

Israeli Citizens Eligible for E-2 Treaty Investor Visas as of May 1, 2019

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By Mohammad Ali Syed

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The U.S. Embassy in Israel recently announced a long-awaited development that would open the doors to Israeli citizens looking to make an investment in the United States. The U.S. and Israel signed a treaty investor agreement, allowing for Israeli citizens to be eligible for E-2 Treaty Investor visas in the U.S. as of May 1, 2019. Back in June 2011, President Obama had signed legislation to add Israel onto the list of eligible countries for E-2 status. However, this was stalled as both countries needed to come to agreeable terms and authorize reciprocal rules for the issuance of visas.^[1]

Now that Israel has authorized a comparable status for U.S. citizens, the E-2 visa has become available for qualifying Israeli citizens. The [E-2 Treaty Investor visa](#) is a non-immigrant visa eligible for foreign nationals of a treaty country willing to invest a substantial amount of capital.^[2] There are many specific requirements necessary to qualify for an E-2 visa, such as that one must show legitimate control of funds and the investment must be at risk. With Israel having one of the largest per capita number of start-ups of any country, the E-2 visa is an exciting opportunity for those interested in investing in a new or existing business in the U.S.^[3]

The E-2 visa is a viable option for entrepreneurs. The application process at the Embassy in Israel may allow for a 5-year visa. Before submitting your application, it is crucial to understand the requirements of the E-2 visa and provide substantial supporting evidence to prove your eligibility. With increased scrutiny arising from the executive order "Buy American and Hire American," it is particularly important to show that your investment has the potential to create jobs for American workers.

Investments Must be Substantial

When considering what a *substantial* investment is, consular officials will evaluate the scope of the business plan and the funds necessary for developing a successful operation. Investment includes lease payments, the purchase of equipment, inventory, and so on. The business should be able to make a sufficient economic contribution within five years of becoming operational.

The Business Must be Real and Operational

Passive investments, such as in real estate, do not qualify for an E-2 visa. The business must be real and operational; it must be producing a commodity or service to qualify. The U.S. Department of State guidelines on an E-2 visa state that speculative investments held for potential appreciation of value (e.g. stocks) are prohibited.

Individual Investors

Individual investors pouring funds into a business need to carefully consider their five-year business plan - including staffing projections, objectives for the business, and overall costs and revenue. There is greater scrutiny for individual investors by consular officials to determine if their investment is at-risk. Intent to invest is not sufficient to qualify for E-2; the applicant must be close to starting operations.

Corporate Investors and Emerging Companies

Companies traded on only the Tel Aviv Stock Exchange may qualify for E-2 visa benefits in the transference of an essential, supervisory, or executive employee to operate in the U.S. This is true even if the investment by the Israeli company in the U.S. operations took place before the May 1, 2019 E-2 visa agreement.

Israeli nationals must own 50 percent or more of the business applying for the E-2 registration. This may be challenging for entrepreneurs and emerging companies that are seeking seed or venture funding. It is critical to be aware of how equity investments could impact E-2 visa eligibility.

[1] <https://www.lexology.com/library/detail.aspx?g=beee1e3b-242b-41ee-ab18-3663eede9c3d>

[2] <http://syedfirm.com/e-2-treaty-investor-visa/>

[3] <https://www.natlawreview.com/article/e-2-treaty-investor-visa-open-to-israeli-citizens>