

# Articles of Incorporation

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## What Are the Articles of Incorporation?

Articles of incorporation are a set of formal documents filed with a government body to legally document the creation of a corporation. Articles of incorporation generally contain pertinent information, such as the firm's name, street address, agent for service of process, and the amount and type of stock to be issued.

Articles of incorporation are also referred to as the "corporate charter," "articles of association," or "certificate of incorporation."

### KEY TAKEAWAYS

- Articles of incorporation are the pertinent filing with a government body (usually the state) that signifies the creation of a corporation.
- In the U.S., articles of incorporation are filed with the Office of the Secretary of State where the business chooses to incorporate.
- Broadly, articles of incorporation should include the company's name, type of corporate structure, and number and type of authorized shares.
- Bylaws work in conjunction with the articles of incorporation to form the legal backbone of the business.

## Understanding Articles of Incorporation

Many businesses in the U.S. and Canada are formed as a [corporation](#), which is a type of business operation that is formed in the state where the company carries out its operations. To be recognized legally as a corporation, a business must incorporate by taking certain steps and making certain decisions required under corporate law. One such step is filing a document known as articles of incorporation.

Articles of incorporation are in the document necessary to register a corporation with a state and acts as a charter to recognize the establishment of a

corporation. The document outlines the basic information needed to form a corporation, the governance of a corporation, and the corporate statutes in the state where the articles of incorporation are filed.

## Special Considerations

In the U.S., articles of incorporation are filed with the Office of the Secretary of State in the state where the business chooses to incorporate.<sup>1</sup> Some states offer more favorable regulatory and tax environments and, as a result, attract a greater proportion of firms seeking incorporation.

For example, [Delaware](#) and Nevada attract about half of the public corporations in the U.S., in part because of the state laws that protect their corporations. Once established, the articles become a public record and provide important information about the corporation.

## Requirements for Articles of Incorporation

The articles in the document vary by state, but the following "articles" are typically included:

1. Name of corporation
2. Name and address of the registered agent
3. Type of corporate structure (e.g., profit corporation, [nonprofit corporation](#), non-stock corporation, professional corporation, etc.)
4. Names and addresses of the initial [board of directors](#)
5. Number and type of [authorized shares](#)
6. Duration of the corporation, if it wasn't established to exist perpetually
7. Name, signature, and address of the incorporator, who is the person in charge of setting up a corporation

Most states also require the articles to state the firm's purpose, though the corporation may define its purpose very broadly to maintain flexibility in its operations. Amazon's certificate of incorporation, for example, states that the corporation's purpose is "to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware."<sup>2</sup>

Other provisions outlined in a company's articles of incorporation may include the limitation of the directors' liability, actions by stockholders without a meeting, and the authority to call special meetings of stockholders. Each state has certain mandatory provisions that must be contained in the articles of incorporation and other optional provisions that the company can decide whether to include.

Many states charge filing fees for a business that incorporates in the state, whether the business operates there or not. A business that is incorporated in one state and is physically located or doing business in another state must register in the other state as well, which involves paying that state's filing fees and taxes.

Depending on the state of incorporation, a company may pay filing fees ranging from \$50 (as in Iowa<sup>3</sup> , Arkansas<sup>4</sup> , and Michigan<sup>5</sup> ) to \$275 (as in Massachusetts)<sup>6</sup> as of 2020. The fees can vary depending on whether the articles of incorporation were filed online or by mail.

Another key corporate document is the bylaws, which outlines how the organization is to be run. Bylaws work in conjunction with the articles of incorporation to form the legal backbone of the business.