



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.63.1

JULY 28, 2025

EFFECTIVE DATE

(07-28-2025)

PURPOSE

- (1) This transmits revised IRM 4.63.1, Withholding and International Individual Compliance (WIIC), Overview of the Withholding Exchange & Individual International Compliance (WEIIC) Practice Area.

MATERIAL CHANGES

- (1) IRM 4.63.1.1.1(3) - Editorial updates were made to this IRM section to comply with the January 2025 executive orders and OPM guidance.
- (2) Editorial corrections and updates made throughout including updating website links that were outdated.

EFFECT ON OTHER DOCUMENTS

IRM 4.63.1, dated June 11, 2024, is superseded.

AUDIENCE

LB&I employees

Ronald H. Hodge II
Assistant Deputy Commissioner Compliance Integration
Large Business and International Division

4.63.1

Overview of the Withholding Exchange & Individual International Compliance (WEIIC) Practice Area

Table of Contents

4.63.1.1 Program Scope and Objectives

4.63.1.1.1 Background

4.63.1.1.2 Authority

4.63.1.1.3 Roles and Responsibilities

4.63.1.1.4 Program Management and Review

4.63.1.1.5 Program Controls

4.63.1.1.6 Terms and Acronyms

4.63.1.1.7 Related Resources

4.63.1.2 WEIIC Workstreams

4.63.1.3 International Individual Compliance (IIC) Field Operations Overview

4.63.1.4 Exchange and Offshore Strategy (EOS) Overview

4.63.1.4.1 Exchange of Information (EOI) Overview

4.63.1.4.2 Offshore Compliance Initiatives Overview

4.63.1.4.3 WEIIC Practice Networks (Inbound and Outbound) Overview

4.63.1.4.4 WEIIC Planning and Special Programs Overview

4.63.1.5 Foreign Payments Practice and Automatic Exchange of Information (FPP and AEOI) Field Operations Overview

4.63.1.6 Summary - WEIIC Taxpayer forms filed

4.63.1.1
(06-11-2024)
Program Scope and Objectives

- (1) **Purpose:** This IRM section describes the Withholding Exchange & International Individual Compliance (WEIIC) Practice Area's structure, members and their respective roles and responsibilities as part of the Large Business and International (LB&I) Division.
- (2) **Audience:** The primary users of this IRM are employees, management, and executives of the WEIIC practice area in the LB&I division.
- (3) **Policy Owner:** LB&I Policy under the Strategy, Policy, and Governance office in the Assistant Deputy Commissioner Compliance Integration (ADCCI) organization.
- (4) **Program Owner:** Director, WEIIC manages and administers the WEIIC practice area.
- (5) **Primary Stakeholders:** LB&I executives, senior managers, frontline managers, and examiners.

4.63.1.1.1
(07-28-2025)
Background

- (1) The WEIIC Practice Area serves the following taxpayers or stakeholders:
 - U.S. persons living or working abroad
 - U.S. persons living or working in a U.S. territory
 - Some U.S. persons who hold income producing assets in a foreign country or claim the foreign earned income exclusion or foreign tax credit
 - U.S. persons participating in Voluntary Compliance Initiative (Offshore and Domestic)
 - Foreign persons who have a U.S. filing requirement
 - Withholding agents who have responsibility to report and withhold under chapters 3 (IRC Sections 1441-1446 and 1461-1464) and chapter 4 (IRC Sections 1471-1474)
 - Non-resident aliens or foreign corporations with claims for refunds or credits under chapters 3 (IRC Sections 1441-1446 and 1461-1464) and chapter 4 (IRC Sections 1471-1474)
 - Tax Information Exchange Agreement (TIEA) partners
 - Foreign tax authorities
- (2) The WEIIC Practice Area is comprised of three program areas:
 - a. International Individual Compliance (IIC) field operations includes examination territories and Compliance Support Development & Communication (CSDC).
 - b. Exchange and Offshore Strategy (EOS) includes Exchange of Information (EOI), Offshore Compliance Initiatives (OCI), Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC), WEIIC Practice Networks (PN) (Inbound and Outbound), and WEIIC Planning and Specials Programs (PSP).
 - c. Foreign Payments Practice and Automatic Exchange of Information (FPP & AEOI) field operations includes examination territories, Central Withholding Agreements (CWA), Foreign Account Tax Compliance Act (FATCA), Qualified Intermediaries (QI), Planning and Analysis (P&A), Withholding and Credits (W&C), and Automatic Exchange of Information (AEOI).

4.63 Withholding and International Individual Compliance

- (3) The goals of WEIIC align with the LB&I strategic goal to apply the tax laws with integrity and fairness through a highly skilled and satisfied workforce, in an environment where each employee can make a maximum contribution to the mission of the team. Additionally, each program area aligned under WEIIC has its own program area level goals that supplement the WEIIC and LB&I level goals.
- (4) The Withholding and International Individual Compliance (WIIC) Practice Area stood up in February 2016. In November 2020, as part of a realignment of programs, WIIC added Exchange of Information responsibilities and changed its name to Withholding, Exchange and International Individual Compliance (WEIIC). This IRM chapter 4.63 is devoted to the WEIIC Practice Network program area focusing on Withholding and International Individual Compliance. Exchange of Information procedures are contained in IRM 4.60.1.

4.63.1.1.2 (06-11-2024) Authority

- (1) IRM 1.2.63, Division Delegations of Authority for Large Business and International provides authority relating to the Large Business and International Division.
- (2) IRM 1.2.2.5, Delegation of Authority for the Examining Process and IRM 1.2.2.6, Delegations of Authority for the Collecting Process.
- (3) IRM 4.10, Examination of Returns, provides the basic procedures, guidelines, and requirements for use by revenue agents and tax auditors in conducting income tax examinations. Additional procedures for LB&I cases are found in IRM 4.46, LB&I Examination Process.
- (4) IRM 4.10.21, U.S. Withholding Agent Examinations - Form 1042, provides basic concepts of U.S. source income which is subject to reporting and withholding under IRC 1441-1443 when paid to foreign persons. It also provides general guidance on examining Form 1042, Annual Withholding Tax Return of U.S. Source Income of Foreign Persons, with respect to nonresident alien (NRA) withholding.
- (5) IRM 4.60.1, Exchange of Information, provides guidance on sharing of tax related information between two or more countries for tax administration and enforcement.
- (6) IRM 4.63.2, LB&I WEIIC Practice Network Knowledge Management, describes practice network structure, the members and their respective roles and responsibilities as part of WEIIC.
- (7) IRM 4.63.3, Offshore Voluntary Disclosure Program, Streamlined Filing Compliance Procedures and Voluntary Disclosure Practice, includes information on the Streamlined Filing Compliance Procedures (Streamlined Procedures), the Offshore Voluntary Disclosure Program (OVDP) Transition, and the Voluntary Disclosure Practice (Post OVDP).
- (8) IRM 4.63.4, International Individual Compliance Examination Procedures, provides specific procedures, guidelines, and requirements for use by examiners in conducting income tax examinations on IIC cases.
- (9) IRM 4.64.1, Case Development and Processing Guidelines, provides authority, guidance, and procedures for the Central Withholding Agreement (CWA) program.

- (10) IRM 1.1.24, Large Business and International Division, contains the functional statements and responsibilities of the offices within the Large Business and International Division.

4.63.1.1.3
(06-11-2024)
Roles and Responsibilities

- (1) The WEIIC Director is responsible for the development, implementation and oversight of the foreign payments, international individual compliance, exchange of information, offshore compliance functions, and related supporting program initiatives.

4.63.1.1.4
(06-11-2024)
Program Management and Review

- (1) **Program Reports:** The WEIIC Director prepares periodic briefing reports for the LB&I commissioner focusing on:
- Significant accomplishments and opportunities for improvement
 - Changes in programs that have been implemented
 - Identifying future improvements
 - Any other key information
- (2) Program managers report progress on their respective program area level projects to the director of field operations, WEIIC practice area. Team managers provide progress reports on their team level projects to their respective program managers.
- (3) **Program Effectiveness:** The efficiency of WEIIC is measured through combined business results of the teams that comprise the WEIIC practice area.

4.63.1.1.5
(06-11-2024)
Program Controls

- (1) The WEIIC Director is responsible for providing compiled director's briefings for the LB&I commissioner to identify goals and accomplishments of each program area.

4.63.1.1.6
(01-18-2018)
Terms and Acronyms

- (1) The table lists commonly used acronyms and their definitions:

Acronym	Definition
AEOI	Automatic Exchange of Information
CSDC	Compliance Support, Development & Communication
CWA	Central Withholding Agreement
EOI	Exchange of Information
EOS	Exchange and Offshore Strategy
FATCA	Foreign Account Tax Compliance Act
FPP	Foreign Payments Practice
IIC	International Individual Compliance
JITSIC	The Joint International Taskforce on Shared Intelligence and Collaboration
NRA	Nonresident Alien

4.63 Withholding and International Individual Compliance

Acronym	Definition
OCI	Offshore Compliance Initiatives
OVDP	Offshore Voluntary Disclosure Program
PA	Practice Area
PN	Practice Network
QI	Qualified Intermediary
USTB	United States Trade or Business
VDP	Voluntary Disclosure Practice
WEIIC	Withholding Exchange and International Individual Compliance
WIIC	Withholding and International Individual Compliance (legacy term)

4.63.1.1.7
(06-11-2024)

Related Resources

- (1) For information regarding the WEIIC Practice Area international individual compliance strategies and program initiatives, refer to *LB&I Organizations - Withholding Exchange and International Individual Compliance*.
- (2) For information regarding the Practice Networks (PN) structure, members and their respective roles and responsibilities, see IRM 4.63.2, LB&I WEIIC Practice Network Knowledge Management.
- (3) For information regarding the International Individual Compliance (IIC) field operations structure, members and their respective roles and responsibilities, visit *International Individual Compliance (IIC) Field Operations*.
- (4) For information regarding the Offshore Compliance Initiatives (OCI) structure, members and their respective roles and responsibilities, visit *Offshore Compliance Initiatives*.
- (5) For information regarding the Foreign Payments Practice and Automatic Exchange of Information (FPP & AEOI) field operations structure, members and their respective roles and responsibilities, visit *Foreign Payments Practice (FPP)* and *Automatic Exchange of Information (AEOI) Office Guidance*.
- (6) For information regarding the Exchange and Offshore Strategy Compliance (EOS) field operations structure, members and their respective roles and responsibilities, visit Document 14551, LB&I Org Chart, and *Exchange of Information*.
- (7) For information regarding the LB&I examination process, see IRM 4.46, LB&I Examination Process.
- (8) For information regarding the basic procedures, guidelines, and requirements used by revenue agents and tax auditors in conducting income tax examinations, see IRM 4.10, Examination of Returns.
- (9) To recommend changes or to make any other suggestions to this IRM section, contact the IRM author or see SPDER's IMD Contacts list by referencing

guidelines provided in IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance. A request or inquiry can also be made at *LB&I Policy Gateway*.

4.63.1.2
(06-11-2024)
WEIIC Workstreams

- (1) WEIIC workstreams are generated primarily through the practice networks in the form of campaigns or initiatives. WEIIC receives potential workstreams from sources of information outside the practice network campaign process which will be required to be considered and when appropriate, examined. Examples of these workstreams include:

- Criminal Investigation or Department of Justice prime leads
- Whistleblower-related compliance work
- Deferred prosecution and non-prosecution leads
- Spontaneous exchange leads
- Case-related sources
- John Doe summons
- Cooperating agent requests
- Claims
- Specialist Referral System referrals
- Issue Selection Collaboration Process (ISCP)
- Operations Assistance Requests
- Collection referrals
- Soft letters

4.63.1.3
(06-11-2024)
International Individual Compliance (IIC) Field Operations Overview

- (1) International Individual Compliance (IIC) field operations provide complete tax administration services to U.S. taxpayers residing abroad or in U.S. territories, business entities with assets under \$10 million doing business abroad, and non-U.S. citizens who have a U.S. filing requirement.
- (2) IIC field operations include territory groups comprised of revenue agents, tax compliance officers, and tax examiners who are responsible for conducting examinations of taxpayers with international activity.
- (3) IIC also includes Compliance Support, Development & Communication (CSDC) which performs specialty work including:
- Voluntary Compliance Initiatives (Voluntary Disclosure Practice, Streamlined, Relief procedures for Certain Former Citizens (RCFC) Campaigns)
 - Soft letters
 - Financial Crimes Enforcement Network (FinCEN) requests
 - Form 8854 Initial and Annual Expatriation Statement receipt, review, and data capture
 - Form 8898 Statement for Individuals Who Begin or End Bona Fide Residence in a US Possession receipt, review, and data capture
 - Certification of Loss of Nationality (CLN) receipt from the Department of State

4.63.1.4
(06-11-2024)

**Exchange and Offshore
Strategy (EOS) Overview**

- (1) Exchange and Offshore Strategy has four components:

- Exchange of Information
- Offshore Compliance Initiatives
- WEIC Practice Networks
- Planning and Special Programs

4.63.1.4.1
(06-11-2024)

**Exchange of Information
(EOI) Overview**

- (1) The EOI program administers and coordinates all exchanges of tax-related information between the U.S. and international jurisdictions under the provisions of international exchange agreements (including bilateral tax treaties, bilateral Tax Information Exchange Agreements (TIEAs), and multilateral exchange treaties and agreements), except for:

- a. Transfer pricing and mutual agreement proceedings administered by APMA
- b. Automatic exchanges of information administered by the AEOI program, see IRM 4.63.1.5
- c. Certain exchanges relating to cross-border tax avoidance schemes administered by JITSIC, see IRM 4.63.1.4.2

- (2) Other responsibilities of EOI include:

- a. Facilitating exchanges conducted during simultaneous examinations and simultaneous criminal investigations involving the IRS and one or more foreign tax administrations (through the Simultaneous Examination and Simultaneous Criminal Investigation programs)
- b. Coordinating requests for the collection of taxes due to the IRS or a foreign tax administration under the provisions of bilateral tax treaties (through the Mutual Collection Assistance Request program)
- c. Coordinating the transmittal of tax returns and return information to the Department of Justice to fulfill requests for records received from foreign jurisdictions under the provisions of Mutual Legal Assistance Treaties

- (3) For more information on the EOI Program, please see IRM 4.60.1, Exchange of Information.

4.63.1.4.2
(06-11-2024)

**Offshore Compliance
Initiatives Overview**

- (1) The Offshore Compliance Initiatives (OCI) office promotes voluntary compliance with U.S. tax and foreign information reporting laws through strategic enforcement actions directed at identifying U.S. taxpayers involved in abusive offshore tax schemes. In addition, OCI focuses on banks, other financial institutions and third parties that provide, facilitate, or enable offshore financial arrangements and structures. OCI also conducts information gathering and data analysis activities to identify promoters or facilitators of abusive offshore schemes for compliance activities, participates in international forums for improving voluntary compliance, sharing best practices, and leveraging resources, focuses on taxpayers who did not report offshore activity through application of tax treaties and provides technical and procedural guidance on international issues associated with offshore arrangements.

- (2) OCI also includes the Joint International Taskforce on Shared Intelligence and Cooperation (JITSIC). JITSIC is a global network of national tax administrations, facilitating, and operationalizing the sharing of intelligence and working together to tackle operational risks in tax administration focusing on abusive transactions.

4.63.1.4.3

(06-11-2024)

**WEIIC Practice Networks
(Inbound and Outbound)
Overview**

- (1) The WEIIC Inbound and Outbound Practice Networks (PN) develop campaigns and provide training and technical support for field teams on individual inbound and outbound transactions as well as transactions involving digital assets.
- (2) The WEIIC PN office focuses on compliance issues related to international individual outbound transactions and international individual inbound transactions as well as transactions involving digital assets.
- (3) The WEIIC Practice Area includes the following PNs:
 - a. **Foreign Entities:** The Foreign Entities PN considers how U.S. persons with ownership in a foreign entity, such as a controlled foreign corporation, a passive foreign investment company or a foreign pass-thru entity (including foreign partnerships, foreign trusts, and foreign disregarded entities), may need to report their ownership and may also be subject to current U.S. tax on the income earned by that entity.
 - b. **Foreign Tax Credit:** The Foreign Tax Credit PN deals with how a U.S. taxpayer (U.S. citizens, resident aliens, and in very rare cases nonresident aliens) can claim a foreign tax credit on their U.S. individual income tax returns.
 - c. **Jurisdiction to Tax - Outbound:** The Jurisdiction to Tax - Outbound PN considers U.S. taxpayers (U.S. citizens or resident aliens) whose activities generate income that is sourced outside the United States.
 - d. **Offshore Arrangements:** The Offshore Arrangements PN addresses the activities of U.S. individuals (U.S. citizens and resident aliens) using offshore banking, offshore merchant accounts, foreign entities, nominees, other arrangements and schemes, and digital assets to conceal income and ownership of assets to avoid or evade U.S. taxes. This PN also addresses issues related to the reporting of foreign financial assets under Titles 26 and 31.
 - e. **U.S. Business Activities:** The U.S. Business Activities PN considers the business activities of nonresident alien (NRA) individuals. Business activities can include being engaged in a U.S. trade or business (USTB) and the income and expenses effectively connected with a USTB.
 - f. **Withholding:** The Withholding (WIT) PN considers situations where foreign persons engage in U.S. investment activities and the related U.S. withholding tax requirements on income from those investments. The strategic priorities of the WIT PN are to collect the tax before the assets leave the U.S. and apply to two categories of taxpayers: 1) those making payments to others (payers) and 2) those receiving payments from others (payees). The U.S. imposes these withholding taxes as a vehicle to encourage a foreign person's voluntary compliance.

4.63.1.4.4

(06-11-2024)

**WEIIC Planning and
Special Programs
Overview**

- (1) Planning and Special Programs (PSP) is responsible for the identification, classification, risk assessment, and return delivery of the IIC filing population. It supports the field teams with inventory and workflow by monitoring actual performance against the compliance plan and providing updates and status reports necessary to allocate time and resources properly. PSP responsibilities include:
 - Claims processing
 - Compliance functional automation support
 - Exchange of information screening and examination

- FinCEN information requests
- Operation assistance requests (OARs)
- Competent authority determination/disposition memorandum
- Collaboration with the issue practice networks on issues developed
- Consultations on development of new workstreams

4.63.1.5
(06-11-2024)

**Foreign Payments
Practice and Automatic
Exchange of Information
(FPP and AEOI) Field
Operations Overview**

(1) The Foreign Payments Practice (FPP) is responsible for:

- a. Providing compliance oversight of chapter 3 (IRC Sections 1441-1446 and 1461-1464) and chapter 4 (IRC Sections 1471-1474) information reporting and withholding tax matters with an emphasis on servicewide coordination of technical issues, processing, and other information relating to nonresident aliens and foreign corporations.
- b. Focusing resources through coordinated development of informational and educational material, improved forms and publications, processing capabilities and compliance strategies.
- c. FATCA operations and compliance, financial intermediary implementation (qualified intermediary, withholding foreign partnership and withholding foreign trusts agreements), and centralized withholding agreements pertaining to nonresident alien athletes and entertainers.
- d. Verifying foreign withholding with respect to credits/claims for refunds on Form 1120-F or Form 1040-NR.

(2) Automatic Exchange of Information (AEOI) is responsible for:

- a. Administering and coordinating all automatic exchanges of information between the U.S. and host country tax authorities (i.e., exchanges occurring on a regular and systematic basis, without the need for specific requests for information).

Note: Automatic exchanges include exchanges of FATCA financial account data, certain information related to the OECD's base erosion and profit shifting project (country-by-country reporting), and information on U.S.-sourced fixed determinable annual periodic (FDAP) payments to foreign persons and foreign-sourced FDAP payments to U.S. persons (traditional automatic).

- b. Coordinating activities with internal business units and foreign tax authorities with respect to FATCA intergovernmental agreements, confidentiality and data safeguards, and competent authority arrangements relating to AEOI.
- c. Ensuring compliance for foreign financial institutions that fall under FATCA Models 1 and 2 intergovernmental agreements.

(3) AEOI data is subject to the disclosure and confidentiality policies and procedures described in IRM 4.60.1.1.2, Authority.

4.63.1.6
(06-11-2024)

**Summary - WEIIC
Taxpayer forms filed**

(1) WEIIC taxpayers file several forms with the IRS, including those listed below:

Form	Title
926	Return by a U.S. Transferor of Property to a Foreign Corporation
1040	U.S. Individual Income Tax Return (with a foreign address)

Form	Title
1040-C	U.S. Departing Alien Income Tax Return
1040NR	U.S. Nonresident Alien Income Tax Return
1040NR-EZ	U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents
1040 (PR)	U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico) (Puerto Rico Version) (Spanish)
1040-SR	U.S. Income Tax Return for Seniors
1040-SS	U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)
1041	U.S. Income Tax Return for Estates and Trusts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1042-S	Foreign Person's U.S. Source Income Subject to Withholding
1065	U.S. Return of Partnership Income
1116	Foreign Tax Credit
1118	Foreign Tax Credit - Corporations
1120-F	U.S. Income Tax Return of a Foreign Corporation
2555	Foreign Earned Income
3520	Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts
3520-A	Annual Information Return of Foreign Trust With a U.S. Owner
4563	Exclusion of Income for Bona Fide Residents of American Samoa
5074	Allocation of Individual Income Tax to Guam or the Commonwealth of the Northern Mariana Islands (CNMI)
5471	Information Return of U.S. Persons With Respect to Certain Foreign Corporations
5472	Information Return of a 25% Foreign Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business
8233	Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

Form	Title
8288	U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons
8621	Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund
8689	Allocation of Individual Income Tax to the U.S. Virgin Islands
8804	Annual Return for Partnership Withholding Tax (Section 1446)
8805	Foreign Partner's Information Statement of Section 1446 Withholding Tax
8833	Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)
8840	Closer Connection Exception Statement for Aliens
8854	Initial and Annual Expatriation Statement
8858	Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs)
8865	Return of U.S. Persons With Respect to Certain Foreign Partnerships
8898	Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession
8938	Statement of Specified Foreign Financial Assets
8966	FATCA Report
8975	Country-by-Country Report
FinCEN Form 114	Report of Foreign Bank and Financial Accounts
W-8BEN	Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)
W-8BEN-E	Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)
W-8CE	Notice of Expatriation and Waiver of Treaty Benefits
W-8ECI	Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States
W-8EXP	Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting

Form	Title
W-8IMY	Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting

- (2) Taxpayers may also have individual international tax issues associated with Form 1120-F, U.S. Income Tax Return of a Foreign Corporation; Form 1120S, U.S. Income Tax Return for an S Corporation; Form 990 Return of Organization Exempt From Income Tax; and Form 1065, U.S. Return of Partnership Income.

