E-INVOICING

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About E-Invoicing

INTRODUCTION TO E-INVOICING IN UAE

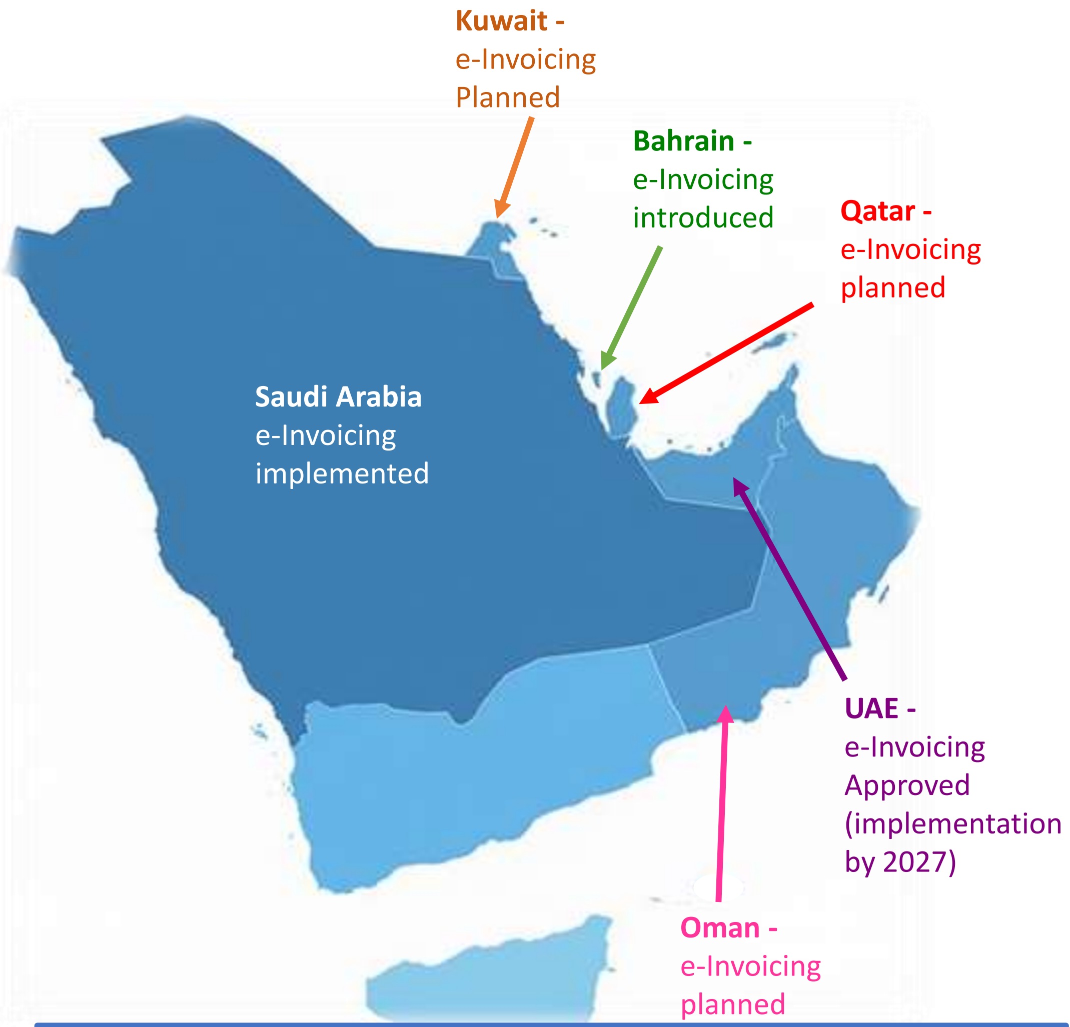
The United Arab Emirates has embarked on a major digital transformation in tax administration through the introduction of electronic invoicing (e-Invoicing). This initiative modernizes the traditional invoicing process by enabling the structured automated and secure exchange of invoice data between businesses and the Federal Tax Authority (FTA). Grounded in Federal Decree-Law No. (16) of 2024 and supported by Ministerial Decisions No. 243 and 244 of 2025 the e-Invoicing system aligns with global Peppol standards and the “We the UAE 2031” vision promoting transparency automation and efficiency in the national tax ecosystem.

Globally e-Invoicing has become a cornerstone of digital tax transformation with countries such as Italy India Singapore and Mexico already implementing nationwide e-Invoicing systems to enhance transparency prevent tax evasion and streamline compliance. Governments worldwide are adopting structured digital invoicing models that allow real-time transaction reporting and data sharing between businesses and tax authorities.

In the GCC region Saudi Arabia has successfully implemented e-Invoicing in two phases since 2021 Bahrain introduced it as part of its VAT framework and Oman and Qatar are in advanced stages of planning similar systems. The UAE through its upcoming e-Invoicing mandate aligns with this regional and global trend ensuring interoperability international compatibility and readiness for cross-border digital trade.

E-Invoicing is the electronic exchange of invoices between suppliers and buyers in a structured machine-readable XML format enabling automatic processing by business systems. Unlike traditional PDF or paper invoices e-Invoices are digitally created validated and transmitted in real time ensuring accuracy compliance and efficiency in VAT reporting while supporting seamless paperless and secure business transactions.

The primary objectives of the e-Invoicing system are to enhance transparency strengthen tax compliance and promote digital efficiency across businesses. It aims to enable real-time VAT monitoring reduce manual errors and streamline reporting processes through automation. Key benefits include faster processing cost reduction secure data exchange and environmentally sustainable paperless operations contributing to improved business productivity and a more resilient digital economy.



E-INVOICING IN GCC

E-INVOICING FRAMEWORK: PEPPOL BASED 5 CORNER MODEL

- 1. Supplier
- 2. Supplier's ASP
- 3. Buyer's ASP
- 4. Buyer
- 5. FTA (Federal Tax Authority)

The UAE has adopted the Peppol (Pan-European Public Procurement Online) network as the foundation of its national e-Invoicing system aligning with more than 40 countries that use Peppol for standardized digital trade — including Singapore Australia New Zealand Norway Sweden Finland and Belgium.

The UAE's 5-Corner Model builds on the global Peppol architecture by introducing a fifth participant — the Federal Tax Authority (FTA) — enabling real-time tax reporting and validation. The five entities involved are the Supplier Supplier's Accredited Service Provider (ASP) Buyer's ASP Buyer and the FTA all connected through the AS4 secure communication protocol under Peppol standards.

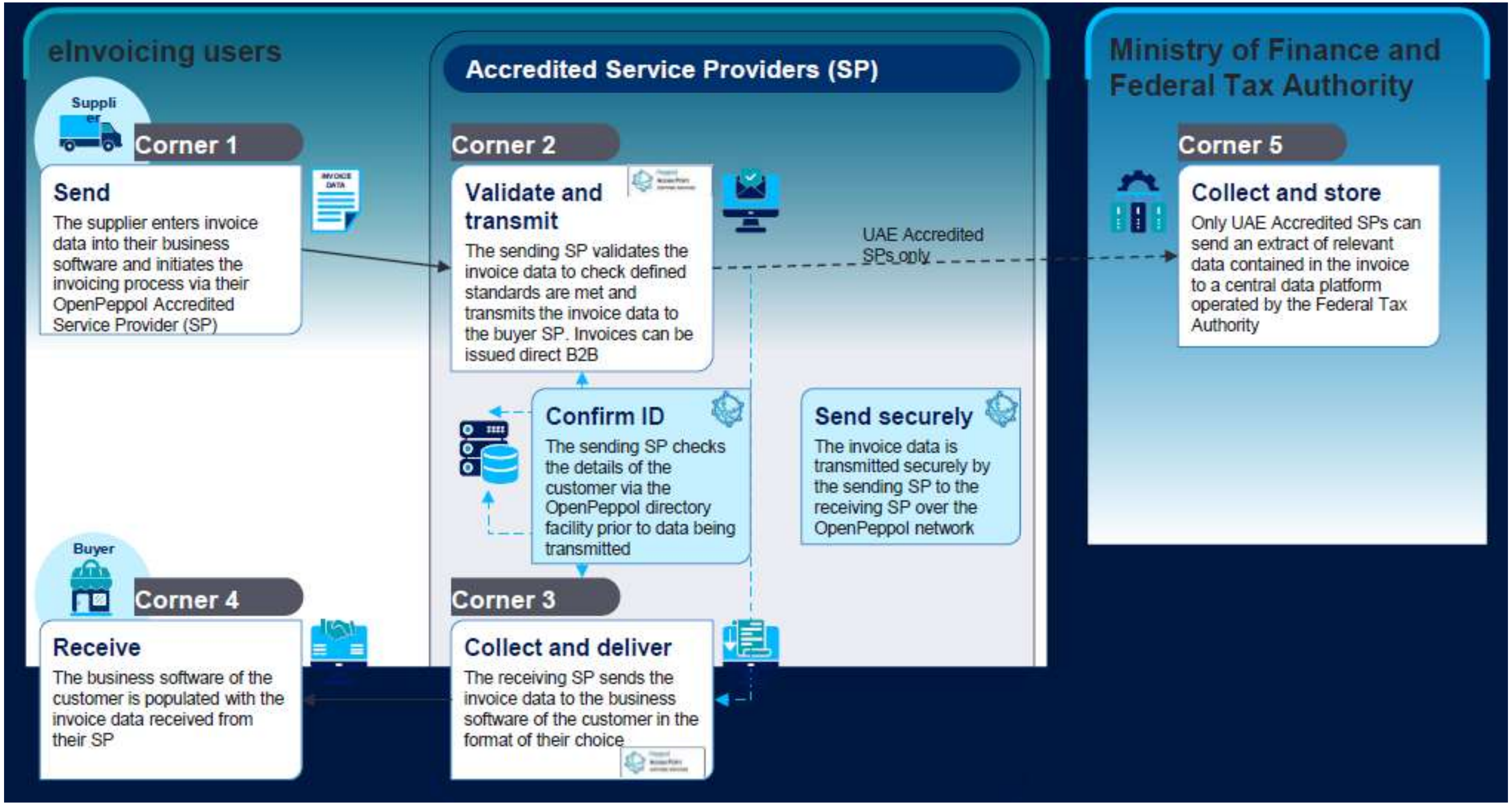
The fifth corner enables the FTA to access aggregated tax data in real time supporting advanced data analytics risk-based audit selection and VAT pre-filling capabilities in the future. This predictive technology-driven model reduces manual compliance enhances accuracy and positions the UAE among global pioneers in smart tax administration.

Invoices are issued in the UBL 2.1 / PINT-AE format and processed through accredited ASPs (approved under Ministerial Decision No. 64 of 2025) which validate digitally sign and transmit invoices securely to buyers while simultaneously reporting key VAT data to the FTA.

This Decentralized Continuous Transaction Control and Exchange (DCTCE) model ensures real-time compliance interoperability and data integrity reducing manual intervention and aligning the UAE with international leaders in digital tax transformation such as Singapore Norway and Italy.

In essence the UAE's Five-Corner Model is unique globally because it blends Peppol's decentralized efficiency with real-time tax control creating a hybrid system that balances privacy automation and regulatory transparency — setting a new regional benchmark for digital tax ecosystems.

PROCESS FLOW OF E-INVOICING IN 5 CORNER MODEL



[eInvoicing | Ministry of Finance - United Arab Emirates]

IMPLEMENTATION TIMELINE

The e-Invoicing system applies to all taxable persons and entities engaged in Business-to-Business (B2B) and Business-to-Government (B2G) transactions. Transactions related to sovereign activities international passenger transport and exempt financial services are excluded from the scope. Business-to-Consumer (B2C) transactions are currently excluded but may be incorporated in later phases of implementation.

The pilot phase of e-Invoicing will launch on 1 July 2026 and voluntary early adoption is encouraged. All taxpayers are required to onboard an Accredited Service Provider (ASP) and complete system testing and integration before their applicable go-live date.

Businesses must retain all e-Invoices and related records for at least seven (7) years in a secure and accessible electronic format. These records must maintain data integrity and be readily available for inspection by the Federal Tax Authority (FTA) upon request.

Category	ASP Appointment Deadline	Mandatory Go-Live Date
Large Businesses (Revenue ≥ AED 50 million)	31 July 2026	1 January 2027
Other Businesses (Revenue < AED 50 million)	31 March 2027	1 July 2027
Government Entities	31 March 2027	1 October 2027

About Accredited Service Providers

ACCREDITED SERVICE PROVIDERS (ASPS)

UAE adopted the Peppol network for its interoperability scalability international compatibility and decentralized architecture that supports seamless cross-border e-Invoicing. Besides the Peppol network other e-Invoicing frameworks such as ZATCA (Fatoora – Saudi Arabia) SDI (Italy) KSeF (Poland) NAV Online (Hungary) Chorus Pro (France) and traditional EDI-based systems are used globally.

Peppol facilitates the secure exchange of electronic documents through certified “access points.” In the UAE framework these access points are operated by Ministry of Finance–accredited Service Providers (ASPs).

Under Ministerial Decision No. 64 of 2025 ASPs must hold Peppol certification ISO 22301 compliance and local data hosting. Only ASPs on the official accreditation register can process and transmit e-Invoices within the UAE system. Preapproved list of ASP are mentioned as below:

1. Comarch Middle East FZ LLC
2. Cygnet Digital IT Solutions L.L.C
3. Defmacro Software DMCC
4. Deloitte & Touch M.E
5. Flick Network L.L.C
6. Oxinus Holding Limited
7. Pagero Gulf FZ-LLC
8. Skill Quotient Technologies
9. SunTec (Xelerate) Business Solutions DMCC

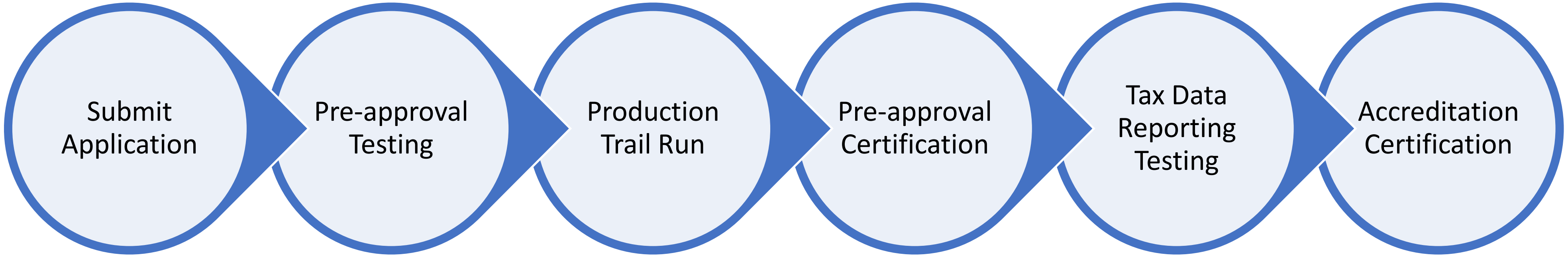
Peppol = network

ASP = your gateway

Some of the Service Providers (SPs) are still in the process of obtaining accreditation from the FTA. The accreditation process takes approximately 90 days and we expect to have the final list of Accredited Service Providers (ASPs) by the end of December 2025.

ACCREDITATION OF E-INVOICING SERVICE PROVIDES

The UAE ASP accreditation process is rigorous transparent technically intensive and credibility-driven designed to ensure only qualified secure and reliable service providers participate in the national e-Invoicing ecosystem.



To qualify for accreditation under the UAE Electronic Invoicing System a Service Provider must be Peppol-certified have at least two years of e-invoicing experience and be a registered legal entity in the UAE (or a licensed foreign entity) with a minimum paid-up capital of AED 50000 and ISO 22301 Business Continuity certification.

It must comply with the UAE PINT AE and Peppol Interoperability Framework hold valid Corporate Tax and VAT registrations and meet strict information security standards covering multifactor authentication encryption and system integrity.

Applicants must also submit a self-declaration of compliance and maintain professional indemnity cybersecurity and business continuity insurance. The Minister of Finance may waive specific conditions. Supporting documents include certification financials ISO proof tax registrations and insurance policies.

COUNTRIES USING PEPPOL NETWORK*

The countries listed below have already adopted the Peppol network as their e-invoicing framework. Since Peppol is a global interoperability standard, it enables seamless cross-border data exchange between participating nations. This means that, in the future, these countries can easily interconnect, validate, and exchange e-invoicing data through the same secure Peppol infrastructure—facilitating greater international trade efficiency, compliance alignment, and system compatibility across jurisdictions.

- Norway
- Sweden
- Finland
- Denmark
- Ireland
- Belgium
- Netherlands
- France
- Germany
- Spain
- Italy
- Austria
- United Kingdom
- Poland
- Portugal
- Slovenia
- Estonia
- Latvia
- Lithuania
- Switzerland
- Singapore
- Australia
- New Zealand
- Japan
- Indonesia
- Malaysia
- Philippines
- Canada
- United States
- United Arab Emirates

The widespread adoption of the Peppol network establishes a unified, secure, and interoperable foundation for global e-invoicing. With multiple countries already connected through this framework, the UAE's alignment with Peppol positions it to seamlessly exchange compliant e-invoice data internationally, supporting digital integration, trade efficiency, and future cross-border collaboration.

*As of 12th November 2025

About IT Requirement

IT REQUIREMENTS FOR E-INVOICING

A strong and compliant IT foundation is critical for the successful implementation of e-invoicing. By ensuring system compatibility with UAE PINT AE standards, integrating securely with ASP and maintaining robust data protection and continuity measures, businesses can achieve seamless, compliant and efficient e-invoicing operations. A well-prepared IT infrastructure not only supports regulatory compliance but also enhances automation, transparency and long-term digital transformation within the organization.

- **ASP Integration (API/SFTP)**
- **XML/UBL (PINT AE) Support**
- **50 plus mandatory fields**
- **Digital Signing & Encryption**
- **Continuous Monitoring**
- **Archival System**
- **Data Residency within UAE**

50 MANDATORY DATA POINTS FOR E-INVOICING

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These fields must be present in every valid e-Invoice issued through the UAE e-Invoicing System (XML/UBL 2.1 format)

Invoice Details

1. Invoice number
2. Invoice date
3. Invoice type code
4. Invoice currency Code
5. Invoice transaction type code
6. Payment due date
7. Business process type
8. Specification Identifier
9. Payment means type code

Seller Details

10. Seller name
11. Seller electronic address
12. Seller electronic identifier
13. Seller legal registration identifier
14. Seller legal registration identifier type
15. Seller tax identifier
16. Seller tax scheme code
17. Seller address line 1
18. Seller city
19. Seller country subdivison
20. Seller country code

Buyer Details

21. Buyer name
22. Buyer electronic address
23. Buyer electronic identifier
24. Buyer tax identifier
25. Buyer tax scheme code
26. Buyer address line 1
27. Buyer city
28. Buyer country subdivision
29. Buyer country code

Document Totals

30. Sum of Invoice line net amount
31. Invoice total amount without tax
32. Invoice total tax amount
33. Invoice total amount with tax
34. Amount due for payment

Tax Breakdown

35. Tax category taxable amount
36. Tax category tax amount
37. Tax category code
38. Tax category rate

Invoice Line

39. Invoice line identifier
40. Invoiced quantity
41. Unit of measure code
42. Invoice line net amount
43. Item net price
44. Item gross price
45. Item price base quantity
46. Invoiced item tax category code
47. Invoiced item tax rate
48. VAT line amount
49. Item name
50. Item description

Note – 15 highlighted fields which are mandatory as per UAE PINT and currently not covered in UAE VAT Law

Total mandatory fields for Standard Tax Invoice: 50

These 50 fields are mandatory or conditionally mandatory depending on the transaction type (B2B/B2G). In commercial e-invoice point no. 48 (VAT line amount) is not required. Optional fields (like discount, additional charges, delivery terms, references, etc.) can be included but are not compulsory. All data must conform to the UAE PINT AE schema and validation rules established by the UAE Peppol Authority and FTA.

COMPANY READINESS FOR E-INVOICING IMPLEMENTATION

- Conduct GAP Analysis – ERP readiness, data quality, and workflows
- Select and contract with an FTA-accredited ASP
- Integrate ERP/accounting systems with ASP (API, SFTP, or manual upload)
- Cleanse and update master data (TRN, TIN, buyer/supplier details)
- Configure invoice templates to capture 50+ mandatory fields
- Implement digital signing and encryption tools
- Establish archiving system to store XML & PDF copies for 7 years
- Train finance, IT, sales, and procurement teams
- Test invoices in pilot phase with ASP and FTA sandbox
- Communicate with vendors/customers about e-invoicing requirements

Mostly asked FAQs

FAQs

Q. Can a business still send a PDF invoice by email?

The PDF may be sent for reference, but issuance and exchange must happen via the structured e-invoice format and ASP network

Q. What if there is an IT/system failure with the ASP or FTA?

Businesses must notify the FTA of technical failures within the designated time (e.g., within 2 business days) and follow fallback procedures

Q. Does e-Invoicing apply to intra-group or self-billing transactions?

Yes — group supplies, self-billing, intercompany transactions are subject to the framework if they fall within the scope of VAT-registered persons and B2B/G.

Q. Does e-Invoicing apply to intra-group or self-billing transactions?

Yes — many businesses are voluntarily adopting ahead of deadline to gain efficiencies, engage ASPs early and minimise rush-implementation risks.

Q. What is the UAE e-Invoicing Data Dictionary?

It is a set of definitions, formats, codes and business rules published by the Ministry of Finance (MoF) that outlines the exact data fields and schema that e-invoices must comply with.

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FAQs

Q. Do free-zone businesses have to comply?

Yes — if they are VAT-registered in the UAE and engage in B2B or B2G taxable transactions, they fall under the e-invoicing regime

Q. What are the penalties for non-compliance?

While specific e-invoice-only fines may still be formalised, existing VAT/admin penalties apply for issues like missing records, not adhering to issuance rules etc.

Q. Are credit notes required to be electronic too?

Yes — if an original invoice has been issued electronically, the corresponding credit note must likewise be issued in the structured e-invoice format and reported.

Q. Can an e-Invoice be cancelled or edited?

No. Once issued, an e-Invoice cannot be cancelled. Corrections must be made by issuing a Credit Note referencing the original invoice.

Q. Is it mandatory for both buyer and seller to use ASPs?

Yes, both parties must connect via ASPs. Direct connections to the Peppol network are not permitted for individual businesses.

Role of M&M

What M&M can offer

Data Requirement Analysis: The scope of this analysis includes Mandatory E-Invoice Data Fields and Formats and Review of Master Data (Vendor & Customer).

Mitigation & Functional Action Plan: The scope of this plan includes Business Process Re-engineering and Training and Change Management Strategies.

System Readiness Review: The scope of this review includes Assessment of Current ERP Accounting and Invoicing Systems and Evaluation of Existing IT Infrastructure for Real-Time Transmission.

IT Gap Analysis: The scope of this analysis includes Comparison of Current IT Capabilities vs. Peppol Network Requirements and Identification of Technical Gaps in Data Generation Transmission and Storage.

Integration and Compliance Planning: The scope of this planning includes Strategy for Integration with Accredited Service Providers (ASPs) and Peppol Network and Considerations for Digital Signing Security and Data Residency.

Reporting & Deliverables Overview: The scope includes How IT Systems will Support Real-Time Reporting to the FTA and Mechanisms for Audit Trails and Data Integrity

Key Deliverables	
System Readiness Assessment Report	Technical Integration Recommendations
IT Gap Analysis Report	Consolidated Implementation Roadmap

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High client satisfaction and retention

Our Functional Expertise

Audit & Assurance	Accounting	Tax Advisory
E-Invoicing	Due Diligence	Payroll

ABOUT OUR NETWORK **MGI WORLDWIDE**

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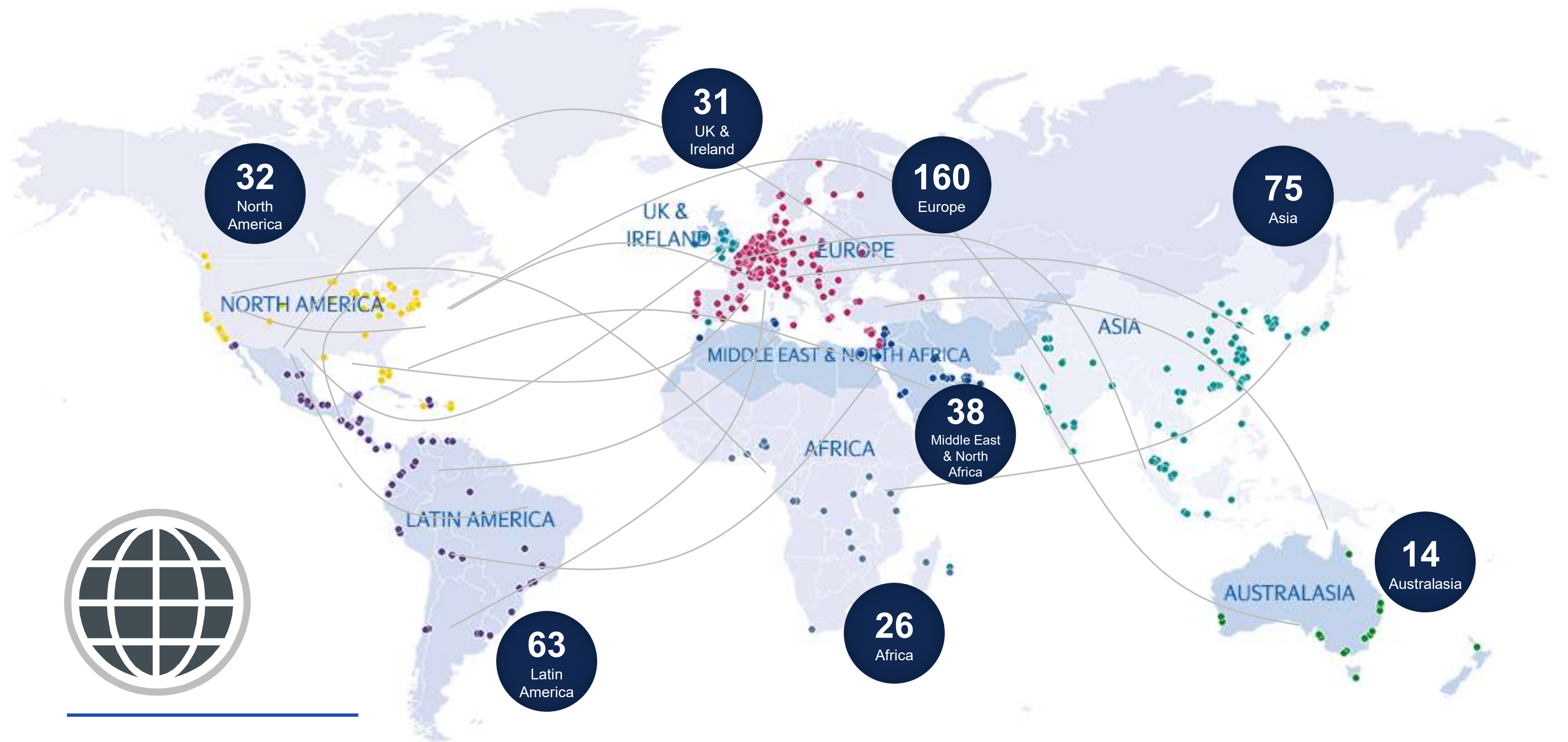

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E-INVOICING IS NOT JUST COMPLIANCE

IT IS DIGITAL TRANSFORMATION

Need help with UAE E-Invoicing?

Whether it's managing imports and exports, connecting with an Accredited Service Provider (ASP), or aligning your ERP system, our experts are here to ensure a smooth and compliant implementation.

Contact us — we'll help you make e-Invoicing simple and seamless.

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Legal documents referred:
Federal Decree-Law No. (16) of 2024 , Ministerial Decision No. 243 & 244 of 2025, Ministerial Decision No. 64 of 2025 , Cabinet Decision No. 52 of 2017 (amended by Decision No. 100 of 2024)