

This article explores how the economic analysis of law method can improve the understanding of the structure of legal entities. While economic analysis cannot address all legal issues, it can serve as a supplementary tool for evaluating the effectiveness and necessity of legal norms and their implementation. As a methodological foundation, economic analysis can be useful in examining societal phenomena. The study emphasises that the tools of modern economic theory are employed in both economic and legal studies of legal entities to provide economic substantiation and explanation of their nature. It is therefore evident that the fundamental nature of a legal entity is economically substantiated not solely by cost-effectiveness (where revenues equal or exceed expenditures) but also by productive appropriation or the sphere of dominance by legally capable organisations. The conclusion drawn from the economic analysis of law is that a legal entity can be understood as follows: firstly, a system of contracts based on relationships between founders (participants), managers, and the legal entity itself, which has advantages and disadvantages in various economic contexts; secondly, a tool for separating property to limit risks for the real (physical) persons behind it. Consequently, the concept of a legal entity as an extension of its founders' individualism (egoism) remains pertinent, as recent events have vividly demonstrated. The present analysis explores the question of whether a legal entity is solely a means of property separation to limit the risks of property loss by real individuals. From an economic perspective, this assertion is valid, as the risk undertaken by the founders is confined to the assets transferred to the entity. The economic risk is realised indirectly through potential inefficiencies (losses) in the organisation's operations. The subject of the research is the application of economic analysis of law to the understanding and conceptualisation of legal entities. The purpose of the research is to examine how economic analysis of law contributes to the interpretation of legal entities, particularly in justifying their structure, function, and essence in terms of economic rationality and risk limitation. The research methodology is based on a combination of analytical approaches tailored to examine the economic and legal dimensions of the subject. The economic analysis of law serves as the principal methodological framework, allowing for the evaluation of economic efficiency, clarification of the nature and function of legal entities, and informed managerial decision-making. The logical method is applied through analysis and synthesis of global academic theories, contributing to an understanding of the limitations and supplementary role of economic analysis within legal research. The systemic-structural method ensures a holistic and consistent examination of legal categories, enabling the identification of defining characteristics of legal entities from an economic standpoint. Quantitative and qualitative analysis techniques are employed to track changes in economic activity, evaluate the influence of various factors, and observe development trends across economic structures, thereby supporting the investigation of both internal and external drivers of business and legal processes. Finally, comparative analysis is used to contrast national and international