



**U.S. Citizenship
and Immigration
Services**

**Non-Precedent Decision of the
Administrative Appeals Office**

In Re: 19553755

Date: MAR. 18, 2022

Appeal of Texas Service Center Decision

Form I-129, Petition for Blanket L Approval

The Petitioner, a market research technology company, seeks approval of its blanket petition to facilitate the transfer of employees under the L-1 nonimmigrant classification for intracompany transferees. Section 101(a)(15)(L) of the Immigration and Nationality Act (the Act), 8 U.S.C. § 1101(a)(15)(L) and section 214(c)(2)(A) of the Act, 8 U.S.C. § 1184.

The Director of the Texas Service Center denied the petition, concluding that the Petitioner did not establish, as required, that it has three or more domestic and foreign branches, subsidiaries, or affiliates that are engaged in commercial trade or services. The matter is now before us on appeal.

In these proceedings, it is the Petitioner's burden to establish eligibility for the requested benefit by a preponderance of the evidence. Section 291 of the Act, 8 U.S.C. § 1361; *Matter of Chawathe*, 25 I&N Dec. 369, 375 (AAO 2010). The Administrative Appeals Office (AAO) reviews the questions in this matter *de novo*. See *Matter of Christo's Inc.*, 26 I&N Dec. 537, 537 n.2 (AAO 2015). Upon *de novo* review, we will sustain the appeal.

I. LAW

Section 214(c)(2)(A) of the Act authorizes a procedure under which a qualifying importing employer may file a blanket petition to facilitate the transfer of L-1 intracompany transferees as an alternative to filing of individual petitions on behalf of such employees.

The regulation at 8 C.F.R. § 214.2(l)(4)(i) allows a petitioner to file a blanket petition to seek continuing approval of itself and some or all of its parent, branches, subsidiaries, and affiliates as qualifying organizations if:

- (A) The petitioner and each of those entities are engaged in commercial trade or services;
- (B) The petitioner has an office in the United States that has been doing business for at least one year;
- (C) The petitioner has three or more domestic and foreign branches, subsidiaries, or affiliates; and,

- (D) The petitioner and the other qualifying organizations have obtained approval of petitions for at least ten “L” managers, executives, or specialized knowledge professionals during the previous 12 months; or have U.S. subsidiaries or affiliates with combined annual sales of at least \$25 million; or have a United States work force of at least 1,000 employees.

The regulation at 8 C.F.R. § 214.2(l)(1)(ii)(I) defines a “parent” as a firm, corporation or other legal entity which has subsidiaries. The definition of “subsidiary” includes a legal entity in which a parent owns, directly or indirectly, more than half of the entity, and fact controls the entity. 8 C.F.R. § 214.2(l)(1)(ii)(K).

II. ANALYSIS

At issue in this matter is whether the Petitioner established that it has three or more domestic and foreign branches, subsidiaries, or affiliates that are engaged in commercial trade or services. The Director concluded that the Petitioner has only one qualifying foreign entity that is also a “commercial entity” and therefore concluded that the Petitioner did not meet all requirements set forth at 8 C.F.R. § 214.2(l)(4)(i)(A)-(D).

The Petitioner’s initial list of qualifying entities included the Petitioner itself as well as the following foreign entities:

Entities directly owned by the Petitioner:

- 1.
- 2.

Entities indirectly owned by the Petitioner through

- 3.
- 4.
- 5.
- 6.
- 7.

The Director issued a request for evidence (RFE) advising the Petitioner that it would need to supplement the record with additional documentation of the ownership and control of each entity, evidence that all listed entities are doing business as defined in the regulations, and evidence that the listed entities are engaged in “commercial trade or services.”

The Petitioner provided the requested evidence, but conceded that its wholly owned subsidiary, serves as a “true holding company” for most of its overseas operating companies, and as such does not meet the definition of “doing business” and is not “engaged in commercial trade or services.” The Petitioner submitted a revised schedule of domestic and foreign entities to be included on its blanket L petition. The amended list of qualifying entities excludes

The Director denied the petition. The Director acknowledged that the Petitioner established that it directly owns a controlling interest in both [redacted] (an operating company engaged in commercial services) and [redacted] (a holding company). The Director also determined that the Petitioner demonstrated that [redacted] wholly owns five subsidiary companies (located in the United Kingdom, Germany, Czech Republic, Singapore, and Australia) and that these five entities are engaged in commercial services.

However, the Director concluded that the Petitioner has a qualifying relationship with only one commercial entity, [redacted] and therefore does not meet the requirement stated at 8 C.F.R. § 214.2(l)(4)(i)(C). He explained that “as the non-commercial holding company possesses ownership and controlling interest of the indicated remaining commercial entities, a qualifying affiliate relationship (as defined in the regulations) is not demonstrated.”

On appeal, the Petitioner emphasizes that the Director erred by failing to recognize the indirect parent-subsidiary relationship between the Petitioner and the five foreign subsidiaries that it wholly owns through the United Kingdom holding company. The Petitioner maintains that the fact that those subsidiaries are directly owned by an entity that is not engaged in “commercial trade and services” does not prevent them from meeting the definition of “qualifying organization” for the purposes of inclusion on its blanket petition. We agree with the Petitioner that the Director erred in concluding that the Petitioner does not meet the eligibility requirements for a blanket L petition approval at 8 C.F.R. § 214.2(l)(4)(i)(A)-(D).

The Petitioner has established that it has six qualifying foreign subsidiaries which meet all requirements for inclusion on a blanket petition. Although five of those subsidiaries are owned indirectly through a foreign holding company that does not qualify for inclusion in the blanket petition, this corporate structure does not, by extension, disqualify those five entities from meeting the definition of “subsidiary” (which allows for indirect ownership by a parent company) or the definition of “qualifying organization.”

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. *Matter of Church Scientology Int’l*, 19 I&N Dec. at 595.

The record establishes that the operating companies in the United Kingdom, Australia, Germany, Czech Republic, and Singapore are ultimately wholly owned and controlled by the Petitioner (thus establishing a parent-subsidiary relationship), that they are doing business as defined in the regulations, and that they are otherwise engaged in “commercial trade or services.” The Petitioner has therefore established that it meets the requirements for a blanket petition approval at 8 C.F.R. § 214.2(l)(4)(i)(A)-(C). Further, the record demonstrates that the Petitioner reported annual domestic

sales of \$81.7 million on its latest corporate federal tax return and therefore satisfies the requirement at 8 C.F.R. § 214.2(l)(4)(i)(D).

Accordingly, we will withdraw the Director's decision and sustain the appeal. The blanket L approval notice should include all entities listed on the amended schedule of qualifying entities provided in response to the RFE.

ORDER: The appeal is sustained.