

**Louvain School of Management**

**The impact of countries' cultural indicators on  
the implementation of Special Purpose  
Acquisition Companies (SPAC's).**

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### **Abstract**

Special Purpose Acquisition Companies ("SPAC's"), which emerged almost three decades ago, have witnessed a boom in popularity since 2020. Until two or three years ago, this acronym was relatively unknown to most people not working in the broad field of finance, but it is now gaining in popularity. While the phenomenon is extremely popular in the United States, SPAC's are slowly emerging on other continents. The SPAC vehicle offers us new opportunities to raise funds and diversify our financial portfolios.

SPAC's offer an alternative process with many advantages to become a publicly listed company without going through the traditional lengthy and extremely costly Initial Public Offering (IPO) process.

In this thesis, we have collected information on the 2911 SPAC's traded between 2000 and 2022. We will explore and analyse the culture of the SPAC phenomenon. We will highlight the indicators that influence the implementation and success of SPAC's. And we will compare them to the economic and social culture of the different continents of the world. The combination of low risk, high reward and a high degree of control over the entire acquisition process is one of the many strengths of this structure which is becoming increasingly popular amongst investors. Our aim is to show a causal relationship between a country's culture and the indicators analysed. In other words, we wanted to answer the central research question: "How can cultural indicators explain the popularity of SPAC's around the world?".

**Keywords:** SPAC's; Cultural indicators; Regulations; Stock exchange.

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## 1 Introduction

Special Purpose Acquisition Companies ("SPACs"), which emerged almost three decades ago, have witnessed a boom in popularity since 2020. Until two or three years ago, this acronym was relatively unknown to most people not working in the broad field of finance, but it is now gaining in popularity. While the phenomenon is extremely popular in the United States, SPAC's on the European continent are still on the rise. They are gradually emerging and offer us new opportunities to raise funds and diversify our financial portfolios.

SPAC's offer an alternative process with many advantages to become a publicly listed company without going through the traditional lengthy and extremely costly Initial Public Offering (IPO) process.

SPAC stands for Special Purpose Acquisition Company. It is a process that originated in the United States in the 1990s. We define this particular structure as an empty company, a blank check company, a shell company...They have this given name because we could actually say that they are "empty"; they have no defined activities, no assets. They are created in order to raise funds to go public and acquire one or more unlisted companies. The aim of the SPAC structure is to transform a private company into a public company listed on the stock exchange, without having to go through the Initial Public Offering (IPO) stage. By going public, the SPAC will own a set number of shares. But also start its capitalization process which will depend on the valuation of the private company and the private investors. SPAC's are, therefore, companies that are voluntarily created for this purpose. We will discuss this point in the SPAC process section.

We consider several cultural factors that have a potential impact on the creation of a SPAC system. These variables should have a significant impact on the launch and long-term success of SPAC's. Specifically, we highlight the reputation of the sponsors, target companies, investors, the regulation, the laws, the industry sector and the size of the target company. The aim is to give us a better picture of the situation.

The notoriety of SPAC's among the general public is partly due to very influential people in the world of finance and investment, such as Bill Ackman, an American billionaire in finance and investment, or Chamath Palihapitiya, a former senior executive of Facebook, also American. These financial and investment specialists are called sponsors. The sector of activity of target companies is also important in SPAC's value creation process. In recent years, they have been grouped mainly around three sectors: healthcare, technology and finance. Finally, the investors without whom the sponsors would not be able to raise funds to find target companies. We will discuss these themes in the section on stakeholders.

There are still many fears on the European side about the SPAC process. The SPAC process has been linked in its history to cases of fraud in relation to illegal tax benefits. The trust of the European investor is undermined. In contrast to the United States, where there are laws to protect investors and the use of

shell companies to reduce fraud. We will discuss this point in the context of SPAC's over time section.

The SPAC process is not the optimal solution for all companies that want to be listed. There are specific structures and regulations that need to be followed. The standards and regulations applied in the United States are not the same as the rules that are issued throughout the world. Europe adopts different standards and these differ within its member countries. The regulations in Europe are still very unclear: There is a legal vacuum, at least the regulations are not yet clearly defined. The Asian SPAC's market is gradually developing. But the fears of the Asians are strong. Their cultural values are far removed from the United States. The African SPAC market exists but is not significant. The culture of SPAC's on this continent is not yet implemented at all. In the long term, population growth could eventually allow for the development of SPAC's but for the moment there is no clear regulatory framework. We will discuss this point in the regulation section.

### **Expectations**

In this thesis, we have collected information on the 2911 SPAC's traded between 2000 and 2022. We will explore and analyse the culture of the SPAC phenomenon. We will highlight the indicators that influence the implementation and success of SPAC's. And we will compare them to the economic and social culture of the different continents of the world. The combination of low risk, high reward and a high degree of control over the entire acquisition process is one of the many strengths of this structure which is becoming increasingly popular amongst investors. Our aim is to show a causal relationship between a country's culture and the indicators analysed. In other words, we wanted to answer the central research question: "How can cultural indicators explain the popularity of SPAC's around the world?"

The structure of this thesis following the framework below: In section 2, we present our literature review. In section 3 we define our research method. In section 4, we present our analysis. In section 5, we focus on the discussion and interpretation of the results. Section 6 provides the limits and conclusions. Section 7 is devoted to references. And we finalise with the appendix in section 8.

## **2 Theoretical part: Literature Review**

Crabb (2020) emphasizes the fact that companies now have more and more options to become publicly listed companies. The increased interest in the SPAC process in the last few years is making more and more people curious about it. The culture behind this framework is developing through its empty company principle, its different stakeholders, its history and its regulations around the world.

Behind this "shortcut" to bypass the traditional IPO, we find a risk culture specific to each continent.

## 2.1 SPAC process

The purchase price of a unit is typically \$10. The money is raised through the sale of IPO units, is placed in a trust which will usually be invested in money market funds or short-term government securities, while looking for a potential company to buy. The sponsors, who are the owners of the SPAC, have 18 to 24 months to find and decide on the acquisition of a company that they think is promising. If this deadline is not met or it does not find a target company, then the trust is repaid in full to the investors and SPAC is dissolved (Schumacher, 2020; Bryans et al., 2021). From an investor perspective, the SPAC structure offers very low risk returns with the opportunity to invest in any acquisition that they believe will create value (Jenkinson et al., 2011).

When the investor puts his money in, he does not yet know in which project it will be used. The money raised is not directly allocated to a specific project. Nevertheless, Marquette et al., 2021, express the fact that the success of a merger or acquisition of a SPAC is very much based on the skills, maturity and experience of the sponsors. This can be a strength but also a major concern for SPAC's. We will come back to this last aspect later.

If a SPAC finds a target, then the target will merge with SPAC, thus avoiding an IPO, as SPAC is already listed. Just before the approval of the merger/acquisition, SPAC investors have the possibility to either ask for the recovery of their personal funds invested in the project, meaning that they do not support the acquisition project. There are many reasons for these disagreements: It can be for ethical reasons (not wanting to support oil groups, industries that pollute too much, etc.), cultural reasons linked to a lack of confidence in the target company, ...In summary, investors are free to withdraw their investments if the target company poses a problem. They can validate the project and therefore remain shareholders of the public company (Schumacher, 2020). The name of the listed company will also change to reflect the name of the acquired company (Bryans et al., 2021).

Taking a company public in the traditional way, through an IPO, is an extremely long and expensive process. With the SPAC process, they can go public within months, whereas it takes years to go through the IPO process, which requires a lot of preparation, both financial and administrative. The relationship of companies between IPO's and SPAC's is different. The advantage of the IPO is its relationship with a research analyst. SPAC's are more focused on immediate liquidity.

## 2.2 Stakeholders (Sponsors, Inverstors, Targets)

Three main stakeholder groups constitute the culture of the SPAC process. Sponsors, investors and targets. Each group has its own needs, motivations, concerns and perspectives:

### **a) The sponsors**

SPAC's are initiated by individuals, called sponsors. The reputation of the people who are initiating the launch of the SPAC plays a crucial role. These people are a guarantee of security for investors. They buy shares on the basis of the sponsor's reputation but also on the basis of a promised future acquisition (Schumacher, 2020; McKenzie, 2020; Heredia et al., 2021). As Bryans et al. (2021) point out, a SPAC could raise a lot of money simply through the reputation of the sponsors. However, the reputation of the sponsors does not mean that the investment in the SPAC will be profitable, on the contrary. Marquette et al. (2021) tell us that sponsors are private equity fund managers, themselves guided by teams of managers and directors with a reputation for outstanding competence in specific sectors. The experience of the sponsors is beneficial to the future IPO of the SPAC. Sponsors play a key role both in an industry-specific SPAC and in a geographically-based SPAC. In 2019, Chamath Palihapitiya's with SPAC Virgin Galactic has greatly contributed to the visibility and notoriety of SPAC's to expand. But investors should remain cautious and evaluate the deal carefully via the company's share price. Indeed, the incentives of sponsors to make money can sometimes override the creation of value for investors. This is because sponsors are paid on the success of the merger, not future returns. They will be rewarded with 20% of the transaction (Bryans et al., 2021). Their main motivation is that the SPAC framework allows them to obtain a stock market listing faster than through traditional IPOs.

### **b) The investors**

They buy the persuasive power and trust of sponsors. Their ability to convince investors of a promise of a large future acquisition. Investors should keep a critical and analytical mind. Indeed, the growth projections of some SPAC mergers do not reflect reality and are far too optimistic. It is expected to have high returns and low risk. Investors should pay attention because the future acquisition is uncertain. Not all SPAC's find a target company to merge with and become a publicly traded company. Expectations of success are different from reality.

Why does the investor take the gamble of investing in SPAC's? On the one hand, to diversify his financial portfolio, but above all because it is a financially accessible investment. Investing in traditional IPO's is expensive and therefore reserved more for wealthy investors. It is less affordable for everyone. Another major drawback is the lack of information for investors. The future target company is not known in advance. The only information they have is the name of the sponsors and sometimes the industry sector that is targeted by the SPAC.

### **c) The targets**

The sectors where SPAC's are most common are energy, innovative technologies, fintech companies, medical, space, ... This information is purely indicative as the sector of activity is not always mentioned and not always respected. There may be changes in orientation (De Heredia et al., 2021). SPAC's offer

the opportunity for target companies to achieve exceptional growth that will set the target company up for economic, financial and market success. But there is a risk of underperformance. SPAC's have an average negative return of -24%, six months after acquisition. It is essential that investors also keep an eye on the financial market.

In addition, since 2022, SPAC's have experienced a significant share redemption rate. Investors want to get their money back from the trust before the merger with the target company is established. This trend is even more pronounced at the beginning of 2022 where the average redemption rate was 80%, just under 50% in 2021 and less than 20% in 2020. This has a considerable impact on the target companies, because the SPAC fundraising is not high enough to obtain a merger agreement with the target company. This may lead to the abandonment of the SPAC plan.

### **2.3 The context of SPAC over time**

The history of SPAC's began in the United States in the 1990s. In the beginning, these empty companies were guided by no regulations. They are known as blank check companies. The problem is that they were often linked to the idea of fraud and were not very successful in comparison to MA. This idea is supported by Schumacher (2020), who points out that the first blank check companies date back to the 1980s. These are companies that are set up to raise funds to acquire an existing company.

Although they have become more visible relatively recently, SPAC's have existed for many years. Indeed, they were first introduced in the United States in the 1990s but did not really attract much interest from investors. In fact, SPAC's were relatively unknown to most people not working in the broad field of finance until two or three years ago, but they are now gaining more and more popularity. In particular, their awareness of them has exploded since 2020. There have been over 150 IPOs via SPAC's. This is a huge development. That's more than the last 4 years put together. There are no less than 24 SPAC's at over \$500 billion. In 2020, SPAC's raised \$73 billion and then doubled in 2021, reaching \$143 billion.

In the history of SPAC, some fundraising events have reached incredible sums. As McKenzie (2020), points out in his article, Bill Ackman and his Pershing Square vehicle raised over \$4 billion in May 2019. This represented the largest IPO via a SPAC, but since then, the largest acquisition ever by an SPAC took place in September. United Wholesale Mortgage raised an incredible \$16.1 billion (Bryans et al., 2021).

## **2.4 The regulations (US/North America, Europe, Asia, Africa Central and South America)**

SPAC's and blank check companies are closely related. But these blank check companies were very much linked to fraud. Their structure was their main flaw as it allowed abuse and therefore fraud in the market. SPAC's can be seen as a method to bypass the strict regulatory standards of the traditional IPO. Sponsors and mergers via SPAC's have been criticised for appearing to mislead investors with overstated growth projections (CBinsights, 2022). There was a great need for a legal framework around these blank check companies.

Bryans et al. (2021) tell us that it is wrong to think that an IPO via a SPAC is a simpler process than a traditional IPO: it is true that the turnaround time via an SPAC is faster, but that does not mean that the task is easier. The amount of work that needs to be done to be ready for an IPO is very important and should not be underestimated. Being listed on the stock exchange involves legal obligations. The SPAC process is not the ultimate solution for all companies. There are specific structures and regulations that need to be followed (De Heredia et al., 2021). The culture of this particular framework can be very different from one country to another but especially from one continent to another. This is due to the difference in culture in several aspects. We will come back to this cultural aspect in the analysis and discussion part.

The geographical expansion of SPAC's is mainly divided between 3 continents. On the one hand, we have the United States, which is the biggest contributor of SPAC's. On the other hand, we have Europe and then Asia which represents a very small share compared to the American mastodon which alone accounts for 75% of SPAC's issues in the world. Africa represents a very insignificant number of mergers via SPAC's.

### **a) United States/North American regulations**

The regulations on SPAC's in the US are stricter. There are more requirements on the US side. « According to the United States stock exchanges requirements, specifically the NASDAQ and New York Stock Exchange, the target company must have a minimal fair value accounting for 80% of the trust amount in order to constitute a qualified business combination and to finish the SPAC's investment lifecycle (Schumacher, 2020). The US Congress therefore took the necessary measures and legislation was passed. The measures taken by the law provided protection to investors and the use of blank check companies for fraud decreased.

On 30 March 2022, the US Securities and Exchange Commission (the "SEC") set new rules to limit the abuse of growth projections that mislead investors. The SEC requires the same investor protection rights for SPAC's as for a traditional IPO (CBinsights, 2022). These rights include financial reporting,

SEC oversight, tax preparation, technology upgrades, cyber security measures and more.

US SPAC's target domestic companies Bryans et al., (2021). It is important to ensure that the interests and objectives of SPAC are aligned with the interests and objectives of the target and its shareholders. The board of the target company will carefully interview the sponsors of the SPAC in order to understand their long-term motivations. This is to increase the likelihood of shareholder approval and decrease the risk of a buy-out. Competition from SPAC's in the US market could push investors into new markets in Europe.

### **b) The European regulations**

The SPAC market has not yet taken off in Europe. But the article by De Heredia et al, (2021) indicate that Europe has had some SPAC's in the past but these were quite small. Today the European SPAC trend follows the US trend but at lower levels. 12 SPAC IPO's raising \$3.9 billion in 2021 compared to 331 SPAC IPO's raising \$98.5 billion in the US. Europe is far behind but the will to improve the situation is there. Over the period 2020 to 2021, the number of SPAC IPO's has tripled and the amounts raised by them have multiplied by 8 (496 million dollars for 4 SPAC's in 2020 to 3.9 billion dollars for 12 SPAC's in 2021).

The average transaction has also increased. From \$75 million in 2019 to over \$320 million in 2021. This increase can be explained on the one hand by the interest and culture of European investors in SPAC's and on the other hand by the new sponsors who are increasingly specialised in SPAC's. A culture around SPAC's is being created step by step. Amsterdam and Frankfurt are the major cities with the most SPAC movements. Their geographical position and the regulation of these countries plays a major role as one third of SPAC's are located there. Luxembourg is also a SPAC country with a third of SPAC's in Europe. The regulations in the UK are quite strict so there are very few SPAC's. Changes in the regulation of SPAC's are expected in the coming years. According to De Heredia et al. (2021), the weaknesses of the European markets for SPAC's are the lack of capital and the very strict regulations in many European countries. But the numbers of SPAC's IPO's in Europe should increase. Schumacher (2020), supports the increased use of SPAC's at national and international level.

But things are slowly starting to change and the sale of SPAC is now a viable exit option for a number of European companies and their shareholders, an option that was not really considered viable a year ago. It is important to understand the evolution of the financial market.

According to Crabb (2020), one of the big questions about SPAC's is whether they are a sustainable long-term phenomenon, or just a temporary one. The doubts of European investors are still very much present. They want proof of the returns of SPAC's in Europe and for the moment there is still too little.

### **c) Asian regulations**

The Asian market for blank check companies is growing. There is a cautious enthusiasm for the SPAC process. Concerns about the underlying manipulation of SPAC's with pump-and-dump processes is encouraging ASIANS to be cautious. Market volatility and the commitment of transaction costs and time is a major constraint to the Asian capital markets culture.

The decrease in standards within the Association of Southeast Asian Nations (ASEAN) has encouraged the development of this type of financial investment. The Asian SPAC market is currently concentrated in two countries. There was one SPAC from Hong Kong at 128\$ million and three SPAC's in Singapore that raised a total of 334\$ million.

### **d) Africa regulations**

The first African SPAC dates from 2015 and is listed on the Johannesburg Stock Exchange (*JSE*). In 2021, the boom year for SPAC's worldwide, there were 2 major SPACs that raised a total of 550\$ million. But the wave of SPAC's has not yet reached Africa. Going public via SPAC's is still very complex. Factors such as economic instability and the distance between African companies and the capital market complicate the stability of the SPAC framework. The long-term interest of SPAC's could be a source of capital.

Africa depends heavily on investors from other countries in the world, which are major players in the popularisation of SPAC's around the world, such as the US. The business sector of the target companies is mainly Fintech and other technology related sectors. The culture of SPAC's on this continent is not yet implemented at all. In the long term, population growth in the long term could eventually allow for the development of SPAC's but for the moment there is no clear regulatory framework.

### **e) Regulations for Central and South America**

The SPAC boom in 2021 has also affected this continent through the FinTech and energy sectors. One of the most important SPAC's in this continent is SPAC Latam Growth, which has raised \$130 million (Fleischmann, 2022). But the Latin American market remains a very volatile and unstable economy. The growth potential of blank check companies is not yet a suitable financial tool in this territory where suspicions related to the fraud culture remain high.

The most striking example of the flexibility of standards is in the case of the Cayman Islands. The country offers great flexibility to SPAC's on its territory to merge with foreign target companies. The country's regulations allow SPAC to act quickly and offer considerable tax advantages such as tax exemptions of up to 50 years depending on certain criteria. Due to its geographical location, the Islands are a high quality offshore centre, facilitating transactions with Europe, the US and Asia (Ridley et al., 1999).

### 3 Research Method

After reading the review literature, we see one evidence: There is an economic and cultural domination of the United States over the SPAC process. We will focus on the cultural aspect of this domination. It is an obvious fact that the US outperforms the world's abundance of SPAC's in every aspect. We are looking for cultural explanations for this US monopoly on blank check companies. Through the influence of culture on the reputation of sponsors, target companies, investors, regulation, industry and size of the target company, we will experiment with our research to determine the impact of culture on the number of mergers via SPAC's worldwide.

Dargent (2020) underlines the fact that the worldwide economy tends towards a certain cultural homogenisation of the planet. This is explained by the power structure of the developed countries. The cultural influences of large nations such as Europe and the United States tend to implement the standards to the whole world.

In order to meet our expectations, we define the following central research question:

**"How can cultural indicators explain the popularity of SPAC's around the world?"**.

From which we make the following hypothesis:

- Hypothesis 1 (*H1*): The cultural policy of a nation impacts on the emergence of SPACs.
- Hypothesis 2 (*H2*): The culture of finance and investment is gender-biased.
- Hypothesis 3 (*H3*): The cultural dynamics of SPAC's are largely due to the influence of sponsors.
- Hypothesis 4 (*H4*): The cultural dominance of the US over SPAC's shows a form of unified international cultural will.
- Hypothesis 5 (*H5*): The cultural dominance of a country is linked to its population, which is positive for the implementation of SPACs.

#### 3.1 Data selection and Sample

The numbers of SPAC's issued is quite unstable over time. The fluctuations between 2 years can be very significant. We focus on the relative data between January 2000 and June 2022. The list of SPAC's data comes from Bloomberg under the IPO SPAC Index ticker. This database gathers a set of information that we have sorted and from which we have extracted the data necessary for our case study. The relevant data are the regions, countries, date of announcement, name of the new company formed due to the merger via SPAC, size of the offer, offer price, and finally the stage of the offer.

We have decided to process only data that concerns the traded SPAC's. In other words, we have decided to ignore data about SPAC's in pending, postponed or withdraw. We focus only on those SPAC's that have successfully merged. The database after sorting contains relevant information for our research on 45 SPAC's nations.

We collected information on the 2911 SPAC's traded between 2000 and 2022. We set the observation of all regressors at the beginning of the year 2000. The dependent variable of interest in our study is the total number of SPAC's traded in a country between 2000 and 2022, which shows the proportion of companies financed by SPAC's from a geographical perspective. See Graphic 1 in the Analysis section.

Culture has a very broad, more subjective and qualitative scope. In fact, cultural indicators are analytical tools that are difficult to quantify. We will focus our analysis on quantifiable cultural data in order to understand the phenomena that occur in the context of SPAC's. For this purpose, we use Geert Hofstede's 6-dimensional cultural model. This model includes the Power Distance Index (*PDI*), Individualism (*IDV*), Masculinity (*MAS*), Uncertainty Avoidance Index (*UAI*), Long Term Orientation (*LTO*) and Indulgence (*IVR*). Each of its six dimensions is expressed on a scale ranging from approximately 0 to 100. We collected data on each of these dimensions. In order to maintain our scope of 45 countries, we had to reduce and sort the initial database. These cultural indicators define our explanatory variables. More details in the variables description section.

We also collected data relevant to our study from Worldbank data total population. Again, in order to maintain consistency in our analysis, we sorted and adapted the initial database to our scope of 45 nation states to best suit the expectations set out above.

## 3.2 Regression

### 3.2.1 Model

In order to test hypotheses presented in section 3, we use the following main model: Number of SPAC's per country is given by

$$Nb_{SPAC} = \alpha + \beta_1 * (PDI) + \beta_2 * (IDV) + \beta_3 * (MAS) + \beta_4 * (UAI) + \beta_5 * (LTO) + \beta_6 * (IVR) + \epsilon$$

where the dependent variable, the number of SPAC's, is defined as the number of SPAC's identified in each country from 2000 to 2022. The explanatory variables are defined as the cultural dimensions of the quantified model of a scope of 45 countries.

### 3.2.2 Variables

#### a) Dependent variables:

- Number of SPAC's trade: Number of special purpose acquisition companies traded in a sample of 45 target countries, between 2000 and 2022. Source: Bloomberg.

**b) Explanatory variables:** We apply Hofstede's cultural dimensions. Recall that each of its six dimensions is measured on a scale from approximately 0 to 100 (Details in appendix table 6).

- Power Distance Index (*PDI*): “Power Distance is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally.”  
*source: Geerthofstede*

A high score indicates a culture that accepts inequality, power differentiation and shows great respect for status and authority. A low score indicates a culture that encourages participatory organisational structures with power distribution.

- Individualism (*IDV*): “Individualism is the extent to which people feel independent, as opposed to being interdependent as members of larger wholes. Individualism does not mean egoism. It means that individual choices and decisions are expected. Collectivism does not mean closeness. It means that one “knows one’s place” in life, which is determined socially.” *source: Geerthofstede*

If the IDV index is high, the culture will be more individualistic. If the index is lower, the society is more community-based.

- Masculinity (*MAS*): “Masculinity is the extent to which the use of force is endorsed socially. In a masculine society, men are supposed to be tough. Quantity is important and big is beautiful. In a feminine society, the genders are emotionally closer. Competing is not so openly endorsed, and there is sympathy for the underdog. This is not about individuals, but about expected emotional gender roles. Masculine societies are much more openly gendered than feminine societies.” *source: Geerthofstede*

A very high index defines a masculine culture and makes a clear distinction between exclusively female and exclusively male roles.

- Uncertainty avoidance Index (*UAI*): “Uncertainty avoidance deals with a society’s tolerance for uncertainty and ambiguity. Uncertainty avoidance has nothing to do with risk avoidance, nor with following rules. It has to do with anxiety and distrust in the face of the unknown, and conversely, with a wish to have fixed habits and rituals, and to know the truth.” *source: Geerthofstede*

A high uncertainty avoidance index reflects a low tolerance of uncertainty, ambiguity and risk taking. A low uncertainty avoidance index reflects a high acceptance of uncertainty, ambiguity and risk-taking.

- Long-term orientation (*LTO*): “Long-term orientation deals with change. In a long-time-oriented culture, the basic notion about the world is that it is in flux, and preparing for the future is always needed. In a short-time-oriented culture, the world is essentially as it was created, so that the past provides a moral compass, and adhering to it is morally good.” *source: Geerthofstede*

A high index score means that the company has a long-term vision. A low index score means a short-term orientation with an accent on quick results and respect for tradition.

- Indulgence (*IVR*): “Indulgence is about the good things in life. In an indulgent culture it is good

to be free. Doing what your impulses want you to do, is good. Friends are important and life makes sense. In a restrained culture, the feeling is that life is hard, and duty, not freedom, is the normal state of being.” *source: Geerthofstede*

A high score indicates a indulging culture. A low score indicates a restrained culture.

- Total population: “The total population is based on the de facto definition of population, which counts all residents regardless of their legal status or citizenship. The values shown are mid-year estimates.”

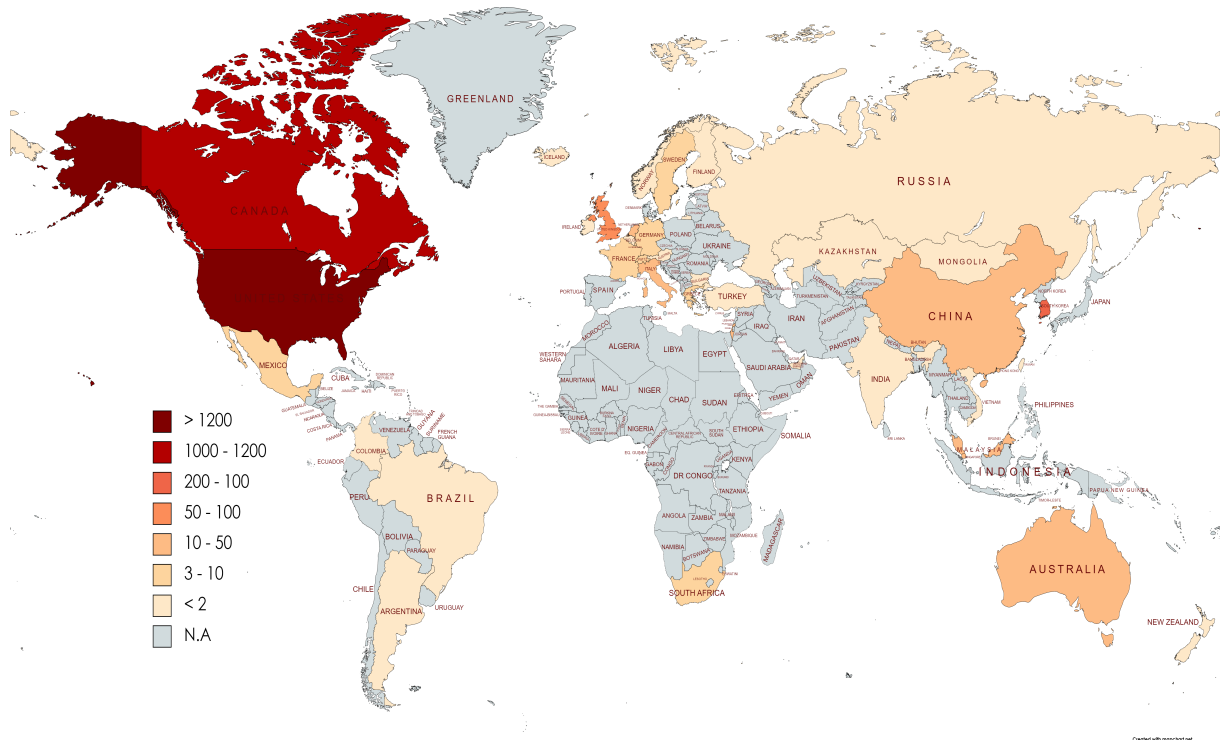
*Source: Worldbank data*

## 4 Analysis

Several factors may explain the rise or decline of SPAC's in some countries. Their reputation is reaching more and more people who want to invest in "new", fast and secure investment methods. Our quantitative data is aimed to provide evidence to support the qualitative findings.

To begin our analysis, we decided to interpret the data via more visual representations of our first database from Bloomberg under the ticker IPO SPAC Index. Secondly, we will interpret the results of the quantitative data from Geert Hofstede's 6-dimensional cultural model. Finally, we will conclude this section by interpreting the cultural aspects of Schwartz's and the links that can be made.

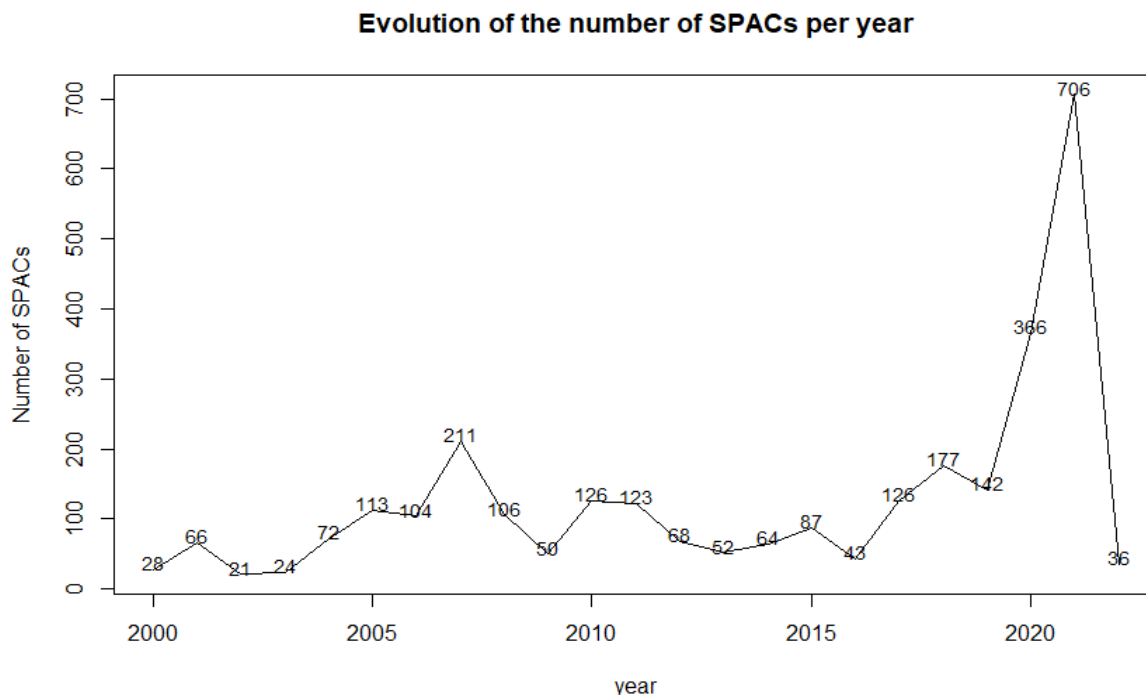
### 4.1 Geographical distribution of SPAC's:



Graphic 1: SPAC's Distribution 2000-2022

This first handmade graph illustrates the geographical distribution of SPAC's traded in the world between 2000 and 2022. We obtain this result using the data in Appendix Table 4, which lists the number of SPAC's traded per country, its proportion in % and the amount of fundraising abstained from. We find very significant variations.

## 4.2 Evolution of the number of SPAC's deals:



Graphic 2: Timeline Number of SPAC's since 2000

The results from our database allow us to construct a timeline of the evolution of the number of SPAC's since the 2000s. Using Appendix table 5, which gives the total number of SPAC's traded per year and the total fundraising per year, we obtain the following graph.

After reading Graph 2, we see two striking elements. On the one hand, the boom in SPAC's in 2021 and on the other hand, the fall in SPAC's in 2022.

### a) What factors explain the strong rise of SPAC in 2021?

The increase in the use of SPAC's as an alternative to traditional IPO's is the result of a combination of factors. The number of SPAC's merging has increased significantly in the year 2021. SPAC's are booming and this growth is explained by the fact that the large fundraising in US SPAC's has contributed to the popularity and culture of shell companies and thus to the peak of 706 SPAC's.

Top deals in 2021 include the merger of SPAC IPOE and Sofi Technologies (NASDAQ: SOFI). The company went public after a deal with one of SPAC's most notorious men, Chamath Palihapitiya's.

The culture and popularity of SPAC vehicles has also grown enormously in 2021 with the SPAC of one of the world's most popular media men, former US president and multi-millionaire businessman Donald Trump.

Considered the biggest news of 2021 for some, the announcement of the potential merger between Digital World Acquisition Corp (*NASDAQ: DWAC*) and Trump Media Technology Group is aimed at targeting social media such as Twitter Inc (*NYSE: TWTR*) and Meta Platforms (*NASDAQ: FB*), ...The hype around this SPAC has created the best performing IPO of 2021 among all IPO's. This has further contributed to the popularisation of this financial vehicle.

This led to the highest merger rate via SPAC's. Indeed, we can see from Graph 2 that 706 SPAC's entered into an agreement with a private company to become publicly listed companies. These reached a record number, with around 300 SPAC's raising almost \$88 billion. This is more than in the whole of 2020.

But the year 2021 also has many failures. The new company created may suffer a depreciation in value in the months following the merger agreement. Among the worst deals of 2021 was Talkspace Inc (*NASDAQ: TALK*), which lost 80% of its share value after six months of the deal. The company's share prices fell below \$2 at the end of 2021.

#### **b) What factors explain the fall in SPAC's in 2022?**

Before 2020, the number of SPAC's is up and down. Their impact on the economy is low, not significant. This is due to the fact that the number of failures between target companies and SPAC's was frequent, more than 50%. This is due to cases of fraud and management resignations that damage the reputation of target companies and the SPAC process. This may have had a negative impact on the reputation of such a framework and thus on the culture of SPAC's itself. Furthermore, as mentioned above, the very high redemption rate of \$80 of SPAC's pre-merger shares has led to a decrease in the trust and popularity of SPAC's and therefore in the number of mergers via the SPAC process. This explains in part the fall in SPAC's transactions in 2022.

### **4.3 Hofstede's six cultural dimensions.**

In order to relate the cultural factors to the numbers of SPAC's between 2000 and 2022, we decide to run an ordinary linear regression. We obtain the following results: See table 1 below

The model does not converge. The closest p-value to a potential significance level is for the variable Individualism (*IDV*) at a p-value of = 0.14. This figure is far from the significant threshold of  $p < 0.05$  and therefore there are no significant p values. Furthermore, the r-square of also 0.14 shows that the model only explains 14% of the variability in the data, which is very low, so the model does not fit. Moreover, when we look at the observations (34), we see that 9 results are missing from our database of 45 countries analysed.

All this does not allow us to understand and establish a relationship between the dependent variable (Number of SPAC's) and the explanatory variables.

Table 1:

	<i>Dependent variable:</i>
	‘No. SPAC’s’
‘Power Distance Index ( <i>PDI</i> )’	1.700 (3.400) t = 0.510 p = 0.610
‘Individualism ( <i>IDV</i> )’	4.500 (3.000) t = 1.500 p = 0.140
‘Masculinity vs. femininity ( <i>MAS</i> )’	1.300 (2.900) t = 0.460 p = 0.650
‘Uncertainty Avoidance Index ( <i>UAI</i> )’	-1.400 (2.100) t = -0.640 p = 0.530
‘Long-term orientation vs. short-term orientation ( <i>LTO</i> )’	-1.500 (2.800) t = -0.530 p = 0.600
‘Indulgence vs. restraint ( <i>IND</i> )’	-0.340 (3.400) t = -0.099 p = 0.920
Constant	-142.000 (480.000) t = -0.290 p = 0.770
Observations	34
R <sup>2</sup>	0.140
Adjusted R <sup>2</sup>	-0.051
Residual Std. Error	286.000 (df = 27)
F Statistic	0.730 (df = 6; 27) (p = 0.630)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

As our dependent variable has overdispersed results (MAX 1220 and MIN 1), we decide to use a regression that better fits the model, namely the negative binomial regression. Using the logarithmic function of our model, we obtain the following results, summarised in Table 2 below:

Table 2:

	<i>Dependent variable:</i>
	‘No. SPAC’s’
‘Power Distance Index (PDI)’	<p>−0.057*** (0.016) t = −3.500 p = 0.0005</p>
‘Masculinity vs. femininity (MAS)’	<p>0.018 (0.018) t = 1.000 p = 0.300</p>
‘Uncertainty Avoidance Index (UAI)’	<p>−0.019 (0.013) t = −1.400 p = 0.150</p>
‘Indulgence vs. restraint (IND)’	<p>−0.011 (0.018) t = −0.640 p = 0.520</p>
Constant	<p>7.900*** (1.900) t = 4.200 p = 0.00003</p>
Observations	34
Log Likelihood	−146.000
$\theta$	0.320*** (0.062) (p = 0.00000)
Akaike Inf. Crit.	302.000
Residual Deviance	44.000 (df = 29)
Null Deviance	54.000 (df = 33)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

We find that two elements, the PDI variable and our constant are significant. We are interested in the explanatory variable of the model.

Our first variable, Power Distance Index (PDI) has a p-value = 0.0005, which is highly significant. The negative coefficient of PDI means that if the PDI increases by 1 unit, the number of SPAC’s traded decreases by 0.057 ceteris paribus. The distance to power index therefore has a negative influence on the number of SPAC’s traded. We noted that the other explanatory variables in the model are not significant.

### Summary of variable results by country

The results for all 6 variables in our database are presented in the following 2 tables: We focus on the 5 highest scores of each variable. We obtain:

<i>PDI</i>	<i>IDV</i>	<i>MAS</i>	<i>UAI</i>	<i>LTO</i>	<i>IND</i>
Malaysia (100)	U.S.A. (91)	Austria (79)	Greece (100)	South Korea (100)	Mexico (97)
Russia (93)	Australia (90)	Italy (70)	Russia (95)	China (87)	Colombia (83)
Mexico (81)	United-Kingdom (89)	Switzerland (70)	Belgium (94)	Germany (83)	Sweden (78)
China (80)	Canada (80)	Mexico (69)	Argentina (86)	Belgium (82)	New Zealand (75)
United Arab Emirates (80)	Netherlands (80)	Ireland (68)	France (86)	Russia (81)	Australia (71)

For the bottom of the table, we get:

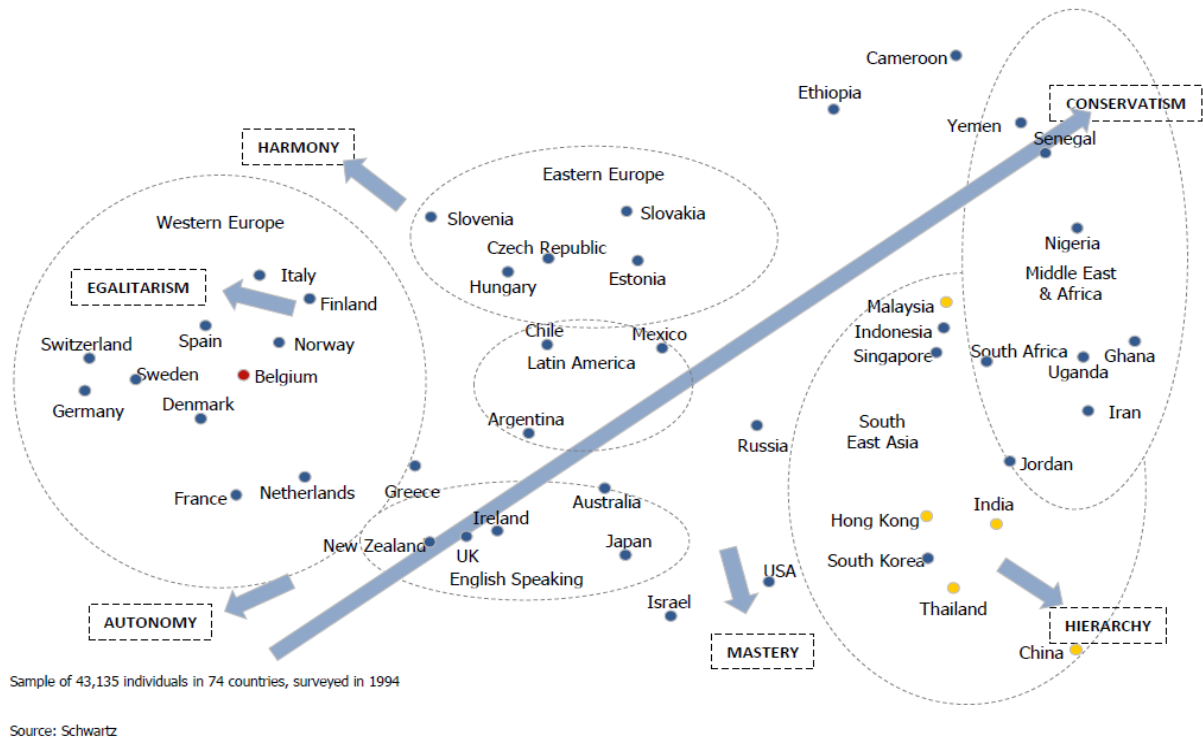
<i>PDI</i>	<i>IDV</i>	<i>MAS</i>	<i>UAI</i>	<i>LTO</i>	<i>IND</i>
Austria (11)	Colombia (13)	Sweden (5)	Singapore (8)	Colombia (13)	Bulgaria (16)
Israel (13)	South Korea (18)	Norway (8)	Sweden (29)	Argentina (20)	Hong Kong (17)
New Zealand (22)	Vietnam (20)	Netherlands (14)	Hong Kong (29)	Australia (21)	Russia (20)
Ireland (28)	Singapore (20)	Finland (26)	Vietnam (30)	United Arab Emirates (23)	China (24)
Sweden (31)	China (20)	Russia (36)	China (30)	Ireland (24)	India (26)

#### 4.4 Schwartz's cultural values

Culture is a generic term. It encompasses gender, ethics, race, religion, language, ...The cultural diversity of SPAC's is reflected through all the programmes and actions that shape the norms that the shell company evolves through its future acquisition. It is necessary for the target private company to realign the culture of certain expectations, requirements and legal obligations of a future public company listed on the stock market. All this in order to be best prepared for the transition and to avoid a multitude of problems. The target company must take into account its employees to avoid the risk of mistakes. The impact of employees on the company's strategy for change and evolution is crucial. Failure to take them into account in the transition to a public listing is a recipe for long-term failure. Human capital, sponsors, cultural homogeneity, ...are essential in the equation for positive growth.

In his research, Schwartz seeks to identify universal values. These are values shared by all cultures in the world, but their meanings vary from one culture to another. Researchers see these values as desirable goals for the survival and prosperity of the group.

Schwartz's Cultural aspects



Graphic 3: Schwartz's cultural values

The graph below shows us a cultural division between the continents. Western Europe promotes egalitarian values in political, economic and social terms. Africa is more culturally marked by an aversion to change, it is a continent with more conservative values and respect for traditions. On the Asian continent, the hierarchical aspect is important. Anglo-Saxon countries are more driven by principles of autonomy. The Latin American countries are on the regression line. Finally, the United States, the main country of the SPACs, is guided by values of control and hierarchy.

## 4.5 Impact of total population

We look at the impact of a country's total population on the implementation of a SPAC. We use a linear regression with the number of SPAC's traded as the dependent variable and the total population as our explanatory variable. Based on our data base (See table 7 Appendix), we obtain the following results:

Table 3:

<i>Dependent variable:</i>	
No.SPACs	
Total_population	0.00000 (0.00000) t = 0.492 p = 0.626
Constant	58.305 (38.853) t = 1.501 p = 0.141
Observations	45
R <sup>2</sup>	0.006
Adjusted R <sup>2</sup>	-0.018
Residual Std. Error	245.765 (df = 43)
F Statistic	0.242 (df = 1; 43) (p = 0.626)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

The total population therefore has little impact on the number of SPACs ( $6.28^{10-0.8}$ ). When the population increases by one unit, the number of SPAC's increases by  $6.28^{10-0.8}$ . This amount is very close to zero, so it is set to 0.0 when we export our data from R. The p-value = 0.626 so the parameter is not significant. We can conclude that the population of a country has no significant impact on the number of SPAC's traded.

## 5 Discussion

The causal links between cultural factors and the influence on the number of SPAC's are therefore difficult to establish statistically. Through the work of Hofstede, Schwartz's and SPAC's data list, we can make the following remarks about our hypothesis:

H1: We focus on the cultural policies of countries. According to Schwartz's graph, we can see that the top 6 countries in our SPAC's table (see Appendix Table 4), are culturally oriented on the mastery and hierarchical side. These countries are respectively and in order of the number of SPAC's most traded: United States, Canada (counted as an Anglo-Saxon country), South Korea, United Kingdom, China and Hong Kong.

H1 & H2: According to Schwartz's data and Hofstede's cultural variables, we note that the highest power distance index (*PDI*) is also concentrated in the area of countries clustered around the hierarchical culture (except Mexico). We can say that these countries have a culture that accepts inequality, power differentiation and shows great respect for status and authority. A high score does not necessarily mean a better cultural situation for the country. It depends on the indicator. For example, for the masculinity indicator, a very high index defines a masculine culture and makes a clear distinction between exclusively female and exclusively male roles. This is a somewhat subjective judgement but we assume that a country like Sweden (score of 5) and the Nordic countries in general are proud to have a very low score in this MAS indicator.

H2: Masculinity is very present in the field of finance. The majority of SPAC's sponsors are men. We can highlight two elements of sponsor culture and masculinity:

- A first striking element of this sponsor culture is the gender aspect. This is a sector where the female gender represents a tiny percentage of sponsors (Tett, 2021; Loizos, 2020; Thomas, 2021). When we analyse SPAC's, we can easily notice that almost all of them are indeed created by men. Women in the financial field are less present. Within the scope of SPAC's, we find the SPAC Powered Brands which is organised by Katherine Power and Dana Settle in 2020. It is a SPAC in the environmentally friendly and digital beauty sector. For their IPO via SPAC's process, they raised 240\$ million with a share price of 10\$.

- A second point we can make concerns the race of the sponsors. We found that most of the wealth created by SPAC's goes to white men. In 2021, Athena merged with Heliogen, a solar energy and artificial intelligence company, after raising 415\$ million. This SPAC is owned by two women, Isabelle Freidheim, an experienced venture capitalist, and Phyllis Newhouse, a black veteran and cyber security expert. This makes it one of the only SPAC's completely run by women and furthermore for Phyllis Newhouse, one of/the first women of colour to allow a private company to go public via the SPAC structure. Cultural,

racial, ethnic and gender diversity is a taboo subject in all sectors, beyond the financial.

H3: Sponsors can be seen as the most powerful stakeholders in the SPAC process. However, we note a couple of contradictory points about them:

- The first point concerns the abuse of the notoriety of sponsors. A specific example is the SPAC created by former NBA star Shaquille O'Neal. The player has established a partnership and has successfully raised funds for acquisitions in the media and technology sectors. What we want to highlight with this example is that the sponsor, Shaquille O'Neal, uses his sporting and media fame to convince people to buy shares and place them in his trust. Another world-famous sportswoman who uses her media and sports fame to set up SPAC's is former tennis superstar Serena Williams. A key aspect is the ability to create a thriving culture. The results and therefore the future growth of SPAC is built around sponsors who are able to reflect and express the culture of SPAC.

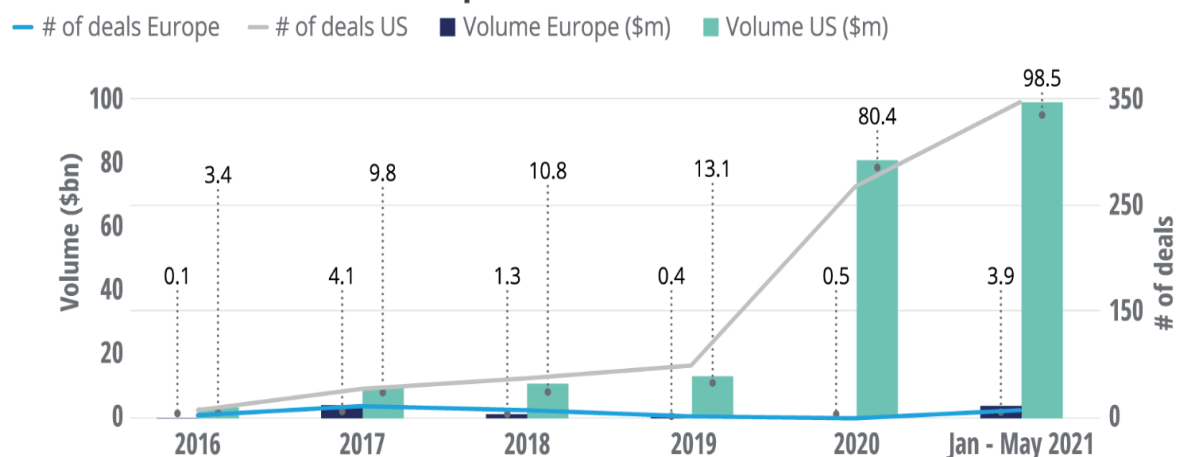
- A last important and controversial element of the sponsor culture is the remuneration of sponsors. Indeed, after analysis, we note that even if SPAC performs poorly, (which is often the case in the few months following the merger), sponsors are still paid 20% of the trust amount. This calls into question the primary motivation of the sponsor culture, which would be more motivated to find a target company quickly, even if it is linked to fraudulent or other unregulated activities.

H5 : The total population

In the same way as the interpretation of Hofstede's six cultural variables, a very high population total does not mean a correlation with SPAC's traded numbers. Its impact is even close to zero.

H4: Comparison between the main actors of SPAC's: As we have seen in our data on geographical distribution (Graph 1 and Table 1 in the Appendix), SPAC's markets are dominated by the American continent. Financial markets are evolving and continents such as Europe and Asia may have opportunities to become a land of SPACs as well. Through the following graphic 3, we highlight SPAC's issued over the last 6 years between the US and Europe.

## SPAC issuance in the US vs. Europe since 2016



Source: Refinitiv Eikon, May 2021.

Deloitte Insights | [deloitte.com/insights](https://deloitte.com/insights)

Graphic 3: US vs EU SPAC's traded 2016-2021

We note that almost all SPAC's are concentrated in the US market. The CB insights article, 2022 informs us that more than 75% of the major target companies of SPAC's are in the US market. The one exception to this is an Asian delivery giant, Grab. Grab operates in the South East of its continent. Indeed, at the end of 2021, the company will have completed a merger with a SPAC for a record 39.6 million dollars. This is the biggest SPAC merger ever. This further strengthens the reputation and the spectacular boom of SPAC's over the year 2021. In Europe, countries such as the UK, the Netherlands and Luxembourg have, according to our figures, a potential for future growth in Special Purpose Acquisition Companies in the coming years.

### The covid-19 impact:

The coronavirus pandemic has also had an impact on the financial market for blank check companies. The main source of concern was the uncertainty of being successful in keeping investors' interest during this period of crisis. Indeed, for many, putting money into SPAC's during this period was not financially possible. The risk culture was not conducive to investment (CBinsights, 2022).

We have seen from our timeline graphic 2 that SPACs gained enormous popularity from the year 2020 onwards, the year marked by the global pandemic due to COVID-19. This period of unprecedented economic and cultural recession led companies to rethink their business environment and reinvent their strategies. This period of containment opened up the financial market to new potential investors. The covid-19 has definitely reshaped the strategy and market shares of the stakeholders.

## 6 Conclusion & Limits

### 6.1 Limits:

The few significant results obtained via our binomial negative regression and our linear regressions, put into question the impact of culture on the implementation of SPAC's. Cultural indicators are difficult to quantify so causal links between cultural factors and influence on the number of SPAC's are difficult to establish statistically according to our results. The p-value of 0.005 for the variable Power Distance Index (*PDI*), is the only indicator that is significant at the  $p < 0.01$  threshold.

Culture is a broad and complex term. Mixing it with other non-cultural parameters such as those of the financial world may be inappropriate. An indicator is not a pure statistic, but rather a treatment designed to provide specific information. Moreover, indicators are not neutral; they depend on the context in which they are constructed and the objectives they serve.

### 6.2 Conclusion :

According to our results, it is difficult to statistically estimate the real impact of the national culture of a country on the implementation of SPAC's (*H5*). The Special Purpose Acquisition Companies being more finance oriented mechanisms, we assume that economic factors such as GDP per capita, inflation rate, ...are more relevant to get a complete answer.

SPAC's have therefore recently become popular thanks to a confluence of cultural and economic factors (*H1*). On the one hand, stakeholders, investors and experienced sponsors, have turned to SPAC's to mitigate the increased risk of market volatility associated with traditional IPO's. Traditional IPO pricing is impacted by market volatility and investor sentiment, which can cause the price to fluctuate widely before it is set. In contrast to SPAC's, where the price is fixed quickly and the forecast evolution depends largely on the impact of sponsors. On the other hand, the underlying culture of each country/continent has been an active indicator of the presence of SPACs in the stock market. We can draw the following conclusions:

The United States remains undoubtedly the land of SPACs. According to our data, 80% of all mergers traded come from SPAC's based in the US and Canada. The culture of these countries is more conducive to these value creation processes. The American culture can be defined as "optimistic". The US culture is more oriented towards shareholder remuneration. More oriented towards showing good business results. Due to their experience, the regulations on SPACs in the United States are better suited. The US Securities and Exchange Commission (the "SEC") has established rules to stop all kinds of abuses such as fraud, manipulation that misleads investors, abuse of notoriety, ...The impact of the United States in the world of finance is massive. The American stock market with NASDAQ, NYSE, ...is the most

influential stock market in the world. This dominance is not only economic but also cultural. The United States can be considered as exercising an international cultural domination leading to a cultural homogenisation of the planet (*H4*).

In contrast, the regulations and culture in Asia and Europe are far removed from the very optimistic culture of the US. In Asia, SPAC's take off is very slow. Few exchanges allow such transactions. Singapore is one of the few countries in Asia that is slowly starting to show an interest in this method of funding. In Europe, the culture is more risk-oriented. We can define the European culture as "sceptical". We take fewer risks and are more cautious. We have to obey more principles and regulations compared to the innovator of SPAC's, the United States of America. The European SPAC market has not yet taken off (*H1*).

There is no doubt that the big winners of SPAC's boom are the sponsors (*H3*). These are the people who, thanks to their reputation, their analytical skills and their communication, have won the trust of thousands of investors. But we can take a critical look at these shell companies. We could say that the system is such that in all situations the sponsors win and the investors lose. Investing in financial products held by businessmen such as Bernard Arnault or Bill Ackman, multi-millionaires in finance, has a reassuring side. If these wealthy people decide to invest their time, energy and money in Special Purpose Acquisition Companies, it makes financial sense to follow and trust them (*H2*).

We can summarise the SPAC culture as a "new" stock market game, where the big sponsors always win and the small investors lose. The SPAC process claims to be transparent but in fact hides some elements from investors.

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## 7 Appendix

Table 4: List of the number of SPAC's traded per country between 2000 and 2022.

Country	No.SPAC's Traded	Density %	Min Funding in US\$M	Max Funding Million in US\$
USA	1220	41.91	0.00	5568.00
Canada	1118	38.41	0.04	324.83
South Korea	226	7.76	0.78	86.03
United-Kingdom	74	2.54	0.16	2298.56
China	39	1.34	0.02	250.00
Honk-Kong	34	1.17	0.20	594.99
Italy	27	0.93	34.11	728.10
Cayman Islands	21	0.72	100.00	600.00
Australia	16	0.55	0.15	321.30
Singapore	15	0.52	0.26	286.51
Israel	13	0.45	0.16	258.75
Netherlands	12	0.41	58.52	604.45
Malaysia	11	0.38	3.08	300.00
Luxembourg	9	0.31	154.52	355.47
Mexico	7	0.24	55.65	639.61
Sweden	7	0.24	2.99	408.72
France	6	0.21	181.77	365.64
Greece	6	0.21	48.00	253.00
British Virgin Island	5	0.17	0.72	1442.97
South Africa	5	0.17	0.98	71.08
Switzerland	4	0.14	40.00	253.00
Germany	3	0.10	0.32	358.14
Argentina	2	0.07	40.00	115.00
Bermuda	2	0.07	115.00	690.00
Brazil	2	0.07	0.20	143.75
Finland	2	0.07	116.82	130.29
Guersney	2	0.07	3.70	200.58
India	2	0.07	25.95	100.00
Jersey	2	0.07	0.26	10.01
Russia	2	0.07	0.41	250.00
UAE	2	0.07	0.38	229.40
Austria	1	0.03	367.99	367.99

Country	No.SPAC's Traded	Density %	Min Funding in US\$M	Max Funding Million in US\$
Belgium	1	0.03	150.00	150.00
Bulgaria	1	0.03	46.00	46.00
Colombia	1	0.03	42.00	42.00
Iceland	1	0.03	47.90	47.90
Ireland	1	0.03	121.67	121.67
Kazakhstan	1	0.03	172.50	172.50
Macau	1	0.03	33.12	33.12
Mongolia	1	0.03	0.30	0.30
New Zealand	1	0.03	0.15	0.15
Norway	1	0.03	149.57	149.57
Taiwan	1	0.03	103.50	103.50
Turkey	1	0.03	0.17	0.17
Vietnam	1	0.03	41.40	41.40

Source: Bloomberg dataset

Table 5: Total number of SPAC's traded per year.

Years	Number_SPAC's	Foundraising in \$M
2022	36	4111.2265
2021	706	203189.1078
2020	366	140470.7495
2019	142	21048.5797
2018	177	15483.5242
2017	126	20672.6304
2016	43	5980.2653
2015	87	6490.0465
2014	64	4063.0267
2013	52	4415.4777
2012	68	374.0384
2011	123	6433.2702
2010	126	2933.6222
2009	50	194.3042
2008	106	524.9558
2007	211	17821.8042
2006	104	7308.2069
2005	113	6627.8439
2004	72	1841.0964
2003	24	621.2080
2002	21	119.9026
2001	66	2327.6151
2000	28	1220.0659

Table 6: Hofstede cultural indicators by country.

	Countries	PDI	IDV	MAS	UAI	LTO	IND
1	USA	40	91	62	46	26	68
2	Canada	39	80	52	48	36	68
3	South Korea	60	18	39	85	100	29
4	United Kingdoms	35	89	66	35	51	69
5	China	80	20	66	30	87	24
6	Hong Kong	68	25	57	29	61	17
7	Italy	50	76	70	75	61	30
9	Australia	38	90	61	51	21	71
10	Singapore	74	20	48	8	72	46
12	Netherlands	38	80	14	53	67	68
13	Malaysia	100	26	50	36	41	57
14	Luxembourg	40	60	50	70	64	56
15	Mexico	81	30	69	82	24	97
16	Sweden	31	71	5	29	53	78
17	France	68	71	43	86	63	48
18	Greece	60	35	57	100	45	50
20	South Africa	49	65	63	49	34	63
21	Switzerland	34	68	70	58	74	66
22	Germany	35	67	66	65	83	40
23	Argentina	49	46	56	86	20	62
25	Brazil	69	38	49	76	44	59
26	Finland	33	63	26	59	38	57
28	India	77	48	56	40	51	26
30	Russia	93	39	36	95	81	20
31	United Arab Emirates	80	38	53	68	23	34
32	Austria	11	55	79	70	60	63
33	Belgium	65	75	54	94	82	57
34	Bulgaria	70	30	40	85	69	16
35	Colombia	67	13	64	80	13	83
37	Ireland	28	70	68	35	24	65
41	New Zealand	22	79	58	49	33	75
42	Norway	31	69	8	50	35	55
44	Turkey	66	37	45	85	46	49
45	Vietnam	70	20	40	30	57	35
	MEAN	54	53	51	60	51	53
	VAR	474	580	309	555	497	402
	IQR	34	40	20	40	32	31
	MIN	11	13	5	8	13	16
		Austria	Colombia	Sweden	Singapore	Colombia	Bulgaria
	MAX	100	91	79	100	100	97
		Malaysia	USA	Austria	Greece	South Korea	Mexico

Table 7: Total population by SPAC's countries.

	Countries	No.SPACs	Total.population
44	USA	1,220	331,893,745
9	Canada	1,118	38,246,108
37	South Korea	226	51,744,876
43	United Kingdoms	74	67,326,569
11	China	39	1,412,360,000
18	Hong Kong	34	7,413,100
23	Italy	27	59,066,225
10	Cayman Islands	21	66,498
2	Australia	16	25,739,256
35	Singapore	15	5,453,566
22	Israel	13	9,364,000
31	Netherlands	12	17,533,405
28	Malaysia	11	32,776,195
26	Luxembourg	9	639,070
29	Mexico	7	130,262,220
38	Sweden	7	10,415,811
14	France	6	67,499,343
16	Greece	6	10,664,568
7	British Virgin Island	5	30,423
36	South Africa	5	60,041,996
39	Switzerland	4	8,697,723
15	Germany	3	83,129,285
1	Argentina	2	45,808,747
5	Bermuda	2	63,867
6	Brazil	2	213,993,441
13	Finland	2	5,541,696
17	Guersney	2	63,463
20	India	2	1,393,409,033
24	Jersey	2	103,267
34	Russia	2	143,446,060
42	United Arab Emirates	2	9,991,083
3	Austria	1	8,956,279
4	Belgium	1	11,587,882
8	Bulgaria	1	6,899,125
12	Colombia	1	51,265,841
19	Iceland	1	372,295
21	Ireland	1	5,028,230
25	Kazakhstan	1	19,002,586
27	Macau	1	686,607
30	Mongolia	1	3,329,282
32	New Zealand	1	5,122,600
33	Norway	1	5,408,320
40	Taiwan	1	23,855,000
41	Turkey	1	85,042,736
45	Vietnam	1	98,168,829

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