DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

INDEPENDENT OFFICE
OF APPEALS

July 27, 2026

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Expiration Date: 07/27/2028
Affected IRMs: 8.26.1, 8.26.8

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Steven M. Martin */s/ Steven M. Martin*
Director, Operations Support

SUBJECT: Updated Appeals Procedures for Large Business and International (LB&I) Fast Track Settlement (FTS) and Compliance Assurance Process (CAP) FTS

This guidance provides current procedures for the IRS Independent Office of Appeals (Appeals) on the **LB&I FTS** and **CAP FTS Programs**, incorporating both temporary and permanent changes. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance is issued to update procedures found in IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers, and IRM 8.26.8, Compliance Assurance Process - Fast Track Settlement, to incorporate the following:

- Changes related to the transition of Alternative Dispute Resolution (ADR) program management responsibilities to the ADR Program Management Office (ADR PMO)
- Temporary changes related to Announcement 2025-6, Pilot Program Changes to Fast Track Settlement
- Change to replace Rev. Proc. 2006-54, which has been superseded by Rev. Proc. 2015-40

Background/Source(s) of Authority: In March 2024, Appeals established the ADR PMO. The ADR PMO was created to revitalize existing ADR programs, pilot new initiatives, and collaborate with other business units to help taxpayers resolve tax disputes more efficiently. The ADR PMO has primary responsibility for all policy and program management for ADR programs and is supported by Appeals Policy.

On January 15, 2025, the IRS published Announcement 2025-6, Pilot Program Changes to Fast Track Settlement, and related News Release IR-2025-14, on IRS.gov. The announcement introduced a pilot program testing changes to FTS.

The changes to LB&I FTS programs include:

- FTS is available for individual issues within a case, even if other issues are ineligible. Previously, if one issue in a case was ineligible for FTS, then all issues in the case were ineligible for FTS.
- FTS requests will not be denied without executive-level concurrence.
- The rationale for denying an FTS request must be explained to the taxpayer.

These piloted changes will be evaluated during a two-year period to determine the degree to which the updates should be discontinued, adjusted, or made permanent.

Procedural Change: Specific procedural changes are contained in the attachments.

Effect on Other Documents: This guidance outlines deviations from the procedures in IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers, and IRM 8.26.8, Compliance Assurance Process - Fast Track Settlement. Portions of this guidance may be extended or modified through subsequent guidance or made permanent and incorporated into the applicable IRM by the expiration date of this memorandum.

Effective Date: This guidance is effective as of the date of this memorandum.

Contact: Appeals employees should submit questions pertaining to ADR programs to their managers. Managers may submit ADR questions to *AP ADR PMO. Employees can also access ADR information and resources on the Appeals Alternative Dispute Resolution (ADR) webpage.

Attachment

cc:
FOIA library
www.irs.gov

Revisions to IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers

8.26.1.1 (MM-DD-YYYY)
Program Scope and Objectives

(1) and (2) *No change*

(3) **Policy Owner:** LB&I and Appeals jointly administer LB&I FTS. The executive with policy oversight in Appeals is the Director, Operations Support.

(4) **Program Owners:** The Alternative Dispute Resolution Program Management Office (ADR PMO) and the Strategy, Policy and Governance Office (SPG) of the LB&I Assistant Deputy Commissioner Compliance Integration (ADCCI) jointly manage and administer the LB&I FTS Program. The Director, ADR PMO, is responsible for planning, managing, and directing the nationwide ADR programs for Appeals. See IRM 1.1.7.9, Alternative Dispute Resolution Program Management Office (ADR PMO). The ADR PMO is under the Deputy Chief of Appeals.

(5) **Contact Information:** Appeals employees should submit questions pertaining to ADR programs to their managers. Appeals managers and other employees outside of Appeals may submit ADR questions to *AP ADR PMO.

8.26.1.1.3 (MM-DD-YYYY)
Responsibilities

(1) The ADR PMO and LB&I ADCCI SPG jointly manage and administer the LB&I FTS Program.

8.26.1.1.5 (MM-DD-YYYY)
Terms and Acronyms

(1) No change

(2) The table lists commonly used acronyms and their definitions as used in this IRM:

Acronym	Definition
ACI	Appeals Coordinated Issue
ADR	Alternative Dispute Resolution
ADR PMO	Alternative Dispute Resolution Program Management Office
FPAA	Final Partnership Administrative Adjustment

FTS	Fast Track Settlement
JC	Joint Committee
LB&I	Large Business and International Division
NBAP	Notice of Beginning of Administrative Procedures
NOPA	Notice of Proposed Adjustment
RAR	Revenue Agent Report
TEFRA	Tax Equity and Fiscal Responsibility Act of 1982

8.26.1.7 (MM-DD-YYYY)
Type of Issues Excluded from LB&I FTS

(1) *No change*

(2) LB&I FTS is not available for the following:

a. and b. – *No change*
c. Issues for which a taxpayer requests the Simultaneous Appeals/Competent Authority procedure described in section 6.04 of Rev. Proc. 2015-40.
d. through g. – *No change*

Delete (3)

8.26.1.8 (MM-DD-YYYY)
Initiating LB&I FTS

(1) No change

(2) It is best to consider all unagreed issues of a case in one "Application for Fast Track Settlement;" however, individual unagreed issues or groups of unagreed issues will be accepted into LB&I FTS even when other issues remain under consideration by LB&I.

Delete (3)

(4) *Renumber to (3)*

8.26.1.9 (MM-DD-YYYY)
Determining Acceptance of LB&I FTS Case

(1) When the "Application for Fast Track Settlement", Form 14017, is ready to submit, and is signed by the appropriate LB&I Territory Manager, the referring LB&I Team Manager emails the application to the FTS mailbox at *AP ATCL FTS. The Appeals

Fast Track Program Manager handling the request will save a copy of the FTS Application and related documents in the LB&I FTS Case Documents folder on the ADR PMO SharePoint site.

(2) In most cases, the Appeals Fast Track Program Manager notifies the ATM that an LB&I FTS case will be assigned to their team. When time permits, the ATM pre-assigns an ATCL or AO to the case.

(3) *No change*

(4) Any case started without concurrence of both the Appeals Fast Track Program Manager and the Examination Territory Manager will, at the discretion of either manager, be treated as withdrawn by the function that opposes moving forward with the FTS process. Such withdrawals require executive-level concurrence from the first-line executive of the manager requesting withdrawal.

(5) *No change*

8.26.1.9.2 (MM-DD-YYYY)
Denying the LB&I FTS Request

(1) Executive-level concurrence is required to deny an FTS request. If the Appeals Fast Track Program Manager and an ATM concur that a case or issue does not qualify for LB&I FTS, they will proceed as follows:

a. Discuss the potential denial with an ADR PMO Analyst within three business days of receipt.
b. If the Appeals Fast Track Program Manager and ATM still recommend denial after consultation with the ADR PMO, the Appeals Fast Track Program Manager will elevate the decision to the Area Director (AD) by secure email **within three business days** of receipt, including *AP ADR PMO in the cc line. The FTS Executive Concurrence Memorandum may be used to request and document concurrence/nonconcurrence.
c. If the AD concurs with the proposed denial, the AD will elevate it to the appropriate first-line executive by secure email.
d. The first-line executive will indicate concurrence or nonconcurrence with the proposed denial to the AD by return email. The AD will notify the ATM of the final decision by secure email, including *AP ADR PMO in the Cc line.

(2) Requests for Technical Advice, Field Service Advice, etc. are not made during the LB&I FTS process. Cases requiring such issue development actions are not ready for Fast Track, and the Appeals Fast Track Program Manager or ATM may recommend denial.

(3) If the Appeals Fast Track Program Manager does not concur with the ATM's recommendation to deny an LB&I FTS request, the Appeals Fast Track Program Manager may accept the case and identify necessary resources.

(4) If the executive concurs with a proposed denial, the Appeals Fast Track Program Manager discusses the reason(s) for denial with the LB&I Territory Manager.

(5) *No change*

8.26.1.10.1 (MM-DD-YYYY)
Carding in the LB&I FTS Case

(1) The "Application for Fast Track Settlement" must be signed by the ATM, the Appeals Fast Track Program Manager, and the LB&I Territory Manager before the case is input into the Appeals Centralized Database System (ACDS). The ATM will use the Appeals Shared Programs Hub to submit a request for Account and Processing Support (APS) to create a new ACDS case record. Include a copy of the Form 14017, the name of the FTS Official assigned to the case, and the relevant carding information in the request.

(2) *No change*

(3) When carding in the LB&I FTS case, APS follows the general provisions for carding in cases contained in IRM 8.20.5, Account and Processing Support (APS), Carding New Receipts.

Delete (4) and (5).

8.26.1.12 (MM-DD-YYYY)
Planning and Conducting the LB&I FTS Session

(1) The LB&I FTS session includes all activities from the date Appeals accepts the LB&I FTS case through the date all three parties reach a final agreement.

(2) and (3) *No change*

(4) At the conclusion of the FTS session, the FTS Official will provide a copy of Publication 5548, Office of Appeals Survey, to the taxpayer or their representative. The FTS Official will fill in the ACDS work unit number in the password field on Publication 5548.

8.26.1.12.3 (MM-DD-YYYY)
New Information Received During LB&I FTS Session

(1) *No change*

(2) If consideration of substantial new information provided by either party unacceptably delays the FTS session, Appeals will withdraw the case from LB&I FTS with the agreement that the case may be resubmitted for acceptance into LB&I FTS after the issues are fully developed. Withdrawals from FTS for this reason are not subject to executive-level review because they result from the need to consider additional information, not from denial of the FTS process.

(3) *No change*

8.26.1.12.4 (MM-DD-YYYY)
New Issues/Claims Raised During LB&I FTS Session

(1) All issues submitted to LB&I FTS must be fully developed and ready for resolution. The ATCL or AO confirms all issues are listed on the FTS Session Report at the beginning of the process.

(2) through (6) *No chang*e

(7) If the taxpayer declines to bring the LB&I FTS process to a conclusion prior to consideration of such claims, the IRS withdraws the case from LB&I FTS. The taxpayer then reapplies for LB&I FTS after LB&I completes a review of the new claim. Withdrawals from FTS for this reason are not subject to executive-level review because they result from the need to consider additional information, not from denial of the FTS process.

(8) NEW ISSUES - To raise a new issue, there must be good, sound, substantial grounds already existing in the record or known to the decision maker. Substantial grounds are those that cause a decision maker to be quite certain, at the time a new issue is raised, that the party raising the new issue will prevail if the issue is litigated. Quite certain does not necessarily mean 100% certain, but it does mean a very high degree of certainty.

8.26.1.12.6 (MM-DD-YYYY)
Withdrawal from LB&I FTS Session

(1) If, after assignment, it is determined a case is not ready for the LB&I FTS process, or there is a change in status, the ATCL or AO discusses withdrawal of the case with the appropriate Appeals Fast Track Program Manager and ATM. Such a withdrawal requires executive-level concurrence. Follow the same procedures as outlined in IRM 8.26.1.9.2, Denying the LB&I FTS Request, to request concurrence.

(2) through (5) *No change*

(6) The taxpayer may withdraw from LB&I FTS at any time by providing written notice to the LB&I Team Manager and the ATCL or AO. Withdrawals requested by the taxpayer do not require executive-level concurrence.

(7) through (9) *No change*

8.26.1.17.5 (MM-DD-YYYY)
LB&I FTS Closing Package

(1) and (2) *No change*

(3) Close the administrative file along with the LB&I Team Manager's closing package to APS and flag it with **LB&I Fast Track Settlement - Expedite Handling**.

(4) *No change*

(5) The Appeals LB&I Fast Track Program Manager will save a copy of the LB&I FTS Closing Package in the LB&I FTS Case Documents folder on the ADR Program Management Office SharePoint site.

8.26.1.17.6 (MM-DD-YYYY)
LLCP Closing Procedures for LB&I FTS Cases

Obsolete section

Revisions to IRM 8.26.8, Compliance Assurance Process - Fast Track Settlement

8.26.8.1 (MM-DD-YYYY)
Program Scope and Objectives

(1) and (2) *No change*
(3) *Policy Owner*: LB&I and Appeals jointly administer CAP FTS. The executive with policy oversight in Appeals is the Director, Operations Support.

(4) *Program Owners:* The Alternative Dispute Resolution Program Management Office (ADR PMO) and the Strategy, Policy and Governance Office (SPG) of the LB&I Assistant Deputy Commissioner Compliance Integration (ADCCI) jointly manage and administer LB&I FTS programs, including CAP FTS. The Director, ADR PMO, is responsible for planning, managing, and directing the nationwide ADR programs for Appeals. See IRM 1.1.7.9, Alternative Dispute Resolution Program Management Office (ADR PMO). The ADR PMO is under the Deputy Chief of Appeals.

(5) *Contact Information:* Appeals employees should submit questions pertaining to ADR programs to their managers. Appeals managers and other employees outside of Appeals may submit ADR questions to *AP ADR PMO.

8.26.8.1.3 (MM-DD-YYYY)
Responsibilities

(1) The ADR PMO and LB&I ADCCI SPG jointly manage and administer the LB&I FTS Program.

(2) The Analyst shown on the Product Catalog Information page as the point of contact (POC) is the assigned author of this IRM.

8.26.8.1.5 (MM-DD-YYYY)
Terms and Acronyms

(1) *No Change*

(2) The table lists commonly used acronyms and their definitions as used in this IRM:

Acronym	Definition
AC	Account Coordinator
ADR	Alternative Dispute Resolution
ADR PMO	Alternative Dispute Resolution Program Management Office

CAP	Compliance Assurance Process
IRA	Issue Resolution Agreement

8.26.8.3 (MM-DD-YYYY)
Issue Resolution

(1) Issues that arise in the CAP process are resolved by the CAP Team and the taxpayer using Issue Resolution Agreements (IRA). See IRM 4.51.8.3.5, Issue Resolution Process.

(2) *No Change*

(3) If the FTS Program is used in a CAP case, the Account Coordinator (AC) should follow the procedures outlined in Rev. Proc. 2003-40, Announcement 2025-6, Pilot Program Changes to Fast Track Settlement, and IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers.

a. The AC prepares the application package and forwards it to the Team Manager for approval. The Team Manager reviews, approves, signs the application, and obtains the taxpayer's signature and forwards it to the LB&I and Appeals Fast Track Settlement Program Managers.
b. The AC forwards the issue positions for both parties to Appeals for consideration, prior to the opening conference, and arranges any meetings. The Team Manager and appropriate team personnel, including specialists, their managers, and Technical Advisors from LB&I participate in the FTS process with taxpayers, which includes attending meetings, discussions, and providing necessary information to achieve a comprehensive understanding of the issue.
c. If necessary, the appropriate Territory Manager and Director, Field Operations - LB&I, participates in the FTS process.
d. If an issue is resolved during the FTS, the agreed resolution is incorporated into the applicable closing agreement.
e. Fully developed but unagreed issues not resolved using FTS during pre-filing are incorporated into a 30-day letter once the return is filed and the case is forwarded through the traditional Appeals process.

(4) through (5) *No Change*