

Law360 Speaks to Charles Ruchelman on New Liabilities for Partnership Reps

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Forthcoming IRS regulations are expected to grant broad powers to those representing partnerships during audits, but these added capabilities could expose representatives to new risks, liabilities and potential misconduct claims from partners.

Partnership agreements will have to be very specific about the decision-making powers of partnership representatives and the process for designating and terminating them, said Charlie Ruchelman of Caplin & Drysdale.

Similarly, representatives will want these agreements to contain indemnification clauses and ensure cooperation from partners.

"I don't recommend that anyone take on that responsibility without significant agreements in place as to what their obligations are, what their rights are, and their ability to act either on their own or with advice and consent of others in the partnership," Ruchelman said.

For the full article, please visit *Law360's* website (subscription required).

Excerpt taken from the article "New Audit Powers Mean New Liabilities For Partnership Reps" by Vidya Kauri for Law360.

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