Trade Risk Guaranty Presents

IMPORTING FOR AMAZON

Introduction to Importing Into the U.S. With Fulfillment By Amazon

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* *This E-book is for educational purposes only and is not intended for and does not constitute legal advice.*

Every Amazon shipping situation is unique, so for more information specific to Amazon, refer to Amazon Seller Central.

INTRODUCTION TO FULFILLMENT BY AMAZON

Amazon Marketplace is an excellent place for importers seeking a hands-off final delivery process for their merchandise. FBA sellers can import their products, send them directly to an Amazon warehouse, and fulfill customer orders without seeing or touching shipments.

As an importer of Fulfilled By Amazon (FBA) products, you will be responsible for making arrangements to have your goods shipped to the United States, cleared through US. Customs and Border Protection (CBP), and sent on to their final destination, all while meeting Amazon's regulations.

Sellers do not handle FBA inventory.

- **Amazon packages and ships FBA orders directly to the customer.**
- **Amazon handles customer service, including questions, returns, and refunds.**
- **Amazon collects payment from customers and pays the FBA seller their available funds every two weeks.**

A fulfillment fee is charged per unit sold. It includes the expense for picking and packing orders, shipping and handling, customer service, and product returns. Inventory storage fees are charged monthly based on the volume of inventory sellers hold in an Amazon fulfillment center.

INTRODUCTION TO FULFILLMENT BY AMAZON

FBA MERCHANDISE SHIPPING TIMELINE

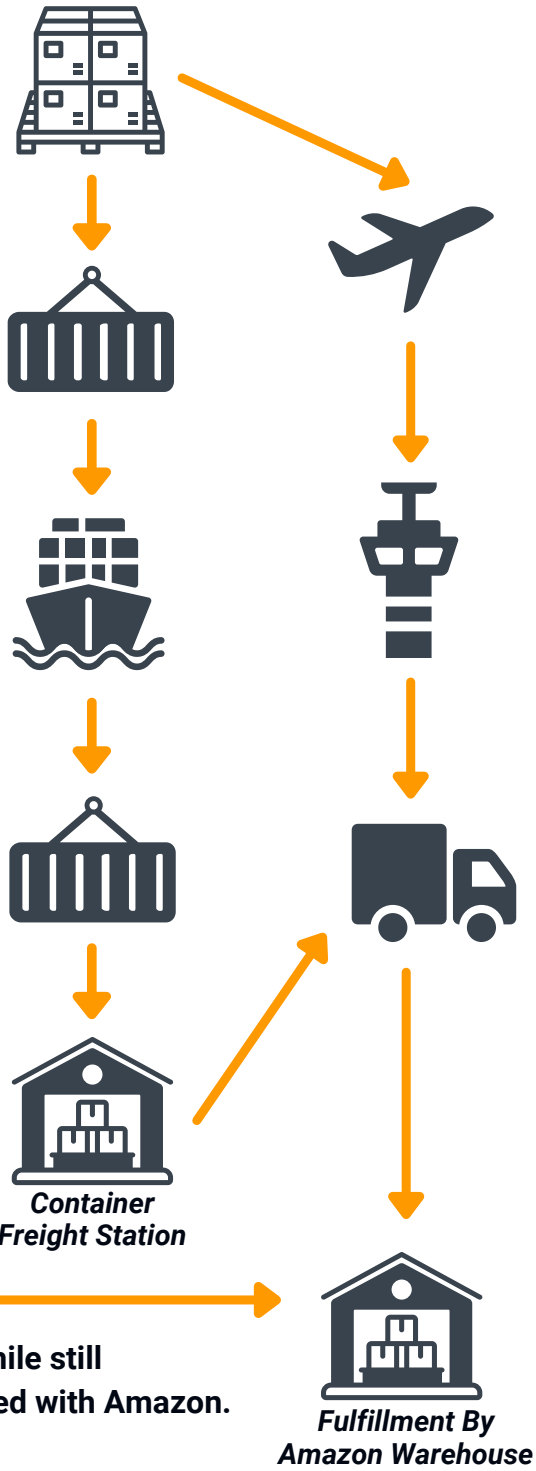
Merchandise is packed, labeled, and palletized at the origin, generally by the manufacturer.

Merchandise is containerized at the origin and ready to be loaded on the vessel.

Those using ocean freight will have containerized goods loaded onto the cargo ship. Shipping time will be from 3-15 days.

Once merchandise has been unloaded at the port of entry, it must be cleared through Customs before it can be transported.

LTL and FCL shipments are then sent to a container freight station where they are unpacked from the container and distributed accordingly. FCL shipments can be sent to an FBA warehouse while still containerized, but it must be arranged with Amazon.



Those using air freight will have palletized goods loaded onto the cargo plane. Shipping time will be from 3-15 days.

Goods shipped by air will be unloaded at the destination airport, cleared through Customs, and should be picked up 1-2 days after unloading.

Date of delivery to a Fulfillment by Amazon Warehouse depends on the appointment set for the shipment.

**Responsibility during this process is dependent on the Incoterms® rules applied*

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Chapter 1

AMAZON SELLER CENTRAL

Seller Central is an interface for sellers to manage their selling account, add product information, make inventory updates, download business reports, monitor performance, manage payments, and find content to navigate their business. It's also where the seller lists their products.

AMAZON SELLER CENTRAL

Before sellers register, they should decide which plan is a better fit. There are two plans to choose from; Individual and Professional. Sellers should choose a plan based on the quantity of goods they are planning to sell. The Individual plan costs $0.99 per sale. Sellers using the Professional plan pay $39.99 per month, no matter how many items they sell. Therefore, the Professional plan is optimal for anyone planning to sell more than 40 items per month. Once a seller registers, they have access to their Seller Central account.

CREATING PRODUCT LISTINGS ON AMAZON

Creating product listings in Seller Central allows Amazon to generate shipping information, including which Amazon fulfillment center to send products to. Those using a Professional seller account can list their products in large batches while Individual sellers list products one at a time.

FBA products should have a Global Trade Item Number (GTIN), such as a UPC, an ISBN, or an EAN. These are also known as product IDs. Amazon uses product IDs to identify the exact item being sold.

In addition to a product ID, the following information goes into a product listing:

- **SKU**
- **Product title**
- **Product description and bullet points**
- **Product images**
- **Search terms and relevant keywords**

AMAZON SELLER CENTRAL

CREATING A SHIPPING PLAN

Using the 'Manage Inventory' screen, FBA shippers must provide Amazon with specific information about their shipment. Here are steps steps for creating a shipping plan on Seller Central:

STEP 1: Name the shipment

Give the shipment a name that is easy to identify and track. This name can be whatever makes sense for the FBA seller.

STEP 2: Enter the address being shipped from

The address that should be input is the final destination that the product will land before your final delivery carrier retrieves your merchandise to bring to an Amazon fulfillment center. This address is not the supplier or manufacturer's address.

STEP 3: Specify the packing type

Once Sellers are certain packaging requirements are met, they will select if they are shipping individual products, which is usually for large products, or case-packed products.

STEP 4: Specify the units per case and the number of cases

Sellers can easily ask for this information from their supplier. This can be confirmed with each shipment plan in case there are any changes to this amount.

AMAZON SELLER CENTRAL

CREATING A SHIPPING PLAN

STEP 5: Determine who is prepping the packages

FBA sellers must notify Amazon if they handle the bagging or bubble wrapping of each product or if their supplier does. If the supplier is handling this, the seller should select 'Merchant.' It is typically more affordable to have your supplier handle this since you can write it into your manufacturer agreement at a particular cost per unit.

STEP 6: Determine who is labeling the packages

Sellers need to determine if Amazon or the supplier will apply the FNSKU barcode to each product. If the supplier is doing so, the seller should select 'Merchant.' If the seller designates the supplier to label the products, the seller can print and save the label's PDF to send to their supplier.

STEP 7: Create and approve the shipment

It is important to note that sellers are obligated to follow through on their shipments. Failing to do so may result in the suspension of the seller's rights to deliver goods to Amazon and possibly suspend their Amazon account. Be sure to triple-check any information before hitting approve.

PRODUCT-IDENTIFYING CODES

There are specific numbers and barcodes that every product sold on Amazon must have to be sold in the marketplace. These numbers serve different purposes. It is important to know that certain products could have additional ID numbers that apply, so check with Amazon to see if that applies to your product.

UPC	The UPC (Universal Product Code) is a very common barcode format that can be found in most retail stores. Retailers ask suppliers to add UPC codes to their products to keep track of everything, and Amazon asks the same of FBA sellers. When you list your products on Seller Central, you will be asked for this. In order to get a UPC barcode for your product, you need to purchase them from the GS1 (Global Standard 1) website.
GTIN	When you purchase your UPC barcode from GS1, you will also get a GTIN for that product. GTIN stands for Global Trade Item Number and refers to the numbers listed under a UPC barcode. These are unique for every product and help to identify your product if the UPC barcode fails.
ASIN	ASIN stands for Amazon Standard Identification Number, a ten-digit code that includes letters and numbers. It's unique to each product and is assigned when you create a new product in Amazon's catalog. Sellers can create their own ASIN or add products using an existing ASIN. Amazon uses ASINs to reference catalog data, track inventory for products, and index catalog pages for search and browsing on Amazon. ASINs are used on the Amazon product page in the catalog as well as in the URL of that product page.
FNSKU	FNSKU (Fulfillment Network SKU) is a code used by Amazon to identify everything in their warehouse, directly corresponding to a seller's ASIN. FNSKUs identify the product as well as the seller to Amazon's warehouse staff. Sellers can send products with just a UPC if they wish, but if a competitor does the same thing with the same type of product, Amazon won't be able to tell the difference between your and theirs since they'll be stored together. This can be an issue if your competitor's products are of lower quality than your own.
HTSUS	The Harmonized Tariff Schedule of the United States (HTSUS) is a classification system used by CBP to identify imported commodities. It is used to determine tariff classifications for goods imported into the U.S. based on the International Harmonized Commodity Description and Coding System. Classification is determined based on a product's name, use, and material used. A ten-digit HTSUS code is assigned to every product imported into the U.S. and is used to determine duty rates for the goods.

Chapter 2

CHOOSING PRODUCTS AND A SUPPLIER

Sellers must consider many factors when choosing what product they will sell and where they will get it. These considerations include quality control standards, ethical standards, and compliance with U.S. laws and regulations.

CHOOSING PRODUCTS AND A SUPPLIER

CHOOSING PRODUCTS

FBA sellers must choose a product to sell that meets Amazon's FBA product requirements. **FBA sellers must offer products on Amazon that:**

- **They are permitted to sell.**
- **They can deliver to the customer on time with no surprises.**
- **They can support after the sale.**

Since customer reviews are vital to a listing's success, it is essential to test products from multiple suppliers to ensure a quality product.

PRODUCT RESTRICTIONS

Some products are eligible for sale on Amazon but do not qualify for Fulfillment by Amazon. Amazon has produced a list of prohibited products and dangerous items that cannot be sold using FBA.

Some products must meet specific requirements before they can be sold using FBA. Products must meet expiration date and temperature-sensitive product requirements to be eligible.

INTELLECTUAL PROPERTY

Avoid importing counterfeit products or products in violation of intellectual property rights. Shipments suspected of being counterfeit or in violation of intellectual property rights will be rejected at the port of entry in the United States.

Sellers that want to sell trademarked goods must have permission from the trademark holder. Agencies inspecting at the border will want evidence that the seller is a legitimate importer of the product.

CHOOSING PRODUCTS AND A SUPPLIER

CHOOSING A SUPPLIER

FBA shippers should perform due diligence when selecting a supplier. Due diligence is an investigation of a product or supplier to confirm all facts and ensure the purchase will meet the buyer's needs. This can include reviewing a supplier's financial records, company performance, product quality, or anything else reputation-related.

Shippers should request specific information from potential suppliers to ensure that they participate in fair and legal trade practices. It is crucial to ensure that suppliers are compliant with the trade regulations set up by U.S. Customs and Border Protection (CBP).

Sellers should ask suppliers:

- If they maintain a database of import and export transactions
- To see product listings or their product matrix with the proper HTSUS classifications for their products.
- For information about the U.S. Customs brokers and associated powers of attorney affiliated with the supplier.
- To see the importer ID numbers used by the supplier.
- For a list of products that the supplier claims duty preference.
- If they have a policy for complying with import or export requirements.

Sellers should request samples of:

- Import and export documents filed with CBP or the U.S. Census Bureau
- Supply chain security documentation, including C-TPAT agreements
- Documents relating to any government audits, investigations, or enforcement actions related to import or export operations.

To avoid using prohibited labor, sellers should:

- Use reasonable care. Obtain advice from a Customs broker, trade attorney, or consultant.
- Utilize CBP's informed compliance publications.
- Read investigative reports and other publications on labor rights and working conditions in countries that export to the U.S.

CHOOSING PRODUCTS AND A SUPPLIER

CHOOSE YOUR INCOTERMS

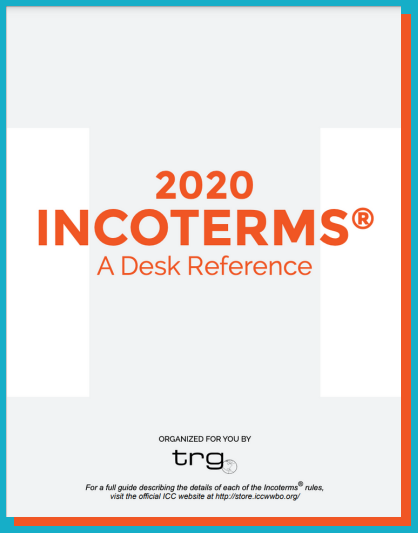
When you create a sales contract with your supplier, you will need to negotiate your Incoterms® rules to determine who is responsible for what in your merchandise shipping process.

Incoterms® rules (International Commercial Terms) are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC). **These terms inform sales contracts by defining respective obligations, costs, and risks involved in the delivery of goods from supplier to buyer (the FBA seller).**

There are eleven Incoterms® rules that are internationally recognized and accepted by governments, legal authorities, and practitioners worldwide. They are primarily intended to clearly communicate the tasks, costs, and risks associated with the transportation and delivery of goods.

11 INCOTERMS® RULES

CFR: Cost And Freight
CIF: Cost, Insurance, Freight
CIP: Carriage And Insurance Paid To
CPT: Carriage Paid To
DAP: Delivered At Place
DPU: Delivered At Place Unloaded
DDP: Delivered Duty Paid
EXW: Ex Works
FAS: Free Alongside Ship
FCA: Free Carrier
FOB: Freight On Board



Click Here to Learn the Specifics of the 11 Incoterms® rules with our 2020 Incoterms E-book

Chapter 3

PACKAGING FBA MERCHANDISE

There are requirements for packaging that sellers must meet before shipping the inventory to Amazon. Amazon has these requirements to ensure a consistently positive experience for customers.

PACKAGING FBA MERCHANDISE

BOXING REQUIREMENTS

The way boxes are packed and their dimensions must meet Amazon's requirements to be accepted at an Amazon fulfillment center.

- The contents of each box must contain inventory from only one Shipment ID.
- You cannot combine units from multiple shipments in the same box.
- Boxes cannot be bundled together using bagging, taping, elastic, or extra straps.
- Place a label or shipment ID on each box to keep the correct inventory together while processed into the fulfillment center.

Boxes must not exceed the standard weight limit of 50 pounds unless they contain one oversized unit that weighs 50 pounds or more.

- Oversize packages include any unit weighing more than 50 pounds or with dimensions higher than 18 inches on its longest side, 14 inches on its medial side, or 8 inches on its shortest side.
    - An oversized unit that exceeds 50 pounds should have a label that indicates "Team Lift" on the box's top and sides.
    - An oversized unit that exceeds 100 pounds should have a label that indicates "Mech Lift" on the box's top and sides.

PACKAGING FBA MERCHANDISE

PALLET REQUIREMENTS

It is imperative to have shipments palletized before they arrive at the fulfillment center whenever possible. This will ensure that your shipment is accepted by Amazon and processed into a fulfillment center without delay.

- **Sellers should only ship on wooden pallets that are in good condition.**
  Amazon will only accept wooden pallets that adhere to IPCC regulations. Broken and damaged pallets will not be accepted and may be rejected at the seller's expense.

- **All pallets must be wrapped in plastic with a "do not break stretch wrap" or "do not break down" alert to the carrier.**
  The stretch-wrap has to completely hold the product to the pallet to prevent shifting during transit. The use of clear stretch-wrap is preferred. Wrapped pallets need to have shipment labels placed on all four sides and the outside of the stretch-wrap.

- **The units placed on each pallet must all belong to one Shipment ID.**
  Sellers should place boxes that are intended to be sold together weighing more than 100 pounds on a single pallet so that there is one retail unit on each. Sellers should place a single shipping box or unit, such as furniture, weighing more than 100 pounds on its own pallet.



Amazon requests pallets that:

- **Are 40-inch x 48-inch, 4-way access**
- **Have a total weight that does not exceed 1,500 lb.**
- **Are not made of weak material such as cardboard or particleboard.**

If a single unit cannot fit on a 40" x 48" pallet without overhanging the edges, it is acceptable to use a pallet size and type suitable for the unit. Amazon will accept floor-loaded shipments if requested in advance, but additional charges usually apply if it requires immense handling.

Chapter 4

LABELING FBA MERCHANDISE

Shippers using the services of Fulfillment By Amazon must follow specific labeling requirements set by Amazon to ensure an efficient and hassle-free shipping process.

LABELING FBA MERCHANDISE

LABELING REQUIREMENTS

Each box or pallet that is imported and shipped to Amazon must be correctly identified with appropriate labeling. Shipments often get rejected due to insufficient labeling. Importers need to double-check that their supplier knows how goods must be labeled and have agreed to do so before sending them.

Shipments to Amazon should have the following types of labels:

- **FNSKU labels**
- **Pallet labels**
- **Carton labels**

FNSKU LABELS

Amazon assigns a Fulfillment Network SKU (FNSKU) to each product that is unique to each seller. Every product sold on Amazon must have an FNSKU label on each retail unit.

While FNSKU labels are also unit-level, unit labels are the labels on the actual product that are not considered Amazon FNSKU labels unless the unit label is registered as the FNSKU.

In some circumstances, the manufacturer's barcode can replace the FNSKU.

LABELING FBA MERCHANDISE

LABELING REQUIREMENTS

CARTON LABELS

FBA carton labels are generated by filling out the web form in the Amazon Seller Central Account. Labels should measure 3-⅓ inches x 4 inches.

Sellers should send FBA carton labels to their suppliers to label at the origin. Carton labels must be applied at the origin when using the full container load (FCL) shipping method. Suppliers that don't add carton labels at the origin MUST mark the cartons with the FNSKU.

Shipments going to multiple fulfillment centers will have multiple FBA IDs. Each FBA ID will have a different carton label, so sellers must make sure their supplier labels each carton correctly. The FBA carton label is also the small parcel delivery label. All small parcel delivery boxes must have FBA carton labels.

PALLET LABELS

Amazon has specific label requirements for pallets. Sellers must apply shipment labels onto each pallet. There should be four labels on each pallet, one on each side and one on the top center.

It is essential not to place pallet labels on an angle so that the forklift driver can see them when lifting the pallet. If the pallet is wrapped in plastic, those packing goods must place pallet labels outside of the plastic wrap.

LABELING FBA MERCHANDISE

DO'S AND DON'TS OF LABELING

[DO]

- Use white labels that are removable by the customer.
- Place labels either on the top or side of the box, but side placement is preferred.
- Cover any original barcodes. Failure to cover these barcodes can cause errors and may result in lost inventory.
- Cover the original manufacturer's barcode, which is the UPC, EAN, or ISBN.
- Ensure the label title is correct for the corresponding unit. This ensures that the products can be received, stocked, and sold.
- Ensure the FBA shipment label and the carrier label remains uncovered.
- Place shipment labels no closer than 1.25 inches from any box edge.

[DON'T]

- Do not place faded labels on units.
- Do not tape labels to units or cover shipment labels with tape.
- Do not wrap labels around corners or curves on the unit. This makes the label unscannable.
- Do not leave other barcodes uncovered.
- Do not use QR barcodes on labels since all scanners cannot read them.
- Do not place labels on a box seam where they will get cut by a box cutter.

Chapter 5

SHIPPING FBA MERCHANDISE

FBA sellers should follow proper shipping practices to avoid delays and rejection from the Amazon fulfillment center. This can help FBA sellers avoid a lot of hassle, including delays, shipment rejections, and more.

SHIPPING FBA MERCHANDISE

ISF FILING

Before the product is shipped, the seller or the seller's broker must file an Importer Security Filing (ISF) with U.S. Customs. Filing this information is mandatory for any shipment landing in a U.S. ocean port and must be completed at least 24 hours before cargo departs from the foreign port. ISF filing exists as a result of 9/11. It ensures the government has enough time to verify the goods coming in are safe and isolate any high-risk shipments.

FILING ISF REQUIRES:

- **Ship to Name & Address**
- **IOR #**
- **Co-signer #**
- **Six-digit HTS classification number #**
- **Manufacturer name & address**
- **Seller name & address**
- **Buyer Name & address**
- **Container stuffing location**
- **Country of Origin of the goods**



SHIPPING FBA MERCHANDISE

INSPECT BEFORE SHIPPING

Have an inspection conducted in the country of origin to determine if FBA merchandise is defective before leaving the port. Even if you have approved product samples beforehand, you should still have your products inspected before they're shipped from the country of origin.

It is difficult and expensive to make returns if the goods arrive in the U.S. defective and unsellable. If there is anything mistaken during this initial inspection, you can easily have the merchandise re-worked in the factory.

SHIPPING METHOD

When importing FBA products for Amazon, FBA sellers must choose to ship products from the supplier using air freight or ocean freight.

When choosing between these methods, you will need to determine what is best for your particular product. You should consider how much product you're shipping, how quickly you need it to reach its destination, and how much you're willing to spend to get it there.

Ocean freight is typically cheaper and generally takes between 20 to 45 days. Ocean freight is the most cost-effective method for large shipments. Using this method is much slower but is suitable for products that don't need to be rushed.



Using air freight is faster but significantly more expensive. Airfreight is ideal for lighter, smaller shipments and can be delivered as quickly as 3 days but could take up to 15 days.



SHIPPING FBA MERCHANDISE

FCL VS. LCL

Sellers will then need to choose between shipping their merchandise using full container loads or less than container loads.

LESS THAN CONTAINER LOAD

An LCL shipment, or less than container load shipment, is shipped alongside other merchandise from other shippers in the same container. If more than one company owns goods in the container, it is an LCL shipment. FBA sellers shipping to Amazon using LCL must palletize their shipment. If goods are not palletized at the origin, the shipment will need to be palletized before final delivery to an Amazon fulfillment center.



FULL CONTAINER LOAD

An FCL shipment tends to be more secure because it has exclusive rights to the entire container. That means that it is not in contact with cargo from other shippers —as in the case of LCL shipping— and isn't at risk of damage or contamination from other merchandise. As long as no other company has goods in that container, it's an FCL shipment. Those shipping FCL to Amazon can either palletize or floor load their cargo.



SHIPPING FBA MERCHANDISE

MARINE CARGO INSURANCE

Shipping from overseas comes with risk, so FBA sellers should consider purchasing a Marine Cargo insurance policy.

Losses occur during transport daily for various reasons, including cranes puncturing containers, water damage, and theft. **How would it affect you if you lost the value of an entire FBA shipment?**

Marine cargo insurance covers the loss, damage, or theft of commodities while in transit between the point of origin and final destination. There are different types of cargo insurance to cover any importer's needs.



Check out TRG's Marine Cargo Insurance E-Book to Learn More

FBA CARGO CLAIMS

It is always possible for FBA shippers to experience loss or damage while shipping cargo overseas. Common causes of cargo loss include:

- **Fire**
- **Inclement weather**
- **Moisture making its way in the container**
- **Container damage**
- **Cases of General Average**
- **Theft**
- **Negligence**

Chapter 6

BASICS OF IMPORTING INTO THE UNITED STATES

Before selling merchandise on Amazon, FBA importers need to understand their obligations in the import process. Those selling products sourced from other countries are commercial importers and should abide by import laws set up by the U.S. Customs and Border Protection (CBP).

BASICS OF IMPORTING INTO THE UNITED STATES

U.S. CUSTOMS AND BORDER PROTECTION

U.S. Customs and Border Protection (CBP) is responsible for the security, compliance, and facilitation of international trade. CBP guides the import community to increase compliance with domestic and international Customs laws. Sellers must take the following steps for shipments to arrive safely and legally without resulting in CBP storage fees or damages:

1. **Make arrangements at a CBP port of entry.**
2. **Declare the entry of your goods.**
3. **File for cargo release.**
4. **File an entry summary.**
5. **Have a Customs Import bond on file.**
6. **Pay estimated Customs duties, taxes, and fees.**
7. **Ensure entry documentation is complete.**

INFORMED COMPLIANCE

An essential part of clearing products through U.S. Customs is that importers ensure compliance with CBP regulations. This is known as informed compliance. CBP issues informed compliance publications on a variety of subjects and processes. When voluntary compliance is attained, compliant importers are less likely to have their shipments examined or their entries reviewed.

Learn More About Informed Compliance

BASICS OF IMPORTING INTO THE UNITED STATES

ASSIGNING ROLES

Before FBA importers ship inventory to an Amazon fulfillment center in the U.S., they need to decide who will take on these responsibilities:

EXPORTER OF RECORD (EOR)

The Exporter of Record is the legal entity for goods exiting a country. Usually, the seller is the Exporter of Record. A Customs broker or freight forwarder may be able to act as the EOR, but Amazon will not.

IMPORTER OF RECORD (IOR)

The Importer of Record is responsible for entry documents required by CBP, product classification, duty payments, and other import obligations. This will be either the seller or their Customs broker.

ULTIMATE CONSIGNEE

Amazon may be listed as the ultimate consignee only if “in care of” is listed before the entity’s name. But first, sellers must contact Amazon before shipping for the Tax ID # (EIN) required for Customs clearance.

Amazon will not serve as the importer of record for any FBA inventory shipment. FBA shipments attempting to make entry with Amazon as the IOR will be refused and returned at the seller’s expense.

Learn More About IOR Responsibilities

BASICS OF IMPORTING INTO THE UNITED STATES

FBA merchandise importers who want the services of a Customs broker or freight forwarder to help move inventory from one country to another are responsible for engaging them directly.

HIRING A FREIGHT FORWARDER

Freight forwarders arrange the necessary paperwork and the process of transporting goods. They can manage numerous aspects of the import and export process, such as booking cargo space, negotiating freight charges, consolidating freight, and hiring necessary logistics companies. Those importing small amounts of goods can do without a freight forwarder, but will likely need to invest time managing logistics, shipping documentation, and Customs forms.

HIRING A CUSTOMS BROKER

Many FBA importers will decide to use a licensed Customs Broker to clear goods through Customs and ensure all documentation is filed correctly. Brokers are regulated by CBP and are authorized to help importers meet all Federal requirements.

A Customs broker may require you to complete:

- Importer of Record registration
- Terms and conditions
- Duties, taxes, and shipping costs
- Power of Attorney authorization

BASICS OF IMPORTING INTO THE UNITED STATES

THE ENTRY PROCESS

When importing in the United States, sellers must take the following steps to ensure that shipments can arrive safely and legally without resulting in CBP storage fees or damages.

STEP 1: Make Arrangements at a CBP Port of Entry

Before arriving in the U.S., arrangements must be made for the goods at the CBP Port of Entry where they will arrive. This is where duties and documentation will need to be filed.

STEP 2: Declare the Entry of Your Goods

Once your shipment has arrived in the United States, you must declare how you will enter goods. Goods may be entered for consumption, entered for warehouse at the port of arrival, or transported in-bond to another port of entry and entered there.

- **Entry for Consumption**
  This type of entry is used when goods are imported into the United States to go directly into U.S. commerce. This includes goods entered for commercial, business, or personal purposes.
- **Entry for Warehouse**
  Sellers who want to postpone the goods' release need to place them in a CBP bonded warehouse. The goods may be kept in the warehouse for up to five years, with duties not payable until the goods are withdrawn.
- **Transportation of Merchandise in Bond**
  To enter the goods in a different location within the U.S., goods must travel to an interior port in a bonded status by a carrier that accepts them under bond.

BASICS OF IMPORTING INTO THE UNITED STATES

THE ENTRY PROCESS

STEP 3: File for Cargo Release

When goods arrive, the IOR has up to 15 days to file Cargo Release for the goods. This releases the goods from CBP custody and declares that the IOR has the right to make entry. Until this release is filed, CBP will store goods at the terminal; however, additional fees will generally begin to accrue after 2-5 days.

STEP 4: File an Entry Summary

The IOR must file an entry summary (CBP Form 7501) within ten days of cargo release from CBP custody. CBP Form 7501 is a crucial document for CBP, Including the IOR's declarations of the classification, origin, and value of imported merchandise.

STEP 5: Pay Estimated Duties

Within ten days of the cargo release, the seller must pay estimated duties on their imported goods. However, the final amount due is subject to change upon liquidation. If payment is made that exceeds what is due, a refund will be issued. However, if a payment is made under the final amount, the seller will owe supplemental duties.

STEP 6: Ensure Entry Documentation is Complete

Entry documentation will not be legally filed until the following have been completed and confirmed:

- The shipment has arrived within the port of entry
- CBP has authorized delivery of the merchandise
- Estimated duties have been paid.

Importers have the option to complete steps 3,4, and 5 at once. This is called filing for immediate release and it is something that many Customs brokers will know to do.

BASICS OF IMPORTING INTO THE UNITED STATES

U.S. CUSTOMS IMPORT BOND

Having a bond on file is a mandatory requirement to import into the United States, and CBP will not clear goods at their port of entry without one.

A Customs import bond ensures that should the importer be unable or unwilling to pay their duties, taxes, tariffs, or other money owed Customs, that the surety is liable to pay up to the bond amount to CBP. The importer will then pay back the duties, taxes, and tariffs that were covered to the surety.

Customs Import Bond

- **Surety (insurance company) product**
- **Tool that protects the government's revenue stream**
- **Government-mandated bond that every importer in the U.S. must have to import**

Customs requires that a bond be posted with every ISF and Customs Entry to ensure that all duties, taxes, and fees owed to the federal government are paid. It is usually more affordable to secure a Customs import bond directly from a surety rather than through a broker.



Learn more about U.S. Customs import bonds and subscribe to TRG's YouTube channel

BASICS OF IMPORTING INTO THE UNITED STATES

IMPORT DUTIES AND TARIFFS

Duties and tariffs are types of taxes imposed on foreign goods.

- **Tariffs** are a direct tax applied to goods imported from a different country.
- **Duties** are indirect taxes that are imposed on the consumer of imported goods.

Tariffs and duties were created to protect domestic industries by increasing the cost of imports to a fair market value. The tax revenue from duties and tariffs helps fund social and developmental works like education, health, and security.

Amazon is not responsible for collecting any duties, taxes, or shipping costs associated with FBA inventory. Shipments that arrive at an Amazon fulfillment center with collect charges, including any duties, taxes, or shipping costs, will be refused.

Understanding the difference between duties, taxes, and tariffs can be confusing for those new to importing into the U.S. Learn more about duties, taxes, and tariffs by checking out this TRG blog post.



BASICS OF IMPORTING INTO THE UNITED STATES

IMPORT DUTIES AND TARIFFS

The government collects Customs duties and tariffs to protect the economy, citizens, jobs, environment, and more by controlling the flow of goods, primarily restricted and prohibited goods, in and out of the country. United States Customs and Border Protection (CBP) is responsible for collecting import duties.

TYPES OF DUTIES

Types of Customs import duties applied in the United States:

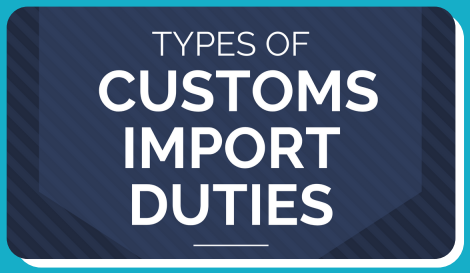
- **Basic Customs Duty (BCD)**
- **Countervailing Duty (CVD)**
- **Anti-Dumping Duty (AD)**

Sellers should always ask if their suppliers' goods are subject to AD, CVD, or other safeguard duties prior to importing.

HTS CODES

Import duties and tariffs relate directly to the Harmonized Tariff Schedule (HTS), a system used to classify goods entering the United States.

HTS codes determine the duty rate that should be charged on specific imported products. **All goods must have an HTS code documented to make entry.**



Learn More About Different Types of Duties



Learn More About The Harmonized Tariff Schedule (HTS)

Chapter 7

ORGANIZING FINAL DELIVERY

Once products have successfully entered into the United States, the seller or the seller's broker must arrange for domestic truck or air shipping to an Amazon fulfillment center, also known as last-mile delivery.

ORGANIZING FINAL DELIVERY

FULFILLMENT CENTER PACKAGING

For sellers to ship goods directly to the Amazon fulfillment center without touching them, they must ensure that they are packed appropriately before they are delivered. Suppliers can sometimes do this packaging, but the other option is to send FBA products to a facility that prepares the proper packaging before sending them to the Amazon fulfillment center.

FULFILLMENT CENTER ASSIGNMENT

The specific fulfillment center that Amazon wants the goods sent to will be specified when sellers create the products & shipments in seller central. Shipments being split into multiple fulfillment centers can have a different final delivery method selected for each delivery. Once a seller's inventory is stocked into the fulfillment center, the goods are ready to be sold.

REFUSED SHIPMENTS

When inbound shipments that do not meet Amazon's requirements are sent to Amazon fulfillment centers, Amazon will reject them.

Overage and mis-ships may be rejected at the dock. Shipments that are damaged or defective may be refused at the dock as well. Refused shipments are generally returned at the shipper's expense.

ORGANIZING FINAL DELIVERY

CUSTOMER RETURNS

With FBA, Amazon processes customer returns. Amazon's return policies determine how FBA customer returns are handled and what is eligible for reimbursement. Amazon offers refunds, returns, reimbursements, and replacements on FBA orders, depending on products and circumstances. To ensure a pleasant customer experience, Amazon may accept returns beyond the usual timeframe.

LOST OR DAMAGED INVENTORY REIMBURSEMENT POLICY

Full or partial reimbursement can be issued for inventory lost or damaged under Amazon's control.

If inventory is lost or damaged by a carrier in an Amazon fulfillment center or during delivery to a customer, Amazon may:

- Replace the item with one that has the same FNSKU
- Reimburse the estimated proceeds of the sale of that same item

Amazon considers these factors when determining reimbursement amount:

- Sales history
- The average FBA selling price on Amazon
- The sales history of the specific Amazon Standard Identification Numbers

If Amazon does not have enough information to calculate the reimbursement amount for an item, they assign a value based on similar items. The reimbursement amount for an item can't exceed $5,000. Amazon will not reimburse items valued at more than $5,000, so sellers should purchase cargo insurance if they want to be protected.

ABOUT TRADE RISK GUARANTY

Trade Risk Guaranty (TRG) is an international surety agency providing Customs bonds, marine cargo insurance, and other trade-related products direct to companies that import into the United States. TRG was founded in 1991 when the founder realized that certain products and services that were traditionally provided by Customs brokers could be provided directly from the insurance agency, resulting in lower prices and higher levels of expert customer service.

Marine Cargo Insurance From TRG

Trade Risk Guaranty believes that cargo coverage should be tailored to your business. That's why every policy we write starts with an in-depth application to gather every detail about your shipments. Get the best coverage for your business. We are the all-risk insurance experts specializing in imports, exports, and domestic policies.

Get A Quote

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