

Considerations for L-1 Start Up Companies Under a New Administration

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Business ventures in the U.S. are reaching new heights. According to [data published by The White House](#), entrepreneurs have filed over 20 million new business applications in the last four years. European companies are among those that continue to look to the U.S. for business opportunities, including those originating in Germany, France, the United Kingdom, and Italy.

The global expansion of companies in Europe and other regions has created an increased demand for non-U.S. workers to fill professional, managerial, and other roles in the U.S. This need may stem from companies, including U.S.-based entities, facing challenges in finding qualified talent within the local market. Additionally, the transfer of foreign talent is often driven by the need to share specialized knowledge or company practices with U.S.-based teams, particularly during the early stages of business development.

The [L-1A nonimmigrant classification](#) allows U.S. employers to transfer executives or managers from affiliated foreign offices to an office in the U.S. and enables foreign companies without a U.S. affiliate to send an executive or manager to establish one.

A change in administration can also bring changes in interpretation or scrutiny for certain visa types. According to a report published by the U.S. Citizenship and Immigration Services (USCIS), denial rates for L-1 petitions dropped from 18.2 percent in FY 2021 to 9.2 percent in FY 2024. L-1 petition denial rates were highest during the first Trump administration, reaching 25 percent in FY 2019 and 21.6 percent in FY 2020. Since then, the denial rate has steadily decreased, dropping to 18.2 percent in FY 2021, 15.1 percent in FY 2022, 11.5 percent in FY 2023, and 9.2 percent in FY 2024.

The full report can be viewed on the [USCIS website](#) at by clicking on the dropdown menu for Fiscal Year 2024: Quarter 4 Data Reports, July-September 2024, and searching for the Nonimmigrant Worker Petitions by Case Status and Request for Evidence (RFE) (Fiscal Year 2024, Quarter 4).

Although recent data shows a decrease in denial rates, a consideration of past trends is in order

when planning for the near future.

Companies that wish to establish a new office in the U.S. can put their best case forward by:

- Simplifying complicated ownership structure by providing an organizational chart containing percentages of ownership, all corporate bona fides for the entity abroad and in the U.S. The inclusion of partnership or operational agreements can also aid in proving a qualifying relationship between the entity abroad and in the U.S.
- Providing a clear explanation of the manager or executive's duties in their positions abroad and in the U.S. to include percentages of time estimated to be spent fulfilling each responsibility or duty
- Providing detailed breakdowns of the teams or departments that support the manager or executive abroad, as well as teams or departments that will support them in the U.S. Organizational charts that indicate names and titles, copies of degrees or educational credentials, description of job duties, resumes, and employment verification letters for the supporting personnel help illustrate executive capacity.
- Other items such as a business plan, hiring plan, and U.S. client agreements can help demonstrate an entity is operational.

Companies planning to expand into the U.S. should work closely with immigration counsel to determine the best strategy for obtaining employment authorization for executives and managers, ensuring a smooth and successful expansion.

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