



LB&I International Practice Service Transaction Unit

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Unit Name	Using Alternative Means to Obtain Foreign Based Evidence
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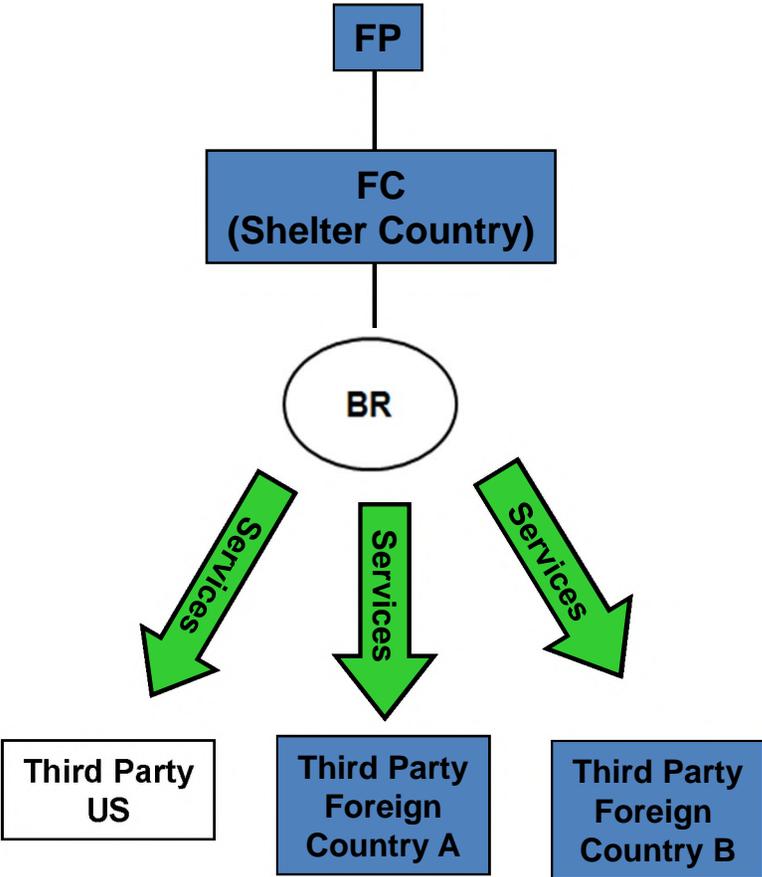
Issue and Transaction Overview

Using Alternative Means to Obtain Foreign Based Evidence

- Records and/or taxpayer documentation may be located in a foreign jurisdiction. This unit explains multiple methods to obtain records located in a foreign jurisdiction when a taxpayer does not provide them in response to an Information Document Request (“IDR”).

Transaction and Fact Pattern

Using Alternative Means to Obtain Foreign Based Evidence

Diagram of Transaction	Facts
 <pre> graph TD FP[FP] --- FC["FC (Shelter Country)"] FC --- BR((BR)) BR -- Services --> TPUS[Third Party US] BR -- Services --> TPA["Third Party Foreign Country A"] BR -- Services --> TPB["Third Party Foreign Country B"] </pre>	<p>Foreign Corporation (“FC”) is a member of a multinational group that manufactures, markets, installs, trains and monitors electronic equipment.</p> <p>BR is a true domestic branch of FC.</p> <p>FC employs or contracts with individuals that physically perform installation and training services in the U.S., Foreign Country A, and Foreign Country B.</p> <p>FC filed a 2010 Form 1120-F (U.S Income Tax Return of a Foreign Corporation) claiming deductions in excess of revenues from effectively connected income (“ECI”).</p>

Transaction and Fact Pattern (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Facts

Background

FC listed a U.S. post office box as its address at the top of Form 1120-F, page 1. Item D of page 1 indicated that the branch's books and records were located in a tax shelter country and that the principal location of the worldwide business was in Foreign Parent's ("FP's") country.

Additional information on Form 1120-F, page 2 listed FP as owing 50% or more of the stock in FC.

The bottom of Form 1120-F, page 1 did not provide a phone number. The International Examiner ("IE") searched the internet for FC's U.S. physical address and phone number and found neither. A search for FP's U.S. physical address and phone number also found neither, but did provide the information about FP's business activities discussed on [Slide 4](#).

The IE's attempts to contact FC via its post office box and to get responses to an IDR were unsuccessful as the correspondence was returned marked "No forward address."

Summary of Potential Issues

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Country A or B deducted against revenues for services physically performed in the U.S.?

All Issues, Step 1: Initial Factual Development

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Alternative means</p> <p>To determine if a potential exam issue exists, foreign based evidence must be gathered.</p> <p>When a taxpayer cannot be located (or is not willing to provide documents when requested), alternative means to obtaining foreign based evidence include:</p> <ul style="list-style-type: none"> ▪ Internet searches ▪ Industry data bases searches ▪ Accurint ▪ Interviews ▪ § 982 formal document requests (“FDR”) ▪ § 6038A summons ▪ Specific Exchange of Information requests ▪ Foreign travel for examination of records and interviews 	<ul style="list-style-type: none"> ▪ IRC 982 Admissibility of documentation maintained in foreign countries. ▪ IRC 6038A Information with respect to certain foreign-owned corporations. ▪ IRM 4.60.1.1.3.1 - Specific Exchange of Information Program 	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Internet searches A certain amount of internet, industry data base and Accurint searches can identify related parties, specific records, and customers. This information will enhance interviews and Specific Exchange of Information requests.</p>	<ul style="list-style-type: none">▪ Google	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Searches using FC's or FP's name with "electronic equipment" or "training" or "installation" may provide the names of the products for which FC provides installation and training services. Then, searches using FC's or FP's name with the names of the products may provide the name of one or more U.S. customers to interview and obtain copies of FC's:</p> <ul style="list-style-type: none"> ▪ sales brochures; ▪ purchase orders; ▪ sales agreements and invoices; ▪ shipping documents; ▪ training materials; ▪ electronic equipment operation manuals; and ▪ names and addresses of FC employees and/or agents. 		

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Internet searches (cont'd)</p> <ul style="list-style-type: none"> ▪ US Forms W-8 and foreign equivalents of Forms W-2 and 1099; and ▪ wire transfers, and domestic and foreign bank account documents. <p>The same searches may provide (a) articles in trade publications or news letters and (b) links to industry data bases that may be accessible without charge.</p> <p>The more specific the information learned about FC and/or FP, the more relevant the search phrases can be. Search results from the field have located complete audited financial statements of foreign entities, U.S. regulatory (e.g. Environment Protection Agency) reports, and blogs about taxpayer operations and personnel matters.</p>		

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Internet searches (cont'd)</p> <p>When a U.S. customer is identified, contact the individuals named in the search results and interview them for an understanding of how FC conducts its business in the U.S. (Generally, the U.S. customer will ask that third-party summons be issued for those interviews.) During the interview, ask for the names of other U.S. entities that are likely to be FC customers. A log of third party contacts should be maintained, which can be as simple as retaining a copy of the Form 12175 (Third Party Contact Report Form) prepared for each time a third-party contact was made.</p> <p>Based on the search results, determine whether to summons records from the U.S. customer before and/or after the interview.</p>	<ul style="list-style-type: none"> ▪ Form 2039 Summons ▪ IRC 7602 Examination of books and witnesses. ▪ Treas. Reg. 301.7602-2 Third party contacts. ▪ IRC 7609 Special procedures for third-party summonses. ▪ Treas. Reg. 301.7609-1 Special procedures for third-party summonses. ▪ Treas. Reg. 301.7609-2 Notification of persons identified in third-party summonses. 	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Industry & Generic Databases</p> <p>Employment data bases like SalaryQuest.com allow free searches for a specific company's job opportunities that show titles and city/state. It helps identify U.S. customers with employees that might operate FP's electronic equipment.</p> <p>National Information Center is a repository of data about banks and other institutions for which the Federal Reserve has a supervisory, regulatory, or research interest, including both domestic and foreign banking organizations operating in the U.S. The site is free and allows searches for U.S. branches and agencies of foreign banking organizations. Searches can be made using bank routing numbers identified from documents obtained by internet searches or from U.S. customers.</p>	<ul style="list-style-type: none"> ▪ SalaryQuest.com ▪ National Information Center 	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Industry & Generic Databases (cont'd)</p> <p>The SEC database of filings helps when FP is a registered company. Filings may include Information about geographical revenue for installation and training services as well as listings of subsidiaries.</p> <p>Trademark Electronic Search System (“TESS”) allows free searches for registered trademarks and prior pending applications.</p> <p>YouTube is a free repository of videos. Search results from the field have located taxpayer testimonies before Congress, training seminars, and marketing presentations. It helps to identify individuals to interview and to understand taxpayer operations and products.</p>	<ul style="list-style-type: none"> ▪ U.S. Securities and Exchange Commission ▪ U.S. Patent and Trademark Office ▪ YouTube 	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
<p>Accurint A person’s residential address and current and past employers can be located using searches by name and state, by phone number, or by Social Security Number (“SSN”). Search results have included the dates during which an address or an employment was valid.</p> <p>Uniform Commercial Code (“UCC”) filings, credit reports, trademarks and fictitious business names can be located using searches by company name and state, by phone number, or by Employer Identification Number (“EIN”). UCC filings can determine if U.S. property is available when IRS liens are necessary.</p> <p>Real and personal property assessments and deeds can be located using searches by name and state or by address, city and state.</p>	<ul style="list-style-type: none"> ▪ Accurint 	

All Issues, Step 1: Initial Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Obtaining records located in a foreign country when a taxpayer does not provide them in response to an IDR.

Fact Element	Resources	6103 Protected Resources
News articles can be located searching a database of U.S. and non-U.S. news publications using search phrases.		

Issue 1, Step 2: Review Potential Issues

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Explanation of Issue	Resources
<p>FC's ECI statutorily includes revenue for services physically performed in the U.S., but not in foreign countries.</p> <p>FC's Form 1120-F may claim deductions in excess of ECI.</p> <p>Individuals employed or contracted by FC may have physically performed services in foreign countries A and B. If so, FC's costs of physically performing services may have been attributed incorrectly between the U.S., Foreign Country A, and Foreign Country B source revenues resulting in an understatement of FC's US taxable income.</p> <p>To resolve this issue, the IE needs to obtain records located in a foreign country.</p>	<ul style="list-style-type: none"> ▪ IRC 861(b) Taxable income from sources within United States. ▪ IRC 862(b) Taxable income from sources without United States. ▪ Treas. Reg. 1.861-8 Computation of taxable income from sources within the United States and from other sources and activities. ▪ IRC 863(a) Allocation under regulations.

Issue 1, Step 3: Additional Factual Development

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Interviews</p> <p>Once the name of an FC employee, agent, or customer is identified and the U.S. address is found, contact the individual for an interview. If the agent or customer is an entity, call the entity or search the internet to identify the name of an officer or employee.</p> <p>The IE may “examine any books, papers, records, or other data which may be relevant or material” for “the purpose of ascertaining the correctness of any return.” The IE may consider summoning third parties to produce records and/or to give testimony as may be relevant or material to ascertaining the correctness of a return.</p>	<ul style="list-style-type: none"> ▪ IRC 7602 Examination of books and witnesses. ▪ Treas. Reg. 301.7602-2 Third party contacts. ▪ IRM 25.5.4.2 - Purpose of Examination of Books and Witnesses ▪ U.S. v. Arthur Young, 465 US 805 (1984) ▪ U.S. v. Powell, 379 US 48 (1964) 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Interviews (cont'd)</p> <p>When third parties are summonsed, special procedures apply for giving notice of the summons. Form 2039 includes instructions and copies of statutes and regulations governing the authority and procedures for issuing summons.</p>	<ul style="list-style-type: none"> ▪ IRC 7609 Special procedures for third-party summonses. ▪ Form 2039 Summons ▪ IRM 25.5.5 - Summons for Taxpayer Records and Testimony ▪ IRM 4.10.3.2 - Interviews: Authority and Purpose 	
<p> CONSULTATION: When preparing a summons the IE should work with local counsel to understand the summons procedures and to ensure that enforceable language is used.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Interviews (cont'd)</p> <p>Consider including Counsel and a court reporter in your interview process. Counsel provides valuable assistance with respect to (a) claims to privilege, (b) conflict of interest issues regarding opposing counsel, and (c) attendance of third parties other than the interviewee.</p>	<ul style="list-style-type: none"> ▪ Court reporter procurement process 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request</p> <p>Before making a Specific Exchange of Information request, all reasonable domestic means of obtaining the information should be exhausted.</p> <p>Exchange of Information (“EOI”) personnel have the goal of providing responses to requests in approximately 60 days. However, the timeliness of receiving documents from other countries varies. Thus, determine when to stop initial searches that will provide only a nominal increase in value. Exam completion dates necessitate making Specific Exchange of Information requests as early as possible.</p>	<ul style="list-style-type: none"> ▪ Exchange of Information Programs ▪ Exchange of Information Program Office 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>Even though FC is located in a tax shelter country, it may have a tax treaty or a Tax Information Exchange Agreement (“TIEA”) with the U.S. Check the treaty and TIEA websites to ensure the U.S. has a tax treaty or TIEA in force with the specific country. The U.S. has approximately 100 tax treaties and TIEAs by which the Service can obtain information from abroad.</p>	<ul style="list-style-type: none"> ▪ Treaties IPN ▪ United States Income Tax Treaties A to Z ▪ Master List of Current Treaties, TIEAs and MLATs in Force 	
<p>T TREATY IMPLICATION: The Treaties IPN site has a list of tax treaties and Tax Information Exchange Agreements (“TIEAs”) to which the U.S. is a party.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>Certain information can be requested via a Specific Exchange of Information request:</p> <ul style="list-style-type: none"> ▪ Tax returns and return information ▪ Bank, brokerage and business records of taxpayer ▪ Interviews with taxpayers/other witnesses ▪ Public records (deeds, birth, death, marriage, and company registries) ▪ Assets owned, tax shelter, and transfer pricing ▪ Registered agents (company creation) and associations with other companies 	<ul style="list-style-type: none"> ▪ Contact Information for Tax Attaches and the Headquarters Group ▪ IRM 4.60.1 - Exchange of Information ▪ What to Include in a Document Request 	
<p> CAUTION: Taxpayer information can only be received from, or provided to, a foreign government by the U.S Competent Authority.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>If Shelter Country does not impose a corporate income tax, FC will have no Shelter Country income tax returns or related return information.</p> <p>Even though FC's Forms 1120-F reported that its records were located in Shelter Country, it is likely that FC had only a post office box and few, if any, employees located in Shelter Country. However, FC's employees/agents that provided installation and training in the U.S. and Foreign Countries A and B were paid a salary, commission, or fee. Perhaps U.S., Foreign Country A, or Foreign Country B income tax was withheld. Thus, requesting FC's bank, brokerage and business records, located in Shelter Country, may be productive.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>Via the Specific Exchange of Information program, request complete copies of FC's:</p> <ul style="list-style-type: none"> ▪ monthly bank statements, deposit slips, checks, wire transfer advices, and other debit and credit advices for all bank accounts; ▪ payroll tax returns and forms filed with all tax jurisdictions; ▪ invoices issued for sales and services; ▪ employee travel reimbursement reports; ▪ evidence identifying the names and titles of officers and their business phone numbers; and ▪ emails between employees of related entities regarding services & installations. 		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request – Considerations</p> <p>Request evidence of FC’s (a) registered agents, (b) associations with other companies, and (c) ownership of real property located in Shelter Country. Also, request copies of all of the information previously requested in the IDRs issued to FC.</p> <p>Perusal of the bank and business records may identify the FC employees/agents residing in the US, who can be contacted for interviews. The information obtained in those interviews can lead to records that quantify the amount of direct and indirect costs allocable to FC’s ECI.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>The interviews can also identify third party recipients of the installation and training services. The third parties and their records can be summonsed to obtain information that leads to records that quantify the amount of U.S. source revenues. Also, these interviews can help the IE prepare a functional analysis of FC's U.S. trade or business activities and contrast them to those in Foreign Countries A and B.</p> <p>Once the name of one FC employee/agent is identified, his/her current residence and phone number in the U.S. may be determined by searches using Accurint. During the interview of this employee, the names and locations of additional FC employees can be requested or confirmed.</p>	<ul style="list-style-type: none"> IRM 25.5.5 - Summons for Taxpayer Records and Testimony 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>Even though FC's Form 1120-F reported that FC's records were located in Shelter Country, it is possible that FC's records were, or are currently, located in FP's country, the principal location of the world-wide business. Consider initiating a Specific Exchange of Information request with that country for the same records requested from Shelter Country.</p> <p>If internet researches or interviews identified the names of customers in Foreign Counties A and B, consider initiating a Specific Exchange of Information request to those countries for the same information requested from the U.S. customers.</p>		

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>It is difficult in some countries to obtain certain records in spite of the existence of a tax treaty or TIEA. Discuss with EOI personnel the likelihood of receiving the requested information within 60 days.</p> <p>Some countries have bank secrecy legislation. Discuss with EOI personnel whether these countries have provided bank records; and if so, how long it took to obtain them. Discuss with EOI personnel if these countries' authorities will interview parties (including representatives) and if so, whether past interviews accomplished the desired goals.</p>	<ul style="list-style-type: none"> Contact Information for Tax Attaches and the Headquarters Group 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>All requests for information from a foreign country must go through the US Competent Authority or his delegates.</p> <p>All information received from a treaty partner must be kept confidential and used only in accordance with the terms of the treaty.</p> <p>The Treaties IPN, Treaty Assistance and Interpretation Team (“TAIT”), Associate Chief Counsel (International) [“ACC(I)”] Branch 7, and Competent Authority are available to provide guidance regarding provisions of treaties and TIEAs. Contact information for these groups can be found at the Treaties IPN sharepoint site.</p>	<ul style="list-style-type: none"> ▪ IRC 6103(k)(4) Disclosure to competent authority under tax convention ▪ IRC 6105 Confidentiality of information arising under treaty Obligations ▪ IRM 11.3.25.2 Information Received from Foreign Tax Authorities • Treaties IPN 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Specific Exchange of Information Request (cont'd)</p> <p>When foreign based evidence indicates the use of cross-border tax shelters, offshore arrangements to avoid tax, or arrangements by high wealth taxpayers to minimize tax liabilities, the Joint International Tax Shelter Information and Collaboration (“JITSIC”) Network is available to coordinate exchanges of tax information with representative of other member countries.</p>	<ul style="list-style-type: none"> ▪ Joint International Tax Shelter Information Centre 	

Issue 1, Step 3: Additional Factual Development (cont'd)

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Fact Element	Resources	6103 Protected Resources
<p>Foreign Travel for Examination of Records and Interview</p> <p>Consider travel to interview relevant officers and employees of FC and to Foreign Countries A and B to interview customers' employees. Discuss with EOI personnel whether on-site exams are permitted by the government authorities and whether an invite letter is necessary. The International Travel Office can assist in obtain IRS approval (including obtaining an official government passport).</p>	<ul style="list-style-type: none"> ▪ International Travel Office ▪ Authorization for Official Travel 	

Issue 1, Step 4: Develop Arguments

Using Alternative Means to Obtain Foreign Based Evidence

Issue 1

Were costs associated with services physically performed in Foreign Countries A or B deducted against revenues for services physically performed in the U.S.?

Explanation of Adjustment	Resources	6103 Protected Resources
<p>Once foreign-based evidence is obtained, the IE determines whether FC's income and expense recognition was reasonable. If not, then that foreign based evidence is used to develop arguments based on the application of relevant tax law.</p>	<ul style="list-style-type: none"> ▪ IRC 882 Tax on income of foreign corporations connected with United States business. ▪ Treas. Reg. 1.882-1 Taxation of foreign corporations engaged in U.S business or of foreign corporations treated as having effectively connected income. ▪ Treas. Reg. 1.882-3 Gross income of a foreign corporation. ▪ IRC 882(c)(1) Allocation of deductions. ▪ Treas. Reg. 1.882-4(b) Allowed deductions and credits. 	

Training and Additional Resources

Chapter 17.2.1 Using Alternative Means to Obtain Foreign Based Evidence

Type of Resource	Description(s) and/or Instructions for Accessing	References
Other Training Materials	<ul style="list-style-type: none"> ▪ Bittker & Lokken: <u>Federal Taxation of Income, Estates and Gifts</u> <ul style="list-style-type: none"> ▪ Part 9 Foreign Income and Foreign Taxpayers <ul style="list-style-type: none"> - Chapter 67 Nonresident Aliens, Foreign Corporations, and Other Foreign Persons <ul style="list-style-type: none"> ▪ U.S. Trade or Business ▪ Effectively Connected Income From U.S. Sources ▪ Effectively Connected Income From Foreign Sources - Chapter 73 Sources of Income <ul style="list-style-type: none"> ▪ Source of Income – Introductory ▪ Allocation and Apportionment of Deductions 	<ul style="list-style-type: none"> ▪ Bittker & Lokken Fed. Tax'n Inc, Est and Gift ▪ Para 67.6.2 ▪ Para 67.6.3 ▪ Para 67.6.4 ▪ Para 73.1 ▪ Para 73.10

Glossary of Terms and Acronyms

Term/Acronym	Definition
ACC(I)	Associate Chief Counsel (International)
BR	True domestic branch
ECI	Effectively connected income
EIN	Employer Identification Number
EOI	Exchange of Information
FC	Foreign Corporation
FP	Foreign Parent
IDR	Information Document Request
IE	International Examiner
JITSIC	Joint International Tax Shelter Information and Collaboration
SEC	Securities and Exchange
SSN	Social Security Number
TAIT	Treaty Assistance and Interpretation Team
TESS	Trademark Electronic Search System
TIEA	Tax Information Exchange Agreement
UCC	Uniform Commercial Code

Index of Related Issues

Issue	Associated UIL(s)	References
Issuing a Formal Document Request When a Taxpayer is Unresponsive to an IDR	9460.02	<ul style="list-style-type: none">▪ IRC 982 Admissibility of documents maintained in foreign countries
Using an Authorization of Agent when a US Corporation is 25% Foreign Owned	9560.06	<ul style="list-style-type: none">▪ IRC 6038A(e)(1) Agreement to treat corporation as an agent▪ Treas. Reg. 1.6038A-5 Authorization of agent
Issuing a Summons under § 6038A When a US Corporation is 25% Foreign Owned	9560.06	<ul style="list-style-type: none">▪ IRC 6038A(e) Enforcement of requests for certain records▪ Treas. Reg. 1.6038A-6 Failure to furnish information