
LISTING REQUIREMENTS OF INTERNATIONAL STOCK EXCHANGES: SOME EMPIRICAL EVIDENCE

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Abstract

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securities, stock exchange, capital market, listing requirements, delisting.

It is discussed the regulation of institutional investors in the capital market, foreign practices in the process of listing and delisting requirements in countries such as the Switzerland and United States (the New York Stock Exchange (NYSE)) and there are given relevant conclusions and proposals

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INTRODUCTION

The capital market plays an important role in economic growth and financial stability in the country. Today, institutional investors are recognized as the most active participants in world practice in the world practice. Great attention is paid to regulation of their activities in order to ensure the functioning of institutional investors. After the 2008 financial crisis, governments and regulatory authorities around the world are carrying out many reforms to help create a strong financial system. In recent years, a wide range of reforms are underway in this area. President Sh.Mirziyoev noted that "the securities market is an important tool for summing free funds in the economy and divorce in investment processes" [1]. It should be noted that the capital market includes the securities market as well as the formation of the capital market in our country and regulation of institutional investors is especially important.

THE RELEVANCE OF THE RESEARCH SUBJECT. Although the role of the capital market in developed countries is large, the role of the capital market is growing in developing countries. Institutional investors play an important role in developing the capital market in developed and developing countries, and institutional investors are considered as a source of funding for the corporate sector. Therefore, the study of foreign experience in regulation of institutional investors in the capital market is of urgency.

THE PROBLEM OF THE RESEARCH. It is known that today there is a crucial role in raising the development of the capital market in Uzbekistan. Therefore, the government is also developing reforms and strategies in order to develop the capital market, but the problems that need to be resolved, in particular, the presence of issues such as the necessary infrastructure to the development of the capital market and institutional development and institutional has a negative impact on investors. Therefore, it is necessary

to effectively develop the mechanisms regulating the activities of institutional investors in the capital market.

THE PURPOSE OF THE RESEARCH. The purpose of this study is to develop scientific conclusions and recommendations on issues related to the regulation and development of regulation and development of institutional investors and improving institutional investors.

THE SCIENTIFIC ESSENCE OF THE RESEARCH. The regulation of the activities of institutional investors in the development of the economy and the capital market is of particular importance. According to foreign scientists I. Atiyas and H. Ersel, there are X-Post and X-Antemethods of government regulation which are conducted with research on the regulation of the capital market [2]. According to R. Francioni, J.H. Freis, A. Hachmeister, the main purpose of regulation of the capital market as part of the financial market, in particular, ensures financial stability. In this regard, one of the important conditions of stability is infrastructure that works in the capital markets. Each analysis studied in capital markets should be taken into account the infrastructure of the local capital market [3]. According to A.M. Paccas, D. Heremans, the financial markets, particularly capital markets show the need to regulate the capital market, and mainly the regulation is provided through financial participants or demand government intervention [4]. The government may decide to choose available companies and thus succeed in the effective companies in the securities market [5].

J. Macey, M.O'Hara and D. Pompilio emphasize that listing requirements can be divided into two analytical categories. The first category includes rules that serve the interests of listing companies to ensure the interests of the exchange, as the companies that are constantly beneficial will benefit the stock exchanges. It is designed to defend the reputation of the second category of listing trading platform [6]. According to S. Chaplinsky and L. Ramchand, compulsory delisting occurs as the companies are not able to meet the established standards, and in most cases companies will occur. [7] It is noted by I. Martinez, S. Serve, C. Djama, that in terms of saving, analyzing the causes of the dyslist will help determine the two different levels of delisting. If firms are undergoing the growing costs in an optional delisting, while in compulsory delisting, firms will not be able to manage their expenses. These differences mean the importance of considering the economic consequences of delisting [8].

Uzbek economists also have studied on regulation of the financial markets. In particular, according to the researchers led by S. Elmirzaev, the megaregulator and macroregulator are widely used as external mechanisms of regulation of the financial marker [9]. In our opinion, the capital market should identify regulatory mechanisms when regulation of institutional investors, as well as improve the infrastructure of the capital market.

RESEARCH METHODS. This article uses scientific abstractions, comparison, induction, deduction, analysis and synthesis in analysis of the practice of regulating the activities of institutional investors in the capital market.

THE MAIN RESULTS. The process of regulation of the activities of institutional investors in the financial market, in particular, the process of regulation of the securities market plays an important role in international levels.

In Switzerland, government regulation for the capital markets will be constantly reconsidered and optimized. The Federal Financial Department is responsible for coordinating various measures. Effective regulation is not only necessary for the financial sector, but also it is an important part of creating a jobs for Switzerland. That is why the Swiss capital market also attaches great importance to modernly regulating the activities of institutional investors in the capital market. In this regard, it is necessary to pay attention to

the following three new bills in the capital market: the law on federal financial services, legislation and capital market infrastructure on the infrastructure of financial institutions. The planned reforms simplify and increase the composition of the legislation on the capital market [10].

The practice and experience of regulating the capital market implemented by the United States in the international capital market will be able to develop many countries. It should be noted that "Rules 144A" is used in the U.S. to regulate the activities of the capital market and the activities of institutional investors. "Rules 144A" In the US section "On Securities" in the United States can be released from the listing requirements specified in the United States, that is, the limit for mass sale of certain situations, which occurs, and control securities are removed. This is possible to make a sale of this type of securities. Recited in 1933 the Law in 1933, the Law on Securities is mandatory before mass placement or sale of all types of special securities issued by the Company or the sale of the Security and Exchange Commission (SEC). "Rules 144A" gives privileges for sellers. This preference can be used to sell securities to the established customers. The specified buyer is not any person, but also some financial institutions. According to this rule, financial institutions may be engaged in the sale of non-listed and supervisable securities without deviating the process of listing [11].

This rule increases the liquidity of non-listed and control securities, as it allows this major institutional investors to exercise the sale of these securities. Under the rule, it is mandatory to remove the restrictions before sale. "Rules 144A" describes how to remove the restrictions. Some other terms should be done to use this privilege.

If the pardon (invalids) wants to sell this type of securities, the number of securities that can sell for three months should not be more than 1 percent of the circulation in the circulation sold. If sales covers more than 5,000 pieces or more than \$ 5,000 in a period of \$ 5000, the notification should be sent to Securities and Exchange Commission(SEC) in accordance with the appropriate order.

Internal regulations also play an important role in regulating the securities market in the United States. In this case, listening and delisting requirements are of particular importance. Companies must meet certain requirements or listing requirements before starting trading on stock exchanges. Various exchanges define their listing requirements to make shares trading. Initially, the company to register must meet the minimum financial and non-financial requirements. Requirements The total market value, prices include the company's proposals and shareholders. After the company's shares are traded on the stock exchange, usually other requirements will be low. If the company does not meet these requirements, the shares can be delisting. The listing requirements are not the same for all stock exchanges, that is, each stock exchange has its requirements [12].

Table 1**General listing requirements of the New York Stock Exchange [13]**

Requirements	Standard 1	Standard 2	Standard 3	Worldwide
The number of Shares Publicly Held	1,100,000	1,100,000	1,100,000	2,500,000
The number of Public Board Lot Holders	400	2,200 total shareholders and 100,000 shares monthly trading volume (most recent 6 months)	500 total shareholders and 1,000,000 shares monthly trading volume (most recent 12 months)	5,000
Market Value of Publicly Held Securities	\$100,000,000 unless IPO, carve-out or spin-off \$40,000,000	\$100,000,000 unless IPO, carve-out or spin-off \$40,000,000	\$100,000,000 unless IPO, carve-out or spin-off \$40,000,000	\$100,000,000
Trading Price of Listed Securities	\$4.00	\$4.00	\$4.00	\$4.00
Shareholders Equity	N/A	N/A	N/A	\$55,000,000

If we focus on the listing requirements of the New York Stock Exchange (NYSE), listing requirements are made in 4 categories (Table 1). The main listing requirements are the number of shares sold in many stocks, the number of shareholders who bought them when mass stocks were purchased, is the market value of the mass securities, the cost of listing securities, the cost and capital indicators. There are also requirements for other financial indicators in addition (Table 2).

Table 2**Additional conditions of the New York Stock Exchange (NYSE) listing requirements [13]**

Aggregate Pre-Tax Income for Last 3 Years	\$10,000,000	\$10,000,000	\$10,000,000	\$100,000,000
Min. Pre-Tax Income in each of 2 Preceding Years	\$2,000,000 (all 3 years must be positive)	\$2,000,000 (all 3 years must be positive)	\$2,000,000 (all 3 years must be positive)	\$25,000,000
or:				
Aggregate Pre-Tax Income for Last 3 Years	\$12,000,000	\$12,000,000	\$12,000,000	N/A
Min Pre-Tax Income in Most Recent Year	\$5,000,000	\$5,000,000	\$5,000,000	N/A
Min. Pre-Tax Income in Next Most Recent Year	\$2,000,000	\$2,000,000	\$2,000,000	N/A
2.1. Valuation/CashFlow				

GlobalMarketCapitalization	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000
Revenues (most recent 12-month period)	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Aggregate Cash Flow for last 3 years	\$25,000,000 (all 3 years must be positive)	\$25,000,000 (all 3 years must be positive)	\$25,000,000 (all 3 years must be positive)	\$100,000,000
Minimum Cash Flow in each of 2 preceding years	N/A	N/A	N/A	\$25,000,000
2.2.Valuation/Revenue:				
GlobalMarketCapitalization	\$750,000,000	\$750,000,000	\$750,000,000	\$750,000,000
Revenues (most recent fiscal year)	\$75,000,000	\$75,000,000	\$75,000,000	\$75,000,000
3.AffiliatedCompanies:				
GlobalMarketCapitalization	\$500,000,000	\$500,000,000	\$500,000,000	\$500,000,000
OperatingHistory	12 Months	12 Months	12 Months	12 Months
4.Assets/Equity				
GlobalMarketCapitalization	\$150,000,000	\$150,000,000	\$150,000,000	N/A
TotalAssets	\$75,000,000	\$75,000,000	\$75,000,000	N/A
StockholdersEquity	\$50,000,000	\$50,000,000	\$50,000,000	N/A

Table 2 pays attention to indicators such as income, assessment, cash flows, revenue, afiled companies, assets.

CONCLUSIONS AND SUGGESTIONS

It is advisable to consider several aspects in the capital market, taking into account the above analysis and the results, as well as its participants in the capital market, to be taken into account.

First, even if legislation developed in the Uzbek capital market reflects a degree of international requirements, we can see that their implementation is significantly different. Therefore, the expected results expected in adaptation to international experience in the national capital market and their fruit should be explored.

Second, the main purpose of the capital market should be openly transparent in the capital market, taking into account the activities of institutional investors and increase their activity in the capital market.

Third, it is important to regulate institutional investors in the capital market and formulate and develop a favorable infrastructure to increase their activity. The convenience of the capital market is an important aspect of increasing the activity of institutional investors in the capital market, increasing the efficiency of activity, as well as attracting other institutional investors.

Fourth, to be taken into account by stock exchanges these requirements in the development of listing requirements should also take into account the interests of listing companies. How listening to listing companies will benefit, in turn, is constantly place of stock quotes and is also useful for the stock in exchange for fees.

Fifth, it is necessary to consider the financial condition of institutional investors in the capital market in the development of listing requirements. In the creation of listing requirements by the exchange, the number of these requirements and the cost of the Company should not cause sharply grow. Otherwise, it can affect the decrease in the number of listing companies on the stock exchange, its reputation and financial status. Therefore, these aspects should be taken into account when listening requires.

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