



Rules of Procedure of the Liechtenstein Institute of Professional Trustees and Fiduciaries

as of 13 November 2013

(Version 2018 June 13 / Unofficial translation)

I. Membership, registered office, remit and governing bodies

Article 1

Members

1) Members of the Liechtenstein Institute of Professional Trustees and Fiduciaries include all trustees and trust companies (individuals and legal entities) licensed under the Professional Trustees Act (*Treuhändergesetz – TrHG*).

2) The start and end of membership coincides with that of the member's licence.

3) The Board of Directors keeps a list of members.

Article 2

Registered office

The registered office of the Liechtenstein Institute of Professional Trustees and Fiduciaries is in Vaduz, Principality of Liechtenstein.

Article 3

Remit

The Liechtenstein Institute of Professional Trustees and Fiduciaries fulfils its duties in accordance with Article 63 of the Professional Trustees Act.

Article 4

Governing bodies

The Liechtenstein Institute of Professional Trustees and Fiduciaries is comprised of the following governing bodies:

- a) The Plenary Meeting
- b) The Board of Directors
- c) The disciplinary entities of the Professional Ethics Committee and the Investigator
- d) The Auditors

II. The Plenary Meeting

Article 5

Composition and voting rights

1) The Plenary Meeting is comprised of all of the members of the Liechtenstein Institute of Professional Trustees and Fiduciaries.

2) Each member has one vote that must be cast personally. Each member can be represented at a Plenary Meeting by another member, subject to the submission of a written power of attorney. Legal entities are represented by the bodies authorised to represent them.

Article 6

Remit

The remit of the Plenary Meeting covers matters defined under Article 64 of the Professional Trustees Act.

Article 7

Convocation

1) The Plenary Meeting is convened by the Chairman in writing by resolution of the Board of Directors. The convening notice must include the location, date, time and the agenda.

2) An ordinary Plenary Meeting must be held annually. It should take place within the first six months of the year.

3) Extraordinary Plenary Meetings can be convened by the Board of Directors at any time. One-tenth of the members can submit a written application to the Board of Directors requesting that an extraordinary Plenary Meeting be convened, stating the proposed agenda item(s). The Board of Directors shall convene this extraordinary Plenary Meeting within six weeks.

4) The extraordinary Plenary Meeting must be convened at least one week before the scheduled date.

Article 8

Quorum and adoption of resolutions

1) The Plenary Meeting is quorate as defined under Article 64(2) of the Professional Trustees Act if at least a quarter of the members are present or represented by power of attorney.

2) Plenary Meeting resolutions are generally passed with a simple majority of votes; abstentions are excluded.

3) Votes will take place openly. The Plenary Meeting can, however, opt to use written ballot or a roll-call vote for certain items. Votes take place in secret by submitting ballot papers, unless the Plenary Meeting decides to hold the vote openly.

Article 9

Meeting protocol and minutes

1) The Chairman of the Board of Directors presides over the Plenary Meeting. The Chairman opens, conducts, adjourns and closes the Plenary Meeting. In the Chairman's absence, this duty is assumed by the Vice Chairman, or, in their absence, by the Board of Directors member appointed by the remaining Board of Directors members.

2) The Chairman appoints two vote counters at the start of the Plenary Meeting to determine the results of the vote.

3) The Plenary Meeting generally only deals with the specified agenda. Resolutions can only be passed on other motions submitted during the Plenary Meeting if the Plenary Meeting rules it urgent with two-thirds of the votes; abstentions are excluded.

4) Minutes must be taken of each Plenary Meeting and an attendance list completed, both of which must be signed by the Chairman and the keeper of the minutes. The minutes must be approved during the Plenary Meeting.

III. The Board of Directors

Article 10

Composition and voting rights

1) The Board of Directors is comprised of the Chairman, the Vice Chairman and a minimum of three other members.

2) Election and term of office are determined in accordance with Article 65 of the Professional Trustees Act. Only those who have an active right to vote and right of election can be elected to the Board of Directors.

3) If a member of the Board of Directors leaves during their term of office, the Plenary Meeting, which should be convened as soon as possible, votes to elect a substitute member.

Article 11

Incompatibility

Election to the Board of Directors is incompatible with affiliation to the government and the Supreme Administrative Court (*Verwaltungsgerichtshof*).

Article 12

Remit, management, rules of procedure and power of representation

1) The remit of the Board of Directors covers matters defined under Article 65 of the Professional Trustees Act.

2) The Board of Directors sets its own rules of procedure for management. It disposes of the statutory powers for this in line with Article 180 et seqq. of the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht – PGR*). In particular, the Board of Directors can assign certain transactions to be handled independently by the Chairman.

3) The Board of Directors can set up a management office and assign certain matters to be handled independently by it by resolution of the Board of Directors. Its purpose is to assist the Board of Directors and the Chairman in fulfilling their duties.

4) The Board of Directors shall legally represent the Liechtenstein Institute of Professional Trustees and Fiduciaries in dealings with third parties by a joint signature of two. It can assign representation to the management office for certain dealings.

Article 12a

Arbitration Committee

1) The Board of Directors can assign the arbitration of disputes between Institute members to the Arbitration Committee; in particular in the circumstances as set out in Article 18(3) of the Rules of Conduct.

2) The Arbitration Committee is comprised of a Chairman and two assessors, as well as three substitute members.

3) The Board of Directors appoints members of the Arbitration Committee for a term of office of two years.

4) The bodies entrusted with arbitration, and any other persons consulted by these, are subject to professional secrecy for an unlimited time.

5) The provisions on the exclusion and rejection of members pursuant to Article 40 of the Professional Trustees Act apply *mutatis mutandis*. The Chairman of the Arbitration Committee rules on the validity of the grounds for this; where the Chairman of the Arbitration Committee is involved, this task is incumbent upon the Chairman of the Board of Directors.

6) There is no entitlement to compensation for litigation costs incurred by either party in proceedings before the Arbitration Committee.

Article 13

Remuneration

The Board of Directors members and, where applicable, the Secretary fulfil their roles in return for commensurate remuneration. The Plenary Meeting rules on this in a budget to be submitted.

Article 14

Convocation

1) The Chairman or, in their absence, the Vice Chairman, convenes the Board of Directors as needed or at the request of a member of the Board of Directors, stating the location, time and agenda.

2) In urgent cases, any Board of Directors member can convene the Board of Directors in the absence of both the Chairman and the Vice Chairman.

Article 15

Quorum and adoption of resolutions

1) The Board of Directors is quorate if at least half of the Board of Directors members are present.

2) The Board of Directors passes resolutions with a simple majority of votes. The Chairman has the casting vote in the event of a tie. In the event of a conflict of interest, Board of Directors members must abstain from voting.

Article 16

Meeting protocol and minutes

1) The Chairman presides over meetings of the Board of Directors. In their absence, the Vice Chairman presides over the meeting, and, in their absence, the Board of Directors member chosen by the Board of Directors members present.

2) The Board of Directors generally only consults on and decides on items on the agenda. The Board of Directors can, however, approve an addition to the agenda at any time in urgent cases.

3) In urgent cases, resolutions can also be adopted in the form of circular resolutions by phone or electronically. Resolutions passed by phone must be documented in writing.

4) Minutes must be taken of each Board of Directors meeting and an attendance list completed, both of which must be signed by the Chairman and the keeper of the minutes.

5) The keeper of the minutes is appointed by the respective Chairman.

IV. The Auditors

Article 17

Composition and term of office

1) The Auditors comprise one auditor who is simultaneously a member of the Liechtenstein Institute of Professional Trustees and Fiduciaries.

2) The term of office for the Auditors is three years.

Article 18

Remit

The Auditors audit the annual financial statements of the Liechtenstein Institute of Professional Trustees and Fiduciaries, and submit a written report for the attention of the Plenary Meeting. The Auditors are present at the Plenary Meeting to answer any questions posed by members of the Liechtenstein Institute of Professional Trustees and Fiduciaries in attendance at the Plenary Meeting.

Article 19

Access to and inspection of files

Each member of the Liechtenstein Institute of Professional Trustees and Fiduciaries is entitled to access and inspect files, provided they validly assert a justified interest in doing so. Requests must be addressed to the Board of Directors.

V. Confidentiality

Article 20

Confidentiality

Members of the Board of Directors, the management office, the Professional Ethics Committee and the Investigator are bound by confidentiality with regard to confidential affairs. In particular, confidential affairs include:

- Arbitration of disputes between Institute members
- Work as a disciplinary body in accordance with the Professional Trustees Act
- Hearings as part of the revocation or withdrawal of licences
- Information classed as confidential exchanged in correspondence and in the course of collaboration with the authorities

- Affairs designated as confidential by resolution of the Board of Directors. Such a resolution must be justified in line with Article 63 of the Professional Trustees Act.

VI. Final provisions

Article 21

Reservation of ratification

These Rules of Procedure require authorisation by the government in accordance with Article 64(3) of the Professional Trustees Act to become legally effective.

Article 22

Entry into force

These Rules of Procedure entered into force on 1 January 2014.

These Rules of Procedure were adopted by the Plenary Meeting on 13 November 2013 and approved by the government on 3 December 2013.

The wording of Article 12a and Article 15(2) was adopted by the Plenary Meeting on 28 May 2018 and approved by the government on 12 June 2018 before entering into force on 13 June 2018.