

SUMMARY OF
CIRCULAR 230 - SUBPART B

- I. SECTION 10.20 - INFORMATION TO BE FURNISHED TO THE IRS
 - A. A practitioner must promptly submit information to the IRS unless it is privileged [Section 10.20(a)(1)].
 - B. If a third party possesses requested information, the practitioner must provide any "identity" information they have [Section 10.20(a)(2)].
 - C. A practitioner cannot interfere with the IRS in obtaining information unless it is privileged [Section 10.20(b)].
- II. SECTION 10.21 - KNOWLEDGE OF ERROR OR OMISSION
 - A. A practitioner must promptly advise their client of: (i) an error or omission or non-compliance; and (ii) the consequences of such items [Section 10.21].
- III. SECTION 10.22 - DILIGENCE TO DETERMINE ACCURACY
 - A. A practitioner must exercise due diligence in (i) preparing IRS returns and documents, (ii) determining the correctness of representations made to the IRS and (iii) determining the correctness of representations made to their client [Section 10.22(a)].
 - B. A practitioner may generally rely upon the work product of others, if reasonable care is used in evaluating the work product and the other person [Section 10.22(b)].
- IV. SECTION 10.23 - PROMPT DISPOSITION OF PENDING MATTERS
 - A. A practitioner may not unreasonably delay the disposition of a matter before the IRS [Section 10.23].
- V. SECTION 10.27 - FEE
 - A. A practitioner may not charge an unconscionable fee in connection with a matter before the IRS [Section 10.27].
- VI. SECTION 10.28 - RETURN OF A CLIENT'S RECORDS
 - A. Generally a practitioner must promptly return client records upon request even if there is a fee dispute [Section 10.28(a)].
 - B. "Records" include items that: (i) preexisted the practitioner's retention; or (ii) were prepared by the client or a third party [Section 10.28(b)].
 - C. Records do not include practitioner prepared documents, which are withheld pending the payment of fees with respect to that document [Section 10.28(b)].

VII. SECTION 10.29 - CONFLICTING INTERESTS

- A. A practitioner may not represent a client if: (i) the representation of one client is adverse to the interest of or responsibility to another client; or (ii) the representation of a client would be limited due to the personal interests of the practitioner [Section 10.29(a)].
- B. Even if a conflict exists, representation is permitted if: (i) the practitioner reasonably believes that they can provide competent and diligent representation; and (ii) the client waives the conflict and gives informed written consent [Section 10.29(b)].

VIII. SECTION 10.34 - PREPARATION STANDARDS

- A. A practitioner may not sign a return or advise a client to take a position that: (i) lacks a reasonable basis; (ii) willfully attempts to understate the tax; or (iii) intentionally disregards the rules and regulations [Section 10.34(a)].
- B. A practitioner may not advise or allow a client to submit a document or paper to the IRS that is: (i) frivolous; or (ii) intentionally disregards the rules and regulations [Section 10.34(b)].
- C. A practitioner may generally rely on information furnished by the client without verification; however, they cannot ignore what is actually known [Section 10.34(d)].
- D. A practitioner must make reasonable inquiries if information appears to be: (i) incorrect; (ii) incomplete; or (iii) inconsistent with another fact [Section 10.34(d)].

IX. SECTION 10.35 - COMPETENCE

- A. A practitioner must possess the requisite competence to practice before the IRS [Section 10.35].
- B. Competence requires knowledge, skill, thoroughness and preparation necessary for the matter [Section 10.35].

X. SECTION 10.36 - PROCEDURES TO ENSURE COMPLIANCE

- A. A practitioner with the principal responsibility for overseeing the firm's practice of preparing returns or documents for submission to the IRS, must ensure that Circular 230 compliance procedures are in place for all members [Section 10.36(b)].
- B. If the practitioner with the principal responsibility knows or should know a firm member has engaged in a pattern of practice that is in violation of Circular 230 and fails to take prompt action to correct the non-compliance, they may be subject to disciplinary action [Section 10.36(b)].