

# Business 101: Questions to ask your accountant in Singapore



# Did you know you can harness a superpower in entrepreneurship? It's not something flashy like flying or teleporting, but it's just as valuable in its own way: asking the right questions.

There is a big difference between known unknowns – things you realise you don't know – and unknown unknowns. The latter offers an enormous challenge to any business. These are challenges you could prepare for – but you don't through a lack of awareness.

But if you ask the right questions, you can significantly reduce or even eliminate unknown unknowns.

The key is to ask the right questions of your accountant. If you start with the right questions, you'll get the best experience with any accountant.

So what are those right questions? Don't worry, we've got you covered. This guide will show you the questions to ask your accountant, and also provide you with the answers.

Remember: this is just the beginning. If you'd like to grow your business rather than groaning over accounting, we're here to help.

→ [Talk with an Osome accountant today](#)

# Contents

Click to navigate chapters

1. What are the different business structures available for setting up a company in Singapore?
2. When should my Financial Year-End (FYE) date be?
3. What are the tax implications for a Private Limited Company (Pte Ltd)?
4. What are the tax implications for a self-employed person (sole proprietor)?
5. What are my tax filing requirements and dates?
6. Should I be GST registered even though I've not reached the SGD 1 million threshold?
7. How do I get money out of my company?
8. How can I keep track of my expenses and what expenses can I claim as business expenses for tax purposes?
9. What other compliance requirements do I need to be aware of for my business structure and industry sector?

# ① What are the different business structures available for setting up a company in Singapore?

There are a few different options for setting up a business in Singapore, each with different rules and tax implications. So, the best option for you will depend on your specific needs and goals.

When it comes to setting up your own business, there are a couple of options that are most relevant for a first-time founder.

First, there's the solo option: a Sole Proprietorship. It's quick and easy to get started, and you don't have to worry about dealing with lots of paperwork.

But, here's the catch: you're personally responsible for all the debts and obligations of the business. So if things don't go as planned, your personal assets could be at risk.

Another option is a Private Limited Company, or Pte Ltd. This is a separate legal entity from you, the owner, which means that your personal assets are protected. This is a good choice if you think your business will grow and you might want to bring in outside investors.

Just keep in mind that it can take a bit more time and money to set up this type of business.

Learn more

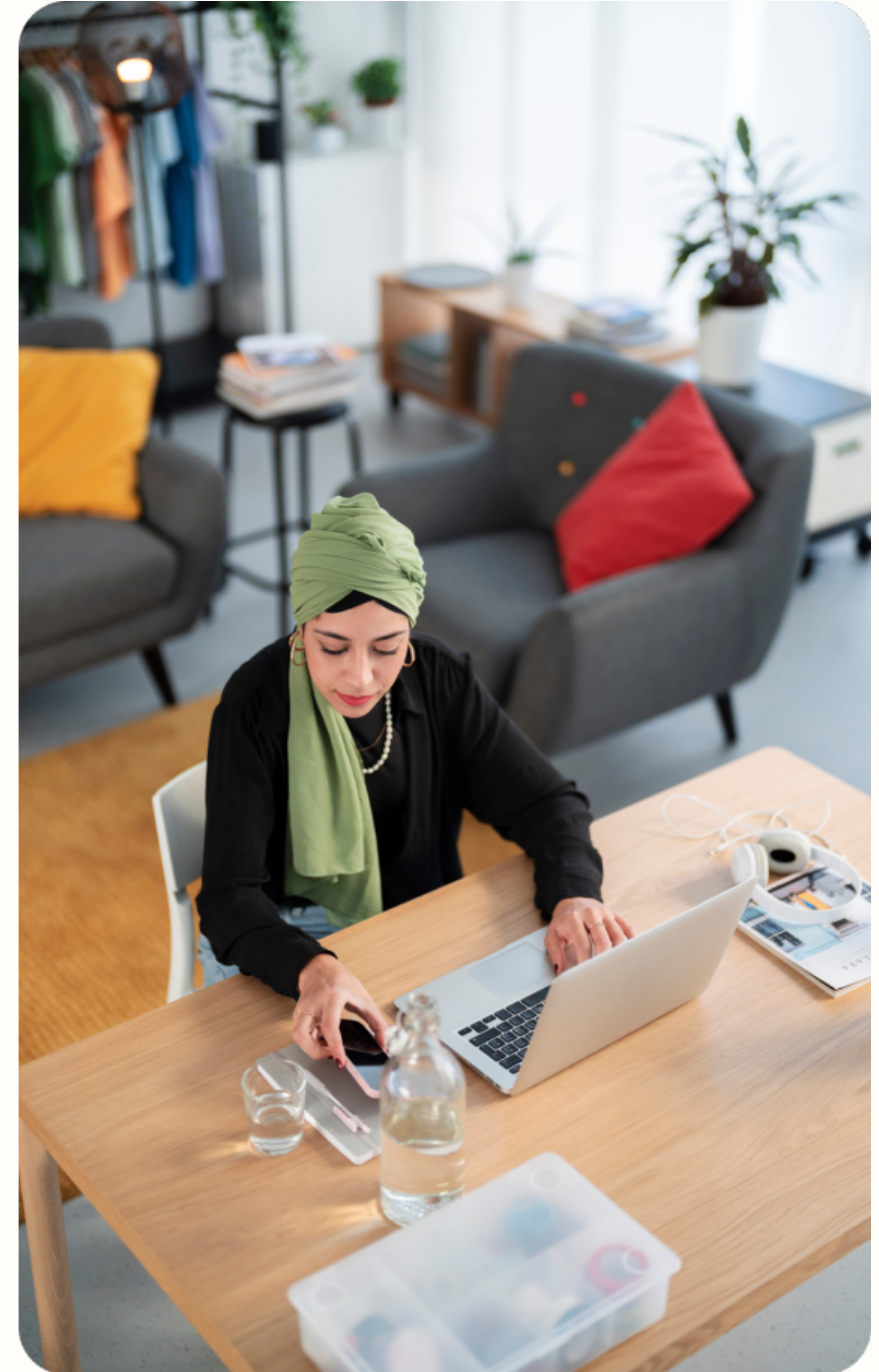
Keen to understand more about the different options?

→ [Deep dive into this article about different business structures in Singapore.](#)

## ② When should my Financial Year-End (FYE) date be?

Your FYE, or financial year-end, is the date when your company's financial year ends and you close the books for accounting purposes. In Singapore, the default FYE for a private limited company is **12 months** from your incorporation date and for a sole proprietorship, is **31 December**, but you can change it if you want.

Make sure to choose a FYE that works best for your business, like if you have a slow time of year, choose a different FYE so it doesn't mess with your financial statements. Changing the FYE can affect your tax filings and reporting so it's always best to talk to an accountant before making any changes.



### ③ What are the tax implications for a Private Limited Company (Pte Ltd)?

#### Corporate Income Tax

Your company will pay 17% tax on its tax adjusted profits.

#### Dividend Tax

If you pay dividends to shareholders, these dividends are paid out of after-tax profits. It is tax-free in the hands of your shareholders.

#### Director Fees

Director fees, salaries, and other payments to shareholders are taxable.

#### GST

If your company makes over SGD 1 million in sales, you'll need to register for GST and then, charge 8% GST on top of your sales.

#### Foreign Workers

If you hire foreign workers with work visas, you may need to pay a foreign worker levy and foreign employee tax.

## ④ What are the tax implications for a self-employed person (sole proprietor)?

Simply, you'll need to file an annual tax return and pay taxes on your business profits.

The tax rate ranges from 0–22% and is based on your personal income range.

And if your business earns more than **SGD 1 million** in a year, you might have to pay the Goods and Services Tax (GST). It's important to keep good records and chat with an accountant to make sure you're following all the tax rules.



## ⑤ What are my tax filing requirements and dates?


As a private limited company or a sole proprietorship in Singapore, you'll have different tax filing requirements and deadlines to keep in mind.

### Private Limited Companies

You'll need to file an annual tax return by 30 November every year and also send in your financial statements to IRAS. And don't forget, you'll also have to make an estimated filing three months after your FYE to cover your estimated tax liability.

### Sole Proprietorship

You'll have to file an annual tax return by 30 April each year and pay personal income taxes based on the profits you make from your business.

 It's always a good idea to double check with your accountant for the latest information and to make sure you're covering all your tax bases.



## ⑥ Should I be GST registered even though I've not reached the SGD 1 million threshold?

It depends on your expenses in Singapore. If you have large expenses like renting an office or buying assets, or if you import from overseas but don't make many sales in Singapore, then it might make sense to register for GST. That way, you can claim back some of the GST taxes you have paid on those office rentals and other expenses.

But, if your expenses aren't that high, it might be best to hold off on registering until you have to do so mandatorily. This is because registering for GST can make your products or services more expensive for consumers and business to purchase or engage.



## ⑦ How do I get money out of my company?

When you own a Private Limited Company in Singapore, you have a few options to get money out of your business.

### Pay yourself a salary

You'll need to make sure it's reasonable and in line with industry standards, as it will affect your company's profitability and taxes.

### Take out dividends

You can also take after-tax profits out as dividends, but keep in mind that you may need to pay personal income tax on that money if you received it in a different location.

### A loan

If you need a lot of money, you can take a loan from your business, but just make sure it's structured properly and approved by your board of directors.

## ⑧ How can I keep track of my expenses and what expenses can I claim as business expenses for tax purposes?

To keep track of expenses, you can use tools like spreadsheets, accounting software, and always remember to keep your receipts and vendor invoices. We're biased, but Osome's [all-in-one financial platform](#) makes expense tracking (and filing) a breeze.

As for what expenses you can claim, it usually depends on what is considered ordinary and necessary for your business.

This can include things like office supplies, equipment, rent, and travel expenses related to your business. However, it's best to check with your accountant to make sure you're following the specific regulations and guidelines in your country.



## ⑨ What other compliance requirements do I need to be aware of for my business structure and industry sector?

There's no one answer here, as this can change depending on your chosen business structure, activity and industry. To make sure you're all set, you'll want to ask your accountant about business licences, permits, and regulations specific to your company.

They may also be able to advise on industry-specific requirements, like labour laws or environmental regulations. By asking the right questions and being informed, you'll be able to establish your business with confidence and avoid any potential compliance issues down the line.



# Reminder: You didn't get into business to be an accountant

Enter: Osome's financial experts. We have your back with all things [small business accounting](#). We help you file documents on time, organise your reports, and stay on top of your financials. So you can focus on what matters – growing your company.

[Chat with an accountant](#)

