



UAE E-Invoicing Alert

Ministerial Decisions No. 243
and 244 of 2025

Legal Framework and Implementation Timeline for UAE E-Invoicing

Overview

The UAE Ministry of Finance has issued Ministerial Decision No. 243 of 2025 and Ministerial Decision No. 244 of 2025, establishing the legal framework and implementation roadmap for the Electronic Invoicing (e-invoicing) System in the UAE.

These decisions define the scope, obligations, exclusions, and phased implementation of e-invoicing, aligning with global best practices and enhancing tax compliance and digital transformation.

Scope

- ▶ Ministerial Decision No. 243 establishes the core framework for the UAE's Electronic Invoicing System, including definitions, scope, exclusions, and obligations for issuing, receiving, storing, and reporting electronic invoices and credit notes. It also addresses agent roles, self-billing, system failures, and data access.
- ▶ Ministerial Decision No. 244 outlines the implementation framework, including voluntary and mandatory phases, and introduces a Pilot Programme.

Applicability

- ▶ Ministerial Decision No. 243 applies to:
 - All Persons conducting Business in the UAE, except where explicitly excluded
 - Any other Person or Business Transaction, as may be determined by the Minister
- ▶ Ministerial Decision No. 244 applies to:
 - Any Person subject to e-invoicing in the UAE
 - Any Person who voluntarily adopts the e-invoicing system
 - Any other Person or Business Transaction, as may be determined by the Minister

Transaction Exclusions

In accordance with Article 4 of Ministerial Decision No. 243, the following business transactions would be excluded from the scope of e-invoicing

- ▶ **Government entities:** Business transactions by Government Entities in a sovereign capacity which are not in competition with the private sector, in accordance with the VAT Law.
- ▶ **Aviation Sector:**
 - International passenger transport services where an electronic ticket is issued
 - Any ancillary airline services provided to passengers where an electronic miscellaneous document is issued
 - International goods transport services where an airway bill is issued

Note: This exclusion is temporary and applies only for a period of twenty-four months from the effective date of the Electronic Invoicing System
- ▶ **Financial services:** Exempt or zero-rated under VAT.
- ▶ **Any other Business Transaction:** as may be determined by the Minister.

Implementation Timelines

In accordance with Article 5 of Ministerial Decision No. 244, for Persons subject to e-invoicing, it will be implemented in following phases:

Category	Revenue Threshold	Appointment of Accredited Service Prover (ASP) by	Implementation of e-invoicing from
Large Business	≥ AED 50 million	31 July 2026	1 January 2027
Other Business	< AED 50 million	31 March 2027	1 July 2027
Government entities	Not Applicable	31 March 2027	1 October 2027

Once these phases are completed, any remaining Person or Government Entity subject to the Electronic Invoicing System will also be required to appoint an ASP and implement the system.

Pilot Programme

The Ministry will launch a Pilot Programme under which a Taxpayer Working Group will be formed, comprising selected businesses to test and implement the e-invoicing system. Participation in the Working Group will be subject to the taxpayers' written consent. The Pilot Programme is scheduled to commence on 1 July 2026.

Voluntary Implementation

From 1 July 2026, any Person may voluntarily adopt the e-invoicing system, provided they fully comply with all technical requirements.

Note: Revenue is defined as the gross income earned by a Person during the most recent Accounting Period, based on the financial statements prepared in accordance with applicable legislation in the State or, if such financial statements are not available, based on other documentation acceptable to the Authority.

Technical and Reporting Obligations

- ▶ Electronic Invoices and Credit Notes must be issued within 14 days from the date of the Business Transaction, in line with VAT time of supply rules.
- ▶ All documents must be reported to the FTA within timelines prescribed by the Minister.
- ▶ All e-invoices, e-credit notes, and associated data must be stored within the UAE, in accordance with the Tax Procedures Law.
- ▶ Issuers and Recipients must fulfill e-invoicing obligations via their ASP.
- ▶ Any technical failure must be reported to the FTA within 2 Business Days of occurrence.
- ▶ Amendments to data registered with the FTA must be notified to the ASP within 5 Business Days of receiving confirmation.

Data Access and Sharing

The FTA is empowered to:

- ▶ Access and use any data processed, received and stored under the e-invoicing system
- ▶ Share data with other government entities or foreign government bodies under international agreements.

Transaction Specific Provisions

▶ **Business-to-Consumer (B2C) Transactions**

B2C transactions are excluded from the scope of e-invoicing until further notice. Any Person engaged exclusively in B2C transactions is not subject to e-invoicing unless a decision is issued by the Minister.

Note: B2C transaction has been defined as a Business Transaction conducted between a Person carrying on Business and a recipient who is a natural person not carrying on Business

▶ **Self-Billing**

The Recipient may issue an Electronic Invoice or Credit Note on behalf of the Issuer, provided both Recipient and Issuer are registered under VAT and conditions under the VAT Law are met.

▶ **Agent:**

An Agent acting on behalf of a principal may issue and transmit Electronic Invoices or Credit Notes on behalf of the principal.

▶ **Credit notes:**

Electronic Credit Notes are required to be issued in the following cases:

- Cancellation of a Business Transaction.
- Reduction in agreed consideration.
- Full or partial return of consideration.
- Administrative or numerical errors in the invoice

List of Accredited Service Providers:

The Ministry has released an initial list of pre-approved ASPs, which will be periodically updated to include newly approved providers. This offers businesses flexibility and commercial advantage by allowing selection from a broader pool of providers.

Note: The list is available on the Ministry of Finance website.

Conclusion

Ministerial Decisions No. 243 and 244 of 2025 provide much-needed clarity and structure to the UAE's e-invoicing framework. While the concept of e-invoicing was previously introduced, these decisions formalize its scope, exclusions, and phased implementation roadmap, enabling businesses to plan with greater certainty.

The phased rollout, combined with voluntary adoption and a pilot programme, offers businesses the opportunity to prepare strategically. It is recommended that businesses undertake a thorough impact assessment and align internal systems with regulatory expectations to ensure a smooth and compliant transition.

Andersen UAE is actively supporting clients with tailored impact assessments, system integration planning, and regulatory advisory to ensure a confident and compliant transition.

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