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UAE e-invoicing eased: tax group exclusion and no in-country storage rule

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On 19 October 2026 the UAE Ministry of Finance announced Ministerial Decision No. 197 of 2026. Transactions inside a VAT tax group are excluded from e-invoicing for 24 months from 1 January 2027, and e-invoice data no longer has to be stored in the UAE.

Country reference

- **Country:** United Arab Emirates
- **Authorities:** Ministry of Finance; Federal Tax Authority (FTA)
- **Topic:** Electronic Invoicing System - scope and record rules
- **Key date:** Announced 19 October 2026; effective 1 October 2026; tax group exclusion from 1 January 2027
- **Law:** Ministerial Decision No. 197 of 2026, amending Ministerial Decision No. 243 of 2025 on the Electronic Invoicing System

What changed

The Ministry of Finance has made three targeted changes to the e-invoicing rules. It says the aim is to reduce operational burdens on businesses. Our 1 October note covered the 30 October and 1 January dates; this decision changes what has to go through the system and how records are kept.

The three changes

- **Tax group transactions excluded for 24 months:** business transactions between members of the same VAT tax group are treated as Excluded Transactions for 24 months from 1 January 2027. The Ministry says this gives more time to adapt.
- **No UAE data residency rule:** e-invoices, e-credit notes and related data must still be kept for the period in the Tax Procedures Law and produced to the FTA on request. The earlier requirement to store them inside the UAE is removed.
- **System failure notice removed:** Article 12 is repealed. Businesses no longer have to notify the FTA of a System Failure within two business days, and the definition is deleted.

Dates that still apply

- Groups with annual revenue above AED 50 million: appoint an Accredited Service Provider by 30 October 2026 (Ministry of Finance, May 2026).
- Full implementation for those groups by 1 January 2027. That date has not moved.

What to do now

- Map intra-group flows inside each VAT group and agree with your service provider to switch them off from 1 January 2027.
- Keep invoice controls for tax group sales anyway; the relief ends after 24 months.
- Revisit hosting plans: cloud storage outside the UAE is now possible, but records must be retrievable for the FTA on request.
- Update outage procedures to reflect the repeal of the two-day notice, and keep evidence of any downtime.
- Confirm your ASP appointment before 30 October.

Our take

This is practical relief for Gulf groups with large VAT groups and shared service centres. It shrinks the day-one volume and opens global hosting options. It does not delay go-live, so the 1 January 2027 plan should stay on track.

Sources

- Ministry of Finance: Ministry of Finance Amends Electronic Invoicing Regulations to Ease the Burden on Businesses (19 October 2026)
- Ministry of Finance: targeted amendments to eInvoicing system decisions, ASP deadline 30 October 2026 (10 May 2026)
- Federal Tax Authority: Announcements (October 2026)

Important. This summary is for general information and is not tax, legal or financial advice. It is based on public Ministry of Finance and Federal Tax Authority publications and may be incomplete or out of date. The official legislation and guidance prevail; check the official text before acting.

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