



OFFICE OF  
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

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INTERNAL REVENUE SERVICE NATIONAL OFFICE FIELD SERVICE ADVICE

MEMORANDUM FOR

FROM: W. Edward Williams  
Senior Technical Reviewer CC:INTL:BR.1

SUBJECT:

LEGEND:

Country A:  
Date Z:  
Month Q:

This is in reply to your memo dated December 31, 1998, regarding a discovery request from the petitioner's counsel in the above-mentioned case for certain information furnished by the Country A taxing authorities to the Commissioner. Field Service Advice is not binding on Examination or Appeals and is not a final case determination. This document is not to be used or cited as precedent.

ISSUE:

Whether the Commissioner may, in response to the petitioner's informal discovery request, disclose information received from the taxing authorities of Country A.

CONCLUSION:

Since the taxing authorities of Country A will not permit us to disclose the requested information, the Service may not disclose it to the petitioner.

FACTS:

The petitioner has filed a petition with the U.S. Tax Court for redetermination of certain deficiencies in taxes and the case is set for trial in \_\_\_\_\_ in Month Q. As part of informal discovery, the petitioner's counsel has requested production of certain information furnished by the taxing authorities of Country A. We sought the permission of the Country A Competent Authority for disclosing the information to the petitioner.

[REDACTED]

LAW AND ANALYSIS

Although Article \_\_\_\_\_ of the United States-Country A Income Tax Treaty requires the information exchanged under the treaty to be treated as secret, it allows disclosure to courts and administrative bodies. But we believe that such disclosure without express consent of the Country A taxing authorities would likely cause them to be less cooperative in responding to our future requests for exchanges of information.

[REDACTED]

[REDACTED]

[REDACTED]



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W. EDWARD WILLIAMS  
Senior Technical Reviewer

Attachment: Copy of Country A taxing authority's Date Z letter.