

Legal Regulation of Labor Relations in International Financial Centers: A Comparative Legal Perspective (Based on The Examples of Uzbekistan, Kazakhstan, The UAE, And Qatar)

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Abstract

The article is devoted to a comparative legal analysis of the regulation of labor relations in international financial centers (IFCs), using the Astana International Financial Centre (Kazakhstan), the Dubai International Financial Centre and Abu Dhabi Global Market (UAE), the Qatar Financial Centre (Qatar), as well as the newly established Tashkent International Financial Centre (Decree of the President of the Republic of Uzbekistan No. UP-48 dated March 30, 2026, Constitutional Law of the Republic of Uzbekistan No. ZRU-1158 dated July 13, 2026) as examples. The relevance of the study is determined by the absence in Uzbekistan of specific employment regulations for TIFC residents and, accordingly, by the need to develop scientifically substantiated approaches to their formulation. The author identifies common features of the autonomous labor law regimes of IFCs (the mandatory nature of minimum guarantees, the “End of Service Gratuity” institution, an autonomous judicial system, and shortened limitation periods) and their fundamental differences, primarily with regard to the grounds and procedure for termination of an employment contract at the employer’s initiative. It is demonstrated that the model of termination without cause subject to notice (DIFC, ADGM, QFC) conflicts with Article 42 of the Constitution of the Republic of Uzbekistan and ILO Convention No. 158, whereas the AIFC model, which retains a list of grounds for termination, constitutes a more compatible reference model for the TIFC regulations. Based on the analysis, proposals are formulated regarding the structure of the future TIFC employment regulations.

Keywords: International financial center; Tashkent International Financial Centre; employment contract; termination of an employment contract; comparative labor law; AIFC; DIFC; QFC; ILO Convention No. 158; autonomous labor law regime.

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1. Introduction

By Decree of the President of the Republic of Uzbekistan No. UP-48 dated March 30, 2026, a decision was made to establish the Tashkent International Financial Centre (hereinafter referred to as the “TIFC”). Also, on July 13,

2026, Constitutional Law of the Republic of Uzbekistan No. ZRU-1158 “On the Tashkent International Financial Centre,” consisting of thirty-seven articles, was signed.

For the first time in the history of independent Uzbekistan, a special institutional and economic-legal

category has emerged — the Tashkent International Financial Centre.

The object of analysis in this article is the social relations arising in the sphere of legal regulation of labor within international financial centers as autonomous jurisdictional entities. The subject of the study comprises the provisions of the AIFC, DIFC, ADGM, and QFC employment regulations governing the establishment, modification, and termination of employment relations, as well as the prospects for developing similar regulation within the Tashkent International Financial Centre.

The methodological basis of this article comprises the comparative legal method (comparison of the employment regulations of the four jurisdictions with one another and with the Labor Code of the Republic of Uzbekistan), the formal legal method (analysis and interpretation of the texts of regulatory legal acts), and the method of legal forecasting (in formulating proposals for the TIFC).

State of research. The legal status of international financial centers as such has been addressed in literature published in Uzbekistan, primarily from economic-legal and investment perspectives. Specific labor law regulation of IFCs in the context of Uzbekistan has not, to date, been the subject of an independent study, which determines the relevance of examining this issue.

Thesis of the article: the autonomous labor law model of the UAE and Qatar, based on contractual freedom in terminating employment relations, is structurally incompatible with the mandatory model of protection against dismissal established by the Labor Code of the Republic of Uzbekistan and arising from ILO Convention No. 158. By contrast, the AIFC model, which retains a list of grounds for termination of an employment contract and provides for longer notice periods, represents a more compatible reference model for the TIFC regulations.

What is the institution of International Financial Centers, what are their distinctive features, and what are their principal legal characteristics?

International financial centers are designated territories with established boundaries that are subject to a special legal and administrative regime governing financial and banking activities, as well as the functioning of capital and investment markets.

As a rule, legal regulation within such IFCs is based on

the principles of the law of England and Wales and is supplemented by the internal regulations of the IFC itself, as well as by provisions of national legislation.

Today, the special legal regime of IFCs operates successfully in many countries around the world and has a positive impact on the investment climate. This is due to the fact that, when entering a new market, any investor is primarily interested in generally accepted and comprehensible rules for conducting business, based on international practice, commercial customs, and established usages that operate in broadly similar ways throughout the world.

Почему именно право Англии и Уэльса? Такой выбор не является случайным. Право Англии и Уэльса, основанное на принципах судебного прецедента, наилучшим образом подходит для регулирования иностранных инвестиций и деловых взаимоотношений в бизнесе в целом.

Why specifically the law of England and Wales? This choice is not accidental. The law of England and Wales, based on the principles of judicial precedent, is particularly well suited to regulating foreign investment and business relations in general.

It should be noted that an independent legal regime for an IFC is generally established by a constitutional law of the respective country. This is due to the fact that a special legal regime operates within the territory of an IFC, differing from the general legal regime applicable throughout the rest of the state.

For example, the legal status of the Astana International Financial Centre (AIFC) is determined by the Constitutional Statute of the Republic of Kazakhstan “On the Astana International Financial Centre” dated December 7, 2015², while the legal status of the Dubai International Financial Centre (DIFC), located in the Emirate of Dubai, is enshrined in the Constitution of the United Arab Emirates.

The Qatar Financial Centre (QFC) operates pursuant to the special Law No. 7 of the State of Qatar of 2005.

The said Law established the legal framework for the development of the QFC’s own legal, regulatory, tax, and business environment, which contributes to Qatar’s economic development and diversification as envisaged by the country’s National Vision 2030.

The Republic of Uzbekistan has also adopted Constitutional Law of the Republic of Uzbekistan No.

ZRU-1158 “On the Tashkent International Financial Centre,” consisting of thirty-seven articles. This Law regulates the operation of the Tashkent International Financial Centre (TIFC), which has the status of a special legal regulatory regime, including in the sphere of labor relations.

Features of International Financial Centers

It should be noted that an IFC always constitutes a special jurisdiction within a single state.

As Cheresheva I.A. notes in her work³ — the distinctive features of the special jurisdiction of International Financial Centers include:

Autonomous rule-making competence — the bodies of the center (the Authority, the Regulator, and the Court) are entitled to adopt their own laws and regulations, including those governing labor relations.

An independent judicial system, generally modeled on English common law (DIFC Courts, ADGM Courts, AIFC Court), with proceedings conducted in English, which is also empowered to hear not only investment and arbitration disputes, but also general civil and labor disputes.

Subsidiary application of national law — matters not regulated by the acts of the center are governed by the legislation of the host state.

A specific category of persons subject to the jurisdiction of the center — as a rule, only organizations registered within the center and their employees.

This model differs fundamentally from traditional free and special economic zones in that it encompasses not only matters of tax and customs regulation, but also the entire body of private law, including arbitration disputes, as well as certain branches of public law.

Labor law occupies a special place in this context: as a branch of law combining private-law (contractual) and public-law (mandatory and protective) principles, it cannot be unequivocally classified as either private or public law. This, however, does not prevent it from being included within the scope of autonomous IFC regulation alongside other branches of law.

Sources of Legal Regulation

When examining the specific features of the legal regulation of labor relations in the International Financial Centers of the UAE, Qatar, and Kazakhstan, as well as

conducting a comparative legal analysis with the newly established Tashkent IFC, it is first necessary to analyze the system of regulatory legal acts governing the activities of these IFCs.

In the Republic of Kazakhstan, the Astana International Financial Centre operates pursuant to the special Constitutional Statute of the Republic of Kazakhstan dated December 7, 2015. Similar laws have also been adopted in the United Arab Emirates and Qatar.

All of the IFCs under consideration additionally have special regulatory legal acts directly governing labor relations. Thus, the AIFC is governed by the Employment Regulations of 2017⁴, as amended and supplemented as of January 15, 2021.⁵

In the Dubai International Financial Centre (DIFC), DIFC Employment Law No. 2 of 2019 has been in force since 2019 (as subsequently amended by DIFC Laws No. 4/2020, No. 4/2021, No.2/2022, № 1/2024, № 1/2025), replacing the previously applicable DIFC Employment Law No. 4 of 2005⁶, while the Abu Dhabi Global Market (ADGM) also has its own employment regulations.⁷ Similar regulations, in a revised version, were adopted by the Qatar Financial Centre in June 2020.

As for the Tashkent International Financial Centre, there are currently no specific regulations governing labor relations. The development and adoption of such regulations constitute one of the key tasks in establishing an independent legal framework for the Tashkent International Financial Centre.

Similarities and Differences

A general analysis of the regulatory legal acts referred to above makes it possible to conclude that they share a common approach to establishing minimum standards and guarantees of employees' rights.⁸ In all of the jurisdictions under consideration, labor law provisions are predominantly mandatory with regard to minimum guarantees of employees' rights: the IFC regulations of Kazakhstan, the UAE, and Qatar provide that the parties to an employment contract may establish working conditions that are more favorable to the employee than the minimum guarantees, but may not place the employee in a less favorable position than that required by applicable law. The principles of non-discrimination, as well as the requirement to provide an employee with notice of the forthcoming termination of an employment contract, are common to all of the sources under consideration. The IFC regulations also place particular

emphasis on employers' obligations to provide safe working conditions and protect the health of their employees.

It can be stated with confidence that these principles and rules are generally consistent with the labor legislation of Uzbekistan and reflect a similar approach to the regulation of labor relations under national law.

A common feature of these jurisdictions is the institution of "End of Service Gratuity", which provides for payments to an employee upon termination of employment and is intended to compensate for the absence of a developed mandatory pension insurance system for foreign employees in the region. In the DIFC, since 2020, the traditional payment scheme has been replaced by the DEWS (DIFC Employee Workplace Savings) savings scheme, with mandatory monthly employer contributions amounting to 5.83–8.33% of the basic salary, depending on the employee's length of service.

In the IFC of the Republic of Kazakhstan, a similar guarantee is provided for employees with more than one year of service, calculated at 21 days of basic salary for each of the first five years of employment and at a higher rate for each subsequent year.¹⁰ The Republic of Uzbekistan also has a system of severance payments upon termination of an employment contract; however, it is not directly linked to pension payments.

At the same time, alongside these similarities, the IFCs under consideration also have significant differences.

The differences primarily concern the procedure for terminating employment relations at the employer's initiative. In the International Financial Centers of the UAE and Qatar, employers enjoy greater freedom when deciding to terminate an employment contract. The only requirements consistently imposed by the regulations are compliance with the principle of non-discrimination, i.e., the prohibition of dismissal on discriminatory grounds, and prior notice of the forthcoming termination of the employment contract within the periods prescribed by law.

For example, under the AIFC regulations, the notice period for termination of employment at the initiative of either party must be as follows¹¹:

– **at least 7 calendar days — where continuous employment has lasted for less than 3 months;**

– **at least 30 calendar days — where continuous employment has lasted from 3 months to 5 years;**

– **at least 90 calendar days — where continuous employment has lasted for 5 years or more.**

At the same time, the employee's period of continuous employment must be at least one month. A longer notice period may be stipulated in the employment contract.

An employer may terminate an employee's employment contract without prior notice for cause. Such cause includes the commission by the employee of a criminal offence resulting in material or other adverse consequences for the employer, a material breach by the employee of the terms of the employment contract resulting in material or other adverse consequences for the employer, as well as other grounds provided for by the AIFC rules or by the employment contract concluded with the employee.¹²

This approach is inconsistent with the national legislation of the Republic of Uzbekistan, under which an employer may terminate an employment contract

with an employee only on grounds expressly provided for by law. Although this may at times significantly limit the employer's flexibility in conducting business, it provides reliable protection of employees' rights.

This inconsistency has not only doctrinal but also constitutional and legal dimensions. Pursuant to Article 42 of the Constitution of the Republic of Uzbekistan, everyone has the right to work, including the right to protection against unjustified dismissal, which presupposes the existence of legally established grounds for termination of an employment contract at the employer's initiative. A similar requirement is contained in Article 4 of ILO Convention No. 158 "Termination of Employment Convention," ratified by the Republic of Uzbekistan, under which the employment of a worker shall not be terminated unless there is a valid reason for such termination.

In this regard, the model allowing an employment contract to be terminated without cause subject to prior notice (characteristic of the DIFC, ADGM, and QFC), if directly incorporated into the TIFC regulations, creates a risk of conflict with both constitutional guarantees and Uzbekistan's international obligations.¹³ This raises a fundamental question for the drafters of the future TIFC

regulations: whether it is possible to establish an autonomous labor law regime that departs from the mandatory guarantees of national labor legislation and, if so, to what extent. It should be noted that the existing practice of IFCs demonstrates that even the most liberal jurisdictions (DIFC, ADGM) retain anti-discrimination safeguards and mandatory notice requirements as minimum compensatory mechanisms.

At the same time, a common approach shared by all IFCs and the newly established Tashkent International Financial Centre is the broad range of benefits

granted to foreign specialists. These include the possibility of working without a work permit, the absence of a requirement to obtain visas, etc.

In all three jurisdictions, employment disputes fall within the jurisdiction of the centers' own courts rather than the national courts of general jurisdiction, thereby ensuring consistency of interpretation and allowing cases to be heard with the participation of English-speaking common law specialists.

In the DIFC and ADGM, for example, special shortened limitation periods (compared with general civil claims) have been established — six months from the date of termination of the employment contract (Article 4 of DIFC Law No. 2 of 2019).

2. Results and Conclusions

Summarizing the comparative analysis conducted above, the following conclusions may be drawn:

The approaches and principles underlying the labor legislation of the Republic of Uzbekistan and the jurisdictions discussed above are similar in nature and are based on international standards and recommendations of the International Labour Organization (ILO).

At the same time, the analysis has revealed a number of differences, primarily concerning the procedure for terminating employment relations with an employee.

One of the central issues facing modern International Financial Centers is determining the scope of application of autonomous labor law. Formally, the DIFC and ADGM rules apply to persons performing work within the territory of the respective center or who have entered into an employment contract providing for the application of such regulation. However, the blurring of territorial boundaries due to remote work and hybrid

employment gives rise to uncertainty. It is no coincidence that the ADGM consultation documents of 2024 were specifically devoted to clarifying the concept of an “employee” in relation to remote and flexible forms of employment.¹⁴ The question of how to regulate employees performing their employment functions outside the territory of an IFC also remains open to debate.

The two-tier regulatory structure — comprising the acts of the IFC itself and subsidiarily applicable national law — creates risks of gaps and conflicts, particularly with regard to matters not expressly addressed by IFC acts (for example, certain aspects of occupational health and safety and the social insurance of nationals of the host state).

The analysis conducted makes it possible to conclude that the legal regulation of labor in International Financial Centers represents an independent area in the development of labor law, which may be characterized as the formation of “enclave” (autonomous) labor law regimes.

These regimes combine elements of the continental model of mandatory minimum guarantees with Anglo-Saxon legal techniques and are aimed at creating a predictable and competitive environment for international business and highly qualified personnel. Common features of such regimes include an autonomous judicial system, the institution of secondment, funded severance benefit schemes, shortened time limits for bringing claims before the courts, and increased emphasis on anti-discrimination safeguards. At the same time, a number of unresolved issues remain, primarily concerning the delineation of the respective scopes of autonomous and national labor law, as well as the adaptation of regulations to new forms of employment (remote and flexible work). The further development of this institution is likely to be associated with the gradual convergence of the labor law standards of different financial centers with one another and with international labor standards, primarily the conventions of the International Labour Organization.

Proposals for the TIFC

For the Tashkent International Financial Centre, the development of its own employment regulations is a matter of current importance. In preparing such regulations, it would be advisable to proceed from the following fundamental principles.

First, with regard to the grounds and procedure for termination of an employment contract at the employer's initiative, the adoption of the AIFC model, rather than the DIFC/QFC model, would be preferable: retaining a closed (or, at a minimum, expressly specified) list of grounds for termination of an employment contract, while differentiating notice periods depending on the employee's length of service. Such an approach would ensure the compatibility of the TIFC regulations with Article 42 of the Constitution of the Republic of Uzbekistan and ILO Convention No. 158, while at the same time providing TIFC residents with a more flexible mechanism for regulating employment relations compared with the general regime established by the Labor Code of the Republic of Uzbekistan.

Second, it would be advisable to expressly define in the TIFC regulations the model for the subsidiary application of national law to matters not regulated by the acts of the Centre — primarily with regard to occupational health and safety, mandatory social insurance for citizens of the Republic of Uzbekistan, and state guarantees from which no derogation is permitted under the rules of the International Financial Centre.

Third, the institutional issue of resolving employment disputes involving TIFC residents requires consideration:

– Establishment of an independent judicial body whose powers would include the adjudication of individual employment disputes based on the model of the AIFC Court and DIFC Courts, as well as the determination of the procedure for resolving collective labor disputes.

Fourth, when determining guarantees upon termination of employment, it would be advisable to assess the applicability of a funded savings model (similar to the DIFC DEWS) for foreign specialists employed within the TIFC who are not covered by the mandatory pension system of the Republic of Uzbekistan, while retaining the existing severance payment system for citizens of Uzbekistan.

Fifth, the regulations should proactively address the status of remote and hybrid employment in relation to the scope of the TIFC's autonomous labor law, taking into account the experience reflected in the ADGM's 2024 consultation documents concerning clarification of the concept of an "employee" for such forms of employment. This would make it possible to avoid the uncertainty already encountered by more mature IFCs.

The combined implementation of these proposals would make it possible to establish a model for the regulation of labor relations within the TIFC that combines competitiveness for international business with the preservation of a constitutional level of protection of employees' rights, distinguishing the proposed approach from the unconditional adoption of the UAE and Qatari models.

An equally important task is to establish a system that ensures a reasonable balance between the interests of employers and the effective protection of employees' labor rights, while complying with the standards of the International Labour Organization.

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