

Overview of Cross Listing



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About Usul Ventures

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Welcome to Usul Ventures – Your Gateway to Capital Markets Excellence

At Usul Ventures, we redefine the future of business. We are a premier consultancy firm headquartered in Istanbul, Turkey, specializing in corporate law, legal consulting, and financial advisory services. Our journey is built upon a passion for innovation, a commitment to excellence, and a dedication to empowering businesses and entrepreneurs on their financial endeavors.

Our Mission

Our mission is to transform innovative ideas into unicorns, to unlock capital growth, and to facilitate early-stage financing for startups and scale-ups. We understand that the financial landscape can be challenging to navigate, especially for those embarking on a new venture. That's why we're here, to guide you through every step of your financial journey, providing the expertise, networks, and market understanding you need to succeed.

Expertise That Sets Us Apart

Our team and partners of legal and financial experts brings a wealth of knowledge and experience to the table. We specialize in capital market law, fintech solutions, and corporate governance. We thrive on staying at the forefront of industry trends, offering the most up-to-date advice and solutions.



Cross - Listing



An Overview

Cross-listing refers to the practice where a company lists its shares on a foreign stock exchange in addition to its domestic exchange. This corporate strategy is implemented by companies seeking to diversify their investor base, increase global visibility, and tap into the larger pools of capital available in prominent international markets. It enables the shares of the company to be bought and sold in multiple financial markets around the globe, thereby offering investors greater accessibility.

“a business practice where a company lists its shares in multiple stock exchanges.”



Cross - Listing



Cross-Listing vs. Dual Listing

The terms "cross-listing" and "dual listing" are often used interchangeably, but there exist nuanced differences between the two. Cross-listing usually involves listing on one primary exchange and one or more foreign exchanges. In contrast, dual listing typically refers to the simultaneous listing of a company's shares on two exchanges, with neither being a secondary listing. This means that in a dual listing, the company must comply with the regulatory and listing requirements of both exchanges independently, and neither of the listings is subordinate to the other.

For example, a company primarily listed on the London Stock Exchange that also lists its shares on the New York Stock Exchange is cross-listed. However, if a company is independently and concurrently listed on both the Australian Securities Exchange and the Singapore Exchange, complying with the governance and regulatory structures of both, it is considered to be dual-listed.



Advantages of Cross Listing



- **Enhanced Liquidity:**

Cross-listing can significantly enhance a company's liquidity by providing access to additional pools of capital and investors, allowing shares to be traded more frequently and reducing the cost of capital.

- **Increased Visibility and Corporate Profile:**

By being present on multiple exchanges, companies can elevate their global profile and brand recognition, potentially attracting international partners, customers, and employees, and opening up opportunities for international collaborations and expansions.

- **Diversification of Shareholder Base:**

With access to a broader and more diverse range of investors, companies can benefit from a more stable and diversified shareholder base, mitigating the impact of market volatility in a particular region.



Advantages of Cross Listing



- Access to Capital:

Cross-listing can enable companies to raise additional funds from international markets, facilitating capital-intensive projects, acquisitions, or research and development activities.

Stricter Governance and Reporting Standards:

Adhering to the regulations of foreign exchanges often involves compliance with more stringent governance and reporting standards, potentially leading to improved corporate governance, transparency, and subsequently, investor confidence.

- Currency Risk Management:

By trading in multiple currencies, companies can naturally hedge against currency risks associated with international business activities.

- Potential Valuation Premium:

Improved visibility, governance, and access to capital can translate into a higher valuation premium for companies, as they may be perceived as more credible and stable by the international investor community.



Examples of Cross- Listing



Below are five examples of major companies from various sectors that have engaged in cross-listing. Each company is listed on multiple exchanges, allowing a wider range of investors to participate in trading their shares.

1. Alibaba Group Holding Limited (BABA)

- Sector: E-Commerce / Technology
- Primary Listing: New York Stock Exchange (NYSE)
- Cross-Listed on: Hong Kong Stock Exchange (HKEX)

Overview: Alibaba, a Chinese multinational conglomerate specializing in e-commerce, retail, internet, and technology, originally listed on the NYSE and subsequently cross-listed on HKEX, highlighting its significance in both the U.S. and Asian markets.

Examples of Cross- Listing



2. Rio Tinto (RIO)

- Sector: Metals & Mining
- Primary Listings: London Stock Exchange (LSE)
- Cross-Listed on: New York Stock Exchange (NYSE)

Overview: Rio Tinto, a British-Australian multinational, is one of the world's largest metals and mining corporations. Its presence on multiple major exchanges underscores its global footprint in the mining industry.

3. HSBC Holdings (HSBC)

- Sector: Banking & Financial Services
- Primary Listing: London Stock Exchange (LSE)
- Cross-Listed on: Hong Kong Stock Exchange (HKEX), New York Stock Exchange (NYSE), Euronext Paris, Bermuda Stock Exchange

Overview: As one of the largest banking and financial services organizations in the world, HSBC's cross-listings represent its diverse and extensive international operations and customer base.

Examples of Cross- Listing



4. ASML Holding N.V. (ASML)

- Sector: Semiconductor Equipment & Materials
- Primary Listing: Euronext Amsterdam
- Cross-Listed on: NASDAQ

Overview: ASML is a Dutch company and currently the largest supplier in the world of photolithography systems for the semiconductor industry. It's cross-listed on NASDAQ, allowing greater accessibility to U.S. investors and enhanced visibility in the U.S. market

5. BASF SE (BASFY)

- Sector: Chemicals
- Primary Listing: Frankfurt Stock Exchange (FSE)
- Cross-Listed on: OTCQX

Overview: BASF SE, based in Ludwigshafen, Germany, is the world's largest chemical producer. It's cross-listed on the OTCQX, making its shares available to a wider range of investors in the United States through a platform known for trading of over-the-counter stocks.



05

Examples of Cross Listing

These companies, each a leader in its respective sector, have utilized cross-listing to gain access to additional capital, diversify their shareholder base, and enhance their global visibility. The presence of these corporations on multiple international exchanges underscores their global reach and the international nature of their operations, allowing them to be more accessible to a broader and more diverse group of investors around the world.

*Crossing
Borders,
Connecting
Investors.*

Conclusion



Cross-listing serves as a strategic tool for companies aspiring to carve a niche in the global marketplace. It transcends geographical boundaries, offering companies a plethora of opportunities to enhance their visibility, liquidity, and investor base, and to fortify their corporate governance structures. It is pivotal for companies to comprehend the distinction between cross-listing and dual listing to strategize their approach effectively, considering the regulatory landscapes and market dynamics of the chosen exchanges. By leveraging the multifarious advantages of cross-listing, companies can potentially elevate their global standing, fortifying their market position, and fostering sustainable growth in an interconnected global economy.

This detailed exploration into cross-listing, its distinction from dual listing, and the accruing benefits, lays a foundational understanding for further examination of specific instances of cross-listings and their impacts on individual companies and broader market ecosystems in subsequent research as good as this report.



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