

January 20, 2012

Issue No. 1

## Where Do I Get OVDI Information?

The [South Atlantic Area SharePoint OVDI Library](#) is the repository for OVDI information. If you cannot access this SharePoint site, please contact (b) (6) at (b) (6). The newsletters will be archived in the SAA OVDI Library.

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## OVDI-2011

### Technical Advisors

Each Examination group participating in the certification of the OVDI-2011 submissions will work with a specific Technical Advisor for Form 906- special language approvals and other case assistance matters. The groups are assigned to the Technical Advisors, (b) (6) and Area Counsel, as shown in this chart.



Group Assignments  
to Tech Adv-Counsel

### TOOLS: E-TRAK, CBRS, 1040X Imaging

All agents and managers working with OVDI-2011 cases will need access to **E-Trak**. You will have to enter an OL5081 to gain access. Follow the instructions in the Quick Start guide for completing the OL5081 request and using the system.



E-Trak Quick Start  
Guide

Individual access to **CBRS** is recommended. This also requires an OL5081. Request "Web-CBRS" through the OL5081 site.

Agents working OVDI cases will frequently need to obtain filed 1040X information. If there is no one in your group with access to the [CIS Commands](#), you may want to consider obtaining access for your group secretary, at a minimum.

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**OVDI-2009****STATUTE ISSUES**

For the remaining OVDI-2009 cases, especially those which have potential to be opt outs or removals, you will need to remember the regular Examination procedures impacting those cases.

***Protection of any open statutes is critical.***

**Income Tax: Offshore Issues and Exceptions to the 3-year statutes**

In 2010, IRC § 6501 was amended. There are several new provisions which impact tax years where there are Offshore Financial Accounts with unreported income and Offshore Entities with U.S. reporting requirements.

ASED Exceptions  
ChartLead Sheet for ASED  
Exceptions**FBAR Statutes**

The 2005 FBAR statute for penalty assessments is 06/30/2012. This date may be extended by consent. After completing the [FBAR Consent form](#) and obtaining the taxpayer's or representative's signature, follow the instructions on the [OVDI FBAR Consent Instructions](#).

If you have submitted an RSM (F13535) for 2005 to the Detroit Computing Center and are unable to obtain a statute extension for that year, follow these instructions:

Prepare Form 13536 (FMD-FBAR Monitoring Document) for the taxpayer for the 2005 year. Indicate the Disposition as "Case Closed with No Action" after completing the Group Manager/Agent information for Date Closed from Group and Time on Case. If investigation continues for other years, attach a brief explanation to the F13536 noting that other years remain under investigation and list the other years still being investigated. Fax the completed F13536 and attachment to the Detroit Computing Center, 313-234-2278, and obtain confirmation of the fax to retain in the FBAR case file.

**Review of the Opt Out and Removal Packages**

Prior to submitting the Opt Out and Removal Packages to the Opt Out and Removal Committee (OORC), please forward the completed checksheet and package materials to the OVDI Technical Advisor assigned to your group. They will check for common mistakes and missing information. We want to insure that each case submitted to the OORC will be accepted and not returned for incompleteness.

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**Technical Advisor and Counsel Involvement in Opt Out and Removal Cases is Mandatory**

Once the OORC approves the removal of the taxpayer and the initiation of regular Examination procedures begin, the OVDI Technical Advisors and OVDI Area Counsel should be contacted and involved in the decisions on the final disposition of the case.

The Area remains dedicated to the philosophy that the OVDI participants receive the best terms available for settling their cases. Therefore, the disposition of the Examination cases of taxpayers who have withdrawn or been removed from the OVDI program are being monitored for consistency. This is accomplished through agents and managers involving the OVDI Technical Advisors and local OVDI Area Counsel in all penalty determinations.

Counsel's approval for all FBAR penalty recommendations is mandated by IRM Section 4.26.17.4.3. Income tax penalty non-assertion requires managerial approval and, for the OVDI cases, communication and discussion with the OVDI Technical Advisors.



FBAR Counsel

**Use of ERCS Controls for FBAR case years for Opt Out and Removal Cases**

For the OVDI – 2009 taxpayers who were removed from the program (either through opting out or removal), **the FBAR penalty case years should be controlled on ERCS**. These procedures were developed by Technical Advisor (b) (6) and have been successfully used in the Tampa Territory since October, 2011. Using these controls will enable the agents and managers to monitor statute dates for FBAR Penalty cases. This is critical for the opt outs and removals---without these ERCS controls there is no statute monitoring system.

The following instructions provide the step by step procedures the agent and group secretary can follow to use this system. Please note: Under Agent's Duties, the information about RSM's is not applicable to these cases since the FBAR penalty investigations for OVDI are covered by the Blanket RSM.

FBAR ERCS Guide  
10-21-2011**Remaining 2009 cases closing through Technical Services**

Groups need to make sure that the in-group review process remains in place to avoid errors in the OVDI-2009 cases which are closing through Technical Services

- RAR adjustments must reconcile to the amounts on the Form 906.
- Payments should be posted to the correct years.
- VDP transcript reconciliation must be in the file.
- Forms 906 should be reviewed prior to sending to the representative/taxpayer for signature.