23 - 25 JUNE 2025 | BEIJING - CHINA

ISAFE 2025

EM NORMANDIE BUSINESS SCHOOL

ISAFE International Society Advancement of Financial Economics

AVSE GLOBAL

Welcome notes

Welcome note – Conference Co-chairs

We are very pleased to welcome you to the third edition of the **International Symposium for Advancement of Financial Economics Conference** (ISAFE-2025, 23-25 June 2025, which is jointly organized by the **EM Normandie Business School (France) and Beijing International Studies University (BISU, China)**, with the support of **the International Society for the Advancement of Financial Economics (ISAFE)**, the **Association of Vietnamese Scientists and Experts (AVSE Global)**, and **the China CYTS Tours Holding Co., LTD.**

The conference aims to bring together academics, practitioners, and policymakers to share their research findings and discuss current and challenging issues in all financial economics research areas. The event is also an ideal occasion for scholars around the world to present their research, exchange research ideas and experiences, and develop research projects.

This year, we have the great privilege of welcoming **Professor Arman Eshraghi**, Professor of Finance and Investment at Cardiff University, United Kingdom, and Editor-in-chief of the International Review of Economics & Finance, and Professor **Peter G. Szilagyi**, Professor of Finance at EDHEC Business School, France and Editor-in-chief of the Journal of International Financial Markets, Money, and Institutions as our distinguished keynote speakers. Professors **Arman Eshraghi** and **Peter G. Szilagyi** are among the world's leading finance experts, and we are grateful to them for their presence and kind support in this edition of the conference. We also welcome Professor **Jonathan Batten** from RMIT University, Melbourne, Australia, and Co-Editor-in-Chief of Finance Research Letters, as the chair of the Meet-with-the-editors session.

We also thank all the submitted authors, scientific committee members, attendees, and particularly conference participants who serve as presenters, session chairs, and discussants. Our special thanks go to Professors Arman Eshraghi and Brian Lucey, Co-Editors of the *International Review of Economics and Finance*, Professors Ngai Hang Chan and Hans-Jörg von Mettenheim, Co-Editors-in-Chief of the *Journal of Forecasting*, Professor Peter G. Szilagyi, Editor-in-Chief of the *Journal of International Financial Markets, Money, and Institutions*, and Professors Sabri Boubaker and Xiaoqian Zhu, Editors of the *Journal of International Financial Management & Accounting*, who have kindly agreed to consider publishing a selection of high-quality papers in their journals.

We would also like to extend our thanks to Professor Keith Pilbeam, Editor-in-Chief of the *International Journal of Finance and Economics,* for giving us a special issue on "Climate Action, Climate Risk, ESG, and Net-Zero: Antecedent and Implications for Finance and Economics," and Professors Emanuele Bajo and Moritz Ritter, Editors-in-Chief of the *Journal of Economics and Business* for allowing us to associate the special issue on "Managing Emerging Risks: Financial Implications of Climate, Geopolitical, and Cybersecurity Threats for Firms" to our conference.

Finally, we would like to thank Professor Jinbiao Ji (President, BISU, China), Professor Wei Cheng (Vice president, BISU, China), Professor Chengjun Zheng (Vice president, BISU, China), Mr. Gang Yu (Dean of the Office of International Exchange and Cooperation, BISU, China), Professor Hongbo Li (Dean of the Office of Academic Research, BISU, China), Professor Yuxiang Hou (Dean of the Graduate School, BISU, China), Professor Haiwen Wang (Dean of the School of Economics, BISU, China), Professor Fanzhe Meng (Party Secretary of the Business School, BISU, China), Associate Professor Bo Li (Vice Dean of the Business School, BISU, China), Dr. Gong Zhan (Vice Dean of the Business School, BISU, China) and Ms. Xinyi Bao (Office of International Exchange and Cooperation, BISU, China) for their outstanding support to make this event a great success. Our special thanks also go to the members of our organizing committee and supporters for their great contributions to the preparations for this scientific event.

We wish you all an intellectually stimulating and productive conference—an opportunity not only to share your latest research and exchange innovative ideas, but also to engage in meaningful dialogue, forge new academic collaborations, and strengthen existing networks within the scholarly community at the exceptional setting of this year's conference: the picturesque Gubei Water Town Resort, located in Gubeikou Town, at the foot of the majestic Simatai section of the Great Wall. The historic charm and natural beauty of this location provide an inspiring backdrop for reflection, discussion, and discovery.

We hope you will take full advantage of both the academic and cultural offerings—connecting with colleagues from around the world, exploring new perspectives, and enjoying the unique atmosphere that Gubei Water Town has to offer. Welcome, and we wish you a rewarding and memorable conference experience.

On behalf of the Organizing and Scientific Committees

The Conference Co-Chairs
Sabri Boubaker, Zhenya Liu, and Wei Li

Welcome Message
Prof. Jinbiao Ji
President of Beijing International Studies University

On behalf of Beijing International Studies University (BISU) and as a proud co-organizer of the **International Symposium for the Advancement of Financial Economics 2025** Annual Meeting (ISAFE2025), I am deeply honored to extend our warmest welcome to all attendees gathering in the scenic Gubei Watertown from June 23rd to 25th, 2025. This conference represents not only a milestone in academic exchange but also a testament to our shared commitment to driving forward the frontiers of financial economics in an increasingly interconnected world.

BISU is a renowned multi-disciplinary institution of higher education, jointly sponsored by the Ministry of Culture and Tourism and the People's Government of Beijing Municipality. It was founded in October 1964 with the support of China's late premier, ZHOU Enlai. Throughout its history, BISU has been under the successive leaderships of the former China International Cultural Liaison Commission, the Ministry of Foreign Affairs, the People's Government of Beijing Municipality, the Ministry of Education, and the former China National Tourism Administration. Since March 2022, BISU has been jointly sponsored by the Ministry of Culture and Tourism and the People's Government of Beijing Municipality.

With "Integrity, Diligence, Truth, and Leadership" as its motto, BISU has long dedicated itself to passing down eastern and western civilizations and boosting cultural and educational exchanges between China and other countries. Students are inspired to learn from all civilizations and achieve the unity of knowing and doing, while its exceptional faculty is committed to offering humanistic education. BISU has accumulated profound academic traditions, distinctive experience in teaching and a strong faculty, including a group of recognized professors and famous translators in China.

BISU is located in Chaoyang district, Beijing, with the Central Business District to its west and Tongzhou district, the subsidiary administrative center of Beijing, to its east. It has 19 schools. At present, the university has more than 10,000 registered students, including more than 6,800 undergraduate students, more than 1,800 postgraduate students, more than 1,100 international students, and more than 700 students under the seven-year cultivation program.

BISU now has nearly 1,000 full-time faculty members. Among them, there are two National Outstanding Teaching Teams, one National Huang Danian-Style Teacher Team, and four Excellent Teaching Teams of Beijing. It also boasts two national high-level talents, two recipients of the Lifetime Achievement Award in Translation, as well as over 40 other high-level talents. It has also employed more than 130 part-time professors and nearly 60 foreign experts.

At present, BISU offers 48 undergraduate majors (including 31 bachelor's programs in foreign languages). Five primary disciplines and 30 secondary disciplines have been authorized to confer master’s degrees. The university also offers six professional master's degree programs. BISU has a joint doctoral program in translation with Binghamton University - the State University of New York, a joint doctoral program in tourism management with the University of South Carolina, and two post-doctoral research stations co-founded with the Social Sciences Academic Press and the Capital University of Economics and Business.

The university is home to nearly 40 research institutions. A platform of fundamental research has been built through eleven scientific research bases at the provincial and ministerial level, one collaborative innovation center at the provincial and ministerial level, one cultivation base for regional and national studies of the Ministry of Education (MOE), and seven regional and national studies centers registered at the MOE. The university is the host of several important academic organizations, including the Translators Association of Beijing, the Beijing Comic Society and the Beijing Tourism Society. Its academic journals include the Journal of Beijing International Studies University, Tourism and Hospitality Prospects, Trans-cultural Studies, and Arab Studies.

Through leveraging its multi-lingual advantages, BISU has vigorously participated in international exchanges and cooperation, and has established substantial collaborative relations with more than 190 universities and higher educational institutions from over 50 countries and regions across the world. Each year, a considerable number of teachers are sent abroad for further studies, academic visits, joint research projects, and Mandarin teaching. Annually, the university sends more than 500 students on average to further their studies abroad and receives more than 1,500 international students to study at BISU.

Adhering to the mission of promoting Sino-foreign cultural exchanges and shouldering the responsibilities of serving the national strategy and Beijing's development, BISU has led its students to learn from both Chinese and foreign civilizations and integrate knowing with doing. With foreign languages & literature and tourism management as its key disciplines, the university has been steadfast to connotative development, strengthened interdisciplinary education, and committed to training composite talents with patriotism and international vision. BISU will strive to build itself into one of China's top foreign language universities with distinctive Beijing characteristics.

ISAFE2025 arrives at a critical juncture, where global challenges demand innovative solutions. We hope this conference will serve as a catalyst for exchanging cutting-edge research, nurturing new partnerships, and exploring strategies to address economic complexities. To our esteemed speakers, panelists, and participants, your expertise and curiosity are the lifeblood of this event. We encourage you to engage fully—share ideas, challenge assumptions, and forge connections that transcend borders.

On behalf of BISU, I extend my heartfelt gratitude to ISAFE for entrusting us with this co-hosting role and to every participant for contributing to this intellectual journey. As you immerse yourself in the conference, we hope you will also take time to experience Beijing's rich heritage and our warm hospitality. May this gathering be a source of inspiration, knowledge, and lasting collaboration—and may the insights gained here shape a more prosperous and equitable future for financial economics worldwide.

Professor Jinbiao Ji
President, Beijing International Studies University,
Beijing, China.

Welcome Message
Prof. Wei Li
Dean of Business School

On behalf of all the academic staff and students of Business School, Beijing International Studies University, we are delighted to extend our warmest welcome to you for attending the 2025 annual meeting of **the International Symposium for the Advancement of Financial Economics (ISAFE2025)**, scheduled to be held on June 23-25, 2025. As the co-host of this prestigious event, our institution is deeply honored to be part of a gathering that unites knowledge, experiences, and perspectives from across the globe, fostering a vibrant platform for academic exchange and disciplinary development in financial economics.

First and foremost, I would like to express my heartfelt gratitude to EM Normandie Business School and the International Society for The Advancement of Financial Economics (ISAFE)—the initiator of the conference—for their diligent efforts in bringing this conference to fruition. Your commitment to advancing the field of financial economics is highly commendable and aligns perfectly with our own dedication to pursuing excellence and driving forward the frontiers of this discipline.

The Business School is characterized by internationalization, based on the practice of local enterprises, adhering to the school motto of "knowing knowledge and pursuing truth, cultivating morality and learning business." Its mission is to "devise strategies for global business, impart the keys to business success, generate new knowledge in service management, and cultivate high-quality professional managers for the global service industry."

The Business School constantly optimizes the structure and quality of the teaching staff and explores the training rules for international business management talents. It is committed to building China's first-class international business school with the strongest foreign language background, cultivating international innovative high-level management talents with an international perspective and cross-cultural communication capabilities.

The Business School currently offers two undergraduate programs in Marketing and Financial Management, two academic Master's programs in Corporate Management and Accounting, and a specialized Master's program in Accounting (MPAcc). Additionally, the Business School offers five overseas study programs, two undergraduate programs in Financial Management and Marketing, and three master's programs in Master in Management-Modern China and City Development, Business Administration and Professional Accounting, and runs a summer program for international students. With a strong faculty and well-developed education and training plans, there are nearly 1,000 students, including undergraduate and graduate students as well as international students.

For ISAFE2025, I believe one of the most valuable aspects of attending lies in the opportunity to engage and connect with all esteemed fellow attendees. These interactions serve as the foundation for collaboration, inspiration, professional growth, and shared prosperity. I encourage all participants to fully leverage this occasion to interact deeply with one another, exchange insights, and collaborate on innovative ideas that can propel the industry forward. May this conference become a platform for meaningful dialogue, knowledge exchange, and the establishment of new partnerships.

In closing, I would like to extend my heartfelt gratitude to all speakers, panelists, and participants for contributing your expertise and enthusiasm to this conference. Your presence here embodies a collective commitment to advancing the field of financial economics. I sincerely wish you a fruitful and enriching conference experience and a pleasant stay in China.

Professor LI Wei
Dean for Business School,
Beijing International Studies University,
Beijing, China.

Summary

Conference Scope

This annual conference aims to foster academic exchange and collaboration in the field of financial economics. This year marks the third edition of the conference to be held in Beijing, China. The event aims to bring together academics, practitioners, and policymakers to present their latest research, share insights, and engage in discussions on current and emerging challenges across all areas of financial economics. It also provides an excellent platform for scholars from around the world to exchange ideas, gain feedback, and explore opportunities for future research collaboration.

The scientific and organizing committee's members welcome submissions in all areas of finance for presentation at the conference. The main topics of the conference include, but are not limited to:

- Artificial Intelligence and finance
- Asset allocation and valuation
- Central banking and monetary policy
- Corporate finance and governance
- Country funds and hedge funds
- Emerging markets finance
- Empirical asset pricing
- Financial accounting, law, and regulation
- Financial crises and contagion
- Financial econometrics
- Financial engineering and derivatives
- Financial intermediation, institutions & services
- Financial markets and market microstructure
- FinTech: Revealing Potential and Challenges
- Foreign currency issues
- International finance and capital markets
- IPOs, SEOs, M&As & Divestitures
- Market behavior efficiency
- Multinational financial management
- Personal finance and household finance
- Portfolio management and optimization;
- Quantitative finance and financial econometrics
- Real estate finance
- Risk management
- Small business and entrepreneurial finance
- Sustainable finance, ethics, and CSR

Keynote Speakers

Professor Arman Eshraghi
Director, Behavioural Finance Working Group
Director, Cardiff Fintech Research Group
Cardiff University, United Kingdom

Arman Eshraghi holds the Chair of Finance and Investment at Cardiff University, UK. Prior to that, Prof. Eshraghi was at the University of Edinburgh with visiting positions at the University of Manchester and University College London, and some years of industry experience in financial services prior to academia. His academic research spans finance, accounting, and management, with interests including behavioral/corporate/sustainable finance and financial technology. His work has been published in some leading journals of the field and cited widely, including in the Financial Times, Washington Post, Forbes, Bloomberg, BBC, Euronews, and Harvard Business Review. Prof. Eshraghi is Editor-in-Chief of the International Review of Economics and Finance, Senior Editor of Finance Research Letters and Global Finance Journal, and is currently guest-editing for the European Journal of Finance. He has served as a Shimomura Fellow at the Development Bank of Japan, an Erskine Fellow at the University of Canterbury in New Zealand, and an Advisory Board Member at Fintech Wales. He chairs the professorial committee of the British Accounting and Finance Association and leads the Cardiff Fintech Research Group as well as the Behavioral Finance Working Group in London. His research has been published in various journals in finance (including Review of Financial Studies, Review of Finance, Journal of Empirical Finance, European Financial Management, Journal of International Money and Finance, Financial Review; Corporate Governance: An International Review, etc.), in accounting (including Accounting, Organizations and Society; Accounting, Auditing and Accountability Journal; Accounting and Business Research), and in management (including Harvard Business Review; British Journal of Management).

Professor Peter G. Szilagyi
Professor in Finance,
EDHEC Business School, France

Peter G. Szilagyi is a Professor of Finance at EDHEC Business School, France. He was previously an Associate Professor at Central European University and an Assistant Professor at Judge Business School, University of Cambridge. At CEU, Peter Gabor Szilagyi was Head of MS in Finance and Director of Business Master's Programs and served on the Board of Advisors at the CEU InnovationsLab startup incubator. At Cambridge, he served as Director of the MPhil in Finance. Peter Gabor Szilagyi completed his PhD at Tilburg University and held a research fellowship at Saïd Business School, University of Oxford.

Peter Gabor Szilagyi is Editor of Elsevier's Journal of International Financial Markets, Institutions & Money. He was previously Editor and remains Advisory Editor at the Journal of Multinational Financial Management. He is also Subject Editor at Emerging Markets Review and Associate Editor at Finance Research Letters.

Meet-with-the-editors session

Jonathan Batten

Professor of Finance, RMIT University, Melbourne, Australia & Co-Editor-in-Chief of Finance Research Letters.

Sabri Boubaker

Professor of Finance, EM Normandie Business School, France & Editor-in-Chief of the Journal of International Financial Management & Accounting.

Arman Eshraghi

Professor of Finance and Investment, Cardiff Business School, United Kingdom & Co-Editor-in-Chief of the International Review of Economics and Finance.

Peter Gabor Szilagyi

Professor of Finance at EDHEC Business School, France & Editor-in-Chief of the Journal of International Financial Markets, Institutions and Money.

Committees

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Professor of Finance
EM Normandie Business School, France

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Professor of Finance
School of Finance, Renmin University of China, China

Wei Li
Professor of Accounting
Business School, Beijing International Studies University, China

Steering Committee

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Dean, EMLV Business School, France

Hung Xuan Do
Associate Head of School of Economics and Finance, Massey University, New Zealand

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Special Issues

Special issue of the International Journal of Finance & Economics, titled “Climate Action, Climate Risk, ESG, and Net-Zero: Antecedents and Implications for Finance and Economics” under the Guest-editorship of Prof. Sabri Boubaker (EM Normandie Business School, France) and Prof. Marwa Elnahass, Newcastle University, United Kingdom.
Submission Deadline: July 31st, 2025.
For more details about the **SI Call for Papers**, click here.

Special issue of the Journal of Economics & Business, titled “Managing Emerging Risks: Financial Implications of Climate, Geopolitical, and Cybersecurity Threats for Firms” under the Guest-editorship of Prof. Sabri Boubaker (EM Normandie Business School, France) and Prof. Walid Saffar, Hong Kong Polytechnic University, Hong Kong.
Submission Deadline: July 31st, 2025.
For more details about the **SI Call for Papers**, click here.

Special Issue 1: International Journal of Finance & Economics

Title: Climate Action, Climate Risk, ESG, and Net-Zero: Antecedents and Implications for Finance and Economics

Submission Start: July 1st, 2025.
Submission Deadline: July 31st, 2025.
Publication of the special issue: During 2026

Guest Editors
Sabri Boubaker, EM Normandie Business School, France (sboubaker@em-normandie.fr)
Marwa Elnahass, Newcastle University, United Kingdom (Marwa.Elnahas@newcastle.ac.uk)

Climate change and sustainability have become pressing global challenges that demand attention across various industries. As the urgent need for climate action intensifies, financial markets are increasingly recognizing the importance of integrating environmental, social, and governance (ESG) factors in various firm decisions. This recognition has fostered a growing body of research exploring the implications of climate risk, ESG, net-zero transitions, and sustainable investing within the realm of finance and economics.

The alignment of a firm's actions with Sustainable Development Goals (SDGs) has profound implications. By integrating ESG criteria and considering how their investments contribute to these global goals and address climate change, firms, financial institutions, and investors can not only generate financial returns but also drive positive social and environmental impacts. Moreover, businesses that demonstrate a commitment to achieving a climate-neutral world may enjoy, among others, enhanced reputation, reduced risks, and increased access to capital. This synergy between sustainable economics and finance and the SDGs-climate neutral objectives reinforces the importance of incorporating ESG considerations into investment strategies.

In this special issue/section of the International Journal of Finance & Economics, we aim to explore the intricate economic and financial antecedents and implications of climate-related issues. Our goal is to advance our understanding of the challenges and opportunities that arise from climate action, climate risk, net-zero initiatives, and ESG considerations. By bringing together innovative research from academics, scholars, and practitioners, we seek to foster meaningful discussions and shed light on the crucial role climate change plays in shaping firm (and its stakeholders') decisions.

The special issue invites original contributions that explore various aspects of climate action in economics and finance. We encourage researchers to investigate climate risk assessment and management, including methodologies for evaluating the impact of climate-related risks on various economic and finance decisions (e.g., access to finance, bank loans, M&A, stock price behavior, tax aggressiveness, leasing versus debt decision, etc.). Additionally, we seek studies that explore the implications of transitioning to a net-zero economy and the role of green economics and finance in supporting sustainable investments. Furthermore, we welcome research that examines the integration of ESG factors in investment decisions, assessing the effects on financial performance, risk management, and other firms' and investors' decisions. Finally, we encourage submissions that explore sustainable investing and innovative approaches for measuring the impact of investments on the environment and society.

We invite researchers, scholars, and practitioners to submit their original work to contribute to this special issue. We are interested in high-quality submissions with a variety of disciplinary framings that embrace diverse methodological approaches and theoretical frameworks, employ rich new single- and cross-country datasets covering different industries, and exploit exogenous shocks to investigate the effect of net-zero initiatives and climate change actions in a single (or global) context. Hence, we welcome studies that will ultimately generate impact and policy implications and contribute to enhancing economic and finance practices and serving international capital markets and communities. Manuscripts can employ various methodological techniques. All submissions will undergo a rigorous peer-review process to ensure the highest academic standards. By facilitating the exchange of knowledge and ideas, we aim to foster advancements in economics and finance and contribute to global efforts for a more sustainable future.

Potential topics could include but are not limited to:

- Climate Risk Assessment and Management: Analyzing the economic and financial implications of climate-related risks, including physical, transitional, and liability risks. Exploring methodologies and frameworks for assessing and managing climate risks in investment decision-making processes.
- Net-Zero Transition and Green Finance: Investigating the economic and financial implications of transitioning to a net-zero economy and the role of green finance in mobilizing capital towards sustainable investments. Evaluating the effectiveness of policy measures, incentives, and regulations in facilitating the transition.
- ESG Integration in Investment Decisions: Examining the integration of ESG factors in investment strategies. Assessing the impact of ESG integration on financial performance, risk management, and economic and financial decisions.
- Sustainable Investing and Impact Measurement: Investigating the performance, risk, and impact of sustainable investment strategies. Exploring novel approaches for measuring and quantifying the environmental and social impact of investment decisions.

- Trust, ethics, and CSR: CSR, corporate digital responsibility, ESG, green and sustainable finance, and new risk management policies.
- Climate Risk on Asset Valuation: The role of climate risks in the valuation of long-term assets. Asset impairment or revaluation in light of climate-related risks.
- Climate Risk Disclosure in Financial Statements: Disclosure of climate risks in financial statements, including quantifying and reporting potential financial impacts.
- Valuation of Carbon Credits and Climate-Related Financial Instruments
- Climate Risk and Revenue Recognition in Green Investments: Timing and revenue recognition for projects that are exposed to climate-related uncertainties or regulatory changes.
- Evaluating Climate Risk in Mergers and Acquisitions (M&A): Climate Risk and Corporate Governance Reporting

TIMELINE AND SUBMISSION PROCESS

The submission system will be open following the ISAFE 2025 conference (Beijing, China) conference (July 1st, 2025). The deadline for submission of full papers to the issue is July 31st, 2025. Accepted manuscripts will be published online first as soon as they are ready. Publication of the full issue is expected during 2026.

Please submit your work using the International Journal of Finance & Economics website, select 'Special Issue Article' as the article type, and note in your cover letter that your manuscript should be considered for the Net-Zero and Climate Action special issue following the ISAFE 2025 conference. Following submission, all manuscripts will be assigned to a handling editor and subject to double-blind peer review. The special issue will also consider high-quality papers that have not been presented at the ISAFE 2025 conference.

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Special Issue 2: Journal of Economics and Business

Title: Managing Emerging Risks: Financial Implications of Climate, Geopolitical, and Cybersecurity Threats for Firms.

Submission Start: April 1st, 2025.
Submission Deadline: July 31st, 2025.
Publication of the special issue: During 2026

Guest Editors
Sabri Boubaker, EM Normandie Business School, France (sboubaker@em-normandie.fr)
Walid Saffar, Hong Kong Polytechnic University, Hong Kong.

Nowadays, companies are confronted with a multitude of risks that pose significant challenges to their operations, survival, and growth. From the pervasive threat of climate change and cybersecurity risk to the complexities of geopolitical tensions, these risks demand proactive strategies and innovative solutions. These risks stem from a variety of sources, including technological advancements, economic fluctuations, regulatory changes, and shifting market dynamics. One of the primary challenges firms encounter is the pace at which technology evolves. Companies that fail to adapt to technological advancements risk losing their competitive edge and may struggle to meet evolving customer expectations. Economic uncertainty also presents significant risks to businesses. Economic downturns can lead to reduced consumer spending, tighter credit conditions, and increased market volatility, all of which can adversely affect a company's financial situation.

Regulatory changes represent another critical area of risk for businesses. Governments and regulatory bodies frequently update policies and regulations that can impact various aspects of operations, from compliance requirements to tax obligations. Navigating these changes can be complex and resource-intensive, particularly for firms operating in multiple jurisdictions. Shifting market dynamics further complicate the business landscape. Consumer preferences, industry trends, and competitive forces are constantly evolving, requiring firms to be agile and responsive. Companies that fail to understand and adapt to these changes risk losing market share and relevance.

In conclusion, the dynamic nature of the business environment presents a range of risks that companies must address to ensure long-term success. By staying prepared for cybersecurity risks and informed about technological advancements, economic fluctuations, regulatory changes, and shifting market dynamics, firms can develop strategies to mitigate these risks and capitalize on opportunities. Implementing solid risk management practices, investing in market research, and maintaining a proactive approach to innovation are essential for addressing the uncertainties of the business environment and achieving sustainable growth.

The special issue aims to attract innovative and methodologically rigorous empirical articles that explore the intricate web of risks facing firms and enhance our understanding of the risk management landscape. We are particularly interested in studies that address unique or underexplored questions and make a substantial contribution to the body of knowledge, such as providing innovative empirical insights and offering novel applications of existing theories. These papers should have a solid theoretical foundation, a robust identification strategy, contemporary relevance, and practical implications for policymakers and practitioners.

We welcome submissions that address, but are not limited to, the following topics:

1. ***Climate Risk Management***
   - Understanding the impact of climate change on business operations and supply chains.
   - Assessing the financial and reputational risks associated with extreme weather events and regulatory changes.
   - Exploring strategies for climate resilience, including adaptation measures and sustainable business practices.
2. ***Geopolitical Risk Analysis***
   - Analyzing geopolitical tensions and their implications for international trade and investment.
   - Assessing the impact of geopolitical instability on supply chain resilience and market access.
   - Developing strategies to mitigate geopolitical risks, such as diversification and political risk insurance.
3. ***Cybersecurity Risk***: Data breaches, ransomware attacks, cyber-criminality, and intellectual property theft.

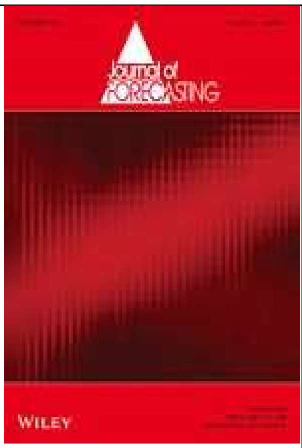
TIMELINE AND SUBMISSION PROCESS

The system will open for submissions on April 1st, 2025. The deadline for submissions of full papers is July 31st, 2025. All submissions must be uploaded to the journal website https://www.editorialmanager.com/jeb/, indicating that the manuscript is for the Special Issue on "ManagingRisks." Papers will be subject to the JEB standard fees and double-blind normal reviewing process. The Special Issue is expected to be published in 2026.

For queries, please contact any of the guest editors: sboubaker@em-normandie.fr or walid.saffar@polyu.edu.hk

Associated Journals

In consultation with the Editors-in-Chief of the International Review of Economics and Finance, Journal of Forecasting, Journal of International Financial Management & Accounting, and Journal of International Financial Markets, Institutions & Money, authors of the best conference papers will be invited to submit their papers to a regular issue of the Journals.



Meeting Venue Address

Water Town Hotel
Simatai Village, Gubeikou Town, Miyun District, Beijing, 101508

Important Notice for On-Site Participants

Opening Ceremony & Keynote Speeches & Meet with Editors Location: YuYang Hall (2F)

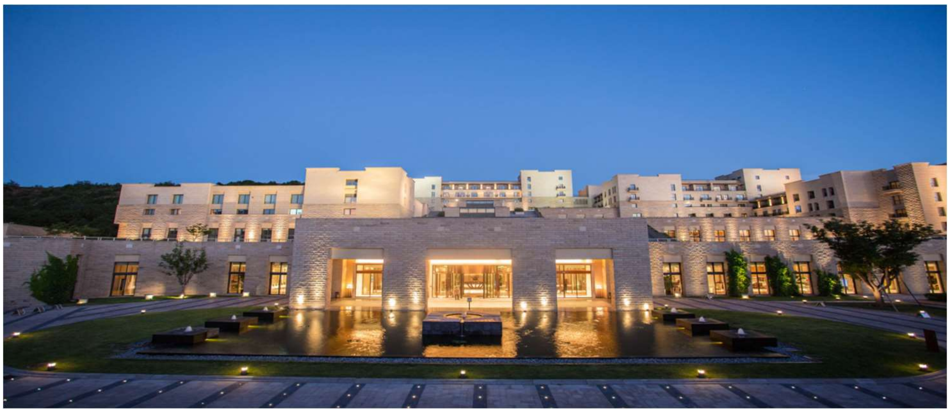
Session Rooms Location：
YuYang Hall, DeYu Hall 1, DeYu Hall 2, Hengshan Hall, TanZhou Hall, Guangping Hall, GuanShan Hall (2F)

Registration: Escalator Entrance of 2F

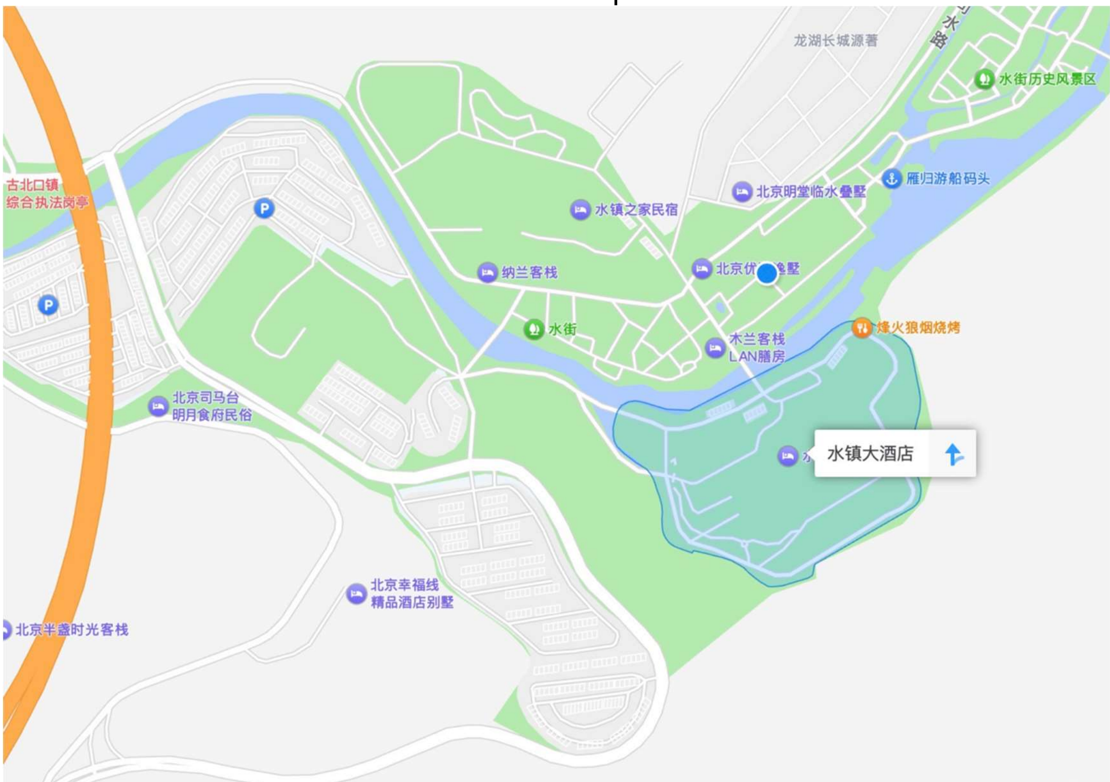
Coffee Breaks Location: Outside of YuYang Hall (2F)
Lunch Venue Location: Qingting Zhuri Buffet Hall (1F)
Gala Dinner: Great Wall Hall (1F)

Specific meeting locations are subject to the "Overview" section of each session.

All On-Site Activities on 1F & 2F



Resort map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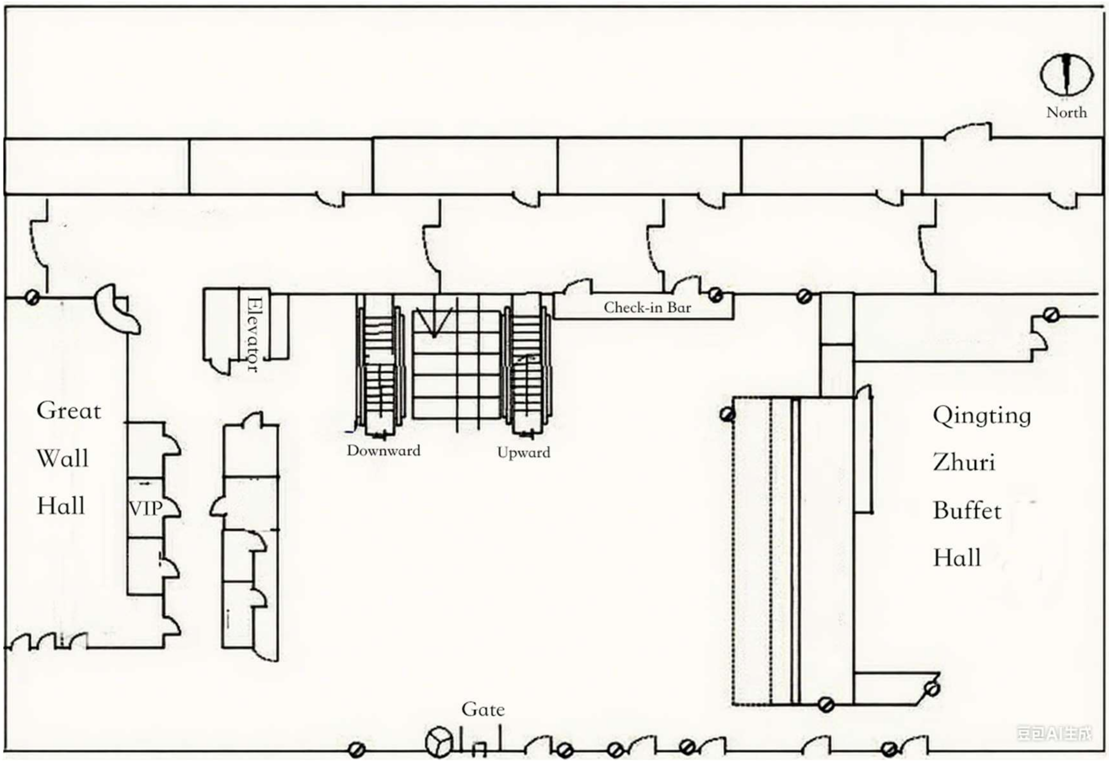
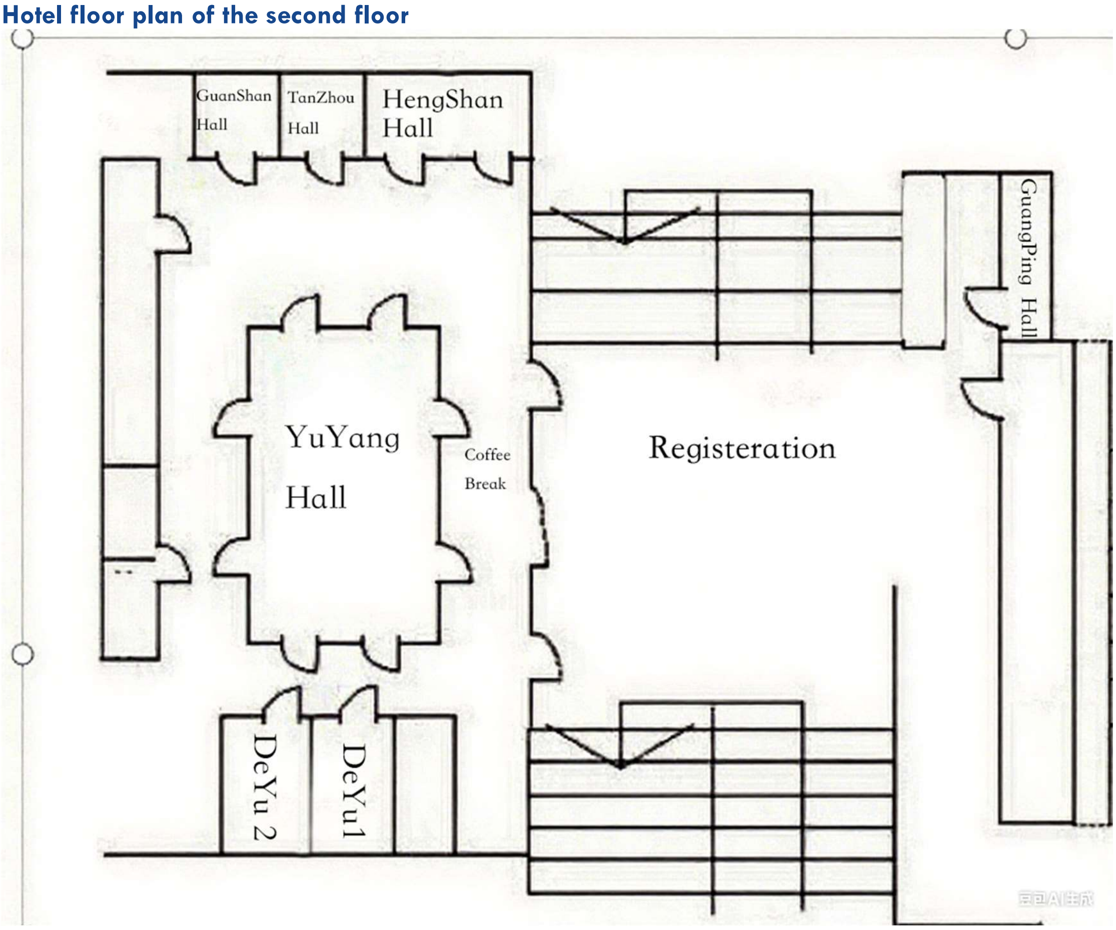
水街历史风景区
古北口镇
综合执法岗亭
北京明堂临水叠墅
雁归游船码头
水镇之家民宿
纳兰客栈
水街
木兰客栈
LAN膳房
烽火狼烟烧烤
北京司马台
明月食府民俗
水镇大酒店
北京幸福线
精品酒店别墅
北京半盏时光客栈


古北水镇景区游览图
Beijing Wtown Scenic Map
古北水鎮風光明媚な地図
고북수진 리조트 구역 내부

Hotel Floor plan of the first floor



Hotel floor plan of the second floor



Program in Details

Monday, 23 June 2025

08:00 – 08:30	**Registration & Coffee**	**2nd Floor Stairs Entrance**

08:30 – 09:00	**Welcome and Opening Remarks**	YuYang Hall
	Chair: Wei Li *(Beijing International Studies University, China)*	
8:40-8:50	**Jinbiao Ji, PhD.,** President, Professor of Finance at Beijing International Studies University, China **Zhenya Liu, PhD.,** *Professor of Finance at Renmin University, China and Co-Chair of the event.* **Sabri Boubaker, Ph.D.,** *Professor of Finance at EM Normandie Business School, France, President of the International Society for the Advancement of Financial Economics, Co-chair of the event.*	

09:00 – 10:00 Keynote Address (A1)

09:00 – 10:00	**Topic: Gambling in Financial Markets: Determinants and Consequences**	YuYang Hall
	Chair: Sabri Boubaker *(EM Normandie Business School, France)*	
	Professor Arman Eshraghi, *Professor of Finance and Investment, Director of Behavioural Finance Working Group, Cardiff Business School, United Kingdom & Editor of the International Review of Economics and Finance.*	

10:00 – 10:30	**Coffee Break**	**YuYang Hall entrance**

10:30 – 12:30 Morning Parallel Sessions (A2)

10:30 – 12:30	**A2.1: Corporate Risk-Taking**	YuYang Hall
	Chair: Zhenya Liu *(Renmin University of China, China)*	DISCUSSANT
	A Matter of Reputation? Negative ESG Incidents and Corporate Risk-taking around the World **Partha P. Roy** *(University of Birmingham, United Kingdom)*, Andrew Marshall *(University of Strathclyde, United Kingdom)*, Min Zhu *(University of Strathclyde, United Kingdom)*	**Wanfu Li** *(School of Accountancy, Nanjing University of Finance and Economics, Nanjing, China)*
	Supply Chain Relationship and Corporate Risk-taking Behavior Bing Wang *(School of Economics and Management, Fuzhou University, Fuzhou, China)*, Xichan Chen *(Internal Audit College, Nanjing Audit University, Nanjing, Jiangsu, China)*, Erwei Xiang *(Newcastle University Business School, Newcastle University, Newcastle upon Tyne, United Kingdom)*, **Wanfu Li** *(School of Accountancy, Nanjing University of Finance and Economics, Nanjing, China)*	**Naning-Putri Utami** *(Southwest Jiaotong University, China)*

	ESG and Stock Price Crash Risk: The Role of Competitive Advantage and Digital Transformation **Naning-Putri Utami** *(Southwest Jiaotong University, China)*, Chu-Bin Lin *(Southwest Jiaotong University, China)*, Meng-Na Huang *(Southwestern University of Finance and Economics*, China)	**Hemei Li** *(Beijing International Studies University, China)*
	The Impact of ESG on Corporate Risk-Taking: Insights from Cumulative and Insurance Effects **Hemei Li** *(Beijing International Studies University, China)*, Zhenya Liu *(Renmin University of China, China)*, Virginie Hachard *(EM Normandie Business School, France)*, Peiyu Feng *(Beijing International Studies University, China)*	**Partha P. Roy** *(University of Birmingham, United Kingdom)*
10:30 – 12:30	**A2.2: Biodiversity Risks, Climate Risks, and Sustainability**	DeYu Hall 1
	Chair: Xiang Gao *(Shanghai Business School, China)*	DISCUSSANT
	Do mutual fund managers herd toward sustainability? **Ihsan Badshah** *(Auckland University of Technology, New Zealand)*, Sara Ali *(Auckland University of Technology, New Zealand)*, Riza Demirer *(Southern Illinois University Edwardsville, United States)*, Prasad Hedge *(Auckland University of Technology, New Zealand)*	**Shi Li** *(Harbin Institute of Technology, China)*
	Going green rationally: Climate risk exposure and mutual fund stock allocation **Shi Li** *(Harbin Institute of Technology, China)*, Yezhou Sha *(Capital University of Economics and Business, China)*, Meng Li *(Harbin Institute of Technology, China)*	**Hong Cao** *(Central University of Finance and Economics, China)*
	Hedging different types of climate risks: Evidence from China Libo Yin *(School of Finance, Central University of Finance and Economics, Beijing, China)*, **Hong Cao** *(Central University of Finance and Economics, China)*	**Xiang Gao** *(Shanghai Business School, China)*
	Does Biodiversity Risk Matter to Capital Markets? New Evidence from China Chen Zhang-Hangjian *(Anhui University, Netherlands)*, **Xiang Gao** *(Shanghai Business School, China)*, Jeroen Derwall *(Utrecht University, Netherlands)*, Kees Koedijk *(Utrecht University, Netherlands)*	**Ihsan Badshah** *(Auckland University of Technology, New Zealand)*
10:30 – 12:30	**A2.3: Corporate Finance 1**	DeYu Hall 2
	Chair: Chandrasekhar Krishnamurti *(University of South Australia, Australia)*	DISCUSSANT
	The Influence of Political Connections on Corporate ESG Performance Xiaodong Yang *(Shihezi University, China)*, **Ahmed Imran Hunjra** *(IPAG Business School, France), Maria Giuseppina Bruna (IPAG Business School, France)*, Tapas Mishra (University of Southampton, UK), Shikuan Zhao (Chongqing University, China)	**Haozhong Mo** *(Queen Mary University of London, United Kingdom)*

	Moral Markets or Market Mysteries? Religiosity and IPO Pricing Dynamics Chen Huang *(Queen Mary University of London, United Kingdom)*, **Haozhong Mo** *(Queen Mary University of London, United Kingdom)*, Triantafylli Androniki *(Queen Mary University of London, United Kingdom)*, Yu Zhang *(University College Dublin, Ireland)*	**Sun Xiaoyang** *(Tianjin University, China)*
	Risk Disclosure and Post-Earnings Announcement Drift **Sun Xiaoyang** *(Tianjin University, China)*, Yang Baochen *(Tianjin University, China)*, Liu Mohan *(Tianjin University, China)*	**Chandrasekhar Krishnamurti** *(University of South Australia, Australia)*
	COVID-19 Pandemic and End-of-Day Market Manipulation **Chandrasekhar Krishnamurti** *(University of South Australia, Australia)*, Hung Duong *(University of South Australia, Australia)*, Priyantha Mudalige *(University of New England, Australia)*, Simon Sun *(University of South Australia, Australia)*	**Ahmed Imran Hunjra** *(IPAG Business School, France)*

10:30 – 12:30	**A2.4: Empirical Asset Pricing 1**	HengShan Hall
	Chair: Yiguo Sun *(University of Guelph, Canada)*	DISCUSSANT
	A thresholded graph connectivity factor, jump effects in quantile pricing, phase transition breakup points, and the beta premium **Qiyu Wang** *(Hong Kong Polytechnic University & Zhejiang University of Finance and Economics, China)*	**Xin Chen** *(Audencia Business School, Shenzhen University)*
	Mispricing Factor in China Jin Zhang *(RMIT University, Australia)*, **Daniel Chai** *(RMIT University, Australia)*, **Xin Chen** *(Audencia Business School, Shenzhen University)*, Daisy Chou *(RMIT University, Australia)*	**Yiuman Tse** *(University of Missouri-St. Louis, United States)*
	Labor Pains: The Impact of Labor Market Competitiveness on Stock Returns **Yiuman Tse** *(University of Missouri-St. Louis, United States)*, Ivan Indriawan *(University of Adelaide, Australia)*, Shihe Li *(University of Adelaide, Australia)*, Ralf Zurbruegg *(University of Adelaide, Australia)*	**Yiguo Sun** *(University of Guelph, Canada)*
	Forecasting Systematic Risk Factor Returns: Threshold Effects of Monetary and Fiscal Policy **Yiguo Sun** *(University of Guelph, Canada)*	**Qiyu Wang** *(Hong Kong Polytechnic University & Zhejiang University of Finance and Economics, China)*

10:30 – 12:30	**A2.5: Market Microstructure**	TanZhou Hall
	Chair: Shuyuan Qi *(Central University of Finance and Economics, China)*	DISCUSSANT
	Carbon price discovery in China **Shimeng Shi** *(Xi'an Jiaotong-Liverpool University, China)*	**Ketian Guan** *(Brandeis University, United States)*
	Do Exogenous Uninformed Order Flows Move Stock Prices? Sida Li *(Brandeis University, United States)*, **Ketian Guan** *(Brandeis University, United States)*	**Shuyuan Qi** *(Central University of Finance and Economics, China)*

	The Impact of Triggering Trading Mechanism Constraints on Market Risk Premia **Shuyuan Qi** *(Central University of Finance and Economics, China)*	**Shimeng Shi** *(Xi'an Jiaotong-Liverpool University, China)*

10:30 – 12:30	**A2.6: AI and Finance 1**	GuangPing Hall
	Chair: Xiaoqian Zhu *(School of Economics and Management, University of Chinese Academy of Sciences, China)*	DISCUSSANT
	Is AI Generating the Reports? Evidence from MD&A Texts and Implications Yiran Wang *(School of Economics and Management, University of Chinese Academy of Sciences, China)*, **Xiaoqian Zhu** *(School of Economics and Management, University of Chinese Academy of Sciences, China)*	**Ethan Liu** *(Hebei University of Technology, China)*
	Leveraging Data Assets to Lower Debt Costs: Insights from a Threefold Risk Theoretical Framework **Ethan Liu** *(Hebei University of Technology, China)*	**Xiaoqian Zhu** *(School of Economics and Management, University of Chinese Academy of Sciences, China)*
	Financial Text Analysis Using Language Model Ensembles: Sentiment and Topics in FOMC Press Conferences **Jennifer Xu** *(Bentley University, United States)*, Tamara Babaian *(Bentley University, United States)*.	**Xi Zhao** *(Hefei University, China)*
	How Does Artificial Intelligence Curb Corporate Financialization? The Mediating Role of Operational Risk and Production Efficiency **Xi Zhao** *(Hefei University, China)*, Najid Ahmad *(Hunan University of Science and Technology, Xiangtan, China)*, Shuangguo Wang *(East China University of Science and Technology, Shanghai, China)*, Siqin Zhang *(Hefei University, China)*, Jing Xie *(Shanghai Lixin University of Accounting and Finance, China)*	**Jennifer Xu** *(Bentley University, United States)*

10:30 – 12:30	**A2.7: CSR, ESG, and Climate Risk**	GuanNan Hall
	Chair: Shanglin Lu *(University of International Business and Economics, China)*	DISCUSSANT
	The Interplay of Corporate Inefficiency and Competitive Dynamics: Strategic Corporate Social Responsibility in Financial Analysis **Béchir Ben Lahouel** *(École de Management Léonard de Vinci, France)*, Lotfi Taleb *(École supérieure des sciences économiques et commerciales de Tunis University of Tunis, Tunisia)*, Emmanuelle Dubocage *(Université Paris-Est Sup - Créteil Val-de-Marne, France)*	**Zheng Yating** *(Hunan University*, China)
	Banking on Sustainability: How Commercial Bank Types Drives Heterogeneous ESG Outcomes in Chinese Enterprises? Liu Zhao *(Hunan University*, China), **Zheng Yating** *(Hunan University*, China), Yishuai Ren *(Hunan University*, China)	**Reon Matemane** *(University of Pretoria, South Africa) &* **Tesfaye T Lemma** *(Towson University, United States)*
	Climate at the credit door: Examining SME financing in a vulnerable world Marvelous Kadzima *(University of Pretoria, South Africa)*, **Reon Matemane** *(University of Pretoria, South Africa)*, **Michael Machokoto** *(African Development Bank*	**Yu He** *(China University of Geosciences, Beijing, China)*

	(BAD)- United States), **Tesfaye T Lemma** *(Towson University, United States)*	
	Unity is Strength: Evidence from Teamwork Culture and Climate Transition Risk Resilience **Yu He** *(China University of Geosciences, Beijing, China)*, Tao Li *(Central University of Finance and Economics, China)*, **Shanglin Lu** *(University of International Business and Economics, China)*, Endeer Bao *(Central University of Finance and Economics, China)*, Ran Wei *(Research Center for Rural Economy, China)*	**Béchir Ben Lahouel** *(École de Management Léonard de Vinci, France)*,
12:30 – 14:00	**Lunch Break**	**Qingting Zhuri Buffet Restaurant**

14:00 – 16:00 Afternoon Parallel Sessions (B1)

14:00 – 16:00	**B1.1: Corporate Governance 1**	YuYang Hall
	Chair: Jie (Michael) Guo *(Durham University, United Kingdom)*	DISCUSSANT
	Cultural Imprints on CEO Attitudes toward Uncertainty: Evidence from Private Loans and Public Bonds Hasibul Chowdhury *(The University of Queensland, Australia)*, **Wenbin Hu** *(The University of Queensland, Australia)*, Showaib Sarker *(The University of Wisconsin-Whitewater, United States)*	**Yuhang Liu** *(Central University of Finance and Economics, China)*
	Accountability and Corporate Investment Efficiency: A Holistic Analysis of Investments by State-owned Enterprises in China **Yuhang Liu** *(Central University of Finance and Economics, China)*, Guming He *(Durham University Business School, United Kingdom)*, Zhanqiang Zhou *(School of Economics, Central University of Finance and Economics, Beijing, China, China)*	**Yuling Han** *(Fuzhou University, China)*
	The Value of State Ownership: Evidence from Corporate Misstatement in China **Yuling Han** *(Fuzhou University, China)*, Xichan Chen *(Nanjing Audit University, China)*, Ryan L. Mason *(Chapman University, United States)*	**Jie (Michael) Guo** *(Durham University, United Kingdom)*
	The Double-Edged Sword of CEO Recognition: Media Awards and Career Mobility **Jie (Michael) Guo** *(Durham University, United Kingdom)*, Jiarong Li *(University of Reading, United Kingdom)*, **Nan Hu** *(University of Glasgow, United Kingdom)*, **Xiaochen Yi** *(University of Glasgow, United Kingdom)*	**Wenbin Hu** *(The University of Queensland, Australia)*
14:00 – 16:00	**B1.2: Financial intermediation, institutions & services 2**	DeYu Hall 1
	Chair: Tony Cavoli *(University of South Australia, Australia*	DISCUSSANT
	Innovation and Financial Market Evolution **Yimin Wu** *(Waseda University, Japan)*, Tomoo Kikuchi *(Waseda University, Japan)*	**Huy Hoang Le** (University of Camerino, Italy)

	The heterogeneity of institutional investors in blockchain-based entrepreneurial finance: Evidence from Funding Success and Post-funding Performance **Huy Hoang Le** (University of Camerino, Italy), Monica Rossolini (University of Milano-Bicocca, Italy), Alessia Pedrazzoli (University of Milano-Bicocca, Italy)	**Lifa Huang** *(University of Arkansas, United States)*
	Bond vs. Equity Mutual Fund Performance using False Discovery Rate (FDR) **Lifa Huang** *(University of Arkansas, United States)*, Wayne Lee *(University of Arkansas, United States)*, Craig Rennie *(University of Arkansas, United States)*	**Tony Cavoli** *(University of South Australia, Australia)*
	Financial Inclusion and Maternal Health: International Evidence Isma Khan *(University of South Australia, Australia)*, Rajabrata Banerjee *(University of South Australia, Australia)*, **Tony Cavoli** *(University of South Australia, Australia)*, Ilke Onur *(Flinders University, Australia)*	**Yimin Wu** *(Waseda University, Japan)*

14:00 – 16:00	**B1.3: AI and Finance 2**	DeYu Hall 2
	Chair: Zhiyong Li *(Southwestern University of Finance and Economics, China)*	DISCUSSANT
	Machine Forecast Disagreement in the Cryptocurrency Market Gang Chu *(Wuhan University, China)*, **Dehua Shen** *(Nankai University (NKU), China)*, Zhaobo Zhu *(Shenzhen University, China)*	**Yiran Wang** *(University of Chinese Academy of Sciences, China).*
	Enhancing Financial Statement Fraud Prediction with Automated Feature Generation and SHAP Analysis Rongkai *(Jilin University, China)*, Mingxi Liu *(Chinese Academy of Sciences, China)*, Xiaoqian Zhu *(University of Chinese Academy of Sciences, China)*, **Yiran Wang** *(University of Chinese Academy of Sciences, China).*	**Zhiqi Zhao** *(Beijing International Studies University, China)*
	Deep Learning Calibration Method for Option Pricing Based on FFT **Zhiqi Zhao** *(Beijing International Studies University, China)*, Junyong He *(Beijing International Studies University, China)*	**Zhiyong Li** *(Southwestern University of Finance and Economics, China)*
	Telescoping Loans from Space: A Remote Sensing Analysis **Zhiyong Li** *(Southwestern University of Finance and Economics, China)*, Mingyan Leng *(Southwestern University of Finance and Economics, China)*, Liu Yanlin *(Southwestern University of Finance and Economics, China)*, Zhicheng Li *(Southwestern University of Finance and Economics, China)*	**Dehua Shen** *(Nankai University (NKU), China)*

14:00 – 16:00	**B1.4: Financial Markets and Financial Econometrics**	HengShan Hall
	Chair: Yifeng Zhu *(Central University of Finance and Economics, China)*	DISCUSSANT
	Forecasting Realized Volatility: A Hybrid Model Integrating BiLSTM with HAR-type Models **Yi Luo** *(Xián Jiaotong-Liverpool University, China)*	**Tibor Pal** *(University of Salerno, Italy)*
	Estimating the R-Star in the US: A Score-Driven State-Space Model with Time-Varying Volatility Persistence **Tibor Pal** *(University of Salerno, Italy)*, Giuseppe Storti *(University of Salerno, Italy)*	**Yuchi Xie** *(Shanghai Business School, China)*

	Can Network Strength Boost Comparative Advantage? Insights from China's Digital Production Network Heng-Guo Zhang *(Shandong University, China)*, **Yuchi Xie** *(Shanghai Business School, China)*, Qi-Chao Lyu *(Shandong University, China)*, Hao-Ying Tian *(Beihang University, China)*	**Jinzhe Wang** *(Central University of Finance and Economics, China)*
	Cracking the Code: Bayesian Evaluation of Millions of Factor Models in China Yan Qian *(Central University of Finance and Economics, China)*, **Jinzhe Wang** *(Central University of Finance and Economics, China)*, Lixia Wu *(Central University of Finance and Economics, China)*, Yifeng Zhu *(Central University of Finance and Economics, China)*	**Yi Luo** *(Xián Jiaotong-Liverpool University, China)*
14:00 – 16:00	**B1.5: ESG, SDG, and Green Sustainability**	TanZhou Hall
	Chair: Md Akhtaruzzaman (Australian Catholic University, *Australia)*	DISCUSSANT
	In search of a perfect way to evaluate banks' ESG performance **Bartosz Witkowski** *(SGH Warsaw School of Economics, Poland)*, Malgorzata Iwanicz-Drozdowska *(SGH-Warsaw School of Economics Financial System Department, Poland)*, Pawel Smaga *(SGH-Warsaw School of Economics Financial System Department, Poland)*, Lukasz Kurowski *(SGH-Warsaw School of Economics Financial System Department, Poland)*	**Md Akhtaruzzaman** (Australian Catholic University, *Australia)*,
	The hidden drivers of ESG: Decoding employee training and care initiatives in driving ESG performance **Ying Wang** *(Anglia Ruskin University, United Kingdom)*	**Bartosz Witkowski** *(SGH Warsaw School of Economics, Poland)*
	The Role of Female Parliamentarians and Environmental tax in achieving SDG13: Evidence from G20 and N11 Economies Asif Saeed *(Léonard, de Vinci Pôle Universitaire, Research Center - France & EMLV Business School, De Vinci Higher Education, De Vinci Research Center, Paris, France)*, **Muhammad Zahid Nawaz** *(INSEEC (BBA) Business School, Paris, OMNES Education Group, France)*	**Ying Wang** *(Anglia Ruskin University, United Kingdom)*
	Energy security and corporate performance: The impact of geopolitical risk **Md Akhtaruzzaman** (Australian Catholic University, *Australia*), Sohel Mehedi (Australian Catholic University, *Australia*)	**Muhammad Zahid Nawaz** *(INSEEC (BBA) Business School, Paris, OMNES Education Group, France)*
14:00 – 16:00	**B1.6: FinTech: Revealing Potential and Challenges**	GuangPing Hall
	Chair: Yaosong Zhan *(Sun Yat-Sen University, China)*	DISCUSSANT
	Digital transformation and the risk of share price collapse for cross-border listed companies: Evidence from China **Min Sun** (Macau University of Science and Technology, China), John Zhang (Macau University of Science and Technology, China)	**Marian Rizov** *(Molde University College, Norway)*
	The Evolving Structure of the Crypto-Asset Market: Evidence from a Supply-Demand Classification Framework (2013–2025) **Françoise Vasselin** *(University Paris-Est Créteil, France)*	**Yaosong Zhan** *(Sun Yat-Sen University, China)*
	Fintech and financial constraints of small businesses: Empirical evidence from cross-country WBES microdata **Marian Rizov** *(Molde University College, Norway)*	**Françoise Vasselin** *(University Paris-Est Créteil, France)*

	Entrepreneur or Scammer? Incentives for Rug Pulls in Token Platforms Zhenya Liu *(Renmin University of China, China)*, Zhesheng Liu *(London School of Economics)*, **Yaosong Zhan** *(Sun Yat-Sen University, China)*, Yuqian Zhao *(University of Sussex, United Kingdom)*	**Min Sun** (Macau University of Science and Technology, China)
14:00 – 16:00	**B1.7: Corporate Finance 2**	GuanNan Hall
	Chair: Wenxiao Wang *(The University of South Australia, Australia)*	DISCUSSANT
	Investor Punishment Psychology and Stock Price Overreaction Following Earnings Management Exposure: A Behavioural Economics Perspective **Kai Yang** *(Beijing International Studies University, China)*, **Ying Wang** *(Beijing International Studies University, China)*, Shuxin Liu *(Beijing International Studies University, China)*, Yimeng Zhang *(Beijing International Studies University, China)*	**Yutong Chen** (China University of Petroleum-Beijing at Karamay, China)
	Adoption of Chatbots for Investment in China: An Extension of the UTAUT Model **Yutong Chen** (China University of Petroleum-Beijing at Karamay, China), Chongwei Lu (China University of Petroleum-Beijing at Karamay, China), Feng Xie (China University of Petroleum-Beijing at Karamay, China)	**Wenxiao Wang** *(The University of South Australia, Australia)*
	Does Digitalization Promote the Servicification of Manufacturing Firms in China? **Wenxiao Wang** *(The University of South Australia, Australia)*	**Vandana Arya** *(University of South Australia, Australia)*
	Digital Financial Inclusion and Subjective Wellbeing in Developing Economies **Vandana Arya** *(University of South Australia, Australia)*	**Kai Yang** *(Beijing International Studies University, China)*
16:00 – 16:30	**Coffee Break**	**YuYang Hall entrance**

16:30 – 18:30 Afternoon Parallel Sessions (B2)

16:30 – 18:30	**B2.1: Corporate Finance 3**	YuYang Hall
	Chair: Emil Boasson *(Central Michigan University (CMU), United States)*	DISCUSSANT
	Audit Market Entry Deregulation and Audit Quality: Evidence from China's 2020 Securities Law Reform Zhihua Chen *(Xiamen National Accounting Institute, China)*, Xiaonan Yu *(Xiamen National Accounting Institute, China)*, Zhen Wang *(SILC Business School, Shanghai University, China)*, **Xuehua Gu** *(Beijing International Studies University, China)*	**Qingyang Zhao** *(School of Accounting, Dongbei University of Finance and Economics, Dalian, China)*
	The value and dark side of relationships in the aftermath of corporate financial misreporting: Evidence from seeking bank loans in abnormal situations **Qingyang Zhao** *(School of Accounting, Dongbei University of Finance and Economics, Dalian, China)*, Xichan Chen *(Internal Audit College, Nanjing Audit University, Nanjing, Jiangsu, China)*, Erwei Xiang *(Newcastle University Business School, Newcastle University, Newcastle upon Tyne, United Kingdom)*	**Ruan Zifei** *(Beijing International Studies University, China)*

	Guarantee Behavior, Earnings Management, and Credit Spread: Evidence from Chinese A-share Listed Firms **Ruan Zifei** *(Beijing International Studies University, China)*, **He Junyong** *(Beijing International Studies University, China)*, Wu Liyuan *(Beijing International Studies University, China)*	**Vigdis Boasson** *(Central Michigan University (CMU)*
	Leveraging "Knowledge" to Enhance "Quality": Intellectual Property Protection and the Development of New Quality Productive Forces Jingfeng Zhao *(Northwest University)*, **Vigdis Boasson** *(Central Michigan University (CMU), United States)*, **Emil Boasson** *(Central Michigan University (CMU), United States)*	**Xuehua Gu** *(Beijing International Studies University, China)*
16:30 – 18:30	**B2.2: Central Banking and Monetary Policy 1**	DeYu Hall 1
	Chair: Xun Han *(Beijing International Studies University, China)*	DISCUSSANT
	Does a More Flexible Exchange Rate Stabilize a Transitional Economy? Evidence From China's Foreign Exchange Reform **Xiaochun Liu** *(University of Alabama, United States)*, Yu You *(Liaoning University, China)*, Jun Ma *(Northeastern University, United States)*	**Hamed Ghiaie** *(ESCP Business School, France)*
	Housing Deposit Channel of Monetary Policy and Housing Price Double-Dip **Hamed Ghiaie** *(ESCP Business School, France)*, Philipp Roderweis *(Economics Department, University Sorbonne Paris Nord, France)*	**Hao Jin** *(Beihang University, China)*
	Monetary-fiscal policy interactions in public debt consolidation: the role of fiscal rules and inflation targeting Yunhan Zhang *(Beihang University, China)*, Zhixin Liu *(Beihang University, China)*, **Hao Jin** *(Beihang University, China)*	**Xun Han** *(Beijing International Studies University, China)*
	Central Bank Financial Stability Communication and Corporate Shadow Lending Behaviour **Xun Han** *(Beijing International Studies University, China)*, Jiaxeu Qiao *(University of Chinese Academy of Social Sciences, China)*, Sara Hsu *(University of Tennessee at Knoxville, United States)*	**Xiaochun Liu** *(University of Alabama, United States)*
16:30 – 18:30	**B2.3: Green Finance and Green Environment**	DeYu Hall 2
	Chair: Yishuai Ren (Hunan University, China)	DISCUSSANT
	Research on the Impact of Green Finance on New Quality Productivity -Based on the perspective of high-quality development Zhengwei Ma *(China University of Petroleum-Beijing, China)*, **Feng Xiaoya** *(China University of Petroleum-Beijing, China)*, Feng Xiaoqi *(University of International Business and Economics, China)*	**Yiran Zhang** *(Southwestern University of Finance and Economics, Chengdu, China)*
	The Impact and Mechanism of Carbon Emission Trading Policy on the New Quality Productivity of Enterprises: Empirical Analysis Based on A-Share Listed Companies in China **Yiran Zhang** *(Southwestern University of Finance and Economics, Chengdu, China)*, Hanyu Zhang *(Southwestern University of Finance and Economics, Chengdu, China)*, Zhaoxuan Cai *(Southwestern University of Finance and*	**Peilin Zhao** *(Beijing International Studies University (BISU), China)*

	Economics, Chengdu, China), Jun Wang *(Southwestern University of Finance and Economics, Chengdu, China)*	
	The Impact of Environmental Information Disclosure on Long-term Investment with short-term financing of Enterprises: An Analysis based on Listed Companies of Heavy Pollution Industries Yongying Chen *(Beijing International Studies University (BISU), China)*, **Peilin Zhao** *(Beijing International Studies University (BISU), China)*, Yang Tao *(Beijing International Studies University (BISU), China)*	**Yifei Guo** *(East China University of Science and Technology)*
	Green Spillover of Digitization through Information Flow in Supply Chains: Evidence from China Donghua Wang *(East China University of Science and Technology)*, **Yifei Guo** *(East China University of Science and Technology)*	**Feng Xiaoya** *(China University of Petroleum-Beijing, China)*
	How Do Mutual Funds Respond to Salient Pollution Events? **Chai Daniel** *(RMIT University, Melbourne, Australia)*, Özlem Dursun-De Neef *(Monash University, Melbourne, Australia)*, Jin Zhang *(RMIT University, Melbourne, Australia)*, Han Zhou *(Monash University, Melbourne, Australia)*	**Yishuai Ren** (Hunan University, China)

16:30 – 18:30	**B2.4: AI and Digitalization in Finance**	HengShan Hall
	Chair: Hafiz A Hoque *(School of Management, Swansea University, United Kingdom)*	DISCUSSANT
	Artificial Intelligence Enabling Supply Chain Resilience: The Roles of Government Green Support and Public Environmental Attention **Jiapeng Dai** *(University of Wollongong Malaysia (UOWM), Malaysia)*	**Jingwen YANG** *(Business School, Beijing International Studies University, China)*
	The Impact of Artificial Intelligence on Total Factor Productivity: Evidence from China **Jingwen YANG** *(Business school, Beijing International Studies University, China)*, Lejiao Jiang *(Business school, Beijing International Studies University, China)*	**Xuankai Zhao** *(Central University of Finance and Economics, China)*
	The Financial Benefits of Digital Technology Adoption: Evidence from Large Language Model Li Cheng *(Central University of Finance and Economics, China)*, Li Tao *(Central University of Finance and Economics, China)*, **Xuankai Zhao** *(Central University of Finance and Economics, China)*, Shengkun Zhao *(Central University of Finance and Economics, China)*, Zhu Xinyue *(Chinese Academy of Science and Technology for Development, China)*	**Hafiz A Hoque** *(School of Management, Swansea University, United Kingdom)*
	Artificial Intelligence Investment and Firm Growth Strategy **Hafiz A Hoque** *(School of Management, Swansea University, United Kingdom)*, Saadia Irfan *(School of Management, Swansea University, United Kingdom)*	**Jiapeng Dai** *(University of Wollongong Malaysia (UOWM), Malaysia)*

16:30 – 18:30	**B2.5: Corporate Governance 2**	TanZhou Hall
	Chair: Jianfeng Wu *(Business School, Beijing International Studies University, China)*	DISCUSSANT
	Break the boilerplate: Regulatory as Minority Shareholder and Key Audit Matters Disclosure. Bo Li *(Beijing International Studies University, China)*, **Xinze Liu** *(Beijing International Studies University, China)*, Zhenya Liu *(EM Normandie Business School, France)*	**Chenglu Wang** *(Beijing International Studies University, China)*
	Shareholder networks and corporate finance constraints: evidence from emerging economic entities Juan Zhang *(Beijing International Studies University, China)*, Xiaoling Di *(Beijing International Studies University, China)*, **Chenglu Wang** *(Beijing International Studies University, China)*	**Linqing Zheng** *(School of Economics and Management, Fuzhou University, China)*
	Institutional environment, Corporate Misstatement, and Bank Loan **Linqing Zheng** *(School of Economics and Management, Fuzhou University, China)*, Chen Xichan *(Internal Audit College, Nanjing Audit University, China)*, Renfred Wong *(Lancaster University Leipzig, United Kingdom)*	**Jianfeng Wu** *(Business School, Beijing International Studies University, China)*
	Can Government Accounting Supervision Reduce the Degree of Excessive Debt of Enterprises? A Quasi-Natural Experiment Based on Financial Supervision and Inspection by the Ministry of Finance in China **Jianfeng Wu** *(Business School, Beijing International Studies University, China)*, Sainan Li *(Business School, Beijing International Studies University, China)*, Xinze Xu *(Business School, Beijing International Studies University, China)*.	**Xinze Liu** *(Beijing International Studies University, China)*

16:30 – 18:30	**B2.6: Finance and Governance**	GuangPing Hall
	Chair: Niro Wellalage *(University of South Australia, Australia)*	DISCUSSANT
	Economic and institutional factors influencing bilateral trade in mining and quarrying between China and Africa: A gravity model analysis **Gizachew Dessalegn** *(China University of Geoscience, Beijing, China)*, Sanmang Wu *(China University of Geoscience, Beijing, China)*, Azmat Sher *(King Fahd University of Petroleum and Minerals (KFU), Saudi Arabia)*	**Niro Wellalage** *(University of South Australia, Australia)*
	The Role of Finance and Income in Energy Diversification: A Club Convergence Analysis of Asia-Pacific **Thanh Nguyen** *(School of Business, James Cook University, Singapore campus, Singapore)*, Thanh-Pt Nguyen *(School of Banking, University of Economics Ho Chi Minh City, Vietnam)*	**Larry Li** (RMIT University, Australia)
	Critical Determinants for National Digital Competitiveness: A Multi-Method Analysis **Larry Li** (RMIT University, Australia), Hepu Deng (RMIT University, Australia), Duan Sophia (La Trobe University, Australia), Aysha Akter (RMIT University, Australia)	**Gizachew Dessalegn** *(China University of Geoscience, Beijing, China)*
	Energy performance-Credit nexus in private firms: Evidence from developing countries. **Niro Wellalage** *(University of South Australia, Australia)*, Damien Wallace *(James Cook University, Australia)*	**Thanh Nguyen** *(School of Business, James Cook University, Singapore campus, Singapore)*

	When conservatism stifles progress: The innovation cost of external finance **Michael Machokoto** *(Banque africaine de développement / African Development Bank (BAD)- Ivory Coast)*, Boulis Ibrahim *(Heriot-Watt University, Edinburgh, United Kingdom)*, Joseph Amankwah-Amoah (Durham University, *United Kingdom)*	**Ahmed Imran Hunjra** *(IPAG Business School, France)*

16:30 – 18:30	**B2.7: AI and Finance 3**	GuanNan Hall
	Chair: Qiong Ji *(Xi'an Jiaotong-Liverpool University, China)*	DISCUSSANT
	Identifying Bitcoin quotation turning point patterns using dynamic time-warping **Michał Bernardelli** *(SGH Warsaw School of Economics, Poland)*, Mariusz Kozakiewicz *(SGH Warsaw School of Economics, Poland)*	**Rasoul Rezvanian** *(University of Wisconsin–Green Bay, United States)*
	Profitability and Efficiency of Upper Midwest US Small Banks: Evidence from pre-during-post 2008 Global Financial Crisis **Rasoul Rezvanian** *(University of Wisconsin–Green Bay, United States)*	**Qiong Ji** *(Xi'an Jiaotong-Liverpool University, China)*
	Partner Selection in Venture Capital Syndication -A Neural Network-based study **Qiong Ji** *(Xi'an Jiaotong-Liverpool University, China)*, Xiaoming Ding *(Xi'an Jiaotong-Liverpool University, China)*	**Michał Bernardelli** *(SGH Warsaw School of Economics, Poland)*

19:30 – 21:30 GALA DINNER & BEST PAPER AWARDS
GUBEI WATER TOWN, ROOM TBA

Tuesday, 24 June 2025

08:30 – 09:00	**Registration & Coffee**	**2nd Floor Stairs Entrance**

09:00 – 10:00 Keynote Address (C1)

09:00 – 10:00	**Topic: Research Directions in Sustainable Finance**	YuYang Hall
	Chair: Zhenya Liu *(Renmin University of China, China)*	
	**Professor Peter Gabor Szilagyi**, *Professor of Finance at EDHEC Business School, Paris & Editor-in-Chief of the Journal of International Financial Markets, Institutions and Money.*	

10:00 – 10:30	**Coffee Break**	**YuYang Hall entrance**

10:30 – 12:30 Morning Parallel Sessions (C2)

10:30 – 12:30	**C2.1: Customer-supply finance**	YuYang Hall
	Chair: Wanfu Li *(School of Accountancy, Nanjing University of Finance and Economics, Nanjing, China)*	DISCUSSANT
	Customer city digitalization as a catalyst for supplier digital transformation: Evidence from supply chain dynamics **Bowen Wang** (School of Accountancy, Economics, and Finance, Massey University, *New Zealand*), Jing Liao (School of Accountancy, Economics, and Finance, Massey University, *New Zealand*), Jing Chi (School of Accountancy, Economics, and Finance, Massey University, *New Zealand*)	**Yifei Guo** *(East China University of Science and Technology, China)*
	Shareholder connection network and corporate supply chain resilience Xuejiao Zhang *(College of Economics and Management, Nanjing Forestry University, Nanjing, Jiangsu, China)*, **Mengmeng Jiang** *(Xiamen University, Xiamen, Fujian, China)*	**Bowen Wang** (School of Accountancy, Economics, and Finance, Massey University, New *Zealand*),
	The impact of supplier concentration on the export resilience of Chinese enterprises: An empirical study based on Chinese enterprises Bingbin Dai *(Beijing International Studies University, China)*, Nan Min *(Beijing International Studies University, China)*, **Xi Luo** *(Beijing International Studies University, China)*	**Mengmeng Jiang** *(Xiamen University, Xiamen, Fujian, China)*
	How Do In-Chain and Off-Chain Finance Synergize? An Analysis of Supply Chain Network Location's Impact on Enterprise Digitalization Donghua Wang *(East China University of Science and Technology, China)*, **Yifei Guo** *(East China University of Science and Technology, China)*	**Xi Luo** *(Beijing International Studies University, China)*

10:30 – 12:30	**C2.2 Corporate Finance 4**	DeYu Hall 1
	Chair: Soku Byoun *(Baylor University, United States)*	DISCUSSANT
	Corporate operational inflexibility and philanthropic giving: The moderating effect of managerial short-termism **Linshan Zeng** *(Massey University, New Zealand)*, Kai Huang *(Hokowhitu, New Zealand)*, Jing Liao *(Massey University, New Zealand)*, Yudong Zhang *(Qingdao University)*, May Hu *(Zhejiang Normal University, China)*	**Dessie Tarko Ambaw** (University of South Australia, Australia)
	Barriers to the Diffusion of Technology and Differences in Firms' Productivity Across Countries **Dessie Tarko Ambaw** (University of South Australia, Australia), Firmin Doko Tchatoka (University of South Australia, Australia), Habtamu Edjigu (The World Bank, United States), Nicholas Sim (Singapore University of Social Sciences, Singapore)	**Xuan Liu** *(Beijing International Studies University, China)*
	Regional Collaboration and Corporate Innovation: Evidence from China Wei Li *(Beijing International Studies University, China)*, Gang Liu *(Beijing International Studies University, China)*, **Xuan Liu** *(Beijing International Studies University, China)*	**Soku Byoun** *(Baylor University, United States)*
	Leverage and Employment Dynamics: Are Firms Overborrowing or Overexpanding? **Soku Byoun** *(Baylor University, United States)*	**Linshan Zeng** *(Massey University, New Zealand)*,

10:30 – 12:30	C2.3 **Empirical Asset Pricing 2**	DeYu Hall 2
	Chair: Zhenya Liu *(Renmin University, China)*	DISCUSSANT
	Aggregate LLP and Intermediary Asset Pricing **Lingzi Xing** *(University of Liverpool, United Kingdom)*, Xiaoxia Ye *(Nottingham University Business School, United Kingdom)*, Charlie Cai *(The University of Liverpool, United Kingdom)*	**Jie Zhu** *(SILC Business School, Shanghai University, China)*,
	The Puzzle of Overpriced European Treasury Auctions Jose-Miguel Cardoso-Costa *(Banco de Portugal, Portugal)*, **José Afonso Faias** *(Católica Lisbon School of Business and Economics (CLSBE) & Universidade Católica Portuguesa, Portugal)*, Patrick Herb *(Northern Arizona University, United States)*, Mark Wu *(Roger Williams University, United States)*	**Ai Jun Hou** *(Stockholm Business School, Stockholm University, Sweden)*
	Macroeconomic Uncertainty, Stock Returns, and Real Activity: A Predictive Approach **Jie Zhu** *(SILC Business School, Shanghai University, China)*, Zhen Wang *(SILC Business School, Shanghai University, China)*, Xiaoxia Zhou *(School of Finance, Shanghai Lixin University of Accounting and Finance, China)*, Xuehua Gu *(Business School, Beijing International Studies University, China)*	**Lingzi Xing** *(University of Liverpool, United Kingdom)*
	The variance-based efficiency test of the OMX Index option market (Withdrawn) **Ai Jun Hou** *(Stockholm Business School, Stockholm University, Sweden)*	**José Afonso Faias** *(Católica Lisbon School of Business and Economics (CLSBE)*

10:30 – 12:30	C2.4 **ESG and Green Sustainability**	HengShan Hall
	Chair: Jun Duanmu (Seattle University, United States)	DISCUSSANT
	Global Reporting Initiative Guidelines and Selective Disclosure: Does Compliance Mitigate Greenwashing? **Saqib Aziz** *(Rennes School of Business, France)*	**Kai Huang** *(Massey University, New Zealand)*,
	The Green Ripple: Does Foreign Environmental Norm Shape Corporate Green Sustainability through Global Supply Chains? Yudong Zhang *(Qingdao University, China)*, **Kai Huang** *(Massey University, New Zealand)*, Jing Liao *(Massey University, New Zealand)*, Linshan Zeng *(Massey University, New Zealand)*	**Nurlan Orazalin** *(Kimep University, Kazakhstan)*
	Corporate environmental initiatives, financial performance, and formal institutions: Insights from developing economies **Nurlan Orazalin** *(Kimep University, Kazakhstan)*, Assel Kozhakhmetova *(Kazakh-British Technical University, Kazakhstan)*, **Monowar Mahmood** *(Kimep University, Kazakhstan)*, Mady Baydauletov *(Al-Farabi Kazakh National University, Kazakhstan)*	**Jun Duanmu** (Seattle University, United States)
	ESG Ratings and Female Executive Structure – Evidence from China **Jun Duanmu** (Seattle University, United States), Jialin Zhong (University of Victoria, Canada), Xiaoyan Tang (Shanghai International Studies University, China)	**Saqib Aziz** *(Rennes School of Busine, France)*

10:30 – 12:30	**C2.5 Central Banking and Monetary Policy 2**	TanZhou Hall
	Chair: Jonathan Lee *(University of Glasgow, United Kingdom)*	DISCUSSANT
	Central Bank Digital Currency and Corporate R&D Investment: Evidence from China Bo Li *(Beijing International Studies University, China)*, **Xinyi Shen** *(Beijing International Studies University, China)*	**Jonathan Lee** *(University of Glasgow, United Kingdom)*
	The Effects of Inflation Targeting on Market Integration with Survival Analysis **Eun-Son Lim** *(Pukyong National University (PKNU), South Korea)*, Min-Jie Guo *(Zhejiang University of Finance and Economics, China)*	**Zhifu Xie** *(University of Brighton, United Kingdom)*
	Will the Chinese RMB be part of a Multipolar Reserve Currency System? A Panel Data Analysis **Zhifu Xie** *(University of Brighton, United Kingdom)*, Wei Song *(University of Coventry, United Kingdom)*, Timothy Rodgers *(retired from University of Coventry, United Kingdom)*	**Eun-Son Lim** *(Pukyong National University (PKNU), China)*
	Breaking the Ceiling: The Impact of Usury Law Removal on Liquidity Creation **Jonathan Lee** *(University of Glasgow, United Kingdom)*, Sara Wang *(University of Glasgow, United Kingdom)*	**Xinyi Shen** *(Beijing International Studies University, China)*

10:30 – 12:30	**C2.6 Climate Risk**	GuangPing Hall
	Chair: Yang Hu *(School of Accounting, Finance and Economics, University of Waikato, New Zealand)*	DISCUSSANT
	Climate policy uncertainty and corporate innovation investment: Evidence from China **Jie Liu** (*School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, Jing Chi *(School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, M. Humayun Kabir *(School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, Bilal Hafeez *(Cardiff Business School, Cardiff University, United Kingdom)*	**Li Haiyan** (Hunan University, China)
	Digital Transformation and Corporate Energy Transformation: Negative Energy or Empowerment? Liu Zhao (Hunan University, China), **Li Haiyan** (Hunan University, China), Yishuai Ren (Hunan University, China)	**Fahad Khalid** *(Guilin University of Electronic Technology, China)*
	Green Boardroom Influence on Climate Change Target Disclosure: The Role of Eco-conscious Investors and Corporate Environmental Attention **Fahad Khalid** *(Guilin University of Electronic Technology, China)*, Rabia Akram *(Guilin University of Electronic Technology, China)*	**Yang Hu** *(School of Accounting, Finance and Economics, University of Waikato, New Zealand)*
	Disclosure dilemma: Institutional investor network centrality and corporate climate risk disclosure Jianing Liu *(School of Business Administration, Northeastern University, China)*, Yuanyuan Man *(Center for Quantitative Economics, Jilin University, China)*, Yongda He *(School of Statistics, Shanxi University of Finance and Economics, China)*, **Yang Hu** *(School of Accounting, Finance and Economics, University of Waikato, New Zealand)*	**Jie Liu** *(School of Accountancy, Economics, and Finance, Massey University, New Zealand)*,

10:30 – 12:30	**C2.7 Corporate Governance 3**	GuanNan Hall
	Chair: Yong Yang *(Shanghai Polytechnic University, China)*	DISCUSSANT
	Alliance choices in the digital sector and foreign subsidiary performance: The role of cultural distance **Yong Yang** *(Shanghai Polytechnic University, China)*, Sushanta Mallick *(Queen Mary, University of London, United Kingdom)*, Yan Wu *(Shanghai Lixin University of Accounting and Finance, China)*	**Guo Yuqian** *(School of Finance, Chongqing Technology and Business University, China)*
	Research on the Influence Mechanism of New-Quality Productivity on Corporate Performance: Based on the Mediating Effect of Financing Constraints and the Moderating Effect of Sci-Tech Finance Policies **Guo Yuqian** *(School of Finance, Chongqing Technology and Business University, China)*	**Piyali Dutta** *(Indian Institute of Technology Kanpur, India)*
	Granular level spillover effect and Indian Dominant firms: what does the data reveal? **Piyali Dutta** *(Indian Institute of Technology Kanpur, India)*, Wasim Ahmad *(Indian Institute of Technology Kanpur, India)*	**Tingsi Wang** *(Beijing International Studies University, China)*
	Depreciation and Discovery: Innovation Responses to Accelerated Depreciation Policy **Tingsi Wang** *(Beijing International Studies University, China)*, Lingjiang Gao *(Beijing International Studies University, China)*, Degang Li *(Beijing International Studies University, China)*	**Yong Yang** *(Shanghai Polytechnic University, China)*
12:30 – 14:00	**Lunch Break**	**Qingting Zhuri Buffet Restaurant**

14:00 – 15:30 Meet with the Editors session (D1)

14:00 – 15:30	**Meet with the Editors' session**	YuYang Hall
	Chair: Bo Li *(Beijing International Studies University, China)*	

Professor Jonathan Batten

Professor of Finance, RMIT University, Melbourne, Australia & Editor-in-Chief of Finance Research Letters.

Sabri Boubaker

Professor of Finance, EM Normandie Business School, France & Editor-in-Chief of the Journal of International Financial Management & Accounting.

Arman Eshraghi

Professor of Finance and Investment, Director of Behavioural Finance Working Group, Cardiff Business School, United Kingdom & Editor of the International Review of Economics and Finance.

Peter Gabor Szilagyi
Professor of Finance at EDHEC Business School, Paris & Editor-in-Chief of the Journal of International Financial Markets, Institutions and Money.

15:30 – 16:00	**Coffee Break**	**YuYang Hall entrance**

16:00 – 18:00 Afternoon Parallel Sessions (D2)

16:00 – 18:00	**D2.1 Financial intermediation, institutions & services 1**	YuYang Hall
	Chair: Amine Tarazi *(Université de Limoges, LAPE & Institut Universitaire de France, France)*	DISCUSSANT
	Global Bonds Redux: An Emerging Market Perspective **Bo Han** *(Seattle University, United States)*, Bonnie Buchanan *(University of Surrey, United Kingdom)*	**Enchuan Shao** *(University of Saskatchewan, Canada*
	Deposit Insurance Reforms and Depositor Market Discipline: The Case of the US Banking Industry Tarek Jareski Tuma *(University of Saskatchewan, Canada)*, Abdullah Mamun *(University of Saskatchewan, Canada)*, **Enchuan Shao** *(University of Saskatchewan, Canada)*	**Christos Angelopoulos** (CUNY Graduate Center, United States)
	Stock Market Concentration and Financial Instability: When Does Structure Tip into Systemic Risk? **Christos Angelopoulos** (CUNY Graduate Center, United States)	**Amine Tarazi** *(Université de Limoges, LAPE & Institut Universitaire de France, France)*
	Changes in liquidity regulation and bank credit growth **Amine Tarazi** *(Université de Limoges, LAPE & Institut Universitaire de France, France)*, Victor Osei *(Université de Limoges, LAPE, France)*	**Bo Han** *(Seattle University, United States)*

16:00 – 18:00	**D2.2 International Finance and Capital Markets**	DeYu Hall 1
	Chair: Woo Jin Choi *(College of International Studies, Korea University, South Korea)*	DISCUSSANT
	Multilayer network structure of the sovereign credit default swap market: The European Union and the Belt and Road case **Shigang Wen** *(Guangdong University of Technology, China)*, Jianping Li *(University of Chinese Academy of Sciences, China)*, Xiaoqian Zhu *(University of Chinese Academy of Sciences, China)*, Chuangxia Huang *(Changsha University of Science and Technology, China)*, Xingyu Yang *(Guangdong University of Technology, China)*	**Carlos Yepez** *(University of Manitoba, Canada)*

	Determinants of Sovereign Risk Redux: The Sovereign Debt Cost of the Informal Economy **Carlos Yepez** *(University of Manitoba, Canada)*	**Woo Jin Choi** *(College of International Studies, Korea University, South Korea)s*
	Capital Misallocation, Currency Excess Returns, and Interest Rate Differentials **Woo Jin Choi** *(College of International Studies, Korea University, South Korea)*	**Shigang Wen** *(Guangdong University of Technology, China)*

16:00 – 18:00	**D2.3 Corporate Finance 5**	DeYu Hall 2
	Chair: Xiaoya Ding *(University of San Francisco, United States)*	DISCUSSANT
	Examining the Predictive Values of Accounting Summary Numbers in Annual Reports **Zhefeng Frank Liu** *(Brock University, Canada)*	**Xiaoya Ding** *(University of San Francisco, United States)*
	A Comparative Analysis of Earnings Management Practices in China and Major Economies: The Role of Investor Protection and Government Responses During COVID-19 Wenjing Ouyang *(University of the Pacific, United States)*, **Xiaoya Ding** *(University of San Francisco, United States)*, Vivian Chen *(University of the Pacific, United States)*	**Zhefeng Frank Liu** *(Brock University, Canada)*
	Can stock repurchases by SOEs promote Non-SOEs' repurchases under the common shareholder network? Yan Wang *(Guangdong University of Foreign Studies, China)*, **Zhou Kaiman** *(University of Macau, China)*, Huayun Zhai *(South-Central Minzu, China)*, Jiarong Zhang *(Guangdong University of Foreign Studies, China)*	**Xinze Xu** *(Beijing International Studies University Business School, China)*
	Will the Efficiency of Intellectual Capital Value Creation Affect the Trade Credit Financing? — Evidence from China A-Shares Listed Companies Jianfeng Wu *(Business School, Beijing International Studies University, China)*, **Xinze Xu** *(Beijing International Studies University Business School, China)*, Yunying Cheng *(Beijing International Studies University Business School, China)*	**Zhou Kaiman** *(University of Macau, China)*

16:00 – 18:00	**D2.4 International Finance and Capital Markets**	HengShan Hall
	Chair: Barbara Będowska-Sójka *(Poznań University of Economics and Business, Poland)*	DISCUSSANT
	A study of dynamic connectedness and volatility spillover in U.S. technology sector and commodity ETFs **Zhang Shiqi** *(School of Economics and Management, Northwest A&F University)*	**Barbara Będowska-Sójka** *(Poznań University of Economics and Business, Poland)*
	The Real Economy and Financial Crises: Analyzing Economic Collapse and Economic Inferiority **Muhammad Nadir Shabbir** *(Renmin University of China)*, Laijun Luo *(Renmin University of China)*, Kainat Iftikhar *(Central University of Finance and Economics, China)*	**Abderrahman Jahmane** *(IPAG Business School, France)*
	Optimizing Cryptocurrency Portfolios: Balancing Risk, Return, and Liquidity **Abderrahman Jahmane** *(IPAG Business School, France)*, Laila Messaoudi *(Higher Institute of Management of Gabes, Tunisia)*, Tarek Bouchaddekh *(Higher Institute of Management*	**Muhammad Nadir Shabbir** *(Renmin University of China)*

	of *Gabes, Tunisia)*, Maria Giuseppina Bruna *(IPAG Business School, France)*	
	Transmission Dynamics in Crypto Markets: Comparing Volatility and Liquidity Spillover Networks **Barbara Będowska-Sójka** *(Poznań University of Economics and Business, Poland)*, Aleksander Mercik *(Wroclaw University of Economics and Business, Poland)*	**Zhang Shiqi** *(School of Economics and Management, Northwest A&F University)*

16:00 – 18:00	**D2.5 Empirical Asset Pricing 3**	TanZhou Hall
	Chair: Lei Deng *(Beijing Technology and Business University, China)*	DISCUSSANT
	Asset Characteristics and Mutual Fund Performance: Revisiting the Style-Performance Nexus **Yezhou Sha** *(Capital University of Economics and Business, China)*, Hanchao Shen *(Capital University of Economics and Business, China)*	**Yuqing Liu** (Xi'an Jiaotong-Liverpool University, China)
	The Impact of Downward Adjustment Clause on Convertible Bond Pricing Accuracy **Yuqing Liu** (Xi'an Jiaotong-Liverpool University, China), Mengyu Li (Kmerit (Suzhou) Information Technology Co., Ltd, China), Gang Liu (Xi'an Jiaotong-Liverpool University, China), Xiaoming Ding (Xi'an Jiaotong-Liverpool University, China)	**Lei Deng** *(Beijing Technology and Business University, China)*
	The Great Dow Theory **Min Deng** *(DeDow Quantitative Investment Research (Shenzhen)* Co., *Ltd, China)*	**Lei Deng** *(Beijing Technology and Business University, China)*
	Factor Timing with Ambiguity **Lei Deng** *(Beijing Technology and Business University, China)*, Yu Chen *(Central University of Finance and Economics, China)*	**Yezhou Sha** *(Capital University of Economics and Business, China)*

16:00 – 18:00	**D2.6 Corporate Governance 4**	GuangPing Hall
	Chair: Huishan Wan *(University of Northern Iowa, United States)*	DISCUSSANT
	Managerial myopia and inclusive financial development in commercial banks: Evidence from China **Yaxin Qi** *(Northeastern University at Qinhuangdao, China)*	**Yujing Zhang** *(School of Business, Beijing International Studies University, China)*
	Customer enterprises' annual report readability and supplier enterprises' audit fees **Yujing Zhang** *(School of Business, Beijing International Studies University, China)*, Dongliang Yuan *(School of Management, Lanzhou University, China)*	**XinYu Li** *(Chengdu University of Technology, China)*
	The Impact of Environmental Regulation on the Efficiency of Enterprises' Green Investments: A Study Based on the Establishment of Environmental Protection Courts in China **XinYu Li** *(Chengdu University of Technology, China)*, Chong Lai *(Chengdu University of Technology, China)*	**Huishan Wan** *(University of Northern Iowa, United States)*
	CEO Pay Ratio Disclosure and Fairness: Evidence from the Banking Industry **Huishan Wan** *(University of Northern Iowa, United States)*, Xiaoyan Cheng *(University of Nebraska at Omaha, United States)*, May Bao *(Southern Illinois University –*	**Yaxin Qi** *(Northeastern University at Qinhuangdao, China)*

	Carbondale, United States), David Smith *(University of Nebraska – Lincoln, United States)*	

END OF CONFERENCE

Wednesday, 25 June 2025

08:00 – 10:30 SOCIAL EVENT
Visit to the Great Wall

Monday, 23 June 2025

A2.1: Corporate Risk-Taking

A Matter of Reputation? Negative ESG Incidents and Corporate Risk-taking around the World

Partha P. Roy *(University of Birmingham, United Kingdom)*, Andrew Marshall (*University of Strathclyde, United Kingdom)*, Min Zhu (*University of Strathclyde, United Kingdom)*

Abstract
We investigate whether negative environmental, social, and governance (ESG) incidents affect the risk-taking behavior of firms. Using a media-based measure of negative ESG incidents and a sample of 10,267 firms from 64 countries, we show that negative ESG incidents significantly induce firms to engage in more risk-taking activities. This effect is more pronounced in countries with civil law origins, lower media freedom, lower regulatory quality, and mandatory corporate social responsibility (CSR) regulations. Further analyses reveal that negative incidents related to social issues primarily drive greater corporate risk-taking. We employ an instrumental variable approach in our empirical analyses and run several robustness tests to establish causality and strengthen our findings. Finally, we demonstrate that negative ESG incident-induced higher risk-taking is value-relevant and that it takes about 3 to 4 years for negative ESG incident-exposed firms to regain their initial lost market value via increased risk-taking.

Supply Chain Relationship and Corporate Risk-taking Behavior

Bing Wang *(School of Economics and Management, Fuzhou University, Fuzhou, China)*, Xichan Chen *(Internal Audit College, Nanjing Audit University, Nanjing, Jiangsu, China)*, Erwei Xiang *(Newcastle University Business School, Newcastle University, Newcastle upon Tyne, United Kingdom)*, **Wanfu Li** *(School of Accountancy, Nanjing University of Finance and Economics, Nanjing, China)*

Abstract
From the relationship perspective, this study investigates the impact of relationship with suppliers and customers on corporate risk-taking behavior. The results show that supply chain relationship has a positive impact on risk-taking of firms, which is consistent with the view of information and resource effects. Moreover,
this study shows that a close relationship with suppliers is further beneficial for state-owned enterprises, and that the impact of supplier and customer relationships is further pronounced for firms at the non-declining stages of life cycle, with diverse financing channels, or. Locating in low-financialization or low-legalization regions Additional tests show that supply chain relationship increases corporate risk-taking mainly through marketing. Rather than R&D enhancement, and that supply chain relationship eventually has a positive impact on firm value as an economic consequence. Findings from this study provide empirical evidence on the role played by supply chain relationship in driving corporate risk-taking and have implications for regulators and business leaders on managing relationship with suppliers and customers, especially in emerging countries.

ESG and Stock Price Crash Risk: The Role of Competitive Advantage and Digital Transformation

Naning-Putri Utami *(Southwest Jiaotong University, China)*, Chu-Bin Lin *(Southwest Jiaotong University, China)*, Meng-Na Huang *(Southwestern University of Finance and Economics*, China*)*

Abstract
This study examines how a firm's ESG Performance mitigates stock price crash risk, focusing on the moderating roles of competitive advantage (CA) and digital transformation (DT). While prior research offers conflicting evidence on ESG's impact, we argue that CA and DT enhance ESG's effectiveness by improving transparency and reducing information asymmetry. Using panel data from Chinese A-share listed companies from 2010 to 2022, we find that higher ESG significantly reduces crash risk by improving transparency and lowering information asymmetry. Importantly, this effect is amplified in firms with strong CA or advanced DT, particularly in high-tech industries and regions with low internet penetration. However, financial constraints weaken ESG's protective role. Our results, robust to the instrument variable approach, propensity score matching method, and alternative measurements, integrate ESG with strategic and digital frameworks, offering insights for policymakers and firms seeking to reduce stock prices through sustainability initiatives.

The Impact of ESG on Corporate Risk-Taking: Insights from Cumulative and Insurance Effects

Hemei Li *(Beijing International Studies University, China)*, Zhenya Liu *(Renmin University of China, China)*, Virginie Hachard *(EM Normandie Business School, France)*, Peiyu Feng *(Beijing International Studies University, China)*

Abstract
This study investigates the impact of ESG (Environmental, Social, and Governance) on corporate risk-taking using Chinese listed firms from 2016 to 2022. The results indicate that ESG significantly reduces the corporate risk-taking.

From the perspective of underlying mechanisms, firms can alleviate financing constraints and mitigate agency problems by improving their ESG performance, thereby achieving a reduction in corporate risk-taking. We reveal that ESG has a long-term cumulative effect, meaning that long-term ESG practices exert a continuous positive influence on risk-taking, which helps firms to withstand risks and achieve sustainable development in the long run. Additionally, ESG exhibits an insurance effect, as it can mitigate the increase in corporate risk-taking caused by economic policy uncertainty, effectively protecting firms against external shocks.

A2.2: Biodiversity Risks, Climate Risks, and Sustainability

Do mutual fund managers herd toward sustainability?

Ihsan Badshah *(Auckland University of Technology, New Zealand)*, Sara Ali *(Auckland University of Technology, New Zealand)*, Riza Demirer *(Southern Illinois University Edwardsville, United States)*, Prasad Hedge *(Auckland University of Technology, New Zealand)*

Abstract

Using Morningstar's fund-level sustainability (ESG) rating data for a large sample of mutual funds domiciled in Australasia, we present strong evidence of herding in mutual funds with high sustainability ratings (high-ESG-rated) relative to unrated or low-ESG-rated funds. Herding in funds with high sustainability ratings is intentional, not driven by fundamental information, and independent of fund age, size, past performance, and investment focus. More importantly, we show that herding in funds with high ESG ratings dampens the correlation between the returns on these funds and their non-sustainable counterparts, thus creating diversification potential via a sustainable investment approach. Finally, fund herding behaviour is associated with lower subsequent fund performance, implying that herding towards sustainability does not necessarily reflect informed trading by fund managers while no effect is found on subsequent fund flows. Our findings provide novel insight into investor behaviour in the growing market for sustainable investments.

Going green rationally: Climate risk exposure and mutual fund stock allocation

Shi Li *(Harbin Institute of Technology, China)*, Yezhou Sha *(Capital University of Economics and Business, China)*, Meng Li *(Harbin Institute of Technology, China)*

Abstract

We examine the impact of Chinese mutual funds' exposure to Climate Policy Uncertainty (CPU) on the allocation of green stocks in mutual fund portfolios. The results show a significant increase in green stock allocation due to the fund’s CPU exposure, indicating that holding green stocks is a hedging strategy against CPU risk. This is rational because the CPU risk premium does not attract investors, since green nonpecuniary utility appeals to fund investors. However, fund managers with higher skill levels or greater passive style drift are less inclined to hedge CPU risk with green stocks. The impact of these manager characteristics exhibits significant heterogeneity between bull and bear markets for green stocks. Furthermore, this hedging behavior has increased over time, with a marked difference observed before and after the signing of the Paris Climate Agreement. Our findings show how policymakers, mutual fund characteristics, and investors' green preferences shape funds' green stock allocations, illustrating how market mechanisms effectively drive changes in mutual funds' green investment.

Hedging different types of climate risks: Evidence from China

Libo Yin *(School of Finance, Central University of Finance and Economics, Beijing, China)*, **Hong Cao** *(Central University of Finance and Economics, China)*

Abstract

This paper uses a mimicking portfolio approach to hedge against physical, regulatory, and opportunity risks associated with climate concerns in China. We extract innovations from climate news 'series that we construct from four major Chinese newspapers through textual analysis via the BERT model. Firms' exposure to physical, regulatory, and opportunity risks are proxied by E-score, regulatory uncertainty, and opportunity uncertainty from firms' annual reports. After China signed the Paris Agreement, portfolios based on E-scores can effectively hedge 7%-11% of physical risk, with higher E-score firms showing greater excess returns. Regulatory uncertainty-based portfolios hedge 5%-11% of regulatory risk, with short positions on high-uncertainty firms yielding higher returns. However, opportunity risk portfolios cannot hedge effectively. These hedge effects perform well in hedging innovations in climate news both in sample and out of sample, and are robust across different risk exposure proxies and time horizons, with increased effectiveness over longer periods. Additionally, our results suggest that climate-related policy uncertainty and cash flow volatility significantly influence the hedging capacity for physical, regulatory, and opportunity risks. The findings offer valuable implications for investors, policymakers, and international stakeholders in managing climate-related risks effectively.

Does Biodiversity Risk Matter to Capital Markets? New Evidence from China

Chen Zhang-Hangjian *(Anhui University, Netherlands)*, **Xiang Gao** *(Shanghai Business School, China)*, Jeroen Derwall *(Utrecht University, Netherlands)*, Kees Koedijk *(Utrecht University, Netherlands)*

Abstract
This paper presents novel macro-, meso-, and firm-level measures of biodiversity risk exposure specific to the Chinese capital market, and investigates how these levels of biodiversity risk relate to individual stock returns. We find that biodiversity risk varies over time and across industries, and that aggregate attention to biodiversity issues has risen sharply over the past two decades. Using cross-sectional models of stock returns, we then provide new evidence that corporate biodiversity risk exposure negatively relates to stock returns, significantly more so when aggregate attention to biodiversity issues rises and industry-level biodiversity risk increases. Our documentation of important interactions between firm-level and aggregate (industry)level biodiversity risks in explaining stock returns is consistent with recent evidence that environmental and biodiversity risk premiums, while being potentially positive in the long run, might be negative in the short run. In addition, institutional ownership, in particular shareholdings of banks and funds are lower when firms appear more vulnerable to biodiversity risk.

A2.3: Corporate Finance 1

The Influence of Political Connections on Corporate ESG Performance

Xiaodong Yang *(Shihezi University, China)*, **Ahmed Imran Hunjra** *(IPAG Business School, France)*, *Maria Giuseppina Bruna (IPAG Business School, France)*, Tapas Mishra *(University of Southampton, UK)*, Shikuan Zhao *(Chongqing University, China)*

Abstract
A pressing ethical challenge of corporate political venturing is to deliver an ideal setup for corporations' persistent commitment to ESG performance. Political connections, which provide firms with access to rich resources and information, are believed to influence ESG performance, although research on this is very limited. This paper analyses A-share listed companies to examine how political connections shape ESG performance. We recover a strong positive relationship between political connections and ESG performance, showing that companies leverage government-backed resources to enhance ESG efforts as part of their commitment to sustainability. Political connections are shown to improve ESG performance by reducing financing constraints, enhancing executives' green perceptions, and enhancing media attention. The impact is stronger for firms located in eastern regions, less-polluting industries, and those led by executives with international experience, while it is weaker in midwestern firms and those with leaders lacking overseas exposure. Political connections exert greatest impact on social performance, followed by governance and environmental aspects, and it improves corporations' total factor productivity. These findings offer valuable insights for policymakers and businesses seeking to leverage political connections to improve ESG outcomes. Our results remain robust to alternative estimation, removing pandemic-period data, excluding firms from centrally governed municipalities, omitting companies listed for less than three years.

Moral Markets or Market Mysteries? Religiosity and IPO Pricing Dynamics

Chen Huang *(Queen Mary University of London, United Kingdom)*, **Haozhong Mo** *(Queen Mary University of London, United Kingdom)*, Triantafylli Androniki *(Queen Mary University of London, United Kingdom)*, Yu Zhang *(University College Dublin, Ireland)*

Abstract
This study examines how local religiosity influences IPO underpricing in the U.S. market. We propose two competing explanations: the Market Mystery hypothesis, which suggests religiosity increases valuation uncertainty and information asymmetry, leading to higher underpricing; and the Moral Market hypothesis, which argues that religiosity promotes ethical behavior and investor trust, reducing underpricing. Using a sample of 5,022 IPOs from 1990 to 2023, we find strong support for the Market Mystery hypothesis: issuing firms headquartered in more religious counties experience significantly greater underpricing. The effect is robust to various tests, including addressing endogeneity and reverse causality concerns. The effect is more pronounced in Catholic regions and among religious CEOs, unless the CEO's beliefs align with local religiosity. Our findings underscore the importance of religiosity as an informal institutional factor shaping IPO outcomes and highlight its potential to impose indirect costs on issuing firms.

Risk Disclosure and Post-Earnings Announcement Drift

Sun Xiaoyang *(Tianjin University, China)*, Yang Baochen *(Tianjin University, China)*, Liu Mohan *(Tianjin University, China)*

Abstract
This paper investigates the impact of risk disclosure in annual reports on the post-earnings announcement drift in the Chinese A-share market. The findings suggest that risk disclosure exacerbates the delayed market reaction after earnings announcements. This result is qualitatively similar after considering different indicators of earnings surprises, different model settings, and other robustness tests. The relationship between risk disclosure and drift is driven by information uncertainty and limited arbitrage due to investor irrationality. Larger annual report release lags and worse disclosure quality positively moderate this relationship, while firm size, institutional shareholding and the nature

of state-owned firms negatively moderate it. In addition, the effect of different types of risk disclosure on drift varies. This paper is useful for both investors and regulators.

COVID-19 Pandemic and End-of-Day Market Manipulation

Chandrasekhar Krishnamurti *(University of South Australia, Australia)*, Hung Duong *(University of South Australia, Australia)*, Priyantha Mudalige *(University of New England, Australia)*, Simon Sun *(University of South Australia, Australia)*

Abstract
In this paper, we examine whether COVID-19 pandemic had an impact on a specific type of market manipulation - end-of-day price dislocation. Our results show that during the COVID-19 period, both the level of market manipulation and the total trading value of suspicious end-of-day manipulation increased relative to the pre-COVID period. We deepen our analysis by directly investigating the relationship between the level of retail trading, prevailing sentiment and end-of-day market manipulation. Our results suggest that during the COVID-19 periods, the level of retail trading is associated with a significant reduction in the number of cases of market manipulation as well as the trading value of suspected manipulation cases. We also report that the coronavirus sentiment adversely affects the level of market manipulation, and that retail trading attenuates the level of manipulation.

A2.4: Empirical Asset Pricing 1

A thresholded graph connectivity factor, jump effects in quantile pricing, phase transition breakup points, and the beta premium

Qiyu Wang *(Hong Kong Polytechnic University & Zhejiang University of Finance and Economics, China)*

Abstract
We construct a sparse graph connectivity pricing factor, derive its jump effects and discover its implementations. The jump effects of the connectivity factor are inspired by the shrinkage graph node composition from the factor model and verified by the accumulative distribution of a node over a threshold. Depending on its characteristics, we imply this factor in quantile asset pricing and utilize jump-inducing hedging opportunities indicated by connectivity break-up points. In order to explain the usual asset pricing, we also construct a high/low beta facor in the Fama-French way and implement the usual long-short hedging strategy.

Mispricing Factor in China

Jin Zhang *(RMIT University, Australia)*, **Daniel Chai** *(RMIT University, Australia)*, **Xin Chen** *(Audencia Business School, Shenzhen University)*, Daisy Chou *(RMIT University, Australia)*

Abstract
This study introduces a new mispricing factor tailored to the Chinese equity market. The factor is constructed from nine firm characteristics that have been empirically shown to be strongly associated with Chinese stock returns, capturing a broad spectrum of firm fundamentals. Our results demonstrate that incorporating this mispricing factor into existing asset pricing models significantly. enhances their ability to explain cross-sectional variations in Chinese equity returns. We develop a suite of mispricing models: a two-factor model comprising the market and the mispricing factor, and three- and four-factor models that include the market, size and/or value, along with the mispricing factor. These models, particularly the two-factor version, consistently outperform the Fama and French (1993, 2015) three and five-factor models and match or exceed the performance of the prominent three- and four-factor models proposed by Liu, Stambaugh, and Yuan (2019). This study not only contributes to the growing body of literature on Chinese asset pricing but also opens a promising avenue for future research into the role of mispricing in emerging markets.

Labor Pains: The Impact of Labor Market Competitiveness on Stock Returns

Yiuman Tse *(University of Missouri-St. Louis, United States)*, Ivan Indriawan *(University of Adelaide, Australia)*, Shihe Li *(University of Adelaide, Australia)*, Ralf Zurbruegg *(University of Adelaide, Australia)*

Abstract
This paper establishes a direct link between labor market competitiveness - the degree to which firms compete for workers with similar occupations - and stock returns. Using a novel measure derived from job posting data, we show that heightened labor competition predicts lower aggregate market excess returns over the subsequent three to twelve months. This supports the concept of a 'war for talent,' where heightened labor market competitiveness drives negative cash flow shocks, reflected in higher personnel-related expenditures and lower cash holdings. We also show that firms performing well during periods of tight labor market conditions tend to yield lower returns, suggesting that investors are willing to pay a premium to hedge against the labor market risks associated with these stocks.

Forecasting Systematic Risk Factor Returns: Threshold Effects of Monetary and Fiscal Policy

Yiguo Sun *(University of Guelph, Canada)*

Abstract

This paper introduces a threshold model for predicting systematic risk factor returns amid dynamic shifts in fiscal and monetary policies. We adopt an index threshold variable, revealing that fiscal and monetary policies jointly define regimes for systematic risk factors— a relationship obscured by conventional single-variable threshold models. This approach yields an improved in-sample fit and delivers superior out-of-sample forecasts, notably for the size (SMB) and investment (CMA) factors. In direct factor-portfolio trading, our threshold model outperforms competing approaches for three of the five factors. To account for transaction cost constraints, we also construct portfolios using correlated ETEs as proxies for the systematic risk factors. Despite the relatively low correlations between these ETEs and the target factors, our threshold model continues to excel delivering top performance for the size factor. This resilience underscores the model's capacity to capture critical threshold effects of policy changes in practical trading contexts.

A2.5: Market Microstructure

Carbon price discovery in China

Shimeng Shi *(Xi'an Jiaotong-Liverpool University, China)*

Abstract

This paper studies carbon price discovery within and across emissions trading systems (ETS), carbon-intensive and low-carbon stock indices, and index-linked ETFs in China. We find that Hubei pilot ETS lags both the national ETS and Guangdong pilot ETS in the process of carbon price discovery. Hubei pilot ETS is more likely to be cointegrated with carbon-related stock indices and index-based ETFs over the long term, while their prices are driven by multiple common risk factors. Generally, ETFs outperform ETSs and stock indices in incorporating carbon-related information. We identify the ratio of bulk trading volume to total volume and fluctuations in economic policy uncertainty as significant drivers of the national ETS's contribution to carbon price discovery. Invest or disagreement and intraday volatility also play important roles. Climate risk factors and specific regulatory events do not significantly affect the national ETS's responsiveness to carbon news.

Do Exogenous Uninformed Order Flows Move Stock Prices?

Sida Li *(Brandeis University, United States)*, **Ketian Guan** *(Brandeis University, United States)*

Abstract

The literature suggests that stock prices can be influenced by exogenous order flows, even when they do not convey any information about future cash flows. Empirical studies employ various identification strategies to test this hypothesis, though it is difficult to find an exogenous, unexpected large order flow uncorrelated with cash flow news. In this paper, we analyze a large, exogenous, unprecedented asset purchase program around the boundaries of the CSI 500 and CSI 1000 indices. These boundaries are predetermined by market capitalization rankings well in advance of the asset purchase program. Stocks in the CSI 500 index receive a significant exogenous purchase equivalent to 4.49% of their market capitalization, while stocks in the CSI 1000 index receive only 0.51%. We find the CSI 500 stocks result in a 6.4% higher Fama-French 5-factor alpha.

The Impact of Triggering Trading Mechanism Constraints on Market Risk Premia

Shuyuan Qi *(Central University of Finance and Economics, China)*

Abstract

This study examines the impact of triggering market trading mechanism constraints on the decomposition of market risk premia in the Chinese stock market. Focusing on the unique trading mechanisms of price limits and trading suspensions, we investigate their influence on four distinct components of risk premia: diffusive stock risk pre-mium, price jump risk premium, diffusive variance risk premium, and variance jump risk premium. Utilizing a novel three-step estimation methodology, we employ both physical and risk-neutral probability measures to estimate these risk premia. Our empirical analysis reveals that the limit-hitting events primarily affect diffusive risk premia, while the suspension events significantly influence jump risk premia. By constructing market-level indices to measure the occurrences of limit hits and suspensions, we find that triggering these trading mechanisms is the primary driver of market risk premia in China. Furthermore, we analyze the dynamics of risk premia and their relationships with various macroeconomic and market-specific factors. The results provide new insights into the role of trading mechanisms in shaping market stability and risk premia dynamics in the Chinese stock market.

A2.6: AI and Finance 1

Is AI Generating the Reports? Evidence from MD&A Texts and Implications

Yiran Wang *(School of Economics and Management, University of Chinese Academy of Sciences, China)*, **Xiaoqian Zhu** *(School of Economics and Management, University of Chinese Academy of Sciences, China)*

Abstract
Since ChatGPT swept the globe in conversational form in December 2022, large language models (LLMs) have profoundly reshaped industries. However, there remains a lack of effective quantitative methods to measure listed companies' actual adoption of LLMs. This study applies and improves an AI-generated content (AIGC) detection framework based on LLM lexical distribution features, systematically measuring for the first time the penetration rate of AI-generated content (AI ratio) in the Management's Discussion & Analysis (MD&A) sections of U.S. listed companies' financial reports, with measurement accuracy controlled within a 4% average error rate. Key findings: (1) The proportion of listed companies adopting AI surged from 18% in 2022 to 77% in 2024, with AI content averaging 14% of samples in 2024; (2) AI ratio shows highly significant correlations ($p<0.001$) with 9 informational characteristics of MD&A texts, confirming AIGC's systematic impact on financial disclosure structures; (3) A negative correlation exists between AI ratio and financial restatement probability; (4) Incorporating AI ratio into prediction models improves financial restatement forecast accuracy by 2.35%. This study not only provides the first empirical evidence of AIGC application in accounting practice but also establishes a scientific quantitative foundation for regulating financial disclosures in the AI era.

Leveraging Data Assets to Lower Debt Costs: Insights from a Threefold Risk Theoretical Framework

Ethan Liu (*Hebei University of Technology, China)*

Abstract
Data assets have emerged as a critical factor in driving high-quality corporate development. This study constructs an original theoretical framework to analyze the impact of corporate data asset management on debt financing costs, focusing on three risk dimensions: information risk, agency risk, and earnings risk. Using a sample of A-share listed companies in China from 2007 to 2022, we empirically test our framework by employing generative large language models, GLM-4 and BERT, to measure the level of corporate data asset management. Our findings reveal that effective management of data assets significantly reduces debt financing costs, a conclusion that is robust to a series of endogeneity and robustness tests. Additionally, we identify that institutional ownership amplifies the negative impact of data asset management on debt financing costs. Mechanism analysis further shows that data asset management mitigates information, agency, and earnings risks by enhancing the quality of accounting information disclosure, improving corporate governance, and boosting expected earnings, all of which contribute to a reduction in debt financing costs. This research not only advances the understanding of the economic implications of corporate data asset management but also offers valuable insights for policymakers and practitioners aiming to unlock the full potential of data assets in corporate finance.

Financial Text Analysis Using Language Model Ensembles: Sentiment and Topics in FOMC Press Conferences

Jennifer Xu *(Bentley University, United States)*, Tamara Babaian *(Bentley University, United States)*

Abstract
Financial scholars, analysts, and investors are increasingly utilizing text data when conducting academic research or making financial decisions. The advancements in natural language processing and generative AI technology have brought new opportunities and tools to financial text analysis applications. In this study, we create ensembles of different versions of FinBERT, GPT-4O, and dictionary- and keyword-based methods, and use the ensembles to identify sentiment, topics, and temporal directionality in FOMC chairs' remarks during the press conferences. The evaluation of the models shows that the performance of general-domain GPT-4o and domain-specific FinBERT may vary, depending on the training and learning strategies. Including multiple models and methods into the ensembles leverages the strengths of these models and helps improve classification accuracy. Aligning the sentiment and topic indicators in FOMC press conferences with the market reaction data, we find that financial markets pay attention to not only the sentiment tones in the chairs' words but also the context of the sentiment.

How Does Artificial Intelligence Curb Corporate Financialization? The Mediating Role of Operational Risk and Production Efficiency

Xi Zhao (*Hefei University, China)*, Najid Ahmad (*Hunan University of Science and Technology, Xiangtan, China)*, Shuangguo Wang (*East China University of Science and Technology, Shanghai, China)*, Siqin Zhang (*Hefei University, China)*, Jing Xie (*Shanghai Lixin University of Accounting and Finance, China)*

Abstract
Artificial intelligence has multifaceted impacts on corporate economic behavior. Previous research has predominantly focused on aspects such as improving production efficiency and enhancing innovation capabilities, while its potential role in curbing corporate financialization has not yet been fully explored. This study selects data from non-financial A-share listed companies in China from 2013 to 2022, and quantitatively analyzes the impact of artificial intelligence applications on corporate financialization, as well as examines the mediating roles of operational risk and production efficiency. Based on the characteristics of factor intensity and regional location, the sample is grouped to investigate the differences in impact. The results show that: (1) AI applications can significantly curb corporate financialization, indicating that after adopting AI technology, companies tend to reduce their holdings of financial assets and lower their financialization levels. (2) Operational risk plays a mediating role in the inhibitory effect of AI applications on corporate financialization. (3) Production efficiency also acts as a mediator in this inhibitory effect, indicating that AI enhances corporate production efficiency, thereby reducing firms' reliance on financial assets. (4) The inhibitory effect of AI applications on corporate financialization is more pronounced in labor-intensive and technology-intensive corporates and those located in the eastern region. Finally, based on the empirical results, this paper proposes policy recommendations from both the perspective of firms and government departments.

A2.7: CSR, ESG, and Climate Risk

The Interplay of Corporate Inefficiency and Competitive Dynamics: Strategic Corporate Social Responsibility in Financial Analysis

Béchir Ben Lahouel *(École de Management Léonard de Vinci, France)*, Lotfi Taleb *(École supérieure des sciences économiques et commerciales de Tunis University of Tunis, Tunisia)*, Emmanuelle Dubocage *(Université Paris-Est Sup - Créteil Val-de-Marne, France)*

Abstract
Stakeholder theory posits that cultivating relational interactions with key stakeholders is an effective strategy for achieving sustained competitive advantage. Nevertheless, actual evidence remains equivocal. This study seeks to examine the link between five aspects of stakeholder management and firm competitiveness, emphasizing a less often utilized inefficiency performance indicator in the strategic corporate social responsibility rhetoric. This link is examined using a sample of 28 international airlines from 2008 to 2022. The inefficiency of airlines is assessed using an innovative slacks-based data envelopment analys is (DEA) approach, anchored on the assumption that airlines operate within a dynamic three-stage network framework. We employ an advanced panel quantile regression technique including fixed effects. The empirical findings indicate that distinct stakeholder dimensions have varying impacts on competitiveness, with these effects changing across quantiles. Our findings underscore the necessity of maintaining high standards in community relations and the significance of investing in customer satisfaction, loyalty, and staff trust and commitment. Nevertheless, the adverse impacts of environmental and human rights concerns on competitiveness emphasize the challenges airlines face in reconciling their social responsibilities with maintaining a profitable business. The robustness check, employing the method of moments quantile regressions, corroborates our previous findings.

Banking on Sustainability: How Commercial Bank Types Drives Heterogeneous ESG Outcomes in Chinese Enterprises?

Liu Zhao *(Hunan University*, China*)*, **Zheng Yating** *(Hunan University*, China*)*, Yishuai Ren *(Hunan University*, China*)*

Abstract
The differential impacts of commercial bank types on firm's ESG performance remain poorly understood, particularly in emerging markets where financial institutions play dual roles in economic growth and sustainability governance .Based on China's firm-level data and the Hua Zheng Index rating data (2009–2023), this paper employs a difference-in-differences (DID) approach to examine how distinct commercial bank types within a 10km radius affect firms' ESG performance. The results are as follows. First, state-owned banks significantly increase firms' overall ESG scores and social (S) ratings, while joint-stock banks enhance ESG performance and governance (G) ratings; foreign-funded and city commercial banks show negligible effects. Second, heterogeneity analyses indicate stronger ESG-promoting effects of state-owned and joint-stock banks in regions with dense financial institutions, private firms, and small-to-medium sized firms. Third, mechanism tests demonstrate that state-owned banks strengthen environmental investments, whereas joint-stock banks alleviate financing constraints to improve ESG outcomes. Further analysis reveals that executives' green cognition and government environmental subsidies amplify the ESG-promoting effects of state-owned and joint-stock bank establishments. By systematically mapping bank-type-specific transmission channels to ESG performance, this paper advances theoretical understanding of ESG-finance linkages and provides actionable insights for policymakers to calibrate banking sector strategies in emerging economies' green transitions.

Climate at the credit door: Examining SME financing in a vulnerable world

Marvelous Kadzima *(University of Pretoria, South Africa)*, **Reon Matemane** *(University of Pretoria, South Africa)*, **Michael Machokoto** *(African Development Bank (BAD)- United States)*, **Tesfaye T Lemma** *(Towson University, United States)*

Abstract

We examine the impact of climate vulnerability on obstacles to accessing finance in privately held small and medium enterprises (SMEs). Using survey data from 101,608 enterprises across 124 countries, covering the period 2006-2022, we find that climate vulnerability significantly exacerbates financing obstacles in privately held SMEs. This finding remains robust after addressing potential concerns, and it passes falsi f ication tests. In additional analysis, we demonstrate that climate-induced obstacles in accessing finance are attenuated in environments with stronger institutions and stakeholder-oriented governance systems. We also document that the relationship is more pronounced in bank-dominated financial systems in Asia and Africa. Our findings underscore the heterogeneous effects of climate vulnerability on private SMEs' f inancing constraints, offering critical insights for policymakers and practitioners seeking to address these challenges.

Unity is Strength: Evidence from Teamwork Culture and Climate Transition Risk Resilience

Yu He *(China University of Geosciences, Beijing, China)*, Tao Li *(Central University of Finance and Economics, China)*, **Shanglin Lu** *(University of International Business and Economics, China)*, Endeer Bao *(Central University of Finance and Economics, China)*, Ran Wei *(Research Center for Rural Economy, China)*

Abstract

This study examines the effect of teamwork culture on corporate climate transition risk resilience based on a textual analysis of Management Discussion and Analysis (MD&A) from 2009 to 2022. The results show that the teamwork culture positively influences firms' climate transition resilience, measured by the stock return reaction on the climate transition risk. Further analysis shows that the teamwork culture can improve firms' environmental information disclosure quality and green innovation, and then boost climate transition risk resilience. Taken together, our findings reveal the real effects of the teamwork culture on corporate resilience through its incentives on firms to engage in improving environmental performance.

B1.1: Corporate Governance 1

Cultural Imprints on CEO Attitudes toward Uncertainty: Evidence from Private Loans and Public Bonds

Hasibul Chowdhury *(The University of Queensland, Australia)*, **Wenbin Hu** *(The University of Queensland, Australia)*, Showaib Sarker *(The University of Wisconsin-Whitewater, United States)*

Abstract

We investigate the effect of CEOs' cultural heritage on debt contracting. Our findings suggest that CEOs from countries with high uncertainty avoidance cultural heritage lower their firms' cost of borrowing. The results remain unchanged across various robustness checks, including a quasi-natural experiment, an instrumental variable approach, Oster's omitted variable test, and entropy balancing matching. The above results are stronger for firms with higher organization capital and for CEOs with lower equity incentives. Furthermore, we find that CEOs with high uncertainty avoidance are associated with less restrictive loan covenants. From the perspective of public bondholders and credit rating agencies, our results indicate that such CEOs contribute to lower corporate bond yields and higher credit ratings. Overall, our findings suggest that CEOs with high uncertainty avoidance cultural heritage reduce firms' risk-taking behaviors, which, in turn, improve firms' creditworthiness. The results underscore the significance of cultural traits in shaping corporate financing policies and highlight the need to consider CEOs' cultural backgrounds when assessing firms' risk profiles.

Accountability and Corporate Investment Efficiency: A Holistic Analysis of Investments by State-owned Enterprises in China

Yuhang Liu *(Central University of Finance and Economics, China)*, Guming He *(Durham University Business School, United Kingdom)*, Zhanqiang Zhou *(School of Economics, Central University of Finance and Economics, Beijing, China, China)*

Abstract

Chinese state-owned enterprises (SOEs), within the framework of multi-level principal-agent relationships, are often subject to excessive insider control, unclear managerial responsibilities, and insufficient oversight of managerial decision-making, thereby leading to inefficient investments. We focus on SOEs to examine, for the first time in the existing literature, the impact of accountability on their investment efficiency. We find robust, causal evidence that enhanced accountability improves investment efficiency of SOEs. Moreover, inherent investment stimuli, such as industrial growth potential, corporate growth prospect, financing efficiency, financial reporting quality, corporate

governance and managerial experience, complement accountability in boosting investment efficiency. Yet, accountability can substitute external stimuli, such as government support and external monitoring, in driving investment efficiency. By contrast, at the regional level, higher economic growth, greater financial development, more intense anti-corruption and stronger legal environment amplify the positive effect of accountability on investment efficiency. Further analysis reveals that accountability enhances SOE investment efficiency primarily via reducing under-investment and has limited effect in curbing over-investment. Our study provides new insights into the real effect of accountability on investments as well as the interplay between accountability and various investment stimuli in improving investment efficiency, and thereby offers valuable implications for internal governance within firms.

The Value of State Ownership: Evidence from Corporate Misstatement in China

Yuling Han *(Fuzhou University, China)*, Xichan Chen *(Nanjing Audit University, China)*, Ryan L. Mason *(Chapman University, United States)*

Abstract
This study examines the economic consequences of corporate misstatement on bank financing in China. Consistent with our hypothesis that misstatement leads to an increase in both information risk and credit risk, we find that the bank loan react s negatively to corporate misstatement. In particular, a one standard deviation increase of misstatement is associated with a reduction of 4.3% in the contracting chance, and a reduction of 0.6% in the loan size for the full sample. However, the negative effect of misstatement and bank loan is not found for state-owned enterprises (SOE). The mechanism test shows that state ownership is beneficial to accelerate the performance recovery ability and quick repayment ability after capital market punishment. We give further evidence that banks with no blood relationship with SOEs also give a helping hand to SOEs after the exposure of misstatement. That indicates that state owners hip moderates the economic consequences of misstatement because SOEs still have endowment advantages under market rules, rather than the kinship between SOEs and state-owned banks (SOB). Our research provides a new explanation of SOIs receiving preferential treatment regarding bank loans. We also contribute to the literature of the economic consoquences of corporate misstatement from an ownership perspective, while expanding on the role of financial reporting information disclosure quality in debt contracting.

The Double-Edged Sword of CEO Recognition: Media Awards and Career Mobility

Jie (Michael) Guo *(Durham University, United Kingdom)*, Jiarong Li *(University of Reading, United Kingdom)*, **Nan Hu** *(University of Glasgow, United Kingdom)*, **Xiaochen Yi** *(University of Glasgow, United Kingdom)*

Abstract
This paper explores how media-conferred awards influence CEO mobility. Building on the career concerns framework, we argue that these awards reduce the marginal reputational benefits of continued effort while increasing the reputational cost of underperformance prompting CEOs to reconsider high-stakes internal leadership roles. Using data from Chinese-listed firms (2005-2023), we find that award-winning CEOs are more likely to leave their positions, less likely to retain internal board seats, and more likely to take on external directorships. Increased media coverage, optimistic analyst forecasts, and heightened board oversight accompany these shifts, suggesting greater reputational exposure and governance pressure. Overall, this study underscores the role of media recognition in reshaping executive incentives, with broader implications for corporate governance.

B1.2: Financial intermediation, institutions & services 2

Innovation and Financial Market Evolution

Yimin Wu *(Waseda University, Japan)*, Tomoo Kikuchi *(Waseda University, Japan)*

Abstract
This paper investigates the effect of the number of patent applications on the ratio of stock value traded to bank credit. Using a panel dataset of 75 countries from 1980 to 2020, we find a positive correlation between the two variables and that the relationship is causal in nature by using the lagged number of patents and regional dummies as instrumental variables. Local projection method shows that the effect peaks in 3 years. Furthermore, we find that the relationship is stronger when a country is closer to the technological frontier and when the stock market is more developed relative to banks. However, such an amplification effect comes from the quality of institutions in the country.

The heterogeneity of institutional investors in blockchain-based entrepreneurial finance: Evidence from Funding Success and Post-funding Performance

Huy Hoang Le *(University of Camerino, Italy)*, Monica Rossolini *(University of Milano-Bicocca, Italy)*, Alessia Pedrazzoli *(University of Milano-Bicocca, Italy)*

Abstract
The involvement of institutional investors in Decentralized Finance (DeFi) has become more prevalent. Using a sample of blockchain ventures that conducted token offerings from 2019 to August 2024, this study analyses the influence of institutional investors' experience and centrality on venture crowd sale success and token liquidity. Results show that ventures backed by institutional investors experienced a higher crowd sale success, attracting more funding from retail investors; and a greater post-offering performance, measured in token market liquidity. Conditional on institutional investment, ventures backed by more experienced and central investors obtain greater retail financial contributions. Moreover, ventures supported by more experienced investors present, in the short term, more liquid tokens than others. Overall, the study highlights the critical role of institutional participation in improving market liquidity and reducing uncertainty for retail investors in DeFi markets.

Bond vs. Equity Mutual Fund Performance using False Discovery Rate (FDR)

Lifa Huang *(University of Arkansas, United States)*, Wayne Lee *(University of Arkansas, United States)*, Craig Rennie *(University of Arkansas, United States)*

Abstract
This is the first application of the Storey et al. (2002, 2004) False Discovery Rate (FDR) approach inspired by Barras, Scaillet, and Wermers (2010) to actively managed bond vs. equity mutual funds. FDR (and Fama and French, 2010) suggests bond funds outperform equity funds, with 33.9% (30.0%) of bond fund managers being skilled (generating net return +t(α)) vs. 1.8% (0.0%) for equity funds. FDR results suggest Fama and French (2010) is prone to Type II errors, as Harvey and Liu (2020) predicted. We also document decreasing skill among corporate bond funds to fund size, consistent with Berk and Green (2004)

Financial Inclusion and Maternal Health: International Evidence

Isma Khan *(University of South Australia, Australia)*, Rajabrata Banerjee *(University of South Australia, Australia)*, **Tony Cavoli** *(University of South Australia, Australia)*, Ilke Onur *(Flinders University, Australia)*

Abstract
Financial inclusion is a vital policy tool for fostering economic growth, reducing poverty, and addressing income inequality. However, its influence on health outcomes, particularly maternal mortality, remains underexplored. This study investigates the impact of financial inclusion on women's maternal health and examines whether this relationship is influenced by threshold effects related to income inequality and institutional quality. Utilising data from69 developing and transitional economies between 2004 and 2019 and employing the access and usage dimensions of financial inclusion, we identify substantially negative association between financial inclusion and maternal mortality. The findings, robust to endogeneity concerns addressed through a fixed-effects instrumental variable (FE-IV) approach, underscore the significance of equitable financial services access. Our findings also reveal that financial inclusion positively influences health outcomes in areas of high income inequality and strong institutional quality. This impact is particularly pronounced in low-and lower-middle-income countries, offering actionable insights towards integrating financial inclusion into health and economic policies toachieveSDG-3 and SDG-8.

B1.3: AI and Finance 2

Machine Forecast Disagreement in the Cryptocurrency Market

Gang Chu *(Wuhan University, China)*, **Dehua Shen** *(Nankai University (NKU), China)*, Zhaobo Zhu *(Shenzhen University, China)*

Abstract
This paper uses machine learning models to construct a crypto-level measure of investor belief disagreement (MFD) for cryptocurrencies. Investors use their individual models and common data information to form their individual return forecasts. Consistent with Miller (1977), we find a significantly negative relation between MFD and future cryptocurrency returns in the cross section. The negative MFD-return relation holds in various robustness tests. Moreover, the negative MFD-return relation is stronger for cryptocurrencies with larger limits-to-arbitrage or more severe overpricing and following high crypto investor sentiment periods. Our results suggest that the negative MFD-return relation is mainly driven by mispricing and limits-to-arbitrage.

Enhancing Financial Statement Fraud Prediction with Automated Feature Generation and SHAP Analysis

Rongkai (*Jilin University, China*), Mingxi Liu (*Chinese Academy of Sciences, China*), Xiaoqian Zhu (*University of Chinese Academy of Sciences, China*), **Yiran Wang** (*University of Chinese Academy of Sciences, China*).

Abstract
This study aims to enhance both the performance and interpretability of financial statement fraud prediction models by employing an automated feature generation method and SHAP analysis. Guided by the fraud triangle theory and prior research, we select a set of financial and non-financial variables as base features. We then utilize OpenFE, a novel automated feature generation framework, to create high-quality combinatorial features that significantly boost the predictive performance of machine learning models. Furthermore, SHAP analysis highlights the critical role of these newly generated features in model prediction, offering valuable insights into the mechanisms underlying financial statement fraud. Experimental results show that our model outperforms several machine learning models proposed in recent studies, demonstrating the promising prospect of feature generation methods in the field of financial statement fraud prediction.

Deep Learning Calibration Method for Option Pricing Based on FFT

Zhiqi Zhao *(Beijing International Studies University, China)*, Junyong He *(Beijing International Studies University, China)*

Abstract
Traditional option pricing models (such as the Black-Scholes model and the Heston model) face two core challenges in both theory and practice: First, the probability density functions (PDFs) of complex models (e.g., Lévy processes, affine jump-diffusion models) often lack analytical solutions, relying instead on numerical methods (such as Monte Carlo simulations or partial differential equation discretization), which leads to low computational efficiency. Second, classical models fail to effectively capture real-world market volatility characteristics (e.g., the volatility smile phenomenon, resulting in systematic deviations between theoretical prices and market prices. To address these two issues, this paper proposes a method that combines the fast Fourier transform (FFT) with deep learning.

Telescoping Loans from Space: A Remote Sensing Analysis

Zhiyong Li *(Southwestern University of Finance and Economics, China)*, Mingyan Leng *(Southwestern University of Finance and Economics, China)*, Liu Yanlin *(Southwestern University of Finance and Economics, China)*, Zhicheng Li *(Southwestern University of Finance and Economics, China)*

Abstract
Climate risk has emerged as a significant global challenge, with far-reaching implications for financial stability. This study examines the integration of satellite imagery into credit risk assessment, focusing on acute physical climate risks such as extreme temperature, wildfires, drought, floods, extreme rainfall, and snowfall. We extract these climate factors at the zipcode level, where borrowers are located, to enhance the prediction of individual loan defaults. Based on a dataset of 9,000,076 individual loans from Lending Club, and 983.6 Gigabytes off satellite imagery raster data, we find that acute physical climate risks significantly improve the predictive accuracy of the credit assessment models. In addition, we find that acute physical risk satellite imagery plays a significant role in predicting personal consumer credit defaults across different stages of the loan life cycle, with an analysis of the temporal effects of risk factors. Furthermore, examining the impact of acute physical risk factors on zipcode-level default rates effectively extends credit default assessment to the regional level. Our study provides key insights into the power of satellite remote sensing imagery in credit management for practitioners and finance scholars alike.

B1.4: Financial Markets and Financial Econometrics

Forecasting Realized Volatility: A Hybrid Model Integrating BiLSTM with HAR-type Models

Yi Luo *(Xián Jiaotong-Liverpool University, China)*

Abstract
This paper introduces a hybrid approach that combines Heterogeneous Autoregressive (HAR) models with Deep Feedforward Neural Network (DFN) and Bidirectional Long Short Term Memory (BiLSTM) models to enhance the prediction of realized volatility. Neural Network architectures, particularly BiLSTM, effectively capture key properties of volatility such as long memory and nonlinearity, thus complementing the linear characteristics of HAR models. By using high-quality input features derived from HAR models, the interpretability of Neural Network results is improved. Empirical findings demonstrate that the BiLSTM-based hybrid model outperforms all other models in out-of-sample forecasts across various horizons. Both DFN- and BiLSTM-based hybrids significantly outperform their standalone counterparts, underscoring the value of incorporating HAR-type components into Neural Networks.

Estimating the R-Star in the US: A Score-Driven State-Space Model with Time-Varying Volatility Persistence

Tibor Pal *(University of Salerno, Italy)*, Giuseppe Storti *(University of Salerno, Italy)*

Abstract

This paper studies the natural rate of interest (r-star) in the US using a score-driven state-space model within the Laubach-Williams structural framework. The proposed model improves the flexibility in variance adjustments by assigning time-varying weights to both the conditional likelihood score and the inertia coefficient in the volatility updating equations. The improved state dependence of volatility dynamics effectively accounts for sudden shifts in volatility persistence induced by highly volatile unexpected events. In addition, the time-varying IS and Phillips curve relationships allow us to study the structural changes in the US economy that are relevant to monetary policy. The results suggest that the advanced models improve the precision of the r-star estimates with reduced measurement error and greater responsiveness to changes in the economic environment.

Can Network Strength Boost Comparative Advantage? Insights from China's Digital Production Network

Heng-Guo Zhang *(Shandong University, China)*, **Yuchi Xie** *(Shanghai Business School, China)*, Qi-Chao Lyu *(Shandong University, China)*, Hao-Ying Tian *(Beihang University, China)*

Abstract

This paper uses a three-dimensional matrix to calculate oriented Revealed Comparative Advantage (RCA) and develop fitness and complexity indexes derived from the oriented RCA to assess their impact on the comparative advantage of Chinese digital products in the global market. Then this paper introduces a novel index to measure the strength of Chinese digital products and constructs a network based on these indexes across different provinces in China. The export and import complexity networks are visually presented to highlight provinces with advanced positions in the industrial chain and the countries that import the most digital products from China. Through empirical analysis, we examine how network strength, fitness, and complexity influence the RCA of Chinese digital products. Our findings suggest that policymakers can design network-aware industrial strategies targeting sectors with strong production chains. Governments could prioritize strengthening production networks and enhancing the fitness and complexity of digital production networks to boost the comparative advantage of Chinese digital products in the international trade.

Cracking the Code: Bayesian Evaluation of Millions of Factor Models in China

Yan Qian *(Central University of Finance and Economics, China)*, **Jinzhe Wang** *(Central University of Finance and Economics, China)*, Lixia Wu *(Central University of Finance and Economics, China)*, Yifeng Zhu *(Central University of Finance and Economics, China)*

Abstract

We utilize the Bayesian model scan approach of Chib et al. (2020) and Chib et al. (2023) to examine the best performing models in a set of 15 initial factors from the literature, plus 8 principal components (PCs) of anomalies unexplained by the initial factors in Chinese A-share market. The Bayesian comparison of approximately eight million models shows that (HML, MOM, IA, EG, PEAD, SMB, VMG, PMO}, plus the four PCs {PC1, PC6, PC7, PC8} are the best supported risk factors in terms of marginal likelihoods and posterior model probabilities. Pricing tests and annualized out-of-sample Sharpe ratios for tangency portfolios suggest that this asset pricing models should be used for computing expected returns, assessing investments strategies and building portfolios.

B1.5: ESG, SDG, and Green Sustainability

In search of a perfect way to evaluate banks' ESG performance

Bartosz Witkowski *(SGH Warsaw School of Economics, Poland)*, Malgorzata Iwanicz-Drozdowska *(SGH-Warsaw School of Economics Financial System Department, Poland)*, Pawel Smaga *(SGH-Warsaw School of Economics Financial System Department, Poland)*, Lukasz Kurowski *(SGH-Warsaw School of Economics Financial System Department, Poland)*

Abstract

This study contributes to two streams of academic discussion, namely, ESG performance evaluation based on disclosures and the link between banks' financial performance and ESG performance. Our analysis covers 95 European banks during the 2006-2022 period. We claim that using text mining may result in objective, comprehensive and replicable ESG disclosure scores for banks. Therefore, we employ advanced text-mining techniques to evaluate banks' ESG performance from a disclosure perspective. The results of the exploration of the link between both types of performance are ambiguous. We find that high profitability reduces banks' ESG disclosure scores, whereas the ESG variables lack statistical significance with respect to financial performance. Before 2018, some banks had outstanding ESG disclosure scores, and after the implementation of the NFRD, the banks were on the same track.

The hidden drivers of ESG: Decoding employee training and care initiatives in driving ESG performance

Ying Wang *(Anglia Ruskin University, United Kingdom)*

Abstract

Drawing on human capital and social exchange theory, this paper is the first to examine how hidden drivers - employee training and care initiatives - affect environmental, social and governance (ESG) performance. Utilizing a sample of 36,278 firm-year observations representing 4,178 companies from China between 2010 and 2020, we find that employee-focused initiatives significantly improve ESG performance. However, principal component analysis (PCA) indicates that greater emphasis on employee care and welfare negatively affects ESG performance. Disaggregated ESG metrics support these findings across various mechanisms. Robustness checks show employee welfare initiatives in upstream sectors may face unique challenges or inefficiencies that diminish their positive impact on ESG. Moreover, the magnitude of the effects varies by region. Customer satisfaction significantly mediates the relationship between ESG performance and employee-focused initiatives. Interestingly, innovation moderates this relationship by reducing the incremental benefits of broad employ-focused initiatives and diminishing the effectiveness of welfare-centric efforts. These findings, robust to endogeneity concerns and control of various factors, provide actionable insights for optimizing employee-focused investments to maximize ESG performance.

The Role of Female Parliamentarians and Environmental tax in achieving SDG13: Evidence from G20 and N11 Economies

Asif Saeed *(Léonard, de Vinci Pôle Universitaire, Research Center - France & EMLV Business School, De Vinci Higher Education, De Vinci Research Center, Paris, France)*, **Muhammad Zahid Nawaz** *(INSEEC (BBA) Business School, Paris, OMNES Education Group, France)*

Abstract

Using panel data from G20 and N11 economies between 2002 to 2022, we provide evidence that women's presence in the parliament is a critical determinant of achieving environmental sustainability. Our results show that female parliamentarians with significant representation are more effective and they achieve the 'Climate Action' goal by reducing CO2 and GHG emissions among other environmental targets at the national level. Notably, the country's environmental achievements can intensify by implementing more efficient environmental taxation policies. Moreover, we also highlight the significance of this relationship when the country in more relying on renewable energy, emits less CO2, significant forest reserve, and has better employment opportunities.

Energy security and corporate performance: The impact of geopolitical risk

Md Akhtaruzzaman (Australian Catholic University, *Australia*), Sohel Mehedi (Australian Catholic University, *Australia*)

Abstract

This study shifts the focus from country-level to firm-level energy security by constructing a firm-level energy security index using unbalanced panel data from global firms between 2002 and 2022. Drawing on natural capital theory and the resource-based view, we explore how firms' dynamic capabilities and commitment to environmental sustainability contribute to reducing carbon footprints and achieving optimal energy security. Our results show that the energy security index is positively and significantly associated with corporate financial performance, while renewable energy use is linked to higher green revenue and financial gains. However, geopolitical risks and threat indices are identified as major obstacles to improving firm-level energy security. The establishment of the International Renewable Energy Agency and the proactive role of developed (OECD) countries are found to play a significant role in promoting renewable energy adoption and enhancing green revenue. These findings provide policy-relevant insights for advancing firm-level energy security, renewable energy use, and overall corporate sustainability.

B1.6: FinTech: Revealing Potential and Challenges

Digital transformation and the risk of share price collapse for cross-border listed companies: Evidence from China

Min Sun (Macau University of Science and Technology, China), John Zhang (Macau University of Science and Technology, China)

Abstract

While there are a number of studies on crash risk, very limited attention has been paid from the perspective of digital reform on cross-listed firms. Our findings indicate that digital transformation has a mitigating effect on the stock price crash risk of cross-listed companies. This result remains robust after endogeneity is addressed and robust checks are conducted. Compared with that of non-cross-listed firms, the mitigating effect of digital transformation on stock price crash risk is more pronounced for cross-listed companies. Further, among cross-listed firms, digital transformation has a stronger dampening effect on the risk of stock price collapse for companies listed in Hong Kong than for those listed in other markets. An analysis of the underlying mechanisms reyeals that the information quality of cross-listed Chinese

companies plays a mediating role. Overall, these results suggest that digital transformation is an important consideration for cross-listed companies.

The Evolving Structure of the Crypto-Asset Market: Evidence from a Supply-Demand Classification Framework (2013–2025)

Françoise Vasselin *(University Paris-Est Créteil, France)*

Abstract
This paper presents a novel classification method for crypto-assets (CAs) based on their supply and demand functions. Native CAs are issued through blockchain code, while nonnative CAs rely on smart contracts on host platforms. Demand is driven either by the use of CAs as a medium of payment or as a means of accessing blockchain-based services. These two dimensions result in four distinct sub-markets: Means-of-Payment Cryptocurrencies (MoPCCs), Platform Cryptocurrencies (PCCs), Non-Monetary Tokens (NMTs), and Stablecoins (SCs). Applying this framework to the Top 50 CAs by market capitalization from 2013 to 2025, we track the evolving composition of the CA market. MoPCCs, once dominant at 99% in 2013, now represent 72%. PCCs, NMTs, and SCs have gained ground, with shares. of 18%, 2%, and 8%, respectively. Excluding Bitcoin, MoPCCs fall below 20% in 2025, confirming a structural shift toward service-oriented assets in the Web3 ecosystem. Each sub-market exhibits a specific competitive structure: 27 quasi-monopoly for MoPCCs, oligopoly with a dominant firm for PCCs, Schumpeterian competition NMTs, and a stable duopoly in SCs. Network effects and first-mover advantage play a central role in shaping these outcomes. Our classification offers a unified analytical tool for understanding the internal segmentation of the CA market and its transformation over time. It also provides valuable insights for regulators and investors, helping them tailor strategies and policies to the distinct dynamics of each sub-market at the core of decentralized finance and the emerging digital economy.

Fintech and financial constraints of small businesses: Empirical evidence from cross-country WBES microdata

Marian Rizov *(Molde University College, Norway)*

Abstract
Small businesses often face significant financial constraints due to the higher transaction costs associated with the asymmetry of information between firms and finance providers. Recent studies suggest that innovations in financial technology (fintech) can mitigate these challenges by enhancing information availability and accuracy while improving selection, matching, and monitoring in the financial intermediation process. This study investigates the role of fintech development in alleviating financial constraints of small businesses relative to their larger counterparts, using cross-country microdata. Our findings reveal that the benefits of fintech development in reducing financial constraints are particularly pronounced for smaller businesses. In contrast, while banking sector development alleviates financial constraints for businesses overall, it may exacerbate constraints for small businesses. These results are robust across various measures of financial constraints and estimation techniques, highlighting the transformative potential of fintech in fostering financial inclusivity.

Entrepreneur or Scammer? Incentives for Rug Pulls in Token Platforms

Zhenya Liu *(Renmin University of China, China)*, Zhesheng Liu *(London School of Economics)*, **Yaosong Zhan** *(Sun Yat-Sen University, China)*, Yuqian Zhao *(University of Sussex, United Kingdom)*

Abstract
DeFi platform entrepreneurs may turn to becoming scammers for short-term gains, abandoning the platform and long-term sustainable profits. We apply a continuous-time impulse control model to analyze the incentives driving platform entrepreneurs to engage in such scam activities. Our model suggests that market dynamics, price elasticity, and token release costs play crucial roles in determining entrepreneurs' token release strategies. Platform entrepreneurs can adopt one of three token release strategies: the B - y long-term profitable strategy, rug pulls for short-term gains, or refraining from releasing tokens altogether. The influence of model parameters is analyzed through simulated model, and we provide real-world case studies to validate our model.

B1.7: Corporate Finance 2

Investor Punishment Psychology and Stock Price Overreaction Following Earnings Management Exposure: A Behavioural Economics Perspective

Kai Yang *(Beijing International Studies University, China)*, **Ying Wang** *(Beijing International Studies University, China)*, Shuxin Liu *(Beijing International Studies University, China)*, Yimeng Zhang *(Beijing International Studies University, China)*

Abstract
We examine whether earnings management exposure affects subsequent stock price volatility in China's A-share market. Guided by prospect theory, negativity bias, and attribution theory, we develop hypotheses and test them using panel regression analyses on 15,955 firm-year observations of Chinese listed firms from 2010 to 2022. We find a significant negative association between earnings management exposure and the subsequent stock price volatility of the affected firms. This effect is amplified by investor sentiment: exposure events trigger punishment-driven sell-offs and sustained price declines beyond the initial disclosure, indicating persistent overreaction by investors. The negative market response is more pronounced during the annual April financial reporting season, consistent with attribution bias under information overload. Our study contributes to the behavioral finance and earnings management literature by demonstrating that earnings management exposure events serve as exogenous shocks with significant market consequences. The findings also offer practical implications for regulators, corporate governance, and the management of investor sentiment.

Adoption of Chatbots for Investment in China: An Extension of the UTAUT Model

Yutong Chen (China University of Petroleum-Beijing at Karamay, China), Chongwei Lu (China University of Petroleum-Beijing at Karamay, China), Feng Xie (China University of Petroleum-Beijing at Karamay, China)

Abstract
This study investigates the determinants of Chatbots adoption for investment purposes through an extended Unified Theory of Acceptance and Use of Technology (UTAUT) framework. We propose an integrative model incorporating five critical factors: perceived ease of use, perceived usefulness, social influence, perceived risk, and algorithm aversion. Employing a survey methodology, we collected 506 valid responses and partitioned into two sample subsets to examine the differential impacts of these factors on behavioral intention and use behavior. The analysis utilized a hybrid approach combining partial least squares structural equation modeling (PLS-SEM) and artificial neural networks (ANN), enabling both linear relationship verification and non-linear pattern detection. Results indicate that: (1) Perceived usefulness and social influence significantly impact behavioral intention. (2) Perceived ease of use, perceived usefulness, and social influence exhibit significant positive effects on use behavior. (3) Neither perceived risk nor algorithm aversion manifested significant impacts across both analytical models. The ANN importance analysis reveals that the importance of perceived usefulness increases by 71.48% from intention to behavior stage, highlighting a deepening user cognition post-adoption. This study provides a theoretical basis for understanding intention and behavior to use Chatbots for investment and financial management, and insights for investment Chatbots designers and financial service providers.

Does Digitalization Promote the Servicification of Manufacturing Firms in China?

Wenxiao Wang *(The University of South Australia, Australia)*

Abstract
In this paper, we explore the digital transformation of Chinese firms and its impact on service integration within manufacturing activities in China. Using highly disaggregated firm-product level data, we examine various dimensions of the servicification in manufacturing and assess how digital adoption affects these processes. Our findings indicate that the adoption of digital technologies significantly drives Chinese manufacturing firms to generate more service outputs, either by complementing traditional manufacturing activities or by increasingly substituting manufacturing products with services. Moreover, we observe that digital adoption substantially improves the productivity and profitability of these firms, further incentivizing them to expand their service offerings. Using text mining and sentiment analysis, we find that only manufacturing firms with positive attitudes toward digitalization strategy tend to increase their service outputs. These results highlight the transformative effects of digital technology on manufacturing production, shedding new light on the evolving trends of service-led global value chain upgrading in China.

Digital Financial Inclusion and Subjective Wellbeing in Developing Economies

Vandana Arya *(University of South Australia, Australia)*

Abstract
Globally, financially excluded individuals are said to have reached 2 billion. Policymakers have made accelerated efforts to adopt financial technology innovations to combat financial exclusion and reach underserved individuals, particularly in remote areas and societies with minimal resources. This paper investigates the effect of mobile money transactions per 100 adults on individuals' subjective wellbeing (SWB) - notably people's feelings around thriving, struggling or suffering. We employ a sample consisting of thirty-one low- and middle-income countries from 2013 to 2019. The results demonstrate that mobile money services have a negative impact on individuals' SWB. This result is quite robust across all the indicators of SWB, and to alternative specifications and estimation methods. We also show that, in some specifications, the existence of a National Financial Inclusion Strategy mitigates the individual adverse

effects of mobile money services. We conjecture that this result is due to the potentially challenging nature of new technologies as they are introduced to developing economies, and the compatibility of such technologies to communities in them. Regulators must therefore be mindful of such unintended consequences when setting financial policy.

B2.1: Corporate Finance 3

Audit Market Entry Deregulation and Audit Quality: Evidence from China's 2020 Securities Law Reform

Zhihua Chen *(Xiamen National Accounting Institute, China)*, Xiaonan Yu *(Xiamen National Accounting Institute, China)*, Zhen Wang *(SILC Business School, Shanghai University, China)*, **Xuehua Gu** *(Beijing International Studies University, China)*

Abstract
This paper examines how increased auditor competition affects audit quality by leveraging China's 2020 Securities Law reform, which lowered entry barriers for audit firms. Using a PSM-DID approach on Chinese listed firms from 2017 to 2023, we compare audit outcomes between firms that switched to newly entered auditors and matched control firms. We find that firms engaging new auditors are less likely to receive modified audit opinions and exhibit more aggressive reporting, indicating lower audit quality. These firms also pay higher audit fees, suggesting stronger incentives for opinion shopping especially among financially constrained firms. The findings highlight that intensified competition, while promoting market access, may undermine audit quality by incentivizing firms to seek favorable opinions.

The value and dark side of relationships in the aftermath of corporate financial misreporting: Evidence from seeking bank loans in abnormal situations

Qingyang Zhao *(School of Accounting, Dongbei University of Finance and Economics, Dalian, China)*, Xichan Chen *(Internal Audit College, Nanjing Audit University, Nanjing, Jiangsu, China)*, Erwei Xiang *(Newcastle University Business School, Newcastle University, Newcastle upon Tyne, United Kingdom)*

Abstract
This study empirically investigates whether and how a firm's relationship with stakeholders plays out in seeking bank loans in abnormal situations by using the context of financial misreporting revelation, given its well-documented substantial repercussions. We find that new bank loans of firms decrease significantly following their misreporting revelation, but this only occurs for firms without political connection or those with a weak supplier (customer) relationship. Such results suggest that firms' political connection and supplier (customer) relationship are intriguingly not broken up following their misreporting revelation in that relationships appear to have helped firms buffer information risk and credit risk caused by misreporting revelation. Overall, our findings offer additional empirical evidence on the impact of relationships following misreporting revelation. Such an impact of relationships seems valuable to firms, but it also reveals the dark side of relationships in that relationships violate the governance effect of regulatory punishment and damage market fairness.

Guarantee Behavior, Earnings Management, and Credit Spread: Evidence from Chinese A-share Listed Firms

Ruan Zifei *(Beijing International Studies University, China)*, **He Junyong** *(Beijing International Studies University, China)*, Wu Liyuan *(Beijing International Studies University, China)*

Abstract
Using guarantee and financial data for Chinese A-share listed firms from 2014 to 2022, this paper investigates the impact of external guarantee provision on earnings management (EM) practices, exploring underlying mechanisms and consequences. We find compelling evidence that higher external guarantee ratios robustly increase both the magnitude (absolute discretionary accruals) and the upward direction (income-increasing) of EM. This relationship is primarily driven by guarantees extended to subsidiaries, while guarantees to external parties show no significant effect. Channel analyses suggest this link operates through mediating pathways including increased financial risk, tighter financing constraints, and higher agency costs, consistent with increased corporate opacity and restatement likelihood. Further analyses reveal the effect is amplified for smaller, highly leveraged firms, and those guaranteeing highly indebted counterparties or located in less financially developed regions. Examining economic consequences, we find that higher guarantee ratios, particularly to subsidiaries, are associated with significantly wider corporate bond credit spreads. This study highlights the significant implications of guarantee activities for financial reporting quality and market risk assessment.

Leveraging "Knowledge" to Enhance "Quality": Intellectual Property Protection and the Development of New Quality Productive Forces

Jingfeng Zhao *(Northwest University)*, **Vigdis Boasson** *(Central Michigan University (CMU), United States)*, **Emil Boasson** *(Central Michigan University (CMU), United States)*

Abstract
Robust intellectual property (IP) protection is essential for incentivizing innovation and serves as a fundamental requirement and key safeguard for fostering new quality productive forces. This study evaluates the impact of enhanced IP protection systems on the advancement of new quality productive forces by analyzing the panel data from 275 Chinese cities spanning 2011 to 2021. Utilizing the establishment of National Intellectual Property Demonstration Cities as a quasi-natural experiment, we employ a multi-period difference-in-differences (DID) approach. Empirical results demonstrate that the implementation of stronger IP protections significantly accelerates the growth of local new-quality productive forces, a finding that withstands rigorous robustness checks and model validation tests. Mechanism tests indicate that this policy primarily enhances new quality productive forces by nurturing talent resources, overcoming regional innovation bottlenecks, and reinforcing government strategic guidance. Heterogeneity analyses further indicate that the promotional effects of this policy are more pronounced in cities with strong industrial synergy and agglomeration effects, optimized industrial structures, stringent informal institutional constraints, and advanced digital economies. Additionally, our spatial analysis identifies significant positive spillover effects, underscoring that enhanced IP protection benefits not only targeted cities but also surrounding regions in developing their new quality productive forces.

B2.2: Central Banking and Monetary Policy 1

Does a More Flexible Exchange Rate Stabilize a Transitional Economy? Evidence From China's Foreign Exchange Reform

Xiaochun Liu *(University of Alabama, United States)*, Yu You (*Liaoning University, China)*, Jun Ma (*Northeastern University, United States)*

Abstract
This paper studies two policy-related questions regarding China's currency internationalization and offers policy implications for central governments and global investors. To capitalize the transition of China's monetary policy from a quantity-based to an interest-rate-based framework, we integrate a modified McCallum rule and an augmented Taylor rule into our structural model. We empirically estimate a generalized SVAR model with correlations between level and volatility innovations. We find that firstly, since the currency internationalization the exchange rate has been acting as a shock absorber, especially in absorbing technology shocks. Secondly, the new interest-rate-based policy proves more effective than the previous quantity-based policy in influencing China's currency volatility. Thirdly, due to reduced degree of imperfect substitutability between China's and the U.S. assets, the exchange rate exhibits lower persistence levels. Finally, approximately 41% of observed improvements in inflation stability can be attributed to a decrease in currency-induced inflation uncertainty.

Housing Deposit Channel of Monetary Policy and Housing Price Double-Dip

Hamed Ghiaie *(ESCP Business School, France)*, Philipp Roderweis *(Economics Department, University Sorbonne Paris Nord, France)*

Abstract
Rising interest rates lead to a gradual decline in housing prices.", a widely held belief; this paper challenges this conventional wisdom both theoretically and empirically by showing that sustained restrictive monetary policy activates a novel transmission mechanism, i.e., the housing deposit channel, which, in turn, leads to a double-dip in housing prices: an initial decline upon impact, followed by a temporary upswing, and a subsequent second dip in the longer run. In this paper, a general equilibrium model provides theoretical insights into the underlying mechanisms that influence housing prices through the housing deposit channel and empirically, lag-augmented local projection estimation techniques demonstrate that the patterns observed in the data align with the model's predictions. By shedding light on the transmission channels of interest rate hikes to the economy, our study outlines the effects of monetary policy on the housing market and reciprocally, how the housing market influences the efficacy of monetary policy, particularly in achieving inflation targeting objectives.

Monetary-fiscal policy interactions in public debt consolidation: the role of fiscal rules and inflation targeting

Yunhan Zhang *(Beihang University, China)*, Zhixin Liu *(Beihang University, China)*, **Hao Jin** *(Beihang University, China)*

Abstract
This paper examines how the interactions of monetary and fiscal policy affect the consolidation of public debt. Using data across 86 countries from 1982 to 2021 and a debt decomposition framework, we find that the adoption of inflation targeting significantly strengthens the role of primary surplus on debt consolidation, whereas the joint implementation of fiscal rules and inflation targeting further increases the contribution of primary surplus in debt consolidation while weakening the contribution of inflation. We employ a New Keynesian model with monetary and

fiscal policy interactions to reconcile the empirical findings. In addition, counterfactual analyses show that the U.S. debt consolidation from 1994 to 2001 would rely more on inflation and result worse welfare outcomes if fiscal policy dominates or if policies lack coordination.

Central Bank Financial Stability Communication and Corporate Shadow Lending Behaviour

Xun Han *(Beijing International Studies University, China)*, Jiaxeu Qiao *(University of Chinese Academy of Social Sciences, China)*, Sara Hsu *(University of Tennessee at Knoxville, United States)*

Abstract

This paper constructs a three-period dynamic investment and financing equilibrium model with endogenous credit rationing to analyze the impact of central bank financial stability communication on corporate shadow lending behavior. Subsequently, we employ natural language processing techniques to construct a tone indicator for central bank financial stability communication. Using data from non-financial listed enterprises from 2007 to 2021, we empirically analyze the relationship between central bank financial stability communication and corporate shadow lending behavior. The findings indicate that the more negative the tone of the central bank's communication regarding financial risks, the lower the scale of corporate shadow lending. The mechanism analysis reveals that the tone of central bank communication regarding financial risks influences corporate shadow lending behavior through channels of financing costs, supply chain contagion effects, and liquidity reserves. The cross-sectional heterogeneity analysis results indicate that the impact of central bank financial risk communication on corporate shadow lending behavior is more significant in enterprises with lower loan risks and higher collateral ratios, as well as in non-zombie firms and private enterprises. The results of the expanded analysis indicate that capital market regulation reduces the positive relationship between the tone of central bank financial stability communication and corporate shadow lending behavior. In contrast, an increase in financial misallocation has an adverse moderating effect on the relationship between the two. Enhancing the central bank's communication intensity regarding financial stability policies contributes to a more effective role of the tone of central bank financial risk communication in regulating corporate shadow lending behavior.

B2.3: Green Finance and Green Environment

Research on the Impact of Green Finance on New Quality Productivity -Based on the perspective of high-quality development

Zhengwei Ma *(China University of Petroleum-Beijing, China)*, **Feng Xiaoya** *(China University of Petroleum-Beijing, China)*, Feng Xiaoqi *(University of International Business and Economics, China)*

Abstract

Based on panel data from 2013 to 2022,this paper employs the entropy method to measure the levels of new quality productivity, high-quality development, and green finance in 30 provinces across China. It empirically investigates the impact of green finance on new quality productivity and high-quality development.The results indicate that green finance contributes to the enhancement of new quality productivity and high-quality development. The primary pathways through which green finance affects new quality productivity are technological innovation, industrial transformation and upgrading, and investment. For high-quality development, the main pathways are technological innovation and industrial transformation and upgrading. The promoting effect of green finance on new quality productivity and high-quality development exhibits regional heterogeneity and differences in carbon emission levels.

The Impact and Mechanism of Carbon Emission Trading Policy on the New Quality Productivity of Enterprises: Empirical Analysis Based on A-Share Listed Companies in China

Yiran Zhang *(Southwestern University of Finance and Economics, Chengdu, China)*, Hanyu Zhang *(Southwestern University of Finance and Economics, Chengdu, China)*, Zhaoxuan Cai *(Southwestern University of Finance and Economics, Chengdu, China)*, Jun Wang *(Southwestern University of Finance and Economics, Chengdu, China)*

Abstract

Although carbon trading policy has become an important market-based tool for promoting low-carbon transformation in China, the research on its impact on the new quality productivity of enterprises is still insufficient. This research constructs a comprehensive evaluation index system of new quality productivity centered on the three effects of "innovation, greenness, and production", and adopts the entropy weight method to measure the system quantitatively. Based on the data of A-share listed companies from 2010 to 2023, this research introduces the double machine learning method to empirically test the impact of carbon trading policy on the new quality productivity of enterprises and its internal transmission mechanism. The results show that the carbon trading policy significantly improves the new quality productivity level of enterprises, mainly in enhancing their innovation and green driving force; meanwhile, the policy effectively optimizes the resource allocation and technological transformation process of enterprises by promoting information disclosure, alleviating financing constraints and strengthening government supervision. Further

heterogeneity analysis shows that carbon trading policies have a more significant impact on non-state-owned enterprises, small-scale enterprises, and enterprises in regions with strict environmental enforcement. This research not only enriches the theoretical research on the effect of carbon trading policy but also provides important empirical evidence for improving the carbon trading market system and promoting the green transformation of enterprises.

The Impact of Environmental Information Disclosure on Long-term Investment with short-term financing of Enterprises: An Analysis based on Listed Companies of Heavy Pollution Industries

Yongying Chen *(Beijing International Studies University (BISU), China)*, **Peilin Zhao** *(Beijing International Studies University (BISU), China)*, Yang Tao *(Beijing International Studies University (BISU), China)*

Abstract

Long-term investment with short-term financing has a negative impact on Chinese enterprises. This paper takes A-share listed companies in Chinese heavily polluting industries from 2015 to 2022 as a sample, and analyzes the relationship between environmental information disclosure and long-term investment with short-term financing. The research results are as follows. First, Environmental information disclosure can restrain the long-term investment with short-term financing behavior of enterprises. Second, Environmental information disclosure can restrain the long-term investment with short-term financing behavior of enterprises by alleviating the financing constraints of enterprises and by reducing the agency cost of controlling shareholders. Third, The higher the media attention and the lower the shareholding ratio of institutional investors, the more environmental information disclosure can inhibit the degree of long-term investment with short-term financing of enterprises. Fourthly, the restraining effect of environmental information disclosure on long-term investment with short-term financing of enterprises exists mainly in non-state-owned enterprises. Based on the above rescarch results, the following suggestions are put forward. First, Enterprises should adhere to the concept of green development and take responsibility for environmental protection, so as to gain the trust of external investors. Second, Government departments should continue to improve the legal system of environmental information disclosure, give play to the role of media supervision, crack down on insider trading, and maintain a good development environment for listed companies.

Green Spillover of Digitization through Information Flow in Supply Chains: Evidence from China

Donghua Wang *(East China University of Science and Technology)*, **Yifei Guo** *(East China University of Science and Technology)*

Abstract

Digital transformation has emerged as a transformative force to help green development. However, the potential and channels through which the carbon reduction effects of digital transformation are transmitted across supply chain relationships remain unexplored. Based on data from China's listed companies and their upstream and downstream supply chains spanning from 2009 to 2022, this study demonstrates the green spillover effects of digital transformation in supply chains. The emission reduction mechanism operates through information flows in the supply chain: environmentally-oriented disclosure and technologically-oriented practice disseminated throughout the supply chain network. Further study suggests that spillover effects vary across supply chain relationship, most prominent among customer firms and first-tier network partners. Heterogeneity analysis indicates that: the impact is more substantial in industries with heavy polluters, non-high-tech firms, and those located in eastern regions. This study not only emphasizes the critical role of information flows in curbing carbon emissions in supply chains, but also provides insights into how supply chain network relationships affect this effect, thus providing valuable guidance for creating sustainable "low-carbon ecosystems" for emerging economies and businesses.

How Do Mutual Funds Respond to Salient Pollution Events?

Chai Daniel *(RMIT University, Melbourne, Australia)*, Özlem Dursun-De Neef *(Monash University, Melbourne, Australia)*, Jin Zhang *(RMIT University, Melbourne, Australia)*, Han Zhou *(Monash University, Melbourne, Australia)*

Abstract

We investigate how salient chemical spills shape fund managers’ portfolio allocations. Analyzing 36 chemical spill incidents from 2000 to 2019, we find that funds based in the same designated market area as the spills exhibit higher ESG scores in the year following the events. These funds achieve their ESG commitments by divesting from low- to high-ESG stocks. This portfolio reallocation is more pronounced for funds with more socially responsible investors and among funds located in Democrat-leaning counties and regions with stronger environmental attitudes. This suggests that social motives, rather than financial considerations, are more likely to drive this portfolio reallocation. Additionally, we observe that fund managers strategically invest in high-ESG stocks that demonstrate strong financial performance and are geographically proximate, reflecting their efforts to align social investments with financial goals.

Artificial Intelligence Enabling Supply Chain Resilience: The Roles of Government Green Support and Public Environmental Attention

Jiapeng Dai *(University of Wollongong Malaysia (UOWM), Malaysia)*

Abstract
As global supply chains face mounting disruptions and sustainability demands, firms are increasingly turning to artificial intelligence (AL) to enhance operational resilience. This study investigates the mechanisms through which AI adoption strengthens supply chain resilience, using a longitudinal dataset of Chinese listed firms from 2012 to 2023. We conceptualize resilience as a function of supply chain transparency, operational efficiency, and concentration, and find that these three factors mediate the AI-resilience relationship. The analysis further reveals that this relationship is significantly moderated by institutional context: both government green support and public environmental attention intensify the resilience benefits derived from AI investments. Finns operating under strong regulatory incentives or heightened public serutiny are more likely to utilize AI effectively for resilience-enhancing purposes. Additionally, the resilience impaet of AI varies across organizational and contextual conditions. Subgroup analysis demonstrates that firm size, ownership structure, environmental regulation stringency, and digital trade intensity significantly influence the extent to which AI translates into resilience capabilities. These findings contribute to resource-based and dynamic capabilities perspectives by identifying AI as a strategic enabler of resilience through adaptive supply chain functions, while also highlighting the importance of institutional theory and information processing theory in explaining cross-firm differences. The study offers actionable implications for supply chain managers and policymakers, suggesting that AI's efectiveness in improving resilience is contingent not only on internal capability but also on the broader institutional and operational environment in which firms operate.

The Impact of Artificial Intelligence on Total Factor Productivity: Evidence from China

Jingwen YANG *(Business school, Beijing International Studies University, China)*, Lejiao Jiang *(Business school, Beijing International Studies University, China)*

Abstract
As a new-generation digital technology, artificial intelligence (AI) offering significant potential for enhancing corporate productivity and market value. Based on the data of Shanghai and Shenzhen A-share listed companies in China from 2003 to 2023, we find that AI has a substantial positive effect on total factor productivity (TFP), and this conclusion remains valid under multiple robustness tests. Mechanism analysis further reveals that this enhancement is achieved by strengthening innovation capabilities, improving the efficiency of supply chain, and mitigating the information asymmetry. The heterogeneity test of enterprises found that non-state-owned enterprises, large-scale and non-manufacturing enterprises can significantly enhance the positive impact of AI on TFP. Further heterogeneity testing based on industry attributes revealed that this promoting effect is more significant in asset intensive, non-labor intensive, and non-technology intensive enterprises. The exploratory analysis also confirms that AI improves market value. Therefore, this study offers new insights and theoretical foundations for understanding how AI improves TFP through innovation enhancement (technology), supply chain optimization (efficiency), and information asymmetry reduction(information), providing valuable references for policy-making.

The Financial Benefits of Digital Technology Adoption: Evidence from Large Language Model

Li Cheng *(Central University of Finance and Economics, China)*, Li Tao *(Central University of Finance and Economics, China)*, **Xuankai Zhao** *(Central University of Finance and Economics, China)*, Shengkun Zhao *(Central University of Finance and Economics, China)*, Zhu Xinyue *(Chinese Academy of Science and Technology for Development, China)*

Abstract
Despite the fact that digital technologies are extensively adopted for enhancing business operation and performance, evidence on their effects on firm financing activities remains limited our study utilizes a large language model to measure the adoption of six widely used digital technologies and then examines the impact of digital technologies on corporate financing decisions among Chinese A-shared listed firms. The empirical analysis shows that advanced digital technologies significantly improve firms' financing conditions by easing constraints, lowering costs, and increasing funding amounts. These benefits arise through three key channels: enhancing corporate transparency, boosting profitability, and fostering innovation. Further analysis reveals that the improvement in financing conditions driven by digital technologies is more pronounced in smaller firms and for equity financing. Our results highlight the economic significance of digital technology in mitigating financial frictions and improving capital allocation efficiency.

Artificial Intelligence Investment and Firm Growth Strategy

Hafiz A Hoque *(School of Management, Swansea University, United Kingdom)*, Saadia Irfan *(School of Management, Swansea University, United Kingdom)*

Abstract

Emerging research has endorsed the use of artificial intelligence for its positive firm-level economic impact. This study empirically confirms its effectiveness in contributing to the scope of the firm. Utilizing a sample of US firms from 2007 to 2020, we document that investment in AI-skilled employees helps firms increase their scope through mergers and acquisitions. These results are robust to various model specifications and instrumenting AI investment using firms' exposure to universities' supply of AI graduates. Further analysis reveals that investment in AI-skilled employees are positively related to Buy-and-Hold Abnormal Returns around those mergers and acquisitions, as well as post-transaction return on assets. Taken as a whole, our results support the view that investment in artificial intelligence unlocks firm scope expansion through mergers and acquisitions.

B2.5: Corporate Governance 2

Breaking the boilerplate: Regulatory as Minority Shareholder and Key Audit Matters Disclosure.

Bo Li *(Beijing International Studies University, China)*, **Xinze Liu** *(Beijing International Studies University, China)*, Zhenya Liu *(EM Normandie Business School, France)*

Abstract

The study investigates the impact of the China Securities Investor Services Center (CSISC) as a regulatory minority shareholder on reducing the boilerplate disclosure of Key Audit Matters (KAMs) in Chinese non-financial A-share listed firms from 2017 to 2023. Using a staggered difference-in-differences (DID) model, the findings demonstrate that CSISC's interventions significantly reduce templated language in KAMs by increasing litigation risks and regulatory scrutiny, thereby incentivizing auditors to provide more firm-specific, high-quality disclosures. Heterogeneity analysis reveals stronger effects for on-site engagements and audits conducted by non-Big Four firms. Additionally, breaking the boilerplate in KAMs enhances market efficiency by lowering stock price synchronicity, aligning audit transparency with minority investor protection.

Shareholder networks and corporate finance constraints: evidence from emerging economic entities

Juan Zhang *(Beijing International Studies University, China)*, Xiaoling Di *(Beijing International Studies University, China)*, **Chenglu Wang** *(Beijing International Studies University, China)*

Abstract

Difficulties in financing are important dilemma to the survival and development of companies. Enterprises, as members of society, will always be in certain social networks. Therefore, this paper analyzes the impact of shareholders' network on financing constraints in the emerging market. Based on the data of publicly listed companies in China from 2010 to 2022, we investigate the impact of shareholders' network on financing constraints. We apply the ordinary least squares models to test our hypotheses and present several robustness tests to verify the results. This paper shows that the shareholder network can alleviate the corporate financing constraint dilemma, and the higher the network centrality, the stronger its alleviating effect on corporate financing constraints. Under the presence of economic policy uncertainty strikes, the mitigating effect of shareholders' networks on firms' financing constraints increases. This increasing mitigating effect exists in the private companies as well. The mechanism tests confirm that shareholder networks reduce financing constraints by increasing firms' information transparency, reducing agency costs, and decreasing firms' inefficient investments. This paper provide certain ideas for companies to solve financing problems, with the help of the invisible hand of the shareholder network, to fully obtain and utilize valuable, information and resources, and to establish efficient financing channels. This study shed the research light on governance effects of the shareholder network in the emerging market. In addition, it shows that the shareholder network can help the corporations having the financial difficulties. This study expands the relevant literature on the factors affecting financing constraints, explores their impact on corporate financing constraints from the perspective of social relations: And it enriches the impact of social capital theory on corporate governance.

Institutional environment, Corporate Misstatement, and Bank Loan

Linqing Zheng *(School of Economics and Management, Fuzhou University, China)*, Chen Xichan *(Internal Audit College, Nanjing Audit University, China)*, Renfred Wong *(Lancaster University Leipzig, United Kingdom)*

Abstract

We investigate the effect of corporate misstatement announcements on the granting of bank loan in different institutional environments. Compared with the non-misstatement companies, banks restrict significantly the availability of bank loans for companies who are found guilty of misstatement. For the increase of one standard deviation in the incidence of misstatement, bank loans tend to decrease by 28.95% relative to the sample mean. The above

phenomenon, however, is not significant in regions where the legal rule is not well developed. While the enhanced of corporate governance rules (standard audit opinions and executive changes) cannot alleviate the negative impact of misstatement announcements on bank loans. It shows that in developing countries, the legal rule plays a vital role in mediating the negative impact of corporate misstatements. This research extend the study to the impact of the legal rule and corporate governance rules on the consequences of illegal information disclosure, which will provide a more comprehensive explanation on how the institutional environment affects company disclosures. It also complements the study of the consequences of corporate misstatement and the resultant image restoration by companies.

Can Government Accounting Supervision Reduce the Degree of Excessive Debt of Enterprises? A Quasi-Natural Experiment Based on Financial Supervision and Inspection by the Ministry of Finance in China

Wu Jianfeng *(Business School, Beijing International Studies University, China)*, Sainan Li *(Business School, Beijing International Studies University, China)*, Xinze Xu *(Business School, Beijing International Studies University, China)*.

Abstract

Unlike risk-oriented models adopted by most countries, China's government accounting supervision uses a random inspection model. This indicates a significant difference in how regulatory resources are allocated across nations. As an essential part of China's supervisory governance system, government accounting supervision is crucial in maintaining financial discipline while promoting high-quality corporate development. Based on China's Ministry of Finance's financial supervision and inspection mechanism, this study examines the impact of government accounting supervision on excessive corporate debt. We analyzed a sample of A-share listed Chinese companies from 2005 to 2023. The findings suggest that government accounting supervision helps mitigate excessive corporate debt. The influencing mechanisms involve strengthening corporate governance, controlling earnings management, and curbing corporate cash flow risk. Moreover, China's government accounting supervision's suppressive impact on excessive debt is more evident in state-owned enterprises (SOEs), firms that exhibit underinvestment, firms with higher internal control, and firms active in highly marketized regions. These findings suggest that China's unique government accounting supervision model enhances regulatory efficiency and corporate governance, providing insights into corporate leverage reduction from a regulatory perspective.

B2.6: Finance and Governance

Economic and institutional factors influencing bilateral trade in mining and quarrying between China and Africa: A gravity model analysis

Gizachew Dessalegn *(China University of Geoscience, Beijing, China)*, Sanmang Wu *(China University of Geoscience, Beijing, China)*, Azmat Sher *(King Fahd University of Petroleum and Minerals (KFU), Saudi Arabia)*

Abstract

The mining and quarrying industry is vital to the global economy, providing essential raw materials for many sectors. China is a major importer of African minerals, deepening trade ties with Africa and shaping the economic and political landscape of the two regions. This study examines the economic and institutional factors that affect Africa-China mining and quarrying trade flows from 2010 to 2023, using a trade gravity model with methods such as Feasible Generalized Least Squares (FGLS), Random Effects, ET-Tobit, EK-Tobit, Poisson Pseudo Maximum Likelihood (PPML) and Multinomial Poisson Maximum Likelihood (MPML. The results showed that the quality of institutions, especially the level of corruption, and political stability played a key role, with a 1% improvement corruption control level associated with an increment of $/1.97 million mining exports in Africa and political stability adjusts volatility of mineral exports. Key economic factors, including GDP, the net barter trade index, and deflation have a positive impact on Africa's export capacity, while population size shows mifed effects on trade dynamics. The present study provides actionable policy recommendations for improving governance in the mining sector, adopt blockchain mechanism for tracing illegal mining, enforce strict contract terms for mining trade partnerships, and promoting sustainable development

The Role of Finance and Income in Energy Diversification: A Club Convergence Analysis of Asia-Pacific

Thanh Nguyen *(School of Business, James Cook University, Singapore campus, Singapore)*, Thanh-Pt Nguyen *(School of Banking, University of Economics Ho Chi Minh City, Vietnam)*

Abstract

The Asia-Pacific, the world's largest energy consumer, faces uneven energy diversification despite growing demand and progress in renewables. This study explores whether energy diversification is converging across 40 Asian Pacific countries from 2000 to 2021 and examines the roles of economic wealth and financial development. Results from the beta convergence test show that countries with low initial energy diversification have improved faster than others. However, the distribution of diversification levels shows two distinct peaks - one at low and one at high levels - pointing to the existence of convergence clubs. The log t test confirms this by rejecting full regional convergence and identifying

two clubs: Club 1 consists of 14 countries with low and slightly declining energy diversification, while Club 2 includes 22 countries with high and steadily increasing diversification. Regression analysis at the regional level shows that financial development is the strongest positive driver of energy diversification, followed by per capita income. Yet at the club level, their impacts vary by club: financial development promotes diversification in both clubs, while per capita income hinders it in Club 1 but slightly supports it in Club 2. These findings suggest that a one-size-fits-all approach will not work. Policymakers should tailor strategies based on their country's position within the convergence path to effectively promote energy diversification and support sustainable development.

Critical Determinants for National Digital Competitiveness: A Multi-Method Analysis

Larry Li (RMIT University, Australia), Hepu Deng (RMIT University, Australia), Duan Sophia (La Trobe University, Australia), Aysha Akter (RMIT University, Australia)

Abstract
This paper investigates the critical determinants that influence the digital competitiveness of individual countries. Multiple data analysis methods including the pooled ordinary least square approach, the panel data analysis approach, and the generalized method of moments approach have been applied for examining the 64 country level data set during the 2017-2021 period. The study shows that economic freedom index, number of internet users, number of patent applications from non-residents, and number of secure internet servers have a positive impact on national digital competitiveness. It finds that the importance of these critical determinants on national digital competitiveness varies greatly across different countries, largely due to the unique social, economic, and business background in each nation. Furthermore, the study proposes a dynamic digital competitiveness model which is useful for improving the digital competitiveness of individual countries. This study contributes to the national competitiveness research with the identification of the critical determinants for affecting the national digital competitiveness through digital transformation in the digital economy.

Energy performance-Credit nexus in private firms: Evidence from developing countries.

Niro Wellalage *(University of South Australia, Australia)*, Damien Wallace *(James Cook University, Australia)*

Abstract
This study investigates the effect of bank financing on energy efficiency investment, energy management, and energy consumption disclosure assurance of private manufacturing firms. Using firm level data from the World Bank Enterprise Surveys of 33 developing countries, we find that bank financing significantly impacts energy performance activities. A one percent increase in bank financing relates to a 3.52, 3.13 and 2.09 percent increase in the probability of energy efficiency investment activities, energy management activities and energy disclosure assurance, respectively. The sub-sample analysis indicates that small firms and firms from low-income economies can reap the benefits of bank financing compared to their large and high-income counterparts. By providing an extensive investigation of energy performance in private firms, this study contributes to a lively debate on energy performance in private firms in developing countries. This study has significant policy implications for developing countries seeking more environmentally friendly developments. Our findings suggest that increasing the accessibility of bank financing is essential for promoting energy performance in private firms.

When conservatism stifles progress: The innovation cost of external finance

Michael Machokoto *(Banque africaine de développement / African Development Bank (BAD)- Ivory Coast)*, Boulis Ibrahim *(Heriot-Watt University, Edinburgh, United Kingdom)*, Joseph Amankwah-Amoah (Durham University*, United Kingdom)*

Abstract
A substantial proportion of enterprises practice financial conservatism, yet the implications of this non standard financing behavior, particularly its relationship with innovation, remain underexplored. Drawing on institutional theory and utilizing a sample of 95,660 small and medium-sized enterprises (SMEs) from 123 countries between 2006 and 2024, we examine the relationship between financial conservatism and innovation. We differentiate between two specific forms: optional financial conservatism (OFC), which reflects managerial preferences to avoid external financing despite financial capability, and forced financial conservatism (FFC), which results from external financial constraints. Our findings indicate that financial conservatism is negatively associated with SME innovation, with OFC exerting a more pronounced effect than FFC, especially in countries with weaker institutions. Conversely, stronger institutions mitigate these negative effects by reducing financial frictions and fostering innovation. Furthermore, the influence of legal origin is significant. In common law systems, flexibility and regulatory uncertainty amplify the negative implications of OFC, whereas, in civil law systems, the stability and predictability of codified legal structures help to alleviate these effects. The results provide valuable policy insights, emphasizing the critical role of policymakers in enhancing institutional quality and tailoring legal frameworks to reduce financial barriers and foster innovation among SMEs.

Identifying Bitcoin quotation turning point patterns using dynamic time-warping

Michał Bernardelli *(SGH Warsaw School of Economics, Poland)*, Mariusz Kozakiewicz *(SGH Warsaw School of Economics, Poland)*

Abstract

Theoretical background: Automation of investor actions on cryptocurrency exchanges is necessary due to their specificity, which involves, among others, 24-hour operation, high volatility, low market liquidity, and the high speed of concluded transactions. Research in this area includes arbitrage opportunities, predicting the direction of changes in cryptocurrency quotes, and constructing investment strategies. However, one of the critical aspects of analysing investment instrument quotes is identifying turning points and trying to find regularities in the behaviour of the time series of these quotes. The motivation for the study was the observation of a considerable similarity between cryptocurrency market analyses and research on business cycles and the potential behind using knowledge obtained by business cycle researchers, in particular the methodology, for research in the area of cryptocurrencies.
Purpose of the article: The study aimed first to determine the degree of similarity of the periods preceding the turning points of Bitcoin's quotations. The choice of this cryptocurrency was related to its dominance in the cryptocurrency market and its proven impact on altcoin prices. The second set goal was to verify the possibility of developing a pattern reflecting peaks and troughs in the cryptocurrency market near the reversal of the Bitcoin quotes trend.
Research methods: This paper presents an approach to analysing the similarity between different phases of business cycles based on the concept of dynamic time warping (DTW). This method has already been successfully used to investigate potential similarities between business cycles and has been extended to comparisons of different subsets of the same time series. The DTW measure was the basis for cluster analysis and was used to determine the distance between clusters composed of time series. An integral part of the study was proposing a procedure for constructing patterns of quotations' behaviour in a specified window before the identified turning point.
Main findings: To confirm the approach's effectiveness, an empirical analysis was conducted and described using the example of Bitcoin, providing knowledge on the observed regularities in the behaviour of quotations. A more significant similarity was observed between the contraction phases in comparison to the expansion phases. In the case of contraction phases, two types of patterns dominate, while in the case of expansion phases, there is one dominant pattern. The remaining patterns prove that the unusual course of quotations in the cryptocurrency market occurs much more often than in the economy. Of course, due to the greater granularity of the time series of cryptocurrency quotations, the number of turning points and the associated contraction and expansion phases is also greater than in the case of business cycles. Based on the analysis of the dominant patterns, it can also be stated that before the reversal of the situation in the cryptocurrency market, stable and systematic increases and decreases occurred more often than quotation patterns with high volatility.

Profitability and Efficiency of Upper Midwest US Small Banks: Evidence from pre-during-post 2008 Global Financial Crisis

Rasoul Rezvanian *(University of Wisconsin–Green Bay, United States)*

Abstract

Using data from Very Small Community banks (VSCBs) banks in the Upper Midwest region of the United States, spanning from 2001 to 2021, we have categorized this information into three distinct periods: pre-crisis (2001-2006), during the crisis (2007-2011), and post-crisis (2011-2021) surrounding the 2008 Global Financial Crisis (GFC). Using profitability ratios and a non parametric approach, we evaluate VSC banks' profitability and cost efficiency across these three periods. The results indicate that the GFC had a significantly negative impact on the profitability of VSC banks. A declining profitability trend began three years before the crisis, culminating in a sharp decline during the 2008 GFC. However, a recovery in profitability started in 2010 and continued through 2021. Regarding changes in cost efficiency across the three periods, we found no significant variations in efficiency measures. Two key conclusions can be drawn. Firstly, small banks were able to take advantage of the low-interest rate environment during and after the 2008 GFC. Secondly, the decline in profitability for these banks began three years before the GFC, while the recovery in profitability was observed even before the crisis had officially ended. This suggests that profitability changes for U.S. small banks may hold predictive value.

Partner Selection in Venture Capital Syndication -A Neural Network-based study

Qiong Ji *(Xi'an Jiaotong-Liverpool University, China)*, Xiaoming Ding *(Xi'an Jiaotong-Liverpool University, China)*

Abstract

VC partner selection lies at the center for understanding why syndication can reduce risk and enhance the value of portfolio firms. However, given the dynamic of VC industry, it is difficult to model the VC partner selection process and assist the lead VC to select the very best partners. Neural Network provide an analytical alternative to conventional techniques which are often limited by strict assumptions of normality, linearity, variable independence etc. and it can capture dynamic and non-linear relationships. In this paper, we use Neural Network to analyze factors impacting partnering decisions in venture capital syndication using a data set of 10,252 transactions with 264 potential candidates and more than 130,000 decisions in China during the period of 1989-2022. This is the first time that machine learning is applied to build a prediction model of VC partner selection decision using firm profiles and transactional relationships among them in venture capital syndication. The results show that our approach successfully predicts partner selection decision with prediction accuracy of 99.32%. Further, we employ rare events logistic regression to study what characteristics of the potential partner influence the likelihood of collaboration, results show that industry experience represents a valuable signal to infer the ability of potential partner VCs and combining signals of industry experience and joint history or reciprocation strongly increases the probability of cooperation. Moreover, by splitting the sample into the different stages of development for the portfolio firm, we find that signal strength increases the likelihood of cooperation in later stages more than in earlier stages. Last, signal matters more if the partner is not backed by the government.

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C2.1: Customer-supply finance

Customer city digitalization as a catalyst for supplier digital transformation: Evidence from supply chain dynamics

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Abstract

This study examines how digitalization of customer cities influences the digital transformation of suppliers within the supply chain. We manually construct paired dataset, comprising China A-share listed corporations as suppliers and their disclosed major customers, covering the period from 2011 to 2020. Our results indicate that suppliers' digital transformation is significantly enhanced when their major customers are in more digitally advanced cities. Further analysis reveals three key channels. First, strong economic influence of cities can exert its influence on suppliers beyond boundaries and push suppliers' digital transformation forward. Second, overlapping institutional investors between suppliers and customers facilitate knowledge sharing along the supply chain, thereby promoting the suppliers' digital transformation. Third, major customers with strong bargaining power compel suppliers to enhance their digital transformation in order to align with the customers' interests. Moreover, inventory turnover is significantly improved following digital transformation in suppliers. Our findings remain robust after addressing potential endogeneity concerns and controlling for customer's firm-level digitalization. This study highlights the important channel through which regional digital transformation can spillover through the supply chain, providing valuable insights to policymakers.

Shareholder connection network and corporate supply chain resilience

Xuejiao Zhang *(College of Economics and Management, Nanjing Forestry University, Nanjing, Jiangsu, China)*, **Mengmeng Jiang** *(Xiamen University, Xiamen, Fujian, China)*

Abstract

This study uses data from Chinese A-share listed companies on the Shanghai and Shenzhen stock exchanges between 2007 and 2022 to explore the impact of shareholder connection networks on corporate supply chain resilience. The study finds that shareholder connection networks can significantly improve corporate supply chain resilience. Through interaction regression analysis, it is found that equity balance weakens the positive relationship between shareholder connection networks and supply chain resilience. Mechanism tests show that shareholder connection networks, based on advantages such as information and resources, significantly reduce operational risks and improve the quality of information disclosure of companies in the supply chain, thereby enhancing trust and cooperation among firms and ensuring the smooth operation of the supply chain. Heterogeneity analysis indicates that when companies are state-owned or located in the eastern region, the positive impact of shareholder connection networks on corporate supply

chain resilience is more significant. Compared to firms in highly competitive markets, firms in lower-competition markets experience a stronger positive impact of shareholder connection networks on supply chain resilience.

The impact of supplier concentration on the export resilience of Chinese enterprises: An empirical study based on Chinese enterprises

Bingbin Dai *(Beijing International Studies University, China)*, Nan Min *(Beijing International Studies University, China)*, **Xi Luo** *(Beijing International Studies University, China)*

Abstract

In the context of continuously evolving global economy, market volatility and external shocks have increasingly highlighted impact on corporate exports. This paper explores the influence of supplier concentration on export resilience in enterprises. Based on data from Chinese A-share listed companies from 2001 to 2023, the study finds that an increase in supplier concentration can enhance export resilience. Mechanism analysis indicates that supplier concentration boosts export resilience by expanding financing channels and improving operational efficiency. Heterogeneity analysis shows that the positive effect of supplier concentration on export resilience is mainly reflected in companies with high financing needs, such as private enterprises, and in large and mature companies with strong integration capabilities. This research enriches the relevant theories of supply chain management and international trade, providing practical guidance for companies to optimize supply chain management and enhance export competitiveness.

How Do In-Chain and Off-Chain Finance Synergize? An Analysis of Supply Chain Network Location's Impact on Enterprise Digitalization

Donghua Wang *(East China University of Science and Technology, China)*, **Yifei Guo** *(East China University of Science and Technology, China)*

Abstract

In the era of technological revolution, digitalization has become the core direction of enterprise transformation, and the supply chain has accelerated its evolution from a 'chain' to a 'network', which has become an important carrier of social relations. Based on social network theory, this paper constructs a supply chain network using data from the top5suppliers and customers of Chinese listed companies from 2009 to2023. It employs centrality to characterize the positioning of enterprises within the network, aiming to explore the impact of structural embeddedness on their digital transformation and its underlying mechanisms. The study finds that: (1) Enterprises closer to the centre of the supply chain network are more likely to improve their digital transformation due to their advantages in resource concentration and decision-making; (2) Supply chain finance amplifies the positive effect of network position on digital transformation by leveraging both intra-chain relational financing and extra-chain transactional financing; (3)Enterprises in the eastern region and non-high-tech industries are more likely to achieve a digital breakthrough through network location, with the transformational effect especially prominent for enterprises with high entry degrees and low exit degrees;(4) Nonlinear relationship tests show that the 'hub effect' of enterprises only has a linear promoting effect, while the 'bridge effect' exhibits a positive U-shaped relationship with digital transformation. The findings provide empirical evidence to guide Chinese enterprises in enhancing their digital transformation through the supply chain network.

C2.2 Corporate Finance 4

Corporate operational inflexibility and philanthropic giving: The moderating effect of managerial short-termism

Linshan Zeng *(Massey University, New Zealand)*, Kai Huang *(Hokowhitu, New Zealand)*, Jing Liao *(Massey University, New Zealand)*, Yudong Zhang *(Qingdao University)*, May Hu *(Zhejiang Normal University, China)*

Abstract

This study investigates the influence of operational inflexibility on corporate philanthropic giving, utilizing data from Chinese listed companies for the period 2001 to 2021. The findings indicate that greater operational inflexibility is associated with reduced corporate philanthropy. This negative relationship is more pronounced in non-state-owned enterprises, indicating the possible political incentives of philanthropic giving in sample firms. Mechanism analysis suggests that operational inflexibility curtails corporate philanthropy by inducing managerial short-termism. This research enhances understanding of how operational inflexibility limits corporate philanthropic activities, offering valuable insights for policymakers and corporations on the critical role of operational flexibility in advancing corporate social responsibility.

Barriers to the Diffusion of Technology and Differences in Firms' Productivity Across Countries

Dessie Tarko Ambaw (University of South Australia, Australia), Firmin Doko Tchatoka (University of South Australia, Australia), Habtamu Edjigu (The World Bank, United States), Nicholas Sim (Singapore University of Social Sciences, Singapore)

Abstract

Genealogically distant populations tend to differ more in a variety of characteristics transmitted intergenerationally, such as language, norms, customs and beliefs. Differences in these traits can deter the exchange of ideas and reduce the opportunities for learning, adoption of technologies and innovations, leading to large and sustained measured productivity differences across countries. Our paper provides the first evidence that the influence of these cultural traits on productivity occurs at the firm-level. Using a novel method on quantile treatment model, we show that cross-country differences in firm-level productivity can be explained by the variation in genetic distance from the world technology leader (the US), where countries tend to have less productive firms the more genetically distant they are from the US. This negative association between genetic distance and productivity is stronger for highly productive firms than the less productive ones, suggesting that the genetic distance and firm productivity are tightly linked.

Regional Collaboration and Corporate Innovation: Evidence from China

Wei Li *(Beijing International Studies University, China)*, Gang Liu *(Beijing International Studies University, China)*, **Xuan Liu** *(Beijing International Studies University, China)*

Abstract

Using data from China, we examine whether and how the East-West Collaboration policy impacts on corporate innovation. We find that the policy significantly improves the innovations investment level of enterprises in the assisted areas. Specifically, this effect is predominantly driven by the mitigation of financing constraints, the optimization of human capital allocation, and the enhancement of value chain sophistication. The results are stronger in firms with low managerial power, technology-intensive enterprises, and highly competitive industries. We also find that East-West Collaboration inhibits the quantity and efficiency of innovation output of enterprises in the assisted areas but can improve the quality of innovation output. And the East-West Collaboration promotes the transformation of innovation input into enterprise performance and total factor productivity. Overall, this paper provides systematic evidence on multi-dimensional effects of regional collaboration policies on corporate innovation.

Leverage and Employment Dynamics: Are Firms Overborrowing or Overexpanding?

Soku Byoun *(Baylor University, United States)*

Abstract

This study explores the dynamic relationships between firms' financial leverage, employment, and demand. Utilizing panel vector autoregressive (PVAR) analyses, we uncover several key findings: leverage shocks are short-lived; the responses of employment and demand to financial leverage shocks are negative, forming a V-shaped pattern that persists for three years; and employment and demand shocks lead to increased future financial leverage. Additionally, regression results reveal that financial leverage buildups negatively impact subsequent employment growth for both low and high leverage firms. However, prior expansion has a more pronounced negative effect on employment for high leverage firms compared to low leverage firms. These findings support the view that demand-driven overexpansion, rather than credit supply-driven overborrowing, is the primary transmission mechanism in the dynamics between firm leverage and employment.

C2.3 Empirical Asset Pricing 2

Aggregate LLP and Intermediary Asset Pricing

Lingzi Xing *(University of Liverpool, United Kingdom)*, Xiaoxia Ye *(Nottingham University Business School, United Kingdom)*, Charlie Cai *(The University of Liverpool, United Kingdom)*

Abstract

This paper investigates the role of aggregate loan loss provisions (LLP) in the U.S. banking sector as a novel factor in intermediary asset pricing. Utilizing a three-pass estimator approach, we demonstrate that the LLP factor consistently exhibits robust explanatory power in explaining the cross-sectional variation in expected asset returns across multiple asset classes. It outperforms traditional intermediary factors, such as the capital factor from He et al. (2017) and the leverage factor from Adrian et al. (2014). The LLP factor not only serves as a forward-looking measure of intermediary risk but also shows significant and consistent risk pricing across diverse assets, highlighting the critical role of banks as marginal traders and their influence on asset prices.

The Puzzle of Overpriced European Treasury Auctions

Jose-Miguel Cardoso-Costa *(Banco de Portugal, Portugal)*, **José Afonso Faias** *(Católica Lisbon School of Business and Economics (CLSBE) & Universidade Católica Portuguesa, Portugal)*, Patrick Herb *(Northern Arizona University, United States)*, Mark Wu *(Roger Williams University, United States)*

Abstract

Underpricing in Treasury auctions has been extensively examined, but recent evidence suggests that the primary dealership model used in many euro area countries leads to overpriced auctions. Analyzing 15 years of Portuguese Treasury auctions using a unique dataset that allows tracking dealers over time, we show that more aggressive bidding behavior is directly linked to dealers seeking access to syndication fees and post-auction non-competitive offerings, resulting in consistently overpriced auctions. Furthermore, we have found that this institutional bundling design allows a specific group of dealers to effectively turn the anticipated losses in the competitiveauction market into post-auction profits.

Macroeconomic Uncertainty, Stock Returns, and Real Activity: A Predictive Approach

Jie Zhu *(SILC Business School, Shanghai University, China)*, Zhen Wang *(SILC Business School, Shanghai University, China)*, Xiaoxia Zhou *(School of Finance, Shanghai Lixin University of Accounting and Finance, China)*, Xuehua Gu *(Business School, Beijing International Studies University, China)*

Abstract

Macroeconomic uncertainty negatively predicts stock returns. Using the partial least squares (PLS) method, we construct a forward-looking macro uncertainty index by extracting predictive signals from over one hundred macroeconomic and financial variables. The index exhibits strong predictive power for future stock returns, significantly outperforming existing uncertainty measures and standard economic indicators both in-sample and out-of-sample. Moreover, incorporating the index into asset allocation strategies yields substantial economic gains. The underlying economic mechanism is that increases in macroeconomic uncertainty lead to declines in future real activity, which in turn depress expected returns.

The variance-based efficiency test of the OMX Index option market

Ai Jun Hou *(Stockholm Business School, Stockholm University, Sweden)*

Abstract

In this paper, followed by the market efficiency definition of the absence of arbitrage opportunity in the market, we test the market efficiency of the OMXS30 index option market. We first check the arbitrage opportunity by examining the boundary conditions and the Put Call Parity that must be satisfied in the market. Then a variance based efficiency test is performed by establishing a risk neutral portfolio and re-balancing the initial portfolio in different trading strategies. In order to choose the most appropriate model for option price and hedging strategies, we calibrate several most applied models, i.e. the Black Scholes, Merton, Heston, Bates, and Affine Jump Diffusion models. Our results indicate that the Affine Jump Diffusion model significantly outperforms other models in the option price forecast and the trading strategies. Both the boundary and the Put Call Parity tests and the dynamic hedging strategy give evidence that no significant abnormal returns can be obtained in the OMXS30 option market, thereby supporting the market efficiency.

C2.4 ESG and Green Sustainability

Global Reporting Initiative Guidelines and Selective Disclosure: Does Compliance Mitigate Greenwashing?

Saqib Aziz *(Rennes School of Business, France)*

Abstract

Using a sample of 29,837 firm-year observations between 2010 and 2019, we examine the impact of global reporting initiative (GRI) compliance over firms' selective disclosure of their environmental performance. Our results substantiate a mitigating effect of GRI compliance over firms' greenwashing as we observe a reduction in selective disclosure by GRI compliant firms in our sample which remains robust to the endogeneity concerns.

The Green Ripple: Does Foreign Environmental Norm Shape Corporate Green Sustainability through Global Supply Chains?

Yudong Zhang *(Qingdao University, China)*, **Kai Huang** *(Massey University, New Zealand)*, Jing Liao *(Massey University, New Zealand)*, Linshan Zeng *(Massey University, New Zealand)*

Abstract

This study investigates the influence of foreign environmental norms on Chinese firms' green sustainability through supply chain dynamics. Empirical analysis reveals a significant relationship between the Environmental Performance

Index (EPI) scores, constructed based on the environmental performance of foreign customers' and suppliers' countries, and the green sustainability of Chinese firms. Mechanism analysis reveals that the demand for standardized green certification (ISO 14001) among international supply chain partners serves as the channel explains the foreign environmental norm effect. Heterogeneity tests highlight that this effect is more pronounced in firms with greater reliance on international markets, weaker domestic supply chain resilience, no political connections, and weaker regional environmental regulations. These findings offer valuable insights for policymakers and corporations, emphasizing the critical role of global environmental standards in shaping sustainable practices in emerging economies like China.

Corporate environmental initiatives, financial performance, and formal institutions: Insights from developing economies
Nurlan Orazalin *(Kimep University, Kazakhstan)*, Assel Kozhakhmetova *(Kazakh-British Technical University, Kazakhstan)*, **Monowar Mahmood** *(Kimep University, Kazakhstan)*, Mady Baydauletov *(Al-Farabi Kazakh National University, Kazakhstan)*

Abstract
Using a panel dataset of 6,418 firm-year observations across 10 different industries and 23 developing countries, we examine the effects of corporate environmental initiatives on firm value and investigate the moderating roles of formal institutions. We reveal that the aggregate and individual environmental initiatives, including green innovation, emissions reduction, and resource use, are positively associated with firm value. Our results further indicate that effective formal institutions, measured by regulatory quality, government effectiveness, and rule of law, reinforce the positive effects of emissions reduction and resource use but have no impact on the relationship between innovation and firm value. Our main findings and conclusions remain robust to endogeneity issues and various sensitivity tests. Our additional analysis further demonstrates that internal governance increases the financial benefits of emissions reduction and resource efficiency initiatives. Additionally, we find a negative relationship between carbon emissions and firm value, with formal institutions showing no moderating impact on this association. Focusing on developing economies, this study is among the first to explore the relationships among environmental initiatives, firm value, and national institutions. Our findings contribute to ongoing academic and policy debates by offering important policy and practical implications with regard to corporate sustainability and grand ecological challenges.

ESG Ratings and Female Executive Structure – Evidence from China
Jun Duanmu (Seattle University, United States), Jialin Zhong (University of Victoria, Canada), Xiaoyan Tang (Shanghai International Studies University, China)

Abstract
This paper empirically investigates the relationship between ESG performance and the inclusion of female executives using China's A-share listed companies. Collecting ESG ratings from Hexun, we studied a sample of 29752 firm-year observations from 2010 to 2020. We find that companies with weak ESG performance often increase the number of female executives in the following year. We further examined the consequential ESG performance of these firms following the increase. However, the overall ESG performance does not significantly improve after the inclusion of female executives. Instead, there is a notable rise in the standard deviation of ESG scores, indicating inconsistent improvement in individual ESG metrics.

C2.5 Central Banking and Monetary Policy 2

Central Bank Digital Currency and Corporate R&D Investment: Evidence from China
Bo Li *(Beijing International Studies University, China)*, **Xinyi Shen** *(Beijing International Studies University, China)*

Abstract
This paper empirically explores the impact of Central Bank Digital Currency (CBDC) on corporate R&D investment using a quasi-natural experiment framework and the staggered difference-in-differences (DID) method. Based on the data of Chinese A-share listed companies from 2014 to 2023, the study finds that the issuance of CBDC significantly promotes corporate R&D investment intensity. The mechanism analysis indicates that CBDC achieves this by alleviating corporate financing constraints. Heterogeneity analysis shows that CBDC has a more pronounced promoting effect on R&D investment intensity in western regions, non-state-owned enterprises, enterprises without executive political connections, and enterprises with a higher proportion of executive R&D backgrounds. This research reveals the differentiated enabling paths of digital financial instruments for enterprise innovation and provides empirical evidence for optimizing the CBDC policy transmission mechanism.

The Effects of Inflation Targeting on Market Integration with Survival Analysis
Eun-Son Lim *(Pukyong National University (PKNU), South Korea)*, Min-Jie Guo *(Zhejiang University of Finance and Economics, China)*

Abstract
Inflation targeting (IT) has been extensively studied for its effects on macroeconomic outcomes such as inflation, growth, and exchange rate volatility. However, its impact on market integration remains underexplored. Given that IT policy influences inflation and exchange rates-key factors in market integration—it is crucial to investigate its role in this context. This study examines whether IT policy reduces the duration of High Price Differential Episodes (HPDEs) periods when price differentials exceed a specified trade cost-across 28 inflation-targeting countries and the U.S. Using survival analysis, we assess whether the duration of HPDEs shortens following IT policy implementation. Our findings indicate that IT policy enhances market integration by reducing HPDE durations, accelerating market convergence between inflation-targeting countries and the U.S. This effect is consistent across various threshold values used to define HPDEs. Furthermore, we find that IT policy's impact varies by development status, with more pronounced effects in developing countries compared to developed ones. However, the study finds no adverse effects of IT policy in developed countries, suggesting that while its impact on market integration may be more limited in advanced economies, it still plays a valuable role in promoting inflation stability. This study underscores the importance of context in evaluating IT policy and highlights its potential to enhance market integration, particularly in developing countries. Future research could explore sector-specific effects and country-level variations to provide a deeper understanding of IT policy's influence on market integration.

Will the Chinese RMB be part of a Multipolar Reserve Currency System? A Panel Data Analysis

Zhifu Xie *(University of Brighton, United Kingdom)*, Wei Song *(University of Coventry, United Kingdom)*, Timothy Rodgers *(retired from University of Coventry, United Kingdom)*

Abstract
This paper discusses the possibility for the Chinese Renminbi (RMB) to be a future reserve currency. Panel Data methodology is applied, with empirical analysis in two parts. First, it determines that the economy, international trade, and financial markets have strong positive effects on reserve currency shares, while long-term bond yields and total central bank reserves have negative effects. Second, this paper evaluates the trends of five major currencies US Dollar (USD), Euro (EUR), Japanese Yen (JPY), Pound Sterling (GBP) and RMB shares for the reserve currency market by 2035. The result predicts the USD will maintain its position as the dominant world currency whereas the RMB and the EUR are likely to play significant secondary roles in 2035. By that time, the reserve currency system will be characterized as an oligopolistic market with a dominant player (USD) and a competitive fringe (RMB and Euro) rather than a fully-fledged multi-polar system.

Breaking the Ceiling: The Impact of Usury Law Removal on Liquidity Creation

Jonathan Lee *(University of Glasgow, United Kingdom)*, Sara Wang *(University of Glasgow, United Kingdom)*

Abstract
We examine the impact of usury law removal on bank liquidity creation by exploiting the 1999 Gramm-Leach-Bliley Act's repeal of Arkansas' strict interest rate cap as a natural experiment. Using a difference-in-differences framework, we find that deregulation significantly increased liquidity creation among large banks, while small banks reduced liquidity provision due to heightened competition. Our results also show that financial strength influences the ability to capitalize on deregulation, as banks with higher profitability and capital abundance experienced stronger liquidity creation growth. Additionally, we show that removing interest rate ceilings enhanced the transmission of monetary policy and reshaped loan portfolios, with large banks expanding commercial lending and mortgages while small banks expand consumer loans. Finally, we document intensified competition post-deregulation. Our study provide novel evidence on how interest rate (de)regulations shape liquidity creation, monetary policy transmission, and market competition.

C2.6 Climate Risk

Climate policy uncertainty and corporate innovation investment: Evidence from China

Jie Liu (*School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, Jing Chi *(School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, M. Humayun Kabir *(School of Accountancy, Economics, and Finance, Massey University, New Zealand)*, Bilal Hafeez *(Cardiff Business School, Cardiff University, United Kingdom)*

Abstract
This paper estimates how corporate innovation investment responds to climate policy uncertainty using panel data with 3,197 listed firms from 2010 to 2022 in China. The findings show that climate policy uncertainty positively contributes to corporate innovation investment, and this result continues to hold after controlling for endogeneity and conducting a series of robustness tests. Furthermore, we find that stringent government environmental regulation serves as a

potential mechanism, compelling firms to adopt cleaner production and increase their investment in innovation. Additionally, this positive relationship for firms with higher government subsidies is stronger and for firms with higher allocation of fixed assets disappears. We also find that firms with fewer connections to the government are more sensitive to climate policy uncertainty and they tend to increase their investment in innovation to mitigate the uncertainty. Furthermore, when firms invest more in innovation during periods of high policy uncertainty, their long-term performance and firm value are likely to improve. This study shed light on the importance and influence of climate policy uncertainty on corporate innovation investment in China.

Digital Transformation and Corporate Energy Transformation: Negative Energy or Empowerment?

Liu Zhao (Hunan University, China), **Li Haiyan** (Hunan University, China), Yishuai Ren (Hunan University, China)

Abstract

This study examines the impact of digital transformation (DT) on corporate energy transformation using unbalanced panel data from A-share listed companies in Shanghai and Shenzhen, China, covering the period from 2013 to 2023. Meanwhile, we also examine the moderating effect of environmental uncertainty on this relationship. The results demonstrate that a significant U-shaped effect of DT on corporate energy transformation, indicating a nonlinear relationship that shifts from negative energy to empowerment as the levels of DT increase. Furthermore, agency costs and analyst attention serve as mediating mechanisms. Specifically, DT exerts a U-shaped impact on corporate energy transformation through (1) an inverted U-shaped influence on agency costs and (2) a nonlinear effect on analyst attention. Additionally, environmental uncertainty exerts a negative moderating effect on this U-shaped relationship, flattening the U-shaped curve and shifting the inflection point rightward. Finally, heterogeneity tests indicate that the influence of DT on corporate energy transformation demonstrates both firm-specific and industry-specific differences. However, no statistically discernible differences are observed across enterprises operating under diverse regional climatic conditions. This study provides novel empirical evidence on the relationship between DT and corporate energy transformation. The findings offer actionable insights for businesses to accelerate energy transformation in the digital era and enhance organizational resilience against environmental uncertainties.

Green Boardroom Influence on Climate Change Target Disclosure: The Role of Eco-conscious Investors and Corporate Environmental Attention

Fahad Khalid *(Guilin University of Electronic Technology, China)*, Rabia Akram *(Guilin University of Electronic Technology, China)*

Abstract

Corporations are under mounting pressure from diverse stakeholders to address their climate change commitments amidst rising environmental concerns. In response, companies are improving their governance structures to strengthen their climate commitments. This study explores the impact of green directors on the disclosure of climate change targets (CTD), prompted by the recent developments in corporate structures. The dataset for this study includes companies listed on China's A-share market from 2010 to 2022. The findings indicate that the inclusion of directors with environmental backgrounds on boards enhances the level of CTD. Results also reveal that the entry of eco-conscious investors amplifies the impact of green directors on CTD. The mediation results identify corporate environmental attention as a key mechanism through which green directors drive CD. The findings remain robust when considering different proxies, variations over time, and checks for endogeneity. Additionally, heterogeneity analysis suggests that the influence of green directors on CTD is pronounced for sensitive sector firms and those exhibiting low sustainability performance. This study contributes to the existing body of knowledge on corporate environmental governance and provides valuable insights for policymakers and corporate leaders seeking to enhance environmental transparency and accountability.

Disclosure dilemma: Institutional investor network centrality and corporate climate risk disclosure

Jianing Liu *(School of Business Administration, Northeastern University, China)*, Yuanyuan Man *(Center for Quantitative Economics, Jilin University, China)*, Yongda He *(School of Statistics, Shanxi University of Finance and Economics, China)*, **Yang Hu** *(School of Accounting, Finance and Economics, University of Waikato, New Zealand)*

Abstract

This study employs text data quantification and social network analysis to investigate the impact of institutional investor network centrality on corporate climate risk disclosure. Using a dataset of Chinese listed companies from 2012 to 2022, the findings reveal that core institutional investors tend to weigh the trade-offs between disclosure benefits and costs more critically. Higher network centrality is associated with poorer climate information disclosure, primarily due to increased agency costs and a focus on short-term gains, which hinder proactive disclosure. However, the presence of stronger media and analyst oversight mitigates these negative effects. Moreover, the influence of network centrality is less significant in highly polluting in-dustries, sectors subject to stringent environmental regulations, and competitive

market environments. This research provides valuable insights into climate risk disclosure practices in emerging economies and deepens the understanding of collaborative environmental governance mechanisms.

C2.7 Corporate Governance 3

Alliance choices in the digital sector and foreign subsidiary performance: The role of cultural distance

Yong Yang *(Shanghai Polytechnic University, China)*, Sushanta Mallick *(Queen Mary, University of London, United Kingdom)*, Yan Wu *(Shanghai Lixin University of Accounting and Finance, China)*

Abstract

In the context of multinational enterprises, the rapid pace of digitalisation following the pandemic could give rise to alliance formation between a foreign subsidiary and a local firm. In the absence of local information, such alliances formation would be value-creating for subsidiaries. We aim to examine whether forming alliance would matter in improving subsidiary performance. There are different types of alliances foreign companies could form. Using over 60 thousand foreign subsidiaries, we introduce a novel classification in the digital sector by classifying international alliances into four different types including digital speedier, digital exploiter, digital explorer and non-digital. We find that digital speedier alliance between subsidiaries and their local partners, when they both use digital technology more intensively, has the highest profitability, and is most negatively affected by cultural distance. Digital explorer performs better than digital exploiter, and the negative cultural distance effect is attenuated for both alliance choices.

Research on the Influence Mechanism of New-Quality Productivity on Corporate Performance: Based on the Mediating Effect of Financing Constraints and the Moderating Effect of Sci-Tech Finance Policies

Guo Yuqian *(School of Finance, Chongqing Technology and Business University, China)*

Abstract

Against the backdrop of China's economy shifting towards high-quality development and focusing on cultivating new quality productivity, this paper takes the listed companies on the Shanghai and Shenzhen A-share markets from 2015 to 2023 as samples. By constructing A comprehensive index of new quality productivity including 11 sub-indicators, and applying the bidirectional fixed effect model, the mediating effect model, and the multi-period differin-differences method (DID), Empirically examine the influence path and heterogeneity characteristics of new quality productivity on enterprise performance. The results show that cultivating and developing new quality productivity has a significant positive impact on the improvement of enterprise performance, and it is more obvious in the eastern and central regions and non-manufacturing enterprises. New quality productivity indirectly enhances enterprise performance by alleviating financing constraints. The pilot policy of fintech has significantly strengthened the impact of new quality productivity on enterprise performance. Based on this, it is proposed that the government needs to innovate financial tools for science and technology, promote regional collaborative innovation, and provide special support for problems such as the long technology transformation cycle in manufacturing: Enterprises should optimize the allocation of innovation resources and strengthen the connection with policy pilot areas. Non-manufacturing enterprises can focus on the transmission of technology signals, while manufacturing enterprises need to shorten the technology transformation cycle. The research provides theoretical support and practical paths for the efficient transformation of new quality productive forces and the balanced development of regional enterprises.

Granular level spillover effect and Indian Dominant firms: what does the data reveal?

Piyali Dutta *(Indian Institute of Technology Kanpur, India)*, Wasim Ahmad *(Indian Institute of Technology Kanpur, India)*

Abstract

Understanding the elements driving business cycle fluctuations in any economy is challenging. It remains unclear whether these fluctuations are caused by aggregate shocks impacting all sectors simultaneously or by sector-specific shocks that collectively influence the broader economy. Conventional research shows that aggregate fluctuations are due to macroeconomic shocks only. Gabaix (2011) suggests that in advanced economies, idiosyncratic shocks to firms play a crucial role in driving aggregate economic fluctuations (granular hypothesis). Building on this approach, this study explores the case of an emerging economy, India which shows that in-dependent, firm-level shocks can generate macroeconomic fluctuations. This paper observes that size distribution of Indian manufacturing firms follows a power law distribution which is essential for granular hypothesis. Moreover, it investigates the effect of productivity shocks among top Indian firms (i.e., dominant firms) on future productivity shocks in other non-dominant firms, ultimately impacting the broader economy. We find that the dominant firm's shocks have a significant yet small impact on the non-dominant firms in India. However, after excluding government firms from the sample results are coming out to be insignificant.

Depreciation and Discovery: Innovation Responses to Accelerated Depreciation Policy

Tingsi Wang *(Beijing International Studies University, China)*, Lingjiang Gao *(Beijing International Studies University, China)*, Degang Li *(Beijing International Studies University, China)*

Abstract

We examine the impact of China's 2014-2015 accelerated depreciation policy on firm in-novation, using patent grants as the primary outcome. Based on panel data of A-share listed firms and a difference-in-differences approach, we find that the policy significantly boosted patenting. Mechanism analysis shows it reduced firms' tax burdens, increased R&D investment, and raised technical employment. The effects are more pronounced among privately owned, high-tech, early-stage, and declining firms, suggesting the policy was particularly effective in easing financial constraints. These findings highlight the value of targeted tax incentives in promoting innovation-led growth.

D2.1 Financial intermediation, institutions & services 1

Global Bonds Redux: An Emerging Market Perspective

Bo Han *(Seattle University, United States)*, Bonnie Buchanan *(University of Surrey, United Kingdom)*

Abstract

A global bond, first introduced in 1989 by the World Bank, is a debt instrument that is registered, underwritten, and traded simultaneously in international bond markets, allowing borrowers to tap large external funding sources. In this paper, we examine the evolution of the global bond market between 1989 and 2023. We find that global bonds are more likely to be issued by borrowers from countries with higher GDP and greater financial development, with inaugural issuances linked to improving economic conditions and increasing financial development leading to a higher share of global bonds in subsequent years. For debt issuers, we find that global bonds have lower borrowing costs (yield spreads) and underwriting costs (gross spreads) relative to Eurobonds and foreign bonds. In addition, we find that emerging market borrowers achieve a greater cost reduction than their advanced economy counterparts through global bonds. Furthermore, we find that after the global financial crisis, borrowing cost differences between global bonds and Eurobonds become more pronounced. Our results are supported by a series of robustness tests. Overall, our results suggest that global bonds play an important role in providing firms access to debt, emerging markets' ability to raise capital and financial development.

Deposit Insurance Reforms and Depositor Market Discipline: The Case of the US Banking Industry

Tarek Jareski Tuma *(University of Saskatchewan, Canada)*, Abdullah Mamun *(University of Saskatchewan, Canada)*, **Enchuan Shao** *(University of Saskatchewan, Canada)*

Abstract

The increase in deposit insurance after the Dodd-Frank Wall Street Reform and Consumer Protection Act has permanently changed the funding structure of banks. By protecting previously uninsured depositors, the regulators removed any incentive those clients had to monitor banks' risk-taking. This paper provides an in-depth anal ysis of the consequences of the insurance scheme reform on market discipline by de positors in the United States. The presence of depositor discipline was proxied by the behaviour of uninsured deposits as a function of multiple banks' fundamentals: the CAMEL ratios, z-score and asset growth. We also analyzed if depositors penalized larger banks less than smaller ones, which could lead to Too-Big-To-Fail. The results showed considerable evidence of market discipline by depositors before the insurance increase, especially regarding equity ratio and non-performing loans. After the insur ance increase and regulatory changes after the Global Financial Crisis, there is evidence that depositors tolerate a higher risk level from banks and size became irrelevant for market discipline. While the funding structures across sizes are very different, most evidence of Too-Big-To-Fail appears to be limited especially before 2010.

Stock Market Concentration and Financial Instability: When Does Structure Tip into Systemic Risk?

Christos Angelopoulos (CUNY Graduate Center, United States)

Abstract

Recent reports from major financial institutions have raised concerns about surging stock market concentration and its implications for financial stability. In this paper, we examine the impact of stock market concentration on the likelihood of systemic financial crises. Using stock market concentration data from the World Federation of Exchanges and systemic crisis identification from Harvard's BFFS Database, we estimate a random effects probit model on a comprehensive international panel dataset. Our results provide robust evidence that market concentration significantly increases the probability of systemic crises. We further control for financial market depth, overall financial development, and banking sector development to disentangle the effect of stock market concentration from other key dimensions of the financial system. Across all specifications, our findings remain consistent and robust. These results highlight the systemic vulnerabilities that may arise from increasingly concentrated equity markets and underscore the

need for proactive regulatory oversight. The paper contributes to the growing literature on market structure and financial stability by identifying stock market concentration as a meaningful predictor of systemic risk.

Changes in liquidity regulation and bank credit growth

Amine Tarazi *(Université de Limoges, LAPE & Institut Universitaire de France, France)*, Victor Osei *(Université de Limoges, LAPE, France)*

Abstract
We exploit the rule announced in 2015 to harmonize the treatment of reserves for the Liquidity Coverage Ratio (LCR) in Europe as an identification strategy to examine the impact of liquidity regulation on bank lending. We show that treated banks (those that benefitted from a relaxation of liquidity constraints) increase lending compared to their counterparts not affected by the harmonization rule. However, such a positive impact on lending is mainly effective for treated banks that are relatively small, well-diversified and with a relatively high level of liquidity and capital. Consistently, our results also show an increase in the idiosyncratic risk of small treated banks compared to control banks. For large treated banks, we observe negative abnormal returns on CDS spreads, suggesting lower risk perception by the market for such institutions. Our findings bear important policy implications for regulators in charge of bank supervision.

D2.2 International Finance and Capital Markets

Multilayer network structure of the sovereign credit default swap market: The European Union and the Belt and Road case

Shigang Wen *(Guangdong University of Technology, China)*, Jianping Li *(University of Chinese Academy of Sciences, China)*, Xiaoqian Zhu *(University of Chinese Academy of Sciences, China)*, Chuangxia Huang*(Changsha University of Science and Technology, China)*, Xingyu Yang *(Guangdong University of Technology, China)*

Abstract
How to appropriately describe the financial network of the sovereign credit default swap (SCDS) market has become a great challenge and plays a key role in understanding credit risk contagion across sovereigns. To tackle the issue, we develop SCDS multilayer networks that comprehensively consider the credit risk connectedness across sovereigns in terms of linear, nonlinear, and tail correlations, using a dataset of SCDS spreads of the European Union (EU) members and the Belt and Road (B&R) countries. Firstly, the SCDS multilayer network structures are analyzed by employing community structure, average distance, and node strength. Secondly, from the viewpoint of economic and geographical factors, we reveal the determinants of the sovereign credit risk connectedness. The empirical results show that (i) the community structures of the SCDS multilayer networks appear to have significant correlations with geographical and economic factors. (ii) Average distances for the B&R countries are far lower than those for the EU members. Additionally, average distances decrease rapidly prior to and during the systemic turbulence, and increase afterwards. (iii) China always ranks the top 3 influential economies based on the node strength. (iv) trade flows, distance, and economic and geographical proximity are the driving factors of the sovereign credit risk connectedness. Also, it is affected by capital flows for the EU members instead of the B&R countries

Determinants of Sovereign Risk Redux: The Sovereign Debt Cost of the Informal Economy

Carlos Yepez *(University of Manitoba, Canada)*

Abstract
Sovereign defaults (or governments failing to repay their debts) lead to economic and financial distress. They are associated with long-lasting adverse effects on the economic well-being of the defaulting countries. Among the determinants of sovereign defaults, the role of untaxed and unregulated economic activities (the so-called "informal economy") has received little attention in the literature - a significant oversight. Due to the inherent tax evasion problem, the informal economy constrains the government's fiscal capacity; it reduces government revenues needed to repay public debt obligations, increasing the risk of a sovereign default. Importantly, emerging and developing market economies (EMDEs) exhibit higher risks of sovereign default and larger shares of informal economic activity. This study uses a sample of 32 EMDEs from 1997 to 2019 to empirically explore the extent to which informal economic activity explains sovereign default risk in EMDEs while accounting for well-documented macroeconomic fundamentals and global factors. Our results indicate that the informal economy is a significant and economically substantial determinant of sovereign default risk in EMDEs. Our findings help inform government policies to mitigate the risk of sovereign defaults.

Capital Misallocation, Currency Excess Returns, and Interest Rate Differentials

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Abstract

This paper empirically examines the relationship between capital misallocation and currency excess returns at a medium frequency. Conventional wisdom suggests that in an open economy, currency excess returns and subsequent interest rate differentials are linked to capital stock accumulation. Building on this foundation, we argue that capital misallocation disrupts efficient capital utilization, thereby amplifying currency excess returns and interest rate differentials. Using a novel dataset covering 17 economies from 2002 to 2018, we present new stylized facts that highlight the connection between capital misallocation and currency returns. Our empirical findings consistently show that capital misallocation is positively associated with real currency excess returns and interest rate differentials. In particular, misallocation in the non-tradable sector and total factor productivity declines induced by capital misallocation play key roles in this relationship.

D2.3 Corporate Finance 5

Examining the Predictive Values of Accounting Summary Numbers in Annual Reports

Zhefeng Frank Liu *(Brock University, Canada)*

Abstract

The conceptual framework states that a key objective of financial reporting is to provide external users with information about an entity's economic activities that is useful for their economic decisions. Accounting summary numbers are cost-effective ways of conveying firm-specific information helping users predict future earnings and future cash flows that will be used as input to their decisions. But users also collect information from a myriad of other sources throughout the year, raising an intriguing question about the role of accounting summary numbers in capital markets in the digital age. To address that question, this study examines the predictive values of accounting summary numbers by regressing one-year-ahead earnings or one-year-ahead cash flows on contemporaneous values of earnings, cash flows, and book values in annual reports. Then the study investigates the effects of the predictive values on capital market variables. The study documents fewer analyst forecast errors, smaller analyst forecast dispersions, smaller bid-ask spreads, and lower cost of capital for firms with higher predictive values, attesting to the role of accounting summary numbers in capital markets in the digital age. The study also finds that the predictive values are positively correlated with common financial reporting quality (FRQ) measures and exhibit properties similar to the FRQ measures in multiple regression analysis, suggesting that the predictive values can be used as alternative FRQ measures, consistent with the mission of financial reporting set out in the conceptual framework.

A Comparative Analysis of Earnings Management Practices in China and Major Economies: The Role of Investor Protection and Government Responses During COVID-19

Wenjing Ouyang *(University of the Pacific, United States)*, **Xiaoya Ding** *(University of San Francisco, United States)*, Vivian Chen *(University of the Pacific, United States)*

Abstract

This study examines earnings management (EM) practices across major global economies, with a focus on China, which has been largely omitted from cross-country EM analyses despite its unique regulatory and governance landscape. Using 229,380 firm-year observations from 2001 to 2022, we compare accrual-based earnings management (AEM) and real earnings management (REM) in China, the United States, leading European economies, and top Asian markets. Our findings reveal that China exhibits higher AEM but lower REM compared to countries with strong investor protections, such as the US and the UK. During the COVID-19 pandemic, AEM in China declined, suggesting that effective economic policies mitigated firms' incentives for earnings manipulation. We also identify a weakened substitution effect between AEM and REM during the crisis. This study extends EM literature by incorporating China into comparative analyses, highlighting the role of legal frameworks and government interventions in shaping corporate financial behavior, particularly during economic disruptions.

Can stock repurchases by SOEs promote Non-SOEs' repurchases under the common shareholder network?

Yan Wang *(Guangdong University of Foreign Studies, China)*, **Zhou Kaiman** *(University of Macau, China)*, Huayun Zhai *(South-Central Minzu, China)*, Jiarong Zhang *(Guangdong University of Foreign Studies, China)*

Abstract

In this paper, we conducted an empirical study using data from Chinese A-share listed companies from 2015 to 2022. We find that for state-owned enterprises (SOEs) and non-state-owned enterprises (Non-SOEs) with common shareholder connections, the share buyback behavior of SOEs inhibits the buyback activities of Non-SOEs, particularly for Non-SOEs facing strong financing constraints, where this inhibiting effect is even more pronounced. Additionally, we observed that this inhibiting effect was not alleviated even after the issuance of the 2018 "Opinions on Supporting Listed Companies in Repurchasing Shares." This paper supplements the research on the spillover effects of common shareholder networks in capital markets.

Will the Efficiency of Intellectual Capital Value Creation Affect the Trade Credit Financing? — Evidence from China A-Shares Listed Companies

Wu Jianfeng *(Business School, Beijing International Studies University, China)*, **Xinze Xu** *(Beijing International Studies University Business School, China)*, Yunying Cheng *(Beijing International Studies University Business School, China)*

Abstract

Intellectual capital, as a resource capable of creating value and enhancing corporate competitiveness, has been proven by existing research to possess financing capabilities from both equity financing and debt financing perspectives. However, no studies have yet focused on whether it may affect corporate trade credit financing. This paper utilizes a sample of A-share listed companies from 2011 to 2020, and employs a panel regression model to investigate the impact of the value creation efficiency of intellectual capital on trade credit financing. The findings suggest that: (1) the overall intellectual capital value creation efficiency in an enterprise facilitates the acquisition of trade credit financing. Upon further examination of human capital, structural capital and relational capital respectively, it is found that only the value creation efficiency of structural capital and relational capital exerts a positive impact on trade credit financing, whereas no significant relationship exists between human capital value creation efficiency and trade credit financing; (2) The attention of analysts and shareholdings of institutional investors have a significant negative regulatory effect on the impact of the overall intellectual capital and relational capital value creation efficiency on trade credit financing; (3) Further research indicates that the effect of intellectual capital value creation efficiency on trade credit financing is significantly heterogeneous under the influence of financing constraint degree, property right nature and market position, and property right nature and market position can play a synergistic role. In other words, the promoting effect of value creation efficiency of overall intellectual capital, human capital, structural capital and relational capital on trade credit financing is more significant in enterprises with high financing constraints. Relational capital has effects only in state-owned and highly positioned companies, while structural capital is influential only in non-state-owned companies with lower market positioning. This paper contributes empirical evidence to the factors influencing trade credit financing, enriches the research on the economic consequences of the value creation efficiency of enterprise intellectual capital, and provides a theoretical foundation for enterprises and stakeholders to enhance their emphasis on intellectual capital, a critical resource.

D2.4 International Finance and Capital Markets

A study of dynamic connectedness and volatility spillover in U.S. technology sector and commodity ETFs

Zhang Shiqi *(School of Economics and Management, Northwest A&F University)*

Abstract

This study examines the dynamic spillover effects and interconnectedness among equities of technology sector, commodity ETFs under average and extreme market conditions. The results reveal significant variations in connectedness under normal and extreme conditions, highlighting the resilience or vulnerability of specific assets. Tech stocks exhibit numerous spillovers and interconnectedness, while commodity ETFs are less interconnected, and the tech industry has a smaller impact on their volatility reactions. This study contributes to market literature by identifying assets as highly sensitive or influential to volatility shocks, offering insights into portfolio diversification and risk management strategies.

The Real Economy and Financial Crises: Analyzing Economic Collapse and Economic Inferiority

Muhammad Nadir Shabbir *(Renmin University of China)*, Laijun Luo *(Renmin University of China)*, Kainat Iftikhar *(Central University of Finance and Economics, China)*

Abstract

This paper examines the complex relationship between real economic factors and financial crises, presenting the notions of economic collapse and economic inferiority. We contest conventional monetary theories that prioritize the money supply's influence on financial instability, drawing on the foundational research of Nobel laureates Bernanke, Diamond, and Dybvig. We emphasize that actual economic distortions, including structural deficiencies and sectoral underachievement, may be more pivotal in instigating crises. Employing a mixed-methods approach, which encompasses statistical analysis of economic data from 1980 to 2023 and case studies of significant financial crises, we ascertain that indicator of real economic vitality-such as GDP growth, employment rates, and industrial productivity-serve as more reliable predictors of financial instability than monetary aggregates. Our findings indicate that rectifying fundamental economic inefficiencies may prove more efficacious in averting future crises than concentrating

exclusively on monetary policy measures. This study enhances the understanding of financial instability by integrating monetary and real economic variables, providing policy insights to improve economic resilience and stability.

Optimizing Cryptocurrency Portfolios: Balancing Risk, Return, and Liquidity

Abderrahman Jahmane *(IPAG Business School, France)*, Laila Messaoudi *(Higher Institute of Management of Gabes, Tunisia)*, Tarek Bouchaddekh *(Higher Institute of Management of Gabes, Tunisia)*, Maria Giuseppina Bruna *(IPAG Business School, France)*

Abstract

The focus of this paper is on using a hybrid cluster-multiobjective optimization approach for optimizing cryptocurrency investment portfolios by incorporating liquidity, liquidity risk, and return measures. First, we suggest using a hierarchical clustering technique to group high dimensional crypto-currencies data. Then, we developed a Goal Programming model by integrating simultaneously several conflicting and incommensurable criteria into the decision making process criteria into the decision-making process. The agglomerative hierarchical clustering approach is used to cluster datasets, allowing for nested structures and flexibility in choosing the ideal number of clusters. The R program is used for cluster analysis, determining the optimal cluster number using the inertia gain criteria. The optimization model for selecting an optimal crypto-currencies portfolio is based on four variables: return, market risk, liquidity, and illiquidity risk, this model considers constraints relating to return, market risk, investor risk aversion, liquidity, illiquidity risk, and portfolio composition. The results emphasize the importance of investor risk aversion, with portfolio allocations reflecting varying risk tolerance. The models can be used to create tailored portfolios, with maintaining a dominant position in specific cryptocurrencies advantageous for risk-averse investors.

Transmission Dynamics in Crypto Markets: Comparing Volatility and Liquidity Spillover Networks

Barbara Będowska-Sójka *(Poznań University of Economics and Business, Poland)*, Aleksander Mercik *(Wroclaw University of Economics and Business, Poland)*

Abstract

The cryptocurrency market is evolving rapidly with dynamic changes in returns and vol-umes. This paper explores connectedness in the cryptocurrency market in volatility and liquidity. We examine spillovers across the 54 most capitalised cryptocurrencies continuously traded between January 2018 and December 2024. We focus on the transmission of liquidity and volatility among different cryptocurrencies and investigate the similarities and differences in transmission paths. For both volatility and liquidity connectedness, we build networks and identify the most central cryptocurrencies, meaning those that are contagious in the system. Our findings show that liquidity networks and volatility networks exhibit distinct patterns. The dynamic approach reveals that over time, spillovers in volatility are stronger than in those in liquidity. It also shows increased spillovers in both liquidity and volatility during turbulent periods. When considering cryptocurrency market capitalisation, the strongest transmission of volatility and liquidity flows from highly capitalised cryptos to smaller ones, but the transmission power of the biggest cryptos is decreasing over time.

D2.5 Empirical Asset Pricing 3

Asset Characteristics and Mutual Fund Performance: Revisiting the Style-Performance Nexus

Yezhou Sha *(Capital University of Economics and Business, China)*, Hanchao Shen *(Capital University of Economics and Business, China)*

Abstract

We construct a new variable to explore whether fund managers' style drift can be explained by the correlation among stocks held by mutual funds. We constructed a joint database using CMSAR and RESSET and conducted the research within the framework of the HBSA-SD theory. We have demonstrated that style drift is common in China and found that style drift can improve the fund's returns to some extent. The data shows that funds with high style drift have an average monthly return 0.51%* higher than those with low style drift. We find that funds with high passive style drift gain more from active style drift than those with low passive style drift. Cross-sectional regression results are consistent with the portfolio analysis, further indicating that idiosyncratic volatility and total R do not affect the style drift premium or its predictive power for fund returns.

The Impact of Downward Adjustment Clause on Convertible Bond Pricing Accuracy

Yuqing Liu (Xi'an Jiaotong-Liverpool University, China), Mengyu Li (Kmerit (Suzhou) Information Technology Co., Ltd, China), Gang Liu (Xi'an Jiaotong-Liverpool University, China), Xiaoming Ding (Xi'an Jiaotong-Liverpool University, China)

Abstract
This paper investigates the impact of downward adjustment clauses in the pricing of convertible bonds (CB). Traditional pricing models often rely on the assumption of perfect markets, overlooking the influence of special clauses on pricing accuracy. This study constructs a dual-model framework, one incorporating the downward adjustment clause and the other excluding it, combining Monte Carlo simulation and Least Squares Monte Carlo (LSM) methods to empirically test the mechanism of the downward adjustment clause's impact on CB pricing. The results show that the model with the downward adjustment clause provides pricing results closer to actual market prices. The mean error of this model is significantly lower than that of the model without the clause, and it has a smaller standard deviation, indicating that this model is superior in terms of pricing accuracy and stability. This paper provides a new perspective on convertible bond pricing in the Chinese market and validates the importance of embedded clauses in the valuation of financial derivatives.

The Great Dow Theory
Min Deng *(DeDow Quantitative Investment Research (Shenzhen) Co., Ltd, China)*

Abstract
The financial academic community has completely misjudged the essence of the Dow Theory, the Dow Theory is not Voodoo Finance. In essence, the Dow Theory constitutes the judgement on the stock market pricing. The core implications of the Dow Theory can be divided into three parts, viz. the Dow Theory judgement concerning the stock market pricing, the Dow Theory judgement on the stock market functions and the Dow Theory judgement on the stock price behavior. Amongst these three parts, the Dow Theory judgement relating to the stock market pricing and the stock market functions constitute the real quintessence of the Dow Theory. The financial investment management and technical analysts have seriously underestimated and misread the Dow Theory. From the point of the view of the content, the Dow Theory is not, as commonly believed in the international financial investment management and technical analyst industries, just a simple technical analysis theory. Nor is it a mere momentum strategy as endorsed by some financial scholars. It is in reality a system of scientific thoughts on the stock market encompassing the stock market functions, the stock market prieing mechanism, the stock market bchavior and investment strategies along with other important issues associated with the stock market. The technical analysis theory and momenturn strategy only constitute part of the Dow Theory judgement on the stock market behavior. The most essence of the Dow theory has not been passed down, but lost.

Factor Timing with Ambiguity
Lei Deng *(Beijing Technology and Business University, China)*, Yu Chen *(Central University of Finance and Economics, China)*

Abstract
While ambiguity has been well-established in empirical studies as a significant form of uncertainty with broad economic implications, its efficacy in forecasting factor returns remains an unresolved question in financial research. This paper introduces factor ambiguity into factor timing research in the Chinese stock market. The findings indicate that factor ambiguity is negatively correlated with factor returns, and this conclusion remains robust even after controlling for other competing explanatory variables. Furthermore, the study distinguishes between ambiguity measures for positive and negative factor returns, constructing an asymmetric factor ambiguity indicator. The results show that as market conditions fluctuate, investor attention shifts between positive-and negative-return ambiguity, and the asymmetric factor ambiguity has a positive impact on factor returns. These findings enrich the literature on factor timing and can serve as a reference for future research.

D2.6 Corporate Governance 4

Managerial myopia and inclusive financial development in commercial banks: Evidence from China
Yaxin Qi *(Northeastern University at Qinhuangdao, China)*

Abstract
This study investigates the impact of managerial myopia on the development of inclusive finance in commercial banks. Building on upper echelons theory, principal-agent theory, and peer effects, we argue that short-term managerial decision-making may foster inclusive financial practices. Using archival data from 171 bank-year observations between 2013 and 2023, we construct a comprehensive evaluation system to measure the level of inclusive finance development. Empirical results show that managerial myopia positively influences inclusive finance in commercial banks. Further, building on extrinsic motivation theory, we find that this positive effect is moderated by bank characteristics: it weakens as banks’ risk-taking increases but strengthens with higher managerial pay incentives. These findings offer new insights into how managerial behavioral traits shape socially impactful banking practices and extend the literature on the governance of inclusive finance.

Customer enterprises' annual report readability and supplier enterprises' audit fees

Yujing Zhang *(School of Business, Beijing International Studies University, China)*, Dongliang Yuan *(School of Management, Lanzhou University, China)*

Abstract

This study investigates the impact of customer enterprises' annual report readability on supplier enterprises' audit fees and explores how various contextual factors affect their relationships from the perspectives of information provision, transmission and reception. Considering listed firms in the Chinese market, this study demonstrates the significant negative impact of customer enterprises' annual report readability on supplier enterprises' audit fees. However, this relationship is strengthened by the board secretary's social capital in customer enterprises, analyst attention and auditors' industry expertise in supplier enterprises. In addition, we analyze the relationship between customer enterprises' annual report readability and supplier enterprises' audit fees on the basis of the characteristics of the customer enterprise (business complexity and internal control level), the characteristics of the supplier enterprise (customer stability and market position), and the characteristics of the supply chain itself (supply chain geographical distance and supply chain digitalization). This study greatly expands the research on the spillover effect of text readability from the perspective of the supply chain and enriches the research on the impact of supply chain relationships on corporate behaviour.

The Impact of Environmental Regulation on the Efficiency of Enterprises' Green Investments: A Study Based on the Establishment of Environmental Protection Courts in China

XinYu Li *(Chengdu University of Technology, China)*, Chong Lai *(Chengdu University of Technology, China)*

Abstract

This paper examines the impact of the establishment of environmental courts in various provinces on corporate production transformation and green investment efficiency. Using data from listed companies in Chinas high-energy-consuming industries from 201 4 to 202 3, the study measures green investment efficiency using a three-stage DEA model and tests the policy effects of environmental courts using a DID regression model. The findings indicate that the establishment of environmental courts significantly enhances corporate green investment efficiency, positively affecting pure technical efficiency through technological innovation. The effects are notably regional, with the most significant improvements in green investment efficiency observed in the southern coastal and northwestern regions, while the impact on resource-dependent areas is relatively limited. This research provides micro-level evidence for optimizing environmental judicial policies, highlights the importance of differentiated regional governance, and offers insights into exploring a synergistic mechanism of judicial constraints + green finance to achieve coordinated ecological and economic development.

CEO Pay Ratio Disclosure and Fairness: Evidence from the Banking Industry

Huishan Wan *(University of Northern Iowa, United States)*, Xiaoyan Cheng *(University of Nebraska at Omaha, United States)*, May Bao *(Southern Illinois University – Carbondale, United States)*, David Smith *(University of Nebraska – Lincoln, United States)*

Abstract

This research adds to evidence about the CEO pay ratio controversy by investigating whether the CEO pay dispersion is related to earnings management and how corporate governance may affect this linkage. Grounding our research on the Dodd-Frank Act, we use a sample of firms in the banking industry to examine the relationship. Our results show that the magnitudes of CEO pay ratios are positively related with managed rather than un-managed firm performance, suggesting a general tendency for CEO pay ratios to be unfair for our sample firms. We further show that effective corporate governance mitigates this relationship. Our findings imply that wide disclosure of CEO pay ratios may be a step towards revealing important information about the unfairness of companies' compensation structures and investors may benefit from stronger corporate governance.

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ZHU	Xiaoqian	University of Chinese Academy of Sciences	China

Organizers

Beijing International Studies University (BISU), jointly sponsored by the Ministry of Culture and Tourism and the Beijing Municipal Government, was established in 1964 under the auspices of Premier Zhou Enlai. With the motto "Integrity, Diligence, Truth, and Leadership," BISU focuses on cultural exchanges and humanistic education. Located in Chaoyang District, it has 19 schools, over 10,000 students, and nearly 1,000 full-time faculty members, including multiple national and municipal-level teaching teams and high-level talents. Offering 48 undergraduate majors, it has diverse postgraduate programs, joint doctoral programs, and post-doctoral research stations. With nearly 40 research institutions and several academic journals, BISU actively engages in international cooperation, partnering with over 190 institutions globally. Committed to its mission of promoting Sino-foreign exchanges and serving national and local development, BISU aims to become a top-tier foreign language university with distinct Beijing characteristics, focusing on cultivating patriotic, internationally-minded composite talents.

EM Normandie Business School is one of the oldest business schools in France, founded in 1871. It operates as a non-profit higher education and research institution under private law (1901 Act) and belongs to the elite group of 38 French management schools that are members of the Conférence des Grandes Écoles (CGE). Degrees awarded by EM Normandie are recognized by the French Ministry of National Education and aligned with the European LMD framework (Bachelor–Master–Doctorate), facilitating international mobility. EM Normandie is among the top 1% of business schools worldwide, holding the prestigious triple accreditation from EQUIS, AACSB, and AMBA. In 2015 and 2022, its Master in Management program was ranked in the Financial Times global top 100 (69th and 72nd, respectively). As a Grande École, EM Normandie follows the highly selective and rigorous French model of elite education, similar in prestige to the Ivy League (US), Oxbridge (UK), or the C9 League (China). Its alumni often hold senior positions in government, administration, and business. With six campuses located in Caen, Le Havre, Paris, Dublin, Oxford, and Dubai, EM Normandie fosters internationalisation through partnerships with over 200 universities in 50+ countries, welcoming 730 international students annually. Courses are offered in nine foreign languages, and over 30% of faculty members are international. Several undergraduate and postgraduate programs are available 100% in English, reinforcing the School's global outlook.

Supporters

The **International Society for the Advancement of Financial Economics (ISAFE)** is a professional network that is primarily dedicated to research in various fields of finance. With the aim of fostering information dissemination among researchers, ISAFE promotes the development and enhancement of theoretical and empirical research in financial economics by providing support to multiple research projects, recognizing outstanding research contributions, and creating a platform for researchers, practitioners, and policymakers to share and exchange knowledge and research ideas through the organization of regular conferences, symposia, and seminars.

The **Association of Vietnamese Scientists and Experts (AVSE Global)** was founded in May 2011 with the main purpose of connecting intellectual sources in a systematic way to identify ideas, strategies, and implementation in all fields of sciences and techniques in foreign countries and, at the same time, to make contributions to the development of Vietnam.

China CYTS Tours Holding Co Ltd is a China-based company principally engaged in the investment, operation, and management of cultural tourism destinations and comprehensive cultural and tourism services. The Company operates five segments. The Tourism Products and Services segment mainly provides travel services such as group tours and independent travel. The Integrated Marketing Services segment mainly provides services such as public relations communication, sports marketing, conference management, and exhibitions. The Hotel Business segment is mainly engaged in the investment and operation management of hotel chains. The Scenic Spot Management and Real Estate Sales segment mainly provides scenic spot tours, rural vacation tourism services, and engages in real estate sales. Information technology (IT) Product Sales and Technical Services segment mainly sells IT infrastructure products such as media switching servers, routers, and monitoring equipment, and provides welfare lottery technical services.


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