

1980 WL 121024 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

September 24, 1980

**\*1 Re: CPA Professional Associations**

Mr. R. Larry Kight  
Director  
South Carolina Board of Accountancy  
P. O. Box 11376  
Columbia, South Carolina 29211

Dear Larry:

You have requested an opinion as to whether CPA professional associations may form a partnership to practice public accounting. My review of the State law in South Carolina reveals no specific authority for professional associations to participate in a partnership with other professional associations. The South Carolina Business Corporation Act does permit corporations to participate in partnerships with other corporations (See, Section 33-3-20(A)(16)); however, there is not an identical provision for professional associations. The only possible authority for such a proposition would be Section 33-51-170 of the Code which provides:

Such professional association organized pursuant to the provisions of this chapter shall be governed generally by all laws applicable to corporations and not in conflict herewith, and no such association shall be held or deemed to be a partnership nor shall the association be governed by laws relating to partnerships. (Emphasis added.)

Considering the first part of this statute, an argument could be made that Section 33-3-20(A)(16) would apply to professional associations. However, the last clause of Section 33-51-170 provides specifically that a professional association shall not be governed by laws relating to partnerships. In light of this provision, it is my opinion that professional associations cannot participate on a permanent basis in a partnership with other professional associations. Of course, this would not prohibit PAs from participating in a transaction, arrangement, operation, or joint venture which the PA has power to conduct by itself, as provided in Section 33-3-20(A)(16).

I must caveat my opinion by stating that the law is certainly not clear on this particular question. Perhaps it would not be best for us to advise accountants in this regard, since the Board of Accountancy has no authority in this area. I would suggest that we advise him to seek an opinion from his attorney on this matter.

With kindest personal regards, I am  
Very truly yours,

Richard B. Kale, Jr.  
Senior Assistant Attorney General

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