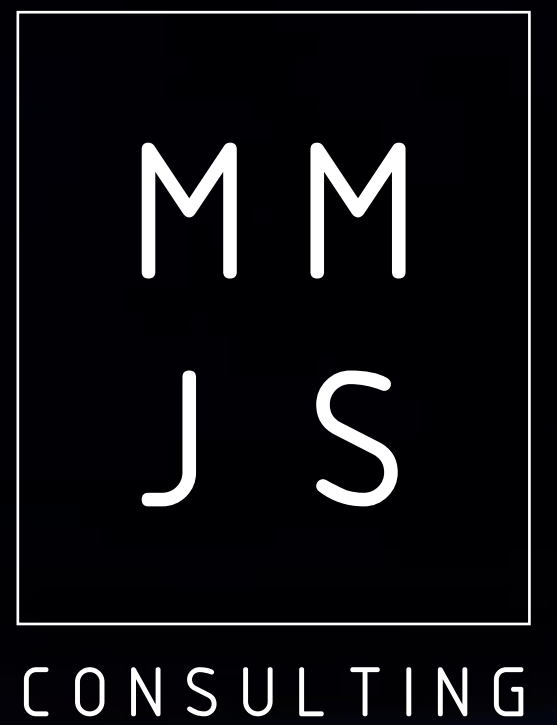


UAE TAX ALERT



E-Invoicing Phase-Wise Implementation Timelines Announced Along with List of ASPs

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On 29 September 2025, the Ministry of Finance (‘MoF’) issued Ministerial Decision No. 243 of 2025 on the Electronic Invoicing System and Ministerial Decision No. 244 of 2025 on the Implementation of the Electronic Invoicing System, thereby outlining a comprehensive roadmap for the smooth adoption of e-invoicing in the United Arab Emirates (‘UAE’).

In addition to the above, the MoF has also published a list of pre-approved E-Invoicing Service Providers also referred as Accredited Service Providers (‘ASP’) accessible on link: [Click here](#)

This alert aims to highlight the gist of key updates on this matter.

• **Phased implementation of E-Invoicing¹ :**

In line with the earlier FAQs released on this subject, the MoF has clarified the phased implementation timelines for businesses and government entities as below

Particular	Implementation Date	Appointment of ASP
Pilot Programme (by invitation, with written agreement, and full compliance with technical requirements)	1 July 2026	Not specified in the decision However, required prior to implementation
Voluntary implementation (for any person choosing to implement early, subject to full technical compliance)	From 1 July 2026 onwards	Not specified in the decision However, required prior to implementation
Mandatory implementation:		
Business with revenue* threshold equal to AED 50 million or above	1 January 2027	31 July 2026
Business with revenue* threshold below AED 50 million	1 July 2027	31 March 2027
Government Entities	1 October 2027	31 March 2027

¹Article 3, 4 and 5 of Ministerial Decision No. 244 of 2025

***Revenue** is computed as the gross income earned by a person during the most recent accounting period, based on financial statements prepared in accordance with the applicable UAE legislation (or other document acceptable to the authority if such financial statements are unavailable).

• Coverage of Business Transactions² :

Currently in scope: Business-to-Business (B2B) and Business-to-Government (B2G) transactions.

Currently excluded: Business-to-Consumer (B2C) transactions are kept outside the purview of E-invoicing, however, adequate provisions have been made to include the same in future, if required, upon issuance of a decision by MoF.

MoF has clarified that any Person engaged exclusively in B2C transactions shall not be subject to the Electronic Invoicing System. However, further clarification is needed regarding the treatment of input transactions for such entities.

• Excluded Business Transactions³:

The following transactions are excluded from E-invoice exchange and reporting requirements:

- a) Business Transactions conducted by Government Entities in a sovereign capacity and which are not in competition with the private sector;
- b) International passenger transportation services provided by an Airline via an Aircraft, where an Electronic Ticket is issued;
- c) Any services ancillary to above international passenger transportation services, provided directly to the passengers by an Airline;
- d) International transportation services in respect of goods, provided by an Airline (excluded for a period of 24 months from the effective date of E-invoicing system);
- e) Financial services that are exempt or zero rated as per Article 42 of underlying Executive Regulations ('UAE VAT Executive Regulations') of the Federal Decree-Law No. 8 of 2017 on Value Added Tax and its amendments ('UAE VAT Law');
- f) Any other Business Transaction upon specification by MoF.

• Issuance of Electronic Invoice & Credit Note⁴:

The electronic invoice or electronic credit note is to be issued and transmitted within the electronic invoicing system within 14 days from the date of business transaction.



• Important terms defined⁵ :

Term	Definition	MMJS comments
Date of Business Transaction	The earlier of the date on which the Business Transaction occurred or the date of receipt of payment for the Business Transaction.	This definition is provided in addition to (and distinct from) the definition of date of supply under the UAE VAT Law.
Electronic Credit Note	A credit note issued, transmitted and received in a structured electronic format that enables automatic and electronic processing, in accordance with the Decision.	An electronic credit note can be issued in the following cases: a) When a Business Transaction is cancelled; b) When the agreed consideration for the Business Transaction is reduced for any reason; c) When the consideration for the Business Transaction is returned in full or in part; d) When administrative or numerical error has occurred in relation to Business Transaction. It is pertinent to note that the UAE VAT Law allows for issuance of a Tax Credit Note only in instances specified in Article 61. We understand that the new requirements would prevail.
Agent	Where an agent acts on behalf of a principal, the agent may issue and transmit the Electronic Invoice or Electronic Credit Note through the Electronic Invoicing System, on behalf of the principal.	An agent would be allowed to issue and transmit e-invoices on behalf of the principal.

Term	Definition	MMJS comments
Self Billing	The Recipient may issue an Electronic Invoice or an Electronic Credit Note on behalf of the Issuer in respect of a supply of goods or services provided both the Recipient and Issuer are Registrants, in accordance with the conditions prescribed in the VAT Executive Regulation or as otherwise determined by the Minister.	In terms of self-billing arrangements, a recipient would issue an e-invoice, provided both the parties are registered under the UAE VAT law.

Way forward:

With the implementation timelines & thresholds now defined, businesses should proactively prepare to ensure smooth compliance with the upcoming e-invoicing requirements.

Key next steps include:

- Assess turnover thresholds notified by the MoF to determine whether and from when the buisnesses must comply;
- Evaluation if the business transactions fall under exclusions;
- Evaluation of the new e-invoicing framework, use cases and data attributes in line with business and accounting processes requirements through impact assessments;
- Selection and appointment of an ASP by the relevant deadline and complete onboarding;
- Comply with technical requirements issued by the MoF for using the e-invoicing system;
- Prepare internal systems for onboarding and mapping to the MoF technical specs;
- Identify compliance gaps, conduct trial runs, and test system readiness to minimize errors;

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