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E-Invoicing UAE Guide

Legislation Driving Digital Transformation

The UAE's **E-Invoicing Mandate** is a national digital framework designed to standardize invoicing, strengthen VAT compliance, and enable seamless, near real-time tax reporting. Under the phased rollout led by the **UAE Federal Tax Authority (FTA),** businesses must issue invoices and credit notes in a **structured electronic format** using the **Peppol framework** and the PINT AE (XML) invoice standard.

Drivers

Enhanced Compliance

Automated VAT data exchange reduces errors and tax evasion.

Cost & Time Efficiency

Eliminates manual invoicing and lowers operational costs.

Near Real-Time Reporting

Data is shared with the FTA via EmaraTax for faster compliance checks.

Network and Transmission

Peppol (Pan-European Public Procurement On-Line) network

Seller

Generates structured e-invoices in PINT AE (XML) format.

Buyer

Receives the structured and validated e-invoice within the buyer's finance or ERP system.

Seller's ASP (Authorised Service Provider)

Connects the seller to the Peppol network via a UAE-authorised Access Point, validating invoices, converting data if required, transmitting them securely, and exchanging Message Level Status (MLS).

Buyer's ASP

Receives the invoice through the Peppol network, performs required validations, and delivers it to the buyer's system.

FTA / EmaraTax (Regulatory Corner)

Invoice data is reported to the FTA through EmaraTax for compliance monitoring, audit purposes, and secure record storage.

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Key Challenges

1. Awareness of e-invoicing system nuances (e.g., hard coded vs. dynamic elements)
2. How mistakes will be handled
3. What transactions does the system support? (invoice, vendor bill, credit note etc.)
4. E-invoicing regulations vary from country to country
5. Controls: preventing transmitted transactions from being edited after sent

> "E-invoicing isn't one-size-fits-all, it's a mosaic of regulatory landscapes."
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Key Design consideration

Error handling Protocol

Failure to appoint the right ASP.

Editing Prevention Controls

IT resistance to modify system controls.

Clarify supporting Transactions

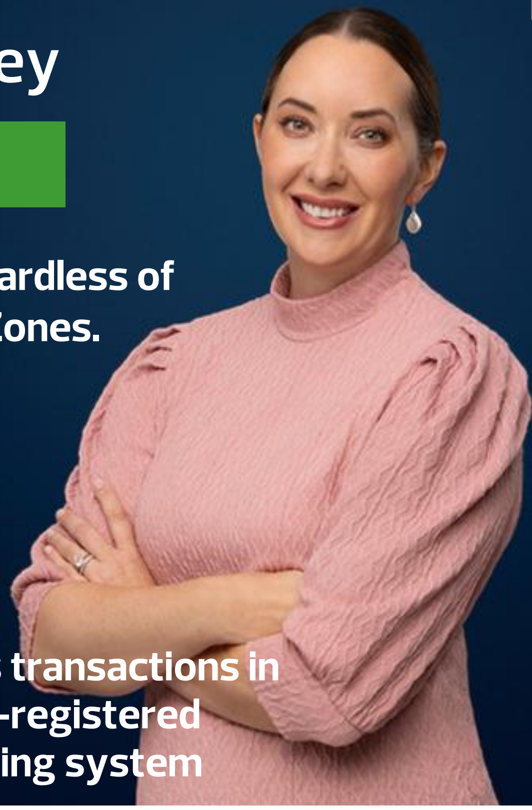
The absence of support team to clarify missing fields from invoices or credit notes.

Rigorous transaction validation

Delivery delay and late payment collection from buyers due overlooking mandatory fields by users.

Planning your E-invoice Journey

Who Needs to Comply with UAE E-Invoicing?



All businesses operating in the UAE, regardless of jurisdiction, like the Mainland and Free Zones.

Businesses engaged in B2B and B2G transactions

Government entities involved in commercial activities

Any person who is conducting business transactions in the UAE, both VAT-registered and non-registered entities, must comply with the e-invoicing system

Exemptions from E-Invoicing

The following transactions are currently exempt:

- Business-to-Consumer (B2C) transactions
- International passenger air transport
- Zero-rated or exempt financial services
- Government entities acting in a sovereign (non-commercial) capacity

Stakeholders

Executors
Businesses and entities involved in B2B, and B2G transactions

Regulatory Authorities
Ministry of Finance, Federal Tax Authority (FTA)

Compliance & Monitoring
Authorised Service Providers (ASPs)

Consultancies
RSM act as an Advisory by supporting our client to achieve E-invoice compliance

Know You Compliance Go-Live Date

31 October 2026	Businesses with AED 50+ million revenue must upgrade ERP systems and register with an ASP
1 January 2027	Full implementation for businesses with AED 50+ million revenue
31 March 2027	Deadline for smaller businesses (< AED 50 million) and government entities to appoint an ASP
1 July 2027	Full implementation for smaller businesses (< AED 50 million)
1 October 2027	Full implementation for government entities

> **Compliance is the floor, not the ceiling**
>
> **RSM UAE**

Non-Compliance Penalties

AED 5,000 per month
Failure to appoint an ASP

AED 1,000 per day
Failure to report system issues

AED 100 per document
Missing invoices or credit notes: AED 100 per document, capped at **AED 5,000 per month**

AED 1,000 per day
Failure to update registered data with ASP

Role of Authorised Service Providers (ASPs)

ASPs are critical to the UAE e-Invoicing ecosystem. They:

- Provide certified Peppol Access Points
- Validate invoices against UAE VAT and technical rules
- Securely transmit invoice data
- Enable reporting to EmaraTax
- Support automation, monitoring, and compliance

Compliance Process

RSM have prepared these steps and to tool to ease your E-invoice journey

1 Complete the RSM assessment tool to understand you phase and compliance deadline.

2 Assess current invoicing and ERP readiness you can seek RSM support for Gap assessment.

3 Seek support from your ERP supplier for upgrades.. If your ERP been customized to your sector needs we RSM will support you by developing BRD and TRD documents

4 Once you ERP Adopt the PINT AE (XML) invoice format, including:
  - 50 mandatory data fields
  - 16 required business scenarios

Once You are ready to integrate with Access point provider

5 RSM can support you to Select the right ASP as per your requirements. These ASP have different solutions that can fit your needs with out integrations.

6 If integration is only method, then Integrate systems with the ASP (invoice converter, XML transformation, validation layer)

7 RSM will support you to conduct User Acceptance Testing (UAT) for end-to-end invoice creation, validation, transmission, and reporting

8 RSM will work with ASP to Enable automated supplier-buyer invoice exchange and tax data reporting

9 RSM will ensure optimize the invoicing processes with the client to reduce costs and improve VAT recovery

10 RSM will ensure accurate VAT reporting for B2B and B2G transactions via EmaraTax

RSM Capabilities

RSM UAE provides end-to-end support, including:

ERP Readiness & Impact

- Conduct gap analysis and system reviews
- Ensure ERP compatibility with the e-Invoicing system

Implementation Support Advisory

- Prepare the Business Requirements Document (BRD)
- Prepare the Technical Requirements Document (TRD)
- Validate system functionality through user acceptance testing (UAT)

ASP Selection Advisory

- Assist in choosing the right UAE-authorised ASP
- Guide through the registration process and ensure seamless integration

Pre-Implementation Review & UAT

- Missing or incorrect invoices can result in penalties for inaccurate tax filings.
- Technical integration, data mapping, and testing
- Non-compliant invoices may be rejected, causing transaction disruptions.

Post-Implementation Review

- Higher risk of FTA audits, leading to increased costs and legal risks.

Contact RSM UAE

Use our support email at E-invoice-inquiry@rsm.ae for all your E-invoice inquiry .

> Adopting UAE e-Invoicing is no longer optional—it's a regulatory imperative.
>
> **RSM UAE**

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