Fact Sheet: International Entrepreneur Parole Program

What is the International Entrepreneur Parole Program?

The International Entrepreneur Parole Program (IEPP) is an initiative created under <u>federal</u> <u>regulations</u> that allows the Department of Homeland Security (DHS) to admit into the United States international entrepreneurs who demonstrate that their stay in the country would provide a significant public benefit.

Does the IEPP create a new visa category?

No, the IEPP does not create new visa categories. Instead, it applies existing DHS authority to permit the temporary admission of qualifying persons using <u>parole</u>. Under federal law, U.S. Immigration and Customs Services (USCIS) may utilize parole to temporarily admit beneficiaries into the United States for humanitarian or significant public benefit reasons. Beneficiaries are authorized to enter and stay in the U.S. for a specific period granted by USCIS.

Who is eligible for the IEPP?

To qualify for a parole under the IEPP, applicants <u>must</u>:

- Have a central and active role in a U.S.-based start-up created within the last five years;
- Possess at least a 10% ownership stake in the start-up; and
- Demonstrate that—within the 18 months immediately preceding the IEPP application—the start-up received either:
 - An investment of at least \$250,000 from one or more U.S. qualified investors; or
 - Government awards or grants of at least \$100,000.

If the start-up partially meets either of the two investment/grant requirements mentioned above, it may still qualify for the IEPP. However, the applicant would need to provide additional, reliable, and compelling evidence of the start-up's potential for rapid growth and job creation.

How long does the IEPP allow international entrepreneurs to stay in the U.S.?

International entrepreneurs may be paroled for up to <u>five years</u> in the United States. However, successful applicants will only be granted an initial thirty-month parole with the possibility of obtaining renewal for an additional thirty months.

What are the requirements to obtain a "re-parole"?

International entrepreneurs interested in obtaining renewal ("re-parole") for an additional thirty months <u>must</u>:

- Maintain a central role in the start-up;
- Possess at least a 5% ownership stake in the start-up; and
- Demonstrate that—during the initial parole period—the start-up either:

- o Received at least \$500,000 in qualifying investments, grants, or awards;
- o Created at least five qualifying jobs; or
- Reached at least \$500,000 in annual revenue in the United States and averaged 20% in annual revenue growth.

If the start-up partially meets either of the requirements mentioned above, applicants may still qualify for re-parole. However, they would need to provide additional, reliable, and compelling evidence of the start-up's potential for rapid growth and job creation.

For purposes of the IEPP, who is a qualified U.S. investor?

A <u>qualified investor</u> is a U.S. citizen or lawful permanent resident, or an organization based in the United States, that—within the preceding five years—has made investments of no less than \$600,000 in start-ups that have:

- Created at least five jobs; or
- Generated at least \$500,000 in revenue with average annualized revenue growth of at least 20%.

How does the IEPP benefit the U.S. economy?

The goal of the IEPP is to encourage international entrepreneurs to create and develop startup entities with high-growth potential in the U.S. USCIS estimates that about <u>2,940</u> international entrepreneurs will qualify every year for the IEPP, leading to the creation of thousands of direct and indirect jobs. If expectations are met, IEPP will significantly increase patents, intellectual property, licensing, and other intangible assets that can be expected to <u>contribute to innovation</u> and technological advances in the country.

Are there start-up visas in the United States?

No. There have been attempts in Congress to pass legislation and create a <u>start-up visa</u> category, including the Startup Visa Act in 2010, 2011, and 2013, as well as the <u>Startup Act</u> in 2019. However, none of them were successful.

Does IEPP parole include family members?

Yes, <u>spouses and minor children</u> (unmarried and under 21 years of age) are eligible for parole under the IEPP. However, only spouses of international entrepreneurs can apply for employment authorization.

How to apply for the IEPP?

To apply for the program, an international entrepreneur must file <u>form I-941</u>, pay the required fee for Form I-941 (\$1,200), pay the fee for <u>biometric services</u> (\$85), and file the supporting documentary evidence.

How many international entrepreneurs can be paroled per start-up entity?

Three entrepreneurs per start-up entity may be paroled into the U.S. under the IEPP.

When was the IEPP created?

The IEPP was first introduced in January 2017—shortly before the end of the Obama administration—to encourage international entrepreneurs to create and develop start-up entities with high-growth potential in the U.S.

Soon after President Trump took office, his administration tried to remove the IEPP and blocked its implementation by delaying the rule's effective date. After a successful lawsuit over the delay, the Trump administration was compelled to begin accepting applications under the rule in 2018.

In response to the court's verdict, however, the Trump administration issued a new proposed rule to repeal the IEPP in June of 2018, but that rule was never finalized. Nevertheless, because of the uncertainty surrounding the potential repeal, only a handful of entrepreneurs applied for parole under the IEPP.

On May 10, 2021, USCIS announced the withdrawal of the 2018 proposed rule that would have repealed the program. With that announcement, the IEPP remains a viable program for foreign entrepreneurs to create and develop start-up entities with high growth potential in the United States.