

# What does the Covid-19 crisis mean for victims of fraud?

*Country: LIECHTENSTEIN*

*Vaduz, 15 April 2020*

## 1. THE MOST CRITICAL PHASE OF THE CRISIS

**As long as measures to prevent the spread of Covid-19 restrict freedom of movement: What are the effects of the Covid-19 crisis on civil justice?**

- By Mid March 2020 the Government of the Principality of Liechtenstein declared in coordination with the Swiss authorities (due to the open border to Switzerland) a partial lockdown of the economy and of all social live due to the extraordinary situation: recommendations of social distancing and enhanced hygiene have been issued, citizens are asked to stay at home on a voluntary basis and all schools and many businesses with social interaction, like e.g. restaurants, shops and the like, have been closed down. Any gathering of groups of more than five people is prohibited and this is also watched and enforced by the police.
- Other businesses and administrative agencies were asked to implement recommendations for enhanced hygiene, social distancing and promote home office and the like. In general, law offices, courts and administrative offices were always kept open, though many officials and professionals are doing home office.
- Banks are qualified as essential business and therefore in general open and accessible for the public, though also on a limited level due to the hygiene measures, recommendation for social distancing, prohibition of gatherings etc.

The mentioned recommendations and guidance have been issued for a period until End of April, will however, again in coordination with the Swiss authorities, most probably be prolonged – at least parts of it.

- Different administrative bodies, like e.g. the Courts or the Commercial Registry, as well as e.g. the Bar Association issued its own recommendations and pieces of guidance.
- On 08 April 2020 parliament passed an urgent act with immediate effect, the so-called Act on accompanying measures in the Administration and in the Judiciary in connection with the Coronavirus [COVID-19-VJBG, LGBl. 2020 No. 136]. The act has a limited period of validity until 15 June 2020, which may however be prolonged again by parliament.

The act provides for the possibility to prolong deadlines in any type of proceedings, the suspension of running deadlines, limitation of oral hearings in non-urgent matters, specific rules about service of proceedings and also special rules in corporate matters, e.g. the cancellation of the need for individual assemblies of shareholders and other bodies of corporate entities.

Based on the initial recommendations issued directly by the courts and now based on the mentioned formal Act, hearings at the court are reduced to a minimum for most urgent matters only (criminal proceedings with arrested suspects and the like) and also any other interaction with the court, e.g. to inspect files, communication with judges etc. is reduced to a minimum and shall be arranged whenever possible in a non-personal way by telephone, eMail or video conference. Many judges and other employees of the courts and the administration work remote from their homes and are physically not available in their offices.

- Any handling of particularly urgent matters is however guaranteed and e.g. requests for interim measures such as injunctions and freeze orders will be processed. There is always a minimum staff at the court and judges have to guarantee to be available in their home offices.

## **2. FORECAST: AFTER THE CRISIS AND LONG-TERM EFFECTS**

**What are the consequences of the Covid-19 pandemic once the pandemic has abated, in the gradual return to a new normality and what are the long-term effects?**

- It may be expected that the special act COVID-19-VJBG will certainly be suspended immediately, so that deadlines will run again, hearings will be scheduled right away and in general the regular rules will apply again. All described measures are of temporary nature and need for reasons of constitutional law to be withdrawn as soon as possible.
- The question is, how much the economy in general will suffer and what consequences that will have on the whole society. The Administration and the Judiciary will return to regular business rather quick, many private businesses might however not survive the lockdown and there will be pretty sure an increase in bankruptcy proceedings. General experience shows that in times of economical downturn with increased numbers of bankruptcies many scams and fraudulent schemes come to the surface and this whole situation therefore might well reveal for the time being not yet discovered frauds, requiring specific experience and efforts in asset tracing and recovery.

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