

UAE E-Invoicing for Free Zone Businesses 2026

Are DMCC, JAFZA, IFZA, RAKEZ, ADGM and DIFC companies exempt? Free zone scope, mandatory deadlines, PINT AE requirements, and action checklist — by Perfonec Computers, Dubai

QUICK ANSWER — NO EXEMPTION

No — UAE free zone businesses are NOT exempt from the e-invoicing mandate. Version 1.1 of the UAE Electronic Invoicing Guidelines (1 June 2026) explicitly confirms that all free zone businesses conducting B2B or B2G transactions are within scope — including DMCC, JAFZA, IFZA, RAKEZ, ADGM, and DIFC. Mandatory go-live is 1 January 2027 for large businesses and 1 July 2027 for SMEs.

1. UAE Free Zone E-Invoicing Status — All Major Free Zones

Free Zone	In Scope?	Notes
DMCC	YES	All B2B and B2G transactions must use PINT AE XML via ASP
JAFZA	YES	Export transactions may qualify as zero-rated but still require e-invoice
IFZA	YES	Same rules as mainland — no special exemption applies
RAKEZ	YES	Full e-invoicing mandate applies from mandatory deadline
ADGM	YES	Financial free zone — in scope for all B2B transactions
DIFC	YES	Financial free zone — in scope for all B2B transactions
Dubai South	YES	Aviation and logistics — full e-invoicing mandate applies
Meydan FZ	YES	No exemption — same deadlines as all other UAE businesses

2. Why Are Free Zone Businesses In Scope?

The UAE e-invoicing mandate is established under Ministerial Decisions No. 243 and 244 of 2025, which apply to all businesses conducting commercial transactions in the UAE — regardless of where they are licensed. The mandate is not a VAT-only initiative. It is a broader digital commerce modernisation that covers all B2B and B2G invoicing across the UAE economy, including free zones and financial free zones.

The only transaction type exempt from the mandate is B2C — invoices issued directly to individual end consumers. All B2B transactions (business to business) and B2G transactions (business to government) must flow through the Peppol network via an FTA-approved ASP in PINT AE XML format from the applicable mandatory deadline.

3. Special Requirement: Beneficiary Data Fields for Free Zone Transactions

FREE ZONE SPECIFIC REQUIREMENT

Version 1.1 adds a specific data field requirement for certain free zone transaction scenarios. When a free zone business issues an invoice to a beneficiary that is different from the direct customer — a common structure in free zone holding and distribution arrangements — the PINT AE XML invoice must include beneficiary details as an additional mandatory field. This is not required in standard mainland B2B invoices.

This beneficiary field requirement affects free zone businesses that operate through intermediary or holding structures — for example, a JAFZA company that sells goods on behalf of a DMCC holding entity to a UAE mainland customer. In these cases, both the direct customer and the beneficiary must be identified in the PINT AE

invoice structure.

4. Mandatory E-Invoicing Deadlines for UAE Free Zone Businesses

Business Category	ASP Appointment	Mandatory Go-Live
Free zone — revenue AED 50M+	30 October 2026	1 January 2027
Free zone — all other SMEs	31 March 2027	1 July 2027
Free zone — government entities	31 March 2027	1 October 2027
Pilot phase — voluntary	From 1 July 2026	No penalty

IMPORTANT

Free zone businesses have the same deadlines as mainland UAE businesses. There is no extended timeline or special phase for free zone companies. If your free zone revenue exceeds AED 50 million, your mandatory go-live is 1 January 2027.

5. What UAE Free Zone Businesses Must Do Now

Confirm your e-invoicing scope

All B2B and B2G transactions are in scope. B2C transactions are exempt. Map your transaction types now.

Check for beneficiary data field requirements

If your free zone business invoices to beneficiaries different from direct customers, your PINT AE invoice templates need the beneficiary field configured.

Select and appoint an FTA-approved ASP

33 ASPs are pre-approved by the Ministry of Finance. Your ASP handles PINT AE XML transmission through the Peppol network.

Configure your accounting software

Odoo, QuickBooks, TallyPrime, and Zoho Books all support UAE e-invoicing via ASP integration. Perfonec configures all four platforms.

Enter the pilot phase from July 2026

Test your full implementation — from invoice generation through ASP transmission — before your mandatory deadline arrives.

Review export transaction VAT treatment

Export transactions from free zones may be zero-rated — but they still require a PINT AE e-invoice. Confirm correct VAT category mapping in your accounting software.

6. What IS Exempt From UAE E-Invoicing — For Free Zone Businesses

- B2C transactions — invoices issued directly to individual end consumers (not businesses)
- Transactions entirely outside the UAE — where neither party is a UAE-registered entity
- Intra-group transactions within the same UAE VAT group — grace period until 1 January 2029


SCOPE SUMMARY

Everything else — all B2B transactions with UAE or international business customers, all B2G transactions with UAE government entities, and all intercompany transactions between related free zone companies not in the same UAE VAT group — is fully in scope.


About Perfonec Computers


Perfonec Computers provides complete UAE e-invoicing implementation for free zone and mainland UAE businesses using Odoo, QuickBooks, TallyPrime, and Zoho Books — including PINT AE audit, beneficiary field configuration, ASP integration, and pilot phase testing. Authorised partner for all four platforms. Dubai-based team.


Free UAE e-invoicing readiness assessment available.

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Based on UAE Ministry of Finance Electronic Invoicing Guidelines Version 1.1 (1 June 2026), Ministerial Decisions No. 243 and 244 of 2025, and Cabinet Decision No. 106 of 2025. Verify current requirements at mof.gov.ae and tax.gov.ae. For general guidance only — not legal or tax advice.