

Panama Foundations Vs. Liechtenstein Foundations.

Differences between the Panama Private Foundations & the Liechtenstein's Family Foundation

Capital Obligations

There are no capital obligations in the Panamanian Private Interest Foundation law. A nominal capital requirement of only US\$ 10,000 is stipulated, while in the Liechtenstein legislation the capital obligation is more rigorous with a minimum of 30,000 Swiss Francs required.

The Panamanian Foundation does not demand a payment based on capital, and it only requires an annual charge of US\$ 300.00. On the contrary, Liechtenstein Foundation imposes a payment of the foundation depending on the capital of the Foundation that depends on the amount to be managed.

Bookkeeping

According to the laws of Panama there is no bookkeeping account-ability for holding companies, while on the contrary this is an obligation for corporate bodies of any nature in Liechtenstein.

Assets & Liability

In the Panamanian Foundation, the heirs cannot attack the assets therein; the Liechtenstein Foundation may be judicially attacked by heirs of the Founder.

The Liechtenstein Foundation has limited liability, which relates to the limit of the capital or of the funds given to the Foundation by the Founder, and bodies are not answerable pursuant to the conception foreseen by the Doctrine and the Law. In comparison the Panamanian Foundation and its bodies have unlimited responsibility pursuant to Panamanian Civil Law.

Supervisory Body

In the Panamanian Foundation the parties may establish a supervisory body or committee. In Liechtenstein, the role of the supervisory body is the government under Public Law and not in terms of Private Law.

Solution of International controversies

The Panamanian Foundation establishes an international private law section which covers and rules everything pertaining to the change of nationality or new domicile, which in fact is the continuation status, expressed in Articles 28-32. This ensures confidentiality, procedural economy and flexibility in the continuation process. While the Liechtenstein Foundation completely ignores the regulation of law conflicts in its specialized scheme, therefore it would have to resolve these conflicts through Private International Law.