
6-Step Supplier Verification Checklist

A field-tested, 6-step supplier verification workbook for vetting China factories - legal identity, NECIPS registry cross-check, certificate validation, live video audit, capacity checks, and a controlled pilot order.

www.leelinegroup.com

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DISCLAIMER

This workbook is based on LeelineGroup's independent review of 50 failed supplier engagements and 40 completed sourcing operations between 2023 and 2026, plus on-site audits and license cross-checks. Percentages reflect our own convenience sample and are directional signals, not industry statistics. The document is provided for informational purposes only and is not a substitute for professional legal counsel, customs advice, or a licensed third-party inspection.

How This Workbook Is Structured

This workbook is built to be used while you vet a supplier and before you wire a deposit. It contains (1) a weighted Risk Concentration Rubric built from 50 failed supplier engagements, (2) the Procurement Command Center asset list you gather before step one, (3) six verification steps with checkbox actions and evidence prompts, (4) Inspector Wang's 15-point registry cross-check, a live-video signal table, a physical-capacity audit, the Red Flag Risk Matrix, and a controlled pilot-order template, and (5) official sources to verify each claim. Fill in every checkbox during your own vetting - never skip them because a supplier looks credible.

METHODOLOGY

Between January 2023 and June 2026, LeelineGroup's verification team reviewed 50 failed supplier engagements and 40 completed sourcing operations from client projects, then cross-examined the outcomes with on-the-ground QC partners. This is a convenience sample, not an industry-wide survey: roughly 56% of the failures happened because legal-entity verification was skipped before the deposit wire, about 24% traced to certificate or beneficiary-identity mismatches, and the remainder to unverified capacity or silent subcontracting. Percentages are directional signals, not statistics.

RISK CONCENTRATION RUBRIC (100 POINTS)

Criterion	Weight	What We Measured
Legal entity & registry	30	USCC, registered name and address, operating status, business scope.
Certificate, exporter & payment identity	25	ISO/certificate validity, exporter-entity links, bank beneficiary match.
Physical manufacturing capacity	25	Live video walkthrough, on-site audit, throughput math, subcontract risk.
Pilot order & independent inspection	20	AQL 2.5 gates, defect evidence, documented go/no-go discipline.

Evidence used: license cross-checks on GSXT/NECIPS, certificate validation on IAF CertSearch and CNCA, on-site audits, live-video factory walks, and inspection reports. We accept no kickbacks and no paid placements.

STEP OVERVIEW

Step	Title	What You Will Confirm
1	Lock Down the Complete Legal Identity Packet	A single frozen legal baseline record
2	Cross-Check the Official Mainland Registry	Verified legal entity on NECIPS (GSXT)
3	Validate Certificates, Export Capability, and Payment Identity	Certificates, exporter, and beneficiary all match
4	Run a Live Trader-vs-Factory Video Challenge	Floor classified as factory, factory-with-exporter, or trading company
5	Audit Physical Production Capacity and Quality Controls	Output limits mathematically verified on-site
6	Execute a Controlled Pilot Order and Inspection	Documented go/no-go decision and risk rating

The Procurement Command Center Checklist

Gather these assets before step one. Scammers stall quickly when you demand exact files, and they fail when you cross-check every field against the official registry.

REQUIRED DOCUMENTATION

- ☐ 2. Chinese legal name & address
Evidence: Actual Chinese characters - English translations hold no legal weight
- ☐ 3. Color business license scan
Evidence: Full-color scan; scammers fake black-and-white photocopies
- ☐ 4. Unified Social Credit Code (USCC)
Evidence: The 18-digit legal fingerprint to verify in Step 2
- ☐ 5. Legal representative name
Evidence: The individual legally responsible for the factory
- ☐ 6. Pro forma invoice
Evidence: Pinpoint the exact bank beneficiary details
- ☐ 7. Compliance certificates
Evidence: All ISO, BSCI, GRS, or product-specific documents
- ☐ 8. Production proof
Evidence: Raw product photos, sample specifications, claimed monthly capacity

REQUIRED TOOLS & ACCESS

- ☐ 2. Browser translation (Google Translate)
Evidence: Label Chinese site fields by function, not just color, for screenshots
- ☐ 3. Cross-check spreadsheet (Excel)
Evidence: Map every data field so no cell is left blank
- ☐ 4. Video software (WeChat or Zoom)
Evidence: Run the live factory challenge call in Step 4

& p SAFETY FIRST

Match the bank beneficiary name to the legal license exactly. A client lost \$40,000 paying a fake sister company. For regulated goods, corporate legitimacy is only gate one - product certification is a completely separate hurdle.

Step 1: Lock Down the Complete Legal Identity Packet

GOAL

Freeze a single baseline record before comparing scattered files. A document image is only evidence of a claim - it is not legal proof of a registered manufacturer.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Chinese business license
Evidence: Color scan with red seal, entity name, and 18-digit code crisp and readable
- ☐ 3. Company name in Chinese and English
Evidence: Match both names to the email signature and contract
- ☐ 4. 18-digit Unified Social Credit Code
Evidence: Verify on GSXT/NECIPS in Step 2
- ☐ 5. Registered address and physical factory address
Evidence: Record any discrepancy for the live audit
- ☐ 6. Legal representative name
Evidence: The individual legally responsible for the factory
- ☐ 7. Main bank beneficiary name
Evidence: Must match the verified legal entity
- ☐ 8. Exporting entity name
Evidence: Document any separate export company and its link
- ☐ 9. ISO/BSCI certificates
Evidence: Hold them for Step 3 certificate validation
- ☐ 10. Product catalog tied to this factory
Evidence: Compare against the live floor in Step 4

Step 2: Cross-Check the Official Mainland Registry

GOAL

Prove the factory actually exists by matching every document field against the official National Enterprise Credit Information Publicity System (NECIPS) registry.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Open the official registry
Evidence: Confirm you are on the government domain (gsxt.gov.cn)
- ☐ 3. Paste the 18-digit USCC or Chinese legal name
Evidence: Use the exact characters from the license
- ☐ 4. Click the primary Search button
Evidence: Wait for the record list to render
- ☐ 5. Confirm record status is "Active"
Evidence: Cancelled or revoked status is an immediate stop
- ☐ 6. Match the registered company name exactly
Evidence: Any character difference is a red flag
- ☐ 7. Match the registered address
Evidence: Record discrepancies for the live audit
- ☐ 8. Check the Legal Representative field
Evidence: The individual legally bound and responsible for the factory
- ☐ 9. Review establishment date and operating status
Evidence: Compare with what the supplier told you
- ☐ 10. Read the Business Scope
Evidence: Defines the exact commercial activities the government permits

DECISION FORK

Decision fork: if the business scope lists only "wholesale," "domestic trade," or "technology development," the supplier is a trading company - not the manufacturer. If the claimed physical factory address differs from the registered address, record it: this becomes a live-audit question, not an automatic disqualification.

& p EXPERIENCE WARNING

Last month, Inspector Wang ran this check on a "factory" in Yiwu. The registry listed their scope solely as "textile sales" - zero manufacturing permissions. We immediately canceled the \$15,000 deposit transfer.

Inspector Wang's 15-Point Cross-Check

Run this against the NECIPS registry record while you still have the supplier's documents open. Treat every mismatch as a follow-up question for the live audit.

#	Cross-check field	What a mismatch indicates
1	Exact Chinese legal name	Any difference means a different entity than the one you are contracting
2	English trade name used in the email signature	An alias may hide a parent or agent relationship
3	18-digit Unified Social Credit Code	Invalid or repeated code means no registered entity
4	Registration status (must be Active)	Cancelled or revoked status is an immediate stop
5	Registered capital amount	Suspiciously low capital for the claimed production scale
6	Incorporation date	A brand-new entity claiming years of history is a contradiction
7	Legal representative name	Mismatch with the invoice signer or bank forms
8	Registered operating address	"Expansion" claims that cannot be reconciled
9	Operating term limits	A license near expiry may not be renewed
10	Exact business scope wording	Sales-only scope means a trading company, not a factory
11	Company type or legal entity type	Limited-liability vs sole-proprietorship changes your recourse
12	Manufacturing language appears in the scope	Missing manufacturing language = no legal right to produce
13	Importing/exporting language appears in the scope	Missing export rights = cannot ship in their own name
14	Pro forma invoice payee matches the entity	A different payee is a payment-fraud vector
15	Exporter, customs, or packing docs point to a different company	A third-party exporter needs official authorization documents

Step 3: Validate Certificates, Export Capability, and Payment Identity

GOAL

Lock down three operational tracks so you never wire money to a different legal party than the one you verified.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Track 1: Certification validity
Evidence: Search the exact certificate number on IAF CertSearch; confirm entity, site, dates, and approved scope
- ☐ 3. Track 2: Export capability
Evidence: Confirm direct export rights; demand official documentation linking any separate export entity
- ☐ 4. Track 3: Payment identity
Evidence: Match the invoice beneficiary to the verified entity; escalate personal, offshore, or unexplained HK accounts

Track	How to verify + red flag
1. Certification validity	Search the exact certificate number on IAF CertSearch; confirm entity name, site address, validity dates, and approved scope Red flag: Scope mismatch (ISO for "plastic toys" but selling "stamped metal"); certificate name differs from the bank form
2. Export capability	Check China Customs registration and export history; demand official documentation linking any separate export entity Red flag: No customs registration; exporter entity has no documented link to the factory
3. Payment identity	Compare the invoice beneficiary against the verified entity name on the license and bank confirmation Red flag: Personal accounts, offshore shell names, or unexplained Hong Kong beneficiaries

Pass gate - answer "yes" to all three: Is the certificate valid? Can this entity explain its exporter? Does the beneficiary match the approved deal?

& p EXPERIENCE WARNING

Last quarter, a client ignored a mismatched beneficiary name and wired \$40,000 to an unverified offshore account. The funds vanished instantly. Never compromise on payment identity matching.

Step 4: Run a Live Trader-vs-Factory Video Challenge

GOAL

Force the supplier into a live, unscripted environment - a verified database record cannot prove physical manufacturing capacity.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Schedule a live video walkthrough
Evidence: Use WeChat or Zoom; fix a date before any deposit
- ☐ 3. Command the rep to start outside the front gate
Evidence: Exterior sign visible and matching your documents
- ☐ 4. Walk without cuts to the active production line
Evidence: No scene switches or "signal problems"
- ☐ 5. Request tight shots of layout, raw materials, and WIP bins
Evidence: Unedited, real working conditions
- ☐ 6. Instruct the rep to show finished-goods area and QC stations
Evidence: Active stations, not a staged corner
- ☐ 7. Demand to see nameplates bolted to the machinery
Evidence: Compare against the catalog and capacity claims

Signal on the live call	Direct factory	Trading company
Factory floor noise	Heavy machinery hum, motors cycling	Background sounds staged or silent
Door-to-line walk without cuts	Rep walks from entrance sign to active line	Cuts, "signal problems," or scene switches
Operators on camera	Workers busy at machines, can name their shift	Generic staff who cannot answer process questions
Workshop and WIP bins	Raw materials, WIP, and finished goods clearly separated	Borrowed sample room, no daily production records
Machine nameplates	Visible, matching catalog claims	Missing, blurred, or re-used footage
Floor manager	Named and reachable on the call	Sales rep cannot name the production manager

& p EXPERIENCE WARNING

During Jingjing's Shenzhen audit, the trading company used a borrowed sample room, lacked daily production records, and the operators did not know the sales rep. We halted a \$60,000 tooling deposit and walked away.

Step 5: Audit Physical Production Capacity and Quality Controls

GOAL

Mathematically verify the supplier output limits - a factory that passes paperwork can still fail under scale.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Audit the production lines for steady workflow
Evidence: Observe machine cadence and operator consistency
- ☐ 3. Count the exact number of machines and inspect condition
Evidence: Compare against the claimed capacity
- ☐ 4. Confirm worker counts, active shifts, and line utilization
Evidence: Match staffing to output claims
- ☐ 5. Inspect raw-material storage for strict lot control
Evidence: Traceable, clean, and dated
- ☐ 6. Review in-process QC checkpoints and defect logging
Evidence: Recent and believable dates
- ☐ 7. Inspect finished-goods storage, segregation, labeling, packing
Evidence: Stacks match active shipping volume

Capacity question	What a good answer looks like
What is normal monthly output for this product family?	A specific unit figure consistent with line count and shift patterns
How many lines run this category today?	A concrete number you can count on the floor
What percentage of capacity is already booked?	An allocation that matches visible order stacks and shipping volume
What is the lead time during peak season?	A realistic range with a named bottleneck process
Which process is the true bottleneck?	An honest answer, e.g. "packaging caps us at 2,000 units per day"

& p EXPERIENCE WARNING

Factory managers often hide their true bottlenecks. A facility could assemble 10,000 units daily but only package 2,000 - this hidden bottleneck added two weeks to our lead time.

Step 6: Execute a Controlled Pilot Order and Inspection

GOAL

Move from due diligence to proof by performance - a low-risk trial order with a strict inspection plan.

ACTIONS - TICK EACH BOX AS YOU COMPLETE IT

- ☐ 2. Place a controlled pilot order
Evidence: Lock specs, tolerances, and packaging in writing
- ☐ 3. Book an independent pre-shipment inspection
Evidence: Third-party firm, scheduled before completion
- ☐ 4. Deploy on-site QC during production (enterprise orders)
Evidence: Dedicated inspectors with daily reports
- ☐ 5. Review all defect evidence before paying the balance
Evidence: Pass/fail report referencing your approved spec
- ☐ 6. Decide: approve, approve with corrective actions, or reject
Evidence: Documented go/no-go decision and risk rating

Phase	Action	Pass gate
Place	Controlled pilot order with specs, tolerances, and packaging locked in writing	Written PO with named inspection gates
Book	Independent pre-shipment inspection before completion	Confirmed third-party inspection date
Monitor	On-site QC during production for enterprise orders	Daily/weekly defect reports
Review	All defect evidence before paying the balance	Pass/fail report referencing the approved spec
Decide	Approve, approve with corrective actions, or reject	Documented go/no-go decision and risk rating

Warning Sign	Severity	Correlated Outcome
Refusal of AQL 2.5 inspection	Critical	Guaranteed major defect spikes upon arrival
Bank beneficiary does not match the verified legal entity	Critical	Deposit wired to an offshore or personal account; funds unrecoverable
Business scope has no manufacturing permission	Critical	The "factory" is a trading company with no legal right to produce
Refusal of a live video walkthrough	High	Likely no physical factory floor to show
Blurry photo timestamps	High	Factory is hiding old, rejected inventory
Unverifiable carton counts	High	Unauthorized subcontracting to shadow workshops
Claimed capacity far exceeds visible lines and workers	High	Silent subcontracting during peak orders

& p EXPERIENCE WARNING

Freeze the order if a supplier refuses an independent AQL inspection - treat this as a severe risk event, not a simple negotiation. Inspector Zhao found 45 broken zippers in 500 units and we stopped the final payment.

External Sources & References

Verify legal registration, certificates, and current China regulatory rules against these official sources.

National Enterprise Credit Information Publicity System (GSXT / NECIPS)

<https://www.gsxt.gov.cn/>

Official Chinese company registry for license and Unified Social Credit Code (USCC) checks.

China Customs - English Portal

<https://english.customs.gov.cn/>

Customs registration, export rights, and import/export regulations.

IAF CertSearch - global certificate database

<https://www.iafcertsearch.org/>

Global database to verify management-system certificate validity, issuing body, and scope.

CNCA - Certification and Accreditation Administration of China

<http://www.cnca.gov.cn/>

Official registry for China-issued product and system certificates.

ISO 9001 - Quality Management

<https://www.iso.org/iso-9001-quality-management.html>

The quality management standard factories cite most.

ISO 2859-1 - Sampling procedures for inspection

<https://www.iso.org/standard/39589.html>

The AQL sampling standard used at inspection gates.

MOHRSS - Ministry of Human Resources and Social Security

<http://www.mohrss.gov.cn/>

Labor rules, including the 2026 five-department interim measure on employment of older workers (Decree No. 56, effective July 1, 2026).

MEE - Ministry of Ecology and Environment

<https://www.mee.gov.cn/>

Environmental standards, including the 2026 water-pollutant discharge rules and industrial-wastewater notice.

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Need Help Verifying a Supplier Before You Wire the Deposit?

Use this checklist to vet every shortlist, then talk to a sourcing team that runs legal-entity cross-checks, live video audits, and independent AQL inspections. We help e-commerce sellers and importers verify, inspect, and ship from China with a free, transparent quote.

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