



LARGE BUSINESS AND  
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
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MEMORANDUM FOR ALL LARGE BUSINESS AND INTERNATIONAL DIVISION  
EMPLOYEES

FROM: John V. Cardone /s/ *John V. Cardone*  
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Large Business & International Division

SUBJECT: Interim Guidance on the Merger and Acquisition (M&A) Project  
Team Assistance on Issues with Material Planned Staff Days

### Introduction

Merger and Acquisition (M&A) issues are examined on a substantial number of LB&I cases and consume significant LB&I resources. LB&I recognizes the need to manage M&A issues and resources in the most effective and efficient manner possible.

This memorandum communicates the requirements and process for M&A Project Team assistance in risking cases with material days planned for M&A issues. It applies to LB&I Industry Cases (IC), Large Corporate Compliance (LCC) cases, Compliance Assurance Process (CAP) cases, and all claims and amended returns. This guidance is effective for any new M&A issue identified as of the date of this memorandum.

This memorandum is not an official pronouncement of law, and cannot be used, cited, or relied on as such. In addition, nothing in this memorandum should be construed as affecting the operation of any other provision of the Code, regulations, or guidance thereunder.

### Background

The M&A Project Team is a national strategy to improve the use of resources related to M&A issues. The objective of the M&A Project is to assist field examiners in planning and examining selected M&A transactions, help examiners understand the transaction(s), identify issues of highest compliance risk, and reduce time spent examining low risk or compliant M&A issues. The M&A Project Team consists of

Corporate Distributions and Adjustments Practice Network (CDA PN) subject matter experts and field revenue agents with M&A experience. Taxpayers and examination teams will benefit from a comprehensive risk analysis that provides a proper depth and scope of the exam, which supports a consistent direction for the efficient examination of M&A issues. The M&A Project Team promotes compliance by helping identify the M&A issues to pursue and those to accept, by providing assistance with complex issues, and by engaging in knowledge sharing through collaboration. If there is an M&A transaction with international features, the project team will collaborate with the appropriate practice network.

### **Planning and Examination Guidance**

LB&I examiners are required to contact the M&A Project Team for an assessment of whether the case should be part of the M&A Project when their case has 40 or more planned staff days related to potential M&A issues. Contact with the M&A Project Team must be made early in the examination planning stage by emailing the case name, potential M&A issue(s), and respective planned staff day information to \*LB&I M&A Project Team.

If a case is selected to be a part of the M&A Project, the M&A Project Team will assist the examination team in the planning, examination and resolution of the M&A issues.

M&A issues may include but are not limited to asset acquisitions, corporate carryovers, corporate distributions, corporate liquidations, corporate organizations, corporate reorganizations, transaction costs and worthless stock losses. For more information on potential M&A issues, please refer to the Corporate Issues Knowledge Base in the Virtual Library.

### **Contact**

For further information regarding this memorandum or to submit your case for project consideration, please contact the M&A Project Team via secure email at [\\*LB&I M&A Project Team](#) and note in Subject Line "M&A Project Team".

cc: Division Counsel  
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