



COMMISSIONER
LARGE BUSINESS AND
INTERNATIONAL DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

June 29, 2018

Control Number: LB&I-04-0618-012
Expiration Date: 06/29/2020
Affected IRM: 4.61.3

MEMORANDUM FOR ALL LARGE BUSINESS AND INTERNATIONAL DIVISION
EMPLOYEES

FROM: Douglas W. O'Donnell /s/ Nikole C. Flax
Commissioner, Large Business and International Division

SUBJECT: Release of Transfer Pricing Examination Process and Interim
Instructions for Sharing with Taxpayers

Purpose: This memorandum is being issued to communicate to Large Business and International (LB&I) employees that Treaty and Transfer Pricing Operations (TTPO) released the Transfer Pricing Examination Process (TPEP) for use in transfer pricing examinations. TPEP is a guide to best practices and processes to assist with the planning, execution and resolution of transfer pricing examinations consistent with the LB&I Examination Process (LEP), Publication 5125.

Background/Source(s) of Authority: IRM 4.61.3 – Development of IRC 482 Cases. The TPEP provides a framework and guide for transfer pricing examinations. Every transfer pricing case is unique and requires ongoing exercise of judgment and discretion. The examination team and the taxpayer should be aware the TPEP is not a checklist or a “one-size fits all tool.” It is only a guide—not a set of required steps. The scope of the actual transfer pricing examination will determine which specific elements of the TPEP will be relevant as well as the projected timeframe of the examination.

Procedural Change: The issue team will share the TPEP's location on IRS.gov with taxpayers at the start of a transfer pricing examination and discuss the TPEP to facilitate an understanding of the process and give insight into what is expected during a transfer pricing examination. If the transfer pricing examination is currently in process and the TPEP has not been shared with the taxpayer, the issue team will share its location on IRS.gov and discuss the TPEP with the taxpayer to facilitate their understanding of the process. With the issuance of the TPEP, the Transfer Pricing Roadmap is retired.

Effect on Other Documents: This guidance updates the following:

IRM 4.61.3 – Development of IRC 482 Cases

This guidance will be incorporated into IRM 4.61.3 by a date not to exceed two years from the date of this memo.

Contact: For further information, please contact the Director of Treaty and Transfer Pricing Operations.

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