

To raise revenues and deliver on this government's promise, we must look to the evidence. What are Somaliland's taxpayers truly saying about tax and customs?

## Central Conclusion:

Taxpayers are open to clarifying reforms, so long as changes and reforms come bit by bit.

### Summary Findings

Businesses want more **clarity and efficiency** in taxation, but not sudden change. They accept **a duty** to pay taxes.

Businesses want the government to prove itself by delivering real improvements – but they are **optimistic** about the economy and the government.

Businesses have few avenues to make **voices** heard on tax.

### How the Ministry can frame reforms

Reforms and improvements to the system are necessary. They should be communicated as clarifications, not sharp and sudden changes.

Raise tax morale by emphasizing that taxes are a duty that most other business owners are already following.

Taxpayers expect to be able to negotiate. Self-assessment can bring more structure and equality to this.

Show value for money and progress by highlighting existing individual, noticeable projects the government is delivering, such as new roads. Show what they risk if they fail to pay tax.

Make tax and customs Easy, Attractive, Social and Timely.

### Example messages for taxpayers

*"Together, business people are building progress for Somaliland – but we will slip back if we don't do our duty and pay our taxes."*

*"If we do our duty and pay our taxes, the state can keep delivering the essential services we need – like new roads."*

*"Every new road is evidence that Somaliland is making progress together. My taxes paid for that."*

### What taxpayers are saying

#### Example quotes from the interviews

*"The only thing that we want is that whenever we go to the tax office, they should serve us quickly and not waste our time since it is important for us to be in office."*

*"... [I] complained to them [the Ministry of Finance] about the high rates. The response they gave was that only the Ministry can do something about it and no one can break that rule. The only person I can complain to is the taxing authority and there is no channel to do so."*

*"I pay tax because it is required and is necessary for the stability and development of the country. I also pay it because by paying tax my business will be protected by the government."*

## Methods



Population Sample

**27 businesses** of a range of sizes and sectors in Hargeisa.



Data Collection

**15 Interviews and 2 FGDs** were conducted in Hargeisa from 20-28<sup>th</sup> March 2018.



Quantitative Survey

**Currently ongoing.** It will provide evidence from 250 more Hargeisa taxpayers.