

**17-12-402. Professional partnerships, corporations, sole proprietorships, and limited liability companies of public accountants.**

(a) A partnership engaged in this state in the practice of public accounting shall register with the Arkansas State Board of Public Accountancy as a partnership of public accountants, provided it meets the following requirements:

(1) At least one (1) general partner shall be a certified public accountant or a public accountant of this state in good standing; and

(2) Each resident manager in charge of an office of the partnership in this state shall be a certified public accountant or a public accountant of this state in good standing.

(b) A corporation engaged in this state in the practice of public accounting shall register with the board as a corporation of public accountants, provided it meets the following requirements:

(1) An officer or director of the corporation having authority over the practice of public accounting by the corporation shall be a certified public accountant or a public accountant of this state in good standing;

(2) Each resident manager in charge of an office of the corporation in this state shall be a certified public accountant or a public accountant of this state in good standing; and

(3) The corporation shall be in compliance with other regulations pertaining to corporations practicing public accounting in this state that the board may prescribe.

(c) A limited liability company engaged in this state in the practice of public accounting shall register with the board as a limited liability company of public accountants, provided it meets the following requirements:

(1) Any manager, member, officer, or director of the limited liability company having authority over the practice of public accounting by the limited liability company shall be a public accountant or certified public accountant of this state in good standing;

(2) Each resident manager in charge of an office of the limited liability company shall be a certified public accountant or a public accountant of this state in good standing; and

(3) The limited liability company shall be in compliance with other regulations pertaining to the limited liability companies practicing public accounting in this state that the board may prescribe.

(d) A public accountant operating as a sole proprietorship and engaged in this state in the practice of public accounting shall:

(1) Register with the board as a sole proprietor; and

- (2) Comply with the requirements of § 17-12-403.
- (e) Applications for registration shall be made upon the affidavit of a general partner, shareholder, or member who is licensed in this state as a certified public accountant or as a public accountant.
- (f) The board shall in each case determine whether the applicant is eligible for registration.
- (g) A firm that is so registered may use the words “public accountants” in connection with its firm.
- (h) Notification shall be given to the board within one (1) month after the admission to or withdrawal of a partner, shareholder, or member from any partnership, corporation, or limited liability company so registered.
- (i) A firm registered pursuant to this section may include nonlicensee owners, provided that:
- (1) A majority of the ownership of the firm in terms of financial interests and voting rights of all partners, officers, directors, shareholders, members, or managers belongs to licensees of this state;
  - (2) The firm designates a licensee of this state who is responsible for the proper registration of the firm and identifies that individual to the board;
  - (3) All nonlicensee owners are active individual participants in the firm; and
  - (4) The firm complies with such other requirements as the board may impose by rule.

**History.** Acts 1975, No. 160, § 9; A.S.A. 1947, § 71-619; Acts 1997, No. 242, § 10; 1999, No. 180, § 24; 2009, No. 93, § 9.