



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

5.21.1

OCTOBER 19, 2017

## EFFECTIVE DATE

(10-19-2017)

## PURPOSE

- (1) This transmits a revision of IRM 5.21.1, *International and Insular Issues, Overview*, for collection employees.

## MATERIAL CHANGES

- (1) IRM 5.21.1 updated to include internal controls under Program Scope and Objectives.
- (2) IRM 5.21.1.2 updated to clarify that U.S. Possessions are defined as a domestic case.

## EFFECT ON OTHER DOCUMENTS

IRM 5.21.1, dated October 31, 2013, is superseded.

## AUDIENCE

Revenue officers in SB/SE Field Collection (FC)

Kristen E. Bailey  
Director, Collection Policy



---

5.21.1

Overview

## Table of Contents

5.21.1.1 Program Scope and Objectives

5.21.1.1.1 Background

5.21.1.1.2 Authority

5.21.1.1.3 Responsibilities

5.21.1.1.4 Program Management and Review

5.21.1.1.5 Program Controls

5.21.1.1.6 Acronyms

5.21.1.1.7 Related Resources

5.21.1.2 Definition of an International Case

5.21.1.2.1 Difference Between Domestic ATAT and International ATAT Cases



5.21.1.1  
(10-19-2017)  
**Program Scope and Objectives**

- (1) **Purpose.** This IRM provides specific procedural guidance for international revenue officers. These procedures may also have applications that domestic revenue officers may find useful.
- (2) **Audience.** The audience is revenue officers in Small Business/Self-Employed (SB/SE) Field Collection.
- (3) **Policy Owner.** The Director of Collection Policy is responsible for issuing policy for the International program.
- (4) **Program Owner.** The program owner is Collection Policy, Global Strategic Compliance, an organization within SB/SE Division.
- (5) **Primary Stakeholders.** The primary stakeholder is SB/SE Collection.
- (6) **Program Goals.** The goal of this IRM is to provide fundamental knowledge and procedural guidance for working international cases.

5.21.1.1.1  
(10-19-2017)  
**Background**

- (1) This IRM section defines matters that specifically relate to international collection issues. In today's global economy, there are an increasing number of taxpayers who travel and work overseas. United States taxpayers, residents of the U.S., and U.S. businesses are becoming more and more involved in international transactions. The U.S. is one of a very few countries in the world that taxes its citizens and residents on their worldwide income. The role of an international revenue officer is very important in ensuring taxpayer compliance with the tax laws and reducing the tax gap.

5.21.1.1.2  
(10-19-2017)  
**Authority**

- (1) Congress has delegated to the IRS the responsibility of administering the tax laws, known as the Internal Revenue Code, found in Title 26 of the United States Code. Congress enacts these tax laws, and the IRS enforces them.

5.21.1.1.3  
(10-19-2017)  
**Responsibilities**

- (1) The Director, Collection Policy, is the executive responsible for the policy and procedures to be employed by Collection personnel.
- (2) Field Collection Group Managers and Territory Managers are responsible for ensuring the guidance and procedures described in this IRM are complied with.

5.21.1.1.4  
(10-19-2017)  
**Program Management and Review**

- (1) Program Reports:
  - a. Director, Field Collection Report - This monthly report encompasses all Field Collection including International and provides measures on the performance of Field Collection.
  - b. International Territory Report - This monthly report provides measures on the performance of the International territory.
- (2) Reviews:
  - a. Collection Policy will conduct ad hoc International program reviews as necessary to verify compliance with IRM requirements and to address Treasury Inspector General for Tax Administration/U.S. Government Accountability Office findings.
  - b. Case reviews are conducted by Group Managers to ensure compliance with this IRM.

- c. Operational reviews are conducted by the Territory Manager and Area Director annually to evaluate program delivery and conformance to administrative and compliance requirements.

5.21.1.1.5  
(10-19-2017)

#### Program Controls

- (1) International cases are assigned and maintained on the Integrated Collection System (ICS). ICS is used as a method for inventory control and history documentation. Some of the ICS controls include the recording of non-assigned case accesses, limiting of certain inputs to particular types of employees, and requirement for group manager approval on certain case actions.

5.21.1.1.6  
(10-19-2017)

#### Acronyms

- (1) This table lists commonly used acronyms and their definitions:

Acronym	Definition
ATAT	Abusive Tax Avoidance Transaction
ICS	Integrated Collection System
POA	Power of Attorney
SB/SE	Small Business/Self-Employed
TECS	Treasury Enforcement Communication System

5.21.1.1.7  
(10-19-2017)

#### Related Resources

- (1) Additional information and guidance on international collection issues can be found in the following IRM sections.
  - a. See IRM 5.21.1 through 5.21.8 for additional information on international collection issues.
  - b. See IRM Part 5 for additional information on general collection issues such as courtesy investigations, international currently not collectible closing code 06, Treasury Enforcement Communication System (TECS), initial contact, and special rules on mailing correspondence.

5.21.1.2  
(10-19-2017)

#### Definition of an International Case

- (1) An international case is a taxpayer or business having a current address outside the U.S. The primary factor that determines an international case is the address of the taxpayer. A foreign (international) address is any address that is not in one of the 50 states, District of Columbia or U.S. Possessions. All U.S. Possessions are considered domestic.

**Note:** This definition of international cases is only for the purpose of Collection group assignments.

- (2) Although the address of the taxpayer or business is a key factor, it is not the only factor in determining if the case is an international case. Usually, if the taxpayer has a domestic address, the case is assigned to a domestic collection group. However, there are exceptions where the case may have a domestic address but the case is an international case.
- (3) The following are examples of an international case where the taxpayer has a domestic address.

**Example:** A taxpayer resides abroad but uses his power of attorney's (POA) domestic address as his official address. This is usually the case in countries where the mail system is unreliable. The taxpayer uses his POA's domestic address to ensure that he receives his mail from the Internal Revenue Service.

**Example:** A taxpayer who uses a mail forwarding service, a mail drop box or PO Box while residing outside the United States. Some taxpayers live on the Mexican or Canadian side of the border, but cross the border daily to pick up their mail sent to the U.S. address.

5.21.1.2.1  
(10-19-2017)  
**Difference Between  
Domestic ATAT and  
International ATAT  
Cases**

- (1) More and more cases are identified as abusive tax avoidance transactions (ATAT) cases with the promotion of abusive schemes by taxpayers and promoters, and these cases are making their way into revenue officers' inventories. The process of determining the difference between an ATAT domestic case and an ATAT international case depends on the address of the taxpayer.
- (2) A taxpayer with a current international address involved in an abusive scheme is an international ATAT case.
  - a. See IRM 5.1.8.1.4, *Account Transfers to International*, for more information on transferring cases to international.
- (3) Generally, domestic ATAT cases:
  - a. are identified through Issue Management Teams which identify promoters, preparers, and participants;
  - b. are developed by Examination and other Operating Divisions and functions.

**Note:** Coordination between international revenue officers and ATAT revenue officers is essential in identifying domestic and foreign assets, and can provide both functions with valuable information.

