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# E-Invoicing UAE Guide

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## Legislation Driving Digital Transformation

The UAE's **e-invoicing mandate** is a national digital framework that standardises invoicing, strengthens VAT compliance and enables near real-time tax reporting. Under the phased rollout set by the **Ministry of Finance** and administered by the **Federal Tax Authority (FTA)**, businesses must issue and receive invoices and credit notes in a **structured electronic format** (PINT AE, based on XML) through the **Peppol network**, using **Accredited Service Providers (ASPs)**.

## Drivers

### Enhanced compliance

Automated VAT data exchange reduces errors and tax evasion.

### Cost & time efficiency

Removes manual invoicing and lowers operational costs.

### Near real-time reporting

Tax data is reported to the FTA for faster compliance checks.

## Network and Transmission: the Five-Corner Model

**Peppol (Pan-European Public Procurement Online) network**

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

→

**2 Seller's ASP**
Connects the seller to Peppol, validates invoices, converts data where needed, transmits them securely and exchanges Message Level Status (MLS).

→

**3 Buyer's ASP**
Receives the invoice through Peppol, performs the required validations and delivers it to the buyer's system.

→

**4 Buyer**
Receives the validated e-invoice in its finance or ERP system.

**5 FTA (regulatory corner)** Both ASPs report the tax data to the FTA for compliance monitoring and audit.

## Key Challenges

1. Understanding the nuances of the system, such as hard-coded versus dynamic data elements
2. Knowing how errors and rejected invoices will be handled
3. Knowing which documents the system supports, such as invoices, credit notes and self-billed invoices
4. E-invoicing rules differ from country to country
5. Controls that stop transmitted invoices being edited after they are sent

> **E-invoicing isn't one-size-fits-all; it's a mosaic of regulatory landscapes.**
>
> RSM UAE

## Key Design Considerations

### Error-handling protocol

Define how rejected or incorrect invoices are corrected, including through e-credit notes, and appoint an ASP that supports this.

### Editing prevention controls

Lock invoices once they are transmitted, even where IT teams are reluctant to change system controls.

### Clarify supported transactions

Make sure a support team is in place to resolve missing fields on invoices and credit notes.

### Rigorous transaction validation

Check mandatory fields before sending, to avoid delivery delays and late payment from buyers.

# Planning Your E-Invoicing Journey



## Who Needs to Comply with UAE E-Invoicing?

- **Any person conducting business in the UAE, whether or not established in the UAE, on the mainland and in free zones** [s.6.1]
- **Businesses making or receiving B2B and B2G transactions** [s.6.1]
- **VAT-registered and non-registered businesses alike; those without a tax registration obtain a TIN through EmaraTax** [s.13.2(c)]
- **Government entities, for transactions outside their sovereign capacity** [s.7.1]

## Excluded Transactions

The following are currently outside the e-invoicing system:

**Business-to-consumer (B2C)**
Out of scope; businesses dealing only with consumers are not yet required to comply [s.6.2]

**International passenger air transport**
Where an e-ticket or electronic miscellaneous document is issued [s.7.2]

**International air cargo**
Where an air waybill is issued, for 24 months from the implementation date [s.7.2]

**VAT-exempt financial services**
Financial services that would be standard-rated are not excluded [s.7.3]

**Government sovereign activities**
Where a government entity acts in a sovereign capacity and does not compete with the private sector [s.7.1]

**VAT tax group transactions**
Between members of the same VAT tax group, for 24 months from 1 January 2027 [s.6.3.2.1]

## Stakeholders

**Businesses**
Entities that issue or receive invoices in B2B and B2G transactions

**Regulatory authorities**
Ministry of Finance (sets the rules) and Federal Tax Authority (administers and monitors compliance)

**Accredited Service Providers (ASPs)**
Connect businesses to the Peppol network, validate invoices and report tax data to the FTA

**Advisers**
RSM supports clients in achieving and maintaining e-invoicing compliance

## Know Your Compliance Go-Live Date

| | |
|---|---|
| **30 October 2026** PASSED | Businesses with revenue of AED 50 million or more must appoint an ASP. This deadline was not extended. |
| **1 January 2027** | Go-live for businesses with revenue of AED 50 million or more |
| **31 March 2027** | Businesses with revenue below AED 50 million, and government entities, must appoint an ASP |
| **1 July 2027** | Go-live for businesses with revenue below AED 50 million |
| **1 October 2027** | Go-live for government entities |
| **New businesses** | Newly established businesses must appoint an ASP and go live before issuing their first invoice |

Revenue is gross revenue from all activities in your most recent accounting period for which financial statements are available (for a calendar-year business, 2025). Voluntary adoption has been open since 1 July 2026, with no penalties before your mandatory date.

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

## Non-Compliance Penalties

Under Cabinet Decision No. 173 of 2026, which replaced Cabinet Decision No. 106 of 2025:

### AED 5,000
**Failure to implement the system**
Including not appointing an ASP on time, plus AED 5,000 for each further month or part of a month. Capped at AED 50,000 in any 12 consecutive months.

### AED 100 per e-invoice
**E-invoice not issued and sent**
Up to AED 5,000 per calendar month.

### AED 100 per e-credit note
**E-credit note not issued and sent**
Up to AED 5,000 per calendar month.

### AED 250 per day
**Not notifying your ASP of changes to your registered data**
For each day of delay, up to AED 5,000 per calendar month.

The penalty for not reporting a system failure has been removed.

## Role of Accredited Service Providers (ASPs)

ASPs are central to the UAE e-invoicing system. Both the issuer and the recipient of an e-invoice must appoint one ASP from the Ministry of Finance's list of accredited providers. ASPs:

- Provide certified Peppol access points
- Validate invoices against UAE VAT and technical rules
- Securely transmit invoice data
- Report tax data to the FTA
- Support automation, monitoring and compliance
- Onboard businesses, starting from the E-Invoicing tile in EmaraTax

## Compliance Process

RSM has prepared these steps and tools to ease your e-invoicing journey:

1. Complete the RSM assessment tool to confirm your phase and compliance deadlines.
2. Assess your current invoicing and ERP readiness. RSM can carry out a gap assessment.
3. Work with your ERP supplier on upgrades. If your ERP is customised to your sector, RSM can prepare the Business Requirements (BRD) and Technical Requirements (TRD) documents.
4. Adopt the PINT AE (XML) invoice format, including:
   - 51 mandatory data fields for tax invoices
   - 16 business scenarios (use cases)
5. Select the right ASP for your needs. RSM can help you compare solutions, including options that need little or no integration.
6. Where integration is needed, connect your systems to the ASP (invoice converter, XML transformation and validation layer).
7. Run user acceptance testing (UAT) for end-to-end invoice creation, validation, transmission and reporting, with RSM's support.
8. RSM works with your ASP to enable automated supplier–buyer invoice exchange and tax data reporting.
9. RSM helps you optimise invoicing processes to reduce costs and improve VAT recovery.
10. RSM helps make sure tax data for your B2B and B2G transactions is reported accurately to the FTA.

## RSM Capabilities

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



### ERP Readiness & Impact Assessment

- Gap analysis and system reviews
- Checking your ERP's compatibility with the e-invoicing system

### Implementation Support Advisory

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

### ASP Selection Advisory

- Helping you choose the right accredited ASP
- Guiding you through registration and onboarding, and supporting smooth integration

### Pre-Implementation Review & UAT

- Technical integration, data mapping and testing
- Checking invoices against the PINT AE mandatory fields, so they are not rejected and do not attract penalties

### Post-Implementation Review

- Periodic compliance reviews to reduce the risk of FTA audits, penalties and the costs that follow

## Contact RSM UAE

Email our e-invoicing team at **e-invoice-inquiry@rsm.ae** for all your e-invoicing enquiries, or visit **rsm.global/uae/service/e-invoicing**.

> "Adopting UAE e-invoicing is no longer optional; it's a regulatory imperative."
>
> **RSM UAE**

Based on Ministerial Decision Nos. 243 and 244 of 2025, Ministerial Decision Nos. 66 and 197 of 2026, Cabinet Decision No. 173 of 2026 and the UAE Electronic Invoicing Guidelines, Version 2.0 (Ministry of Finance, 26 October 2026). References in brackets are to sections of the Guidelines. Information is correct as at November 2026. This guide is for general information only and is not tax advice.

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