

DOCUMENTS TO PROVE LAWFUL SOURCE OF INVESTED FUNDS

By H. Ronald Klasko*

General Rules:

The USCIS requires that investors prove (1) that the source of the invested capital is “lawful,” and (2) that the investor has a “level of income” or has accumulated sufficient wealth that would enable the investor to invest.

An investor’s “self-serving” declarations are not enough to satisfy USCIS requirements for proof of either lawful source of funds or sufficient funds to invest.

All claims to the source of funds must be properly and thoroughly supported with documentary evidence of how the money was earned.

An investor should submit all of the following types of documentary evidence (copies are sufficient) for both the investor and the investor’s spouse, unless a particular category of documents is not relevant to the investor:

1. Financial Documents

- Complete tax returns (both individual and, if applicable, corporate or partnership tax returns) filed in any jurisdiction for each of the last five years. If earlier years tax returns show higher income, also submit tax returns reflecting the three years of highest income levels;
- Financial Statements – submit any financial statements that have been prepared for the investor personally or for the investor’s business. If available, audited financial statements are preferred.

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2. Investments

- Copies of all investment or securities accounts for the last three years (if significant gains on investments or securities transactions occurred before the last three years, include documentation of such transactions);
- Stock certificates;
- Bank Statements – Include one bank statement for each of the last three years for any bank accounts in which you maintained a substantial balance.

3. Business Documents

- Business registration records for all businesses in the U.S. or outside the U.S.;
- Business promotional materials, including website addresses;
- Documentation proving your ownership, directorship or officership in each company, including stock records, corporate minutes or other official documents;
- Documentation relating to sale of any business (documents should indicate the amount of proceeds you received from the sale);
- Accountant’s evaluation or appraisal of business for all businesses in which you own a controlling or substantial interest.

For each business, please indicate:

Name of Business:	Country incorporated:	Nature of business:	% of your ownership:	Salary/income earned:	Your share of profits or earnings:	Amount of your investment:

4. Real Estate

- Deeds and mortgage documents for all properties in which you own an interest;
- Documentation of all real estate purchases and sales;
- Appraisals for all real estate that you own;
- Lease documents for all real estate from which you earn lease income;

For all of your real estate assets, provide the following information:

Complete Address of Property:	
Listed Owners of Property:	
Purchase Price: \$	Date of Purchase:
Appraisal Price: \$	Date of Appraisal:
Mortgage Balance Due (if any): \$	Rental Income (if any): \$
Date of Sale:	Amount of Sale Proceeds: \$

5. Employment Documents

- Your resume;
- Your educational documents;
- Any employment confirmation or reference letters that you have (it is not necessary to obtain letters that you do not have);
- Employment contracts (if any);
- Professional licenses (if any).

6. Other Sources of Income

- Inheritance – all documents relating to inheritances you have received, including estate settlement of deceased;
- Divorce – all documents relating to income received from divorce, including alimony, property settlements, etc.;
- Lawsuits – all documents relating to dollars recovered in a civil lawsuit, including official judgment or decree of the court;
- Gifts – all documents relating to gifts, including registration of gift with tax authorities or other documents;

Provide details of each gift, including:

Date of Gift:	Name of Person Giving Gift:
Amount of Gift: \$	Reason for Gift:
Information Regarding the Source of Income of the Person Giving the Gift:	
Date of Gift:	Name of Person Giving Gift:
Amount of Gift: \$	Reason for Gift:
Information Regarding the Source of Income of the Person Giving the Gift:	

Loans – all loan documents, including promissory notes or other documents.

7. Court Proceedings

All documents relating to court proceedings in which you have been involved, whether civil or criminal, and whether as a plaintiff or defendant (include all official court records and legal judgments).

In addition to proof of the lawful source of the investor's funds, the USCIS insists on documentation that links the invested funds to the investor. It is best to be able to provide every document necessary to trace the invested funds from their source overseas to the investment in the U.S. The following documents may be used to meet this requirement:

1. wire transfer receipts;
2. deposit receipts;
3. bank statements showing withdrawal of the funds from one account and deposit of the funds in another account;
4. letter from the bank confirming the funds transfer.