



UAE Tax Alert

UAE E-Invoicing — Ministerial Decision No.
197 of 2026

2026
October

» Executive Summary

The Minister of State for Financial Affairs has issued Ministerial Decision No. (197) of 2026, amending Ministerial Decision No. (243) of 2025 on the Electronic Invoicing System.

It updates the exclusions, sets the issuance deadline at 14 Business Days, changes record retention.

Key points at a glance:

- ❖ Transactions between Tax Group members are excluded for 24 months from 1 January 2027
- ❖ E-invoices and credit notes must be issued within 14 Business Days of the transaction date
- ❖ The System Failure definition is deleted
- ❖ Excluded persons may still issue e-invoices voluntarily and records must be kept for the Tax Procedures Law period

WHAT MD

197 CHANGES

Key Amendments to Ministerial Decision 243 of 2025

Tax Group Exclusion	Business Transactions between members of the same Tax Group are Excluded Transactions for 24 months starting from 1 January 2027
Financial Services	Financial services that are exempt from VAT or zero-rated under Article 42 of the VAT Executive Regulation remain excluded.
Airline Services	International passenger transport (e-ticket) and ancillary services (electronic miscellaneous document) are excluded. International air cargo (airway bill) is excluded for 24 months from the date the system becomes effective.
Voluntary Issuance	A person excluded from the system may still issue and report e-invoices voluntarily. The Decision and related rules then apply, except those on violations and administrative penalties.
14 Business Days	E-invoices and e-credit notes must be issued and transmitted through the system within 14 Business Days from the Date of Business Transaction.

OTHER AMENDMENTS

1

Updated Definitions

Accredited Service Provider is redefined as a Service Provider granted Accreditation to provide E-Invoicing Services in the State. New definitions of Tax Group and Taxable Person are added.

2

System Failure Removed

The definition of System Failure is deleted

3

Record Retention

Article 11 now requires all e-invoices, credit notes and associated data to be retained for the period prescribed under the Tax Procedures Law and to be available to the FTA on request.

RECOMMENDED ACTION ITEMS

1

Check Your Exclusions

Confirm whether your transactions fall within the excluded categories, including financial services, airline services and Tax Group transactions.

2

Align Systems and ASP

Make sure your ERP and Accredited Service Provider can issue and transmit e-invoices and credit notes within 14 Business Days.

3

Review Records and Tax Group

Update your retention policy to the Tax Procedures Law period and plan for the end of the 24-month Tax Group exclusion.

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