

Liechtenstein and the European Economic Area

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A small neighbour of Switzerland offers the Geneva financial centre a gateway into the Union that Switzerland itself does not have. The Principality of Liechtenstein, linked to Switzerland by a customs and monetary union, has been a member of the European Economic Area since 1995 and benefits from the European passport for its banks, its fund managers and its insurers.¹ Several Swiss institutions, among them Geneva houses, maintain subsidiaries in Liechtenstein which they use to distribute funds and to serve clients from the Union, in a German-speaking environment that is close in law and in culture and under a supervisory regime recognised by the Union.²

The case of Liechtenstein shows what the European Economic Area would have brought the Swiss financial centre and what the refusal of 1992 has cost it in the field of financial services. It also shows the limits of this route: Liechtenstein adopts the entire body of European financial services law, with all its costs, and its size moreover restricts the capacity of its infrastructure. For a Geneva institution, the Liechtenstein subsidiary is a means of access to the Union comparable to the Luxembourg subsidiary, offering greater geographical and linguistic proximity but a shallower market.

1 Notes

1. Customs union treaty of 1923, adoption of the Swiss franc by Liechtenstein in 1924, accession to the European Economic Area in 1995; Federal Department of Foreign Affairs, “Relations bilatérales Suisse–Liechtenstein” [Bilateral relations Switzerland–Liechtenstein], fdfa.admin.ch (accessed September 2026). ↩

2. Swissinfo, “Les banques suisses boudent la place financière du Liechtenstein” [Swiss banks shun the Liechtenstein financial centre] (24 December 2017): only two banks there are owned by Swiss players, EFG Bank von Ernst (1998) and Vontobel (2000), the latter at that time selling its Liechtenstein business to Kaiser Partner Privatbank in order to favour its German platform as its European gateway; in the absence of a specific agreement between Berne and Vaduz, Swiss subsidiaries there are subject to the same conditions as other third-country institutions, and Simon Tribelhorn, director of the Liechtenstein Bankers Association, notes that establishing a presence there makes “no sense” for the large institutions already present on the European markets. ↩

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