

MEMO# 7659

February 26, 1996

PROPOSED IRS GUIDANCE ON IMAGING SYSTEMS

February 26, 1996 TO: OPERATIONS COMMITTEE No. 3-96 TAX COMMITTEE No. 6-96
TRANSFER AGENT ADVISORY COMMITTEE No. 9-96 RE: PROPOSED IRS GUIDANCE ON
IMAGING SYSTEMS

The Internal Revenue Service ("IRS") has released the attached proposed revenue procedure that would provide guidance to taxpayers that use imaging systems to maintain their books and records. Section 4 of the proposed revenue procedure sets forth various requirements regarding reliability and access controls, inspection and quality assurance programs, retrieval systems, the ability to reproduce legible hard copies and written procedures that a taxpayer's imaging system would need to meet. Taxpayers would be permitted by the proposed revenue procedure to destroy hard copies of imaged documents after the taxpayer (1) tested the imaging system and ensured that hardcopy documents were being imaged in compliance with the revenue procedures requirements and (2) instituted procedures ensuring continued compliance with these requirements. The IRS has requested that any comments on the proposed revenue procedure be submitted by March 28, 1996. Please contact the undersigned by March 21 (at 202/326-5832) with any comments that you would like the Institute to submit. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Information Resource Center at (202) 326-8304 and ask for this memo's attachment number: 7659.

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