values. Empirical regularities - which are reported below for the 50% majority rule - carry over to different majority rules with reduced statistical significance.

3.2 Descriptive Statistics

Table 1 portrays the distribution of the size of blocks, defined as N^T/N, in our sample. It can be seen that more than 50% of our transactions concern small-sized blocks. Although a small-sized block transaction could in principle transfer large control benefits, we expected voting power transferred by small blocks to be small on average. Given the sample distribution of N^T/N and the fact that 10% is the smallest share of votes conferring special rights in Italy, we partitioned our sample at a block size of 10%. In the subsample of blocks containing at least 10% of common shares (second column, Table 1) the incidence of majority transaction exceeds 25%.

In our simple framework of section 2 we overlooked the effect of stock market liquidity on stock market price and the premium. Yet liquidity effects are known to be relevant. We computed percentage block premia in Tables 2, 3 and 4 using averages of stock market prices, in order to wash away the effect of idiosyncratic liquidity shocks on market price. $p^e_{-1,-t}$ is the arithmetic average of stock market price from day -t to the day before the announcement, whereas $p^e_{1,t}$ is the average of market prices from day 1 to day t after the announcement.

Comparing across Tables 2 and 3 shows a median premium equal to 8.9% on the announcement day for the entire sample, which grows to 12.2% when only larger blocks are considered - consistent with the presumption that larger blocks transfer a larger share of private benefits. Both in the full sample and in the two subsamples the sample mean (26.2% for the full sample; 32.6% for larger blocks, 20% for smaller blocks) is greater than the median because the distribution is skewed due to a sizeable number of large premia. Also negative premia are present in the first quartile, and are larger - in absolute value - for the subsample containing smaller blocks (Table 4).

These negative premia cannot be ascribed - following equation (7) - to the fact that such blocks transferred less voting power than the voting power enjoyed by the market, as it is always possible for a seller to sell his (split-up) block in the market. One