

New Association Transactions Act effective July 1

Pennsylvania's new Association Transactions Act (Act 172 of 2014) makes significant changes to the Associations Code (Title 15 of the Pennsylvania Consolidated Statutes) and many of the filings made with the Department of State's Bureau of Corporations and Charitable Organizations (Bureau). Act 172 became effective on July 1, 2015.

The Association Transactions Act, derived from the Model Entity Transactions Act, substantially rearranges Title 15 to consolidate the provisions of each entity law on:

- Names (new Chapter 2)
- Fundamental or entity transactions (mergers, interest exchanges, conversions, divisions and domestications) (new Chapter 3)
- Registration of foreign entities (new Chapter 4)

Current provisions in each entity law relating to these subjects are repealed. The Act contains many new definitions and requires practitioners to learn a new vocabulary.

Act 172 modernizes the law on corporations and unincorporated associations by creating a comprehensive statutory framework for a business entity to use when engaging in a transaction with another form of entity.

The new law governs five fundamental kinds of transactions which may take place regardless of the form of the business entities involved:

- Merger of one entity with or into another
- Conversion of one type of entity to another type of entity (e.g. business corporation to limited liability company)
- Interest exchange between two entities so that one of them is controlled by the other without actually merging the entities
- Division of one existing entity into two or more resulting types of associations
- Domestication into Pennsylvania of an entity originally organized in another state.

Several new types of filings are now available:

- Statement of abandonment – DSCB:14-141
This filing permits a document which has been delivered to the department for filing to be withdrawn before it takes effect
- Statement of interest exchange – DSCB:15-345
This filing replaces the current statement with respect to shares, but is available for all types of entities and not just business corporations
- Statement of conversion – DSCB:15-355
This filing is made when an association changes to a different type of association.
- Transfer of registration – DSCB:15-418
This filing enables registered foreign associations to more easily reflect a merger or conversion occurring outside Pennsylvania. It has the effect of transferring the registration of a registered foreign association which has merged into a nonregistered foreign association or converted to a foreign association required to register with the Department to the resulting or converted association, so that the successor entity is still registered in Pennsylvania.

All foreign registration forms are consolidated into one form (DSCB:15-412 – Foreign Registration Statement), which will be used to register all foreign filing associations and foreign limited liability partnerships.

The Bureau is continuing its practice of publishing sample filing forms and has republished all of its forms in a new Appendix C to Title 19 of the Pennsylvania Code. The new and revised forms were published on Saturday, June 13, 2015 at 45 Pa.B. 2973. See <http://www.pabulletin.com/secure/data/vol45/45-24/1148.html>. The forms in Appendix C are effective on July 1 and may be delivered for filing to the Department starting on July 1, 2015.

The new and redesigned forms are now available on the Bureau's Registration Forms page in fillable PDF format. The complete set of forms in Word 2007 is also available on CD-Rom from the Bureau by submitting a completed [order form](#) and fee to the Bureau.

The Bureau strongly encourages use of the new and redesigned forms but will continue to accept older versions of most forms. The major exception to the acceptance of older forms is for foreign registrations, for which the new Foreign Registration Statement (DSCB:15-412) must be used starting July 1, 2015. In other words, the former Application for Certificate of Authority (DSCB:15-4124/6124) and former Application for Registration - Foreign (LP/LLP/LLC) (DSCB:15-8211/8582/8981) have been replaced by the Foreign Registration Statement (DSCB:15-412). The Application for Certificate of Authority and the Application for Registration - Foreign will not be accepted for filing by the Department on or after July 1, 2015.

Additionally, the new Statement of Conversion (DSCB:15-355) must attach the new Docketing Statement – Changes (Form DSCB:15-134B). All other filings which normally would require the 15-134B may use the old or new 15-134B.

The Bureau of Corporations and Charitable Organizations urges practitioners and frequent users of the Bureau's services to learn more about [Act 172 of 2014](#) and the accompanying [META Committee Comments June 17, 2014](#).

July 1, 2015