

GCC IMPORT & ASIAN SUPPLIER AUDIT CHECKLIST

A Comprehensive 4-Page Verification Framework for Sourcing from China & India

1. Corporate Identity & Legal Standing

Verify supplier's legal registration and operational status before commercial negotiations.

Business License & Verification

- ☐ **China Legal Registration:** Obtain Unified Social Credit Code (USCC) / Business License (营业执照). Cross-check company status on the National Enterprise Credit Information Publicity System (gsxt.gov.cn).
- ☐ **India Legal Registration:** Obtain Corporate Identification Number (CIN) and GST Registration Certificate (GSTIN). Verify credentials on the MCA portal.
- ☐ **Exporter Status:** Confirm direct Import-Export Code (IEC in India) or Self-Operated Export License (China). Distinguish direct manufacturers from third-party trading agencies.
- ☐ **Capitalization Check:** Paid-in capital verification (Recommended minimum: RMB 1,000,000 for Chinese plants; INR 5,000,000 for Indian manufacturers).
- ☐ **Bank Ownership:** Settlement accounts must strictly match the registered corporate name. Reject personal or unlinked offshore accounts.

2. Quality Systems & Regulatory Compliance

Ensure factory adherence to international quality management systems for target categories.

Certifications & Destination Approval

- ☐ **Management System Standards:** Active ISO 9001:2015 accreditation (check scope and expiry). Verify ISO 14001 or ISO 45001 if required.
- ☐ **GCC Compliance Capabilities:** Proven experience with SABER / SASO CoC (Saudi Arabia) and ECAS / EQM standards (UAE MoIAT).
- ☐ **Accredited Test Reports:** Pre-existing test summaries from recognized international laboratories (SGS, TÜV SÜD, Intertek, Bureau Veritas).
- ☐ **IP & Customization Safeguards:** OEM/ODM production readiness and willingness to sign NNN (Non-disclosure, Non-use, Non-circumvention) agreements.

3. Physical Plant & Manufacturing Capacity

Evaluate if the facility can sustain ongoing order volumes without unauthorized subcontracting.

- ☐ **Facility Footprint:** Verify total factory area (m²), workshop layouts, and land lease/ownership agreements.
- ☐ **Machinery & Automation:** Review age, technical specifications, and calibration logs of primary machinery (CNC, presses, molders).
- ☐ **Monthly Capacity Utilization:** Assess installed output versus current active utilization (Target ideal window: 65%–85%).
- ☐ **Sub-Contracting Risk:** Identify internal core processes versus outsourced procedures (e.g., plating, heat treatment, specialized coating).

4. Raw Material & Quality Control Pipeline

Inspect quality assurance protocols across all three stages of production.

Three-Stage Quality Controls

- ☐ **Incoming Quality Control (IQC):** Storage protocols and testing criteria for raw materials (steel billets, plastic resins, chemicals).
- ☐ **In-Process Quality Control (IPQC):** On-line inspection frequency and First-Article Inspection (FAI) procedures before mass production.
- ☐ **Final & Outgoing Quality Control (FQC / OQC):** Standardized defect sampling methodology (AQL - Acceptable Quality Limit e.g., AQL 0/1.5/4.0).
- ☐ **Defect Containment:** Dedicated quarantine and scrap areas for non-conforming materials to prevent mix-ups.

5. Commercial Terms & Landed-Cost Modeling

Ensure transparent pricing structures to eliminate unbudgeted fees during transit and clearance.

- ☐ **Incoterms Precision:** Confirm base quotation currency (USD, RMB) and exact loading port (e.g., FOB Ningbo, Shanghai, Mundra, or Nhava Sheva).
- ☐ **Export Packaging Standards:** Double-wall corrugated cartons, shrink-wrapping, corner guards, and outer barcode legibility.
- ☐ **Palletization Compliance:** Heat-treated wooden pallets carrying mandatory ISPM-15 certification stamps (Required for GCC entry).
- ☐ **Lead Time & Penalty Clauses:** Clear production lead times with agreed liquidated damages for unexcused delays (e.g., 0.5% per week).

6. Payment Terms & Financial Risk Mitigation

Structure payment schedules to protect working capital prior to final cargo acceptance.

- ☐ **Initial Commercial Orders:** 30% T/T deposit against PI; 70% balance paid against Copy B/L and clean Pre-Shipment Inspection (PSI) report.
- ☐ **Scaled Volume Orders:** Transition to Irrevocable Letter of Credit (L/C at sight) or deferred settlement once trust is established.
- ☐ **Sampling Credit:** Agreement to credit initial sample fee against the first commercial production order.

7. Pre-Shipment Verification & Logistics Readiness

Prevent port clearance friction and demurrage charges at destination GCC ports.

- ☐ **Pre-Shipment Inspection (PSI):** Mandatory 3rd-party inspection (SGS, Intertek) and Container Loading Supervision (CLS) before sealing.
- ☐ **Complete Clearance Dossier:** Commercial Invoice, Packing List, Clean B/L, Attested COO, Material Test Reports, MSDS/Conformity certs.
- ☐ **Destination Port Free-Time:** Carrier agreement ensuring a minimum of 14 days combined demurrage & detention free-time at GCC ports.

Audit Decision Matrix

Category	Metric Focus	Status
Legal Credentials	Business License, Export Code, Bank Verification	[] Pass [] Fail
Production Capacity	Machinery, Utilization, In-house Quality Controls	[] Pass [] Fail
Commercial Terms	FOB Pricing, ISPM-15 Packaging, Payment Schedule	[] Pass [] Fail
GCC Compliance	SABER/SASO, ECAS, Dossier Accuracy	[] Pass [] Fail

Final Auditor Sign-Off & Recommendation

Recommendation: [] APPROVED [] CONDITIONAL (Requires Action Plan) [] REJECTED

Auditor Name: _____ Date: _____

Tendify Reference / SKU ID: _____