

The background of the cover is a photograph of a coastal scene. In the foreground, waves are crashing against dark, mossy rocks, creating white foam. The ocean extends to the horizon under a sky filled with soft, white and grey clouds. In the distance, a cliffside features a prominent white lighthouse and several buildings. The overall atmosphere is serene and scenic.

COUNTRY GUIDE: SOMALIA

global@zapeo.net

<https://zapeo.net/somalia/>

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ABOUT US

ZAPEO is an International PEO co-employer providing Employer of Record (EOR) Services in more than 113 countries around the world.

As an EOR, we provide employment contracts, payroll employees, pay over any taxes and statutory contributions and provide sponsorship for visa applications in order to comply with specific laws and regulations in the country.

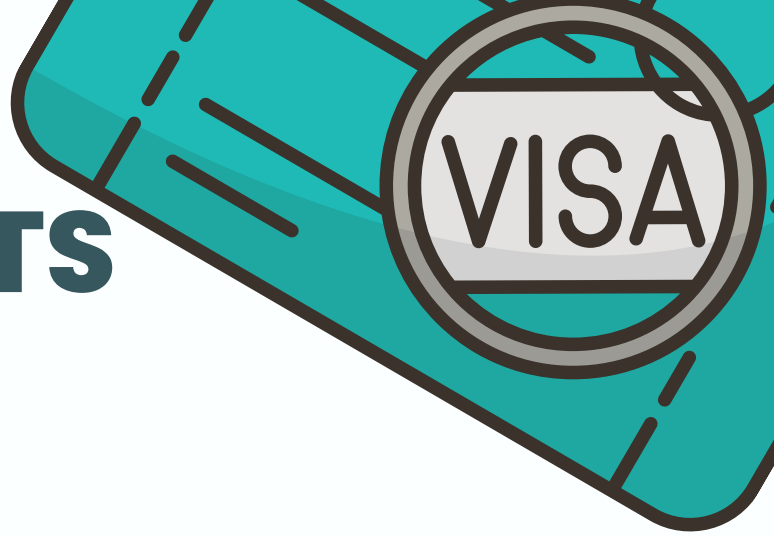
We also assist with onboarding and termination of both local or expatriate employees.

BENEFITS

- Legal compliance
- Time and cost savings
- Access to global talent
- Flexibility
- Reduced liability
- Expertise



WORK PERMITS AND VISAS



In compliance with Somalia's visa rules, visitors must apply for, submit, and get a Somalia visa. To enter, remain in, or leave Somalia, you must obtain a valid Somalia visa, according to the country's visa regulations.

In order for a Somalia visa application to be filed, reviewed, and accepted, specific information must be given. The nation from which the passport was obtained and issued, the duration of the visitor's intended stay in Somalia, and the purpose of the trip are among the information provided.

The Somalia government introduced the Somalia visa, which is open to non-visa-exempt people from anywhere in the globe. Travelers with a Somalia visa are permitted stays in Somalia of up to 90 days per entry. With the introduction of this visa, travelers and business travelers alike have been permitted to visit Somalia.

EMPLOYMENT CONTRACTS



Probation period

Usually no more than 3 months.

Notice period

For manual workers - no less than ten days. For non-manual workers - no less than thirty days .

Minimum wage

Workers in Somalia are not required to be paid a minimum wage. Pay rates must be negotiated directly with the employer via collective bargaining.

Working hours and overtime

The standard work week is 8 hours per day, 6 days a week. Overtime is paid at a premium of 30%, depending on the time worked above weekly hours.

Termination

The employer is required to notify the employee's union. Furthermore, they must notify the labor officer in charge of the employee's work area of the reasons for and extent of the proposed redundancy at least one month before the scheduled date of termination due to redundancy. If the employee is not a union member, the employer must notify him or her personally and in writing. A collective bargaining agreement must exist between the employer and a trade union outlining the terminal benefits provided upon redundancy and ensuring that the contract does not discriminate against the employee based on union membership or non-union membership.

Severance

For a worker with 1 year of service is equivalent to 4.3 weeks of pay

For a worker with 5 years of service is equivalent to 21.7 weeks of pay

For a worker with 10 years of service is equivalent to 43.3 weeks of pay

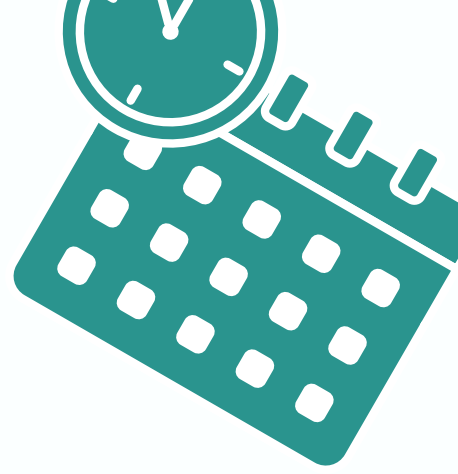
Non-compete clause

In the employment agreement, employers may include a non-competition provision.

Collective bargaining

The right to collective bargaining is legally recognized.

PAID TIME OFF



Annual Vacation

Employees have the right to 15 days of paid leave for every year of continuous service. An entitlement to leave with pay is normally acquired after a full year of continuous service, with the aggregate also counting up to a maximum of two years.

Sick

Every employee is entitled to one day of sick leave every 45 days, with no need for medical justification; any absence in excess of this, without the professional advice of a doctor, will be deducted from the employee's annual leave.

Maternity

Female employees must provide a medical document to their employer that details the estimated date of their pregnancy. Up to fourteen weeks of leave are allowed for employees, at least six of which must be used following birth. Prenatal leave is prolonged up to the actual date if confinement occurs after the anticipated date.

Paternity

N/A

Family

Bereavement Leave: An employee who has worked for at least six months straight is entitled to three days of family responsibility leave if any of the following occurs:

- One of the employee's parents passes away;
- One of the employee's children passes away;
- The employee's wife gives birth or passes away; or in the case of a female employee, the husband passes away.

National Holidays

During the 8 public holidays, all employees are entitled to a day off, and on all national holidays, they are all entitled to their full pay.

Other Paid Time Off

N/A

EMPLOYEE BENEFITS



Statutory

Unemployment

N/A

Workers compensation

Somalia presently lacks a government fund or mechanism for workers' compensation

Social Security

A national social security program or fund is not yet in existence in Somalia.

Retirement

Somalia does not yet have a national pension system or retirement fund.

Health

A national health insurance scheme or fund is not yet in existence in Somalia.

Private

Workers compensation

Private worker's compensation available.

Retirement

Private retirement schemes available.

Health

Private health insurance available.

Life

Private life Insurance available.

TAX



Personal Income Tax (PIT)

- **Tax year** : January 1st to December 31st
- **Tax rate** : An individual's chargeable income (other than work income) for a given year of income is subject to tax at a 10% rate. Payments made to non-residents are subject to a withholding tax of 10% on the total amount due, plus stamp tax of 2.5% on the amount withheld, for an overall effective withholding rate of 12.5%. Employees are subject to taxes known as employment income tax (payroll tax), which is typically computed at 6% of the total income that firms pay their employees. Monthly payments are required for this tax.
- **Tax method** : Somalia uses a proportional taxation system.
- **Tax residency requirements** : An individual is classified as a resident individual for a year of income if they
 - have a permanent home in Somaliland,
 - is present in Somaliland for a period of 183 days or more in any 12-month period that commences or ends during the year of income,
 - is an employee or official of the Government of Somaliland posted abroad during the year of income.
- **Double taxation agreements (DTA's)** : Somalia does not have DTA's in place as of yet.

Investment Income Tax

10% of a company's profits in Somalia are subject to corporate income tax. Both domestic and international companies operating in the nation are subject to this rate.

Taxable Income

On their earnings, which include salaries, wages, allowances, bonuses, and other types of income, people are obligated to pay income tax.

The chargeable income of a person for a year of income is equal to that person's gross income for that year minus all deductions allowed by the Act for that year, subject to Sections 67 and 68.

PAYROLL



Payroll Elements

- **Income:** On their earnings, which include salaries, wages, allowances, bonuses, and other types of income, people are obligated to pay income tax. The chargeable income of a person for a year of income is equal to that person's gross income for that year minus all deductions allowed by the Act for that year, subject to Sections 67 and 68.
- **Deductions:** Private insurances if employee has approved this.
- **Benefits in Kind:** Somalia does not have any specific benefits in kind.
- **Employer contributions:** N/A

Payroll Taxes

Employees are subject to taxes known as employment income tax (payroll tax), which is typically computed at 6% of the total income that firms pay their employees. This tax has a monthly payment requirement.

Payroll Calendar

Wages are normally paid on the final working day of the month, according to the payroll cycle.

LEGISLATION AND STATUTORY BODIES



LEGISLATION

- Somali Labor Code

STATUTORY BODIES

- Ministry of Labor and Social Affairs
- National Wages Commission
- Judiciary



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information or a **FREE**
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global@zapeo.net
