



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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MEMORANDUM FOR ALL LB&I EMPLOYEES

FROM: Holly O. Paz *Is/ Holly O. Paz*
Commissioner, Large Business and International Division

SUBJECT: Interim Guidance on LB&I Compliance Priorities

This memorandum supersedes the guidance in Interim Guidance Memorandum LB&I-04-0922-0018, Reissuance of Interim Guidance Regarding Examination Priorities and Modification of Pause on New DAS Cases.

Background: Since March 2020, LB&I has operated under a hold on work that is selected by the Discriminant Analysis System (DAS). The most recent guidance provided that no time could be charged to *new* DAS cases without senior director approval except that:

- (1) Territory managers have discretion in approving prior, subsequent, and related returns associated with an existing DAS examination; and
- (2) Cases with a Project Code 0548 or a Tracking Code 0132 were not considered DAS cases.

Given our competing priorities and continuing resource limitations, additional adjustments are needed to ensure that we are only working such cases with the highest compliance risk.

Procedural Change: The rules are now as follows:

Workstream	Approval Level
New DAS Cases	Director of Field Operations (DFO)
Prior, subsequent, and related returns of open DAS cases	Territory Manager
New LCC Cases with Tracking Codes 0132/0133	Front-line Manager

Workstream	Approval Level
Prior, subsequent and related returns associated with open LCC cases with Tracking Codes 0132/0133	Front-line Manager
New Training Returns - cases with Project Code 0204 and prior subsequent, and related returns associated with training cases	Front-line Manager
High-Income or Pass-Through Returns – Related returns, whether corporate, pass-through, or individual, that are associated with the examination of a High-Income Initiative (HII) case, or a pass-through entity case.	Front-line Manager

These approval requirements will help ensure that LB&I maximizes the efficient use of its resources in addressing significant noncompliance while positioning us to also meet our core corporate work, increase our partnership coverage, and address mandatory work (for example, Joint Committee claims) as well as ad hoc priorities that arise (for example, strong whistleblower claims).

Effect on Other Documents: This memorandum supersedes Interim Guidance Memo LB&I-04-0922-0018 and will be reevaluated by a date not to exceed two years from the issuance date of this memorandum.

Contact: Employees should ask their management chain for guidance on issues not specifically addressed in this memo. FAQs will be updated on the LB&I Policy website as warranted. Questions may be sent to the LB&I Policy Office through the [LB&I Policy Gateway](#) and [Create a Request](#).

Thank you for your cooperation.

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