



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.21.3

AUGUST 7, 2023

EFFECTIVE DATE

(08-07-2023)

PURPOSE

- (1) This transmits a revision of IRM 5.21.3, *International and Insular Issues, Collection Tools for International Cases*.

MATERIAL CHANGES

- (1) This manual has been substantially revised with some subsections removed, added and renumbered. The manual incorporates new text, reissues existing information, and reflects editorial and/or numbering changes throughout the subsections. Web addresses, links and IRM references have been updated (where necessary).
- (2) See the table below for significant changes to this IRM:

IRM Reference	Description of Change
IRM 5.21.3.1	Updated IRM to include Program Scope and Objectives
IRM 5.21.3.1	Incorporated IGM SBSE-05-0821-0015, <i>Foreign Account Tax Compliance Act (FATCA) research and use in Field and Specialty Collection programs</i> dated 8-16-2021
IRM 5.21.3.1	Incorporated SBSE-, Simultaneous Use of International Collection Tools
IRM 5.21.3.2 (5)	Updated to include guidance on Foreign Account Tax Compliance Act (FATCA) research
IRM 5.21.3.3	Updated with current guidance on Writ Ne Exeat Republica
5.21.3.3	Updated the IRM for TECS, IRM 5.1.18.13
IRM 5.21.3.7	Updated to include guidance on Japan as the new treaty partner under MCAR.
IRM 5.21.3.8	Incorporated IGM SBSE-05-0821-0060, <i>Simultaneous Use of International Research and Collection Tools</i> dated 12-05-2022

EFFECT ON OTHER DOCUMENTS

IRM 5.21.3 dated 01-07-2016 is superseded. This IRM incorporates Interim Guidance Memorandum SBSE-05-0821-0015, *Foreign Account Tax Compliance Act (FATCA)*, dated 08-16-2021 and SBSE-05-1222-0600, *Simultaneous Use of International Research and Collection Tools*, dated 12-05-2022.

AUDIENCE

The target audience is ROs in SB/SE Field Collection (FC).

Rocco A. Steco
Acting Director, Collection Policy

5.21.3

Collection Tools for International Cases

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5.21.3.1
(08-07-2023)
Program Scope and Objectives

- (1) **Purpose.** This IRM provides guidance to ROs on collection tools for International cases.
- (2) **Audience.** These procedures and guidance apply to Small Business/Self-Employed (SB/SE) Field Collection (FC) ROs, FC revenue officer group managers (RO GMs), territory managers and area directors; however, employees in other organizations and functions may also refer to these procedures as appropriate.
- (3) **Authority.** Congress has delegated to the IRS the responsibility of administering the tax laws, known as the Internal Revenue Code, found in Title 26 of the United States Code. Congress enacts these tax laws, and the IRS enforces them.
- (4) **Policy Owner.** The Director, Collection Policy is the policy owner.
- (5) **Program Owner.** The program owner is Collection Policy, Global Strategic Compliance, within the Small Business Self-Employed (SB/SE) division.
- (6) **Primary Stakeholders.** The primary stakeholders are SB/SE Field Collection (FC).
- (7) **Program Management and Review.** International Reviews:
 - a. Collection Policy will conduct ad hoc International program reviews as necessary to verify compliance with IRM requirements and to address Treasury Inspector General for Tax Administration/U.S. Government Accountability Office findings.
 - b. Case reviews are conducted by FC RO GMs to ensure compliance with this IRM.
 - c. Operational reviews are conducted by the Territory Manager and Area Director annually to evaluate program delivery and conformance to administrative and compliance requirements.
- (8) **Program Goals.** In working a Collection case, ROs may find indications the taxpayer resides outside of the U.S. or owns assets that are located outside the borders of the U.S. ("offshore"). Collecting from these taxpayers can present unique challenges. Assisting ROs with understanding how to approach the challenges presented with offshore taxpayers is one of the goals of this program.
- (9) **Contact Information.** Recommendations and suggested changes to this IRM should be e-mailed to the Content Product Owner. The owner is indicated on the Product Catalog Information page which is found in the Form/Pubs/Products IRM listing of the Media and Publications web site.

5.21.3.2
(08-07-2023)
Related Resources

- (1) Additional information and guidance on international collection issues can be found in the following IRM sections:
 - a. See IRM 5.21.1, *Overview* through IRM 5.21.8, *Adjustments to International Cases* for additional information on international collection issues.
 - b. See IRM 5, *Collecting Process* for additional information on general FC issues such as initial contact, courtesy investigations, special rules on mailing correspondence, TECS (formerly known as the Treasury Enforcement Communication System) and international currently not collectible closing code 06.

5.21.3.3
(08-07-2023)

**Levy on a Domestic
Branch of a Financial
Institution**

- (2) Additional information can also be found at Knowledge Management, Collection Floor, International Tools and Actions & Examination Floor, International pages.
- (1) There are instances where funds held offshore can be reached by a levy if the bank has a branch in the U.S. or in a territory of the U.S.
- (2) Treasury Regulations 26 C.F.R. 301.6332–1(a)(2) outlines the procedures for levy when a bank is in business in the U.S. with deposits held in a branch outside the United States.
- (3) The regulations provide **two** different sets of procedures with regard to a levy on bank deposits held in offices outside the United States depending on whether or not the taxpayer is or is not within the jurisdiction of the U.S. court at the time the levy is made.
 1. If the taxpayer **is** within the jurisdiction of a U.S. court at the time the levy is made, then the notice of levy **must** specify that the Area Director intends to reach such deposits **and** that the bank is in possession of (or obligated with respect to) such deposits in an office outside the U.S. or a territory of the U.S.
 2. If the taxpayer is **not** within the jurisdiction of the U.S. court at the time the levy is made, then the notice of levy **must** specify that the Area Director intends to reach such deposits, that the bank is in possession of (or obligated with respect to) such deposits in an office outside the U.S. or a territory of the U.S., and that such deposits consist, in whole or in part, of funds transferred from the U.S. or a territory of the U.S. in order to hinder or delay collection of the tax imposed by the Code.
- (4) The following is an example of one type of situation in which a levy should be made on a domestic branch of a financial institution to reach funds held offshore.

Example: The taxpayer claimed false withholding credits on his Form 1040, *Individual Income Tax Return* and received a substantial refund based on the false information. The taxpayer transferred a substantial portion of the refund from his U.S. bank account to an offshore account. The taxpayer moved to a foreign country and started a business. Although the taxpayer owns valuable assets in the foreign country, the RO has been unable to locate any substantial assets in the U.S. The taxpayer has made no effort to pay the outstanding debt that he admits to owing and has made affirmative efforts to put his assets beyond the reach of the Service.

- (5) Research available sources to locate the foreign bank account. FATCA research needs to be conducted if a FATCA indicator is present on ICS.
- (6) Check IDRS command code IRPTR which may indicate:
 - a. Foreign investments if federal taxes are withheld,
 - b. Transfer of funds in the taxpayer's domestic bank, and/or
 - c. The type of income/form received by the taxpayer's domestic bank in the Financial Crimes Enforcement Network Query System (FCQ).
- (7) Check IDRS command code RTVUE to determine if the taxpayer has filed Form 8938, *Statement of Specified Foreign Financial Assets*. The "CC CD"

indicator (or Computer Condition Code) will include an "H " to indicate that Form 8938 was filed. If Form 8938 has been filed, ESTAB the return to view the return information. This may lead to identification of a foreign account or asset.

Note: For tax assessments after January 1, 2023, the IDRS command code RTVUE to determine the presence of Form 8938 will change. The "CC CD" indicator will be replaced with Form Processing Code (FPC): G

Note: Document thoroughly in the case history how the foreign bank account was located and verified even though an actual account number cannot be obtained.

Note: If the foreign bank account is in a Mutual Collection Assistance Request (MCAR) country, prepare an outgoing MCAR request asking the treaty partner to serve a levy under their domestic authority to collect from the bank located in their country. See IRM 5.21.7.4.8, *Procedures for Requesting an Outbound MCAR*, for guidance.

(8) Prepare the notice of levy and write this statement on the front of the notice: *The Area Director intends to attach funds held outside the U.S. or U.S. Territory.* Prepare a memorandum to Area Counsel and include as much specific information as possible regarding

- Account numbers,
- Information linking the accounts to the foreign account,
- Financial statements/records,
- Third-party testimony, and
- Testimony from the taxpayer.

Note: Send the notice of levy and memorandum through the RO Group Manager (GM) to Advisory for forwarding to Area Counsel for approval. Area Director review and/or approval is not required. Area Counsel will coordinate as necessary with the Office of Associate Chief Counsel (International).

(9) Area Counsel will return the package to Advisory who will forward it to the RO. If the notice of levy is approved by Area Counsel, the RO will sign the notice of levy as the delegate of the Area Director. There may be circumstances where the RO must perfect the approved notice of levy prior to signing. For example, the RO may need to follow Area Counsel direction as to specific language required on the notice of levy or the RO may need to update the penalties and interest on the notice of levy.

(10) Serve the notice of levy in person at the domestic branch, if possible, or send the levy via certified mail.

5.21.3.4

(08-07-2023)

Writ Ne Exeat Republica

(1) Writ Ne Exeat Republica is an action authorized by IRC 7402(a). Writ Ne Exeat Republica is the appropriate suit action when the taxpayer:

- Is about to leave the U.S. and is unlikely to return to the U.S., or
- Has left the United States but is likely to return and may be subject to detention by the writ, and
- Has conveyed or concealed cash or other property so that it may be taken out of the U.S.

- (2) A Writ Ne Exeat Republica is an action against a person, not property. It is a temporary remedy, and not intended to operate as a perpetual restriction upon a taxpayer's freedom of movement.
- (3) Writ Ne Exeat Republica is usually filed in conjunction with some other civil action against the taxpayer such as a Suit to Foreclose the Federal Tax Lien, a Repatriation Order, or a Summons Enforcement. The purpose of a Writ Ne Exeat is to preserve the court's power to provide a means of protecting the government's ability to collect the tax by another means. The writ ne exeat republica is filed to prevent taxpayers from removing themselves and their assets from the territorial jurisdiction of the U.S. The RO will have to show that the other civil action they propose will not be enforceable unless the defendant is prevented from removing himself or his assets from the country.
- (4) Consider these factors when determining whether or not to file a Writ Ne Exeat Republica:
 - a. Taxpayer has a large valid tax liability,
 - b. Taxpayer has transferred, or is in the process of transferring, substantially all of his assets to a location outside the United States,
 - c. Distrainable domestic property and other property reachable without the writ are insufficient to satisfy the tax liability,
 - d. Other proposed civil action will not be enforceable unless the taxpayer is prevented from removing themselves or their assets from the United States,
 - e. Taxpayer established residency outside the United States or intends to do so,
 - f. Taxpayer's assets cannot be reached absent the issuance of the writ.
- (5) Before recommending a suit seeking a Writ Ne Exeat Republica:
 - a. Exhaust meaningful enforcement against domestic property.
 - b. Document the taxpayer's location.
 - c. Document taxpayer attempts to conceal or gather property in anticipation of transfer.
 - d. Document time and location of likely return of the taxpayer if out of the country.
- (6) If the taxpayer is not in the United States, secure evidence they are likely to return at a specific time and place. This is needed to establish jurisdiction. It is also important to demonstrate the taxpayer is expected to remain in the U.S. for a short period of time. If the taxpayer is returning to the U.S. permanently, a Writ Ne Exeat Republica is not appropriate. Sources for this evidence include:
 - A notification from a taxpayer's placement on TECS or a response to a request for historical travel information from TECS that may establish a U.S. entrance pattern of the taxpayer's.
 - Court records of pending required appearances in ongoing cases.
 - Third parties' testimony.
- (7) Develop a request for a Writ Ne Exeat Republica, as applicable. Pay careful attention to the personal circumstances of the taxpayer, such as age, health, family status, and employment. Specific facts that must be covered are as follows:
 - a. Passport status, citizenship,

- b. Taxpayer address, both domestically and internationally,
- c. Past travel history of taxpayer,
- d. CSED of tax liabilities,
- e. Personal and family associations and circumstances,
- f. Business activity and associations, and
- g. Taxpayer owned financial accounts.

- (8) The steps to initiate a suit requesting a Writ Ne Exeat Republica are as follows:

Step	Action
1	Gather the evidence necessary to demonstrate the required elements.
2	Consult Advisory and local Area Counsel as needed to resolve questions and ensure the action is feasible. Area Counsel coordinates as needed with the Office of Associate Chief Counsel (International).
3	Prepare a recommendation for civil suit to seek a Writ Ne Exeat Republica. Make sure the narrative and exhibits clearly demonstrate the required elements.
4	Forward the recommendation package through Advisory to Area Counsel.
5	Maintain communication with Advisory, Area Counsel and Department of Justice regarding case status and the need to testify in the writ action.

- (9) A Writ Ne Exeat Republica and the corresponding order may be

- Issued before judgment, if necessary, due to time constraints,
- Provided for in a final decree, or
- Issued after judgment is established.

Note: It will specify the function, generally the United States Marshal, responsible for serving the order and taking the taxpayer into custody.

- (10) Writ Ne Exeat Republica provisions generally include that the taxpayer is

- To be detained and taken into custody unless they post adequate security for the outstanding tax liability.
- To remain in custody pending a final evidentiary hearing on the writ.
- Required to provide testimony and documentation as to the value and extent of all assets.
- Prohibited from transferring or encumbering assets.

- (11) After a Writ Ne Exeat Republica is issued:

- Coordinate with Area Counsel. Area Counsel will coordinate as necessary with the Office of Associate Chief Counsel (International).
- The taxpayer is detained and served with the writ. If they have moved abroad, this occurs when they reenter the country.
- The taxpayer is taken into custody, unless they can post adequate security for the outstanding tax liability.

- The taxpayer remains in the custody of the United States Marshal until the matters addressed in the order are resolved.

5.21.3.5
(08-07-2023)

**Customs Order or
Prevent Departure Order**

- (1) A Customs Order or Prevent Departure Order is an administrative action similar to the Writ Ne Exeat Republica. A Customs Order can prevent a non-U.S. Citizen from exiting the United States, pending the resolution of a collection matter.
- (2) The authority for a Customs Order is found in 22 C.F.R. 46.2(a) which states in part "...No alien shall depart, or attempt to depart, from the United States if his departure would be prejudicial to the interest of the United States under the provisions of 46.3." In addition, C.F.R. §46.3(h) applies to a collection investigation where it states, in part, "Any alien who is needed in the United States in connection with any investigation or proceeding being, or soon to be, conducted by any official executive, legislative, or judicial agency in the United States or by any governmental committee, board, bureau, commission, or body in the United States, whether national, state, or local."
- (3) Coordinate with Area Counsel before requesting a Customs Order or Prevent Departure Order. Area Counsel will coordinate as necessary with the Office of Associate Chief Counsel (International).
- (4) If the alien is found attempting to exit the U.S., they will be detained and the RO will be notified and requested to provide instructions to the Customs officer.

5.21.3.6
(08-07-2023)

**Appointment of a
Receiver**

- (1) The Appointment of a Receiver is a civil action brought in the U.S. District Court under the authority of IRC 7402(a).
- (2) A receivership places a responsible individual, known as the receiver, who works under the direction of the court in control of the taxpayer's assets. The receiver controls and conserves the assets or liquidates the assets in an orderly and efficient manner.
- (3) Appointment of a Receiver is usually in conjunction with a repatriation order and/or a Writ Ne Exeat Republica. For domestic assets, a Suit to Foreclose the Federal Tax Lien may accompany the Appointment of a Receiver.
- (4) When considering Appointment of a Receiver, the following conditions must exist:
 - a. Assets in the U.S. are not sufficient to satisfy the liability, and
 - b. Evidence shows substantial assets exist outside the U.S.

Note: Consider requesting the Appointment of a Receiver when the taxpayer's assets might depreciate without outside intervention or the taxpayer is in a position to dispose of the assets fraudulently to the detriment of creditors, including the Government.
- (5) The receiver is not an agent or representative of the Government. They act under the control and authority of the court and may make decisions which are not favorable to the Government.
- (6) A receiver's duties include:
 - Conserving the property subject to the Federal tax lien,

- Maintaining the business as an ongoing concern,
- Returning the property to its owners when all parties have been satisfied,
- Liquidating the business to pay creditors and
- Filing all tax returns which come due during the control of the business.

- (7) Consult Area Counsel prior to considering a request for an Appointment of a Receiver. Area Counsel will coordinate as necessary with the Office of Associate Chief Counsel (International). Develop a request for an Appointment of a Receiver as applicable.

5.21.3.7
(08-07-2023)
**Suit to Repatriate
Property - Repatriation
Orders**

- (1) A Repatriation Order is an order issued by a federal judge, after a hearing, requiring a taxpayer who has either transferred assets from the U.S. to a foreign country or acquired assets in a foreign country to transfer them back into the United States.
- (2) A Repatriation Order must show:
- a. An outstanding tax liability,
 - b. A reasonable basis that the taxpayer has assets outside the U.S.,
 - c. Levy on domestic assets is not sufficient to satisfy the tax liability, and
 - d. The U.S. is able to get personal jurisdiction over the taxpayer. The RO must show that the taxpayer is either in the U.S. or a U.S. Territory or the likelihood that the taxpayer will be returning to, or passing through, the United States.
- (3) Before recommending a suit seeking a Repatriation Order:
- a. Exhaust meaningful enforcement against domestic property.
 - b. Determine the nature, value and location of the foreign property.
 - c. Consider making an Exchange of Information (EOI) request to a foreign country pursuant to a U.S. tax treaty or tax information exchange agreement (TIEA), to confirm the existence and value of property located in that country. See IRM 5.21.2.2, *Exchange of Information*, for additional information. Under no circumstances should contact be made with a foreign tax authority without going through the office of the U.S. Competent Authority. The IRS can also obtain information from a U.S. territory tax department under exchange of information provisions contained in a U.S. territory tax coordination agreement. See IRM 5.21.2.2.3, *Exchange of Information - U.S. Territories*, for additional information.
 - d. Serve a levy on the domestic bank branch of a foreign banking institution if the property is held in a United States branch. Enforce the levy as needed.
 - e. Check to see if the United States has entered an income tax treaty with a foreign country that contains comprehensive mutual collection provisions (a Mutual Collection Assistance Request or MCAR). If the U.S. has an MCAR arrangement with the applicable country, make an MCAR request rather than seeking a repatriation order. See IRM 5.21.7.4, *Mutual Collection Assistance Requests (MCAR)*, for additional information on the MCAR program.
 - f. Under no circumstances should contact be made with a foreign tax authority without going through the Office of the U.S. Competent Authority.
 - g. Document all action in the ICS history.

Note: Do not issue a levy, summons or a voluntary request for documents to a third party at a foreign address.

(4) The steps to initiate a Suit to Repatriate Property are as follows:

Step	Action
1	Gather the evidence necessary to demonstrate the required elements.
2	Initiate an Exchange of Information (EOI) request through the office of the U.S. Competent Authority, if necessary.
3	Consult Advisory and Area Counsel as needed to resolve questions and ensure the action is feasible.
4	Prepare a recommendation for civil suit to seek repatriation of property. Make sure the narrative and exhibits clearly demonstrate the required elements.
5	Forward the recommendation package through Advisory to Area Counsel. The suit must be approved by either an Advisory or a Collection territory manager.
6	Maintain communication with Advisory, Area Counsel and Department of Justice regarding case status and the need to testify in the repatriation action.

(5) If the suit is successful, the court will order the taxpayer to return the property to the United States.

If the taxpayer:	Then:
returns the property to the United States,	the property is <ul style="list-style-type: none"> generally deposited with the Court according to the court order and disbursed appropriately, or handled otherwise if so specified.
does not return the property,	<ul style="list-style-type: none"> contact Area Counsel or Department of Justice, and request initiation of contempt proceedings.
is found in contempt and still refuses to repatriate the property,	<ul style="list-style-type: none"> the judge can order the defendant arrested and jailed until the property is returned.

(6) Consider a Repatriation Order in concert with all other possible actions that fit the facts of the case such as Appointment of a Receivership, a Suit to Reduce the Tax to a Judgement, and a Writ Ne Exeat Republica.

5.21.3.8

(08-07-2023)

Mutual Collection Assistance Requests (MCAR)

- (1) The IRS can request assistance from certain treaty partners to collect taxes owed by individuals residing and/or having assets in the treaty country. This request is an outbound MCAR. There are six mutual collection income tax treaty partners:
 - Canada
 - Denmark
 - France
 - Japan
 - The Netherlands
 - Sweden
- (2) These treaties provide that each of these countries, upon request by the United States, may take whatever actions it would take to collect its own taxes in order to collect on behalf of the United States. This includes the collection of U.S. taxes through the treaty partner's bankruptcy proceedings. See IRM 5.21.7.4.8, *Outbound Mutual Collection Agreement Request*, for guidance on issuing an outgoing MCAR request.

5.21.3.9

(08-07-2023)

International Tools

- (1) This IRM provides guidance on cases that meet the definition of an international case as defined in IRM 5.21.1.2, *Definition of an International Case*. Simultaneous use of international tools helps the ROs (ROs) understand the issues involved and the steps necessary to move the case to resolution.
- (2) A RO assigned a collection case with a U.S. domestic address may encounter international aspects during a case investigation. Simultaneous use of international tools is strongly recommended for effective case resolution when international aspects are present in the case, such as
 - Foreign Bank and Financial Account Reports (FBAR), FinCEN 114 present on IRPTR
 - Form 2555, *Foreign Income Exclusion*, filed with the taxpayer's Form 1040, *Individual Income Tax Return*.
 - Taxpayers with investments in foreign entities
 - Indicators of FATCA records on IDRS, ICS or CKGE
 - Frequent travel outside the U.S.
 - Transfers of funds to foreign financial institutions
 - Taxpayer's financial records show charges for foreign currency conversion
 - Taxpayer's business includes foreign customers or taxpayer has foreign expenses on credit card statements
 - Taxpayer resides in the U.S. but is not a U.S. citizen or is a dual-status citizen

5.21.3.9.1

(08-07-2023)

International Research Tools

- (1) The simultaneous use of international research tools for ROs can facilitate taxpayer contact and compliance when these tools are utilized during case
- (2) Researching additional international tools may be warranted when working cases that meet:
 - The definition of an international case in IRM 5.21.1.2, *Definition of an International Case*, and

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- The threshold for IMF High-Income Non-Filer (HINF) delinquent return investigations with unreported income in a single tax year exceeding *vidual Master File (IMF) Del Ret*).

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- (3) To further the resolution of the case, additional research tools should be con-

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5.21.3.9.1.1
(08-07-2023)
Citizenship Research

- (1) ROs may conduct research using internal resources to determine the taxpayer's citizenship during initial analysis on every international case.

5.21.3.9.1.2
(08-07-2023)
TECS Database Research

- (1) ROs can submit a request for research of historical travel information found on the TECS database. The travel information available can provide information for the taxpayer regarding potential leads on undisclosed assets and potential levy sources.
- (2) Additional information is located at IRM 5.1.18.13.12, *Procedures for Requesting Historical Travel Information from TECS*.

5.21.3.9.1.3
(08-07-2023)
FinCEN Research

- (1) The Financial Crimes Enforcement Network (FinCEN) portal allows ROs to conduct taxpayer research. For those without direct FinCEN portal access, see IRM 5.1.18-1, *Procedures for General Program ROs to Obtain FCQ Information*. FinCEN information is useful to identify financial transactions and assets the taxpayer may not have disclosed on their financial statements.
- (2) Additional information is located at IRM 5.1.18.15, *Accessing Information on The FinCEN Query (FCQ) System*.

5.21.3.9.1.4
(08-07-2023)
CKGE Research

- (1) The Compliance Data Warehouse Knowledge Graph Environment (CKGE) can be used by the RO to conduct taxpayer research. CKGE is an interactive software tool that provides linked data analytics through a graphic representation of a taxpayer's relationship to other entities. CKGE can link a taxpayer to an international asset and country of birth of the taxpayer.
- (2) Additional information will be located at IRM 5.1.18, *Locating Taxpayers and their Assets*.

5.21.3.9.1.5
(08-07-2023)
United States Passport Check

- (1) ROs may submit a request for the taxpayer's passport information through the passport coordinator. Information available may include the taxpayer's address, occupation, employer, and contact phone number. It can also include third party contact information. There is a dollar criterion for requesting passport checks.
- (2) Additional information is located at IRM 5.1.18.12, *United States Passport Office*.

5.21.3.9.1.6
(08-07-2023)

**Foreign Account Tax
Compliance Act (FATCA)
Research**

- (1) Foreign Account Tax Compliance Act (FATCA) is intended to improve tax compliance of U.S. taxpayers holding accounts with foreign financial institutions or other foreign assets. FATCA increases transparency of offshore accounts through information reporting by foreign financial institutions and by certain U.S. taxpayers holding assets outside the United States. Certain U.S. taxpayers holding financial assets, including accounts, outside the United States are required to report those assets to the IRS. Foreign financial institutions will report to the IRS certain information about financial accounts held by U.S. taxpayers, or by foreign entities in which U.S. taxpayers hold a substantial ownership interest.
- (2) ROs can request research for FATCA reports on the taxpayer from a FATCA Business Objects Environment (BOE) Super User. FATCA requires foreign financial institutions (FFIs) to report annually on non-U. S. accounts held by their U.S. clientele. FFIs report FATCA data on Form 8966, *FATCA Report*. Treaty-based use and disclosure restrictions may limit how the IRS uses this information.
- (3) FATCA also requires U.S. persons to annually report their interests in foreign assets when the total value is above a threshold amount. U.S. individuals file Form 8938, *Statement of Specified Foreign Financial Assets*, as an attachment to their Form 1040, U.S. Individual Income Tax Return. Treaty-based use and disclosure restrictions do not apply to Form 8938 that are filed by the taxpayer with the IRS.
- (4) In addition to FATCA reports, other international information returns can provide substantive leads into the taxpayer's foreign entities, assets, and income, if present.

5.21.3.9.2
(08-07-2023)

**International Collection
Tools**

- (1) International collection tools are available for all ROs to use during collection case investigations. Except when required, the application of these tools depends upon the nature, complexity, and stage of each collection investigation.
- (2) These resources provide guidance on the use of international collection tools:
 - IRM 5.21.3.2, *Levy on A Domestic Branch of a Foreign Financial Institution*
 - IRM 5.21.3.6, *Suit to Repatriate Property – Repatriation Orders*
 - IRM 5.21.3.7, *Mutual Collection Assistance Requests (MCAR)*
 - IRM 5.19.25.11, *Passport Revocation: U.S. Department of State Retains Sole Authority*
 - IRM 5.1.18.13.1, *TECS Lookout Indicators*
 - Additional information can be found on Knowledge Management, Collection Floor, International Tools and Actions page.

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Exhibit 5.21.3-1 (08-07-2023)

Example of the benefits of the simultaneous use of international research and collection tools early in the case investigation:

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