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ELYSIAN CONSULTING GROUP

YOUR COMPLIANCE PARTNER IN THE UAE

WEEKLY NEWSLETTER

UAE FINANCE UPDATE

Your guide to key finance and compliance updates in the UAE.

INSIGHTS

1. UAE E-Invoicing Goes Live in Pilot: The 5-Corner Model Has Arrived
2. Pillar Two Commentary (MD 96/2026)
3. Gold Slips Below $4,000: Fed Rate-Hike Bets Send Bullion to 7-Month Low
4. Your Compliance Calendar
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UAE E-INVOICING GOES LIVE IN PILOT: THE 5-CORNER MODEL HAS ARRIVED

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What's New: 4-Corner → 5-Corner

- **OLD 4-CORNER (Apr 2026)**
  Supplier → ASP → ASP → Buyer
  Invoice flows through Peppol between two ASPs. Tax authority not involved at transaction level.
- **NEW 5-CORNER (Pilot Live)**
  Supplier → ASP → ASP → Buyer + FTA
  Tax authority receives transaction data in real time as the 5th corner. Continuous transaction control.

What MoF and the FTA Want You To Do Now

In the awareness event in Sharjah, MoF Undersecretary Younis Haji AlKhoori and FTA Director General Abdulaziz Al Mulla were explicit: businesses in scope should not wait for the mandatory date. Three actions:

- **Select an Accredited Service Provider:** From the MoF's pre-approved list (~39 providers as at mid-June 2026). Pick on integration fit, transaction pricing, and ERP connectors – not the cheapest sticker price.
- **Onboard via EmaraTax:** Complete the formal ASP appointment through the FTA's EmaraTax platform. Then opt into the pilot if you can – better to surface integration gaps now than on 2 January 2027.

The pilot is the test, not the destination. From 1 July, every UAE business in Phase 1 can opt into the 5-Corner model voluntarily and surface integration gaps in a no-penalty environment. From 1 January 2027 it becomes mandatory and the FTA will be a permanent counterparty on every B2B invoice. Use July–December well.

On **26 June 2026,** the Ministry of Finance and the Federal Tax Authority launched the **pilot phase** of the UAE's Electronic Invoicing System – and confirmed an important upgrade to the architecture: the framework is now a **5-Corner Model,** not the 4-Corner Peppol model first announced in April. The 5th corner is the FTA, receiving transaction data directly. This is the architecture clients will be operating under from go-live.

The Roadmap – Locked In

1. **1 July 2026:** Pilot programme and voluntary adoption begin. Participating businesses + ASPs test integration. No penalty risk during pilot.
2. **30 October 2026:** AED 50M+ businesses must appoint an Accredited Service Provider (ASP) – extended from 31 July 2026.
3. **1 January 2027:** Mandatory implementation for AED 50M+ businesses. Per-invoice / per-credit-note penalties (AED 100 each, AED 5,000/month cap) start from day one.
4. **31 March 2027:** Sub-AED 50M businesses must appoint an ASP. Government entities also.
5. **1 July 2027**: Mandatory implementation for sub-AED 50M businesses.
6. **1 October 2027:** Government entities join the system.
7. **1 January 2029:** Intra-group transactions transition period ends.

Why the Architecture Change Matters

Moving from 4-Corner to 5-Corner means the FTA sees every B2B invoice in close to real time. Three practical implications:

1. **Reconciliation becomes automatic:** Your VAT return will be cross-checked against the e-invoices the FTA already has. Discrepancies will surface immediately.
2. **Audit triggers will get sharper:** The FTA's risk-based audit model (Issue 08) gets fed structured invoice data – sectoral hotspots, related-party intensities and tax-vs-accounting mismatches become directly visible.
3. **Data accuracy is non-negotiable:** Customer master, tax codes, item descriptions, and Peppol PINT-AE mandatory fields all need to be clean before pilot.

PILLAR TWO COMMENTARY

(MD 96/2026)

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Why This Matters Now

1. **Removes interpretive ambiguity:** For MNE groups with consolidated revenues ≥ EUR 750M, the Commentary is the day-to-day reference for technical questions. The UAE is fully aligned with the OECD position.

1. **Pairs with the live DMTT registration:** DMTT registration is already open on EmaraTax (see Issue 07). MD 96 provides the technical framework for the actual computation and return.

1. **Transitional relief is real:** No penalties on the Top-up Tax Return or GIR for fiscal periods beginning on or before 31 December 2026 (and not ending after 30 June 2028), provided reasonable measures are taken to apply DMTT correctly. Use the runway.

Two technical updates from the Ministry of Finance this week worth decoding for in-scope groups: **Ministerial Decision No. 96 of 2026** adopting the OECD's updated Pillar Two Commentary (issued 22 June 2026), and a refresher on the practical mechanics of the **Net Interest Expenditure (NIE)** deduction limit – a question we're getting a lot in this CT season.

UPDATE 2A · MINISTERIAL DECISION 96 OF 2026

OECD GloBE Commentary Adopted for the UAE's Pillar Two Regime

Issued **22 June 2026** by Minister Mohamed bin Hadi Al Hussaini, **Ministerial Decision No. 96 of 2026** adopts the OECD's latest interpretive material for the UAE's Domestic Minimum Top-up Tax (DMTT) under Cabinet Decision No. 142 of 2024. It replaces **Ministerial Decision No. 88 of 2025** and applies to fiscal years starting on or after 1 January 2025.

What MD 96/2026 Brings In

1. **OECD Consolidated Commentary (2026):** The complete, refreshed commentary on the GloBE Model Rules – the single most authoritative source for interpreting Pillar Two definitions, computations, safe harbours and transition mechanics.
2. **OECD Administrative Guidance (Central Record):** Pillar Two administrative guidance is updated through a Central Record at the OECD – MD 96 plugs UAE businesses directly into that evolving body of guidance.
3. **OECD GloBE Information Return (January 2025):** The standardised return format for in-scope groups. This is the data structure your tax team will need to populate.

GOLD SLIPS BELOW $4,000: FED RATE-HIKE BETS SEND BULLION TO 7-MONTH LOW

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The Move at a Glance

- **29 JANUARY 2026 PEAK**
  $5,594.82 / oz
  Record high amid Iran-related risk premium and safe-haven buying.

- **25 JUNE 2026**
  $3,993 / oz · -29%
  7-month low. Dollar at 13-month high. Markets priced ~67% chance of a September Fed rate hike.

What It Means for UAE Businesses and HNW Clients

- **Gold-trading and jewellery clients:** Margin compression on inventory bought at peak. Revisit pricing, hedging and inventory-aged provisions before quarter-end.
- **HNW / family-office portfolios:** A 29% drawdown from the peak is a portfolio event. Worth a deliberate review of physical-gold allocation and any leveraged bullion-ETF exposure.
- **Free Zone gold/precious-metals traders:** Reverse-charge mechanism (effective 1 January 2026) still applies on B2B precious-metal supplies. Volatility raises the value of clean invoicing under the new VAT regime.
- **Dirham, peg and broader macro:** AED-USD peg unaffected – but a stronger dollar means imports denominated in EUR / INR / JPY have become relatively cheaper. Treasury teams should re-test FX assumptions for H2.

Gold has cracked. On **24 June 2026,** spot gold fell below **$4,000/oz** for the first time since November 2025 and continued sliding through Thursday – trading near **$3,993** against a strong dollar and rising Fed rate-hike bets. The metal is now **down 29%** from its 29 January record of $5,594.82.

What's Driving It

1. **Hawkish Fed:** Traders now price in three Fed rate hikes this year. High-rate environments erode gold's appeal as a non-yielding asset.
2. **Strong dollar:** The DXY sits at a 13-month high, making dollar-priced gold more expensive in every other currency.
3. **US inflation expectations:** Inflation fuelled by the Iran war. Investors are awaiting US Personal Consumption Expenditures (PCE) data – the Fed's preferred inflation gauge – for further cues.
4. **Other metals:** Silver at $57.37 and platinum at $1,566 are both hovering near 7-month lows. Palladium at $1,171 sits near a 9-month low.

Two short-term signals: (1) the US PCE inflation print due Thursday – a hot number cements September-hike pricing and likely takes gold lower; (2) any de-escalation in the Iran-Israel-Lebanon track – a peace move would remove the risk premium and accelerate the gold sell-off, while a fresh flare-up would reverse it. For clients holding inventory or portfolio exposure, this is a week to be data-driven and policy-driven, not direction-driven.

YOUR COMPLIANCE CALENDAR

Refreshed for the next **11** months.

DATE	WHAT'S DUE / WHAT KICKS IN
29 Jun 2026	Monthly VAT return for May 2026 due.
30 Jun 2026	Emiratisation H1 deadline: +1% growth for 50+ employee firms. Q2 2021 VAT credits expire.
1 Jul 2026	UAE e-Invoicing Pilot Programme begins. Emiratisation penalties (up to AED 108K/yr per gap) start.
28 Jul 2026	Quarterly VAT return for Apr–Jun 2026 due.
30 Sep 2026	Corporate Tax return due for entities with 31 Dec 2025 year-end. Q3 2021 VAT credits expire.
30 Oct 2026	ASP appointment deadline for businesses with revenue ≥ AED 50M (extended from 31 July).
31 Dec 2026	Cliff: pre-2021 VAT credits, Small Business Relief, +2% Emiratisation rate all due.
1 Jan 2027	Mandatory e-Invoicing go-live for businesses ≥ AED 50M. Per-invoice penalties begin.
31 Mar 2027	Deadline for businesses < AED 50M to appoint an ASP.
1 Jul 2027	Mandatory e-Invoicing go-live for businesses < AED 50M.
1 Oct 2027	Government entities join e-Invoicing system.

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FREE CORPORATE TAX FILING READINESS

LET'S TALK

Book a free 30-minute Corporate Tax Filing Readiness

If you have a 31 December 2025 year-end, your CT return is due 30 September 2026 – about four months away. We'll review your trial balance, transfer-pricing exposure, QFZP positioning, related-party schedules and the readiness of your working-paper file. You leave with a written gap list and a clear filing plan – no obligation

To book, write to me directly:

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