



## **IIUSA Statement on Marketing Hypothetical EB-5 Reform Outcomes as Certainties**

On December 7, 2017 Congress has passed a short-term “continuing resolution” that extends federal funding and the EB-5 Regional Center Program without changes. We anticipate that a deal may later be negotiated that could be a vehicle for more substantive reform. Until that time, it is imperative not to market EB-5 projects as though hypothetical outcomes of the legislative or regulatory process are certainties.

Marketing hypothetical outcomes as certainties to induce EB-5 investment (e.g. implying set-asides for rural/urban distressed projects where investors would bypass wait times caused by retrogression) is misleading and may be based on unreliable, incomplete, or incorrect information that has no legal effect at this time. Be reminded that the effect of specific EB-5 reform on current and future EB-5 investors is presently unknown and any marketing efforts to the contrary are inaccurate. IIUSA strongly encourages those marketing EB-5 projects to confer with their legal counsel to ensure that statements related to the legislative and regulatory process are accurate and not misleading.

2017 marked an increase in SEC enforcement actions related to EB-5 projects, criminal convictions related to fraud in connection with EB-5 projects, and many regional center terminations – all evidence of how EB-5 Program integrity is reinforced by our legal and regulatory systems. IIUSA is also committed to EB-5 Program integrity.

The first core principal of our Code of Conduct states: “We are guardians.” It obligates us to do our part to protect EB-5 investors and their families from fraud, misrepresentation, and unethical EB-5 business practices. Further, it obligates us not to misstate or omit material information in the course of our EB-5 business dealings.

IIUSA works closely with cross-sector partners worldwide to help educate EB-5 stakeholders on the EB-5 Regional Center Program, but we cannot do it alone. To ensure the success of the EB-5

Regional Center Program, each of you must do your part. Refer to IIUSA's Best Practices and abide by our Code of Conduct. Be a voice for integrity and hold each other accountable as we work together to build a long-term, stable path for the EB-5 Regional Center Program.

###