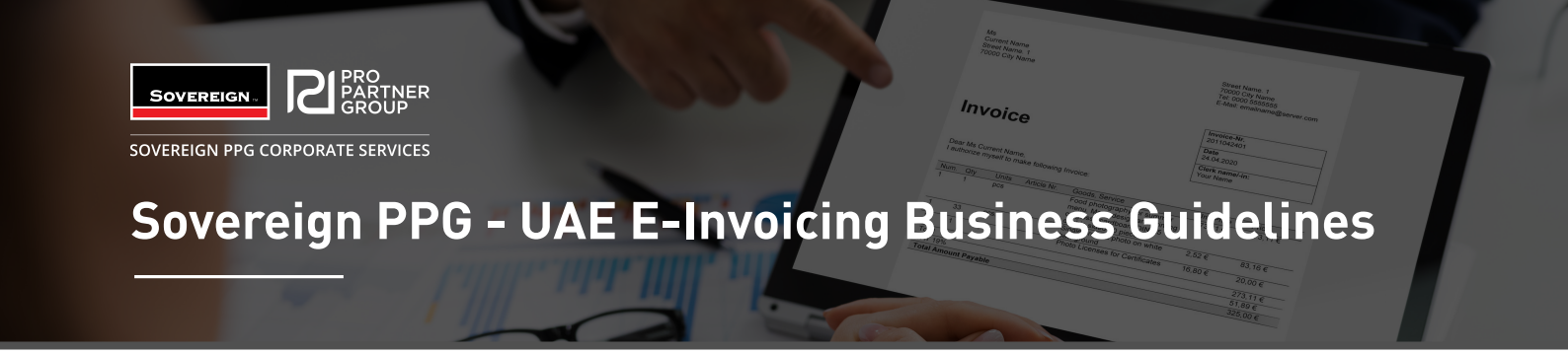


SOVEREIGN PPG CORPORATE SERVICES

Sovereign PPG - UAE E-Invoicing Business Guidelines

WHAT IS CHANGING

Effective 1 Janary 2027, E-Invoicing will become mandatory in the UAE.

- Businesses move from PDF or paper invoices to structured digital invoices. B2B and B2G invoices must be issued as structured PINT-AE XML documents, not PDFs.
- Invoices travel through the decentralized 5-corner PEPPOL model: seller → seller's ASP → buyer's ASP → buyer, with tax data reported to the FTA in near real time.
- The framework rests on Ministerial Decisions 243 and 244 of 2025.
- It does not replace VAT rules. E-invoicing digitizes existing VAT invoicing obligations.

KEY DATES FOR E-INVOICING

Group	Appoint an ASP by	Mandatory go-live
Revenue ≥ AED 50 million	30 October 2026 (extended from 31 July)	1 January 2027
Revenue < AED 50 million	31 March 2027	1 July 2027
Government entities	31 March 2027	1 October 2027

- The extension is not a delay. The Ministry confirmed the 1 January 2027 implementation date is unchanged.
- Businesses may adopt e-invoicing voluntarily before their mandatory date.

WHO IS COVERED

- All businesses in the UAE for B2B and B2G transactions, unless an exclusion applies.
- The obligation is not limited to VAT-registered businesses.
- Non-resident businesses registered for UAE VAT must comply if they are required to issue tax invoices.

Exclusions include:

- B2C transactions (businesses dealing only with consumers are out of scope until a future decision)
- Government transactions in a sovereign capacity, certain airline services and exempt financial services
- Self-billed commercial invoices and credit notes

HOW IT WORKS

1. Appoint an Accredited Service Provider (ASP). This is mandatory. Issuers and recipients must process documents through their ASP.
2. Issue invoices as structured data. The format is PINT-AE, the UAE profile of the PEPPOL standard, with 51 mandatory data points for a tax invoice and 49 for a commercial invoice.
3. The ASP validates and transmits. It validates against PINT-AE, sends the invoice over PEPPOL, receives inbound invoices and reports tax data to the FTA.
4. Receivers process through the system too. Received e-invoices and credit notes must also be handled through the Electronic Invoicing System.

PENALTIES (CABINET DECISION 106 OF 2025)

Violation	Penalty
Failing to implement e-invoicing or appoint an ASP on time	AED 5,000 per month or part thereof
Not issuing or transmitting an e-invoice or credit note on time	AED 100 per document, capped at AED 5,000 per month
Not notifying system failures, or not updating registered data with the ASP	AED 1,000 per day

- Penalties do not apply to businesses using e-invoicing voluntarily.
- Standard VAT penalties still apply separately.

WHY ACT NOW

- Limited provider capacity. Only a limited number of providers are accredited or pre-approved by Ministry of Finance, and onboarding capacity tightens as the deadline nears.
- Wider choice. Accredited UAE providers can now use white-label solutions from international partners.
- System readiness takes time. Your ERP must produce compliant data, and customer and supplier master data must be complete and accurate.

Sovereign PPG Corporate Services

Our Client Accounting team provides ongoing support with bookkeeping, accounting, payroll, financial reporting and tax compliance, helping businesses manage their financial obligations efficiently and accurately.

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With offices across Abu Dhabi (+ADGM), Dubai (+DIFC), Saudi Arabia, Oman, Bahrain, Qatar, Hong Kong, Singapore, China, South Africa, Mauritius, UK, Isle of Man, Portugal, Cyprus, Malta, Switzerland, Gibraltar, Guernsey, BVI, Bahamas and Turks & Caicos, we facilitate global business and personal mobility.

For further information or assistance, please feel free to contact our team.

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