

Legal Regulation of Labour In International Financial Centres: The Experience of The Astana International Financial Centre and Prospects for Its Application in Uzbekistan

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Abstract

This article presents a comprehensive study of the specific features of labour law regulation at the Astana International Financial Centre (AIFC), where a special legal regime applies that differs from the national labour legislation of the Republic of Kazakhstan, as well as at the newly established Tashkent International Financial Centre (Constitutional Law of the Republic of Uzbekistan No. ZRU-1158 of 13 July 2026). The relevance of this study stems from the absence in Uzbekistan of specific labour regulations for residents of the Tashkent International Financial Centre and, consequently, the need to develop scientifically grounded approaches to their formulation. The author examines, from a comparative perspective, the specific features of labour regulation in the IFCA, as well as the possibility of incorporating provisions of English common law into the labour legislation of the Republic of Uzbekistan, with the aim of developing a scientifically grounded approach to establishing a regulatory and legal framework for labour regulation within the newly established Tashkent International Financial Centre. The structure of the article includes an examination of the sources of labour regulation in the IFZs, and an analysis of how these sources relate to the national legislation of Kazakhstan and the Republic of Uzbekistan. The article examines in detail the specific features of individual institutions of labour legal relations (the conclusion of employment contracts, working hours and rest periods, annual leave, remuneration, the prohibition of discrimination, and the institution of dismissal). It concludes that the labour law of the Astana International Financial Centre (AIFC) possesses autonomy and internal coherence as a distinct legal subsystem operating in parallel with the national labour legislation of Kazakhstan; it also analyses the provisions of Uzbekistan's labour legislation with a view to examining the possibility of their application in the AIFC's labour regulations.

Keywords: Astana International Financial Centre, AIFC, labour law, employment contract, AIFC Court, English common law, discrimination in the workplace, labour disputes, special legal zone, labour legislation of Uzbekistan.

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1. Introduction

The Astana International Financial Centre (AIFC) is a special economic and legal zone operating within the city of Astana (Kazakhstan).

Within the AIFC, a special legal regime applies, based on the principles and sources of law of England and Wales, rather than on the provisions of national legislation.

This approach is designed to enhance the legal framework for foreign investors accustomed to common

law standards.

One of the areas in which the autonomy of the AIFC's legal system is most evident is labour law.¹

The relevance of this study stems from several factors. Firstly, more than three thousand companies from over eighty countries worldwide are registered with the IFCA, which means that the IFCA's labour law is applied in practice to a significant and steadily growing number of workers.

Secondly, a specialised IFCA Court has been in operation within the IFCA since 2018; by 2025–2026, it had already handed down more than two hundred and fifty judgements, including those relating to labour disputes. This development suggests the emergence of a distinct body of case law concerning the application of IFCA labour law. Thirdly, a comparative legal analysis of labour regulation in the IFCA is of interest not only from a practical but also from a theoretical perspective — as an example of the coexistence, within a single state, of two parallel systems of labour law based on fundamentally different legal traditions (the civil law and common law traditions).²

The aim of this article is to provide a comprehensive analysis of the specific features of labour regulation within the IFC, to systematise the sources of labour law in the IFC and to determine their relationship with the national labour legislation of the Republic of Kazakhstan, as well as to review the specific features of labour legal relations within the jurisdiction of the IFC.

As part of the study, the question is raised as to the possibility of incorporating provisions of English common law into the national labour legislation of the Republic of Uzbekistan, with a view to developing proposals for the creation of a dedicated regulatory framework for labour matters at the Tashkent International Financial Centre (TIFC). From a comparative legal perspective, the study examines the relationship between the labour law provisions of the AIFC and the labour legislation of the Republic of Uzbekistan.

Sources of legal regulation in the AIFC and the TIFC

The legal status of the AIFC is defined by Constitutional Law No. 438 of the Republic of Kazakhstan dated 7 December 2015 'On the Astana International Financial Centre'.³

In accordance with Article 4 of the Constitutional Law, a

special legal regime applies within the territory of the AIFC in the areas of civil, administrative and labour law, as well as in the field of financial services. The applicable law within the territory of the Astana International Financial Centre (except where expressly provided for by the legislation of Kazakhstan) is the current law of the Republic of Kazakhstan in conjunction with the principles of the law of England and Wales, and in matters not regulated by the Acts of the Astana International Financial Centre, — the law of England and Wales itself and/or the standards and rules of the world's leading financial centres. This hierarchy of sources is also relevant to labour law, as gaps in legal regulation are filled by reference to English common law rather than to the Labour Code of the Republic of Kazakhstan.

Pursuant to Article 13 of the Constitutional Law, an independent AIFC Court has been established within the structure of the AIFC; this court is not part of the judicial system of the Republic of Kazakhstan and has exclusive jurisdiction over disputes that arise, including labour disputes.

The primary source of labour law is the AIFC Employment Regulations No. 4 of 2017 (hereinafter referred to as the 'Employment Regulations', as amended and supplemented as at 2026).⁵

The Employment Regulations expressly designate AIFC Participants acting as employers, as well as their employees—whether citizens of the Republic of Kazakhstan or foreign nationals—as the subjects of regulation, irrespective of the place where their employment duties are actually performed.

Alongside the Employment Regulations, an important source is AIFC Act No. GR0009 of 2017 'Qualifications Necessary for Employment in the AIFC' (Act on Qualification Requirements for Employment in the AIFC), which sets out requirements for the recruitment of foreign workers and is also independent of Kazakhstan's general migration legislation.⁶

Another source is the AIFC model employment contract (Contract of Employment), the use of which ensures that the employment contract complies with the minimum standards set out in the Employment Regulations.

The procedural aspects of the adjudication of labour disputes are governed by the AIFC Court Regulations 2017 and the AIFC Court Rules 2018, which set out the rules on jurisdiction, including the division of jurisdiction between the Small Claims Court — for

disputes where the amount in claim does not exceed US\$150,000, including most labour disputes — and the Court of First Instance, as well as the rules governing appeal proceedings before the AIFC Court of Appeal, whose decisions are final.⁷

The legal status of the Tashkent International Financial Centre is also defined by Constitutional Law No. ZRU-1158 of 13 July 2026 “On the Tashkent International Financial Centre”.⁸ In accordance with Article 3 of the Law, a special legal regime also applies within the Centre’s territory; consequently, the adopted law has amended Article 10 of the Labour Code of the Republic of Uzbekistan and established that, within the territory where the special legal regime applies, labour relations are governed by rules different from those laid down in the Labour Code of the Republic of Uzbekistan.⁹

A distinctive feature of the Constitutional Law adopted in the Republic of Uzbekistan is that the common law, principles and legal provisions of England and Wales apply, provided they do not conflict with the Constitution of the Republic of Uzbekistan, the provisions of the Law on the TMC, decrees and orders of the President of the Republic of Uzbekistan, and decisions of the Financial Centre. This provision is expressly set out in Article 8 of the Act.

Furthermore, the TIFC’s bodies may, within the scope of their powers, issue binding decisions, including on matters relating to employment relationships and the protection of personal data. Any labour disputes that arise also fall within the jurisdiction of the Tashkent International Commercial Court, which forms part of the TIFC’s structure.

The Constitutional Law in force in the Republic of Uzbekistan has placed labour relations under the jurisdiction of the TMCF; consequently, the issue of developing its own regulatory framework on labour has become particularly relevant. Among these, in the author’s view, it would be advisable to develop its own regulations on employment, standard templates for employment contracts for TIFC employees, employment contracts for remote workers, rules on secondment, recruitment rules, rules on health and safety guarantees, rules on personal data protection, as well as other necessary regulatory acts on employment.

In this context, it is possible to draw on the experience of the MFCA as the most similar and well-developed model for regulating labour relations. At the same time,

in the author’s view, it is important to maintain a balance with the minimum labour guarantees for employees, which are provided for in the Constitution of the Republic of Uzbekistan and elaborated upon in labour legislation, whilst combining these with the general principles of English law, insofar as it is not possible to regulate this directly through the relevant TMFC regulations.

Relationship with national labour legislation in the Republic of Uzbekistan and Kazakhstan

A key feature of the labour law of the IFCA is its functional autonomy in relation to the Labour Code of the Republic of Kazakhstan No. 414 of 23 November 2015.¹⁰ Labour relations between the participants of the IFCA are governed primarily by the IFCA’s own acts. The provisions of the Labour Code of the Republic of Kazakhstan apply only in cases expressly provided for by the legislation of the Republic of Kazakhstan or by the IFCA’s own regulations, since labour relations between the IFCA and its employees are governed exclusively by the Employment Regulations, as well as by other applicable IFCA regulations and, on a subsidiary basis, by the principles of English common law.

However, this autonomy is one-sided in favour of the employee: an IFCA participant is entitled, on its own initiative, to apply certain provisions of the Labour Code of the Republic of Kazakhstan or to provide employees with working conditions more favourable than those provided for in the Employment Regulations; however, it is not entitled to worsen an employee’s position compared with the minimum standards established by an IFCA act. Thus, the Employment Regulations fulfil a function analogous to that of mandatory provisions on minimum guarantees in continental labour law, establishing a ‘floor of rights’ below which the parties to an employment contract may not fall, whilst maintaining broad contractual freedom above that threshold.

The Law on the Tashkent International Financial Centre enshrines the principle of the supremacy of the Constitution of the Republic of Uzbekistan; consequently, acts adopted by the Tashkent International Financial Centre must not contradict it. In developing the principles set out in the relevant provisions of the Constitution of the Republic of Uzbekistan, the drafting of labour regulations for the TMFC should be based on the preservation of the minimum guaranteed labour rights of workers, as enshrined in the Constitution of the Republic of Uzbekistan.

To elaborate on this point, it is necessary to examine its individual elements in greater detail:

The issue of remuneration. For example, the financial obligations of participants in the IFC are expressed and fulfilled in the currency specified in the contract; consequently, the parties to an employment contract within the IFC are entitled to set remuneration in tenge, US dollars or any other currency at their discretion — which would constitute a significant departure from the general currency regime applicable to residents of the Republic of Kazakhstan outside the IFZ, where, as a general rule, remuneration is paid in the national currency.

A similar provision is contained in Decree No. UP-48 of the President of the Republic of Uzbekistan No. UP-48 of 30 March 2026 “On the Establishment of the Tashkent International Financial Centre”, pursuant to which participants in the centre and its employees are granted the right to fulfil monetary obligations in foreign currencies specified in their contracts, including in crypto-assets.

It should be noted that the right to make payments in crypto-assets is a fairly progressive labour regulation measure and sets the jurisdiction of the Tashkent International Financial Centre apart, creating opportunities to attract foreign workers and, in general, guaranteeing the employee’s right to choose the form of payment, taking into account their interests and established global practice. According to the Employment Regulations, an employee within the jurisdiction of the Tashkent International Financial Centre may be a natural person who has reached the age of 18.

An employment contract must be drawn up exclusively in writing in English and must be signed by both parties.

The employer is obliged to retain a copy of the employment contract and details of each employee for at least two years following the termination of the employment relationship.

The mandatory terms of an employment contract include: the names of the parties, the start date of employment, details of the salary and the applicable pay period, provisions regarding working hours, provisions regarding annual leave, public holidays and their payment, as well as payment for periods of temporary incapacity for work, notice periods for the termination of the employment relationship, the job title or a brief

description of the role, the term of the employment contract (for fixed-term contracts – the end date or the intended duration), the place of work, disciplinary rules and the procedure for handling employee complaints, as well as other conditions established by MFCAs or the employer’s internal documents.

The absence of any of the listed terms does not render the employment contract invalid; however, it may serve as an independent ground for the employee to claim compensation through the courts at.

The probationary period set for an employee may not exceed three months.

The Employment Regulations set the maximum working hours at 40 hours per week (8 hours per day); exceeding this limit is permitted only with the employee’s voluntary, informed and written consent to work overtime.

This approach corresponds to the classic ‘opt-out’ mechanism, borrowed from the European Union’s Working Time Directives and adopted by English employment law.

An employee is entitled to a continuous rest period of at least 48 hours during each seven-day period and, where the daily working time exceeds six hours, to rest breaks, which may be taken away from the workplace.

Annual leave at the MFCAs amounts to a minimum of 20 working days — this figure is set as a minimum standard, which may be increased by agreement between the parties to the employment contract. An employee is entitled to carry over up to five days of unused leave to the following year for a period not exceeding twelve months, after which the unused leave lapses. An employee is only entitled to financial compensation for unused annual leave upon termination of the employment relationship or if the employer consents to such compensation.

Leave on grounds of temporary incapacity for work may not exceed a total of 60 days in any twelve-month period; entitlement to pay during such leave is determined by the terms of the employment contract and does not apply to employees who have entered into an employment contract for a period of one month or less.

An employee’s basic pay is calculated on the basis of the total number of working days in the relevant year, provided that the calculation period does not exceed one month. Holiday pay must be paid no later than five

working days before the start of the holiday. Upon termination of the employment relationship, the employer is obliged to make a final settlement with the employee, including wages and other payments due, within fourteen days of the due date for such payments.

The Employment Regulations list the following among the employer's minimum obligations: ensuring safe working conditions, including adequate ventilation, temperature control, lighting, cleanliness and sufficient floor space in work premises; properly equipped workstations; sanitary facilities; the provision of drinking water; health insurance; and the protection of employees' personal data.

Anti-discrimination regulations merit separate analysis, as they set out a closed (exhaustive) list of seven prohibited grounds for discrimination: gender, marital status, race, nationality, religion, age and disability. Unlike the anti-discrimination¹³ provisions in a number of other jurisdictions, the list does not contain an open-ended clause such as 'and other grounds', which narrows the scope of application of the provision compared, for example, with the broader list provided for in the Labour Code of the Republic of Kazakhstan.

The Employment Regulations set out differentiated minimum notice periods for the termination of employment depending on the length of continuous service with the employer: at least seven days for less than three months' service; at least thirty days for service of between three months and five years; at least ninety days — for service of five years or more. The employment contract may provide for a longer notice period, but not shorter than . The minimum length of service required to be entitled to notice of termination is one month

An employer may dismiss an employee without prior notice (summary dismissal) where there is just cause; the Employment Regulations list the following as such causes: the employee committing a criminal offence that has resulted in financial or other adverse consequences for the employer; a material breach by the employee of the terms of the employment contract, resulting in similar consequences; and other grounds expressly provided for in the acts of the MFCA or the employment contract.

With regard to fixed-term employment contracts, the employer is, as a general rule, not obliged to give reasons for refusing to renew (or not to enter into a new) fixed-term contract upon its expiry.

To summarise the above, it can be stated that the MFCAs' employment law constitutes an independent regulatory system modelled on English employment legislation, combining a high degree of contractual freedom for the parties with a clear minimum standard of safeguards that must be observed by any participant in the MFCAs.

In a number of respects (the duration of maternity leave, the structure of anti-discrimination regulations, and the regime governing currency obligations), the IFCA's regulatory framework differs significantly from the provisions of the Labour Code of the Republic of Kazakhstan, which makes this jurisdiction particularly attractive to international financial organisations and their foreign staff. An analysis of these specific features of labour regulation in the IFCA leads to the conclusion that, on the whole, these provisions are consistent in nature with the specific characteristics of labour regulation established in the Republic of Uzbekistan, and that certain legal institutions may be adopted when drafting the TIFC's own regulations on employment.

At the same time, in the author's view, when developing the regulatory framework on labour for the TMFC, certain specific features should be taken into account, which are significant in light of established practice and the guarantees of workers' rights enshrined in the Constitution of the Republic of Uzbekistan.

For instance, the Law of the Republic of Uzbekistan on the TMCF does not impose any restrictions on who may be a participant or employee of the centre. These may be either foreign residents or residents of the Republic of Uzbekistan.

Consequently, in line with the principle of guarantees and rights regarding the use of the state language and the languages of nations and ethnic groups, as enshrined in Article 4 of the Constitution of the Republic of Uzbekistan, it is appropriate, when drafting the regulations for the TMFC, to enshrine the right of employees to conclude an employment contract not only in English, but also in the state language and in a language that is understandable and accessible to them. Such a decision will ensure a balance between the international nature of the TMCF's activities and the need to guarantee that employees are able to fully understand the content of the employment rights and obligations they are undertaking. Having the text of the contract in a language the employee understands reduces the risk of disputes regarding the content of employment duties and working conditions.

According to ILO Convention No. 132 'on Paid Leave' (1970), the minimum duration of annual leave must be at least three working weeks per year; this should also be taken into account when drafting the TMCF's employment regulations, as the length of the working week may vary.

When discussing standards for protection against discrimination, it should be noted that the Labour Code of the Republic of Uzbekistan contains a broader list

of grounds for classifying certain actions as discriminatory than the TMFC regulations. These include: social background, place of residence, criminal convictions of relatives, and membership of public associations. In the author's view, when drafting the regulations on employment at the TMFC, the list of discriminatory grounds should be harmonised with the Labour Code of the Republic of Uzbekistan, as this approach will provide a reliable guarantee of workers' rights and protection against discrimination.

When elaborating on the issue of dismissals, the grounds on which an employer may terminate an employment contract with an employee should be clearly defined, and notice periods should be established not only on the basis of length of service but also on the grounds for dismissal. This approach also provides a reliable safeguard for the rights and legitimate interests of employees.

2. Conclusion

The study conducted allows us to draw a number of general conclusions. The labour law of the Astana International Financial Centre constitutes an autonomous, coherent and internally consistent system of legal regulation, based on the principles of English common law and not subject to the provisions of the Labour Code of the Republic of Kazakhstan, except in cases where the employer voluntarily applies national provisions that are more favourable to the employee.

The legal framework of this system is formed by the Constitutional Law 'On the Astana International Financial Centre', the AIFC Employment Regulations, as the primary piece of legislation, the AIFC Act No. GR0009 of 2017 on employment eligibility requirements, as well as the AIFC model employment contract and the procedural rules of the AIFC Court.

A substantive analysis of the provisions of the Employment Regulations indicates that the regulatory framework is structured according to the 'floor of rights'

model, characteristic of the Anglo-Saxon tradition of labour law: whilst establishing strict minimum guarantees regarding working hours, annual and special types of leave, the procedure for terminating employment relationships and the prohibition of discrimination, the Employment Regulations simultaneously afford the parties to an employment contract considerable freedom to determine working conditions beyond the specified minimum.

In a number of respects (in particular, the duration of maternity leave, the structure of anti-discrimination regulations, and the currency regime for remuneration), the regulations governing the IFC differ significantly from the provisions of Kazakhstani labour legislation, offering both greater flexibility and – with regard to certain guarantees – greater protection for employees.

The legal regulation of labour at the TMFC requires the development of its own regulatory framework, key elements of which include regulations on employment and recruitment, policies on occupational health and safety, as well as standard forms of employment contracts for permanent, remote and teleworking employees.

At the same time, the provisions of English law incorporated into the TMCF's regulatory acts do not, on the whole, conflict with the national labour legislation of the Republic of Uzbekistan, as clearly demonstrated by a comparative example with the regulatory framework governing labour in the IFC.

A crucial condition for such adoption remains the preservation of the requirements of the Constitution of the Republic of Uzbekistan, which protects the labour rights and legitimate interests of workers, as well as the primacy of International Labour Organisation standards regarding specific institutions of legal regulation.

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