

IRS News Release

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IRS Announces Procedures Adjusted for APA and Certain Competent Authority Requests

IR-2012-38, March 27, 2012

WASHINGTON — The Internal Revenue Service, Deputy Commissioner (International), Large Business and International Division (“LB&I”), announced today certain organizational and administrative changes and transitional procedures in connection with the creation of the Advance Pricing and Mutual Agreement (“APMA”) program.

Prior to Feb. 26, 2012, the Advance Pricing Agreement (“APA”) program was part of the Office of the Associate Chief Counsel (International), and the functions of the U.S. Competent Authority were generally exercised by the office of the Director, Competent Authority & International Coordination within the LB&I Division of the IRS. Effective Feb. 26, 2012, the APA program and those Competent Authority functions (including mutual agreement procedures) related to transfer pricing and other allocation issues, as well as determinations of permanent establishment status, are realigned and consolidated into APMA, a single program within LB&I.

The Director of APMA reports to the Director, Transfer Pricing Operations. Other Competent Authority functions are the responsibility of a new LB&I Treaty Assistance and Interpretation team in the office of the Assistant Deputy Commissioner (International), LB&I.

Pursuant to this realignment, the administration of requests for Competent Authority assistance is shared by two separate units within LB&I. Requests for APAs or regarding other transfer pricing, permanent establishment and allocation issues are addressed by APMA. Competent Authority requests regarding non-allocation issues are addressed by the LB&I Treaty Assistance and Interpretation team.

The IRS intends to revise the existing published guidance with respect to requests for APAs and Competent Authority assistance. Before issuing such updated guidance, the IRS will seek public comment. Pending issuance of such guidance, taxpayers should continue to follow and rely on Rev. Proc. 2006-9, 2006-1 C.B. 278, as modified by [Rev. Proc. 2008-31](#), 2008-1 C.B. 1133 with respect to requests for APAs and [Rev. Proc. 2006-54](#), 2006-2 C.B. 1035 with respect to requests for Competent Authority assistance, except as follows:

- (i) References to the APA program should be understood to refer to APMA.

(ii) For determinations regarding limitation on benefits, the user fee under Rev. Proc. 2006-54, §14.02 is \$27,500, effective for requests received after Feb. 4, 2012. See Rev. Proc. 2012-1 (Appendix A), 2012-1 I.R.B. 1.

(iii) Taxpayers should send APA requests and requests for Competent Authority assistance to the following address:

Deputy Commissioner (International)
Large Business and International Division
Internal Revenue Service
1111 Constitution Avenue, N.W.
Routing: MA2-209
Washington, D.C. 20224
Attention: Katina Cooper