

**17-12-401. Professional partnerships, corporations, limited liability companies, and sole proprietorships of certified public accountants.**

(a) The Arkansas State Board of Public Accountancy shall grant or renew a registration as a CPA firm to an applicant that meets the qualifications of this section.

(b) (1) A firm shall hold a registration under this section if the firm:

(A) Has an office in this state:

(i) Engaged in the practice of public accounting; or

(ii) That uses the title “CPA” or “CPA firm”; or

(B) Does not have an office in this state but performs attest services described in § 17-12-103(a)(2)(A), § 17-12-103(a)(2)(C), or § 17-12-103(a)(2)(D) for a client having its home office in this state.

(2) A firm that does not have an office in this state may perform services under § 17-12-103(a)(2)(B) or § 17-12-103(a)(7) for a client having its home office in this state and may use the title “CPA” or “CPA firm” without registering under this section only if the firm:

(A) Meets the applicable qualifications of this section and § 17-12-507; and

(B) Performs the services through an individual with practice privileges under § 17-12-311.

(3) A firm that is not subject to the requirements of subdivision (b)(1)(B) or (b)(2) of this section may perform other professional services while using the title “CPA” or “CPA firm” in this state without registering under this section only if the firm:

(A) Performs the services through an individual with practice privileges under § 17-12-311; and

(B) Can lawfully perform the services in the state where the individuals with practice privileges have their principal place of business.

(c) If required to register under subdivision (b)(1)(A) of this section:

(1) 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 certified public accountants and meet the following requirements:

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

**(B)** Each resident manager in charge of an office of the partnership in this state shall be a certified public accountant of this state in good standing;

**(2)** A corporation engaged in this state in the practice of public accounting shall register with the board as a corporation of certified public accountants and meet the following requirements:

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

**(B)** At least one (1) shareholder of the corporation shall be a certified public accountant of this state in good standing;

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

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

**(3)** 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 certified public accountants and meet the following requirements:

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

**(B)** At least one (1) member of the limited liability company shall be a certified public accountant of this state in good standing;

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

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

**(4)** A certified public accountant operating as a sole proprietorship and engaged in this state in the practice of public accounting shall register with the board as a sole proprietor if registration is required under subdivision (b)(1) of this section and shall comply with the requirements of § 17-12-403.

**(d) (1)** Application for registration shall be made upon the affidavit of a general partner,

shareholder, or member who is a certified public accountant of this state in good standing or, if registration is required under subdivision (b)(1)(B) of this section, a licensee of another state who meets the requirements set forth in § 17-12-311.

(2) An individual who has practice privileges under § 17-12-311 and performs services for which registration is required under § 17-12-311(a)(4) shall not be required to obtain a license from this state under § 17-12-301.

(e) The board shall in each case determine whether the applicant is eligible for registration.

(f) Notification shall be given to the board within one (1) month after the admission or withdrawal of a partner, shareholder, or member from any firm so registered.

(g) Any firm registered under this section may include nonlicensee owners or public accountants who hold a valid license under § 17-12-312, 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 holders of certificates who are licensed in some state, and such partners, officers, directors, shareholders, members, or managers whose principal place of business is in this state and who perform professional services in this state hold a valid certificate issued under § 17-12-301 et seq. or the corresponding provisions of prior law;

(2) The firm designates a licensee of this state or, in the case of a firm that must be registered under subdivision (b)(1)(B) of this section, a licensee of another state who meets the requirements of § 17-12-311 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 or other entities affiliated with the firm; and

(4) The firm complies with such other requirements as the board may impose by rule.

**History.** Acts 1975, No. 160, § 8; A.S.A. 1947, § 71-618; Acts 1997, No. 242, § 9; 1999, No. 180, § 23; 2005, No. 54, § 12; 2009, No. 93, § 8.