

Datasheet for “International Mergers and Acquisitions Laws, the Market for Corporate Control, and Accounting Conservatism”

Inder Khurana (University of Missouri-Columbia)
Wei Wang (Temple University)

1. A description of which author(s) handled the data and conducted the analyses.

Wei Wang handled the data and conducted the analyses in the paper.

2. A detailed description of how the raw data were obtained or generated, including data sources, the date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.

Raw data on the staggered initiation of M&A laws are from Lel and Miller (2015) who identify the presence and enactment years of M&A laws. Lel and Miller (2015) gathered M&A law information from sources including existing studies (e.g., Nenova 2006), financial law publications (e.g., *International Financial Law Review*), and national regulatory websites. Table A1 in Lel and Miller (2015) reports the name and enactment year of M&A laws, as well as the sources used to identify the information. We discuss specific provisions of each M&A law in Appendix A of the paper.

Raw accounting and stock price data used in the paper are from Compustat Global Fundamentals Annual and Security Daily Files maintained by WRDS. Exchange Rate Monthly File from Compustat Global is used to convert firms’ total assets into US dollar equivalents. Wei downloaded the raw Compustat Global data from WRDS in January 2015. Data on country-level variables are collected from various public sources including the World Bank, the Economic Freedom of the World 2014 Annual Report, Organization for Economic Co-operation and Development (OECD), and prior studies (Bhattacharya and Daouk 2002; Abiad et al. 2010; and Jain et al. 2013). Mergers and acquisitions data were downloaded from Security Data Corporation (SDC) M&A database in February 2015.

Additional data were downloaded in March 2017 during subsequent revisions. Data on provisions for uncollectible accounts receivables and net receivables were downloaded from Thomson Reuter’s Worldscope. Syndicated bank loan data were pulled from Thomson Reuter’s DealScan database. Executive compensation data were extracted from S&P Capital IQ People Intelligence database.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreements, any restrictions imposed by the organization on the authors, such as restrictions to publish certain results).

All data used in the paper are publicly available and were purchased from commercial vendors. No proprietary data are involved in our analysis.

4. A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper. For experimental and survey papers, we require information about the instructions and instruments used to generate the data, subject eligibility and/or selection, as well as any exclusion criteria. The full set of instructions and instruments can be provided in the online appendix.

Section 3.1 of the paper describes the data source and the sample selection process. Section 3.2 discusses the research design. The SAS program under item 5 includes comments that describe the specific steps used to generate the data.

5. The computer programs or code used to convert the raw data into the final dataset used in the analysis plus a brief description that enables other researchers to use this program. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, variables were defined, outliers were treated, etc. This code or programming is in most circumstances not proprietary. However, we recognize that some parts of the code or data generation process may be proprietary, including from the authors' perspective. Therefore, instead of the code or program, researchers can provide a detailed step-by-step description of the code or the relevant parts of the code such that it enables other researchers to arrive at the same final dataset used in the analysis. In such cases, the authors should inform the editors upon initial submission, so that the editors can consider an exemption from the code sharing requirement. Whenever feasible, authors should also provide the identifiers (e.g., CIK, CUSIP) for their final sample. Authors should consult our FAQ Sheet on the JAR website for further details.

The SAS programs used to generate the sample is attached. KW2018_SASCODE1 retrieves firm-years from enacting and nonenacting countries from Computstat Global Fundamentals Annual file. KW2018_SASCODE2 converts raw data into the final dataset. A list of firm identifiers *GVEKY* and year identifiers *FYEAR* used in the main analyses is also attached.

6. An assurance that the data and programs will be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.

Wei Wang will retain all data and programs for the required six years.

References:

- ABIAD, A.; E. DETRAGIACHE; T. TRESSEL. 2010. "A New Database of Financial Reforms." *IMF Staff Papers* 57: 281-302.
- BHATTACHARYA, U., AND H. DAOUK. "The World Price of Insider Trading." *Journal of Finance* 57 (2002): 75-108.
- JAIN, A.; P. JAIN; T. MCINISH; AND M. MCKENZIE. "Worldwide Reach of Short Selling Regulations." *Journal of Financial Economics* 109 (2013): 177-197.
- LEL, U., AND D. Miller. "Does Takeover Activity Cause Managerial Discipline? Evidence from International M&A laws." *Review of Financial Studies* 28 (2015): 1588-1622.
- NENOVA, T. "Takeover Laws and Financial Development." Working Paper No. 4029, World Bank Policy Research, 2006.