Opening a Corporate Bank Account in Guangzhou as a Foreign-Invested Enterprise

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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A corporate bank account is the last step in setting up a WFOE, and it's often the most unexpectedly difficult. Foreign companies that sailed through the business license process in a few weeks can find themselves stuck at the bank for another month, with requirements they didn't anticipate and questions they can't immediately answer.

Here's what the bank account opening process actually looks like and why it's become harder in recent years.

Why Banks Have Become More Cautious

Chinese commercial banks have tightened their account opening procedures significantly. The drivers are regulatory — China's anti-money laundering framework has been strengthened, and banks face substantial penalties for opening accounts that are subsequently used for illicit purposes. A bank that opens an account for a fraudulent entity can face fines, business restrictions, and personal liability for the responsible compliance officers.

The practical result is that every new corporate account application is treated as a potential risk until proven otherwise. The bank's default posture is skepticism, and your task is to satisfy their compliance requirements with documentation, explanations, and in many cases, a physical site visit.

The Documentation Requirements

You'll need your business license, your company chops, the legal representative's identification, the company's articles of association, and a board resolution authorizing the account opening. These are the basics that every bank requires.

Beyond the basics, each bank has its own requirements. Most will ask for your lease agreement to verify your registered address. Some will ask for your parent company's registration documents. Some will ask for contracts or letters of intent with customers or suppliers to demonstrate genuine business activity. Some will

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ask for a business plan.

Prepare for this. Have your documents organized in a folder with both originals and copies. The legal representative must be present in person for the initial account opening interview. This can't be delegated or handled by a representative.

The Site Visit

Most banks now conduct a physical site visit to verify that your registered address is an actual place of business. A compliance officer from the bank will visit your office, take photographs, and sometimes interview staff members. They're looking for evidence that the business is real — desks, computers, signage, people working.

If you're using a virtual office or a secretarial address, this is where it becomes a problem. A bank compliance officer visiting a virtual office that's clearly just a mailing address will flag the application. Some banks have internal policies that effectively prohibit accounts for companies without a physical office.

The site visit is typically scheduled within one to two weeks of the application. If you're still setting up your office, coordinate the timing. A visit to an empty room with no furniture is almost as damaging as a visit to a virtual office.

Which Bank to Choose

The large state-owned banks — ICBC, China Construction Bank, Bank of China, Agricultural Bank of China — have the broadest branch networks and the most comprehensive service offerings, but they also have the most bureaucratic account opening procedures. They're slower and more demanding, but once the account is open, they're stable and reliable.

The joint-stock commercial banks — China Merchants Bank, Ping An Bank, China CITIC Bank — tend to be faster and more flexible in their account opening procedures. Their branch networks are smaller but their service quality is often better. China Merchants Bank in particular has invested in international banking services and English-language support.

Foreign banks with China operations — HSBC, Citibank, Standard Chartered — offer the advantage of international connectivity and English-language service, but their China branch networks are limited, their minimum balance requirements are higher, and their account opening procedures for new WFOEs can be just as demanding as the Chinese banks.

For most WFOEs in Shenzhen or Guangzhou, we suggest starting with a joint-stock bank like China Merchants Bank for the initial account, then adding a large state-owned bank account later if operational needs require it. The initial account is for payroll, tax payments, and basic operations — any reputable bank can handle these.

Multi-Currency Accounts

Your WFOE needs at minimum a RMB basic account for domestic operations. This is the primary account for receiving RMB revenue, paying local expenses, handling payroll, and remitting taxes.

If you're importing or exporting, you'll also need a foreign currency account. The bank will help you open a foreign currency settlement account linked to your customs registration. Receiving foreign currency payments and converting them to RMB involves additional documentation — the customs declaration, the commercial invoice, and in some cases, tax filing certificates.

A capital account is required if your parent company is injecting registered capital from overseas. The capital contribution must be received into the capital account, verified by a CPA firm, and only then can it be transferred to the RMB basic account for operational use.

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Common Problems and How to Avoid Them

The registered address mismatch is the most common rejection reason. Your business license, lease agreement, and physical location must all match. Even a minor discrepancy — different floor numbers, different unit designations — can cause a rejection.

The legal representative's availability is the second most common bottleneck. If the legal rep is overseas and can't be present for the interview, the account opening stalls. Some banks accept a power of attorney for the legal representative, but this is the exception rather than the norm. Plan the account opening around the legal representative's travel schedule.

The registered capital amount can be an issue even when it technically meets the legal minimum. Banks have internal risk assessments that consider the registered capital relative to the expected transaction volume. A company with RMB 100,000 in registered capital that projects several million in monthly transactions will face additional questions.

Timing and Coordination

Start the bank account process as soon as you have your business license and chops. Don't wait until everything else is done. The account opening overlaps with your tax registration, social insurance registration, and other post-license formalities — these can run in parallel rather than sequentially.

Budget four to six weeks from license to operational account, assuming no significant problems. The faster banks can complete the process in two to three weeks. The slower ones can take eight weeks or more if the compliance review identifies issues that need to be addressed.

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