

Since December 2011, HMRC has required a Confirmation of Relevance²⁹⁶ issued by the FI to accept an LDF application.²⁹⁷ The certificate ensures that relevant property in Liechtenstein exists at the date of registration.²⁹⁸ Variations of the assets in Liechtenstein after the registration are not of relevance for HMRC and do not lead to a suspension or withdrawal of the registration.²⁹⁹

The requirement to establish a meaningful relationship was requested by FIs in Liechtenstein. It is very positive that new clients are only required to transfer a portion of their assets to Liechtenstein rather than the whole relevant property.³⁰⁰ The exact definition enables FIs to establish a long-term relationship. However, in the explanatory notes, it is argued that the relationship should last at least 24 months. A short survey with some banks in Liechtenstein indicates that this proposed minimum period is not strongly implemented. The pressure from clients and competitors may be too high. Of course, a minimum term length for a banking relationship is difficult to explain to the clients. Nevertheless, the implementation of a clearly defined meaningful relationship is positive for the financial centre in Liechtenstein. Goekmen, Head of the Management Board at Kaiser Partner Privatbank AG, says that total assets for LDF cases in which he was involved increased from approximately GBP 1 million before the new regulation to around GBP 3 million today.³⁰¹

2.4 Cases

2.4.1 About the Cases

The following three cases illustrate the application of the LDF. Two cases are designed as representative cases to represent a wider range of realistic cases whereas the third is a crucial case.³⁰² A crucial case is used to show the impact of the framework on cases, which are extraordinary. The intention of crucial cases is the idea that if an argument holds under extreme conditions (crucial case) the likelihood that this argument is true is high.³⁰³

The cases provide groundwork which allows for a comparison with the Swiss-UK tax agreement in chapter four. Therefore, the cases are constructed in such a way that they are able to be used for both

²⁹⁶ Annex E

²⁹⁷ HMRC, LDF FAQ, March 2013, sec. 3.4.

²⁹⁸ HMRC, LDF FAQ, March 2013, sec. 3.5.

²⁹⁹ HMRC, LDF FAQ, March 2013, sec. 3.8.

³⁰⁰ Roth & Thiede, 2013, p. 619.

³⁰¹ Goekmen, 2013, p. 59.

³⁰² Christians, 2010, p. 351-355.

³⁰³ Christians, 2010, p. 354 & 355.