Delistings around the World

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Abstract

This research aims to examine delisting due to negative reasons around the world. Delisting is defined as delisting from the trading exchange due to negative reasons such as bankruptcy, in administration, in liquidation, or inability to meet listing requirements. Although there is a sizable literature investigating different facets of short and long run performance of IPOs, little has been researched on country-specific characteristics associated with corporate delisting. Past studies on the subject of IPO delisting have largely been confined to United States firms. This study contributes to the literature by bringing the research on delisting to the international setting and thus filling the gap in the extant literature. In particular, I examine whether national culture, in particular long term orientation, has an impact on IPO survival. I contend that national culture influence delisting on top of the contributing factors related to formal rules such as the legal environment. Logistic model and Cox proportional hazard model will be employed to estimate the likelihood of delisting and probability of post-IPO time to delisting respectively.