



A VISA FRANCHISE GUIDE:

**YOUR E-2
VISA
BUSINESS
GUIDE**

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VISA 
FRANCHISE

What is the E-2 Visa?



The **E-2 Visa** allows a national of a "treaty country" - a country that maintains a treaty of commerce and navigation with the U.S. - to reside in the U.S. given the national invests a substantial amount of capital in a U.S. business

- Up to 5 years; renewable with no maximum limit
- Short processing time of ~6 weeks
- Children under 21 can attend school and husband or wife is entitled to a work authorization
- Although no minimum, it is recommended to invest at least \$150,000 to fulfill visa requirements and start a successful business
- Applicant must be a citizen of a qualifying country (see page 15 for a complete list)
- Applicant can only work for the investment business, which served as the basis for the E-2 visa application
- Applicant can own 50% or more of the business and still qualify for the visa
- E-2 visa adjusted approval rate is ~89%

E-2 Visa Requirements



1

Citizen of an E-2 Visa Country

You must be a citizen of an E2 visa country. Dual nationality is accepted.

If you do not hold an E2 visa eligible citizenship, you can also invest as little as \$200,000 through a citizenship by investment program in a country that does have the E2 treaty like Turkey or Grenada.

2

Controlling ownership of the Business

At least 50% of the E2 visa business must be owned by the E2 visa applicant or an entrepreneur with the same nationality.

It is possible for multiple family members and business associates to apply for the E2 visa under the same enterprise.

3

Substantial Investment

You must show that your investment is sufficient to operate that business profitably. The U.S. government wants to see a business plan detailing the business profitability over the next five years.

Although there is no minimum defining substantial investment, we have never had a denial for a client who invested more than \$225,000. Through our 350+ cases, we have identified a significant increase in denial risk for clients investing less than \$120,000.

E-2 Visa Requirements



4 Real Operating Enterprise

The E2 visa business, “must be an active commercial or entrepreneurial undertaking.” Money or stocks sitting in a business bank account will not be considered an investment for E2 visa purposes.

The business should be operating or as close to operating as possible before applying for the visa.

5 Direct and Develop the Enterprise

You must be coming to the U.S. in order to direct and develop the E2 visa business. That does not mean you are working every day in the business.

You must be involved in the management, strategy, and finances of the business.

6 Significant Income or Economic Impact

The business must provide significant income beyond supporting you and your family. This could be a commercial cleaning business that provides owner benefits of \$100,000+ a year.

If business income is low (depending on the city less than \$50,000), it is important to show the economic impact at the local, state and national level.

7 Control of the Funds

You must have control of the funds being used for the E2 visa business. It is acceptable to receive a donation from a family member, but the government will want to see that you have control of the funds. The adjudicating officer will also want to see that there is business risk. For example, loans secured with the business assets are not allowed.

E2 Visa Investor: What Type Are You?



Strategic/Financial Investor

- Initial investment from \$80,000 to \$1,000,000+
- Focus on return on investment beyond visa eligibility
- Aims to expand the business
- Location is secondary to strong earnings and potential growth

Lifestyle Investor

- Foreign individuals with a net worth generally above \$1,000,000
- Prioritize working fewer hours over gaining more income
- Initial investment from \$150,000 to \$350,000
- Longevity of the business is more important than high profits

E2 Visa Business Option #1: Buy Existing Business



Pro's

- Business is already operational and often profitable
- Historical financials to better determine success of business
- Easier to finance (through seller or possibly bank)
- Wider array of businesses and industries available



Con's

- Financial/ legal due diligence by professionals is costly
- Successful businesses may have a high asking price
- Seller training and ongoing support often limited historical financial figures



E2 Visa Business Option #2: Buy A Franchise



Pro's

- Initial & ongoing support from Franchisor
- Established business model built to scale
- Business functions provided by Franchisor (negotiating with suppliers, research & development, etc.)

Con's

- The various costs associated with gaining franchise rights
- Amount of time it takes to open the business and break even
- Potential restrictions imposed by Franchisor

E2 Visa Business Option #3: Start up



Pro's

- Unlimited upsides to the Business
- No franchise fees or high cost to pay for an existing customer base
- Wide range of industries and geographies to operate the business

Con's

- The U.S. is one of the most competitive markets for small businesses
- 50% of businesses with employees fail in the first 5 years. It is harder to benchmark success for your start up
- Many startups will not meet the substantial investment requirement for the E2 visa

E2 Visa Case Study: Buy A Business, Convert To A Franchise



Many investors have purchased small independent businesses and rebranded them as franchises. Investors might benefit from instant vendor cost savings, increased brand recognition as well as ease of customer acquisition. This strategy is currently being utilized in industries such as property management, landscaping, tax services, and insurance services.

Buying an existing business and rebranding as a franchise (or even a franchise resale) can be a great option for investors who prefer ongoing support. Many E2 visa investors have constant questions about operating a business in the U.S. and appreciate the support of the franchisor and community of franchisees.

Case Study Summary	
Investment Amount	\$250,000
% Ownership	100%
Investment Horizon	5+ years
Time Commitment of Investor	40 hours a week
New or Existing Business?	Purchased Existing Contracts
Job Count	Three W-2 employees and Four 1099s contractors
Estimated Annual Return	40%



E2 Visa Business For Sale Process



Compared to American business buyers, there is often greater urgency to close the business transaction in order for the investor to apply for the E2 visa. At the same time, the E2 visa approval process depends on the local U.S. consulate or USCIS. Generally, 10-20% of the purchase price is non-refundable and the rest is held in an escrow account contingent on the E2 visa approval. Once the E2 visa is approved, the funds will be released to the seller and you will officially own the business.

For investors who have the funds available and set date to move to the U.S., the below seven-step **process can take three to six months.**



E2 Visa Franchise Process



The foreign franchisee goes through a similar process as an American franchisee. The main difference is applying for the visa and usually opening the franchise after the visa approval. We have seen anywhere from one week to four months. Unlike the business for sale process, funds are not usually held in escrow contingent on the E2 visa approval. There are select franchisors who may refund the majority of the franchise fee should your E2 visa be denied after the second attempt.

Again, for prospective franchisees who have the funds available and set date to move to the U.S., **the process typically takes three to six months.** The biggest variable is how long the consulate or embassy takes to process the E2 visa interview. We have seen anywhere from one week to four months.



How To Improve The E2 Visa Business Process?



Show you are serious to the franchisors and business brokers/seller. Franchisors and business brokers often look at the following items before allocating time to your inquiries:

- Set date for moving to the U.S.
- Engaged a U.S. immigration attorney
- Timely responses to emails and calls
- Accountant/consultant to support with business/franchise due diligence
- Owns U.S. property or has lived in the U.S. before (shows it is not a distant dream)
- 100% of business asking price is liquid (i.e. cash)

Meeting all or most of the above qualities will greatly improve your chances of moving forward in a timely manner with a solid franchise or business opportunity.

E2 Visa To Green Card



EB-1A Green Card

Do you have an extraordinary ability? Perhaps you are at the top of your field and have been featured in numerous publications? Throughout your career abroad and now in the U.S., it is worth exploring with an attorney the possibility of building your professional portfolio to qualify for EB-1A green card.

EB-1C Green Card

Do you own a company overseas with 10+ employees and \$1M+ in revenue? You might be eligible to apply for a green card based on the EB-1C green card category. You most likely have to invest additional capital in the E2 visa business and build up your organizational structure. The good news is that EB-1C visas are processed in less than a year!

EB-5 Visa Green Card

Do you have a spare \$900,000 to invest in a U.S. real estate project? Although current waits are 2+ years, based on a \$900,000 investment and 10 Americans jobs created, you might be eligible for the EB-5 green card. It is in theory possible to apply for the EB-5 based on your E2 visa investment if you have invested over \$900,000 and employed 10+ Americans. However, there is a lengthy bureaucratic process and simpler, easier ways to obtain a green card for E2 visa holders.

How Your Spouse Can Obtain a Green Card



EB-2 Green Card

Does your spouse hold an advanced degree or its equivalent? How about an exceptional ability? Many employers are willing to sponsor green cards for exemplary employees under this category. There are even ways to self-sponsor a petition for eligible applicants. Visit the official U.S. government site to learn more about this option.

EB-3 Green Card

Does your spouse NOT meet the requirements for the EB-2 green card? Then it is worth considering the EB-3 visa. This would require a labor certification and a permanent, full-time job offer. Visit the USCIS site to learn more about this option.

Family Green Card Option

Is your sibling an American citizen? How about your adult children? If so, you should explore with your attorney the possibility of an American citizen family member sponsoring your green card.

E-2 Visa Countries

Albania
Argentina
Armenia
Australia
Austria
Azerbaijan
Bahrain
Bangladesh
Belgium
Bolivia
Bosnia
Herzegovina
Bulgaria
Cameroon
Canada
Chile
China (Taiwan)
Colombia
Congo
Costa Rica
Croatia
Czech Republic

Denmark
Egypt
Estonia
Ethiopia
Finland
France
Georgia
Germany
Grenada
Honduras
Ireland
Italy
Jamaica
Japan
Jordan
Kazakhstan
South Korea
Kosovo
Kyrgyzstan
Latvia
Liberia
Lithuania

Luxembourg
Mexico
Moldova
Mongolia
Montenegro
Morocco
Netherlands
Norway
Oman
Pakistan
Panama
Paraguay
Philippines
Poland
Romania
Serbia
Senegal
Singapore
Slovak Republic
Slovenia
Spain
Sri Lanka

Suriname
Sweden
Switzerland
Thailand
Togo
Trinidad & Tobago
Tunisia
Turkey
Ukraine
United Kingdom
Yugoslavia

Final Thoughts

The knowledge and support that an individual gains from investing in a business is extremely valuable, especially for individual investors entering a new industry or foreign nationals moving to the U.S.

The decision to move to the U.S. with your family can be a pivotal life choice. It is important to surround yourself with the best advisors to avoid mistakes such as visa denials or business failures. At Visa Franchise, we ensure our clients only spend time reviewing successful franchise concepts as well as work with E2 visa focused attorneys and other key advisors. We limit your risk of business failure and visa denial so you and your family can have a smooth transition to the U.S. To learn more about our services, apply to be a Visa Franchise client today!

We look forward to assisting in any way we can during the process. Best of luck on this exciting journey!

Book your U.S. Business Consultation to Start your American Dream

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