



UAE Tax Alert on Electronic Invoicing System

UAE Ministry of Finance issued updated Guidelines
Version V 1.1 dated 1 June 2026



Executive Summary

The UAE Ministry of Finance (MoF) has recently released Version 1.1 of the UAE Electronic Invoicing Guidelines, dated 1 June 2026. The updated guidance does not introduce any significant changes to the core policy framework, and the phased implementation timelines remain unchanged from the previous version.

However, the revised guidelines provide additional clarification in certain key areas. Notably, the MoF has expanded the guidance on storage obligations, emphasizing that electronic invoicing records must be retained, remain readily retrievable and reproducible, and be made available to the Federal Tax Authority (FTA) upon request.

The updated version also introduces further clarification regarding the e-invoicing treatment of advance payments and retention payments. These clarifications are particularly relevant for sectors such as construction, real estate, engineering, and other project-based industries where such payment arrangements are commonly used.

While the overall e-invoicing framework remains unchanged, businesses operating in these sectors should assess the impact of the additional guidance on their invoicing processes, record-retention practices, and system configurations to ensure compliance with the updated requirements.

Key updates under the updated Electronic Invoicing guidelines

Updates	Technical Considerations
<p>Appendix 4 : Further guidance in respect of storage obligations</p>	<p>Obligation of the person</p> <ul style="list-style-type: none">• Any person subject to the Electronic invoicing system shall retain all electronic invoices/credit notes and any associated data for the period specified in Tax procedural law• Above records must be produced upon request by the Authority <p>Role and Obligations of ASP's</p> <ul style="list-style-type: none">• Transactional logs and technical traceability - ASP's are required to retain transactional logs for each transaction in accordance with the Service Provider Agreement with OpenPeppol and as per the requirements of the UAE Peppol Authority Specific Requirements (PASR).• These includes technical records with unique transaction identifiers covering the end-to-end cycle of the Electronic invoice exchange and reporting process, including transmission statuses and routing information• Delegation of Storage – ASP's may store the Electronic invoices, credit notes and associated data on behalf of the Person. However, the Person remains ultimately responsible for complying with the retention requirements.

Key updates under the updated Electronic Invoicing guidelines

Updates	Technical Considerations
<p>Appendix 4 : Further guidance in respect of storage obligations (Contd.)</p>	<p>Storage, Location and Architecture – Any compliant storage arrangement is acceptable, provided that data is retained for the required period; its integrity and security are preserved and would be made available upon request by the Authority.</p> <p>Transmission Confirmation – ASP’s must ensure that the Person is informed without undue delay regarding the successful transmission of Electronic invoice / tax data to the Authority.</p>
<p>Appendix 5 : Advance payments and Retention clarification</p>	<p>Advance payments</p> <ul style="list-style-type: none"> • Tax invoice must be issued at the time of receipt of advances. Therefore, when issuing the final invoice, only the remaining amount needs to be disclosed. A reference to the original invoice may be included under IBT-25 and IBT-26 or a note can be provided in IBT-022. • The cbc:PrepaidAmount field may be left blank, since the subsequent invoice reflects only the outstanding amount. <p>Retention -</p> <ul style="list-style-type: none"> • For retention payments, Businesses may continue to follow the existing commercial and accounting practices, provided such practices comply with the applicable VAT and Electronic Invoicing requirements. One such acceptable practice is as follows:

Key updates under the updated Electronic Invoicing guidelines

Updates	Technical Considerations
<p>Appendix 5 : Advance payments and Retention clarification (Contd.)</p>	<ul style="list-style-type: none">-Electronic Invoice may be issued for the amount payable by the Supplier after adjusting the retention amount.-A separate Electronic Invoice may subsequently be issued for the retention amount.• Businesses should ensure that the contractual arrangements and payment obligations are reflected in the corresponding Electronic Invoices issued.

Acquisory Comment

The UAE Electronic Invoicing regime represents a significant compliance and digital transformation initiative. The latest updates make it clear that businesses must consider a wide range of requirements, including invoice data management, ERP data extraction, Accredited Service Provider (ASP) onboarding, invoice confirmation workflows, data retention architecture, and the treatment of special billing scenarios such as retention and advance payments.

Accordingly, businesses should commence implementation planning without delay. This should include conducting ERP readiness assessments, selecting and onboarding an ASP, redesigning impacted processes, performing end-to-end testing and establishing governance and control frameworks. Early preparation will help ensure compliance and operational readiness ahead of the mandatory go-live date.



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