

Canada Business Immigration V/S EB-5 Business Visa of USA

Canadian Maple card for \$400,000 CD or USA Green card for \$500,000 US?

The choice is yours!

There is a lot of similarity between the Canadian immigration program and the US EB-5 business visa. Hence comparison between the two will be interesting and insightful for businessmen who want or are in a position to make a choice.

The Canadian government introduced business immigration to Canada many years back. Similarly, the US government introduced business immigration to USA in 1991, more commonly known the EB-5 Visa or the million-dollar Green card.

In 1997 and 1998 many companies in USA introduced creative accounting and financing and promoted the EB-5 Visa program. Under this program, the applicants were required to make a small investment and the whole family would be eligible for a green card. The INS eventually realized that this easy route taken by many businessmen and companies to obtain a Green card defeated the underlying purpose of introducing the EB-5 Visa Business Immigration Program, which was to attract foreign investment in USA and job creation. The INS therefore rejected many approved EB-5 Visa applications by applying new regulations retroactively. During this time the EB-5 Visa Program was put on hold. This matter was then contested in the courts and the INS lost this legal battle. EB-5 Visa is now once again being processed by the INS.

Under the Canada Business Immigration Program, there are two main programs:

1. The Entrepreneur program
2. The Investor Immigration program

1. Entrepreneur Program:

Under this category the applicant must satisfy the government that:

- a. The applicant has the ability and intention to establish or purchase a business or make an investment in Canada;
- b. The applicant has a viable business plan, will participate and has the ability to run and manage a business in Canada.
- c. The applicant has net assets worth \$300,000 CD.
- d. Within three years of his/her arrival in Canada, the applicant will purchase a business in which his/her investment will be at least \$125,000 CD and which will create jobs for one to three Canadians other than his/her family members.

2. Investor Program:

Under this class a businessperson must satisfy the government that:

- a. He/She has successfully opened and operated a business outside Canada, has a net worth of \$800,000 CD (\$560,000 US) in worldwide assets, which have been legally obtained.
- b. He/she is willing to make an investment of \$400,000 CD (\$300,000 US) in an approved fund (fixed deposit) for a five-year period. A credit line of \$300,000 US\$ is not available against this deposit from a number of banks in Canada.
- c. Under this class there is no requirement to start a business in Canada.

The applicant can also get a loan from a Canadian bank of up to 75% of the investment. The remaining 25% or \$125,000 CD will cover the financing cost of the \$275,000 CD loan over the period of five years. There is no age limit or language requirement for either of the above categories. There is also no quota for issuing this type of visa.

Comparison of the above with EB-5 Visa:

The EB-5 Visa provides the most flexible path to a Green card and is based on investment in the US. The EB-5 Visa does not require the applicant to manage the day-to-day affairs of a business. One may invest in an existing business or a new business. More than one person may invest in the same business. The EB-5 investor may be a minority owner of the business.

One may qualify for an EB-5 Visa by:

1. Investing One million dollars and hiring ten employees anywhere in the USA.
2. Investing \$500,000 US and hiring ten employees in an area where the unemployment rate exceeds the national average unemployment rate by 150%.

3. Investing in a regional centre.

The INS has designated specific areas, called Regional Centres, as eligible to receive immigrant investor capital. The INS has approved over 20 Regional Centres. Regional Centre investors may rely on indirect job creation rather than directly hiring ten employees. A competent professional, such as an economist, must quantify the indirect employment. If the regional centre is in a high unemployment area, the required capital is reduced to \$500,000 US. Presently there are projects underway in many regional centres whereby making an investment of \$500,000 in a limited partnership can qualify an individual for applying for a Green card through the EB-5 Visa program.

Out of the 10,000 Investor visas (EB-5 Visas) available annually, 5,000 have been set-aside for those who apply under a pilot program involving an INS-designated "Regional Centre" To date, this quota has not been exceeded.

EB-5 investors include people from all walks of life - professionals, business people, persons wanting to facilitate a child's education and retirees. Because the EB-5 Visa permits employment in the US, many EB-5 investors become involved in charity or part time work. Simply put, the EB-5 visa gives you the flexibility to do what you want in the USA.

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