

Odoo UAE E-Invoicing for Free Zone Businesses

DMCC, JAFZA, IFZA and DIFC — Are You in Scope?

A complete guide for UAE free zone businesses using Odoo ERP — whether DMCC, JAFZA, IFZA, DIFC, and other UAE free zone companies are in scope for UAE mandatory e-invoicing from 2027, what free zone-specific PINT AE requirements apply, and how to configure Odoo for free zone e-invoicing compliance — by Perfonec Computers, Odoo Ready Partner with Odoo Middle East (Cert n°0000699697).

CRITICAL — FREE ZONES ARE NOT EXEMPT

UAE free zone businesses ARE in scope for UAE mandatory e-invoicing from 2027. Free zone licence status — DMCC, JAFZA, IFZA, DIFC, ADGM, or any other UAE free zone — does NOT exempt a business from the UAE e-invoicing mandate. The mandate applies to all UAE VAT-registered businesses that issue B2B invoices, regardless of whether they operate on the mainland or in a free zone. Odoo ERP used by free zone businesses requires the same UAE E-Invoice Add-On and PINT AE XML configuration as mainland Odoo users.

1. Are UAE Free Zone Businesses Exempt From E-Invoicing?

No. This is the most common misconception among UAE free zone business owners. UAE mandatory e-invoicing under Ministerial Decisions No. 243 and 244 of 2025 applies to all UAE VAT-registered businesses — mainland and free zone equally. The legal basis for e-invoicing is UAE VAT registration, not where your licence is issued. If your business is VAT-registered and issues B2B invoices to other UAE VAT-registered businesses, you are in scope regardless of your free zone status.

Free Zone	In Scope?	Odoo E-Invoicing Requirement
DMCC	■ YES	VAT-registered DMCC companies must issue PINT AE XML from mandatory deadline
JAFZA	■ YES	VAT-registered JAFZA companies must issue PINT AE XML from mandatory deadline
IFZA	■ YES	VAT-registered IFZA companies must issue PINT AE XML from mandatory deadline
DIFC	■ YES	VAT-registered DIFC companies must issue PINT AE XML from mandatory deadline
ADGM	■ YES	VAT-registered ADGM companies must issue PINT AE XML from mandatory deadline
RAKEZ	■ YES	VAT-registered RAKEZ companies must issue PINT AE XML from mandatory deadline
SPC Free Zone	■ YES	VAT-registered SPC companies must issue PINT AE XML from mandatory deadline
Non-VAT registered	■■ Check	Below AED 375,000 threshold — confirm VAT registration status

2. Free Zone-Specific PINT AE Requirements in Odoo

While free zone businesses are subject to the same PINT AE XML requirements as mainland businesses, there are specific considerations that apply to free zone invoice scenarios that must be correctly configured in Odoo:

Designated Zone Transactions

Transactions between UAE designated zones (like Jebel Ali Free Zone) may have specific VAT treatment — out of scope or zero-rated depending on goods/services. In Odoo, ensure the correct PINT AE VAT category code (O for out of scope, Z for zero-rated) is mapped to your designated zone fiscal position. Incorrect category codes cause PINT AE validation failures for every designated zone invoice.

Beneficiary Field for Free Zone to Mainland Transactions

Under UAE E-Invoicing Guidelines Version 1.1, invoices from free zone businesses to UAE mainland VAT-registered buyers may require a beneficiary field in the PINT AE XML identifying the free zone entity. Odoo must be configured to populate this field correctly in the E-Invoice Add-On settings.

Export Invoices from Free Zone

Free zone businesses frequently issue zero-rated export invoices to overseas buyers. In Odoo, these must use PINT AE VAT category code Z (zero-rated) with the buyer's country code set to the correct non-UAE country code. Odoo fiscal positions must correctly map export invoices to PINT AE type Z.

Intra-Free-Zone Transactions

Transactions between two VAT-registered free zone businesses within the same free zone or between different free zones may have specific VAT treatment. Confirm the correct VAT category with your tax advisor and ensure the correct PINT AE code (S, Z, E, or O) is mapped in Odoo for each scenario.

Multi-Currency Invoices

Free zone businesses frequently invoice in USD, EUR, or GBP. PINT AE XML requires both the transaction currency amount and the AED equivalent on all non-AED invoices. Odoo multi-currency settings must be configured to include AED equivalents in the PINT AE XML output from the E-Invoice Add-On.

3. How to Configure Odoo for Free Zone UAE E-Invoicing

Free zone Odoo configuration follows the same 7-step process as mainland businesses with additional free zone-specific steps:

Step 1 — Set Your Free Zone Company Address in Odoo

In Odoo General Settings > Company, set your company address using structured fields — street, city, country (AE). Free zone businesses must use UAE (AE) as the country code regardless of their free zone status. Many free zone Odoo users incorrectly leave the address as single-line text which fails PINT AE address structure validation.

Step 2 — Configure Designated Zone Fiscal Positions

Create separate fiscal positions in Odoo for each transaction type your free zone business uses — mainland VAT-registered buyers, overseas export buyers, designated zone buyers, and other free zone buyers. Map each fiscal position to the correct PINT AE VAT category code (S, Z, E, O) in the E-Invoice Add-On settings.

Step 3 — Configure Export Invoice VAT Category

For zero-rated export invoices to overseas buyers, create a dedicated fiscal position in Odoo mapped to PINT AE VAT category Z. Ensure the buyer's country code is correctly set to the buyer's country (not AE) on all export invoices in Odoo customer contact records.

Step 4 — Configure the Beneficiary Field

If your free zone invoice type requires a beneficiary field under Version 1.1, configure this in the Odoo E-Invoice Add-On settings. Perfonec advises on whether your specific free zone invoice scenarios require this field based on your transaction types.

Step 5 — Configure Multi-Currency AED Equivalents

If your free zone business issues invoices in USD, EUR, GBP, or other foreign currencies, configure Odoo multi-currency settings to include AED equivalent amounts in the PINT AE XML output. Configure the exchange rate source in Odoo to use the UAE Central Bank rate or your agreed rate for AED equivalence calculation.

4. UAE E-Invoicing Deadlines for Free Zone Businesses

FREE ZONE DEADLINES — SAME AS MAINLAND

Free zone businesses follow the same mandatory deadlines as mainland businesses. Free zone licence status does not provide any extension or exemption. Revenue above AED 50 million: go-live 1 January 2027, ASP appointment by 30 October 2026. All other VAT-registered free zone SMEs: go-live 1 July 2027, ASP appointment by 31 March 2027.

Free Zone Business Category	ASP Appointment	Mandatory Go-Live
Revenue AED 50M+ (any free zone)	30 October 2026	1 January 2027
All other VAT-reg free zone SMEs	31 March 2027	1 July 2027
Govt entities in free zones	31 March 2027	1 October 2027
Pilot phase — all businesses	From 1 July 2026	No penalty

PENALTY REMINDER

Penalties under Cabinet Decision No. 106 of 2025: AED 5,000/month for failure to implement. AED 100 per non-compliant invoice capped at AED 5,000/month. Pilot phase (from 1 July 2026) carries no financial penalties.

5. What Perfonec Provides for Free Zone Odoo E-Invoicing

PERFONEC ODOO FREE ZONE E-INVOICING SERVICE

Perfonec Computers is an Odoo Ready Partner with Odoo Middle East (Cert n°0000699697). We handle complete Odoo UAE e-invoicing implementation for free zone businesses across DMCC, JAFZA, IFZA, DIFC, ADGM, RAKEZ, and all other UAE free zones — including the free zone-specific PINT AE configuration that standard guides do not cover.

- Free Zone PINT AE Audit — review Odoo invoice output for all free zone transaction types
- Designated Zone Fiscal Position Setup — map all free zone transaction types to correct PINT AE codes
- Export Invoice Configuration — configure zero-rated export invoices with correct PINT AE type Z mapping
- Beneficiary Field Setup — configure free zone beneficiary fields per Version 1.1 requirements
- Multi-Currency AED Configuration — configure AED equivalents for USD/EUR/GBP invoices
- Odoo E-Invoice Add-On Installation — install in Odoo 16, 17, or 18 with zero disruption
- ASP Selection — recommend the right FTA-approved ASP for your free zone Odoo setup
- Pilot Phase Testing — test all free zone invoice types before mandatory go-live
- Staff Training — train your team on the Odoo e-invoicing workflow for free zone scenarios
- Go-Live Support — on-call Perfonec support on your mandatory deadline date

About Perfonec Computers

Odoo Ready Partner with Odoo Middle East (Cert n°0000699697). Developer of the Odoo E-Invoice Add-On for UAE PINT AE compliance. Also Authorised Dealer and Pro Advisor for QuickBooks, Authorised Silver Partner for TallyPrime, and Zoho Partner. CEO: Akanksha Surana, Certified QuickBooks Pro Advisor. Manama Street, Dubai, UAE.

Free Odoo free zone UAE e-invoicing readiness assessment available.

 sales@perfonec.com

 +971 56 408 5594

 +971 4 386 6199

 Manama Street, Dubai, UAE

 www.perfonec.com

Based on UAE Ministry of Finance E-Invoicing Guidelines Version 1.1 (June 2026), Ministerial Decisions No. 243 and 244 of 2025, and Cabinet Decision No. 106 of 2025. Free zone VAT treatment subject to your specific licence and transaction type — confirm with your UAE tax advisor. For general guidance only — not legal or tax advice.