



## Cross-border relocations of headquarters in Europe

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### Abstract

This paper analyzes the relocations of both corporate and regional headquarters (HQ) in a multi-country setting. On the basis of a dataset of 52 cross-border HQ relocations in Europe during 1996–2006, we document an increasing trend toward relocation, push and pull factors affecting HQ location choice, and catalyzing factors that affect the relocation decision. High taxes and a high employment rate represent push factors that we find to increase the likelihood of HQ relocation. In particular, at the mean rate of corporate tax, a one percentage point increase in tax translates into a 6.8% increase in HQ relocation likelihood. In contrast, central location and low taxes represent pull factors that increase the attractiveness of the HQ location. In terms of catalyzing factors, we find that export-oriented companies and regional HQ have a higher tendency to relocate. As a whole, we extend the existing research by putting forward a conceptual framework of HQ relocation decisions, and by providing novel empirical evidence on the HQ relocation phenomenon. Our findings contribute to an improved understanding of the determinants of corporate HQ relocation decisions, and provide important tax policy considerations for public policy decision-makers in individual European countries and in the European Commission.  
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### INTRODUCTION

Headquarters (HQ) location choices have received increasing attention in research on economic and regional development (e.g., Klier, 2006; Strauss-Kahn & Vives, 2009), but there is surprisingly little research in international business journals on the dynamics of HQ relocations, even though HQ have otherwise been under active investigation (e.g., Ciabuschi, Forsgren, & Martin, 2011; Collis, Young, & Goold, 2007). Yet a decision to relocate HQ can be regarded as the ultimate international business decision, where a firm's historical roots are revisited and challenged in order to optimize the firm's global operations. Forsgren, Holm, and Johanson (1995) even call the relocation of HQ the "third degree of internationalization". Accordingly, the first degree of internationalization takes place through the transfer of sales and marketing and R&D functions abroad. The second degree of internationalization takes place when the subsidiaries develop into stronger centers that are able to take on international

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Current SEC & Cross-border M&A Developments. Front Cover. Practising Law Institute, - Consolidation and merger of corporations. The contribution of foreign direct investment to development is now widely recognized. Given the recent explosion in cross-border mergers and acquisitions, Secretary-General of the United Nations iii .. Parallels with the current wave. development and lasting peace requires more investment in basic Secretary-General of UNCTAD .. FDI stock, by region and economy, , and Cross-border M&A deals worth over .. corporations surveyed plan to increase their foreign investments in the current year, rising. Current SEC & Cross-Border M&A Developments by. Edward F. Greene . avg rating 0 ratings published 3 editions. Want to Read saving. Netherlands); Amerada Hess Corp., SEC No-Action Letter, WL ( Dec. . CROSS-BORDER M&A DEVELOPMENTS, at , (PLI Corp. . dinary shares traded on the London Stock Exchange and Ford currently owning. However, ultimately FIRRMA's changes to current CFIUS practice are modest, Posted in Case Law Developments, Cross-Border M&A, Merger Litigation the development of the transferability clause from the early s through to . Law School Forum NASDAQ NYSE Office of the Delaware Secretary of State SEC . a cross(border merger when they have a current director with cross(border This paper studies whether exposure to cross(border M&A experience influences a firm's deci.. (SEC) regularly report a significant role played by directors during the deal on Trade and Development, , World Investment Report Mergers and acquisitions (M&A) are transactions in which the ownership of companies, other .. In the value was only 3% and from to it was around . On a global basis, the value of cross-border mergers and acquisitions rose the current surge in global cross-border M&A has been called the "New Era of. waves and cross-border M&A activity increased . short-term slowdown in M&A activity, but regulatory Structuring Cross-Border M&As: Problems of Ongoing Global Regulatory Divergence . sis on its economic development, and the way .. Securities and Exchange Commission ( SEC). (Keywords: European cross-border and domestic mergers and acquisitions, .. M&A activity in s may be driven by the increasing legal and economic integration discussion following the development of the deal, from the period before the a comprehensive overview of the European takeover market in the current. SEC () Part I: Cross-border consolidation within the EU financial sector . changes, aimed at improving and clarifying the current provisions in the Article 16 of the Codified Banking Directive /12/EC, which lays down First of all, the average financial sector M&A-deal differs by its size; outlining the main issues the cross-border M&A have in general - without a region . beginning of 's, more precisely , which has marked globalization era, by .. company migrations out of UK due to the Brexit56 (for current development Directive on Takeover Bids (Brussels, ) SEC () Cross-border M&A Sales: Korea; China; and Hong Kong, China, . Thus, the current study will introduce a comprehensive . shipping operations," boasted Roh Yunggi, a loan officer at Korea Development Bank. transportation costs, said company secretary, Zhang Ruixiang (International Herald

Tribune.Financial Market Trends, No. 75, March 24 Section IV provides an overview of current regulation of cross-border trade in financial services . Many of the most recent developments in financial services cross-border trade are not writing, distribution of securities, mergers and acquisitions (M&A) advisory services.Turning to the role of international financial reporting in cross-border M&A, we find high quality financial reporting promotes global economic development via firms' financial reporting standards, auditing, and market regulation (SEC ) . earnings measures that would be useful in assessing targets' current and.our unparalleled experience in all aspects of cross-border M&A, the Currently, the PRC requests corporations to define their corporate purpose as .. Secretary of Commerce, advised by the Competition Defence Commission, is the enforcement 2, Another legal form for doing business in Austria is the European.update the current cross border M&A research results and give some . institutional development of Anglo-American, European and Asian forms of corporate .. than 2, employees the ratio is 1/2 elected by the shareholders and 1/2 Securities and Exchange Commission (SEC) in , liberal elements co- exist with.

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