

How to Open an Offshore Company Bank Account (Step-by-Step)

Executive Summary

Opening a bank account for an offshore company is no longer a purely administrative task — it is a compliance-intensive, risk-sensitive process governed by evolving AML/CFT standards, economic substance laws, and international transparency frameworks like CRS and FATCA. This guide outlines the critical steps, documentation requirements, and strategic tips to help you open and maintain an offshore business bank account successfully.

Step-by-Step Process

1. Select the Right Jurisdiction & Bank

- Ensure the bank is not blacklisted by FATF or the EU.
- Choose a jurisdiction aligned with your company's substance and intended business model.
- Determine whether you prefer a traditional bank, private bank, or EMI (Electronic Money Institution).

Tips:

- Avoid high-risk jurisdictions unless necessary.
- Banks in Hong Kong, Singapore, Switzerland, Mauritius, and UAE have varying onboarding appetite based on client profile and documentation.

2. Confirm Banking Availability in Formation Stage

- Before incorporation, verify with service providers that a bank is willing to onboard a company in your chosen structure and jurisdiction.
- Use pre-approval banking intros or formal letters of interest when possible.

3. Prepare Company Documents

You will need notarised and apostilled versions of:

- Certificate of Incorporation
- Memorandum & Articles of Association
- Certificate of Good Standing (if company >1 year old)
- Register of Directors & Shareholders
- Business Plan or Activity Description
- Corporate Structure Chart (if multi-layered)

4. Gather KYC for UBOs, Directors & Signatories

Each individual involved will need to submit:

- Valid government-issued ID (passport preferred)
- Proof of residential address (utility bill, bank statement)
- CV or LinkedIn profile
- Source of Funds (SOF) and Source of Wealth (SOW)
- Tax Identification Number (TIN)

5. Complete the Bank's Application Forms

- Bank account application
- UBO declaration
- FATCA/CRS self-certification
- Risk questionnaire (business model, client types, geographies)

6. Submit Supporting Documents for the Business

Banks often request:

- Sample contracts or invoices
- Website, domain ownership proof, social media presence
- Commercial lease or virtual office agreement
- Employee contracts or outsourced service agreements
- Regulatory licenses (if applicable, e.g. MSB, EMI, PSP)

7. Attend Remote or In-Person KYC Interview

- Most offshore-friendly banks will require at least one video call or in-branch visit for account signatories and UBOs.
- Be prepared to answer questions about the business model, expected transaction volume, and jurisdictions of operation.

8. Undergo Compliance Review and Wait for Approval

- Review period may range from 1–6 weeks depending on the bank and client risk rating.
- During this period, you may be asked for:
 - Additional proof of revenue or contracts
 - Updated tax documents or declarations
 - Clarification on ownership chain

9. Account Approval, Activation & Login Setup

- Once approved, you'll receive:
 - IBAN/SWIFT codes
 - Online banking credentials
 - Terms & conditions
 - Fee schedule and account limitations

10. Maintain Ongoing Compliance

- Banks will conduct annual reviews and transaction monitoring.
- Be ready to re-submit documents or justify unusual activity.
- Avoid:
 - Third-party transactions
 - Rapid in/out transfers
 - High-risk counterparties without clear documentation

Strategic Tips

- Use a licensed intermediary for smoother onboarding and pre-screening.
- Never use nominee UBOs without full disclosure — this is a red flag.
- Prepare a real substance package if you intend to use jurisdictions like BVI, Seychelles, or Belize under economic substance rules.
- Consider starting with an EMI if traditional banking is not feasible initially.

