INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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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 in terminology and new processing functionality for the new Appeals Case Management System (ACMS).
- Change to how Compliance submits FTS requests to Appeals and when FTS cases are carded into ACMS.
- 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 Proc. 2006-54, which has been superseded by Rev.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.
- Updates throughout to align IRM 8.26.1 with current procedures.

Background/Source(s) of Authority: Appeals Centralized Database System (ACDS), Appeals' aging legacy system, is being replaced by ACMS, a more modernized system. Appeals contracted Salesforce to create ACMS, which will provide Appeals with a new level of automation and analytics. These updates will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

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.

Additional Information: Additional information on ACMS can be found on the Appeals Exchange (ApEx) ACMS Home page. This site contains links for helpful information with ACMS, training documents, etc.

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. This guidance also incorporates, and subsequently obsoletes, AP-08-0726-0020, Updated Appeals Procedures for Large Business and International (LB&I) Fast Track Settlement (FTS) and Compliance Assurance Process (CAP) FTS. Portions of this guidance may be extended, modified, 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.

Distribution: FOIA Library on IRS.gov (https://www.irs.gov/privacy-disclosure/foia-library)

Attachments (2)

General Alternative Dispute Resolution (ADR) Procedures for Appeals Case Management System (ACMS)

Compliance will now submit Fast Track Settlement (FTS) requests to the IRS Independent Office of Appeals (Appeals) electronically through the Appeals Shared Programs Hub. If a Large Business and International (LB&I) FTS request is received in Appeals via email per prior procedures, LB&I FTS Program Managers will instruct Compliance to submit the request electronically through the Appeals Shared Programs Hub. The request will be treated as received on the day it is submitted through the Appeals Shared Programs Hub. See IRM 8.26.1.9 as modified by this guidance.

Appeals Team Managers (ATMs) should ensure employees who have had mediation training are identified as mediators in ACMS. To review or update the mediator field in ACMS:

1. Select Contacts menu in ACMS.
2. Type the employee's first and last name in the top search box.
3. The search will display the employee's contact card.
4. Click the employee's contact card which will bring you to the "Details" of this contact.
5. Scroll down to the Mediator section.
6. Click the pencil icon to the far right of the Mediator field.
7. Check the Mediator box.
8. Click Save at the bottom of the screen.

Specific IRM Procedural Changes

Throughout IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers, and IRM 8.26.8, Compliance Assurance Process (CAP) - Fast Track Settlement:

- References to Appeals Centralized Database System (ACDS) will be changed to Appeals Case Management System (ACMS).
- Form 5402, Appeals Transmittal and Case Memo, has been replaced. The 'Printable View' feature now captures the information formerly found on Form 5402 and is referred to as the E-5402.
- References to Case Activity Record (CAR) will be changed to Case Action Record (CAR).
- Removed links for IRM sections superseded by this or other guidance.
- Hyperlinks will not be included for new IRM sections not yet available online.

Revisions to IRM 8.26.1

8.26.1.1 (MM-DD-YYYY)
Program Scope and Objectives
Modify paragraphs (3) through (5).

(3) **Policy Owner:** LB&I and Appeals jointly administer the LB&I FTS Program. 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
Modify paragraph (1).

(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
Modify paragraph (2).

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

Acronym	**Definition**
ACI	Appeals Coordinated Issue
ACMS	Appeals Case Management System
ADR	Alternative Dispute Resolution
ADR PMO	Alternative Dispute Resolution Program Management Office
FPAA	Final Partnership Administrative Adjustment
FTPM	Appeals Fast Track Settlement Program Manager
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

8.26.1.3 (MM-DD-YYYY)
Fast Track Settlement Authority for Appeals
Delete paragraph (1). Modify former paragraph (2) and renumber as paragraph (1). Insert new paragraph (2). Modify paragraphs (4) through (6).

(1) An Appeals official with delegated settlement authority for LB&I FTS under IRM 1.2.2.9.9, Delegation Order 8-9 (New), Authority of Appeals to Administer Alternative Dispute Resolution Procedures, can enter into and approve any LB&I FTS agreement involving hazards of litigation by using a Form 906, Closing Agreement on Final Determination Covering Specific Matters, or a general waiver via Form 870-AD, Offer to Waive Restrictions on Assessment and Collection of Tax Deficiency and to Accept Overassessment.

(2) In the FTS process, the Appeals Team Case Leader (ATCL) or Appeals Officer (AO) assigned to conduct the FTS session is called the FTS Official.

(4) Potential settlement positions discussed with the taxpayer before an LB&I FTS referral are presented to the FTS Official for consideration during the session. However, Appeals does an independent evaluation of the hazards and does not execute a settlement if it does not fall within such evaluation or established settlement guidelines for the issue.

(5) If the FTS Official does not accept a settlement proposed between the taxpayer and LB&I, the FTS Official explains why it is not acceptable to both parties.

(6) If a Joint Committee (JC) report is required for the case, Appeals delays execution of the closing agreement until LB&I completes the JC procedures. Where Appeals settlement authority is utilized on a Joint Committee case, the FTS Official involved in the settlement is available to respond to inquiries from the Joint Committee regarding the settlement.

8.26.1.5.1 (MM-DD-YYYY)
LB&I Participants in the FTS Process
Modify paragraph (5).

(5) The LB&I Case Manager, in consultation with the assigned FTS Official, determines the LB&I participants.

8.26.1.5.2 (MM-DD-YYYY)
FTS Official's Role in the LB&I FTS Process

Modify paragraphs (1) and (2).

(1) Within ***two weeks*** after assignment of the case, the FTS Official calls the taxpayer and the LB&I Case Manager to start the FTS session planning process and follows-up in writing with an FTS Acknowledgement Letter. The FTS Official should document the Case Action Record (CAR) when these actions have been taken.

(2) The FTS Official identifies and discusses the need to limit the number of participants in the FTS session.

8.26.1.5.3 (MM-DD-YYYY)
Appeals Technical Specialist's Role in Coordinated Issues in LB&I FTS
Modify subsection title. Modify paragraphs (1) and (2). Delete paragraph (4).

(1) Where an issue is coordinated, the FTS Official follows the procedures in IRM 8.7.3.3, Coordinated Issues.

(2) To meet the requirements that all decision-makers attend the LB&I FTS session and that coordinated issues be reviewed by the Appeals Technical Specialist, the Appeals Technical Specialist generally serves as a team member and participates in the FTS session with the taxpayer and LB&I.

8.26.1.7 (MM-DD-YYYY)
Type of Issues Excluded from LB&I FTS
Modify subsection title. Modify paragraph (2). Delete paragraph (3).

(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*
h. Issues for which the taxpayer has requested competent authority assistance.
i. Issues raised by taxpayers challenging the validity of a regulation.

8.26.1.8 (MM-DD-YYYY)
Initiating LB&I FTS
Modify paragraph (2). Delete paragraph (3). Renumber paragraph (4) as (3). Add new paragraph (4).

(2) It is best to consider all unagreed issues of a case in one FTS request; 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.

(4) Any concerns the LB&I Case Manager or taxpayer have are referred to either LB&I or the Appeals Fast Track Settlement Program Manager (FTPM) before the formal FTS

package is completed.

8.26.1.9 (MM-DD-YYYY)
Receipt of Incoming LB&I FTS Requests
Modify subsection title. Modify paragraph (1). Delete paragraph (2). Former paragraphs (3) through (5) moved to 8.26.1.10. Insert new paragraphs (2) through (4).

(1) When Form 14017, Application for Fast Track Settlement, is approved and signed by the appropriate LB&I Territory Manager, the referring LB&I Case Manager submits the approved application to Appeals through the Appeals Shared Programs Hub SharePoint site and attaches the LB&I FTS Package to the Electronic Case Receipts (ECR) form. LB&I will not send the entire administrative file. See LB&I Fast Track Settlement for instructions for submitting the LB&I FTS Package to Appeals.

(2) The LB&I FTS Package includes the following:

- The signed Form 14017 listing all participants' names and titles.
- LB&I Fast Track Settlement Application Issue Statement
- Form 5701
- Form 886-A, Explanation of Items
- Form 2848, Power of Attorney and Declaration of Representative
- Taxpayer's written response: A formal protest is not required, but a written response clearly defining the taxpayer's position and the basis for disagreement is required.

(3) Account and Processing Support (APS) will card in FTS requests received through ECR in Appeals Case Management System (ACMS), generally within two business days of the ECR submission. See IRM 8.20.5.19, Fast Track Settlement (FTS) Case Carding. Once the FTS request is established on ACMS, the Appeal Record created for an LB&I FTS request will automatically route to the Area 9 queue.

(4) Appeals designates specific ATCLs within Area 9 to serve as FTPMs. Area 9 ATMs with FTPMs on their team will monitor the Area 9 Awaiting Assignment list for FTS cases and assign each FTS request to an FTPM as soon as it appears. FTS requests will contain "Fast Track Settlement" in the Alternative Dispute Resolution column of this list view.

8.26.1.9.1 (MM-DD-YYYY)
Accepting the LB&I FTS
Deleted. Content moved to 8.26.1.10.1 and modified.

8.26.1.9.2 (MM-DD-YYYY)
Denying the LB&I FTS Request
Deleted. Content moved to 8.26.1.10.2 and modified.

8.26.1.10 (MM-DD-YYYY)
Appeals Initial Review of LB&I FTS Requests
Modify subsection title. Modify paragraph (1). Former paragraph (2) moved to 8.26.1.8(4). Insert new paragraphs (2) through (6), incorporating deleted content from 8.26.1.9.

(1) LB&I FTS Packages require expedited review to ensure a timely response to the LB&I Case Manager. FTPMs will monitor their new receipts for FTS cases. FTPMs will complete the following actions within one week of the Appeal Received Date in ACMS:

- Acknowledge receipt of the Appeal Record for the FTS request in ACMS.
- Review the FTS package.
- Confirm all necessary documents are included and the LB&I Territory Manager signed the Form 14017.
- Determine whether LB&I FTS eligibility requirements are met.
- Make a preliminary decision on whether to accept the request and forward the request to an ATM for review.
- Contact the LB&I Case Manager to inform them of the status of the request.

(2) The FTPM will serve as the Appeals point of contact for any LB&I inquiries regarding the FTS request until the case is assigned to an Appeals Technical Employee (ATE) who will serve as the FTS Official or the request is formally denied. The ACMS case will also remain assigned to the FTPM during this time.

(3) The FTPM will record their time spent on FTPM actions using Action Record FT-PM.

(4) If the FTPM has any questions regarding acceptance, the FTPM may consult with another FTPM, an ATM, or the ADR PMO.

(5) Any case started without concurrence of both the FTPM and the Examination Territory Manager will 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.

(6) Except with the concurrence of the LB&I Territory Manager and the FTPM, the FTS process is ***limited to 120 calendar days***.

8.26.1.10.1 (MM-DD-YYYY)
Accepting the LB&I FTS
Modify subsection title. Delete former content. Carding instructions are found in IRM 8.20.5. Insert content from former 8.26.1.9.1. Modify paragraph (1). Insert new paragraphs (2) and (5). Renumber former paragraphs (2) and (3) as (3) and (4).

(1) If the FTPM determines the request is eligible, the FTPM signs Form 14017 in the Appeals Manager/FTS Program Manager signature section, checking the Accept Request box above their signature. The FTPM then forwards Form 14017 to the

appropriate ATM for concurrence. The case will not be transferred on ACMS until the request is accepted by an ATM or Area Director (AD).

(2) The request may be sent to an ATM in another area for workload balancing or for assignment to ATEs with certain technical expertise, if appropriate. The FTPM will contact the Technical Advisor for the appropriate area or the ADR PMO to determine which ATM will consider the request.

(3) If the ATM concurs with the acceptance of the application, the ATM signs Form 14017 in the Appeals Official decision section, checks the Accept Request box above their signature, and forwards a signed copy to the FTPM.

(4) If the first ATM does not recommend acceptance, the FTPM may assign the FTS request to another ATM for review or initiate the denial concurrence process.

(5) Once the FTS request is accepted and the Form 14017 is signed by an ATM or AD, the FTPM will enter Action Record FT-AC in the CAR and upload the signed Form 14017 to the case documents in ACMS. The FTPM will submit a request to transfer the case to the accepting area's queue. The ATM who accepted the FTS request will monitor the area queue for the case and assign it to an ATE who will serve as the FTS Official.

8.26.1.10.2 (MM-DD-YYYY)
Denying the LB&I FTS Request
New. Insert content from former 8.26.1.9.2. Modify and reorganize content from former 8.26.1.9.2.

(1) Executive-level concurrence is required to deny an FTS request.

(2) Requests for Technical Advice, Field Service Advice, etc. are not made during the LB&I FTS process. Cases requiring such issue development actions by Compliance are not ready for Fast Track, and the FTPM or ATM may recommend denial as a premature request.

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

(4) If the FTPM and an ATM concur that a case or issue does not qualify for LB&I FTS, the case will remain assigned to the FTPM until the denial concurrence process is complete. The FTPM and ATM will take the following actions within one week of their initial decision to propose denial:

a. Discuss the potential denial with an ADR PMO Analyst.
b. If still recommending denial after consultation with the ADR PMO:
    i. The FTPM will enter Action Record FT-DP in the CAR.

ii. The FTPM will check the Deny request box in the Appeals Manager recommendation section of the Form 14017 and sign below the recommendation.

iii. The ATM will elevate the decision to the ATM's AD by secure email, including the FTPM and *AP ADR PMO in the Cc line. Attach the signed copy of Form 14017 and include an explanation of the reason for the proposed denial.

iv. The FTPM will inform the LB&I Case Manager that Appeals will need additional time to decide whether to accept the FTS request.

(5) If the AD concurs with the proposed denial, the AD will elevate it to the appropriate first-line executive by secure email. The first-line executive will indicate concurrence with the proposed denial by email to the AD. The AD will sign Form 14017 in the Appeals Official decision section, check the Deny Request box above their signature, and email it to the ATM, the FTPM, and *AP ADR PMO to inform them of the executive's decision.

(6) If the AD or first-line executive does not concur with the denial, the request will be accepted. The AD will sign Form 14017 in the Appeals Official decision section, check the Approve Request box above their signature, and email it to the ATM, the FTPM, and *AP ADR PMO to inform them of the executive's decision. The FTPM will enter Action Record FT-AC in the CAR and submit a request to transfer the case to the ATM's area queue. The ATM will monitor the area queue for the case and assign it to the FTS Official.

(7) A decision by the first-line executive to deny an FTS request is final, and the taxpayer is not entitled to administrative or judicial review of the decision.

(8) Within two business days of receiving notification of the executive's concurrence to deny the request, the FTPM will complete the following actions:

- Upload the signed Form 14017 to the case documents in ACMS.
- Add Action Record FT-DN to the CAR in ACMS.
- Notify the LB&I Case Manager and the taxpayer of denial, providing the basis for denial.
- Return the LB&I FTS Package to the LB&I Case Manager by secure email.
- Close the FTS request in ACMS. See 8.26.1.17.3, Closing the LB&I FTS Request in ACMS.

8.26.1.11 (MM-DD-YYYY)
Assignment of the Accepted LB&I FTS Request
Modify paragraphs (1) and (2). Delete paragraphs (3), (4) and (6). Modify paragraph (5) and renumber as (3). Insert new paragraph (4).

(1) Upon acceptance of the LB&I FTS request, the ATM will monitor their area queue for the case and assign the case to an FTS Official as soon as it appears in the awaiting assignment list.

(2) The ATM will ensure the selected FTS Official is trained in mediation and is the appropriate grade per IRM 1.2.2.9.9, Delegation Order 8-9 (New), Authority of Appeals to Administer Alternative Dispute Resolution Procedures. LB&I FTS cases are typically assigned to ATCLs but may also be assigned to AOs no lower than grade 14. If special circumstances require an LB&I FTS case to be assigned to an AO lower than grade 14, an ATM must also participate in the process as a co-mediator.

(3) The ATM and FTS Official coordinate on the need to use a team of AOs.

(4) Within two weeks of case assignment, the FTS Official will:

a. Review and update the ACMS Appeal Record.
    - Ensure FTS is displayed in the ADR field.
    - Ensure Action Record FT-AC has been added to the CAR.
    - Enter Action Record FA-NST with a comment that Taxpayer First Act (TFA) case file access is not applicable to FTS.
    - Add the Uniform Issue List (UIL) for each FTS Issue in ACMS.

b. Submit a support request in ACMS for any necessary referrals. See IRM 8.26.1.5.3, Appeals Technical Specialist's Role in Coordinated Issues in LB&I FTS.

c. Contact the taxpayer and LB&I to start the planning process. Document this taxpayer contact in ACMS using Action Record TC-SCM.

8.26.1.12 (MM-DD-YYYY)
Planning and Conducting the LB&I FTS Session
Modify paragraphs (1) through (3). Insert new paragraphs (4) and (5).

(1) The LB&I FTS session includes all activities from the date Appeals accepts the LB&I FTS request through the date all three parties reach a final agreement or determine that no agreement will be achieved through FTS or the date the FTS request is withdrawn.

(2) Planning begins after the case is assigned and Appeals accepts the FTS application.

(3) The parties must agree to a plan that allows completion of the LB&I FTS process within ***120 calendar days***. In limited circumstances, the LB&I Territory Manager and the FTPM may agree to extend this target completion date.

(4) As part of the planning process, the FTS Official will:

- Identify, determine, and confirm the participants and ensure that all decision-making parties will be present during the session. To facilitate resolution, the FTS should encourage the taxpayer's participation even if the taxpayer is represented.

- Request additional information from either party to have full understanding of the issues and share any information received with all parties prior to the session.
- Schedule the session at a reasonably convenient site, following guidelines in IRM 8.6.1.5.1, Conference Practice. In-person FTS sessions may be held at an Appeals office or another neutral site agreeable to the parties. The location selected should have the least cost or impact to the IRS. This could mean the FTS Official will travel to the examiner's Post of Duty (POD). The FTS Official should consult with his/her ATM to make this decision, be flexible in setting the meeting location, and involve LB&I and the taxpayer in the decision.

(5) 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 Appeal Number in the password field on Publication 5548.

8.26.1.12.3 (MM-DD-YYYY)
New Information Received During LB&I FTS Session
Modify paragraph (2).

(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.

8.26.1.12.4 (MM-DD-YYYY)
New Issues/Claims Raised During LB&I FTS Session
Modify paragraphs (1), (7) and (8).

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

(7) If the taxpayer declines to bring the LB&I FTS process to a conclusion prior to consideration of such claims, Appeals or LB&I will withdraw 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
Modify paragraphs (1), (3), and (5) through (7).

(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 FTS Official discusses withdrawal of the case with the appropriate FTPM and ATM. Such a withdrawal requires executive-level concurrence. Follow the same procedures as outlined in IRM 8.26.1.10.2, Denying the LB&I FTS Request, to request concurrence.

(3) In the event of the withdrawal of a case, the FTS Official:

a. through c. – *No change.*

(5) When resubmitting a withdrawn case, management decides how to assign an FTS Official. *Ex parte* restrictions are not imposed on intra-Appeals communications. Appeals management takes appropriate action to fulfill the Appeals Mission to be fair and impartial. This policy must be made clear to the taxpayer at the beginning of the process, and if the taxpayer is unable to accept this policy, the taxpayer may decide to forego the LB&I FTS option and go to traditional Appeals.

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

(7) For any unresolved issue(s), taxpayers retain all traditional appeal rights. However, the traditional appeal will not be assigned to the same ATCL or AO who served as the FTS Official, unless the taxpayer and LB&I provide written concurrence prior to assignment.

8.26.1.17.3 (MM-DD-YYYY)
Closing the LB&I FTS Request
Modify subsection title. Delete paragraph (1). Insert new paragraphs (1) through (7).

(1) In denied cases that are not assigned to an FTS Official, the FTPM will complete the closing actions. When the request is assigned to an FTS Official, the FTS Official will complete the closing actions.

(2) Prepare an **LB&I FTS Closing Package**, per IRM 8.26.1.17.5, LB&I FTS Closing Package, attach a copy in ACMS, and email a copy to the LB&I Case Manager for appropriate action.

(3) Regardless of the type of closure, certain action records are required in ACMS to submit the case for closure. Ensure the following actions are present on the CAR prior to creating the E-5402:

- FT-AC to indicate the FTS request was accepted or FT-DN to indicate the FTS request was denied. Since FTS denials require executive concurrence, FT-DN may not be entered on a case unless FT-DP (Fast Track Denial Proposed) is already present on the CAR.
- FA-NST with a comment that TFA case file access in not applicable in FTS.
- TC-SCM or CO-UAL to document the first contact with the taxpayer. If the case was denied or withdrawn, enter Action Record TC-SCM or CO-UAL with a comment explaining how and when the taxpayer was notified of the denial decision.
- CF with the appropriate subtype to document the date of the FTS session. CF-NN may be used to document that a conference was not needed.
- DM with an explanation of the outcome.

(4) To generate the E-5402 used in the LB&I FTS Closing Package, submit the case for approval in ACMS and complete the necessary closing information. The closing information will populate on the E-5402 and should include the following information:

a. Closing Code. Select the appropriate option:
    - 14 – Mediated - Agreed
    - 15 – Mediated - Unagreed
    - 16 – Mediated Partially Agreed
    - 01 – Rejected/Denied/Withdrawn
b. Resolution Reason. Select the appropriate option from the drop-down menu.
c. Proposed ADR Adjustment Amount: Enter the total dollar amount of all FTS issues as proposed by Compliance.
d. Revised ADR Adjustment Amount: Enter the total dollar amount of all FTS issues per the settlement reached in FTS. If no settlement is reached through FTS, enter the Proposed ADR Adjustment Amount.

(5) Generate a printable view of the E-5402 and save a copy for use in the LB&I FTS Closing Package.

(6) If necessary, send a copy of the appropriate agreement documents, such as Form 870-AD or Form 906, to the taxpayer using an appropriate transmittal letter, including Letter 969, Agreement Form Transmittal – Non-Docketed Case, or Letter 1595, Closing Agreement Request for Taxpayer Signature Transmittal.

(7) The ATM’s signature is not required on the E-5402 for FTS closures, but it is applied automatically as part of the ACMS closing process. The ATM will review the FTS Closing Package and the ACMS Appeal Record for completeness before approving for final closure. The case will auto-close on ACMS. It will not be forwarded to APS.

8.26.1.17.4 (MM-DD-YYYY)
Closing an LB&I FTS Case Subject to Joint Committee
Modify paragraphs (2), (7), and (9).

(2) Upon assignment of an LB&I FTS case, Appeals must confer with both the taxpayer and LB&I to determine whether the case is subject to JC reporting requirements and record the results in the CAR.

(7) Immediately after the taxpayer signs the closing agreement, Appeals closes the case on ACMS. The FTS Official notes in Remarks on E-5402: "The closing agreement should be returned to Appeals for signature after the Joint Committee completes consideration of the settlement."

(9) LB&I includes the E-5402, ACM, and closing agreement in their JC Report.

8.26.1.17.5 (MM-DD-YYYY)
LB&I FTS Closing Package
Modify paragraphs (1) and (2). Delete paragraphs (3) and (4). Renumber former paragraph (5) as (3) and modify.

(1) When the LB&I FTS case is completed, send the LB&I FTS Closing Package to the LB&I Case Manager.

(2) The LB&I FTS Closing Package consists of:

a. E-5402
b. Brief ACM (if required)
c. Closing Agreement, special agreement, or waiver form (if required)
d. FTS Session Report(s)
e. Agenda(s)
f. CAR
g. All correspondence received from and sent to the taxpayer/representative

(3) Save a copy of the LB&I FTS Closing Package in ACMS as a closing document.

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
Modify paragraphs (3) through (5).

(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 Program, 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
Modify paragraphs (1) and (2).

(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
Modify paragraph (2).

(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)
CAP FTS Issue Resolution
Modify subsection title. Modify paragraphs (1) through (3).

(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) FTS is available as an ADR program during CAP on an issue-by-issue basis. See Rev. Proc. 2003-40, 2003-1 C.B. 1044, for the FTS procedures.

a. through e. – *No change.*
f. Appeals identifies FTS cases in Appeals Case Management System (ACMS) by selecting "Fast Track Settlement" in the Alternative Dispute Resolution field. In addition to this FTS identifier, the Appeals Official will add Feature Code CP to any FTS cases involving CAP issues.
g. 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, checks the LB&I CAP box on the Form 14017, Application for Fast Track Settlement, 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 Appeals. See IRM 8.26.1.9, Receipt of Incoming LB&I FTS Requests, for information on what to include in the FTS Request Package and how to submit it to Appeals.
b. through e. – *No change.*