Cross-Border Execution Insights #3

Operational Credibility: Can This Company Clearly Explain How It Will Operate?

Operational credibility is one of the foundations of Cross-Border Business Operations.

KEY MESSAGE

Banking is not the objective.
It is one of the earliest practical tests of whether a company can operate with clarity, credibility and control.

CROSS-BORDER BUSINESS OPERATIONS

End-to-end execution capability for sustainable operations in a new market

OPERATIONAL CREDIBILITY

Can the business be clearly explained?

- **OWNERSHIP & CONTROL** — Who ultimately owns or controls the company?
- **FUNDING SOURCES** — Where do operating funds come from?
- **BUSINESS SUBSTANCE** — What products / services, for whom, and why?
- **PAYMENT FLOWS** — Why are cross-border payments expected?
- **DOCUMENTATION & EVIDENCE** — Are documents consistent and supporting?
- **LOCAL RESPONSIBILITY** — Who is responsible for operations on the ground?

BANKING READINESS

One practical test of operational credibility

- Understand the business
- Assess risks (AML / CFT)
- Verify documents and information
- Evaluate management and governance
- Decide on account opening

STRONGER BUSINESS OPERATIONS

Built on credibility, transparency and disciplined execution

- **CLEARER DECISIONS** — Better choices with better information
- **STRONGER EVIDENCE** — Consistent, credible and well-prepared
- **BETTER COORDINATION** — Aligned stakeholders, less friction
- **GREATER TRUST** — From banks, partners and stakeholders
- **SUSTAINABLE GROWTH** — Operations that can scale across borders

A company that can clearly explain how it will operate is better prepared for banking, partnerships, investment, and long-term success in the new market.

Banking is one practical test—
not the objective.

Sources: FATF – Japan Follow-Up Report (2024) | Financial Services Agency of Japan – AML/CFT Guidelines

Operational Credibility: Can This Company Clearly Explain How It Will Operate?

EXECUTIVE TAKEAWAY

A corporate bank account is not the objective. The underlying test is whether the company can explain its ownership, funding, business model, payment flows and local responsibilities clearly and consistently.

Why banking readiness matters

- Many foreign-owned companies assume that opening a corporate bank account is simply another administrative step. In reality, it is often one of the earliest practical tests of whether the business is credible, understandable and ready to operate.
- For a bank, the application is not only about opening an account. It is about understanding the business behind it.

A bank may need to understand

- Who ultimately owns or controls the company
- Where the operating funds come from and how they will be used
- Why cross-border payments are expected
- Whether the proposed business activity matches the supporting documents
- Whether company and personal funds are clearly separated
- Who will be responsible for operations in Japan

Practical implication

- Opening a bank account is a banking procedure. Explaining how the business will operate is an operational responsibility.
- Preparation should begin long before the application form is completed. It begins with explaining the business clearly, consistently and with supporting evidence.

Strategy creates direction.
Business operations create capability.
Operational credibility builds trust.

SELECTED REFERENCES

FATF — Japan Follow-Up Report (2024)
https://lnkd.in/g_E8P3Kh
Financial Services Agency of Japan — AML/CFT Guidelines
https://lnkd.in/gMCVhpFW