CONTENTS

Regular Articles
J. Cao and B. Han, Idiosyncratic risk, costly arbitrage, and the cross-section of stock returns 1
B. Williams, The impact of non-interest income on bank risk in Australia 16
S. Chaplinsky and S. Gupta-Mukherjee, Investment risk allocation and the venture capital exit market: Evidence from early stage investing 38
B. David, F. Abel and W. Patrick, Debt card and demand for cash 55
G.H. Kim, Credit derivatives as a commitment device: Evidence from the cost of corporate debt 67
A. Allen, B.B. Francis, Q. Wu and Y. Zhao, Analyst coverage and corporate tax aggressiveness 84
D.A. Cobb-Clark, S.C. Kassenboehmer and M.G. Sinning, Locus of control and savings 113
L. Sun, M. Najand and J. Shen, Stock return predictability and investor sentiment: A high-frequency perspective 147
T. Pöppe, S. Moos and D. Schiereck, The sensitivity of VPIN to the choice of trade classification algorithm 165
K. Muller, K. Schoors and B. Merlevede, Investment-cash flow sensitivity and financial constraints: Evidence from unquoted European SMEs 182
C.F. Goepper, The policy impact of new rules for loan participation on credit union returns 198
Journal of
INTERNATIONAL
MONEY
and FINANCE

SPECIAL ISSUE
Tribute to Jim Lothian

GUEST EDITOR
Iftekhar Hasan

CONTENTS

I. Hasan, Introduction to the Tribute - Jim Lothian special issue

J.R. Lothian, Purchasing power parity and the behavior of prices and nominal exchange rates across exchange-rate regimes

O. Ince, T. Molodtsova, D.H. Papell, Taylor rule deviations and out-of-sample exchange rate predictability

M.D.D. Evans, D. Rime, Order flow information and spot rate dynamics

J. Devereux, G.P. Dwyer What determines output losses after banking crises?

D. Brounen, K.G. Koedijk, R.A.J. Pownall, Household financial planning and savings behavior

(Contents continued on outside back cover)

Available online at www.sciencedirect.com
(Contents continued from outside front cover)

C. Yan, K. Phylaktis, A.-M. Fuertes, On cross-border bank credit and the U.S. financial crisis transmission to equity markets

G.C. Lim, P.D. McNelis, Quasi-monetary and quasi-fiscal policy rules at the zero-lower bound

S. Chatterjee, N.K. Chidambaran, G. Goswami, Security design for a non-standard IPO: The case of SPACs

N. Cakici, Y. Tang, A. Yan, Do the size, value, and momentum factors drive stock returns in emerging markets?

M. Ma, X. Sun, M. Waisman, Y. Zhu, State ownership and market liberalization: Evidence from China’s domestic M&A market

L. Becchetti, R. Ciciretti, A. Paolantoni, The cooperative bank difference before and after the global financial crisis

Y. Chen, Bank capital and credit market competition: Will competitive pressure lead to higher capital levels?

E. Wu, M. Erdem, E. Kalotychou, E. Remolina, The anatomy of sovereign risk contagion

C. Meslier, D.P. Morgan, K. Samolyk, A. Tarazi, The benefits and costs of geographic diversification in banking

Y.D. Deji, Endogenous capital depreciation and technology shocks

L. Liu, G. Zhang, Y. Fang, Bank credit default swaps and deposit insurance around the world

B.B. Francis, I. Hasan, G.L. Kostova, When do peers matter?: A cross-country perspective
The Arctic

...fascinating investment opportunities

COMMENT
Effective enforcement of foreign judgements

LATIN LETTER
Politics and principles

SHIPPING
Maritime silk road

THE JURISDICTIONS
Anguilla, Cyprus, Isle of Man, Marshall Islands, USA

FOR ENTREPRENEURIAL WEALTH PROFESSIONALS EVERYWHERE
FEATURES

SHIPPING

11 HAZARDS OF ARCTIC SHIPPING AND IMPLEMENTATION OF THE POLAR CODE

Today is an exciting time for Arctic shipping - the future holds many opportunities and advantages for vessels interested in cutting down their travel time and distance. Christian Mollitor reveals the details of the IMO’s Polar Code.

14 MARITIME SILK ROAD - THE IMPACT OF CHINA IN WORLD SHIPPING

Since the 1990s the number of ships constructed in China has been increasing and in 2014, ships for export accounted for 85% of finished ships and 93% of newly ordered ships. George C. Economou looks at how China’s new Silk Road strategy aims to turn China into a principal economic and diplomatic force in world affairs.

RESIDENCY AND CITIZENSHIP

32 CITIZENSHIP THROUGH INVESTMENT IN THE CARIBBEAN

The continued growth of economic citizenship as a means of achieving residency in the Caribbean is analysed by Mihla Rose Emmett.

JURISDICTIONS IN FOCUS

ANGUILLA

16 AN ANALYSIS OF ANGUILLA’S BANKING CRISIS

Carlye Rogers analyses the crisis that finally engulfed Anguilla’s two main banks in 2013 and looks at the lessons learned.

CYPRUS

19 CYPRUS - SUBSTANCE, A KEY TO SUCCESS!

The BEPS project is introducing tighter regulation of the international tax system as a whole. Peris Markou looks at how Cyprus can benefit businesses in the post BEPS era.

21 RELOCATION TO CYPRUS

Elías Neocleous considers the attractions of Cyprus as a place for wealthy third-country nationals to relocate to.

ISLE OF MAN

23 ISLE OF MAN TAXATION

In the context of transparency issues surrounding matters of taxation, the Island’s credentials are well beyond reproach. Christopher Murphy looks at how the Isle of Man continues to demonstrate its commitment to regulation and compliance.

26 ISLE OF MAN RESIDENCY AND CITIZENSHIP

Paul Hatchell examines the benefits of taking up residence in the Isle of Man as the Island continues to attract new business.

MARSHALL ISLANDS

28 REPUBLIC OF THE MARSHALL ISLANDS: THE LEADING FLAG OF CHOICE

The RMI Maritime Registry is the third largest in the world. Lauro Sherman looks at how that status has been achieved.

USA

29 INVESTOR GREEN CARDS

Mark Ivern discusses the eligibility and requirements of the visas needed to authorise working as a non-immigrant in the United States.

CONFERENCE

7 The 2nd Offshore Investment Conference Cyprus

REGULARS

3 COMMENT

Following the money: effective enforcement of foreign judgments

Anna Seead and Jeremy Walton explore the options available to judgment creditors to obtain information on debtor’s assets and the various enforcement available and analyse the advantages and disadvantages of each.

5 GULF NEWS

Dubai: solution for investment and living amidst world instability

Urs Steinmann extols the virtues that Dubai has to offer as a top destination not only for employment but above all, for entertainment and as a safe place for high-net-worth individuals.

39 LATIN LETTER

Politics and principles: A man’s need to blush

The existence of US shell companies is beyond a belief, it is a fact. Derek Samboonkook reminds us that whilst Panama has introduced a raft of regulations and controls, due diligence in the US is somewhat lacking.

THE DIRECTORY

34 THE DEFINITIVE WORLDWIDE REGISTRY OF OFFSHORE PROFESSIONALS

DETAILS

40 CONTACT INFORMATION ON ALL MAGAZINE DEPARTMENTS AND INTERNATIONAL BUREAU CORRESPONDENTS
IN THIS EDITION

1 When Online Visibility Deters Social Interaction: The Case of Digital Gifts
   » Yotam Shmargad and Jameson K.M. Watts

15 The Power of Codesign to Bond Customers to Products and Companies: The Role of Toolkit Support and Creativity
   » Karin Telchmann, Ursula Scholl-Brissemann, and Nicola E. Stokburger-Sauer

31 Brands, Friends, & Viral Advertising: A Social Exchange Perspective on the Ad Referral Processes
   » Jameson L. Hayes, Karen Whitehill King, and Artemio Ramirez Jr.

46 Employees’ Company Reputation-related Social Media Competence: Scale Development and Validation
   » Gianfranco Walsh, Mario Schaarschmidt, and Harald von Kortzfleisch

60 The Role of Emotions for the Perceived Usefulness in Online Customer Reviews
   » Armin Felbermayr and Alexandros Nanopoulos

77 The Effects of Channel Experiences and Direct Marketing on Customer Retention in Multichannel Settings
   » Chun-Wei Chang and Jonathan Z. Zhang

91 Examining Biased Assimilation of Brand-related Online Reviews
   » Alexandre Rafaël, Sabrina A. Gottschalk, and Henning Kreis

107 Community Members’ Perception of Brand Community Character: Construction and Validation of a New Scale
   » Marleen Reiling, Oliver Schnittka, Christian M. Ringle, Henrik Sattler, and Marius Johnen

121 Social Media and Value Creation: The Role of Interaction Satisfaction and Interaction Immersion
   » Mitchell Hamilton, Velitchka D. Kaltcheva, and Andrew J. Rohm

134 Winning Versus not Losing: Exploring the Effects of In-Game Advertising Outcome on its Effectiveness
   » Tathagata Ghosh
Muhammad Arif Zakaullah

Selection of Institution of Higher Learning for Study Abroad: A Malaysian Case Study
Mahbubbar Rahman & Rafikul Islam

Factors Influencing Public Acceptance of Gold Dinar as Money in Aceh
Bedjo Santoso & Khaliq Ahmad

Developing Web-Based Partner Relationship Management: An Exploratory Study of the Application of Web-Based Solutions by ICT Companies in Malaysia, Ireland and the United Kingdom
Zulkarnain Bin Kedah, Muhammad Tahir Jan, Ahasanul Haque & Faruk Ahmed
CONTENTS

Editorial

Muhammad Arif Zakaullah

Selection of Institution of Higher Learning for Study Abroad: A Malaysian Case Study
Mahbubar Rahman & Rafikul Islam

Factors Influencing Public Acceptance of Gold Dinar as Money in Aceh
Bedjo Santoso & Khaliq Ahmad

Developing Web-Based Partner Relationship Management:
An Exploratory Study of the Application of Web-Based Solutions by ICT Companies in Malaysia, Ireland and the United Kingdom
Zulkarnain Bin Kedah, Muhammad Tahir Jan, Ahasanul Haque & Faruk Ahmed
CONTENTS

FULL LENGTH ARTICLES

Ajay Agrawal, Nicola Lacerata and Elizabeth Lyons, Does standardized information in online markets disproportionately benefit job applicants from less developed countries? 1

Brandon Julio and Youngsuk Yook, Policy uncertainty, irreversibility, and cross-border flows of capital 13

Jesper Rangvid, Pedro Santa-Clara and Maik Schmeling, Capital market integration and consumption risk sharing over the long run 27

Sewon Hur and Illenin O. Kondo, A theory of rollover risk, sudden stops, and foreign reserves 44

Priya Ranjan, Globalization and risk averse workers: The roles of labor market and trade policies 64

David Hémous, The dynamic impact of unilateral environmental policies 80

Kai A. Konrad and Tim B.M. Stolper, Coordination and the fight against tax havens 96

Parimal Kanti Bag and Prabal Roy Chowdhury, Gradualism in aid and reforms 108

James Lake and Maia K. Linask, Could tariffs be pro-cyclical? 124

Fabrice Devever, Christian Fischer and Jens Suedekum, Relational contracts and supplier turnover in the global economy 147

((contents continued on back cover)
Contents - continued

Qing Liu and Larry D. Qiu, Intermediate input imports and innovations: Evidence from Chinese firms' patent filings 166

Alan Finkelstein Shapiro and Federico S. Mandelman, Remittances, entrepreneurship, and employment dynamics over the business cycle 184

Georgios Georgiadis and Arnaud Mehl, Financial globalisation and monetary policy effectiveness 200

James Lake and Halis M. Yildiz, On the different geographic characteristics of Free Trade Agreements and Customs Unions 213

Rodney D. Ludema and Zhi Yu, Tariff pass-through, firm heterogeneity and product quality 234

Berrak Bahadir and Inci Gumus, Credit decomposition and business cycles in emerging market economies 250
Finding Home.

> The crisis in Syria has sent millions fleeing. This year, follow the lives of four babies whose families escaped.

Hani, born Sept. 13 into a Greek refugee camp.
The Year Ahead

Finding Home
Follow four mothers and their infants from delivery rooms to refugee camps in Greece. Our latest multimedia project explores too-often overlooked aspects of Europe's migrant crisis
By ARYN BAKER, photographs by LYNSEY ADDARIO 28

Power
Why Mike Pence may be the perfect governing partner for Donald Trump. 42 Betsy DeVos wants to reshape American education. 52 How America is losing Asia

Discovery
How Lewis Hamilton became the world's fastest man. 58 Food innovations for 2017. 66 The private space industry's next frontier

Culture
Wonder Woman breaks the superhero equivalent of the glass ceiling. 74 Fox brings back 24 for the ISIS era. 84 Bette Midler on reviving Hello, Dolly! 91

ON THE COVER: Photograph by Lynsey Addario—Verbatim for TIME

British Formula One driver Lewis Hamilton aims to make Americans love his sport
Photograph by Thomas Prior for TIME

The View
Ideas, opinion, innovations
15 Ian Bremmer on Trump's "America first" approach to diplomacy
18 Viewpoints: Michael Bloomberg on the most innovative cities; Eric Schmidt and Jared Cohen on cyberwarfare; former NATO commander James Stavridis on China
24 Joe Klein analyzes Trump's media strategy
95 Joel Stein's 2017 predictions
96 News quiz

From the Editor
Conversation
For the Record

The Brief
News from the U.S. and around the world
7 Aleppo, the epicenter of the Syrian crisis, falls
8 Cities that have catcalling
11 Remembering astronaut John Glenn and Growing Pains actor Alan Thicke
12 ISIS bombs a Cairo cathedral
14 How Trump's Cabinet nominees are connected

© 2017 Time Asia (Hong Kong) Limited. All rights reserved. Reproduction in whole or in part without written permission is prohibited. TIME and the Red Border Design are registered trademarks of Time, Inc. and used under license in the U.S. and in the countries where TIME magazine circulates. Member Audit Bureau of Circulations. Subscriptions: If the post service works well as in your magazine is underwritten, we have no further obligation unless we receive a corrected address within two years. CUSTOMER SERVICE AND SUBSCRIPTIONS: For 24/7 service, or to learn more about special offers online, please visit https://www.timeasiahongkong.com/service.php. You may also email our Customer Service Center at customerltimeasiahongkong.com or call 852-11298888, or write to Time Asia (Hong Kong) Limited, 3/F, Oxford House, Tollwood Place, 979 King's Road, Quarry Bay, Hong Kong. In Japan, please contact our Japanese Edition at customerltimeasiahongkong.com or call 0120-600-214 (free Dial) or 2-62-177 Aoyama, Minato-ku, Tokyo 107-8221. Advertising: For information and rates, Hong Kong, Telephone (852) 2522-8383; On-Visit: timeasia.com/advertising. Publishing: Information is available at time.com/time-privacy. To request custom reprints, ntimeasia.com/permissions. We make a portion of our reading list available to reputable firms. If you would prefer that we not include your name, please contact our Customer Services Center. TIME Asia is edited in Hong Kong and printed in Singapore and Hong Kong. Singapore MOI Permit No. 077/09/2015; Malaysia KPPN permit no. PPS-516/12/2013/02323.