

How a B2B company registers a supplier

An evidence-based walkthrough of the full registration pipeline — from document intake and entity verification to sanctions screening, factory qualification, contracting, payment terms and master-data controls — written for a sourcing company onboarding manufacturers in mainland China across multiple product categories.

WHAT THE EVIDENCE SAYS

- 1. Registration is an identity problem before it is a commercial one.** The authoritative check on a mainland Chinese counterparty is the 18-character Unified Social Credit Code (USCC) matched against the state registry — the code must be identical on the business licence, the registry record, invoices and the bank beneficiary name.
- 2. Screening is now multi-list and multi-tier.** US importers must clear suppliers against the OFAC SDN list, the BIS Entity List and the DHS UFLPA Entity List — and the UFLPA presumption reaches sub-suppliers, not just your direct vendor.
- 3. Qualification is cheap relative to exposure.** A third-party on-site factory audit clusters around US\$800–2,500 (median ≈ \$1,200); a virtual audit runs \$300–700. That is a small fraction of a 30% deposit on a mid-size order.
- 4. The 30/70 term protects the factory, not you.** Buyer protection comes from what you attach to the payment — inspection-linked balance release, contract, and verified bank details — not from the wire itself.
- 5. The largest live loss channel is payment-detail fraud.** The FBI's IC3 logged 24,768 BEC complaints and \$3.046bn in reported losses in 2025, up from \$2.77bn in 2024 — which is why bank-detail changes need out-of-band verification as a registration control.

REGISTRATION AT A GLANCE

8

gates from first contact to an approved, payable supplier record

18

characters in the USCC — the single key that unlocks every official Chinese record

2–6

weeks realistic elapsed time for a first-time China supplier, audit included

Figures are drawn from the sources listed at the end. Timeline is this brief's own synthesis of published audit and platform lead times, not a vendor-published figure.

1 • The pipeline

Every enterprise system — SAP Ariba SLP, Coupa Supplier Management, Oracle Fusion — implements the same skeleton: intake, questionnaire, verification, approval, activation. Ariba's own model is explicit about it: administrators define the number of external and internal questionnaires, the approvers and the workflow tasks in a registration project template, and a supplier cannot reach *Registered* status until every external questionnaire is approved and all workflow tasks are complete.

#	GATE	WHAT ACTUALLY HAPPENS	OWNER	TYPICAL TIME
01	Intake & sponsor	Internal requester records category, spend estimate, why this supplier. No spend request, no registration.	Category buyer	1 day
02	Document pack	Licence, tax, bank, export and product-compliance documents collected through one questionnaire, not email threads.	Supplier	2–5 days
03	Identity verification	USCC matched on the state registry; legal name, status, legal representative, registered capital and business scope reconciled.	Compliance	hours–2 days
04	Sanctions & forced-labour screening	Entity, owners and known sub-suppliers screened against SDN, BIS Entity List, UFLPA Entity List; screening evidence archived.	Compliance	1–3 days
05	Capability qualification	Document-based verification, then virtual or on-site audit; golden sample approved and retained.	Quality / sourcing	5–15 days
06	Commercial terms & contract	Price, Incoterm, lead time, tolerance/AQL, IP and tooling ownership, payment milestones, remedies.	Sourcing + legal	3–10 days
07	Master data & bank validation	Beneficiary name = legal name; USCC stored as the tax ID; bank details confirmed out-of-band on a known number.	Finance	1–3 days
08	Approval, activation, re-check	Approval recorded with evidence; supplier activated for POs; status and lists re-screened on a schedule.	Procurement lead	ongoing

2· The document pack

Ask for everything once, in a structured form, and state up front that a registration request does not guarantee orders — SAP's own supplier FAQ makes exactly that point about its Ariba registration. Colour scans, not photos of screens; Chinese-language originals plus a translation for anything you will rely on legally.

MANDATORY — NO EXCEPTIONS

- Business licence (营业执照), colour scan, showing legal Chinese name and the 18-character USCC
- Legal Chinese entity name and English trading name, kept as separate fields
- Registered address, legal representative, registered capital, business scope
- Bank details: beneficiary legal name, account, bank name, SWIFT
- Tax identity — in practice the USCC, which doubles as the taxpayer ID; a recent VAT e-invoice (fapiao) to cross-check
- Company chop specimen, matched to the same USCC
- Signed supplier code of conduct and forced-labour declaration

CATEGORY-DEPENDENT

- Foreign-trade / export registration; whether they export directly or through an agent
- Management-system certificates (ISO 9001, ISO 14001) — verified with the issuing body, never accepted as a PDF
- Product compliance and test reports (CE, FCC, RoHS, food-contact, FDA as applicable)
- Social-compliance audit reports (BSCI, SMETA, SA8000) where your channel requires them
- Insurance certificates; capacity, equipment and headcount declaration
- Sub-supplier and raw-material origin declaration — the input to any UFLPA traceability file

3· Verifying that the entity is real

The registry of record for mainland China is the National Enterprise Credit Information Publicity System — NECIPS, commonly called GSXT, run by the State Administration for Market Regulation at gsxt.gov.cn. It is searchable by exact Chinese legal name or by USCC; an English name returns nothing. The record shows registered name, USCC, establishment date and registered capital, legal representative, business scope, operating status and administrative penalties.

Three things matter more than running the search. First, **the returned legal name must match your document exactly** — a mismatch between code and name is one of the clearest signals of a forged licence or impersonation. Second, **read the business scope**: it tells you whether you are talking to a manufacturer or a trading company. Third, **reconcile the same USCC across every artefact** — licence, chop, fapiao, contract, and the bank beneficiary name.

Know the registry's limit. Direct shareholders are publicly visible, but the ultimate beneficial owner usually is not: ownership is layered through holding entities, so reaching a controlling natural person means tracing each shareholder's own USCC up the chain. Treat GSXT as the floor of due diligence, to be combined with licence, bank-account and contract checks, and deeper investigation on material spend. If a counterparty cannot produce a USCC at all, treat that as an early warning rather than an administrative gap.

RED FLAGS AT VERIFICATION

- Bank beneficiary is a person, or a company other than the licensed entity
- Beneficiary bank in a third jurisdiction (e.g. Hong Kong) with no documented reason
- Business scope shows trading only, while the supplier claims to own the factory
- Registry status is anything other than active; recent administrative penalties
- Only an English name, an Alibaba page or a WeChat contact is offered as proof of identity
- Self-issued or template-style certificates that the issuing body cannot confirm

4· KYC, sanctions and forced-labour screening

For any goods entering the United States, this is the gate that can strand a shipment. Screening obligations span OFAC, EU, UK and UN designations and require continuous re-screening of counterparties, suppliers and beneficial owners — plus, for China specifically, two US regimes that operate on presumption rather than proof.

UFLPA — rebuttable presumption, whole supply chain

Goods linked to Xinjiang or to an entity on the DHS UFLPA Entity List are presumed made with forced labour and barred from US entry. The list is maintained by the DHS-chaired Forced Labor Enforcement Task Force; a November 2024 round added 30 entities, taking the total past 100 PRC-based companies. Crucially, CBP holds the importer accountable for every tier, and goods processed in third countries — Vietnam, Bangladesh — can still be flagged if inputs trace back to a listed entity.

What a rebuttal file contains

Tier-by-tier supply-chain maps naming every supplier and sub-supplier; raw-material origin documentation back to extraction or manufacture; production records per supplier including locations and processing steps; labour-compliance certifications and audit reports; supplier contracts and purchase orders; independent third-party audit results where available; and evidence of your own due-diligence programme. Collect the first pass of this at registration — assembling it after a detention is far more expensive.

Beyond the forced-labour lists

Screen ownership as well as names: exporters have been linked to designated entities through ownership structures that no single list exposes. US defence-authorisation provisions add further restrictions — Section 1260H on Chinese military companies and Section 889 on covered telecoms equipment. Name matching must handle aliases and transliterations; the same Chinese entity appears under several romanisations.

CAUTION — CONFLICTING LAW, AS OF 2026

In April 2026 China issued Regulations on Industrial and Supply Chain Security and on Countering Improper Extraterritorial Jurisdiction, both effective immediately with no transition period. Counsel analysing them warns that the conduct Western regimes increasingly require — screening or exiting a Chinese counterparty under OFAC or EU sanctions, suspending sourcing under the UFLPA or the EU Forced Labor Regulation, conducting CSDDD-style diligence — may itself trigger a Chinese supply-chain security investigation. This is a live legal conflict, not settled ground: escalate supplier-exit decisions to counsel rather than treating them as routine compliance steps.

5·Qualifying capability: audit, sample, capacity

A factory audit is the structured assessment of legal status, production capacity, quality systems, worker conditions, environmental compliance and financial stability — the check that a supplier is a genuine manufacturer able to make your product to spec, legally and consistently. It is distinct from a pre-shipment inspection, which checks finished goods against your spec and AQL. Experienced buyers run both, and sequence them: document verification first, on-site audit before the first significant order, inspection on every shipment.

METHOD	PUBLISHED COST	TURNAROUND	USE IT WHEN
Document-based verification	\$199–500	hours – 2 business days	Screening a longlist before spending audit money
Virtual audit	\$300–700 (clusters \$400–600)	2–5 business days	Low-value or low-risk categories; travel-restricted sites
On-site factory audit	\$800–2,500; median ≈ \$1,200	5–10 business days	First significant order, or any high-risk category
Social compliance (BSCI / SMETA)	\$500–1,500	1–3 days on site + 5–10 days report	Retail or brand channels that mandate it
Pre-shipment inspection	from ~\$199–309 per man-day	dispatch in 48–72h at hub cities	Every shipment, before the balance is released

Sources disagree on price because they quote different things. Man-day rates published by inspection firms and aggregators run roughly \$199–309 for inspections in China and up to \$649 per man-day for supplier-audit programmes, while all-in audit quotes are reported at \$800–2,500 by one 2026 buyer guide and \$300–600 per man-day by another. Read every quote as $rate \times man\text{-}days + travel$, and expect surcharges: one provider comparison cites \$80–280 travel for inland factories and a 30–50% premium for 24-hour dispatch. Local independent auditors quote \$200–400 per man-day, with the trade-off of variable quality and no global brand behind the report.

IF YOU AUDIT REMOTELY, DO IT LIVE

Refuse pre-recorded tours. On a live call, ask for one continuous walk of the production floor, a screen-share of the ERP or MES with a current work order open, the incoming-materials store and the QC bench with real inspection records, and a pan to the fire exits and the posted business licence. The specific

SAMPLES ARE PART OF REGISTRATION

Order samples from several shortlisted suppliers and compare materials, not just appearance; request official test reports for safety and performance; and keep one approved *golden sample* as the contractual quality benchmark that inspections are judged

failure this defends against is the shadow factory — an order quietly subcontracted to a site you never assessed.

against. A supplier who will not produce a paid sample before an order should not clear this gate.

6 • Contract and payment terms

The default term in China sourcing is 30% deposit before production, 70% balance before shipment — usually settled by T/T over SWIFT, in 1–5 business days, at roughly \$25–50 per transfer. It is near-universally accepted because it makes the transaction possible: the deposit funds materials and filters non-serious buyers.

It is not a buyer protection. T/T carries no chargeback, dispute or refund mechanism; once the wire lands, the funds are under the supplier's control, and the practical remedy is cross-border litigation. A 30% deposit on a \$50,000 order means \$15,000 is exposed before anything is produced — which is precisely why verification precedes the first payment.

Two structural improvements are available at registration, not later. Write the balance as payable against a satisfactory pre-shipment inspection report *and* a copy of the bill of lading, rather than simply "before shipment". And for large orders, propose an L/C — bank-guaranteed for both sides, though paperwork-heavy and generally considered not worth it below roughly \$50,000, and easy to get wrong: amateur drafting delays shipments or invites documentary games.

INSTRUMENT	WHO CARRIES THE RISK
T/T 30/70	Buyer, heavily — deposit is often non-refundable
T/T against B/L copy	Buyer, reduced — balance tied to shipping documents
Letter of credit	Shared, bank-intermediated; drafting risk on you
Escrow / platform assurance	Shared, within the platform's ecosystem only
Open account / net terms	Supplier — earned after a track record, not requested at onboarding

Trade-finance commentary puts L/Cs at roughly 30–40% of international trade settlements, concentrated in high-value transactions, while T/T remains the small-and-mid-market default. Paying 50% or 100% up front to a new supplier because of claimed material costs or capacity constraints is named repeatedly as a first-time-importer mistake.

CLAUSES TO SETTLE BEFORE THE RECORD GOES LIVE

Governing law and forum; product specification and the golden sample as the reference; AQL and inspection rights, including unannounced access; subcontracting prohibited without written consent (the shadow-factory control); tooling and mould ownership; IP, NNN and confidentiality; lead time with a defined late-delivery remedy; defect and recall handling; forced-labour representations with a right to audit sub-suppliers; and a bank-detail change clause requiring written notice plus out-of-band confirmation.

7 • The payment-fraud gate

\$3.05bn

reported US losses to business email compromise in 2025 across 24,768 complaints — up from \$2.77bn and 21,442 complaints in 2024, roughly 16% more complaints and 10% more loss.

Total IC3-reported cyber-enabled losses reached about \$20.9bn in 2025, up 26% year on year, with BEC the second-largest loss category behind investment fraud.

Supplier registration is where payment fraud is either designed out or designed in. The mechanism is mundane: an email — often from a genuinely compromised mailbox — supplies new banking instructions, and the payment run obeys them. Analysts reading the 2025 IC3 data are blunt that this is a payment, identity and process problem as much as an email-security one, so controls have to sit on mailbox access, approval workflow *and* bank-detail changes. AFP survey data cited alongside it reports 76% of US organisations experienced attempted or actual payments fraud in 2025.

Three controls belong in the registration workflow itself. **One:** beneficiary name must equal the verified legal entity name — no third-party or personal accounts. **Two:** any bank detail, at first entry and at every change, is confirmed by callback to a number you already held, never one supplied in the request. **Three:** segregate duties — whoever verifies documents does not also approve the master-data change.

Note on scope: the IC3 figures are US complaint data covering BEC generally, not vendor fraud in China specifically. Read them as a scale indicator for the control gap, not as a China-specific base rate.

8 · Systems: what to run this on

Platform choice follows scale, not ambition. Enterprise suites encode the workflow properly; they also carry implementation weight that a sourcing company of moderate size will feel.

PLATFORM	REGISTRATION MODEL	REPORTED IMPLEMENTATION REALITY
SAP Ariba SLP	Registration project template defines external and internal questionnaires, approvers and workflow tasks; supplier sits at <i>Pending Approval</i> until all external questionnaires are approved, and a single denial sets <i>Registration Denied</i> . Bank and tax responses are reviewed inside the approval task.	One 2026 comparison reports 12–18 month enterprise rollouts, costs from ~\$250k/yr for large deployments, ~20 hours training per user, G2 4.2/5 — vendor-published pricing is not disclosed, so treat as third-party estimate.
Coupa Supplier Management	Supplier portal for submission and status tracking, onboarding wizard, document validation, configurable approval workflows, activation into buying without manual handoff; integrates with 35+ ERPs.	Same source: 6–12 month implementations, usually with consultants, per-user enterprise pricing, G2 4.7/5; risk and compliance configuration described as expertise-heavy.
Oracle Fusion Cloud Supplier Mgmt	Supplier portal for structured profile and document intake; configurable approval steps with audit trails.	Enterprise-tier; strongest fit where Oracle ERP is already in place.

A PROPORTIONATE STACK FOR A SOURCING COMPANY

You do not need a suite to run the eight gates well. What you need is one intake form per supplier (not email), one document repository with an expiry date on every certificate, a screening log with dated evidence per list checked, a two-person approval on master data, and a quarterly re-check against registry status and updated lists. Ariba's own "internal registration" pattern — the buyer's team completes questionnaires on behalf of a low-volume, one-time or non-technical supplier — is worth copying manually: it keeps small suppliers inside the same evidence trail instead of outside it. Note that DHS adds UFLPA entities on no fixed schedule, roughly quarterly, so re-screening must be periodic rather than one-time.

9 • Risk register

FAILURE MODE	HOW IT SHOWS UP	CONTROL, AND WHICH GATE OWNS IT
Ghost company	Polished English site, no verifiable Chinese entity behind it	USCC + exact-name match on GSXT before any payment — Gate 03
Trader posing as factory	Business scope says trading; no production records on a live walk	Business-scope review plus live or on-site audit — Gates 03, 05
Shadow subcontracting	Capacity claims that the floor cannot support; quality drift between orders	No-subcontracting clause with audit rights; unannounced inspection — Gates 05, 06
Forged certificates	Template-style ISO or test reports, self-issued	Confirm with the issuing body; reject unverifiable PDFs — Gate 02
Listed entity in tier 2+	Direct supplier is clean; an input traces to a listed producer	Sub-supplier and origin declarations; tier-by-tier map; periodic re-screening — Gate 04
Bank-detail substitution	Urgent change request from a familiar-looking address near a payment date	Name-match rule, out-of-band callback, split approval — Gate 07
Over-exposed deposit	50–100% prepayment justified by material cost or peak season	Cap the deposit; tie the balance to inspection and B/L — Gate 06
Stale approval	Supplier deregistered, penalised or newly listed after onboarding	Scheduled re-screening and pre-large-order re-checks — Gate 08

10 • What this brief infers, and where it is thin

ESTABLISHED BY SOURCES

- The USCC / GSXT verification method and the fields the registry returns
- UFLPA presumption, Entity List governance and rebuttal documentation requirements
- Audit and inspection price and turnaround ranges, as published by providers and buyer guides
- The 30/70 T/T convention and its risk allocation; L/C trade-offs
- Ariba and Coupa registration mechanics; IC3 2025 BEC loss figures

INFERENCE, OR WEAKLY SOURCED

- The eight-gate sequence and its per-gate timings — this brief's synthesis, not a published standard
- Ariba and Coupa cost and implementation figures come from one 2026 third-party comparison, not vendor pricing; treat as indicative
- Audit prices vary by a factor of ten across sources because they mix man-day rates with all-in quotes; the ranges are not reconcilable into one number
- Several supplier-verification sources are published by sourcing agencies and inspection firms with a commercial interest in recommending audits
- The April 2026 Chinese supply-chain regulations are new and their enforcement pattern is unknown

Sources

1. National Enterprise Credit Information Publicity System (GSXT), State Administration for Market Regulation — gsxt.gov.cn. Official registry of record.
2. QCC, "China USCC Lookup Guide 2026" — qccqyc.com (Jun 2026). USCC as primary key; UBO tracing limits.
3. FDI China, "Chinese Business Registration Number Verification (2026)" — fdichina.com (Mar 2026).
4. Hicom Asia, "How to Check a Chinese Company with NECIPS" — hicom-asia.com (May 2026).
5. China Company Lookup, "Verify a Chinese Company's Business License" and "Check Chinese Company Registration" — chinacompanylookup.com (2025–26).
6. West World Trade, "How to Read & Verify a Chinese Business License" — westworldtrade.com.
7. Lowenstein Sandler, "Supply Chain Diligence Under the UFLPA" — lowenstein.com.
8. OFW Law, "UFLPA Entity List Update: What Importers Need to Know" — ofwlaw.com (Apr 2026). Nov 2024 addition of 30 entities; FLETG governance.
9. Kharon, "UFLPA Enforcement & Compliance for Supply Chains" — kharon.com.
10. VettedImport, "Complete Guide to the UFLPA Entity List (2026 Update)" — vettedimport.com.
11. SolidIntel, "UFLPA Compliance — Supply Chain Screening" — solidintel.com. Sanctions-list scope; NDAA §1260H, §889.
12. Mayer Brown, "China Expands Its Playbook: New Industrial Supply Chain and Counter-Extraterritoriality Regulations" — mayerbrown.com (May 2026).
13. ChineseCheck, "China Factory Audit: The 2026 Buyer's Guide to All 5 Options" — chinesecheck.com (Apr 2026). Audit costs and turnarounds.
14. China Makers Hub, "China Factory Audit Checklist" — chinamakershub.com (2026). Live video-audit protocol.
15. Xilink Global Trade, "QIMA Inspection Pricing 2026" — xilinkglobaltrade.com (May 2026). Dispatch times, surcharges.
16. ChinaImportal, "Quality Control and Inspection Companies in China" — chinaimportal.com. Man-day rates by zone.
17. TradeAider, "Best Factory Audit Services in China 2026" — tradeaiders.com.
18. Lansil Global, "How to Verify a China Manufacturer's License and Quality Standards" — lansilglobal.com. Certificate verification, golden sample.
19. ChinaImportal, "Payment Methods when Importing from China" — chinaimportal.com.
20. iHomeChinaBuy, "TT vs LC Payment" and "30/70 Payment Terms Explained" — ihomechinabuy.com (2026).
21. New Buying Agent, "How to Pay Overseas Suppliers Safely" — newbuyingagent.com (May 2026).
22. China Legal Experts, "How to Structure Payment Terms with Chinese Suppliers" — chinalegalexperts.com.
23. SAP Learning, supplier registration lessons (process, internal registrations, approvals) — learning.sap.com.
24. SAP, "Supplier FAQ for Ariba SLP and Supplier Registration" — sap.com (PDF).
25. Zamp, "Best Vendor Onboarding Software (2026): Ariba vs Coupa" — zamp.ai (Jun 2026). Third-party cost and timeline estimates.
26. FBI IC3, *2025 Internet Crime Report* — ic3.gov (PDF). Primary source for loss figures.
27. Adams and Reese, "FBI 2025 Internet Crime Report: Payments Takeaways" — adamsandreesee.com. BEC complaint and loss counts.
28. DeepStrike, "Business Email Compromise Statistics 2026" — deepstrike.io. AFP payments-fraud survey figures.

All sources accessed July 2026. Where a figure appears in only one commercial source, the text says so. This brief is operational guidance, not legal advice — sanctions, forced-labour and export-control determinations should be confirmed with counsel for your jurisdiction and product.