U.S. Citizenship and Immigration Services

Non-Precedent Decision of the Administrative Appeals Office

In Re: 40212181

Date: OCT. 30, 2025

Appeal of Service Center Operations Decision

Form I-129, Petition for a Nonimmigrant Worker (L-1A Manager or Executive)

The Petitioner,[1] a security services business, seeks to temporarily employ the Beneficiary as the managing member of its new office under the L-1A nonimmigrant classification for intracompany transferees. *See* Immigration and Nationality Act (the Act) section 101(a)(15)(L), 8 U.S.C. § 1101(a)(15)(L). The L-1A classification allows a corporation or other legal entity (including its affiliate or subsidiary) to transfer a qualifying foreign employee to the United States to work temporarily in a managerial or executive capacity.

Service Center Operations (SCOPS) denied the petition, concluding that the record did not establish that the Petitioner has a qualifying relationship with the Beneficiary's claimed foreign employer. The matter is now before us on appeal pursuant to 8 C.F.R. § 103.3.

The Petitioner bears the burden of proof to demonstrate eligibility by a preponderance of the evidence. *Matter of Chawathe*, 25 I&N Dec. 369, 375-76 (AAO 2010). We review the questions in this matter de novo. *Matter of Christo's, Inc.*, 26 I&N Dec. 537, 537 n.2 (AAO 2015). Upon de novo review, we will dismiss the appeal.

I. LAW

To establish eligibility for the L-1A nonimmigrant visa classification in a petition involving a new office, a qualifying organization must have employed the beneficiary in a managerial or executive capacity for one continuous year within three years preceding the beneficiary's application for admission into the United States. 8 C.F.R. § 214.2(l)(3)(v)(B). In addition, the beneficiary must seek to enter the United States temporarily to continue rendering his or her services to the same employer or a subsidiary or affiliate thereof in a managerial or executive capacity. *Id*.

The term "new office" refers to an organization which has been doing business in the United States for less than one year. 8 C.F.R. § 214.2(l)(1)(ii)(F). A petitioner seeking approval of an L-1A new

[1] On the Form I-129, Petition for a Nonimmigrant Worker, and Form I-290B, Notice of Appeal or Motion, the Petitioner stated its company name as [redacted] We observe that the company's registered name, according to a submitted copy of its Certificate of Filing with the Texas Office of the Secretary of State, is [redacted]

office petition must submit evidence to demonstrate that the new office will be able to support a managerial or executive position within one year. This evidence must establish that the petitioner secured sufficient physical premises to house its operation and disclose the proposed nature and scope of the entity, its organizational structure, its financial goals, and the size of the U.S. investment. *See* 8 C.F.R. § 214.2(l)(3)(v).

II. ANALYSIS

The sole issue addressed by SCOPS is whether the Petitioner established that it has a qualifying relationship with the Beneficiary's claimed foreign employer.

To establish a "qualifying relationship," an L-1 petitioner must show that a beneficiary's foreign employer and the proposed U.S. employer are the same employer (i.e., one entity with "branch" offices) or related as a "parent and subsidiary" or as "affiliates." *See* section 101(a)(15)(L) of the Act; *see also* 8 C.F.R. § 214.2(l)(1)(ii) (providing definitions of the terms "parent," "branch," "subsidiary," and "affiliate"). A "subsidiary" is a legal entity of which a parent owns, directly or indirectly, more than half of the entity and controls the entity; owns directly or indirectly half of the entity and controls the entity; or owns, directly or indirectly, less than half of the entity but in fact controls the entity. *See* 8 C.F.R. § 214.2(l)(1)(ii)(K).

In its decision, SCOPS acknowledged the Petitioner's claim that it is a subsidiary of the Beneficiary's foreign employer but denied the petition because the foreign entity does not hold any ownership interest in the petitioning company. Rather, the record shows that the Beneficiary wholly owns the Petitioner, and there is no common ownership between the two entities.[2]

On appeal, the Petitioner asserts that SCOPS misunderstood the organization's ownership and control structure. It contends that the Beneficiary's ownership of the U.S. company is only temporary, while "the foreign parent retains de facto and strategic control over the U.S. entity's operations, decisions and governance, thereby satisfying the qualifying relationship requirement under L-1A regulations."

For the reasons provided below, we agree with SCOPS that the Petitioner has not demonstrated a qualifying relationship with the foreign entity.

The Petitioner stated on the Form I-129, Petition for a Nonimmigrant Worker, that the Beneficiary "temporarily" owns 100% of the U.S. company. As evidence of its ownership, the Petitioner provided its certificate of formation filed in Texas in November 2023, which indicates that the Beneficiary is its managing member and sole "governing person," along with copies of its operating agreement and membership certificate, both dated November 4, 2024, which identify the Beneficiary as the managing member of the single member limited liability company. The Petitioner's initial evidence also included a letter from the foreign entity, dated November 13, 2024, which addressed the Beneficiary's claimed temporary ownership:

[2] The record includes the foreign entity's corporate filings with the Nigerian Corporate Affairs Commission, which show it is owned by four individuals as follows: D-D- (18,000,000 shares); T-D- (7,000,000 shares); J-D- (4,900,000) and B-O- (100,0000 shares). The Beneficiary does not have an ownership interest in the foreign company.

> [T]he subsidiary will work under the hold of the foreign entity but to run the US operations smoothly, the management decided to give 100% ownership of the US subsidiary to the proposed representative i.e., [the Beneficiary]. Once the tenure of the assignment is complete, the beneficiary is bound to return the ownership to the foreign entity without any right or demand.[3]

In a request for evidence (RFE), SCOPS advised the Petitioner that the initial evidence did not establish the claimed parent-subsidiary relationship, because it did not show that the foreign entity owns and controls the Petitioner.

In response to the RFE, the Petitioner stated its qualifying relationship with the foreign entity is documented through "internal records" such as "board-level decisions and formal resolutions." The Petitioner explained that the foreign entity "made a strategic decision to temporarily assign 100% ownership to the beneficiary" for the sole purpose of facilitating the setup of the U.S. company's bank account, noting that "banking regulations in the U.S. require the major stakeholder to be physically present to open a business account."

In support of this claim, the Petitioner submitted: the minutes of a meeting held by the foreign entity's managerial staff on October 30, 2024; an "Intracompany Agreement for Financial and Operational Commitment" dated November 14, 2024; and a "Letter of Authorization - Declaration of Control" signed by the Beneficiary and the foreign entity's managing director on November 14, 2024. Collectively, these documents indicate the parties' agreement that: (1) the foreign entity maintains full control over the "strategic, financial and operational aspects" of the Petitioner and will provide $40,000 in operating capital; (2) the Beneficiary's 100% ownership of the U.S. company is temporary and necessitated by banking restrictions; (3) the Beneficiary will promptly transfer 100% ownership of the U.S. subsidiary back to the foreign entity after opening a corporate bank account; and (4) "the interim ownership structure is solely established to expedite operational establishment procedures" and does not alter the foreign entity's "control of the US subsidiary."

SCOPS concluded that the Petitioner does not qualify as a subsidiary of the foreign entity, as that term is defined at 8 C.F.R. § 214.2(l)(1)(ii)(K), because the record did not show that the foreign entity holds any ownership interest in the Petitioner. SCOPS further found that the Petitioner did not meet its burden to demonstrate that the foreign entity exercises de facto control over its operations in the absence of any shared ownership.

On appeal, the Petitioner emphasizes, as it did in response to the RFE, that the Beneficiary's ownership of the company is "strictly temporary," was established "purely out of necessity due to U.S. banking regulations and logistical requirements," and it "in no way reflects a substantive deviation from the qualifying relationship required under the L-1A visa classification." The Petitioner contends the foreign entity "retains de facto and strategic control over the U.S. entity's operations, decisions, and governance" and therefore qualifies as a parent company. The Petitioner also submits additional evidence in support of the appeal, including a board resolution authorizing "the temporary assignment

[3] A "Contract of Representation" submitted at the time of filing indicates that the Beneficiary agreed that he would undertake a two-year assignment as the Petitioner's managing member, subject to extension at the foreign entity's discretion.

of [the Petitioner's] full legal ownership" to the Beneficiary, and a "Letter of Authorization – Declaration of Temporary Control for [the Petitioner]," declaring that the Beneficiary's temporary ownership does not alter the foreign entity's control of the U.S. company. Both documents are dated November 13, 2024, and were executed by the Beneficiary (as authorized representative) and by all owners of the foreign entity.[4]

The Petitioner's arguments are not persuasive. Regulation and case law confirm that ownership and control are the factors that must be examined in determining whether a qualifying relationship exists between United States and foreign entities. *See, e.g.*, *Matter of Church Scientology Int'l*, 19 I&N Dec. 593 (Comm'r 1988); *Matter of Siemens Med. Sys., Inc.*, 19 I&N Dec. 362 (Comm'r 1986); *Matter of Hughes*, 18 I&N Dec. 289 (Comm'r 1982). Ownership refers to the direct or indirect legal right of possession of the assets of an entity with full power and authority to control; control means the direct or indirect legal right and authority to direct the establishment, management, and operations of an entity. *Church Scientology Int'l*, 19 I&N Dec. at 595. Control may be de jure, by reason of ownership of more than 50 percent of outstanding stocks of the other entity or it may be de facto, by reason of control of voting shares through partial ownership and possession of proxy votes. *Hughes*, 18 I&N Dec. at 293.

Here, despite the Petitioner's claim that it is a subsidiary of the foreign entity, the record indicates that the Beneficiary is its sole legal owner. On appeal, the Petitioner claims that he owns the U.S. company "in name only," that he "holds it in trust on behalf of the foreign parent company," and that he has no economic interest in the U.S. company and is not entitled to profits or losses. However, it does not point to evidence in the record that supports these claims. The record shows that the foreign entity authorized the Beneficiary's "full legal ownership." Further, the Petitioner's operating agreement identifies the Beneficiary as its sole member, expressly states at Article III that the company's net profits and losses will be allocated to the sole member, and contains no references to the foreign entity. Therefore, the Petitioner's suggestion that the Beneficiary should not be recognized as its legal owner is not persuasive.

We also acknowledge the Petitioner's consistent claim that the Beneficiary's ownership is temporary, and that all relevant parties agreed that he will transfer full ownership to the foreign entity in the future. However, it is the Petitioner's burden to demonstrate eligibility for the benefit sought at the time of filing, and to provide all initial evidence required by the applicable regulations. *See* 8 C.F.R. § 103.2(b)(l); *see also Matter of Katigbak*, 14 I&N Dec. 45, 49 (Reg'l Comm'r 1971). A nonimmigrant petition requesting L-1 classification must be accompanied by evidence that the petitioning entity and the organization that employed the beneficiary abroad are qualifying organizations. *See* 8 C.F.R. § 214.2(l)(3)(i). The Petitioner cannot establish eligibility based on its claim that a parent-subsidiary relationship between the two entities would be established in the future.

We now turn to the Petitioner's claim that, notwithstanding the Beneficiary's sole legal ownership of the U.S. entity, the foreign entity "retains de facto and strategic control over the U.S. entity's operations, decisions, and governance." The Petitioner contends that this de facto control is sufficient to demonstrate the required parent-subsidiary relationship. We disagree.

[4] Although the Petitioner states these documents were submitted previously, the record indicates this evidence was not included with the initial petition filing or RFE response.

The regulation at 8 C.F.R. § 214.2(l)(1)(ii)(I) defines "parent" as a "legal entity which has subsidiaries." The definition of "subsidiary" includes a legal entity of which a parent owns, directly or indirectly, less than half of the entity, but in fact controls the entity. 8 C.F.R. § 214.2(l)(1)(ii)(K). However, the definition does not state that a parent-subsidiary relationship exists, where, as here, a claimed parent entity has *no* direct or indirect ownership interest in a claimed subsidiary entity. Therefore, the Petitioner's claim that it can establish a parent-subsidiary relationship based solely on the foreign entity's claimed de facto control over the U.S. entity is unpersuasive. For purposes of the regulations governing the L-1 classification, a qualifying relationship does not exist where there is no shared ownership between the two entities. *See* 8 C.F.R. § 214.2(l)(1)(ii); s*ee also Matter of Hughes*, 18 I&N Dec. at 293 (explaining that de facto control requires at least partial common ownership).

The Petitioner also maintains that "temporary operational setups involving nominee or proxy owners during entity formation are common practice in cross-border corporate structuring, especially where legal or banking constraints require local presence." As noted, the Petitioner reiterates that unspecified banking regulations or other legal constraints prevented the foreign entity from establishing a wholly owned subsidiary in the United States as it originally intended.[5] The Petitioner has not documented or specified the regulations that prevented it from doing so. Even if the record demonstrated that the foreign entity was constrained in this way, such obstacles would not exempt it from meeting all eligibility requirements for the requested L-1 classification as of the date of filing, including the requirement to demonstrate a qualifying relationship between the Petitioner and the Beneficiary's foreign employer that is based on common ownership and control.

Based on the foregoing, the Petitioner has not established that it has a qualifying relationship with the Beneficiary's claimed foreign employer.

III. ADDITIONAL ISSUES

Although not addressed in SCOPS' decision, the record as presently constituted contains insufficient evidence to establish that the Petitioner secured sufficient physical premises to house its new office as required by 8 C.F.R. § 214.2(l)(3)(v)(A). The Petitioner filed this petition in January 2025 and stated on the petition that the Beneficiary would be employed at a worksite in [redacted] Texas. However, as evidence that it had secured premises to house its office, the Petitioner provided a lease agreement for an office in [redacted] Texas, which was executed by the Beneficiary in April 2024 and valid beginning on May 1, 2024. The record therefore contains inconsistent information about the Petitioner's intended office location and lacks a lease agreement for the worksite location stated on the petition.

[5] There are inconsistencies in the record that undermine the Petitioner's claim that the Beneficiary was not its original intended owner. The board resolution submitted on appeal, executed by the foreign entity's owners on November 13, 2024, states that the Board determined on that date that there would be a "temporary assignment of ownership of the US subsidiary due to regulatory and banking requirements in the United States." The resolution specifies "full ownership and control" of the Petitioner would then revert to the foreign entity once a bank account has been opened. However, the Petitioner named the Beneficiary as its sole owner when it filed its certificate of formation in Texas in November 2013. Further the record indicates that at the time the board resolution was executed, the Beneficiary had already been issued a membership certificate in the U.S. company and executed its operating agreement as its managing member and sole owner.

Further, to meet the L-1 classification's foreign employment requirement, the Petitioner must establish that the Beneficiary has at least one continuous year of full-time employment abroad with a qualifying organization within the three years preceding the filing of the petition. 8 C.F.R. § 214.2(l)(1)(iii). The Petitioner states that its claimed foreign parent has employed the Beneficiary since 2009 and provided one year of monthly pay slips and other evidence in support of that claim. However, government records indicate that the Beneficiary has stated on seven consecutive nonimmigrant visa applications, submitted to the U.S. Department of State between 2010 and 2023, that he has been employed abroad as the managing director of a Nigerian company called [redacted] since 2008.[6] Therefore, even if the Petitioner were to establish its qualifying relationship with the Beneficiary's claimed foreign employer, additional evidence would be needed to demonstrate his continuous full-time employment with that company during the relevant three-year period.

While these unresolved inconsistencies are not grounds for our dismissal of this appeal, the Petitioner should address these concerns in any future filings, whether in further pursuit of the instant petition or with regard to any other employment-based petition where these issues are relevant to eligibility.

IV. CONCLUSION

For the reasons discussed, the Petitioner has not established that it has a qualifying relationship with the Beneficiary's claimed foreign employer. Accordingly, the appeal will be dismissed.

ORDER: The appeal is dismissed.

NOTICE: This constitutes the final decision in this matter. The filing of a motion will not postpone the effect of the decision. 8 C.F.R. § 103.5(a)(1)(iv). Aliens who are not lawfully present, or who are otherwise inadmissible or deportable, may be subject to the commencement of removal proceedings under section 240 of the Act through the issuance of a Form I-862, Notice to Appear. Those proceedings may result in their removal from the United States and possible ineligibility for future visas or other immigration benefits.

[6] By signing the Form I-129 at Part 7, the Petitioner acknowledged that any evidence submitted in support of the petition may be verified by USCIS through appropriate means.