

## Reboot of International Entrepreneur Program for Startups

The Biden administration announced on May 11, 2021, that it is restoring a never-fully-utilized Obama-era program allowing foreign entrepreneurs to stay in the United States temporarily in order to oversee and grow certain startup businesses. The International Entrepreneur Rule (IER) and the corresponding Parole Program were initially announced at the end of the Obama administration but had not gotten off the ground when the new Trump administration proposed to withdraw the rule.

The rebirth of the program opens new opportunities for foreign entrepreneurs seeking to start new businesses in the United States. The limited number of H-1B visas has made it very difficult for foreign students and entrepreneurs to remain in the United States after completion of their studies. Additionally, foreign participants in U.S. business incubators currently have few viable paths to remain in the United States to grow their startups.

Unlike countries such as Canada, Israel, and the United Kingdom that have a startup visa, the United States lacks visa categories for foreign entrepreneurs looking to build businesses in this country. This program, while not a visa or permanent option, will grant entrepreneurs a period of authorized stay and work authorization as long as they can demonstrate their presence in the United States would be of a significant public benefit through their business venture.

Under the International Entrepreneur Parole Program, eligible entrepreneurs with at least a 10% stake in recently formed businesses that received "significant investment" from qualified U.S. investors or government entities, and who can show that their company would provide a significant public benefit, are eligible to apply.

In addition to the 10% ownership stake, foreign entrepreneurs must meet additional criteria to be eligible for parole:

- The startup must have been created within five years before the application for parole.
- The startup must demonstrate substantial potential for rapid growth and job creation.
- The applicant must play an important and active role in the operations of the business, and not be merely an investor.
- The startup must have received a capital investment of at least \$250,000 from qualified U.S. investors or at least \$100,000 in grants or awards from qualifying U.S. federal, state, or local government entities. Entrepreneurs who do not fully meet the funding threshold can provide additional evidence of the startup's potential for rapid growth and job creation.
- No more than three foreign entrepreneurs may be granted parole per startup entity.

Approved applicants are paroled into the United States for an initial period of up to 30 months. They are only allowed to work for the startup entity. Spouses and minor children receive parole for the same period as the principal; spouses are eligible to apply for their own employment authorization. An additional 30 months of parole may be available if the entrepreneur meets additional requirements as to job creation and investment.

The application is made on [USCIS Form I-941](#), Application for Entrepreneur Rule.

While the program is a welcome development for entrepreneurs, it does not provide a direct path to either temporary visas or to permanent residence. Moreover, the grant of parole is at the discretion of U.S. Citizenship

and Immigration Services (USCIS), which may terminate or revoke parole at any time, leading to insecurity for successful applicants.

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## Authors



### [KoKo Ye Huang](#)

Partner

[KoKoHuang@perkinscoie.com](mailto:KoKoHuang@perkinscoie.com) [206.359.6533](tel:206.359.6533)

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