

Social Responsibility of a Stock Exchange: Corporate Governance in Borsa Istanbul

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Abstract

In this study, I examine the social responsibility of the emerging Borsa Istanbul. I document intraday volatility characteristics. I present anomalies about intraday risk characteristics of the stock exchange. These anomalies lead to inefficiencies and to potential unfair treatments of market participants. Corporate social responsibility of the Borsa Istanbul Corporation dictates the exchange regulators to find remedies for these types of anomalies. Focusing on the industrials sector, which drives the entire stock market, I document the policy decisions of exchange regulators and the effectiveness of their resolutions to mitigate inefficiency, and to increase fairness for market participants. The results and conclusions from Borsa Istanbul are important as a leading guide for other emerging economies and exchanges.

Keywords: accentuated volatility; emerging markets; market efficiency