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Extended abstract of Bachelor Thesis

**The comparison of legal frameworks for launching sole
proprietorship business in Russia and in the Czech
Republic**

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Summary

The main interest of individual entrepreneur's legal position caused by the specific characteristics of its legal status. In a matter of fact, the fundamental plus of selection of this specific form of entrepreneurial activity - is a simplified system of taxation and an easier registration process. That is why a lot of beginning entrepreneurs are paying attention to this type of entrepreneurship. The main aim of this Bachelor Thesis is to study an actual normative legal base which regulates the status of individual entrepreneurs and comparative analysis of individual entrepreneurship registration process in the Russian Federation and the Czech Republic. The first part of the thesis provides main terms, indications and conditions of individual entrepreneurship reception from the civil law treatment. The second part is devoted to analysis of specifications of the government registration process of individual entrepreneurs and taxation systems in the Russian Federation and the Czech Republic. The third part provides a comparative analysis of research results of two countries, definition of the actual problems and suggestions to strengthen the weak parts.

Keywords: entrepreneur, law, Civil Code, Russia, Czech Republic, business

Objectives of thesis

The aim of the thesis will be to critically study, analyze and compare key features of legal frameworks for launching a sole proprietorship business in Russia and in the Czech Republic, addressing differences and issues and presenting recommendations and suggestions. The interdisciplinary study will entail a set of perspectives and will lead to the assessments of not only duties but as well the rights of entrepreneurs desiring to launch their business and potentially facing public law obstacles, including facing governmental control.

Methodology

The methodological framework of the study are general economic theories, as well as the theories of the domestic laws of the Czech Republic and the Russian Federation. The

main methods of the study are comparative analysis, qualitative research and literature review.

Practical value of the thesis

Certain amount of individual entrepreneurship's development is present in both countries — Czech Republic and Russian Federation. We must try to differentiate legal statuses of individual entrepreneurs in Czech Republic and Russian Federation with admitting differences in individual entrepreneurship legal acts. It is relevant to know it because only by understanding and following this legal acts it would be possible to establish a successful business with a stable legal base.

Structure of the Paper

After introduction and objectives of the study theoretical framework follows. This chapter starts from the basic definition of entrepreneurship and entrepreneur definitions, main entrepreneurship activities indication, overview of existing administrative and law forms, and types of legislative acts which are regulating activities of individual entrepreneurs. Next chapter consists of the detailed analysis of laws of the Russian Federation and the Czech Republic in a sphere of individual entrepreneurship. At the end of this work there is a comparison of obtained results of each country and the overall result of this study.

Theoretical part

Individual business will always have its market share. Those who are psychologically not comfortable with submission at work usually decide to start their own business. An aspiration for freedom is a main motivation for those who decided to become entrepreneurs – financial freedom, freedom to have an ability to change and affect your position, freedom to have an influence in your own activities, freedom to have an effect in your own market niche. On the other hand, entrepreneurship is objectively connected with certain amounts of uncertainty and instability and also with a possibility of low demand of activity's results which also means an inevitability of risk, loss of time, resources and profits. The main aim of this part is to determine the concept of entrepreneurship and explore its features.

Analytical part:

In the practical part of my thesis I'm going to find out who has the right to carry out entrepreneurial activity; to analyze types of entrepreneurial activities, and their differences in the registration process; consider the characteristics of the registration procedure in detail; consider the tax system of an individual entrepreneur.

Conclusion and further research:

The data analyzed in this research have revealed that the situation with the ease of registration of individual entrepreneurs is better in the Russian Federation as compared to the Czech Republic. The shorter time for registration, smaller number of formal procedures, avoidance of redundancy in the communication with the registration authorities, etc. are those advantages of the Russian Federation which make the field of individual entrepreneurship more attractive in it as compared to the Czech Republic. However, I want to note here that we only speak of the ease of registration in this context. Russia has much deeper problems with the ease of doing business for individual entrepreneurs on the stage of direct activities, including excessive corruptions, bribery, the government's tight control over the business activities, dealings with a great number of different bodies for resolving ongoing issues, and so on.

Going back to the ease of registration of individual entrepreneurs, the main issue in Russia which should be improved is the excessive use of paper workflow and direct meetings of individual entrepreneurs with the public authorities, which creates preconditions for corruption. The greater use of computerized and electronic workflow could contribute to the resolution of this issue.

As for the Czech Republic, deeper improvements are required. Namely, the country could benefit from combining the procedures of getting the individual entrepreneur registration certification and the Taxpayer's Identification Number by merging the function of their delivery within a single body (for instance, the Tax Inspectorate): this could allow avoiding excessive redundancy and time expenditures. Moreover, taking into account the low level of corruption in the country as compare to Russia, the simplification of the registration procedures could further enhance individual entrepreneurs' confidence in the

Czech authorities, which may be essential for boosting the economic activities of foreign individual entrepreneurs.

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