

# UAE E-Invoicing Guide – One-Page

## Definitions:

**Electronic Invoice / credit note:** An invoice / Credit note issued, transmitted and received in a structural electronic format that enable automatic and electronic processing, in accordance with the decision.

**Electronic Invoicing system:** An electronic system designed for the issuance, transmission, exchange and sharing of invoice and credit note data in accordance with the decision.

**Business to consumer (B2C):** A Business transaction conducted between Person carrying on business and recipient who is a natural person not carrying on business.

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## Parties Involved:

**Issuer:** Simple term "Seller"

**Recipient:** Simpler term "Buyer"

**Accredited Service Provider:** A service provider that is granted Authorization to provide Electronic Invoicing system in the state.

**Applies to:** Any person conducting business in the state in respect of every business transaction. Currently the scope of UAE invoicing includes only Business to Business (B2B) and Business to government (B2G).

**Not Applies to:** Any business transaction conducted by Government entities, Airlines providing international passenger transport & goods transport, Financials services. Also, Business to consumer (B2C) transactions shall not be subject to the electronic invoicing system.

**Appointment and notification of Accredited Service Provider:** Issuer, Recipient obligation to appoint an Accredited Service provider and need to intimate authority appointment or if any changes within Five business days.

**System failure & Intimation:** issuer, recipient shall notify the authority of system failure within 2 business days from the date of occurrence of the system failure.

**Time for issue Electronic Invoice and Electronic Credit note:** Issuer shall issue Electronic invoice in respect of any business transaction. Issuer shall issue Electronic Credit note in respect of any business transaction cancelled, consideration reduced/ return, any errors in transaction. Timelines to issue electronic invoice and credit note by the issuer through the electronic invoicing system within 14 days from the Date of Business Transaction.

## Penalties:

(i) AED. 5,000/- each month or part of thereof : Failure to implement Invoicing or Appoint Accredited Service Provider.

(ii) AED. 100/- Each invoice / credit note: Failure by issuer to issue and transmit an invoicing.

(iii) AED. 1,000/- Per day: Failure to Notify the authority about system failure, appointment/change of Accredited Service provider.

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## Due date to implement E invoicing: (a)

**Revenue More than AED. 50 Mn:** Appoint an Accredited Service provider by 31<sup>st</sup> July 2026 & E Invoicing system by 01<sup>st</sup> January 2027 (b) **Revenue less than AED. 50 Mn:** Appoint an Accredited Service provider by 31<sup>st</sup> Mar 2027 & E Invoicing system by 01<sup>st</sup> July 2027.

## The following steps provide an overview of UAE's invoicing model:

- (1) Supplier submits eInvoice data (PINT AE) in an agreed format with its Supplier's ASP
- (2) Supplier ASP validates eInvoice data received from supplier and converts it into the UAE standard eInvoice xml format
- (3) Supplier ASP transmits the eInvoice (in the xml format) to the Buyer's ASP
- (4) In parallel, Supplier ASP reports the Tax Data Document (TDD)
- (5) Upon validating the eInvoice, Buyer ASP sends a Message Level Status (MLS) to Supplier ASP.
- (6) Buyer ASP submits the eInvoice to the Buyer
- (7) Upon successful validation of the eInvoice, Buyer ASP also reports the Tax Data Document (TDD).
- (8) Tax Data Document sends a Message Level Status (MLS) to Supplier ASP once the TDD has been successfully reported
- (9) Tax Data Document sends a Message Level Status (MLS) to Buyer ASP once the TDD has been successfully reported
- (10) Supplier ASP forwards the Buyer ASP exchange MLS and Tax Data Document reporting MLS to Supplier
- (11) Buyer ASP forwards Tax Data Document the reporting MLS to Buyer.

## Other Views:

- (1) Businesses in the UAE must engage with an Accredited Service provider to issue and receive invoices.
- (2) Each business entity must use the same Service Accredited Service Provider for both sending and receiving invoices.
- (3) Each member of the VAT group must have Accredited Service Provider.
- (4) Export customers: Seller's Service provider will report the invoice to FTA. The seller is required to send the invoice to the export customers via email. ) Importing goods and services is *not covered* under the UAE e-invoicing system
- (5) All Business operating in the UAE are required to have a TIN. TIN (Tax Identification Number) is first 10 Digits of the VAT TRN. If VAT not registered they need to register with the FTA for TIN.
- (6) B2C are not currently within scope of UAE invoicing (B2C includes Retail business, E-commerce, super markets, Electronic and fashion stores, Restaurants, cafés, cloud kitchens, Food delivery platforms, Taxi & ride-hailing, Public transport, Real Estate & Property Services B2C, Residential leasing, Property brokerage, Gold, Jewelry & Luxury B2C, Gold & diamond retail, Luxury watches, perfumes, Streaming services, Mobile apps & SaaS subscriptions, Clinics, pharmacies, Gyms, salons, wellness centers, Coaching institutes, Online learning platforms, Home maintenance, Cleaning, salons, repairs, Tickets and packages sold directly to tourists and residents etc.,)
- (7) B2B sales done through POS systems will be covered under UAE e-invoicing
- (8) Domestic Reverse Charge transactions on electronic devices will be covered under the UAE e-invoicing system for *both* the supplier and the system