UAE E-Invoicing Programme Consultation Paper
– open until 27 February 2025

Background

On 6 February 2025, the UAE Ministry of Finance (MoF) issued a public consultation document on the UAE E-Invoicing framework, marking a significant step towards the nationwide adoption of E-Invoicing. The proposed system will introduce new invoicing formats, data validation processes, and compliance requirements for businesses operating in the UAE.

- **Response deadline:** 27 February 2025
- The consultation document is accessible **here**. Interested parties can submit their comments and provide their
- feedback through this **link.**

The E-Invoicing programme consultation paper includes the E-Invoicing Data Dictionary (PINT AE) which outlines key data elements for 16 common UAE use cases (e.g. tax invoice, commercial invoice, credit notes, etc.), emphasizing the importance of standardization to ensure seamless and consistent e-Invoice integration.

MoF is seeking feedback from businesses, service providers and stakeholders affected by these changes. This input will be instrumental in evolving and refining the current version of the data dictionary. The responses to the consultation will play a pivotal role in shaping the final framework, ensuring it aligns with the needs of UAE businesses and the broader economy.

Key takeaways

- **Alignment with UAE 2031 Vision:** The E-Invoicing program aims to enhance VAT compliance, transparency, and taxpayer experience, while contributing to economic growth and competitiveness.
  Introduction of E-Invoicing system: The UAE government is implementing a 5-corner Peppol-based E-Invoicing system known as the Decentralized Continuous Transaction Control and Exchange (DCTCE) model. This system will enable businesses to send, receive, and validate invoices in real time through a secure digital network.
- **E-Invoicing is mandatory for all businesses:** The E-Invoicing system will apply to all businesses operating in the UAE, including those dealing with taxable supplies, out-of-scope, and exempt supplies, regardless of their VAT registration status. Initially, the regulations will cover B2B (Business to Business) and B2G (Business to Government) transactions, with plans to include B2C (Business to Consumer) invoicing at a later stage.
- **Standarised format of eInvoices:** Businesses will need to generate and issue eInvoices in a machine-readable format (encrypted XML document), adhering to the UAE PINT AE specification, which includes multiple mandatory, conditional, and optional data fields.
- **Phased implementation:** The UAE government will gradually roll out the E-Invoicing implementation for businesses starting Q2 2026, allowing businesses time to prepare their systems and processes. The specific compliance deadlines and transition timelines will be announced in due course.

How E-Invoicing will impact your business

- **Aligning business reports and collection of requisite data:** All businesses will need to adjust their invoicing processes to align with the UAE's new E-Invoicing framework. This involves ensuring that invoices include the required data fields and are submitted in the correct format.
- **Data completeness and data accuracy:** Incorrect or missing data fields will trigger rejections, necessitating businesses to establish internal processes for efficiently handling errors rectification.
- **Upgrading systems and selecting the right service provider:** Accounting, billing, and ERP systems may require modifications or upgrades to support the new E-Invoicing format and real-time validation process. Businesses must ensure their systems can integrate and interact with Peppol-accredited service providers for invoice exchange and real-time validation to avoid rejections.
- **Real-time data validation:** E-Invoicing will introduce instant validation of invoices. Businesses must ensure their invoicing systems are configured to meet these new reporting and compliance requirements.
- **Cross-border operations:** Cross-border businesses operating in multiple jurisdictions will need to map PINT AE specifications against other regional E-Invoicing frameworks, such as in Saudi Arabia's or the EU's EN16931 standards while considering additional local requirements.

What your business's focus should be now

- **Make this a strategic priority:** Onboard your CFO, IT, finance and other relevant departments by forming an internal E-Invoicing project team. Collaborate with E-Invoicing special matter experts to ensure your processes and systems are compliant and ready for integration.
- **Assess your readiness:** Review your current invoicing and IT systems to identify necessary changes. Review existing invoicing data for accuracy, completeness, and compliance with UAE PINT AE specifications. Implement processes to prevent errors and ensure seamless real-time validation.
- **Develop a compliance roadmap:** Plan for a phased transition from your current invoicing process to E-Invoicing, including selecting an accredited service provider (ASP).
- **Prepare for change management & training:** Develop internal training programs to familiarize teams with new invoicing processes, compliance requirements, and system changes.
- **Submit your feedback to MoF:** Businesses can provide input until 27 February 2025 to help shape the final E-Invoicing regulations.

How PwC can help

PwC offers comprehensive support to help businesses prepare for the UAE's E-Invoicing transition, leveraging our regional expertise, global network, and proven E-Invoicing implementation experience. Our services include:

- **Regulatory advisory:** Assisting businesses in understanding the UAE's E-Invoicing framework, compliance requirements, and industry best practices.This support may also involve identifying and communicating potential blocking points with the Federal Tax Authority (FTA) and MoF when necessary, as well as providing you with regular feedback.
- **Readiness and impact assessments:** Conducting a gap analysis of your current invoicing processes, IT systems, and VAT processes to determine the level of changes required for E-Invoicing adoption.
- **Target operating model design:** Defining the ideal invoicing workflow, IT architecture, and data governance strategy to align with Peppol-based UAE E-Invoicing requirements.
- **Vendor selection:** Assisting with the selection of an ASP, from drafting RFPs to shortlisting candidates and assisting you during the ASP selection process.
- **Implementation:** Supporting your teams in implementing the new e-Invoicing systems and processes, providing continuous project management support, system upgrades, and modifications. We also offer functional testing to ensure seamless integration with ASPs across your ERP, accounting, and billing systems.

- **Training & change management:** Equipping impacted stakeholders (finance, tax, IT, etc,) with the necessary knowledge and tools through workshops and structured training programs.
- **Post-implementation support & monitoring:** Providing ongoing support, compliance monitoring, and optimization strategies to maximize the benefits of E-Invoicing.

We recommend contacting your regular PwC representative or our E-Invoicing team today to ensure your business is fully prepared for UAE E-Invoicing implementation .

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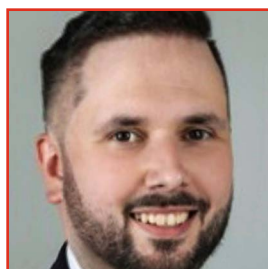E: ishan.k.kathuria@pwc.com
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