

Abstract

As capital markets collapse may occur due to some factors which are not related to company's management efficiency. Share repurchases are considered a crucial mechanism for managing shareholders' funds, through maximizing their gains and protecting their capital.

This study aims to determine the impact of share repurchases on firm value under different ownership identities and concentrations. The sample consists of 56 open market share repurchases, carried out by 43 companies, during the period from 2008- 2015. The researcher used the financial statements and periodic reports issued by companies and specialized websites to collect required data which were analyzed using appropriate statistical methods such as path analysis, partial correlation, two-stage least squares analysis. The statistical analysis showed the following results:

- Share repurchases have a positive and significant impact on firm value.
- Share repurchases have no significant impact on ownership concentration.
- Share repurchases have a positive and significant impact on managerial ownership.
- Share repurchases have a negative and significant impact on institutional ownership.
- Ownership concentration has a positive and significant impact on firm value.
- Ownership identity (Managerial ownership and Institutional ownership) has no significant impact on firm value.
- Ownership concentration has no significant impact on the relationship between share repurchases and firm value.
- Ownership identity (Managerial ownership and Institutional ownership) has a positive and significant impact on the relationship between share repurchases and firm value.

Keywords: Share repurchases, Firm value, Ownership concentration, Ownership identity.