

# Navigating E-Invoicing in the UAE

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# Your speakers today



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# Agenda



Key updates on e-invoicing



Implementation challenges



Why GAP assessment is critical



VAT compliance after e-invoicing



Panel discussion with key ASPs

# 01 Key updates on e-invoicing

# E-invoicing in the UAE

The UAE has introduced mandatory e-invoicing for B2B and B2G transactions from 1 January 2027.

01

## What is an E-invoice?

An e-invoice is a digital invoice created in a structured system format (e.g. XML). PDF, Word, Excel or similar invoice formats shared via email etc. are not e-invoices.

02

## The scope of UAE E-invoicing

E-invoicing applies to **all persons conducting business** in the UAE. All **B2B and B2G** transactions are included, unless specifically excluded. **B2C** transactions are not currently in the scope.

03

## Why is E-invoicing being introduced ?

Improved transparency and fraud prevention for the FTA.  
Reduced cost of invoice processing over time.  
Increased accuracy of invoices leading to potentially shorter payment cycles and faster input tax recovery cycles.

04

## UAE E-invoicing model

UAE E-invoicing is based on the **'PEPPOL' 5 corner model**. No direct reporting of transactions between businesses and the FTA. Instead, businesses must use an 'accredited service provider" (ASP) to send and receive all invoices / credit notes.

05

## What is the go-live date?

### Turnover > AED 50M

○ Appoint ASP 31 July 26 / Go-live 1 Jan 27

### Turnover < AED 50M

○ Appoint ASP 31 March 27 / Go-live 1 July 27

### Government Entities

○ Appoint ASP 31 March 27 / Go-live 1 October 27

### Pilot program from 1<sup>st</sup> July 2026

06

## Exclusions from E-invoicing

Transactions by government entities, international airline passenger and ancillary services, air cargo services, VAT-exempt or zero-rated financial services

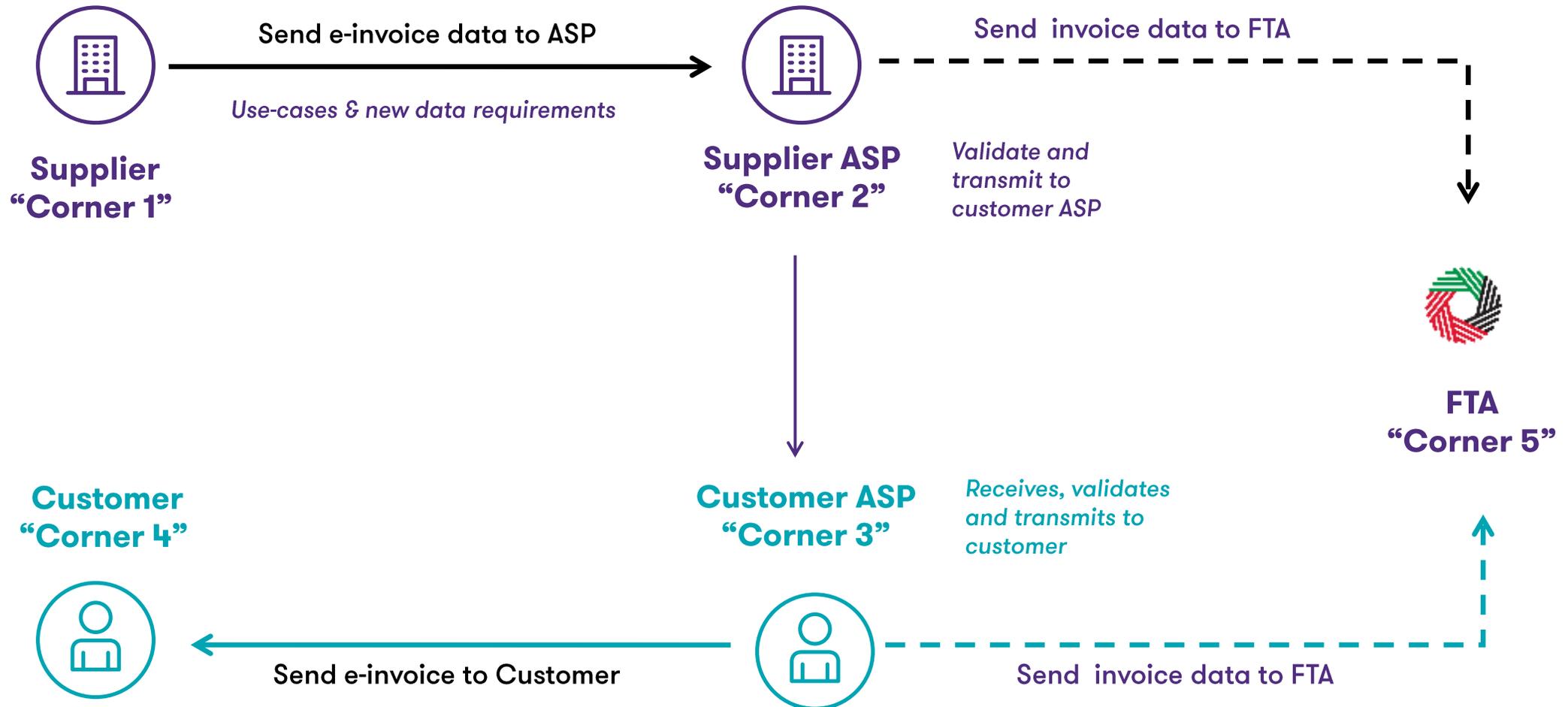
07

## Penalties for noncompliance

- Failure to implement / appoint ASP: AED 5,000 per month
- Failure to send e-invoice: AED 100/invoice (max AED 5,000/month)
- Failure to notify FTA of system outage: AED 1,000 / day of delay
- Failure to notify ASP/FTA of changes in registered data (by Issuer or recipient): AED 1,000 per day of delay.

# E-invoicing in the UAE – how will it work?

The PEPPOL 5 Corner model *(simplified)*.



# Latest updates and changes



## More ASPs will be added to the approved list

16 Pre-Approved Service Providers currently in the list. Another large group is in the Application Review Stage. The ASP group to be around approx. 50.



## Pilot Programme – Roll-out 1<sup>st</sup> July 2026

Entities interested in participating in the pilot must submit an official letter of intent confirming their willingness to take part in the rollout. Inform MOF of the ASP that have selected to participate in the pilot.



## Connecting ASP on Emara Tax portal

The FTA has activated the E-Invoicing Onboarding Facility on EmaraTax, allowing businesses to authenticate themselves and link to their chosen ASP.



## Integration with FTA for return submission

A fully pre-populated VAT return is expected only in the coming years, once the UAE's e-invoicing framework expands to include B2C transactions and international reverse-charge (RCM) supplies, as these data points are currently outside the mandated e-invoicing scope.



## Global updates

Belgium has surpassed one million Peppol registered e invoice recipients as part of B2B e-invoicing implemented from 1 January 2026.

Oman will begin its five-corner Peppol based model phased rollout in August 2026, starting with the largest taxpayers under its national Fawtara program.

France, Poland, Denmark and Croatia are also expected to implement major e-invoicing mandates in 2026.

# 02 Implementation roadmap & challenges

# Implementation roadmap

Our approach to e-invoicing is based on the following 4 phases

## Phase 1

### Impact Assessment

- **Business Readiness Assessment**
  - Business and invoice process mapping
  - Assessment of applicable e-invoicing “use cases”
  - Assessment of use case data requirements (and high-level data flows between key systems)
  - Identification of gaps in mandatory data requirements
- **ERP Readiness Assessment**

## Phase 2

### ASP evaluation and selection

- **ASP Vendor Evaluation & Selection:** Evaluate vendors for most appropriate fit with your needs against predefined criteria
- **Cost & Benefit Analysis:** Develop budget estimate and cost / benefit analysis for implementation
- **Shortlist suitable ASP's**

## Phase 3

### Implementation support

- **Integration Advisory:** VAT and E-Invoicing Advisory support to IT implementation team; Validate correct mapping
- **ASP Integration and entity onboarding**
- **Testing:** Perform SIT, UATs on impacted systems
- **Change Management -** Facilitate training sessions, SOPs, supplier & customer communications
- **Go-live Support**

## Phase 4

### Post Implementation

- **Reconciliation of ASP data vs. GL/ERP systems**
- **Validation of VAT treatment**
- **Continued VAT compliance advisory services till submission of first VAT return**

# General challenges

**Identifying the relevant stakeholders** - Clear leadership on e-invoicing—whether driven by the IT, Finance, or Tax team—helps businesses coordinate more effectively, ensures accurate end-to-end process visibility, and fosters strong alignment across functions.

**Multiple systems and integration limitations** - Many organisations run multiple ERPs, customised modules or legacy systems. This could lead to lack of API readiness or ability to generate valid XML, customisations that complicate mapping or inconsistent data structures across systems

**Insufficient alignment across entities in group structures** - For groups operating across multiple entities, e-invoicing implementation becomes challenging due to variations in processes, differing system customisations, and inconsistent levels of data readiness across subsidiaries.

**Difficulty comparing ASPs due to varying capabilities** - The diverse maturity levels and feature sets across ASPs provide businesses with a wide range of solutions to choose from, making it important to assess each provider carefully, as their capabilities and strengths vary uniquely.

**Ambiguity around data storage, retention and download capabilities** - Businesses benefit from gaining clarity around each ASP's data-retention approach—whether time-based or volume-based—so they can proactively plan storage needs.

**Incomplete understanding of future requirements** - Businesses may focus only on immediate compliance requirements and may fail to assess long-term scalability, access to future markets or cross-border needs.

**Bottleneck due to error handling, exception management and rejected invoices** - The time required to understand and fix this phase is often underestimated during planning but could become a major bottleneck during implementation.

**Underestimating the dependency on hyper care support** - In the first month after implementation, there could be differences between ERP and ASP invoice logs, cancelled or rejected invoices not synced properly that require manual reconciliation. Businesses often underestimate the intensity of the first 4 weeks.

**Limited internal knowledge retention after Go-Live** - Business teams often forget system usage or technical steps after implementation and new team members lack training. Businesses may require repeated trainings from vendors and internal training procedures.

# Navigating industry specific challenges

Each industry faces unique hurdles when implementing e-invoicing with an ASP. Here's what businesses should consider:

## Sector specific challenges

### Real estate and hospitality

- Complex contracts and milestone billing
- Real-time tax coding for mixed/deemed supplies
- Discounts, vouchers, tourist refunds – POS & ASP integration



### Financial services

- High micro-transactions complicate e-invoicing and reconciliation
- Bank system integration for invoice-payment matching
- Automated recurring charges need error-free e-invoices
- Differentiating transactions exempt under e-invoicing



### Retail and trading

- High transaction volumes & Multi channel complexity
- Integration with existing ERP/ POS specially those with customized architecture



### E-commerce and digital sector

- Recurring billing for digital products & subscriptions
- Marketplace vendors complicate invoice ownership & compliance
- Multiple sales channels hinder unified e-invoicing & reporting



# 03 Why GAP assessment is critical

# Why GAP assessment is critical

Gap analysis is an essential component that underpins effective implementation and change management.

## 01 Data Cleansing

Conducting a gap analysis enables early issue resolution, ensures clean data, facilitates smooth validation and results in compliant invoices.

## 02 Ensures implementation aligns with ERP landscape

A business assumed all invoices came from SAP, but the gap analysis uncovered a second legacy billing system that also issued invoices, requiring connectors.

## 03 Eliminates surprises by clarifying scope and responsibilities

The client assumed their ASP would “fix” supplier invoice issues, but the gap assessment showed the business must update supplier onboarding procedures.

## 04 Ensures smoother change management

During the gap analysis, it became clear to identify which supplier falls in which phase, suppliers should be informed of your e-invoicing go-live date, the need to submit only compliant invoices for input VAT recovery, provided with updated data requirements, contractual clause that non-compliant invoices may be rejected and payment may be stopped.

## 05 Improved VAT Accuracy and Audit Readiness

Ensures all invoice data is complete, accurate, and aligned with VAT legislation, reducing the risk of errors that could lead to incorrect VAT return filings or audit findings. This means fewer discrepancies, smoother reconciliations, and a stronger defence in case of tax authority reviews

# 04 VAT compliance after e-invoicing

# VAT compliance after e-invoicing



- **Reconciliations:** Reconciliations will be strengthened through structured XML data, enabling clear comparison charts and automated matching between ASP records and ERP/GL entries.
- **No Invoice Verification – VAT Article 59:** Because e-invoices are pre-validated, there is no need for manual invoice verification, making VAT refunds faster and less disputed.
- **Automated return population:** E-invoicing allows VAT returns to be automatically populated over time, though items like RCM and B2C sales will still require manual completion until integrations mature.
- **What will PDF invoice copies look like ?:** The PDF invoice will simply mirror the underlying XML in a readable layout, displaying mandatory details but holding no legal status.
- **Real-time FTA visibility:** With real-time data flow, the FTA can immediately question irregularities—for example, asking why sales increased sharply while VAT reported did not.
- **No simplified invoice or administrative exceptions:** The simplified invoice format is removed entirely, requiring all taxpayers to issue full, compliant e-invoices without administrative exceptions.
- **Credit note for any change:** Any modification to an issued tax invoice—whether due to pricing, quantity, or cancellation—must be corrected strictly through a structured electronic credit note.
- **14-day rule + penalties:** Tax invoices and credit notes must be issued within 14 days of the date of supply or the triggering event, after which automated e-invoicing penalties apply for delays.

# Your ASP panelists today



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# 05 Q&A

# Thank you!

Let us know your thoughts on this seminar,  
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