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Cash for green card route may get costlier by ₹5.4cr

Lubna Kabir | Timesgroup.com

Mumbai: Indians wishing to immigrate to the US via EB-5 investment linked visa route will have to shell out more. The minimum threshold investment limit is proposed to be raised from \$1 million (Rs6.8 crore) to \$1.8 million (Rs12.2 crore).

Currently, investors are permitted to invest a reduced sum of half a million for business operations in specified rural areas or those with higher unemployment limits, known as targeted employment areas (TEAs). Here the proposed investment has been hiked to \$1.35 million (Rs. 9.2 crore).

These amendments were proposed on January 17 by the US department of homeland security (DHS) and a 90-day window is open for comments. Under the EB-5 programme, also dubbed as 'cash for visa', individuals can apply for lawful permanent residence in the US if they make the necessary investments and create at least 10 permanent full time jobs for US workers. They are granted conditional permanent residence for themselves, spouse and children below 21. After two years, they have to apply for lifting of the 'conditions'.

EB-5 offers two routes of investments — one is where the investor directly sets up his own business — and the other via in-

WRITING ON THE WALL

- Rise in investment limits proposed from \$1m to \$1.8m, which could dent the plans of proposed immigrants from India
- RBI's restrictions on repatriation and the higher threshold limit will result in logistical challenges
- Route for investing via regional centres extended to April
- New proposal permits investors to play a passive role in business

vestments in recognised regional centres, which in turn sponsors business entities. The latter is a more popular investment route. While it was to end in December, for now it has been extended up to April 28, 2017.

David H Nachman, managing attorney, NPZ Law Group, does not think that the increase in threshold will dent the number of EB-5 applications. "Bona fide investors generally possess in excess of the threshold required. The downside is that the increased funds required for investor visa will give them less operating capital that they originally anticipated for carrying on their business and innovative funding structures will need to be adopted. We notice that some of our clients are creating hospitality consulting firms and then entering into partnerships with other organisations to allow them to be able to have the capital that they need in order to do the intended investment," Nachman said.

During 2015, 111 visas were

granted to Indian investors, 102 being for investments via regional centres. China, as the top source country, leads by a wide margin, with a total of 8,156 visas granted to investors from mainland China. In all, 9,764 visas were issued in 2015 — the outer cap is 10,000.

"As the Reserve bank of India permits overseas remittance of up to \$250,000 per individual per year, a family of four found it easier to meet the investment requirement of \$1 million. The increase in the threshold could lead to some logistical difficulties," says a Mumbai-based consultant. DHS is also seeking to amend the 'active management role' requirement of the regulations. "DHS has recognised that investors, particularly in pooled investment vehicles, may have minimal policy formulation rights in the new business enterprises. The proposed regulations indicate that it will be sufficient for them to play a mostly passive role," Nachman said.

'Chashmish', 'kalu'