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## **SOME WAYS OF IMPROVING THE LEGISLATION ON FREE ZONES EXECUTION**

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**Abstract.** The article is devoted to the study of free zones (or special zones) evolution, starting from 1547 in Italy (the city of Livorno) to the present day. Particular attention is paid to the development of free zones in Mongolia. The authors study and define the concept and essence of the special economic zone as a zone created to support economic development, where legal entities pay minimum taxes or are completely exempt from taxes. The authors studied the legislation on the free zone in Mongolia and other countries. In accordance with the law of Mongolia «On the Free Zone», it means a certain part of

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the Mongolian territory with the corresponding regime of economic activity, as well as the procedure for calculating customs duties and other taxes while outside the customs territory.

The authors identified common signs of countries that successfully implemented the free economic zone, a special zone. These signs are: the implementation of the correct monetary policy, economic stability, rational legislation on private property and investment, the relevant rules and regulations on the labour market, the availability of sufficient human resources of the required quality, the implementation of legislation.

Further, the authors studied the development of free zones in Mongolia, described the results of a sociological survey on awareness of the population on the implementation of the Concept, approved by the resolution of the Great State Hural of Mongolia No. 87 of 1995, on the creation and development of free zones. It was revealed that the activity is carried out on the basis of actual conditions, the criteria of the selected specific zones, by legislating this status of each economic zone. But the survey and the analysis made it possible to identify some shortcomings in the implementation of legislation, which are also presented in the article. In conclusion, the authors propose the main directions of activities to improve the implementation of free zones, as the creation of economic zones without taking into account the principles, features, real factors, preconditions provided for in accordance with the creation and development of free zones in Mongolia.

**Keywords:** free zone; production free zone; free economic zone; free trading zone; trans-territorial free zone; free customs zone.

**JEL codes:** H21; H23; R12; R13.

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