



The extended visas will make it easier for Chinese investors to visit the United States and buy into real estate. Photo: MCT

## Longer visas a boon for investors

### Major economic benefits expected to flow to United States with extensions to travel permits

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Extended visas announced by US President Barack Obama during the Apec Summit in Beijing will boost private equity investment, real estate deals and cross-border transactions, lawyers say.

The United States and China announced on Wednesday that they had each extended the validity of business and tourist visas to up to 10 years, and student and exchange visas to up to five years.

Before the announcement, Chinese business travellers and tourists had to apply for a new visa to the US every year.

"This will boost cross-border economic activity," said Rocky Lee, Asia managing partner at the

Cadwalader, Wickersham & Taft law firm. "I see more Chinese individuals and institutions buying more US-based assets. Being able to show up to where the asset is situated is very important.

"Historically, when a Chinese buyer bid on an asset, he or she was a faceless entity. How can sellers in the US feel comfortable with a deal having never met the buyer? Sellers often fail to understand that the buyer can't send big teams to the US to execute the deal because of visa constraints."

Last year, 1.8 million Chinese visitors to the United States contributed US\$21 billion to the American economy and supported more than 100,000 American jobs, Obama said during his speech at the Asia-Pacific Economic Cooperation forum. A

competitive visa arrangement could bring as many as 7.3 million Chinese travellers to the US by 2021, contributing US\$85 billion a year to the economy and supporting up to 440,000 US jobs, the White House said.

According to the US Department of State, the US issues nearly 2 million non-immigrant visas in China each year.

The new visa policy will offer more frequent access to the US.

For that reason, it was likely to drive up private equity investments and real estate deals, said Simon Chan, a partner at Dorsey & Whitney law firm.

"A large number of Chinese companies have bought entire buildings in the past two years for more than US\$500 million," Chan said. "The extended visas will help sustain the growth that we have been seeing."

Eugene Chow, an immigration lawyer based in Hong Kong, said the new visas would boost investment and tourism and conserve consulate resources. But there was also a higher risk of visa abuse.

"Before, travellers were assessed, especially regarding immigration intent, every time they applied for a visa. Now, travellers will have longer visas, and on each trip they will build roots, make friends. Some may try to overstay, or stay illegally."

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Business and tourist visas for Chinese visitors to the US will now be valid for this many years.