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REAL ESTATE

Liechtenstein

LEXOLOGY

Real Estate

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Generated on: April 10, 2026

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GENERAL

Legal system
How would you explain your jurisdiction's legal system to an investor?

Liechtenstein follows a civil law system that is stable and generally investor friendly, closely linked to Switzerland and the European Economic Area (EEA). It is a constitutional monarchy where laws are made by Parliament and the Prince, and disputes go through ordinary courts up to the Supreme Court and constitutional courts. Private law for contracts and real estate is Austrian based with strong Swiss influence, and title security rests on a reliable land register with public faith.

Law stated - 12 February 2026

Land records
Does your jurisdiction have a system for registration or recording of ownership, leasehold and security interests in real estate? Must interests be registered or recorded?

Liechtenstein keeps land records in a central public Land Register maintained by the Office of Justice. Registered entries have public faith so third parties may rely on them, and good faith acquirers are strongly protected. Ownership mortgages, land charges and other real rights generally arise and gain priority only on registration. Most leases stay contractual and are checked outside the register.

Law stated - 12 February 2026

Registration and recording
What are the legal requirements for registration or recording conveyances, leases and real estate security interests?

In Liechtenstein, conveyances and real estate security become effective as rights in rem mainly through Land Register registration based on a duly notarised public deed, giving third-party protection and priority. Most leases are not registered and work mainly under contract and tenancy law. The register does not cover all contractual arrangements or public law restrictions. So, contractual and regulatory due diligence remains necessary.

Law stated - 12 February 2026

Foreign owners and tenants
What are the requirements for non-resident entities and individuals to own or lease real estate in your jurisdiction? What other factors should a foreign investor take into account in considering an investment in your jurisdiction?

Foreign ownership or leasing is controlled under the land transfer regime and assessed case by case by the Office of Justice against statutory objectives and a legitimate interest test. Acquisition is defined broadly so it can cover not only a title transfer but also ownership equivalent rights and even long-term leases that function like a disguised acquisition. Approval may include conditions that can be monitored later.

Law stated - 12 February 2026

Exchange control

If a non-resident invests in a property in your jurisdiction, are there exchange control issues?

Liechtenstein has no classic exchange controls and uses the Swiss franc through its currency union with Switzerland. Capital movements are liberal, so foreign investors can generally move purchase funds, rent repayments and sale proceeds in and out and convert currencies at market conditions. In practice, banks apply strict anti-money laundering know your customer and sanctions checks that can slow up or block payments.

Law stated - 12 February 2026

Legal liability

What types of liability does an owner or tenant of, or a lender on, real estate face? Is there a standard of strict liability and can there be liability to subsequent owners and tenants including foreclosing lenders? What about tort liability?

Owners may face buyer warranty liability for defects and tenant claims to keep premises usable with needed repairs and undisturbed use, and they also owe duties to neighbours and easement holders. Tort liability arises if premises are unsafe, with stricter exposure for building or access way defects and possible environmental cleanup cost shifts under polluter pays, plus workplace safety duties. Tenants face rent and proper use duties and can incur tort or regulatory exposure. Lenders are mainly liable and typically only for their own wrongdoing but taking title can trigger owner duties.

Law stated - 12 February 2026

Protection against liability

How can owners protect themselves from liability and what types of insurance can they obtain?

Owners commonly protect themselves by holding property through a limited liability vehicle to ring fence most contractual and tort exposure, while avoiding guarantees and conduct that could undermine that shield. They also allocate risk by contract through warranties limits and indemnities, lease repair and use clauses, and insured contractor obligations, backed by compliance and maintenance routines. Insurance usually combines building cover with landowner liability and may add loss of rent construction and environmental liability cover.

Law stated - 12 February 2026

Choice of law

How is the governing law of a transaction involving properties in two jurisdictions chosen? What are the conflict of laws rules in your jurisdiction? Are contractual choice of law provisions enforceable?

For Liechtenstein real estate rights in rem, follow the law of the place where the property sits and parties cannot choose another law for title transfer land register effects or mortgage priority. Leases and similar land use contracts are generally tied to the property location. Other contracts such as share deals loans, construction management and brokerage may choose governing law subject to mandatory rules and public policy limits.

Law stated - 12 February 2026

Jurisdiction

Which courts or other tribunals have subject-matter jurisdiction over real estate disputes? Which parties must be joined to a claim before it can proceed? What is required for out-of-jurisdiction service? Must a party be qualified to do business in your jurisdiction to enforce remedies in your jurisdiction?

Real estate disputes are handled by the ordinary courts in Vaduz under the jurisdiction and civil procedure rules. Arbitration may be agreed on contractual claims such as sale construction or lease, but questions on title and land register effects generally require state determination. For cross-border cases, disputes on rights in rem must be brought where the property is located.

Law stated - 12 February 2026

Commercial versus residential property

How do the laws in your jurisdiction regarding real estate ownership, tenancy and financing, or the enforcement of those interests in real estate, differ between commercial and residential properties?

Liechtenstein land transfer rules apply to all land and are strictest for residential and holiday property to deter speculation, so approvals and the legitimate interest test are tighter for housing but more flexible for business where land is needed for a lawful domestic activity or an approved commercial project. Tenancy reform from January 2017 strengthened termination protection for both, while residential deposits are capped at three months with statutory handling rules, and commercial deposits are mainly contractual.

Law stated - 12 February 2026

Planning and land use

How does your jurisdiction control or limit development, construction, or use of real estate or protect existing structures? Is there a planning process or zoning regime in place for real estate?

Liechtenstein controls development mainly through the Building Code and a two-level planning system. The state sets a strategic master plan, while each municipality adopts a zoning plan and building regulations with parcel level rules. Most construction and material changes of use need a permit or notification, with public notice and neighbour objections, and permits may include conditions or enforcement measures.

Law stated - 12 February 2026

Government appropriation of real estate

Does your jurisdiction have a legal regime for compulsory purchase or condemnation of real estate? Do owners, tenants and lenders receive compensation for a compulsory appropriation?

Liechtenstein protects property under the Constitution and permits expropriation only for public welfare with adequate compensation, covering both formal takings and exceptionally severe restrictions that amount to material expropriation. On a legal basis public interest, proportionality and compensation are required so the owner is not left with a net loss. Compensation can also cover easements usufruct building rights and registered security rights, so secured lenders are protected, while ordinary tenants benefit mainly indirectly.

Law stated - 12 February 2026

Forfeiture

Are there any circumstances when real estate can be forfeited to or seized by the government for illegal activities or for any other legal reason without compensation?

Real estate is not normally taken without compensation because constitutional property protection means compensation is due for formal or material expropriation, while proportionate lawful interferences can be compensation free even if value falls. Separate from this, criminal procedure can secure assets, and criminal law can confiscate or forfeit instruments or proceeds of crime without compensation, while protecting innocent third-party rights such as good faith mortgages or co-ownership.

Law stated - 12 February 2026

Bankruptcy and insolvency

Briefly describe the bankruptcy and insolvency system in your jurisdiction.

Liechtenstein insolvency is governed by the Insolvency Code, which entered into force on first January 2021 and shifted policy toward restructurings where possible. Proceedings open on illiquidity and for legal entities also over indebtedness. One framework can run as restructuring if a plan is filed in time or continue as liquidation, with a possible debtor in possession option. Opening is published and noted in the Land Register.

Law stated - 12 February 2026

INVESTMENT VEHICLES

Investment entities

What legal forms can investment entities take in your jurisdiction? Which entities are not required to pay tax for transactions that pass through them (pass-through entities) and what entities best shield ultimate owners from liability?

Common holding vehicles are the AG, GmbH, Anstalt and private foundation, with trusts and trust-like structures also used, and regulated UCITS or AIF fund structures for multi-investor products under Financial Market Authority supervision. AG and GmbH are classic limited liability companies, while Anstalt is a flexible legal person, and foundations often sit above property special purpose vehicles (SPVs) to ring-fence risk.

Law stated - 12 February 2026

Foreign investors

What forms of entity do foreign investors customarily use in your jurisdiction?

Foreign investors usually hold property through a limited liability special purpose vehicle for a single asset joint venture or trading activity, typically an AG or GmbH, or an Anstalt as a flexible holding entity often structured to qualify as a private asset structure. Above this, investors may use a private foundation or top holding Anstalt and sometimes trust or trust enterprises. For multiple investors, Undertakings for Collective Investment in Transferable Securities or alternative investment funds funds under Financial Market Authority supervision are common, while partnerships are less used.

Law stated - 12 February 2026

Organisational formalities

What are the organisational formalities for creating and maintaining the above entities? What requirements does your jurisdiction impose on a foreign entity? Does failure to comply incur monetary or other penalties? What are the tax consequences for a foreign investor in the use of any particular type of entity, and which type is most advantageous?

Liechtenstein entities have formation filings, statutes and registered seat requirements, and must keep corporate records and appoint required organs. An AG needs a board and normally an auditor unless exemption applies, while a GmbH needs managers and may also need an auditor. Beneficial ownership must be identified and maintained for AML and register purposes. Real estate holding SPVs should ensure proper authority rules for signing deeds and bank arrangements.

Law stated - 12 February 2026

ACQUISITIONS AND LEASES

Ownership and occupancy

Describe the various categories of legal ownership, leasehold or other occupancy interests in real estate customarily used and recognised in your jurisdiction.

Acquisitions usually start with Land Register and zoning checks, then legal technical and financial due diligence runs in parallel, including land transfer approval and anti-money laundering checks, while the sale contract is negotiated with conditions precedent and prepared in notarised registration ready form. Leases are generally contractual rather than registered, and the buyer typically steps into the landlord position on a change of ownership.

Law stated - 12 February 2026

Pre-contract

What are the typical pre-contractual steps?

Pre-contract steps usually start with the seller sharing core asset data such as the address land register extract lease overview key financials and the asking price while the buyer shares a timetable and financing concept. Parties often sign a letter of intent or term sheet that is mostly non-binding but commonly makes confidentiality exclusivity costs and governing law binding and records structure price and key conditions.

Law stated - 12 February 2026

Contract of sale

What are typical provisions in a contract of sale?

A Liechtenstein real estate sale contract identifies the parties and confirms capacity and authority, including beneficial owner and source of funds where due diligence duties apply, and then defines the property precisely by Land Register description and clarifies inclusions and exclusions. It sets the price and payment mechanics and makes closing conditional on key approvals and consents, with transfer achieved through Land Register registration and rules on possession risk and income allocation.

Law stated - 12 February 2026

Environmental clean-up

Who takes responsibility for a future environmental clean-up? Are clauses regarding long-term environmental liability and indemnity that survive the term of a contract common? What are typical general covenants? What remedies do the seller and buyer have for breach?

Environmental authorities can order investigation and remediation of contaminated land regardless of what seller and buyer agree, and orders often target the current owner or the person in control. Cost allocation follows the polluter pay approach, with liability potentially shifting if polluters are unknown or insolvent. Contracts, therefore, re-allocate risk through warranties, specific indemnities, survival clauses, covenants to prevent new contamination, notice duties, access for testing, and remedies such as damages set-off retention or termination.

Law stated - 12 February 2026

Lease covenants and representation

What are typical representations made by sellers of property regarding existing leases? What are typical covenants made by sellers of property concerning leases between contract date and closing date? Do they cover brokerage agreements and do they survive after property sale is completed? Are estoppel certificates from tenants customarily required as a condition to the obligation of the buyer to close under a contract of sale?

Lease terms are mostly contractual and often cover permitted use, maintenance and repair duties, insurance, operating costs, alteration rules, subletting and assignment limits, and landlord access rights. Parties commonly include representations on authority, compliance and condition of premises, and they allocate fit out and reinstatement obligations. Rent clauses address indexation and payment dates, while default clauses set notice, cure periods, termination rights and damages.

Law stated - 12 February 2026

Leases and real estate security instruments

Is a lease generally subordinate to a security instrument pursuant to the provisions of the lease? What are the legal consequences of a lease being superior in priority to a security instrument upon foreclosure? Do lenders typically require subordination and non-disturbance agreements from tenants? Are ground (or head) leases treated differently from other commercial leases?

In Liechtenstein, mortgages and land charges are rights in rem whose existence and ranking depend on Land Register filing, while leases are usually contractual and not registered as real rights, so they normally do not compete on register priority. In enforcement, registered security will be realised under execution rules, and lenders may seek contractual protection such as subordination or non-disturbance where relevant.

Law stated - 12 February 2026

Delivery of security deposits

What steps are taken to ensure delivery of tenant security deposits to a buyer? How common are security deposits under a lease? Do leases customarily have periodic rent resets or reviews?

Buyers usually require clear handover mechanics, so tenant security follows the landlord position at closing. The sale agreement typically includes a lease-by-lease schedule stating form and key terms. Cash deposits are transferred to the buyer or handled through the closing statement, deposit accounts are assigned where possible and guarantees or letters are transferred or replaced. Tenants are notified and the seller indemnifies any shortfall.

Law stated - 12 February 2026

Due diligence

What due diligence should be conducted before executing a contract? Is any due diligence customarily permitted or conducted after contract but before closing? What is the typical method of title searches and are they customary? How and to what extent may acquirers protect themselves against bad title? Discuss the priority among the various interests in the estate. Is it customary to obtain government confirmation, a zoning report or legal opinion regarding legal use and occupancy?

Due diligence usually begins with a current Land Register extract to confirm ownership parcel details and all registered rights, and advisers also check priority using the diary timestamp system. In parallel, they assess whether land transfer approval is needed and review the full lease package where relevant. Technical environmental and financial tax reviews then run alongside zoning and permit checks, and buyers often do an updated extract and bring down checks between signing and closing.

Law stated - 12 February 2026

Structural and environmental reviews

Is it customary to arrange an engineering or environmental review? What are the typical requirements of such reviews? Is it customary to get representations or an indemnity? Is environmental insurance available?

In commercial and redevelopment deals, buyers and lenders usually request technical and environmental reviews before signing or as a closing condition. The technical review checks structure roof moisture building systems fire safety accessibility and risks such as asbestos, confirms permit compliance and estimates future capital expenditure. The environmental review typically starts with a Phase One desk and site review, and moves to testing if concerns arise, with remediation measures planned.

Law stated - 12 February 2026

Review of leases

Do lawyers usually review leases or are they reviewed on the business side? What are the lease issues you point out to your clients?

In lease due diligence, lawyers focus on protecting value control enforceability and bankability. They review term renewal and termination and notice, rent economics, including indexation step ups incentives and service charges, and any set-off rights. They assess assignment subletting and change of control, tenant security form expiry and transfer, repair and capex allocation, compliance and permitted use, insurance and casualty rules, defaults remedies and any side letters or inconsistencies.

Law stated - 12 February 2026

Other agreements

What other agreements does a lawyer customarily review?

Beyond leases, lawyers review material operational and ancillary contracts that affect value risk and flexibility, including property and facility management, cleaning security and other services, plus utilities and key supply arrangements. They also check construction and development contracts, permits and defect claims, neighbour agreements and registered rights, financing and release mechanics, brokerage mandates, insurance cover and claims history, and environmental reports and authority correspondence.

Law stated - 12 February 2026

Closing preparations

How does a lawyer customarily prepare for a closing of an acquisition, leasing or financing?

Closing preparation focuses on satisfying conditions precedent and getting Land Register ready documents. Lawyers confirm authority and complete anti money laundering and know your customer checks, then track land transfer approval and any third-party consents. They obtain a fresh register extract, prepare transfer and security filings, and organise notarisation and certifications. They finalise handover items, tenant deliverables, closing statement, funds flow and post-closing registrations.

Law stated - 12 February 2026

Closing formalities

Is the closing of the transfer, leasing or financing done in person with all parties present? Is it necessary for any agency or representative of the government or specially licensed agent to be in attendance to approve or verify and confirm the transaction?

Closing formalities usually include signing and notarisation where required, confirming fulfilment of conditions, and executing Land Register applications for title transfer and any new security. Funds are released according to the agreed funds flow, keys and documents are handed over, tenant notices are issued, and post-closing filings and confirmations are tracked until registration is completed.

Law stated - 12 February 2026

Contract breach

What are the remedies for breach of a contract to sell or finance real estate?

If a party breaches a real estate sale or lease contract, remedies depend on the agreement and mandatory law but usually include cure notices, specific performance where feasible, damages and interest, and termination for material breach. In sale deals, buyers may claim price reduction or damages for defects and may withhold part of the price if contractually agreed. In leases, landlords may seek rent payment enforcement and termination, while tenants may claim repair rent reduction or damages if use is impaired.

Law stated - 12 February 2026

Breach of lease terms

What remedies are available to tenants and landlords for breach of the terms of the lease? Is there a customary procedure to evict a defaulting tenant and can a tenant claim damages from a landlord? Do general contract or special real estate rules apply? Are the remedies available to landlords different for commercial and residential leases?

Lease remedies are mainly governed by general contract law in the General Civil Code, with court enforcement under the execution order. A non-breaching party may demand performance, claim damages and default losses, and terminate after notice and a reasonable grace period, plus rely on any agreed penalty. Landlords may claim unpaid rent and costs, set-off amounts and call deposits or guarantees. Tenants may demand repairs, seek rent reduction and damages, and terminate for serious unremedied breach.

Law stated - 12 February 2026

FINANCING

Secured lending

Discuss the types of real estate security instruments available to lenders in your jurisdiction. Who are the typical providers of real estate financing in your country? Are there any restrictions on who may provide financing?

In Liechtenstein, real estate financing is usually secured by registered land security rights entered in the Land Register, with documentation prepared in registration ready form. A commonly used instrument is the registered debt certificate with an established creation and filing process. Mortgage and construction finance is typically provided by banks and private banking groups, within a licensing and supervision framework under the Financial Market Authority and AML duties.

Law stated - 12 February 2026

Leasehold financing

Is financing available for ground (or head) leases in your jurisdiction? How does the financing differ from financing for land ownership transactions?

Leasehold or ground lease financing is available, but long-term lease structures can fall under land transfer rules because a long lease may be treated as a special right to land and therefore like an acquisition for approval purposes. Priority and legal certainty remain register driven, because only registered rights in rem benefit from diary-based ranking, unlike purely contractual positions.

Law stated - 12 February 2026

Form of security

What is the method of creating and perfecting a security interest in real estate?

Real estate security is created and perfected through a register driven mortgage process, starting with an agreement, then formal execution, and then an unconditional application and entry into the Land Register. The pledge agreement identifies the parties, describes the property, and defines the secured claim, land charge type, and pledged amount. Practice often uses fixed amount or maximum amount land charges or a register debenture.

Law stated - 12 February 2026

Valuation

Are third-party real estate appraisals required by lenders for their underwriting of loans? Are there government or industry standards for appraisals? Must appraisers have specific qualifications or required government or industry certifications? Who is required to order the appraisal?

Lenders generally expect an independent third-party valuation for real estate backed lending because prudential rules require monitoring of collateral and, when triggers apply, review or revaluation by an independent suitably qualified valuer. Banks refresh valuations for material changes and refinancings. There is no single Liechtenstein only code, so banks usually rely on international standards such as IVS Tego VA or RICS and focus on valuer competence independence and conflict controls.

Law stated - 12 February 2026

Legal requirements

What would be the ramifications of a lender from another jurisdiction making a loan secured by collateral in your jurisdiction? What is the form of lien documents in your jurisdiction? What other issues would you note for your clients?

Financing documents must be validly authorised and executed, and real estate security must be filed and entered into the Land Register to be effective and ranked. Notarisation is required where the registration filing demands a public deed form. Lenders and borrowers must satisfy anti-money laundering and sanctions checks, and regulated lenders must comply with Financial Market Authority requirements and banking conduct rules.

Law stated - 12 February 2026

Loan interest rates

How are interest rates on commercial and high-value property loans commonly set? What rate of interest is legally impermissible in your jurisdiction and what are the consequences if a loan exceeds the legally permissible rate?

In Swiss franc market practice, floating commercial real estate loans are commonly priced off compounded SARON plus an agreed bank margin, with periodic resets, while fixed rate loans are also common for multiyear budget certainty. There is no single statutory percentage cap for commercial rates, but usurious terms that exploit distress or weakness and are strikingly disproportionate can be void, with restitution consequences.

Law stated - 12 February 2026

Loan default and enforcement

How are remedies against a debtor in default enforced in your jurisdiction? Is one action sufficient to realise all types of collateral? What is the time frame for foreclosure and in what circumstances can a lender bring a foreclosure proceeding? Are there restrictions on the types of legal actions that may be brought by lenders?

Remedies against a defaulting borrower are enforced through the court driven Execution Order system and there is no fixed statutory timetable because duration varies with the chosen execution method and whether the debtor raises objections. Objections can shift matters into ordinary contentious proceedings and slow timing. Real estate enforcement may also require Land Register steps and can be supported by interim protective measures.

Law stated - 12 February 2026

Loan deficiency claims

Are lenders entitled to recover a money judgment against the borrower or guarantor for any deficiency between the outstanding loan balance and the amount recovered in the foreclosure? Are there time limits on a lender seeking a deficiency judgment? Are there any limitations on the amount or method of calculation of the deficiency?

If enforcement proceeds do not cover the secured claim, the lender can pursue the remaining balance as an unsecured deficiency claim against the debtor under general obligations law and the execution rules, subject to any contractual non-recourse limitations. In insolvency, any unpaid balance is filed in the proceedings and satisfied only according to the distribution rules after realisation of collateral and costs.

Law stated - 12 February 2026

Protection of collateral

What actions can a lender take to protect its collateral until it has possession of the property?

Before enforcement, lenders protect collateral mainly through contract controls like covenants and negative pledge, careful review of registration and ranking, insurance and other enhancements, and cash flow and account control for income producing property to spot problems early. The key to rem protection is keeping the security correctly recorded, properly ranked and monitored in the Land Register diary system.

Law stated - 12 February 2026

Recourse

May security documents provide for recourse to all of the assets of the borrower? Is recourse typically limited to the collateral and does that have significance in a bankruptcy or insolvency filing? Is personal recourse to guarantors limited to actions such as bankruptcy filing, sale of the mortgaged or hypothecated property or additional financing encumbering the mortgaged or hypothecated property or ownership interests in the borrower?

Security documents can preserve full recourse to all borrower assets alongside the real estate pledge, so foreclosure proceeds reduce the debt, but any shortfall can still be claimed and filed in insolvency. Limited or non-recourse is also possible by contract, usually with agreed carve-outs and springing recourse triggers for bad acts. If the guarantor is a Liechtenstein company, capital maintenance rules can restrict recoveries.

Law stated - 12 February 2026

Cash management and reserves

Is it typical to require a cash management system and do lenders typically take reserves? For what purposes are reserves usually required?

In commercial income producing lending, lenders often require rent collection and cash control structures, especially where repayment depends on rental cash flows, and they may take pledges over accounts or otherwise control them to reduce leakage under stress. Reserve accounts are common, funded upfront or built over time, for debt service, capital expenditure, maintenance and repair, leasing and vacancy, tax and insurance, and development reserves.

Law stated - 12 February 2026

Credit enhancements

What other types of credit enhancements are common? What about forms of guarantee?

Alongside real estate security, lenders often take pledges or assignments of receivables and rights such as rent service charge claims and insurance proceeds, plus account pledges and cash collateral with blocked or controlled accounts and reserve mechanics. Contract support can include covenants negative pledge and change of control, letters of comfort or keep well undertakings, and guarantees such as parent guarantees personal guarantees and completion style or springing guarantees, subject to capital maintenance limits.

Law stated - 12 February 2026

Loan covenants

What covenants are commonly required by the lender in loan documents?

Loan covenants typically include information undertakings, restrictions on disposal and additional debt, limits on distributions, and requirements to maintain insurance and the property in good repair. Cash flow loans add income and leasing controls, while corporate loans add change of control and negative pledge. Financial covenants often track debt service cover, loan to value and interest cover, with cure rights and reporting duties.

Law stated - 12 February 2026

Financial covenants

What are typical financial covenants required by lenders?

Financial covenants in real estate financing commonly measure leverage and cash flow resilience, such as a loan to value style test based on updated valuations and cash flow ratios such as debt service cover and interest cover based on agreed definitions. Breach typically triggers a cure period, extra reporting, cash traps or reserve top up, and in serious cases an event of default.

Law stated - 12 February 2026

Secured movable (personal) property

What are the requirements for creation and perfection of a security interest in movable (personal) property? Is a 'control' agreement necessary to perfect a security interest and, if so, what is required?

Security over tangible movables is usually a possessory pledge. It is agreed by contract but perfected only when possession is transferred to the pledge, so it will not arise if the pledgor keeps exclusive control and it can lapse if possession is lost. If a third party holds the asset, perfection can be achieved through indirect possession and holding instructions.

Law stated - 12 February 2026

Single purpose entity (SPE)

Do lenders require that each borrower be an SPE? What are the requirements to create and maintain an SPE? Is there a concept of an independent director of SPEs and, if so, what is the purpose? If the independent director is in place to prevent a bankruptcy or insolvency filing, has the concept been upheld?

Lenders may ask the borrower to be a single purpose entity in larger commercial or structured financings to isolate the financed asset and support a remote approach of bankruptcy. This is market practice, not a statutory rule. The entity is usually a GmbH AG or Anstalt with a narrow purpose in its statutes and separate covenants in the loan, and an independent manager concept may be used but cannot prevent creditor- driven insolvency.

Law stated - 12 February 2026

UPDATE AND TRENDS

International and national regulation

Are there any emerging trends, international regulatory schemes, national government or regulatory changes, or other hot topics in real estate regulation in your jurisdiction?

Real estate rules sit in a national framework but are strongly shaped by international alignment. European Economic Area integration and Swiss links mean market practice and compliance follow wider European and Swiss expectations, especially on sanctions and anti-money laundering controls that can affect funding and transfers. In lending, EU based prudential frameworks drive bank policies on monitoring and reliable valuation standards.

Law stated - 12 February 2026