

ANALYSIS AND RESULTS OF INTERNATIONAL IPO PRACTICE

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Abstract

Joint-stock companies are at a high level during their activity need financial resources. Corporate in meeting these needs they solve by attracting capital by structures. Finance today one of the most common modern methods of attracting capital in the market as an initial public offering (IPO). It is effective to attract capital through Shares in the financial market large amounts of capital (funds) through an initial public offering (IPO) organizational characteristic of this practice due to the possibility of involvement.

Keyword: IPO-initial public offering, stock exchanges, financing, pandemic, Chinese capital markets.

The practice of placing shares in an open subscription procedure is short IPO (eng. (Initial Public Offering)). An IPO is a placement of shares in the market by the issuer in the method of primary public subscription, during which they penetrate a wide range of investors and carry out free trading on the stock exchange increase. IPO refers to the first offering of shares of the issuing company on the open market. In this way, investors who are interested in the company's shares can freely buy them on the stock exchange. Trading of the company's securities on the stock exchange as a result, they become the subject of free trade, their liquidity increases and leads to the maximum increase of their market price. With the help of IPO to cover current costs in the company and to implement large projects it will be possible to attract long-term external financial resources. IPO processes required for and their implementation of the company increases its transparency and enables an objective assessment of its financial status will give. The following indicators are used to evaluate IPO efficiency: If the company's market capitalization is 30 after the initial public offering equal to or greater than the market capitalization of industry competitors during the day If so, the IPO is considered successful. Otherwise, the performance of the IPO is suspect remains Market capitalization = share price x Company's outstanding total number of shares Investors with an unlimited number



of shares used in international practice by means of open subscription, conducting an advertising campaign. A public offering can be the basis for an IPO. IPO is known compliance with the procedure, i.e. called "Road Show" in international practice requires the implementation of an advertising campaign. Of course, the shares of the bank placement in the stock exchange can bring him great benefits. However, stocks commercial bank before starting preparations for an initial public offering it is necessary to define strategic goals. For this, IPO procedure development of an investment project of any joint-stock company and should present it to future investors. Because in the future through IPO investors who want to buy shares, including the population and business for what purposes the financial funds invested by the subjects are spent it is necessary to have imagination. In our opinion, the shares of banks it is necessary to carry out the initial public placement in several stages 49.

2000-2020 based on CapitalIQ and PREQVECA database if we analyze in the interim, 305 IPOs of banks in the world are included. The volume of IPOs of commercial banks in the IPO market (in million dollars) is 50 The total volume of funds raised during IPOs of banks is 218 amounted to a billion dollars. Commercial bank IPOs for the last 10 years we can see that the size of the market is changing. To the largest size It was reached in 2010, and the lowest volume was in 2012. These are from that indicates that foreign commercial banks are actively participating in the IPO market indicates.

Based on the above information, the following are separate conclusions we can say:

1. Shares by commercial banks in our country in recent years developed countries in the reforms on mass placement We emphasize the importance of using practice. Must Through this method, they will initially publicize their share packages can increase its level of capitalization as a result of placement. Of this as a result, the commercial bank will have additional financial resources. A highly developed method in foreign banking practice is the practice of IPO. This of bank shares to apply the practice in the banking practice of our republic. Effectively organize the use of initial public placement stages should be done. It is worth noting that the joint-stock companies of our Republic IPO and SPO are modern ways to increase the level of capitalization. It is considered desirable to use its practices widely.

Instead of information, it should be noted that the sources of financing of enterprises are internal and is divided externally. An IPO is a method of external financing.



Several advantages of an IPO available: attracts long-term capital for the development of the company; business value evaluates fairly; creates a "currency" for mergers and acquisitions; of the company provides an "exit" option for principal holders; improves image, increases transparency, improves corporate governance. However, the main disadvantages of an IPO are: to conduct an IPO big time and big costs; Strict reporting and disclosure requirements. And so, that the advantages of this source of raising capital outweigh its disadvantages shows.

After 30 years of trial and error in the government's process, Chinese regulators are adamant is in no rush to relax the rules and to the market to independently determine the price of the IPO does not want to believe. As a result, the IPO offer price is inefficient because by private firms most of the value created goes to new shareholders when they go public: initial earnings are excessive, making it too expensive for companies to go public.

In particular, stress caused by uncertainty about how long the IPO process will take in addition, the average IPO in China exceeds the amount of funds raised incurs direct and indirect costs. Many high growth companies other markets choose to list and other firms by the government not funded. All these problems are negative for the efficiency of capital allocation effect: they leave less good investment opportunities for Chinese investors and resulting in a higher cost of capital for good companies. In our opinion, The key to a more efficient IPO market is specific restrictions and regulatory interventions is to reduce. In particular, prices as done for STAR Market and Shenzhen GEM it is necessary to cancel the limits and relax the profitability requirements for participating in the IPO. Instead, regulators allow the market to price securities and should allow investors to take risks.

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