

What is Amazon Global Logistics?

Background training for store
builder teams





What is Amazon Global Logistics?

Amazon Global Logistics (AGL) provides *freight forwarding services* to third party sellers that sell on Amazon marketplaces.

The freight forwarder is the company that arranges the warehousing and shipping of goods. They do not ship the products themselves, but manage the process.

After we have the investor's products manufactured, we will use a freight forwarder to ship their inventory from the manufacturer to Amazon's fulfillment centers.

For example, we would have a freight forwarder organize the shipment of product inventory from a factory in China to a US fulfillment center.

As with well-known freight forwarders like CH Robinson, Amazon Global Logistics now offers the same freight services.

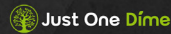
In effect, Amazon can be the investor's freight forwarder.

AGL focuses on end-to-end freight solutions including:

- Local pickup
- Palletization
- Labeling
- Cargo insurance services
- Customs clearance (origin and destination)



Where does AGL ship from and to?



Amazon Global Logistics Can Provide End-to-end Freight Solutions Including:



Local pickup



Palletization



Labeling

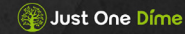


Cargo insurance services



Customs clearance (origin and destination)

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Amazon Global Logistics (AGL) Currently Forwards Goods to Destination Fulfillment Centers for:



US



EU

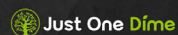


UK



Japan

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Amazon Global Logistics (AGL) Is in the Process of Adding Other Origin Sourcing Locations:



India



Vietnam



Thailand

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Where does AGL ship from and to?



Amazon Global Logistics (AGL) Currently Offers Forwarding From the Following Origin Sourcing Location:

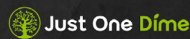


China



Hong Kong

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Amazon Global Logistics (AGL) Offers the Following Transportation Modes:



Ocean freight with full-container-load (FCL)



Ocean freight with less-than-container-load (LCL)



Airfreight

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What are the benefits of AGL?



There are benefits to using AGL over other freight forwarders. By using AGL, we can:

- **Reduce the risk of the investor's inventory being rejected** at fulfillment centers
- **Ensure the investor's inventory is packed and labeled correctly** for receiving at fulfillment centers
- **Reduce customs problems** by having a named Importer of Record (IOR) and continuous customs bond with AGL
- **Have the ability to book shipments using the normal Send/replenish inventory workflow.** This creates the shipping plan but also books the physical shipment of the investor's inventory.
- **Allow for Amazon to charge the investor's Seller Central balance directly** for services in USD
- **Sometimes reduce landed costs** and have access to **competitive shipping rates**
- **Have access to a user-friendly portal** allowing us to **track shipment status**
- Have access to **AGL customer support**





What is a customs bond?



A customs bond is a **legal contract between the investor (the importer), a Surety company, and customs (of the country where goods are being imported into).**

A Surety company guarantees any funds that customs may require. If necessary, the Surety company may collect missing funds from the importer.

The investor needs a customs bond so that their shipments of inventory are granted entry into the United States.

We request the customs bond on the investor's behalf through Amazon when we set up AGL.

After we complete the Amazon Global Logistics (AGL) application, the investor will receive an email stating that they received the request to purchase a customs bond.

AGL will also explain that in order to maximize use of their bond, **AGL will purchase the bond on the same day** that the Amazon seller places their **first booking for shipment**. They will also explain that the **bond covers them for \$50,000 US dollars (USD) and costs \$350 USD per year.**



Here is an example of the Amazon Bond Purchase Notice Letter. (Note that the Chinese lettering is because Amazon's AGL team is located in China.)

尊敬的客户，您好：

我们已收到您设置进口商时勾选的 Bond 购买需求信息及相应文件。同时，我们已经收到您的首次下单 (booking)。由于 Bond 具有一年的有效期，为避免由于过早购买，造成您的 Bond 在没有订单时造成不必要的浪费，故亚马逊是在您首次 下单后再代您购买 Bond。我司将即日代您购买 Bond，有效期为一年，Bond 的额度为美元 50,000。服务费用为美元 350 /年(*年：Bond 生效日期后的一个自然年)，约为人民币 2252 元/年（鉴于汇率影响，实际账单金额存在上下浮动）。望周知。

购买 Bond 的注意事项：

1. 如您目前已有发货订单 (booking)，我们将把购买 Bond 的服务费用计入到您该订单的运费账单中。如您是通过亚马逊 AGL 平台 (Shipper Central) 下单，Bond 服务费支持人民币支付，并可以开具增值税发票；如果您是通过卖家后台 (Seller Central) 下单，您可以选择使用您的卖家账号余额进行美元抵扣。
2. 如您在 bond 购买成功之后取消发货订单 (Booking) 且是通过卖家后台 (Seller Central) 下单，我们将会把 bond 的服务费发送到您的卖家后台，您可以选择使用您的卖家账号余额进行美元抵扣；如您是通过亚马逊 AGL 平台 (Shipper Central) 下单，我们将把购买 Bond 的服务费用计入到您下一次的发货订单的运费账单中。
3. 在您发送目的地为美国的相关货物前，请留意您是否已购买有效的 Bond，以避免货物进口产生延误。
4. Bond 的申请周期大概为 1 至 2 个美国工作日。我们将在第一时间告知您申请结果。Bond 的生效时间请以收到的 Bond 副本中载明的具体生效时间 (Effective Date) 为准。

祝商祺！

亚马逊全球物流团队

Hello,

We have received your request to purchase a continuous US customs bond, which you submitted as part of importer of record (IOR) setup with Amazon Global Logistics.

Customs bonds are valid for one year. In order to maximize use of your bond, we purchase it on the same day you place your first booking. Your bond covers \$50,000 US dollars (USD) and costs \$350 USD, or about 2252 renminbi (RMB). (Fluctuations in exchange rates may cause the actual cost in RMB to vary).

You can pay for your bond in USD through Seller Central by using a disbursement account. You can also pay for your bond in RMB via wire transfer and receive a fapiao.

Please note:

1. If you have already placed your first booking, the cost of your bond will be included in your freight charges.
2. If you cancel your first booking after bond purchase and order from AGL shipper central, we will include the cost of the bond purchase in your next booking. If you order from seller central, we will send the invoice of the bond purchase to your seller central .
3. It takes about 1 - 2 US working days to a process a new bond. We will provide you with an update on the status of your purchase as soon as possible. Once you receive your bond, please note the "Effective Date" on your copy.
4. To avoid delays during import customs clearance, please ensure you have purchased a valid continuous US customs bond before shipping to the US.

Thank you.

The Amazon Global Logistics team





The customs bond process differs slightly depending on the destination country. But for the United States, customs would be the Customs & Border Protection agency (CBP).

This customs bond guarantees that the investor will comply with customs regulations and pay the CBP for import duties, taxes, fines, or penalties.

In the US, a customs bond is **required for commercial goods valued at \$2,500 or more or where the nature of the goods requires a bond**, for example, with all food items, regardless of value.

When a bond is required, **customs won't release the investor's inventory until the bond is posted**, and all requirements are met.

Hypothetically, if the investor, as the importer, did not pay the applicable fees, the **CBP will collect the funds from the Surety company** that issued them the bond. The Surety company may then use legal means to collect those funds from the investor (the importer).

There are 2 types of customs bonds:

- Single entry customs bonds
- Continuous customs bonds

► Single entry customs bonds



We cannot use AGL with this type of bond.

Single entry customs bonds would only be valid for a single shipment. These bonds are suited for businesses who only undertake one or two big commercial imports within a year.

This is often the choice of bond when businesses are importing for the very first time and exploring the process.

► Continuous customs bonds



This is the type of bond that AGL requires.

A continuous bond allows us to import for the investor frequently and through various ports of entry within the period the bond is valid for.

This type of bond is valid until one of the signing parties, the importer or the surety company, cancels it. The CBP can also cancel it. This bond type will automatically renew if we do not cancel it.

Continuous bonds in the US typically cost 10% of the total fees, duties, and taxes the importer (the investor) paid during the previous 12 months importing goods. This means the value of the bond can change every year.

Continuous customs bonds are more economical and far more efficient than single entry bonds for Amazon sellers, such as our investors, that import frequently.





It is possible to **purchase a customs bond from a customs broker**. A customs broker is an agent for a Surety company that is approved by the U.S. Department of the Treasury.

Most freight forwarders have partnered customs brokers, meaning they can help you purchase a bond.

In our case, we buy the bond through AGL's system on behalf of the investor, which gets charged to the card on their Amazon account only after the first shipment is approved. Keep in mind that we only buy the bond via AGL if we end up using AGL for shipping. You will still create an AGL account for the investor so that the team can compare shipping prices and delivery times with AGL versus other third party freight forwarders, but we do not always use AGL as the shipping method.



DONE FOR YOU

by Just One **Díme**

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