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New laws create opportunity for Israeli hi-tech entrepreneurs in U.S.

“We’re talking about start-ups and hi-tech companies, for whom before there was no solution. Now, they will have much more flexibility.”

By [Max Schindler](#)
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Hi-tech employees attend Nvidia’s GPU Technology Conference in Tel Aviv last month, held for the first time in Israel. (photo credit: Courtesy)

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The Knesset approved a slew of regulations on Monday that will make it easier for [Israeli start-up founders and entrepreneurs](#) to work in the US – and for Americans to work and invest in Israel.

Based on a reciprocal agreement negotiated between the two sides, Israelis and Americans will be able to invest in each other's country and obtain a work visa based on that investment.

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Until now, Israelis who wanted to work in the US under an E-2 investment visa had to meet strict requirements – demonstrating proof of unique knowledge, exceptional achievement and seniority.

Now, Israelis can get an E-2 visa by demonstrating that they have sufficient capital to launch a business and that it will produce jobs for Americans.

Many of those Israelis include start-up founders seeking to scale and expand operations abroad, regular businesspeople, diamond dealers, real estate brokers and venture capitalists.

“It’ll make it easier for an Israeli start-up to be able to raise funds in the US, do joint venture, or a clinical trial with the FDA,” said attorney Tsvi Kan-Tor, a partner at Kan-Tor & Acco. “It will enable Israelis who do not meet eligibility requirements of previous visas, to get a work visa in the US.”

The new rules should be fully implemented by September, Kan-Tor added, pending final approval from the US government. Hundreds of individuals, and around 100-200 start-ups and hi-tech companies annually, are expected to be affected by the new regulations.

Israelis who previously sought to work in the US – applying for an E-1 visa – had to demonstrate that their company conducted prior trade deals and it did at least half of its trade with the US.

Many new start-ups lack a previous track record – and they might only do a quarter or a third of their business in the US. That left many Israeli entrepreneurs ineligible to work in America, and today's fix changes that.

“We’re talking about start-ups and hi-tech companies, for whom before there was no solution,” Kan-Tor said. “Now, they will have much more flexibility.”

Now, Israeli entrepreneurs can file a business plan at the US embassy or consulate, demonstrate that they have sufficient capital at hand, and show that their business will create American jobs.

Separately, the new regulations also allow US citizens to obtain an investment-based work visas in Israel.

US citizens investing in Israel will now be eligible to work here for an unlimited time-frame, along with their spouses. In the past, Americans investors were limited to working in Israel for 63 months on an investment visa.

Back in January 2017, Israel approved new reciprocal regulations with the US – for the US E-2 work visa and the Israeli B-5 investor work visa, which allows Americans to invest in Israel.

It took Israel a year-and-a-half to fully implement the terms because the country did not offer an investment-based work visa. That forced the Knesset's interior committee to revise regulations.

AIPAC had earlier played a role getting the US congress to pass legislation granting E-2 visas to Israeli citizens, with then-president Barack Obama authorizing Israel in 2012.

“It’ll be of mutual benefit to both economies,” Kan-Tor added. “It’s not about the number of Israelis who go to America or the number of Americans who go to Israel. It’s the number of jobs being created in the second country or the number of jobs being supported in the first country, the country of origin.”

