

You are to invest in the U.S., an E-1 or E-2 investor visa, or an L-1 business expansion visa may be an option for you. We specialize in helping foreign nationals find the best franchise investment that will qualify them for an investor visa.

### **GulfUS Capital & VISA Partners is By Your Side Each Step Of The Way**

Three month process to invest in a new franchise and receive your E-2 or L-1 Visa

#### **Franchise Steps**

##### **Step 1:** Franchise Consultation with Visa Franchise

Review GulfUS Capital's services and learn more about the client's specific needs (location, industry, etc.)

Duration: ~1-week

##### **Step 2:** Personalized Franchise/Business Search

Begins once Visa Franchise is engaged and client onboarding is completed. Duration: 3-4 weeks

##### **Step 3:** Presentation of 4-5 Franchises

Followed by introductions to franchisors and franchisees. Duration: 1 month

##### **Step 4:** Deal Finalization

Execute contract with franchisor and invest in franchise. Duration: 1 month

#### **Legal Steps \***

##### **Step 1:** Legal Consultation

Meet with attorney to determine applicable visa category per investor's eligibility and needs. Duration: ~1-week

##### **Step 2:** Contract Legal Services

**Contract your immigration attorney and begin work on visa application. Duration: 3-4 weeks**

##### **Step 3:** Review FDD

Attorney to review the Franchise Disclosure Document (FDD) and set up the legal structure. Duration: 1 month

##### **Step 4:** Petition Submission

After attorney has all necessary documentation and has completed the petition, he will submit it to USCIS\*\* or provide you the petition for your interview at the consulate. Duration: 1 month

#### **Visa Investment Pros & Cons**

There are many important factors to consider when investing in a new franchise. There are over 5,000 franchise brands and 795,000 locations, which can be quite overwhelming for a prospective investor. When making a decision to move to the U.S. through an investor visa, it is best to analyze the benefits and drawbacks of the various investment options.

### **Option 1: Buy Existing Business**

**Pros:** Business is already operational

Inherit customer base

Historical financial figures

**Cons:** Fraudulent financial figures

Very unlikely to find a successful existing business for sale

### **Option 2: Open New Independent Business**

**Pros:** More entrepreneurial

Potential for higher return

**Cons:** Increased investment and business risk

Unfamiliar market

Competitive market landscape

### **Option 3: Open New Franchise Business**

**Pros:** Support from the franchisor

Established business model

Economies of scale

**Cons:** Costs associated with gaining franchise rights

Restrictions imposed by franchisor

## Frequently Asked Questions

### Franchising

#### 01 What is Franchising?

Franchising is a method of distributing products or services. Each franchise system typically includes the franchisor, who lends the brand and business system; and the franchisee, who pays a royalty and often an initial franchise fee for the right to do business under the franchisor's name and system.

#### 02 Can I invest in a franchise that is well known in my home country?

Foreign franchises can be quite successful in the U.S. but generally after several adjustments to their business model. We prefer to work with foreign franchisor brands that have at least few units operating in the U.S. and a track record of success.

#### 03 What are the major growth industries in franchising?

Industries in franchising that are expected to continue to experience rapid growth for the coming years are largely in the service-related fields such as:

Fitness

Healthcare/Senior Care

Education

Pet Care

Cleaning Services

There are many opportunities across specific sub-segments of industries like quick service restaurants as well. Industry growth is a key part to understand before investing in a franchise, however, it is key to also analyze an individual franchise company's track record. Consult with Visa Franchise to learn more.

#### 04 What should I consider before buying a franchise?

Among the points which the International Franchise Association (IFA) recommends for investigation include:

## **The type of experience required in the franchised business;**

A complete understanding of the business;

The hours and personal commitment necessary to run the business;

Who the franchisor is, what its track record has been, and the business experience of its officers and directors;

How other franchisees in the same system are doing;

How much it's going to cost to get into the franchise;

How much you're going to pay for the continuing right to operate the business;

If there are any products or services you must buy from the franchisor and how and by whom they are supplied;

The terms and conditions under which the franchise relationship can be terminated or renewed, and how many franchisees have left the system during the past few years;

The financial condition of the franchisor and its system.

## **05 How much capital is needed to buy a franchise?**

Investment requirements range greatly depending on the franchise, location and industry. Total start-up costs can range from \$20,000 to over \$1,000,000, depending on the franchise selected.

## **06 Am I Able To Negotiate The Terms Of The Franchise Agreement?**

For 99% of franchises, the franchise fee, ad-fund, and royalties are non-negotiable. Even for investments in multiple units there usually prearranged discounts on the franchise fee. Other minor terms might be negotiated with the help of a qualified franchise attorneys.

## **07 There Is A Lot Of Free Information On Many Franchises Found On The Internet, Why Should I Engage Visa Franchise's Services?**

Visa Franchise has spent a few years analyzing and reviewing countless franchises on behalf of our clients. This has enabled us to find the best opportunities that are available to foreign nationals and have territory availability throughout the United States. We have reviewed over 1200 businesses and only about 90 have passed our stringent criteria to be offered to clients. There are other franchise consultant sites, which publish the 500-600 franchises that they work with. Regularly, we review their portfolio and might only overlap on 5-7 franchises from their entire 500+ franchise list. There are many franchises but they are not all created equal.

## **08 What Are The Risks Of Starting My Own Business? Why Should I Trust In A Franchise?**

Starting your own business in the United States is possible, but very difficult. There are numerous obstacles that a foreign national faces with starting their own business. More information can be found [here](#).

Visa Franchise does research and analysis of franchise investments on a continuous bases. So far we have analyzed more than 1200 franchises, yet we are only working with roughly 90 that we are comfortable

presenting to clients. The criteria we use with the support of the franchisors decreases risk for our clients.

### 09 What Are The Benefits I Receive From Investing In A Franchise, Paying The Franchise Fee, And Partaking In Ongoing Royalties?

The cost associated with franchising enable the franchisee to receive all the support and benefits of the franchise. These benefits include: site selections, development support, training, marketing, and ongoing operational support. Additionally, the cost allows the franchisee the right to use a brand with a well-established business model and name.

### 10 Do You Work With Global Franchises Such As Burger King, Starbucks, And Dunkin Donuts?

We do have relations with a number of global franchise brands with units around the world. However, the bigger and more established brands typically require a minimum development of three or more units which raises

### 11 I Would Like A Salary Of \$5000 Or \$6000 A Month. How Much Should I Invest? And, After How Long Will I Get My Investment Back?

That's a great question that we receive all the time. That answer depends on a variety of factors e.g. location, industry, how many hours you are willing to work, and if your spouse works with you. The variability of factors is too high for us to give a concrete answer. We general don't recommend franchises that would have net profits of less than \$5,000 for an owner operator.

### 12 I'm A Bit Lost, What Are Ad-Fund, Royalties, And FDD?

The Ad-fund is a fee on franchisees that adds to a company advertising fund. This fee is a payment on the advertising and marketing that the corporate company provides to all of the franchises.

Royalties are percentage or fixed payments paid to the corporate company on a regular basis. This fee is the ongoing payment for the right to use a company's brand name.

The FDD, Franchise Disclosure Document, is the legal document given to potential franchise buyers in order to promise their disclosure of private corporate information.

For other franchise terms like these see our glossary terms article.

### 13 How Long Would It Take If I Wanted To Invest As Soon As Possible In A Franchise?

As per our process, it takes about a month or more to decide on a franchise to invest in once we have completed our search and analysis.

### 14 Can I Buy Multiple Franchises At Once?

It is advised to start small if this is your first investment in a real business (non-financial market investment) in the US. After operating the first unit, you can always open up more franchises in the same brand. That being said, there are many U.S. franchises that require a commitment of atleast 3 franchises over a certain time frame (generally 2-3 years).

### 15 Can I Invest In Any Franchise The Same Way As An American?

Visa Franchise has completed research and analysis on over 1200 franchises on behalf of our clients. Unfortunately, roughly 30% of franchises do not accept franchisees who are not already Americans or green card holders. Typically, the franchises with these restrictions are the more established and well-known companies, such as Subway, Dunkin Donuts, and Baskin Robbins. However, Visa Franchise specializes in working with franchises that are more than willing to accept franchisees that are foreign nationals pursuing an investor visa.

### 16 Will The Franchisor Give Me Employees Or Will I Have To Find The Employees Myself?

The franchisor will support you with training and depending on the franchise, they help with recruiting employees as well.

### 17 Are There Special Qualifications That I Have To Meet To Become A Franchisee? (Past Jobs Etc.)

Some franchises are much more stringent than other franchises, and will vet your previous work experience, net worth, liquid cash, as well as other criteria. In general, the franchises want someone that is entrepreneurial and willing to roll up 'their sleeves' to get the job done!

### 18 What Is The Largest Investment That I Could Do?

At Visa Franchise, we have advised clients who are opening up multiple franchises given their experience in the U.S. or their past jobs in management that surmount to well over \$1 million.

### 19 In What Industries Does Visa Franchise Have Franchise Opportunities?

Visa Franchise works with many franchises within a diverse range of industries. We are always adding franchises in new industries to our portfolio based off our research and analysis work we do for our clients.

Some of these industries include:

Fitness

Healthcare/Senior Care

Education

Pet Care

Cleaning Services

Property Management

Healthy Fast Food

Halal Food

Better Burger

Frozen Desserts

Mobile Auto Services

## 20 In Which Cities Or States Does Visa Franchise Have Franchise Opportunities?

Visa Franchise works with franchises with territory availability throughout the US. Many of our clients choose to reside in Florida, Texas, California, New Jersey, Pennsylvania, Virginia, Boston, Chaco and New York but we've worked with clients throughout the U.S. and regularly travel on-site.

## 21 I'm Not 100% Confident In My English Abilities. How Can I Best Communicate With A Franchisor?

Many franchisors do require that the franchisee speaks professional level English. We have some clients who will have another partner as a franchisee that will facilitate the English requirement. Also, Visa Franchise has franchisors who speak many different languages, including: English, Spanish, Portuguese, French, Turkish, Chinese, Italian and many other languages.

If you have any questions regarding these terms or franchising in general, please feel free to call (+18454808762) or email us (advser@gulfuscapital.com) at GulfUS Capital anytime!

# Investor Visas

## 01 What Is The Minimum Franchise Investment Needed For An L-1 Or E-2 Visa?

There are no set minimums for either visa category but we recommend a total investment of at least \$150,000 for the E-2 and L-1 visa.

## 02 What Are The Requirements For An E-2 Visa?

E-2 Treaty Investor Visa: Allows a national of a "treaty country" – a country with which the U.S. maintains a treaty of commerce and navigation – to be admitted to the United States when investing a substantial amount of capital in a U.S. business;

The U.S. E-2 business must be majority owned by nationals of the treaty country

Examples of treaty countries: Argentina, Colombia, Ecuador, France, Germany, Italy, Japan, Mexico, Spain & United Kingdom (complete list: <http://travel.state.gov/content/visas/en/fees/treaty.html>);

Although Brazil and Venezuela, are not treaty countries, many investors qualify for the E-2 visa through dual-nationality with countries like Italy, Spain and Grenada;

The investment must be substantial in relation to the type and size of the business often times a minimum of \$150,000;

The E-2 business must be an enterprise with sufficient profits to support the investor's family.

## 03 What Are The Benefits Of The E-2 Investor Visa?

- May be extended indefinitely
- May sponsor other essential employers that have same nationality
- Short processing time often less than one month
- Minors under 21 can attend school and spouse can obtain work authorization

#### **04 My Ancestors Are From An E-2 Treaty Country And I Think I Might Be Eligible For Citizenship. Does Visa Franchise Help In Obtaining Spanish, Italian, French, Or Other Country Citizenships?**

Visa Franchise works with firms who have helped thousands of people obtain their European citizenship. Contact us if you are interested in exploring this option.

#### **05 How Do I Know Which Investor Visa Is The Right One For Me?**

The overview of investor visas can be on our website. BUT note this is just an overview. It is always advised to seek immigration advice ONLY from licensed immigration attorneys.

#### **06 What Is A U.S. Green Card, How Can I Become An American Citizen?**

A green card is a permanent residence card in the US that can be obtained through employment, investment, or family. Depending on how you obtain the green card, you may be eligible to apply for US citizenship in 5 years or before.

#### **07 EB-5 Investment Must Be “At Risk” For A Period Of No Less Than 5 Years: How Can An Investment At Risk Be Identified?**

An investment that is “at risk” is one that does not have any guarantees that you will receive a return of your investment. The reason that the investment must be at risk is to ensure a larger commitment from the investor to create jobs and stimulate revenue.

#### **08 Which Visa Should I Get If I Want To Become A U.S. Citizen?**

Among other visas, the EB-5 and L-1 visas have a direct path to U.S. citizen.

#### **09 Which Visa Should I Get If I Don’t Want To Become A U.S. Citizen?**

Although the E-2 visa may have indirect paths into obtaining a green card for those interested ([see Forbes article](#)), it does not have a direct path to obtaining the green card nor US citizenship.

#### **10 What If My Franchise Fails, Will I Be Kicked Out Of The Country?**

This largely depends on the visa class that you apply for. Keep in mind that after 10 years, 90% of franchises are still in operation. For the E-2 investor visa, your visa is no longer valid if you close your business (voluntarily or involuntarily).

#### **11 Do I Need To Be Handling The Day To Day Operations Of My Franchise?**

Most of the investor visas require you to direct and develop the business so it’s important to seek the guidance of an immigration lawyer to best understand this requirement. We do work with franchises where you can hire a general manager in which the role of the franchise investor will vary. Additionally, many franchises can be run semi-absentee after being established for a year or so. Frequently, our clients plan to open multiple units and take on more of an executive role.

## 12 Would I Be Able To Sell My Franchise If I Want To? What If I Want To Sell My Franchise Before My Visa Expires, Will I Be Kicked Out Of The Country?

This is largely depend on the visa that you hold and the corporate structure that you establish with your attorney. At times, you can sell one investment you might have done and reinvest into another franchise opportunity and keep your visa.

## 13 What Are The Benefits To An E-2 Compared To An EB-5 Visa?

### E-2 vs. EB-5 Visa



**The E-2 visa has a lower investment amount and a shorter processing time**

	E-2 Visa	EB-5 Visa
<b>Minimum investment</b>	No set minimum but generally \$150,000	\$500,000 subject to increase to \$1,300,000 (Sept. 2017)
<b>Processing time</b>	~2 month	Greater than 18 months (depending on nationality of birth)
<b>Who is eligible?</b>	70+ nationalities where the U.S. maintains a treaty of commerce and navigation	Any nationality
<b>Type of investment</b>	Operating business	Regional Center (passive investment) or operating business
<b>Job creation minimum</b>	2+ American jobs	10+ American jobs
<b>Term</b>	5 years; renewable	2 year conditional greencard; permanent greencard dependent on job creation
<b>Ownership stake</b>	At least 50% ownership in the operating business	No set minimum

\*This chart is meant as a reference. It is always advised to consult with an immigration attorney.

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## 14 Are There A Minimum Amount Of Jobs That The E-2 Visa Must Create?

The E-2 visa category does not stipulate a job creation amount; however, every immigration attorney recommends at least 2 jobs to be created.

## 15 Instead Of Investing In A Franchise, Can I Invest In My Own Business And Obtain The E-2 Visa?

It is possible to obtain an E-2 visa through creating your own business in the United States, though it adds much more risk. We would recommend obtaining an E-2 visa through investing in a franchise because you gain support from your franchisor, use an established business model, and have economies of scale. More information about the benefits can be found [here](#).

## 16 I Am Worried About The Fiscal And Tax Implication Of Moving To The US With An Investor Visa. Does Visa Franchise Help With This?

GulfUS Capital is not licensed to provide any legal or accounting advice, however we do have a network of accountants and tax attorneys who can provide support to our clients. *\*This information is meant as a reference and it is always advised to consult with an immigration attorney*