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1.10.1. Repercussions for refusing to pay ‘taxes’ to Al-Shabaab or for paying taxes to others

○ (a) Overview of Al-Shabaab tax system

The UN Panel of experts on Somalia, in its latest report from 2024, indicates that Al-Shabaab’s overall financial income for 2023 exceeded 150 million USD. This resulted from its extensive financial operations,808 and extremely diversified revenue generating system, whereby taxation through coercion or ‘taxtortion’ is the norm.809 Under this system ‘everything and anything is potentially a source of income’, not just the ‘flows’ of commodities, goods or vehicles coming into ports or passing through checkpoints.810

Among others, Al-Shabaab relies on following sources of revenue: checkpoints, forced charitable or alms contributions (zakat or zakah, or zakawat in Somali,811 the annual wealth tax812), direct extortion of business, taxation of imports into ports, kidnappings for ransom,813 taxation of farm produce, livestock selling, water and irrigation resources, vehicles registration fees, operating licences fee,814 local tax imposed based on need (infaq),815 as well as property and business ventures in Somalia.816 For further information see also the EUAA COI Report Somalia: Actors (June 2021). In the context of checkpoint (isbaaro) taxation, Al-Shabaab categorises its taxation system into four distinct streams: transit (gadiid), goods (badeeco), agricultural produce (dalag) and livestock (xoolo).817 In 2024 new products and tariffs, such as on scrap metal, were also introduced.818

Al-Shabaab can extort and levy taxes in areas under their direct control – heartland – as well as beyond it, where they do not have permanent presence, or where their presence is contested, depending on how strong the government and the state security forces are locally.819

○ (b) Repercussions for refusing to pay taxes

In the absence of an effective protection system, Al-Shabaab can pressure anybody into paying taxes.820 Men and women are required to pay taxes to the group, despite the formal ban on women's work or businesses.821 Threats and punishments are core parts of Al-Shabaab's enforcement tactics to coerce civilians into compliance and making sure the taxation systems runs smoothly.822 Deadly823 or brutal violence is relatively rare being its threat or 'spectre' sufficient to discourage non-compliance.824 Tax-demands are not negotiable, but in specific cases people in need can bargain - to a certain extent - also with the help of clan elders.825 Women who cannot afford to pay taxes are sometimes told to hand over their children.826

Among others, checkpoints are a major source of revenue for Al-Shabaab. Al-Shabaab is known for retaliating violently and scare 'road users into compliance',827 hence preventing them from using alternative routes.828 Al-Shabaab taxes vary depending on vehicles, on whether goods are imports or exports, and on whether they may benefit government-controlled areas. In which case traders might not be allowed to pass, be threatened with death, or made to pay double the normal tariff.829

At the end of August 2024, as a reaction to the new 5% sales tax, Al-Shabaab, while threatening dire consequences, warned banks and financial institutions not to comply with the new government directives and asked individuals to withdraw their money from those institutions failing to do so.830 See section 1.10.2 Repercussions for refusing to pay taxes to 'others for further details.

Al-Shabaab retaliation for refusing to pay 'taxes',831 included:

- Abductions: fifteen clan elders in Hagar village, near Afmadow (Lower Juba), were abducted on 16 July 2023, and taken to Jilib, because accused of defying order regarding tax collection in the region;832 a truck driver travelling between Jowhar and Balcad, near Basra village (Middle Shabelle), was abducted on 19 July 2023 over a tax extortion dispute;833 two clan elders in Dabader village, near Afmadow (Lower Juba), were abducted on 21 June 2024, due to unpaid taxation to the group;834 two passenger vehicle drivers in Hagar, near Afmadow (Lower Juba), were abducted and taken to Jilib on 7 September 2024, due to alleged tax fraud.835

- Shooting and killing: on 1 December 2023, unidentified gunmen shot and killed a businessperson and injured two of his children in Bosaso (Bari), over a tax extortion dispute;836 on 10 February 2024, Al-Shabaab shot and killed a businessman in Bosaso (Bari), over a tax extortion dispute.837

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  UNSC, Report of the Panel of Experts pursuant to resolution 2713 (2023), 28 October 2024, url, para. 62

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