UAE Cabinet Decision No. 173 of 2026 – Revised E-Invoicing Administrative Penalties

Resource Number: RS063/2026

Resource Details

Country	United Arab Emirates	**Group**	Value Added Tax (VAT)
Category	E-Invoicing	**Sub-Category**	Ministry of Finance UAE
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Effective Date	2026-10-15		
Short Brief	The UAE has introduced Cabinet Decision No. 173 of 2026, effective 15 October 2026, replacing Cabinet Decision No. 106 of 2025. The new Decision establishes a more proportionate administrative penalty framework for non-compliance with the UAE Electronic Invoicing System.		

Sections

Failure to Issue Electronic Invoices

A penalty of AED 100 per Electronic Invoice applies, subject to a maximum of AED 5,000 per calendar month.

Failure to Issue Electronic Credit Notes

A penalty of AED 100 per Electronic Credit Note applies, capped at AED 5,000 per calendar month.

Notification of Changes to Registered Information

The penalty for failing to notify the appointed Accredited Service Provider (ASP) of changes to information registered with the Federal Tax Authority has been reduced to AED 250 per day or part thereof, subject to a monthly ceiling of AED 5,000.

Non-Implementation of E-Invoicing

An initial penalty of AED 5,000 applies, followed by AED 5,000 for each month or part thereof of continued non-compliance, subject to a maximum of AED 50,000 within any 12 consecutive months.

Removal of System Failure Notification Penalties

The previous administrative penalties relating to failure to notify the FTA of electronic invoicing system failures have been withdrawn.

Enhanced Recipient Compliance

The Decision expressly extends the implementation-related penalty framework to failures by recipients to maintain their applicable electronic invoicing obligations.

Protection Against Duplicate Penalties

Where the same person acts as an Issuer, Recipient, or both in relation to the same violation, only one administrative penalty shall be imposed.

Exemption for Voluntary Adoption

Persons voluntarily participating in the Electronic Invoicing System remain outside the scope of these administrative penalties in respect of their voluntary participation.

Business Implications

The revised framework underscores the importance of timely implementation, appointment of an Accredited Service Provider, reliable electronic transmission of invoices and credit notes, and continued adherence to regulatory requirements. Businesses should assess their existing invoicing processes, strengthen internal controls, and ensure appropriate system integration and compliance monitoring.

Conclusion

Cabinet Decision No. 173 of 2026 reflects the UAE Government's commitment to establishing a balanced, transparent, and proportionate regulatory framework for electronic invoicing. While certain penalties have been reduced or removed, businesses remain responsible for ensuring operational readiness and sustained compliance with the applicable electronic invoicing requirements.

Documents

No documents attached.

References

• Official MOF Link — https://mof.gov.ae/wp-content/uploads/2026/10/Cabinet-Decision-No.-173-of-2026-On-the-Violations-and-Administrative-Penalties-Resulting-from-Violation-of-the-Legislation-Regulating-the-Electronic-Invoicing-System_En.pdf