

## APA and Mutual Agreement Program Realignment

#	Questions	Answers
1.	What will be the new organizational structure after the realignment?	After the realignment, the Advance Pricing Agreement (APA) program will shift from the office of IRS Chief Counsel to an office under the Director, Transfer Pricing Operations, Sam Maruca. In addition, the IRS mutual agreement program will shift to the same office. The resulting Advance Pricing and Mutual Agreement (APMA) program will be led by a new SES director, as well as a deputy, who will report to the Director for Transfer Pricing Operations, Sam Maruca. Sam will in turn report directly to the LB&I Deputy Commissioner (International), Mike Danilack.
2.	What will be the respective roles of the realigned executives?	<p>Director, Transfer Pricing Operations (Sam Maruca) – Sam will retain responsibility for the field transfer pricing practice. In addition, through a new SES director, he will assume responsibility for the APMA program.</p> <p>Director, APMA (not filled) – this new SES role will report directly to the Director, Transfer Pricing Operations and will be responsible for the new APMA program.</p> <p>Director, APA (John Hinding) – John will assume a leadership role in the APMA program.</p>
3.	What is the purpose behind the APA move to LB&I?	The APA and Mutual Agreement programs have been working closely together to seek efficiencies in processing the programs' combined workloads. For bilateral APAs (BAPA), we have determined that a streamlined approach, where one professional leads the development and negotiation of the BAPA, improves our ability to resolve bilateral matters more efficiently. We believe this efficiency will only be enhanced by formally combining the two programs.
4.	What will be the effective date of these changes?	The effective date is subject to working out a number of internal transitional issues and, at this point, it is difficult to pinpoint the precise effective date. In any case, changes will likely take place over time as we work through in-process cases under existing procedures, develop and fine tune new processes, and ultimately incorporate the workings of the new APMA program in a Revenue Procedure.
5.	What will be the role of the office of Associate Chief Counsel (International) (ACCI) on APAs developed by the new organization?	ACCI will continue to provide legal advice and support to LB&I on all transfer pricing matters. With respect to APAs, early in the process, the APMA team will recommend whether an APA should be treated as a non-strategic APA (i.e., an APA requiring a determination of facts or the application of well-established legal principles to known facts) or as a strategic APA. In APAs determined to be strategic, an ACCI attorney will be assigned to assist the team, and the initial APA position paper (the U.S. position developed for purposes of beginning bilateral negotiations) or the APA itself (in unilateral cases) will be subject to the concurrence of the ACCI.
6.	What will the staffing of the APMA program be once the realignment is completed?	The combined current staffing of the APA and mutual agreement offices is approximately 60 professionals. We are in the process of recruiting and hiring additional personnel for the new APMA program, with a goal of having approximately 100 professionals, working in 12 teams, by the end of September.
7.	Will the realignment affect cases that have already been submitted to APA or U.S. Competent Authority?	In general, cases already assigned to APA or mutual agreement staff will remain assigned to that staff and will be worked under existing procedures. As is always the case, however, cases may be reassigned to balance workloads and keep cases moving as efficiently as possible. As the very point of realigning the programs is to facilitate efficiency, taxpayers should expect some reassignments. Reassignments, however, will be made to move cases forward toward resolution and should under no circumstances disrupt or impede the work that has already been done on a case.
8.	If I have concerns about my existing APA or mutual agreement case, who should I contact?	If your case has already been assigned, you should (as always) start with the APA team leader or competent authority analyst assigned. If that individual cannot address your question, you should follow up with the appropriate manager. If your case has not yet been assigned, in the case of an APA, you should consult with the APA Director or, in the case of a mutual agreement case, the appropriate country manager in Competent Authority.
9.	Who will be responsible for which countries in the realigned APMA program?	We have not yet determined which managers will be responsible for specific countries. Until we have made such decisions known, you can assume that the current country assignments have not been changed.
10.	I was about to submit a case to either the APA office	All submissions should be made under the terms of

	<p>or the Competent Authority program. To whom should I send it now?</p>	<p>the existing revenue procedures. Once new procedures are developed for submissions, we will provide the new information in the form of a new revenue procedure. Until further notice, you should expect that all current points of contact and all current processes have not been changed.</p>
<p>11.</p>	<p>How will my APA or double tax case be assigned after the realignment become effective?</p>	<p>APMA management will assign cases to personnel, taking into account experience and skills of the APMA staff, geographic considerations associated with the taxpayer and the foreign jurisdiction involved, staff availability, and the interests of tax administration.</p>