

Cabinet Decision No. 106 of 2025

On the Violations and Administrative Penalties Resulting from Violation of the Legislation Regulating the Electronic Invoicing System

The Cabinet,

- Having reviewed the Constitution,
- Federal Law No. 1 of 1972 on the Competences of the Ministries and Powers of the Ministers, and its amendments,
- Federal Decree-Law No. 13 of 2016 on the Establishment of the Federal Tax Authority, and its amendments,
- Federal Decree-Law No. 8 of 2017 on Value Added Tax, and its amendments,
- Federal Decree-Law No. 28 of 2022 on Tax Procedures, and its amendments,
- Cabinet Decision No. 40 of 2017 on the Administrative Penalties for Violation of Tax Laws in the UAE, and its amendments, and
- Pursuant to what was presented by the Minister of Finance and approved by the Cabinet,

Has decided:

Article 1 - Definitions

Definitions in the Federal Decree-Law No. 28 of 2022 referred to shall apply to this Decision, and other than this, the following words and expressions shall have the meanings assigned against each, unless the context requires otherwise:

Electronic Invoice: An invoice issued, transmitted, and received in a structured electronic format that enables automatic and electronic processing, in accordance with the Electronic Invoicing System.

Electronic Credit Note: A credit note issued, transmitted, and received in a structured electronic format that enables automatic and electronic processing, in accordance with the Electronic Invoicing System.

Issuer: Any Person who is obligated to issue, transmit, share and exchange Electronic Invoices and Electronic Credit Notes through the Electronic Invoicing System.

Recipient: Any Person who shall receive Electronic Invoices and Electronic Credit Notes through the Electronic Invoicing System.

System Failure: Any technical malfunction, disruption, or unavailability of the Electronic Invoicing System that prevents the Issuer or Recipient from complying with their obligations under the legislation in force.

Article 2 - Scope of this Decision

1. The provisions of this Decision shall apply to the violation of the legislation regulating the Electronic Invoicing System, in accordance with the Federal Decree-Law No. 28 of 2022 referred to.
2. The provisions of this Decision shall not apply to the Person who issues, transmits, shares, exchanges or reports Electronic Invoices and Electronic Credit Notes, on a voluntarily basis, in accordance with the decisions issued pursuant to Federal Decree-Law No. 28 of 2022 referred to.

Article 3 - Violations and Administrative Penalties

The administrative penalties listed in the table annexed to this decision shall be imposed on the violations related to the Electronic Invoicing System.

Article 4- Publication and Entry into Force

This Decision shall be published in the Official Gazette and shall come into force from the day following the date of its publication.

**Table annexed to Cabinet Decision No. 106 of 2025
on The Violations and Administrative Penalties Resulting from the Violations of the Legislation Regulating
the Electronic Invoicing System**

No.	Description of Violation	Administrative Penalty Amount
1	Failure by the Issuer to implement the Electronic Invoicing System including the failure to appoint an Accredited Service Provider within the timeline prescribed by the Minister.	AED 5,000 in case of delay for each month or part thereof.
2	Failure by the Issuer to issue and transmit an Electronic Invoice to the Recipient through the Electronic Invoicing System within the timeline prescribed by the Minister.	AED 100 for each Electronic Invoice up to a maximum of AED 5,000 per calendar month.
3	Failure by the Issuer to issue and transmit an Electronic Credit Note to the Recipient through the Electronic Invoicing System within the timeline prescribed by the Minister.	AED 100 for each Electronic Credit Note up to a maximum of AED 5,000 per calendar month
4	Failure by the Issuer to notify the Authority of a System Failure within the timeline prescribed by the Minister.	AED 1,000 for each day of delay or part thereof.
5	Failure by the Recipient to notify the Authority of a System Failure within the timeline prescribed by the Minister.	AED 1,000 for each day of delay or part thereof.
6	Failure by the Issuer or the Recipient to notify the appointed Accredited Service Provider of changes to the data registered with the Authority within the timeline prescribed by the Minister.	AED 1,000 for each day of delay or part thereof.