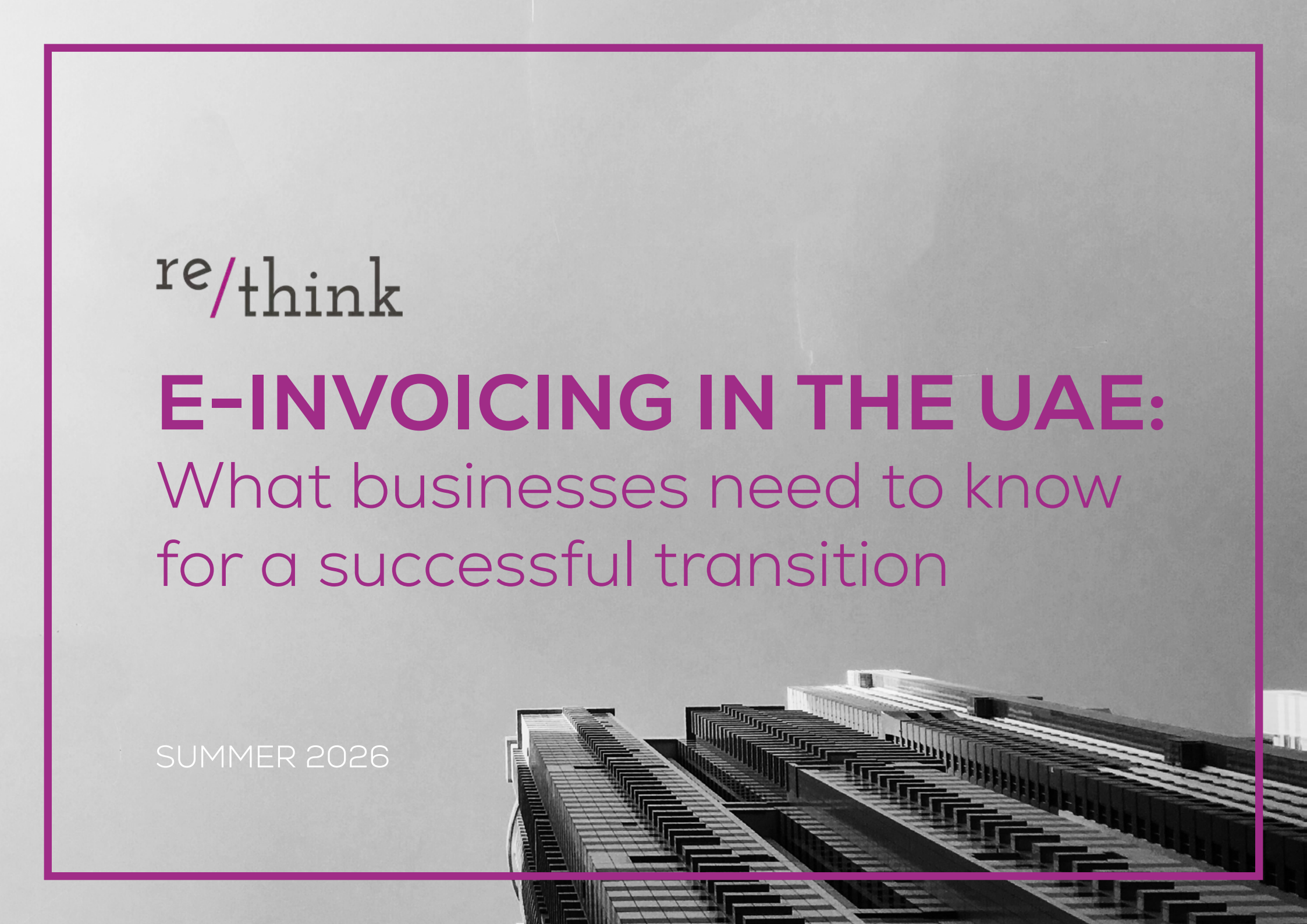




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E-INVOICING IN THE UAE:

What businesses need to know
for a successful transition

SUMMER 2026

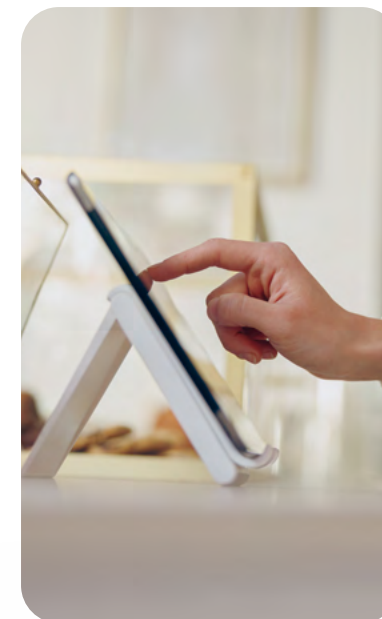
Introduction

Electronic Invoicing System in the UAE

- The UAE Ministry of Finance (“MoF”) has introduced e-invoicing under Ministerial Decisions No. 243 and 244 of 2025 (the “Regulations”) as part of its broader tax compliance and digitalization agenda **to be implemented from 01st Jan 2027**
- The Regulations govern the electronic processing, recording, and reporting of B2B and B2G transactions, with a phased rollout and plans to extend to B2C transactions.
- ***E-invoicing is mandatory for all businesses, unless specifically excluded under the e-invoicing regulations.***

What is e-invoicing?

- It is the **electronic creation, exchange, and storage of invoices** in a structured, machine-readable format, enabling seamless automated processing between systems.
- E-invoices are **generated in a prescribed digital format** and exchanged through approved platforms or service providers.
- It will improve accuracy, transparency, and efficiency while reducing manual errors and compliance risks.



Phases	Criteria	ASP Appointment Deadline	Go-Live Date
Phase 1	Businesses with revenue $\geq$ AED 50 million	30 October 2026	1 January 2027
Phase 2	Businesses with revenue $<$ AED 50 million	31 March 2027	01 July 2027
Phase 3	All government entities	31 March 2027	01 October 2027
Voluntary	Any business (optional)	No deadline	01 July 2026

Applicability and Process Flow

To whom does E-Invoicing apply?

- **All legal entities/businesses** in the UAE who have an active license except explicitly excluded:
- **Current Exclusions are as follows:**
 - Sovereign activities of government entities
 - Certain international passenger and goods transportation services provided by airlines
 - Financial services that are VAT-exempt or zero rated
 - Investment holding companies earning passive income
 - Import of goods or services subject to reverse charge mechanism.
 - B2C transactions until further guidance

Making the latest technology accessible to all businesses

82% of the UAE businesses are micro businesses with less than AED 3m annual turnover. It is important for them to have a level playing field by having access to the latest technology at an affordable price that creates an environment for automation and simplification.

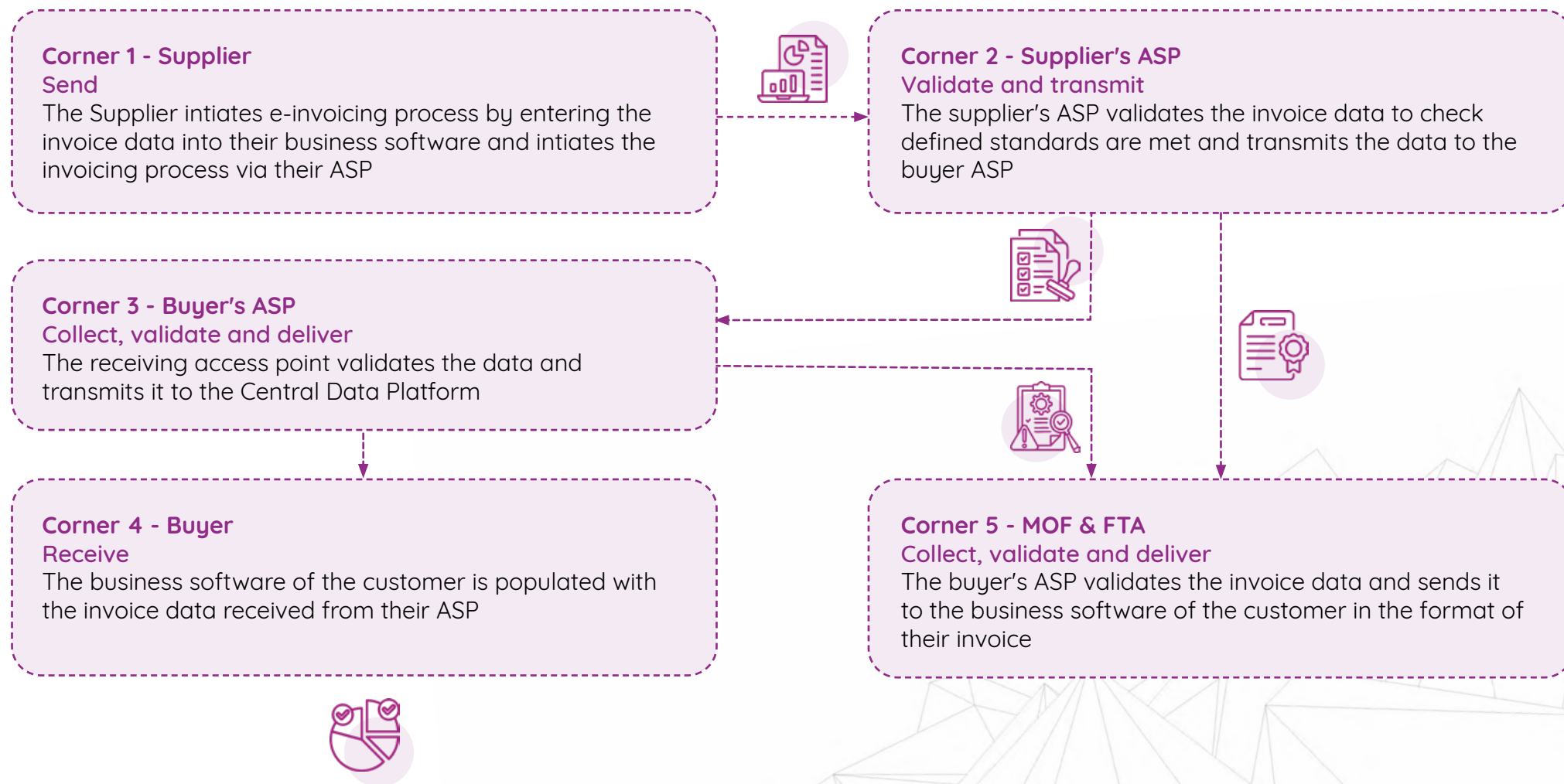
Source: <https://mof.gov.ae/en/about-us/initiatives/einvoicing/>



E-Invoicing process-flow

- The seller prepares the invoice and submits the invoice details to its ASP.
- The seller's ASP validates the information and converts it into the UAE-approved standard electronic invoice format, i.e., XML.
- The seller's ASP securely transmits the e-invoice to the buyer's ASP, which delivers it to the buyer.
- Simultaneously, the seller's ASP transmits the relevant tax data to the government's centralised e-invoicing platform.
- The government platform confirms receipt with an automated notification, completing the process.

5 Corner Model



Invoice Requirements

Minimum Fields required in standard tax eInvoice (XML)

INVOICE DETAILS	SELLER DETAILS	BUYERS DETAILS	DOCUMENT TOTALS	TAX BREAKDOWN	INVOICE LINE
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	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 subdivision 20. Seller country code	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	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	35. Tax category taxable amount 36. Tax category tax amount 37. Tax category code 38. Tax category rate	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



Most businesses' current invoicing model is not configured to capture all the mandatory data fields required under the UAE e-invoicing framework.

How Businesses Can Get Ready for E-Invoicing?

Assess impact

- Check if your business is in scope and identify your implementation phase.
- Determine what systems and processes need updating.



Redesign processes

- Update workflows, data flows, and systems, and test thoroughly before go-live.



Strengthen compliance controls

- Establish internal policies for reporting, record retention, system downtime, and audit readiness to ensure ongoing compliance.



Apoint ASP

- From the published list of ASPs by MOF, evaluate ASPs, select the right solution, and plan onboarding in alignment with project timelines.
- The selection of an ASP should be based on a company's accounting system compatibility, current and projected transaction volumes, and overall cost efficiency.



Review ERP and invoicing

- Assess if current systems can generate and transmit structured e-invoices and credit notes.
- Develop a project plan to address any gaps.



Financial visibility and richer information for decision making

With every aspect of the invoice being available in a machinable readable format, eInvoicing creates a plethora of opportunities for analysis and proactive decision making.

Source: <https://mof.gov.ae/en/about-us/initiatives/einvoicing/>

How Re/think can assist Businesses with E-invoicing readiness

- **Stage 1: Assessment & Readiness**
 - Assess invoicing processes, ERP readiness, master data, and VAT treatment to identify gaps, define remediation roadmap, and support ASP selection.
- **Stage 2: Integration Design & Build**
 - ASP-led ERP integration covering data mapping, interface development, and system configuration for structured e-invoicing.
- **Stage 3: Testing & Go-Live**
 - Execute end-to-end testing, validation, and deployment to ensure compliant invoice generation and operational readiness.
- **Stage 4: Post Go-Live**
 - Establish ongoing controls, audit trails, error handling mechanisms, and compliance monitoring to ensure sustained adherence to e-invoicing and VAT requirements.



Tight timeline for execution of Stages 2 and 3

Meet the Experts



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- UAE VAT Advisory
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- Tax Policy & Framework Design
- Tax Structuring for Investment Holding Structures
- Transaction Due Diligence
- FTA Audits & Disputes
- Substance & Free Zone Compliance



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- Tax Compliance
- ESR Advisory and Compliance



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Established in the UAE in 2013, the firm has 80+ staff across three offices in Dubai and Abu Dhabi providing clients with timely, proactive and customized business solutions – from set-up and early development to the latest stages of a business lifecycle.

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