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What does it take to list abroad? The Role of Global Underwriters

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ABSTRACT

This paper examines which firms benefit the most from going public abroad and how a robust IPO market affects the trend toward greater globalization of capital. We show that the decision to do an IPO outside the home country is affected not only by the home country's market characteristics but also the extent to which it is financially integrated with the world economy. In addition, we provide evidence that the decisions of whether to go public abroad, where to list, and the amount of proceeds raised are determined by the presence of global underwriters. Our results suggest that the rise of global underwriters facilitates the movement of capital across nations and is one of the channels by which world globalization can affect the IPO process.

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In the wake of the financial crisis, researchers have been interested in the channel by which capital flows through the world economy. The recent IPO literature has documented how issuing firms are increasingly turning to global markets to raise funds. Henderson, Jegadeesh, and Weisbach (2006) estimate that about 12.2% of new capital raised through public equity offerings during the 1990 to 2001 period was conducted cross-border. Kim and Weisbach (2008) find that although most capital raising occurs predominantly in domestic markets, an increasing number of companies turn to global markets as a source of funds. Gozzi, Levine, and Schmukler (2010) estimates that 39% of firms in their sample raise equity outside their home countries in 2005. In a recent paper, Doidge, Karolyi, and Stulz (2013)(hereafter, DKS) show that world globalization has facilitated an increase in the number of companies choosing to go public outside their home country. Using a measure of aggregated financial globalization (as the sum of external assets and liabilities across countries divided by the world GDP), they find that more IPOs choose to have an international tranche when markets are more financially integrated. However, the channel by which financial globalization facilitates the movement of capital is less understood.

By employing a database that covers 21,809 issuing firms from 31 countries over 17 years (from 1995 to 2011), we examine which firms benefit the most from going public abroad and how a robust IPO market affects the trend toward greater globalization of capital. Our results suggest that the rise of global underwriters facilitates the movement of capital across nations and is one of the channels by which world globalization can affect the IPO process.

We first observe that the number of global underwriters has grown steadily over the last 15 years and although they represent no more than 20% of the total number of underwriters participating in at least one IPO in each year of our sample, they capture up to 80% of the proceeds raised in IPO between 1996 and 2011. This pattern mirrors the increase in the global financial globalization documented in DKS (2013). Our intuition is that factors such as the increased globalization of investment banking services (Ljungqvist, Jenkinson, and Wilhelm (2003)), the convergence of issuing mechanisms for pricing and allocating the IPOs and, in particular, the rise of book-building methods around the world (Jagannathan, Jirnyi, and Sherman (2000)) may

have increased the ability to raise capital outside the home country.

To support our intuition, we examine the determinants of global underwriter activity in the home country and by type of listing. We find that the more developed the capital market and the higher the level of financial globalization, the more IPOs (both domestic and foreign) originating from that country use a global underwriter. Moreover, the effect of financial globalization on the choice of a global underwriter depends on the type of listing. The level of world financial globalization is positively (negatively) related to the probability that a firm listing abroad (domestically) will use a global underwriter.

We then examine whether firms choosing to list abroad are more likely to work with a global underwriter. Our main hypothesis is that the decision of whether to go public abroad is significantly affected by the presence of a global underwriter, after controlling for factors previously identified by the IPO literature such as firm characteristics, market development and institutional environment of the home country.¹

Firms are likely to choose to go public abroad either because investor demand is limited in the home country or foreign markets provide a higher valuation for the firm. Theory suggests that firms may choose to do an IPO in a foreign market where potential investors have a comparative information advantage that will increase offering proceeds.² A global underwriter may be better able to evaluate the demand from these investors or may have more familiarity with the process of listing a company in a country different than its own country. Our findings support both of these conjectures as an issuing firm is more likely to choose to do an IPO in a foreign country when it is paired with a global underwriter.

¹A comparison between domestic IPOs and foreign/global IPOs indicates that firms listing abroad are significantly larger in terms of total assets, lower profitability and great foreign sales consistent with Pagano, Roell, and Zechner (2002) who argue that companies with large foreign sales go public abroad to capitalize on investor familiarity with the firm through its product market. Thus, the benefits of listing abroad appear to be limited to mature firms with an existing international presence. We also find that issuing firms choose to list abroad when their ability to commit to strong disclosure in their home market is compromised. Foreign and global IPOs originate from countries that have significantly worse disclosure standards. Our results support the conjecture of Stulz (2009) that “firms in countries with weak securities laws can benefit from choosing to subject themselves to stronger securities laws.”

²A number of papers examine the role of information generation in the IPO process. See Rock (1986), Sherman and Titman (2002), Pastor and Veronesi (2005), Lowry (2003), Hanley and Hoberg (2009) and Lowry, Officer, and Schwert (2010) to name a few.

We next analyze the effect of using a global underwriter on the amount of proceeds raised. Chaplinsky and Ramchand (2000) show that foreign IPOs listing in the US raise significantly greater proceeds than their domestic counterparts. This finding, however, is endogenous since we cannot directly determine whether a firm is able to raise more capital by going abroad or chooses a foreign/global IPO because it needs greater proceeds than the home market can provide. Moreover, firms going public abroad more often choose a global underwriter. For these reasons, comparing foreign/global IPOs with domestic IPOs as a whole may not be accurate to identify the effect of choosing a global underwriter on the proceeds raised. To address the endogeneity problem, we use propensity score matching to identify the effect of such choice on the proceeds. Our results suggest that better developed markets and greater global underwriter participation are important factors affecting the size of the proceeds raised.

Finally, we examine the decision of where an issuing firm may choose to list abroad. Preferred listing countries of foreign or global IPOs are limited to a few well-developed markets such as the US, UK and Singapore, consistent with Claessens and Schmukler (2007).³ More importantly, we find that the factors that affect issuance in the US appear to be quite different than factors affecting the listings in any other country.

The probability of listing in the US is increasing in the size of the proceeds raised, the number of comparable recently-issued industry IPOs, the percentage of foreign IPOs that list from the same home country, the magnitude of the difference in disclosure requirements between the home and listing countries and the presence of global underwriters. US markets, therefore, may be attractive to foreign and global IPOs that would benefit most from more stringent securities laws and a greater number of industry and home market peers as well as access to intermediaries that can facilitate the raising of capital on a global scale.

Our work contributes to the literature of capital market internationalization, by studying how the global underwriters' activity facilitate capital raising activity around

³Note that Hong Kong is not one of the preferred listing markets. Hong Kong's recent growth is primarily due to the listing of Chinese companies. We classify Chinese companies listing in Hong Kong after 1997 as domestic, not foreign IPOs. Outside of these Chinese companies, Hong Kong has few foreign listings.

the world. Several papers have analyzed which firm-level and country-level factors matter ex-ante for internationalization (Pagano, Roell, and Zechner (2002), Claessens and Schmukler (2007), Gozzi, Levine, and Schmukler (2010)), and more recently DKS (2013) suggest that financial globalization enables more firms from countries with weak institutions to go public with a global IPO. We show that the increase in world financial globalization is correlated with the increase in the number of global underwriters and that the presence of global underwriters plays a crucial role in the decision of whether and where to list outside the home country.⁴

Our paper is also related to the broad literature on the benefits of reducing information asymmetry at the time of the IPO (see Ritter and Welch (2002)). Theories of information production such as Chemmanur and Fulghieri (2006) and Subrahmanyam and Titman (1999) suggest that firms go public in markets where investors have a comparative information generation advantage. Chemmanur and Fulghieri (2006) present a model where a firm's listing choice is driven by the presence (or absence) of skilled analysts and investors in various markets, and the extent to which information about the firm is available to these investors. Similarly, Subrahmanyam and Titman (1999) suggest that markets with more public firms can create positive externalities in informational efficiency that may attract foreign listings. Our paper add to this literature as we find that alleviating informational frictions is an important determinant of the decision to go public abroad. We show that an issuing firm is more likely to choose to do an IPO in a foreign country when the global underwriter can "produce information" about the IPO by using their relationships with various market participants.

This study also contributes to the literature on international capital raising by examining the decision to go public abroad, not simply to list abroad (through direct cross-listing or depository receipts). Despite their economic importance, most studies of firms that raise capital globally or list outside their home country make no distinc-

⁴We also do not compare the underpricing behavior of IPOs that list abroad with IPOs that list at home. The prediction on whether foreign IPOs would have greater or lower underpricing than their domestic counterparts is ambiguous and depends on a number of other factors outside of the listing choice. See Ritter and Welch (2002) for a review of the literature, Boulton, Smart, and Zutter (2010) for the role of international corporate governance and underpricing and Loughran, Ritter, and Rydqvist (1994) for international underpricing patterns.

tion between IPOs and seasoned firm cross-listings (see, for example, Pagano, Roell, and Zechner (2002); Claessens and Schmukler (2007); Gozzi, Levine, and Schmukler (2008)).⁵ In our paper, we study the decision of a firm to go public and list outside its country of origin, and we consider only three different types of offers or listings: 1) domestic IPOs (issued only in the home country), 2) foreign IPOs (issued in a foreign country but not their home country), and 3) global IPOs (issued simultaneously in the home and foreign countries). Thus, if an IPO has an international tranche but its shares are not listed outside its home country, we would not consider this IPO as a foreign IPO.⁶ Because a listing commits the firm to abide by the listing country’s securities laws while selling shares may not, our analysis is able to better identify the motivations and the benefits of the decision to list shares in a foreign country.

The remainder of the paper is organized as follows: The sample, the firm- and country-level variables, and the definition and use of global underwriters are presented in Section I. The interactions of world financial globalization and global underwriter activity are documented in Section II. Section III explores the determinants of going public abroad. The factors that determine proceeds are analyzed in Section IV and the choice of listing market is examined in Section V. The paper concludes in Section VI.

I Data

We identify the initial sample of 26,195 IPOs that went public between 1995 and 2011 from Bloomberg. From this initial sample, we select “priced” IPOs and exclude firms that announce a plan to do an IPO, but subsequently delay or cancel the IPO. We also

⁵Zingales (2007) defines “an IPO as global if a company goes public in a market other than its domestic market, regardless of whether the company was already public in the home market or not.” Gagnon and Karolyi (2010) note that a “cross-listing also referred to as ‘dual-listing’, ‘international listing’ or ‘interlisting’ is usually a strategic choice made by a firm to secondarily list its shares trading in a home market exchange on a new overseas market. It may or may not include an *initial* or a secondary capital-raising(italics added).”

⁶DKS (2013) study the recent increasing preference for international tranches in IPO offerings. Their definition of a foreign or global IPO depends on whether the issuing firm sells shares outside its home country in an international tranche. The issuing firm, however, may or may not list their shares in that country. For example, some US IPOs have a Canadian tranche in which the US IPO prospectus is “wrapped” with Canadian province-specific disclosure and sold in a private placement to institutional investors. The shares, however, usually trade only in the US.

exclude ETFs, closed-end funds, offers with warrants, investment trusts and REITs. In order to ensure no misclassification of an offering as an IPO, we delete any firm that was traded in any market prior to the offer date and with trade price information on Datastream. We also collect information on the offering characteristics of the IPO from Bloomberg such as proceeds and offer price.

Our initial sample of IPOs originates in 65 different countries. We classify countries as those “with active” and those “without active” listing markets by the number of companies listed in the World Federation of Exchanges. For the active countries, we collect information on domestic IPOs in addition to foreign IPOs and global IPOs. In this study, we are interested in firms that have a reasonable choice as to whether to list domestically or internationally, so we remove firms from countries “without active” listing markets. Our final sample consists of 21,809 IPOs from 31 countries (from 1995 to 2011).

We are interested in the decision of a firm to go public and list outside its country of origin. Therefore, we categorize the sample of IPOs into three different types:

Domestic IPOs are IPOs (N=20,370) that go public in their home country but not in any foreign country.⁷

Foreign IPOs (N=1,252) are IPOs that go public in at least one foreign country but not in their home country.

Global IPOs (N=187) are IPOs that simultaneously (within 30 days) go public in both their home country and at least one foreign country. The domestic leg of global IPOs is not included in the count of domestic IPOs.⁸

Table I presents the number of firms in each category of IPO by year and Figure 1 presents the percentage of IPOs in each category. Compared to domestic IPOs, the

⁷IPOs that originate in Guernsey, Jersey, British Virgin Islands or the Isle of Man but list in the UK are considered domestic UK IPOs. IPOs that originate in China but list in Hong Kong in 1997 or later are considered domestic Hong Kong IPOs. There are no Hong Kong IPO listings in China. IPOs that originate or list in Taiwan are considered domestic China IPOs. IPOs that originate in Puerto Rico and list in the US are considered domestic US IPOs. IPOs that originate in Dubai but list in the UAE are considered domestic UAE IPOs.

⁸Our results are robust to shortening the period allowed between listings. The median time period is 1 day and the mean is 9 days. The foreign leg of most global IPOs occurs within 20 days.

total number of foreign and global IPOs is small representing 6.6% of all IPOs. The time-series of issuance indicates that an increasing number of firms are going public outside their home country after 2002. Indeed, the largest percentage of IPOs listing outside their home country (almost 12%) is in 2008 during the financial crisis.

The pattern of foreign and global IPOs is highly correlated with domestic market issuance in that more firms leave their home country to go public when there are many domestic IPOs worldwide. This finding indicates that global and foreign IPOs find listing outside the home country more conducive when global IPO markets are more active.

Interestingly, most IPOs that go public abroad leave their home country entirely. Our sample includes only a small number of global IPOs that do a dual listing in both the home country and at least one foreign country. We explore whether this is because one of the primary benefits of going public abroad is to fully commit the issuing firm to the regulatory regime and economic development of the listing country rather than the home country.

Panel B of Table I presents the time-series of total proceeds raised (in \$US millions) by each category of IPO by year and Figure 1 shows the percentage of all worldwide proceeds issued by foreign and global IPOs. The largest amount raised by foreign and global IPOs is during the high tech year of 2000. Although foreign and global IPOs represent only 6% of the total number of IPOs, they comprise a substantial proportion of all IPO proceeds. On average, 13% of the total proceeds raised for all IPOs come from foreign and global IPOs.

The number of foreign IPOs, global IPOs and domestic IPOs that list in or originate from an active market country is shown in Table II. The first four columns of Table II are the number of IPOs that list in a particular country. Note that the number of listings is greater than the total number of IPOs in the sample because some IPOs list in more than one country. Indeed, 24 foreign and 16 global IPOs issue simultaneously in more than one foreign country with the majority in a total of two foreign markets.⁹ The last two columns of Table II show the number of IPOs that

⁹The domestic offering of a global IPO is deleted from all categories and is not counted in the number of markets for a global IPO. For example, if a French firm goes public both in France and

originate in each country.

The US (3,693), Japan (2,063), China/Hong Kong (3,559), Canada (2,182), the UK (1,769), Australia (1,595), and South Korea (1,198) have the most active domestic IPO markets while Argentina (11), Ireland (5) and Luxembourg (3) have the least active of those countries classified as having active markets.¹⁰

Having an active domestic IPO market does not necessarily mean that the country also attracts a substantial number of foreign listings. Japan, China/Hong Kong, Australia, South Korea and Canada have few foreign IPOs listed in their country despite their very active domestic IPO markets. Of all the countries listed, only the US, UK and Singapore are able to attract a large number of IPOs issuing abroad.

A Firm-level and country-level data

We merge the sample of all IPOs with Thomson Financial’s Worldscope and Datastream databases to obtain firm characteristics. (The Appendix contains information on the variables used in this study.) For each firm we compile accounting information variables related to size and growth. These variables include *Total Assets*, *Net Income*, *Sales*, and *Foreign Sales/Sales*. We measure firm characteristics at the time of the IPO when available, otherwise financial variables are from the year of the IPO.¹¹ All accounting and offering variables are in US dollars converted using end-of-the-year (issuing year) values from Datastream and are winsorized at the 1% level.

To determine if capital market development influences the decision to go public outside the home country, we collect country-level information related to country-specific stock market (*Stock Mkt Cap* and *Stock Mkt Turn*) from the World Bank’s Financial Structure Dataset as defined in Beck, Demirguc-Kunt, and Levine (2000).

the UK, only the UK will be noted in the table.

¹⁰Although many media articles often point to the rise of Hong Kong as an important venue for foreign listings, its importance in the global capital market is primarily due to an increase in the number of listings of large Chinese companies and banks. Because we classify any Chinese IPO that goes public in Hong Kong from 1997 onward as a domestic Hong Kong IPO, we do not find that Hong Kong attracts many non-Chinese IPOs. Thus, the destination of foreign or global IPOs appears generally limited to a few well-developed markets consistent with Claessens and Schmukler (2007).

¹¹Our results are robust to using only firm characteristics from the year prior to the IPO but the sample size is reduced.

The disclosure requirements index (*Disclose*) is from La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998) and is an average of (1) Prospect, (2) Compensation, (3) Shareholders, (4) Inside ownership, (5) Contracts Irregular, and (6) Transactions. The index is intended to capture the strength of public information requirements. Our results, however, are robust to using other LLSV variables such as Public Enforcement (enforcement index), Anti-director Rights (shareholder voting index) and Burden of Proof (liability standards index). We also include the originating country's proximity to the home country (*Proximity*) from Sarkissian and Schill (2004) when available. Otherwise, we fill in any missing country pairs.

In addition, we construct a number of variables. We compile industry information on IPOs using Datastream's sector information to examine whether industry concentration in a listing or home market affects the decision to list abroad. When sector information is not available, we use the firm's two-digit SIC to ascertain the appropriate industry sector. From this information, we define a high tech dummy variable (*Technology*) equal to 1 if the firm is in one of the industry sectors listed in the Appendix. We also construct *% Industry IPOs* which is the percentage of all IPOs in the same industry that went public in the home or listing country in the prior three years. This variable captures the relative proportion of peer group IPOs in a particular market.

To capture the level of foreign IPO activity in both the home and listing country, We compute the *% Foreign IPOs* for the home (listing) country as the percentage of foreign IPOs from the IPO's home country that went public in the IPO's home (listing) country over the past three years. (Throughout the paper, a subscript h denotes that the variable is based on the home country and a subscript l if it based on the listing country.) From Datastream, we also calculate the buy-and-hold return (*Mkt Return*) in both the IPO's home and listing market in the year prior to the IPO.

Summary statistics on firm and offering characteristics for domestic, foreign and global IPOs are presented in Table III. In terms of rank order, domestic IPOs are generally smaller than foreign IPOs which are smaller than global IPOs. Domestic IPOs raise, on average, \$81 million in proceeds, followed by foreign IPOs with average proceeds of \$129 million, and global IPOs with average proceeds of \$470 million.

A similar pattern is shown when examining accounting variables. Foreign IPOs have net income that is twice that of their domestic counterparts while global IPOs have average net income of more than ten times that of domestic IPOs. Total assets are smaller for domestic than foreign IPOs (\$577 million and \$891 million, respectively) while global IPOs are very large with total assets of \$6,539 million. Sales are also highest for global IPOs (\$2,525 million) and lowest for domestic IPOs (\$441 million). These comparisons suggest that the type of issuing firm choosing a global IPO may differ substantially from one that chooses either a domestic or foreign-only IPO. However, due to the small sample size of global IPOs, in multivariate tests, we combine both global and foreign IPOs into a single category.

The relative ranking of the percentage of foreign sales for all categories is consistent with the prediction that a large foreign presence is a strong determinant of listing abroad. The largest percentage of foreign sales is for foreign IPOs (43%). Global IPOs have approximately 39% foreign sales while domestic IPOs have the lowest percentage at 19%.

Foreign and global IPOs also seem to differ in their proximity to the listing country (Sarkissian and Schill (2004)). Global IPOs, on average, are located 4,943 kilometers away from the listing country while foreign IPOs are further away, 5,985 kilometers, from their listing countries.

B Global Underwriters

We collect information on lead underwriters (bookrunners) for 16,153 of our sample IPOs from Dealogic ECM Analytics by matching the datasets using ISIN (when available), company name, and listing date. We then aggregate the data for each underwriter at the parent company level. Over our sample period, there are 1,146 unique lead underwriters active in the 31 listing countries. On average, each underwriter participates in 4.5 IPOs. There is an average of one lead underwriter per IPO, with a maximum of nine.

In order to compute indicators of global underwriting activity, we define an underwriter as “global” in year t if she takes public in year $t-1$ at least two companies from

different home countries and lists at least one of the same two companies outside its home country. Our definition is intended to ensure that an underwriter is not defined as global if it only participates in the home market.

As shown in Figure 2, the number of underwriters in general, and global underwriters in particular, in each year has increased over time. The number of global underwriters has grown from about 20 in the mid- to late 1990s to approximately 60 in the last few years of our sample period. Although global underwriters represent no more than 20% of the number of underwriters that are active each year in our sample period, they capture between 60% and 80% of the total amount raised in initial public offerings between 1995 and 2011.¹²

Table IV reports summary statistics for the top 36 underwriters in our sample period. For each underwriter, we compute the annual total proceeds for all IPOs in which it participated in a given year. We next aggregate global proceeds in each year for each underwriter where global proceeds are defined as proceeds raised by a foreign or global IPO. We then calculate the percentage of an individual underwriter's total proceeds that constitute global proceeds (*Pct of Proceeds that Are Global*). Finally, we determine the underwriter's market share of all global proceeds raised by IPOs following Megginson and Weiss (1991) (*UW Mkt Share of All Global Proceeds*). We then rank the underwriters based on how many times they appear among the top 20 underwriters in each year (*Top Underwriter*). The data in Table IV show that the largest global underwriters by global market share are among the largest underwriters and include the names of the world's most well-known investment banks such as Citibank, Credit Suisse, Deutsche Bank, and Goldman Sachs, to name a few. Over the sample period, the largest global underwriters raise between 18 and 20% of their total proceeds globally and have an average market share of all proceeds raised worldwide of almost 4%.

Table V illustrates the percentage of IPOs originating from each country, both domestic and foreign, that is underwritten by at least one global underwriter. Since many IPOs have multiple lead underwriters, we count the IPO as having a global

¹²If an IPO is underwritten by multiple underwriters, we split the total proceeds equally across them.

underwriter if at least one of the lead underwriters is defined as global. It is important to note that many of the domestic IPOs in the sample have at least one global underwriter. In fact, on average, 67% of domestic IPOs are underwritten by at least one global underwriter.

The percentage of IPOs that are underwritten by at least one global underwriter ranges between 36% for South Korea to 98% for Mexico. In the US, 82% of all IPOs use a global underwriter while in the UK, only 64% use a global underwriter. Not surprisingly, the percentage of IPOs using at least one global underwriter increases when we consider only foreign and global IPOs. The smallest use of global underwriters is for foreign IPOs that originate in Austria (67%) and the highest (100%) is for foreign IPOs that originate in Argentina, Brazil, Indonesia and Mexico.

II Global Underwriters and Financial Globalization

DKS suggest that the “growth in importance of global IPOs could not have taken place without the increased integration of financial markets around the world.” Using a measure of world financial globalization, they find that more IPOs choose to have an international tranche when markets are more integrated. We argue that one of the primary mechanisms by which worldwide financial globalization occurs is through the use of global intermediaries such as investment banks. (See for example Bruno and Shin (2013) who model banking sector capital flows.) In this section, we examine whether indicators of financial globalization, worldwide and country-specific, are related to the number of IPOs and the amount of capital that is underwritten by global underwriters and whether firms choosing to list abroad are more likely to employ a global investment bank.

In order to do so, we construct two different measures of financial globalization. First, we use the measure of world financial globalization (*World Financial Globalization*) as computed by DKS based on the data constructed by Lane and Ferretti (2007). That is, we sum the external assets and liabilities for each of the countries in our sample and divide the total by the sum of the countries’ GDP. Second, we use

a country-level measure of globalization (*Home Financial Globalization*) which is the sum of the individual country's external assets and liabilities divided by its GDP.¹³

Figure 3 plots the number of global underwriters over time against the index of world financial globalization. As in DKS, we see that world financial globalization has increased over time. As can be seen from the graph, the number of global underwriters has correspondingly increased through time with the exception of the financial crisis.

We next examine the determinants of global underwriter activity in the home country in Table VI. The dependent variable is either the percentage of IPOs or the percentage of proceeds underwritten by global underwriters in the home country in a given year. The independent variables are all lagged and include measures of stock market quality (*Stock Market Cap/GDP*, *Stock Mkt Turnover*, *Market Return*), financial globalization, quality of regulation (*Disclose*) and the percent of home country IPOs that do a foreign offering.

Generally, stock market conditions affect both the percentage IPOs and proceeds underwritten by global underwriters in similar ways. Greater stock market capitalization and higher market returns increase the percentage of IPOs that have a global underwriter. That is, the more developed the market, the more IPOs have global underwriter participation. The percentage of foreign IPOs from the same home country that went public in the past three years increases the number of IPOs underwritten by global underwriters but not the percentage of proceeds.

The effect of financial globalization on global underwriter activity differs whether the dependent variable is the percentage of IPOs or the percentage of proceeds. A greater number of IPOs are underwritten by global underwriters when the level of home and world financial globalization is higher. In contrast, the level of world financial globalization is insignificant or negatively related to the percentage of proceeds underwritten but home financial globalization remains positive. (The correlation between home and world globalization is low and including each variable separately in

¹³DKS do not use a home country measure of globalization because they argue that it is related to the level of foreign IPO activity in that country. However, we find no evidence that this is true. The correlation between the amount of global proceeds raised in the past three years and the home financial globalization measure is, in fact, negative and close to zero. In addition, using a single yearly measure of world financial integration in the cross-section does not allow for an examination of the heterogeneity in financial integration with the world economy.

the regressions does not change the findings.)

There are at least two different reasons for this result. First, home country integration with world markets is arguably more important in determining country-specific activities related to global capital formation than overall world financial globalization. Second, the use of a yearly static variable in cross-sectional regressions is problematic in that each country is affected equally by world globalization.

Finally, we show that home country regulations, as measured by the LLSV disclosure index, does not have much predictive power for the percentage of IPOs underwritten by global underwriters and is only moderately related to the percentage of proceeds.

In Table VII we report the results of a logit regression that examine the determinants of using a global underwriter. The dependent variable is equal to one if at least one of the bookrunners who underwrote the IPO is global, zero otherwise. The set of independent variables includes firm characteristics, measures of financial globalization, the proceeds raised, and the high-tech dummy.

The results show that profitable firms (both domestic and foreign) are more likely to use a global underwriter. Among foreign listings, firms with lower foreign sales (as a percentage of their total sales) choose a global underwriter.

The probability of using a global underwriter is positively related to the amount of proceeds raised for foreign/global IPOs. Greater proceeds for foreign and global IPOs is consistent with Chaplinsky and Ramchand (2000) who show that foreign IPOs listing in the US raise significantly greater proceeds than their domestic counterparts.¹⁴

The effect of financial globalization on the choice of a global underwriter depends on the type of listing. The lower the level of home financial globalization the higher is the likelihood that a foreign or global listing will use a global underwriter, while the opposite is true for domestic listings. The level of world financial globalization is instead positively (negatively) related to the probability that a firm listing in a foreign (domestic) country will use a global underwriter.

¹⁴This finding, however, is endogenous. We cannot determine whether foreign/global IPOs are able to raise more capital by going public abroad or desire to raise more capital and thus, go public abroad to reach a larger investor base. We address this issue in Section IV.

Overall, this section provides evidence that both world and home country financial globalization are related to the rise and use of global underwriters. In the next section, we examine whether these variables influence the decision of a firm to go public and list outside its country of origin.

III The Decision to Go Public Abroad

Table VIII presents the results of a logit analysis on the determinants of going public abroad. The dependent variable represents the firm's decision between a foreign or global IPO and a domestic IPO. US firms are excluded from the analysis, since the U.S. is the main listing country for foreign and global IPOs. We include year fixed effects in analyses without the variable *World Financial Globalization* and standard errors are clustered by country.

Our hypothesis is that the firm's choice of the type of underwriter (domestic vs global) could affect the decision to go public outside a firm's home country. As mentioned previously, approximately 67% of domestic IPOs use at least one global underwriter. This number rises to 87% for global and foreign IPOs. After controlling for firm level characteristics (size, profitability, sector, foreign sales) and home country characteristics (investors's familiarity with firm's sector, quality of institutions, financial market development, level of financial integration), we expect that the presence of at least one global underwriter in the underwriting syndicate will be positively related to the firm decision to leave the home country. We also expect that the higher the percentage of proceeds raised by global underwriters in the home country in the three years before the IPO, the more likely a firm will choose to list its shares outside its home country. The results in Table VIII support the hypothesis that access to global underwriters is an important determinant of the decision to list abroad.¹⁵

The ability of a firm to access foreign markets may be a function of specific firm characteristics such as size, profitability, and sector. The effect of firm and offering characteristics on the probability of listing abroad is generally consistent across all

¹⁵Our results do not change when we use the number of global underwriters in the home country in the home country instead of the percentage of global proceeds raised in the same home country.

the models. The probability of listing abroad is positively related to the size of the firm as measured by the amount of total assets.¹⁶ Unprofitable firms are more likely to choose a domestic IPO than a foreign or global IPO as indicated by the negative coefficient in models 1 through 6. This result is likely due to the predominance of high tech firms in the sample of domestic IPOs. High tech firms are in fact more likely to go public in their home country according to the results in table VIII.¹⁷

Another benefit of listing abroad is that the firm can have access to investors who may be better informed than in the home country (Chemmanur and Fulghieri (2006) and Subrahmanyam and Titman (1999)). This advantage is likely to be related to the number of peer firms trading in the home or listing country. Markets with larger industry concentrations are likely to provide higher valuations at the time of the IPO because investors can more efficiently produce the necessary information for pricing. Along these same lines, we expect that a company's decision to list abroad would be affected by whether other firms from the same country have recently decided to go public outside the home country. Consistent with these hypotheses, we find that the greater the number of firms in the same industry that recently went public in the home country (*% Industry IPOs*), the less likely a firm is to go outside the home country for capital. Similarly, we find that the greater the number of past IPOs that have gone public outside the home country over the past three years *% Foreign IPOs*, the more likely an IPO will also choose to do so. Consistent with information costs being an important driver in the decision to list outside the home country, a firm's product market presence in the country where it is going to raise capital may make a foreign market more receptive to an IPO, as it reduces the informational frictions between foreign investors and the issuing firm (Pagano, Roell, and Zechner (2002)). Foreign sales, as a proxy for investor familiarity with the company through the product market, is an important variable in the decision to go public abroad because it may reduce informational frictions as shown by the positive and statistically

¹⁶Our results are robust to using sales or net income as the independent variable but the sample size is reduced.

¹⁷High-tech companies may turn to foreign capital markets to raise the capital if the listing market is more familiar with their business than the domestic market. For example, Pagano, Roell, and Zechner (2002) find that high-tech industry classification is a predictor of listing in the United States, but not in Europe.

significant coefficients in models 2, 4 and 6.

A focus of the international IPO literature has been on the benefits of accessing better equity capital markets and disclosure than exist in the home country. The decision to conduct an IPO outside the home country will likely be influenced by stock market characteristics and development of the country of origin (Pagano, Randl, Roell, and Zechner (2001)). We measure the quality of the equity markets by the level of capitalization, stock market turnover and stock market return, and we find that the probability of listing outside the home country is positively related to stock market development. One interpretation of this finding is that firms from better developed markets are more likely to list abroad as they may have familiarity with the listing requirements and regulations in more well-developed markets.

In Models 6 through 8, we examine the effect of disclosure requirements. Issuing in countries with better legal standards can lower the cost of capital as well as reduce the information asymmetry between the issuing firm and potential investors. Stulz (2009) presents a model in which an entrepreneur has an incentive to over-invest to consume private benefits. If the issuing firm resides in a country with poor disclosure laws, investors will incorporate the expected loss in value due to the consumption of private benefits and will pay less for the IPO's proceeds. In order to maximize proceeds and credibly commit to reducing private benefits, the entrepreneur can choose to list in a country with strong disclosure laws and public enforcement. As support for Stulz (2009), our results show that a firm is more likely to choose a foreign or global IPO if it comes from a country with worse disclosure standards. As our sample contains issuing firms that list both domestically and in the foreign country, this commitment mechanism binds the firm to the regulatory environment of the listing country. By doing so, theory suggests that IPO firms from worse regulatory and enforcement environments can credibly commit to a stronger disclosure regime that limits their ability to overinvest, thereby potentially increasing the amount of proceeds raised.¹⁸

¹⁸If an IPO has an international tranche but its shares are not listed outside its home country, we would not consider this IPO as a foreign IPO. For example, some US IPOs have a Canadian tranche in which the US IPO prospectus is "wrapped" with Canadian province-specific disclosure and sold in a private placement to institutional investors. The shares, however, usually trade only in the US. Because a listing commits the firm to abide by the listing country's securities laws while selling shares may not, we suggest that benefits to a foreign IPO should be strongest for firms that list shares in a foreign country.

Finally, we control for the effect of financial globalization on the decision to go public and list abroad. DKS find a significant relationship between the level of world financial globalization and the decision to have a foreign tranche in the offering. When we restrict the sample to only those IPOs that actually list in a foreign country, we do not find a strong relationship between the level of world financial globalization and whether the firm chooses a domestic or foreign IPO. In contrast, we find strong evidence that the extent the home country is integrated with the global economy (captured by the measure of home country financial globalization) reduce some of the benefits of listing abroad making listing in a foreign country less attractive.

IV Proceeds

We have shown how the decision to list abroad is related to firm and country characteristics and the presence of a global underwriter. In this section we examine the factors that may be related to the size of the issuing proceeds. We are interested in whether the decision to use a global underwriter (and to list abroad) translates into the economic benefit of higher proceeds.

However, comparing foreign/global IPOs with domestic IPOs as a whole may not be accurate to capture the effect on the proceeds raised by a firm choosing a global underwriter. As shown in the previous analysis, firms going public abroad more often choose a global underwriter, and domestic IPOs are substantially different from foreign/global IPOs on several dimensions. Moreover, the decision to list abroad at the time of the IPO is endogenous to the type of firm, so it is not evident whether larger proceeds are driven by listing abroad or whether listing abroad is driven by the need for larger proceeds.

One way to mitigate the potential impact of endogeneity is to implement the matched sample methodology. One advantage of this approach is that it does not require to specify the functional form of the exogenous variation for identification and although it will not solve the endogeneity problem, it provides a robustness method to estimate causal treatment effects.

In order to create a matched sample, for each IPO we estimate the predicted

probability, the propensity score, that a firm will list abroad using the models in Table VIII. We include firm characteristics variables (*Total Assets*, *Profitable*) and home country characteristics variables (*Market Capitalization*, *Market Return*, *% Foreign IPOs*, *% Industry IPOs*, *Home Financial Globalization*, *% of Global Proceeds*).

Next, we use three different matching criteria to identify the counterfactual matched for each treated firms: (1) nearest neighbor matching (with replacement), for each foreign/global IPO, we consider one domestic IPO with the closest propensity score that listed in the same year; (2) radius matching, for each foreign/global IPO, we consider all the domestic IPOs falling within the radius of 1% of the relevant observation that listed in the same year; and (3) the two nearest neighbor matchings, for each foreign/global IPO, we consider two domestic IPOs with the closest propensity score that listed in the same year.¹⁹

We test for the accuracy of our matching process by checking the equality of means in the treated and non-treated groups, both before and after matching. Our results (not shown) reveal that there are no statistically significant differences across the firm and country characteristics after each of the three matching processes are used, except for size.²⁰ Also, none of the determinants used for the propensity score matching are statistically significant in a probit regression restricted to the matched sample.

We then run an OLS regression on the matched sample to study the determinants of raised proceeds. Table IX presents the results of an OLS regression with the log of proceeds as the dependent variable on the pre-matched and post-matched samples. The independent variables are based on the home country for domestic IPOs and on the listing market for foreign and global IPOs. We include many of the same variables as previously in order to capture those effects related to information production at the listing country level. The findings in the previous sections suggest that proceeds should be greater for IPOs that list in countries with well-functioning equity markets,

¹⁹We also test the Mahalanobis matching, by computing the distance between each foreign/global IPO and domestic IPOs that listed in the same year based on firms characteristics and the propensity score itself, and we obtain similar results.

²⁰Foreign IPOs are bigger than their matched domestic IPOs; for this reason, we control for size in the OLS regression.

greater world globalization and a stronger global underwriter presence. We predict that proxies for comparative information advantages, such as *% Industry IPOs* and *% Foreign IPOs*, should be associated with higher proceeds. In addition, the benefits of committing to ongoing information generation through the host country's disclosure laws should be increasing in the difference in the quality of disclosure laws between the home and listing countries.

The indicator for global underwriter is positive and statistically significant, supporting our intuition that the having a global underwriter in the syndicate positively affects the amount of proceeds raised. Further, the greater the presence of global underwriters and the higher the proportion of IPOs that have decided to go public abroad over the past three years, the higher are the proceeds raised. The coefficient estimate for *Type of IPO* is positive meaning that the decision to list abroad also affects the size of the proceeds, even after controlling for selection bias. The stronger the home or listing stock market variables such as market capitalization and turnover, the greater are the proceeds raised. Further, the higher the proportion of IPOs that have decided to go public abroad over the past three years, the higher are the proceeds raised. The listing market financial globalization does not affect the size of the proceeds and the world financial globalization coefficient is negative. Therefore, we do not find much support for the conjecture that the degree to which the listing country is globalized affects the amount of proceeds raised. While one would expect that the better the regulatory regime, the greater should be the proceeds, we find the opposite.

Overall, this section highlights the role of better developed markets and greater global underwriter participation as important factors affecting the size of the proceeds raised by both domestic and foreign IPOs. The degree to which the listing market is globalized is important only for those IPOs that remain at home. However, one should be cautious about interpreting some of these findings as the choice of listing venue for foreign and global IPOs is endogenous.

V Choice of Listing Country

This section examines the determinants of the choice of listing country for foreign and global IPOs. Table X presents the multinomial logit analysis exploring the choice of listing market where the dependent variable is one of the three main listing countries in the sample: the US, the UK, or Singapore. These countries have an active domestic IPO market and they also attract a substantial number of foreign listings. The remaining countries are classified as Other. We include many of the same variables as mentioned previously but now they are based on the listing country or measured in terms of differences between the home and listing country.

The determinants of which listing country to choose is likely related to the familiarity investors of the foreign country have with firms from the home country. We expect that the greater the number of home country IPOs listing in the listing country, the greater will be investor familiarity with firms from the home country. This, in turn, should increase the efficiency of information production and lead to a greater probability that IPOs from the same country will list there as well. Therefore, comparative information generation advantages in the listing market (Chemmanur and Fulghieri (2006), Subrahmanyam and Titman (1999)) are proxied by both the percentage of peer firm IPOs (*% of Industry IPOs*) as well as the percentage of home country IPOs listed in the foreign country (*% Foreign IPOs*).

Following Stulz (2009), the greater the difference between the disclosure requirements in the listing country and the disclosure requirements in the home country, the higher should be the probability of a listing in the foreign country. The larger the discrepancy, the more valuable should be the commitment to disclosure. From Sarkissian and Schill (2004), the closer the proximity of the home country to the potential listing country, the higher will be the probability of listing.

We predict that IPOs are more likely to choose a listing country that has a greater presence of global underwriters. We, therefore, include the variable *% IPOs by Global UW_i* as an independent variable.

The general pattern of probabilities in Table X indicates that characteristics of

foreign and global IPOs are important determinants of which market to choose. Having greater proceeds increases the probability of a listing in the US while smaller proceeds increases the probability of listing in the UK and Singapore. Profitable companies are less likely to choose the UK and more likely to choose Singapore. The US attracts technology companies more than the UK. The proximity of the IPO firm to the listing market, in some specifications, is a significant factor for listings in the US but less so for the UK and Singapore.

We next examine differences in home and listing market characteristics. Differences in market returns have little power on the choice of listing. The greater the number of IPOs in the same industry in the listing country, the more likely the IPO firm will choose the US over the UK or Singapore. The number of home country IPOs that recently went public in the listing market is not a significant predictor of the listing country.

Differences in the regulatory regime between the home and listing countries, however, does play a role. The US attracts foreign issuers when there is a greater difference between the disclosure requirements in the listing and home market. In contrast, the smaller the difference in disclosure requirements, the more likely a firm will choose the UK or another market. Thus, the US markets appear to be attractive to issuing firms that may benefit the most from a more stringent disclosure regime.

An important variable in the decision on where to list appears to be the presence of global underwriters. The more IPOs underwritten by global underwriters, the more likely the IPO will choose the US to list. Finally, the greater the differences in financial integration between the home and listing country, the more likely the firm will chose to go public in the UK rather than in the US.

In summary, the listing choice of foreign and global IPOs does not appear to be consistent across listing markets. The probability of listing in the US is increasing in investor familiarity with the IPO's industry sector and the presence of global underwriters. The strong regulatory environment in the US is attractive to issuers from countries with weak disclosure requirements. The UK, however, is more likely to attract IPOs that have a much lower level of financial market globalization than

the UK.

VI Conclusion

Foreign IPOs are an increasingly important mechanism for firms to raise capital. In this paper we examine the decision to list abroad at the time of the IPO and we argue that the primary channel for globalization in security offerings is the growth in financial intermediaries who can facilitate the movement of capital across country boundaries. These global underwriters are an important factor in the decision to list abroad. IPOs that come from countries with a stronger global underwriter presence and who use a global underwriter to go public are more likely to do a foreign IPO. These findings highlight the mechanism by which markets become more integrated through the issuance and listing of new capital.

World financial globalization has been shown to be a significant contributor to the amount and number of IPOs going public in a country. We find that home country financial globalization plays a stronger role in that IPOs that originate in countries with higher globalization are more likely to choose a domestic issue.

We find that foreign and global IPOs are more likely to go public abroad to reduce informational frictions at the time of the offering. These IPOs originate in countries with fewer recent industry peers and lower disclosure requirements than their domestic IPO counterparts. We find that the greater the number of IPOs that chose to go public outside the home country, the more likely a firm will choose a foreign IPO.

Finally, we show that greater proceeds for IPOs are associated with greater market returns, better market development and more IPOs underwritten by global underwriters. Domestic IPOs raise greater proceeds when their home country is more globalized but the degree to which the listing country is globalized does not have an effect on the proceeds of foreign firms. Overall, our results point to the important components of market development, globalization and financial intermediaries as determinants of the decision to go public and list abroad.

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Appendix Firm and Offer Variables

Variable	Source
IPO Date	Bloomberg
IPO Price	Bloomberg
IPO Proceeds	Bloomberg
Return on Assets (ROA)	Bloomberg
Total Assets	Worldscope
Net Income	Worldscope
Sales	Worldscope
Foreign Sales % Total Sales	Worldscope
Industry Sector	Worldscope

Country Variables

Variable	Description	Source
Stock Mkt Cap	Value of listed shares to GDP	WB's Financial Structure Dataset
Stock Mkt Turn	Ratio of the value of total shares traded to market capitalization	WB's Financial Structure Dataset
Disclose	Index of disclosure equals the arithmetic mean of: (1) Prospect, (2) Compensation, (3) Shareholders, (4) Inside ownership, (5) Contracts Irregular, and (6) Transactions	La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998)
Mkt Return	Buy-and-hold return over the year prior to the listing in the home (h) or listing (l) country	Datastream
World Financial Globalization	Sum of the external assets and liabilities across each of the countries in our sample and divide the total by the sum of the countries' GDP as in Doidge, Karolyi, and Stulz (2013) and Lane and Ferretti (2007)	
Home Financial Globalization	External assets and liabilities for each country divided by the country's GDP	
% Industry IPOs	Percentage of all IPOs in the same industry that went public in the home (h) or listing (l) country in the prior three years	
% Foreign IPOs	The percentage of foreign IPOs in the home country in the past three years	
% Foreign IPOs ₁	The percentage of foreign IPOs in the home country that listed in the listing country in the past three years	
Technology	Dummy variable equal to 1 if the firm's industry sector is Software and Computer Services, Technology Hardware and Equipment, Alternative Energy, Pharmaceuticals and Biotechnology, or Mobile Telecommunications	
% of Global UWs	The percentage of global underwriters in the home or listing country computed as the number of global underwriters divided by the number of all underwrites	
Global UW	Dummy variable equal to 1 if the IPO used at least one underwriter defined as global	
Proximity	Distance between originating and listing country in kilometers	Sarkissian and Schill (2004)

Figure 1: Percentage of Proceeds and Number of IPOs that are Foreign or Global

The percentage of all IPOs that are Foreign and Global and the percentage of total worldwide IPO proceeds. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country.

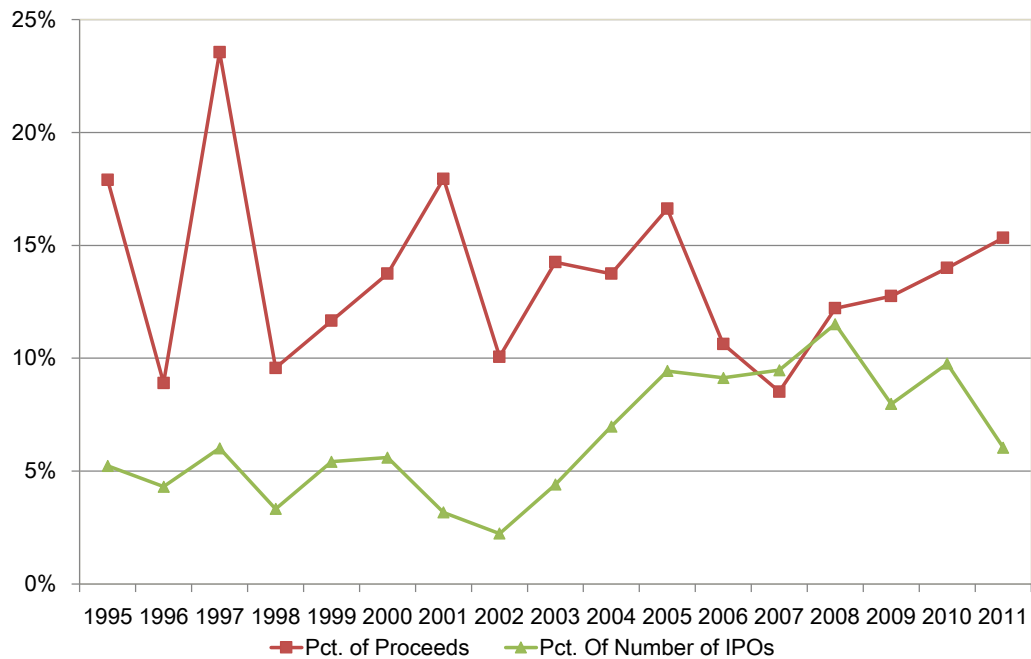


Figure 2: Global Underwriters and Proceeds Underwritten

The number of underwriters and global underwriters in each year, where an underwriter in year t is defined as global if it takes public at least two companies from different home countries and lists at least one of the same two companies outside its home country.

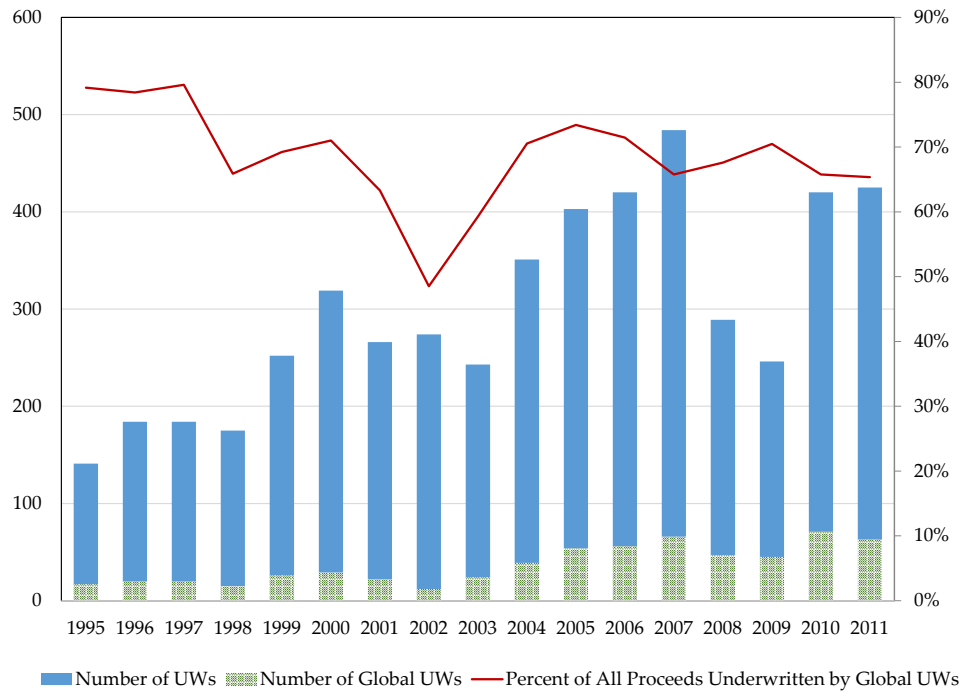


Figure 3: Global Underwriters and World Financial Globalization

The number of global underwriters *Global UW* in each year, where an underwriter in year t is defined as global if it takes public at least two companies from different home countries and lists at least one of the same two companies outside its home country. *World Financial Globalization* is computed as in Doidge, Karolyi, and Stulz (2013) based on the data constructed by Lane and Milesi-Ferretti(2007).

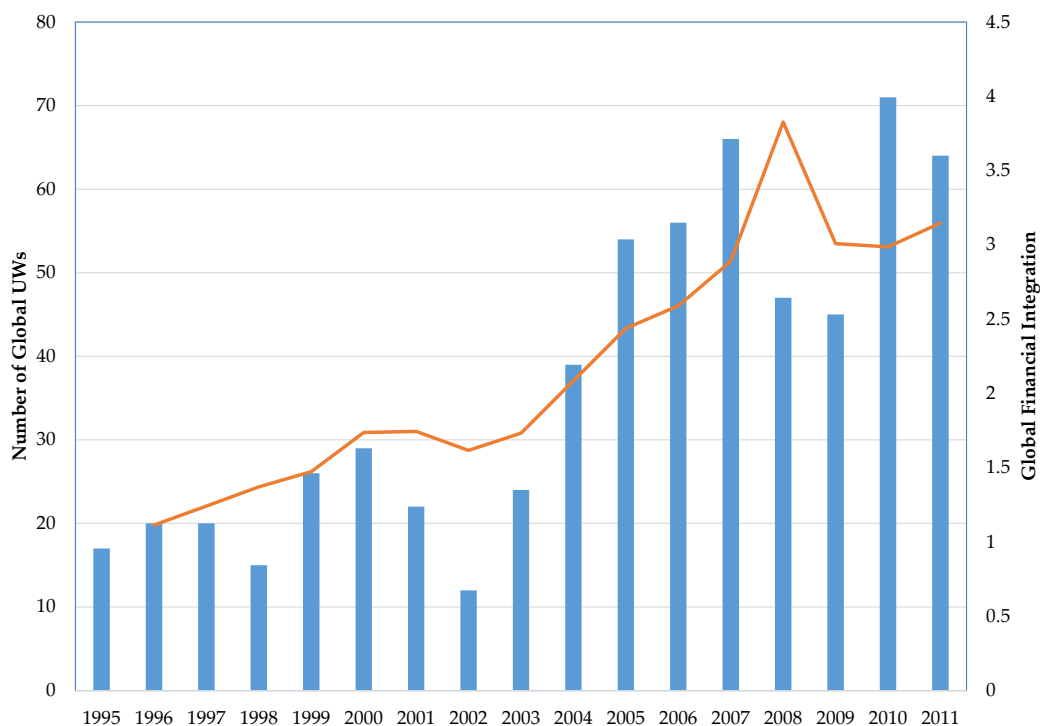


Table I: Number of IPOs and Proceeds By Year

Number of IPOs and total proceeds from 1995 through 2011 by category and year. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. *Proceeds* are from Bloomberg and are in \$US millions.

Year	Foreign IPOs	Global IPOs	Domestic IPOs	Total
<i>Panel A: Number of IPOs</i>				
1995	36	20	1015	1071
1996	61	9	1,554	1,624
1997	68	22	1,408	1,498
1998	22	11	960	993
1999	52	22	1,293	1,367
2000	89	20	1,837	1,947
2001	23	11	1,039	1,073
2002	21	1	965	987
2003	29	7	782	818
2004	81	19	1,334	1,434
2005	136	8	1,383	1,527
2006	139	13	1,513	1,665
2007	159	14	1,654	1,827
2008	82	4	661	747
2009	51	1	600	652
2010	133	4	1,267	1,404
2011	70	1	1,105	1,176
Total	1,252	187	20,370	21,809
<i>Panel B: Total Proceeds</i>				
1995	4,994	6,353	52,031	63,379
1996	5,469	3,754	94,428	103,652
1997	17,048	9,872	87,325	114,245
1998	1,137	8,535	91,407	101,079
1999	5,417	12,219	133,576	151,212
2000	27,759	177,335	134,722	339,815
2001	2,641	12,526	69,348	84,516
2002	5,210	1,362	58,727	65,299
2003	3,771	4,393	49,125	57,289
2004	5,399	10,954	10,2645	118,999
2005	12,455	12,449	124,935	149,839
2006	14,414	4,952	162,868	182,234
2007	15,771	3,384	205,637	224,793
2008	8,148	2,431	76,065	86,644
2009	8,123	7,047	103,795	118,964
2010	17,247	20,650	232,874	270,771
2011	25,585	289	142,862	168,736
Total	180,590	298,506	1,922,371	2,401,467

Table II: IPOs by Countries with Active Listing Markets

The number of IPOs in the sample from 1995 through 2011 for countries with the most active listing markets. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. The table is split into issues that list in a particular country and issues that originate from a particular country. Some Foreign and Global IPOs list in more than one country and may be counted more than once under listings.

Ctry	Foreign IPOs List in Ctry	Global IPOs List in Ctry	Domestic IPOs List in Ctry	Total IPOs List in Ctry	Foreign IPOs Orig in Ctry	Global IPOs Orig in Ctry
Argentina	0	0	11	11	6	2
Australia	33	7	1,595	1,635	31	17
Austria	5	0	43	48	17	3
Brazil	0	1	129	130	7	3
Canada	58	10	2,182	2,250	53	20
China	3	1	2,557	2,561	327	4
Finland	1	0	49	50	3	2
France	28	6	645	679	12	8
Germany	58	0	616	674	11	8
Greece	0	0	192	192	25	2
Hong Kong	22	3	1,002	1,027	81	26
India	0	0	451	451	13	0
Indonesia	0	0	276	276	5	3
Ireland	0	3	5	8	42	16
Israel	2	0	51	53	93	0
Italy	3	0	229	232	15	5
Japan	3	0	2,060	2,063	4	1
Luxembourg	0	1	3	4	24	2
Malaysia	6	1	540	547	10	0
Mexico	0	0	51	51	2	6
Netherlands	3	2	54	59	37	10
New Zealand	3	12	46	61	8	4
Norway	4	0	126	130	3	3
Philippines	1	2	80	83	3	0
Russia	0	0	24	24	16	3
Singapore	183	6	506	695	18	2
South Korea	15	0	1,198	1,213	5	4
Spain	1	0	55	56	2	3
Switzerland	9	4	82	95	17	2
United Kingdom	253	60	1,769	2,082	41	13
United States	360	67	3,693	4,120	103	13
Total	1,054	186	20,320	21,560	1,034	185

Table III: Summary Statistics

Summary statistics on firm characteristics for IPOs from 1995 through 2011. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. Financial statement information is from the year prior to the IPO where available, otherwise, it is in the year of the IPO. *Proceeds* are from Bloomberg. *Net Income*, *Total Assets*, *Sales*, *Foreign Sales (%)* and *ROA* are from Worldscope and Datastream. *Technology* is a dummy variable as defined in the Appendix. *Proximity* is the distance between originating and listing country in kilometers from Sarkissian and Schill (2004). Firm and offering characteristics are winsorized at the 1% level. All values are in \$US millions unless noted otherwise.

Variable	Mean	Med.	Std. Dev.	Min	Max	No. Obs.
<i>Domestic IPOs</i>						
Proceeds	81.3	19.6	198.7	0.17	1,552.9	19,126
Net Income	11.7	2.1	67.8	-162.2	1,241.4	14,288
Total Assets	577.1	45.0	3,908.2	0.1	59,569.3	14,291
Sales	251.8	31.2	1,339.7	0.0	22,617.7	14,095
Foreign Sales (%)	18.5	0.0	30.2	0.0	100.0	5,486
Technology	0.3	0.0	0.4	0.0	1.0	19,354
Proximity	0.0	0.0	0.0	0.0	0.0	19,354
<i>Foreign IPOs</i>						
Proceeds	128.6	43.2	256.2	0.2	1,552.9	1,168
Net Income	22.6	3.7	105.3	-162.2	1,241.4	912
Total Assets	891.4	51.7	5,311.0	0.1	59,569.3	889
Sales	441.2	36.4	2,166.5	0.0	22,617.7	885
Foreign Sales (%)	43.0	36.9	42.1	0.0	100.0	428
Technology	0.3	0.0	0.4	0.0	1.0	1,208
Proximity	5,985.3	5,364.8	4,530.17	60.8	19,147.1	1,182
<i>Global IPOs</i>						
Proceeds	469.8	228.1	539.8	0.5	1,552.9	159
Net Income	124.8	8.1	317.9	-162.2	1,241.4	132
Total Assets	6,538.7	480.2	15,175.6	0.9	59,569.3	130
Sales	2,525.0	249.0	5,564.9	0.0	22,617.7	132
Foreign Sales (%)	38.8	32.5	33.7	0.0	100.0	77
Technology	0.2	0.0	0.4	0.0	1.0	168
Proximity	4,942.5	3,037.9	4,483.2	289.1	17,002.0	168

Table IV: Top Underwriters

Summary statistics for the top 36 underwriters from 1995 through 2011. *Count* is the number of time the underwriter is ranked among the top 20 based on market share in a given year. *Avg Total Proceeds* are the average annual proceeds for each underwriter. *Avg Global Proceeds* are the average annual global proceeds for each underwriter. *Pct Proceeds that are Global* is the fraction of the underwriter's proceeds that are global, and *UW Mkt Share of all Global Proceeds* is the underwriter's market share of the global proceeds for that year. *Top Global UW* indicates that the underwriter is among the top global bookrunner. All values are in \$US millions unless noted otherwise.

Bookrunner	Count	Total Proceeds	Avg Global Proceeds	Avg Pct of Proceeds That Are Global	UW Mkt Share of All Global Proceeds	Top Global UW
Citi	17	4,937.8	952.7	19.3%	6.6%	yes
Credit Suisse	17	5,594.3	911.3	17.3%	7.1%	yes
Deutsche Bank	17	3,775.0	833.8	21.8%	5.1%	yes
Goldman Sachs	17	7,710.8	1,467.7	18.6%	10.8%	yes
JPMorgan	17	4,469.9	889.2	15.3%	4.8%	yes
Morgan Stanley	17	7,340.5	1,699.9	23.1%	12.2%	yes
UBS	17	5,443.9	1,180.3	23.5%	8.3%	yes
Bank of America Merrill Lynch	17	6,535.6	932.1	14.5%	7.7%	yes
Nomura	15	2,309.1	156.8	7.9%	1.0%	yes
Barclays	11	1,555.8	207.6	10.3%	0.9%	yes
China International Capital Corp	11	2,112.8	475.9	17.8%	2.9%	yes
HSBC	10	1,099.3	208.2	17.1%	0.7%	yes
BNP Paribas	9	1,109.9	367.6	30.2%	3.2%	yes
Daiwa Securities	9	1,199.9	58.6	9.9%	0.6%	yes
Commerzbank Group	8	980.4	323.8	26.3%	3.8%	yes
CIBC World Markets	7	902.7	36.9	2.8%	0.3%	yes
RBC Capital Markets	7	856.4	129.2	18.3%	0.7%	yes
Bank of China	6	1,122.9	222.1	32.0%	1.2%	yes
CITIC Securities	6	1,351.0	223.5	8.9%	0.8%	yes
Credit Agricole CIB	6	559.7	65.5	20.5%	1.1%	yes
Nikko Citi	6	1,016.4	0.0	0.0%	0.0%	yes
Macquarie Group	5	975.0	317.5	25.7%	2.3%	yes
Canaccord Genuity Corp	5	577.7	143.7	15.9%	0.9%	yes
FBR Capital Markets & Co	4	516.7	8.6	0.0%	0.0%	yes
Guosen Securities Co Ltd	4	946.8	0.0	0.0%	0.0%	yes
Intesa Sanpaolo SpA	4	518.5	45.8	8.3%	0.2%	yes
ABN AMRO Bank	3	635.8	156.9	12.3%	0.8%	yes
ING	3	316.5	74.9	18.7%	0.3%	yes
UniCredit	3	589.7	99.4	9.6%	0.8%	yes
China Merchants Securities Co Ltd	3	582.47	36.16	1.3%	0.1%	yes
GF Securities Co Ltd	3	653.49	116.42	0.0%	0.0%	yes
Ping An Securities Co Ltd	3	1,098.98	0.0	0.0%	0.0%	yes
Prudential Equity Group LLC	3	399.50	0.0	0.0%	0.0%	yes
SG Corporate & Investment Banking	3	533.01	57.14	10.5%	0.9%	yes
Sumitomo Mitsui Financial Group	3	208.05	0.0	0.0%	0.0%	yes
Wells Fargo Securities	3	578.24	5.03	0.3%	0.0%	yes

Table V: Use of Global Underwriters

Summary statistics on the use of global underwriters in active countries from 1995 through 2011. The use of a “global” underwriter is computed at the IPO level and is equal to one if at least one underwriter for that IPO is global. *Not Global UW* is the number of IPOs originating from that country that did not use a global underwriter. *Global UW* is the number of IPOs originating from that country that used at least one global underwriter.

Ctry	Not Global UW	Global UW	Total	Pct Global	Ctry	Not Global UW	Global UW	Total	Pct Global
All IPOs									
South Korea	754	428	1,182	36.2%	Austria	6	12	18	66.7%
Japan	1,104	782	1,886	41.5%	Philippines	1	2	3	66.7%
Malaysia	300	219	519	42.2%	Malaysia	3	7	10	70.0%
India	195	264	459	57.5%	Finland	1	3	4	75.0%
Greece	79	124	203	61.1%	Hong Kong	25	77	102	75.5%
China	1,142	1,876	3,018	62.2%	New Zealand	3	10	13	76.9%
Norway	46	76	122	62.3%	Israel	21	72	93	77.4%
Germany	227	391	618	63.3%	United States	25	88	113	77.9%
United Kingdom	622	1,127	1,749	64.4%	Australia	10	39	49	79.6%
Finland	18	33	51	64.7%	Japan	1	4	5	80.0%
Italy	84	155	239	64.9%	Singapore	4	16	20	80.0%
Hong Kong	304	620	924	67.1%	Spain	1	4	5	80.0%
Singapore	145	363	508	71.5%	Luxembourg	5	22	27	81.5%
France	182	463	645	71.8%	Norway	1	5	6	83.3%
Austria	16	42	58	72.4%	China	51	280	331	84.6%
Netherlands	26	72	98	73.5%	India	2	11	13	84.6%
Israel	38	106	144	73.6%	Canada	10	62	72	86.1%
Australia	417	1,202	1,619	74.2%	Italy	2	14	16	87.5%
Canada	544	1,634	2,178	75.0%	United Kingdom	6	42	48	87.5%
Luxembourg	6	24	30	80.0%	South Korea	1	8	9	88.9%
New Zealand	11	46	57	80.7%	Greece	3	25	28	89.3%
United States	602	2,775	3,377	82.2%	France	2	17	19	89.5%
Philippines	12	57	69	82.6%	Ireland	6	54	60	90.0%
Indonesia	44	221	265	83.4%	Russia	2	20	22	90.9%
Argentina	3	16	19	84.2%	Netherlands	4	42	46	91.3%
Spain	8	52	60	86.7%	Germany	1	14	15	93.3%
Ireland	7	58	65	89.2%	Switzerland	1	19	20	95.0%
Russia	4	42	46	91.3%	Argentina	0	8	8	100.0%
Switzerland	6	94	100	94.0%	Brazil	0	10	10	100.0%
Brazil	4	133	137	97.1%	Indonesia	0	6	6	100.0%
Mexico	1	57	58	98.3%	Mexico	0	8	8	100.0%
Total	6,951	13,552	20,503		Total	198	1,001	1,199	
					Only Foreign/Global				

Table VI: Global Underwriter Activity in the Home Country

Regression analysis of the determinants of the activity of global underwriters in the home country. The dependent variable is computed as percentage of offers (*Number of IPOs*) or proceeds (*IPO Proceeds*) underwritten by global underwriters in the home country in a given year. *Stock Market Cap/GDP* and *Stock Mkt Turn* are from the World Bank's Financial Development and Structure Dataset in the year prior of issuance. *World Fin. Global* is computed using the data constructed by Lane and Milesi-Ferretti(2007) as the sum across countries of the U.S. dollar-denominated value of external assets and liabilities divided by the world GDP, as in Doidge, Karolyi, and Stulz (2013). *Home Fin. Global* is the ratio of external assets and liabilities to GDP for the corresponding country. *% Foreign IPOs_h* is the percentage of foreign IPOs from the home country that went public in the prior three years. *Market Return* is the home market return from prior year of issuance, from Datastream. *Disclose* is a dummy variable equal to one if the index of disclosure requirements and public enforcement from La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998) is greater than 0.5. Country characteristics are for the home country unless otherwise noted. *z* scores are adjusted for clustering in home countries.

	Pct of IPOs Underwritten by Global UWs (1)	Pct of IPOs Underwritten by Global UWs (2)	Pct of IPOs Underwritten by Global UWs (3)	Pct of IPOs Underwritten by Global UWs (4)	Pct of Proceeds Underwritten by Global UWs (5)	Pct of Proceeds Underwritten by Global UWs (6)	Pct of Proceeds Underwritten by Global UWs (7)	Pct of Proceeds Underwritten by Global UWs (8)
Stock Market Cap/GDP	0.367* (1.71)		0.684*** (3.17)		0.597** (2.68)		0.558*** (3.07)	
Stock Mkt Turnover	-0.115 (-0.23)		-0.091 (-0.20)		0.316 (0.92)		0.278 (0.80)	
Home Fin. Global.		0.464 (1.70)		0.537* (1.98)		0.891*** (4.09)		0.905*** (3.51)
World Fin. Global.		0.112*** (4.70)		0.109*** (4.56)		-0.019 (-0.65)		-0.150*** (-5.45)
% Foreign IPOs	0.170*** (2.87)	0.154* (2.00)	0.154** (2.28)	0.151* (1.87)	0.006 (0.07)	-0.004 (-0.05)	0.080 (1.03)	0.058 (0.88)
Market Return	0.105* (1.97)	0.251*** (5.11)	0.073 (1.00)	0.257*** (4.13)	-0.040 (-0.46)	0.143** (2.58)	-0.104 (-1.07)	-0.081 (-0.89)
Disclose			-0.236 (-1.51)	-0.133 (-0.86)			0.145 (1.29)	0.198* (1.81)
Constant	0.225*** (3.08)	0.030 (0.50)	0.367*** (2.81)	0.121 (0.99)	0.790*** (16.92)	0.599*** (8.33)	0.698*** (8.48)	0.876*** (10.06)
Year FE	Y	N	Y	N	Y	N	Y	N
Observations	409	398	389	389	409	398	389	389
Adjusted R ²	0.202	0.132	0.194	0.131	0.163	0.031	0.171	0.189

Table VII: Determinants of Using a Global Underwriter

Logit analysis of the determinants of using a global underwriter. The dependent variable is equal to one if the firm chooses a global underwriter, zero otherwise. *Deal Type* is a dummy variable representing the type of IPO and is equal to one for Foreign IPO or Global IPO, and zero for Domestic IPO. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. *Proceeds* are from Bloomberg. *Technology* is a dummy variable as defined in the Appendix. *Profitable* is a dummy variable equal to one if net income is greater than one. *World Fin. Global* is computed using the data constructed by Lane and Milesi-Ferretti(2007) as the sum across countries of the U.S. dollar-denominated value of external assets and liabilities divided by the world GDP, as in Doitge, Karolyi, and Stulz (2013). *Home Fin. Global* is the ratio of external assets and liabilities to GDP for the corresponding country. *Total Assets* and *% Foreign Sales* are from Worldscope and Datastream. Financial statement information is from the year prior to the IPO where available, otherwise, it is in the year of the IPO. Firm and offering characteristics are winsorized at the 1% level. Includes year fixed effects. z scores are adjusted for clustering in home countries.

	All (1)	All (2)	All (3)	All (4)	Foreign (5)	Foreign (6)	Foreign (7)	Foreign (8)	Domestic (9)	Domestic (10)	Domestic (11)	Domestic (12)
Deal Type	1.538*** (4.55)	1.705*** (4.61)	1.537*** (5.06)	1.486*** (4.72)								
Ln(Proceeds)	0.063 (0.77)				0.304*** (4.13)				0.057 (0.69)			
Technology	-0.472*** (-3.52)	-0.305*** (-2.82)	-0.059 (-0.45)	-0.020 (-0.16)	-0.249 (-1.00)	-0.281 (-1.07)	-0.085 (-0.20)	0.109 (0.25)	-0.473*** (-3.41)	-0.300*** (-2.67)	-0.062 (-0.44)	-0.028 (-0.19)
Profitable	-0.042 (-0.24)	-0.166 (-0.74)	0.352*** (2.72)	0.319** (2.33)	0.513*** (2.98)	0.260 (1.34)	0.390 (1.19)	0.277 (0.99)	-0.056 (-0.31)	-0.186 (-0.78)	0.344** (2.52)	0.312** (2.16)
Home Fin. Global	1.350 (1.34)	1.917* (1.75)	0.749 (1.03)	0.788 (1.08)	-2.246** (-2.05)	-3.274* (-1.66)	0.601 (0.08)	-1.022 (-0.13)	1.384 (1.36)	1.910* (1.71)	0.720 (1.02)	0.764 (1.08)
World Fin. Global	-0.347** (-2.29)	-0.185 (-1.45)	-0.048 (-0.25)	-0.060 (-0.30)	0.374 (1.18)	0.489 (1.20)	1.196** (2.15)	1.424** (2.32)	-0.362** (-2.21)	-0.199 (-1.44)	-0.097 (-0.51)	-0.113 (-0.60)
Total Assets		0.012* (1.78)		0.008 (0.81)		0.199 (1.60)		0.210 (1.14)		0.011* (1.83)		0.007 (0.81)
Foreign Sales			0.002 (0.81)	0.003 (0.88)			-0.006* (-1.92)	-0.004 (-1.14)			0.003 (1.11)	0.003 (1.19)
Constant	1.204** (2.03)	0.853* (1.90)	0.582 (1.33)	0.568 (1.33)	-0.220 (-0.30)	0.487 (0.53)	-0.356 (-0.28)	-1.306 (-0.94)	1.262** (2.02)	0.899* (1.88)	0.672 (1.51)	0.670 (1.53)
Observations	16,227	11,778	3,426	3,425	851	672	330	330	15,233	10,991	3,029	3,029
Pseudo R ²	0.0347	0.0390	0.0308	0.0371	0.0597	0.0568	0.103	0.153	0.0211	0.0201	0.00748	0.0133

Table VIII: Going Public Abroad

Logit analysis of the determinants of going public abroad. The dependent variable is a dummy variable representing the type of IPO and is equal to one for Foreign IPO or Global IPO, and zero for Domestic IPO. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. *Total Assets* are from *Worldscope*. *Technology* is a dummy variable as defined in the Appendix. *Profitable* is equal to one if net income in the year prior the issuance is greater than one. % *Foreign Sales* are from *Worldscope* and *Datastream*. % *Industry IPOs_{it}* is the percentage of all IPOs in the same industry that went public in the home country in the prior three years. % *Foreign IPOs_{it}* is the percentage of foreign IPOs from the home country that went public in the previous year. *Stock Market Cap/GDP* and *Stock Mkt Turn* are from the World Bank's Financial Development and Structure Dataset in the year prior of issuance. *Market Return* is the home market return from prior year of issuance, from *Datastream*. % *of Global Proceeds* is the percentage of proceeds raised in the home country that are global. *Global UW* is a dummy variable equal to one if at least one of the underwriters of the IPOs is a global underwriter, zero otherwise. *Financial Integration(Worldwide)* is computed using the data constructed by Lane and Milesi-Ferretti(2007) as the sum across countries of the U.S. dollar-denominated value of external assets and liabilities divided by the world GDP, as in Doidge, Karolyi, and Stulz (2013). *Home Global. Fin.* is the ratio of external assets and liabilities to GDP for the home country. *Disclose* is equal to one if the index of disclosure requirements and public enforcement from La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998) is greater than 0.5. Financial statement information is from the year prior to the IPO where available, otherwise, it is in the year of the IPO. Country characteristics are for the home country unless otherwise noted. Firm and offering characteristics are winsorized at the 1% level. Includes year fixed effects when *Financial Integration(Worldwide)* is not included. *z* scores are adjusted for clustering in home countries.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Assets	0.003* (1.74)	0.004** (2.17)	0.003* (1.73)	0.004** (2.09)	0.003 (1.62)	0.006*** (9.57)		
Technology	0.254*** (2.71)	0.334** (2.36)	0.228** (2.05)	0.306** (2.30)	0.321*** (3.71)	0.143 (0.90)		
Profitable	-0.296 (-1.39)	-0.334 (-1.30)	-0.361 (-1.43)	-0.375 (-1.38)	-0.251 (-1.64)	-0.729*** (-3.56)		
% Foreign Sales		0.011** (2.21)		0.012*** (2.72)		0.021*** (5.24)		
% Industry IPOs	-1.792*** (-2.59)		-1.804** (-2.52)	-0.290 (-0.39)	-1.807*** (-2.84)		-1.807 (-1.44)	
% Foreign IPOs	7.465*** (7.23)	8.649*** (4.58)	7.394*** (7.89)	8.460*** (4.94)	6.603*** (12.32)	5.470*** (13.88)	5.891*** (16.04)	5.723*** (14.83)
Stock Mkt Turnover			0.002 (0.71)	0.003 (1.07)		-0.001 (-0.20)	-0.003 (-1.64)	-0.002 (-1.33)
Stock Market Cap/GDP			0.000 (0.44)	-0.001 (-1.20)		0.001 (1.19)	0.003*** (3.37)	0.004*** (5.09)
Mkt Return			0.342* (1.89)	0.670* (1.80)		0.455 (1.12)	0.512* (1.83)	0.517* (1.95)
% of Global Proceeds	-1.404*** (-2.81)	-2.606*** (-4.42)	-1.320*** (-2.90)	-2.288*** (-3.94)	-1.415** (-2.37)		-0.801* (-1.73)	-0.515 (-1.27)
Global UW	1.845*** (3.91)	1.490*** (5.93)	1.866*** (3.81)	1.437*** (5.52)	1.957*** (3.60)	1.501*** (4.55)	1.082*** (5.82)	1.158*** (6.67)
Home Fin. Global.					-3.623** (-2.10)	-5.284*** (-4.99)		
World Fin. Global.					0.254* (1.76)	-0.180 (-1.12)		
Disclose						-0.997 (-1.19)	-1.377* (-1.67)	-1.957*** (-2.87)
Constant	-4.744*** (-12.06)	-4.201*** (-5.98)	-4.956*** (-14.71)	-4.479*** (-8.63)	-4.713*** (-9.76)	-3.535*** (-4.31)	-3.391*** (-4.95)	-3.354*** (-5.15)
Observations	12,255	3,569	12,253	3,569	11,727	3,156	13,197	14,631
Pseudo R ²	0.278	0.337	0.279	0.344	0.267	0.341	0.251	0.246

Table IX: Proceeds

OLS of the determinants of offering proceeds on a sample including foreign and global IPOs and domestic propensity scored-matched IPOs. Propensity score-matched IPOs are selected based on the nearest neighbor (with replacement) based on the models in Table VII. The dependent variable is the log of *Proceeds* from Bloomberg. *Deal Type* is a dummy variable representing the type of IPO and is equal to one for Foreign IPO or Global IPO, and zero for Domestic IPO. *Domestic IPOs* are IPOs that go public in their home country but not in any foreign country. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. Total Assets is from Thomson Financial's Worldscope. *Stock Market Cap/GDP* and *Stock Mkt Turn* are from the World Bank's Financial Development and Structure Dataset in the year prior of issuance. *Market Return* is the home market return from prior year of issuance, from Datastream. *World Fin. Global* is computed using the data constructed by Lane and Milesi-Ferretti(2007) as the sum across countries of the U.S. dollar-denominated value of external assets and liabilities divided by the world GDP, as in Doidge, Karolyi, and Stulz (2013). *Home Global. Fin.* is computed by subtracting from the worldwide financial globalization variable the ratio of external assets and liabilities to GDP for the corresponding country. *% Industry IPOs_i* is the percentage of all IPOs in the same industry that went public in the listing country in the prior three years. *% Foreign IPOs_i* is the percentage of foreign IPOs from the home country that went public in the previous three years. *Global UW* is a dummy variable equal to one if at least one of the underwriters of the IPOs is a global underwriter, zero otherwise. *% of Global UWs* is the percentage underwriters in the home country that are global. *Disclose* is equal to one if the index of disclosure requirements and public enforcement from La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998) is greater than 0.5. Firm and offering characteristics are winsorized at the 1% level. Includes year fixed effects. *z* scores are adjusted for clustering in home countries.

	Matched Sample	Unmatched Sample
Deal type	0.417*	0.806***
	(1.97)	(4.41)
Total Assets	0.007***	0.010***
	(19.14)	(12.58)
Stock Market Cap/GDP	0.002***	0.003***
	(3.16)	(3.19)
Stock Mkt Turnover	0.006***	0.004***
	(7.88)	(4.30)
Mkt Return	0.799	0.773**
	(1.60)	(2.44)
Home Fin. Global.	-0.241	-0.273
	(-0.29)	(-0.75)
World Fin. Global	-0.469***	-0.262
	(-4.66)	(-1.37)
% Industry IPOs	0.522	-1.610**
	(0.95)	(-2.05)
% Foreign IPOs	0.125	0.102
	(0.83)	(0.32)
Global UWs	0.489**	0.307**
	(2.56)	(2.74)
% of Global UWs	1.061***	1.310***
	(3.40)	(3.91)
Disclose	-1.756***	-2.568***
	(-5.55)	(-9.12)
Constant	3.618***	3.976***
	(13.62)	(8.23)
Observations	1,425	11,941
Adjusted R-squared	0.319	0.301

Table X: Listing Market for Foreign and Global IPOs

Logit analysis of the determinants of the listing market for Foreign and Global IPOs. The dependent variable is a dummy variable representing the choice of listing market for the three most active markets for foreign and global IPOs: US, UK, or Singapore. The remaining listing markets are grouped into *All Other*. *Foreign IPOs* are IPOs that go public in at least one foreign country but not in their home country. *Global IPOs* are IPOs that go public simultaneously (within 30 days) in both their home country and at least one foreign country. *Proceeds* are from Bloomberg. *Technology* is a dummy variable as defined in the Appendix. *Mkt Return* is the buy and hold return over the year prior to the listing in either the home or listing country. *% Industry IPOs_l* is the percentage of all IPOs in the same industry that went public in the listing country in the three years prior to the listing. *% Home Country IPOs_l* is the percentage of IPOs from the home country that listed in the listing country in the past three years. *% IPOs by Global UW* is the percentage of offers in the listing country that have global underwriters for a given year. *Proximity* is the distance between originating and listing country in kilometers from Sarkissian and Schill (2004), and its marginal effect is multiplied by 100. *Disclose* is an index of disclosure requirements from La Porta, Lopez-de Silanes, Shleifer, and Vishny (1998). *Financial Integration* is computed using the data constructed by Lane and Milesi-Ferretti(2007) as the sum of the U.S. dollar-denominated value of external assets and liabilities divided by the GDP of the corresponding country. Subscripts denote whether the variable is based on the home country (h) or the listing country (l). Firm and offering characteristics are winsorized at the 1% level. *z* scores are adjusted for clustering in home countries.

Variable	All Others	US	UK	Singapore
<i>Model 1</i>	dy/dx	z	dy/dx	z
Ln(Proceeds)	-0.020	0.12	-0.041	-2.87
Profitable	-0.056	0.14	-0.243	-4.36
Technology	-0.032	0.20	-0.170	-3.27
Mkt Ret _{1,1yr} -Mkt Ret _{h,1yr}	0.288	-0.31	0.114	0.72
% Industry IPOs _l	-0.668	1.46	-0.341	-0.93
% Home Country IPOs _l	-0.791	0.67	0.256	1.03
% IPOs by Global UW _l	-1.088	3.53	-2.845	-4.13
Proximity (*100)	-0.023	0.10	-0.045	-2.05
N	998			
<i>Model 2</i>	dy/dx	z	dy/dx	z
Ln(Proceeds)	-0.021	-1.31	-0.029	-1.17
Profitable	-0.011	-0.31	-0.131	-3.53
Technology	-0.068	-1.69	-0.201	-2.80
Mkt Ret _{1,1yr} -Mkt Ret _{h,1yr}	0.360	1.62	-0.301	-1.71
% Industry IPOs _l	-0.679	-3.20	-0.839	-3.17
% Home Country IPOs _l	-0.478	-1.55	0.362	1.26
% IPOs by Global UW _l	-0.766	-2.93	-3.200	-3.56
Proximity (*100)	-0.143	-1.17	-0.034	-1.52
Disclose+Disclose _h	-0.703	-2.24	-1.254	-3.86
N	665			
<i>Model 3</i>	dy/dx	z	dy/dx	z
Ln(Proceeds)	-0.027	-2.07	-0.070	-2.95
Profitable	-0.052	-1.28	-0.237	-7.72
Technology	-0.052	-1.28	-0.229	-3.53
Mkt Ret _{1,1yr} -Mkt Ret _{h,1yr}	0.437	2.40	0.058	0.26
% Industry IPOs _l	-0.745	-3.70	-0.238	-0.71
% Home Country IPOs _l	-0.904	-2.50	0.563	1.76
% IPOs by Global UW _l	-1.200	-3.44	-3.421	-3.83
Proximity (*100)	-0.026	-1.73	-0.057	-2.59
Financial Integration+Financial Integration _h	0.002	0.64	0.042	2.80
N	655			