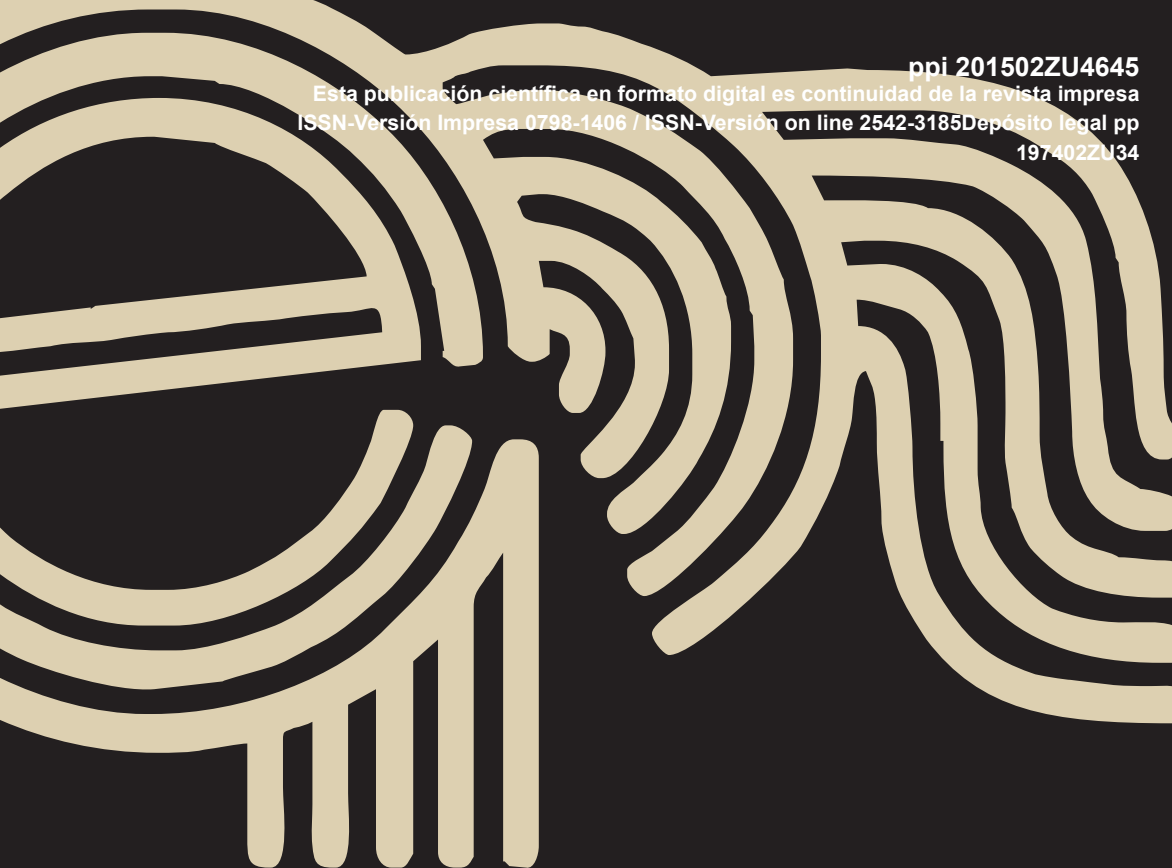


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Crime prevention in special (free) economic zones

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Abstract

The objective of the study was to determine the specific aspects and prospects of crime prevention in special economic zones as special economic and geographical entities. In the course of the research a set of practical methods was applied: doctrinal, comparative and prognostic approach. The risk of crime in the zones depends on the particular economic activity and the actors involved. The current criminal structure in free trade zones is dominated by illegal trade and infringement of intellectual property rights. However, the structuring of crime commonly depends on two factors: a) the division of zones into external/internal; and b) characteristics of the economic system of the country where the zone is located. The entities dedicated to crime prevention are classified as special and non-special, with international entities and representatives of the private sector standing out. It is concluded that the prospects for crime prevention in this area are related to the involvement of the capacities of international actors and the action of representatives of the private sector, taking into account the particular characteristics and conditions of countries with a transitive economy and a particular legal system.

Keywords: crime prevention; organized criminal activity; special economic zones (free trade zones); criminal risks; entities dedicated to crime prevention.

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Prevención del delito en zonas económicas especiales (francas)

Resumen

El objetivo del estudio fue determinar los aspectos específicos y las perspectivas de la prevención del delito en las zonas económicas especiales (francas) como entidades económicas y geográficas especiales. En el transcurso de la investigación se aplicó un conjunto de métodos prácticos: enfoque doctrinal, comparativo y pronóstico. El riesgo de delincuencia en las zonas depende de la actividad económica particular y los actores involucrados. La estructura criminal actual en las zonas francas está dominada por el comercio ilegal y la infracción de los derechos de propiedad intelectual. Sin embargo, la estructuración del delito depende comúnmente de dos factores: a) la división de zonas en externo/interno; y b) características del sistema económico del país donde se ubica la zona. Las entidades dedicadas a la prevención del delito se clasifican en especiales y no especiales, destacando las entidades internacionales y representantes del sector privado. Se concluye que, las perspectivas para la prevención del delito en esta área están relacionadas con el involucramiento de las capacidades de los actores internacionales y la acción de los representantes del sector privado, teniendo en cuenta las características y condiciones particulares de los países con una economía transitiva y un sistema legal determinado.

Palabras clave: prevención del delito; actividad delictiva organizada; zonas económicas especiales (francas); riesgos penales; entidades dedicadas a la prevención del delito.

Introduction

Special (free) economic zones (SEZs) are an economic tool, the main feature of which is regulatory liberalization in a certain geographic area (OECD Legal Instruments, 2019). The idea of C(F)EZ is to stimulate trade and investment by simplifying/minimizing customs, tax and other regulatory regimes (Moiseienko, 2021). Prospects for economic growth determine the development of S(F)EZ: a) there were more than 3,500 by the middle of 2022, and almost a third were created in the last five years (Basquill, 2022); b) in the pre-pandemic period, 2,200 S(F)EZ provided approximately 70 million jobs.

S(F)EZ are created in the territories of both economically developed countries and those with transitive economies. In the latter case, these zones are created as an important factor in solving a number of systemic

economic problems (Hussain and Rao, 2020), including in the territories adjacent to such zones (Veselovska *et al.*, 2022).

Moreover, proper customs procedures/control in S(F)EZ become an economic factor even for those countries that do not have such zones (WCO, 2020). This gives grounds to talk about the synergistic effect of the functioning of S(F)EZ for the development of a state that applies a regional or multilateral approach to the regulation of economic processes (Manjiao, 2021; McPherson-Smith, 2022). As a result, the integration of certain parts of state territories into the global economy is ensured through differentiated regulation (Holden, 2017).

However, the functioning of S(F)EZ also has a negative side — the active development of organized crime. Weakly controlled S(F)EZ become attractive for trade in counterfeit products, smuggling and money laundering, which results in the increased volume of the shadow economy (OECD/EUIPO, 2018; ICC, BASCAP, 2020).

A separate threat is the negative environmental impact of S(F)EZ because of the criminal depletion of environmental resources (Aung *et al.*, 2022). It is clear that various types of criminal activity can exist both in the S(F)EZ and outside their borders. However, the attractiveness of these zones for crime is explained by their main feature — maximum liberalization of state regulation (Kopotun *et al.*, 2020; Moiseienko, 2021).

In this regard, the modern theory of economic geography pays attention to the spatiality of illegal industries as an important socio-economic factor (Hall *et al.*, 2021). Accordingly, international experts offer the results of complex studies on the anti-criminal security of the S(F)EZ (for example, OECD Legal Instruments, 2019; WCO, 2020; ICC, BASCAP, 2020; Chase *et al.*, 2021).

However, it is considered appropriate to include crime prevention in S(F)EZ in a wider criminological context. This is determined by the fact that:

- crime in S(F)EZ can be considered as a separate component of the phenomenon of economic organized crime. The production and distribution of illegal goods and services dominates the profits of organized crime. Sometimes the act of organized crime is aimed at power or intimidation. But these actions are a way to ensure the main activity, because they are designed to ensure the survival and profitability of the criminal enterprise (Albanese, 2021);
- due to the peculiarities of economic activity, crime in the S(F)EZ is transnational in nature, which requires the coordination of preventive activities at the global level;

- crime in S(F)EZ is a global threat to security. It creates conditions for, in particular, the financing of terrorism, increased instability and violence around the world (OECD Legal Instruments, 2019).

Accordingly, the provisions of the Kyoto Declaration (UNODC, 2021) regarding the elimination of the economic aspect of crime can be considered conceptual for crime prevention in S(F)EZ.

Thus, the analysis of crime in S(F)EZ is an urgent issue both for sustainable economic development and for preventive activities in individual states and the world as a whole.

Aim. The above gives grounds for formulating the aim of this study as determining the features and prospects for improving crime prevention in S(F)EZ in view of their specifics as an economic and geographic entity. The aim involved the following research objectives:

- a. identify the specific signs of S(F)EZ and their correlation with the criminal situation in the zones;
- b. determine the peculiarities of the crime structure in S(F)EZ and the regularity of this structure determined by the specific features of the zones;
- c. classify entities engaged in crime prevention in S(F)EZ, taking into account the most effective preventive measures;
- d. outline the prospects for the development of crime prevention in S(F)EZ.

1. Literature review

A feature of crime analysis in S(F)EZ and its countermeasures is high latency due to the limited sources of statistical accounting (Windle and Silke, 2019; Aung *et al.*, 2022), as well as the specifics of detecting facts of criminal acts and arresting offenders, which often occurs outside the zones (Holden, 2017).

Therefore, the study of the problem is partly theoretical. In this context, it is possible to form a logical sequence of aspects of research: risks causing crime in zones — typical types of crime in S(F)EZ — development trends and harmful consequences of crime in S(F)EZ — peculiarities of crime prevention in zones.

1. The following studies of risks that cause criminal activity in S(F)EZ can be distinguished: a) purely applied, which are aimed at determining specific organizational and legal defects in the functioning of zones (for example, ICC, BASCAP, 2020: 5; Kovalchuk, 2020; Basquill, 2022); b) broad

economic and criminological ones, including the issue of criminogenic risks in S(F)EZ in the general context of economic crime (for example, Holden, 2017; Hall *et al.*, 2022); c) “middle-level” approaches, which are aimed at identifying the features of S(F)EZ that make the zones attractive for transnational organized crime (for example, Moiseienko, 2021; Panagiotis, 2021).

2. With regard to research on the crime structure in S(F)EZ, the ratio of legal and criminological understanding of crime is a prerequisite: although illegal activity in S(F)EZ consists of violations and crimes, it is appropriate to carry out its criminological analysis as “crime” because of the systematic, organized, large-scale, transnational nature of illegal activity (Vestby, 2022).

Violation of intellectual property rights and illegal trade in consumer goods are the main types of crime in S(F)EZ. The share of counterfeit goods from countries in which the 20 largest S(F)EZs are located is twice as large as from countries that do not have any zones. On average, the creation of one S(F)EZ leads to an increased value of counterfeit products by 5.9% (Holden, 2017; OECD/EUIPO, 2018; ICC, BASCAP, 2020; Basquill, 2022).

The crime structure also includes money laundering (OECD/EUIPO, 2018). The origin of “dirty” money is not necessarily connected with the activities of S(F)EZ. The infrastructure of the zones can be used by corrupt government officials (Basquill, 2022; Kopotun *et al.*, 2022) and cybercriminals (Hall *et al.*, 2021) for money laundering and evading sanctions.

However, the crime structure in S(F)EZ significantly depends on the profile of the zone and the peculiarities of its territorial localization, as the studies of zones in countries with a transitive economy showed (for example, Kovalchuk, 2020; Van Uhm and Wong, 2021mc)39. Besides, differences in the share of particular crimes were established depending on whether the zone is “internal” or “external” for a particular state (ICC, BASCAP, 2020).

As for the specifics of criminal groups that operate in S(F)EZ or use them, law enforcement officers emphasize the threats that come from the subjects of transnational organized crime (Vestby, 2022). Such organizations operate for profit and often choose a modern network structure over a traditional hierarchical one (Breuer and Varese, 2022). The same criminal networks are involved in various crimes: from drug trafficking to fraud (ICC, BASCAP, 2020; Van Uhm *et al.*, 2021).

3. As regards crime trends in the S(F)EZ: a) the Internet have contributed by the expansion of circulation of counterfeit goods, diversification of the ways of their movement (ICC, BASCAP, 2020); b) the facts of the establishment of criminal control over the strategic infrastructure of S(F)EZ are noted (OECD/EUIPO, 2021; Basquill, 2022); c) existing threats of

using the zones' capabilities by terrorist groups (for example, Hussain and Rao, 2020).

These trends indicate that criminal use of S(F)EZ opportunities goes beyond causing harm to individual businesses and refers to the macro level of causing social harm (Aung *et al.*, 2022; Basquill, 2022).

4. The peculiarities of crime prevention in the zones are considered as a complex of legal and organizational and institutional measures carried out by interstate, state and non-state actors. The analysis of the presented results gives reason to single out a number of prevention blocks:

- regulatory legal block, which provides for the comprehensive improvement of the legal framework for the organization and functioning of S(F)EZ (OECD Legal Instruments, 2019; WCO, 2020; ICC, BASCAP, 2020; OECD/EUIPO, 2021).
- a block of measures to organize the collection and proper accounting of statistical data, including the introduction of the latest Big Data processing technologies (World Customs Organization, 2019; Park and Lee, 2020);
- a block of measures on the organization of cooperation between national and international law enforcement and control agencies, which should take into account the experience of coordinating the fight against transnational organized crime (Customs Co-operation Council, 2008; OECD Legal Instruments, 2019);
- a block of measures to involve non-state actors in countering crime in the F(F)EZ (OECD Legal Instruments, 2019; Panagiotis, 2021; Wu *et al.*, 2021).
- The appropriateness of introducing general standards for the administration of S(F)EZ and cooperation with law enforcement agencies in combating crime is separately emphasized (OECD Legal Instruments, 2019; Chase *et al.*, 2021; Moiseienko, 2021).

So, the following gaps can be identified in the existing studies: a) intelligence and recommendations are mainly applied in nature and are not included in the context of transnational organized economic crime prevention; b) conclusions are generalized and do not always take into account the localization of the zone (in developed countries or in transitive economies); c) preference is given to measures of state coercion, rather than incentives for cooperation between the public and private sectors.

2. Methods

The literature and sources that cover the economic, legal and organizational issues of the functioning of S(F)EZ were selected in order to achieve the aim and fulfil the research objectives set in the article.

The data on the practice of functioning of S(F)EZ as an economic geographic entity, the criminological situation in the zones, and the specifics of combating crime in them were summarized in the course of the study. Analytical reports and recommendations of international organizations, projects and initiatives regarding the set of measures to combat crime in the S(F)EZ were used. Particular attention is paid to the experience of Ukraine as a country with a transitive economy and legal system.

This made it possible to a) generalize the features of S(F)EZ and find out the relationship between these features with crime in the zones; b) identify the peculiarities of the nature and structure of crime in S(F)EZ; c) determine the specifics of the entities engaged in crime prevention in S(F)EZ; d) outline the main prospects for increasing the effectiveness of preventive activities in this area (Figure 1).

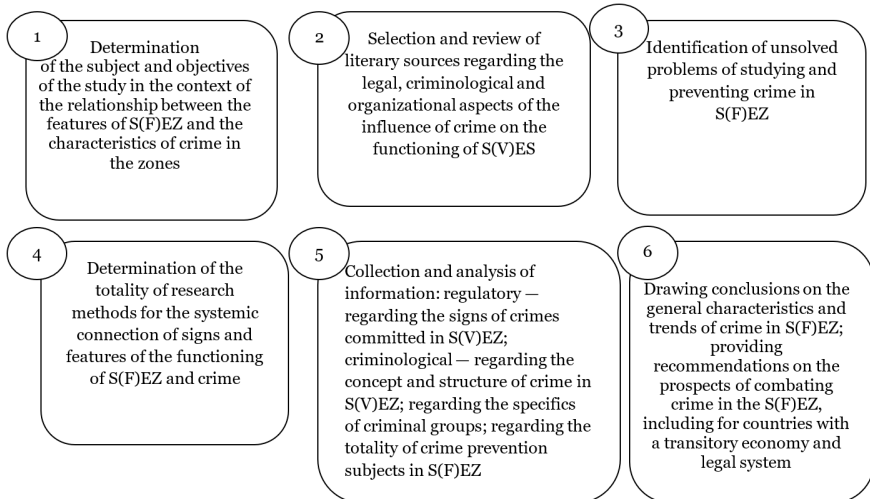


Figure 1. Research design.
Source: prepared by the authors.

The following methods were used in this study:

- *systemic approach* was used to determine crime: a) as one of the security threats to the functioning of S(F)EZ in the legal field; b) as

a result of the establishment of criminal control over the strategic infrastructure of S(F)EZ;

- *descriptive analysis* was used to identify and study the specifics of criminal threats to the functioning of S(F)EZ and the consequences of criminalization of acts committed in the zone;
- *systematic sampling* and *doctrinal approach* were used to identify and describe illegal acts, the totality of which constitutes crime in S(F)EZ, as well as signs of criminal structures that commit these acts;
- *comparative method* was applied to compare the recommendations of international experts and the experience of Ukraine as a country with a transitive economy and legal system regarding the organization of preventive activities;
- the forecasting method was used to determine the prospects for improving the effectiveness of combating crime in S(F)EZ.

3. Results

It is appropriate to refer to the generalization of the features of zones as an economic and geographical areas in order to identify the specifics of crime in S(F)EZ and understand its trends (see Figure 2).

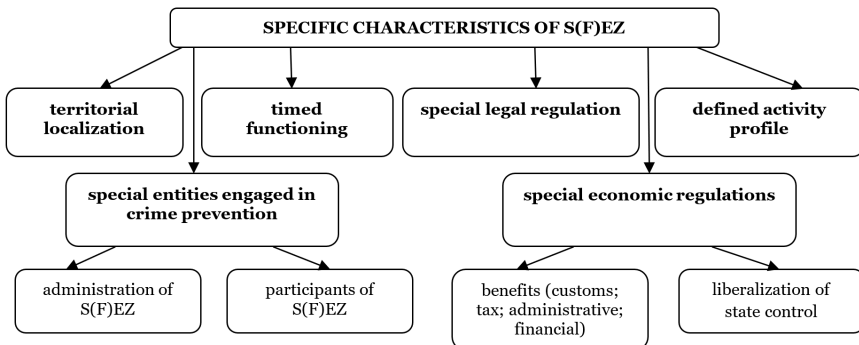


Figure 2. Specific features of S(F)EZ as an economic and geographical area.

Source: prepared by the authors.

Such systematization means an opportunity to specify criminogenic risks and their implementation in the activities of S(F)EZ. It is believed that the signs most associated with criminal activity are:

- special economic regulations in S(F)EZ, as the combination of various benefits and the liberalization of state control is very attractive for organized criminal groups;
- special entities engaged in crime prevention can pose a danger to the normal functioning of S(F)EZ in the event that organized crime establishes ties with S(F)EZ administrators or controls them. It is obvious that such a risk increases when the administrator of the S(F)EZ is a private company (domestic or foreign). However, even when the zone is administered by a state-owned company, organized crime can operate in S(F)EZ through corruption mechanisms.

As for the position on profiling S(F)EZ as a criminogenic factor, the profile of S(F)EZ can determine the structure of crime, but not the very fact of criminal activity in the zone. This statement directly follows from the approach to the main criminogenic risks inherent in S(F)EZ: regardless of the type of activity of the zones, they always have special economic regulations and special entities engaged in crime prevention. Figure 3 presents the classification of zones by types of activity.

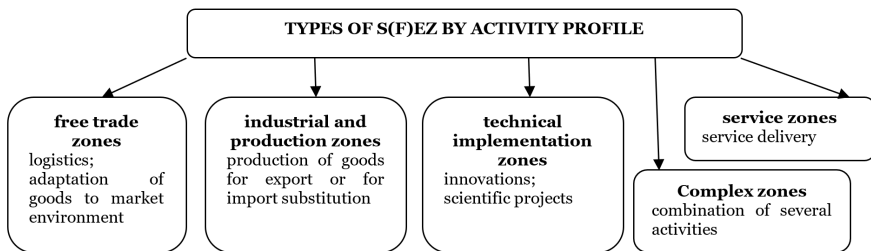


Figure 3. The main types of S(F)EZ by activity features (zone profiles).
Source: prepared by the authors.

At the same time, the experience of combating organized crime shows that any economic sector can be attractive to criminal structures. However, a number of areas of activity in the S(F)EZ which are the most attractive for organized crime were identified during the pandemic and in the post-pandemic period, to (RUSI, n.d.) (see Figure 4).

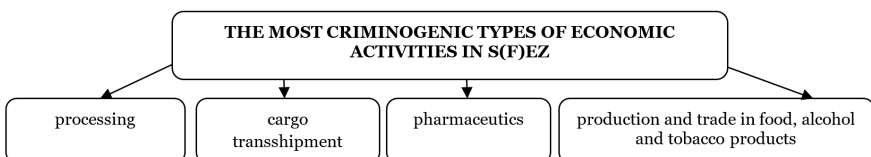


Figure 4. Types of activities in S(F)EZ with the highest risk of crime.
Source: prepared by the authors.

Accordingly, the risk of crime increases when operations with the most liquid goods (medicines, food, alcohol and tobacco products) or activities derived from the production of products are carried out on the territory of the C(F)EZ. In the latter case, the increased criminal vulnerability is determined by the relatively small financial and organizational costs of conducting business activities, as well as the possibilities of using the existing infrastructure of S(F)EZ.

It was mentioned regarding the peculiarities of the crime structure in S(F)EZ that it differs depending on the zone location— within the state or outside it. The ICCBASCAP (ICC, BASCAP, 2020) report presented a summary of responses from representatives of countries facing crime in the S(F)EZ. In our study, the generalization of this information is illustrated with an approximate ranking of the most common crimes: significant spread — from 8 to 10 points; medium spread — from 4 to 7 points; insignificant spread — from 1 to 3 points (see Figure 5).

Along with this, it is appropriate to clarify the given features of the crime structure in S(F)EZ for countries with a transitive economy and legal system. For example, no facts of wildlife smuggling were found in the Crimea S(F)EZ — an internal zone for Ukraine. However, money laundering and tax evasion were widespread.

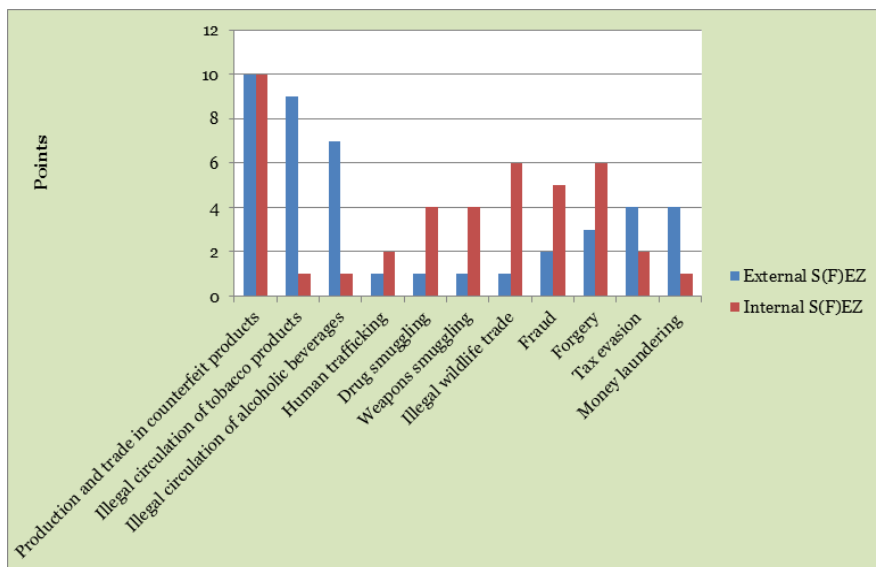


Figure 5. The ratio of types of crimes in the crime structure in S(F)EZ depending on the zone location.

Source: ICC, BASCAP (2020)

Accordingly, the classification of types of crime in S(F)EZ is complex and involves two grounds: a) division of zones into external/internal; b) taking into account the peculiarities of the economic and legal system of the country where the zone is located. The indication of the transitivity of the legal system is determined by such a feature of S(F)EZ as a special legal regulation —a separate legal act, which is the basis for the creation and functioning of the zone.

In general, the given data provide grounds for seeing crime in S(F)EZ as a system of criminal actions, and not isolated, albeit numerous, violations of the law. At the same time, crime in S(F)EZ has an economic and organized nature. The activities of such criminal structures are aimed at obtaining surplus profits.

The structuring of crime in S(F)EZ determines the peculiarities of the construction of the preventive system. In particular, the negative trends of crime cannot be currently overcome only by the efforts of state bodies. Accordingly, a constant dialogue between the public and private sectors can ensure effective crime prevention, taking into account the peculiarities of the zones.

Along with this, the peculiarity of crime prevention in S(F)EZ is the active role of international actors. This is determined by the transnational nature of criminal activity in the zones. Accordingly, international intergovernmental and non-governmental organizations are of great importance, in particular, the World Free Zones Organization, the International Coalition Against Illicit Economies, the European Union Intellectual Property Office, the Task Force on Countering Illicit Trade, etc.

In turn, the EU law enforcement agencies — Eurojust, Europol, Frontex — take a direct part in the prevention of transnational economic crimes, ensure the coordination of the activities of national law enforcement agencies, provide technical, methodical and legal assistance in the investigation of organized criminal activity, bringing the guilty to criminal liability.

The above makes it possible to classify the entities engaged in crime prevention in S(F)EZ with their division into specialized and non-specialized ones. For specialized entities, crime prevention is the main type of activity, for non-specialized ones this activity is complementary. Besides, the effectiveness of crime prevention is an indicator of the activity of specialized entities (see Figure 6).

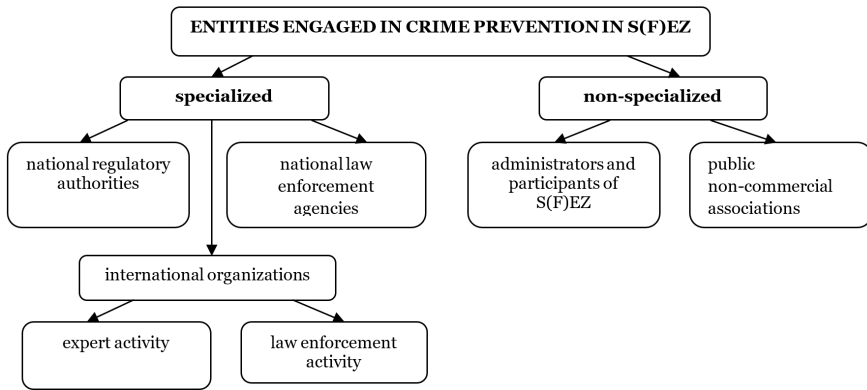


Figure 6. The system of entities engaged in crime prevention in S(F)EZ.

Source: prepared by the authors.

The complexity of the phenomenon of organized economic crime and the number of criminal manifestations in the S(F)EZ determine the variety of countermeasures. At the same time, international recommendations and national policy in this area are based on the need to maintain a balance between the freedom of economic activity and the effectiveness of crime prevention.

In view of the forgoing, it is informative to compare the conceptual directions of crime prevention in S(F)EZ with the main entities engaged in crime prevention. At the same time, in addition to the proposals of RUSI (n.d.), it is proposed to include anti-corruption activities in the list of such directions (see Table 1). For S(F)EZ located in countries with a transitive economy and legal system, corrupt practices of customs officials are quite widespread.

However, corruption is a more global problem than a set of specific crimes. It is the basis for increasing the volume and territorial spread of organized economic crime. With regard to transnational criminal activity, combating corruption should be considered an independent direction of international cooperation in the field of combating crime.

Table 1. The matrix of correspondence of conceptual directions of crime prevention in S(F)EZ to entities engaged in crime prevention

Directions of prevention	Entities engaged in crime prevention					
	international		national		Civil society	
	experts	law enforcement officers	regulatory authorities	law enforcement officers	commercial entities	non-commercial associations
Physical security				+		
Monitoring of operations	+	+	+	+		
Inspection of economic entities		+	+	+		
Control over transparency of final beneficiaries	+	+	+	+	+	+
Publication of crime statistics		+		+		
Anti-corruption activities	+	+	+	+	+	+

Source: Oliinyk (2018: 33-34), RUSI (n.d.)

The presented matrix shows that two directions — control over transparency of final beneficiaries and anti-corruption activities — are common to most of the entities engaged in crime prevention in S(F)EZ. This is an anticipatory activity that reduces the possibilities of establishing control of criminal structures over companies in the zones.

It is important that the implementation of these directions does not contain significant restrictions on business activity and provides for the active involvement of a wide range of entities in crime prevention.

The directions given in the matrix can be considered general for all zones. They constitute the current activities of the entities engaged in crime prevention, and can also become the basis for improving preventive activities. However, it is advisable for countries with a transitive economy and legal system to discuss more differentiated proposals. This is related to the formation of effective state mechanisms and adoption of international experience (see Table 2).

Table 2. Promising areas of crime prevention in S(F)EZ for countries with a transitive economy and legal system (based on the Ukraine's experience)

Promising areas	Expected result	Systemic implementation difficulties	Ways of overcoming
Legal	<ol style="list-style-type: none"> 1. An effective legal framework for the regulation of economic activity in the country, in particular, S(F)EZ. 2. An effective legal framework for countering economic offences in the S(F)EZ (customs, tax and criminal legislation). 	Excessive legal regulation of economic relations and a large volume of discretionary powers of government entities.	<ol style="list-style-type: none"> 1. Study of foreign experience in regulation of S(F)EZ. 2. Implementation of international standards and recommendations regarding the activities of S(F)EZ.
Organizational	<ol style="list-style-type: none"> 1. Formation of a coordinated system of the entities engaged in economic policy implementation. 2. An economically sound and politically independent system of control and law enforcement agencies. 	<ol style="list-style-type: none"> 1. Lack of balance between public and private entities engaged in economic policy implementation. 2. Imbalance in the system of control and law enforcement agencies as a result of its long-term reformation. 	<ol style="list-style-type: none"> 1. Exchange of work experience of control and law enforcement agencies of different states in preventing transnational crime. 2. Cooperation with international and intergovernmental organizations involved in crime prevention in S(F)EZ.
Resource	<ol style="list-style-type: none"> 1. Adequate staffing and financial support of economic crime countermeasures. 2. Economic stimulation of fair participants in economic activity to prevent the commission of offences. 	<ol style="list-style-type: none"> 1. High corruption rate among customs officials. 2. Insufficient technical support of controlling and law enforcement agencies. 	<ol style="list-style-type: none"> 1. Involvement of international expert and advisory institutions in the field of economic crime prevention, in particular, in S(F)EZ, forecasting and programming of this activity. 2. Involvement of material and technical assistance, implementation of the latest methods for detection and investigation of economic crimes.
Informational	<ol style="list-style-type: none"> 1. Organization of information and communication links between subjects of activity for combating economic crime. 2. Informing all interested parties regarding the state of economic crime and its prevention, including in S(F)EZ. 	High latency of economic crimes.	Reforming the system of statistical accounting with due regard to the transnational nature of economic crimes.

Source: Rieznik (2019: 245-246), Hrytsyshen (2021: 175-176).

The given directions, the expected results of the implementation of these measures, the difficulties of implementation and ways to overcome them can both intensify against crime prevention in S(F)EZ and strengthen the economic system of the transitive states.

In view of the foregoing, there are prospects for the development of the principles of crime prevention in S(F)EZ at the current stage.

This should be facilitated by the improvement of the system of statistical record of economic crimes, introduction of new sources of information about organized criminal groups. Along with this, it is important to involve non-state actors in combating organized economic crime — members of S(F)EZ and non-commercial associations, as well as international participants in preventive activities.

4. Discussion

The theoretical and methodological principles of the study of crime prevention in C(F)EZ determine the understanding of zones as an economic geographic area, which is widespread in the modern globalized economy. Based on the generalization of the results of economic surveys (Kovalchuk, 2020; Moiseienko, 2021), this study presents a summary of the specific features of S(F)EZ. However, the position about the zone profile or the liberalization of regulatory regimes as the main feature determining the greatest criminogenic risks is considered inaccurate (Moiseienko, 2021; Panagiotis, 2021).

This article shows that it is appropriate to attribute special economic regulations in the zones and the entities engaged in crime prevention to the signs with the highest criminogenic factor. At the same time, the position of singling out a number of spheres of activity in S(F)EZ mainly exposed to crime is supported (RUSI, n.d.). This made it possible to clarify the understanding of crime in S(F)EZ as a transnational activity.

In general, the thesis that S(F)EZs make countries vulnerable to crime because the expansion of economic strategies generates new complex forms of criminality (Hall *et al.*, 2022) was generally supported. Accordingly, the consequences of crime in zones become a significant factor in socio-economic tension in society (Aung *et al.*, 2022; Basquill, 2022).

Along with this view, this study develops a vision of crime in S(F)EZ as a component of economic organized crime (Albanese, 2021), and supports an approach in which economic crimes and other offences are seen as a complex threat (Vestby, 2022). In the context of organized criminal groups, the position regarding the proliferation of network structures that tend to the production and distribution of illegal goods and services.

(Prokopenko *et al.*, 2023) is supported. This study emphasizes the multidimensional nature of criminal groups and the social and power dynamics between crime, consumers of illegal goods and services, and corrupt officials.

There is also a shared view that acts related to the production and circulation of counterfeit goods prevail in the structure of crime in S(F)EZ (OECD/EUIPO, 2018; Basquill, 2022). The position that the share of certain types of crime varies significantly depending on the localization of the zones was supported in this research (ICC, BASCAP, 2020).

This work also proves that the structuring of crime should take into account the peculiarities of countries with a transitive economy and legal system. Accordingly, it is proposed to classify types of crime in S(F)EZ taking into account: a) the division of zones into external/internal; b) features of the economic system of the country where the zone is located.

International experts offer the results of comprehensive research on the anti-criminal security of S(F)EZ, for example: a) Recommendation of the Council on Countering Illicit Trade (OECD Legal Instruments, 2019); b) Practical guidelines of the World Customs Organization (WCO) Practical Guidance on Free Zones (WCO, 2020); c) the International Chamber of Commerce's Business Action to Stop Counterfeiting and Piracy (ICC BASCAP): Controlling the Zone: Balancing facilitation and control to combat illicit trade in the world's Free Trade Zones (ICC, BASCAP, 2020); d) RUSI project Criminal Risks in Free Trade Zones (Chase *et al.*, 2021). In general, the vision of a set of crime prevention activities in S(F)EZ carried out by certain entities was confirmed (OECD/EUIPO, 2018; Chase *et al.*, 2021).

However, this study proposes a classification of entities engaged in crime prevention into specialized and non-specialized. It also emphasizes the leading role of international actors and the active participation of the private sector. This further confirms the importance of the global exchange of law enforcement information and increasing the effectiveness of interagency cooperation (OECD Legal Instruments, 2019).

In general, it was established that not enough attention is paid to crime prevention in S(F)EZs, which are located in countries with a transitive economy and legal system. This is why, in addition to the analysed professional developments, this study proposes promising directions for crime prevention in the S(F)EZ for countries with a transitive economy and legal system (using the example of Ukraine).

Ukraine, as a state with a transitive economy, had experience in the functioning of the Crimea S(F)EZ during 2014 - 2021. The analysis showed that this zone was vulnerable to the violation of intellectual property rights, money laundering, tax evasion, illegal trade in tobacco products and

corruption (Kovalchyk, 2020). Therefore, the study of similar experience seems to be appropriate, which gives grounds to develop more differentiated approaches of preventive policy in S(F)EZ.

Conclusions

The conducted research gave grounds to draw a number of conclusions on crime prevention in S(F)EZ.

It was established that research in this area lacks statistical data. The existing studies are mainly applied in nature and are not included in the context of economic crime prevention, and they also do not fully take into account the peculiarities of the localization of zones in countries with a transitive economy and legal system.

The appropriateness of combining economic crimes and other offences into one criminological concept “crime in S(F)EZ” was confirmed based on the generalization of the specific features of S(F)EZ as an economic geographical entity. The need for understanding crime in the zones as an economic organized criminal activity of a transnational nature is shown. The connection between the economic regulations, the entities engaged in crime prevention in the zone and the risk of criminal damage to the activities of the S(F)EZ is emphasized.

It was confirmed that, in general, illegal trade and infringement of intellectual property rights prevail in the crime structure in S(F)EZ. However, the elaboration of statistical generalizations and the experience of Ukraine as a state with a transitive economy and legal system gave grounds for additional structuring of crime in the S(F) EZ depending on: a) the division of zones into external/internal and b) features of the economic system of the country where the zone is located.

It was showed that the specifics of crime in S(F)EZ determine the peculiarities of the entities engaged in crime prevention. It is proposed to divide those entities into specialized and non-specialized depending on the degree of involvement in crime prevention. At the same time, the leading role of international actors and the active participation of the private sector in preventive activities were emphasized.

Promising areas for combating crime in the S(F)EZ for countries with a transitive economy and legal system, which take into account the identified features of the entities engaged in crime prevention, were identified. This should be facilitated by the improvement of the system of statistical record of economic crimes and the introduction of new sources of information about organized criminal groups.

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