

**POLICY STATEMENT ON APPLICATIONS
FOR CERTIFICATE OF AUTHORITY FROM TRUSTS**

Section 1014 of the Business Corporation Act provides that sections 1001 through 1055 of the act apply to “a foreign common law or statutory trust; by whatever term or designation known, having any of the powers or privileges of a corporation not possessed by an individual or partnership.” For tax purposes the IRS has classified an unincorporated association as a corporation if it has more than four of the following corporate characteristics:

1. Associates
2. An objective to carry on business and divide the gains
3. Continuity of life
4. Centralized management
5. Limited liability for investors
6. Free transferability of interest

Section 1015(f) of the act provides that the administrator can require additional information to be provided in order to determine whether the “corporation is entitled to a certificate of authority.” In order to determine whether a trust is entitled to a certificate of authority additional information will be requested on the Application for Certificate of Authority regarding any powers or privileges of a corporation possessed by the trust that are not possessed by an individual or a partnership.

The above policy shall be adopted immediately and remain in effect unless rescinded or modified by the Bureau Director.

Approved by Carl L. Tyson, Director
Corporation and Securities Bureau
on July 19, 1993