

Philanthropy Lessons from the Alps

14 April 2026

 COMMUNITY  COLLABORATION  INTEGRITY  CONTINUOUS LEARNING

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- **21,000 lawyers, accountants, trustees and other practitioners**
- **STEP CZ / SK – 33 members in CZ and SK**
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We develop the discipline of estate planning in the Czech and Slovak Republics by setting and implementing standards of best professional practice.

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Association of Liechtenstein
Charitable Foundations and Trusts

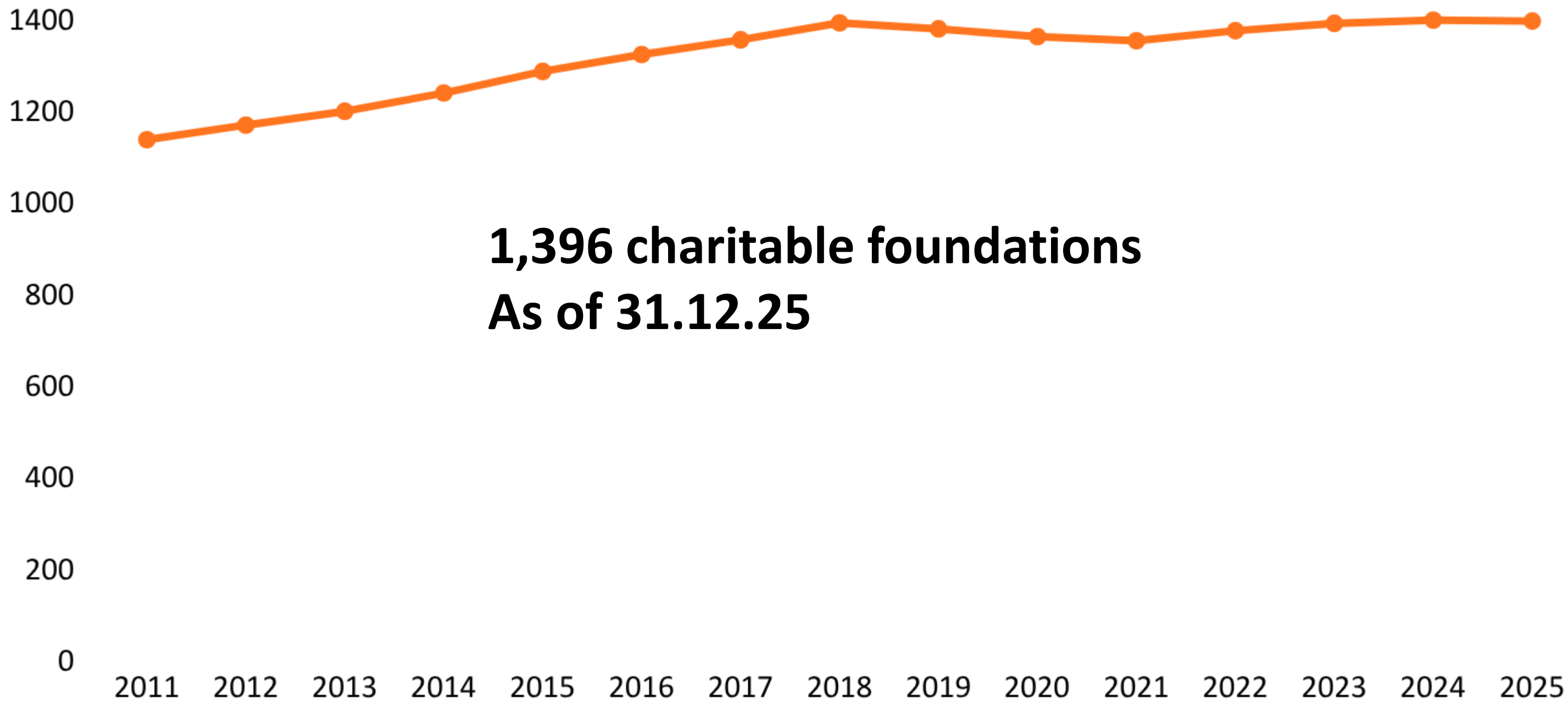


STEP Philanthropy Event - Philanthropy Lessons from the Alps

Dr. Thomas Zwiefelhofer,
President of the Association of
Liechtenstein Charitable Foundations and Trusts

14 April 2026 | Prague

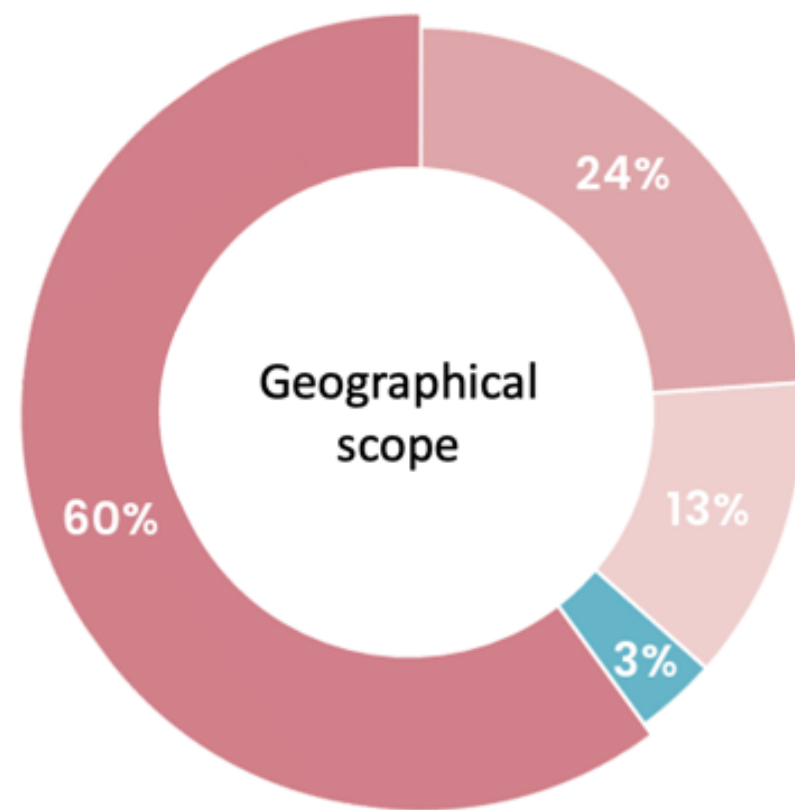
The Liechtenstein Foundation Sector: Figures and Developments



Source: Foundation Supervisory Authority, Liechtenstein

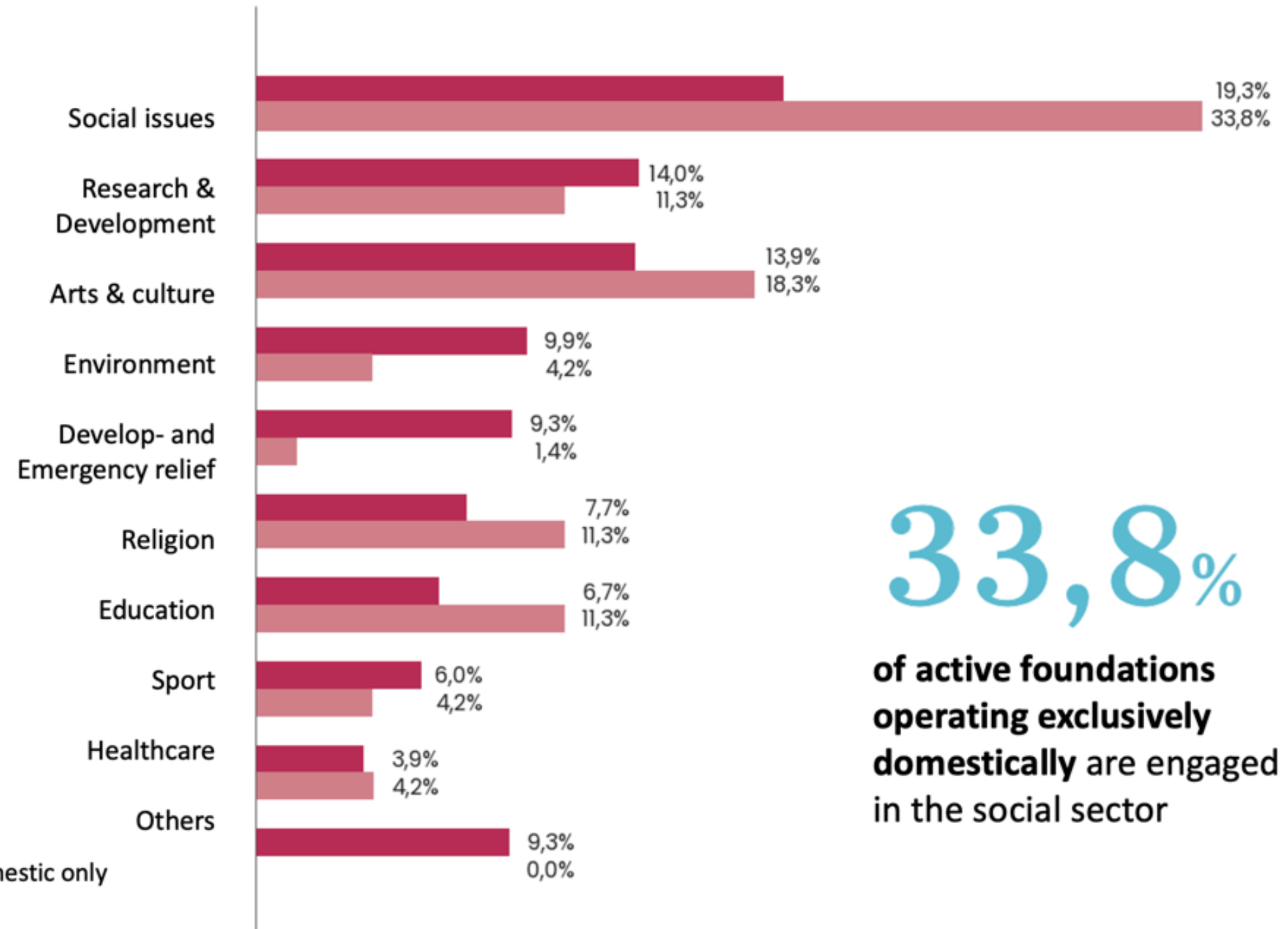
The Liechtenstein Foundation Sector: Geographical and Sectoral Scope

Philanthropy Report Liechtenstein 2025



not specified domestic & foreign foreign only domestic only

published by Center for Philanthropie, University of Liechtenstein



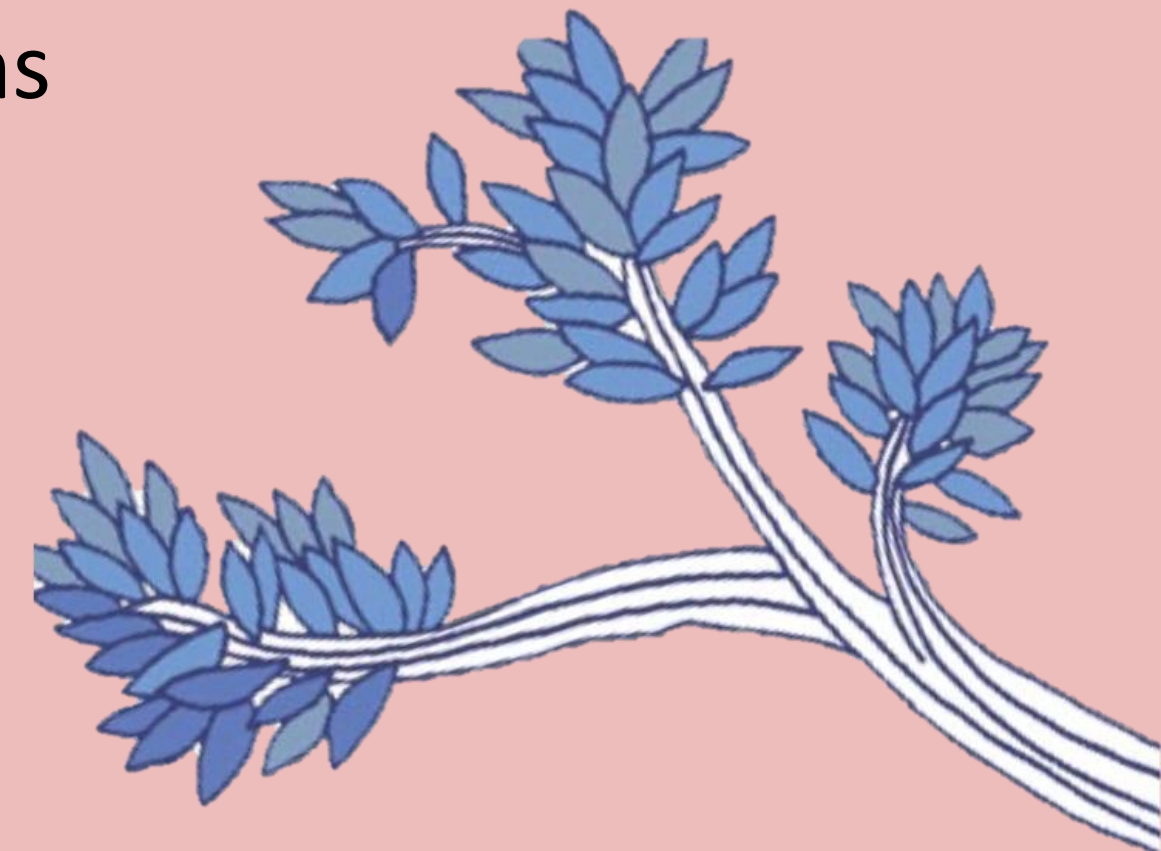
Foundations with philanthropic purpose (N = 1'564) Operating only domestically (n = 53)

33,8%

of active foundations operating exclusively domestically are engaged in the social sector

Liechtenstein as a Philanthropy Hub: Key Success Factors

-  Innovative and versatile corporate law
-  Liberal and internationally compatible foundation law
-  Client-oriented, internationally focused advisory expertise
-  Efficient administration with short decision-making paths
-  Sound fiscal policy and high state reserves
-  Political and economic stability
-  Central geographic location in the heart of Europe



Global Philanthropy Environment Index (GPEI)

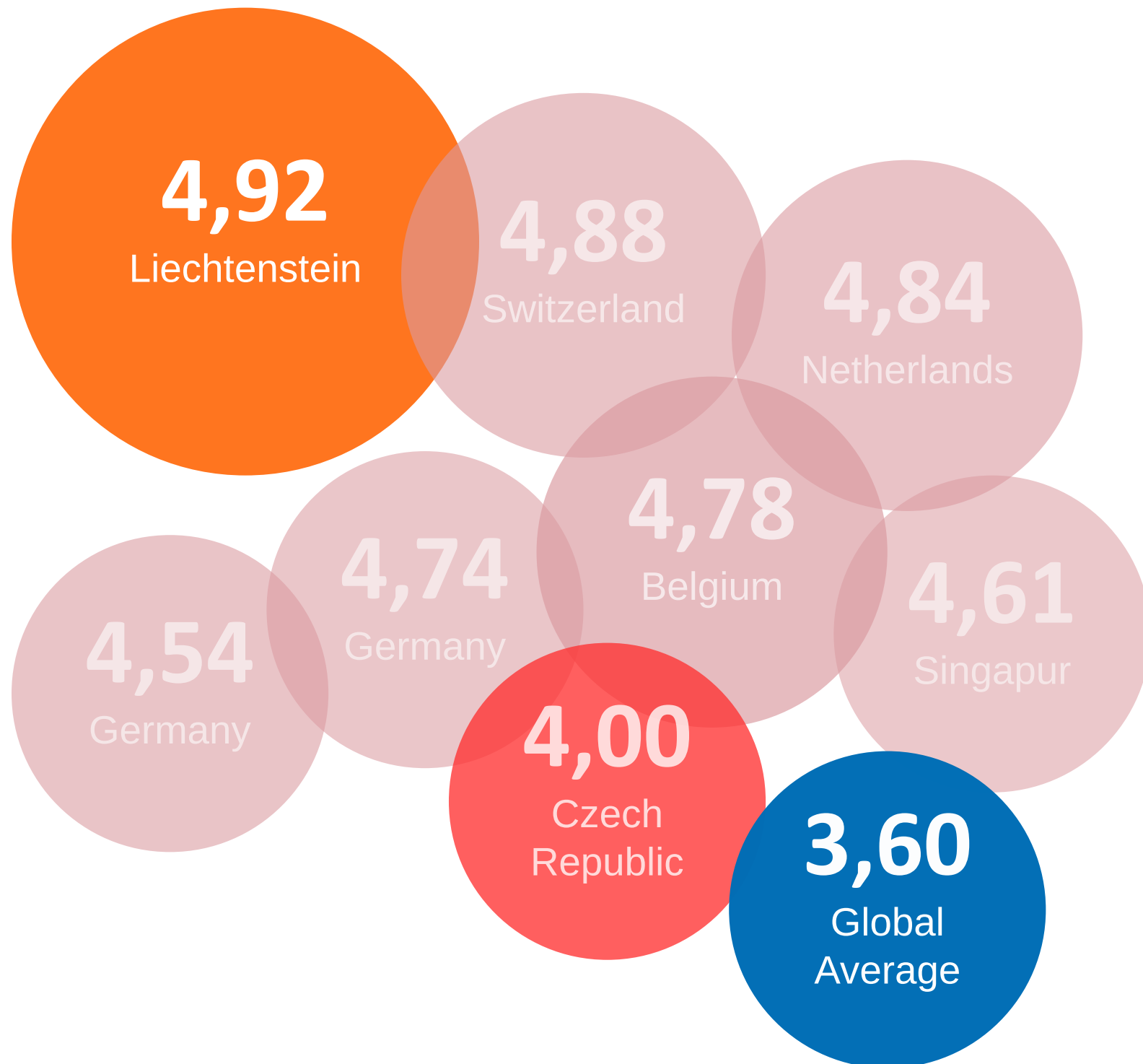
Liechtenstein ranked 1st
on the GPEI in both 2022 and
2025.

The index is compiled by the
Lilly Family School of
Philanthropy at Indiana
University.

100 experts examined 91
countries for their conditions
as a philanthropy location.



Global Philanthropy Environment Index (GPEI)



Source: Global Philanthropy Environment Index 2025, Lilly Family School of Philanthropy, Indiana University

Criteria:

Ease of operating a philanthropic organization: laws and regulations for the formation, operation, and dissolution of philanthropic organizations **(LI: 4,93, CZ: 4,57)**.

Tax incentives: laws and regulations governing taxes related to making and receiving donations **(LI: 4,90, CZ: 4,05)**.

Cross-border philanthropic flows: laws and regulations governing the incentives and constraints of making and receiving cross-border donations **(LI: 4,90, CZ: 4,20)**.

Political environment: relationships between the government and philanthropic organizations, as well as public policies and practices regarding philanthropy **(LI:4,90, CZ: 4,30)**.

Economic environment: economic conditions that nurture individual and institutional philanthropy **(LI: 5,0:, CZ: 3,50)**.

Socio-cultural environment: cultural philanthropic traditions, public trust, awareness of philanthropy, and perception of philanthropic organizations **(LI: 4,90, CZ: 3,40)**.

Charitable Foundations – Strengths of the Liechtenstein Model (1)

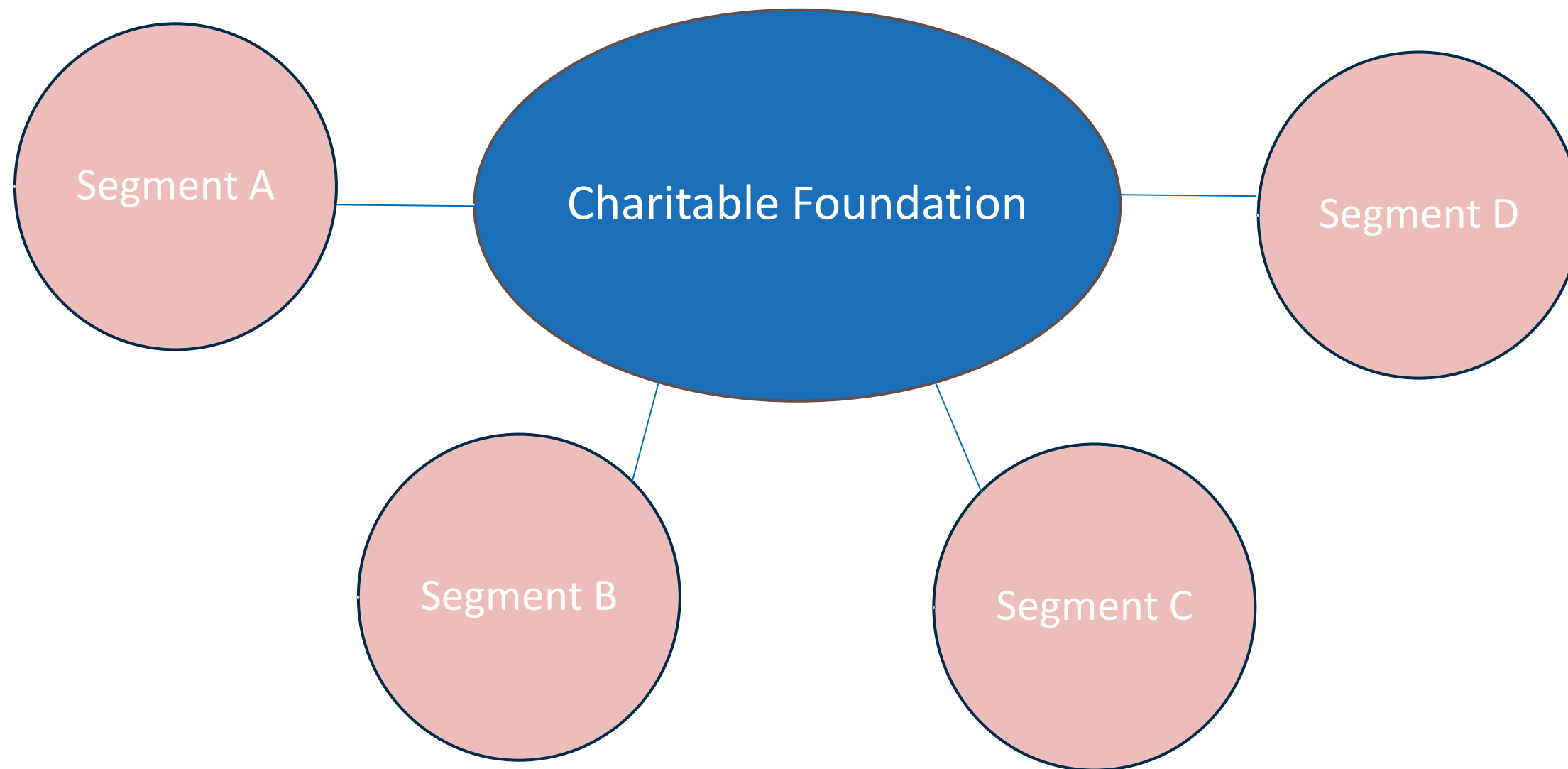
- **A great deal of freedom for founders:** Founders can choose from a wide variety of legal forms and reserve the right to change the purpose of a foundation or dissolve the organization
- **Effective foundation supervision** with efficient and lean administrative procedures
- **Progressive foundation governance** with a high level of privacy protection
- **No geographical restrictions** on funding activities, on the designation of beneficiaries or on the composition of the Board of Trustees



Charitable Foundations – Strengths of the Liechtenstein Model (2)

- **Corporate carrier foundation, holding foundation:** The charitable foundation can also be combined with a company, Art. 552 § 1 para. 2 PGR
- **Tax exemption** for exclusively charitable purpose
- **Diversity of organisation** with innovative options such as the Protected Cell Companies (PCCs)

Segmented Entity (SE) / Protected Cell Company (PCC)



Difference from an umbrella foundation:

- Liability separation between foundation and segments
- For each segment a purpose can be defined, but it must be aligned with the purpose of the foundation
- Cost savings through shared administration
- Particularly suitable for smaller philanthropic projects (from approx. CHF / EUR 100,000.00)

Innovative and Flexible Corporate Law and Tax Privileges

The **charitable foundation** is exempt from tax liability if the purpose is exclusively and irrevocably charitable.

Other legal entities can also benefit from the possibility of tax exemption, provided they are irrevocably structured and exclusively pursue charitable purposes:

Charitable trusts

Charitable establishments

Charitable associations

Mixed foundations that pursue both charitable and private-benefit purposes remain excluded from tax exemption.




Impact Investing & Venture Philanthropy


Guidance Note from the Liechtenstein Tax Administration (July 2024)



Impact Investing

- Goal: positive social impact + appropriate financial return
- Accepts lower return or higher risk than classical investments
-  Tax exemption maintained

Venture Philanthropy

- Goal: fund social enterprises where no formal market exists
- Instruments: loans, convertible loans, equity participations
-  Tax exemption maintained

Key conditions for both models:

- Investment / Commercial activity must serve the charitable purpose
- Non profit-oriented third party would make these investments
- Any returned funds must be reinvested for the charitable purpose

Liechtenstein as a Philanthropy Location in the International Regulatory Environment

EEA Membership:

As an EEA member state, Liechtenstein implements all relevant EU provisions on money laundering and terrorist financing.

Moneyval Review 2022:

Liechtenstein's charitable foundations were certified as meeting high FATF standards on anti-money laundering (AML) and counter-terrorist financing (AML/CTF).

Recommendations were only made for the NPO sector => New Association Act in force since 01.01.2025.

EU AML Package: The new transparency rules will require adjustments, but do not go beyond existing Liechtenstein provisions in substance.



National Regulatory Projects – Modernisation of the Legal Framework

Association Law: As a direct result of the MONEYVAL recommendations, the association law was revised. A risk-based approach applies:

- Registration obligation in the commercial register for associations with increased risk of terrorist financing
- Obligation to appoint an Art. 180a person

Trust Law – revised in 2025, in force as of July 1st 2026: Improved trust governance, introduction of a mandatory information holder.

Foundation Law – under revision in 2026: More effective foundation supervision (authority to issue guidelines and recommendations, requirements for auditors regarding the conduct of audits)

Challenges of Liechtenstein's Philanthropy Sector

Lack of Data & Transparency

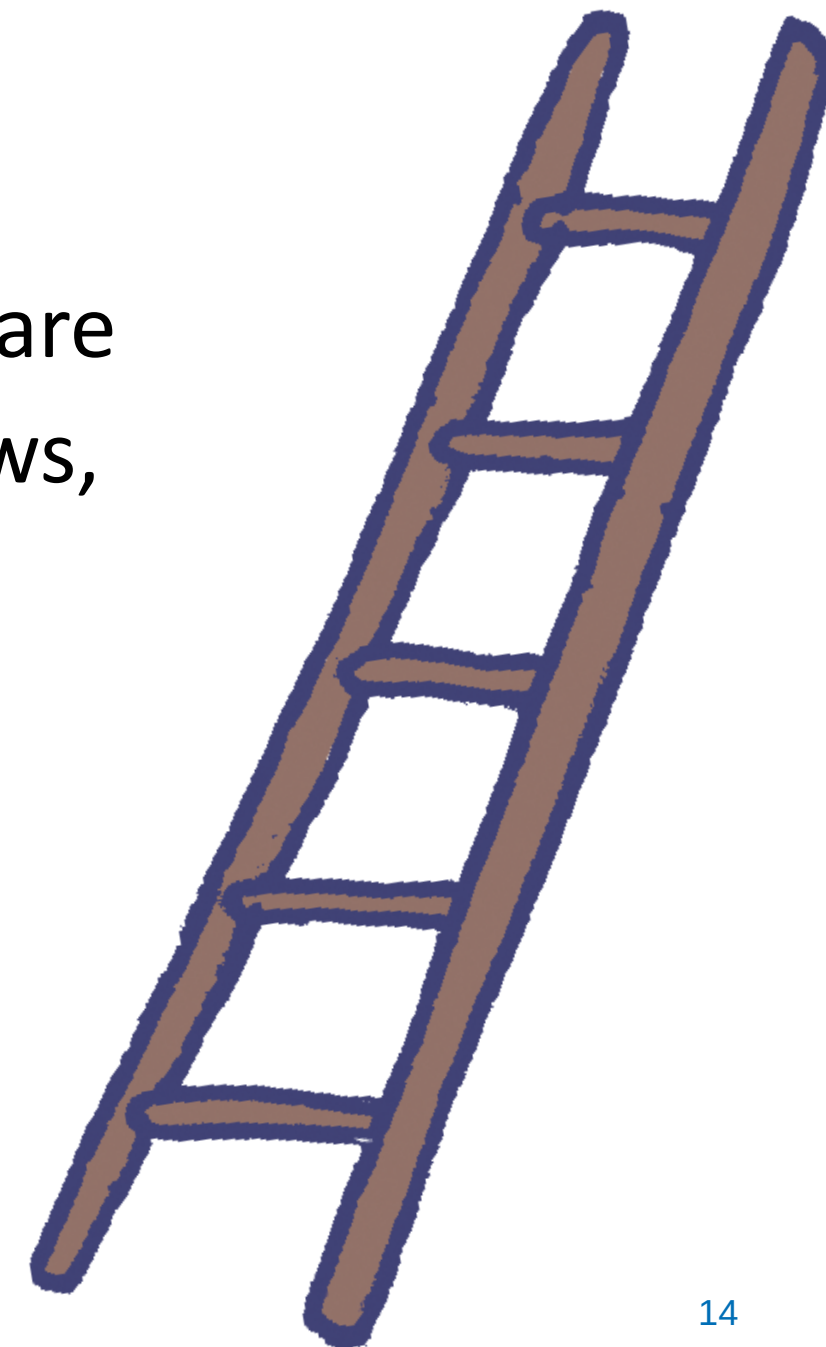
- No legal basis for systematic data collection on the sector
- No reliable figures on grant volumes, foundation activities or sector size

Low Visibility of Foundations

- 80% of foundations have no website
- Foundations are registered in the commercial register, but purposes are stated in very general terms only – details are contained in the by-laws, which are not publicly accessible

No Foundation Governance Code

- No common standards for transparency, accountability and best practice across the sector

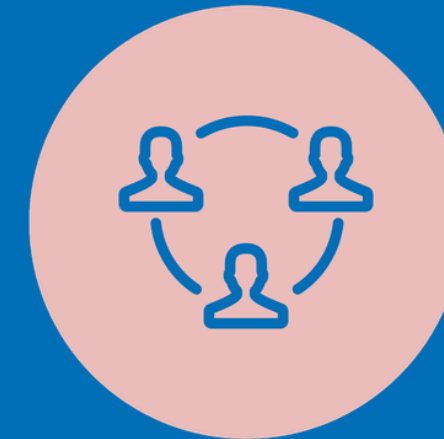


Facts & Figures: VLGST

- Founded in 2010
- 133 members («grant-making foundations»)
- 7 associate partners («grant-seeking foundations»)
- 5 honorary board members
- Office with 190% job percentage
- Strong partner network



Networking and
Knowledge Transfer



Public Relations and
Agenda Setting

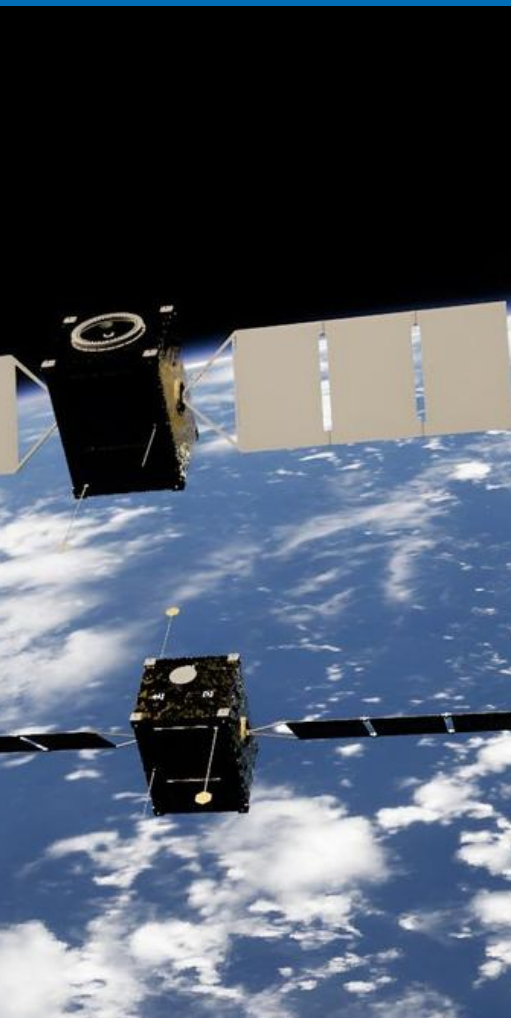


Membership and
Acquisition



Governance and
Resources





PHILANTHROPY HUB LIECHTENSTEIN



**Thank you for your
attention!**



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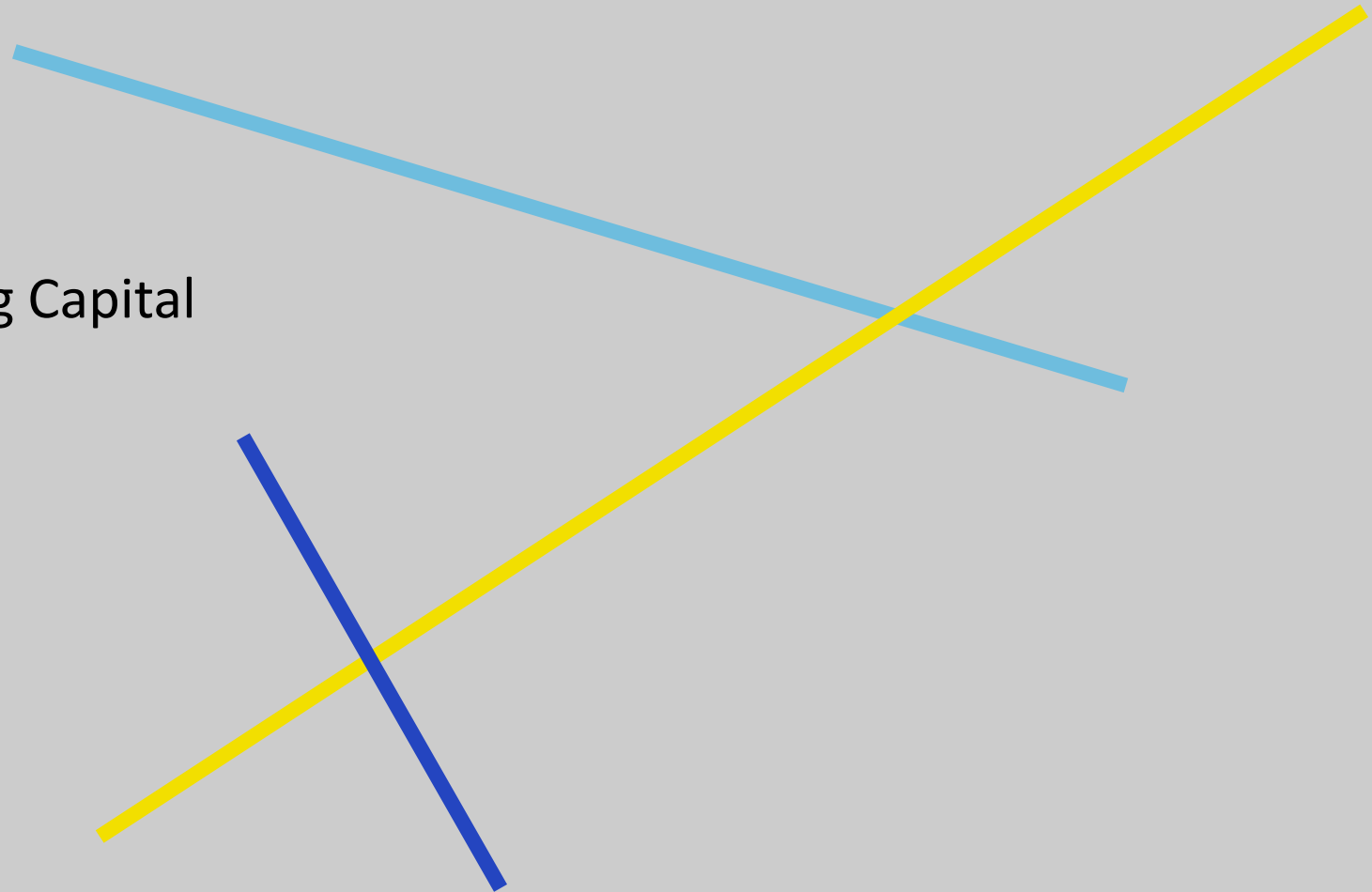
Values
for the
world of
tomorrow

The text "Values for the world of tomorrow" is written in a large, blue, sans-serif font. The word "Values" is on the top line, "for the" is on the second line, "world of" is on the third line, and "tomorrow" is on the bottom line. Various illustrations are integrated with the text: a bird is on the left of "Values"; a person holding a phone is on the left of "for"; a ladder is between "for" and "the"; a person pushing a cart with a plant is on the left of "world"; a bird with musical notes is on the right of "of"; and four birds are on top of "tomorrow".

Kocián
Šolc ■
Balaščík

Philanthropy in the Czech Republic

Between Fragmentation and Emerging Capital

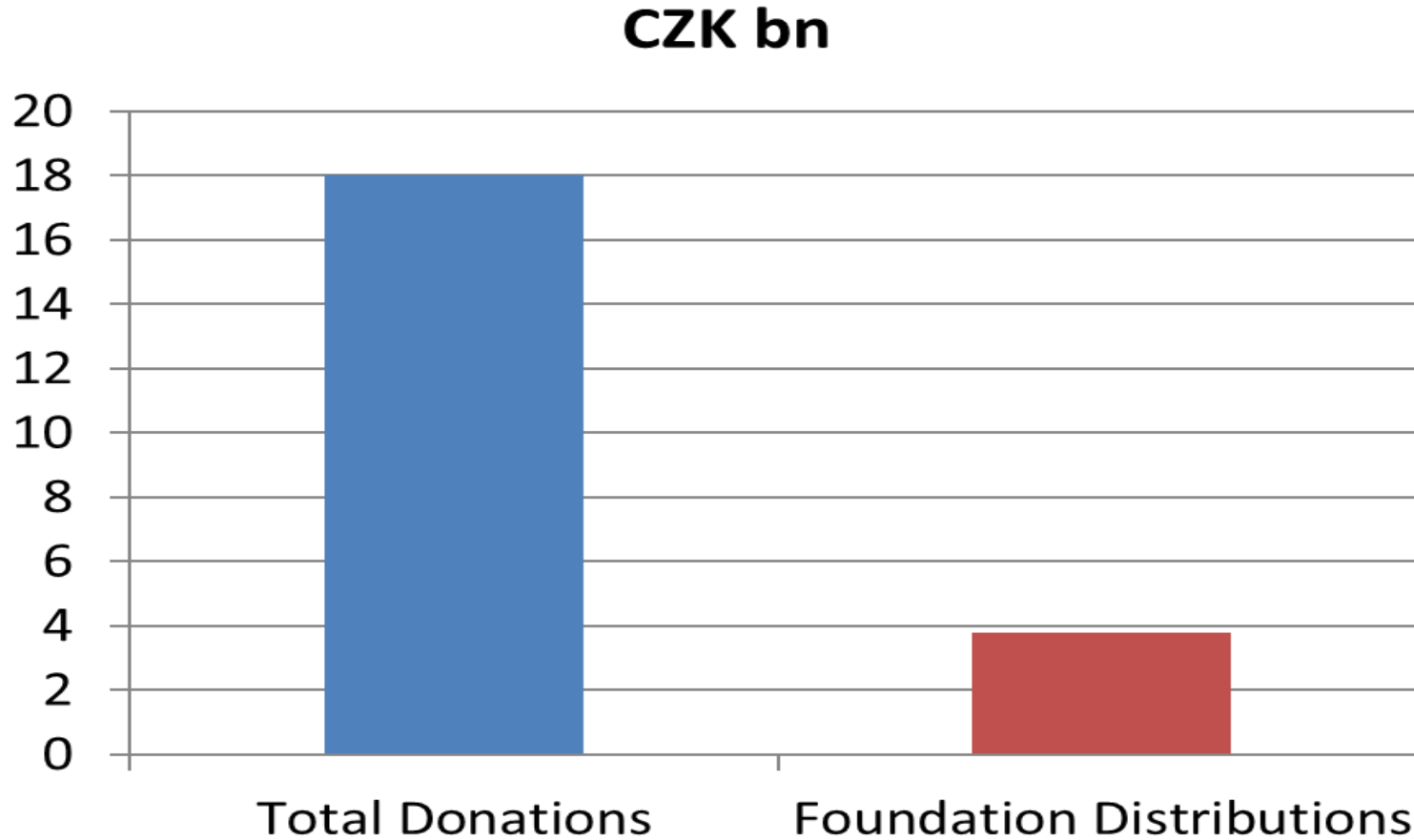


Framing



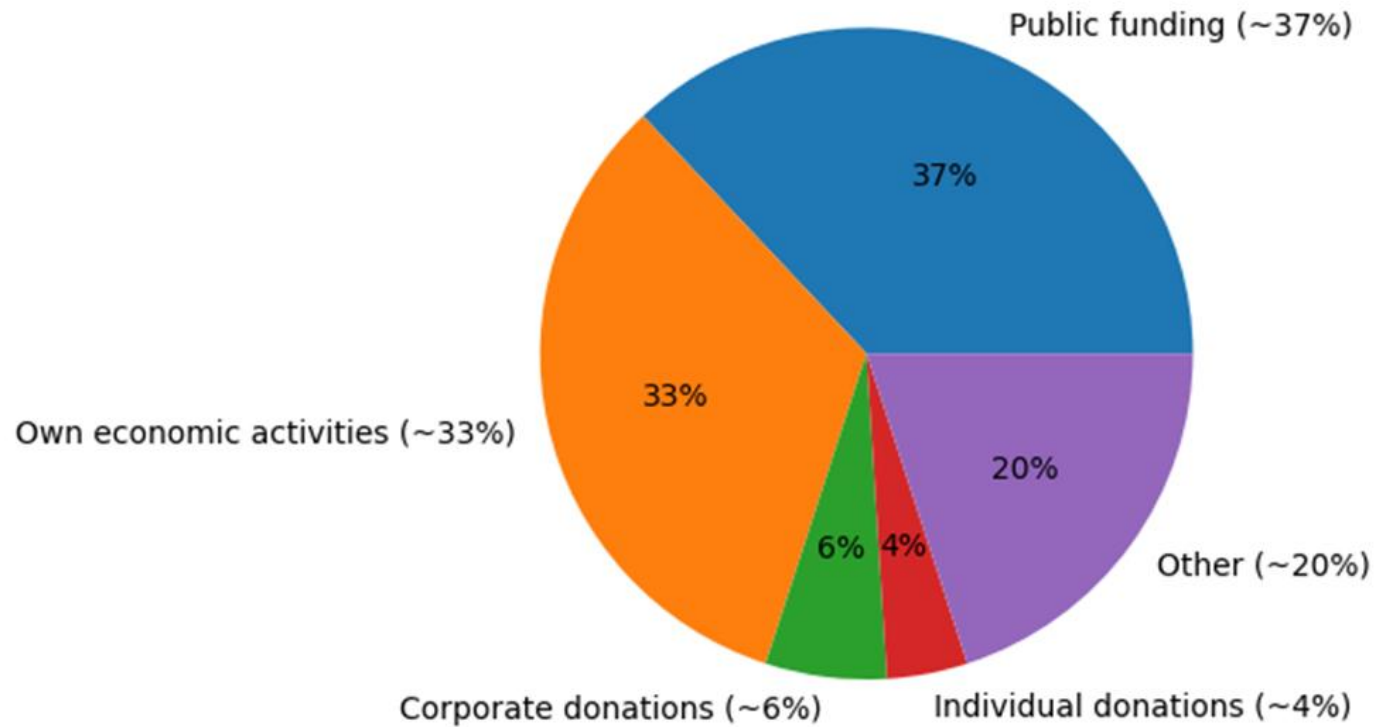
- Integrated vs Fragmented systems
- Capital vs Flow
- Institutional vs Emerging

Philanthropy vs Foundation Distribution



Funding Structure of Czech NPOs

Funding Structure of Czech Non-Profit Sector



Donor Behaviour



- 25% donate
- Small donations
- Crisis-driven
- Socially broad, financially shallow

Legal Architecture



- Foundations
- Endowment funds
- Trust funds
- Institutes
- OPS

Foundations



- Capital-based
- Tax advantages
- Conceptual inconsistencies

Endowment Funds



- Flexible
- No capital lock
- Widely used

Donor's Advised Funds



- DAF-like structure
- Contractual or internal mechanism
- No specific regulatory or tax framework

Regulation



- Transparency without oversight

Development



- Post-2014 evolution
- Soft law
- Emerging infrastructure

Conclusion



- Fragmented system
- Emerging capital
- Still evolving

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