

## Congress Acts to Expand U.S.-Israeli Investments

by [Robert S. Groban, Jr.](#) and [Lynn Shapiro Snyder](#)

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On Friday, June 8, 2012, President Obama signed into law H.R. 3992, which permits otherwise eligible Israeli nationals to receive E-2 non-immigrant visas to the United States as investors. Both the Senate and the House unanimously passed the legislation on May 24, 2012 and March 20, 2012, respectively, with implementation conditional on American citizens being granted similar immigration status by Israel.

The E-2 nonimmigrant classification is an important vehicle for attracting foreign capital into the United States. It permits individuals or organizations who have invested a “substantial amount of capital” into an American enterprise and their qualified employees to enter the United States to manage or otherwise direct the operations of that enterprise. Prior to this legislation, there were 80 countries whose citizens were eligible for E-2 nonimmigrant classification in connection with American investments. The requisite condition of reciprocity for implementation of this law, however, is contrary to Israel’s current immigration policy, which does not grant work permits to foreign nationals based on investments. The Israel-America Chamber of Commerce and its visa committee are promoters of the Israeli implementation of a reciprocal ordinance.

This new federal law is likely to enhance the growing levels of investment between the United States and Israel as Israeli investors are no longer solely reliant on other nonimmigrant U.S. visa classifications that are often subject to strict quota limitations or fail to fit the investor’s objectives. This change also could be beneficial to Israel’s robust life sciences industry in light of the growing trend among Israeli companies to invest in U.S. operations and for U.S. companies to invest in Israeli companies. The availability of E-2 immigration status could facilitate the growth of existing bridge initiatives and governmental missions, as well as to expand generally the economic cooperation in key industries such as the healthcare and life sciences industry.

The E-2 classification provides a new immigration status for Israeli investors and eliminates the time consuming, and often arbitrary visa petition process through the U.S. Citizenship and Immigration Services in the United States. Companies that satisfy the E-2 requirements will now be able to transfer key executives, managers, essential skilled personnel, and their families quickly and efficiently.

Logistically, E-2 applications are submitted directly to the American embassy or consulate where the investor is located. As there are no numerical caps on E-2 visas, investors will be able to secure admission to the United States in real time relative to their investments. E-2 visas may also be renewed indefinitely since there is no limit on the number of years a foreign national may remain in the United States in E-2 status. Lastly, spouses of E-2 personnel also are permitted to work in the U.S.

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*This Client Alert was authored by **Robert S. Groban, Jr.** and **Lynn Shapiro Snyder. Ali Lakhani**, a Summer Associate (not admitted to the practice of law) in Epstein Becker Green's Washington, DC office, contributed significantly to the preparation of this alert.*

*For additional information about the issues discussed in this Client Alert, please contact one of the authors or the Epstein Becker Green attorney who regularly handles your legal matters.*

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