UAE MINISTERIAL DECISION NO. 197 OF 2026

AMENDMENTS TO THE ELECTRONIC INVOICING SYSTEM

Issuing Authority: UAE Ministry of Finance (MOF)
Effective Date: 1 October 2026
Amended Legislation: Ministerial Decision No. 243 of 2025
Subject: Regulatory amendments, invoicing timelines and electronic record-retention requirements

1. Purpose of the Decision

Ministerial Decision No. 197 of 2026 amends certain provisions of Ministerial Decision No. 243 of 2025 concerning the UAE Electronic Invoicing System. The amendments cover definitions, excluded transactions, Tax Group transactions, invoice issuance deadlines, electronic record retention, and System Failure notification requirements. Businesses should review their existing invoicing processes and compliance procedures in light of these changes.

2. Amendment to the Definition of Accredited Service Provider (ASP)

The definition of an Accredited Service Provider (ASP) in Article 1 has been amended to align with the legislation governing the Electronic Invoicing System. Businesses should review their service-provider arrangements and confirm that their providers meet the applicable requirements. The precise revised definition should be checked against the official Decision before being quoted verbatim**.**

3. Deletion of the Definition of System Failure

The definition of “System Failure” has been deleted from Article 1. Businesses should review their existing procedures for handling technical interruptions and system outages and assess how these situations are addressed under the remaining applicable provisions and other relevant requirements.

4. Excluded Transactions

The following transactions are excluded, subject to the conditions specified in the Decision:

- Government transactions carried out in a sovereign capacity and not competing with the private sector.
- International passenger transportation by airlines where an Electronic Ticket is issued.
- Ancillary airline passenger services where an Electronic Miscellaneous Document is issued.
- International transportation of goods by airlines where an Airway Bill is issued, for 24 months from the system’s effective date.

- Financial services that are VAT-exempt or zero-rated under Article 42 of the VAT Executive Regulation.
- Transactions between members of the same Tax Group for 24 months starting 1 January 2027.
- Other Business Transactions determined by the Minister.

5. Excluded Persons

Persons or categories of persons excluded from the Electronic Invoicing System are to be determined by a decision of the Minister. Businesses should verify the applicable conditions before treating a person or transaction as excluded.

6. Voluntary Application

A person may voluntarily issue, transmit, share, exchange, and report Electronic Invoices and Electronic Credit Notes despite an applicable exclusion.

In such cases, the relevant Electronic Invoicing System requirements become mandatory, except for decisions relating to violations and administrative penalties.

7. Invoice Issuance Deadline

Under Article 6(5), Electronic Invoices and Electronic Credit Notes must be issued and transmitted through the Electronic Invoicing System within **14 Business Days from the date of the Business Transaction**, subject to Article 6(4).

Businesses should review their invoicing procedures to ensure compliance with the prescribed timeline.

8. Electronic Invoicing Compliance

Businesses should assess their transactions, identify applicable exclusions, review time-limited exemptions, and ensure that their invoicing processes comply with the amended requirements.

They should also monitor relevant regulatory decisions affecting their obligations under the Electronic Invoicing System.

9. Record Retention

Electronic Invoices, Electronic Credit Notes, and associated data must be retained for the period prescribed under the Tax Procedures Law and produced to the Authority upon request.

Businesses should maintain appropriate record-management procedures to ensure that the required information remains accessible.

10. Repeal of Previous Provision

Article 12 of Ministerial Decision No. (243) of 2025 is repealed by Ministerial Decision No. (197) of 2026.

11. Compliance Considerations

Businesses should review their invoicing workflows, transaction classifications, record-retention procedures, and applicable exclusions. Particular attention should be given to the 14-Business-Day invoice deadline and the time limits applicable to certain excluded transactions.