

APR 23 2019

# Reciprocal Temporary Investor Visa to Take Effect

ISRAEL, UNITED STATES

## At a Glance

*Effective May 1, 2019, reciprocal investor visa options will become available to Israeli and U.S. citizens and businesses for the first time. Eligible U.S. investors will be able to apply for a temporary Israeli B-5 Investor Visa, and eligible Israeli investors will be able to apply for a temporary U.S. E-2 Investor visa.*

## The situation

Effective May 1, 2019, a reciprocal investor visa option will become available for Israeli and U.S. citizens in each country. Steps toward this reciprocal visa access have been [ongoing since 2011](#).

## U.S. investors in Israel

In Israel, the B-5 Investor visa will be available to U.S. investors making a substantial investment in an Israeli business or seeking to travel to Israel to develop or manage the investment. Though the Ministry of Interior has not yet published detailed regulations regarding the B-5 visa process, timelines or eligibility criteria, it is expected that these will be published when the United States finalizes its E-2 visa rules, which is not expected to occur before May.

Below are the likely details of the visa program:

- **Eligible applicants.** The main investor, a high-ranking employee or a specialist with skills that would impact the investment would qualify for a B-5 Investors visa. The investor or the investor's staff must have control over the investment funds for the investor to qualify for the B-5 visa.
- **Investment requirements.** Applicants must make a significant and real investment in a business that aims to generate a profit to be eligible.
  - **Significant investment.** For existing businesses, the investment should amount to a significant percentage of the overall value of the business to be considered substantial. For new businesses, the investment must be enough to build a profitable and stable new business, and it must be able to generate more than a minimal income for the investor and any accompanying dependents. No specific percentage or threshold is set. As a result, Fragomen expects that immigration officials will have some discretion in determining which investments are eligible.
- **Accompanying family.** The spouse and unmarried children under 18 can accompany the principal applicant under this visa category. Spouses may qualify for work authorization under a streamlined process.
- **Visa validity.** The B-5 Investor visa is expected to be valid for up to two years initially and is renewable for one-year blocks. No quota applies to B-5 visa applications.

## Israeli investors in the United States

In the United States, the E-2 Investor visa will be available to Israeli investors making a substantial investment in a U.S. business or seeking to travel to the United States to develop or manage the investment beyond the initial planning stages, as well as to essential workers of the E-2 business. Key details of the visa include the following:

- **Eligible applicants.** The main investor, an executive, manager, supervisor or essential employee would qualify for an E-2 Investor visa. Self-employment is permissible; prior experience with the proposed E-2 employer is not required.
- **Nationality of investor.** Individual investors must be Israeli citizens. Where an organization, corporation or more than one person is making the investment, Israeli citizens must own at least 50% of the business.

- **Investment requirements.** Applicants must make a substantial and real investment in a new or existing business that aims to generate a profit.
  - **Substantial investment.** A dollar amount or percentage is not required to be considered “substantial” for E-2 purposes, though all funds must be irrevocably committed. For existing businesses, the investment should amount to a significant percentage of the overall value of the business. For new businesses, the investment must be enough to build a profitable and stable new business and it must be able to generate more than a minimal income for the investor and any accompanying dependents.
  - **Real and operating commercial enterprise.** Passive or speculative investments do not qualify for E-2 classification. The business underlying an E-2 visa must be real and operational, producing either a service or a product.
- **Accompanying family.** The spouse and unmarried children under 21 can accompany a principal applicant under this visa category. Spouses may request work authorization after entering the United States.
- **Visa validity.** The E-2 Investor visa is valid for up to five years initially and is renewable for two-year increments. No quota applies to E-2 visa applications.

## Impact

This provides a temporary investor visa option for eligible investors in both Israel and the United States, where none was available before.

## Looking ahead

It is expected that many Israeli and U.S. citizens and businesses will attempt to avail themselves of the new temporary investor visa, as it is likely to benefit a large variety of business interests, including technology startups, consultants, restaurateurs, diamond merchants, real estate managers and private investors in the United States. Fragomen can work with prospective applicants from both countries to determine B-5 and E-2 eligibility.

*Fragomen worked closely with Kan-Tor & Acco Law Firm to prepare this alert. This alert is for informational purposes only. If you have any questions, please contact the global immigration professional with whom you work at Fragomen or send an email to [emea@fragomen.com](mailto:emea@fragomen.com).*