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Department of the Treasury
Internal Revenue Service

4.63.2

JANUARY 14, 2026

EFFECTIVE DATE

(01-14-2026)

PURPOSE

- (1) This transmits revised IRM 4.63.2, Withholding and International Individual Compliance (WIIC), LB&I WEIIC Practice Network Knowledge Management.

MATERIAL CHANGES

- (1) IRM 4.63.2.1(5) - Updated to include Primary Stakeholders as LB&I WEIIC employees. Moved Program Goals to IRM 4.63.2.1.1, Background as new para (1).
- (2) IRM 4.63.2.1.1 - Added program goals as new para (1).
- (3) Updated links throughout.
- (4) Made editorial corrections and updates made throughout.

EFFECT ON OTHER DOCUMENTS

This IRM supersedes IRM 4.63.2 dated November 8, 2023.

AUDIENCE

LB&I WEIIC employees

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4.63.2

LB&I WEIIC Practice Network Knowledge Management

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4.63.2.1
(01-14-2026)
Program Scope and Objectives

- (1) **Purpose:** This IRM section describes the practice network (PN) structure, the members and their respective roles and responsibilities as part of the Withholding, Exchange and International Individual Compliance (WEIIC) practice area in the Large Business and International (LB&I) division.
- (2) **Audience:** The primary users of this IRM are employees, management, and executives of the WEIIC practice area in the LB&I division.
- (3) **Policy Owner:** LB&I Policy under the Strategy, Policy, and Governance (SPG) office in the Assistant Deputy Commissioner Compliance Integration (ADCCI) organization and WEIIC practice area.
- (4) **Program Owner:** Director, WEIIC practice area
- (5) **Primary Stakeholders:** LB&I WEIIC employees
- (6) **Contact Information:** To recommend changes or to make any other suggestions to this IRM section, contact the IRM author or see SPDER's IMD Contacts list by referencing guidelines provided in IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance. A request or inquiry can also be made at *LB&I Policy Gateway*.

4.63.2.1.1
(01-14-2026)
Background

- (1) The goals of the PN program align with the LB&I strategic goal to apply the tax laws with integrity and fairness through a highly skilled and engaged workforce, enabling each employee to contribute fully to the team's mission. PN program goals are to:
 - a. Serve as the engine for the LB&I international strategy, training, and knowledge management
 - b. Facilitate collaboration and skills transfer related to case strategies and resolution
 - c. Facilitate the development of content for the IRS Virtual Library, training, and audit resources
- (2) Using PNs, LB&I has developed a knowledge management network that provides examination teams with the technical resources needed to manage their cases efficiently, consistently, and with technical proficiency. PNs foster collaboration and support the sharing of knowledge and expertise within the practice area, across LB&I practice areas and with other business operating divisions.
- (3) The WEIIC PNs focus on compliance issues related to international individual outbound and inbound transactions.
 - a. The Individual Outbound PNs focus on individuals (U.S. citizens or resident aliens) whose activities generate income earned outside the United States. The Individual Outbound PNs include the Foreign Entities PN (which include foreign corporations and pass thru entities), the Foreign Tax Credit PN, the Jurisdiction to Tax PN, and the Offshore Arrangements PN.
 - b. The Individual Inbound PNs focus on U.S. source income of nonresident aliens, generally taxed either through withholding for payments relating to various types of fixed, determinable, annual, or periodical (FDAP) income and income from real estate sales subject to the Foreign Investment in Real Property Tax Act (FIRPTA), or at graduated rates for income effec-

4.63 Withholding and International Individual Compliance

tively connected with a U.S. business. The Individual Inbound PNs include the U.S. Business Activities PN and the Withholding PN.

- (4) The Withholding and International Individual Compliance (WIIC) practice area was established in February 2016. In November 2020, WIIC added Exchange of Information responsibilities and was renamed the Withholding, Exchange and International Individual Compliance (WEIIC). This IRM 4.63 chapter is devoted to the WEIIC practice network program area focusing on Withholding and International Individual Compliance. Exchange of Information procedures are contained in IRM 4.60.1.

4.63.2.1.2 (11-08-2023) Authority

- (1) LB&I's organizational structure provides each practice area the flexibility to meet the needs of its area of expertise. While all practice areas have some common responsibilities and activities, they are not all structured or operated the same way.
- (2) **IRC 6038D**, Information with respect to foreign financial assets, requires U.S. persons to report their foreign financial assets over a certain value. U.S. persons to whom this provision applies must report those assets to the IRS on Form 8938, Statement of Specified Foreign Financial Assets. PNs provide training, guidance, and case assistance regarding Form 8938 compliance.
- (3) **31 USC 5314**, Records and reports on foreign financial agency transactions, directs the Secretary of the Treasury to require a U.S. person to keep records and file reports (Financial Crimes Enforcement Network (FinCEN) Form 114, Report of Foreign Bank and Financial Accounts (FBAR), when making transactions or maintaining a relationship with a foreign financial agency. PNs provide training, guidance, and case assistance regarding FBAR compliance.

4.63.2.1.3 (11-08-2023) Roles and Responsibilities

- (1) The director of Field Operations, Exchange & Offshore Strategy is the executive responsible for the WEIIC PN program.
- (2) The PN program manager provides high-level oversight and strategic direction for PN strategic issues, communicates broader LB&I strategies, and supervises frontline PN team managers.
- (3) The PN team managers supervise the technical specialists assigned to the PNs under their management. See also, IRM 4.63.2.3, Practice Network Contributor Roles and Responsibilities.
- (4) The PN steering committees support their respective PNs by serving as the primary "manager of knowledge" dedicated to the collection, organization, and sharing of the collective expertise of WEIIC employees. Steering committees may include the PN program manager, the PN team manager, the PN technical specialists, a representative from the applicable field operation, SB/SE and LB&I division counsel, and Associate Chief Counsel International (ACCI). See also, IRM 4.63.2.4, PN Steering Committees.

4.63.2.1.4 (11-08-2023) Program Management and Review

- (1) **Program Reports:** The PN program manager prepares periodic briefing reports for the director of WEIIC, focusing on:
 - a. Significant program accomplishments and opportunities for improvement
 - b. Emerging technical or procedural issues
 - c. Staffing and other key initiatives

- (2) The PN team managers report progress on their projects to the PN program manager. Steering committee members, such as the field representative or Counsel, provide briefings to PN steering committees on emerging issues, training needs, and recommendations for network events. Issue teams provide periodic reports on their progress with their assigned issues to their respective steering committees, PN team managers and the PN program manager.
- (3) **Program Effectiveness:** The combined business results of the teams demonstrate the effectiveness of the PNs. The timely delivery of relevant and technically correct products demonstrates the program's effectiveness, which includes:
 - a. Continuing professional education
 - b. Practice units and other resources that are stored in the IRS Virtual Library
 - c. Desk guides and other technical or procedural tools
 - d. Network events
 - e. New hire education

4.63.2.1.5
(11-08-2023)
Program Controls

- (1) The director of the WEIIC practice area reports to the LB&I executive management on a continuous basis via the director's briefings.
- (2) Director, WEIIC, as the program owner, monitors activities of PNs by:
 - a. Overseeing the administration, procedures, and updates related to the practice networks
 - b. Identifying goals and objectives to be achieved by the organization
 - c. Compiling periodic reports from the PN program manager
- (3) Steering committee members review and approve:
 - a. Content for inclusion in the IRS Virtual Library
 - b. Technical and procedural content of the PN products to ensure adherence to the current guidelines and policies
- (4) Privacy, Governmental Liaison and Disclosure (PGLD) reviews and clears PN products to ensure legal compliance related to privacy and disclosure.
- (5) Learning and Education (L&E) assists PNs in the planning, development, and delivery of training products.
- (6) PNs must follow established processes to ensure knowledge management products meet template and formatting standards.
- (7) PNs maintain an electronic copy of all PN products in one or more of the following locations:
 - a. IRS Virtual Library
 - b. Adobe Connect Meeting (formerly Saba Meeting and Centra)
 - c. PN SharePoint sites
 - d. Microsoft Teams

4.63.2.1.6
(11-08-2023)
Acronyms

- (1) The table lists commonly used acronyms and their definitions:

Acronym	Definition
ACCI	Associate Chief Counsel International
CFC	Controlled Foreign Corporation
ECI	Effectively Connected Income
FDAP	Fixed, Determinable, Annual, or Periodical Income
FIRPTA	Foreign Investment in Real Property Tax Act
FTC	Foreign Tax Credit
IRC	Internal Revenue Code
NRA	Nonresident Alien
OA	Offshore Arrangement
PFIC	Passive Foreign Investment Company
PN	Practice Network
SRS	Specialist Referral System
USBA	U.S. Business Activities
USC	United States Code
WEIIC	Withholding, Exchange and International Individual Compliance

4.63.2.1.7
(11-08-2023)
Related Resources

- (1) For information regarding the WEIIC practice area compliance strategies and program initiatives, refer to *Withholding, Exchange & International Individual Compliance (WEIIC)* website.
- (2) For additional information regarding the PN structure, members and their respective roles and responsibilities, visit the *International Knowledge Base*.
- (3) The IRS adopted the Taxpayer Bill of Rights in June 2014 and updated it in 2021. Employees must be familiar with and act in accordance with taxpayer rights. See IRC 7803(a)(3). For additional information visit *Taxpayer Bill of Rights*.

4.63.2.2
(11-08-2023)
**Practice Networks (PNs)
Overview**

- (1) Serving as an intrinsic component of Knowledge Management, generally a method that captures, shares, and applies employee knowledge to enhance learning, performance, collaboration, and decision-making, the PNs are communities of employees seeking to collaborate in areas of international tax compliance. The network events provide an opportunity for examiners to share their knowledge and experiences and for the PN to capture that knowledge and develop training and tools that can be distributed to the right person at the right time. The PN provides examination personnel the technical assistance they need to manage their cases more efficiently, consistently, and with the highest degree of technical proficiency.

- (2) The PNs' goals are to:
 - a. Serve as the engine for international strategy, training, and knowledge management
 - b. Provide opportunities to share the collective knowledge and experiences of the examiners auditing international issues and collaborate on case strategy and resolution
 - c. Preserve organizational knowledge through collaborative identification and development of practice units and audit resources
- (3) The PNs align with their core technical areas of responsibility. The *International Knowledge Base* displays the PNs in a matrix. The structure of the PNs is to serve as the foundation for international strategy, training, networking, and knowledge management. The PNs enhance collaboration and improve communication among employees.
- (4) The PN data management roles are:
 - a. Monitor knowledge management data
 - b. Identify emerging issues
 - c. Suggest changes to tax products, such as tax forms and publications, to improve taxpayer compliance
 - d. Monitor employee feedback to improve effectiveness
 - e. Participate in campaign development and execution
- (5) Each PN has a steering committee composed of PN management, technical specialists, a field representative from the applicable field operation, division counsel and ACCI attorneys. Some steering committees may also include members from specialized organizations or functions that contribute to the committee's knowledge of their strategic issues. Steering committee members serve as primary **managers of knowledge** dedicated to the collection, organization, and sharing of the collective expertise of WEIIC employees.

4.63.2.2.1
(11-08-2023)
WEIIC Practice Networks (PNs)

- (1) The PNs provide a forum for sharing and evaluating issues, audit techniques and approaches. The PNs foster collaboration among all those interested including, but not limited to, Counsel, technical specialists, tax examiners, tax compliance officers, revenue agents, and team managers. The PNs also manage the knowledge of the collective groups and coordinate with other PNs outside of WEIIC on related or overlapping issues. As the PNs identifies knowledge gaps and new issues and techniques emerge, the PNs will consider IRS form and instruction changes, elevate the need for new guidance through legislation and regulations, develop and deliver training, and develop practice units for the IRS Virtual Library.
- (2) The PNs participate in the Specialists Referral System (SRS) by being a listed resource for consultation on international individual compliance issues. For SB/SE examiners, they should consult SB/SE Tech Support Group for offshore or international individual tax questions before requesting PN consultation on SRS.
- (3) The PNs also assist with the development of campaigns, compliance initiatives and other workstreams related to their WEIIC strategic priorities.
- (4) All PNs maintain their own SharePoint sites, which address the WEIIC strategic priorities and cumulatively act as a road map to allow examiners to

locate the area of international tax of interest to them. Access to PN Share-Point sites is through the links on the *International Knowledge Base*.

4.63.2.2.1.1
(11-08-2023)

Foreign Entities Practice Network

- (1) The Foreign Entities PN describe its activities in the Foreign Corporations book and the Pass Thru Entities book on the Individual Outbound shelf in the *International Knowledge Base*. The Foreign Corporations book focuses on how a U.S. person with ownership in a foreign corporation generally must report that ownership and may be subject to current U.S. tax on the income earned by that corporation. The Pass Thru Entities book focuses on U.S. persons with ownership in foreign pass-thru entities that are subject to current U.S. tax on income earned or distributed by that entity.
- (2) The Foreign Entities PN generally focuses on outbound investments and the rules applicable to determine a U.S. person's taxation on investments in foreign partnerships, foreign trusts, disregarded entities, controlled foreign corporations (CFCs), passive foreign investment companies (PFICs), as well as filing and reporting requirements related to international information returns (Forms 5471, 8621, 3520, 3520-A, 8865, 926, 8858, and 8992) and any associated penalties.

4.63.2.2.1.2
(11-08-2023)

Foreign Tax Credit Practice Network

- (1) The Foreign Tax Credit (FTC) PN describes its activities in the Foreign Tax Credit book on the Individual Outbound shelf in the *International Knowledge Base*. The PN focuses on U.S. taxpayers' (U.S. citizens, resident aliens and in very rare cases nonresident aliens) claims for foreign tax credits on their U.S. individual income tax returns. The United States taxes its citizens and residents on a worldwide basis. To mitigate the potential for double taxation when a foreign country or U.S. possession also taxes the same income, a credit for foreign income taxes paid is generally allowed against the U.S. income tax liability.
- (2) The FTC PN generally focuses on:
 - a. Determining the creditability of FTC claims
 - b. Calculating the correct amount of allowable FTC

4.63.2.2.1.3
(11-08-2023)

Jurisdiction to Tax Practice Network

- (1) The Jurisdiction to Tax (JTT) PN describes its activities in the Jurisdiction to Tax Individual book on the Individual Outbound shelf in the *International Knowledge Base*. The United States taxes its citizens and residents on worldwide income, without regard to its geographic source. Generally, nonresident aliens are only taxed on income that is effectively connected to a U.S. trade or business conducted within the United States, or which is U.S. source FDAP income. Consequently, the first issue the examiner will need to resolve is whether the United States has jurisdiction to tax. It requires the examiner to determine the residency status of the individual for U.S. tax purposes.
- (2) The JTT PN generally focuses on:
 - a. Determination of the taxpayer's residency status – U.S. citizen, resident alien, or nonresident alien
 - b. Expatriation by U.S. citizens and long-term residents who relinquish their U.S. citizenship or green card
 - c. Foreign earned income exclusion, foreign housing exclusion, and foreign housing deduction
 - d. Taxation of U.S. individuals living in the U.S. territories

- e. Taxation of employees of foreign governments and international organizations
- f. Social security and self-employment taxes for U.S. persons abroad

4.63.2.2.1.4

(11-08-2023)

**Offshore Arrangements
Practice Network**

- (1) The Offshore Arrangements (OA) PN describe its activities in the Offshore Arrangements book on the Individual Outbound shelf in the *International Knowledge Base*. U.S. taxpayers sometimes use offshore arrangements to avoid or evade payment of required U.S. taxes through nominee and other arrangements designed to hide ownership of income and assets. These types of arrangements pose a significant compliance risk and examiners must understand how these arrangements work and the tools available to address these transactions.
- (2) The OA PN generally focuses on:
 - a. Offshore banking activities
 - b. Arrangements involving offshore accounts and assets, including digital assets, financial structures involving foreign entities, and schemes to conceal the beneficial ownership of assets by U.S. taxpayers
 - c. Issues related to the reporting of foreign financial assets under Titles 26 and 31

4.63.2.2.1.5

(11-08-2023)

**U.S. Business Activities
Practice Network**

- (1) The U.S. Business Activities (USBA) PN describe its activities in the U.S. Business Activities book on the Individual Inbound shelf in the *International Knowledge Base*. The PN considers the business activities of nonresident alien (NRA) individuals. NRAs come to the United States lawfully via various nonimmigrant work visas to engage in business activities in a variety of different capacities including as employees, independent contractors, sole proprietors, and partners. NRAs are generally subject to U.S. tax on their U.S. source FDAP income and income effectively connected with a U.S. trade or business (ECI).
- (2) The USBA PN generally focuses on:
 - a. Identification of a U.S. trade or business or permanent establishment
 - b. ECI
 - c. Compensation from employment
 - d. Determination of the source and character of an NRA's income
 - e. Allocation and apportionment of allowable expenses in computing tax liability
 - f. Foreign student, teachers, and researchers
 - g. Foreign athletes and entertainers
- (3) The USBA PN also coordinates with the Treaties PN on cases involving treaty benefit claims of NRAs.

4.63.2.2.1.6

(11-08-2023)

**Withholding Practice
Network**

- (1) The Withholding (WH) PN describes its activities in the Withholding Individual book on the Individual Inbound shelf in the *International Knowledge Base*. The PN considers situations where foreign persons engage in U.S. investment activities and the related U.S. withholding tax requirements on income from those investments. Foreign persons with passive U.S. portfolio or real estate investments may be able to increase the net return on investment by minimizing or eliminating their U.S. tax expense. As a result, foreign persons may have an incentive to engage in aggressive tax planning when reporting the source and character as well as the amount of income earned.

- (2) The United States uses withholding at the source as a vehicle to encourage a foreign person's voluntary compliance. Tax withheld is submitted with and reported on the income tax returns Forms 1042, 8804, or 8828, depending on the type of income the foreign person earns, along with the information returns, Forms 1042-S, 8805, and 8288-A, respectively. The withheld tax may be claimed as a credit against U.S. tax liability on the foreign person's Form 1040-NR or Form 1120-F.
- (3) The WH PN generally focuses on:
 - a. Withholding agent liabilities under IRC 1441, 1442, 1445, and 1446
 - b. The taxation of FDAP income
 - c. ECI, including FIRPTA related income, ECI received from partnerships and trusts, and ECI of foreign athletes and entertainers
 - d. Corresponding U.S. income tax reporting and payment obligations of income recipients or beneficial owners

4.63.2.3

(11-08-2023)

**Practice Network
Contributor Roles and
Responsibilities**

- (1) PN contributors are individuals that share an interest in international tax issues within the PN's focus area. PN contributors may include managers, examiners, technical specialists, Counsel attorneys and others with an interest in a particular area of tax law. Practice network contributors, regardless of their role, share similar responsibilities which include:
 - a. **Participation** – PN contributors are responsible for sharing their experiences and knowledge at PN-sponsored events to enhance the technical knowledge of others.
 - b. **Collaboration**– PN contributors collaborate with other PN contributors and with contributors from other workgroups to identify emerging issues, provide strategic insights and contribute to the development of resources to capture the collective knowledge of LB&I examiners.
 - c. **Feedback** – PN contributors are responsible for providing feedback on matters that may impact the operations and activities of their PN.
- (2) PN technical specialists have expertise in tax law associated with their practice network. Their responsibilities include:
 - a. Coordinating and facilitating their PN steering committee meetings
 - b. Developing practice units and related resources for the IRS Virtual Library
 - c. Identifying and analyzing emerging issues, compliance risks and improvement opportunities
 - d. Developing exam guide papers and job aids when needed
 - e. Participating in campaign development activities
 - f. Training and networking event development and delivery
 - g. Reviewing legislative, regulatory, and procedural proposals
 - h. Contacting external stakeholders and conducting outreach activities
 - i. Serving as subject matter experts in examinations of significant tax issues
 - j. Collaborating and coordinating with other subject matter experts, examiners, counsel attorneys, appeals officers, or others throughout IRS to leverage and expand expertise and ensure consistent application and interpretation of tax laws
 - k. Supporting WEIIC workstream prioritization as needed
 - l. Providing feedback on matters that may impact operations and activities of their or other PNs

- (3) PN team managers supervise the technical specialists assigned to their team. Their responsibilities include:
 - a. Communicating and supporting Servicewide Knowledge Management and WEIIC priorities and plans
 - b. Leading campaign development teams
 - c. Participating in PN steering committee meetings as well as other collaborative meetings
 - d. Ensuring timely completion of work assigned to their PNs
 - e. Overseeing the practice unit development process for those units related to the strategic priorities of their PNs
 - f. Reviewing work completed by the technical specialists before responding to a requestor
- (4) Senior program analysts provide support to the PN program manager by monitoring, reviewing, analyzing, and evaluating the full range of PN projects, strategies, and operations. They determine the effectiveness and impact of these PN projects, strategies and operations on international taxpayers and employees, and the efficient use of IRS and PN resources.
- (5) The PN program manager provides high-level oversight and strategic direction for the focus areas of the practice networks, communicates broader LB&I strategies, and supervises the PN team managers. Other responsibilities include:
 - a. Ensuring that WEIIC PN focus areas are consistent with the Servicewide Knowledge Management goals and WEIIC priorities and plans
 - b. Elevating emerging or high-risk issues to WEIIC leaders, the Steering Committee, and the Compliance Strategy Council, as appropriate
 - c. Collaborating with the PNs in other practice areas with overlapping interests to share best practices and ensure consistency
 - d. Ensuring practice units and other resources are prioritized based on current needs
 - e. Providing oversight for the campaign process within WEIIC
 - f. Briefing WEIIC executives on PN activities as well as the status of the campaign development process within WEIIC
 - g. Serving as a model of collaboration among peers and throughout the organization

4.63.2.4
(11-08-2023)
**Practice Network
Steering Committees**

- (1) Each WEIIC PN has a steering committee that provides oversight and guidance to the PN. Steering committees may include:
 - a. PN management
 - b. PN technical specialists
 - c. Liaisons from ACCI and field Counsel (SB/SE and LB&I)
 - d. A field representative (a field examination team manager)
- (2) Steering committees may add other members as needed to ensure that relevant expertise is available to the PN.
- (3) Generally, PN steering committee members have the following responsibilities:
 - a. Actively participate in steering committee meetings by providing input on the PN projects and priorities
 - b. Identify emerging issues
 - c. Identify skill gaps and training needs related to technical or procedural issues

- d. Recommend practice unit development and assist with developing and reviewing practice units
- e. Recommend elevation of issues to the Compliance Strategy Council
- f. Review and approve content for inclusion in the IRS Virtual Library
- g. Participate in campaign development or compliance initiative teams
- h. Recommend and comment on the need for guidance projects, review drafts and submit comments for consideration
- i. Encourage field participation in PN network events
- j. Provide feedback on matters that may impact operations and activities of the relevant PN

4.63.2.5
(11-08-2023)

The IRS Virtual Library

- (1) The IRS launched the IRS Virtual Library (also known as the Servicewide Virtual Library) at *Servicewide Virtual Library* on June 12, 2017, in an effort to consolidate all virtual libraries. The library is part of the overall IRS Knowledge Management strategy. All business operating divisions (BODs) contribute content to the library. The library will expand as BODs across the Service provide additional content. The virtual library is evolving, and LB&I will contribute additional content as it is developed.
- (2) The virtual library contains a video tutorial titled *Virtual Library - Overview* and links to additional virtual library training.
- (3) LB&I created an *International Knowledge Base* in the library. This knowledge base has a section for hot topics, a calendar of knowledge base related events, an interactive display of the business and WEIIC PNs, links to the PN landing page, and a document repository. There is also a link for all practice units at *Practice Units*. Employees should use the virtual library's International Knowledge Base to access practice units and other resources designed to assist them with their work. Instructions to gain access to documents protected by IRC 6103 can be found in Pub 1075, Tax Information Security Guidelines for Federal, State and Local Agencies.
- (4) As part of the PNs' Knowledge Management program administration, during their network events (e.g. tax technical training and workshops, feedback calls, etc.), the PNs conduct live demonstrations on how to access and navigate the Virtual Library and SharePoint sites.
- (5) To maintain the relevancy of the Virtual Library content, the PNs continuously solicit and incorporate feedback, as appropriate, from users and developers of the site. Similarly, the PNs regard and value feedback from users and developers as an important tool to measure and improve the Knowledge Management program. Feedback is gathered from a wide range of venues including issue-focused feedback calls, in-person and virtual training events, and virtual campaign team meetings.
- (6) Practice units are a general resource that provides foundational information about an issue or other topic area. Practice units provide for a consistent approach to examination issues and offer information that is useful for case work throughout LB&I. They deliver guidance on identifying, analyzing, and addressing issues arising out of a transaction and provide an explanation of a general concept or a process covering multiple types of transactions, examinations or issues commonly encountered by examiners and external stakeholders. Practice units capture and share knowledge and skills with others who have an interest in the issue, citing tax authorities such as the IRC, Treasury Regulations, court cases, etc. Practice units are published internally

and externally. They are first published internally in the Virtual Library or PN site for employee review and feedback. After employees are given an opportunity to provide feedback on new practice units, they are finalized, redacted for any official use only (OUO) information if applicable, and published on IRS.gov for public access.

- (7) There are three practice unit types available:

Practice Unit Type	Description
Concept (A “What is...” guide, provides broad overview.)	A concept unit provides an overview of a general concept relevant to the application of multiple international tax rules. The purpose of a concept unit is to explain a general concept that can cover multiple types of transactions or examinations.
Process (A “How to...” guide, provides audit steps.)	A process unit explains a substantive or procedural process applicable to multiple types of examinations. The purpose of a process unit is to guide an examiner through an audit procedure applicable to multiple types of transactions, such as conducting a functional analysis.
Transaction (A guide to factual development and development of a position on a transaction and related issues.)	A transaction unit provides information on a single transaction or fact pattern encountered in an examination. The purpose of a transaction unit is to guide an examiner through the evaluation and development of a position on a particular transaction and related issues.

