

When Should I Hire An Accountant For My Ecommerce Store in Singapore?



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Starting an online business is an exciting journey. According to the Singapore Department of Statistics, online retail sales made up 16.9% of the retail trade in November 2021. Given the current business climate, many physical businesses are going online as a way to drive revenue.

If you're already running an ecommerce store, you might be wondering if it's necessary to hire an [ecommerce accountant](#). In this article, we'll give you an overview of the role of an accountant for ecommerce business and how you can find a suitable one for your enterprise.

What is ecommerce accounting?

Although ecommerce accounting and traditional accounting may seem similar, they're actually very different from each other. Traditional accounting is mainly about bookkeeping — you record the list of transactions you receive in a day, tabulate those amounts, and deduct your operating and administrative costs, costs of goods and other expenses, and derive your income. Cash that flows out of your business is your expenditure.

However, as ecommerce businesses work around the clock, consumers can purchase any items from your store and other sales channels at any time of the day — and you'll need to keep track of these transactions. You'll also need to analyse transactional data, inventory management and sales tax to keep an eye on your financial performance across marketplaces, regions, etc.

Is it necessary to hire an accountant for my ecommerce business?

Well, it depends on the size of your ecommerce business and how much time you have to sort out your finances yourself.

If your ecommerce store is generating a side income, you might be able to handle your accounts yourself, or occasionally get a freelance accountant to help during peak periods. But if your plan is to grow your ecommerce store, you might find an accountant useful if not necessary.

Although you may have fundamental knowledge of running a business, it can be easy to miss out important details in the financial analysis and reporting of your business. For instance, if you're so busy handling an important project for your company that you miss the deadline for filing corporate income tax, you could receive a hefty fine. A qualified accountant will lift that burden off you, helping you to focus on the running of your company.

When is the right time to hire an accountant?

Here are a few things that indicate the right time to hire an accountant:

Your ecommerce store is expanding

It's okay to handle your company's accounts at the start. But as your ecommerce store begins to expand, the number of transactions will increase and you'll need to keep a proper eye on your accounting and bookkeeping records.

The success of your ecommerce store largely depends on how well you manage your customers, so finances might be something that takes a back seat. In this instance, you may want to delegate this task to a qualified accountant.

You're not sure about sales tax

Unlike most business transactions, ecommerce transactions are usually multi-jurisdictional — you'll be selling into different regions and each region will be governed by a different set of tax laws.

As ecommerce businesses deal with anonymous parties, many owners struggle to understand the different tax laws, including the source of income and income classifications of transactions.

There might even be double tax treaties where a person buying or selling is occasionally a tax resident in another country, resulting in double taxation of income.

Example



Kaitlyn is a US citizen, but she's currently based in Singapore. She has her own e-commerce business selling children's clothes. As she pays tax in the US, she doesn't have to pay tax in Singapore. **She can apply for a relief through Singapore's Double Taxation Agreement (DTA).**

You need help with inventory management

Selling products or services doesn't usually happen in one sales channel. You might sell your products through multiple sales channels in order to generate more income and awareness of your business.

Of course, this will mean that you'll need to monitor your inventory across those multiple sales channels. Suppose you sell electric fans in your ecommerce store but you also list your products on popular sales channels like Lazada, Shopee, etc. When more consumers begin to buy your products, it's easy to lose track of your inventory. Accounting software can be a huge help with this.

Do you need an automated solution for inventory management? Look no further — we're the experts.

[Chat to us today](#)

What to look for in a suitable accountant

When you're looking for an accountant, it's important to find someone capable with experience in ecommerce business. **Here are two important criteria:**

①

Expertise and knowledge of ecommerce accounting and tax systems.

The accountant must have experience working with a wide range of accounting and bookkeeping solutions, and they don't need any training from you.

②

Awareness of compliance and deadlines related to financial reports and tax returns.

Busy ecommerce owners can miss the deadlines or forget to check for errors in reports. Having someone experienced enough to check these for you means one less thing for you to worry about.

We deal with the admin. You focus on your business.

Finding a suitable accountant can be a challenge. We have [a team of experienced accountants](#) who can guide you through your company's accounting needs, including analysing sales data, preparing financial reports and keeping track of deadlines, so you can focus on achieving your company's goals.



Got any questions?
[Chat with us](#) today!

