



THE ADVANTAGES OF ORGANIZING THE PRACTICE OF INITIAL PUBLIC OFFERING OF SHARES

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A B S T R A C T	KEY WORDS
The article analyzes the process of successful public offering (IPO, SPO) of stocks by joint-stock companies operating in our country. Additionally, the opinions of both foreign and domestic scholars who have conducted research on this topic, as well as the experiences of foreign countries, are considered to derive conclusions, modern approaches, and recommendations for improving the practice of public offering of stocks in our country.	Joint-stock company, public offering of stocks, stock, integration, private sector, investor, IPO, SPO, securities market, investment attractiveness.

Introduction

The development of financial infrastructure is necessary to develop the economy of our country further and further strengthen its integration with international markets. In this respect, the issue of improving the practices of public placement of shares (IPO, SPO) by Joint-Stock Companies is gaining relevance today. Public placement of shares (IPO, SPO) not only allows companies to attract financial resources but also increases transparency and competitiveness in the economy, attracting foreign investors. Today, IPO and SPO practices are being respected by Joint-Stock Companies operating in our country, but based on the experiences of foreign countries, IPO and SPO processes in our country are still at the initial stage, the limitation of the national capital market, insufficient information to investors, the inefficiency of the system of relations with investors after mass placement and low financial literacy among, SPO) is becoming an obstacle to the full use of its capabilities. Therefore, the consistent continuation of reforms related to the process of mass placement of shares (IPO, SPO), further strengthening cooperation between the public and private sectors, the study of foreign experience, and the introduction into national practice occupy an important place in accelerating the integration of our economy into the global market.

Literature Review

A number of our foreign and local scientists have conducted research within the framework of the issue of attracting capital and further improving their activities by organizing the practice of mass placement

of shares by joint-stock companies. In particular, one of the foreign economists, P.P. Lyuvutin, as a result of his research on the study of the process of initial public offerings, emphasized that the IPO process should be considered from three perspectives: from the perspective of the issuing company, investors and underwriter [1].

"U.S. scholar Jay Ritter has argued that the IPO process should focus on maximizing capital[2].

Chinese economists Thomas Chemmanur, Gang Hu, and Jiekun Huang have noted that one of the important aspects of institutional investors' participation in IPO practices is underwriting activities, noting that institutional investors obtain important information about companies that have conducted IPOs through underwriting activities in IPO practices, and also receive a large service fee for their participation [3].

Hsin-Yi Huang, Min-Hsien Chiang, Jia-Hui Linc, and Yun Lin studied 3 methods of public placement of shares (IPO), namely fixed prices (fixed-price), auction (auction), and bulk-billing (book-building) methods, to influence investor sales. Auction (auction) and buk-building (book-building) methods have been claimed to increase the effectiveness of mass placement practices [4].

Our local economists, S. Elmirzayev and B. Mamatov, in their research on the topic "Issues of effective organization of public placement of shares", noted that in the case of the joint-stock companies operating in our country and organizing public placement of shares, Quartz, Kokand Mechanical Plant, Jizzakh Plastics, and Uzauto Motors, certain positive or negative experiences were obtained, but the opportunities that could be achieved through public placement of shares were not sufficiently used.

In her research work on the topic "Ways of effective organization of financial provision in corporate financial management", N.R.Tursunova thoroughly studied the advantages and disadvantages of the IPO practice, as well as the stages of preparation and implementation of the IPO practice[6].

In his research work on "Increasing capital flow through the stock market in Uzbekistan", A.Alikulov noted that the Book building method, widely used in world practice, is better than the rest of the fixed price method and auction method, which makes it possible to form the prices of securities in IPO processes based on the most optimal and specific requirements, facilitating the selection process of potential investors [7].

Analysis and Results

Following the growing demand for investments in our country in recent years, various ways of attracting them are used by many companies. Including the method of increasing equity through the primary public placement of shares. Through this method, the company offers the most fair assessment of the market value of its assets. It will be necessary for companies entering the stock exchange to meet high standards of financial and business data disclosure, as well as create investment attractiveness for potential investors. The successful implementation of the IPO practice directly depends on the correct development and implementation of the corporate financial strategy by Joint-Stock Companies. The corporate strategy under the IPO requires the determination of a direct long-term preparedness plan. The main goal of long-term preparation is to increase the attractiveness of the investigation. This requires, based on achieving high profitability, the transition to regular dividends, the improvement of internal documents in terms of attractiveness (such as setting the amount of net profit directed to the dividend, the form of dividend payment, the upper limit of ownership of a share in the share capital). At the same time, it is also important to be able to convince the forecasts of growth in the profitability of shares at the expense of further increase in profitability by justifying the fact that the projects in

which the IPO proceeds are directed are promising. In national practice, we cannot say that enough attention is paid to this aspect. In certain cases, the decision to hold an IPO in the first quarter of the year is being made by the public administration authorities, and an IPO is being held on the eve of the end of the year. As a result, investment attractiveness issues are dramatically lowering the chance that the cause will achieve the expected capitalization.

For public stock placement practices (IPOs, SPOs) to be successful, they must be properly planned, carefully prepared, and organized in every possible way. Thorough preparation will serve as a comprehensive basis for successful IPO and SPO. Once internal preparation is provided and agreed upon with the relevant partners, attention is paid to setting the price range of all-round shares, and with which exchange to select. Setting an amount limit on the application of shares by one investor is also important in this process. It should also be noted at this point that the time of acceptance of applications should be determined based on the current state of the economy. The fact that the practices of mass placement of shares of Quartz, the Kokand mechanical plant, and Uzauto Motors joint stock companies were established in the winter is also one of the reasons for the low demand. Because it is in the winter that it is in the conditions of a relative decrease in income of the population and an increase in costs the offer of shares to them does not give its result sufficiently.

In the process of preparation of IPO by Joint-Stock Companies, it is necessary to carry out such work as pre-planning and preparation, evaluation of IPO preparation, planning of IPO implementation, and in the process of conducting IPO, such works as going to the exchange, basing the project, implementing IPO, and after establishing the IPO practice, turning the organization into an open society. Many companies prepare to work as an open society long before direct preparation for the IPO begins. Pre-preparation is one of the main factors in achieving the desired result without failures and surprises in the process of implementing the project. Such preparation allows appropriate action to be taken at the initial stage of the process and allows the elimination of identified deficiencies related to the structure or agreements of the organization, which allows the company to obtain the maximum benefit from the IPO.

Table 1.

No	10 step naming	Work to be done
1	Goal setting	Make sure and make a decision at this time that the IPO is the right choice for your company.
2	Preparing information for investors	Preparing an "attractive reference for investors". The IPO sheds light on the past success and future growth potential of the company you are planning and causes high valuation.
3	Finding an IPO consultant	Make sure he has rich experience and strong knowledge.
4	Choosing the right exchange	Make sure you are registered in the most optimal market for your company and strategy.
5	Pass an IPO Readiness Test	Determine the systems and processes that need to be changed before starting the official IPO process.
6	Drawing up a plan and schedule	Set the most favorable deadlines and consider attracting experienced professionals to increase the efficiency of activities, ensure business continuity.
7	Elimination of disadvantages	Develop and implement a plan to adapt systems and processes to market requirements and standards.
8	Choosing partners	Focus on the fact that your partners, from legal consultants to underwriters, have extensive experience with the capital market.
9	Creating an investor relations department	Establish that this section is responsible for ensuring a positive relationship with investors and analysts.
10	Preparation of financial statements	Make a transformation of financial statements based on the fact that most markets require data over the past three to four years.

Set a goal in the process of preparing for an IPO by a Joint-Stock Company, prepare information for investors, find an IPO consultant, correctly select an exchange, pass an IPO Readiness Test, draw up a plan and schedule, eliminate shortcomings, choose partners, create an investor relations department, it ensures that such processes as the preparation of financial statements and the work that must be carried out in each process are clearly defined and that the performance of these works is successful in the practice of mass placement carried out by the Joint Stock Company. To date, the practice of primary open placement of shares (IPO) in our country has been given serious attention at the government level. In this case, the successful conduct of IPO transactions largely depends on the level of profitability of securities of Joint-Stock Companies. We believe that these aspects in turn serve to ensure that the published share emissions, and IPO transactions, are successful. It is also advisable to make regular announcements about the IPO operations being organized in the media, and on the pages of the internet. When organizing IPO operations on international stock exchanges, it is recommended to also take into account the listing requirements and tax factors, using the services of financial and tax consultants.

Table 2.

Group line-up	Reviewing which companies are listed through the group and which companies are (and are not) included in the group. The resolution of these issues may depend on the structure of the transaction and tax planning
Financial data	Formation of financial information for the previous three years to participate in the issue prospectus. Assessment of the compliance of the company's accounting policies with disclosure rules is mandatory for public companies, including segment reporting
Corporate management	Assessment of the organization of corporate governance, including the structure of the board of directors and committees, as well as the changes necessary to ensure compliance with the requirements of the public limited company.
Effectiveness of the financial function	Evaluation of systems operating in the company, including IT systems, financial reporting and Management Information Systems, budgeting and planning systems.
Risks and issues of compliance with regulatory and legal requirements	Assessment of existing systems, including a system for controlling the justification of funds received by a criminal way; a system of confidential information about violations; code of conduct of business; an internal audit system.
Choosing a stock exchange platform for an IPO	Analysis of the differences in the requirements of the primary IPO and the conduct of listing on exchanges in the early stages of the preparatory process under consideration. To determine the scope of potential issues related to the compliance of the company with the criteria for obtaining an IPO.

Typically, companies prepare to operate as a public limited company long before the IPO process begins. Depending on the readiness of the company, the IPO process can take up to 4-12 months. Preliminary preparation is one of the main factors of successful access to the stock exchange, which allows the company to carry out the IPO process smoothly and efficiently. The timing of the preparation and placement of securities in each market varies due to aspects of regulatory requirements.

Conclusion

In general, paying attention to the above-mentioned aspects when organizing and conducting public placements of shares (IPO, SPO) by joint-stock companies is of great importance in achieving the intended goal, namely, in the successful organization of public placements of shares and increasing income by turning the population into shareholders, in attracting cheap capital for business, in the effective conduct of privatization, and in the development of the stock market as an institution

competing with the credit market in financing the economy.

Since the success of public placements of shares requires serious preparation, work should be carried out on the basis of a long-term corporate strategy, and the level of readiness of joint-stock companies should be tested for IPO. As a result, joint-stock companies can successfully conduct public placements of shares (IPO, SPO) and thereby attract a large amount of capital, achieve an increase in share prices, increase investment attractiveness, and form their international image.

In addition, due to the high state share in joint-stock companies operating in our country, the profitability and market influence of joint-stock companies with state participation is high, the state share in the authorized capital of joint-stock companies with state participation is sold at the market price through the practice of SPO, and the state share with high profitability by effectively organizing the next stages of privatization. Existing joint-stock companies will be able to attract more financial resources from the capital market by using the SPO mechanism.

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