

## THE PROCESS OF INITIAL PUBLIC OFFERING IN THE COLOMBO STOCK EXCHANGE

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The privately-held firms enter into securities exchange for the first time to sell their equity shares to general public is defined as Initial Public Offering (IPO). The listed companies enjoy many benefits including easy access to finance for their potential growth opportunities. The efficient capital market is considered as an essential factor to effectively mobilize capital for economic development. Therefore, clear understanding of each step, requirement, and eligibility of the process of IPO are essential. Meanwhile, many focus on empirical studies on IPO short/long-run performance, under/overpricing, benefit/cost of listing, lifecycle, determinant, and timing. However, the studies focus on the process of IPO is vague in the existing literature. Therefore, this study intends to explain the IPO process in the Colombo Stock Exchange (CSE). The secondary data sources such as CSE listing rules, equity prospectus and introductory documents of companies, CSE, SEC and CDS publications, websites of company and underwriter, and Going public TV interviews are used. The study reveals that three types of boards exist to list equity shares of companies based on the eligibility criteria and three methods are used to list equity shares in CSE such as offer for subscription, offer for sale and introduction. Further, the process is taken place in three phases, such as Preparing for an IPO, before going Public and The Public Phase of Listing. Each phase includes different activities and documentations with a specific timeline. The study concludes that the IPO is complex and multistage process. The study contributes to scholars, policymakers to reduce bottlenecks and drawbacks of existing IPO process, and improve the process to attract new IPOs. Further it helps to potential companies to effectively plan IPOs through minimizing misperceptions of IPO filing process. Moreover, it helps to Reduce number of IPO withdrawals in CSE.

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