

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.

Details Contact:
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Due date to implement E invoicing:

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

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

- (1) Supplier submits elnvoice data (PINT AE) in an agreed format with its Supplier's ASP
- (2) Supplier ASP validates elnvoice data received from supplier and converts it into the UAE standard elnvoice xml format
- (3) Supplier ASP transmits the elnvoice (in the xml format) to the Buyer's ASP
- (4) In parallel, Supplier ASP reports the Tax Data Document (TDD)
- (5) Upon validating the elnvoice, Buyer ASP sends a Message Level Status (MLS) to Supplier ASP.
- (6) Buyer ASP submits the elnvoice to the Buyer
- (7) Upon successful validation of the elnvoice, 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.

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 einvoicing 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 EInvoicing or Appoint Accredited Service Provider.
- (ii) AED. 100/- Each invoice / credit note: Failure by issuer to issue and transmit an einvoicing.
- (iii) AED. 1,000/- Per day: Failure to Notify the authority about system failure, appointment/change of Accredited Service provider.

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Other Views:

- (1) Businesses in the UAE must engage with an Accredited Service provider to issue and receive einvoices.
- (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 einvoicing (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