

# **Profit Distribution in Capital Companies – A Comparison of Legal Systems in the Czech Republic, the United States of America, and the Russian Federation**

## **Abstract**

In the modern business world, the distribution of a company's profits is a complex decision-making process that considers not only legal, tax, and economic aspects but also political and cultural contexts. Therefore, this thesis is divided into five chapters, the first of which is a theoretical section discussing the nature and implications of corporate economic behavior, including the motivations for profit distribution.

The core of the thesis consists of three analytical chapters on the distribution of profits in capital companies in the Czech Republic, the State of Delaware in the United States of America, and the Russian Federation. This selection allows for a cross-sectional examination of the different approaches to this topic against diverse legal cultures and political climates. The fifth and concluding chapter offers a comparative analysis of the commonalities and differences in profit distribution in capital companies within these jurisdictions.

Among the sub-areas that the thesis compares are selected institutions related to the distribution of profit shares, such as the non-cash form of payment, the option of not distributing profits, advances, fixed profit shares, and the distribution of profits to persons other than members or shareholders. Additionally, the thesis examines the prerequisites for profit distribution (who can decide and under what conditions) and the tax implications associated with paying a profit share, including the presence of a double taxation system and its impact on investors.

The author also examines the investment context considering the current geopolitical situation, which significantly affects the stability of the business environment in the Russian Federation, and therefore advises against investment in this country under the current circumstances. Conversely, the author finds exploring the potential implementation of the US 'pass through' tax system in the Czech environment interesting, as she believes it could reduce the administrative burden on companies with a non-complex ownership structure.

Various sources are used in the paper, ranging from laws and case law to specialist books, as well as evaluations and opinions from consulting firms and reputable online sources, making it a comprehensive and multidisciplinary study. Although it does not cover every detailed aspect of the subject, the work serves as a guide to the essential concepts and differences in profit distribution across selected jurisdictions. The thesis is aimed at a broad audience, including lawyers, economists, and anyone interested in corporate finance and governance dynamics.

**Keywords: Delaware, dividend, capital company, profit distribution, Russian Federation, United States**