

IFRS 9 AND PROCYCLICALITY OF LOAN LOSS
PROVISION AMONG CHINESE LOCAL BANKS:
THE ROLE OF LOCAL LEADERS' TURNOVER,
EARNINGS MANAGEMENT, AND LEGAL
ENFORCEMENT

YU, JIANNAN

UNIVERSITI KEBANGSAAN MALAYSIA

IFRS 9 AND PROCYCLICALITY OF LOAN LOSS PROVISION AMONG
CHINESE LOCAL BANKS: THE ROLE OF LOCAL LEADERS'
TURNOVER, EARNINGS MANAGEMENT,
AND LEGAL ENFORCEMENT

YU, JIANNAN

UNIVERSITI KEBANGSAAN MALAYSIA

THESIS SUBMITTED IN FULFILMENT FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

FACULTY ECONOMICS AND MANAGEMENT
UNIVERSITI KEBANGSAAN MALAYSIA
BANGI

2025

IFRS 9 DAN PROKITARAN PERUNTUKAN KERUGIAN PINJAMAN DALAM
KALANGAN BANK TEMPATAN CHINA: PERANAN PENGANTIAN
PEMIMPIN TEMPATAN, PENGURUSAN PEROLEHAN, DAN
PENGUATKUASAAN UNDANG-UNDANG

YU, JIANNAN

TESIS YANG DIKEMUKAKAN UNTUK MEMPEROLEH
IJAZAH DOKTOR FALSAFAH

FAKULTI EKONOMI DAN PENGURUSAN
UNIVERSITI KEBANGSAAN MALAYSIA
BANGI

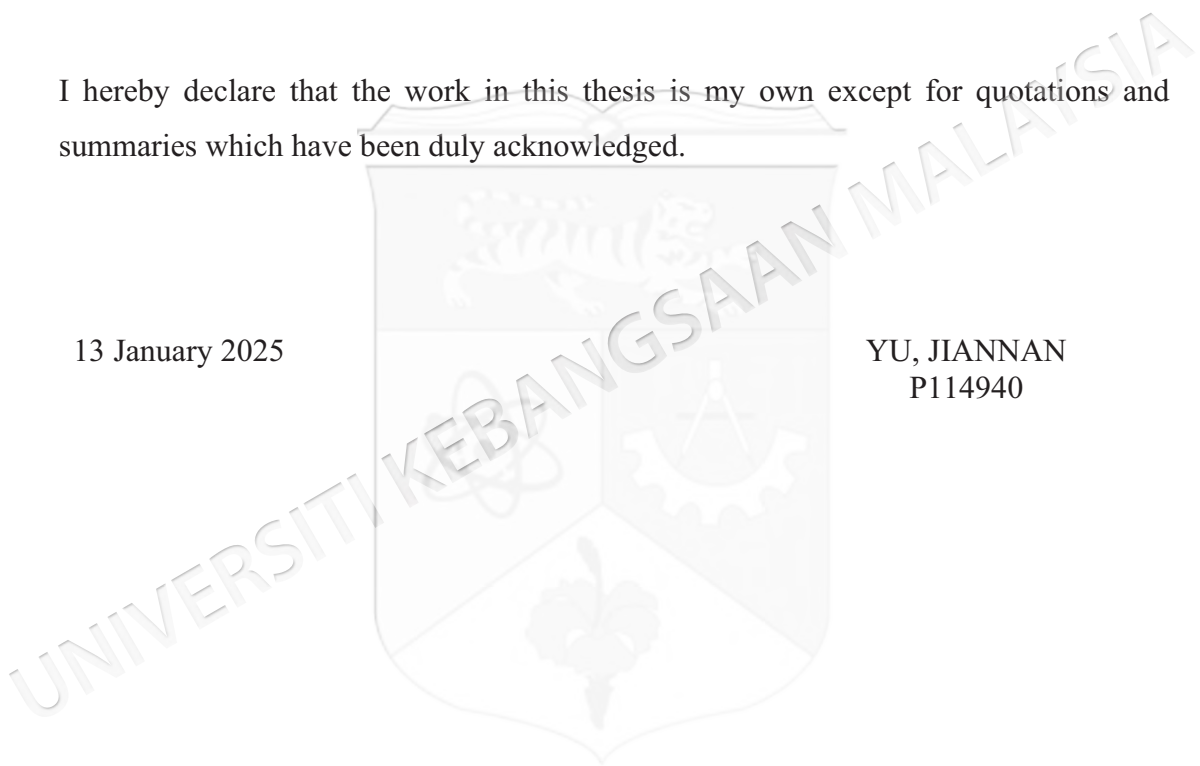
2025

DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged.

13 January 2025

YU, JIANNAN
P114940



**PERAKUAN TESIS SARJANA / DOKTOR FALSAFAH
(CERTIFICATION OF MASTERS / DOCTORAL THESIS)**

Nama Penuh Pengarang
(Author's Full Name) : Yu, Jiannan

No. Pendaftaran Pelajar
(Student's Registration No.) : P114940 Sesi Akademik
(Academic Session) : 2021/2022

Tajuk Tesis
(Thesis Title) : IFRS 9 and procyclicality of loan loss provision among
chinese local banks: the role of local leaders' turnover,
earnings management, and legal enforcement

Merujuk kepada Klausa 4.2 Dasar Harta Intelek Pelajar UKM (Tambahan), tesis adalah hak milik pelajar. Saya mengaku tesis ini sebagai:
(With regard to Clause 4.2 of the UKM Student Intellectual Property Policy (Supplementary), the thesis is the student's property. I hereby declare this thesis as:)

**RAHSIA
(CONFIDENTIAL)**

Mengandungi maklumat rahsia di bawah AKTA RAHSIA RASMI 1972
(Consisting of classified information under the OFFICIAL SECRETS ACT 1972)

**TERHAD
(RESTRICTED)**

Mengandungi maklumat TERHAD yang telah ditentukan oleh organisasi/badan di mana penyelidikan dijalankan
(Consisting of RESTRICTED information which has been determined by the organisation/body where the research was conducted)

**AKSES
TERBUKA
/TIDAK TERHAD
(OPEN ACCESS/
NON-
RESTRICTED)**

Saya membenarkan tesis ini diterbitkan secara akses terbuka, teks penuh atau dibuat salinan untuk tujuan pengajian, pembelajaran, penyelidikan sahaja.
(I allow this thesis to be published through open access, full text or copied for study, learning and research purposes only.)

Bagi kategori Akses Terbuka/Tidak Terhad, saya membenarkan tesis (Sarjana/Doktor Falsafah) ini di simpan di Perpustakaan Universiti Kebangsaan Malaysia (UKM)* dengan syarat-syarat kegunaan seperti berikut:

(For the Open Access/Non-Restricted category, I allow this (Master's/Doctoral) Thesis to be kept in the Universiti Kebangsaan Malaysia (UKM) Library with the following usage conditions:)

1. Perpustakaan UKM mempunyai hak untuk membuat salinan untuk tujuan pengajian, pembelajaran, penyelidikan sahaja.
(UKM Library has the right to reproduce the thesis for study, learning and research purposes only.)
2. Perpustakaan Universiti Kebangsaan Malaysia dibenarkan membuat satu (1) salinan tesis ini untuk tujuan pertukaran antara institusi pengajian tinggi dan mana-mana badan/ agensi kerajaan, tertakluk kepada terma dan syarat.
(UKM Library is allowed to make one (1) copy of this thesis for exchange purpose among higher education institutions and any government body/agency, subject to terms and conditions.)

DISAHKAN OLEH:
(VERIFIED BY:)

Yu Jiannan

TANDATANGAN PELAJAR
(STUDENT'S SIGNATURE)

TANDATANGAN PENYELIA /
PENERUSI JK SISWAZAH
(SUPERVISOR'S /CHAIRPERSON
SUPERVISION COMMITTEE
SIGNATURE)

EC3753893

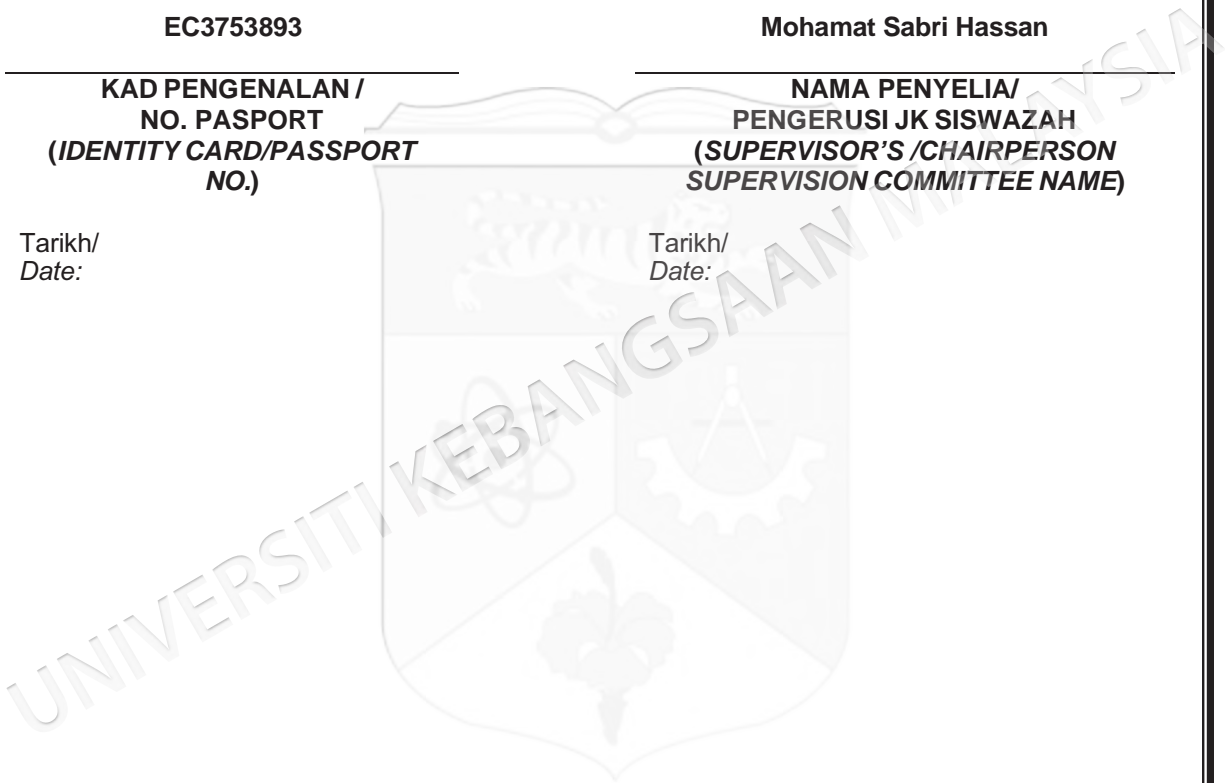
Mohamat Sabri Hassan

KAD PENGENALAN /
NO. PASPORT
(IDENTITY CARD/PASSPORT
NO.)

NAMA PENYELIA/
PENERUSI JK SISWAZAH
(SUPERVISOR'S /CHAIRPERSON
SUPERVISION COMMITTEE NAME)

Tarikh/
Date:

Tarikh/
Date:



ABSTRAK

Kajian ini menyiasat kesan penggunaan IFRS 9 terhadap prokitaran, sambil mempertimbangkan peranan pergantian pemimpin tempatan, pengurusan perolehan dan persekitaran undang-undang. Kajian terdahulu lebih memberi tumpuan kepada kesan IFRS 9 ke atas bank-bank. Walaubagaimanapun kajian kesan meluas IFRS 9 terhadap ekonomi adalah terhad. Kajian terdahulu juga gagal mempertimbangkan interaksi antara penetapan institusi dan IFRS 9. Kepelbagaian institusi tempatan China dan kepelbagaian bank tempatan yang banyak memberi peluang unik untuk mengkaji prokitaran peruntukan kerugian pinjaman bank tempatan dengan kitaran ekonomi tempatan. Kepelbagaian ini juga membolehkan penyiasatan ke atas hubungan antara faktor-faktor institusi dalam mempengaruhi hubungan antara penggunaan IFRS 9 dan prokitaran. Dengan menganalisis data panel seimbang 174 bank komersial tempatan China dari tahun 2019 hingga 2022, kajian ini mendapati bahawa penggunaan IFRS 9 mengurangkan prokitaran, seterusnya menyokong teori penggerak kewangan. Selain itu, dapatan menunjukkan bahawa pergantian pemimpin tempatan menghalang kesan kontraseptif IFRS 9, seiring dengan teori penggerak kewangan. Kajian ini juga menunjukkan penggunaan IFRS 9 mengurangkan prokitaran dengan menghadkan pengurusan perolehan, selaras dengan teori agensi. Selanjutnya, dapatan menunjukkan bahawa penguatkuasaan undang-undang menguatkan sekatan IFRS 9 terhadap pengurusan perolehan mengurangkan prokitaran, selaras dengan teori institusi. Secara teori, kajian semasa memperluaskan literatur tentang kesan ekonomi IFRS 9 dengan menyiasat kesannya terhadap prokitaran. Menggabungkan teori penggerak kewangan, teori institusi, dan teori agensi dalam amalan perakaunan meningkatkan kebolegunaan mereka dan menyumbang kepada pemahaman yang lebih mendalam tentang kerelevanan mereka dalam perakaunan. Secara praktikal, kajian semasa menyumbang kepada pemahaman tentang peranan persekitaran politik dan undang-undang dalam penggunaan IFRS 9. Ia menyediakan bukti empirikal tentang kesan ekonomi IFRS 9 ke atas pembuat piawaian dan dasar, seterusnya memudahkan penambahbaikan piawaian perakaunan dan dasar yang berkaitan. Secara metodologi, kajian semasa membuktikan peranan perantara pengurusan perolehan dalam hubungan antara IFRS 9 dan prokitaran, menyumbang kepada pengetahuan tentang implikasi tambahan pengurusan perolehan terhadap prokitaran. Penyelidikan masa depan boleh meneroka tempoh peralihan dari IAS 39 ke IFRS 9, dengan menumpukan pada perubahan dalam peruntukan kerugian pinjaman (LLP) dan kemungkinan penyelewengan atau penyesuaian semasa fasa ini.

ABSTRACT

This research investigates the impact of IFRS 9 adoption on procyclicality while considering the role of local leader turnover, earnings management, and legal enforcement. However, prior studies mainly focus on the impact of IFRS 9 on banks' performance. Further, the research on the broader impact of IFRS 9 on the economy is relatively limited. Prior studies also failed to consider the interaction between institutional setting and IFRS 9. China's diverse local institutional settings and numerous local banks provide a unique opportunity to study the procyclicality in relation to local economic cycles. This diversity also allows for investigating how institutional factors influence the relationship between IFRS 9 adoption and procyclicality. Analysing balanced panel data of 174 Chinese local commercial banks from 2019 to 2022, this thesis finds that IFRS 9 adoption mitigates procyclicality, supporting financial accelerator theory. Additionally, the findings reveal that local leader turnover hinders IFRS 9's countercyclical effect, which aligns with the financial accelerator theory. Further, the findings show that IFRS 9 adoption mitigates procyclicality by constraining earnings management, which aligns with the agency theory. Moreover, the findings indicate that legal enforcement further strengthens IFRS 9's restriction on earnings management and contributes to mitigating procyclicality, which aligns with institutional theory. Theoretically, this thesis extends the literature on the economic effect of IFRS 9 by investigating its impact on procyclicality. Incorporating the financial accelerator, institutional, and agency theories into accounting practices enhances their applicability and contributes to a deeper understanding of their relevance in accounting. Practically, this thesis contributes to understanding the political and legal enforcement's role in IFRS 9 adoption. It provides empirical evidence of IFRS 9's economic effects to the standard setters and policymakers, facilitating the improvement of the accounting standard and the corresponding policies. Methodologically, this thesis revealed that earnings management is a moderator to the relationship between IFRS 9 and procyclicality, contributing to the knowledge of the additional implications of earnings management on procyclicality. Future research may explore the transitional period from IAS 39 to IFRS 9, focusing on changes in loan loss provisions (LLP) and potential distortions or adjustments during this phase.

TABLE OF CONTENTS

		Page
DECLARATION		iii
TABLE OF CONTENTS		vi
LIST OF TABLES		x
LIST OF ILLUSTRATIONS		xiii
LIST OF ABBREVIATIONS		xiv
CHAPTER I	INTRODUCTION	
1.1	Research Background	1
1.2	Problem Statement	6
1.3	Summary of Research Questions	10
1.4	Research Objectives	11
1.5	Research Scope	11
1.6	Research Significance	12
1.7	Organisation of The Thesis	15
1.8	Summary	16
CHAPTER II	INSTITUTIONAL BACKGROUND	
2.1	Introduction	18
2.2	Accounting Standards	18
	2.2.1 IFRS Convergence in China	18
	2.2.2 Comparison between IAS 39 and IFRS 9	19
2.3	The Political System and The Role of Local Leaders in China	37
	2.3.1 The Central Role of The Chinese Communist Party (CCP)	37
	2.3.2 The Chinese Political Structure	38
	2.3.3 The Administrative Levels in China	42
	2.3.4 Local Leaders and Economic Affairs	43
2.4	The Legal enforcement in China	46
	2.4.1 The Role of Lawyers in Legal Enforcement	48
	2.4.2 Interference in the Judiciary Institution	52
2.5	Chinese Banking System	55

2.6	Capital Regulatory Supervision and Financing Channels of The Local Banks in China	59
2.7	Summary	63
CHAPTER III LITERATURE REVIEW		
3.1	Introduction	65
3.2	The Procyclicality of Loan Loss Provision Under IAS 39	66
3.3	Current Understanding of IFRS 9: Financial Instruments	69
	3.3.1 Research on IFRS 9 Application	69
	3.3.2 The Impact of IFRS 9 on Financial Reporting	73
	3.3.3 IFRS 9 and Earnings Management	76
	3.3.4 The Impact of IFRS 9 on Banks' Performance, Regulatory Capital, and Risk	81
	3.3.5 The Impact of IFRS 9 on Banks' Lending Behaviour	85
	3.3.6 The Impact of IFRS 9 on Investor Reaction	86
	3.3.7 IFRS 9 and Procyclicality	88
3.4	Institutional Setting, IFRS, and Accounting Practice	90
	3.4.1 Local Leader Turnover and ECL Estimation	92
	3.4.2 Banks' Earnings Management and Timeliness of Provisions	94
	3.4.3 Legal enforcement and Earnings Management	98
	3.4.4 The Effects of IFRS in China	101
3.5	Summary	102
CHAPTER IV THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT		
4.1	Introduction	104
4.2	Theoretical Framework	104
	4.2.1 Financial Accelerator Theory	104
	4.2.2 Institutional Theory	108
	4.2.3 Agency Theory	111
4.3	Hypothesis Development	113
	4.3.1 IFRS 9 and Procyclicality (H1)	114
	4.3.2 Local Leader Turnover and Procyclicality (H2)	116
	4.3.3 IFRS 9, Earnings Management, and Procyclicality (H3)	118
	4.3.4 IFRS 9, Legal Enforcement, and Procyclicality (H4)	120
4.4	Summary	122

CHAPTER V	METHODOLOGY	
5.1	Introduction	124
5.2	Research design and research methodology	124
	5.2.1 Research Design	124
	5.2.2 Research Methodology	126
5.3	Model and research analysis	134
	5.3.1 IFRS 9 and Procyclicality of Loan Loss Provision (LLP)	134
	5.3.2 IFRS 9, Local Leader Turnover, and Procyclicality	135
	5.3.3 The Moderate Role of Earnings Management	138
	5.3.4 The Moderate Role of Legal Enforcement	140
5.4	Summary	141
CHAPTER VI	FINDINGS AND DISCUSSION	
6.1	Introduction	142
6.2	Descriptive Statistics	142
6.3	Assumption Test	150
	6.3.1 Normality of Residuals	150
	6.3.2 Heteroscedasticity	151
	6.3.3 Serial Correlation	153
	6.3.4 Outliers	154
	6.3.5 Multicollinearity	154
6.4	Correlation Analysis	155
6.5	Empirical Results	158
	6.5.1 The Impact of IFRS 9 Adoption on Procyclicality (Hypothesis 1)	158
	6.5.2 The Impact of Local Leader Turnover in the Relationship Between IFRS 9 Adoption and Procyclicality (Hypothesis 2)	160
	6.5.3 The Impact of Earnings Management in the Relationship Between IFRS 9 Adoption and Procyclicality (Hypothesis 3)	162
	6.5.4 The Impact of Legal Enforcement on the Relationship Between IFRS 9 Adoption and Procyclicality (Hypothesis 4)	164
6.6	Robustness Test	166
	6.6.1 Robustness Test for the Impact of IFRS 9 Adoption on Procyclicality (Hypothesis 1)	167
	6.6.2 Robustness Test for the Impact of Local Leader Turnover on Procyclicality (Hypothesis 2)	171

6.6.3	Robustness Test for the Moderating Role of Earnings Management (Hypothesis 3)	174
6.6.4	Robustness Test for the Moderating Role of Legal Enforcement (Hypothesis 4)	176
6.6.5	Robustness Test with the Inclusion of a Dummy Variable	177
6.6.6	Robustness Test with the Inclusion of Control Variables	183
6.7	Summary	191

CHAPTER VII CONCLUSION

7.1	Introduction	192
7.2	Summary and Discussion	192
7.3	Contributions and Implications	196
7.3.1	Theoretical Contributions	196
7.3.2	Methodological Contributions	199
7.3.3	Practical Contributions	199
7.4	Research Limitations	201
7.5	Suggestions for Future Research	201

REFERENCES

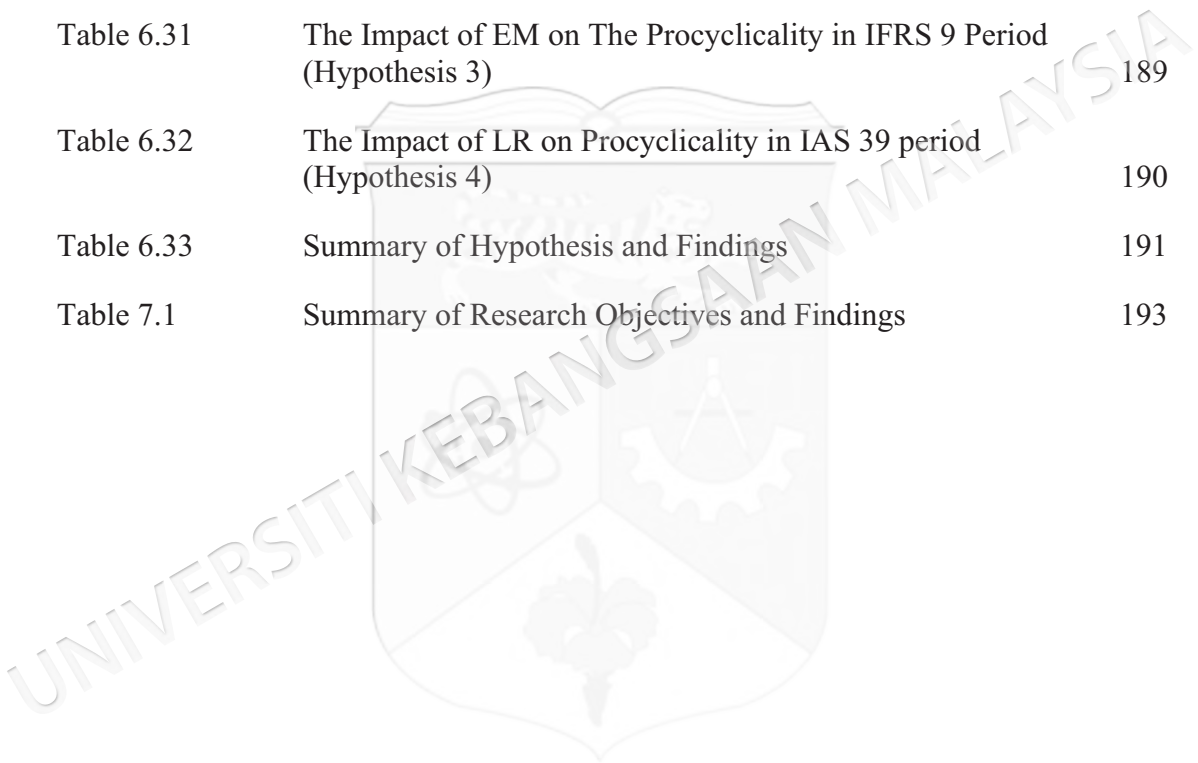
		203
Appendix A	HISTOGRAM OF RESIDUAL	232
Appendix B	RESIDUAL VERSUS FITTED PLOT	237
Appendix C	OULIERS	242
Appendix D	LIST OF SAMPLE BANKS	249

LIST OF TABLES

Table No.		Page
Table 2.1	Comparison of IAS 39 and IFRS 9	20
Table 2.2	Financial Instruments' Classification	24
Table 2.3	Definitions and Examples of Business Model under IFRS 9	25
Table 3.1	Summary of the literature	69
Table 3.2	Summary of the literature	73
Table 3.3	Summary of the literature	76
Table 3.4	Summary of the literature	80
Table 3.5	Summary of the literature	85
Table 3.6	Summary of the literature	86
Table 3.7	Summary of the literature	88
Table 3.8	Summary of the literature	90
Table 3.9	Summary of the literature	94
Table 3.10	Summary of the literature	98
Table 3.11	Summary of the literature	101
Table 3.12	Summary of the literature	102
Table 4.1	Summary of Hypothesis	123
Table 5.1	Banks' Type According to The Geographical Scope of Operation	126
Table 5.2	Definitions and Measurement of Variables	130
Table 6.1	Descriptive Statistics	143
Table 6.2	Descriptive Statistics (IAS 39)	147
Table 6.3	Descriptive Statistics (IFRS 9)	148
Table 6.4	Distribution Comparison between Population and Sample	149
Table 6.5	Skewness and Kurtosis Test Results	150

Table 6.6	Results of Breusch-Pagan Test	152
Table 6.7	Wooldridge Test for Autocorrelation	153
Table 6.8	VIF Test Results	155
Table 6.9	Correlation Analysis	156
Table 6.10	The Procyclicality in IAS 39 Period and IFRS 9 Period (Hypothesis 1)	159
Table 6.11	The Impact of TOLL on Procyclicality in IAS 39 and IFRS 9 Period (Hypothesis 2)	161
Table 6.12	The Impact of EM on Procyclicality (Hypothesis 3)	163
Table 6.13	The Impact of Legal enforcement on EM (Hypothesis 4)	165
Table 6.14	The Relationship Between LLPTA and GDP (Hypothesis 1)	168
Table 6.15	The Relationship Between LLPTA and GDP Without Lagged Items (Hypothesis 1)	169
Table 6.16	The Relationship Between LLP and NGDP	170
Table 6.17	The Impact of TOLL on The Relationship Between LLPTA and GDP (Hypothesis 2)	172
Table 6.18	The Impact of TOLL Without Lagged Items	173
Table 6.19	The Impact of TOLL on the Relationship Between LLP and NGDP	174
Table 6.20	The Impact of EM on The Relationship Between LLP and GDP	176
Table 6.21	The Impact of Legal enforcement (Hypothesis 4)	177
Table 6.22	The Impact of IFRS 9 Adoption on Procyclicality (Hypothesis 1)	178
Table 6.23	The Impact of TOLL on IFRS 9 Adoption and Procyclicality (Hypothesis 2)	180
Table 6.24	The Impact of EM on the Relationship between IFRS 9 Adoption and Procyclicality (Hypothesis 3)	181
Table 6.25	The Impact of Legal Enforcement on the Relationship between IFRS 9 Adoption and procyclicality (Hypothesis 4)	182

Table 6.26	The Relationship Between LLP and GDP in IAS 39 Period (Hypothesis 1)	184
Table 6.27	The Relationship Between LLP and GDP in IFRS 9 Period (Hypothesis 1)	185
Table 6.28	The Impact of TOLL on The Procyclicality in IAS 39 Period (Hypothesis 2)	186
Table 6.29	The Impact of TOLL on The Procyclicality in IFRS 9 Period (Hypothesis 2)	187
Table 6.30	The Impact of EM on The Procyclicality in IAS 39 Period (Hypothesis 3)	188
Table 6.31	The Impact of EM on The Procyclicality in IFRS 9 Period (Hypothesis 3)	189
Table 6.32	The Impact of LR on Procyclicality in IAS 39 period (Hypothesis 4)	190
Table 6.33	Summary of Hypothesis and Findings	191
Table 7.1	Summary of Research Objectives and Findings	193

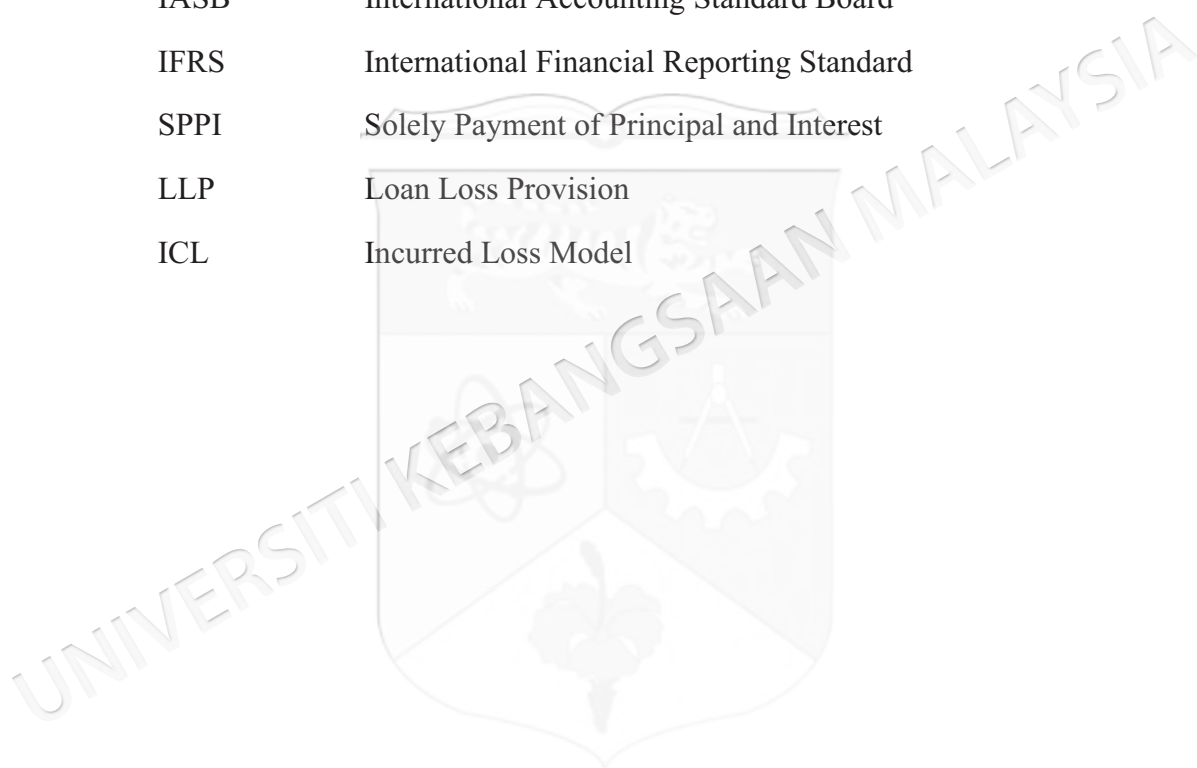


LIST OF ILLUSTRATIONS

Figure No.		Page
Figure 1.1	The Mechanism of Procyclicality	3
Figure 2.1	The Relationship Between GDP Growth and Nonperforming Loan	22
Figure 2.2	SPPI Test	26
Figure 2.3	The Migration of Financial Instruments under The Three Stages Model	27
Figure 2.4	The Three Stages under ECL Model	31
Figure 2.5	The Chinese Political Structure	38
Figure 2.6	The Chinese Administrative Level	42
Figure 2.7	Chinese Banking System	56
Figure 3.1	The Focus of Existing Research on IFRS 9	65
Figure 4.1	Theoretical Framework	113
Figure 5.1	Sample Selection Process	128
Figure 7.1	Research Framework	193

LIST OF ABBREVIATIONS

AC	Amortized Cost
ECL	Expected Credit Loss
GDP	Gross Domestic Product
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
IAS	International Accounting Standard
IASB	International Accounting Standard Board
IFRS	International Financial Reporting Standard
SPPI	Solely Payment of Principal and Interest
LLP	Loan Loss Provision
ICL	Incurred Loss Model



CHAPTER I

INTRODUCTION

1.1 RESEARCH BACKGROUND

Since the global financial crisis in 2008, the former accounting standard for financial instruments, International Accounting Standard 39 – Financial Instruments: Recognition and Measurement (IAS 39), has been heavily criticised. Most scholars and practitioners (e.g., Gornjak 2020; Malovaná & Tesařová 2022) believe that the loan loss provision (LLP)¹ under IAS 39 has a high degree of procyclicality and fuelled the financial crisis. Procyclicality refers to the tendency of specific financial factors (such as provisions, loans, and capital), institutions (such as banks, real estate firms, and automobile manufacturers), or entire systems (such as financial systems) to magnify and accentuate the fluctuations of economic cycles (Jakubik 2014). In a more precise context, the procyclicality of LLP means that it moves in steps with the economic cycle and amplifies the economic fluctuation (Malovaná & Tesařová 2022). When an LLP exhibits procyclical behaviour, it tends to fluctuate with the upward and downward shifts of the economic cycle, potentially exacerbating the economic booms and busts (Malovaná & Tesařová 2022).

While IAS 39 impacts various financial assets, its influence on banks' performance might be significant because loans are a major source of income and account for a large percentage of banks' assets. Banks play an important role in economic development. They accept deposits from savers and provide loans to borrowers (Sharipova & Asadova 2023). Loans typically represent the largest portion

¹ The provision is an amount of money that financial institutions set aside to cover potential losses that might arise from loans or other credit exposures, as they may not be fully repaid by customers (Lu & Nikolaev 2022).

of a bank's financial instruments and are the main way for banks to deploy their funds and earn interest income (DeYoung & Rice 2004). Thus, loans are the most significant financial assets held by banks and are highly influenced by the accounting standard for financial instruments.

The procyclical effect of LLP under IAS 39 mainly derives from the impairment loss model adopted by the standard, known as the incurred credit loss (ICL) model. Under the ICL model (IAS 39.58; IAS 39.63), LLP can only be recognised when there is clear evidence showing that the impairment loss of the loan has occurred (Novotny-Farkas 2016). Recognising a provision in advance is prohibited (Gornjak 2023). Since loans are essentially contracts dependent on the credit quality of the counterparty (IAS 32.11), clear evidence typically means that the financial asset has experienced a significant adverse change in credit quality and the counterparty of the contract is unlikely to fully repay the sum borrowed according to its original terms (Gebhardt 2016). Consequently, by the time the provision is recognised, the impairment loss has already occurred or is already present (Novotny-Farkas 2016). This means that ICL is a reactive approach and provisions are recognised simultaneously with the occurrence of impairment losses.

Generally, impairment loss tends to fluctuate with the economic cycle (Demyanyk & Hasan 2010). During an economic upswing or expansion phase, businesses tend to experience growth, increased revenues, and improved financial conditions (Agenor & Zilberman 2015). Borrowers have better cash flows to meet their repayment obligations and the loan impairment loss tends to be less (Agenor & Zilberman 2015). By contrast, during economic downturns, businesses experience financial stress, reduced revenues, and higher unemployment rates (Huizinga & Laeven 2019). Borrowers struggle to meet their repayment obligations, leading to higher default rates on loans (Agenor & Zilberman 2015).

The interplay between LLP and impairment loss, coupled with the alignment between impairment loss and the economic cycle, creates a scenario whereby the LLP fluctuates in alignment with the economic cycle. This cyclical nature of provisions can further have profound effects on economic fluctuations. During economic booms, banks

need to set aside lower provisions for loans as the default rate is low, motivating the banks to increase their risk-taking and lending activities (Bhat, Ryan & Vyas 2019). Since companies rely on loans to operate and invest, the increase in available loans will further facilitate economic growth (Bhat et al. 2019). When an economic downturn occurs, banks become more concerned about loan losses and their provisions may increase to account for the deteriorating credit quality of their loan portfolios. The increased provisions and risks put banks' capital under pressure, forcing them to reduce their loan offerings (Bikker & Metzmakers 2005). The reduced loan amounts will be detrimental to the already struggling businesses and exacerbate the economic downturn. Therefore, the LLP under IAS 39 demonstrates a high degree of procyclicality, deepens the economic cycle, and undermines economic sustainability. The mechanism of procyclicality is illustrated in Figure 1.1.

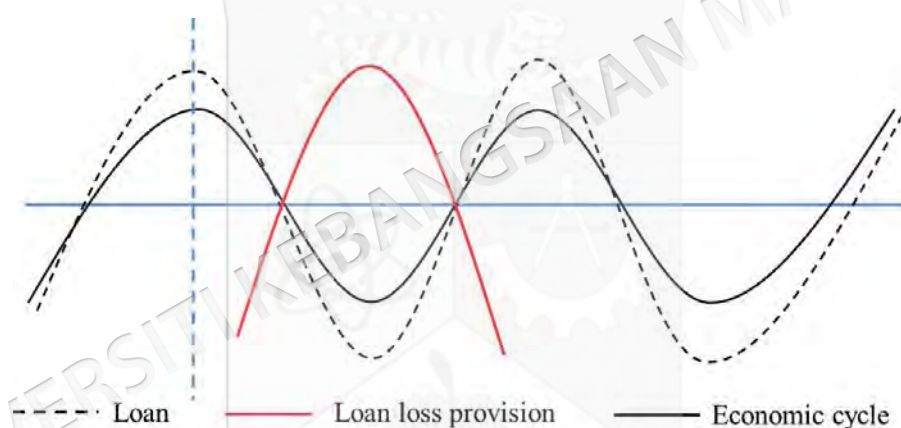


Figure 1.1 The Mechanism of Procyclicality

The deficiencies of IAS 39 underscore the need for a new accounting standard which better suits the economic environment (Al-Hanandeh, Othman, Mater & Alnohoud 2020). To address these deficiencies, the International Accounting Standard Board (IASB) introduced a new accounting standard for financial instruments in 2014, named International Financial Reporting Standard 9 – Financial Instruments or known as IFRS 9 (Gomaa, Mohamed, Kanagaretnam, Mestelman & Shehata 2019). The new standard became mandatory effective from 1 January 2018 for companies that prepare financial statements according to the IFRS (Kyiou & Tawiah 2023).

IFRS 9 consists of three components, namely, the new method for recognising, classifying, and measuring financial instruments; the introduction of the expected credit loss (ECL) model; and hedge accounting (IASB 2014). Details of these three components will be discussed in chapter 2. Among these three components, the shift from the ICL model to the ECL model is considered the most significant revolution from the perspective of procyclicality (Dantas, Micheletto, Cardoso & Freire 2017). The ECL model replaces the ICL method and allows banks to recognise the future ECL throughout the life of a financial instrument (Volarević & Varović 2018).

This forward-looking approach was designed to ensure the earliest recognition possible for LLPs and to improve the provisions' ability to reflect the changes in credit risk (Lopez-espinosa et al. 2021). By estimating the future credit loss, companies can set aside the provision before the impairment loss occurs. Thus, the provision can be recognised in advance of an economic downturn, resulting in lower synchronicity between the provision and the economic cycle. In this way, the ECL model can reduce the impact of banks' procyclical provisioning practices on the economic cycle (Gomaa et al. 2019).

China is a country that is feasible to be researched due to several reasons. Firstly, China's accounting standards have been converging to IFRS since 2006 (Lee & Zeng 2013). After the IASB published the final version of IFRS 9 in 2014, the Chinese Accounting Standard (CAS) 22 - Financial Instruments Recognition and Measurement, CAS 23 - Transfer of Financial Assets, and CAS 24 - Hedge Accounting, were developed to be consistent with IFRS 9 (Chen et al. 2022). CAS 22, 23, and 24 were published in 2017 and became mandatory effective from 2018. The IFRS convergence provide an opportunity to study the effect of IFRS 9 in China.

Secondly, China has a unique political environment, particularly concerning the high influence of local leaders² on local economic operations (Chi & Li 2017). This

² The local level is a concept that relative to the central level. China's administrative regions are divided into five levels: the first level is the national level, i.e., the central level, and the remaining four

influence stems from three main factors. a: China's socialist ideology with Chinese characteristics emphasises the leadership of the Chinese Communist Party (CCP), reinforcing its dominance (Zhang 2020). b: the CCP's status as the only ruling party in China allows it to have significant authority over state and social affairs (Chi & Li, 2017). c: there is a dynamic of political centralisation alongside economic decentralisation, which means while political power is concentrated at the central level, local leaders have considerable autonomy in economic decision-making within their jurisdictions (Chi & Li 2017). This system allows the central leaders of CCP to maintain tight control over governance. Meanwhile, local leaders wield significant influence over economic matters, shaping local economic conditions. When local leader turnover happens, economic uncertainty will increase as the local leader's turnover disrupts policy continuity, alters investment expectations, and creates ambiguity around future governance priorities (Chi & Li 2017). Economic conditions are a key input of the expected credit loss (ECL) model under IFRS 9. When the economic uncertainty is high, the LLP may not be accurately estimated by the ECL model and influence the timeliness of the LLP. Thus, the high influence of local leaders over economic conditions presents an opportunity to explore the impact of local leadership turnover on procyclicality.

Thirdly, the legal system in China also has distinctive features, historically characterized by weak enforcement due to government interference and inadequate legal services (Cao 2014; Ke, Lennox & Xin 2015). However, recent efforts by the central government have led to improvements in legal enforcement, including limiting government interference³ and increasing the number of lawyers⁴. This shift towards impartial judiciary decisions acts as a deterrent to fraudulent behaviours, as wrongdoers are more likely to be punished than previously. Reduced government intervention in

levels are collectively referred to as local levels, including the provincial-level, the city-level, the county-level, and the township level (Constitution of the People's Republic of China, Article 105). The party committee was established at every level, and the secretary of the committee is the leader of the party at the corresponding level (Pieke 2012). As the provincial level is the highest level in the local regions, the local level in this research refers to the provincial level, the local leader refers to the secretary of the provincial party committee.

³ Source: Ministry of Justice of China website. http://www.moj.gov.cn/pub/sfbgw/qmyfzg/fzgzzffz/fzzfsfcj/201905/t20190524_351321.html [02 August 2023]

⁴ Source: Supreme People's Procuratorate of China website. https://www.spp.gov.cn/zdgz/201901/t20190130_406860.shtml [02 August 2023]

regulatory supervision enhances its effectiveness, leading to greater compliance with accounting standards in financial reporting. The combined effect of judicial deterrence and regulatory pressure forces management to adhere to accounting standards and reduces earnings management activities (Choi et al. 2018; Oz & Yelkenci 2018). Moreover, the expanded presence of lawyers contributes to better protection of investors' interests and further guarantees the quality of accounting information. Overall, these collective improvements uphold the principles of legal enforcement and contribute to the compliance of accounting practice with the accounting standard. Since the accounting standard in China is a kind of law and the expected credit loss model (ECL) under IFRS 9 relies on the appropriate implementation, the improved legal enforcement provides an opportunity to examine the interplay between IFRS 9, legal enforcement, and procyclicality.

1.2 PROBLEM STATEMENT

After IFRS 9 has been made mandatory, researchers have conducted many studies to investigate the effect of this new standard. These studies focused on various aspects, such as the impact of IFRS 9 on the calculation of provisions for financial instruments (Durovic 2019; Georgiou, Alshehabi & Ala 2021; Xu 2020), the impact of IFRS 9 on financial reporting (Gornjak 2020; Oberson 2021; Yolanda Stander 2023), and the impact of IFRS 9 on banks' lending behaviour (Háda 2019). Generally, the current literature focuses mainly on the effect of IFRS 9 on banks' finances, with most of them investigating its direct impact. Research pertaining to the indirect effects of IFRS 9, as well as its effect on procyclicality, is scarce, resulting in research gaps which are identified as follows.

First, mitigating the procyclical effect of IAS 39 is a key target of IFRS 9 (Pastiranova & Witzany 2022b). However, studies which focus on IFRS 9's effect on procyclicality are limited. Even though a few researchers (e.g., Pastiranova & Witzany 2022b; Buesa et al. 2023) have investigated the relationship between IFRS 9 adoption and procyclicality, the studies were focused on European countries. Developed countries and developing countries have vastly different institutional settings (Zakaria & Bibi 2019). Generally, the institutional factors in developed countries, such the

political and legal enforcements, are stronger and more stable than those in developing countries, which are characterised by relatively weak and transitional institutional factors (Zakaria & Bibi 2019). The differences in institutional settings may result in different effects of IFRS 9 on procyclicality. Notably, the effect of IFRS 9 on procyclicality in developing countries remains unexplored. Hence this raises a question on the relationship between IFRS 9 adoption and procyclicality in China, an Asian developing country.

Second, the existing studies on the impact of IFRS 9 on procyclicality mainly focused on the results of the new standard's adoption and emphasised the impact of the ECL model (Buesa et al. 2023). These studies failed to consider the impacts of other factors, such as institutional settings, on the relationship between IFRS 9 and procyclicality. Institutional settings usually involve the political, legal, cultural, and other characteristics of a specific country, which always interact with IFRS and affect its economic consequence (Cao & Patel 2019). For instance, strong legal enforcement may provide more stringent regulatory supervision to banks and enhance conformity to accounting standards (Cao & Patel 2019), which may facilitate a timely recognition of losses and the mitigation of procyclicality. However, these institutional factors were neglected by the previous studies. Hence, this raises the question on the impact of local leaders' turnover and legal enforcement on the relationship between IFRS 9 adoption and procyclicality.

Third, the findings of previous research indicate that IFRS 9 facilitates earnings management activities due to its flexibility (Nnadi et al. 2023). However, whether earnings management can influence procyclicality was not explored in prior studies. Under IFRS 9, the timely recognition of provisions for financial instruments is a key point of its countercyclical effect (Buesa et al. 2023). Earnings management often involves delaying the recognition of provisions in order to inflate earnings (Alhadab & Al-Own 2019). This may undermine the countercyclical effect of IFRS 9, as delaying provisions is associated with higher degrees of procyclicality. However, this extended effect of earnings management has not been considered in existing literature. Hence, this raises a question that whether earnings management mediates the relationship

between IFRS 9 adoption and procyclicality. The specific research problems are elaborated on in the following section.

The introduction of IFRS 9 has mostly affected banks due to the large amounts of financial instruments they hold, and the accounting treatment of these financial instruments is regulated by accounting standards. IFRS 9 is a new accounting standard that introduces the new impairment loss model and significantly influences the provisions for financial instruments. Loans are the most important type among the financial instruments, and they constitute the largest portion of banks' assets. The adoption of IFRS 9 has the potential to improve the timeliness of LLP, thus mitigating procyclicality. Therefore, this thesis focused on banks and investigated the impact of IFRS 9 on procyclicality.

Specifically, the countercyclical effect of IFRS 9 mainly relies on the introduction of the ECL model (Buesa et al. 2023). This forward-looking model requires banks to recognise the credit loss that is expected to occur in the future (Kyi & Tawiah 2023). By incorporating future information and improving risk management, the implementation of the ECL model can improve the timeliness of LLPs. When the economic conditions begin to deteriorate, the credit risk and expected loss can be identified earlier, and the corresponding provisions can be set aside in advance. The early recognition of the provisions can serve as a buffer to future pressure on the banks' capital, reduce the synchronous fluctuation of the provisions with the economic cycle, and weaken the procyclicality. This raises the first research question of whether IFRS 9 adoption affects the procyclicality of LLPs.

Local leaders play a significant role in shaping economic policies at the local level. They are responsible for formulating and overseeing economic policies to address the specific needs and challenges of their communities. Given the local leaders' high influence on economic policies, upon their replacement, there may be issues associated with inconsistent economic policies, making future economic conditions less predictable (Chi & Li 2017). Since forecasted economic conditions are a key input in the ECL model (Gubareva 2021), the less predictable economic conditions may reduce the accuracy of the ECL estimation and derail its timeliness. When economic downturns

cannot be predicted accurately, the ECL cannot be recognised in advance. The unpredictable provisions will finally be recognised during the economic downturn, resulting in a procyclical effect. However, research on this issue is limited. Therefore, this phenomenon raises the second research question regarding whether local leaders' turnover moderates the relationship between IFRS 9 adoption and procyclicality.

IFRS 9 introduces a more objective approach to the classification and measurement of financial assets. It requires companies to classify financial assets based on their business model for managing the financial assets and their contractual cash flow characteristics. This reduces the opportunity for earnings management by limiting the ability to manipulate the classification of financial assets in order to achieve desired accounting outcomes. In addition, IFRS 9 includes enhanced disclosure requirements, providing users of financial statements with better information about the company's risk management practices, the impact of financial instruments on the company's financial position and performance, and the judgements and estimates involved. This increased transparency through disclosure has the potential to mitigate earnings management.

In the banking industry, manipulating LLPs is a popular way to manage earnings (Alhadab & Al-Own 2019). The LLP is the largest and most important accrual for banks (Ahmed, Takeda & Thomas 1999). Its change can directly cause a change in earnings. Generally, the direction of earnings management is upward (Pais & Dias 2022). Management usually has the incentive to boost reported earnings, as higher earnings can lead to better capital ratios which help banks to meet the regulatory requirements (Pais & Dias 2022). In addition, higher earnings can facilitate banks' access to capital markets and result in management receiving larger bonuses or performance-based compensations (Pais & Dias 2022). Moreover, most of the Chinese local banks are non-listed, resulting in limited channels for raising capital. Since they do not have access to equity financing, retained earnings serve as their primary means for increasing capital (Yao 2022; Deng & Li 2022). The benefits of higher earnings along with the financing limitations faced by local banks strongly incentivise management to inflate earnings.

By deferring the recognition of provisions, management can boost current earnings, making the financial performance look better than if the provisions were recognised in a timely manner (Alhadab & Al-Own 2019). Such delay results in deferring the provisions for the current period to the following period. This practice reduces the adequacy and timeliness of the current period's LLPs, and this is the key area where IFRS 9 is intended to address in order to mitigate procyclicality. Manipulated and deferred LLPs may exhibit procyclicality behaviour and dampen the countercyclical effect of IFRS 9. Therefore, based on this discussion, the adoption of IFRS 9 may constrain earnings management activities and in turn mitigates the procyclicality. However, the mediating role of earnings management in the relationship between IFRS 9 adoption and procyclicality has not been investigated. This raises the third research question of whether earnings management mediates the relationship between IFRS 9 adoption and the procyclicality of LLPs.

An effective legal system can guarantee the accounting practice compliance with the accounting standard (Oz & Yelkenci 2018). It provides investors with more protection and imposes significant penalties, including fines and imprisonment, on individuals or entities for committing accounting malpractices (Ahmed, That, Eliwa & Burton 2021; Oz & Yelkenci 2018). Thus, an effective legal system has a strong deterrent effect, discouraging companies from engaging in unethical behaviours and improve the timeliness of LLP. In contrast, companies are more likely to engage in earnings management practices in a weak legal enforcement environment, as the cost of wrongdoing is low and people perceive that the likelihood of getting penalised is lower and the punishment is less severe (Ahmed et al. 2021; La Porta, Lopez-de-Silanes, Shleifer & Vishny 2002).

1.3 SUMMARY OF RESEARCH QUESTIONS

This research aims to solve the following research questions:

- I. Has the IFRS 9 adoption weakened the phenomenon of procyclicality in the Chinese banking industry?

- II. Does the turnover of local leaders weaken the mitigating effect of IFRS 9 on the phenomenon of procyclicality in the Chinese banking industry?
- III. Does earnings management weaken the mitigating effect of IFRS 9 on the phenomenon of procyclicality in the Chinese banking industry?
- IV. Does legal enforcement strengthen the mitigating effect of IFRS 9 on the phenomenon of procyclicality in the Chinese banking industry?

1.4 RESEARCH OBJECTIVES

The main objective of this research is to investigate the impact of IFRS 9 on the procyclicality of LLPs in the Chinese banking industry. Further, this research examined the impacts of local leader turnover, earnings management, and legal enforcement on the relationship between IFRS 9 adoption and the procyclicality of LLPs. The specific research objectives are as follows:

- I. To examine whether the adoption of IFRS 9 has mitigated the phenomenon of procyclicality in the Chinese banking industry.
- II. To examine whether local leader turnover weakens the mitigating effect of IFRS 9 on the phenomenon of procyclicality in the Chinese banking industry.
- III. To examine whether earnings management weaken the mitigating effect of IFRS 9 on the phenomenon of procyclicality in the Chinese banking industry.
- IV. To examine whether legal enforcement strengthens the mitigating effect of IFRS 9 on procyclicality in the Chinese banking industry.

1.5 RESEARCH SCOPE

Given that IFRS 9 mainly affects financial institutions, the sample of this research is limited to banks due to their position as the most important type of financial institutions.

Chinese banks can be divided into two categories according to their geographic scope of operations. The first category consists of banks that operate nationwide, and the second category comprises banks that operate in a specific local area, such as a province or a city. Due to the small population of 18 nationwide operating banks, their procyclicality cannot be examined reliably. Thus, nationwide banks were excluded from this study. Then, 174 local commercial banks were selected as the study's sample. Data on banks and macroeconomic data were collected from the WIND⁵ database. Data on local leader turnover were hand collected by the researcher from the websites of local governments. The numbers of lawyers (a proxy of legal enforcement) were obtained from the Statistical Yearbook of every province.

The new standard became mandatory at different times for different types of banks. The new standard became mandatory on 1 January 2018, 1 January 2019, and 1 January 2021 for the banks listed both in China and abroad, the banks listed only in China, and the non-listed banks, respectively. Since most of the local banks are unlisted, the new accounting standard became mandatory effective from 1 January 2021 (Fang, Guo, Mei & Ye 2022). This study's research period spanned the period of 2019–2022, which was divided into two parts of 2 years before and 2 years after the implementation of IFRS 9. The period from 2019 to 2020 represents the IAS 39 period, and the period from 2021 to 2022 represents the IFRS 9 period.

1.6 RESEARCH SIGNIFICANCE

This research contributes to literature in several ways. Firstly, this research contributes significantly to the literature by examining the role of institutional settings in shaping the effects of accounting standards. It adds to the existing literature by investigating the impacts of China's unique political system and local leaders' turnover on the effectiveness of IFRS 9 in mitigating the procyclicality of LLPs. This thesis sheds light

⁵ WIND is a leading provider of financial information services in China. It is an indispensable partner for lots of securities companies, fund management corporations, insurance companies, banks, investment firms, and media. Globally, WIND is also favoured by widely used by qualified foreign institutional investors (QFII) approved by China Securities Regulatory Commission. WIND's clients also include well-known financial academic research institutions and media agencies. WIND's data is also frequently cited by authoritative Chinese and English media, research reports, and academic papers. Source: <https://www.WIND.com/channels/26.html> [02 December 2023]

on the interaction between local leadership dynamics and the application of IFRS 9 in the Chinese context. In addition, this research delves into the impact of the legal enforcement on the relationship between IFRS 9 and earnings management. It highlights the distinctive features of China's civil law tradition, which emphasises legal statutes and the role of judges. This thesis also explores how improvements in the legal enforcement, such as increasing the number of lawyers and limiting the political interference, contribute to better legal enforcement. This, in turn, may influence the countercyclical effect of IFRS 9 and help increase the understanding of the dynamics of the accounting standard in a transitional legal enforcement.

Secondly, this thesis contributes significantly by uncovering the relationship between earnings management and the procyclicality of LLPs. While the findings of prior studies indicate increased incidences of earnings management following the implementation of IFRS 9, the impact of earnings management on procyclicality has remained unclear. Unlike previous research (i.e., Menicucci 2020), which often focused on capital market effects or accounting quality, this thesis delves into the less explored territory of the economic impact of earnings management. By testing the mediating role of earnings management in the relationship between IFRS 9 and procyclicality, this thesis reveals the additional effects of earnings management prompted by the adoption of IFRS 9. This insight into the opportunistic behaviour of financial institutions during economic downturns contributes to a deeper understanding of the economic consequences brought about by IFRS 9 across the economic cycle.

Thirdly, an in-depth analysis of the implications of IFRS 9 adoption in China can serve as a valuable benchmark for other nations facing similar economic challenges and structural complexities. By referring to the Chinese experience, policymakers and regulators in other emerging economies can draw crucial insights, enabling them to tailor their regulatory frameworks in order to mitigate procyclicality effectively. The lessons learned from China's IFRS 9 implementation can shed light on the nuances and potential pitfalls that may arise during the adoption process, offering a roadmap for smoother transitions in other countries.

Fourthly, this thesis contributes significantly to the accounting field by applying financial accelerator theory, institutional theory, and agency theory. This research extends the understanding of financial accelerator theory by investigating the procyclical effect resulting from changes in accounting standards, specifically the transition from IAS 39 to IFRS 9. The study demonstrates how the credit cycle of banks, influenced by accounting standards, can amplify the overall economic cycle. In addition, in testing the countercyclical effect of IFRS 9, this research emphasises the importance of considering additional factors. It explores the political and legal influences on the relationship between accounting standard transition and procyclicality, providing empirical evidence for institutional theory. Further, by considering the impact of earnings management on the relationship between accounting standards and procyclicality, the study contributes to the application of agency theory. This helps explain the motives behind earnings management during the implementation of IFRS 9, thus enhancing the understanding of the multifaceted connections between accounting standards, institutional factors, and agency considerations in shaping macroeconomic outcomes.

Fifthly, this research extends the literature pertaining to the impact of IFRS 9. In addition to the impact of IFRS 9 on banks, this thesis extends the scope of research to the economy by investigating the impact of IFRS 9 on the procyclicality of LLPs. Further, it extends the geographical scope of research relating to IFRS 9 by examining the effectiveness of the ECL model in mitigating the procyclicality of LLPs in China, the largest developing country in the world. By extending the research scope, this thesis adds to the understanding of the impact of IFRS 9 on procyclicality in a developing country's context.

Finally, by examining the impact of IFRS 9 adoption on procyclicality, this research provides standard setters with empirical evidence supporting the standard's effectiveness in mitigating procyclicality. This helps to reinforce IFRS 9's credibility and justifies its global adoption and promotion. Insights from this study guide future revisions to IFRS 9, enhancing its mitigative effects, and informing the development of complementary standards to stabilize financial systems and foster economic sustainability. Additionally, the research reveals how local leader turnover undermines

IFRS 9's effectiveness, offering guidance to policymakers on promoting political stability to enhance the standard's countercyclical impact. Furthermore, the study underscores the crucial role of robust legal enforcement in reducing earnings management, thereby mitigating the procyclicality of loan loss provisions. This finding emphasizes the need for strong legal frameworks to ensure IFRS 9's successful implementation, contributing to more stable financial systems and improved economic resilience.

1.7 ORGANISATION OF THE THESIS

This research consists of five chapters. Chapter I introduces the research background and discusses the research gap, research questions, research objectives, research method, research scope, research significance, and organisation of the thesis.

Chapter II introduces the institutional background of China. First, this chapter discusses the transition from IAS 39 to IFRS 9. Second, it briefly introduces the IFRS convergence process in China, which is the premise of this research. Third, this chapter highlights the characteristics of the Chinese social and political system, including the political and governance structure, the election procedure, and the influence of the CCP. Fourth, this chapter sheds light on the legal system in China, consisting of the legal tradition, the role of lawyers, and the improvement of legal enforcement in the country.

Chapter III discusses the literature review pertaining to the impact of IFRS 9 on various aspects. It also discusses the relationship between accounting standards and the procyclicality of LLPs. Then, this chapter introduces the impact of institutional factors, such as the political and legal enforcement, on the implementation of IFRS 9. Finally, it elaborates on how these institutional factors could interact with IFRS 9 and affect its countercyclical effects.

Chapter IV provides a discussion of the theoretical framework and hypothesis development. This study uses three theories, namely, financial accelerator theory, institutional theory, and agency theory. Financial accelerator theory suggests that the credit cycle of banks can deepen the fluctuation of the economic cycle (Bernanke &

Gertler 1989). The theory explains the effects of IFRS 9 on loans and the economic cycle. Institutional theory posits that organisations are shaped by their external environments (Scott 2015), of which political and legal enforcements are two important components. It explains the interaction between institutional settings and the new accounting standard. Then, agency theory depicts the conflict of interest between the principal and the agent. When the internal or external environment presents the agent with an opportunity, they may utilise it to maximise their own benefit. In this research, agency theory is used to explain the relationship between the flexibility provided by IFRS 9 and earnings management. Based on these theories, this research puts forward four hypotheses and constructs the research framework to guide this research.

Chapter V discusses the research methodology. This chapter introduces the research design, sample and data collection, the specific model used to test the hypotheses, and the measurement of the variables.

Chapter VI presents empirical findings from this thesis. The empirical analysis is organized into distinct sections, focusing on critical aspects of research inquiry. Beginning with descriptive statistics, this chapter provide a broad overview of the dataset. Then correlation analyses are conducted, followed by regression and robustness tests. Interpretations are supported by quantitative evidence and ensure a robust understanding of the explored objectives.

Chapter VII summarizes the key findings and draw the conclusions of this thesis. Meanwhile, this chapter discuss the broader implications of the findings on the theory and practice. This chapter also acknowledge the limitations of this thesis, providing transparency to the interpretative framework. These limitations inform the scope and boundaries of this thesis and provide potential opportunities for future research and refinement.

1.8 SUMMARY

This chapter provides an overview of this research. It highlights the research questions and research objectives pertaining to the impact of IFRS 9 on the procyclicality of LLPs and how political and legal characteristics affect the impact brought about by IFRS 9 in

China. This chapter briefly discusses the relevant literature, identifies the research gap, and elaborates on the relationship between the accounting standard and the institutional setting to support the research questions. Finally, this chapter sheds light on the potential contributions of this research. The following chapter introduces the institutional background of China and sheds light on its impact on IFRS 9 adoption in the country.



REFERENCES

- Abaoub, E. 2013. The Determinants of Earnings Management: Empirical Evidence in the Tunisian Banking Industry. *Journal of Business Studies Quarterly* 4(3): 62
- Abdul Adzis, A., Tripe, D.W.L. & Dunmore, P. 2016. IAS 39, income smoothing, and pro-cyclicality: evidence from Hong Kong banks. *Journal of Financial Economic Policy* 8(1): 80–94.
- Abdul-Baki, Z. & Haniffa, R. 2020. The impact of accounting reform on accounting quality: Evidence from Nigeria. *Journal of International Financial Management and Accounting* 31(2): 169–190.
- Abughazaleh, N., O’Connell, V., & Princen, J. 2015. Audit Quality, Auditor Size and Legal enforcements. *Quarterly Journal of Finance and Accounting* 53(4): 39–78.
- Agénor, P. R., & Zilberman, R. 2015. Loan loss provisioning rules, procyclicality, and financial volatility. *Journal of Banking & Finance* 61(2): 301-315.
- Aggelopoulos, E., Georgopoulos, A., & Koliass, G. 2024. Monthly income patterns and earnings management in banking. *Accounting Forum* 48(4): 1-25.
- Ahmed, A.H., Tahat, Y., Eliwa, Y. & Burton, B. 2021. Earnings quality and the cost of equity capital: evidence on the impact of legal background. *International Journal of Accounting and Information Management* 29(4): 631–650.
- Ahmed, A.S., Takeda, C. & Thomas, S. 1999. Bank loan loss provisions: a reexamination of capital management, earnings management and signaling effects. *Journal of Accounting and Economics* 28(1): 1-25.
- Ajinkya, B., Bhojraj, S. & Sengupta, P. 2005. The association between outside directors, institutional investors and the properties of management earnings forecasts. *Journal of Accounting Research* 43(3): 343–376.
- Algero, M.G., 2004. The Sources of Law and the Value of Precedent: A Comparative and Empirical Study of a Civil Law State in a Common Law Nation. *Louisiana Law Review* 65(1): 776-815.
- Alhadab, M. & Al-Own, B. 2019. Earnings management and equity incentives: evidence from the European banking industry. *International Journal of Accounting and Information Management* 27(2): 244–261.
- Al-Hanandeh, A., Othman, A., Mastor, N. and ALnohoud, I., 2020. International Financial Reporting Standards (IFRS 9) and International Accounting Standard 39 (IAS 39) from 2003 to 2019: Bibliometric Analysis. *Creativity and Change* 14(11): 94-117.
- Allen, F., J. Qian, & M. Qian. 2005. Law, finance, and economic growth in China. *Journal of Financial Economics* 77 (1): 57–116

- Al-Nsour, R. & Abuaddous, M. 2022. A Comparison Study between IFRS 9 and IAS 39 in GCC Countries. *European Journal of Business and Management Research* 7(6): 7–13.
- Alovokpinhou, S.A., Dladla, P. & Malikane, C. 2024. Financial accelerator, household portfolio, stock prices, and monetary policy shocks. *Applied Economics Letters* 31(1): 31–39.
- Al-Sakini, S.A., Awawdeh, H. Al, Awamleh, I. Al & Qatawneh, A.M. 2021. Impact of IFRS (9) on the size of loan loss provisions: An applied study on Jordanian commercial banks during 2015-2019. *Accounting* 7(7): 1601–1610.
- Al-Thaqeb, S.A. & Algharabali, B.G. 2019. Economic policy uncertainty: A literature review. *Journal of Economic Asymmetries* 20(1): 1-11.
- An, H., Chen, Y., Luo, D. & Zhang, T. 2016. Political uncertainty and corporate investment: Evidence from China. *Journal of Corporate Finance* 36: 174–189.
- Anderlini, L., Felli, L. & Riboni, A. 2020. Legal efficiency and consistency. *European Economic Review* 121(1): 1-39.
- Andrew Podger & Han Ruibo. 2017. A Further Understanding of the Dichotomy of Politics and Administration: The case of Australia. *Journal of Wuhan University (Philosophy and Social Sciences Edition)* 3(1): 90-100.
- Angela Liu, Y.C., Hsu, A.C. & Li, Y.Y. 2015. The Effects of the Information Disclosure and Transparency Rankings System on Earnings Management. *Journal of Interdisciplinary Mathematics* 18(1): 53–87.
- Ayadi, W.M. & Boujelbene, Y. 2015. Internal governance mechanisms and value relevance of accounting earnings: an empirical study in the French context. *International Journal of Managerial and Financial Accounting* 7(1): 3–25.
- Ba, S., Liu, X., & Zhu, Y. 2023. Formation and Evolution of the Commercial Bank Capital Regulatory Framework: Interpreting the "Draft Measures for the Capital Management of Commercial Banks (Soliciting Opinions)." *Development Finance Research* 2(1): 3-12.
- Bandaly, D., Satir, A. & Shanker, L. 2014. Integrated supply chain risk management via operational methods and financial instruments. *International Journal of Production Research* 52(7): 2007–2025.
- Bansal, M. & Kumar, V. 2021. Forcing responsibility? Examining earnings management induced by mandatory corporate social responsibility: evidence from India. *Review of Accounting and Finance* 20(2): 194–216.
- Bao X. 2020. The "Weight" and "Governance" of Institutions in China's Governance Modernization. *Journal of Jinan University (Social Sciences Edition)* 30(2): 5-18.

- Bao Y.S & Zhu F.W. 2017. Strategies to Strengthen China's Venture Capital Financial Support. *Economic Observer* 30(9): 69-74.
- Baskaran, S., Nedunselian, N., Ng, C.H., Mahadi, N. & Abdul Rasid, S.Z. 2020. Earnings management: a strategic adaptation or deliberate manipulation? *Journal of Financial Crime* 27(2): 369–386.
- Beardsley, E.L., Robinson, J.R. & Wong, P.A. 2021. What's my target? Individual analyst forecasts and last-chance earnings management. *Journal of Accounting and Economics* 72(1): 1-45.
- Beatty, A. & Liao, S. 2011. Do delays in expected loss recognition affect banks' willingness to lend? *Journal of Accounting and Economics* 52(1): 1–20.
- Beatty, A. & Liao, S. 2014. Financial accounting in the banking industry: A review of the empirical literature. *Journal of Accounting and Economics* 58(2): 339–383.
- Beatty, A. & Liao, S. 2021. What Do Analysts' Provision Forecasts Tell Us About Expected Credit Loss Recognition? *The Accounting Review* 96(1): 1–21.
- Beer, A., Ayres, S., Clower, T., Faller, F., Sancino, A. & Sotarauta, M. 2019. Place leadership and regional economic development: a framework for cross-regional analysis. *Regional Studies* 53(2): 171–182.
- Bekiros, S., Gupta, R. & Kyei, C. 2016. On economic uncertainty, stock market predictability and nonlinear spillover effects. *The North American Journal of Economics and Finance* 36: 184–191.
- Bernanke, B.S. & Gertler, M., 1989. Agency costs, collateral, and business fluctuations. *American Economic Review* 79(1): 14-31.
- Bernanke, B.S. 1981. Bankruptcy, Liquidity, and Recession. *The American Economic Review* 71(2): 155–159.
- Bernanke, B.S. 1983. Nonmonetary Effects of the Financial Crisis in the Propagation of the Great Depression. *The American Economic Review* 73(3): 257–276.
- Bernanke, B.S., Gertler, M. & Gilchrist, S., 1994. The financial accelerator and the flight to quality. *The Review of Economics and Statistics* 78(1): 1–15.
- Bernanke, B.S., Gertler, M. & Gilchrist, S., 1999. The financial accelerator in a quantitative business cycle framework. *Handbook of Macroeconomics* 1: 1341-1393.
- Bernhardt, T., Erlinger, D. & Unterrainer, L. 2016. IFRS 9: The new rules for hedge accounting from the risk management's perspective. *Oxford Journal of Finance and Risk Perspectives* 3(3): 53-66
- Bernhardt, T., Erlinger, D. & Unterrainer, L., 2014. IFRS 9: The new rules for hedge accounting from the risk management's perspective. *Journal of Finance and Risk Perspectives* 3(3): 53-66.

- Betancourt, L. & Baril, C.P., 2009. Accounting for loan losses: is dynamic provisioning the answer? Has the existing accounting for loan losses amplified the current economic crisis and exacerbated financial institutions' instability? *Bank Accounting & Finance* 22(6): 9-17.
- Beyer, A., Guttman, I. & Marinovic, I. 2019. Earnings management and earnings quality: Theory and Evidence. *Accounting Review* 94(4): 77–101.
- Bhat, G., Ryan, S.G. & Vyas, D. 2019. The implications of credit risk modeling for banks' loan loss provisions and loan-origination procyclicality. *Management Science* 65(5): 2116–2141.
- Bholat, D., Lastra, R.M., Markose, S.M., Miglionico, A. & Sen, K. 2018. Non-performing loans at the dawn of IFRS 9: Regulatory and accounting treatment of asset quality. *Journal of Banking Regulation* 19(1): 33–54.
- Bikker, J. A. & Metzmakers, P.A.J. 2005. Bank provisioning behaviour and procyclicality. *Journal of International Financial Markets, Institutions and Money* 15(2): 141–157.
- Bikker, J.A. & Hu, H. 2002. Cyclical patterns in profits, provisioning and lending of banks and procyclicality of the new Basel capital requirements. *Banca Nazionale del Lavoro Quarterly Review* 55(221): 143-175
- Bikker, J.A. & Metzmakers, P.A.J. 2005. Bank provisioning behaviour and procyclicality. *Journal of International Financial Markets, Institutions and Money* 15(2): 141–157.
- Bin Khidmat, W., Wang, M. & Awan, S. 2018. Corporate governance, earnings management and the value-relevance of accounting information: Evidence from Pakistan. *International Journal of Financial Engineering* 05(03): 1850025.
- Bischof, J. & Daske, H. 2016. Interpreting the European Union's IFRS Endorsement Criteria: The Case of IFRS 9. *Accounting in Europe* 13(2): 129–168.
- Bischof, J., Laux, C. & Leuz, C. 2021. Accounting for financial stability: Bank disclosure and loss recognition in the financial crisis. *Journal of Financial Economics* 141(3): 1188–1217.
- Bisetti, E. 2024. The value of regulators as monitors: Evidence from banking. *Management Science* 70(12): 1-20.
- Bishop, J., 2013. The art of trolling law enforcement: a review and model for implementing “flame trolling” legislation enacted in Great Britain (1981–2012). *International Review of Law, Computers & Technology* 27(3): 01-318.
- Bloom, N. 2009. The Impact of Uncertainty Shocks. *Econometrica* 77(3): 623–685.
- Bojar, P. & Olszak, M.A. 2022. The Impact of IFRS 9 on the Link Between Lending and the Capital Ratio in Publicly Traded Banks in Poland. *Journal of Banking and Financial Economics* 2022(17): 60–73.

- Bonfim, D., Cerqueiro, G., Degryse, H. & Ongena, S. 2022. On-Site Inspecting Zombie Lending. *Management Science* 69(5): 2547–2567.
- Bouvatier, V. & Lepetit, L. 2008. Banks' procyclical behavior: Does provisioning matter? *Journal of International Financial Markets, Institutions and Money* 18(5): 513–526.
- Breed, D G, Verster, T., Schutte, W.D. & Siddiqi, N. 2019. Developing an Impairment Loss Given Default Model Using Weighted Logistic Regression Illustrated on a Secured Retail Bank Portfolio. *Risks* 7(4): 123.
- Breed, Douw Gerbrand, Hurter, J., Marimo, M., Raletjene, M., Raubenheimer, H., Tomar, V. & Verster, T. 2023. A Forward-Looking IFRS 9 Methodology, Focussing on the Incorporation of Macroeconomic and Macroprudential Information into Expected Credit Loss Calculation. *Risks* 11(3): 59.
- Breed, Douw Gerbrand, van Jaarsveld, N., Gerken, C., Verster, T. & Raubenheimer, H. 2021. Development of an impairment point in time probability of default model for revolving retail credit products: South African case study. *Risks* 9(11): 208.
- Brito, R.P. & Júdeice, P. 2022. Asset classification under the IFRS 9 framework for the construction of a banking investment portfolio. *International Transactions in Operational Research* 29(4): 2613–2648.
- Buesa, A., Población, J., & Tarancón, J. 2023. The procyclicality of impairment accounting: comparing expected losses under IFRS 9 and US GAAP. *Journal of Financial Services Research* 64(3): 303-324.
- Bushman, R.M. & Piotroski, J.D. 2006. Financial reporting incentives for conservative accounting: The influence of legal and political institutions. *Journal of Accounting and Economics* 42(2): 107–148.
- Bushman, R.M. & Smith, A.J., 2001. Financial accounting information and corporate governance. *Journal of Accounting and Economics* 32(3): 237-333.
- Bushman, R.M. & Williams, C.D. 2015. Delayed Expected Loss Recognition and the Risk Profile of Banks. *Journal of Accounting Research* 53(3): 511–553.
- Cai, M. 2017. Revenue, time horizon, and land allocation in China. *Land Use Policy* 62: 101–112.
- Cai, W. & Ye, P. 2020. How does environmental regulation influence enterprises' total factor productivity? A quasi-natural experiment based on China's new environmental protection law. *Journal of Cleaner Production* 276(1): 1-14.
- Cain, M.K., Zhang, Z. & Yuan, K.H. 2017. Univariate and multivariate skewness and kurtosis for measuring nonnormality: Prevalence, influence and estimation. *Behavior Research Methods* 49(5): 1716–1735.
- Cameron, A. C., & Miller, D. L. 2015. A practitioner's guide to cluster-robust inference. *Journal of human resources* 50(2): 317-372.

- Camfferman, K. 2015. The emergence of the 'Incurred-Loss' Model for Credit Losses in IAS 39. *Accounting in Europe* 12(1): 1–35.
- Camfferman, K. 2015. The Emergence of the 'Incurred-Loss' Model for Credit Losses in IAS 39. *Accounting in Europe* 12(1): 1–35.
- Cao H & Luo M.N. 2014. Research on the Legal Effectiveness of Accounting Standards. *Journal of Xi'an University of Finance and Economics* 30(4): 105-111.
- Cao Y.Y. 2015. Empirical Study on the Impact of Decentralized Reform on Regional Economic Growth. Master Dissertation, Anhui University of Finance and Economics.
- Cao, J. & Patel, C. 2020. The role of the national institutional environment in IFRS convergence: a new approach. *Accounting & Finance* 60(4): 3367-3406.
- Cao, Q. 2014. Insight into weak enforcement of intellectual property rights in China. *Technology in Society* 38(1): 40–47.
- Carpenter, V.L. & Feroz, E.H. 2001. Institutional theory and accounting rule choice: an analysis of four US state governments' decisions to adopt generally accepted accounting principles. *Accounting, Organizations and Society* 26(7): 565–596.
- Carruthers, B.G. 1995. Accounting, ambiguity, and the new institutionalism. *Accounting, Organizations and Society* 20(4): 313–328.
- Casciello, R., Maffei, M. & Ziebart, D.A. 2024. Regulatory and contextual factors influencing earnings and capital management decisions: evidence from the European banking sector. *Review of Quantitative Finance and Accounting* 63(1): 87–146.
- Chan, K.H., Lin, K.Z., Mo, P.L.L. & Wong, P.W. 2023. Does IFRS convergence improve earnings informativeness? An analysis from the book-tax tradeoff perspective. *Accounting and Business Research* 53(2): 158–184.
- Chan, M.F. and Phua, L.K., 2022. Impacts of IFRS 9 on Conditional Conservatism and Reported Performance: Evidence from Malaysian Capital Market. *Global Business and Management Research* 14(3):1192-1207.
- Chawla, G., Forest Jr, L. R., & Aguais, S. D. 2016. Point-In-Time (PIT) LGD and EAD Models for IFRS9/CECL and Stress Testing. *Journal of Risk Management in Financial Institutions* 9(1):1-16.
- Chen Q. & Cheng X. 2022. Strategies of the Chinese Communist Party in Governing Rural Collective Economy. *Journal of Central South University for Nationalities (Humanities and Social Sciences Edition)* 30(3): 85-91.
- Chen, C., Lee, E., Lobo, G.J. & Zhu, J. 2019. Who benefits from IFRS convergence in china? *Journal of Accounting, Auditing and Finance* 34(1): 99–124.

- Chen, J.C. & Roberts, R.W. 2010. Toward a More Coherent Understanding of the Organization–Society Relationship: A Theoretical Consideration for Social and Environmental Accounting Research. *Journal of Business Ethics* 97(4): 651–665.
- Chen, L. & Huo, Y.L. 2021. A simple estimator for quantile panel data models using smoothed quantile regressions. *Econometrics Journal* 24(2): 247–263.
- Chen, M., Zhu, Z., Han, P., Chen, B. and Liu, J., 2022. Economic policy uncertainty and analyst behaviours: Evidence from the United Kingdom. *International Review of Financial Analysis* 79(1):1-44.
- Chen, Y., Chen, D., Wang, W. & Zheng, D. 2018. Political uncertainty and firms' information environment: Evidence from China. *Journal of Accounting and Public Policy* 37(1): 39–64.
- Chen, Y., Yang, C. & Zhang, C. 2022. Study on the influence of IFRS 9 on the impairment of commercial bank credit card. *Applied Economics Letters* 29(1): 35–40.
- Chen, Y.S., Chen, D.Q., Wang, W.M. & Zheng, D.J. 2018. Political uncertainty and firms' information environment: Evidence from China. *Journal of Accounting and Public Policy* 37(1): 39–64.
- Chen, Z., Hu, M. & Qiu, Z. 2022. Promotion Pressures of Local Leaders and Real Estate Investments: China and Leader Heterogeneity. *Journal of Risk and Financial Management* 15(8): 341-355
- Chen, Z.W., Zhu, K.L. & Yue, C. 2020. Bank heterogeneity, financial regulation, and leverage procyclicality. *Transformations In Business & Economics* 19(2): 829–848.
- Cheng, Q., Warfield, T. & Ye, M. 2011. Equity Incentives and Earnings Management: Evidence from the Banking Industry. *Journal of Accounting, Auditing & Finance* 26(2): 317–349.
- Chi, Q., & Li, W. 2017. Economic policy uncertainty, credit risks and banks' lending decisions: Evidence from Chinese commercial banks. *China journal of accounting research* 10(1): 33-50.
- Choi, A., Choi, J.H. & Sohn, B.C. 2018. The Joint Effect of Audit Quality and Legal Regimes on the Use of Real Earnings Management: International Evidence. *Contemporary Accounting Research* 35(4): 2225–2257.
- Chor, D. & Manova, K. 2012. Off the cliff and back? Credit conditions and international trade during the global financial crisis. *Journal of International Economics* 87(1): 117–133.
- Chrysanthakopoulos, C. & Tagkalakis, A. 2022. Do fiscal councils reduce fiscal policy procyclicality? *Applied Economics Letters* 31(3): 232-235

- Çollaku, B., Ahmeti, S. & Aliu, M. 2021. IFRS 9 Transition Effect on Financial Stability of Kosovo Commercial Banks. *Prizren Social Science Journal* 5(1): 1–10.
- Ćorić, B., 2011. The financial accelerator effect: concept and challenges. *Financial Theory and Practice* 35(2): 171-196.
- Cornett, M.M., McNutt, J.J. & Tehranian, H. 2009. Corporate governance and earnings management at large U.S. bank holding companies. *Journal of Corporate Finance* 15(4): 412–430.
- Coutinho, L., Georgiou, D., Heracleous, M., Michaelides, A. & Tsani, S. 2022. Limiting fiscal procyclicality: Evidence from resource-dependent countries. *Economic Modelling* 106(1): 1-56.
- Cui, X., Yao, S., Fang, Z. & Wang, H. 2021. Economic policy uncertainty exposure and earnings management: evidence from China. *Accounting and Finance* 61(3): 3937–3976.
- Danglun, L., Chen, K.C. & Lifan, W. 2017. Political uncertainty and firm risk in China. *Review of Development Finance* 7(2): 85–94.
- Dantas, J.A., Micheletto, M.A., Cardoso, F.A. & Freire, A. 2017. Credit losses in Brazilian banks: expected losses and incurred models and impact of IFRS 9. *Revista De Gestao Financas E Contabilidade* 7(2): 156–175.
- Dayanandan, A., Donker, H., Ivanof, M. & Karahan, G. 2016. IFRS and accounting quality: legal origin, regional, and disclosure impacts. *International Journal of Accounting and Information Management* 24(3): 296–316.
- Dechow, P.M. & Skinner, D.J. 2000. Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators. *Accounting Horizons* 14(2): 235–250.
- DeFond, M., Gao, X., Li, O.Z. & Xia, L. 2019. IFRS adoption in China and foreign institutional investments. *China Journal of Accounting Research* 12(1): 1–32.
- Delgado-Vaquero, D., Morales-Díaz, J. & Zamora-Ramírez, C. 2020. IFRS 9 expected loss: A model proposal for estimating the probability of default for non-rated companies. *Revista de Contabilidad-Spanish Accounting Review* 23(2): 180–196.
- Demyanyk, Y. & Hasan, I. 2010. Financial crises and bank failures: A review of prediction methods. *Omega* 38(5): 315–324.
- Deng, K., & Li, M. 2022. Research on Approaches and Mechanisms for Enhancing Capital Adequacy Ratios of Commercial Banks. *International Financial Research* 12(1): 57-69.
- Depoorter, B., Fon, V. & Parisi, F., 2005. Litigation, Judicial Path-dependence, and Legal Change. *European Journal of Law and Economics* 20(1): 43-56.

- DeYoung, R., & Rice, T. 2004. How do banks make money? The fallacies of fee income. *Economic Perspectives-Federal Reserve Bank of Chicago* 28(4): 34.
- Diab, A., Abdelazim, S.I. and Metwally, A.B.M., 2023. The impact of institutional ownership on the value relevance of accounting information: evidence from Egypt. *Journal of Financial Reporting and Accounting* 21(3): 509-525.
- DiMaggio, P.J. & Powell, W.W. 1983. The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review* 48(2): 147–160.
- Ding, Y. & Zhao, Q. 2021. Judicial examination and determination of victim wrongs in criminal trials in Mainland China: an explorative study. *Crime, Law and Social Change* 76(1): 85–104.
- Djuraidah, A., Syafitri, U.D. & Handayani, L.M.W. 2019. Estimation of Factors Affecting Gross Regional Domestic Product Using Geographically Weighted Panel Regression. *International Journal of Ecological Economics & Statistics* 40(1): 86–94.
- Dong, M. & Oberson, R. 2022. Moving toward the expected credit loss model under IFRS 9: capital transitional arrangement and bank systematic risk. *Accounting and Business Research* 52(6): 641–679.
- Dura, C., & Drigă, I. 2015. The Financial Sector and the Role of Banks in Economic Development. *Annals of the University of Petroșani Economics* 16(1): 598-603.
- Durović, A. 2019. Macroeconomic Approach to Point in Time Probability of Default Modeling - IFRS 9 Challenges. *Journal of Central Banking Theory and Practice* 8(1): 209–223.
- Eisenhardt, K.M. 1989. Agency Theory: An Assessment and Review. *Academy of Management Review* 14(1): 57–74.
- Eleftherios, V. 2019. Basel risk weight functions and forward-looking expected credit losses. *Journal of Credit Risk* 15(4): 29–42.
- Engelmann, B. & Lam Nguyen, T.T. 2023. Global assessment of the COVID-19 impact on IFRS 9 loan loss provisions. *Asian Review of Accounting* 31(1): 26–41.
- Engelmann, B. & Pham, H. 2020. Measuring the performance of bank loans under Basel II/III and IFRS 9/CECL. *Risks* 8(3): 1–21.
- Engelmann, B. 2024. A simple and consistent credit risk model for Basel II/III, IFRS 9 and stress testing when loan data history is short. *International Journal of Financial Engineering* 11(03): 1-29.
- Eriotis, N., Kounadeas, T. & Vasiliou, D., 2019. From IAS 39 to IFRS 9: literature review of studies on the implementation of IFRS in the European banking sector. *International Journal of Finance, Insurance and Risk Management* 9(4): 29-51.

- Eugene F. Fama and Michael C. Jensen 1983. Agency Problems and Residual Claims. *The Journal of Law and Economics* 26(2): 327-351.
- Fang, X., Guo, Y., Mei, B. & Ye, J. 2022. Implementation costs of IFRS 9 for non-financial firms: evidence from China. *Accounting & Finance* 62(2): 2781–2805.
- Fatouh, Mahmoud, Bock, R. & Ouenniche, J. 2023. Impact of IFRS 9 on the cost of funding of banks in Europe. *Journal of Banking Regulation* 24(2): 115–145.
- Feldstein, M., & Stock, J. H. 1994. The use of a monetary aggregate to target nominal GDP. *Monetary policy* 8(9): 7-69.
- Feng Y.N & Shen P.L. 2020. Research on China's Multilevel Capital Market System. *Economic Issues* 30(10): 46-52.
- Fiechter, P., Landsman, W.R., Peasnell, K. & Renders, A. 2017. The IFRS option to reclassify financial assets out of fair value in 2008: the roles played by regulatory capital and too-important-to-fail status. *Review of Accounting Studies* 22(4): 1698–1731.
- Fine, A.D. & Van Rooij, B. 2021. Legal socialization: Understanding the obligation to obey the law. *Journal of Social Issues* 77(2): 367–391.
- Flannery, M.J. & Giacomini, E. 2015. Maintaining adequate bank capital: An empirical analysis of the supervision of European banks. *Journal of Banking & Finance* 59(1): 236–249.
- Folusu, A., 2020. Monetary policy and the real sector: A structural VAR approach for Nigeria. *Am J Econ* 10(6): 339-351.
- Fonseca, A.R. & González, F. 2008. Cross-country determinants of bank income smoothing by managing loan-loss provisions. *Journal of Banking & Finance* 32(2): 217–228.
- Fredona, R. & Reinert, S.A. 2020. Italy and the Origins of Capitalism. *Business history review* 94(1): 5-38.
- Frykström, N., & Li, J. 2018. IFRS 9—the new accounting standard for credit loss recognition. *Economic Commentaries* 3(1): 1-13.
- Funta, R. & Králiková, K. 2022. Obligation of the European Commission to review national civil court judgements? *Juridical Tribune* 12(2): 215–226.
- Gabriel, J., 2021. RPA Use Case — “IFRS 9/SPPI”. *The Digital Journey of Banking and Insurance* 9(2): 295–310.
- Galdi, F., De Moura, A. & França, R. 2021. Loan loss provision models in Brazilian banks. *Meditari Accountancy Research* 29(6): 1473–1491.

- Gao, H., Shen, Z., Li, Y., Mao, X. & Shi, Y. 2020. Institutional Investors, Real Earnings Management and Cost of Equity: Evidence from Listed High-tech Firms in China. *Emerging Markets Finance and Trade* 56(14): 3490–3506.
- García Osma, B., Mora, A. & Porcuna-Enguix, L. 2019. Prudential supervisors' independence and income smoothing in European banks. *Journal of Banking and Finance* 102(1): 156–176.
- Garcia, I.A.S. & Martins, O.S. 2015. Ownership and control structures and the performance of non-financial public companies in Brazil. *Revista Contabilidade Controladoria* 7(2): 109–125.
- Gebhardt, G. 2016. Impairments of Greek Government Bonds under IAS 39 and IFRS 9: A Case Study. *Accounting in Europe* 13(2): 169–196.
- Gebhardt, G. U., & Novotny - Farkas, Z. 2011. Mandatory IFRS adoption and accounting quality of European banks. *Journal of business finance & accounting* 38(4): 289-333.
- Georgiou, K., Domazakis, G.N., Pappas, D. & Yannacopoulos, A.N. 2021. Markov chain lumpability and applications to credit risk modelling in compliance with the International Financial Reporting Standard 9 framework. *European Journal of Operational Research* 292(3): 1146–1164.
- Geršl, A. & Jakubík, P., 2009. Procyclicality of the financial system and simulation of the feedback effect. *Financial Stability Report* 2010:110-119.
- Ghosh, S. 2007. Loan loss provisions, Earnings, Capital management and signalling: Evidence from Indian Banks. *Global Economic Review* 36(2): 121–136.
- Giner, B. & Mora, A. 2019. Bank loan loss accounting and its contracting effects: the new expected loss models. *Accounting and Business Research* 49(6): 726–752.
- Goldstein, R., Sances, M.W. & You, H.Y. 2020. Exploitative Revenues, Law Enforcement, and the Quality of Government Service. *Urban Affairs Review* 56(1): 5–31.
- Gomaa, Mohamed, Kanagaretnam, K., Mestelman, S. & Shehata, M. 2019. Testing the Efficacy of Replacing the Incurred Credit Loss Model with the Expected Credit Loss Model. *European Accounting Review* 28(2): 309–334.
- Gómez-Ortega, A., Gelashvili, V., Delgado Jalón, M.L. & Rivero Menéndez, J.Á. 2022. Impact of the application of IFRS 9 on listed Spanish credit institutions: implications from the regulatory, supervisory and auditing point of view. *The Journal of Risk Finance* 23(4): 437–455.
- Gong, G., Huang, X., Wu, S., Tian, H. & Li, W. 2021. Punishment by Securities Regulators, Corporate Social Responsibility and the Cost of Debt. *Journal of Business Ethics* 171(2): 337–356.

- Gope, A. & Mitra, G. 2022. Expected Credit Loss Under IFRS-9 and Impact of COVID-19. *South Asian Journal of Management* 29(1): 166-180.
- Gope, A. 2018. Classification and measurement of Financial Instruments: IFRS 9. *International Journal of Creative Research Thoughts* 6(1): 2385-2392.
- Gornjak, M. 2017. Comparison of IAS 39 and IFRS 9: The analysis of replacement. *International Journal of Management, Knowledge and Learning* 6(1):115-130.
- Gornjak, M. 2019. Forward-looking approach in the accounting of financial instruments: case study of Slovenian Pension Company. *International Journal of Innovation and Learning* 26(1): 27–43.
- Gornjak, M. 2020. Literature review of IFRS 9 and its key parameters. *Management* 20(1): 22-38.
- Groff, M.Z. & Mörec, B. 2021. IFRS 9 transition effect on equity in a post bank recovery environment: the case of Slovenia. *Economic Research-Ekonomska Istrazivanja* 34(1): 670–686.
- Grzybowska, U. & Karwański, M. 2020. Application of machine learning method under IFRS 9 approach to LGD modeling. *Acta Physica Polonica A* 138(1): 116–122.
- Gubareva, M. 2021. How to estimate expected credit losses – ECL – for provisioning under IFRS 9. *Journal of Risk Finance* 22(2): 169–190.
- Gubareva, M., 2020. IFRS 9 compliant economic adjustment of expected credit loss modelling. *Journal of Credit Risk* 16(2): 29-66
- Gulyás, É. & Somogyi, C. 2019. Experiences Relating to the Introduction of IFRS 9 In the Banking Sector. *Economy & Finance* 6(3): 266–295.
- Guo H.Y, Hao X. 2023. LPR Reform, Interest Rate Spread Narrowing, and Bank Profits—Based on Event Analysis and Panel Threshold Model. *Financial Forum* 30(2): 14-24.
- Guo, Y., Lu, S., Ronen, J. & Ye, J. 2019. Equity Financial Assets: A Tool for Earnings Management—A Case Study of a Chinese Corporation. *Abacus* 55(1): 180–204.
- Háda, A. 2019. Banking Supervisors Tracing the Transition to IFRS 9. *Financial and Economic Review* 18(4): 7–111.
- Hail, L., Leuz, C. & Wysocki, P. 2010. Global Accounting Convergence and the Potential Adoption of IFRS by the U.S. (Part I): Conceptual Underpinnings and Economic Analysis. *Accounting Horizons* 24(3): 355–394.
- Halegua, A. 2016. Who will represent China's workers? Lawyers, legal aid, and the enforcement of labor rights. *US-Asia Law Institute* 30(1): 1-48.

- Hao, J., Sun, M. & Yin, J. 2019. Convergence to IFRS, accounting quality, and the role of regional institutions: evidence from China. *Asian Review of Accounting* 27(1): 29–48.
- Haq, M., Ongena, S., Pu, J., & Tan, E. K. 2024. Do banks engage in earnings management? The role of dividends and institutional factors. *Journal of Banking & Finance* 168(1): 1-21.
- Haq, V.H.E. & Pratama, A. 2021. Implementation of IFRS 9, 15, and 16 towards accounting information quality: an Indonesian case study. *Academy of Accounting and Financial Studies Journal* 25(1): 1–8.
- He C. & Guan W. 2021. An Empirical Study on the Role of Credit Rating in Promoting the High-Quality Development of the Bond Market. *Investment Research* 30(7): 142-158.
- Healy, P.M. & Wahlen, J.M. 1999. A Review of the Earnings Management Literature and Its Implications for Standard Setting. *Accounting Horizons* 13(4): 365–383.
- Heo, M. & Leon, A.C. 2010. Sample sizes required to detect two-way and three-way interactions involving slope differences in mixed-effects linear models. *Journal of Biopharmaceutical Statistics* 20(4): 787–802.
- Hirtle, B., Kovner, A. & Plosser, M. 2020. The impact of supervision on bank performance. *The Journal of Finance* 75(5): 2765-2808.
- Hong, D. & Phan, T. 2014. Examining key determinants of International Financial Reporting Standards (IFRS) adoption in Vietnam: An institutional perspective. Ph.D. Thesis, Swinburne University of Technology.
- Hońko, S., Remlein, M., Rówińska-Krań, M. & Świetla, K. 2020. Effects of COVID-19 in the Financial Statements of Selected Companies Listed in Warsaw Stock Exchange 23(2): 854-871
- Hou, Y. & Li, S. 2023. Stimulated political decisions: Local leadership turnover and firm subsidies in China. *Political Science Research and Methods* 11(1): 18–33.
- Houqe, M.N., van Zijl, T., Dunstan, K. & Karim, A.K.M.W. 2012. The Effect of IFRS Adoption and Investor Protection on Earnings Quality Around the World. *The International Journal of Accounting* 47(3): 333–355.
- Hronsky, J. 2010. IFRS 9, Impairment and Procyclicality: Is the cure worse than the disease? *The Journal of the Securities Institute of Australia* 30(4): 55-59.
- Huang, S., Roychowdhury, S. & Sletten, E. 2020. Does Litigation Deter or Encourage Real Earnings Management? *The Accounting Review* 95(3): 251–278.
- Huang, Y. 2023. Strengthening the Capital Strength of Rural Commercial Banks with the Support of Capital Markets. *Chinese Rural Finance* 10(1): 42-43.

- Huizinga, H. & Laeven, L. 2019. The Procyclicality of Banking: Evidence from the Euro Area. *IMF Economic Review* 67(3): 496–527.
- Innocenti, F., Tan, F. E., Candel, M. J., & van Breukelen, G. J. 2023. Sample size calculation and optimal design for regression-based norming of tests and questionnaires. *Psychological Methods* 28(1), 89.
- International accounting standard board. 2009. IFRS 9 Financial Instruments. Foundation, I. 2009.
- Islam, M. A., Ali, R., & Ahmad, Z. 2011. Is modified Jones model effective in detecting earnings management? Evidence from a developing economy. *International Journal of Economics and Finance* 3(2): 116-125.
- Jaffe, D. & Stiglitz, E. J., 1990. Credit Rationing. *Handbook of Monetary Economics* 2 (1): 837-888.
- Jensen, M. C., & Meckling, W. F. 1976. Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics* 3(1): 305-360.
- Ji, A.B., Zhang, J.J., He, X. & Zhang, Y.H. 2022. Fixed effects panel interval-valued data models and applications. *Knowledge-Based Systems* 237(1): 1-33.
- Jiang, F., Jiang, Z. & Kim, K.A., 2020. Capital markets, financial institutions, and corporate finance in China. *Journal of Corporate Finance* 63(1): 1-66.
- Jiang, F., Zhu, B. & Huang, J. 2013. CEO's financial experience and earnings management. *Journal of Multinational Financial Management* 23(3): 134–145.
- Jianqiu, C. & Jianxing, S.M. 2015. Comparison of the Lawyers' Practicing Environment Between Hongkong and the Mainland. Master Dissertation, South China University of Technology.
- Jiao J.H. 2023. Research on the Institutional Creation and Preliminary Practice of Securities Class Action in China. *Chinese Legal Science* 30(3): 182-202.
- Jin Z.D. 2020. Fiscal Decentralization, Financial Decentralization, and Local Economic Growth. Master Dissertation, Zhongnan University of Economics and Law.
- Jones, K. L., Krishnan, G. V., & Melendrez, K. 2006. Do models of discretionary accruals detect actual cases of fraudulent and restated earnings? An empirical evaluation. *Contemporary Accounting Research* 30(1):1-45.
- Jordan, C.E., Clark, S.J. & Waldron, M.A. 2021. Testing for Earnings Management in the U.S. Amid the COVID-19 Pandemic. *Journal of Applied Business and Economics* 23(5): 1-10.
- Joubert, M., Verster, T., Raubenheimer, H. & Schutte, W.D. 2021. Adapting the default weighted survival analysis modelling approach to model IFRS 9 LGD. *Risks* 9(6): 103

- Jutasompakorn, P., Lim, C.Y., Ranasinghe, T. & Ow Yong, K. 2021. Impact of Basel III on the discretion and timeliness of Banks' loan loss provisions. *Journal of Contemporary Accounting & Economics* 17(2): 100255.
- Kamarudin, K.A., Ariff, A.M. & Jaafar, A. 2020. Investor protection, cross-listing and accounting quality. *Journal of Contemporary Accounting & Economics* 16(1): 1-33.
- Kamarudin, K.A., Wan Ismail, W.A. & Ariff, A.M. 2022. Auditor tenure, investor protection and accounting quality: international evidence. *Accounting Research Journal* 35(2): 238–260.
- Kamber, G. & Thoenissen, C. 2012. The financial accelerator and monetary policy rules. *Economics Letters* 115(2): 309–313.
- Ke, B., Lennox, C.S. & Xin, Q. 2015. The effect of China's weak institutional environment on the quality of big 4 audits. *Accounting Review* 90(4): 1591–1619.
- Khan, U., 2019. Does fair value accounting contribute to systemic risk in the banking industry? *Contemporary Accounting Research* 36(4): 2588-2609.
- Kladakis, G., Chen, L. & Bellos, S.K. 2022. Bank regulation, supervision and liquidity creation. *Journal of International Money and Finance* 124(1): 1-16.
- Klapper, L., Love, I. & Randall, D. 2015. New firm registration and the business cycle. *International Entrepreneurship and Management Journal* 11(2): 287–306.
- Kliestik, T., Belas, J., Valaskova, K., Nica, E. & Durana, P. 2021. Earnings management in V4 countries: the evidence of earnings smoothing and inflating. *Economic Research-Ekonomska Istrazivanja* 34(1): 1452–1470.
- Knechel, W.R., Thomas, E. & Driskill, M. 2020. Understanding financial auditing from a service perspective. *Accounting, Organizations and Society* 81(1): 1-58.
- Kohli, U. & Ch, U.K. 2004. An Implicit Tornqvist Index of Real GDP. *Journal of Productivity Analysis* 21(1): 337–353.
- Kong Jingwei & Wang Jianwen. 2024. Construction of Evaluation Index System for Judicial Business Environment in China: Taking B-READY Paradigm as Reference. *North Methodology* 30(1): 107-124.
- Kostka, G. & Habich-Sobiegalla, S. 2024. In times of crisis: Public perceptions toward COVID-19 contact tracing apps in China, Germany, and the United States. *New Media and Society* 26(4): 2256–2294.
- Kouki, A. 2018. Mandatory IFRS adoption, investor protection and earnings management: A data analysis of Germany, France and Belgium listed companies. *International Journal of Accounting and Information Management* 26(1): 187–204.

- Kusano, M. & Sanada, M. 2019. Crisis and organizational change: IASB's response to the financial crisis. *Journal of Accounting & Organizational Change* 15(2): 278–301.
- Kvaal, E., Löw, E., Novotny-Farkas, Z., Panaretou, A., Renders, A. & Sampers, P. 2023. Classification and Measurement under IFRS 9: A Commentary and Suggestions for Future Research. *Accounting in Europe* 21(2): 154-175.
- Kyiu, A. & Tawiah, V. 2023. IFRS 9 implementation and bank risk. *Accounting Forum* 48(4): 1-25
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A. & Vishny, R. 2002. Investor protection and corporate valuation. *Journal of Finance* 57(3): 1147–1170.
- La Porta, R., Lopez-De-Silanes, F., Shleifer, A., & Vishny, R. 1997. Legal determinants of external finance. *The Journal of Finance* 52(3): 1131–1150.
- Laeven, L. & Majnoni, G. 2003. Loan loss provisioning and economic slowdowns: too much, too late? *Journal of Financial Intermediation* 12(2): 178–197.
- Lambert, R.A. 2001. Contracting theory and accounting. *Journal of Accounting and Economics* 32(1): 3–87.
- Landini, S., Uberti, M. & Casellina, S. 2019. Credit risk migration rates modelling as open systems II: A simulation model and IFRS9-baseline principles. *Structural Change and Economic Dynamics* 50(1): 175–189.
- Lee, C.W.J. 1987. Accounting infrastructure and economic development. *Journal of Accounting and Public Policy* 6(2): 75–85.
- Lee, E., Walker, M. & Zeng, C., 2013. Does IFRS convergence affect financial reporting quality in China? ACCA Research Report, 2013.
- Lei J. 2018. Research on the Improvement of the System of Accountability for Wrongful Cases in China. Master Dissertation, Tianjin University of Commerce.
- Lei, C. 2010. The historical development of the Civil Law tradition in China: a private law perspective. *The Legal History Review* 78(2): 159–181.
- Leuz, C., Nanda, D. & Wysocki, P.D. 2003. Earnings management and investor protection: an international comparison. *Journal of Financial Economics* 69(3): 505–527.
- Li Wengui & Bao Jiaolei. (2023). Social Trust and Analysts' Earnings Forecast. *Management Review* 30(1): 283-297.
- Li, B., Chen, J. & Li, S. 2023. Estimation of Fixed Effects Partially Linear Varying Coefficient Panel Data Regression Model with Nonseparable Space-Time Filters. *Mathematics* 11(6): 1-24.

- Li, H. & Zhou, L.A. 2005. Political turnover and economic performance: the incentive role of personnel control in China. *Journal of Public Economics* 89(9): 1743–1762.
- Li, S., Ding, F., Liu, Q., Qiao, Z. & Chen, Z. 2022. Can financial analysts constrain real earnings management in emerging markets? Evidence from China. *Asia-Pacific Journal of Accounting & Economics* 29(5): 1208–1226.
- Li, V. 2019. The effect of real earnings management on the persistence and informativeness of earnings. *The British Accounting Review* 51(4): 402–423.
- Li, Wei & Weible, C.M. 2021. China's Policy Processes and the Advocacy Coalition Framework. *Policy Studies Journal* 49(3): 703–730.
- Li, Wenjing, Ng, J., Tsang, A. & Urcan, O. 2019. Country-level institutions and management earnings forecasts. *Journal of International Business Studies* 50(1): 48–82.
- Li, X., Ng, J., & Saffar, W. 2024. Accounting-driven bank monitoring and firms' debt structure: evidence from IFRS 9 adoption. *Management Science* 70(1): 54-77.
- Li, Z., & Zhong, J. 2020. Impact of economic policy uncertainty shocks on China's financial conditions. *Finance Research Letters* 35(1): 1-12.
- Lilien, S., Sarath, B. & Yan, Y. 2020. Fair value accounting, earnings management, and the case of bargain purchase gain. *Asian Review of Accounting* 28(2): 229–253.
- Lin, F., Lin, S.W. & Fang, W.C. 2020. How CEO narcissism affects earnings management behaviors. *The North American Journal of Economics and Finance* 51(1): 1-30.
- Lin, Y., Song, Y. & Tan, J. 2017. The governance role of institutional investors in information disclosure: Evidence from institutional investors' corporate visits. *Nankai Business Review International* 8(3): 304–323.
- Liu M.X., Zhang D., Shi Z.H., Zhu M.C. 2015. Power Structure of China's Political Elites and the Sustainability of Economic Decentralization. *Economics Quarterly* 30(4): 289-320.
- Liu W. 2022. Compliance and Innovation in China's Modernization. *Tianjin Social Sciences* 40(6): 4-13.
- Liu, C., and S. Ryan. 2006. Income smoothing over the business cycle: Changes in banks' coordinated management of provisions for loan losses and loan charge-offs from the pre-1990 bust to the 1990s boom. *The Accounting Review* 81(1): 421-441.
- Liu, Chunhui, Yao, L.J., Hu, N. & Liu, L. 2011. The impact of IFRS on accounting quality in a regulated market: an empirical study of China. *Journal of Accounting, Auditing & Finance* 26(4): 659–676.

- Liu, Chunyan, Dou, X., Li, J. & Cai, L.A. 2020. Analyzing government role in rural tourism development: An empirical investigation from China. *Journal of Rural Studies* 79(1): 177–188.
- Liu, J., Zhang, D., Cai, J. & Davenport, J. 2021. Legal systems, national governance and renewable energy investment: evidence from around the world. *British Journal of Management* 32(3): 579–610.
- Lopez-espinosa, G., Ormazabal, G. & Sakasai, Y. 2021. Switching from Incurred to Expected Loan Loss Provisioning: Early Evidence. *Journal of Accounting Research* 59(3): 757–804.
- Löw, E. & Erkelenz, M. 2022. Long and Short-term Investments by European Banks – Trends Since the IASB Published IFRS 9. *Australian Accounting Review* 32(4): 440–459.
- Lu, Y. & Nikolaev, V. V. 2022. Expected Loan Loss Provisioning: An Empirical Model. *The Accounting Review* 97(7): 319–346.
- Lubis, T.H. & Ramadhani, R., 2021. The Legal Strength of the Deed of Power to Sell as the Basis for Transfer of Land Rights. *International Journal Reglement & Society* 2(3): 149-160.
- Lui, W.C.Y. 2021. Comparing the Implementation of Restorative Justice in the Inquisitorial System of China with the Adversarial Tradition in Hong Kong. *Comparative Restorative Justice* 30(1): 181–196.
- Luo Z. & Li Q.H. 2023. Layout of China's Rural Financial Institutions: Features, Problems, and Suggestions. *Journal of Sun Yat-sen University (Social Science Edition)* 30(4): 150-162.
- Madah Marzuki, M., Abdul Rahman, A.R., Marzuki, A., Ramli, N.M. & Wan Abdullah, W.A. 2021. Issues and challenges of IFRS 9 in Malaysian Islamic financial institutions: recognition criteria perspective. *Journal of Islamic Accounting and Business Research* 12(2): 239–257.
- Malovaná, S. & Tesařová, A. 2022. Banks' Credit Losses and Provisioning over the Business Cycle: Implications for IFRS. *Review of Economic Perspectives* 22(1): 53–74.
- Manawadu, I., Che Azmi, A. & Mohamed, A. 2019. Moderating effect of IFRS adoption on FDI and conditional accounting conservatism in South Asia. *Journal of Accounting in Emerging Economies* 9(1): 51–74.
- Mao L.Q. 2022. On the Functional Positioning of Securities Class Actions in China. *Journal of Nanjing University (Philosophy, Literature and Social Science Edition)* 30(1), 146-156.
- Marks-Bielska, R., Wojarska, M., Lizinska, W. & Babuchowska, K. 2020. Local Economic Development in the Context of the Institutional Efficiency of Local Governments. *Engineering Economics* 31(3): 323–333.

- Martin, J., De Adana, D. D. R., & Asuero, A. G. 2017. Fitting models to data: residual analysis, a primer. *Uncertainty quantification and model calibration* 9(1): 133-156.
- Mechelli, A. & Cimini, R. 2021. The effect of corporate governance and investor protection environments on the value relevance of new accounting standards: the case of IFRS 9 and IAS 39. *Journal of Management and Governance* 25(4): 1241-1266.
- Menand, L. 2021. Why Supervise Banks? The Foundations of the American Monetary Settlement. *Vanderbilt Law Review* 74 (1): 102-169.
- Menicucci, E. & Menicucci, E. 2020. Earnings Quality and Earnings Management. *Earnings Quality: Definitions, Measures, and Financial Reporting* 45(3): 53-82.
- Miah, M.S., Jiang, H., Rahman, A. & Stent, W. 2020. Audit effort, materiality and audit fees: evidence from the adoption of IFRS in Australia. *Accounting Research Journal* 33(1): 186-216.
- Mirković, V., Vujičić, M. & Lukić, J. 2019. Credibility of Serbian banking sector from the aspect of foreign direct investments. *Journal of Innovative Business and Management* 10(2):1-31.
- Miu, P. & Ozdemir, B. 2017. Adapting the Basel II advanced internalratings- based models for international financial reporting standard 9. *Journal of Credit Risk* 13(2): 53-83.
- Mody, A. & Taylor, M.P. 2004. Financial predictors of real activity and the financial accelerator. *Economics Letters* 82(2): 167-172.
- Monica, M. & Stefan, B. 2019. IFRS 9 benchmarking test: Too complicated to worth doing it? *Economic Computation and Economic Cybernetics Studies and Research* 53(1): 217-230.
- Morais, A.I., Fialho, A. & Dionísio, A. 2018. Is the accounting quality after the mandatory adoption of IFRS a random walk? Evidence from Europe. *Journal of Applied Accounting Research* 19(3): 334-350.
- Motz, R.T., Barnes, J.C., Caspi, A., Arseneault, L., Cullen, F.T., Houts, R., Wertz, J. & Moffitt, T.E. 2020. Does contact with the justice system deter or promote future delinquency? Results from a longitudinal study of British adolescent twins. *Criminology* 58(2): 307-335.
- Mundfrom, D.J., Shaw, D.G. & Ke, T.L. 2005. Minimum sample size recommendations for conducting factor analyses. *International Journal of Testing* 5(2): 159-168.
- NÆS, R., Skjeltorp, J.A. & Ødegaard, B.A. 2011. Stock Market Liquidity and the Business Cycle. *The Journal of Finance* 66(1): 139-176.

- Naomi R. Rothenberg. 2020. Auditor Reputation Concerns, Legal Liability, and Standards. *The Accounting Review* 95 (3): 371–391.
- Napier, C.J. & Stadler, C. 2020. The real effects of a new accounting standard: the case of IFRS 15 Revenue from Contracts with Customers. *Accounting and Business Research* 50(5): 474–503.
- Nayak, S., Patnaik, B.C.M. & Satpathy, I. 2021. Reflections on implementation of international financial reporting standards (IFRS) in the Indian banking industry. *Universal Journal of Accounting and Finance* 8(4): 148–152.
- Neisen, M. & Schulte-Mattler, H. 2021. The effectiveness of IFRS 9 transitional provisions in limiting the potential impact of COVID-19 on banks. *Journal of Banking Regulation* 22(4): 342–351.
- Nguyen, L.T., Tran, S.H. & Le, T.D.Q. 2020. Loan loss provisions, earnings management, capital management, and signalling: the case of Vietnamese banks. *Afro-Asian J. of Finance and Accounting* 11(5): 755.
- Nikulin, E. & Downing, J. 2021. Loan-loss provisions, earnings management, and capital management by Russian banks: the impact of changes in banking regulation and oversight. *Eurasian Business Review* 11(4): 659–677.
- Nnadi, M, Keskudee, A. & Amaewhule, W. 2023. IFRS 9 and earnings management: the case of European commercial banks. *International Journal of Accounting and Information Management* 31(3): 504-527
- Nnadi, Matthias, Omoteso, K. & Yu, Y. 2015. Does regulatory environment affect earnings management in transitional economies? An empirical examination of the financial reporting quality of cross-listed firms of China and Hong Kong. *International Finance Review* 16: 245–276.
- Nobes, C. 2006. The survival of international differences under IFRS: towards a research agenda. *Accounting and Business Research* 36 (3): 233-245.
- Nobes, C. 2013. The continued survival of international differences under IFRS. *Accounting and Business Research* 43 (2): 83-111.
- Norouzpour, M., Nikulin, E. & Downing, J. 2023. IFRS 9, earnings management and capital management by European banks. *Journal of Financial Reporting and Accounting* 31(3): 504-527.
- North, D. C. 1994. Economic performance through time. *The American economic review* 84(3): 359-368.
- Novotny-Farkas, Z. 2016. The Interaction of the IFRS 9 Expected Loss Approach with Supervisory Rules and Implications for Financial Stability. *Accounting in Europe* 13(2): 197–227.
- Oberson, R. 2021. The Credit-Risk Relevance of Loan Impairments Under IFRS 9 for CDS Pricing: Early Evidence. *European Accounting Review* 30(5): 959–987.

- Okioga, C.K., 2013. The Capital Market Authority Effectiveness in the Regulation of Financial Markets perspectives from the financial sector actors. *Australian Journal of Business and Management Research* 2(11): 15.
- Olszak, M. & Kowalska, I. 2022. Does bank competition matter for the effects of macroprudential policy on the procyclicality of lending? *Journal of International Financial Markets Institutions & Money* 30(1): 76-124.
- Olszak, M.A. & Kowalska, I. 2022. Procyclicality of loan-loss provisions and competitive environment - a global perspective. *International Journal of Emerging Markets* 18(12): 5940-5971.
- Olszak, Małgorzata, Chodnicka-Jaworska, P., Kowalska, I. & Światała, F. 2018. Bank-type specific determinants of sensitivity of loan-loss provisions to business cycle. *European Journal of Finance* 24(17): 1672–1698.
- Olszak, Małgorzata, Pipień, M., Kowalska, I. & Roszkowska, S. 2017. What Drives Heterogeneity of Cyclicity of Loan-Loss Provisions in the EU? *Journal of Financial Services Research* 51(1): 55–96.
- Omran, M. & Tahat, Y.A. 2020. Does institutional ownership affect the value relevance of accounting information? *International Journal of Accounting and Information Management* 28(2): 323–342.
- Onali, E., Ginesti, G. & Ballestra, L.V. 2017. Investor reaction to IFRS for financial instruments in Europe: The role of firm-specific factors. *Finance Research Letters* 21(1): 72–77.
- Oz, I.O. & Yelkenci, T. 2018. Examination of real and accrual earnings management: A cross-country analysis of legal origin under IFRS. *International Review of Financial Analysis* 58(1): 24–37.
- Ozili, P.K., 2022. Banking sector earnings management using loan loss provisions in the Fintech era. *International Journal of Managerial Finance* 18(1): 75-93.
- Pais, C. & Dias, C.A. 2022. The implications of book-tax conformity and tax change for the earnings management of Portuguese micro firms. *Journal of International Accounting, Auditing and Taxation* 46: 100448.
- Panda, B. & Leepsa, N.M. 2017. Agency theory: Review of Theory and Evidence on Problems and Perspectives. *Indian Journal of Corporate Governance* 10(1): 74–95.
- Pastiranová, O. & Witzany, J. 2021. Impact of implementation of IFRS 9 on Czech banking sector. *Prague Economic Papers* 30(4): 449–469.
- Pastiranová, O. & Witzany, J. 2022a. Does IFRS 9 Increase Volatility of Loan Loss Provisions? *Regulation of Finance and Accounting* 10(1): 243–249.

- Pastiranová, O. & Witzany, J. 2022b. IFRS 9 and its behavior in the cycle: The evidence on EU countries. *Journal of International Financial Management & Accounting* 33(1): 5–17.
- Peerenboom, R. 2002. Law Enforcement and the Legal Profession in China. *Implementation of Law in the People's Republic of China* 30(1): 125-147
- Peng, S. & Bewley, K. 2010. Adaptability to fair value accounting in an emerging economy. *Accounting, Auditing & Accountability Journal* 23(8): 982–1011.
- People's Republic of China. 2015. *Electoral Law of the People's Republic of China* (Revised 2015).
- People's Republic of China. 2018. *Constitution of the People's Republic of China* (Revised 2018).
- People's Republic of China. 2019. *Securities Law of the People's Republic of China* (Revised 2019).
- Pieke, F.N. 2012. The Communist Party and social management in China. *China Information* 26(2): 149–165.
- Pinto, I & Morais, A.I. 2022. Classification of Equity Instruments under IFRS 9: Determinants and Consequences. *Australian Accounting Review* 32(4): 411–426.
- Qian S.T. & Wang X.R. 2022. Local Government Intervention, Zombie Enterprises, and Dynamic Adjustment of Capital Structure. *Business Economics and Management* 40(7): 83-96.
- Quagliariello, M. 2007. Banks' riskiness over the business cycle: a panel analysis on Italian intermediaries. *Applied Financial Economics* 17(2): 119–138.
- Ranasinghe, T., Sivaramkrishnan, K., & Yi, L. 2022. Hedging, hedge accounting, and earnings predictability. *Review of Accounting Studies* 27(1): 35-75.
- Rivest, L.P. 1994. Statistical properties of winsorized means for skewed distributions. *Biometrika* 81(2): 373–383.
- Rogers, J. & Xu, J. 2019. How Well Does Economic Uncertainty Forecast Economic Activity? *Finance and Economics Discussion Series* 19(85): 1-36.
- Saleh, I. & Abu Afifa, M. 2020. The effect of credit risk, liquidity risk and bank capital on bank profitability: Evidence from an emerging market. *Cogent Economics and Finance* 8(1): 1-13.
- Sánchez Serrano, A. 2018. Financial stability consequences of the expected credit loss model in IFRS 9. *Financial Stability Review* 34(1): 77-95.

- Saona, P. & Azad, M.A.K. 2020. Examining Managerial Misbehavior in Asian Banks through Loan Loss Provisions*☆. *Asia-Pacific Journal of Financial Studies* 49(4): 581–624.
- Schaap, C.M., 2020. The impact of IFRS 9 on the Value Relevance of Accounting Information: Evidence from European Union Banks. *Business Economics* 5(4):1-30
- Schiopoiu Burlea, A. & Popa, I. 2013. Legitimacy Theory. *Encyclopedia of Corporate Social Responsibility* 30(1): 1579–1584.
- Schneider, A.K. and Alkon, C., 2019. Bargaining in the dark: The need for transparency and data in plea bargaining. *New Criminal Law Review* 22(4): 434-493.
- Schutte, W.D., Verster, T., Doody, D., Raubenheimer, H. & Coetzee, P.J. 2020. A proposed benchmark model using a modularised approach to calculate IFRS 9 expected credit loss. *Cogent Economics and Finance* 8(1):1-27
- Scott, W.R. 2005. Institutional theory: Contributing to a theoretical research program. *Great minds in management: The process of theory development* 37(2): 460-484.
- Scott, W.R. 2008. Approaching adulthood: the maturing of institutional theory. *Theory and Society* 37(5): 427–442.
- Selma Messai, A. & Jouini, F. 2013. Micro and Macro Determinants of Non-performing Loans. *International Journal of Economics and Financial Issues* 3(4): 852–860.
- Shao S, Yin J.Y, Fan M.T. & Yang L.L. 2022. Zombie Enterprises and Low-Carbon Transition Development: A Perspective Based on Carbon Emission Performance. *Quantitative Economics and Technical Economic Research* 30(10): 89-108.
- Sharipova, N. D., & Asadova, S. D. 2023. The role of banks in the modern monetary system. *Procedia of Theoretical and Applied Sciences* 6(1): 55-62.
- Shen, C.H. & Huang, Y.L. 2013. Effects of earnings management on bank cost of debt. *Accounting and Finance* 53(1): 265–300.
- Shi X.J. & Zhao H.S. 2023. R&D Manipulation, Weakened Innovation Capability, and Bond Financing Costs. *Journal of Central University of Finance and Economics* 20(7): 44-56.
- Shi, Y., Chang, C.P., Jang, C.L. & Hao, Y. 2018. Does economic performance affect officials' turnover? Evidence from municipal government leaders in China. *Quality & Quantity* 52(4): 1873–1891.
- Shrieves, R., and D. Dahl. 2003. Discretionary accounting and the behavior of Japanese banks under financial duress. *Journal of Banking and Finance* 27(1): 1219-1243.

- Sidorenko, E.L., Arzumanova, L.L. & Amvrosova, O.N. 2021. Adaptability and Flexibility of Law in the Context of Digitalization. *Engineering Economics: Decisions and Solutions from Eurasian Perspective* 30(1): 523-532.
- Siegl, T. & Steinberg, D. 2024. Better anti-procyclicality? From a critical assessment of anti-procyclicality tools to regulatory recommendations. *Journal of Risk* 26(3):1-35.
- Silva, T.C., Tabak, B.M. & Laiz, M.T., 2021. The finance-growth nexus: The role of banks. *Economic Systems* 45(1):1-37.
- Simunic, D. A., Ye, M., & Zhang, P. 2017. The joint effects of multiple legal system characteristics on auditing standards and auditor behavior. *Contemporary accounting research* 34(1): 7-38.
- Sitanggang, R.P., Karbhari, Y., Matemilola, B.T. & Ariff, M. 2020. Audit quality and real earnings management: evidence from the UK manufacturing sector. *International Journal of Managerial Finance* 16(2): 165–181.
- Sodan, S. 2019. Fair value hierarchy and earnings volatility. *Ekonomika Misao I Praksa-Economic Thought and Practice* 28(2): 121–131.
- Soderstrom, N.S. & Sun, K.J. 2007. IFRS Adoption and Accounting Quality: A Review. *European Accounting Review* 16(4): 675–702.
- Soedarmono, W., Pramono, S.E. & Tarazi, A. 2017. The procyclicality of loan loss provisions in Islamic banks. *Research in International Business and Finance* 39(1): 911–919.
- Sparta, S. & Trinova, N. 2020. The factors affecting the bank's credit impairment losses by adopting IAS on PSAK 55 in Indonesia. *Journal of Economics, Business, & Accountancy Ventura* 22(3): 360-371
- Stander, Yolanda S. 2023. The Governance and Disclosure of IFRS 9 Economic Scenarios. *Journal of Risk and Financial Management* 16(1): 47-74
- Steinberg, J.K., Carpenter, A.E., Shanahan, C.F. & Mark, A., 2020. Judges and the Deregulation of the Lawyer's Monopoly. *Fordham Law Review* 89(1): 1315-1364.
- Suleiman, M.B., 2019. The Impact of International Financial Reporting Standards (IFRS) 9 on the Financial Statement of Nigerian Deposit Money Banks. *International Journal of Operational Research in Management, Social Sciences & Education* 5(2): 49-57.
- Sultanoğlu, B. 2018. Expected credit loss model by IFRS 9 and its possible early impacts on European and Turkish banking sector. *Muhasebe Bilim Dünyası Dergisi* 20(3): 476–506.

- Sun B.D. & Zheng T. 2023. The Impact of the Expansion of Administrative Boundaries of Provincial Capitals on Provincial Economic Growth. *Geographic Science* 30(7): 1133-1143.
- Sun N., Zhu L. & Wang S.L. 2020. Research on the Impact of New Financial Instruments Standards on the Profitability of Commercial Banks. *New Finance* 40(7): 43-49.
- Sun Z.H. & Ju W.J. 2022. Structural Effects of Digital Finance: Risk Inhibition or Assistance? *Industrial Economic Research* 35(2): 128-142.
- Tang, Y., 2000. Bumpy road leading to internationalization: A review of accounting development in China. *Accounting Horizons* 14(1): 93-102.
- Tanoue, Y., Kawada, A. & Yamashita, S. 2017. Forecasting loss given default of bank loans with multi-stage model. *International Journal of Forecasting* 33(2): 513–522.
- Taylor, A. & Goodhart, C. 2006. Procyclicality and Volatility in the Financial System: The Implementation of Basel II and IAS 39. *Procyclicality of Financial Systems in Asia* 30(1): 9–37.
- Taylor, D. 2022. IFRS-9 adoption and income smoothing nexus: A comparison of the post-adoption effects between European and Sub-Saharan African Banks. *Article in Journal of Accounting and Taxation* 14(3):189-202
- Teichmann, M., Kattel, K., Murdvee, M. & Kerikmäe, T. 2015. Sources of Occupational Pressure Among Lawyers and Legal Professionals. *International and Comparative Law Review* 15(1): 87–107.
- Tiffany, D. & Wijaya, H. 2020. The Effect of Corporate Governance on Earnings Management. *Jurnal Manajemen Bisni* 23(1): 72–85
- Tiron-Tudor, A. & Achim (Nasca), A.M. 2019. Accounting quality and stock price informativeness: a cross-country study. *Economic Research-Ekonomska Istrazivanja* 32(1): 2481–2499.
- Toerien, F.E. & du Toit, E. 2024. Fighting through the Flesch and Fog: the readability of risk disclosures. *Accounting Research Journal* 37 (1): 39-56.
- Toerien, F.E. & du Toit, E. 2024. Fighting through the Flesch and Fog: the readability of risk disclosures. *Accounting Research Journal* 37(1): 39–56.
- Toma, S.V., Chiriță, M. & Șarpe, D. 2012. Risk and Uncertainty. *Procedia Economics and Finance* 3(1): 975–980.
- Tong, E.N.C., Mues, C., Brown, I. & Thomas, L.C. 2016. Exposure at default models with and without the credit conversion factor. *European Journal of Operational Research* 252(3): 910–920.

- Toumeh, A.A., Yahya, S. & Amran, A. 2020. Surplus Free Cash Flow, Stock Market Segmentations and Earnings Management: The Moderating Role of Independent Audit Committee. *Global Business Review* 24(6): 1353-1382.
- Tran, T.C.T., Ha, X.T., Le, T.H.P. & Nguyen, N.T. 2019. Factors affecting IFRS adoption in listed companies: Evidence from Vietnam. *Management Science Letters* 9 (13): 2169–2180.
- Twum, A.K., Agyemang, A.O. & Sare, Y.A. 2022. Revisiting credit risk and banks performance of China's commercial banks before and after Covid 19 pandemic. *Journal of Corporate Accounting and Finance* 33(3): 16–30.
- Volarević, H. & Varović, M., 2018. Internal model for IFRS 9-Expected credit losses calculation. *Ekonomski pregled* 69(1):269-297.
- Wan, J. 2018. Non-performing loans and housing prices in China. *International Review of Economics and Finance* 57(1): 26–42.
- Wang B.F. 2021. Research on the Impact of Fiscal Decentralization and Financial Decentralization on the High-Quality Development of the Economy. Master Thesis, Liaoning University.
- Wang S.G & Wang B. 2022. Local Government Governance and Regional Financial Risk Mitigation—Based on the Study of the Formation and Prevention of Risks in Small and Medium-Sized Banks. *Administrative Management Reform* 30(11): 52-61.
- Wang X.H, Liu J.H. 2023. The Impact of the Downward Shift of Large Banks' Service Focus on the Credit Behaviour of Rural Financial Institutions. *China Rural Economy* 26(8): 102-125
- Wang X.H. & Cao M.J. 2022. The Normative Connotation and Institutional Logic of Party Support for Judiciary. *Journal of Huaqiao University (Philosophy and Social Sciences Edition)* 30(2): 83-96.
- Wang, Zhenkun, Zhang, Z. & Zhang, H. 2021. Can Institutional Investors Improve Voluntary Management Earnings Forecasts? *Emerging Markets Finance and Trade* 57(9): 2560–2582.
- Wang, Zongrun, Xie, N. & Jin, Y. 2019. Do Loan Loss Provisions Affect the Credit Fluctuations in China's Banking System? *Emerging Markets Finance and Trade* 55(11): 2425–2436.
- Wei, Y. 2023. The Legal Logic of the Evolution of China's Interest Rate Marketization System. *Hainan Finance* 30(1): 65-77.
- Wheeler, P.B. 2021. Unrecognized Expected Credit Losses and Bank Share Prices. *Journal of Accounting Research* 59(3): 805–866.
- Wiguna, T.M. & Yuspin, W. 2022. Globalization of National Culture and the Legal System: A Comparative Perspective of the Indonesian Legal System and the

- British Common Law System. *International Journal of Social Science Research and Review* 5(10): 122–129.
- Wooldridge, J.M. 2010. *Econometric analysis of cross section and panel data (2nd edition)*. The MIT Press. London, England.
- Wooldridge, J.M. 2013. *Introductory econometrics: a model approach (5th edition)*. Cengage Learning. South-Western USA.
- Wu H.F. 2015. Legal Mechanism Innovation for Ensuring the Development of Private Banks in China. *Journal of South China Normal University (Social Science Edition)* 3: 141-146.
- Wurgler, J. 2000. Financial markets and the allocation of capital. *Journal of financial economics* 58(2): 187-214.
- Wysocki, P. 2011. New institutional accounting and IFRS. *Accounting And Business Research* 41(3): 309–328.
- Xie, L., Zhang, M. & Zhai, S. 2022. IFRS convergence and international trade: evidence from China. *Accounting and Business Research* 52(7): 838–864.
- Xu S.Y, Zhang X.L, Yang X.X & Xin C.C. 2021. The Mudflow Effect of Banking Capital Regulation Failure and Zombie Loans. *Financial Economics Research* 30(2): 67-86.
- Xu Z. 2019. Discussion on the Mechanism of the Coordination between the People's Political Consultative Conference and the Party's Leadership. *Issues of Contemporary World Socialism* 35(4): 76-83.
- Xu, J. 2020. The Role of Corporate Political Connections in Commercial Lawsuits: Evidence from Chinese Courts. *Comparative Political Studies* 53(14): 2321–2358.
- Yang Z.Q., Peng Y. & Shi S.P. 2021. "Crossing the Sea by Deception": Class Action and Investor Research—Event Study Based on the Issuance of the New Securities Law. *Foreign Economics and Management* 30(10): 135-152.
- Yang, H.H., Clark, C., Wu, C. & Farley, A. 2018. Insights from Accounting Practitioners on China's Convergence with IFRS. *Australian Accounting Review* 28(1): 14–27.
- Yao X.M. & Zhu S.J. 2020. Spatial Evolution Mechanism of China's Banking Grassroots Network. *Geographical Research* 30(2): 384-398.
- Yao, T. 2022. Research on Capital Supplement Issues of Small and Medium-sized Banks. *Hebei Finance* 4(1): 66-69.
- Ye C.Y., Yang L. & Guan X. 2023. Research on Innovation Path of Rural Commercial Banks' Development in the Financial Technology Perspective. *Contemporary Economic Management* 40(8): 80-89.

- Yi W. & Long X.N. 2023. Administrative Boundaries and Patent Knowledge Dissemination in 2023. *Quantitative Economics and Technical Economic Research* 23(07): 1133-1143.
- Yu L.X & Li Z.H. 2023. Research on the Impact of Financial Technology on the Profitability and Operational Risk of Commercial Banks—An Empirical Test Based on Text Mining. *Financial Regulation Research* 30(4): 62-79.
- Yue H, Wang H.Y. 2020. Management Capability, Bank Heterogeneity, and Bank Liquidity Creation—Empirical Evidence from China's Banking Industry. *Journal of Hebei University of Economics and Business* 20(6): 45-56.
- Yung, K. & Root, A. 2019. Policy uncertainty and earnings management: International evidence. *Journal of Business Research* 100(1): 255–267.
- Zakaria, M. & Bibi, S. 2019. Financial development and environment in South Asia: the role of institutional quality. *Environmental Science and Pollution Research* 26(8): 7926–7937.
- Zang, A. Y. (2012). Evidence on the trade-off between real activities manipulation and accrual-based earnings management. *The accounting review* 87(2): 675-703.
- Zeng, Q. 2016. Control, Discretion and Bargaining: The Politics of Provincial Leader Rotation in China. *Chinese Political Science Review* 1(4): 623–644.
- Zhang B.S, Niu X.Y. 2023. Exploration of Predictive Information Disclosure Responsibility and Safe Harbor System. *Journal of Finance and Law* 23(05): 18-34
- Zhang C.R. 2023. Dialectical Perspective on the Basis of the Government-Market Relationship for the Existence of China's Policy Financial System—Also on the Critique of Neoclassical "Market Failure" Theory. *Contemporary Economic Research* 30(1): 71-83.
- Zhang R. & Song L.J. 2022. Can Mixed Ownership Reform Improve the Credit Rating of State-Owned Enterprises? *Investment Research* 30(4): 143-158.
- Zhang X.L. 2023. Accomplishing Great Task with Little Force: Governance Effect of Executive Deferred Compensation on Leverage Ratio of State-Owned Enterprises. *Journal of Finance and Economics* 23(10): 69-80.
- Zhang Y. 2022. Institutional Examination and Structural Optimization of the Termination of Business Entities. *Journal of Law of Jiao Tong University* 23(02): 115-129.
- Zhang Y.G. 2022. Research on the Legalization of Government Purchase of Public Legal Services in China. Ph.D. Dissertation, Zhengzhou University.
- Zhang, E. 2020. Discourses on public sector accounting reforms in China: A brief history (1949–2019). *Accounting History* 26(2): 255–279.

- Zhang, G. & Qian, X. 2022. The impact of officials' turnover on interregional capital flows: evidence from China. *Applied Economics* 54(7): 749–763.
- Zhang, M., Wu, Y., Tong, L. & Deng, Y. 2022. Does IFRS convergence promote corporate innovation? Preliminary evidence from China. *Asia-Pacific Journal of Accounting and Economics* 29(1): 255–274.
- Zhao J. & Meng L.H. 2021. Construction and Improvement of China's Carbon Emission Trading Rule System—Based on the Perspective of Interaction between International Rule of Law and Domestic Rule of Law. *Journal of Hubei University (Philosophy and Social Sciences Edition)* 30(5): 120-131.
- Zhao X.J. 2022. Construction Goals and Path Selection of China's Distinctive Capital Market. *People's Forum* 30(3): 44-49.
- Zhao, M. 2022. The Impact of Interest Rate Marketization on the Profitability of Chinese Commercial Banks and Recommendations. *Financial Accounting* 6(1): 56-62.
- Zheng Y. 2020. On the "Central" and "Local" in the Text of China's Constitution: An Examination Based on Article 3, Paragraph 4 of China's Constitution. *Politics and Law* 30(6): 68-84.
- Zhou J. 2023. The Important Foundation, Value Orientation, and Practical Path of Empowering Education for People's Democracy throughout the Whole Process. *Journal of Xihua Normal University (Philosophy and Social Sciences Edition)* 30(1): 1-55.
- Zhu, L. 2021. How does the Chinese bureaucracy sustain economic growth without stable local political leaders? Stratified spatial mobility and the role of stable political elites in local governments. *Journal of Asian Public Policy* 16(3): 288-311.