IRM PROCEDURAL UPDATE

DATE: 06/09/2025

NUMBER: sbse-05-0625-3390

SUBJECT: Processing Chapter 9 and Chapter 15 Bankruptcy Cases

AFFECTED IRM(s)/SUBSECTION(s): 5.9.7

CHANGE(s):

IRM 5.9.7.1(6) Updated Program Goals

(6) **Program Goals:** The goal of this IRM is to provide fundamental knowledge and procedural guidance for working Chapter 9 and Chapter 15 cases, and to protect the government's interest, while ensuring taxpayer rights are protected. Following the guidance in this IRM will ensure cases are worked in accordance with bankruptcy laws and regulations.

IRM 5.9.7.1.3 Updated title section to "Roles and Responsibilities"

IRM 5.9.7.1.3(2) Changed "Associate Area Counsel (SB/SE)" to "Associate Area Counsel (L&A)"

Roles and Responsibilities

(1) **Roles and Responsibilities**. SCI implements bankruptcy procedural guidelines, controls and monitors bankruptcy cases for the IRS, and takes appropriate case actions on all of the bankruptcy cases assigned to Insolvency. Field Insolvency (FI) caseworkers also work receiverships, Securities Investor Protection Act (SIPA) proceedings, and assignments for the benefit of creditors. IRM 5.9.1.4, The Role of Insolvency, contains a detailed explanation of the roles and responsibilities of Insolvency.

(2) **Contacts**. SCI caseworkers deal directly with Associate Area Counsel (L&A), Department of Justice, Assistant US Attorneys, Bankruptcy Court employees, trustees, debtors and their attorneys, and IRS employees in other functions throughout the IRS.

(3) **Advice and Guidance**. SCI caseworkers are trained in specific areas of bankruptcy law that deal with tax administration and debtor protection. When confronted with bankruptcy issues beyond the scope of their knowledge and expertise, they are to seek guidance from Counsel.

(4) **Directions from Insolvency**. SCI caseworkers provide directions on bankruptcies to other IRS functions. When IRS personnel contact SCI regarding a bankruptcy–related issue, they should comply with the advice and guidance given by Insolvency. If additional assistance is required, SCI caseworkers will contact Counsel on behalf of other IRS employees.

IRM 5.9.7.1.4(3) Replaced IRM 1.4.51.17.2 and IRM 1.4.51.17.5 with IRM 1.4.51.17, Operational Reviews and Employee Engagement, and IRM 1.4.51.17.1, Frequency and Planning

(3) Operational reviews may be conducted on a yearly basis. See IRM 1.4.51.17, Operational Reviews and Employee Engagement, and IRM 1.4.51.17.1, Frequency and Planning.

IRM 5.9.7.1.6(3) Removed naked link and updated title/link for the Acronym Database

IRM 5.9.7.1.6(4) Added an additional acronym and definition

(3) Additional acceptable acronyms and abbreviations are found in the ReferenceNet Acronym Database, which may be viewed at: Acronym Database

(4) Acronyms used specifically in this IRM section are listed below:

Acronyms	Definitions
AIS	Automated Insolvency System
CIO	Centralized Insolvency Operation
FI	Field Insolvency
IIP	Insolvency Interface Program
MCAR	Mutual Collection Assistance Request
SB/SE	Small Business/Self-Employed
SCI	Specialty Collection Insolvency

IRM 5.9.7.1.7(5) Removed naked link and updated title for the Insolvency Knowledge Base

(5) Insolvency Knowledge Base

IRM 5.9.7.3.4(6) Updated IRM reference to IRM 5.9.7.3.2 to coincide with title

(6) **Closing a Chapter 15 Case.** A debtor in a Chapter 15 case does not receive a discharge. Tax liabilities will not be abated when only a Chapter 15 case is filed in the United States. If another case is filed for the debtor under another chapter, such as a Chapter 7 or 11 case, refer to the discussion under IRM 5.9.7.3.2, Concurrent Insolvency Proceedings. A Chapter 15 case will be closed on AIS as a dismissal.

IRM 5.9.7 Throughout Changed "employees" to "caseworkers"; Changed "should" to "will"; Made editorial changes to correct citations, add commas, and enhance clarity