

The 40-Point Factory Verification Checklist

The framework our team runs before a factory is allowed onto our list.
Run it yourself, or have us run it for you.

READ THIS FIRST

Items 1 to 12 you can complete from your own desk, without leaving your country. From item 13 onward, someone has to be physically standing in the building. That is the honest dividing line of this document.

5,000+

SCREENED

3,800+

VISITED

300+

BUYERS

\$0

FROM FACTORIES

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Who is this company, actually

All twelve of these can be done from your desk, before you spend a cent.

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- ☐ 01 **Get the Unified Social Credit Code**
18 characters. Not just an English trading name. If they will not give it to you, stop here.
 - ☐ 02 **Verify the entity on the national registry**
Check registered name, registered capital, and incorporation date at gsxt.gov.cn.
 - ☐ 03 **Read the registered business scope**
Look for manufacturing wording. A scope covering only wholesale and trade means they are not a factory.
 - ☐ 04 **Compare paid-up capital against subscribed capital**
Subscribed 10m RMB with 0 paid up is common and tells you what is actually behind the contract.
 - ☐ 05 **Search penalties, abnormal operations, and litigation**
Enforcement records and business-abnormality listings are public. So are unpaid-judgment blacklists.
 - ☐ 06 **Confirm the customs registration code exists**
No import/export registration means someone else will be exporting your goods under their licence.
 - ☐ 07 **Match three names: quotation, contract, bank account**
Any mismatch between the quoting entity, the signing entity, and the beneficiary account is the single largest red flag in China sourcing.
 - ☐ 08 **Re-verify every certificate at the issuing body**
Check ISO certificates on IAF CertSearch. Never accept a scanned PDF as proof.
 - ☐ 09 **Check how long the domain and email have existed**
A three-month-old domain behind a claimed fifteen-year-old factory is worth a question.
 - ☐ 10 **Ask for two reference customers in your market**
Then contact them yourself, not through the supplier.
 - ☐ 11 **Look up the legal representative**
Check how many other companies the same person is registered against, and what those companies do.
 - ☐ 12 **Confirm the address on the quotation matches the registry**
Office address and production address are frequently different. Both should be disclosed.

END OF THE DESK RESEARCH

Everything above this line you can do yourself, tonight, for free. Everything below it needs a person in the building.

SECTION 02 · REQUIRES SOMEONE ON SITE

Factory or trading company

From here on, someone has to be physically present. This is the line.

- ☐ 13 **Request the property deed or lease for the plant**
Ask for the floor area and check it against the capacity they are claiming.
- ☐ 14 **Look at the address on satellite imagery**
An industrial park with loading bays looks nothing like an office tower.
- ☐ 15 **Ask for a headcount split**
Total staff versus production-line workers. Cross-check against social insurance contributions.
- ☐ 16 **Get a line photo with visible equipment nameplates**
Then look up the machine models and what they can actually produce.
- ☐ 17 **Run an unannounced video call**
Ask them to walk from the office to the workshop right now. Preparation time is what hides problems.
- ☐ 18 **Write down which processes are in-house and which are outsourced**
Keep the list. Verify it on site. The gap between the two answers is the finding.

SECTION 03 · REQUIRES SOMEONE ON SITE

Is the production capability real

- ☐ 19 **Get the equipment list**
Model, quantity, year of purchase, and current utilisation rate for each major machine.
- ☐ 20 **Compare real monthly output against the quoted capacity**
Ask what they actually shipped last month, not what the line could theoretically produce.
- ☐ 21 **Calculate your share of their capacity**
Below 5% and you have no leverage. Above 50% and their survival depends on you — both are risks.

- ☐ 22 **Check whether their existing customers buy your category**
A factory that has never built your product type is learning on your order.
- ☐ 23 **Identify single points of failure**
Is there a backup for the critical machine? One breakdown can destroy a delivery date.
- ☐ 24 **Trace the upstream suppliers**
Who supplies the components and raw materials, and how stable is that relationship.
- ☐ 25 **Understand their peak-season scheduling logic**
Ask where your order sits in the queue in November. The honest answer is informative.
- ☐ 26 **Confirm where sampling happens**
In-house or outsourced. A sample built somewhere other than the production line proves very little.

SECTION 04 · REQUIRES SOMEONE ON SITE

Quality system

- ☐ 27 **Confirm QC is independent of production**
Ask who the QC manager reports to. If it is the production manager, QC is decorative.
- ☐ 28 **Verify IQC, IPQC, and OQC actually exist**
Ask to see the original record books, not a summary prepared for you.
- ☐ 29 **Agree the sampling standard and AQL level in writing**
Before production, not after a dispute.
- ☐ 30 **Review the non-conforming product procedure**
Rework, scrap, and traceability. Ask what happened to the last batch that failed.
- ☐ 31 **Get the test equipment list with calibration certificates**
Check the expiry dates. Expired calibration means the measurements mean nothing.
- ☐ 32 **Ask for six months of customer complaints and corrective actions**
A factory with no complaints on file is not a good factory, it is an incomplete record.
- ☐ 33 **Ask whether they accept third-party inspection tied to final payment**
A supplier who refuses to link the balance payment to a passed inspection has told you everything.

Tooling and intellectual property

The most commonly skipped section, and the most expensive one to skip.

- ☐ 34 **Establish who owns the mould once you have paid for it**
It must be written into the contract that ownership transfers to the buyer on payment.
 - ☐ 35 **Have the tooling numbered, photographed, and registered in your name**
An unmarked mould in a supplier's warehouse is not recoverable in practice.
 - ☐ 36 **Document where the tooling is stored and how it is released**
Agree the removal procedure while the relationship is good, not while it is ending.
 - ☐ 37 **Sign an NNN agreement, in Chinese, under Chinese jurisdiction**
Non-use, non-disclosure, non-circumvention. A Western NDA is close to unenforceable here.
 - ☐ 38 **Register your design, appearance, and packaging in China**
Registration is first-to-file. If you have not registered, someone else can.
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Commercial and payment terms

- ☐ 39 **Make the quotation list what is excluded**
Tooling, certification, packaging, testing, and freight are the usual omissions.
- ☐ 40 **Tie the balance payment to a passed inspection**
Paying the balance before inspection removes the only leverage you have left.
- ☐ 41 **Require a corporate bank account in the contracting entity's name**
Payment to a personal account is a serious red flag with no acceptable explanation.
- ☐ 42 **Put the delivery date in the contract with a consequence attached**
A date with no liability clause is an aspiration, not a commitment.
- ☐ 43 **Assign certification responsibility explicitly**
Who performs CE, FCC, or UL work, who pays for it, and whose name the certificate is issued in.
- ☐ 44 **Find out whether your contact can make decisions**
A salesperson relaying messages adds days to every problem. Ask for a direct engineering contact.

STOP IMMEDIATELY

Seven reasons to walk away

Hit any one of these and the rest of the checklist stops mattering.

- The quoting entity, the contracting entity, and the bank account are not the same name
- Payment is requested to a personal bank account
- They refuse third-party inspection before the balance payment
- They refuse to put mould ownership in the contract
- They refuse an unannounced video walkthrough of the workshop
- The registered business scope contains no manufacturing activity
- Certificates cannot be verified at the issuing body

WHEN YOU GET TO ITEM 13

You can send us instead of flying over

A remote factory walkthrough is \$299 a day: we go to the plant, you join on live video and ask whatever you want. A Factory Match Call is \$299: one hour, then a written shortlist of vetted factories, indicative pricing, and a risk report within two business days.

[SHENZHENLIST.COM/PRICING](https://shenzhenlist.com/pricing)

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Nine people. All of them in China.

We screen factories, walk their production lines, inspect the goods before they leave, and consolidate the freight out of Shenzhen. Factories pay us nothing — no commission, no rebate, no listing fee. Buyers are the only side that pays us, which is why this checklist tells you things a marketplace never will.

Factory Match Call

SHENZHENLIST.COM/FACTORY-MATCH-CALL

\$299 · 60 minutes

Innovation Safari

SHENZHENLIST.COM/INNOVATION-SAFARI

\$299 remote · \$499+ on site, per day

Supply Chain Management

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Flat fee + freight at cost

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This checklist is general guidance for overseas buyers sourcing from China. It is not legal advice.

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