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1.10.2. Repercussions for refusing to pay taxes to 'others'

○ (a) Overview of federal, regional and 'other' tax systems

FGS & FMS. Somalia FMS and the FGS rely essentially on three types of fiscal resources: customs from ports and airports - which are notably relevant for Mogadishu, Puntland and Jubbaland - inland revenues, and donor grants. Those FMS without functioning ports - Galmudug, Hirshabelle, and South-West - can rely on an extra line of budget support from the FGS. The FGS of Somalia partially controls resources limited to Mogadishu, while Puntland has a more diversified set of revenues, whereas the other FMS de facto do not collect many taxes.838 FMS have long list of taxes – between 24 and 28 – they claim to be collecting, but actually they are quite limited in most contexts,839 while local governments revenue generation powers remain on paper only in most cases.840 Local governments within the regional administrations are left with very limited fiscal capacity that is usually retained at the level of the regional state finance minister.841 In Mogadishu the FGS and the BRA overlap in terms of fiscal governance.842

On 18 August 2024, the FGS introduced the five per cent (5 %) sales tax by taxing automatically merchant mobile money accounts for every transaction. This new tax was limited to Mogadishu for lack of fiscal federalism agreement and enforcement capacity.843 While tax compliance has varied across different parts of the city, with some of them remaining completely out of reach – including Heliwa, Daynile, Yaqshid, Garasbaley, and Suuqa-Xoolaha,844 Mogadishu's business community has protested vehemently against its implementation, as well as against excessive and arbitrary taxation, on various occasions between the end of 2024 and the beginning of 2025.845

ISIS. Another crucial actor in the tax system in Somalia, apart from Al-Shabaab and government institutions, is represented by the Islamic State in Somalia, which has recently regained prominence with its Al-Karrar office as a key administrative and financial hub for ISIL at global level.846 Based on recent estimates, ISS overall annual budget generated from extortion and illicit taxation would account for at least 4.3

million USD.[847] Among other sources of revenue, ISS relies on extortion and tax collection from businesses in Bosasso – where it has reportedly surpassed Al-Shabaab - and elsewhere in Somalia, including Mogadishu.[848]

Checkpoints. Against this backdrop, government, federal member states, regional and local administrations, as well as at times individual commanders and politicians - along with their affiliated forces or clan militias - tend to overly rely, with competing claims, on checkpoint taxes, and whenever possible on import taxes, as sources of revenue.[849] Around 60 % of all tax revenues in Somalia result from such indirect taxes.[850] Most checkpoints across Somalia are controlled by a combination of government soldiers, local clan militias, and representatives of local, district or state government authorities.[851] Many clan militia checkpoints are loosely affiliated to or absorbed by a district, federal member state or the federal government.[852] For further information see Somalia: Security Situation (May 2025), including Map 1. IPIS, Distribution of violent checkpoint-related incidents (2020-2023),[853] as well as other relevant EUAA reports.[854] Conversely, temporary checkpoints, also known as 'isbaaro soo booda', may be operated by mooryaan or bandits, a generic label used for armed men - they may be clan militia, soldiers or freelance operators – or by clan militia representatives in the context of clan disputes and blood money compensation.[855] Federal and local government authorities often rely on pre-existing clan militias as government soldiers or deploy national security forces units on a clan basis to staff checkpoints. This engenders a culture of impunity and extortion among checkpoint operators that reflects the interest of the locally dominant clan.[856]

Checkpoints are hotspot of violence, they are tactically and strategically targeted, making the work of the checkpoint operator a 'high-risk occupation' and the life of passers-by at risk.[857] Based on ACLED data, checkpoints across Somalia were the site of 707 reported incidents in the reference period, resulting in 678 estimated fatalities and a non-specified number of casualties, including civilians.[858] Within this context, a way of navigating checkpoints and trying to minimise costs consists in bypassing them.[859] However, checkpoint operators who catch traders adopting such a strategy might retaliate by demanding exorbitant fees, robbing them, or even destroying their vehicle.[860]

☐ (b) Repercussions for refusing to pay taxes to 'others'

In the reference period, ACLED kept track of various incidents triggered by disputes over 'taxes' or extortion money, involving civilians on the one hand and government

officials or security forces on the other hand, as well as ISIS operatives, or clan militia members.[861]

Incidents listed below occurred over tax disputes and extortion money, including for refusing to pay taxes to government officials or security forces:

- shooting and killing of drivers, including tuk-tuk drivers: on 2 September 2023, a government soldier (SNA) killed a tuk-tuk driver in Afgooye (Lower Shabelle);[862] on 9 November 2023, a police traffic officer killed a tuk-tuk driver in Mogadishu - Hamar Weyne (Benadir);[863] on 6 January 2024, a police officer killed a minibus driver at ex-Digfer checkpoint in Mogadishu - Hodan (Benadir);[864] on 17 June 2024, unidentified gunmen - likely SNA - killed a taxi driver in Mogadishu - Wadajir (Banadir);[865] on 31 July 2024, a government soldier (SNA) injured a civilian tuk-tuk driver in Mogadishu - Yaqshid (Benadir);[866] on 10 August 2024, a Jubaland soldier killed a taxi driver at checkpoint in Dhobley town, near Afmadow (Lower Juba);[867] on 12 February 2025, a government soldier (SNA) killed a tuk-tuk driver in the vicinity of Bulo Mareer (Lower Shabelle);[868] on 2 March 2025, a government soldier (SNA) killed a civilian tuk-tuk driver near Al-Berri hospital in Mogadishu - Daynile (Benadir);[869] on 15 March 2025, a police officer killed a civilian moto-taxi driver, in Mogadishu - Dharkenley (Benadir);[870]
- shooting and killing of other civilians: on 18 January 2024, government soldier (SNA) shot and killed a civilian in Macalin Noor neighbourhood in Mogadishu - Dharkenley (Benadir);[871] on 1 April 2024, a municipal tax officer (police) killed a civilian engineer in Mogadishu - Daynile (Banadir);[872] on 17 April 2024, police officers, attacked civilian businessmen at the Sinka Dheer market neighbourhood in Mogadishu - Daynile (Benadir), causing an unspecified number of casualties; [873]
- beatings: on 5 November 2024, two groups of government security forces (SNA) clashed in Mogadishu (Benadir), over a tax argument regarding a soldier tax collector beating a businessman at his shop.[874]

Incidents listed below occurred for refusing to pay taxes to ISS:

- Bulsho construction company in Bosaso has been targeted on various occasions with planted IED, on 20 November 2023, and on 5 May 2024;[875]
- Bulsho trading company in Bosaso market was targeted on 15 May 2024, with a remote controlled planted IED resulting in unknown number of casualties;[876]
- Marhaba Trading Company warehouse in Bosaso was targeted with a grenade attack on 9 July 2024.[877]

Incidents listed below occurred for refusing to pay taxes to clan militias:

- on 7 May 2024, Hawadle clan militia shot and injured a truck driver in Qabno village (Belet Weyne, Hiraan) over a dispute related to tax collection;[878]

- on 10 April 2024, Hiiraan State Militia from Hawadle clan militia shot and killed a truck driver from Isaq clan in Belet Weyne (Weyne, Hiraan) over a tax dispute.879

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