



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

April 29, 2024

Control Number: SBSE-04-0424-0021  
Expiration Date: April 29, 2026  
Impacted IRM: 4.26.17

MEMORANDUM FOR: ALL SB/SE FIELD AND SPECIALTY EXAMINATION;

FROM:

Daniel R. Lauer

Daniel R. Lauer

Digitally signed by Daniel R.  
Lauer  
Date: 2024.04.29 13:57:42  
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Director, Examination Headquarters, SB/SE

SUBJECT:

Guidance for Related and Spin-off FBAR Examinations in SB/SE Examination – Specialty, BSA

This memorandum outlines procedures for Bank Secrecy Act (BSA) Examiners to follow when expanding one of their Title 31 or Report of Foreign Bank and Financial Accounts (FBAR) examinations to a new FBAR Examination until IRM 4.26.17 is updated. This Interim Guidance Memorandum does not allow for the expansion of FBAR Examinations into Title 26 Examinations. Please ensure this information is distributed to all affected employees within your organization.

**Purpose:** This memorandum issues guidance on procedural changes to ensure that Criminal Investigation (CI) clearance is obtained when BSA Examiners open related or spin-off examinations.

**Background:** A BSA Examiner, in asking questions or requesting documents that are relevant to an open BSA examination, may identify another party that has a potential FBAR filing violation. Before any further questions are asked or documents are requested relating to a potential FBAR violation for a related party, if the information is not relevant to the currently open BSA examination, a related or spin-off FBAR examination must be opened. There are currently no procedures in place for BSA Examiners to obtain CI clearance when they open related or spin-off FBAR examinations.

See IRM 4.10.5.4, Related and Spin-Off Returns, for definitions and examples of Related and Spin-off Returns.

**Procedural Change:** This memorandum revises IRM 4.26.17 to ensure that all related and spin-off FBAR examinations go through the necessary CI clearance before being opened.

**Effect on Other Documents:** Guidance in this memorandum will be incorporated into the IRM within 2 years.

**Effective Date:** This guidance is effective immediately.

**Contact:** Email BSA Policy at # [REDACTED] #.

Attachments (1)

Updated FBAR Exam Procedures (Attachment 1)

Distribution: FOIA Library on IRS.gov

## Attachment 1

The following changes are effective immediately for IRM 4.26.17 (11-22-2021), BSA, FBAR Procedures:

IRM 4.26.17.2.2, Starting an FBAR Examination Where No Related Statute Memorandum is Required – SB/SE Specialty Examination, BSA Only  
Revise paragraph (5) to read as follows:

Upon identification of a potential FBAR violation that warrants further investigation or within three business days of charging time to a newly assigned case from BSA Case Selection (CS), the examiner will prepare Form 13536 requesting to start the FBAR case. A separate FBAR Monitoring Document (FMD) is required for each year and each person or entity potentially required to file an FBAR.

Revise paragraph (10) to read as follows:

Within 3 business days of receipt of an approved FMD, the examiner must:

- a. Email the approved FMD and memorandum to Currency Transaction Report (CTR) Operations using the contact information in Exhibit 4.26.17-2, and
- b. For related or spin-off examinations that did not originate in BSA CS, follow the steps in IRM 4.26.17.2.3.1 to obtain Examination Return Control System (ERCS) controls and CI clearance from BSA CS.
- c. For prior and subsequent year pickups, follow the steps in IRM 4.26.17.2.3.1 to obtain ERCS controls and CI clearance from BSA CS.

IRM 4.26.17.2.3 – Procedures to Control FBAR Examinations on ERCS – LB&I and SB/SE Only  
Revise paragraph (6) to read as follows:

Examiners in SB/SE Examination – Specialty, BSA refer to IRM 4.26.17.2.2.

IRM 4.26.17.2.3.1 – Preparing ERCS Control Requests  
Revise paragraph (3) to read as follows:

- a. The Group Manager (GM) will review Form 5345-D for completeness and accuracy. If the group manager identifies errors or desires more information, the group manager will discuss with the examiner. If approved, the GM will sign and date the form (anywhere).
- b. For all cases (except those in SB/SE Examination – Specialty, BSA) the GM will provide the approved Form 5345-D to the shared administrative assistant for input into ERCS. Electronic signatures are acceptable. The Form 5345-D may be submitted via secure, encrypted email.
- c. SB/SE Examination – Specialty, BSA GMs will, instead, forward the approved Form 5345-D to BSA CS via secure, encrypted email at

## Attachment 1

# [REDACTED] #

Add paragraph (5) to read as follows:

For SB/SE Examination – Specialty, BSA, once BSA CS has performed CI clearance and secured ERCS controls, they will return the Form 5345-D to the GM and examiner.

- a. If CI clearance is not granted, BSA CS will inform the GM and examiner and that will terminate the examiner's FBAR responsibilities as the examiner cannot conduct the FBAR examination.