

POLICY STATEMENT ON PROFESSIONAL LIMITED LIABILITY COMPANIES

The Limited Liability Company Act, PA 23 of 1993, provides in section 201 that a limited liability company formed to provide services in a learned profession must comply with article 9. Sections 901 through 910 of the act contain provisions related to the formation and operation of a domestic professional limited liability company, but contain no provisions related to a foreign professional limited liability company.

“Foreign limited liability company” is defined in section 102(g) as a “limited liability company formed under laws other than the laws of this state”. Section 1002 provides that before transacting business in the state, a foreign limited liability company shall obtain a certificate of authority. A foreign limited liability company that has obtained a certificate of authority may “transact in this state any business that a domestic limited liability company formed under the act may lawfully transact...” The act defines the term “domestic limited liability company” in section 102(2) as “an unincorporated membership organization formed under this act” and, by definition, includes a domestic professional limited liability company formed under article 9 of the act.

Since a foreign limited liability company with a certificate of authority can transact any business a domestic limited liability company can transact, and a domestic professional limited liability company may provide services in a learned profession, a foreign professional limited liability company may apply for and obtain a certificate of authority to transact business in this state. Similarly, definitions, limitations, and rights provided in article 9 apply to a foreign professional limited liability company with a certificate of authority.

This policy shall be adopted immediately and remain in effect unless rescinded or modified by the Bureau Director.

Approved by Julie Croll, Director
Corporation, Securities and Land Development Bureau
on June 2, 1998