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ELYSIAN CONSULTING GROUP

YOUR COMPLIANCE PARTNER IN THE UAE

WEEKLY NEWSLETTER



INSIGHTS

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MINISTERIAL DECISION 197/2026: E-INVOICING EASED – VAT GROUP RELIEF FOR 24 MONTHS, OFFSHORE STORAGE ALLOWED, OUTAGE NOTICES REMOVED

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Five Practical Points from V2.0

- **Advance payments:** Issue the tax invoice when the advance is received. The final invoice covers only the balance and references the advance invoice. Where the advance relates to specific lines, allocate it to those lines; where it covers the whole contract, the parties may agree a reasonable allocation that does not change the VAT treatment.
- **Healthcare and insurers:** When a hospital treats a patient and an insurer pays the bill, the patient remains the recipient – the insurer's payment alone does not create a B2B transaction. The insurer is the buyer only for a separate supply it actually receives.
- **Newly established businesses:** An in-scope business must appoint a provider and complete onboarding before issuing its first invoice, and that first invoice must be an electronic invoice – whatever the date it was set up.
- **Retention, not location:** Taxable Persons keep e-invoicing records for five years after the Tax Period, plus four years during a dispute or audit; real-estate records for seven years. A provider may store records under contract, but the legal obligation stays with the business.
- **Credit notes:** Partial credit notes are allowed, one credit note may reference several earlier invoices, and a document with a negative total must be issued as a credit note. Volume discounts can be given through a credit note with the right reason code.

URGENT ·FRONT NOTE · TODAY & TOMORROW

30 & 31 OCTOBER 2026

Today, Fri 30 Oct: businesses with revenue of AED 50M or more must have appointed an **accredited** e-invoicing provider. The FTA's 25 October statement confirms an administrative penalty of **AED 5,000 for each month or part of a month of delay**. **Sat 31 Oct**: Corporate Tax return and payment for 31 January 2026 year-ends, and the FTA Decision 15/2026 exemption window for Article 4(1)(h) entities.

On **26 October 2026** the Ministry of Finance published **Version 2.0 of the UAE Electronic Invoicing Guidelines,** replacing the June edition (V1.1, Issue 07). The model and the timeline are unchanged. What V2.0 adds is the field-level detail that decides whether an invoice passes validation: which identifier goes where, which invoice type to use for out-of-scope supplies, how to handle advance payments, and how the new tax-group relief actually works. It also confirms that e-invoicing penalties now sit in **Cabinet Decision No. 173 of 2026.**

GUIDELINES VERSION 2.0

26 OCTOBER 2026

Same model, same dates — sharper rules on identifiers, invoice types and groups

What V2.0 Clarifies

IDENTIFIERS

- Peppol ID = "0235" + 10-digit TIN (first 10 digits of the TRN)
- VAT-registered sellers use the 15-digit VAT TRN; others the 10-digit TIN
- A Corporate Tax TRN must not be used as the seller VAT identifier

INVOICE TYPES

- Type 380 for Tax Invoices
- Type 480 for supplies out of scope of UAE VAT — buyer legal ID then mandatory
- Commentators stress 480 is not for exempt or zero-rated supplies

PREDEFINED BUYER ADDRESSES

- 0235:9900000099 — exports where the buyer has no Peppol ID
- 0235:9900000098 — buyer not yet on e-invoicing
- 0235:9900000097 — deemed supplies

TAX GROUPS (MD 197/2026

- Intra-group supplies stay IN scope
- 24-month grace period from 1 January 2027 defers the obligation
- Full requirements apply after the grace period

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Five Practical Points from V2.0

- **Send V2.0 to the ERP and provider teams this week:** Ask them to confirm identifier mapping, invoice-type logic (380 vs 480) and the three predefined buyer addresses in writing.
- **Clean the customer master:** Every B2B customer needs a TRN or TIN, and a Peppol ID where they are onboarded. Flag export customers and customers not yet onboarded so the correct predefined address is used.
- **Rework the advance-payment process:** Map how advances are invoiced today against the V2.0 method, especially in contracting, real estate and capital-goods sales.
- **Healthcare clients – split the flows:** Separate patient services paid by insurers (outside B2B scope) from services supplied to insurers themselves.

The Penalty Instrument Has Changed

- **Cabinet Decision 173/2026:** V2.0 points to Cabinet Decision No. 173 of 2026 for e-invoicing penalties, and the Ministry's October programme briefing lists Cabinet Decision 106/2025 (Issue 03) as repealed. We have not yet seen the full penalty schedule in 173/2026 – confirm amounts against the Decision before quoting them to clients.
- **What is confirmed:** The FTA's statement of 25 October still cites AED 5,000 for each month or part of a month of delay in appointing a provider or implementing the system. Penalties do not apply to voluntary e-invoicing before a business's mandatory date.



V2.0 is the document your systems will be tested against. It changes no dates, but it settles the field-level questions that cause rejected invoices – identifiers, invoice types, advances and group transactions. With the appointment deadline passing today, the next 63 days to 1 January are about building to this rulebook.

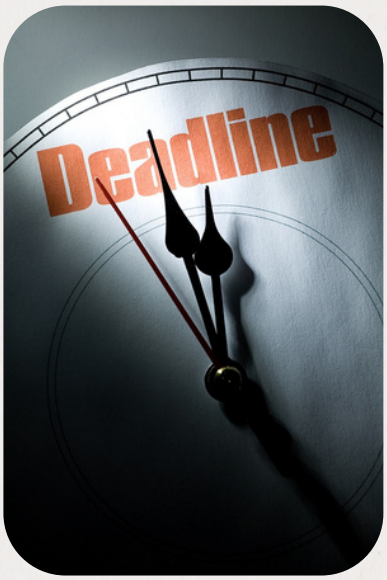
AFTER 30 OCTOBER: THE FTA'S FOUR STEPS, THE MONTHLY PENALTY AND 63 DAYS TO GO-LIVE

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On **25 October 2026** the FTA urged everyone within the e-invoicing system to meet the prescribed deadlines, and set out the steps for businesses with revenue of **AED 50 million or more:** choose an accredited provider, sign the contract, connect systems, and complete the required procedures on **EmaraTax**. Appointment was due today. Go-live is **Friday 1 January 2027 – 63 days away**. Smaller businesses appoint by 31 March 2027 and go live on 1 July 2027.

If the Appointment Has Slipped

- **The penalty runs monthly:** AED 5,000 for each month or part of a month of delay, per the FTA. Appointing in early November still limits exposure to a single month – waiting does not reduce it.
- **Document the position:** Record when the provider was shortlisted, when the contract was signed and any provider-side delay. It will matter if the business later applies for a penalty waiver or reconsideration.
- **Don't sign with a non-accredited provider to beat the date:** Under MD 168/2026, preliminary approval no longer counts. An appointment that does not meet the rule does not stop the penalty clock.



The FTA's Four Steps

CHOOSE · 2 · CONTRACT

- Provider must be on the Ministry of Finance accredited register (MD 168/2026)
- The Ministry lists 65 accredited providers
- Contract should carry accreditation, exit and data-return terms

CONNECT · 4 · EMARATAX

- Integrate ERP with the provider and test exchange
- Complete onboarding procedures on EmaraTax
- Exchange with onboarded counterparties can start immediately

The 63-Day Plan to 1 January

- **November weeks 1–2 – mapping:** Map invoice and credit-note fields to the PINT AE data set and the V2.0 rules. Clean customer and supplier master data.
- **November weeks 3–4 – build and test:** Configure the ERP connector, run test invoices for each invoice type, credit notes, advances and exports, and fix rejections.
- **December weeks 1–2 – parallel run:** Exchange live-format invoices with onboarded customers and suppliers through the pilot, alongside the current process.
- **December weeks 3–4 – cut-over:** Freeze changes, train billing and AP teams, agree year-end invoicing cut-off with key customers, and confirm the provider's support cover over the holidays.

Appointing a provider was the legal step; go-live is the operational one. Businesses that appointed on time should use November to build and test against V2.0 and December to run in parallel. Those that slipped should appoint an accredited provider immediately – the penalty is counted in months, and November is still only one.

FED HOLDS IN A 10–2 SPLIT, BRENT HITS $115, NOVEMBER FUEL PRICES DUE TOMORROW

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The Federal Reserve **held rates at 3.75–4.00%** on 28 October, but two members – Governor Lisa Cook and Cleveland Fed President Beth Hammack – **dissented in favour of a hike**, after a unanimous vote in September. Markets price a December increase at about 85%. Oil kept climbing: **Brent was $115.40/bbl** on 29 October, up about 12% in a month and 78% on the year. The November UAE fuel prices are due to be announced on 31 October.

The Numbers That Moved

FED· 28 OCTOBER

Hold at 3.75–4.00% · 10–2

- Two dissents in favour of a 25bp hike
- "Job gains have slowed"; inflation still elevated
- December hike priced at about 85%

OIL & GOLD · 29 OCTOBER

Brent $115.40 · Gold ~$4,040/oz

- Brent +12% in a month, +78% in a year
- WTI near $102
- Gold −1.9% on the week

What Happened Under the Hood

- **The split vote matters more than the hold:** The statement noted slower job gains (September payrolls +29,000, unemployment 4.2%) and inflation still above target. Two dissents for a hike show the Committee leaning toward December rather than away from it.
- **Oil reflects supply, not demand:** Attacks on Gulf energy infrastructure and shipping near Hormuz have kept Brent above $110 for most of the past fortnight, despite emergency stock releases.
- **Gold is stuck:** Prices held around $4,040 after the Fed, about 7.5% below the 17 September peak (Issue 20), as rate-hike expectations offset geopolitical demand.
- **Two forecasts, one message:** The World Bank (6 October) sees the UAE economy contracting 1.6% in 2026 and rebounding 9.5% in 2027; the IMF (13 October, Issue 22) has −3.9% and +7.7%. Both assume disruption eases from early 2027.

What It Means for UAE Clients

- **Fuel-sensitive operators:** October fuel prices were set when Brent averaged around $100; it has since traded at $105–116. Budget for another increase from 1 November and check fuel-surcharge clauses before the new month's invoicing.
- **Treasury & FX teams:** With December priced at about 85%, assume another 25bp on EIBOR-linked borrowing in Q4. Refresh 2027 interest-cost budgets on a 4.00–4.25% Fed range.
- **2027 budgets:** Use the gap between the two forecasts as a range – plan on the weaker case and treat a faster rebound as upside.
- **Gold & jewellery businesses:** Prices are range-bound around $4,000–4,150. Month-end inventory valuation and hedge cover should be reviewed together.

Three signals into November: (1) tomorrow's announcement of November UAE fuel prices; (2) US October CPI in mid-November – the last major inflation print before the 8–9 December FOMC; (3) any change in Hormuz shipping or attacks on Gulf energy sites. For UAE CFOs, plan the last two months of 2026 on higher fuel and higher funding costs.

YOUR COMPLIANCE CALENDAR

Refreshed for the next **11** months.

DATE	WHAT'S DUE / WHAT KICKS IN
30 Oct 2026 (Fri)	ASP appointment deadline for businesses ≥ AED 50M revenue – accredited providers only (MD 168/2026). Practical filing date for CT returns of 31 January 2026 year-ends.
31 Oct 2026 (Sat)	CT return and payment due for 31 January 2026 year-ends. FTA Decision 15/2026 – exemption application deadline for Article 4(1)(h) wholly-owned juridical persons of Government / Government-Controlled Entities (pre-1 Jan 2026 Tax Periods). Around this date: end of the 30-day accreditation window for pre-approved e-invoicing providers.
28 Nov 2026 (Sat)	VAT return for October 2026 (monthly filers) – the first return under FTA Decisions 13/2026 and 17/2026 and Cabinet Decision 149/2026.
30 Nov 2026 (Mon)	Pillar Two Top-Up Tax registration (Decision 12/2026) AND Pillar Two Information Return filing framework (MD 133/2026) – first cycle for FY starting 1 Jan 2025.
31 Dec 2026 (Thu)	FTA Decision 15/2026 – exemption deadline for CD 55/2025 and CD 34/2025 juridical-person cohorts. Also Top-Up Tax deregistration for entities ceased pre-30 Jun 2026.
1 Jan 2027 (Fri)	Mandatory e-Invoicing go-live for businesses ≥ AED 50M. Per-invoice penalties begin.
31 Mar 2027 (Wed)	ASP appointment deadline for businesses < AED 50M; government entities also.
1 Jul 2027 (Thu)	Mandatory e-Invoicing go-live for businesses < AED 50M.
1 Oct 2027 (Fri)	Mandatory e-Invoicing go-live for government entities.
31 Dec 2029 (Mon)	Small Business Relief window closes (extended by MoF MD 131/2026 from 31 Dec 2026).

FREE E-INVOICING GROUP SCOPE REVIEW

LET'S TALK

Book a free 30-minute E-Invoicing Group Scope Review

Running more than one UAE entity? Send us your group chart and VAT group registration. We'll confirm which transactions fall under the new 24-month intra-group relief, which stay in the system from 1 January 2027, and what that means for your provider appointment and quote before 30 October. You leave with a written scope note – no obligation.

To book, write to me directly:

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