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## The Influence of the Tag-Along Rights in the Value of Companies: An Event Study of the Effects on the Market and Service Companies

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### Abstract


The aim of this work is to check the effect of granting tag-along rights to stockholders by analyzing the behavior of the return of the stock. To do so we carried out event studies for a group of 21 company stocks, divided into service provider companies and others, who granted this right to their stockholders after Law 10,303 was passed in October, 2001. In the test we used two models for estimating abnormal returns: adjusted to the market and adjusted to the risk and market. The results of the tests we carried out based on these models did not capture abnormal returns (surpluses), telling us that the tag-along rights did not affect the pattern of daily returns of the stocks of companies traded on BOVESPA (The Sao Paulo Stock Exchange). We did not expect this result because of the new corporate governance practices adopted by companies in Brazil.

**Keywords:** Brazil, Tag-along, event study

**JEL Classification:** G00

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