Bazaar Accounting & Management Advisors LLC
BAM Tax Advisors LLC

E-Invoicing in the UAE

A Complete Guide To The Mandatory System

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An Overview of E-Invoicing

THE UNITED ARAB EMIRATES is implementing a Nationwide **Electronic Invoicing** (E-Invoicing) system as a major step in its Digital Transformation and Tax Modernization efforts led by **THE MINISTRY OF FINANCE (MOF)** in coordination with **The Federal Tax authority (FTA),** the system replaces unstructured invoices (Such as Pdfs, Word Documents, Images Or Emails) with structured electronic data that is issued, exchanged and reported automatically.

An **E-INVOICE** is a structured form of invoice data exchanged electronically between supplier and buyer and reported to the **FTA**. It uses the peppol network with the **UAE**-specific pint ae format (based on open peppol standards) under a 5-corner model involving accredited service providers (asps).

KEY TIMELINE

The rollout is phased:

Category	Appointing ASP by	Mandatory go-live
Businesses with revenue ≥ AED 50 million	**30 October 2026**	**1 January 2027**
Businesses with revenue < AED 50 million	**31 March 2027**	**1 July 2027**
Government entities	**31 March 2027**	**1 October 2027**

The ASP appointment deadline for larger businesses was extended from 31 July 2026 to 30 October 2026; however, the 1st January 2027 go-live date remains unchanged. Revenue is based on the most recent accounting period

WHO MUST COMPLY?

The system applies to any person conducting business in the UAE for **B2B** and **B2G** transactions (including credit notes), regardless of VAT registration status.

Currently excluded or out of scope (subject to future decisions):

- Business-to-consumer (B2C) sales to individual consumers
- Certain sovereign government activities
- Specific exempt financial services
- Temporary 24-month exclusion (1 January 2027 to 31 December 2028) for transactions between members of the same VAT Tax Group (Ministerial Decision No. 197 of 2026)

Foreign businesses that issue UAE tax invoices are generally in scope for those invoices. Imports from abroad typically do not pass through the system.

HOW THE SYSTEM WORKS?

BENEFITS

Countries that have implemented e-invoicing successfully report significant reductions in invoice processing costs (potentially up to around 66%), faster payments, fewer errors, improved cash flow visibility, stronger compliance and reduced fraud risk. For the UAE, it supports real-time tax reporting, digital economy goals and easier cross-border trade via Peppol interoperability.

PENALTIES FOR NON-COMPLIANCE

Under Cabinet Decision No. 106 of 2025, penalties apply from a business go-live date. Common fines cited include AED 5,000 per month for failure to comply with e-invoicing obligations, plus potential per-invoice late fees (e.g., AED 100 per late e-invoice, often capped monthly). Exact application depends on the specific violation — businesses should monitor official FTA guidance.

PREPARATION CHECKLIST

- [x] Determine your revenue category and deadlines.
- [x] Review the official MoF E- invoicing portal (mof.gov.ae) and do ASP registration.
- [x] Select and appoint an ASP well ahead of your deadline (large businesses face the 30 October 2026 cutoff).
- [x] Map current invoicing processes, ERP/accounting systems and data fields to the PINT AE requirements.
- [x] Test integrations during the voluntary/pilot window where possible.
- [x] Train finance, sales and IT teams, updating contracts and customer/supplier communications.
- [x] Plan for credit notes, self-billing (if applicable) and record retention.

HOW BAM CAN HELP WITH E-INVOICING ?

BAM Advisors helps businesses navigate the UAE E-Invoicing transition through comprehensive advisory, implementation and compliance support. From assessing business readiness and identifying gaps to ASP selection, invoice data preparation, VAT review, system coordination and ongoing compliance monitoring, we ensure businesses are better prepared for a smooth and efficient transition to E-invoicing.

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