

Digital invoicing in the United Arab Emirates: A critical perspective

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Abstract

Electronic invoicing, commonly referred to as e-invoicing, has emerged as one of the most consequential fiscal digitalisation tools of the twenty-first century. Adopted across more than ninety countries, it is reshaping how governments collect taxes, how businesses manage compliance, and how economies build trust in commercial transactions. This paper examines how e-invoicing began in Latin America and Europe, how it has gradually spread worldwide, and how it is expected to be introduced soon in the United Arab Emirates (UAE). Based on government guidelines, industry reports, and international case studies, the paper analyses the key reasons why the UAE authorities are introducing this reform. It also explains the legal and technical systems they have selected, the phased implementation plan, and how prepared both the government and businesses are. The paper critically discusses key challenges, including gaps in system readiness, a shortage of skilled personnel, and difficulties faced by SMEs. At the same time, it connects these issues to the bigger goal of building a transparent, efficient, and future-ready tax system. The paper offers practical suggestions to ensure a smooth and effective rollout. It concludes that, with proper planning and cooperation among all stakeholders, e-invoicing can truly support economic modernisation in the UAE.

Keywords: e-Invoicing, UAE, PEPPOL, Federal Tax Authority, VAT Compliance, Digital Transformation, Fiscal Digitalisation, Accredited Service Providers, Tax Administration

JEL Classification: H25, H26, H83

1. Introduction

The way a business issues an invoice may seem like a small administrative detail. In fact, it is a window into the health of a country's commercial ecosystem. Every invoice carries information about a transaction — who sold what, to whom, for how much, and with what tax implications. When that information is captured in real time, in a structured electronic format, and made available to tax authorities almost instantaneously, the consequences are far-reaching: tax fraud becomes harder, compliance becomes easier, and the economy becomes more transparent. Electronic invoicing or e-invoicing refers to the creation, transmission, receipt, and storage of invoices in a standardised digital format that computer systems can read and process automatically. It is fundamentally different from simply sending a PDF over email, which is still, in essence, a digital copy of a paper document. A true e-invoice is structured data that flows through a government-approved network, reaches the buyer in a machine-readable format, and is reported to the tax authority simultaneously or near-simultaneously. The United Arab Emirates is preparing to make this shift mandatory. Beginning with a pilot in July 2026 and moving to full enforcement in phases through 2027, the UAE will join a growing international community of countries that have placed e-invoicing at the heart of their tax administration strategy. This paper presents a critical perspective on this development. It explains the origins of e-invoicing and reviews its use worldwide. It then examines the UAE's situation and level of preparation and offers suggestions to help ensure successful implementation and achieve its full benefits.

2. Brief History of e-Invoicing: From Innovation to Global Standard

The origins of electronic invoicing lie not in the technologically advanced economies of Europe or North America, but in the tax authorities of Latin America, where the fight against tax evasion drove remarkable innovation. Chile was among the earliest movers, introducing a voluntary electronic billing system in 2001 and mandating it by 2003. Brazil followed with its Nota Fiscal Eletrônica system, launched in 2006, a reform now widely regarded as one of the most successful fiscal digitisation initiatives in history. Mexico introduced its CFDI (Comprobante Fiscal Digital por Internet) system in 2004, making it mandatory for large taxpayers by 2011 and extending it progressively to all businesses thereafter. These Latin American systems operated on a clearance model: invoices had to be submitted to, and approved by, the tax authority before they could be legally delivered to a buyer. This real-time validation gave governments unprecedented visibility into commercial transactions. In Europe, the driver was initially public procurement efficiency rather than tax control. The European Union's directive on electronic invoicing in public contracts, adopted in 2014, required member states to accept structured e-invoices from suppliers to government entities. Finland, Denmark, and Sweden had already been leaders in inter-organisational electronic document exchange since the 1990s, using EDI (Electronic Data Interchange) protocols. Italy emerged as the continental pioneer in mandating e-invoicing for all business transactions, making it mandatory for B2G (business-to-government) transactions in

2014. It was extended to cover all B2B (business-to-business) and B2C (business-to-consumer) transactions in 2019, making Italy the first country in the world to impose such a comprehensive mandate. The Peppol (Pan-European Public Procurement Online) network, launched by the European Commission in 2008, provided the interoperability infrastructure that many countries later chose to build upon (OpenPeppol, 2023). Peppol is not a mandate itself but a standardised protocol for exchanging electronic documents securely across borders and systems. Its adoption beyond Europe by Australia, Singapore, New Zealand, Malaysia, and now the UAE — testifies to its status as a globally trusted framework. In the Middle East, Saudi Arabia became the first Gulf Cooperation Council (GCC) state to mandate e-invoicing, launching its Phase 1 (generation of compliant e-invoices) in December 2021 through its Zakat, Tax and Customs Authority (ZATCA) (ZATCA, 2021). India implemented its Invoice Registration Portal (IRP) system in 2020, requiring large businesses to have invoices pre-validated by the government. Malaysia introduced its MyInvois system, making e-invoicing mandatory for all businesses from January 2026. Today, over ninety countries are implementing or planning mandatory e-invoicing, and the number continues to grow each year.

3. Advantages of e-Invoicing: Evidence from Global Experience

The case for e-invoicing is well supported by international experience. The advantages are significant for governments and businesses alike, though the benefits are not always immediate or uniformly distributed across all categories of taxpayers.

3.1 Tax Revenue and Compliance

The most compelling evidence for e-invoicing comes from its demonstrable impact on tax revenues. In El Salvador, VAT collection rose from 3.5% of GDP in 2017 to 8.7% of GDP in 2023 following the introduction of electronic invoicing. In Brazilian states that were among the early adopters, e-invoicing contributed to a measured increase of approximately 12% in tax revenue alongside a 2% reduction in informality. Italy, which mandated e-invoicing for all transactions in 2019, reported billions of euros in additional VAT collection as a direct consequence of improved compliance, with its VAT compliance gap falling by 10.7 per cent in a single year following the reform (Heinemann & Stiller, 2025). These are not marginal improvements; they are structural changes in fiscal capacity (Bellon et al., 2022; Kotsogiannis et al., 2025). The reason is straightforward. When invoices are transmitted to the tax authority in real time, the opportunities for underreporting, fictitious transactions, or carousel fraud are substantially reduced. Discrepancies between what a buyer declares as input tax and what a seller reports as output tax become immediately visible. This shifts tax administration from a reactive, audit-based model to a proactive, data-driven one (Gupta et al., 2017; Hesami et al., 2024).

3.2 Operational Efficiency for Businesses

Beyond tax compliance, e-invoicing offers measurable operational benefits. Manual invoice processing is costly. A European Commission study estimated that processing a paper invoice can cost businesses between €30 and €50, while an e-invoice can cost less than €1 (Hesami et al., 2024). The elimination of printing, postage, scanning, manual data entry, and physical archiving frees up resources across finance departments. Payment cycles accelerate because invoices are delivered instantly, and validation is automated. Reconciliation, which can consume significant time in finance teams, becomes faster when invoice data flows directly into accounting systems. In Brazil, the availability of validated e-invoices on the tax authority's portal enabled the development of supply-chain financing products. SMEs in Brazil, Chile, Mexico, and Peru gained access to factoring - the ability to sell unpaid but validated invoices to third parties for immediate liquidity - in ways that would have been impossible with paper invoices. This secondary benefit, transforming the invoice from a compliance document into a financial asset, is one of the less-discussed but genuinely powerful advantages of e-invoicing (Gupta et al., 2017).

3.3 Environmental and Sustainability Benefits

Reducing paper consumption is a tangible environmental benefit of e-invoicing. While it may seem secondary to fiscal concerns, it is increasingly relevant in the context of global sustainability commitments. Countries and corporations are under pressure to reduce their carbon footprint, and the elimination of millions of paper invoices, couriers, and physical storage facilities contributes, in a modest but real way, toward this goal.

3.4 Improved Data for Economic Policy

An underappreciated benefit of e-invoicing is the quality of economic data it generates for governments. Real-time invoice data allows tax authorities and, by extension, economic policymakers, to monitor commercial activity at a granular level, by sector, by geography, and by time period. Brazil's experience shows that e-invoicing data has been used to set reference prices for public procurement, to design consumer comparison tools, and to provide economic policymakers with near-real-time insights into market activity (Bellon et al., 2022). The UAE, with its ambitions for data-driven governance, would stand to gain similarly.

4. Disadvantages and Challenges: Lessons from Global Experience

The overall evidence supports e-invoicing, but the reform is not without difficulties. Countries that have introduced e-invoicing have encountered a variety of challenges, and the UAE would be wise to learn from their experience.

4.1 Implementation Costs and System Disruption

The transition to e-invoicing requires businesses to upgrade or replace their existing financial and ERP (Enterprise Resource Planning) systems. For large corporations with mature IT departments

and dedicated tax technology teams, this is a manageable, though costly, exercise. For small and medium-sized enterprises (SMEs), however, it can be genuinely disruptive. In Saudi Arabia, the phased rollout of ZATCA's Fatoorah e-invoicing system encountered significant friction among smaller businesses that lacked the technical resources to integrate compliant systems quickly. India's GST e-invoicing portal, despite being well-designed, initially experienced technical outages that delayed invoice validation for thousands of businesses, temporarily disrupting supply chains (Hesami et al., 2024). Malaysia's implementation of MyInvois in 2026 similarly required extensive handholding for smaller businesses. The transition cost for businesses is real, spanning software licences, IT consulting, staff training, data migration, and testing. Businesses that delay preparation and attempt to implement e-invoicing in the weeks before a deadline often find the process far more disruptive than those that begin early.

4.2 Talent Gaps and Capacity Constraints

E-invoicing sits at the intersection of tax law, data management, and IT systems integration. Professionals with simultaneous expertise across all three domains are scarce in virtually every market (Hesami et al., 2024). In the UAE, where the corporate sector is heavily dependent on expatriate talent with varying levels of familiarity with the local regulatory environment, this gap is particularly relevant. The speed of the rollout means that demand for e-invoicing consultants, ERP integrators, and compliance specialists will outpace supply, at least in the short term.

4.3 Over-reliance on Technology and Systemic Risk

When invoicing becomes a digital, real-time, networked process, any disruption to the underlying technology infrastructure, whether from cyberattacks, server failures, or connectivity issues, can halt legitimate commercial transactions. Italy's SDI (Sistema di Interscambio) platform has experienced brief outages over the years, and each time, businesses that had no fallback mechanism were unable to issue compliant invoices. The UAE's adoption of the Peppol-based decentralised model, which distributes responsibilities across accredited service providers rather than a single central platform, mitigates this risk to a degree, but does not eliminate it entirely. Data security is also a concern: e-invoicing generates large volumes of sensitive commercial and tax data that must be protected.

4.4 Regulatory Complexity and Compliance Burden

In some countries, the technical specifications for e-invoicing have been complex, frequently updated, and difficult for businesses to keep pace with. Saudi Arabia's Fatoorah system has undergone multiple technical specification revisions, requiring businesses to update their systems repeatedly. In India, the e-invoicing portal has required businesses to map their internal data structures to government-prescribed fields, a process that revealed data quality issues that had previously been undetected. These issues are not unique to any one country; they are inherent to

large-scale digital reforms and underscore the importance of stable, well-communicated technical standards.

4.5 Risk of Excluding Informal or Marginal Businesses

In economies with significant informal sectors, mandating e-invoicing can push smaller operators further underground rather than bringing them into the formal economy. This is less of a concern in the UAE, where the formal business sector is well established. Nevertheless, e-invoicing works best when accompanied by financial inclusion measures and genuine administrative support for the smallest taxpayers.

5. e-Invoicing in the United Arab Emirates

5.1 The Context: Why the UAE Needs e-Invoicing

The United Arab Emirates introduced Value Added Tax (VAT) at a standard rate of 5% on 1 January 2018. This was a landmark shift for a country that had, for decades, operated without direct taxation on businesses or individuals. Over the six years since VAT was introduced, revenue from VAT has made a meaningful contribution to the federal budget. As the UAE's non-oil economy has grown, with non-oil trade surpassing AED 3 trillion annually, the volume and complexity of VAT-registered transactions have increased substantially. The Ministry of Finance has been explicit about one of the primary motivations for e-invoicing: VAT leakage. A VAT gap is the difference between the theoretical VAT revenue that should be collected under the law and the actual revenue collected. Gaps arise from both unintentional errors misclassified transactions, input tax overclaims, timing differences and from deliberate fraud. The Ministry has noted that both categories are present in the UAE's VAT ecosystem and that e-invoicing is one of the most effective tools available internationally to reduce them. As the Ministry stated publicly, e-invoicing has helped other countries minimise such leakages, and the UAE intends to benefit from the same mechanism.

Beyond tax compliance, the UAE's broader national ambitions are relevant. The country's leadership has articulated a clear vision of becoming a leading digital economy, one that is governed by data, driven by technology, and recognised globally for the efficiency of its public services and commercial infrastructure. e-Invoicing aligns naturally with this vision. It is a concrete, measurable step towards a financial ecosystem where transactions are transparent, auditable, and efficient — qualities that attract international investors and strengthen the UAE's position as a global business hub. Corporate Tax, introduced in the UAE in June 2023, adds another dimension of urgency. As businesses are now required to maintain detailed financial records for corporate tax purposes, the quality and traceability of invoice data become even more important. e-Invoicing creates a single, consistent, government-validated record of every transaction that serves the needs of both VAT and corporate tax administration.

5.2 The Architecture: How e-Invoicing Will Work in the UAE

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The UAE has chosen the Decentralised Continuous Transaction Control and Exchange (DCTCE) model, implemented through the internationally recognised Peppol framework. This is commonly referred to as the five-corner model, and it is worth explaining clearly because it defines how every invoicing transaction will function under the new regime. In the current model, an invoice transaction has two corners: the supplier (Corner 1) who issues the invoice, and the buyer (Corner 5) who receives it. The UAE's e-invoicing framework adds three additional participants. Corner 2 is the supplier's Accredited Service Provider (ASP) — a private, Ministry of Finance-approved entity that connects to the Peppol network and validates the invoice. Corner 3 is the Federal Tax Authority's central platform (FTA), which receives the tax data document from the ASPs and serves as the government's repository. Corner 4 is the buyer's ASP, which receives the invoice from the network and delivers it to the buyer (Corner 5, the customer).

Every business that falls within the e-invoicing mandate must appoint one of the accredited service providers approved by the Ministry of Finance. The ASP's role is to validate invoice data against the required standard (PINT AE — Peppol Invoice Standard for the UAE, based on UBL 2.1 XML), apply a digital signature, transmit the tax data to the FTA, and deliver the invoice to the buyer's ASP. The UAE's choice of the decentralised Peppol model means that the FTA does not validate each invoice before it reaches the buyer (unlike Saudi Arabia's clearance model), reducing friction while still ensuring government visibility. This design reflects the UAE's preference for maintaining commercial flexibility while achieving regulatory goals. The technical standard for UAE e-invoices is PINT AE, which is a locally adapted version of the global Peppol BIS Billing 3.0 standard. Invoices must be generated in XML format, must include all mandatory data fields prescribed in the Ministry's data dictionary, must carry a digital signature, and must be transmitted through an ASP. PDF invoices, scanned documents, and paper invoices will not be compliant under the mandate. Invoice data must be stored within the UAE and must be available to the FTA upon request.

The authorities have identified 16 distinct invoicing scenarios, each with specific data requirements. Credit notes must also be issued electronically in the same format. Businesses must register in the EmaraTax portal to onboard their chosen ASP, and every UAE business will be identified on the Peppol network by a unique Peppol Participant ID constructed from the 0235 prefix followed by the first ten digits of their Tax Registration Number (TRN).

5.3 The Timeline: When e-Invoicing Becomes Mandatory

The introduction of e-invoicing in the UAE is governed by Ministerial Decision No. 243 and 244 of 2025 and Cabinet Decision No. 106 of 2025. The rollout follows a phased approach:

July 2026 — Pilot Phase: A voluntary pilot programme opens, allowing businesses to test systems, onboard with ASPs, and issue e-invoices in a live but non-mandatory environment. Early participants can familiarise themselves with the technical standards and identify process gaps

before enforcement begins. Penalties do not apply during this voluntary period, making this phase a valuable risk-free preparation window.

1 January 2027 — Phase 1 Mandatory Enforcement: e-Invoicing becomes compulsory for all businesses with an annual revenue of AED 50 million or more. These large enterprises must have appointed an ASP by 31 July 2026 — ahead of the pilot — and must be fully compliant from 1 January 2027. Failure to comply carries penalties of up to AED 5,000 per month, with additional per-invoice penalties.

July 2027 — Phase 2 Full Rollout: The mandate extends to all other businesses conducting B2B (business-to-business) and B2G (business-to-government) transactions, regardless of their VAT registration status and regardless of their annual revenue. This is a notably broad scope: it applies to all persons conducting business in the UAE, not only to VAT-registered entities.

B2C (business-to-consumer) transactions are excluded from the initial scope. Simplified invoices issued to end consumers will not fall within the mandate in the first instance, though this may change in future phases as the system matures.

The phased approach mirrors the implementation strategies of Saudi Arabia and Malaysia, which began with large enterprises and progressively extended the mandate to smaller businesses. This sequencing is deliberate: large enterprises have greater technical capacity to adapt quickly, and their compliance generates a large share of VAT revenue. Bringing them in first also creates market demand for ASPs and drives down the cost of e-invoicing solutions for smaller businesses that follow in subsequent phases.

6. The UAE's Preparedness

6.1 What the Government Has Done

The UAE authorities have undertaken a substantial programme of preparation, placing the country in a comparatively strong position ahead of the pilot phase. Several important steps have been completed:

The legal framework has been established. Ministerial Decision No. 243 of 2025 defines the scope and obligations of the e-invoicing mandate (Ministry of Finance, 2025a). Ministerial Decision No. 244 of 2025 sets out the implementation timeline (Ministry of Finance, 2025b). Cabinet Decision No. 106 of 2025 specifies the administrative penalties for non-compliance. This legislative architecture provides the formal foundation for enforcement and gives businesses the regulatory certainty they need to plan their transitions. The technical specifications have been published. The UAE Electronic Invoicing Guidelines (Version 1.0, February 2026) provide a detailed technical framework, including a data dictionary, the PINT AE format specification, a list of mandatory data fields for different transaction scenarios, rules for digital signatures, and data storage requirements (Ministry of Finance, 2026). Releasing these specifications in February 2026, several months

before the pilot, gives businesses a reasonable window to conduct gap assessments and begin system modifications.

The accreditation process for service providers has been launched. The Ministry of Finance has established a formal accreditation programme for ASPs. Several providers, including internationally recognised Peppol-certified entities, have already received accreditation or are in the process of obtaining it. The Ministry has also confirmed its intention to establish the UAE as a Peppol Authority — a governance body that will oversee Peppol standards within the UAE — which will deepen the country's integration with the global e-invoicing ecosystem. Public awareness efforts have been initiated. The Ministry of Finance has published guidance on its official website, held stakeholder consultations, and engaged with industry bodies. The Dubai E-invoicing Exchange Summit in February 2024 was an important moment in which the Peppol-based DCTCE model was announced to the business community (FTA, 2024). Industry bodies, accounting firms, and ERP vendors have followed up with extensive awareness campaigns, training events, and readiness assessment services.

6.2 Strengths of the UAE's Position

The UAE enters this reform with a number of structural advantages. The country has a highly digitised banking and financial infrastructure. Most large and medium-sized enterprises already use ERP systems. VAT was successfully introduced in 2018, meaning the business community has prior experience navigating a significant tax reform, and the Federal Tax Authority has built institutional capacity in tax administration. The EmaraTax platform, through which most VAT compliance activities are managed, provides an existing digital touchpoint for businesses and a plausible integration point for e-invoicing onboarding. The UAE's high internet penetration, mobile connectivity, and generally high levels of education among its business population also reduce some of the barriers that have complicated e-invoicing rollouts in countries with less developed digital infrastructure. The government's track record in executing ambitious digitalisation projects — from the national identity system to the Digital Economy Strategy — provides reasonable confidence that the institutional commitment to see this reform through is both genuine and adequately resourced.

6.3 Areas of Concern

It would be overly optimistic, however, to suggest that the UAE's preparedness is complete or that the groundwork has been laid perfectly. Several concerns merit serious attention.

First, the timeline is tight for many businesses, particularly SMEs. While large enterprises with dedicated IT and finance teams may be able to adapt within the available window, the UAE's business population includes a very large number of small and micro enterprises, many of them in trading, retail, food and beverage, logistics, and professional services, that rely on basic accounting software or manual processes. These businesses face significant challenges in understanding the

technical requirements, selecting an ASP, upgrading their systems, and testing their implementation before the mandate applies to them.

Second, the accredited service provider list was not yet finalised at the time of writing. Businesses cannot begin their ASP onboarding until they know which providers are approved, and delays in finalising and publishing the accredited provider list create unnecessary uncertainty. Some globally Peppol-certified ASPs have not yet completed their UAE-specific onboarding, creating a mismatch between available capacity and business needs.

Third, the UAE's introduction of VAT in 2018 provides an instructive precedent that should not be ignored. The experience with corporate tax registration in 2023 showed that a significant proportion of the SME community delayed action despite clear government communication, and it required repeated directives, the imposition of fines, and, in some cases, waivers before compliance picked up speed. There is a real risk that a similar pattern could emerge with e-invoicing unless the government is more proactive in reaching the SME community through accessible, non-technical channels.

Fourth, the talent supply is a genuine constraint. The combination of tax knowledge, data management skills, and IT system expertise required for e-invoicing implementation is not easily found in the market. Consulting firms and ERP vendors are already reporting strong demand, and the pipeline of trained professionals may be insufficient to serve the full market in a compressed timeframe.

None of these concerns is insurmountable. They are, in fact, common to most major e-invoicing rollouts globally. What matters is that they are recognised, planned for, and addressed with adequate resources and urgency. Overall, the UAE's groundwork is solid — thorough in its legal and technical foundations, if not yet complete in its operational readiness. The country has chosen a well-tested global framework, established its legal foundations, published its technical standards, and created a pilot period designed precisely to expose and resolve implementation issues before full enforcement.

7. Suggestions for an Effective and Efficient e-Invoicing Implementation

7.1 General Recommendations

Based on international experience and established best practice, the following suggestions are offered as broadly applicable to any country implementing e-invoicing:

Early and sustained stakeholder engagement is essential. Governments that launch e-invoicing mandates without adequate advance communication tend to encounter higher rates of last-minute panic, poor implementations, and political pressure to delay deadlines. Communication should begin well before the mandate and should be directed at different audiences — accountants, ERP

vendors, industry associations, and business owners — using language and channels that are appropriate to each group.

Phased implementation is strongly recommended, and the UAE's chosen approach is appropriate. Beginning with large enterprises allows the system to be stress-tested at scale before smaller and more vulnerable businesses are required to comply. Each phase should be evaluated before the next is activated, with adjustments made based on observed difficulties. Technical specifications must be stable and published well in advance. Frequent changes to data formats or validation rules after businesses have begun their implementations create significant disruption and erode trust. Authorities should commit to a version freeze for core technical standards for an appropriate period before and during each implementation phase. A robust sandbox environment should be provided and maintained, allowing businesses to test their systems and invoice flows without the risk of generating real tax obligations. Testing is not optional; it is essential, and authorities should incentivise early testing by making the sandbox available well before the pilot phase opens. Support mechanisms for SMEs should be deliberate and well-resourced. Smaller businesses do not have the same capacity as large enterprises to navigate complex technical requirements. Authorities and industry associations should develop simplified guides, free or subsidised compliance tools, and access to affordable ASP services for small taxpayers. Data security and privacy frameworks must be clearly established before implementation. Businesses and their customers need to understand how invoice data is stored, who has access to it, and what protections apply. Governments should be transparent about data governance and should adopt internationally recognised standards for data residency and security.

7.2 Specific Recommendations for the UAE

In addition to the general recommendations above, the UAE's particular context suggests several more specific suggestions:

The Ministry of Finance should accelerate the finalisation and publication of the complete ASP accreditation list. Businesses cannot make an informed choice of service provider without this information, and delays in its publication create a domino effect that delays system integration, testing, and readiness. A clear, regularly updated public registry of accredited providers, with details of their capabilities and geographic reach, would be valuable. A dedicated, bilingual (English and Arabic) SME e-invoicing helpdesk should be established. The UAE's business community is remarkably diverse, and communication in accessible language across both official and business languages is important. A government-run helpdesk staffed by trained advisors — not simply an online FAQ page — would help smaller businesses navigate the transition more confidently. The FTA and Ministry of Finance should actively coordinate with free zone authorities. The UAE has over 40 free zones, each with its own regulatory character, and some businesses operating in free zones have unique VAT treatment, which creates complexities in the

scope of e-invoicing. Clear guidance on how e-invoicing applies to free zone entities, particularly those with partial or zero VAT obligations, is needed.

Industry-specific technical guidance would be beneficial. The UAE's economy includes highly diverse sectors — from retail and hospitality to oil and gas, construction, healthcare, and financial services — each with their own invoicing practices, contract structures, and data management systems. Sector-specific worked examples, in addition to the general data dictionary, would reduce ambiguity and support more consistent implementation.

The government should consider creating financial incentives — or at a minimum, removing friction — for early voluntary adoption. The current approach rightly exempts voluntary adopters from penalties. Still, proactive incentives, such as expedited VAT refunds, priority audit resolution, or public recognition of e-invoicing-compliant businesses, could accelerate uptake and generate positive momentum. Investment in workforce development is needed. The UAE government, working with universities, professional bodies such as the Institute of Management Accountants, Chartered Institute of Management Accountants, Institute of Certified Public Accountants, Institute of Chartered Accountants, and the Association of Chartered Certified Accountants, and technology training providers, should support the development of e-invoicing competencies within the local talent pool. Short courses, certification programmes, and on-the-job training schemes for finance and tax professionals would help to ease the talent constraint. The pilot phase should be used as a genuine learning exercise, not merely as a technical rehearsal. The data collected from pilot participants should be analysed systematically to identify common failure points, and the results should be shared transparently with the business community to help those entering later phases understand what to expect and how to prepare.

8. Conclusion

e-Invoicing is not a simple compliance update. It is a structural transformation in the relationship between businesses, their trading partners, and the State. The UAE's decision to adopt this reform, using a globally recognised framework, with a phased and legally grounded approach, reflects both the maturity of its fiscal administration and the ambition of its economic vision. The international experience is clear: countries that have implemented e-invoicing effectively have seen real improvements in tax revenues, reductions in fraud, faster payment cycles, and more transparent commercial ecosystems. The challenges are also real: implementation costs, talent gaps, SME vulnerability, and the need for stable and well-communicated technical standards. None of these challenges is unique to the UAE, and none is beyond the capacity of a well-governed, digitally equipped, and economically sophisticated country to manage.

The UAE has laid solid groundwork. The legal framework is in place. The technical standards have been published. The model is globally proven. The pilot phase offers businesses the opportunity to test, learn, and adjust before full enforcement begins. What remains is the work of execution: reaching every affected business, especially the smallest ones; ensuring that accredited

service providers are available and accessible; and maintaining stable, consistent, and well-supported implementation throughout the rollout.

If these steps are taken with the deliberateness and commitment that the UAE's digital transformation agenda demands, e-invoicing will be more than a tax compliance tool. It will be a foundation for a more transparent, efficient, and trustworthy commercial economy, one in which businesses, investors, and the government all operate with greater confidence in the accuracy of the information that drives their decisions. That is an outcome well worth the effort of getting the implementation right.

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