The Role of Accounting in the E-commerce Environment : Developments and Challenges

دور المحاسبة في بيئة التجارة الإلكترونية: المستجدات والصعوبات

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Abstract:

This research examines the role of accounting in the e-commerce environment, focusing on digital developments and the challenges facing accountants in e-commerce companies,The research relied on the descriptive analytical approach to study the practical applications of accounting.

The expected results indicate key challenges such as processes automation, data protection, and digital tax management, while highlighting technological advancements.

Keywords : Electronic accounting, E-commerce, Accounting challenges, Digital developments, Accounting in e-commerce.

JEL classification code : M41 ; M42 ; L81 ; O33.

ملخص: يهدف هذا البحث إلى دراسة دور المحاسبة في بيئة التجارة الإلكترونية، مع التركيز على المستجدات الرقمية والتحديات التي تواجه المحاسبين في مؤسسات التجارة الإلكترونية. واعتمدت الدراسة على المنهج الوصفي التحليلي لدراسة التطبيقات العملية للمحاسبة.

وتشير النتائج المتوقعة إلى وجود مجموعة من التحديات الرئيسية، من أبرزها أتمتة العمليات المحاسبية، وحماية البيانات، وإدارة الضرائب الرقمية، مع إبراز أهمية التطورات التكنولوجية في تحسين الممارسات المحاسبية وتعزيز كفاءة اتخاذ القرارات.

الكلمات المفتاحية: المحاسبة الإلكترونية; التجارة الإلكترونية; التحديات المحاسبية;المستجدات الرقمية; المحاسبة في التجارة الإلكترونية.

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1. Introduction :

The world has witnessed rapid development in information and communication technology in recent decades, which has led to the emergence of new patterns of economic transactions, among the most prominent is e-commerce, w hich has become a significant part of global economic activity. The spread of the internet and digital platforms has contributed to changing the ways of buying and selling ; This has led to the emergence of a digital business environment with features that differ from the traditional environment, which has directly impacted various accounting practices within institutions.

In light of this digital transformation, accounting is now required to keep pace with the technological developments that characterize the e-commerce environment, whether in terms of methods of recording financial transactions, or methods of preparing financial reports and analyzing data, this new environment has also imposed on accountants the need to use advanced accounting information systems that rely on digital technologies and modern software, in order to ensure the accuracy and speed of processing financial data resulting from electronic transactions.

1.1. Research Problem :

With the rapid development of digital technology and the spread of e-commerce, institutions are increasingly relying on electronic transactions to complete sales and purchases and exchange financial information, this has led to the emergence of a new business environment that differs from the traditional environment in terms of the nature of operations, the speed of their implementation, and their heavy reliance on digital systems ; in this context, the accounting profession faces many changes that require the development of accounting methods and tools to keep pace with this new environment, and despite the advantages provided by e-commerce ; However, it also

presents a range of challenges and difficulties related to recording financial transactions, measuring revenues, and ensuring information security and data reliability, Hence it stands out the need to study the role of accounting in the e-commerce environment and to identify the most important developments that have occurred in it and the difficulties it faces.

1.2. Main question : What is the role of accounting in the e-commerce environment, and what are the most important developments and difficulties facing accounting practice in this environment ?

1.3. Sub-questions :

-What is meant by e-commerce and what are its most important characteristics ?

- What are the most crucial developments that have occurred in accounting practice in light of e-commerce ?

- What are the challenges and difficulties facing accounting in the e-commerce environment ?

- What are the requirements for developing accounting practices to keep pace with the e-commerce environment ?

1.4. Research hypotheses :

Hypothesis 1 : E-commerce is characterized by a set of features, the most important of which is the reliance on the internet and digital media in carrying out commercial transactions, which leads to a change in the nature of financial transactions compared to traditional trade.

Hypothesis 2 : The spread of e-commerce has led to new developments in accounting practice, among the most prominent of these is the reliance on electronic accounting information systems and the use of

software and digital technologies in recording and processing financial data.

Hypothesis 3 : Accounting in the e-commerce environment faces several difficulties, such as the difficulty of documenting electronic transactions, information security problems, and challenges related to revenue recognition and control of financial operations.

Hypothesis 4 : Developing accounting practices in an e-commerce environment requires reliance on modern technologies, and updating accounting legislation and standards, in addition to developing accountants' skills in the field of digital technology.

1.5. Research Objectives :

This research aims to achieve a number of objectives, the most important of which are :

- To understand the concept of e-commerce and its characteristics.

- Highlighting the role of accounting in the e-commerce environment.

- Identifying the most important developments that have occurred in accounting practice in light of e-commerce.

- Identifying the most prominent challenges and difficulties facing accounting in this environment.

- Presenting some suggestions that may contribute to developing accounting work in line with the requirements of e-commerce.

1.6. Research Model : The research model is based on studying the relationship between e-commerce and accounting, where e-commerce represents the independent variable due to its digital and technological developments, While accounting practice represents the dependent

variable, the impact of this variable is evident through the accounting developments that have emerged as a result of the digital environment, as well as the difficulties and challenges faced by accountants and institutions when dealing with electronic transactions.

1.7. Previous studies :

- Shi's study (2021) : Shi's study (2021) aimed to analyze the impact of accounting computing and digital networks on the e-commerce environment, where it focused on how accounting practices have changed as a result of the increasing reliance on digital systems in recording and processing financial transactions. The study concluded that the spread of e-commerce has led to a fundamental shift in the accounting profession, where institutions have increasingly become dependent on electronic accounting systems and digital databases, as the study also emphasized the need to develop accountants' skills in the digital technology field, to keep pace with these transformations.

- Ardiansah et al. (2021) study : The study by Ardiansah et al. (2021) aimed to analyze the impact of e-commerce on accounting information systems and the performance of small and medium enterprises. The study relied on analyzing data from a number of institutions that use the e-commerce. The results showed that using e-commerce contributes to improving the efficiency of accounting information systems, it also positively impacts the performance of institutions by improving the quality of financial information and the speed of preparing accounting reports.

- Ami et al. (2023) study : The study by Ami et al. (2023) aimed to study the impact of e-commerce and the use of accounting information systems on the revenue cycle in small and medium enterprises. The study concluded that using e-commerce with accounting information systems contributes to improving revenue management, and helps

institutions to track financial operations more accurately, and achieve higher efficiency in managing financial activities.

2. The nature of e-commerce : the E-commerce is a modern phenomenon that has recently emerged on the global stage and has managed, in a short period, to spread, grow, and transform into one of the most important features of the new economy, and this section will focus on :

2.1. Definition of E-commerce : This is as follows :

-The World Trade Organization defined e-commerce as : "An integrated set of processes for the production, distribution, and marketing of products and services by electronic means." (Akram, 2004)

-E-commerce is defined from an Islamic perspective as : “The exchange of money for money in a legitimate manner using modern electronic means.” (Sulaiman, 2001)

-E-commerce : "It is the use of the international information network (the Internet) to conduct commercial transactions, whether within a country or between several different countries." (Hamdi, 2001)

-E-commerce : A new concept that explains the process of selling, buying, or exchanging products, services, and information through communication networks, including the Internet. (Walid, 2004)

-E-commerce is : “The use of modern information and communication technologies to conclude deals and conduct trade exchanges in order to develop global trade and promote exchanges.” (Mustafa, 2000)

2.2. Types of E-commerce : The electronic commerce exchange process takes place between four parties : individuals, institutions, companies of various types and sizes, and organized bodies or different government departments, where the electronic commercial transactions between these parties are divided into four main types as follows : (Mustafa, 2000)

- Trade between business sector groups and each other, i.e., from company to company. This type is the most common type of party involved in e-commerce.

- Trade between business sector groups and individuals, i.e., from company to customer, including online shopping.

2.3. Objectives of E-commerce : E-commerce aims to achieve a set of objectives, which are as follows : (Mahdi, Accounting Theory, 2000)

-Increasing the market scope and transcending geographical and regional boundaries for goods, services, and information.

- Increase rates for customer reaching, and build strong relationships among them.

- Reducing and minimizing production, marketing, and distribution costs.

- Achieving speed and efficiency in performing tasks.

-Finding, reaching, and persuading new customers to buy.

- Conducting marketing, sales, and purchasing operations online.

- Improving the services provided to customers, and enhancing the organization's public image.

2.4. The difference between e-commerce and traditional commerce : From an accounting perspective, the buying and selling process is the core difference between e-commerce and traditional commerce, as the controlling procedures in a traditional commerce environment differ from those in an e-commerce environment, and the main difference lies in the fact that traditional commerce is documented in nature, while e-commerce is undocumented in nature. We see that the differences can be identified as follows : (Mahdi, Accounting Theory, 2000)

- Accounting measurement : Objective accounting measurement is defined as "that measurement for which verifiable evidence is available".

-Traditional commerce has verifiable evidence because its transactions are documented, while e-commerce lacks verifiable evidence because its transactions are conducted electronically, and the evidence used is unconventional and requires special skills that may not be available to the auditor to verify it, in addition to the possibility of losing electronic evidence if backup copies are not kept or if the computer on which it is stored is exposed to electronic viruses.

- Therefore, accounting measurement in traditional commerce is objective, while in e-commerce is subjective.

- Accounting income : Accounting income in e-commerce transactions differs from traditional commerce transactions as follows :

Accounting income is determined by matching the period's revenues with its expenses. Applying this matching requires adopting the accrual basis of accounting, and the necessity of determining the timing of revenue and expense recognition. In e-commerce transactions, there is a problem with the timing of revenue recognition, which makes the process of matching revenues with expenses subjective and unfair, and consequently, it is not possible to measure accounting income fairly in the light of these operations, and therefore, the measurement of accounting income in traditional commerce is objective, while in e-commerce the measurement is not objective.

- Exchange rates differences : In e-commerce transactions, regarding the speed of business operations, consequently this leads to a reduction in exchange rate fluctuations when dealing with foreign currencies. In traditional commerce transactions, dealing in foreign currencies results in significant differences due to fluctuating exchange rates, as a result of the slow execution of business and the need for companies to hedge with foreign currency futures contracts.

- Evidence proofs in the reviewing process : Given the multiplicity of evidence and the varying degrees of reliability, the external reviewer must be familiar with the methods and means that affect the adequacy, reliability, and quality of the clues obtained, Therefore, he must be familiar with the concept, nature, and types of evidence. (Akram, 2004)

3. The impact of e-commerce on the conceptual framework of accounting theory : The Financial Accounting Standards Board (FASB) defined the conceptual (theoretical) framework of financial accounting as an integrated system that involves setting the objectives of financial statements and financial reporting as the starting point, and it provides the concepts, principles, and standards that help to identify the characteristics of accounting information that respond to these objectives. The conceptual framework is divided into three levels : (Mohammed, 2009)

Level One : Main Objectives : These are as follows :

- Enabling users to make investment and credit decisions, as the financial report should provide information that is useful to both current and potential investors and creditors in making sound decisions regarding investment or lending, This information should be understandable to those who have a reasonable knowledge and understanding of economic and commercial transactions, as well as they have a desire to study, and analyze this information.

- Serving the community that does not have the ability or resources to request information directly, which makes it rely on lists as a primary source of information.

- Providing useful information to investors and lenders in order to make comparisons, make predictions, and conduct assessments of expected cash flows.

- Providing users of these lists with the information necessary to make predictions, make comparisons, and assess the entity's ability to generate revenue.

- Providing the necessary information to assess the entity's ability to use available economic resources efficiently and effectively by evaluating management's performance towards the optimal use of resources, and not just its traditional responsibility towards the maintenance and protection of assets.

Level Two : Basic Accounting Concepts : The second level includes the qualitative characteristics of accounting information and the elements of financial statements, as these concepts form the link between the objectives and how to recognize and measure them in accounting. In order for accounting information to achieve its intended purpose, it must possess a set of characteristics. These characteristics relate to qualitative standards in which It is possible to judge the extent to which the benefit has been achieved. The qualitative characteristics of accounting information depend on the quality of decisions made by decision-makers, and on their ability to obtain, understand, and use this accounting information in decision-making. These characteristics include the following :

- **Relevance :** Relevance refers to the existence of a logical connection between the information and the decision under consideration. Relevant information is that information capable of influencing the direction of a decision, and there are three components to the characteristic of relevance, which are as follows :

- The ability to predict the future.

- The ability to provide Feedback evaluation on past predictions.

- Synchronization.

- **Trust :** This characteristic relates to the security and reliability of information, and there are three components to this characteristic, which are as follows :

- Honesty in describing phenomena.

- The ability to verify the information.

- Neutrality of information.

-Due to the problem in evidence for e-commerce transactions, the possibility of verifying information is limited. Similarly, in the case of a malfunction or breach of the company's website via the internet, the outputs of the accounting system become questionable, consequently,

accounting information loses the trust of users, which in turn deprives the accounting information of companies operating in the field of e-commerce the characteristic of trust.

-Comparability : This characteristic relates to the possibility of making a comparison of the same entity between different time periods or with other entities in the same activity, where the value of accounting information increases with making these comparisons.

In e-commerce companies, which operate in most countries worldwide using heterogeneous currencies, the value of these currencies changes daily relative to the functional currency according to the exchange rates prevailing at the time of the cash flows. So that, Comparing the financial data of e-commerce companies across different periods, as well as comparing information from e-commerce companies with information from traditional commerce companies engaged in the same activity, is subjective due to the instability of the measurement unit ; Therefore, the accounting information of e-commerce companies lacks comparability.

Level Three : Concepts of Recognition and Measurement : The concepts of accounting recognition and measurement explain how financial items and events are recognized, measured, and presented by the accounting system.

4. The impact of e-commerce on accounting standards : Below, we study some of these standards to show the impact extent of e-commerce operations on these standards : (Mohammed, 2009)

4.1. International Accounting Standard 7 "Statement of Cash Flows" : we suggest the following :

-Companies that do not need to hold foreign currencies convert the cash flows resulting from foreign currency transactions into the institution functional currency at the date of recognition using the spot exchange rate between the functional currency and the foreign currency on the amount of foreign currency at the date of the cash flows, and it is included under the heading "Cash flows from operating activities of e-

commerce operations" when preparing the statement of cash flows, and therefore no cash flows in foreign currencies are recognized.

4.2. International Accounting Standard 8 "Accounting Policies, Changes in accounting estimates and errors" : This standard aims to clarify the criteria for selecting and changing accounting policies, along with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates, and error correction. The standard aims to enhance the relevance and reliability of an entity's financial data and the comparability of that financial data with data from previous periods, as well as with the financial data of other entities.

In e-commerce operations, the lack of security and documentation, the possibility of company websites being hacked by others, manipulation of cash transfers, and the failure of e-commerce companies to disclose the extent of manipulation and hacking of their accounts, as well as the collection process verification, all pose significant risks, thus it is difficult to estimate the expected losses from the non-collection of customer balances, and therefore the estimation of the size of doubtful debts affects the degree of confidence in the financial statements of companies that conduct e-commerce operations, which necessitates reconsidering paragraph (23) of this standard to take into account the nature of these operations.

4.3. International Accounting Standard 12 "Income Taxes" :

This standard aims to explain the accounting treatment of income taxes. For the purposes of this standard, income taxes include all domestic and foreign taxes based on taxable profits, such as withholding taxes payable by the subsidiary, associate company, or joint-venture when allocating shares to the reporting entity.

Given the difficulties in tax assessment and preparation processes for e-commerce transactions, especially those conducted in different countries without intermediaries, and the shortcomings in legislation regulating the tax mechanisms for these transactions, So that, it leads to the possibility of tax evasion for companies operating in this field, and

we see that the problem of tax evasion has negative financial and accounting consequences, which are as follows :

a. The lack of objectivity in the accounting income of companies operating in the field of e-commerce due to their not bearing tax fees.

b. The lack of objectivity in the financial data of companies operating in the field of e-commerce is not objective, as well as comparing their data with the data of companies operating in the field of traditional commerce is not objective, and therefore the financial data loses its value.

c. We believe that International Accounting Standard Twelve (Income Taxes) is not suitable for dealing with e-commerce transactions, and needs to be reviewed in some of its clauses, or adding new clauses that take into account the nature and mechanism of e-commerce transactions. We propose obligating companies dealing in e-commerce to establish a tax provision at a rate comparable to that reported by similar companies in traditional commerce until appropriate tax mechanisms are reached, and the necessary treatments are carried out.

4.4. International Accounting Standard 21 (The effects of changes in foreign currency exchange rates) :we suggest the following :

Since the functional currency in companies engaged in e-commerce is the same as the supply currency, these companies do not need to hold foreign currencies as they display their costs and are settled in the supply currency, and we consequently suggest that companies operating within an e-commerce system should convert revenues generated from their foreign transactions, at the date of recognition, into the supply currency with the spot exchange rate at the transaction date. This requires amendments to International accounting standard 21 to include a special mechanism for the transactions of e-commerce companies.

4.5. International Accounting Standard 36 (Impairment of Assets) :

This standard aims to outline the procedures the entity applies to ensure that its assets are recorded at no more than their recoverable value, and

that an asset is recorded at more than its recoverable value if its recorded value exceeds the amount that will be recovered, through the use or sale of the asset ; the asset is also described as having decreased in value. The standard requires the entity to recognize an impairment loss, and also specifies when the entity must reverse an impairment loss, as well as defines the disclosures.

We see that the technological means relied upon by companies operating in the field of e-commerce, such as software, devices, networks, and other means, are rapidly evolving and being updated, and consequently, the existing ones become obsolete and their value decreases. Therefore, these companies must be obligated, when preparing their budgets, to address the effects of the decrease in the value of their assets as stated in the aforementioned standard, considering that the technological means they rely upon represent the largest part of their fixed assets, whether tangible or intangible.

4.6. International accounting standard 37 (Provisions, Contingent Liabilities and Contingent Assets) :

This standard aims to ensure that recognition standards and measurement bases are applied to provisions, liabilities, and contingent assets, and that sufficient information is disclosed in the notes to enable users to understand their nature, timing, and amount.

b. We believe that in e-commerce transactions there are risks and uncertainties regarding the customer funds collection due to the lack of security and verification, and the possibility of the company's website being hacked by others and money transfers being manipulated, and we suggest obligating companies that conduct e-commerce operations to establish a dedicated provision to address these risks and uncertainties regarding the collection of customer funds.

c. There are also future events that we believe will affect companies operating in the field of e-commerce, such as rapid technological changes, as these companies rely on these technologies in carrying out their work, and we suggest obligating these companies to form a dedicated provision to cope with future technological changes.

4.7. International accounting standard 38 (Intangible Assets) :

This standard aims to describe the accounting treatment of intangible assets that are specifically addressed in another standard, and this standard requires the entity to recognize the intangible asset if the specified criteria are met, and the standard also specifies how to measure the recorded value of intangible assets and requires specific disclosures about intangible assets.

We believe that the set of technical assets for implementing e-commerce operations, which consists of computers, software, the website and the network, should all be recognized as an intangible asset, since computers without software, the website and the network cannot implement e-commerce operations, but implementation is done through the set of these assets together.

5. The impact of e-commerce on accounting measurement :

In e-commerce transactions, where goods and services are sold in different parts of the world and in multiple currencies, revenues are generated in heterogeneous monetary units, which leads to a heterogeneity in the measurement unit for those transactions : (Mahdi, Accounting Theory, 2000).

5.1. The impact of e-commerce on the media components of accounting measurement :

In light of e-commerce operations, we see that there are effects on the media components of accounting measurement, which we list below :

- The impact of e-commerce on the media content of accounting reports :

The media content of the financial report refers to : "The value of the economic information it contains from the perspective of the users of this report in making economic decisions related to the project." With the changing relative importance of e-commerce transactions, due to the presence of non-financial information that influences economic decision-makers, we believe that e-commerce transactions will have an

impact on the informational content of accounting reports, under these operations, the financial report must contain the following information :

-Security and safety of the company's website and its contents.

-Methods for securing, maintaining, and monitoring the system.

-Control procedures are in place to ensure confidence in the system.

- Potential losses from non-collection of customer funds.

-The nature of the company's revenue, whether from selling goods, providing services, or publishing information on its website.

- The impact of accounting media function in light of e-commerce operations on measurement methods and rules :

Financial statements and reports are prepared under traditional accounting in light of a set of accounting concepts, principles, and conventions, such as the objectivity principle, the principle of materiality principle, the stability assumptions of the monetary unit, the historical cost principle, and the verification principle. These principles, assumptions, and conventions are the rules that govern the measurement process in accounting.

- The impact of accounting media function in light of e-commerce operations on accounting standards :

The development of accounting standards serves the media role of accounting, and facilitates obtaining economic data from it that carries the greatest amount of useful information for the parties using financial reports and statements.

We observe that, in light of e-commerce operations, and owing to the lack of disclosure by companies regarding website hacking operations and manipulation of money transfers, the provisions made to cover expected future losses are not reliable, which requires adding another measure of reliability in addition to the current measures used, such as the relative, nominal, intermediate, and ordinal scales.

5.2. The impact of e-commerce on accounting thought approaches : The most important accounting thought approaches can be identified as follows :

- The economic and social values approach : The economic and social values Approach consists of three approaches. Below we discuss the three approaches with the aim of explaining the role and importance of each of them in building the theory of accounting and the impact of e-commerce on this role.

A. The ethical approach : This approach is based on certain ethical values, and these values revolve around the concepts of justice, equality, honesty, truth, neutrality, impartiality, and what is related to ethical aspects. The ethical approach requires achieving justice in determining accounting principles : accounting supply and disclosure, practices and practical application, diligence and personal judgment.

B. The Social Approach : The first step in building accounting theory is defining objectives based on a study and analysis of the social and economic values that constitute the environment surrounding the accounting entity. The social approach has influenced multiple aspects of accounting thought.

C. The economic approach : This approach views the accounting unit as part of a whole and not as a self-contained unit of activity. According to this approach, accounting theory is built on considerations related to economic effects and the extent to which it reflects economic reality. The economic approach has resulted in the emergence of multiple branches of macro accounting studies, the most important of which are : income and national output accounts, the national budget, user/product accounts, cash-flow accounts, and national planning budgets.

- Decision-making approach : Alternative accounting models are evaluated based on their suitability for the decision-making process, and the accounting thinking is developed based on consideration of the following aspects :

A- Behavioral aspects of accounting : The behavioral approach to accounting research requires understanding the impact of accounting information on the behavior of decision-makers. Therefore, the accounting theory that is followed has an explanation of human behavior and predicting it, as the behavioral approach is concerned with how information is used by decision-makers.

We observe that disclosure remains insufficient in e-commerce transactions, as breaches of company websites, the extent of payment manipulation, and doubtful collected debts are not disclosed. Furthermore, the relative importance of information differs between e-commerce and traditional commerce. Therefore, it is difficult to know the impact of accounting information on the behavior of decision-makers, and thus there is an impact of e-commerce on the study of behavioral aspects in accounting.

B- Decision-makers' needs : There are two fundamental unknowns in the decision-making process : first, the decision-making models, and second, The needs of decision-makers or the model used requirements of information, and it is predictable that the accounting information required to meet the needs of external reporting users varies in quality, quantity, or both. Decision-makers' perception of the desired information is largely influenced by their accumulated experience and the way they are accustomed to making decisions.

6.Conclusion : From the above, we can conclude the following :

-Accounting programs, although they include many accounting matters, are not keeping pace with the continuous developments in information technology.

-Accounting offices face many services and challenges related to e-commerce issues, and the accountant's performance of these services is a contribution to the development of commerce operations.

-The accounting profession has been affected by developments in information technology, which has become one of the most important components of accounting systems. These technological developments

have created huge challenges for accounting practitioners related to the design of accounting systems and the effectiveness of their operation.

-E-commerce has brought significant changes in the science of commerce and in the mechanism of business operations, making it necessary for the accountant to be familiar with these changes, and their impact on his profession.

- Transactions carried out according to the e-commerce system are intangible, and lack documentation in most of their stages.

-The intangible nature of e-commerce and the lack of documentation for most of its transactions have contributed to the problems facing the accounting and reviewing profession when dealing with this type of commerce.

7.Hypothesis testing results :

-The study showed that e-commerce relies on a digital environment based on the internet and modern technologies, which has led to a change in the nature of commercial and financial transactions compared to traditional commerce.

-The study showed that the spread of e-commerce has contributed to the accounting practice development through reliance on electronic accounting information systems, and digital software in recording and processing financial data.

-The study revealed that accounting in the e-commerce environment faces several challenges, most notably the difficulty of verifying electronic transactions, information security risks, in addition to the issues related to accounting control, and revenue recognition.

-The study concluded that keeping pace with developments in the e-commerce environment requires updating the accounting systems, developing the accounting legislation and standards, in addition to qualifying the accountants, and developing their skills in the field of digital technology.

8.The suggestions : are as follows :

- The need to developing the accounting information systems within institutions in a way that is compatible with the nature of electronic transactions, and the speed of their processing.

- Working to update the accounting standards and legislation to keep pace with the rapid developments in the field of e-commerce, and the digital economy.

- Enhancing the security of the accounting information through the use of advanced protection systems to ensure the confidentiality of financial data, and protecting it from hacking.

- The need to qualify and train the accountants in the field of digital technology, and e-commerce with enabling them to deal efficiently with the electronic accounting systems.

- Encouraging institutions to rely on modern accounting software that helps to accurately and quickly record and analyze financial data related to electronic transactions.

- Reinforcing accounting control on the electronic financial transactions to ensure the accounting information credibility and reliability.

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