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Opening a business bank account

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In short: Registering a company is usually quick; opening its bank account is often the slowest step. Banks must identify the company, its directors and its beneficial owners, understand the business and check where the money comes from. Non-resident owners should expect more questions, and many start with a licensed e-money or payment provider while a traditional bank account is pending.

Why banking takes longer than formation

Anti-money-laundering rules based on the FATF Recommendations require banks to carry out customer due diligence before they open an account. For a company that means checking the company itself, every director and signatory, and each beneficial owner, and building a picture of what the company does, who it trades with and what volumes to expect.

A bank can decline an application without giving a detailed reason. Refusals are most common where nobody involved lives in the country, the business model is hard to explain, the company trades with higher-risk countries or sectors, or the documents do not match each other.

Documents most banks ask for

- Certificate of incorporation (or trade licence) and the company's constitution, such as the articles of association.
- Register of shareholders and directors and a chart of the ownership structure down to the individuals.
- Passport and proof of address for each director, signatory and beneficial owner; sometimes a video call or a branch visit.
- A short business description or plan: products, customers, suppliers, countries and expected monthly turnover.
- Evidence of source of funds and sometimes source of wealth for the owners.

- Tax numbers, and for foreign owners possibly a tax residence certificate and apostilled or translated documents.

Bank or e-money account?

Many founders use a licensed e-money institution or payment institution first, because onboarding is online and faster. These accounts usually come with an IBAN and cards, but they are a different product from a bank deposit. See bank vs e-money account for the protection differences.

Practical tips

- Prepare a one-page explanation of the business before you apply, with real customer and supplier names where possible.
- Keep the ownership structure simple; every extra holding company adds documents and questions.
- Make sure names, addresses and dates match across all documents.
- Apply to more than one provider, and keep at least one backup account so payments do not stop if one account is closed.

See also

- Bank vs e-money account
- Business banking in the United Kingdom
- Business banking in the United States
- Business banking in the United Arab Emirates
- Business banking in Estonia
- Know your customer (KYC)

Frequently asked questions

Do I have to bank in the country where the company is registered?

Usually not by law, though some registries, tax authorities or licences expect a local account, and local customers may prefer one. In the EU, a euro IBAN from another member state must be accepted for SEPA payments.

Can a bank refuse to open an account for a foreign-owned company?

Yes. Banks decide on risk grounds and are generally not obliged to accept any particular customer, although some countries give consumers a right to a basic personal account.

How long does it take?

From a few days with online providers to several weeks or months with traditional banks, depending on the country, the bank and how complete the documents are.

References

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