

Here, there or everywhere: taking the decision on where to list and why?

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The Panel

Here, there or everywhere: taking the decision on where to list and why?

This session dives into the current listing landscape and the competitive position of stock exchanges globally. Even in the current volatile stock market, issuers continue to look for the best environment to raise capital, enhance liquidity and drive an efficient listing process, and stock exchanges across jurisdictions are competing to attract high profile issuers. The session discusses the current trends and future outlook of the IPO and listing market and looks into the considerations that are relevant for the choice of listing venue and the dynamics behind multiple listings.

The Panellists

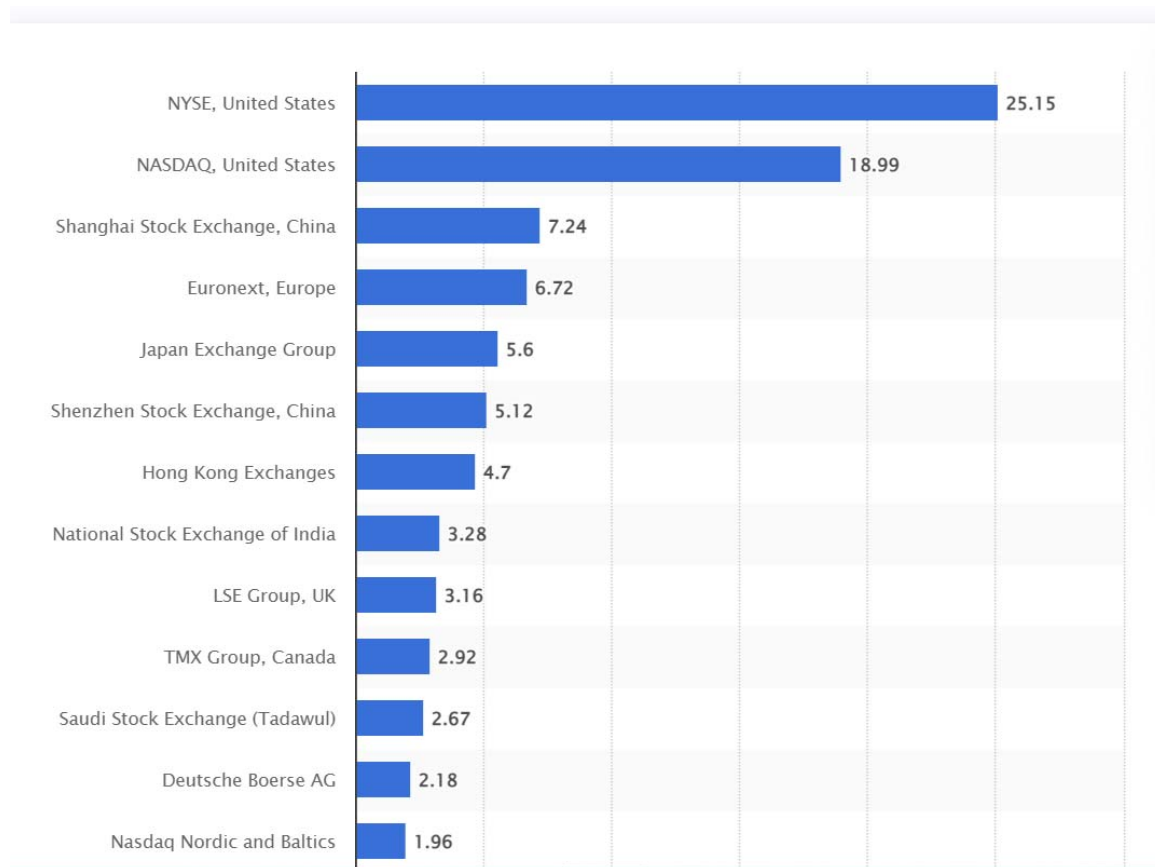
Co-Chairs

- Tom Fagernäs, Krogerus, Helsinki, Finland; Co-Chair, Securities Law Committee
- Francisco (Chico) Müssnich, BMA Advogados, Rio de Janeiro, Brazil; Regional Representative Latin America, Securities Law Committee

Speakers

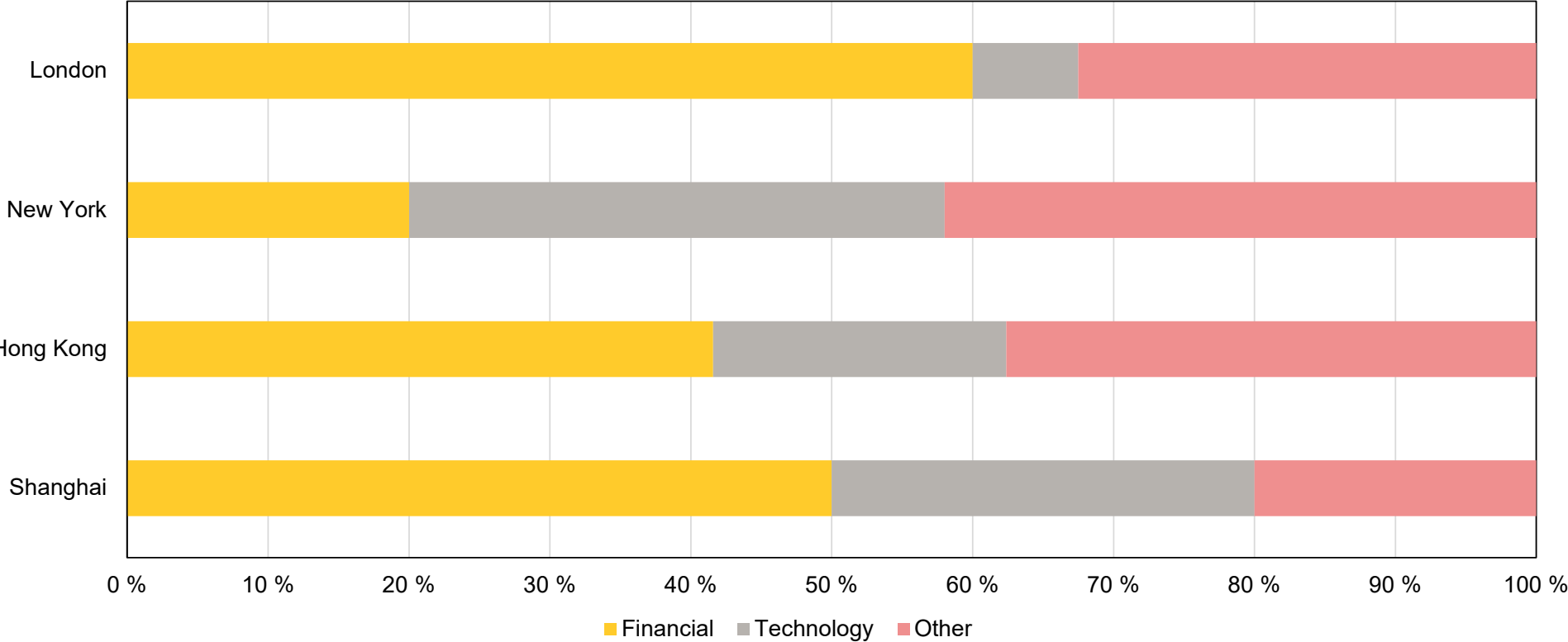
- Kelly Smercina, Cravath, Swaine & Moore LLP, New York, New York, USA
- Adrian Farrell, McCann FitzGerald, Dublin, Ireland
- Jerry Koh, Allen & Gledhill, Singapore, Singapore; Member, Securities Law Committee Advisory Board
- Marta Graça Rodrigues, Garrigues, Lisbon, Portugal
- Isabel Ucha, Euronext, Lisbon, Portugal

Largest Exchanges in the World: Market Cap of Listed Companies

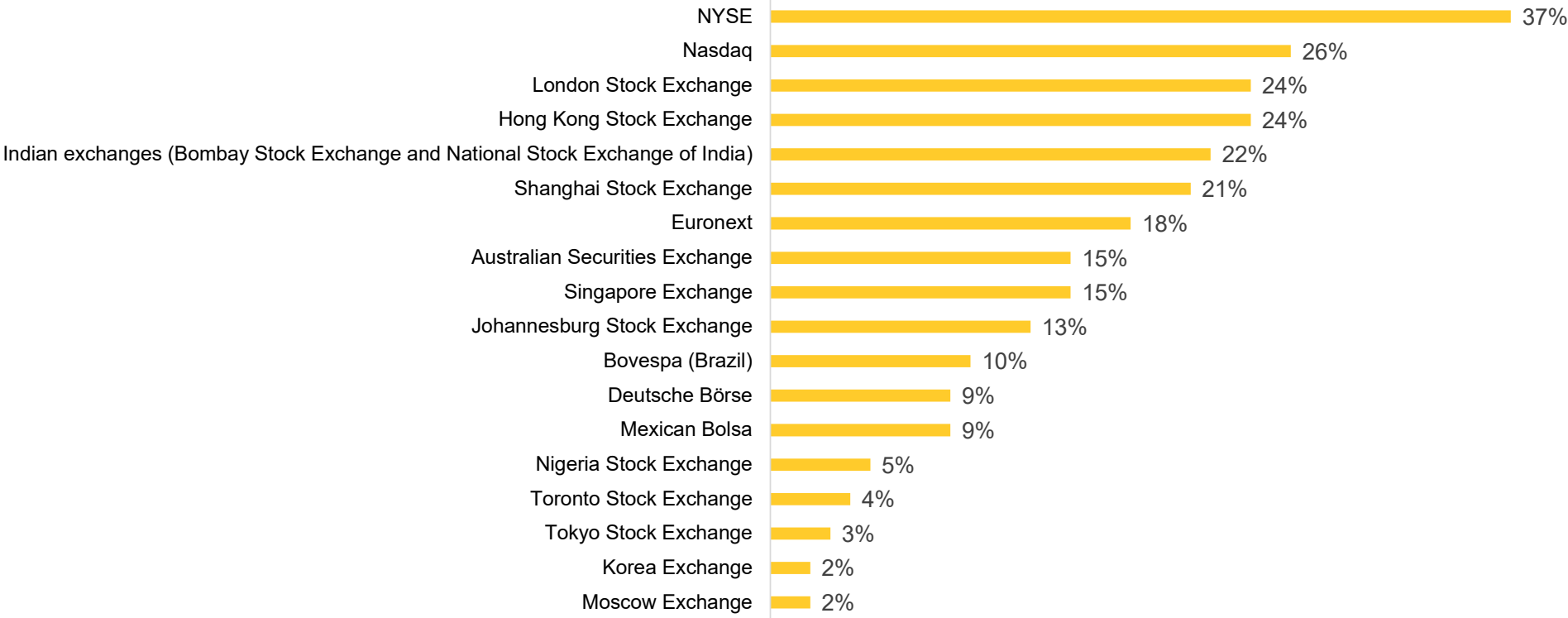


Source: Statista, March 2023

Top IPOs by sector in London, New York, Hong Kong and Shanghai, 2016–18

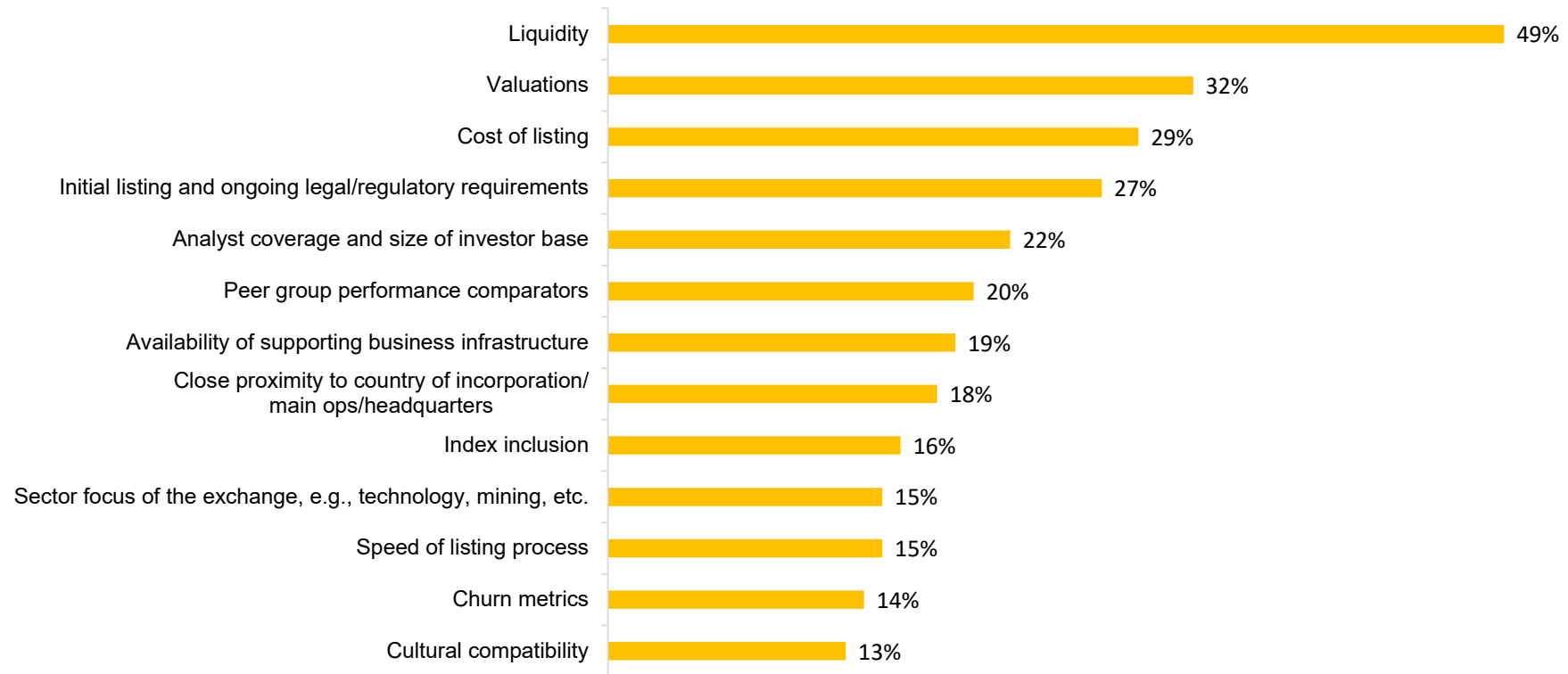


Which of the following exchanges do you think issuers will consider (beyond their home exchange) in 2030 when planning an IPO?



Source: The Economist Intelligence Unit

What are the most important factors when choosing a stock exchange/market for an IPO?



Source: The Economist Intelligence Unit

The IPO

Brazil TeleTom ("**BTT**"), a Brazil-domiciled household name in the conventional telecom and media space, has been considering going public for quite some time, but has for the time being preferred to be closely held. BTT, however, is currently exploring the potential to start its own content production and online streaming services, including gaming and social media platforms, and is looking for ways to finance its new business model.

Chico Securities has been involved as BTT's financial adviser, and is now insisting that the company conducts an initial public offering to raise funds for the implementation of the expansion plan. Chico Securities insists that BTT creates a Cayman company in which super voting shares will be issued to the controlling group and ordinary shares be listed in the United States because *"that is where valuation and liquidity is highest and demand never ends"* and *"of course BTT should want to IPO in the country where they have the biggest market for their new products and services"*.

The Multiple Listings

BTT has now successfully IPO'd in the United States, its share price has been steadily increasing ever since, and everyone seems to be happy. With Chico Securities still advising, BTT is now looking at expanding its business through an aggressive M&A strategy, and BTT has laid their eyes on the Portugal-based internet giant Poodle. Poodle's shares are listed on both the Lisbon and Singapore stock exchanges.

After tough negotiations, Poodle's board of directors recommends to Poodle's shareholders a public share exchange offer in which Poodle's shareholders receive BTT's newly issued shares in consideration for their shares in Poodle, which in turn will be delisted. In connection with the transaction, BTT has agreed to be listed both on the Lisbon and Singapore stock exchanges alongside its current New York listing.

Yet Another Listing

After a successful M&A transaction, BTT now holds the overwhelming majority of shares in Poodle, which will be merged into the newly created BTT-Poodle. Chico Securities, however, is still not happy, as its financial model shows that the costs associated with maintaining multiple listings across three continents is creating somewhat of a burden on BTT-Poodle. In order to allow for financial flexibility, Chico Securities is now propagating a bond issuance towards primarily European institutional investors with a contemplated additional Irish listing. Chico Securities says “*it never hurts to broaden the investor base*”.

Making sense of it all...

BTT-Poodle's CFO, Investor Relations Director and General Counsel are pulling their hair out. They are operating under multiple overlapping regimes in terms of corporate governance, disclosure and reporting, and they do not seem able to find their way. They just came out of BTT-Poodle's annual general meeting of shareholders, and it turned out that shareholders at large were unable to register their shares for voting as instructions were confusing at best. They are now receiving calls threatening to sue.

BTT-Poodle's management wish that they would have been warned, and they are angry at Chico Securities and expensive lawyers for not adequately addressing these issues and mapping them out in the first place...