



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.60.6

MARCH 26, 2020

EFFECTIVE DATE

(03-26-2020)

PURPOSE

- (1) This transmits revised IRM 4.60.6, International Procedures, International Referral Criteria and Procedures.

MATERIAL CHANGES

- (1) Added IRM 4.60.6.1, Program Scope and Objectives, in accordance with the requirements described in IRM 1.11.2, Internal Management Documents System, IRM Process, and renumbered subsequent subsections accordingly.
- (2) Revised the referral process to incorporate use of the Industry Case Issue Selection & Collaboration Process (IC ISCP) for Industry Cases per Memorandum of Understanding (MOU) effective 03-12-18.
- (3) Made editorial changes throughout the IRM.
- (4) Revised to reflect updated tax law per the enactment of the Tax Cuts and Jobs Act (TCJA) (P.L.115-97).
- (5) Revised to designate IRM 4.60.6.2 and IRM 4.60.6.3 as Official Use Only (OUO).
- (6) Updated Specialist Referral System (SRS) information based on recent changes, within the scope of this IRM.

EFFECT ON OTHER DOCUMENTS

IRM 4.60.6 dated December 16, 2015 is superseded.

AUDIENCE

LB&I, SB/SE and TE/GE personnel

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Large Business and International Division

4.60.6

International Referral Criteria and Procedures

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4.60.6.1
(03-26-2020)
Program Scope and Objectives

- (1) **Purpose:** This IRM provides guidance and technical information on international referral criteria and procedures.
- (2) **Audience:** LB&I, SB/SE and TE/GE personnel
- (3) **Policy Owner:** Director, Cross Border Activities (CBA) develops policies concerning the CBA practice area
- (4) **Program Owner:** CBA practice area headquarters
- (5) **Primary Stakeholders:** LB&I, SB/SE and TE/GE personnel
- (6) **Program Goals:** Ensure that tax returns with certain international features are appropriately referred to, and considered by, the CBA personnel.

4.60.6.1.1
(03-26-2020)
Background

- (1) Guidance in this IRM was updated to reflect new tax law per the enactment of the Tax Cuts and Jobs Act (P.L. 115-97).
- (2) The referral process was updated to incorporate use of the Industry Case Issue Selection & Collaboration Process (IC ISCP) for Industry Cases per Memorandum of Understanding (MOU) effective 03-12-18.

4.60.6.1.2
(03-26-2020)
Authority

- (1) See IRM 4.46.1.1.2, LB&I Examination Process, General Information and Definitions, Authority.

4.60.6.1.3
(03-26-2020)
Responsibilities

- (1) LB&I and SB/SE personnel are responsible for following the guidance contained in this IRM section.

4.60.6.1.4
(03-26-2020)
Acronyms

- (1) Commonly used acronyms are listed below.

Acronym	Definition
AIMS	Audit Information Management System
APMA	Advance Pricing and Mutual Agreement
BEAT	Base Erosion and Anti-Abuse Tax
CBA	Cross Border Activities
EOI	Exchange of Information
FDII	Foreign Derived Intangible Income
FEIE	Foreign Earned Income Exclusion
FOL	Field Operations List
FTC	Foreign Tax Credit
IMD	Internal Management Documents
IMS	Issue Management System
IC ISCP	Industry Case Issue Selection and Collaboration Process
IRR	International Referral Recipient

Acronym	Definition
JITSIC	Joint International Taskforce on Shared Intelligence and Collaboration
LB&I	Large Business and International
LCC	Large Corporate Compliance
LIN	LB&I Image Network
MOU	Memorandum of Understanding
NTEU	National Treasury Employees Union
OUO	Official Use Only
SB/SE	Small Business/Self-Employed
SRS	Specialist Referral System
TAIT	Treaty Assistance and Interpretation Team
TCJA	Tax Cuts and Jobs Act
TE/GE	Tax Exempt & Government Entities
WIIC	Withholding and International Individual Compliance

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4.60.6.4
(03-26-2020)
**Specialist
Referral/Notification
System**

- (1) In the normal course of examining tax returns, examiners may require the assistance of a CBA representative. A request for international assistance may be either a formal request for the assignment of a CBA representative to the case, or an informal request that simply seeks a response to a specific question. In either case, the Specialist Referral System (SRS) will be used to request international assistance. The SRS is on the IRS intranet at: <https://srs.web.irs.gov/>. All returns meeting the mandatory referral criteria in IRM 4.60.6.2 # will be referred using SRS.
- (2) SRS facilitates communication of the acceptance or rejection of referrals and enables management tracking. A key benefit of SRS is that it eliminates redundancy in generating the multiple referrals typically required on a case.
- (3) The SRS is a routing system for specialists' referrals.
- (4) Referral recipient access to the SRS requires an approved Form 5081.
- (5) Referral recipients may designate temporary access to review referrals for periods when they will be away or otherwise unable to review referrals. See IRM 4.60.6.9, System Maintenance.

4.60.6.5
(03-26-2020)
SRS Referral Process

- (1) SRS is accessed through the IRS intranet and is available to all employees. The intranet address is: <https://srs.web.irs.gov/>.
- (2) A universal online form is used for requesting any of the listed specialists. Information entered onto the form is saved in a database. International referrals are forwarded to the International Referral Recipient (IRR) based on geographical and practice area logic established by the CBA territory managers and communicated to the CBA analyst that maintains that listing. See IRM 4.60.6.9, System Maintenance, for contact information. Confirmation of the forwarding of a referral is sent by e-mail to both the requestor and the requestor's manager.
- (3) The IRR can view requests by accessing the system. If an LB&I Image Network (LIN) link is not provided, formal requests for the assignment of a CBA representative require the requestor to mail or e-mail copies of relevant portions of the returns to the IRR or CBA representative. Referring examiners are encouraged to include additional information that will assist the IRR in evaluating whether to assign a CBA representative to the examination.
- (4) Comments may be included in the SRS system or, if voluminous, may be sent directly to the IRR. In most cases, other information that comprises the basis

for making the referral will also be required from the requestor. Circumstances where supporting documentation is not required include: formal referrals on LCC cases and requests for informal assistance. The IRR may accept the referral by assigning a CBA representative to the case, assigning a CBA representative to assist on a consultation basis, transferring the referral to the excess inventory pool, or rejecting the referral. Upon assignment, a CBA representative will receive e-mail notification. Additionally, the requestor and the requestor's manager will receive e-mail notification of the IRR's action. The CBA representative may then access the SRS and view the referral.

- (5) When another year (subsequent or prior) or a related return with international features requiring a referral is added to the examination, a new referral is needed to add the additional year, or taxpayer to the referral.

4.60.6.6
(03-26-2020)
**Supporting
Documentation**

- (1) Supporting documentation, such as return information and other relevant taxpayer information, assists the IRR in evaluating a referral. Although generally required, an exception for LCC cases exists under the premise that those types of cases typically have extensive documentation and the timing of the engagement is frequently planned well in advance so that the submission of a referral is simply a formality. In LCC engagements where this is not the case, the IRR should contact the first level team manager of the referring agent and make arrangements to assess the audit potential of the referred case.
- (2) The IRR will review the tax return to evaluate international examination potential and whether a CBA representative should be assigned to the examination except as discussed in (1) above. In most situations, this will be accomplished using the LIN link that should be included in the SRS referral. If no LIN link is available, copies of the following return pages should be sent to the IRR:

Form	Form Name	To be Included
1065	U.S. Return of Partnership Income	Entire Return
1120	U.S. Corporation Income Tax Return	Return pages 1-6 and all other forms and schedules that indicate international activity, income, expenses, transactions, etc.
1120-F	U.S. Income Tax Return of a Foreign Corporation	Entire Return

4.60.6.7
(12-16-2015)
Management Reports

- (1) The SRS is a database of referral information. Reports are only available on ad-hoc basis by requesting them from the SRS administrator at: *SRS.

4.60.6.8
(12-16-2015)
Informal Assistance

- (1) Questions limited to 100 words are submitted to the IRR through the SRS. Limited detailed information is required from the requestor. An IRR receives the question via e-mail. This ends the SRS's involvement in the informal assistance request.

- (2) The IRR reviews the question and assigns it to a CBA representative by forwarding the e-mail. The CBA representative assigned to an informal assistance request has the option of responding by phone or e-mail.

4.60.6.9
(03-26-2020)
System Maintenance

- (1) Each specialty is required to maintain the routing logic on the SRS. The CBA analyst that maintains the IRR list is responsible for and has administrative access to the routing logic within SRS. All IRR changes shall be communicated to the CBA analyst who maintains that listing.
- (2) A team manager can edit and delete team members. Territory managers can change or delete managers in their territory. For temporary absences, a manager can assign an acting manager. To access the edit menu from the SRS home page, click on "Managers" and select "Edit Specialist Group/Team Information".
- (3) The SRS will not properly route referrals or track activity when a personnel vacancy occurs. There must always be valid routing paths in place. When a vacancy occurs, someone must be designated the responsibility to assign referrals to CBA representative. Similarly, a vacancy at the team or territory level will impair the SRS' managerial reporting function. Information about changes that cannot be handled by the team or territory manager must be communicated to the CBA analyst with administrative access over SRS.
- (4) The following actions require changes to SRS routing:
 - a. New team manager enters the program
 - b. Current team manager leaves the program
 - c. Change in acting team managers
 - d. Change in territory managers

4.60.6.10
(03-26-2020)
**International Subject
Matter Practice Area
Controlled Returns**

- (1) A CBA representative examining a foreign controlled return will generally focus only on international issues. If material domestic issues are identified during the examination, a geographic practice area agent may be assigned to the examination as a team member, or the CBA representative may examine the domestic issue. The CBA representative maintains administrative control of the return.
- (2) The CBA representative charged with the return will assume all examination and case control responsibilities, including, but not limited to:
 - a. Maintaining timely AIMS and IMS updates
 - b. Following all examination procedures and directives pursuant to IRM instructions
 - c. Preparing all relevant examination reports pursuant to IRM instructions
 - d. Preparing all relevant closing documents pursuant to IRM instructions
- (3) The CBA representative charged with the return is responsible for maintaining statute controls and securing timely extensions of statutes when warranted.
- (4) The Commissioner, LB&I and NTEU signed a Letter of Understanding (LOU) on September 5, 2002, that in part, stipulates: "The CBA representative will be responsible for all elements of case control and statute control that are contained in the Internal Revenue Agent Standard Position Description and detailed in IRM 25.6.23, Examination Process - Assessment Statute of Limitations Controls."

4.60.6.11
(03-26-2020)
**EOI/JITSIC/TAIT/APMA
Referral Procedures**

- (1) The following offices under the authority of the Commissioner, LB&I - who is the delegated United States Competent Authority for tax matters - rely on the expertise of LB&I and SB/SE examiners for assistance with their programs:
 - a. Exchange of Information (EOI) program
 - b. Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC)
 - c. Treaty Assistance and Interpretation Team (TAIT), and
 - d. Advance Pricing and Mutual Agreement (APMA) program

These offices are collectively referred to as the “requesting office.” The assistance provided by the LB&I and SB/SE personnel to the requesting office is referred to as “field services.”
- (2) The EOI program and JITSIC are administered by EOI and JITSIC analysts based primarily in Washington, DC. At times, these offices request the assistance of LB&I or SB/SE personnel in order to fulfill foreign-initiated specific requests for exchange of information made pursuant to international exchange agreements (such as income tax treaties and Tax Information Exchange Agreements). These offices forward such requests for assistance to LB&I IRRs (for requests involving large case entities and/or complex international issues) or to SB/SE Examination Area Directors (for requests involving individuals and SB/SE entities). The IRRs and Examination Area Directors assign the requests to examination offices within their respective business divisions. LB&I and SB/SE examination offices assigned to these assistance requests will strive to conclude all requested field work within 60 days of receipt in the groups. The assigned LB&I or SB/SE personnel will route the results back to the originating EOI or JITSIC analyst. These procedures are in accordance with the Memorandum of Understanding between LB&I and SB/SE regarding the Assignment of Specific Requests for Exchange of Information signed in September 2005. More detailed procedures for processing foreign-initiated specific requests for exchange of information may be found in IRM 4.60.1, Exchange of Information.
- (3) Any request from the Treaty Assistance and Interpretation Team (TAIT) involving taxpayers and/or returns that meet the following criteria will be forwarded directly to the Director, WIIC, LB&I:
 - a. Individual taxpayer with a foreign address
 - b. Individual taxpayer with an APO or FPO address
 - c. Form 2555, Foreign Earned Income, is attached to the tax return
 - d. Form 1120-F, U.S. Income Tax Return of Foreign Corporations (\$10 Million and under), or
 - e. Form 1040-NR, U.S. Non-Resident Alien Income Tax Return
- (4) For a request in which LB&I assistance is required, the requesting office will use the listing of LB&I IRRs to identify who should receive the request. To access the IRR Listing, go to the International Resource and Application Toolbox: <https://organization.ds.irsnet.gov/sites/LBIINTL/Dci/IBChq/Toolbox/SitePages/Toolbox.aspx>, scroll down to “International Referral Recipient” and click on the referenced link to open the spreadsheet.
- (5) The LB&I IRR or SB/SE Examination Area Director will maintain a log of all requests received, noting the date of the request, the accountable LB&I or SB/SE examination action office, and the date forwarded to the accountable office.

- (6) For a request to LB&I, the IRR will forward the request for field services to the accountable office (i.e. the appropriate LB&I examination action office team manager) within five business days of receipt.
 - a. The identification of the appropriate team manager will be established by local agreement among all of the international teams servicing a particular geographic area with the concurrence of the respective territory managers and practice area directors.
 - b. The IRR should exercise reasonable diligence in meeting the five-day requirement.
- (7) Upon receipt of a request for field services, the team manager of the accountable LB&I or SB/SE office will notify the requesting office that the request has been received and provide the name of the examiner assigned. This communication should occur as soon as possible, but in no event later than five business days from the date the request is received by the team manager. For an LB&I accountable office, the team manager will also notify their territory manager and/or practice area director in accordance with procedures established by each practice area.
- (8) If a request to LB&I is sent by a requesting office to an IRR in error (e.g. incorrect geographical area or practice area), the IRR will, as soon as practicable, establish communication with the requesting office and forward the request to the appropriate IRR.
- (9) If a request to LB&I is sent by an IRR to an LB&I team manager in error (e.g., not in accordance with the local agreement in paragraph (6) above), the team manager will, as soon as practicable, establish communication with the IRR and forward the request to the appropriate recipient. The IRR will record in their log the date the request was sent to the correct accountable office.
- (10) The requesting office will transmit a request for LB&I field services to the IRR in a manner appropriate for the nature of the request. For example, the APMA program prefers to speak to the CBA representative assigned to the request for services prior to shipping voluminous documents and data. Requests for field services may be submitted in two forms:
 - a. Notice
 - b. Detailed request
- (11) Notices may be transmitted by phone, fax, e-mail, or regular mail, and will contain the following:
 - Name and address of the taxpayer
 - Nature of request
 - Suspense date
 - Point of contact in the requesting office

Taxpayer information, which includes names and addresses, can be transmitted by e-mail only in an encrypted attachment.
- (12) Detailed requests are mailed to the IRR and must contain all of the information needed by the accountable office to take the proper action.
- (13) The requesting office will set a suspense date to reflect the period of time within which the requesting office would like the field service completed. The suspense date does not apply to APMA teams, but does apply to the review of

APMA annual reports. If additional time is needed to complete the field services, the team manager of the accountable office will coordinate with the requesting office in establishing a revised suspense date.

- (14) The team manager of the accountable office should inform the requesting office when the examiner has completed the request. Delivery of the completed report and/or provision of requested documents should be arranged on a case-by-case basis.