

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

IRS Takes Next Steps in International Realignment; Bolsters Transfer Pricing Compliance Programs and International Coordination

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WASHINGTON — IRS officials today announced they are taking additional steps in their continuing efforts to improve the agency's international operations.

First, the IRS Advance Pricing Agreement (APA) Program, concerned exclusively with reaching pre-filing agreements with taxpayers on transfer pricing, will shift from the office of IRS Chief Counsel to an office under the Transfer Pricing Director in the Large Business & International division's international operation. In addition, the IRS Mutual Agreement Program (MAP), concerned primarily with the bilateral resolution of transfer pricing disputes with U.S. treaty partners, will shift to the same office.

The resulting "Advance Pricing and Mutual Agreement program" will be under the direction of a single executive and the IRS will increase staffing available to the two program areas. The combined office will allow the IRS to reduce the time needed to complete advance pricing agreements and to resolve transfer pricing disputes with its treaty partners. The Office of Chief Counsel will remain a vital partner in the analysis and resolution of legal issues.

Second, to facilitate IRS coordination with treaty partners in an increasingly global environment, the IRS will adjust its competent authority and international coordination functions under an Assistant Deputy Commissioner (International) who will:

- coordinate international activities across all IRS operating divisions,
- oversee the IRS Exchange of Information program and IRS participation in the Joint International Tax Shelter Information Centre (JITSIC),
- manage the activities of the IRS Tax Attaches in the agency's foreign posts of duty,
- coordinate IRS participation at the Organisation for Economic Cooperation and Development (OECD) and other non-governmental organizations,
- support the Department of the Treasury in its negotiations of tax treaties and tax information exchange agreements, and
- pursue competent authority agreements with treaty partners on issues other than transfer pricing.

“Improving how we manage transfer pricing compliance and continuing to develop our capacity to coordinate effectively with our treaty partners is ever more critical to our job,” said IRS Commissioner Doug Shulman. “These latest changes move forward to fulfilling one of my top priorities -- meeting the challenge of tax administration in a global economy.”