Recent decades evidenced a significant increase in capital market integrationi across the world, associated with numerous benefits such as better risk sharing, a decrease in the cost of intermediation, efficient resource alloca tion, increased access to the markets, lower cost of capi tal, and higher economic growth (Bekaert et al., 2013; Patel et al., 2022).The IFRS Foundation asserts that IFRS Standards bring transparency (through improved compa rability), accountability (by lowering the information dis parity), and efficiency (by facilitating the identification of risks and opportunities, thereby enhancing allocation of capital) to the world's capital markets.Countries developed policies to harvest associated benefits like removing capital controls (open ing domestic markets to foreign investors) and signing regional trade agreements to enhance international trade and investment (Lim & Breuer, 2019).Adopting a single set of financial reporting standards (IFRS) by 144 jurisdictions until 2018 is a great step to remove information frictions and result in more comparable and transparent financial information across countries for global investors (IFRS Foundation, 2018; Zahid & Simga Mugan, 2019).For instance, asymmetric financial information in different markets results in a low level of integration because it hinders investors from collecting timely and value relevant information and Can Simga-Mugan is retired from Middle East Technical University.Specifically, applying different accounting standards makes financial information hard and costly to process, compare and interpret by global investors.triggers home bias (Bekaert, 1995; Bekaert et al., 2013).Int J Fin Econ.However, certain obstructions remain in practice and cause a lower level of capital market integration.2022;1-22.