived from the object of the enterprise or formed from a fictitious name without adding a personal name.
5) In all cases, regardless of whether it has been newly established or taken over, the name of a general partnership or limited partnership or an addition must contain the designation "Kollektivgesellschaft" (general partnership) or "offene Gesellschaft" (open partnership) or, if it operates a commercial business, "offene Handelsgesellschaft" (general trading partnership) or "limited partnership" or their abbreviations "OHG" or "KG".
Art. 1020
b) Limited partnerships and limited liability partnerships and joint ownership
1) The formation of a limited partnership company is governed by the provisions applicable to limited partnerships, with the exception that the name of the company or an addendum thereto must include the designation "limited partnership company" or "limited partner company."
2) The formation of a limited liability partnership is governed by the provisions applicable to general partnerships, with the exception that the name or an addendum must include the designation "limited liability partnership" or "general partnership with limited liability."
3) Unless otherwise specified by law, the provisions governing limited partnerships apply to the name of a limited partnership, and those governing general partnerships apply to the name of a limited liability partnership.
4) The full name of the community shall be formed in accordance with the provisions governing the name of a general partnership, with the proviso that it or an addition thereto must contain the unabbreviated term "community."
Art. 1021
c) Prohibition on naming individuals
1) The names of individuals, associations, or companies other than the partners with unlimited liability may not be included in the newly established name of a general partnership or limited partnership.

2) If a person named in the company name leaves as a partner, their name must be removed from the company name, otherwise they will continue to be liable without limitation.

3) The provisions on limited partnerships and limited liability partnerships and other exceptions under the law remain reserved.

Art. 1022

d) Changes upon the departure of a person

If a person or company whose name or business name is included in the name of a general partnership, limited partnership, limited liability partnership, or limited liability general partnership ceases to be a member of the partnership, their name or business name may only be retained in the partnership name with the consent of that person or their heirs or other universal successors, unless the law itself provides for exceptions.

3. Names of associations

Art. 1023

a) Stock corporations and cooperatives

1) Stock corporations and cooperatives may choose their company name freely. Stock corporations must include either the unabbreviated word "Aktiengesellschaft" or the abbreviation "AG" in their company name, or, in the case of stock corporations that do not conduct business in a commercial manner, the corresponding foreign-language expressions. Cooperatives must include either the unabbreviated words "eingetragene Genossenschaft" (registered cooperative) or the abbreviation "eG" or "e.Gen." in their company name.

2) In particular, they may also include the names of persons associated with the enterprise in the company name.

Art. 1024

b) Limited partnerships with share capital and limited partnerships with limited liability, etc.

1) The name of a limited partnership with share capital, a limited partnership with limited liability, or a limited partnership with capital shares shall be formed in accordance with the provisions applicable to limited partnerships.

2) The words "limited partnership with limited liability," "limited partnership with limited liability," or "limited partnership with capital shares" must be included in the company name in full or added to it.

3) In particular, the provision on the inadmissibility of naming persons applies.

Art. 1025

c) Limited liability companies

1) The name of a limited liability company may, at the company's discretion, be:

1. either be derived from the object of the enterprise or be a fantasy name, or
2. contain the name or company name of the shareholders or at least one of them with an addition indicating the corporate relationship, or finally
3. consist of a combination of the names of the shareholders with a descriptive term.

2) Names of persons or companies other than shareholders may not be included in the company name, unless exceptions are permitted.

3) In all cases, the name or an addition must contain the designation "Gesellschaft mit beschränkter Haftung" (limited liability company) or the abbreviation "Ges.m.b.H." or "GmbH" for limited liability companies that do not operate a commercial business, but may contain an expression in a foreign language that is as similar as possible.

Art. 1026

d) Partnerships

The name of a partnership is formed in accordance with the provisions established for stock corporations, with the proviso that, depending on the choice, the word "partnership" or "association" must be included in the name in full.

Art. 1027

c) Variable share capital

1) If a stock corporation has variable share capital in accordance with its articles of association, the company name must also include the addition "with variable share capital" or "with variable capital."

2) This provision does not apply if the articles of association stipulate that the variability consists only in a gradual increase in the share capital.

Art. 1028

f) Mutual insurance companies and relief funds

1) The name of a mutual insurance association or a registered mutual aid fund shall be formed in accordance with the provisions governing the name of a cooperative.

2) The name itself or an addition thereto must contain the unabbreviated designation "registered mutual insurance association" or "registered mutual aid fund."

Art. 1029

g) Institutions

1) The name of an institution within the meaning of this Act shall be formed in accordance with the provisions laid down for the names of cooperatives, with the exception that the name or an addition thereto must contain the designation "institution."

2) The name of a public utility institution must be derived from the object of the enterprise and must contain the designation "public utility institution" in the name or in an addition.

Art. 1030

h) Sole proprietorships

1) A one-person company is formed in accordance with the provisions applicable to the legal entity to which it is subject, such as a stock corporation, but it may also be designated as a "one-person stock corporation" or "one-person stock company" or "company under stock corporation law" instead, and the same applies to a one-person limited liability company and a one-person partnership.

2) However, if the enterprise capital or enterprise assets do not consist of one or more shares, it may be designated in the company name or in an addition as a "one-person enterprise" or "one-person company" or, if the name of a natural person, a real or fictitious name is used to form the company name, simply as an "enterprise."

3) In the case of other legal forms of sole proprietorships, the company name must be formed in a corresponding manner, unless the law itself provides otherwise, as is the case with institutions, for example.

Art. 1031

i) Associations and foundations

1) Ordinary associations and foundations that are entered in the commercial register must include the words "association" or "foundation" in their name or in an addition, unless the Office of Justice grants an exception in the case of economic associations.

2) The provisions on permissible information, national or international designations, language, and exclusivity apply mutatis mutandis to the formation of the names of associations and foundations to be registered.

Art. 1032

4. Other forms of companies and legal entities

1) Companies and associations not specifically mentioned in this title, such as those governed by foreign law, approved associations, or segmented associations, shall, with the approval of the Office of Justice, choose a company name based on the form of the company or association that most closely corresponds to their legal form.

2) However, the Office of Justice may, at its discretion, waive the requirement to include the legal form in the company name or in an addition.

Art. 1032a

5. Trust companies and entail companies

1) The name of a trust company with or without legal personality is formed in such a way that it is derived from the object of the company, contains a fictitious name or the name of one or more participants, or consists of a combination of a name, object, or fictitious name, but without causing confusion with another legal form of company, such as a trust company or similar.

2) The company name or an addition thereto must include "registered trust company" or a similar designation, such as "registered business trust," "registered trust company," "registered trust foundation," "registered trust institution," or, in the case of a trust company that does not operate a commercial business, a term in a foreign language that is as close as possible in meaning, provided that the abbreviated term does not cause confusion with another legal form of company.

3) The Office of Justice may permit deviations from the above provisions, provided that there is no possibility of confusion with another form of company.

4) The preceding provisions shall apply mutatis mutandis to the name of fideicommissum companies, with the proviso that the name or an addition thereto must contain the designation "registered fideicommissum company" or a similar designation, unless exceptions are permitted.

5) The name of an unregistered trust or fideicommissum company shall be formed accordingly, omitting the word "registered."

III. Acquisition or conversion of a company

1. Acquisition

Art. 1033

a) In general

1) Anyone who acquires an existing business from living persons or by inheritance as a whole may continue to use the company name that has been used in good faith up to that point, with or without adding a suffix indicating the succession, if the previous owner or their heirs or other legal successors expressly consent to the continuation of the company name with or without the suffix.

2) In the absence of other provisions in the articles of association, the consent of the supreme body, in the case of a collective or limited partnership, of all partners, and, if insolvency proceedings have been opened against the assets of the owner of the

company, the consent of the insolvency administrator and, if in the latter case a civil name appears in the company name, also the consent of the owner of that name.

3) The requirement for consent does not apply if the acquirer is the sole heir or if the testator has stipulated in his will that the co-heir or legatee continuing the business may retain the old company name.

4) If the transfer of the company name itself is not restricted, the acquirer may only resell it together with the business or transfer it to a third party in trust.

Art. 1034

b) Type of continuation

1) If a registered company, a sole proprietorship with limited liability, or a registered association is transferred to a sole proprietor as a natural person who assumes unlimited liability, the name of the transferee must be added to the name of the transferred company and the designation "stock corporation," limited partnership with share capital, and the like must be omitted, unless an addition indicating the succession relationship is added in some other way or the transferred enterprise continues to be operated as a sole proprietorship with limited liability or as a one-person company.

2) If the purchaser is a registered company or association or a sole proprietorship with limited liability, the old company name must be supplemented with an addition indicating the form of the company or association or the form of the sole proprietorship with limited liability, and any elements of the old company name that contradict this addition must be deleted.

3) The acquirer may expand, reduce, or extend the scope of the business to other objects, or gradually restructure it.

4) If someone acquires two businesses with the right to continue the company name, which are to be continued, it is permissible to retain the company names of both businesses under their merger into a single company name.

5) If the acquirer has deleted the company name transferred to him from the commercial register and entered a new company name, he may not subsequently resume the company name transferred to him.

Art. 1035

c) Usufruct, lease, and similar arrangements

1) If a business is taken over on the basis of a usufruct, a lease agreement, or a similar relationship, the preceding articles shall apply mutatis mutandis.

2) If the transferee is entered in the commercial register as the owner for the duration of the legal relationship in accordance with the existing regulations, the previous status shall be restored after the termination of the legal relationship, unless otherwise agreed.

termination of the legal relationship, the previous status shall be restored, unless otherwise agreed.

Art. 1036

d) Branch offices

In the event of the sale, lease, encumbrance with usufruct, or similar legal relationships of a branch office, the preceding provisions shall apply mutatis mutandis.

Art. 1037

2. Conversion

1) The previous company name may be retained:

1. with an appropriate addition indicating the form of the company if a partner is admitted to an existing sole proprietorship with limited liability and this is thereby converted into a general partnership, limited partnership, or limited liability partnership, or

2. without an addition if a new partner joins an existing general partnership, limited partnership, or limited liability partnership, or

3. with the addition "sole proprietorship with unlimited liability" if a partner leaves one of the aforementioned companies and the business is continued under the company name by an individual with unlimited liability.

2) In the case of other types of conversion, such as a sole proprietorship, a general partnership, a limited partnership, a partnership limited by shares, a limited partnership with limited liability, or a limited partnership with limited liability, into another company or other legal entity, the previous company name may be included in the name of the new legal entity or company, sole proprietorship with limited liability if the previous company name is supplemented by the new form of enterprise in an addition that clearly distinguishes the succession relationship, such as stock corporation, cooperative, or the like, whereby the legal form of the latter must be omitted in accordance with the provisions on the type of continuation of a taken-over company name.

Art. 1038

3. Common provisions

1) Unless otherwise specified above, or if, in the opinion of the Office of Justice, the continuation of the old, albeit amended, company name could cause errors and misunderstandings among the public, a company name that no longer corresponds to the facts due to a change in circumstances must be amended to reflect the changed circumstances, as in the case of a change in the object of the company.

2) Company additions must be omitted or changed if, as a result of changes to the business or for other reasons, they no longer correspond to the actual circumstances, unless the content of the additions clearly refers to a previous relationship.

Art. 1039

IV. Transfer in foreclosure or insolvency proceedings

1) If the entire company is seized by way of enforcement or insolvency proceedings, the company name is also subject to such proceedings.

2) If the company name contains the debtor's civil name, the debtor's consent is required for the sale of the company.

Art. 1040

V. Change of civil name

In all cases, the previous company name may be retained if the civil name of the business owner or a partner changes by operation of law.

Art. 1041

VI. Signing for the company

1) In the case of a sole proprietorship, the signature of the company vis-à-vis third parties is made by hand if it is formed from the personal name.

2) In the case of a sole proprietorship, a limited liability sole proprietorship, and a general partnership, limited partnership, or limited liability partnership, the signature may instead be affixed by the signatory adding his or her handwritten signature to the wording of the company name added by whomever.

3) However, if the company is a proprietary company or if it includes the name of another general partnership, limited partnership, limited liability partnership, or association, it must follow the same procedure.

4) Special provisions apply to associations.

5) If a company is managed in several languages, the signature for the commercial register must be made in all relevant languages.

6) Words contained in the company name that are not abbreviated, such as first names and the like, may not be abbreviated when signing.

VII. Protection of the company name, telegram address, and company abbreviation

Art. 1042

1. General

1) A company name that has not actually expired and is entered in the commercial register in accordance with the provisions of this title is available for the exclusive use of the bona fide entitled party over a previously unregistered name.

2) If two companies that cannot be clearly distinguished are registered or entered at a given point in time, the company that was registered earlier shall have priority;

in all other cases, the Office of Justice shall decide at its discretion for its area of jurisdiction.
2a) If the Office of Justice determines that two identical companies are registered, it may take official action to rectify the situation. The procedure shall be governed mutatis mutandis by Art. 967 f.
3) Anyone who is affected by the unauthorized use of a company name, telegram address, or company abbreviation may assert their claims in accordance with the provisions on the protection of personality rights.
4) The provisions on unfair competition, trademarks, and the like, as well as special agreements, remain reserved.
Art. 1043
2. Claims for enrichment and acquisition by interference
1) In the event of innocent, unlawful use of the company name, its abbreviation, and telegram address, and if the claim for damages is time-barred, the aggrieved company owner is entitled to claim the surrender of the profits (enrichment) obtained at the expense of the aggrieved party within the limitation period of three years from the date of use.
2) Anyone who is intentionally harmed by the unauthorized use may also demand compensation for damages and, instead of or in addition to satisfaction, disclosure of information, rendering of accounts, and surrender of the profits obtained (acquisition by interference).
Art. 1044
C. International law
1) The names, abbreviations, and telegram addresses of foreign companies and domestic branches of foreign companies shall be recognized and protected in the United States in the same way as they are recognized and protected under the laws of the place of residence of the individual company or the registered office of corporations and associations, even if they do not comply with United States law.
2) The protection of a company name, its abbreviation, or telegram address may be asserted under Liechtenstein law and before the district court against the unauthorized use of a domestic company abroad by a person, company, or association that has its domicile, registered office, or branch in Liechtenstein.
3) However, mandatory provisions, such as those relating to national designations, the prevention of deception, and the like, remain reserved.
4) Such a company, abbreviation, or telegram address shall only enjoy protection as a trademark in the country if it is entitled to such protection under both domestic law and the law of the country of residence or registered office of the company.

Art. 1044a

D. Foundations not entered in the commercial register

1) The provisions on company law shall apply mutatis mutandis to foundations not entered in the commercial register in accordance with the provisions applicable to foundations entered in the commercial register.

2) If the name of an unregistered foundation cannot be clearly distinguished from a company name entered in the commercial register, preference shall be given to the latter, regardless of the date of application, registration, or filing.

3) Art. 1042 para. 2a shall apply mutatis
mutandis. Art. 1044b

E. Trusts entered and not entered in the commercial register

1) Trusts registered and not registered in the commercial register within the meaning of Art. 902 must include either the word "trust" or "Treuhandschaft" in their name.

2) Art. 1016 applies mutatis mutandis to trusts registered and not registered in the commercial register within the meaning of Art. 902.

20. Title

Accounting

1. Section

General provisions on accounting

Art. 1045

A. Accounting obligation

1) Anyone who is required to register their company or name in the commercial register (Art. 945) and operates a commercial business (Art. 107) is required to maintain proper accounting records.

2) Stock corporations, limited partnerships, limited liability companies, general partnerships, and limited partnerships within the meaning of Art. 1063 para. 2 are also required to keep proper accounts even if they do not operate a commercial business.

3) Associations, general partnerships and limited partnerships that are not required to maintain proper accounts in accordance with paragraphs 1 and 2 must, taking into account the principles of proper accounting, keep records appropriate to their financial circumstances and retain supporting documents from which the course of business and the development of assets can be traced; subject to special legal provisions. Art. 1059 shall apply mutatis mutandis to the keeping and retention of records and supporting documents.

B. Accounting records, inventory

Art. 1046

I. Accounting records

1) The business records must be such that they can provide an expert third party with an overview of the business transactions and the situation of the company within a reasonable period of time. It must be possible to trace the origin and processing of the business transactions.

2) A living language must be used in the keeping of business records and other necessary records. If abbreviations, numbers, letters, or symbols are used, their meaning must be clearly established in each individual case.

3) Entries in the books of account and other required records must be complete, accurate, timely, and orderly.

4) An entry or record may not be altered in such a way that the original content can no longer be determined. Changes may also not be made if their nature leaves it uncertain whether they were made originally or only later.

Art. 1046bis

Repealed

Art. 1047

II. Inventory

Anyone who is required to prepare proper accounts must, at the time of the corresponding entry in the commercial register and then at the end of each financial year, draw up a detailed list of all assets and liabilities, specifying their value in detail.

C. Annual financial statements

I. General provisions on annual financial statements

Art. 1048

1. Obligation to prepare, components, and fiscal year

1) Anyone who is required to prepare proper financial statements must prepare a balance sheet at the time of the corresponding entry in the commercial register and then prepare annual financial statements at the end of each financial year.

2) The annual financial statements consist of a balance sheet, income statement and, if necessary, notes; they must be prepared within six months of the end of the financial year.

3) The financial year may not exceed twelve months. In justified cases, particularly in relation to the first financial year or in the event of a change in the balance sheet date, the financial year may also last up to a maximum of 18 months.

Art. 1049

2. Language and currency unit

1) The annual financial statements and, if required under the provisions of this title, the annual report must be prepared in German or English and in Swiss francs, euros, or US dollars.

2) Legal entities subject to accounting requirements that do not operate a commercial business may also prepare the documents referred to in paragraph 1 exclusively in French, Italian, Spanish, or Portuguese, as well as in any freely convertible foreign currency.

3) The government may issue an ordinance permitting the use of other foreign languages for the preparation of the documents referred to in paragraph 1.

II. Proper accounting; structure; valuation; notes

Art. 1050

1. Proper accounting

1) The annual financial statements must be prepared in accordance with the principles of proper accounting.

2) They must be clear, concise, and complete. They must include all assets, liabilities, provisions, accruals, expenses, and income; items on the assets side may not be offset against items on the liabilities side, expenses may not be offset against income, and property rights may not be offset against property encumbrances.

Art. 1051

2. Structure

1) The balance sheet must show the relationship between assets and liabilities, and the income statement must show the relationship between expenses and income.

2) The balance sheet shows current and fixed assets, liabilities and equity, and accruals and deferrals.

3) The purpose of the assets determines whether they are classified as current or fixed assets.

4) Only assets that are intended to serve the business on a permanent basis are to be reported under fixed assets.

3. Valuation

Art. 1052

a) General provisions

1) Assets must be reported at no more than their acquisition or production costs; if these are higher than the generally applicable market price on the balance sheet date, the latter shall be decisive.

2) Liabilities must be reported at their repayment amount; equity must be reported at its nominal amount or at least at its historical value.
3) Depreciation, value adjustments, and provisions must be made to the extent that they are necessary for business reasons. Hidden reserves formed by additional depreciation, value adjustments, and provisions are permitted.

Art. 1053

b) Capitalizable costs

1) Expenses for the establishment and expansion of business operations as well as development costs may be capitalized.
2) Expenses for the establishment and expansion of business operations must be depreciated within five years.
3) Development costs must be amortized systematically over their useful life. If, in exceptional cases, the useful life of the development costs cannot be reliably estimated, the development costs must be amortized within five to ten years.

Art. 1054

c) Goodwill

1) The difference by which the consideration paid for the acquisition of a company exceeds the value of the individual assets of the company less liabilities at the time of acquisition may be recognized as goodwill.
2) Goodwill shall be amortized on a scheduled basis over the useful life during which it is expected to be used.
3) If, in exceptional cases, the useful life of goodwill cannot be reliably estimated, goodwill must be amortized within five to ten years.

Art. 1054a

d) Currency translation

1) Assets and liabilities denominated in foreign currencies must be translated at the spot exchange rate on the balance sheet date. If the remaining term is one year or less, gains resulting from the conversion may be considered realized even if they have not yet been realized on the balance sheet date. In this case, assets may be stated at a higher value and liabilities at a lower value than their acquisition and production costs.

2) If companies within the meaning of Art. 1063 apply para. 1 for currency translation, Art. 1066a para. 2 no. 3 half-sentence 4 and Art. 1085 para. 1 sentence 1 shall not apply.

Art. 1054b

e) Formation of valuation units

1) Assets, liabilities, pending transactions, or transactions that are highly likely to occur may be combined with financial instruments to offset opposing changes in value or cash flows arising from the occurrence of comparable risks (valuation unit).

2) Valuation units within the meaning of paragraph 1 shall be valued in the same way as assets and liabilities.

Art. 1055

4. Appendix

The notes shall contain the total amounts of guarantees, guarantee obligations, and pledges, as well as any other contingent liabilities. Art. 1056

III. Signature

The annual financial statements and, if required under the provisions of this title, the consolidated annual financial statements, the annual report, and the consolidated annual report must be signed by all personally liable partners in the case of partnerships, and by the persons entrusted with management in the case of associations and trust companies.

D. Further obligations

Art. 1057

I. Disclosure obligation

If bonds have been issued by public subscription or if shares in the company are listed on a stock exchange, the annual financial statements, after approval by the supreme body, shall be published in the Liechtenstein national newspapers together with the audit report or shall be sent at the expense of the person requesting them within one year of approval, provided that these documents are not disclosed in accordance with Art. 1122 ff.

II. Audit and review obligation

Art. 1058

1. In general

1) The annual financial statements and consolidated annual financial statements of companies within the meaning of Art. 1063, with the exception of those that are considered small companies in accordance with Art. 1064, but not those that are subject to disclosure requirements in accordance with Art. 1057, must be audited by a certified public accountant or an auditing firm (auditing). If, based on the provisions of this

title, the auditor or auditing firm must also express an opinion on whether the annual report is consistent with the annual financial statements and the consolidated annual report is consistent with the consolidated annual financial statements.

1a) Notwithstanding the reporting requirements set out in Art. 196, an audit does not include any assurance regarding the future viability of the audited company or the efficiency or effectiveness with which the company's management or administrative body has conducted its business to date or will conduct it in the future.

2) If a company that is not subject to an audit requirement within the meaning of paragraph 1 is required to prepare annual financial statements in accordance with the provisions of this title, an auditor or audit firm must perform an audit review; this is subject to a waiver in accordance with Art. 1058a. If, based on the provisions for these companies, an annual report must also be prepared, the auditor or auditing firm must also issue an opinion on whether or not the annual report is consistent with the annual financial statements.

3) Partnerships shall only have the documents referred to in paragraph 2 reviewed by an auditor or an auditing firm if they must be disclosed in accordance with the provisions of this title.

4) The review must be carried out in accordance with the standards to be issued by the relevant professional organizations.

Art. 1058a

2. Waiver of review

1) Companies that meet the requirements of a micro-company within the meaning of Art. 1064 para. 1a and operate a commercially managed business may waive the review. This does not apply to segmented associations (Art. 243 ff.) and stock corporations with bearer shares (Art. 323 ff.).

2) The waiver pursuant to para. 1 requires a unanimous resolution by the supreme body.

3) The management may request the members of the supreme body in writing to agree to a waiver pursuant to para. 1 and indicate that failure to respond shall be deemed consent.

4) If the supreme body has unanimously waived a review, this waiver shall also apply to subsequent years. However, each member of the

supreme body has the right to request a review at any time. In this case, the supreme body must elect the auditors.

5) Companies that waive the review must submit a declaration to the Office of Justice with their application for registration of the waiver stating that:

1. the company meets the requirements for waiving the review in accordance with paragraph 1; and
2. the supreme body has unanimously decided to waive the review.

6) The declaration pursuant to paragraph 5 must be signed by at least one member of the administration or management. The declaration must be accompanied by an extract from the minutes of the supreme body that decided on the waiver, as well as copies of the relevant current documents such as balance sheets, income statements, and annual reports, unless the latter have already been submitted to the Office of Justice as part of the disclosure requirements.

7) The declaration pursuant to paragraph 5 may be submitted at the time of incorporation.

8) The Office of Justice may request a renewal of the declaration as well as further information and documents in order to verify whether the conditions for a waiver pursuant to paragraph 1 still apply.

9) Upon entry of the fact that the review is waived and the date of the declaration pursuant to paragraph 5, the auditor must also be deleted from the commercial register. The articles of association must be amended if necessary.

10) The government may regulate the details by ordinance.

Art. 1059

III. Obligation to keep and retain business records

1) Anyone who is required to keep proper accounts must retain the books of account, accounting documents, and business correspondence for ten years.

2) The annual financial statements and, if they have to be prepared in accordance with the provisions of this title, the consolidated annual financial statements, the annual report, and the consolidated annual report must be kept in written form and signed; The other business records, accounting documents, and business correspondence may be kept and stored in written, electronic, or comparable form, provided that this ensures consistency with the underlying business transactions and that they can be made legible at any time. The government shall determine the detailed requirements by ordinance.

3) Accounting records, accounting documents, and business correspondence kept electronically or in a comparable manner shall have the same evidential value as those that are legible without aids.

4) The retention period begins at the end of the fiscal year in which the last entries were made, the accounting documents were created, and the business documents were received or sent.

Art. 1060

IV. Obligation to submit

1) Anyone who is obliged to keep proper accounts may, in the event of disputes concerning the business, be required by the court, upon request or ex officio, to submit the business books, accounting documents, and business correspondence if a legitimate interest is proven.

2) If the business records, accounting documents, or business correspondence are stored electronically or in a comparable manner, the court or authority that may request their submission may order that:

1. they be presented in such a way that they can be read without aids; or
2. the means by which they can be made legible are made available.

3) The business records may not be realized by way of enforcement or insolvency proceedings, unless the business as a whole is sold and they are indispensable for its continuation. A right of retention may not be asserted.

Art. 1061

V. Inspection of the books

1) If the business records are presented in official proceedings, they must be inspected, insofar as the subject matter of the proceedings is concerned, with the parties being consulted if necessary, and an extract must be made if appropriate.

2) The remaining contents of the business records shall only be disclosed to the court to the extent necessary to verify that they have been kept properly.

3) In disputes concerning property, particularly in matters of inheritance, matrimonial property law, and the division of companies, or where there is otherwise an obligation to render accounts or provide information, the court may, in non-contentious or contentious proceedings, order the submission of the business records for inspection of their contents. Art. 1060 para. 2 shall apply mutatis mutandis.

Art. 1062

E. Penal provisions

Criminal provisions relating to the violation of the obligations provided for in this title remain reserved.

Art. 1062a

F. International law

1) Domestic branches of foreign companies are also subject to the provisions of this title.
2) The probative value of business documents in Liechtenstein is also governed by Liechtenstein law for foreign companies.
3) The obligation to submit business documents shall be assessed, if a punishable obligation under public law is involved, in accordance with the law applicable to business establishments, whereas the obligation to submit documents in contentious or non-contentious proceedings against a party shall be assessed in accordance with the law of the court of jurisdiction.
Section 2
Supplementary provisions for certain types of companies
1. Subsection
Annual report (annual financial statements and annual report) Art. 1063
A. Scope
1) The supplementary provisions of this section apply to companies in the legal form of a stock corporation, a limited partnership with shares, and a limited liability company.
2) The supplementary provisions also apply to general partnerships and limited partnerships, provided that all of their partners with unlimited liability are companies within the meaning of paragraph 1 or companies that are not subject to the law of an EEA member state but whose legal form is comparable to the legal forms referred to in paragraph 1. The same applies to companies whose partners with unlimited liability are companies within the meaning of sentence 1. The supplementary provisions also apply to general partnerships and limited partnerships, provided that all their partners with unlimited liability are general partnerships or limited partnerships within the meaning of sentence 1.
Art. 1063bis
Repealed
Art. 1064
B. Definition of size categories
1) Small companies are those that do not exceed at least two of the following three characteristics:
1. 9.2 million Swiss francs in total assets;
2. 18.5 million Swiss francs in net sales (Art. 1081) in the financial year preceding the balance sheet date;
3. an average of 50 employees during the financial year. 1a) Micro-enterprises are also considered small companies if they do not exceed at least two of the following three criteria:
1. 580,000 Swiss francs in total assets;

1.1 CHF 160,000 in net sales (Art. 1081) in the financial year preceding the balance sheet date;
3. an average of 10 employees during the financial year.
2) Medium-sized companies are those that exceed at least two of the three characteristics specified in paragraph 1 and do not exceed at least two of the three characteristics listed below:
1. CHF 32.4 million in total assets;
2. 64.8 million Swiss francs in net sales revenue (Art. 1081) in the financial year preceding the balance sheet date;
3. an average of 250 employees during the financial year.
3) Large companies are those that exceed at least two of the three characteristics specified in paragraph 2.
4) The legal consequences of the characteristics set out in paragraphs 1 to 3 shall only apply if they are exceeded or not met on the balance sheet dates of two consecutive financial years. Upon initial application of paragraphs 1 to 3, the legal consequences shall already apply if the conditions set out in paragraphs 1, 2, or 3 are met on the first balance sheet date.
5) The government shall issue an ordinance specifying which thresholds pursuant to paragraph 1, items 1 and 2, and paragraph 2, items 1 and 2, are to be applied if the annual financial statements are not prepared in Swiss francs.

C. General provisions on the annual report

Art. 1065

I. Components

1) Companies within the meaning of Art. 1063 must prepare an annual report.
2) The annual report consists of the financial statements, comprising the balance sheet, income statement, and notes, which form a single unit, and the annual report.
3) Small companies within the meaning of Art. 1064 are not required to prepare an annual report; furthermore, micro-companies within the meaning of Art. 1064 are not required to prepare notes; however, Art. 1095a applies. This does not apply to small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state, as well as for investment companies and holding companies within the meaning of Art. 2 nos. 14 and 15 of Directive 2013/34/EU.

Article 1066

II. A true and fair view

1) The annual financial statements must give a true and fair view of the net assets, financial position, and results of operations of the company.

2) If the application of the provisions of this title is not sufficient to convey a true and fair view of the net assets, financial position, and results of operations within the meaning of paragraph 1, additional disclosures must be made in the notes.
3) If, in exceptional cases, the application of a provision of this title is incompatible with the obligation provided for in paragraph 1, the provision in question must be deviated from in order to ensure that a true and fair view within the meaning of paragraph 1 is presented. The deviation must be disclosed and justified in the notes to the financial statements; its impact on the net assets, financial position, and results of operations must be presented.
4) Paragraph 3 shall not apply to micro-entities within the meaning of Art. 1064, with the exception of investment companies and holding companies within the meaning of Art. 2(14) and (15) of Directive 2013/34/EU.

Art. 1066a

III. General accounting principles

1) The principle of materiality shall be applied in the recognition and measurement of items reported in the financial statements. All disclosures and information are considered material if their omission or misstatement could influence decisions made by users on the basis of the financial statements. The materiality of individual items shall be assessed in relation to other similar items.
2) The following general principles apply to the recognition and measurement of items reported in the financial statements:
1. It is assumed that the company will continue as a going concern, unless actual or legal circumstances prevent this.
2. Accounting methods and valuation principles must be applied consistently from one financial year to the next.
3. The principle of prudence must be observed in recognition and measurement; in particular, all risks that have arisen up to the balance sheet date must be taken into account, even if these risks only became known between the balance sheet date and the date of preparation of the annual financial statements; In addition, all foreseeable risks and expected losses that have arisen up to the balance sheet date must be taken into account, even if these risks or losses only became known between the balance sheet date and the date on which the annual financial statements were prepared. Profits may only be taken into account if they have been realized on the balance sheet date. Impairments must be taken into account regardless of whether the financial year ends with a profit or a loss.
4. Amounts recognized in the balance sheet and income statement are calculated according to the accrual principle.

5. The opening balance sheet of a financial year must correspond to the closing balance sheet of the previous financial year.
6. The assets and liabilities included in the asset and liability items must be valued individually on the balance sheet date.
7. Offsetting between asset and liability items and between expense and income items is not permitted.
8. Items in the balance sheet and income statement may be accounted for and presented taking into account the economic substance of the relevant business transaction or agreement.
9. Assets and liabilities must be measured in accordance with the acquisition cost or production cost principle.

3) The requirements of this title relating to recognition, measurement, presentation, disclosure, and consolidation need not be complied with if the effect of compliance is immaterial.

D. Structure

Art. 1067

I. General principles

1) The form of presentation, in particular the structure of successive balance sheets and income statements, must be maintained unless, in exceptional cases, deviations are necessary due to special circumstances in order to ensure that a true and fair view of the company's net assets, financial position, and results of operations is presented. The deviations must be disclosed and justified in the notes.

2) The balance sheet and income statement must show the corresponding amount for each item from the previous fiscal year. If the amounts are not comparable, this must be stated and explained in the notes. If the previous year's amount is adjusted, this must also be stated and explained in the notes.

3) If an asset or liability falls under several items in the balance sheet, the affiliation with other items must be noted in the item under which it is reported or stated in the notes if this is necessary for the preparation of clear and comprehensible financial statements. Own shares or participations as well as participations in affiliated companies may only be reported under the items provided for this purpose.

4) In the balance sheet and income statement, the items provided for in the classification schemes must be reported separately and in the specified order. Further subdivision of the items is permitted, but the prescribed classification must be observed. New items may be added if their content is not covered by a prescribed item.

5) The structure and designation of the items in the balance sheet and income statement marked with Arabic numerals must be changed if this is necessary due to the specific characteristics of the company in order to prepare a clear and concise balance sheet and income statement.

6) The items in the balance sheet and income statement marked with Arabic numerals may be reported in summary form if

1. they contain an amount that is not significant for conveying a true and fair view within the meaning of Art. 1066, or

2. this increases the clarity of the presentation; in this case, however, the summarized items must be reported separately in the notes.

7) An item in the balance sheet or income statement that does not show any amount does not need to be listed unless an amount was reported under this item in the previous fiscal year.

II. Balance sheet

Art. 1068

1. Structure

1) The balance sheet may be presented in account form or in graduated form.

2) When presented in account form, the following must be disclosed:

Assets

A. Fixed assets

I. Intangible fixed assets

1. Expenses for the establishment and expansion of business operations
2. Development costs
3. Concessions, patents, licenses, trademarks, and similar rights and assets, provided they were acquired for consideration and are not reported under item 4 below
4. Goodwill, provided it was acquired for consideration
5. Advance payments

II. Property, plant, and equipment

1. Land, rights to land, rights similar to land, and buildings, including buildings on third-party land
2. Technical equipment and machinery
3. Other equipment, operating and office equipment
4. Advance payments and assets under construction

III. Financial assets

1. Shares in affiliated companies
2. Receivables from affiliated companies
3. Equity investments
4. Receivables from companies in which the company holds an equity interest
5. Securities held as non-current assets

6. Other loans
B. Current assets
I. Inventories
1. Raw materials, consumables, and supplies
2. Work in progress
3. Finished goods and merchandise
4. Advance payments
II. Receivables
1. Trade receivables
2. Receivables from affiliated companies
3. Receivables from companies in which the company holds an interest
4. Other receivables
III. Securities
1. Shares in affiliated companies
2. Treasury shares or holdings
3. Other securities
IV. Bank balances, postal check balances, checks, and cash on hand
C. Prepaid expenses Liabilities
A. Equity
I. Subscribed capital
II. Capital reserves
III. Profit reserves
1. Legal reserve
2. Reserve for own shares or participations
3. Statutory reserves
4. Other reserves
IV. Profit carryforward/loss carryforward
V. Net income/net loss
B. Provisions
1. Provisions for pensions and similar obligations
2. Tax provisions
3. Other provisions
C. Liabilities
1. Bonds, of which convertible
2. Liabilities to banks
3. Advance payments received on orders
4. Trade accounts payable
5. Liabilities from bills of exchange

6. Liabilities to affiliated companies
7. Liabilities to companies in which the company holds an interest
8. Other liabilities, of which liabilities from taxes and social security liabilities
D. Prepaid expenses
3) The following must be disclosed in the graduated form:
A. Fixed assets
I. Intangible fixed assets
1. Expenses for the establishment and expansion of business operations
2. Development costs
3. Concessions, patents, licenses, trademarks, and similar rights and assets, provided they were acquired for consideration and are not reported under item 4 below
4. Goodwill, provided it was acquired for consideration
5. Advance payments
II. Property, plant, and equipment
1. Land, rights to land, rights equivalent to land, and buildings, including buildings on third-party land
2. Technical equipment and machinery
3. Other equipment, operating and office equipment
4. Advance payments and assets under construction
III. Financial
1. Shares in affiliated companies
2. Receivables from affiliated companies
3. Equity investments
4. Receivables from companies in which the company holds an equity interest
5. Securities held as fixed assets
6. Other loans
B. Current assets
I. Inventories
1. Raw materials, consumables, and supplies
2. Work in progress
3. Finished goods and merchandise
4. Advance payments
II. Receivables
1. Trade receivables
2. Receivables from affiliated companies
3. Receivables from companies in which the company holds an equity interest
4. Other receivables

III. Securities
1. Shares in affiliated companies
2. Treasury shares or holdings
3. Other securities
IV. Bank balances, postal check balances, checks, and cash on hand
C. Prepaid expenses
D. Liabilities with a remaining term of up to one year
1. Bonds, of which convertible
2. Liabilities to banks
3. Advance payments received on orders
4. Trade accounts payable
5. Liabilities from bills of exchange
6. Liabilities to affiliated companies
7. Liabilities to companies in which the company holds an interest
8. Other liabilities, of which liabilities from taxes and social security liabilities
E. Current assets (including prepaid expenses) that exceed liabilities with a remaining term of up to one year
F. Total assets (including prepaid expenses and deferred income) after deduction of liabilities with a remaining term of up to one year
G. Liabilities with a remaining term of more than one year
1. Bonds, of which convertible
2. Liabilities to banks
3. Advance payments received on orders
4. Trade payables
5. Liabilities from bills of exchange
6. Liabilities to affiliated companies
7. Liabilities to companies in which the company holds an interest
8. Other liabilities, of which liabilities from taxes and social security liabilities
H. Provisions
1. Provisions for pensions and similar obligations
2. Tax provisions
3. Other provisions
I. Deferred income
K. Equity

I. Subscribed capital
II. Capital reserves
III. Retained earnings
1. Legal reserve
2. Reserve for own shares or participations
3. Statutory reserves
4. Other reserves
IV. Profit carried forward/loss carried forward
V. Net income/net loss for the year

4) Small companies within the meaning of Art. 1064 may, instead of preparing the statements referred to in paragraphs 2 and 3, prepare abridged financial statements in which only the items designated by letters and Roman numerals are included separately and in the prescribed order. Micro-companies within the meaning of Art. 1064, with the exception of investment companies and holding companies within the meaning of Art. 2(14) and (15) of Directive 2013/34/EU, may prepare an abridged balance sheet instead of the statement required under paragraphs 2 and 3, in which only the items designated by letters are shown separately. These options may not be exercised by small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state.

2. Regulations on individual items in the balance sheet

Art. 1069

a) Balance sheet after appropriation of profits

The balance sheet may also be prepared taking into account the full or partial appropriation of the annual result. If the balance sheet is prepared taking into account the partial appropriation of the net income for the year, the items "profit carried forward/loss carried forward" and "net income for the year/net loss for the year" shall be replaced by the item "retained earnings/accumulated deficit"; Any existing profit or loss carryforward shall be included in the item "Balance sheet profit/loss" and disclosed separately in the balance sheet or in the notes.

Art. 1070

b) Fixed asset
schedule

Repealed Art.
1071

c) Receivables and liabilities

1) The amount of receivables with a remaining term of more than one year must be disclosed for each separately reported item in item group B. II. and summarized for the entire item group B. II.

2) When applying Art. 1068 para. 2, the amount of liabilities with a remaining term of up to one year and liabilities with a remaining term of more than one year must be disclosed for each separately reported item of liabilities and for these items as a whole.

amount of liabilities with a remaining term of up to one year and liabilities with a remaining term of more than one year are included.

Art. 1072

d) Capitalizable costs; distribution restriction

If expenses for the establishment and expansion of business operations or development costs are reported in the balance sheet, profits may only be distributed if the profit reserves remaining after distribution, which can be dissolved at any time, plus any profit carried forward and minus any loss carried forward, are at least equal to the balance sheet value (book value).

Art. 1073

e) Investments and affiliated companies

1) Investments are shares in other companies that are intended to serve the company's own business operations by establishing a lasting connection with those companies. It is irrelevant whether the shares are securitized or not. In case of doubt, shares in a company that exceed a total of one-fifth of the nominal capital of that company are considered investments.

2) Affiliated companies within the meaning of this title are parent companies and subsidiaries that, regardless of the existence of a consolidation requirement and regardless of the legal form and registered office of the parent company, are in a relationship pursuant to Art. 1097 (1). Subsidiaries of subsidiaries are always considered subsidiaries of the ultimate parent company. The parent company and all its subsidiaries form a group.

Art. 1074

f) Equity

1) The subscribed capital is the capital to which the liability of the shareholders for the company's liabilities to creditors is limited. Outstanding contributions to the subscribed capital must be reported separately from fixed assets and designated accordingly; the contributions called in must be noted. The outstanding contributions that have not been called up may also be deducted openly from the item "Subscribed capital"; in this case, the remaining amount must be reported as the item "Called-up capital" in the main column on the liabilities side, and the amount called up but not yet paid in must also be reported separately under receivables and designated accordingly.

2) The nominal amount or, if this is not available, the calculated value of treasury shares acquired in accordance with Art. 151 para. 2 nos. 1 and 2 must be deducted from the item "Subscribed capital" as a capital reduction in the left-hand column. If the nominal amount or calculated value of treasury shares is deducted in accordance with

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the above sentence, the difference between the nominal value or the calculated value of these shares and their purchase price must be offset against the item "Other reserves"; any further acquisition costs must be recognized as expenses for the financial year.

3) The following must be reported as capital reserves:

1. the amount obtained in excess of the par value or, if there is no par value, the accounting value when shares, including subscription shares, are issued;

2. the amount obtained from the issue of bonds for conversion and option rights to acquire shares;

3. the amount of additional payments made by shareholders with or without preferential treatment for their shares.

4) Only amounts that have been formed from the results of the financial year or a previous financial year may be reported as retained earnings. These include statutory and statutory reserves to be formed from the results, the reserve for treasury shares or other shares, and other retained earnings.

5) The amount corresponding to the amount to be recognized on the assets side of the balance sheet for treasury shares or own shares must be allocated to the reserve for treasury shares or own shares. The reserve may only be released if the treasury shares or own shares are issued, sold, or withdrawn, or if a lower amount is recognized on the assets side. The reserve, which must be established when the balance sheet is prepared, may be formed from existing profit reserves, provided these are freely available. The reserve for own shares or participations must also be formed for shares or participations in a controlling or majority-owned company.

Art. 1075

g) Provisions

1) Provisions are to be reported as precisely defined liabilities that are probable or certain on the balance sheet date but uncertain in terms of their amount or the date on which they will occur. 2)Provisions may also be created for expenses that are precisely defined in nature and attributable to the financial year or a previous financial year, which are probable or certain on the balance sheet date but uncertain in terms of their amount or the date on which they will occur.

3) A provision represents the best estimate of expenses that are likely to occur or, in the case of a liability, the amount required to settle it. Provisions may not be value adjustments (depreciation, write-downs) to assets and may only be created for the purposes specified in paragraphs 1 and 2.

Art. 1076

h) Accruals

1) Prepaid expenses shall be recognized as active deferred income if they represent expenses for a specific period after the balance sheet date, as well as income that will only become due after the balance sheet date.

2) Deferred income shall be recognized as income received before the balance sheet date, insofar as it represents income for a specific period after that date, as well as expenses incurred before the balance sheet date that will only result in expenditures after that date.

3) If the repayment amount of a liability is higher than the amount received, the difference may be included in the deferred income on the assets side. It must be reported separately in the balance sheet or disclosed in the notes. The difference must be repaid through scheduled annual amortization, which may be spread over the entire term of the liability.

Art. 1077

i) Deferred taxes

1) If the tax expense attributable to the fiscal year and previous fiscal years is too low because the profit taxable under tax law is lower than the commercial law result, and if the excess tax expense for the fiscal year and previous fiscal years is likely to be offset in later fiscal years, a provision must be recognized in the amount of the expected tax burden of subsequent fiscal years. The provision must be reversed as soon as the higher tax burden occurs or is no longer expected to occur.

2) If the tax expense attributable to the fiscal year and previous fiscal years is too high because the taxable profit according to tax law is higher than the commercial law result, and if the excessive tax expense for the fiscal year and previous fiscal years is likely to be offset in subsequent fiscal years, a deferred item may be recognized on the assets side of the balance sheet in the amount of the expected tax relief in subsequent fiscal years. This item must be reported separately under the appropriate heading. If such an item is reported, profits may only be distributed if the distributable reserves remaining after the distribution, plus any profit carried forward and less any loss carried forward, are at least equal to the amount recognized. The amount must be reversed as soon as the tax relief occurs or is no longer expected to occur.

III. Income statement

Art. 1078

1. Structure in general

The income statement shall be prepared in a staggered form using either the total cost method or the cost of sales method.

Art. 1079

2. Structure when using the total cost method

1) When applying the total cost method, the following must be reported:
1. Net sales
2. Increase or decrease in inventories of finished and unfinished products
3. Other capitalized own work
4. Other operating income
5. Cost of materials:
a) Expenses for raw materials, consumables, and supplies and for purchased goods
b) Expenses for purchased services
6. Personnel expenses:
a) Wages and salaries
b) Social security contributions and expenses for pensions and support, of which for pensions
7. Depreciation, amortization, and impairment losses:
a) On intangible assets and property, plant, and equipment
b) On current assets, insofar as these exceed the value adjustments customary in the company
8. Other operating expenses
9. Income from investments, of which from affiliated companies
10. Income from other securities and receivables from financial assets, of which from affiliated companies
11. Other interest and similar income, of which from affiliated companies
12. Depreciation on financial assets and value adjustments on current securities
13. Interest and similar expenses, of which to affiliated companies
14. Taxes on earnings
15. Earnings after taxes
16. Other taxes, unless included in items 1 to 15
17. Net income/loss for the year

2) Small and medium-sized companies within the meaning of Art. 1064 may combine items 1 to 5 into one item under the heading "Gross profit."

3) The options under para. 2 may not be exercised by small and medium-sized companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1080

3. Outline for the application of the cost-of-sales method

1) When applying the cost of sales method, the following must be reported:

1. Net sales
2. Expenses for services rendered to generate sales revenue (including depreciation, amortization, and write-downs)
3. Gross profit
4. Distribution costs (including depreciation, amortization, and impairment losses)
5. General administrative expenses (including depreciation, amortization, and impairment losses)
6. Other operating income
7. Income from investments, of which from affiliated companies
8. Income from other securities and receivables held as financial assets, of which from affiliated companies
9. Other interest and similar income, of which from affiliated companies
10. Depreciation on financial assets and value adjustments on current securities
11. Interest and similar expenses, of which to affiliated companies
12. Taxes on earnings
13. Earnings after taxes
14. Other taxes, unless included in items 1 to 13
15. Annual profit/annual loss

2) Small and medium-sized companies within the meaning of Art. 1064 may combine items 1, 2, 3, and 6 into one item under the heading "Gross profit."

3) The options under para. 2 may not be exercised by small and medium-sized companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1081

a) Net sales

Net sales revenues are defined as the proceeds from the sale of products, goods, and services typical of the company's ordinary business activities, after deduction of sales deductions, value added tax, and other taxes directly related to sales.

Art. 1082

b) Unscheduled depreciation

Unscheduled depreciation pursuant to Art. 1085 para. 2 sentences 3 and 4 must be reported separately or disclosed in the notes.

Section 1083

5. Relief for micro-companies

1) Micro-companies within the meaning of Art. 1064, with the exception of investment companies and holding companies within the meaning of Art. 2 (14) and (15) of Directive 2013/34/EU, may prepare an abridged income statement in place of the breakdowns required under Art. 1079 and 1080, in which at least the following items are reported separately:

1. Net sales
2. Other income
3. Cost of materials
4. Personnel expenses
5. Value adjustments
6. Other expenses
7. Tax
8. Annual profit/loss

2) The option under paragraph 1 may not be exercised by micro-companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in an EEA member state.

Art. 1083a

Repealed

E. Valuation

I. General principles

Art. 1084

Repealed Art.

1085

II. Valuation of assets and liabilities

1) Assets shall be valued at no more than their acquisition or production costs, less depreciation and value adjustments in accordance with paragraphs 2 and 3. Liabilities shall be valued at their repayment amount, pension obligations for which no consideration is expected shall be valued at their present value, and provisions shall be valued only at the amount necessary.

2) In the case of fixed assets whose use is limited in time, the acquisition or production costs must be reduced by scheduled depreciation. The plan must distribute the acquisition or production costs over the financial years in which the asset is expected to be used economically. Regardless of whether their use is limited in time, extraordinary depreciation must be carried out on fixed assets in the event of a probable permanent impairment

in order to value the assets at the lower value attributable to them on the balance sheet date. In the case of financial assets, extraordinary depreciation may also be applied in order to recognize these assets at the lower value attributable to them on the balance sheet date, provided that the impairment is not expected to be permanent.

3) Value adjustments must be made to current assets in order to recognize them at a lower value based on the stock exchange or market price on the balance sheet date. If a stock exchange or market price cannot be determined and the acquisition or production costs exceed the value to be attributed to the assets on the balance sheet date, depreciation must be calculated on this value.

4) Depreciation, value adjustments, and provisions within the meaning of Art. 1052 (3) sentence 2 may not be made.

Art. 1086

III. Tax depreciation and value adjustments

1) Depreciation and value adjustments may also be made in order to value fixed and current assets at the lower value based on depreciation or value adjustments permitted under tax law only.

2) Repealed

Art. 1087

IV. Acquisition costs

1) Acquisition costs are the expenses incurred to acquire an asset and bring it into operational condition, insofar as they can be individually attributed to the asset.

2) Acquisition costs also include incidental costs and subsequent acquisition costs.

3) Reductions in the acquisition price must be deducted. Art. 1088

V. Production costs

1) Production costs are expenses incurred through the consumption of goods and the use of services for the production of an asset, for its expansion, or for a significant improvement beyond its original condition. These include material and production costs directly attributable to an individual asset, as well as special production costs.

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2) When calculating production costs, reasonable portions of material, manufacturing, and administrative overhead costs that are only indirectly attributable to an individual asset may also be included; these expenses may only be taken into account to the extent that they relate to the period of production. Distribution costs may not be included in production costs.

3) Interest on borrowed capital is not included in the cost of production. Interest on borrowed capital used to finance the production of an asset may be recognized to the extent that it is attributable to the period of production; in this case, it is considered to be part of the cost of production of the asset.

Art. 1089

VI. Simplified valuation procedure

1) For the valuation of similar inventory assets and all movable assets, including securities, it may be assumed that the assets acquired or produced first or last were consumed or sold first or in another specific order; valuation at average values is also permissible.

2) Repealed

Art. 1090

VII. Reversal of impairment losses

1) If depreciation and value adjustments are made on assets in accordance with Art. 1085 para. 2 sentences 3 and 4 or Art. 1085 para. 3 or Art. 1086 (1) and it transpires in a subsequent financial year that the reasons for this no longer exist, the amount of these depreciation and value adjustments shall be attributed to the extent of the increase in value, taking into account the depreciation and value adjustments that would have had to be made in the meantime.

2) The write-up pursuant to paragraph 1 may be waived if the lower valuation can be retained for tax purposes and if the prerequisite for retention is that the lower valuation is also retained in the balance sheet.

3) Repealed

F. Appendix

Art. 1091

I. General

1) The notes shall include the information required for individual items in the balance sheet or income statement or which must be included in the notes because they were not included in the balance sheet or income statement in the exercise of an option.

because they were not included in the balance sheet or income statement in the exercise of an option. The information must be presented in the order in which the items are presented in the balance sheet and income statement.

2) The following must be disclosed in the notes:

1. the accounting and valuation methods applied to the items in the balance sheet and income statement, as well as the basis for conversion into Swiss francs or the foreign currency unit used in the preparation of the financial statements, insofar as the financial statements contain items based on amounts denominated in a different currency or originally denominated in a different currency;

2. for the individual items of fixed assets, the following information:

a) Amount of acquisition and production costs;

b) Additions, disposals, and transfers during the fiscal year;

c) Accumulated depreciation at the beginning and end of the financial year;

d) Depreciation for the financial year;

e) Write-ups for the fiscal year;

f) Movements in accumulated depreciation in connection with additions, disposals, and transfers during the fiscal year; and

g) capitalized amount of interest on borrowed capital included in production costs;

3. The amount and reasons for depreciation, value adjustments, and non-revaluations made for individual items of fixed or current assets solely in accordance with tax regulations;

4. the amount and nature of individual income or expense items of an extraordinary magnitude or significance;

5. Information on the inclusion of interest on borrowed capital in production costs;

6. all guarantees, warranty obligations, pledges, and other contingent liabilities, unless they are included in the balance sheet, as well as information on the nature and form of any collateral security provided. Any obligations relating to pensions and obligations to affiliated or associated companies must be noted separately;

7. the number and nominal amount or calculated value (in the case of quota shares) of the shares and participation certificates of each class; shares and participation certificates subscribed during the financial year in the context of a conditional capital increase or an authorized capital increase must be disclosed separately;

8. the number of convertible bonds and comparable securities, specifying the rights they represent;

9. Profit participation rights, rights arising from certificates of loss, and similar rights, specifying the type and number of the respective rights as well as the rights newly created during the financial year.

Art. 1092

II. Other mandatory disclosures

The following must also be disclosed in the notes:

1. for the liabilities reported in the balance sheet

a) the total amount of liabilities with a remaining term of more than five years,

b) the total amount of liabilities secured by liens or similar rights in rem, specifying the type and form of collateral;

2. the nature and financial impact of significant events after the balance sheet date that are not reflected in the income statement or balance sheet;

3. the proposal for the appropriation of profits and, where applicable, the resolution on the appropriation of profits;

4. the breakdown of net sales by business segment and by geographical market, to the extent that, taking into account the organization of sales and the provision of services, the business segments and geographical markets differ significantly from one another;

5. Repealed

6. Repealed

7. the average number of employees during the financial year;

a) total;

b) separated by groups;

8. when applying the cost-of-sales method (Art. 1080 (1)), the personnel expenses for the financial year, broken down in accordance with Art. 1079 (1) No. 6;

9. for the members of the administrative and management bodies, a supervisory board, an advisory board, or a similar body, for each group of persons

a) the total remuneration granted for activities in the financial year (salaries, profit sharing, subscription rights, expense allowances, insurance premiums, commissions, and fringe benefits of any kind). Total remuneration shall also include remuneration that is not paid out but converted into other types of entitlements or used to increase other entitlements. In addition to remuneration for the financial year, any other remuneration granted during the financial year but not previously disclosed in any annual financial statements must also be disclosed.

b) the total remuneration (severance payments, retirement pensions, survivors' benefits, and related benefits) of former members of the designated bodies and

their survivors; letter a, sentences 2 and 3 shall apply mutatis mutandis. Furthermore, the amount of provisions formed for this group of persons for current pensions and pension entitlements shall be disclosed;
c) the advances and loans granted, stating the interest rates, the essential conditions and any amounts repaid or waived during the financial year, as well as the guarantee obligations entered into in favor of these persons;
d) The information referred to in letters a and b need not be provided if this information would allow the remuneration of a specific member of these bodies to be determined.
10. the name and registered office of other companies in which the company or a person acting on behalf of the company holds at least one-fifth of the shares; in addition, the amount of the share in the capital, the equity capital, and the results of the last financial year of these companies for which annual financial statements are available must be disclosed; the name, registered office, and legal form of the companies of which the company is a partner with unlimited liability. This information may be provided separately in a list of shareholdings instead of in the notes to the financial statements; the list of shareholdings is part of the notes to the financial statements; reference must be made in the notes to the financial statements to the list of shareholdings and the place where it is filed;
11. Repealed
12. an explanation of the period over which goodwill is amortized in accordance with Art. 1054 para. 3;
13. the deferred tax liabilities (Art. 1077 (1)) at the end of the financial year and the changes that occurred during the financial year;
14. Name and registered office of the parent company of the company that prepares the consolidated financial statements for the largest group of companies and of its parent company that prepares the consolidated financial statements for the smallest group of companies, and, in the case of disclosure of the consolidated financial statements prepared by these parent companies, the location where these are available.
15. The nature and purpose of transactions not reported in the balance sheet and their financial impact on the company, provided that:
a) the risks and benefits resulting from such transactions are material; and
b) the disclosure of such risks and benefits is necessary for the assessment of the financial position;
16. the company's transactions with related parties, including information on their value, the nature of the relationship with the related parties, and further information on the transactions,

that are necessary for assessing the financial position of the company. Information on individual transactions may be summarized by type of transaction, provided that no separate information is required to assess the impact of transactions with related parties on the financial position of the company. Transactions between two or more members of the same group of companies do not need to be disclosed if the subsidiaries involved in the transaction are wholly owned subsidiaries. Related companies and persons are defined as related companies and persons within the meaning of the IASB's International Accounting Standards in accordance with Art. 1139;

17. the total fees charged by the auditor or audit firm that performs the audits in accordance with Art. 1058 for the financial year, broken down into the total fees for:

a) the audit of the annual financial statements;

b) other audit or assurance services;

c) tax advisory services; and

d) other services.

This information does not need to be provided if the company is included in the consolidated financial statements in accordance with the provisions of Art. 1097 ff., provided that such information is included in the consolidated financial statements.

Article 1093

III. Notes to financial instruments

1) With regard to financial instruments, the following must be disclosed:

1. For each category of derivative financial instruments:

a) the fair value of the financial instruments in question, insofar as this can be reliably determined using one of the methods specified in Art. 1116b para. 1, stating the valuation method used; and

b) the scope and type of instruments;

2. for financial assets that are recognized at above their fair value without making use of the option to write them down in accordance with Art. 1085 (2) final sentence:

a) the carrying amount and fair value of the individual assets or appropriate groupings of these individual assets; and

b) the reasons for not applying impairment in accordance with Art. 1085 (2) final sentence and the evidence that, in the company's opinion, indicates that the impairment is not likely to be permanent.

2) Contracts for the purchase or sale of goods are also considered derivative financial instruments if each of the contracting parties is entitled to settlement in cash or by means of another financial instrument, unless the contract was concluded to hedge the expected demand for purchase, sale, or own use, provided that this purpose existed from the outset and continues to exist, and the contract is deemed to have been fulfilled upon delivery of the goods.

Art. 1094

IV. Omission of information

1) Reporting shall be omitted to the extent necessary for the welfare of the Principality of Liechtenstein.

2) The breakdown of net sales revenues pursuant to Art. 1092 (4) may be omitted if the breakdown is likely to cause significant harm to the company or to a company in which the company holds at least one-fifth of the shares.

3) The disclosures pursuant to Art. 1092 (10) may be omitted to the extent that they

1. are of minor importance for the presentation of the company's net assets, financial position, and results of operations, or
2. are likely to cause significant harm to the company or the other company.

4) The disclosure of equity and net income in accordance with Art. 1092 (10) may also be omitted if the company being reported on is not required to disclose its annual financial statements and the reporting company and persons acting on its behalf hold less than half of the shares.

5) The application of the exemptions under paragraphs 2 and 3(2) must be disclosed in the notes.

6) Repealed

Art. 1095

V. Size-dependent simplifications

1) Small companies within the meaning of Art. 1064 need not provide the information specified in Art. 1091 para. 2 nos. 2, 3, 7, 8, and 9, Art. 1092 nos. 2 to 4, 7 lit. b, 8, 9 lit. a, b, and
d, 10, 11, and 13 to 17, and pursuant to Art. 1093 para. 1 no. 1.

2) Medium-sized companies within the meaning of Art. 1064 are not required to provide the information specified in Art. 1092 (4) and (17). They may limit the information specified in Art. 1092 (16) to transactions carried out with:

1. owners who hold a stake in the company;
2. companies in which the company itself holds a stake; and
3. members of the administrative, management, or supervisory bodies of a company.

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3) Paragraphs 1 and 2 shall not apply to companies whose securities are admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU in an EEA Member State.

Article 1095a

VI. Special obligations for micro-companies

Micro-companies within the meaning of Art. 1064 must disclose the information specified in Art. 1055 no. 2, Art. 1091 para. 2 no. 6, Art. 1092 no. 9 letter c, and Art. 1096 para. 4 no. 4 below the balance sheet total.

G. Annual report (management report)

Art. 1096

I. In general

1) The annual report must at least present the course of business, the business results, and the situation of the company in such a way that it provides a true and fair view, and describe the main risks and uncertainties to which the company is exposed. The course of business, the business results, and the situation of the company must be analyzed in a balanced and comprehensive manner appropriate to the scope and complexity of the business activities.

2) To the extent necessary for understanding the company's business performance, results of operations, or financial position, the analysis shall include the most important financial and, where appropriate, non-financial performance indicators that are relevant to the company's business activities, including information relating to environmental and employee issues.

3) As part of the analysis, the annual report shall also include, where appropriate, references and additional explanations regarding the amounts reported in the financial statements.

3a) Large companies within the meaning of Art. 1064 para. 3 and small and medium-sized companies within the meaning of Art. 1064 paras. 1 and 2 in conjunction with Art. 1138g para. 1 lit. a, with the exception of micro companies within the meaning of Art. 1064 para. 1a, shall report on information about the most important intangible resources and explain the extent to which the company's business model is fundamentally dependent on these resources and the extent to which these resources represent a source of value creation for the company.

4) The annual report shall also address:

1. Repealed
2. the anticipated development of the company;
3. the area of research and development;
4. the company's holdings of its own shares, which it, a dependent company or a company in which the company holds a majority stake, or another company acting on behalf of the company or a dependent company or a company in which the company holds a majority stake, has acquired or taken as collateral;

company; in this case, the number and nominal amount or calculated value (in the case of quota shares) of these shares and their share of the share capital must be stated; for acquired shares, the date of acquisition and the reasons for the acquisition must also be stated. If such shares have been acquired or sold during the financial year, the acquisition or sale must also be reported, stating the number and nominal value or calculated value (in the case of quota shares) of these shares, their share of the share capital and the acquisition or sale price, as well as the use of the proceeds; this provision shall also apply mutatis mutandis to the company's own participation certificates;

5. existing branches of the company;

6. with regard to the use of financial instruments by the company, insofar as this is relevant for the assessment of its net assets, financial position, and results of operations:

a) the risk management objectives and methods, including the methods used to hedge all significant types of planned transactions that are accounted for as hedging transactions; and

b) existing price change, default, liquidity, and cash flow risks.

5) Small companies within the meaning of Art. 1064 must provide the information specified in para. 4 no. 4 in the notes.

6) For medium-sized companies within the meaning of Art. 1064, the analysis pursuant to para. 2 may be limited to financial information.

7) Paragraphs 5 and 6 do not apply to companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1096a

II. Corporate governance report

1) Companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state must include a corporate governance report (statement on corporate governance) in their annual report. This report shall form a separate section of the annual report and shall contain at least the following information:

1. where applicable, a reference to:

a) the corporate governance code to which the company is subject;

b) the Corporate Governance Code that it has voluntarily decided to apply, if applicable;

c) all relevant information on corporate governance practices that it applies beyond the requirements of national law.
In all cases under letters a and b, the company shall also indicate where the relevant documents are publicly available; in the cases under letter c, the company shall make its corporate governance practices publicly available;
2. if a company deviates from a corporate governance code within the meaning of section 1 letters a or b in accordance with national law, a statement explaining in which points and for what reasons it deviates from the corporate governance code. If the company has decided not to apply any provisions of a corporate governance code within the meaning of section 1 letters a or b, it shall explain the reasons for this;
3. a description of the main features of the company's internal control and risk management system with regard to the accounting process;
4. the information required under Article 10(1)(c), (d), (f), (h), and (i) of Directive 2004/25/EC on takeover bids, if the company falls under this Directive;
5. a description of the manner in which the general meeting is conducted and its main powers, as well as a description of shareholder rights and the possibilities for exercising them, unless this information is already fully covered by national law;
6. the composition and functioning of the administrative, management, and supervisory bodies and their committees;
7. A description of the diversity policy pursued in relation to the company's administrative, management, and supervisory bodies with regard to gender and other aspects such as age, disabilities, or educational and professional background, the objectives of this diversity policy, the manner in which this policy is implemented, and the results achieved during the reporting period. If such a concept is not applied, the statement shall explain why this is the case. Companies that are subject to the sustainability reporting requirements under Art. 1096b ff. are deemed to have fulfilled the above obligations if they include the necessary information in their sustainability reporting and refer to it in their corporate governance report.
2) The disclosures pursuant to paragraph 1 do not need to be integrated into the annual report, but may be included in a separate corporate governance report. In this case, the corporate governance report must be disclosed together with the annual report pursuant to Art. 1123, unless the corporate governance report is publicly available on the company's website and is referred to in the annual report.

. In the case of a separate corporate governance report, a reference to the annual report may be included in the corporate governance report, in which the information pursuant to paragraph 1, item 4 can be found.

3) Companies that have issued securities other than shares admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU in an EEA member state are not required to comply with paragraphs 1(1), (2), 5 and 6 unless they have issued shares that are traded via a multilateral trading facility within the meaning of Art. 4 para. 1 no. 22 of Directive 2014/65/EU.

4) As part of the audit of the company's annual report, the auditor or auditing firm must express an opinion on the information required under paragraph 1, items 3 and 4, and verify whether the information specified in paragraph 1, items 1, 2, 5, 6, and 7 has been provided.

III. Sustainability reporting

Art. 1096b

1. Terms

For the purposes of the following provisions, the following definitions apply:

1. "Sustainability aspects": environmental, social, and human rights factors, as well as governance factors, including sustainability factors relating to environmental, social, and employee matters, respect for human rights, and the fight against corruption and bribery;
2. "Sustainability reporting": the reporting of information on sustainability aspects in accordance with Articles 1096d to 1096g and 1121;
3. "Key intangible resources": Resources without physical substance on which the company's business model fundamentally depends and which represent a source of value creation for the company.

Art. 1096c

2. Applicable standards and disclosure requirements

1) When reporting the information referred to in Art. 1096d and 1096e, companies must apply the standards for sustainability reporting adopted by the EU Commission in accordance with Art. 29b of Directive 2013/34/EU by way of delegated acts pursuant to Art. 49 of Directive 2013/34/EU..

2) The management shall inform the employee representatives at an appropriate level and discuss with them the relevant information and the means of obtaining and verifying sustainability information. The opinion of the employee representatives shall be communicated to the competent administrative, management, or supervisory bodies, as appropriate.

Art. 1096d

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3. Content of sustainability reporting

1) Large companies within the meaning of Art. 1064 para. 3 and small and medium-sized companies within the meaning of Art. 1064 paras. 1 and 2 in conjunction with Art. 1138g para. 1 lit. a, with the exception of micro-companies within the meaning of Art. 1064 para. 1a, shall include in their annual report information that is necessary for understanding the impact of the company's activities on sustainability aspects and the impact of sustainability aspects on the company's business performance, results, and position. This information must be clearly identifiable in a separate section of the annual report.

2) The information referred to in paragraph 1 includes the following:

1. a brief description of the company's business model and strategy, including information on:

a) the resilience of the company's business model and strategy to risks related to sustainability aspects;

b) the company's opportunities in relation to sustainability aspects;

c) the manner, including implementation measures and related financialand investment plans, how the company intends to ensure that its business model and strategy are consistent with the transition to a sustainable economy and limiting global warming to 1.5 °C in accordance with the Paris Agreement adopted on December 12, 2015, under the United Nations Framework Convention on Climate Change (hereinafter referred to as the "Paris Agreement") and, where applicable, the company's exposure to activities related to coal, oil, and gas;

d) the manner in which the company takes into account the concerns of its stakeholders and the impact of its activities on sustainability aspects in its business model and strategy;

e) the manner in which the company's strategy is implemented with regard to sustainability aspects;

2. a description of the time-bound sustainability targets that the company has set itself, including, where applicable, absolute targets for reducing greenhouse gas emissions for at least 2030 and 2050; a description of the progress the company has made in achieving these targets and a statement on whether the company's environmental targets are based on sound scientific evidence;

3. a description of the role of the administrative, management, and supervisory bodies in relation to sustainability issues, as well as their expertise and skills in performing this role or their access to such expertise and skills;

4. a description of the company's policy on sustainability;

5. information on the existence of incentive schemes linked to sustainability aspects offered to members of the administrative, management, and supervisory bodies;
6. a description of:
a) the due diligence process carried out by the company with regard to sustainability aspects and, where applicable, in accordance with the requirements of EEA law for companies to carry out a due diligence process;
b) the most significant actual or potential adverse impacts associated with the company's own business activities and its value chain, including its products and services, its business relationships, and its supply chain; the measures taken to identify and monitor these impacts; and other adverse impacts that the company is required to identify under other requirements of EEA law for companies to carry out a due diligence process;
c) all measures taken by the company to prevent, mitigate, remedy, or terminate actual or potential negative impacts, and the success of these measures;
7. a description of the most significant risks to which the company is exposed in connection with sustainability aspects, including a description of the most significant dependencies in this area, and how the company manages these risks;
8. Indicators relevant to the disclosures referred to in sections 1 to 7.
3) The company shall report on the process for determining the information included in the annual report in accordance with paragraph 1. The information listed in paragraph 2 shall include, where applicable, information on short-, medium- and long-term periods.
Art. 1096e
4. Additional disclosures to be included and omitted, where applicable
1) Where applicable, the information referred to in Article 1096d shall include information on the company's own business activities and its value chain, including information on its products and services, its business relationships, and its supply chain.
2) For the first three years after the initial application of the sustainability reporting requirements and in the event that not all the necessary information about its value chain is available:
1. the company shall explain what efforts have been made to obtain the necessary information about its value chain;

2. the company explains why not all the necessary information could be obtained; and
3. the company explains its plans to obtain the necessary information in the future.

3) Where applicable, the disclosures referred to in Art. 1096d shall also include references to other disclosures included in the annual report pursuant to Art. 1096 and additional explanations thereof, as well as to the amounts reported in the annual financial statements.

4) Information about future developments or matters under negotiation may be omitted in exceptional cases if, in the duly justified opinion of the members of the administrative, management, and supervisory bodies acting within the scope of their responsibilities and jointly responsible for this assessment, such disclosure would seriously harm the company's business situation seriously damage the company's business situation, provided that such omission does not prevent a true and fair understanding of the course of business, the results of operations, and the situation of the company, as well as the effects of its activities. Art. 1096f

5. Facilities

1) Notwithstanding Art. 1096c para. 1, Art. 1096d para. 2 and Art. 1096e, and without prejudice to Art. 1096g, small and medium-sized companies within the meaning of Art. 1064 para. 1 and 2 in conjunction with Art. 1138g para. 1 lit. a may limit their sustainability reporting to the following information:
1. a brief description of the company's business model and strategy;
2. a description of the company's policy on sustainability;
3. the most significant actual or potential adverse impacts of the company in relation to sustainability aspects, as well as any measures to identify, monitor, prevent, mitigate, or remedy such actual or potential adverse impacts;
4. the most significant risks to which the company is exposed in relation to sustainability aspects and how the company manages these risks;
5. Key indicators required for the disclosures referred to in paragraphs 1 to 4.

2) Companies that make use of the exemption under paragraph 1 must apply the sustainability reporting standards adopted by the EU Commission in accordance with Article 29c of Directive 2013/34/EU by means of delegated acts pursuant to Article 49 of Directive 2013/34/EU for these companies.

3) For financial years beginning before January 1, 2028, small and medium-sized companies within the meaning of Art. 1064 para. 1 and 2 in conjunction with Art. 1138g para. 1 lit. a may decide not to include the information specified in Art. 1096d para. 1 in their annual report. In such cases, however, the company shall briefly state in its annual report why the sustainability report has not been submitted.

4) Companies that meet the requirements of Art. 1096c para. 1, Art. 1096d and 1096e, as well as companies that make use of the exemption under para. 1, are deemed to meet the requirement of Art. 1096 para. 3a.

Art. 1096g

6. Exemption for subsidiaries

1) A company that is a subsidiary is exempt from the obligations set out in Art. 1096c para. 1, Art. 1096d, and Art. 1096e, subject to para. 3 (hereinafter referred to as "exempt subsidiary"), if:

1. this company and its subsidiaries are included in the consolidated annual report of a parent company; and

2. the consolidated annual report referred to in paragraph 1 is prepared in accordance with Art. 1121.

2) Subject to para. 3, a company that is a subsidiary of a parent company established in a third country is also exempt from the obligations set out in Art. 1096c para. 1, Art. 1096d and 1096e if:

1. this company and its subsidiaries are included in the consolidated sustainability reporting of this parent company established in a third country; and

2. the consolidated sustainability reporting referred to in paragraph 1 is carried out in accordance with the standards for sustainability reporting set out in Art. 1096c para. 1 or in a manner equivalent to those standards for sustainability reporting, as determined in an implementing act on the equivalence of standards for sustainability reporting adopted by the EU Commission pursuant to Art. 23 para. 4 subpara. 3 of Directive 2004/109/EC.

3) The exemption under paragraphs 1 and 2 is subject to the following conditions:

1. The annual report of the exempted subsidiary must contain all of the following information:

a) Name and registered office of the parent company that reports information at group level in accordance with the standards for sustainability reporting set out in Art. 1096c (1) or in a manner equivalent to these standards for sustainability reporting, as specified by the EU Commission in Art. 23 (4) subparagraph 3 of Directive 2004/109/EC.

sustainability reporting, as determined in an implementing act on the equivalence of sustainability reporting standards adopted by the EU Commission pursuant to Art. 23 (4) subparagraph 3 of Directive 2004/109/EC;
b) the web links to the consolidated annual report of the parent company or, where applicable, to the consolidated sustainability report of the parent company in accordance with paragraphs 1 and 2 and to the opinion of the auditor or auditing firm in accordance with Article 196b(2)(c) or paragraph 2 of this section;
c) information that the company is exempt from the obligations set out in Art. 1096c para. 1, Art. 1096d and 1096e.
2. If the parent company is established in a third country, its consolidated sustainability reporting and the opinion of the auditor or auditing firm on this consolidated sustainability reporting shall be published in accordance with Art. 1125.
3. If the parent company is established in a third country, the disclosures specified in Article 8 of Regulation (EU) 2020/852 regarding the activities of the exempt subsidiary established in the EEA and its subsidiaries shall be included in the annual report of the exempt subsidiary or in the consolidated sustainability reporting of the parent company established in a third country.
4) Exempt subsidiaries are not required to disclose the information referred to in paragraph 3(1) if they disclose the consolidated annual report of their ultimate parent company in accordance with Article 1125.
5) The exemption under paragraphs 1 to 4 also applies to public-interest entities within the meaning of Art. 1138g that are subject to the sustainability reporting requirements under Art. 1096b et seq. , with the exception of large companies within the meaning of Art. 1064 para. 3 that are public-interest entities within the meaning of Art. 1138g para. 1 lit. a.
Art. 1096h
7. Uniform electronic reporting format
Companies subject to the sustainability reporting requirements under Art. 1096b to 1096g shall prepare their annual report in the uniform electronic reporting format set out in Art. 3 of Delegated Regulation (EU) 2019/815 and shall label their sustainability reporting, including the disclosures under Art. 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format set out in that Delegated Regulation.
Article 1096i
8. Sustainability report of subsidiaries of a ultimate parent undertaking and of branches of a third-country undertaking

1) A subsidiary whose ultimate parent company is subject to the law of a third country must disclose and make available a sustainability report containing the information listed in Art. 1096d para. 2 no. 1 lit. c to e, nos. 2 to 6 and, where applicable, no. 8 at the group level of this ultimate third-country parent company. Sentence 1 shall only apply to large subsidiaries within the meaning of Art. 1064 para. 3 and to small and medium-sized subsidiaries within the meaning of Art. 1064 paras. 1 and 2 in conjunction with Art. 1138g para. 1 lit. a, with the exception of micro-companies within the meaning of Art. 1064 para. 1a.
2) A branch of a company governed by the law of a third country that is either not part of a group or is ultimately owned by a company established under the law of a third country must disclose and make available a sustainability report containing the information listed in Art. 1096d para. 2 no. 1 lit. c to e, 2 to 6 and, where applicable, 8 at group level or, if this does not apply, at the level of the third-country company.
3) Paragraph 2 shall only apply if the third-country company does not have a subsidiary within the meaning of paragraph 1 and the branch generated net sales revenues of more than EUR 40 million in the previous financial year. Net sales revenues are defined as income as defined by or within the meaning of the accounting principles on the basis of which the company's financial statements are prepared.
4) Paragraph 1, sentence 1, and paragraph 2 shall only apply to subsidiaries or branches subject to these paragraphs if the third-country company has generated net sales of more than EUR 150 million in each of the last two consecutive financial years in the European Economic Area on a consolidated basis or, if this does not apply, on a group basis. Paragraph 3, sentence 2 applies.
5) The sustainability report submitted by a subsidiary pursuant to paragraph 1 or a branch pursuant to paragraph 2 shall be in accordance with the standards for sustainability reporting of such subsidiaries and branches adopted by the EU Commission pursuant to Article 40b of Directive 2013/34/EU by means of delegated acts pursuant to Article 49 of Directive 2013/34/EU, which specify the information that such sustainability reports must contain. Notwithstanding sentence 1, a sustainability report pursuant to paragraphs 1 and 2 may also be prepared using the standards for sustainability reporting adopted by the EU Commission pursuant to Art. 29b of Directive 2013/34/EU by way of delegated acts pursuant to Art. 49 of Directive 2013/34/EU, or in a manner equivalent to these

standards for sustainability reporting, as determined in an implementing act on the equivalence of standards for sustainability reporting adopted by the EU Commission pursuant to Art. 23 (4) subparagraph 3 of Directive 2004/109/EC.

6) If the information required to prepare a sustainability report is not available, the subsidiary referred to in paragraph 1 or the branch referred to in paragraph 2 shall request the third-country undertaking to provide it with all the information necessary to comply with its legal obligations.

7) If not all the necessary information is provided, the subsidiary referred to in paragraph 1 or the branch referred to in paragraph 2 shall prepare and disclose the sustainability report referred to in paragraphs 1 and 2 itself; this report shall contain all the information in its possession, obtained or acquired. In this case, the subsidiary or branch concerned shall issue a statement indicating that the third-country undertaking has not provided the necessary information.

8) The branches of third-country companies shall be responsible for ensuring, to the best of their knowledge and ability, that their sustainability report is prepared in accordance with the provisions of this Article and disclosed and made available in accordance with Article 1123a.

9) The members of the administrative, management, and supervisory bodies of the subsidiaries subject to this article shall be jointly responsible for ensuring, to the best of their knowledge and ability, that their sustainability report is prepared in accordance with the provisions of this article and disclosed and made available in accordance with Article 1123a.

Art. 1096k

9. Audit

Sustainability reporting pursuant to Art. 1096b ff. shall be audited by an auditor or an auditing firm in accordance with the auditing standards set out in Art. 47c of the Auditing Act.

2. Subsection

Consolidated Annual Report (Consolidated Financial Statements and Consolidated Annual Report)

A. Scope

Art. 1097

I. Obligation to prepare a consolidated annual report

1) A company (parent company) within the meaning of Art. 1063 with its registered office in Switzerland is required to prepare a consolidated annual report,

consisting of consolidated financial statements and a consolidated annual report, if it holds

1. it is entitled to appoint or dismiss the majority of the members of the administrative, management, or supervisory body and is at the same time a shareholder, or
2. has the right to appoint or dismiss the majority of the members of the administrative, management, or supervisory body and is also a shareholder, or
3. has the right to exercise a controlling influence on the basis of a control agreement concluded with this company or on the basis of a provision in the articles of association of this company, and is also a shareholder, or
4. it is entitled to the majority of the shareholders' voting rights on the basis of an agreement with other shareholders of this company of which it is a shareholder.

2) The rights to which a parent company is entitled under paragraph 1 also include the rights to which a subsidiary is entitled and the rights to which persons acting on behalf of the parent company or subsidiaries are entitled. The rights to which a parent company is entitled in another company shall be added to the rights which it or a subsidiary may exercise on the basis of an agreement with other shareholders of that company. Rights which

1. are associated with shares held by the parent company or subsidiaries on behalf of another person, or
2. are associated with shares held as collateral, provided that these rights are exercised in accordance with the instructions of the collateral provider or, if a bank holds the shares as collateral for a loan, in the interest of the collateral provider.

3) For the purposes of applying paragraph 1, items 1 and 4, the voting rights from own shares belonging to the subsidiary itself, one of its subsidiaries, or another person on behalf of these companies shall be deducted from the total number of voting rights.

II. Exceptions

Art. 1098

Repealed

Art. 1099

2. Exemption for intermediate companies with EEA parent companies

1) A parent company (intermediate company) that is also a subsidiary of a parent company based in an EEA member state does not need to prepare a consolidated annual report if a consolidated annual report of its parent company, including the audit report, is disclosed in accordance with the requirements of paragraph 2 and the regulations applicable to the consolidated annual report that is not being disclosed.

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of paragraph 2, including the audit report, is disclosed in accordance with the provisions applicable to the consolidated annual report that is not required. An exempting consolidated annual report may be prepared by any company, regardless of its legal form and size, if the company, as a company within the meaning of Art. 1063 with its registered office in an EEA member state, would be required to prepare a consolidated annual report including the parent company to be exempted and its subsidiaries.

2) The consolidated annual report of a parent company with its registered office in an EEA member state has exempting effect if

1. the parent company to be exempted and its subsidiaries have been included in the exempting consolidated annual report, notwithstanding Art. 1104,

2. the exempting consolidated annual report has been prepared in accordance with the law applicable to the parent company preparing the exempting consolidated annual report, with the exception of the requirements set out in Art. 1121 para. 1 in conjunction with Art. 1096b to 1096e and 1096g as well as Art. 1121 para. 3a to 3c, or in accordance with the international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002, and

3. the notes to the annual financial statements of the company to be exempted contain the following information:

a) Name and registered office of the parent company that prepares the exempting consolidated annual report,

b) a reference to the exemption from the obligation to prepare a consolidated annual report.

3) The exemption pursuant to paragraph 1 may not be claimed by a parent company despite the conditions set out in paragraph 2 being met if shareholders who hold at least 10% of the shares in the parent company to be exempted in the case of stock corporations and limited partnerships, and at least 20% in the case of companies of other legal forms, have requested the preparation of a consolidated annual report at least six months before the end of the financial year. If the parent company holds at least ninety percent of the shares in the parent company to be exempted, paragraph 1 may only be applied if the other shareholders have agreed to the exemption.

4) A parent company (intermediate company) that is also a subsidiary of a parent company based in an EEA member state must prepare a consolidated annual report in accordance with Art. 4 (1) (21) of the Directive if its securities are traded on a regulated market in an EEA member state, even if the conditions for exemption under paragraphs 1 to 3 are met.

if its securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1100

3. Exemption for intermediate companies with non-EEA parent companies

1) Article 1099 shall apply to the consolidated annual report of a parent company with its registered office in a country that is not a member state of the EEA, provided that the exempting consolidated annual report, which includes the exempted company (intermediate company) and all its subsidiaries, is prepared in accordance with paragraph 2 and audited in accordance with paragraph 3.

2) Only consolidated annual reports of parent companies based in a non-EEA member state pursuant to paragraph 1 that have been prepared in accordance with the following accounting standards shall be recognized as exempting consolidated annual reports:

1. under the law of an EEA Member State, with the exception of the requirements set out in Art. 1121(1) in conjunction with Art. 1096b to 1096e and 1096g as well as Art. 1121(3a) to (3c);

2. under regulations equivalent to the law of an EEA Member State, with the exception of the requirements set out in Art. 1121(1) in conjunction with Art. 1096b to 1096e and 1096g, as well as Art. 1121(3a) to (3c);

3. in accordance with international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002; or

4. in accordance with international accounting standards equivalent to those referred to in paragraph 3, as laid down in Regulation (EC) No. 1569/2007.

3) The exempting consolidated annual report pursuant to para. 1 shall be audited by one or more auditors or auditing firms who are authorized to audit consolidated annual reports under the legal provisions to which the parent company preparing the exempting consolidated annual report is subject.

Art. 1100a

4. Exemption from the obligation to prepare

Repealed Art.

1101

5. Size-based exemption

1) A parent company is exempt from the obligation to prepare a consolidated annual report if:

1. at least two of the following three criteria apply to its annual financial statements on the balance sheet date and on the previous balance sheet date:

a) the total assets of the parent company and the subsidiaries that would be included in the consolidated financial statements do not exceed a total of CHF 38.9 million;
b) the net sales revenues of the parent company and the subsidiaries that would be included in the consolidated financial statements do not exceed a total of CHF 77.8 million in the financial year preceding the balance sheet date;
c) the parent company and subsidiaries that would be included in the consolidated financial statements did not employ more than 250 people on average in the financial year preceding the balance sheet date; or
2. on the balance sheet date of the consolidated financial statements to be prepared by it and on the previous balance sheet date, at least two of the following three characteristics apply:
a) the balance sheet total does not exceed 32.4 million Swiss francs;
b) Net sales in the financial year preceding the balance sheet date do not exceed CHF 64.8 million;
c) the parent company and the subsidiaries to be included in the consolidated financial statements did not employ more than 250 employees on average in the financial year preceding the balance sheet date.
2) Except in the cases referred to in paragraph 1, a parent company is exempt from the obligation to prepare a consolidated annual report if the conditions set out in paragraph 1 are only met on the balance sheet date or on the previous balance sheet date and the parent company was exempt from the obligation to prepare a consolidated annual report on the previous balance sheet date.
3) Paragraphs 1 and 2 shall not apply if the parent company or another subsidiary to be included in the parent company's consolidated financial statements is a company whose securities are admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU in an EEA member state.
4) The government shall determine by ordinance which thresholds pursuant to para. 1 no. 1 lit. a and b and no. 2 lit. a and b are to be applied if the consolidated financial statements are not prepared in Swiss francs.
Art. 1101a
6. Exemption due to immateriality
1) A parent company that has only subsidiaries which, individually and collectively, are of minor importance in terms of the objectives of Art. 1105 para.

2, or which, pursuant to Art. 1104, is not required to include any of its subsidiaries in the consolidation, is not required to prepare a consolidated annual report.

2) The application of paragraph 1 must be justified in the notes to the financial statements.

B. Consolidated group

Art. 1102

I. Companies to be included

1) The consolidated financial statements shall include the parent company and all its subsidiaries, regardless of the registered office of the subsidiaries, unless they are excluded pursuant to Art. 1104. In this context, each subsidiary of a subsidiary shall be deemed to be a subsidiary of the parent company at the head of the companies to be consolidated.

2) If the composition of the companies included in the consolidated financial statements has changed significantly during the financial year, information must be included in the consolidated financial statements that enables meaningful comparison of successive consolidated financial statements. This obligation may also be fulfilled by adjusting the corresponding amounts in the previous consolidated financial statements to reflect the changes.

Art. 1103

II. Prohibition of inclusion

Repealed

Art. 1104

III. Waiver of inclusion

1) A subsidiary does not need to be included in the consolidated financial statements if:

1. significant and ongoing restrictions substantially impair the exercise of the parent company's rights in relation to the assets or management of that company; or

2. the information required for the preparation of the consolidated financial statements cannot be obtained without disproportionate costs or delays; or

3. the shares in the subsidiary are held exclusively for the purpose of resale; or

4. Repealed

2) Repealed

3) The application of paragraph 1 must be justified in the notes.

C. Content and form of the consolidated financial statements

Art. 1105

I. Content

1) The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement, and the notes, which form a single unit.

2) The consolidated financial statements must be presented in a clear and concise manner. They must provide a true and fair view of the net assets, financial position, and results of operations of all companies included in the consolidation. If the application of the provisions of this title is not sufficient to provide a true and fair view of the net assets, financial position, and results of operations within the meaning of sentence 2, additional disclosures must be made in the notes. If, in exceptional cases, the application of a provision of this Title is incompatible with the obligation provided for in sentence 2, the provision in question must be deviated from in order to ensure that a true and fair view within the meaning of sentence 2 is presented. The deviation must be disclosed and justified in the notes; its impact on the net assets, financial position, and results of operations must be presented.

3) The consolidated financial statements shall present the net assets, financial position, and results of operations of the companies included as if these companies were a single entity. Consistency shall be maintained in the application of consolidation methods. Deviations from sentence 2 are permissible in exceptional cases. They must be disclosed and justified in the notes. Their impact on the net assets, financial position, and results of operations of all companies included in the consolidated financial statements must be disclosed.

Art. 1106

II. Applicable provisions

Unless the specific characteristics of consolidated financial statements necessarily require significant adjustments compared with annual financial statements, Articles 1063 to 1090 shall apply mutatis mutandis to consolidated financial statements.

Art. 1107

III. Reporting date

1) The consolidated financial statements shall be prepared as of the reporting date of the parent company's financial statements or, if different, as of the reporting date of the financial statements of the most significant or the majority of the companies included in the consolidated financial statements; any deviation from the parent company's balance sheet date shall be disclosed and explained in the notes.

2) The annual financial statements of the companies included in the consolidated financial statements should be prepared as of the reporting date of the consolidated financial statements. If the balance sheet date of a company is more than three months prior to the reporting date of the consolidated financial statements, this company must be included in the consolidated financial statements on the basis of an interim financial statement prepared as of the reporting date and for the period covered by the consolidated financial statements.

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3) If, in the case of differing balance sheet dates, a company is not included in the consolidated financial statements on the basis of interim financial statements prepared as of the reporting date and for the period of the consolidated financial statements, transactions of particular significance to the net assets, financial position, and results of operations of a company included in the consolidated financial statements that occurred between the balance sheet date of that company and the balance sheet date of the consolidated financial statements shall be included in the consolidated balance sheet and consolidated income statement or disclosed in the notes.

D. Full consolidation

Art. 1108

I. Consolidation principles; requirement of completeness

1) The consolidated financial statements shall combine the financial statements of the parent company with the financial statements of the subsidiaries. The assets and liabilities of the subsidiaries shall replace the shares held by the parent company in the consolidated subsidiaries.

2) The assets and liabilities as well as the income and expenses of the companies included in the consolidated financial statements must be included in full, regardless of whether they are included in the annual financial statements of these companies. Accounting options permitted under the law of the parent company may be exercised in the consolidated financial statements regardless of whether they are exercised in the annual financial statements of the companies included in the consolidated financial statements.

Art. 1109

II. Capital consolidation

1) The carrying amounts of the parent company's shares in the subsidiaries included in the consolidated financial statements shall be offset against the amount of the subsidiaries' equity attributable to these shares.

2) Equity shall be recognized at the amount corresponding to the carrying amount of the assets, liabilities, provisions, and deferred items to be included in the consolidated financial statements. The differences resulting from the offsetting in accordance with paragraph 1 are, as far as possible, recognized directly under the items in the consolidated balance sheet whose value is higher or lower than their carrying amount.

3) Equity may also be stated at the amount corresponding to the value of the assets, liabilities, provisions, and accruals to be included in the consolidated financial statements.

4) The offsetting pursuant to paragraphs 2 and 3 shall be based on the corresponding values at the time of the initial inclusion of the subsidiary in the consolidated financial statements or at the time of acquisition of the shares or, if the shares were acquired at different times, at the time when the company became a subsidiary. The date selected shall be disclosed in the notes.

5) Any difference remaining after paragraph 2 or arising after paragraph 3 shall be reported in the consolidated balance sheet as goodwill if it arises on the assets side and as a difference from capital consolidation if it arises on the liabilities side. The item, the methods used, and significant changes from the previous year shall be explained in the notes. If differences on the assets side are offset against those on the liabilities side, the offset amounts shall be disclosed in the notes.

6) Paragraph 1 shall not apply to shares in the parent company that belong to the parent company or to a subsidiary included in the consolidated financial statements. Such shares shall be reported separately in the consolidated balance sheet as treasury shares.

Art. 1110

III. Consolidation of debts

1) Loans and other receivables, provisions and liabilities between the companies included in the consolidated financial statements, as well as corresponding prepaid expenses and deferred income, shall be omitted.

2) Paragraph 1 need not be applied if the amounts to be omitted are of minor importance for the presentation of a true and fair view of the net assets, financial position, and results of operations of all the companies included in the consolidated financial statements. Art. 1111

IV. Treatment of interim results

1) Assets to be included in the consolidated financial statements that are based wholly or partly on deliveries or services between companies included in the consolidated financial statements shall be recognized in the consolidated balance sheet at an amount at which they are included in the annual balance sheet prepared as of the reporting date of the consolidated financial statements.consolidated financial statements, shall be recognized in the consolidated balance sheet at an amount at which they could be recognized in the annual balance sheet of that company prepared as of the reporting date of the consolidated financial statements if the companies included in the consolidated financial statements also formed a single legal entity.

2) The application of paragraph 1 may be waived if:

1. the delivery or service has been provided under normal market conditions and determining the value prescribed in paragraph 1 would require a disproportionately high amount of effort; in this case, this must be stated in the

and, if the impact on the net assets, financial position, and results of operations of all companies included in the consolidated financial statements is material, explained; or

2. the treatment of interim results in accordance with paragraph 1 is of minor importance for conveying a true and fair view of the net assets, financial position, and results of operations of all companies included in the consolidated financial statements.

Art. 1112

V. Consolidation of expenses and income

1) In the consolidated income statement:

1. in the case of net sales, the revenues from deliveries and services between the companies included in the consolidated financial statements shall be offset against the expenses attributable to them, unless they are to be reported as an increase in the inventory of finished and unfinished products or as other capitalized own work;

2. Other income from goods and services between the companies included in the consolidated financial statements shall be offset against the expenses attributable to them, unless they are to be reported as other capitalized own work.

2) Paragraph 1 need not be applied if the amounts to be omitted are of minor importance for the presentation of a true and fair view of the net assets, financial position, and results of operations of all companies included in the consolidated financial statements. Art. 1113

VI. Tax deferral

1) If, as a result of measures taken in accordance with the provisions of this subsection, the net income reported in the consolidated financial statements is lower or higher than the sum of the individual results of the companies included in the consolidated financial statements, the tax expense for the financial year and previous financial years shall be adjusted by creating a deferred tax asset on the assets side if it is too high in relation to the net income for the year, or by creating a provision if it is too low in relation to the net income for the year, provided that the excess or shortfall in tax expense is likely to be offset in subsequent financial years.

2) The item must be disclosed separately in the consolidated balance sheet or in the notes. It may be combined with the items referred to in Art. 1077.

Section 1114

VII. Shares of other shareholders

1) In the consolidated balance sheet, a balancing item for minority interests in the amount of their share in equity must be reported separately under equity for shares in subsidiaries included in the consolidated financial statements that do not belong to the parent company.

2) In the consolidated income statement, the profit attributable to other shareholders included in the net income for the year and the loss attributable to them must be reported separately under the item "Net income/loss for the year" under the appropriate heading.

E. Valuation

Art. 1115

I. Uniform valuation

1) The assets and liabilities of the companies included in the consolidated financial statements pursuant to Art. 1108 para. 2 shall be valued uniformly in accordance with the valuation methods applicable to the financial statements of the parent company or other methods permitted under Directive 78/660/EEC. Any deviations from the valuation methods applied to the parent company's financial statements must be disclosed and justified in the notes. Valuation options permitted under the law of the parent company may be exercised in the consolidated financial statements regardless of whether they are exercised in the financial statements of the companies included in the consolidated financial statements.

2) If the assets and liabilities of the parent company or subsidiaries to be included in the consolidated financial statements have been valued in the financial statements of these companies using methods that differ from those applicable to the consolidated financial statements or those applied to the consolidated financial statements in the exercise of valuation options, the differently valued assets and liabilities must be revalued in accordance with the valuation methods applied to the consolidated financial statements and included in the consolidated financial statements at the new values. A uniform valuation in accordance with sentence 1 does not need to be carried out if its effects are of minor importance for the presentation of a true and fair view of the net assets, financial position, and results of operations of all companies included in the consolidated financial statements. In addition, deviations are permissible in exceptional cases; they must be disclosed and justified in the notes.

3) When valuing fixed and current assets in the consolidated financial statements, it is not permissible to take into account only depreciation and value adjustments permitted under tax law in accordance with Art. 1086 para. 1 and Art. 1090 para. 2.

Art. 1116

II. Treatment of the difference

1) Any difference to be reported on the assets side in accordance with Art. 1109 para. 5 shall be treated in accordance with Art. 1054. It may not be offset against reserves.

2) A difference to be reported on the liabilities side in accordance with Section 1109 (5) may only be reversed with an effect on income if

1. an unfavorable development in the future earnings situation of the company, as expected at the time of acquisition of the shares or initial consolidation, has occurred, or expenses expected at that time are to be taken into account, or

2. it is clear on the balance sheet date that it corresponds to a realized gain.

III. Valuation of financial instruments

Art. 1116a

1. Valuation at fair value

1) Financial instruments, including derivative financial instruments, may be measured at fair value in accordance with the option provided for in Art. 1115 para. 1, subject to paras. 2 to 4.

2) Contracts for the purchase or sale of goods are also considered derivative financial instruments if each of the contracting parties is entitled to settlement in cash or by means of another financial instrument, unless the contract was entered into to hedge the expected demand for purchase, sale, or own use, provided that this purpose existed from the outset and continues to exist, and the contract is deemed to have been fulfilled upon delivery of the goods.

3) Paragraph 1 applies to liabilities that:

1. are held as part of a trading portfolio; or

2. are derivative financial instruments.

4) Paragraph 1 does not apply to:

1. non-derivative financial instruments held to maturity;

2. originated loans and receivables that are not held for trading; and

3. Shares in subsidiaries, shares in associates and joint ventures, equity instruments issued by the company, contracts for contingent consideration in a business combination, and other financial instruments that have specific features that, according to common practice, should be recognized in the balance sheet in a different form than other financial instruments.

5) Assets or liabilities that are considered hedged items in hedge accounting, or a

a certain proportion of such assets or liabilities shall be recognized at the value specified for the accounting of hedging transactions.

6) Notwithstanding paragraphs 3 and 4, financial instruments may be measured together with the related disclosure requirements in accordance with the international accounting standards of the IASB pursuant to Art. 1139.

Art. 1116b

2. Determination of fair value

1) The fair value pursuant to Art. 1116a shall be determined using one of the following methods:

1. For financial instruments for which a market value can be determined, the fair value corresponds to this market value. If a market value cannot be readily determined for the financial instrument as a whole, but can be determined for its individual components or for a similar financial instrument, the market value of the instrument may be derived from the respective market values of its components or from the market value of the similar financial instrument.
2. For financial instruments for which a reliable market value cannot be readily determined, the fair value is determined using generally accepted valuation models and methods. These valuation models and methods must ensure an appropriate approximation of the market value.

2) Financial instruments that cannot be reliably valued using any of the methods described in paragraph 1 shall be valued in accordance with Art. 1085.

Art. 1116c

3. Change in fair value

1) If a financial instrument is measured in accordance with Art. 1116b para. 1, a change in value must be recognized in the income statement. Notwithstanding this principle, the change in value must be recognized directly in equity in a separate item under the appropriate heading if:

1. the financial instrument is a hedging instrument and is recognized as part of hedge accounting, where a change in value is not recognized in the income statement, or is only partially recognized; or
2. it is attributable to an exchange rate difference affecting a monetary item that is part of an entity's net investment in an economically independent foreign sub-unit.

2) The change in value of an available-for-sale financial asset that is not a derivative financial instrument may be recognized directly in equity in a separate item with an appropriate designation instead of in the income statement.

3) The separate item referred to in paragraphs 1 and 2 shall be reversed to the extent that the amounts reported therein are no longer required for the application of paragraphs 1 and 2. Reversal in other cases is not permitted.

Art. 1116d

4. Notes

If financial instruments are measured at fair value, the following must be disclosed:

1. the key assumptions underlying the valuation models and methods used to determine fair value in accordance with Art. 1116b para. 1 no. 2;
2. for each group of financial instruments, the fair value itself, the changes in value recognized directly in the income statement, and the changes recognized in a separate item in equity;
3. for each category of derivative financial instruments, the scope and nature of the instruments, including the material terms that may affect the amount, timing, and certainty of future cash flows;
4. an overview of the movements within the separate item in equity (Art. 1116c) during the financial year.

F. Associated companies

Art. 1117

I. Definition; Exemption

1) If a company included in the consolidated financial statements exercises a significant influence over the business and financial policy of a company not included in the consolidated financial statements in which the company holds an interest pursuant to Art. 1073 para. 1 (associated company), this interest must be reported in the consolidated balance sheet under a separate item with an appropriate designation. A significant influence is presumed if a company holds at least one-fifth of the voting rights of the shareholders in another company; Art. 1097 para. 2 and 3 shall apply in this case.

2) Paragraph 1 and Art. 1118 do not have to be applied to a participation in an associated company if the participation is of minor importance for the presentation of a true and fair view of the net assets, financial position, and results of operations of all companies included in the consolidated financial statements.

Article 1118

II. Carrying amount of the participation and treatment of the difference

1) An investment in an associated company is either

1. at book value or

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2. at the amount corresponding to the proportionate equity of the associated company

. If recognized at book value in accordance with sentence 1, item 1, the difference between this value and the proportionate equity of the associated company must be reported separately in the consolidated balance sheet or disclosed in the notes when these provisions are applied for the first time. If recognized at the proportionate equity in accordance with sentence 1, item 2, the equity shall be recognized at the amount resulting when the assets, liabilities, provisions, and accruals of the associated company are recognized at the value attributable to them at the date selected in accordance with paragraph 3; The difference between this valuation and the carrying amount of the investment must be reported separately in the consolidated balance sheet or disclosed in the notes when these provisions are applied for the first time. The method used must be disclosed in the notes.

2) The difference referred to in paragraph 1, sentence 2, shall be allocated to the carrying amounts of the assets, liabilities, provisions, and accruals of the associated company to the extent that their value is higher or lower than the previous carrying amount. The amount allocated in accordance with sentence 1 or resulting from paragraph 1, sentence 1, item 2 shall be carried forward, written off or reversed in the consolidated financial statements in accordance with the treatment of the carrying amounts of these assets, liabilities, provisions and accruals in the annual financial statements of the associated company. Article 1116 shall apply mutatis mutandis to any difference remaining after allocation pursuant to sentence 1 and any difference pursuant to paragraph 1, sentence 3, second half-sentence.

3) The carrying amount of the investment and the differences shall be determined on the basis of the carrying amounts at the time of the first-time application of section 1117 (1) to the investment or at the time of acquisition of the shares or, if the shares were acquired at different times, at the time when the company became an associated company. The date chosen shall be disclosed in the notes.

4) The carrying amount of an investment determined in accordance with paragraph 1 shall be increased or decreased in subsequent years by the amount of changes in equity attributable to the parent company's share of the capital of the associate; profit distributions attributable to the investment shall be deducted. In the consolidated income statement, the result attributable to investments in associated companies must be reported under a separate item.

5) If the associated company uses valuation methods in its annual financial statements that differ from those used in the consolidated annual financial statements, assets or liabilities valued differently may be valued for the purposes of paragraphs 1 to 4 in accordance with the valuation methods applied to the consolidated annual financial statements. If the valuation is not adjusted, this must be disclosed in the notes. Art. 1111 on the treatment of interim results shall apply mutatis mutandis, provided that the facts relevant for the assessment are known or available. The interim results may also be omitted on a pro rata basis in accordance with the parent company's share of the associated company's capital.

6) The most recent annual financial statements of the associated company shall be used as a basis. If the associated company prepares consolidated annual financial statements, these shall be used as a basis rather than the annual financial statements of the associated company.

G. Appendix

Article 1119

I. General

1) The notes must include the information specified in Art. 1091 to 1094 as well as the information required in other provisions of this title. This must be done in a manner that facilitates the assessment of the financial position of all companies included in the consolidation. The essential adjustments resulting from the special features of the consolidated annual report compared to the annual report must be made.

2) When making the significant adjustments referred to in paragraph 1, particular attention shall be paid to the following:

1. in the disclosure pursuant to Art. 1092 No. 16, transactions between companies included in the consolidation that are omitted from the consolidation are not to be included;

2. in the disclosure pursuant to Art. 1092 No. 9, only the amount of remuneration, advances, and loans granted by the parent company and its subsidiaries to the members of the administrative and management body, a supervisory board, an advisory board, or a similar body of the parent company shall be disclosed.

Section 1120

II. Information on shareholdings

1) The following information on shareholdings must be provided in the notes:

1. Name and registered office of the companies included in the consolidated financial statements, the share of the capital of the subsidiaries held by the parent company and the subsidiaries included in the consolidated financial statements

or held by a person acting on behalf of these companies, as well as the facts requiring inclusion in the consolidated financial statements, provided that the inclusion is not based on a majority of voting rights corresponding to the capital participation and the capital and voting rights shares do not match. This information must also be provided for subsidiaries that have not been included in the consolidation pursuant to Articles 1101a and 1104, whereby in the case of Article 1104, the reasons for applying this provision must be stated;

2. Name and registered office of the associated companies and the share of the capital of the associated companies owned by the parent company and the subsidiaries included in the consolidated financial statements or held by a person acting on behalf of these companies;

3. Name and registered office of companies other than those referred to in sections 1 and 2 in which the parent company, a subsidiary, or a person acting on behalf of these companies holds at least one-fifth of the shares, stating the share of capital, the amount of equity capital, and the result for the last financial year for which annual financial statements have been prepared. The equity capital and the result do not need to be stated if the company holding the shares is not required to disclose its annual financial statements.

2) The information required in paragraph 1 need not be provided if it is likely that the disclosure of such information would cause significant harm to the parent company, a subsidiary, or another company referred to in paragraph 1. The application of the exemption shall be disclosed in the notes to the financial statements.

Art. 1121

H. Consolidated annual report (consolidated management report)

1) In addition to the other information required in this title, the consolidated annual report shall contain at least the information specified in Art. 1096 and, where applicable, Art. 1096a (corporate governance report) and Art. 1096b to 1096e and 1096g (sustainability reporting); it must be prepared in accordance with the requirements set out in these provisions. Paragraphs 2 to 4 remain reserved. When preparing the consolidated annual report, the significant adjustments resulting from the specific features of the consolidated annual report compared to an annual report must be taken into account in such a way that the assessment of the course of business, the business results, and the situation of all the companies included in the consolidated financial statements is facilitated.

2) Art. 1096 para. 4 no. 4 concerning reporting on own shares shall apply with the proviso that the number and nominal amount or accounting par value (in the case of quota shares) of all shares of the parent company that are held either by the parent company itself, by subsidiaries of this parent company, or by a person acting in their own name but on behalf of one of these companies must be disclosed. but on behalf of one of these companies.

3) Art. 1096a para. 1 no. 3 shall apply with the proviso that the description of the most important features of the internal control and risk management system with regard to the accounting process shall cover all companies included in the consolidation.

3a) If, in its consolidated sustainability reporting pursuant to para. 1, the reporting company identifies significant differences between the risks for all companies included in the consolidated financial statements or the effects of this group and the risks for one or more subsidiaries or the effects of one or more subsidiaries, it must, where appropriate, provide a sufficient understanding of the risks for the subsidiary or subsidiaries concerned and the impacts of the subsidiary or subsidiaries concerned. Companies shall indicate which subsidiaries included in the consolidation are exempt from annual or consolidated sustainability reporting pursuant to Art. 1096g or paragraph 1 in conjunction with Art. 1096g.

3b) If a parent company meets the requirements for consolidated sustainability reporting under paragraphs 1 and 3a, it shall be deemed to have met the requirements of Art. 1096 para. 3a and Art. 1096b to 1096e and 1096g.

3c) If a company is exempt from sustainability reporting under Art. 1096g, this exemption also applies to the information under para. 3a.

3d) Companies subject to the requirements for consolidated sustainability reporting under paragraphs 1 and 3a to 3c shall prepare their consolidated annual report in the uniform electronic reporting format set out in Article 3 of Delegated Regulation (EU) 2019/815 and shall prepare their consolidated sustainability reporting, including the disclosures pursuant to Art. 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format set out in that Delegated Regulation.

4) The consolidated annual report and the annual report of the parent company may be combined.

3. Subsection

Disclosure

A. Principle

I. Annual report

Art. 1122

1. Annual financial statements

1) The legal representatives of companies within the meaning of Art. 1063 must submit the duly approved annual financial statements and, unless a review in accordance with Art. 1058a has been waived, the audit report to the Office of Justice no later than the end of the twelfth month after the balance sheet date. Upon justified request, the Office of Justice may extend the deadline for submitting the documents referred to in sentence 1. After the documents have been submitted, the Office of Justice shall publish the registration number under which these documents have been submitted in the official publication organ at the expense of the submitting companies.

2) Companies that have issued publicly subscribed bonds or whose shares are listed on a stock exchange must also publish their annual financial statements in printed form and make them available to the press and to anyone who requests them.

3) Companies within the meaning of Art. 1063 para. 2 may, instead of submitting and publishing the documents referred to in para. 1, make them available for inspection by anyone at the company's registered office, provided that

1. all of their partners with unlimited liability are companies within the meaning of Art. 1063 para. 1 that are subject to the law of an EEA member state other than the Principality of Liechtenstein, and none of these companies publishes the designated documents of the company concerned together with its own documents, or

2. all of its partners with unlimited liability are companies that are not subject to the law of an EEA member state but whose legal form is comparable to the legal forms referred to in Art. 1063 para. 1.

4) In the case of the application of paragraph 3, a copy of the annual financial statements must be available on request. The fee charged for this may not exceed the administrative costs.

5) Instead of paragraphs 3 and 4, companies within the meaning of Art. 1063 para. 2 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state shall apply paragraphs 1 and 2.

6) The documents referred to in paragraph 1 must be submitted in electronic form.

Art. 1123

2. Annual report

1) The annual report to be prepared by medium-sized and large companies within the meaning of Art. 1064 does not have to be submitted to the Office of Justice; however, it must be

, however, be made available for inspection by anyone at the company's registered office. A complete or partial copy of the annual report must be available upon request. The fee charged for this may not exceed the administrative costs.

2) Medium-sized and large companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in an EEA member state must disclose the annual report (Art. 1065 para. 3 sentence 2) within the meaning of Art. 1122 para. 1 and 2.

3) Small companies within the meaning of Article 1064 whose securities are admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU in an EEA Member State must disclose the annual report (Art. 1065 para. 3 sentence 2) within the meaning of Art. 1122 para. 1 and 2.

4) Companies that must meet the requirements for sustainability reporting under Articles 1096b to 1096g must disclose their annual report in the standard electronic reporting format (Article 1096h) together with the opinion and statement of the auditor or auditing firm in accordance with Article 196(1)(c) e and Art. 196b para. 2 lit. c. Para. 1 does not apply.

Art. 1123a

3. Sustainability report of subsidiaries of ultimate parent companies and branches of companies from third countries

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1) The sustainability reports pursuant to Art. 1096i (1) and (2) shall be disclosed together with an assurance report issued by one or more persons or companies authorized to issue such reports under the national law applicable to the third-country company or to an EEA Member State.If the third-country company does not provide the assurance report referred to in sentence 1, the subsidiary or branch shall issue a statement indicating that the third-country company has not provided the required assurance report.

2) The subsidiaries and branches referred to in Art. 1096i paras. 1 and 2 shall disclose their sustainability report together with the audit opinion and, where applicable, the statement referred to in Art. 1096i para. 7 within twelve months of the balance sheet date of the financial year for which the sustainability report is prepared, in accordance with para. 3.

3) The sustainability report, together with the audit opinion and, where applicable, the statement referred to in Art. 1096i para. 7, shall be made available to the public in at least one of the official languages of an EEA member state no later than twelve months after the balance sheet date of the financial year for which the sustainability report is prepared, on the website of the subsidiary.

at least one of the official languages of an EEA member state no later than twelve months after the balance sheet date of the financial year for which the sustainability report is prepared, on the website of the subsidiary or branch office in accordance with Art. 1096i (1) and (2), free of charge.

II. Consolidated annual report

Art. 1124

1. Consolidated financial statements

1) The legal representatives of a company that is required to prepare consolidated financial statements must submit the duly approved consolidated financial statements and the audit report to the Office of Justice no later than the end of the twelfth month after the balance sheet date. Art. 1122 para. 1 sentences 2 and 3, para. 3, 4, and para. 6 shall apply mutatis mutandis.

2) If one of the companies included in the consolidated financial statements has issued publicly subscribed bonds or if its shares are listed on a stock exchange, the consolidated financial statements must also be published in printed form and made available to the press and to anyone who requests them.

Art. 1125

2. Consolidated annual report

1) The consolidated annual report does not have to be submitted to the Office of Justice; however, it must be made available for inspection by anyone at the company's registered office. A complete or partial copy of the consolidated annual report must be available upon request. The fee charged for this may not exceed the administrative costs.

2) If the securities of a company included in the consolidated annual financial statements are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state, the consolidated annual report within the meaning of Art. 1122 paras. 1 and 2 must be disclosed.

3) Companies that must meet the requirements for consolidated sustainability reporting pursuant to Art. 1121 para. 1 and 3a to 3c must submit their consolidated annual report in the standard electronic reporting format (Art. 1121 para. 3d) together with the opinion and statement of the auditor or auditing firm in accordance with Art. 196 para. 1 lit. e and Art. 196b para. 2 lit. c. Para. 1 does not apply.

B. Simplifications

Art. 1126

I. Size-dependent simplifications for small companies

1) Art. 1122 para. 1 shall apply to small companies within the meaning of Art. 1064, with the proviso that the legal representatives shall only have to submit the condensed balance sheet pursuant to Art. 1068 para. 4

sentence 1 and the abridged notes pursuant to Art. 1095 para. 1. The notes need not contain information relating to the income statement.

2) Art. 1122 para. 1 shall apply to micro-companies within the meaning of Art. 1064, with the proviso that the legal representatives shall only be required to submit the condensed balance sheet pursuant to Art. 1068 para. 4 sentence 2; this does not apply to investment companies and holding companies within the meaning of Art. 2(14) and (15) of Directive 2013/34/EU.

3) Small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state may not avail themselves of the simplifications under paras. 1 and 2.

Art. 1127

II. Size-based relief for medium-sized companies

1) Art. 1122 para. 1 shall apply to medium-sized companies within the meaning of Art. 1064 para. 2, with the proviso that the legal representatives

1. shall only be required to submit the balance sheet in the form prescribed for small companies within the meaning of Art. 1064 pursuant to Art. 1068 para. 4 sentence 1.

a) However, when applying Art. 1068 para. 2, the following items must also be disclosed separately in the balance sheet or in the notes:

On the assets side

A.I.1 Expenses for the establishment and expansion of business operations

A.I.4 Goodwill, if acquired for consideration

A.II.1 Land, rights to land, rights equivalent to land, and buildings, including buildings on third-party land

A.II.2 Technical equipment and machinery

A.II.3 Other equipment, operating and office equipment

A.II.4 Advance payments and assets under construction

A.III.1 Shares in affiliated companies

A.III.2 Receivables from affiliated companies

A.III.3 Equity investments

A.III.4 Receivables from companies in which the company holds an interest

B.II.2 Receivables from affiliated companies

B.II.3 Receivables from companies in which the company holds an equity interest

B.III.1 Shares in affiliated companies

B.III.2 Treasury shares or shares

On the liabilities side

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C.1 Bonds, of which convertible
C.2 Liabilities to banks
C.6 Liabilities to affiliated companies
C.7 Liabilities to companies in which the company holds a participating interest
b) When applying Art. 1068 (3), the following items must also be disclosed separately in the balance sheet or in the notes:
A.I.1 Expenses for the establishment and expansion of business operations
A.I.4 Goodwill, provided it was acquired for consideration
A.II.1 Land, rights to land, rights equivalent to land, and buildings, including buildings on third-party land
A.II.2 Technical equipment and machinery
A.II.3 Other equipment, operating and office equipment
A.II.4 Advance payments and assets under construction
A.III.1 Shares in affiliated companies
A.III.2 Receivables from affiliated companies
A.III.3 Equity investments
A.III.4 Receivables from companies in which the company holds an interest
B.II.2 Receivables from affiliated companies
B.II.3 Receivables from companies in which the company holds an equity interest
B.III.1 Shares in affiliated companies
B.III.2 Treasury shares or holdings
D.1 Bonds, of which convertible
D.2 Liabilities to banks
D.6 Liabilities to affiliated companies
D.7 Liabilities to companies with which there is a participating interest
G.1 Bonds, of which convertible
G.2 Liabilities to banks
G.6 Liabilities to affiliated companies
G.7 Liabilities to companies in which the company has a participating interest
c) The information specified in Art. 1071 must also be provided for the separately disclosed items of receivables and liabilities.
2. may submit the notes without the disclosures required under Art. 1091 para. 2 nos. 8 and 9 and Art. 1092 no. 13.
2) Medium-sized companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para.

1 no. 21 of Directive 2014/65/EU, may not avail themselves of the simplifications under para. 1.

Art. 1128

C. Branches of companies based abroad

1) In the case of a domestic branch of a company domiciled abroad that is comparable to a company within the meaning of Art. 1063, its legal representatives shall disclose its audited and published annual report and consolidated annual report prepared in accordance with the law applicable to it, as well as the audit reports pursuant to Art. 1122 to 1125, 1129, and 1130 para. 1.

2) If the documents referred to in paragraph 1 have not been prepared in German, a copy certified by the registry office of the head office must be submitted to the Office of Justice. A certified translation into German of the certification by the registry office must be submitted.

Art. 1129

D. Form and content of documents for disclosure; publication and reproduction based on the articles of association, the statutes, or for other reasons

1) The following provisions must be observed when disclosing the annual financial statements and consolidated annual financial statements in full or in part, and when publishing or reproducing them in any other form on the basis of the articles of association or statutes:

1. The annual financial statements and consolidated annual financial statements must be presented in such a way that they comply with the regulations governing their preparation, unless the simplifications provided for in Articles 1126 and 1127 are applied; within this framework, they must be complete and accurate.

2. In addition, the full text of the audit report issued by an auditor or an audit firm must be reproduced in each case.

3. If the annual financial statements are only partially disclosed due to the use of simplifications and the audit report refers to the complete annual financial statements, this must be indicated.

4. The annual financial statements must contain the name, legal form, registered office, and commercial register number of the company, supplemented, if applicable, by the addition that it is in liquidation. Sentence 1 applies mutatis mutandis to the consolidated annual financial statements.

2) If the annual financial statements or consolidated annual financial statements are not reproduced in the form prescribed in paragraph 1 in publications or reproductions that are not required by law, the articles of association, or the bylaws, a heading must indicate that the publication does not comply with the legal form. An

audit report may not be attached; however, it must be stated whether the audit report was issued without qualification or with qualification, or whether the annual financial statements or consolidated financial statements were rejected because the auditors or the audit firm were unable to express an audit opinion. It must also be stated whether the audit report refers to circumstances to which the auditors or the audit firm have drawn particular attention without qualifying the audit report. In addition, the registration number under which the submission was made to the Office of Justice must be stated, or it must be stated that the submission has not yet been made.

3) Paragraph 1 shall apply mutatis mutandis to the annual report, the consolidated annual report, and the list of shareholdings.

Art. 1130

E. Audit obligation of the Office of Justice

1) The Office of Justice shall check whether the documents to be disclosed have been submitted in full and on time and have been signed by the persons responsible in accordance with Art. 1056. If documents are missing or their signatures are defective, the Office of Justice shall issue a correction order and set a reasonable deadline of no more than four weeks for this.

2) If the review pursuant to paragraph 1 gives reason to believe that the simplifications based on the size of the company should not have been applied, the Office of Justice may request the company to provide information on its net sales revenue and the average number of employees within a reasonable period of time. If the company fails to provide the information within the deadline, the simplifications shall be deemed to have been wrongfully applied.

3) The date of submission of the documents to be disclosed shall be entered in the commercial register.

Art. 1130a

F. Reservation of the Disclosure Act

The special provisions of the Disclosure Act remain reserved.

3. Section

Supplementary provisions for certain economic sectors

1. Subsection

Banks and securities firms Art.

1131

A. Scope of application; applicable provisions; exceptions

1) Unless otherwise specified below, banks within the meaning of Art. 4 of the Banking Act and investment firms within the meaning of Art. 4(1)(1) of the Investment Firms Act shall be subject to the provisions of Section 2 of this Title in addition to the provisions of Section 1 of this Title, regardless of their legal form.

Titles for large companies as well as Articles 119 and 120 of the Banking Act and Article 43 of the Securities Firms Act. Parent companies whose purpose is to acquire holdings in subsidiaries and to manage and exploit these holdings (holding companies) are also considered banks and securities firms within the meaning of this subsection, provided that these subsidiaries are predominantly banks, securities firms, e-money institutions, or payment institutions. Articles 6 and 9 of the Financial Conglomerates Act shall apply mutatis mutandis to the assessment of the criterion "predominantly."

2) Art. 1051 (3) and (4), Art. 1057, 1064, 1065 (3), Art. 1067 (5) and (6), Art. 1068, 1071, 1074 para. 1 sentence 2, Art. 1075 para. 2, Art. 1078 to 1081, 1083, 1086, 1090, 1091 para. 2 no. 3, Art. 1092 nos. 1, 4, 8, 9 lit. c and no. 10 last sentence, Art. 1094 para. 2, Art. 1095, 1095a, 1096 paras. 5 to 7, Art. 1101, 1101a, 1122, 1123 paras. 1 to 3, Art. 1124, 1125 (1) and (2), Art. 1126 to 1128, and 1130 (2) shall not apply.

2a) For the purposes of sustainability reporting, the following shall apply to banks and investment firms, notwithstanding paragraphs 1 and 2:

1. The size categories under Art. 1064 (small, medium-sized, and large companies) and Art. 1101 (large groups) apply.
2. When the provisions on sustainability reporting refer to large, medium-sized, or small companies or enterprises, this always includes banks and securities firms.
3. For banks and securities firms, net sales revenue is defined as the sum of the items "interest income," "current income from securities," "income from commission and service business," "income from financial transactions," and "other ordinary income" in the income statement.
4. Art. 1096f may only be applied by small and non-complex institutions within the meaning of Art. 4 para. 1 no. 145 of Regulation (EU) No. 575/2013.

3) Banks and investment firms must prepare the exempting consolidated annual report in accordance with Art. 1099 para. 2, without prejudice to the other requirements, in accordance with Directive 86/635/EEC.

Art. 1132

B. Provisions for general banking risks

1) On the liabilities side of the balance sheet, a "provisions for general banking risks" item may be created to hedge against general banking risks, insofar as this is necessary for reasons of prudence due to the specific risks of banking business.

2) Additions to provisions for general banking risks or income from the reversal of provisions for general banking risks shall be shown separately in the income statement.

C. Valuation rules

Art. 1133

I. Valuation of assets

1) For the purposes of Art. 1085 para. 2, intangible assets and property, plant and equipment in accordance with Art. 1068 paras. 2 and 3 items A.I. and II. as well as investments shall always be considered fixed assets.

2) For the purposes of applying Section 1085 (3), all assets not mentioned in paragraph 1, in particular receivables and securities, shall always be treated as current assets, unless they are intended to be used permanently in business operations, in which case they shall be valued in accordance with paragraph 1.

3) The option to value financial assets at the lower value attributable to them on the balance sheet date, provided that the impairment is not expected to be permanent, applies to all investments as well as shares in affiliated companies and securities that are intended to serve business operations on a permanent basis.

4) Notwithstanding Section 1085 (1), fixed-income securities that are intended to serve business operations on a permanent basis and are intended to be held until maturity shall always be valued at their redemption amount. If the acquisition costs of these securities are higher than the redemption amount, the difference shall be amortized pro rata temporis and at the latest at the time of redemption of these securities. If the acquisition costs of these securities are lower than the redemption amount, the difference shall be recognized as income pro rata temporis over the entire remaining term until redemption. The difference in accordance with sentences 2 and 3 must be disclosed separately in the notes.

5) Notwithstanding Art. 1085 para. 1, items held for trading (trading portfolio) must always be valued at the market price on the balance sheet date, provided they are traded on a recognized stock exchange or on a representative market. Only items that are not intended to serve the business on a permanent basis are considered items held for trading.

Section 1134

II. Currency translation

1) Assets, liabilities, provisions, and accruals denominated in currencies other than the reporting currency, as well as spot transactions not yet settled on the balance sheet date, must be translated into the reporting currency at the spot rate on the balance sheet date. Forward transactions must be translated into the reporting currency at the forward rate on the balance sheet date.

2) Expenses and income resulting from currency translation shall be recognized in the income statement.

Art. 1135

III. Valuation of financial instruments

If financial instruments, including derivative financial instruments, are measured at fair value when preparing the consolidated financial statements (Art. 1116a para. 1), Art. 1133 paras. 2, 4, and 5 and Art. 1134 may not be applied.

Art. 1136

D. Companies to be included in the scope of consolidation

1) Repealed

2) If a bank or securities firm does not include a subsidiary that is a bank or securities firm in its consolidated financial statements in accordance with Art. 1104 para. 1 no. 3, and if the temporary holding of shares or interests in this company is attributable to a financial support measure for the restructuring or rescue of the said company, it shall include the annual financial statements of that company in its consolidated annual financial statements and provide additional information in the notes to the consolidated annual financial statements on the nature and terms of the financial support measure.

2. Subsection Insurance

Companies Art. 1137

A. Scope of application; applicable regulations; exceptions

1) Unless otherwise specified below, domestic insurance companies and foreign insurance companies that are required to prepare separate accounts for their domestic business activities pursuant to Art. 117 para. 1 lit. c of the Insurance Supervision Act are subject to the provisions of Section 1 of this Title for large companies and Art. 75 and 99 of the Insurance Supervision Act, regardless of their legal form. Section of this Title, the provisions of Section 2 of this Title for large companies and Articles 75 and 99 of the Insurance Supervision Act shall apply. Insurance companies within the meaning of this subsection also include parent companies whose sole or predominant purpose is to acquire holdings in subsidiaries and to manage and exploit these holdings (holding companies), provided that these subsidiaries are exclusively or predominantly insurance companies.

2) Art. 1051 paras. 3 and 4, Art. 1057, 1064, 1065 para. 3, Art. 1067 paras. 5 and 6, Art. 1068, 1070, 1071, 1074 para. 1 sentence 2, Art. 1078 to 1081, Art. 1092 no. 4, Art. 1094 Paragraph 2, Art. 1095, 1098, 1101, 1106 (2), Art. 1120 (1) (3) and (2), Art. 1122 para. 3 and 4, Art. 1123 para. 1 to 3, Art. 1125 para. 1 and 2, Art. 1126 to 1128, 1130 para. 2 and Art. 1139 are not applicable. The disclosures pursuant to Art. 1092 no. 8 must be made.

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3) For the purposes of sustainability reporting, the following applies to insurance companies in deviation from paragraphs 1 and 2:
1. The size categories pursuant to Art. 1064 (small, medium-sized, and large companies) and Art. 1101 (large groups) apply.
2. When the provisions on sustainability reporting refer to large, medium-sized, or small companies or enterprises, this always includes insurance companies.
3. For insurance companies, net sales revenue is defined as the amount of the item "Gross premiums written" in the income statement.
4. Art. 1096f may only be applied by captive insurance companies within the meaning of Art. 10 para. 1 no. 13 of the Insurance Supervision Act.
4) Art. 1091 para. 2 no. 6 does not apply to obligations arising in the context of insurance business.
5) Insurance companies must prepare the consolidated annual report in accordance with Art. 1099 para. 2, without prejudice to the other requirements, in accordance with Directive 91/674/EEC.
6) Art. 1107 para. 2 shall apply with the proviso that the three-month period specified therein shall be six months.
7) Art. 1111 para. 2 no. 1 shall also apply if the determination of the valuation prescribed in para. 1 would not require a disproportionately high amount of effort, but if the transaction has given rise to legal claims in favor of the policyholders. The application of this exception must be disclosed in the notes and, if the impact on the net assets, financial position, and results of operations of all companies included in the consolidated financial statements is material, explained.
8) Art. 1115 paras. 1 and 2 do not apply to assets whose changes in value affect or establish rights of policyholders if their valuation in the annual financial statements of the companies included in the consolidated financial statements is based on the application of insurance-specific regulations, and to liabilities whose valuation in the annual financial statements of the companies included in the consolidated financial statements is based on the application of such provisions. The application of this exemption must be disclosed in the notes. Art. 1138

B. Valuation rules

1) For the purposes of Article 1085(2), intangible assets, all capital investments, other tangible assets, and inventories are considered fixed assets. However, capital investments on behalf of and at the risk of life insurance policyholders must be valued in accordance with the special provisions applicable to such capital investments. The option to value assets at the lower value

at the balance sheet date, unless the impairment is expected to be permanent, applies to all capital investments with the exception of those for the account and risk of life insurance policyholders, as well as land, rights to land, rights equivalent to land, and buildings, and furthermore to own shares or participations.

2) For the purposes of Art. 1085 (3), all receivables that do not belong to investments, with the exception of called-up but not yet paid-in subscribed capital, as well as current bank balances, postal check balances, checks, and cash on hand, are considered current assets.

3) Article 1137 shall apply mutatis mutandis.

3. Subsection

Companies in the mineral extraction industry and logging in primary forests

Art. 1138a

A. Definitions

For the purposes of this subsection, the following definitions apply:

1. "Companies in the mineral extraction industry": a company active in the exploration, prospecting, discovery, development, and extraction of minerals, oil, natural gas deposits, or other substances in the economic sectors listed in Section B, Divisions 05 to 08 of Annex I to Regulation (EC) No. 1893/2006;

2. "Primary forest logging company": a company active in the sectors listed in Section A, Division 02, Group 02.2 of Annex I to Regulation (EC) No. 1893/2006 in primary forests;

3. "Government body": a national, regional, or local authority of an EEA Member State or a third country. This also includes departments or agencies controlled by this authority or companies controlled by it within the meaning of Article 1097;

4. "Project": the operational activities governed by a single contract, license, lease, concession, or similar legal arrangement and forming the basis for payment obligations to a government agency. However, if several such agreements are materially linked, they are considered to be one project;

5. "Payment": an amount paid in cash or in kind for the following types of activities within the meaning of paragraphs 1 and 2:

a) production payment entitlements;

b) Taxes levied on the income, production, or profits of companies, excluding taxes levied on consumption, such as value-added taxes, income taxes, or sales taxes;

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c) Usage fees;
d) Dividends;
e) Signing, discovery, and production bonuses;
f) License, rental, and access fees, as well as other consideration for licenses and/or concessions; and
g) Payments for infrastructure improvements. Art.
1138b
B. Scope of application; obligation to prepare and publish a report
1) Large companies within the meaning of Art. 1064 that are active in the extractive industry or in the logging of primary forests must prepare and publish an annual report on payments made to government agencies.
2) The obligation under paragraph 1 shall not apply to an undertaking that is a subsidiary or parent undertaking, provided that both of the following conditions are met:
1. the parent company is subject to the law of an EEA member state; and
2. the payments made by the company to government agencies are included in the consolidated report on payments to government agencies prepared by the parent company in accordance with Art. 1138d.
Section 1138c
C. Content of the report
1) Payments, whether made as a single payment or as a series of related payments, do not have to be included in the report if they amount to less than CHF 123,600 in the financial year.
2) The report shall contain the following information for the financial year in question in connection with the activities referred to in Art. 1138a (1) and (2):
1. the total amount of payments made to each government agency;
2. the total amount per type of payment made to each government agency pursuant to Art. 1138a(5); and
3. if these payments were made for a specific project, the total amount per type of payment in accordance with Art. 1138a (5) for each project and the total amount of payments for each project; payments made by the company to fulfill obligations imposed at company level may be reported at company level rather than at project level.
3) If payments to a government agency are made in kind, they shall be reported according to their value and, where applicable, their scope. Additional explanations shall be provided to explain how their value was determined.
4) When specifying payments, reference shall be made to the content of the payment or activity in question, and not to its form. Payments and activities may not be artificially divided or combined with the aim of circumventing the provisions of this subsection.

Art. 1138d

D. Consolidated report on payments to government agencies

1) Large companies within the meaning of Art. 1064 that are active in the extractive industry or in the logging of primary forests shall prepare an annual consolidated report on payments to public authorities in accordance with Art. 1138b and 1138c, provided that they are required to prepare a consolidated annual report in accordance with Art. 1097 to Art. 1101a. Large companies within the meaning of Art. 1064 that are parent companies are considered to be active in the mineral extraction industry or in the logging of primary forests if one of their subsidiaries is active in the mineral extraction industry or in the logging of primary forests. The consolidated report covers only payments resulting from business activities in the mineral extraction industry or in the field of logging in primary forests.

2) The obligation to prepare a consolidated report in accordance with paragraph 1 shall apply in any case where an affiliated company (Art. 1073 para. 2) of the ultimate parent company is a company whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state, a bank, or an insurance company.

3) Companies, including companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU in an EEA member state, Banks and insurance companies do not need to be included in a consolidated report on payments to public authorities if at least one of the following conditions is met:

1. significant and persistent restrictions prevent the parent company from exercising its rights in relation to the assets or management of that company;
2. there is an extremely rare case where the information required to prepare a consolidated report on payments to public authorities under this subsection cannot be obtained without disproportionate costs or undue delays; and
3. the shares or stock of this company are held exclusively for the purpose of resale.

Art. 1138e

E. Disclosure; Responsibility

1) The report pursuant to Art. 1138b and the consolidated report pursuant to Art. 1138d must be disclosed in accordance with Art. 1122 ff.

2) The members of the competent bodies are responsible for ensuring that the report pursuant to Art. 1138b and the consolidated report pursuant to Art. 1138d are prepared and disclosed to the best of their knowledge and ability in accordance with the requirements of this title.

Art. 1138f

F. Exemption from preparing a report; equivalence

1) Companies that prepare and disclose a report in accordance with Art. 1138b or a consolidated report in accordance with Art. 1138d that fulfills the reporting requirements of a third country and has been assessed as equivalent in accordance with Art. 47 of Directive 2013/34/EU are exempt from the requirements of this subsection.

2) Paragraph 1 does not apply to the disclosure requirement. The report pursuant to Art. 1138b and the consolidated report pursuant to Art. 1138d must be disclosed in accordance with Art. 1122 ff.

4. Section

Public interest companies Art. 1138g

Definition and applicable provisions

1) For the purposes of this Act, the following are considered public-interest entities:

a) companies under Liechtenstein law whose transferable securities are admitted to trading on a regulated market of an EEA Member State within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EU;

b) banks within the meaning of Art. 4 of the Banking Act;

c) insurance companies within the meaning of Art. 2 of the Insurance Supervision Act;

d) Market operators, including a Liechtenstein stock exchange company within the meaning of Art. 3 para. 1 no. 2 of the Trading Venues and Stock Exchanges Act.

2) The provisions of this Act shall apply mutatis mutandis to the audit of companies of public interest. In all other respects, subject to Art. 192 (10) and (11), Art. 196 (9), Art. 201 (7), Art. 347a, and § 67a SchlT, the provisions of Regulation (EU) No. 537/2014 shall apply.

5. Section

International Accounting Standards Art. 1139

1) When preparing the annual financial statements and the consolidated annual financial statements, the international accounting standards of the International Accounting Standards Board (IASB) may be applied instead of the otherwise applicable accounting regulations (Art. 1045 ff.). Paragraph 3 remains reserved.

2) The international accounting standards of the IASB are the International Accounting Standards (IAS), the International Financial Reporting Standards

(IFRS) and related interpretations (SIC/IFRIC interpretations), subsequent amendments to these standards and related interpretations, as well as future standards and related interpretations.

3) The government shall determine by ordinance which provisions of this title shall also apply when applying the international accounting standards of the IASB.

4) Companies whose shares or stock are listed on a stock exchange and companies that have issued publicly subscribed bonds must prepare their consolidated financial statements in accordance with the International Accounting Standards of the IASB.

5) The IASB's international accounting standards within the meaning of this article may only be applied to the extent that their applicability in the European Union has been decided by the EU Commission in accordance with the procedure set out in Art. 3 in conjunction with Art. 6 of Regulation (EC) No. 1606/2002 and by the EEA Joint Committee.

6. Section Income Tax

Information Report Art. 1140

A. Definitions

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

1. "ultimate parent company": a company that prepares the consolidated financial statements for the largest group of companies;

2. "consolidated financial statements": the financial statements prepared by a parent company of a group of companies in which the assets, liabilities, equity, income, and expenses are presented as those of a single economic entity;

3. "tax jurisdiction": a state or non-state legal entity that has fiscal autonomy with regard to income tax;

4. "unaffiliated company": a company that does not belong to a group comprising the parent company and all subsidiaries.

2) For the purposes of Articles 1141 to 1146, the term "sales revenue" has the same meaning as:

1. "net sales revenue" for companies subject to the laws of an EEA Member State that do not apply the international accounting standards referred to in Article 1139; or

2. "sales revenue" as defined by or within the meaning of the accounting principles on the basis of which financial statements are prepared for companies not subject to the laws of an EEA member state.

B. Companies and branches subject to reporting requirements; content, disclosure, responsibility, and auditing

I. Group of companies subject to reporting requirements

Article 1141

1. Ultimate parent companies and unconnected companies

1) Ultimate parent companies, provided that in the consolidated financial statements prepared by them in accordance with Art. 1097 ff. for the last two consecutive financial years, the consolidated sales revenues for each of these years exceed EUR 750 million, must prepare, disclose, and make available an income tax information report for the later of these last two consecutive financial years.

2) A ultimate parent company is no longer required to report income tax in accordance with paragraph 1 if the consolidated revenues based on the consolidated annual accounts prepared by them in accordance with Art. 1097 ff. for the last two consecutive financial years fall below EUR 750 million for each of these last two consecutive financial years.

3) Unrelated companies, provided that in their annual accounts prepared in accordance with Art. 1063 ff. for the last two consecutive financial years, the sales revenues for each of these years exceed EUR 750 million, must prepare, disclose, and make available an income tax information report for the later of these last two consecutive financial years.

4) An unrelated company is no longer required to report income tax in accordance with paragraph 3 if the sales revenue based on the annual accounts prepared by it in accordance with Art. 1063 ff. for the last two consecutive financial years falls below EUR 750 million for each of these last two consecutive financial years.

Article 1142

2. Exceptions

1) Article 1141 does not apply to unaffiliated companies or ultimate parent companies and their affiliated companies if these companies, including their branches, are based exclusively in Liechtenstein and have no branch, permanent establishment, or permanent business activity in any other tax jurisdiction.

2) Article 1141 shall not apply to non-affiliated companies and ultimate parent companies if these companies or their affiliated companies disclose a report in accordance with Article 89 of Directive 2013/36/EU containing information on all their activities and, in the case of ultimate parent companies,

all activities of all affiliated companies included in the consolidated financial statements.

Art. 1143

3. Medium-sized and large subsidiaries with ultimate parent companies from third countries

1) Medium-sized and large subsidiaries pursuant to Art. 1063 ff. with their registered office in Liechtenstein, which are controlled by a supreme parent company not subject to the legal provisions of an EEA member state, must disclose and make available the income tax information of this supreme parent company for the later of these two consecutive financial years, provided that the consolidated sales revenues for each of these years exceed EUR 750 million in the consolidated financial statements prepared by it.of this ultimate parent company for the later of these two consecutive financial years.

2) If the information or report referred to in paragraph 1 is not available, the subsidiary shall request its ultimate parent company to provide it with all the information necessary to enable it to fulfill its obligations under paragraph 1. If the ultimate parent company does not provide all the necessary information, the subsidiary must prepare, disclose, and make available an income tax information report containing all the information it has or has received or obtained, and a statement that its ultimate parent company has not provided the necessary information.

3) Medium-sized and large subsidiaries are no longer required to report income tax in accordance with paragraphs 1 and 2 if the consolidated sales revenue of the ultimate parent company, based on the consolidated financial statements it has prepared for the last two consecutive financial years, is less than EUR 750 million for each of those financial years. Art. 1144

4. Branches of companies from third countries

1) Branches established by a company not subject to the laws of an EEA member state, which has a legal form comparable to those listed in Art. 1063, must disclose and make available the income tax information report of the ultimate parent company or the company not affiliated with the lattercompany for the later of the last two consecutive financial years if the conditions set out in paragraphs 4 and 6(1) are met.

2) If the information or report referred to in paragraph 1 is not available, the person or persons designated to fulfill the disclosure formalities under Article 1152(2) shall request the ultimate parent company or the unaffiliated company referred to in paragraph 6(1) to provide them with all the information necessary to fulfill the legal obligations.

ultimate parent company or the non-affiliated company to provide them with all the information necessary to fulfill their legal obligations.

3) If not all the information required under paragraph 2 is provided, the branch must prepare, disclose, and make available an income tax information report containing all the information it has or has received or obtained, and a statement that the ultimate parent company or the unrelated company has not provided the required information.

4) The reporting obligations under paragraphs 1 to 3 shall only apply to branches whose net turnover for each of the last two consecutive financial years exceeds the net turnover threshold specified in Article 1064(1).

5) However, these reporting obligations no longer apply to a branch that is subject to the reporting obligations under paragraphs 1 to 4 if its net sales revenue for each of the last two consecutive financial years falls below the threshold for net sales revenue specified in Article 1064(1).

6) The provisions of this article shall only apply to a branch if the following criteria are met:

1. The company that established the branch is either an affiliated company of a group whose ultimate parent company is not subject to the legal provisions of an EEA member state and whose consolidated annual accounts for the last two consecutive financial years show consolidated sales revenues for each of these years exceeding EUR 750 million, or an unaffiliated company whose annual accounts show turnover for each of the last two preceding financial years exceeding EUR 750 million.
2. The ultimate parent company referred to in paragraph 1 does not have any medium-sized or large subsidiaries within the meaning of Art. 1143.

7) A branch is no longer subject to the reporting requirements under paragraphs 1 to 4 if the criterion set out in paragraph 6, item 1 has not been met in the last two consecutive financial years.

Article 1145

5. Exempting income tax information reports

Articles 1143 and 1144 shall not apply if an income tax information report has been prepared by a ultimate parent company or an unaffiliated company that is not subject to the laws of an EEA Member State in a manner consistent with Articles 1147 to 1150 and meets the following criteria:

1. It is made available to the public free of charge and in an electronic reporting format that is machine-readable in the following form:
a) on the website of that ultimate parent company or that unrelated company;
b) in at least one official language used in the EEA Member States;
c) no later than twelve months after the balance sheet date of the financial year for which the report was prepared.
2. The report shall indicate the name and registered office of each individual subsidiary governed by the laws of an EEA Member State or the name and address of each individual branch governed by the laws of an EEA Member State which has disclosed a report in accordance with Article 1151(1).
Article 1146
6. Circumvention of reporting requirements
If subsidiaries or branches are not subject to Articles 1143 and 1144 but serve no purpose other than to circumvent the reporting obligations set out in this section, they are nevertheless required to disclose and make available an income tax information report.
II. Contents of the income tax information report
Art. 1147
1. Required information
1) The income tax information report to be prepared in accordance with Art. 1141 to 1146 contains information on all activities of the unconsolidated company or the ultimate parent company, including the activities of all affiliated companies included in the consolidated financial statements for the relevant financial year.
2) The information referred to in paragraph 1 shall include the following:
1. the name of the ultimate parent company or the unrelated company, the financial year in question, the currency used in the report and, where applicable, a list of all subsidiaries included in the consolidated financial statements of the ultimate parent company for the financial year in question and established in EEA Member States or in tax jurisdictions designated by the government in accordance with Article 48c(2)(a) a of Directive 2013/34/EU;
2. a brief description of the nature of their activities;
3. the number of employees in full-time equivalents;
4. income, which includes the following:
a) the sum of the following items in the income statement in accordance with Art. 1079 and 1080: net sales revenue, other operating income, income from investments

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with the exception of dividends received from affiliated companies, income from other securities and fixed assets, other interest and similar income; or
b) income as defined by the accounting principles on the basis of which the annual financial statements are prepared, excluding value adjustments and dividends received from affiliated companies;
5. the amount of annual profit or loss before income taxes;
6. the amount of income tax still payable for the relevant financial year, calculated on the basis of current tax expenses on taxable profits or losses in the relevant financial year of companies and branches in the respective tax jurisdiction;
7. the amount of income tax paid on a cash basis, calculated on the basis of the amount of income tax paid by companies and branches in the respective tax jurisdiction in the relevant financial year; and
8. the amount of retained earnings at the end of the relevant financial year.
3) The following clarifications apply to paragraphs 2(4), (6), (7), and (8):
1. income within the meaning of paragraph 2, items 4, 6, 7, and 8 also includes transactions with related companies and persons;
2. current tax expenses within the meaning of paragraph 2, item 6 refer only to the activities of a company in the relevant financial year and do not include deferred taxes or provisions for uncertain tax liabilities;
3. Taxes already paid within the meaning of paragraph 2, item 7 include withholding taxes paid by other companies in relation to payments to companies and branches within a group.
4. Retained earnings within the meaning of paragraph 2(8) refer to the sum of profits from previous financial years and the current financial year for which no profit distribution has yet been decided. With regard to branches, retained earnings are those of the company that established the branch.
4) The information referred to in paragraph 2 may also be provided on the basis of the reporting requirements under CbC legislation.
Art. 1148
2. Breakdown and allocation of information
1) The information referred to in Art. 1147 shall be provided using a common template and machine-readable formats; the EU Commission shall specify the template and formats in implementing acts to Directive 2013/34/EU.

2) The income tax information report shall disclose the information referred to in Art. 1147 separately for each EEA Member State. If an EEA Member State comprises several tax jurisdictions, the information shall be aggregated at the level of the EEA Member State.
3) The income tax information report shall also disclose the information specified in Article 1147 separately for each tax jurisdiction that is designated by the government as a tax jurisdiction subject to the regulation on March 1 of the fiscal year for which the report is to be prepared, taking into account Article 48c(5)(a) of Directive 2013/34/EU, and shall provide this information separately for each tax jurisdiction that is subject to the regulation on March 1 of the fiscal year for which the report is to be prepared. 2, subparagraph 1, of Directive 2013/34/EU, and provides this information separately for each tax jurisdiction that, on March 1 of the financial year for which the report must be prepared, and on March 1 of the preceding financial year, as a tax jurisdiction determined by the government in accordance with Art. 48c (5) subparagraph 2, second sentence, of Directive 2013/34/EU.
4) The income tax information report also shows the information specified in Art. 1147 for tax jurisdictions other than those referred to in paragraph 3 on an aggregated basis.
5) The information is allocated to the respective individual tax jurisdictions on the basis of a branch, the existence of a permanent establishment or a permanent business activity that may be subject to income tax in the relevant tax jurisdiction due to the activities of the group or the unrelated company.
6) Where the activities of several associated enterprises in a single tax jurisdiction may be subject to income tax, the information attributed to that tax jurisdiction shall be the sum of the information relating to the activities of each associated enterprise and its branches in that tax jurisdiction.
7) Information relating to a specific activity shall not be attributed to more than one tax jurisdiction at the same time.

Art. 1149

3. Conditions for omitting information

1) One or more specific items of information that must be disclosed in accordance with Art. 1147 may be temporarily omitted from the income tax information report if their disclosure would significantly disadvantage the market position of the companies to which the report relates. Any omission of such information shall be clearly indicated in the report, together with a proper justification for the omission.

2) All information that has not been included in accordance with paragraph 1 must be disclosed in a subsequent income tax information report no later than five years after the original omission.
3) The information on the tax jurisdictions determined by the government by ordinance in accordance with Art. 1148 para. 3 must never be omitted.
Article 1150
4. Currency, currency conversion, and reporting format used
1) The income tax information report may, where applicable at group level, contain an overall description explaining any significant discrepancies between the amounts disclosed in accordance with Art. 1147 para. 2 nos. 7 and 8, taking into account the corresponding amounts for previous financial years where applicable.
2) The currency used in the income tax information report corresponds to the currency in which the consolidated financial statements of the ultimate parent company or the annual financial statements of the unconsolidated company are prepared. The report must be disclosed in the currency used in the financial statements.
3) In the case of Art. 1143 para. 2, however, the currency used in the income tax information report corresponds to the currency in which the subsidiary discloses its annual financial statements.
4) The thresholds under Art. 1143 and 1144 are converted into the local currency of all relevant third countries at the exchange rate of December 21, 2021, and rounded to the nearest thousand.
5) The income tax information report must state whether it was prepared in accordance with Art. 1147 para. 2 or 4.
Art. 1151
III. Disclosure and accessibility of the income tax information report
1) The income tax information report and the declaration pursuant to Art. 1144 para. 3 shall be disclosed within twelve months of the balance sheet date of the financial year for which the report is prepared.
2) The income tax information report and the declaration pursuant to Art. 1144 para. 3 shall be made available to the public free of charge in at least one of the official languages of the EEA Member States no later than twelve months after the balance sheet date of the financial year for which the report is prepared, on the website:
1. of the company, provided that Art. 1141 applies;
2. the subsidiary or an affiliated company, if Art. 1143 applies; or
3. the branch or the company that established the branch, or an affiliated company, if Article 1144 applies.

3) The report referred to in Articles 1141 and 1143 to 1146 and, where applicable, the statement referred to in Article 1143(2) and Article 1144(3) shall remain available on the relevant website for at least five consecutive years.

Article 1152

IV. Responsibility for preparing, disclosing, and making available the income tax information report

1) The members of the administrative, management, and supervisory bodies of the ultimate parent companies or unconnected companies pursuant to Art. 1141 shall, within the scope of their responsibilities as assigned to them by law, bear joint responsibility for ensuring that the income tax information report pursuant to Art. 1141 to 1151 is prepared, disclosed, and made accessible.

2) The members of the administrative, management, and supervisory bodies of the subsidiaries referred to in Art. 1143, which fulfill the disclosure formalities for branches in accordance with Art. 1144, shall, within the scope of their responsibilities as assigned to them by law, be jointly responsible for ensuring, to the best of their knowledge and ability, that the income tax information report is prepared in accordance with Art. 1141 to 1150, as applicable, or in accordance with the aforementioned articles, and that it is submitted to the competent authority in accordance with Art. 1145.is prepared in a manner consistent with Articles 1141 to 1150, as applicable, or in accordance with the aforementioned articles, and disclosed and made available in accordance with Article 1151.

Art. 1153

V. Auditor's statement

In cases where the annual report of a company subject to the law of an EEA member state must be audited by one or more auditors or auditing firms, the audit opinion must state whether, for the financial year preceding the financial year for which the audited annual reports were prepared, the company was required under Articles 1141 to 1146 to disclose an income tax information report and, if so, whether that report was disclosed in accordance with Article 1151.

Final section

Introductory and transitional provisions

§ 1

A. Reference

Articles 1 to 4 of the transitional provisions on property law shall apply mutatis mutandis.

B. Individuals

§ 2

I. Legal capacity

1) Legal capacity shall be assessed in all cases in accordance with the provisions of the new law.

2) However, anyone who had legal capacity under the previous law at the time this Act came into force but would not have legal capacity under the provisions of the new law shall continue to be recognized as having legal capacity after that date.

3) Paragraph 2 of Article 12 shall only enter into force when new family law has been enacted.

§ 3

II. Women

1) Repealed

2) Repealed

3) Repealed

4) Repealed

5) Repealed

6) Repealed

7) Persons of the female sex may, in all cases, act as witnesses, such as witnesses to documents, in the same way as persons of the male sex.

8) This amends in particular § 591 of the General Civil Code in the version pursuant to § 2 lit. c of the introductory patent on inheritance law of April 6, 1846, No. 3877, with the proviso that it applies to all estates that have not been legally settled at the time this law comes into force.

§ 4

III. Illegitimate

1) The provision of Art. 485 para. 3 of this Act shall also apply in favor of children who are still alive at the time of its entry into force, whose parents are not married to each other and who were previously excluded from this right, and their descendants.

2) Until a new inheritance law is enacted, § 754 of the General Civil Code shall read as follows:
"Illegitimate blood relatives shall be treated as legitimate relatives in matters of inheritance law on the maternal side.
There is no right of inheritance in the paternal line."
3) This provision shall apply to probate proceedings that have not yet been legally concluded on the date of entry into force of this Act.

IV. Disappearance

§ 5

1. In general

1) After this Act comes into force, declarations of absence shall be subject to the provisions of the new law.
2) After this law comes into force, declarations of death under the previous law shall have the same effect as declarations of disappearance under the new law, although the consequences that occurred under the previous law prior to this date, such as inheritance or dissolution of marriage, shall remain in force.
3) Any proceedings pending at the time of the entry into force of the new law shall be recommenced in accordance with the provisions of this law, taking into account the time that has elapsed, or, at the request of the parties involved, shall be completed in accordance with the previous procedure and in compliance with the previous time limits.

2. Effects

§ 6

a) Marriage

1) If one spouse is declared missing, the other spouse may only enter into a new marriage if the previous marriage has been dissolved by a court.
2) The dissolution of the marriage may be requested at the same time as the declaration of missing or in a separate proceeding.
3) The same provisions apply to the proceedings as to separation (Section 112 of the General Civil Code).

b) Inheritance law

§ 7

aa) Inheritance of a missing person

1) If a person is declared missing, the heirs or beneficiaries must provide security for the return of the assets to those with a better claim or to the missing person themselves before the inheritance is handed over.
2) This security shall be provided for five years in the case of disappearance in mortal danger and for 15 years in the case of absence without notice, but in no case longer than until the date on which the missing person would have reached the age of 100.

3) The five years are calculated from the date of delivery of the inheritance and the 15 years from the last news.
4) If the missing person returns, or if persons with better rights assert their claims, the persons admitted to the inheritance must surrender the inheritance in accordance with the rules of possession.
5) If they are acting in good faith, they are only liable to the more entitled persons during the period of the inheritance claim.
§ 8
bb) Inheritance rights of the missing person
1) If the life or death of an heir cannot be proven at the time of inheritance because they have disappeared, their share shall be placed under official administration.
2) The persons who would have received the missing person's share of the inheritance in the absence of the missing person shall have the right, one year after the disappearance in great danger of death or five years after the last news of the missing person, to apply to the judge for a declaration of disappearance and, after this has been made, for the handover of the share.
3) The share shall be handed over in accordance with the provisions governing the handover to the heirs of a missing person.
§ 9
cc) Relationship between the two cases
1) If the heirs of the missing person have already obtained access to his or her assets, his or her co-heirs may, if he or she is entitled to an inheritance, invoke this and demand the assets accrued without the need for a new declaration of absence.
2) Similarly, the heirs of the missing person may invoke the declaration of absence obtained by his or her co-heirs.
§ 10
dd) Ex officio proceedings
1) If the assets or inheritance of a missing person have been under official administration for ten years, or if the person would have reached the age of 100, the declaration of absence shall be issued ex officio at the request of the competent authority.
2) If no entitled persons come forward within the notification period, the assets shall fall to the poor relief fund of the home municipality or the home municipality itself or, if the missing person never resided in Liechtenstein or is a foreigner, to the country.
3) The same obligation to repay applies to the missing person themselves and to those with a better claim than the appointed heirs.
§ 11

V. Adoption
Repealed
C. Guardianship law
Sections 12 to 14
Repealed
Sections 15 to 21
Repealed
IV. Procedure
Sections 22 to 25
Repealed
Section 26
5. Reference
Repealed
V. End of guardianship
§ 27
1. In the case of minors and convicted persons
Repealed
2. In other cases of guardianship
Sections 28 to 30
Repealed
§ 31
D. Legal entities
1) Legal entities that have acquired legal personality under the previous law retain it under the new law, even if, according to the provisions of the new law, they would not have acquired legal personality or would have acquired it only in a different legal form.
2) However, existing legal entities whose creation requires entry in the public register under the provisions of this Act must make this entry within ten years of the new law coming into force, even if this was not required under the previous law, and will no longer be recognized as legal entities after this period has expired without entry.
3) The regional court must draw attention to this provision by means of public announcements in the course of the last year before the expiry of this period.
4) The content of personality shall be determined for all legal entities in accordance with the new law as soon as this law comes into force.
5) Insofar as, at the time of the entry into force of this Act, there is a legitimate practice that deviates from Art. 486 para. 2, it shall be recognized but may no longer be established.

6) Article 141 shall also apply mutatis mutandis to associations dissolved before this Act enters into force.
7) Official asset management for foundations established after the entry into force of this Act shall only take place if it is permissible under the new law.
8) When the laws refer to moral persons, moral bodies, corporations, or similar relationships, this shall be understood to mean legal persons, unless the obvious meaning of a provision indicates otherwise.
9) Obtaining a license (police permit) is only necessary where required by law, and the legal, statutory, or other provisions concerning state supervision or a state commissioner or similar shall cease to have effect upon the entry into force of this Act.

§ 32

E. Companies without legal personality

1) Companies without legal personality established before the entry into force of this Act shall be assessed with regard to their establishment and legal status prior to that date in accordance with the old law and, after the entry into force of this Act, in accordance with the new law.
2) Where the previous law refers to a "general partnership," this shall be understood to mean a collective partnership that conducts a commercial business under the new law.
3) Whether the terms "company" or "association" used in laws or regulations prior to the entry into force of this Act refer to a legal entity, a company without legal personality, or any other association must be determined on a case-by-case basis.

§ 33

F. Commercial companies and merchants

1) Where reference is made to commercial companies in previous law, this shall include, unless the meaning of the individual provisions indicates otherwise, general partnerships (open commercial partnerships), limited partnerships, stock corporations, and limited stock corporations, but insofar as commercial companies established under the new law are concerned, this shall be understood to mean companies with legal personality and equivalent associations and companies without legal personality with business names.
2) Where other laws or regulations refer to merchants, traders, or similar persons, these shall in future be understood to mean those who, under this law, as a result of operating a commercial, manufacturing, or

other commercial business, regardless of whether they conduct commercial transactions on a commercial basis, and the companies designated under paragraph 1 in accordance with the new law.

§ 34

G. Representative and trustee

1) The provisions of this Act concerning the appointment of representatives shall apply to associations, partnerships and limited partnerships existing at the time of its entry into force, provided that the conditions for mandatory appointment are met.

2) The representatives must be appointed within one year of this law coming into force at the latest. However, the government may extend this period appropriately or order that older companies do not have to appoint such representatives.

3) The provisions on tacit fiduciary relationships apply in particular to indirect representation, contracts for services in favor of a third party, transfers by way of security, fiduciary legal transactions, the administrator of the estate, reversionary succession and substitute succession, the reversionary legacy and substitute legacy, and similar legal relationships.

H. Obligations Code

§ 35

I. General provisions

1) With regard to persons and companies that operate a commercial business, the general provisions of the Code of Obligations within the meaning of this Act and property law are primarily those of the Commercial Code on commercial transactions and, subsidiarily and in all other cases, those of the General Civil Code.

2) Where reference is made to damage in this Act, this shall in all cases also include lost profits.

3) In all other respects, the provisions of the Commercial Code shall apply to all companies entered in the commercial register, unless an exception exists.

4) In the case of documents such as promissory notes and the like, which cannot be declared invalid in accordance with the provisions on securities, the obligor may, in return for performance, demand that the obligee declare the invalidity and, if necessary, the repayment of the debt in a public or certified document.

II. Power of attorney

§ 36

1. Commercial and non-commercial power of attorney

1) Anyone who operates a commercial, manufacturing, or other commercially managed business or any other trade, business, or profession may, by entry in the commercial register, appoint authorized signatories with the power to operate the business or trade on behalf of the owner and to sign on behalf of the owner by means of a power of attorney or in a similar manner.
2) Individuals, companies, or associations may be appointed as authorized signatories.
3) The application for entry in the commercial register, the entry itself, and the announcement must contain:
1. the name, profession, and place of residence or company name and registered office of the principal and the authorized signatory;
2. if the power of attorney is to be limited to the branch office or in any other way, a statement to this effect.
4) The authorized signatory must sign the company name or name in such a way that he adds his handwritten signature with an addition indicating the power of attorney, such as "per prokura," to the company name or name written or otherwise attached by anyone.
5) If a company or association is itself the authorized signatory of another company or association, the signature shall be made in accordance with the provisions set out in the general regulations for associations regarding signatures.
§ 37
2. Scope of power of attorney
1) The authorized signatory is deemed to be authorized vis-à-vis bona fide third parties to bind the principal by signing bills of exchange and to perform all types of legal acts in the principal's name that may be necessary for the purpose of the principal's trade or business.
2) The authorized signatory is only authorized to sell and encumber real estate or equivalent rights if this authority has been expressly granted to him or if provided for by law.
§ 38
3. Restrictions
1) The power of attorney may be limited to the business activities of a branch office.
2) It may be granted to several persons for joint signature (collective power of attorney) with the effect that the signature of an individual is not binding without the prescribed cooperation of the others.
3) Restrictions on power of attorney other than those provided for by law shall have no legal effect vis-à-vis bona fide third parties.
§ 39

4. Cancellation

1) The termination of the power of attorney must be entered in the commercial register, even if no entry was made when it was granted under the old law.

2) As long as the cancellation has not been made and announced, the power of attorney remains in force vis-à-vis third parties acting in good faith.

III. Contract law

§ 40

1. In general

1) The effectiveness clause in contracts may also be expressly agreed in favor of monetary payments in Swiss currency; in this case, the debtor may not fulfill its obligations by making payments in Liechtenstein francs.

2) In livestock trading, unless otherwise agreed, the benefits and risks are transferred to the purchaser upon conclusion of the sale.

3) A contract whereby one party undertakes to transfer its future assets or a fraction of its future assets or to encumber them with a usufruct is void.

4) Bar debts and debts arising from the retail sale of alcoholic beverages are not actionable, with the exception of claims for formal banquets, lodging for travelers passing through, and boarders.

2. Performance of contracts for consideration

§ 41

a) In general

The following sections of the ABGB shall read as follows:

1. **§ 918.** If a contract for consideration is not performed by one party at the proper time, in the proper place, or in the stipulated manner, the other party may either demand performance and compensation for the delay or declare its withdrawal from the contract, setting a reasonable deadline for performance.

If performance is divisible for both parties, withdrawal due to delay in partial performance may only be declared with regard to the individual or all outstanding partial performances.

2. **§ 919.** If performance is stipulated at a fixed time or within a fixed period, otherwise withdrawal is permitted, the party entitled to withdraw must, if it wishes to insist on performance, notify the other party without delay after the expiry of the time limit; if it fails to do so, it may no longer insist on performance. The same shall apply if the nature of the transaction or the purpose of the performance known to the obligor indicates that the delayed performance or, in the case of a delay in partial performance, the remaining performances are of no interest to the recipient.

3. **§ 920.** If performance is prevented through the fault of the obligor or by a fortuitous event for which he is responsible, the other party may either claim damages for non-performance or withdraw from the contract. In the event of partial frustration, the other party shall be entitled to withdraw from the contract if the nature of the transaction or the purpose of the performance known to the obligor indicates that the partial performance is of no interest to the other party.

4. **§ 921.** Withdrawal from the contract shall not affect the right to compensation for damages caused by culpable non-performance. Any remuneration already received shall be returned or reimbursed in such a way that neither party profits from the other party's loss.

§ 42

b) In the case of exchange and purchase contracts

The following sections of the ABGB shall read as follows:

§ 1047. The parties to an exchange are obliged by virtue of the contract to hand over and take possession of the exchanged items in accordance with the agreement, with their components and all accessories, at the right time, in the right place and in the same condition in which they were at the time of conclusion of the contract.

§ 1052. Anyone who wishes to insist on delivery must have fulfilled their obligation or be prepared to fulfill it. The party obliged to perform in advance may also refuse to perform until the consideration has been effected or secured if it is jeopardized by the poor financial circumstances of the other party, which they did not have to be aware of at the time of conclusion of the contract.

§ 43

c) Old contracts

The consequences of non-performance of contracts for consideration concluded before this Act came into force shall be determined in accordance with the old law.

§ 44

3. Liability for auxiliary persons

1) Anyone who has their obligation to perform or their right arising from a contractual obligation performed by an auxiliary person, such as a member of their household, worker, or employee, even if authorized to do so, shall compensate the other party for any damage caused by the auxiliary person in the performance of their duties.

2) This liability may be limited or waived by prior agreement.

3) However, if the person waiving liability is in the service of the other party or if the liability arises from the operation of a business licensed by the authorities, liability may only be excluded for slight negligence.

§ 45

4. Acquisition of assets or a business

1) Anyone who takes over an estate or a business with assets and liabilities is automatically liable to the creditors for the associated debts as soon as the transferee has notified the creditors of the takeover or announced it in public journals.

2) However, the previous debtor remains jointly and severally liable with the new debtor for a period of two years, which begins to run for claims due upon notification or announcement and for claims due at a later date upon their becoming due.

3) In all other respects, this assumption of debt has the same effect as the assumption of a single debt.

§ 46

5. Merger, conversion of transactions, division of estates, and purchase of real estate

1) If one business is merged with another through the mutual transfer of assets and liabilities, the creditors of both businesses are subject to the effects of the transfer of assets, and the merged business becomes liable to them for all debts.

2) The same applies in the case of a general partnership or limited partnership with regard to the liabilities of the business that was previously run by a sole proprietor.

3) The special provisions concerning the assumption of debt in the event of the division of an estate and the sale of pledged real estate remain reserved.

IV. Unlawful acts

§ 47

1. Liability of the employer

1) The employer is liable for damage caused by his employees or workers in the course of their official or business duties, unless he can prove that he exercised all due care required under the circumstances to prevent damage of this kind, or that the damage would have occurred even if such care had been exercised.

2) The employer may seek recourse against the person who caused the damage to the extent that that person is liable for damages.

§ 48

Repealed

J. Register

§ 49

I. Civil status register

1) The registers (matriculation records) of civil status maintained to date will continue to be maintained in accordance with the old regulations and with the same effects until the new regulations on the civil register come into force.
2) As long as the marriage register is not regulated by law, its establishment and maintenance, the determination of the facts subject to notification and registration, and the persons subject to notification shall be regulated by ordinance; in this case, the new civil status register law shall apply.
3) The fees for registration, extracts, etc., which are to be paid by the parties, shall also be determined by ordinance; until then, the old law shall apply.
4) Furthermore, the provisions of civil status register law on family law institutions, such as the recognition of paternity and the like, shall only apply after their introduction by the new family law, insofar as they have not yet been introduced by law.
5) Divorce within the meaning of the provisions on civil status registers corresponds to the separation of marriage under the previous law.
6) The authorities previously responsible for keeping the registers shall remain entitled and obliged to issue certificates for births, marriages, and deaths registered until this Act comes into force, unless the registers are surrendered or requested.
7) The keeping of registers for ecclesiastical purposes remains unaffected.

II. Public registers

§ 50

1. In general

1) Until the government instructs the use of the new registers, the commercial register previously maintained shall continue to be maintained as a substitute for the public register, and all entries required or permitted by this Act concerning facts and circumstances shall be made therein, whereby the formal entry in the registers shall be left to the discretion of the registrar.
2) In all other respects, the public register law shall enter into force immediately.
3) Unless the government orders otherwise, the facts and circumstances entered in the commercial register previously maintained shall remain in force without being transferred to the new public register with the same effect as if they had been entered in the latter register.
4) Wherever the commercial register is mentioned in laws and regulations, the public register shall replace it as the commercial register.
5) Repealed

§ 51

2. Annotation of matrimonial property agreements

1) Until regulations on the matrimonial property register are enacted, the following provisions shall replace Art. 996:

2) Those of the spouse of the owner of a sole proprietorship, with the exception of the owner of a limited liability sole proprietorship, a partner in a general partnership, or a partner with unlimited liability in a limited partnership, a limited partnership with share capital, a limited partnership with a limited liability partnership, or a limited partnership with a limited liability partnership, must, in order to be legally effective vis-à-vis the creditors of the enterprise, upon notification by one of the parties involved in the relevant entry in the public register, regardless of whether the matrimonial property agreements were concluded before or after the registration of the company.

3) These rights shall only be effective vis-à-vis the aforementioned creditors from the date of the completed entries, regardless of whether they have been made aware of them or not.

4) In the event of insolvency proceedings, the claims of the creditors of the company that arose before the annotation in the public register take precedence over the claims arising from a matrimonial property agreement.

5) The preceding provisions on matrimonial property agreements shall also apply to any amendment thereto, whether made by the parties or by legal action.

6) The application for registration and the entry and publication must contain: the date of the contract, the surname, first name, status, and place of residence of the wife, and the date of its entry.

7) The provisions established for the wife shall apply mutatis mutandis if the conditions apply to the husband.

§ 52

Repealed

§ 53

Repealed

M. Penal provisions

I. Defamation

Sections 54 to 59

Repealed

§ 60

6. Common provisions for all defamation

1) If the defamation occurred in a newspaper or magazine, it shall be considered a misdemeanor and, at the request of the applicant, the court may order that the judgment be published in public newspapers at its discretion.

2) Repealed

Section 61

II. Minor bodily injury, etc.

Repealed

§ 62

III. For sole proprietors with limited liability

Repealed

§ 63

IV. Trustees

If a settlement reveals a shortfall that the actual trustee cannot immediately cover from their own funds, the trustee is also subject to the criminal law provisions on embezzlement of third-party property.

§ 64

V. Cruelty to animals

Repealed

VI. Administrative offenses; violations

§ 65

1. Civil status and commercial register

1) Anyone who fails to register facts and circumstances relating to birth, death, or marriage that are subject to registration in accordance with the provisions of civil status register law may be fined up to CHF 500 by the registrar in accordance with administrative procedure, with the decision or order being upheld.

2) If persons of the clergy are registrars, the government shall be responsible for imposing fines in the first instance, but the registrars shall be required to report the offense.

3) Anyone who intentionally fails to comply with their obligation to register with the commercial register shall be punished by the Office of Justice, upon request or ex officio, with an administrative fine of up to CHF 5,000. If the offender acts negligently, the administrative fine shall be up to CHF 1,000.

4) This administrative fine may continue to be imposed until either the registration has taken place or proof has been provided that there is no obligation to register.

5) Furthermore, the legal consequences arising under the provisions governing the commercial register remain unaffected.

§ 66

2. Accounting, auditing, disclosure, retention, and registration obligations

1) Upon request or ex officio, the district court shall impose an administrative fine of up to CHF 10,000 in non-contentious proceedings, or an administrative fine of up to CHF 5,000 in cases of negligence, on anyone who:

1. fails to comply with the obligation to keep business records or their substitutes and to retain them together with business letters and other business correspondence in any form in accordance with the provisions on accounting;
2. fails to comply with the obligation to carry out an audit or a review in accordance with the provisions on the audit and review obligation (Art. 1058 f.).

2) If the obligation to disclose or other obligations pursuant to the provisions of Art. 1122 to 1130 are not complied with, the association shall be punished by the Office of Justice in administrative proceedings with a fixed penalty of CHF 1,000 or, in the case of micro-companies (Art. 1064 para. 1a), CHF 500.

2a) Anyone who intentionally fails to comply with their obligation under Art. 182a para. 2 to make the business books or records and supporting documents available at the registered office of the association within a reasonable period of time shall be punished by the district court, upon request or ex officio, in non-contentious proceedings with a fixed penalty of up to CHF 5,000. If the offender acts negligently, the fixed penalty shall be up to CHF 1,000. This shall apply mutatis mutandis to the trustees of a trust (Art. 923 para. 1).

2a) Anyone who intentionally fails to comply with their obligation under Art. 182a para. 2 to make their business records or documents and supporting documents available at the registered office of the association within a reasonable period of time, or who fails to comply with this obligation in full, shall be punished by the district court, upon request or ex officio, in non-contentious proceedings with a fixed penalty of up to CHF 5,000. If the offender acts negligently, the fixed penalty shall be up to CHF 1,000. This provision shall apply mutatis mutandis to the breach of the obligations under Art. 899a para. 4 and Art. 923 para. 2 by the trustee of a trust.

2b) Anyone who intentionally fails to comply with their obligations under Art. 142 para. 1a, Art. 182 para. 3 or Art. 247a para. 1, 2, or 3 intentionally fails to fulfill their obligations or fails to fulfill them in a timely manner, or fails to fulfill them completely or correctly in terms of content, shall be punished by the district court, upon request or ex officio, in non-contentious proceedings with an administrative fine of up to CHF 5,000. If the offender acts negligently, the administrative fine shall be up to CHF 1,000.

3) The administrative fines under paragraphs 1, 2, 2a, and 2b may be imposed repeatedly until either the obligations under paragraphs 1, 2, 2a, or 2b have been fulfilled or proof has been provided that an obligation under paragraphs 1, 2, 2a, or 2b does not exist.

4) If the obligations contained in paragraphs 1 or 2a are not fulfilled in the business operations of a legal entity, the penalty provision shall apply to the directors, authorized representatives, liquidators, or members of the administrative bodies who have failed to comply with the obligation.

5) If the acts are committed in the business operations of a company without legal personality, the penalty provision shall apply to the guilty partners or responsible third parties.

6) Criminal prosecution remains reserved.

7) These provisions shall apply mutatis mutandis if other forms of companies or legal entities permitted under this Act are formed.

§ 66a

3. Declaration obligation

Repealed

§ 66b

4. Information on letters, order forms, and websites

1) If the obligation set out in Art. 120a to comply with certain information on letters, order forms, and websites is not fulfilled, the association or branch office shall be punished by the district court, upon request or ex officio, in non-contentious proceedings with a fine of up to 5,000 Swiss francs.

2) This administrative fine may be imposed repeatedly until the legal requirement is met.

§ 66c

5. Registration, filing, and declaration requirements for foundations

1) Upon notification by the foundation and trust supervisory authority, the district court may impose a fine of up to CHF 10,000 in non-contentious proceedings on any member of the foundation board who:

1. fails to register a foundation with the commercial register in contravention of Art. 552 § 19 para. 5; or

2. fails to file a notice of establishment with the Office of Justice in contravention of Art. 552 § 20 para. 1 in conjunction with para. 2 or a notice of amendment in contravention of Art. 552 § 20 para. 3.

2) The administrative fine pursuant to para. 1 may continue to be imposed until the legal situation has been rectified.

3) Anyone who intentionally makes a false statement pursuant to Art. 552 § 20 (1) in conjunction with (2) or pursuant to Art. 552 § 20 (3) shall be punished by the district court for a misdemeanor with a fine of up to 50,000 Swiss francs, or, if the fine cannot be collected, with imprisonment for up to six months. If the offender acts negligently, he or she shall be punished by the district court for a misdemeanor with a fine of up to 20,000 Swiss francs or, if the fine cannot be collected, with imprisonment for up to three months.

4) Similarly, pursuant to paragraph 3, anyone who, as a lawyer, trustee, or holder of an authorization pursuant to Art. 180a, intentionally or negligently issues an incorrect confirmation of the information pursuant to Art. 552 § 20 para. 1 in conjunction with para. 2 or pursuant to Art. 552 § 20 para. 3 shall be punished.

5) Disciplinary measures remain reserved.

§ 66d

6. Deposit of bearer shares

1) Upon notification by the Office of Justice, the Regional Court may impose a fine of up to CHF 10,000 in non-contentious proceedings on anyone who intentionally:

1. as a custodian, violates the obligations to keep the register in accordance with Art. 326c para. 1;
2. as a custodian, issues an incorrect confirmation of the deposit of bearer shares in accordance with Art. 326c para. 6;
3. as a custodian, issues bearer shares contrary to Art. 326e; or
4. as a person who has carried out the audit or review, issues an incorrect confirmation in accordance with Art. 326i para. 1 or fails to submit a report in accordance with Art. 326i para. 2.

2) The administrative fine pursuant to para. 1 may continue to be imposed until the legal situation has been restored.

2a) If the custodian was appointed in accordance with Art. 326b para. 3, the administrative fine under para. 1 shall be imposed on the relevant association.

3) If the offender acts negligently, the administrative fine shall be up to 5,000 Swiss francs.

§ 66e

7. Maintenance of the share register

1) Upon request or ex officio, the district court may impose a fixed penalty of up to CHF 10,000 in non-contentious proceedings on anyone who, as a responsible body of the company, intentionally:

1. violates the obligation to keep the share register in accordance with Art. 328 para. 1;
2. contrary to Art. 329a para. 1, fails to ensure that an electronically maintained share register can be made readable at any time; or
3. fails to keep the share register at the company's registered office in contravention of Art. 329a para. 2.

2) The administrative fine under para. 1 may be imposed repeatedly until the legal requirement is met.

3) If the offender acts negligently, the administrative fine shall be up to CHF 5,000.

§ 66f

8. Participation of shareholders in stock corporations listed on the EEA stock exchange

Upon notification by the Office of Justice, the district court shall impose an administrative fine of up to CHF 25,000 in non-contentious proceedings on anyone who:

1. as an intermediary, violates their information disclosure obligations under Art. 367b para. 2 or 3;

2. as an intermediary or company, violates the information disclosure obligations under Art. 367c para. 1, 2, 4, or 5;
3. as an intermediary, violates its obligations to facilitate the exercise of shareholder rights under Art. 367d para. 1 or fails to forward the confirmation under para. 4 without delay to the shareholder, the third party designated by the shareholder, or the next intermediary in the chain;
4. as an intermediary, violates its disclosure obligations under Art. 367e para. 1 or violates the prohibition under para. 2 against charging discriminatory or unreasonable fees;
5. as an intermediary or company, processes personal data contrary to Art. 367f para. 1 or stores it for longer than twelve months contrary to Art. 367f para. 2;
6. as an institutional investor or asset manager, violates the obligation to develop a participation policy in accordance with Art. 367h para. 1 or its disclosure obligations in accordance with Art. 367h paras. 1 to 4;
7. as an institutional investor, violates its disclosure obligations under Art. 367i;
8. as an asset manager, violates its disclosure obligations under Art. 367k;
9. as a proxy advisor, contrary to Art. 367l para. 3, fails to make information publicly available or fails to make it publicly available for at least three years, or contrary to Art. 367l para. 4, fails to provide information, provides it incorrectly, incompletely, or untimely;
10. as a company, fails to establish a compensation policy in accordance with Art. 367m (1) to (4), violates the obligations under Art. 367m (5) in the event of changes to the compensation policy, or fails to submit the compensation policy to the general meeting for a vote in accordance with Art. 367n (1);
11. as a company, fails to prepare a remuneration report in accordance with Art. 367o paras. 1 and 2, fails to submit it to the general meeting for a vote in accordance with Art. 367p para. 1, or fails to make it publicly available for at least ten years in contravention of Art. 367q para. 1;
12. if the company includes data in the remuneration report contrary to Art. 367o para. 3, or uses this data for purposes other than those specified in Art. 367o para. 4, or continues to make this data publicly available for ten years from the publication of the remuneration report contrary to Art. 367o para. 5;
13. as a company, fails to submit a material transaction with a related company or related person to the supervisory board or the general meeting for approval in accordance with Art. 367r para. 1, or fails to make an announcement in accordance with Art. 367r para. 4 or 7, or makes an announcement that is incorrect, incomplete, or untimely.

§ 66g

9. Gender representation (only valid from the date of adoption of EEA Directive [EU] 2022/2381)

1) Upon request or ex officio, the regional court may impose a fine of up to CHF 10,000 in non-contentious proceedings on anyone who, as a responsible body of a stock corporation listed on the EEA stock exchange, intentionally:

1. violates the requirements under Art. 367u para. 1 or 2 when selecting a candidate;

2. violates the reporting or publication obligations under Art. 367v.

2) The administrative fine under para. 1 may be imposed repeatedly until the legal situation has been restored.

3) If the offender acts negligently, the administrative fine shall be up to CHF 5,000.

§ 66g (will probably be renumbered with the adoption of EEA Directive [EU] 2022/2381)

9. Registration, deposit, and declaration obligations for trusteeships

1) The district court may, upon notification by the Office of Justice or ex officio in non-contentious proceedings, impose a fixed penalty of up to CHF 10,000 on anyone who intentionally:

1. fails to register a trust relationship in the commercial register in accordance with Art. 900 para. 1 or to deposit a copy or certified copy of the trust deed in accordance with Art. 902 para. 1, or fails to do so within the prescribed period;

2. fails to register a change to a fact entered in the commercial register in accordance with Art. 900 para. 3, or fails to do so within the specified time limit;

3. fails to deposit a certified copy or certified transcript of a document amending the trust deed in accordance with Art. 902 para. 1, or fails to do so within the prescribed period;

4. deposits a copy or certified copy of the trust deed of a charitable trust contrary to Art. 902 para. 3; or

5. fails to notify the foundation and trust supervisory authority of a charitable trust, contrary to Art. 902a, or fails to do so within the prescribed time limit.

2) If the offender acts negligently, the administrative fine under para. 1 shall be up to 5,000 Swiss f

3) The administrative fine under paragraph 1 may be imposed repeatedly until the legal situation has been restored.

4) The district court shall impose a fine of up to CHF 50,000 for a violation, or, in the event of non-recoverability, with a prison sentence of up to six months, for anyone who intentionally provides incorrect information pursuant to Art. 900 para. 2 nos. 1 to 5 or an incorrect confirmation pursuant to Art. 900 para. 2 no. 6. If the offender acts negligently, he or she shall be punished by the district court with a fine of up to CHF 20,000 for a misdemeanor, or with imprisonment of up to three months in the event of non-recovery.

5) After granting a grace period of 30 days, the Office of Justice must notify the district court if:

1. a representative:

a) contrary to Art. 900 para. 2 no. 5, has not been registered in the commercial register or has not been registered in accordance with the statutory provisions; or

b) contrary to Art. 899a para. 1 no. 5 and Art. 902 para. 1, has not been filed in a certified copy or certified transcript of the trust deed or an amendment deed, or has not been filed in accordance with the statutory provisions;

2. it is a trusteeship to be entered in the commercial register in accordance with Art. 900 and, contrary to Art. 900 para. 2 no. 6, the trustee's confirmation of the appointment of at least one person entitled to information and one successor has not been submitted; or

3. it is a trusteeship pursuant to Art. 902 that does not need to be entered in the commercial register and:

a) contrary to Art. 899a para. 2 no. 2 and Art. 902 para. 1, no copy or certified copy of the trust deed designating at least one person entitled to information and one successor has been filed; or

b) contrary to Art. 902 para. 2, the trustee's confirmation of the designation of at least one person entitled to information and one successor has not been submitted.

6) In the cases referred to in para. 5, nos. 2 and 3, the notification to the regional court may also be made by a party to the trusteeship.

7) In the event of violations pursuant to paragraph 5, the regional court shall appoint:

1. a representative in accordance with Art. 239 in the cases referred to in para. 5 no. 1;

2. an auditor as a court-appointed person entitled to information within the meaning of Art. 928c in the cases referred to in para. 5 nos. 2 and 3.

8) Disciplinary measures remain reserved.

Section 66h

10. Obligations concerning the person entitled to information in trusts

1) The district court shall impose a fine of up to CHF 50,000 for violations, or in cases of non-recoverability, a prison sentence of up to six months, on any trustee who intentionally:

1. fails to comply with the reporting obligation under Art. 923 para. 6 or fails to do so within the prescribed time limit;

2. appoints a person entitled to information contrary to the provisions of Art. 928b para. 1;

3. fails to inform a person entitled to information, fails to do so in a timely manner, or fails to provide complete information, contrary to Art. 928b para. 3; or

4. contrary to Art. 928c para. 1 to 3, fails to apply for the appointment of a person entitled to information by the court or fails to do so within the prescribed period.

2) If the offender acts negligently, the fine shall be up to 20,000 Swiss francs. In the event of non-recovery, the offender may be punished with imprisonment of up to three months.

3) Disciplinary measures remain reserved.

§ 67

VII. Legal entities and companies

Insofar as financial penalties may be imposed by a court or in administrative penalty proceedings, legal entities and companies are also subject to them in place of the guilty individuals, but with the right of recourse against the latter.

M. Measures

§ 67a

Prohibition of activities in companies of public interest

1) The regional court may, upon complaint or ex officio in non-contentious proceedings, impose a prohibition on activities in companies of public interest

(Art. 1138g) for a period of up to three years if, in the course of their activities in an administrative or supervisory body of such an undertaking, they have committed a gross violation of Art. 192 or 347a of this Act or Art. 16 and 17 of Regulation (EU) No. 537/2014.

2) The regional court shall inform the Office of Justice and the FMA of the imposition of a prohibition on activities pursuant to paragraph 1.

§ 68

N. Tax law

1. Repealed
2. Repealed
3. Repealed
4. Repealed
5. Repealed
6. For the establishment and transfer of homes, only half of the otherwise prescribed fees (taxes), in particular land registry fees, may be levied if the establishment is carried out by or the transfer is made to residents; the government may grant a full or partial reduction in fees if there are important reasons for doing so.
7. This provision shall apply mutatis mutandis to the establishment or acquisition of limited liability sole proprietorships by nationals and to the fees for commercial register entry of self-help and so-called small cooperatives, small insurance associations, associations, and non-profit institutions and foundations.
8. Repealed
9. Repealed
10. Repealed
11. Repealed
12. Repealed
13. Repealed
14. Repealed

§ 69

O. Building regulations, etc.

1) Repealed

2) In built-up areas, land adjacent to public roads, alleys, and squares may be used for storage purposes up to three meters from the boundary, unless it is separated by a fence, wall, or other means; otherwise, the government may order its removal through administrative proceedings.

3) The government is authorized to carry out observations and recordings of the country's water resources.
§ 70
P. International law
1) Domestic authorities are obliged, upon request from other domestic or foreign authorities, to provide them with information about the law existing in the country.
2) If an authority is not responsible for administering the law in question, it must forward the request to the competent authority, which is then required to provide the information.
3) There is no obligation to provide information on tax matters.
4) Repealed
5) Repealed
6) Repealed
§ 71
Q. Licensing requirement. Asset management
1) Repealed
2) Repealed
3) Repealed
4) The government may authorize institutions other than the Landesbank to issue mortgage bonds on foreign real estate and may issue regulations governing collateral, trustees, penalties, and other necessary matters.
5) The provisions of property law relating to mortgage bonds shall only apply to the extent determined by the government.
6) Repealed
7) Repealed
§ 72
R. Citizenship, etc.
Repealed
§ 72a
1) Insofar as an affidavit or similar document is required before a domestic authority in order to exercise or pursue a right abroad, the district court is authorized and obligated to accept and certify such documents in non-contentious proceedings.
2) Where circumstances under foreign law so require, confirmation may also be obtained from the High Court or its president.
S. Securities
1. Titles

Registered, order, and bearer securities

1. Section

General provisions

§ 73

A. Definition and form of securities

1) A security within the meaning of the law is any document in which a right is certified in such a way that it cannot be exercised, asserted, or transferred to others without the document.

2) Unless the provisions governing securities or the nature of individual securities or the existence of a membership claim provide otherwise, the provisions governing share certificates shall apply mutatis mutandis with regard to form.

3) Repealed

§ 74

B. Obligation arising from the security and its redemption

1) The debtor under a security is only obliged to perform upon presentation and delivery.

2) The debtor shall be released by payment made upon maturity to the creditor who is correctly identified, unless he is guilty of malice or gross negligence.

C. Transfer of the security

§ 75

I. General form

1) The transfer of the security to ownership or to a limited right in rem may always take the form of a written contract being drawn up and the security being handed over.

2) In addition to the transfer of bearer securities by handing over the document, this does not apply to cases where the law or the contract requires the involvement of other persons, such as the debtor, or to the special effects that can only be produced in the case of order securities by endorsement.

II. Endorsement

§ 76

1. Effect

1) Endorsement, in conjunction with the transfer of the endorsed document, has the effect of a declaration of assignment on the document for all transferable securities, unless the content or nature of the document indicates otherwise, and likewise for documents that are not securities.

2) An independent claim, separate from the rights of the endorser, with limitation of the debtor's defenses or liability of the endorser and recourse by the endorser against the prior endorsers, arises from the endorsement only in the case of securities for which the law provides for one or other effect of the endorsement.

3) If the full endorsement and transfer of the endorsed document takes place in the manner mentioned in paragraph 1, but only for the purpose of collection, the creation of a limited right in rem, or the possible assertion of claims arising from the security in the interest of the endorser or a third party, the legal relationship shall also be subject to the provisions governing tacit fiduciary relationships.

§ 77

2. Form

1) Even if the document is not a bearer instrument, endorsement shall be effected in accordance with the provisions of the Bills of Exchange Act.

2) In all cases, the completed endorsement, in conjunction with the transfer of the document, shall be deemed sufficient form of assignment.

D. Declaration of invalidity

Section 78

I. Enforcement

1) If a security is missing, the person who is entitled to it at the time when the loss occurs or is discovered may request its judicial invalidation in non-contentious proceedings.

2) To this end, the applicant must prove his right to the security and the loss or destruction of the document to the judge of the debtor's place of residence or, in the case of securities, to the issuer's place of business.

§ 79

II. Effect and procedure

1) As a result of the declaration of invalidity, the entitled party may assert his right even without the document or demand the issuance of a new document at his own expense.

2) On the day on which the application for the initiation of proceedings for invalidation is filed with the judge, the limitation period shall be interrupted with respect to the applicant.

3) In all other respects, the procedure and effect of the declaration of invalidity are subject to the provisions established for the individual types of securities.

§ 79a

g) Delivery of new documents in the event of damage or defacement

If a security is no longer suitable for circulation due to damage or defacement, the beneficiary of the security may, provided that the essential content and distinguishing features of the document are still clearly recognizable, demand from the issuer (or, where applicable, the company or association) to issue a new document in exchange for the damaged or defaced document and reimbursement of the costs, unless the content of the document or the articles of association or statutes or similar provisions stipulate otherwise.

§ 80

E. Obligation to issue a prospectus

Repealed

§ 80a

Repealed

§ 81

F. Special provisions

The special provisions concerning the individual types of securities, such as bills of exchange, checks, and pledge certificates, including mortgage deeds, remain reserved.

§ 81a

G. Book-entry securities

1) The debtor may issue rights with the same function as securities (book-entry securities) or replace fungible securities with book-entry securities, provided that the terms of issue or the articles of association so provide or the entitled parties have given their consent.

2) The debtor shall keep a register of the securities issued by him, in which the number and denomination of the securities issued and the creditors shall be entered. The securities register may also be kept using trustworthy technologies within the meaning of the TVTG. It shall be organized in such a way that unauthorized interference by the debtor with the rights of creditors is excluded.

3) The securities rights arise upon entry in the securities rights book and exist in accordance with this entry.

4) The transfer of securities or the creation of limited rights in rem thereto shall be effected by entering the acquirer or pledgee in the securities register. If the securities register is maintained using trustworthy technologies within the meaning of the TVTG, the disposal of securities shall be governed exclusively by the provisions of the TVTG.

5) Anyone who acquires securities or rights to securities in good faith from the person entered in the securities register is protected in their acquisition, even if the transferor was not authorized to dispose of the securities.
6) The debtor is only obliged to make payment to the creditor entered in the book-entry register. The debtor is released from liability by making payment to the creditor entered in the book-entry register upon maturity, unless the debtor is guilty of malice or gross negligence.

2. Section

Registered securities

§ 82

A. In general

1) A security is treated as a registered security if it is issued in a specific name and is neither made out to order nor legally declared to be a bearer security.
2) Registered securities can only be transferred to another party by assigning the right and handing over the certificate.
3) The assignment gives the acquirer a personal claim against the assignor for the transfer of the certificate and, from the transfer of the certificate for the purpose of assignment, a personal claim against the transferor for the formal assignment to be carried out.

B. Certificate of creditor's right

§ 83

I. Right and obligation of the debtor

1) The debtor is only obliged to pay the claimant who is the holder of the document and who identifies himself as the person to whom the document is addressed or as his legal successor.
2) If the debtor performs without this proof, he is not released from his obligation to the person who can prove that he is entitled.

§ 84

II. Reservation of proof of identity through possession

1) If the debtor has reserved the right in the bearer instrument to make payment to any holder of the instrument as the entitled creditor, he shall be discharged by making payment in good faith to such a holder, even if he has not demanded proof of the creditor's right.
2) However, he is not obliged to recognize the holder as his creditor without such proof.
3) Otherwise, such a security is also subject to the provisions governing registered securities.

§ 85

III. Transfer of a bearer security to a specific name

1) A bearer security may only be transferred to a registered security with the consent of the debtor, which must be noted on the document itself.
2) Without this note, a transfer shall only be effective between the creditor who made it and his immediate successor in title.
§ 86
C. Invalidation of registered securities
1) Unless special provisions have been established, registered securities shall be invalidated in accordance with the provisions governing the invalidation of bearer securities, with the exception that the notification period shall be set at a minimum of three months.
2) The debtor of the registered security may reserve the right in the document to make valid payment even without presentation of the document and without declaration of invalidity if the creditor declares the invalidity of the promissory note and repayment of the debt in a public or certified document.
3) In accordance with the provisions governing registered securities, the savings bank passbooks or booklets issued by the Landesbank shall be declared invalid.
3. Section
The order documents
A. In general
§ 87
I. Requirements
1) A security is treated as a bearer instrument if it is made out to order.
2) A bill of exchange is also a bearer instrument if it is not expressly issued to order.
§ 88
II. Defenses of the debtor
The debtor under a bearer instrument may only raise defenses that arise from the existence and content of the instrument or that are directly available to him against the plaintiff.
B. Bill-like instruments
§ 89
I. Instructions in general
Instructions that are not designated as bills of exchange or checks in the text of the document but are expressly made out to order and otherwise meet the requirements of a drawn bill of exchange are equivalent to drawn bills of exchange.
§ 90
II. No obligation to accept
1) These instructions to order shall not be presented for acceptance.

2) If they are presented and acceptance is refused, the holder shall not be entitled to recourse.

§ 91

III. Consequences of acceptance

1) However, if such an order is voluntarily accepted, the acceptor of the order is equivalent to the acceptor of the drawn bill of exchange.

2) However, the holder may not seek recourse before maturity if insolvency proceedings have been opened against the assets of the drawee, or if the drawee has suspended payments, or if enforcement against his assets has been unsuccessful.

3) Similarly, the holder is not entitled to recourse before maturity if insolvency proceedings have been opened against the assets of the payer.

Section 92

IV. No bill of exchange procedure

The provisions of the Code of Civil Procedure governing proceedings in bill disputes shall not apply to this order to pay, even insofar as it concerns the obligation of a possible acceptor.

§ 93

V. Promises to pay to order

1) Promises to pay which are not referred to as bills of exchange in the text of the document but are expressly made to order and otherwise meet the requirements of a bill of exchange shall be treated as bills of exchange.

2) However, the provisions applicable to promissory notes regarding payment on demand do not apply to these payment promises to order.

3) The provisions of the Code of Civil Procedure on proceedings in bill disputes shall not apply.

§ 94

C. Other negotiable instruments

1) Documents in which the signatory undertakes to make certain payments of money at a specified place, time, and amount, or to deliver certain quantities of fungible goods, or which embody transferable rights in rem, personal rights, or membership rights, may be transferred by endorsement if they are expressly made out to order.

2) For such documents, as well as for all other negotiable instruments, the provisions applicable to bills of exchange shall apply with regard to the form of the endorsement, the legitimacy of the holder, the declaration of invalidity, and the obligation of the holder to surrender the document.

3) The provisions on bill recourse do not apply to such instruments.

4. Section

Bearer instruments

§ 95

A. Designation of the creditor. Bearer instruments with premiums

1) A security is treated as a bearer security if it is clear from the wording or form of the document that the respective holder is recognized as the beneficiary.

2) However, even in this case, the obligor may not consider the holder to be the rightful owner if a court or police order prohibiting payment has been issued against him.

3) Bonds (debt securities) made out to the bearer in which all creditors or some of them are guaranteed a premium in addition to the payment of the prescribed sum of money, in such a way that the bonds to be awarded the premium and the amount of the premium to be paid to them are to be determined by drawing lots or by some other method of random selection (bearer securities with premiums), may only be issued with the consent of the government, otherwise they shall be null and void and the issuers and, to the extent that they are at fault, the other parties involved shall be jointly and severally liable for all damages caused to the holders by the issue.

§ 96

B. Defenses of the debtor

1) The debtor may only raise defenses against a claim arising from a bearer security that are either directed against the validity of the document or arise from the document itself, as well as those to which he is personally entitled against the respective creditor.

2) The defense that the document entered into circulation against his will is excluded.

3) Furthermore, he cannot raise the defense that the capital debt has been repaid against the claim from the bearer interest coupon, but is entitled, upon payment of the capital debt, to retain the amount of bearer interest coupons that have not yet expired and that are not delivered to him with the main title until after the expiry of the limitation period, unless the undelivered coupons have been declared invalid or their amount has been secured.

C. Declaration of invalidity

I. For bearer securities in general

§ 97

1. Justification of the request

1) Bearer securities, such as shares, bonds, participation certificates, coupon sheets, subscription certificates for coupon sheets, but excluding individual coupons, shall be declared invalid in accordance with the following provisions.

2) The applicant must prove to the satisfaction of the judge at the debtor's place of residence that they are in possession of the security and that it has been lost.
3) If the holder of a security with a coupon sheet or subscription warrant has only lost the coupon sheet or subscription warrant, presentation of the main document shall suffice to substantiate the application.

§ 98

2. Notice, registration period

If the judge considers the account of the possession and loss of the document to be credible, he shall issue a public notice calling on the unknown owner to present the document within a period of at least one year from the date of the first notice, failing which the document shall be declared invalid.

§ 99

3. Prohibition of payment

1) At the request of the applicant, the issuer of the document may be prohibited from redeeming it in order to avoid repeated payment.
2) In the case of the declaration of invalidity of coupon sheets, the provision on the declaration of invalidity of interest coupons shall also apply mutatis mutandis to the individual coupons expiring during the proceedings.

§ 100

4. Type of announcement

1) The request must be published three times in the official gazette.
2) It is at the discretion of the judge to ensure appropriate publication by other means.

§ 101

5. Registration by the owner

1) If the lost bearer document is presented as a result of the announcement, the applicant shall be given a reasonable period of time to verify the identity and authenticity of the document presented and to file relevant motions, in particular for a preliminary injunction by official order in the interest of a vindication or criminal proceeding to be initiated by him.
2) If no applications are made within this period that would prompt the judge to take further action, the document submitted shall be returned, the payment prohibition issued to the issuer shall be lifted, and the request for annulment shall be rejected.

§ 102

6. Judicial orders

1) If the period specified in the public request has expired without the lost document being presented, the judge may declare the

declare the document invalid or, depending on the circumstances, issue further orders.

2) The declaration of invalidity of a document to the bearer shall be published immediately in the official gazette and, at the discretion of the judge, elsewhere.

3) After the declaration of invalidity, the applicant shall be entitled, at his own expense, to demand the issuance of a new document and, depending on the circumstances, the issuance of a new coupon sheet or, if the performance is already due, its fulfillment.

§ 103

II. In the case of coupons in particular

1) If individual coupons have been lost, the judge may, at the request of the entitled party, order that the amount be deposited with the court after the expiry date or, if the paper has already expired, immediately.

2) After three years have elapsed since the due date, if no entitled party has come forward to claim the amount, it shall be paid to the applicant in accordance with the judge's order.

§ 104

III. In the case of banknotes and the like

Banknotes and similar instruments issued in large numbers, payable on demand, intended for circulation as a substitute for money, and denominated in fixed amounts shall not be declared invalid.

§ 105

D. Reservation concerning paper mortgage notes

The special provisions concerning paper promissory notes made out to the bearer shall remain reserved.

5. Section

The check

§§ 106 to 119

Repealed

6. Section

The bills of lading

Section

A. Form of the bill of lading

The bill of lading issued by a warehouse keeper or carrier as a security must contain:

1. the place and date of issue and the signature of the issuer;
2. the name and place of residence of the issuer;
3. the name and place of residence of the depositor or sender;

4. the description of the goods stored or consigned, according to their nature, quantity, and distinguishing marks;
5. the fees and wages that are payable or have been paid in advance;
6. any special agreements made by the parties involved regarding the handling of the goods;
7. the number of copies of the goods documents issued; and
8. the details of the person authorized to dispose of the goods, by name or to order or as holder.

§ 121

B. Pledge certificate

1) If one of several bills of lading is designated for the pledge, it must be designated as a pledge certificate (warrant) and otherwise correspond to the form of the bill of lading.

2) The other copies shall indicate the issuance of the pledge certificate and each pledge made shall be entered with the amount of the claim and the expiry date.

§ 122

C. Significance of formal requirements

1) Certificates issued for stored or shipped goods that do not comply with the statutory formal requirements shall not be recognized as securities, but shall only be considered as receipts or other documents of title.

2) Certificates issued by warehouse keepers without government approval shall be recognized as securities if they comply with the statutory formal requirements, but their issuers shall be subject to an administrative fine of up to 1,000 francs imposed by the government in administrative penalty proceedings in favor of the state.

2. Title

The community of creditors in the case of bond obligations

§ 123

A. Requirements for the community of creditors

1) If bonds issued by a debtor domiciled or having its place of business in Liechtenstein with uniform bond terms are issued directly or indirectly through public subscription, the creditors automatically form a community of creditors as soon as the bond amount reaches at least CHF 20,000 and the number of bonds issued is at least ten.

2) In the case of bonds of less than CHF 20,000 or fewer than ten bonds issued, a community of creditors is only formed by the bond terms and conditions or by agreement of all creditors.

3) If several bonds have been issued, the creditors of each bond form a separate community of creditors.
4) The bond terms and conditions may establish creditor communities with extensive powers, to which the following provisions shall apply in addition.
B. Creditors' meeting
§ 124
I. General
1) The resolutions of the creditor group are passed by the creditors' meeting and, in order to be valid, must meet the requirements provided for by law in general or for individual measures.
2) Individual creditors may no longer assert their rights independently if legally valid resolutions of the creditors' meeting are available.
§ 125
II. Deferral
1) From the date of proper publication of the invitation to the bondholders' meeting until the final resolution and completion of the approval process, if necessary, the claims of the bondholders shall remain deferred.
2) This measure shall not be deemed a suspension of payments.
3) If the debtor abuses the right to deferral, it may be revoked by the regional court in non-contentious proceedings at the request of one or more bondholders.
III. Convocation
§ 126
1. By the debtor
1) The meeting of creditors shall be convened by the debtor at a reasonable date, stating its purpose.
2) The meeting shall be convened for creditors whose bonds are registered by means of a special notice at least eight days in advance.
3) For the other creditors, the meeting shall be convened by publication in the Liechtenstein national newspapers and by three public announcements in the public journals specified in the bond terms and conditions, whereby the third public announcement must be made at least eight days before the date of the meeting.
§ 127
2. At the request of the creditors
The debtor is obliged to convene the meeting if bond creditors representing together one-twentieth of the bond or the

representative of the community request the convening in writing, stating the purpose and reasons for the convening.

§ 128

3. By order of the judge

1) If the debtor does not comply with the request of the creditors or the representative of the community to convene the creditors' meeting within a reasonable period of time, the judge may, in non-contentious proceedings, authorize the requesting parties to convene a creditors' meeting on their own initiative.

2) The bondholders who request judicial authorization to convene the meeting must prove their title to the bonds.

IV. Holding of the creditors' meeting

1. Participation of creditors

§ 129

a) In general

1) Creditors attending the creditors' meeting and their representatives must provide proof of their eligibility before the start of the deliberations.

2) A list of participants shall be drawn up, stating their names and places of residence, as well as the amount and numbers of the bond obligations represented by each of them.

§ 130

b) Exclusion from participation

1) Bond obligations belonging to the debtor may not be represented at the meeting either by the debtor or by third parties and shall not be taken into account when calculating the majority of outstanding obligations of a bond.

2) However, a lien or right of retention to which the debtor is entitled in respect of bond obligations does not preclude their owner from participating in the meeting.

3) The debtor may not represent the bonds of others.

§ 131

c) Power of representation

In all cases, a written power of attorney is required to represent creditors at the creditors' meeting.

§ 132

2. Chairing the meeting

1) Unless otherwise specified in the bond terms and conditions, the chairperson shall be appointed by the creditors' meeting.

2) In cases where the meeting is convened by order of the judge, the chairperson may be appointed by the judge.

3) The agenda for the creditors' meeting must be communicated to the invitees with the notice of meeting itself or at least eight days before the meeting in accordance with the regulations established for the notice of meeting.
4) Each bondholder shall be provided with a copy of the motions upon request.
5) No binding resolution may be passed at the creditors' meeting, even unanimously, on items that have not been announced in this manner, at least in terms of their essential content, unless the holders of the entire capital in circulation agree.
6) The costs of convening and holding the creditors' meeting shall be borne by the debtor, unless the judge orders otherwise.

V. Powers

§ 133

1. General

1) The creditors' meeting is authorized, within the limits of this Act, to take such measures as it deems conducive to the protection of the common interests of the creditors, in particular in the event of an emergency on the part of the debtor.
2) The measures taken shall be binding on creditors who do not agree to them, subject to the official approval provided for by law and the right of appeal.
3) The creditors belonging to the community must all be affected equally by the measure, unless each creditor who is treated less favorably expressly agrees.
4) The existing order of priority among pledgees may not be changed without their consent.

§ 134

2. Restrictions

1) The community of creditors is not authorized to increase the rights of creditors without the consent of the debtor.
2) It may not oblige any creditor, without his consent, to make further payments than those provided for in the bond terms and conditions or agreed with him when the bonds were issued.

VI. Resolutions of meetings

Section 135

1. In general

1) Unless otherwise stipulated by law or the bond terms and conditions impose stricter provisions for the adoption of resolutions, the creditors' meeting shall adopt its resolutions by an absolute majority of the votes represented.

2) In all cases, this majority is calculated on the basis of the nominal value of the capital represented.

2. Cases requiring a three-quarters majority:

§ 136

a) In the case of a single group of creditors

The consent of the representatives of at least three-quarters of the capital in circulation is required for the resolution to be valid in the following cases:

1. Dismissal of a representative appointed by the creditors' meeting or provided for in the bond terms and conditions, or amendment of his or her power of attorney;
2. Deferral of interest that has fallen due or is due within one year, which is only binding for a maximum of five years but may be renewed;
3. Complete interest waiver for up to a maximum of five years, binding and with the option of renewal;
4. Reduction of the interest rate to up to half of the rate originally agreed in the bond agreement or conversion of a fixed interest rate into an interest rate dependent on the operating result, both binding for a maximum of ten years, but also with the option of renewal;
5. Extension of the amortization period for a current bond by a maximum of ten years by reducing the annuity or increasing the number of repayment installments;
6. Postponement of the repayment dates for a bond that is already due or will become due within one year, or for partial amounts thereof, for a maximum of five years;
7. Permission for early repayment of the capital;
8. Granting of a prior lien for capital amounts newly contributed to the company with priority over an existing bond, as well as changes to the collateral provided for a bond or complete or partial waiver of such collateral, insofar as such measures do not fall within the powers of a representative of the community of creditors;
9. Amendment of the provisions restricting the issue of bonds in relation to the debtor's equity capital;
10. Conversion of bond obligations or partial amounts thereof into preferred membership shares, with the consent of the debtor;
11. Waiver of the bondholders' capital claim up to the amount exceeding the highest value of the bonds achieved in the last ten years.

§ 137

b) In the case of multiple creditor groups

1) In the case of a majority of creditor groups, the debtor may simultaneously submit one or more of the measures provided for in the preceding article to the groups, subject to the proviso that the validity of each measure is dependent on the acceptance of the others.
2) In this case, the proposals shall be deemed to have been accepted if they have been approved by at least three-quarters of the capital in circulation of all these groups of creditors, have been accepted by three-quarters of the groups, and have not been accepted by less than the majority of the capital in circulation in any of them.

§ 138

3. Approval by the probate authority

1) Resolutions requiring a three-quarters majority for approval shall only be effective and binding on creditors who do not approve them if they have been approved by the regional court as the probate authority in non-contentious proceedings.
2) The debtor must submit it to the district court for approval within one month of its conclusion.
3) Approval shall be refused if the provisions governing the convening and passing of resolutions by the creditors' meeting have been violated, if a resolution does not appear necessary to avert an emergency situation for the debtor, or if it does not sufficiently protect the common interests of the creditors or has been passed in a dishonest manner.
4) The time of the hearing shall be announced publicly by the judge, with notice to the creditors that they may raise their objections in writing or orally at the hearing.
5) The costs of the approval procedure shall be borne by the debtor.

§ 139

4. Deferral and modification of interest and repayment terms

An application for deferral or modification of interest and repayment terms may only be submitted by the debtor and considered by the meeting on the basis of a statute drawn up on the date of the creditors' meeting and a balance sheet drawn up in the proper form, certified as correct by the existing auditors, if applicable, and concluded no more than six months previously.

Section 140

5. Cases requiring unanimity

1) Any further encroachment on creditors' rights requires the unanimous consent of the creditors.

2) However, if this does not involve an increase in the creditors' contributions, the unanimous consent of the participants at a meeting at which at least three-quarters of the outstanding capital is represented shall suffice.
3) If three quarters of the capital are not represented at such a creditors' meeting, the meeting may decide by a majority of the votes represented to convene a second creditors' meeting at a date no later than two months later, which may decide unanimously on the same or less far-reaching motions if at least half of the capital in circulation is represented.

§ 141

6. Subsequent approval

1) If a motion does not receive the required number of votes at the creditors' meeting but does receive at least half of the outstanding bond amount, the debtor may supplement the missing votes by submitting written and certified declarations from creditors to the chair of the meeting within two months of the date of the meeting, thereby producing a valid resolution.
2) Repealed

§ 142

7. Certification of the resolution

1) A public document must be drawn up for every resolution, whether it was validly passed at the creditors' meeting or brought about by subsequent approval.
2) The list of participants to be drawn up before the start of the proceedings and, if applicable, a summary of the creditors who subsequently consented, to be prepared by the certifying officer, shall be included in the public document or attached to it together with the evidence of the proper convening of the meeting.
3) Upon request, the public document shall indicate the numbers of the bonds whose holders or representatives voted against a motion approved by a majority.

§ 143

8. Notification of resolutions

1) Any resolution passed that amends the terms and conditions of the bond shall be communicated separately to the creditors whose bonds are registered in their name and shall be published in the official gazette and in the public journals specified in the terms and conditions of the bond.

2) A certified copy of the minutes and, where applicable, the court judgments on any appeals lodged shall be submitted to the commercial register for inclusion in the debtor's files if the debtor is registered as a company in the commercial register.
3) The resolutions that have come into force shall, where necessary, be noted on the bond certificates.

§ 144

9. Contestation of resolutions

Bondholders who have not given their consent may request the judicial annulment of a resolution that has been passed within one month of the date of its announcement by proving that the resolution was passed in an unfair manner or contrary to the provisions of the law.

C. Representation of the community

§ 145

I. Appointment of a representative

1) The bond terms and conditions or the creditors' meeting may designate one or more representatives of the community of creditors who shall act as trustees in accordance with the provisions governing tacit trusts.
2) Unless otherwise specified, several representatives shall exercise representation jointly.

§ 146

II. Powers of the representatives

1) The representative shall have the powers conferred on him by the terms of the bond or by the creditors' meeting.
2) He is automatically authorized and obligated to:
1. to demand that the debtor convene a creditors' meeting as soon as the conditions for this are met;
2. to implement the resolutions of the creditors' meeting;
3. represent the community in the exercise of the powers conferred upon him.
3) Insofar as the representative is authorized to assert the rights of the creditors, the individual creditors are deprived of the power to assert their rights independently.

§ 147

III. Position of the representative vis-à-vis the debtor

1) As long as the debtor is in arrears with the fulfillment of its obligations to the bond creditors, the representative of the creditors is entitled to

authorized to request information from the debtor that is of considerable interest to the community.

2) Under the same conditions, if a legal entity is the debtor, the representative may participate in the negotiations of the supreme body, the administration, and the audit office in an advisory capacity.

3) He shall be invited to all such negotiations and shall be provided with all information given to the members of the administration and the company concerning the financial situation and business operations of the debtor company.

§ 148

IV. Position of the representative in the case of mortgage bonds

1) The representative of the debtor and the creditors appointed for a bond secured by real estate is subject to the provisions governing real estate liens.

2) Like the representative, a pledgee appointed in relation to a bond secured by a pledge on movable property shall protect the rights of the creditors and the debtor and owner with all due care and impartiality.

§ 149

V. Lapse of power of attorney

1) The power of attorney granted to a representative by the creditors' meeting may be revoked or amended at any time by a subsequent resolution of the creditors' meeting.

2) At the request of a creditor, the judge may declare the power of attorney to be expired in non-contentious proceedings for important reasons.

3) If the power of attorney lapses for any reason, the judge shall, at the request of a creditor or the debtor, issue orders in non-contentious proceedings that are necessary to protect the creditors or the debtor as a result of the lapse of the power of attorney.

§ 150

E. Insolvency proceedings relating to the debtor's assets

1) If insolvency proceedings are opened against the assets of a bond debtor, a creditors' meeting shall be convened without delay to issue the necessary instructions and powers of attorney to the existing representative or to a representative to be appointed by it in order to uniformly protect the rights of the bond creditors.

2) Such a resolution may be passed by an absolute majority at a meeting at which at least two-thirds of the outstanding capital is represented.

3) If no such resolution is passed, each bondholder shall represent his rights independently.

4) Furthermore, the provisions of this section shall also apply to resolutions concerning approval of the restructuring plan, in such a way that, for the calculation of the majority required for the restructuring plan, the entire loan amount of an approving community of creditors and all bondholders belonging to it shall be counted as approving.

§ 151

F. Protection of the body of creditors

1) The rights conferred by law on the body of creditors and its representative may not be excluded or restricted by the terms and conditions of the bond.

2) This is without prejudice to the aggravating provisions of the bond terms and conditions regarding the passing of resolutions by the creditors' meeting.

§ 152

G. Other communities of creditors

1) The holders of non-membership securities issued by a debtor or trustee domiciled or headquartered in Liechtenstein may be united into a community of creditors by special written agreement of all consenting holders or by the terms and conditions of issue of such securities, to which the provisions of the community of creditors for bond obligations shall apply mutatis mutandis.provisions of the creditor group apply to bond obligations.

2) By government decree, the provisions governing the community of creditors may also be declared applicable to other cases, provided that the creditors are in the same legal position vis-à-vis the debtor.

3) The special provisions on participation certificates and trust certificates remain reserved.

§ 153

H. Bonds issued by public-law debtors

Bonds issued by the state, municipalities, or public-law corporations and institutions are subject to the provisions of public law, and the provisions on the community of creditors apply to them only to the extent required by public law.

3. Title

The Bill of Exchange Act

Section 154

Repealed

T. Repeal and amendment of older provisions

§ 155

I. General

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1) On the date this Act enters into force, all conflicting provisions of laws or regulations shall cease to have effect.

2) In particular, the following are repealed:

1. all relevant provisions of the General Civil Code, introduced by decree on February 18, 1812, in particular §§ 15 to 43, insofar as they relate to areas of law regulated herein, §§ 1175 to 1216 and § 1472, insofar as the latter provision relates to the legal entities regulated in this Act in conjunction with § 18 of the Act referred to in point 3 of this Article, and furthermore
Sections 175, 248, 269 to 280 inclusive, 592, 754, 865, 866, 881, 1019, 1277, 1330 and in part §§ 1338, 1339, as well as §§ 21, 174 (in part) and 252 in the version pursuant to Art. 46 (1), (3) and (4) of the Act of August 31, 1922, No. 28, concerning the exercise of political rights in state affairs;
2. Articles 2, 4 to 46, 85 to 270, 300 to 305 of the Commercial Code of September 16, 1865; however, the Act of January 11, 1923, No. 1, concerning the state-owned enterprise "Landeswerk Lawena," and the Act of January 12, 1923, No. 5, concerning the savings and loan bank of the Principality of Liechtenstein;
3. the Introductory Act to the Commercial Code of September 16, 1865, No. 10;
4. Article 3(1)(a) and (b), insofar as it concerns the right of a wife to become or be a businesswoman, and Article 3(3)(e) of the Act of April 21, 1922, No. 19, concerning non-contentious proceedings;
5. Sections 339, 340, 487 to 496 inclusive of the Criminal Code, introduced by decree of November 7, 1859, No. 11746; in particular, §§ 297 ff. of the Criminal Code are amended insofar as they conflict with the provisions of this law on freedom of association or otherwise with the right of free assembly; however, the law of October 17, 1922, No. 32, concerning the immunity from punishment of communications and reports remains unaffected;
6. Articles 126 to 137 inclusive of the final title on property rights of December 21, 1922, No. 4 of 1923;
7. Section 2(f) of the introductory patent on inheritance law of April 6, 1846, No. 3877;
8. the provisions of the Code of Civil Procedure, insofar as they conflict with the provisions on compulsory arbitration for associations and companies without legal personality established under foreign law (Art. 630) or on trusts, or with other provisions of this Act, in particular with regard to proceedings in disputes concerning bills of exchange;
9. Article 6 of the Finance Act of January 22, 1925, No. 1;
10. the conflicting provisions of the (Railway) Act of January 14, 1870, No. 1, and the Austrian Railway Concession Act of September 14, 1854, introduced by the former.

3) The period of five years pursuant to Art. 17 (1) of the final title on property law is set at ten years.
4) Repealed
5) In civil disputes in which a non-monetary claim is asserted by means of an action or counterclaim on the basis of the provisions of this Act on corporations, companies without legal personality with a business name, sole proprietorships with limited liability, or trusts, the decision of the High Court may in any case be appealed to the Supreme Court.
§ 156
II. By way of ordinance
Notwithstanding any conflicting provisions in laws or ordinances, the government is authorized to issue regulations by way of ordinance:
1. on the invalidation of lost identity documents such as passports and certificates of origin. The provisions of the law on general state administration shall apply in addition to the invalidation procedure in accordance with this ordinance;
2. on the restriction of the taking of oaths in court and administrative matters, in the sense that, in particular, in less significant matters, such as petty offenses or administrative matters, the oath is to be dispensed with entirely, but otherwise only required in important cases, and that the oath may be replaced altogether by the performance of a solemn promise, the violation of which is subject to the same penalties as perjury;
3. Repealed
§ 157
U. Final provision
1) This Act is declared non-urgent and shall enter into force on the date of its promulgation, with the exception of the provisions on the civil register pursuant to § 49 and on the commercial register pursuant to § 50, for which the Government shall determine the date of entry into force.
2) The provisions relating to the estate agreement or the estate proceedings (settlement proceedings) shall enter into force with the regulation of the relevant areas of law.
3) The government is responsible for enforcement; it shall maintain an official register and issue the necessary implementing provisions, in particular on the civil register and the commercial register, on the obligation to register with the Office of Justice pursuant to Art. 946, insofar as this is not already apparent from the individual

regulations, such as those on legal entities, and on tax law.
4) The government is authorized to conclude further international treaties and agreements with other states.
5) This does not affect treaties currently in force or to be agreed in the future, nor the right of retaliation (retorsion) against foreigners, which is exercised at the discretion of the government.

Transitional provisions: Law of December 4, 2025, on the amendment of personal and corporate law (LGBl No. 12/2026)

Application of the new law to existing trusts
1) Unless otherwise specified below, the new law applies to trusts existing at the time this law comes into force.
2) Charitable trusts pursuant to Art. 898a para. 1, for which the original or certified copy of the deed of foundation has been deposited with the Office of Justice in accordance with the previous law, must be registered in the commercial register by the trustee or representative within six months of this Act coming into force.
3) Charitable trusts within the meaning of Art. 898a para. 1 that already exist at the time this Act enters into force must be reported by the trustee to the foundation and trust supervisory authority within six months of this Act entering into force, together with an extract from the register.
4) Until the proper appointment of a person entitled to information pursuant to Art. 2 para. 2 to 6 or 8 of the transitional provisions, Art. 904 para. 3, Art. 908 para. 2 to 4, Art. 909 para. 3 and 5, Art. 910 para. 4, Art. 912 para. 3, Art. 915 para. 5, Art. 921 para. 1, Art. 923 para. 2 to 4 and 7, Art. 924 para. 1, Art. 925 para. 3 and 5, Art. 926 para. 2, Art. 927 para. 1 to 3 and 7, and Art. 929 para. 3 of the previous law shall continue to apply to trusts already existing at the time of entry into force of this Act. In the case of charitable trusts, this shall apply until such trusts have been reported to the Foundation and Trust Supervisory Authority in accordance with para. 3.
5) The following proceedings already pending before the district court at the time of entry into force of this Act and proceedings brought before the district court pending the proper appointment of a person entitled to information pursuant to paragraph 4 shall be governed by Art. 909 para. 5, Art. 910 para. 4, Art. 912 para. 3, Art. 915 para. 5, Art. 924 para. 1, Art. 925 paras. 3 and 5,
Art. 927 (2), (3) and (7) and Art. 929 (3) of the previous law shall apply:
1. Procedure for appointing a co-trustee in the event of insolvency proceedings against the trustee's assets;
2. Proceedings for the amendment of a trusteeship;
3. Proceedings for asserting claims for surrender or enrichment in the event of the acquisition of property or rights belonging to the trust by third parties;

4. Proceedings to assert claims for separation or compensation in the event of foreclosure or insolvency of the trustee;
5. Procedure for asserting claims for damages in the event of breach of trust or transactions for personal gain;
6. Procedures for remedying a defect due to management or use of the trust property contrary to the trust documents, or for dismissing a trustee in the event of a breach of duty.

Art. 2

Adaptation to the new law

1) In the case of private trusts within the meaning of Art. 898a para. 2 existing at the time of entry into force of this Act, the following shall be carried out within 18 months of entry into force of this Act:
1. the trust documents must be amended by the settlor in accordance with paragraph 2 with regard to the appointment of at least one person entitled to information and one successor, including any provisions on the dismissal and term of office of the person entitled to information and his successor; if the trustor is deceased, incapacitated, or unavailable, the trustor's wishes pursuant to para. 3 shall be taken as a basis; the relevant date shall be that of the proper amendment of the trust documents pursuant to para. 2 or the filing of the application for court approval pursuant to para. 3; or
2. to appoint an eligible beneficiary pursuant to paragraph 4 as the first person entitled to receive information or to apply for the appointment of an auditor as the first person entitled to receive information pursuant to paragraph 5; the relevant date is that of the proper appointment pursuant to paragraph 4 or the application for judicial appointment pursuant to paragraph 5.

2) Even if the trustor has not reserved this right, he is entitled to amend the trust documents in order to establish the legal status pursuant to Art. 899a para. 2 no. 2 in conjunction with Art. 928a and to make any arrangements within the meaning of Art. 899a para. 2 no. 4 in conjunction with Art. 928a para. 9 and Art. 899a para. 2 no. 5 in conjunction with Art. 928d paras. 7 and 8. If the trust was established by an indirect representative, the principal (authorizing party) is considered the trustor. After duly amending the trust documents, the trustee must fulfill the obligations under Art. 928b.

3) If the settlor is deceased, incapacitated, or unavailable, the trust documents may be amended by the trustee, even if such a right is not provided for in the trust documents, based on the settlor's wishes for the purpose specified in paragraph 2, with the proviso that Art. 928a paragraphs 7 and 8 shall not apply, except in the case of an auditor as an authorized recipient of information. The settlor's wishes may only be taken into account insofar as they can be ascertained. Only documents originating from the settlor may be used to ascertain the settlor's wishes. The trustee must have the

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have the amendment to the trust documents approved by the regional court in non-contentious proceedings and, after their legally binding approval, fulfill the obligations under Art. 928b.

4) If no specific intention on the part of the settlor to amend the trust documents for the purpose of designating a person entitled to information within the meaning of paragraph 3 can be established, the trustee shall designate the beneficiary who is currently entitled to the trust property or its income as the person entitled to information. If there are several such beneficiaries, the trustee shall appoint all of these beneficiaries as persons entitled to information. Beneficiaries who acquire a right to the trust property or its income only after this Act has come into force shall also be appointed by the trustee as persons entitled to information in accordance with this provision immediately after becoming eligible beneficiaries. The trustee must fulfill the duty to provide information pursuant to Art. 928b para. 3 within 30 days of appointing the person entitled to information.

5) If a person entitled to information cannot be validly appointed in accordance with paragraph 3 or 4 because, in particular, they are not sufficiently specified or capable or cannot be reached, there are no eligible beneficiaries in accordance with paragraph 4, or it is a special-purpose trust, the trustee must apply to the district court for the appointment of an auditor as a court-appointed person entitled to information in accordance with Art. 928c (1) and (3).

6) If the trustee does not submit an application to the district court for the appointment of an information officer pursuant to paragraph 5 within 18 months, the district court shall, upon becoming aware of the defect or upon notification by a party to the trusteeship, ex officio appoint an auditor as a court-appointed information officer pursuant to Art. 928c.

7) In the case of existing trusts pursuant to paragraph 1, the trustee shall, within 18 months:

1. in the case of a trust registered in the commercial register pursuant to Art. 900, confirm to the Office of Justice by means of a notification:

a) the amendment of the trust documents in accordance with paragraph 2;

b) the application for court approval pursuant to paragraph 3 or for appointment pursuant to paragraph 5; or

c) the appointment of an eligible beneficiary as the first person entitled to information pursuant to paragraph 4;

2. if it is a trust not entered in the commercial register pursuant to Art. 902:

a) a copy or certified copy of the deed amending the trust deed must be filed with the Office of Justice or, in the case of the designation of the person entitled to information and his successor in the supplementary deed to the trust deed, the amendment of the trust documents in accordance with paragraph 2 must be confirmed to the Office of Justice by means of a notification;

b) confirm the application for court approval pursuant to paragraph 3 or for appointment pursuant to paragraph 5 to the Office of Justice by means of a notification; or
c) confirm the appointment of an eligible beneficiary as the first person entitled to information in accordance with paragraph 4 by notifying the Office of Justice.
8) If the notification or filing of an amendment document, by which the trust deed is duly amended, does not take place within the period specified in paragraph 7, the Office of Justice and the Regional Court shall, applying mutatis mutandis
Section 66g(5)(2) or (3) and (7)(2) SchlT.
9) In non-contentious proceedings, the regional court may, in the case of existing trusts pursuant to paragraph 1 which have not obtained the approval of the regional court or have not submitted an application to the regional court within 18 months for the amendment of the trust documents or the appointment of a person entitled to information pursuant to this article, regardless of whether or not there was an obligation to do so, carry out checks from time to time at its discretion to ensure that the trust documents have been amended properly or that a person entitled to information has been appointed.
Article 3 Penal
provisions
1) If a notification or report is not submitted or made in accordance with Art. 1 (2) or (3) or is not submitted or made within the specified time limit, § 66g (1) nos. 4 and 5 and (2) and (3) SchlT shall apply mutatis mutandis.
2) Anyone who intentionally submits an incorrect notification pursuant to Art. 2 para. 7 or appoints or causes to be appointed a person entitled to receive information contrary to the provisions of Art. 2 paras. 2 to 5, or who fails to comply with the obligation to inform the person entitled to receive information pursuant to Art. 2 paras. 2 to 4, or fails to do so in a timely manner or in full, shall be punished by the district court for a misdemeanor with a fine of up to 50,000 Swiss francs or, in the event of non-recovery, with a prison sentence of up to six months. If the offender acts negligently, he shall be punished by the district court for a misdemeanor with a fine of up to 20,000 Swiss francs, or, in the event of non-recovery, with a prison sentence of up to three months.
3) Disciplinary measures remain reserved.

II. Ordinance on Personal and Company Law

of December 19, 2000

Pursuant to Art. 1059 para. 2, Art. 1064 para. 5, Art. 1100 para. 2, Art. 1101 para. 4, and § 157 Final Section of the Law on Persons and Companies of January 20, 1926, LGBl. 1926 No. 4, as amended by the Law of October 26, 2000, LGBl. 2000 No. 279, the government decrees:

I. General provisions

Art. 1

Subject

This ordinance regulates in particular the implementation of personal and corporate law:

a) the purpose of association persons;

b) the designation of the auditor;

c) the recording and storage of business records, business documents, and accounting vouchers;

c) the supervision of compliance with the provisions concerning the participation of shareholders in stock corporations listed on the EEA stock exchange;

d) the thresholds for annual financial statements and consolidated annual financial statements not prepared in Swiss francs, as well as the exemption of intermediate companies with non-EEA parent companies from the consolidation requirement;

e) the provisions of Title 20 of the Personal and Company Law on accounting, which also apply when the IASB's international accounting standards are applied.

Art. 2

Designations

The terms used in this regulation to refer to persons and functions apply to both female and male persons.

II. Purpose of association persons

Art. 3

The purpose of associations and trust companies must expressly state whether or not a commercial business is being operated.

III. Designation of the auditor

Art.

1) Associations and trust companies that operate a commercial business or whose statutory purpose permits the operation of such a business must designate the auditor and submit the auditor's letter of acceptance to the Office of Justice at the same time as applying for registration.

2) The auditor's or auditors' letter of acceptance must also be submitted to the Office of Justice in the event of a subsequent change of auditor.

IV. Keeping and storing of business records

A. General principles

Art. 5

Principles of proper bookkeeping and record keeping

1) Recognized commercial principles must be observed when keeping the books and recording accounting documents (proper accounting).

2) If the business records are kept and stored electronically or in a comparable manner and the accounting documents and business correspondence are recorded and stored electronically or in a comparable manner, the principles of proper data processing must be observed.

3) The proper keeping and storage of books is governed by generally accepted rules and professional recommendations, unless this ordinance or decrees based on it contain any provisions to the contrary.

Art. 6

Integrity (authenticity and non-falsifiability)

The business records must be kept and stored, and the accounting documents and business correspondence must be recorded and stored in such a way that they cannot be altered without this being detected.

Art. 7

Documentation

1) Depending on the nature and scope of the business, the organization, responsibilities, processes and procedures, and infrastructure (machines and programs) used in the management and storage of business records must be documented in work instructions in such a way that the business records, accounting documents, and business correspondence can be understood.

2) Work instructions must be updated and retained in accordance with the same principles and for the same period of time as the business records that were kept thereafter.

B. Principles for proper storage

Art. 8

General duty of care

The business records, accounting documents, and business correspondence must be stored carefully, in an orderly manner, and protected from harmful influences. Art. 9

Availability

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1) Accounting records, accounting documents, and business correspondence must be stored in such a way that they can be viewed and checked by an authorized person within a reasonable period of time until the end of the retention period.
2) The relevant personnel and equipment or aids must be made available to the extent necessary for inspection and review.
3) Within the scope of the right of inspection, it must be possible to make the business records legible at the request of an authorized person, even without aids.
Art. 10
Organization
1) Archived information must be separated from current information or marked in such a way that it can be distinguished. Responsibility for archived information must be clearly defined and documented.
2) Archived data must be accessible within a reasonable period of time. Art. 11
Archive
The information must be systematically inventoried and protected against unauthorized access. Access and entry must be recorded. These records are subject to the same retention requirements as the data carriers.
C. Information carriers
Art. 12
Permissible information carriers
1) The following are permitted for the storage of documents:
a) Unalterable information carriers, namely paper, image carriers, and unalterable data carriers;
b) modifiable information carriers, provided that:
1. technical procedures are used that guarantee the integrity of the stored information (e.g., digital signature procedures);
2. the time at which the information was stored can be verified without falsification (e.g., by means of a "time stamp");
3. the other regulations on the use of the relevant technical procedures in force at the time of storage are complied with; and
4. the processes and procedures for their use are defined and documented, and the corresponding auxiliary information (such as protocols and log files) is also stored.
2) Information carriers are considered modifiable if the information stored on them can be changed or deleted without the change or deletion being detectable on the data carrier (such as magnetic tapes, magnetic or magneto-optical disks, hard disks or removable disks, solid state memory).

Art. 13

Verification and data migration

1) The integrity and legibility of the information carriers must be checked regularly.

2) The data may be transferred to other formats or other information carriers (data migration) provided that the following is ensured:

a) the completeness and accuracy of the information remain guaranteed; and

b) availability and legibility continue to meet legal requirements.

3) The transfer of data from one information carrier to another must be logged. The log must be stored together with the information.

IVa. Supervision of compliance with the provisions concerning the participation of shareholders in public limited companies listed on stock exchanges in the EEA

Art. 14

Principle

1) The auditors or audit bodies that have carried out an audit or review in accordance with Art. 367s PGR confirm in an audit report to the companies being audited that the provisions of Art. 367b to 367f and 367h to 367r PGR have been complied with by the companies, intermediaries, institutional investors, asset managers, and proxy advisors.

2) The companies to be audited must declare to the auditors or audit bodies that the provisions referred to in paragraph 1 have been complied with. The declaration must be made using the form provided on the website of the Office of Justice.

3) If necessary, the Office of Justice may, in addition to issuing a correction order pursuant to Art. 367s para. 3 PGR, consult the auditor or the audit office.

Art. 15

Repealed

V. Threshold values for annual financial statements and consolidated annual financial statements not prepared in Swiss francs; exemption from the consolidation requirement for intermediate companies with non-EEA parent companies

Art. 16

Threshold values for annual financial statements and consolidated annual financial statements not prepared in Swiss francs

1) If the annual financial statements are prepared in a freely convertible foreign currency (Art. 1049 para. 1 and 2 PGR) rather than in Swiss francs, the thresholds specified in Art. 1064 para. 1 nos. 1 and 2, para. 1a nos. 1 and 2 and para. 2 nos. 1 and 2 of the Swiss Code of Private and Company Law, the thresholds set out in Annex 1 to this Ordinance shall apply.

2) If the consolidated annual financial statements are not prepared in Swiss francs, the thresholds specified in Art. 1101 para. 1 no. 1 lit. a and b and no. 2 lit. a and b of the Swiss Code of Obligations shall be replaced by the thresholds specified in Annex 2 to this Ordinance.

3) A company within the meaning of Art. 1063 of the Law on Persons and Companies that does not prepare its annual financial statements in Swiss francs or in one of the foreign currencies listed in Appendix 1 to this Ordinance shall always be considered a large company within the meaning of Art. 1064 of the Law on Persons and Companies. Art. 1101 of the Swiss Code of Obligations on size-based exemption from the consolidation requirement may only be invoked if Swiss francs or one of the foreign currencies listed in Appendix 2 are used as the basis for determining the exemption in relation to the thresholds.

Art. 17

Repealed

Va. Provisions to be applied when applying the IASB's international accounting standards

Art. 17a

Applicable law

The following provisions of Title 20 of the Law on Persons and Companies concerning accounting shall also apply when applying the IASB's international accounting standards:

a) For entities subject to accounting requirements that are required to comply exclusively with Art. 1045 to 1062a PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, and Art. 1056 to 1062a PGR when preparing the annual financial statements;

b) for companies within the meaning of Art. 1063 PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092

Sections 7 to 10 and 14, Art. 1094 paras. 3 to 5, Art. 1096 paras. 1 to 4, Art. 1122, Art. 1123, Art. 1129, and Art. 1130 para. 1 PGR when preparing the annual report;

c) for companies within the meaning of Art. 1063 PGR that are required to prepare consolidated financial statements in accordance with Art. 1097 to 1101 PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058

up to 1062a, Art. 1119 in conjunction with Art. 1092 (7), (9) and (10), Art. 1120, Art. 1121, Art. 1124, Art. 1125, Art. 1129 and Art. 1130 para. 1 PGR when preparing the consolidated annual report;

d) for banks and securities firms: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092 no. 7, 9 lit. a, b, and d, 10, and 14, Art. 1094 paras. 3 to 5, Art. 1096 paras. 1 to 4, Art. 1119 in conjunction with Art. 1092 no. 7, 9 lit. a and b, and 10, Art. 1120 and Art. 1121 PGR when preparing the annual report and the consolidated annual report; instead of Art. 1057 and Art. 1122 to 1128 PGR, the disclosure requirements under banking law must be complied with; Art. 1129 and Art. 1130 para. 1 PGR remain applicable;

e) for insurance companies: Art. 1046, Art. 1047, Art. 1048 para. 2 second Clause and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092 nos. 7, 8, 9 letters a, b, and d, 10, and 14, Art. 1094 paras. 3 to 5, Art. 1096 paras. 1 to 4, Art. 1119 in conjunction with Art. 1092 no. 7, 9 letters a and b, and 10, Art. 1120, Art. 1121, Art. 1122 para. 1 and 2, Art. 1123 to 1125, Art. 1129 and Art. 1130 para. 1 PGR in the preparation of the annual report and the consolidated annual report.

VI. Final provisions

Art. 18

Repeal of previous law

The following are repealed:

a) Ordinance of February 20, 1926, on Personal and Company Law, LGBl. 1926 No. 5, as amended by the Ordinance of April 4, 1963, LGBl. 1963 No. 15;

b) Ordinance of June 14, 1980, on Personal and Company Law, LGBl. 1980 No. 40, as amended by the Ordinance of December 29, 1981, LGBl. 1982 No. 17;

c) Ordinance of April 26, 1994, on the recording and retention of business records, business documents, and accounting vouchers, LGBl. 1994 No. 27. Art. 19

Entry into force

This ordinance shall enter into force on December 31, 2000.