

The R&D Manipulation Behavior and Governance of IPO Enterprises on the Science and Technology Innovation Board under the Registration System

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Abstract

Under the registration system, regulatory authorities no longer conduct pre examination of IPO application materials, but instead adopt formal examination, which to some extent weakens the institutional supervision of enterprise information disclosure quality and exacerbates the risks for small and medium-sized investors. Among the numerous accounting information disclosed by enterprises, research and development information has a high degree of information asymmetry, so the governance of research and development manipulation has become an urgent issue to be addressed in the context of the registration system. This article intends to analyze the impact and economic consequences of implementing R&D listing standards on the Science and Technology Innovation Board from the perspective of IPO companies' R&D manipulation behavior, and to sort out corresponding governance mechanisms from both institutional and non institutional perspectives, in order to further strengthen the supervision of IPO companies, provide reference for improving market transparency and stability, and improve institutional design under the background of registration system.

Keywords

Science and Technology Innovation Board; IPO enterprises; Registration system.

1. Introduction

1.1. Research background and significance

With the implementation of the registration system in China's securities market, the Science and Technology Innovation Board, as an important reform measure, aims to provide a more convenient and flexible listing channel to attract high-tech and innovative enterprises to enter the capital market. However, some companies may take advantage of the flexibility of the registration system and exaggerate their innovation capabilities by manipulating research and development data, bringing potential risks to investors and the market. Therefore, conducting in-depth research on the research and development manipulation behavior of IPO companies on the Science and Technology Innovation Board under the registration system and proposing corresponding governance measures is of great significance for protecting the interests of investors and maintaining market stability. Studying the research and development manipulation behavior of IPO companies on the Science and Technology Innovation Board under the registration system is of great significance for understanding corporate governance issues in China's capital market. With the establishment of the Science and Technology Innovation Board, it has attracted many high-tech companies to apply for listing, but its special policy environment and market expectations may also lead to companies using research and

development manipulation to obtain improper benefits. By conducting in-depth research on this behavior, the weak links in corporate governance under the registration system can be revealed, providing reference for improving China's capital market regulatory system and promoting good corporate governance.

This study is also of great significance to investors and market participants. Investors need to understand the true situation of the enterprise, including its research and development capabilities and financial situation, in the decision-making process. If a company engages in research and development manipulation behavior, investors may be misled, leading to errors in investment decisions and increased risks. By revealing the motives and means of corporate R&D manipulation behavior, investors can better discern the true situation of the enterprise and make wise investment decisions. In addition, this study has important reference value for regulatory agencies. Regulatory agencies need to supervise and manage the capital market to protect the legitimate rights and interests of investors and maintain fairness and transparency in the market. Understanding the R&D manipulation behavior, motivations, and means of enterprises can help regulatory agencies improve regulatory policies and measures, strengthen supervision and law enforcement of enterprises, and reduce the occurrence of manipulation behavior.

Finally, this study has also made certain contributions to the academic community. The establishment of the Science and Technology Innovation Board and the reform of the registration system are important changes in China's capital market, which are of great significance for understanding the impact of the registration system on corporate behavior and market effects. By studying research and development manipulation behavior, we can enrich our understanding of corporate governance, capital market operation mechanisms, and the effectiveness of registration system reform, and provide relevant research experience and inspiration for relevant academic fields.

1.2. Research Purpose and Content

The purpose of this paper is to explore the R&D manipulation behavior and its manifestations of IPO companies on the Science and Technology Innovation Board under the registration system, analyze the reasons behind it, and propose corresponding governance mechanisms. The specific content includes: the background and characteristics of the Science and Technology Innovation Board under the registration system, the manifestations of IPO companies' R&D manipulation behavior, the analysis of the reasons for R&D manipulation behavior, and the governance mechanism of R&D manipulation behavior.

1.3. Research Methods and Framework

This paper will adopt a combination of literature review, case analysis, and empirical research methods. Firstly, through literature review, relevant literature is sorted and analyzed to understand the current research status and existing achievements of research and development manipulation behavior of IPO companies on the Science and Technology Innovation Board under the registration system. Secondly, through case analysis, select typical cases to conduct in-depth research on the R&D manipulation behavior and its impact of specific enterprises. Finally, through empirical research, relevant data is collected to quantitatively analyze research and development manipulation behavior, in order to validate research hypotheses and draw conclusions.

2. Background and Characteristics of the Science and Technology Innovation Board under the Registration System

2.1. Background of registration system reform

Registration and production is an important reform measure in the Chinese securities market, aimed at solving the problems existing in the original audit system and improving the quality and market efficiency of listed companies. This section will introduce the background of the registration system reform, including the shortcomings of the original audit system and the reasons for the reform.

2.2. Establishment and objectives of the science and technology innovation board

The Science and Technology Innovation Board is a special sector established under the framework of registration system reform, dedicated to promoting the development and listing of high-tech innovative enterprises. This section will introduce the background, goals, and main characteristics of the establishment of the Science and Technology Innovation Board, including market positioning, listing conditions, and trading mechanisms.

2.3. Characteristics and requirements of science and technology innovation board enterprises

Compared to enterprises in the traditional stock market, companies listed on the Science and Technology Innovation Board have certain characteristics and requirements. This section will analyze the main characteristics of enterprises on the Science and Technology Innovation Board, including technological innovation ability, high R&D investment, high growth and high risk, etc. At the same time, it will introduce the listing conditions and requirements of enterprises on the Science and Technology Innovation Board to ensure market fairness, transparency, and stability.

Through in-depth analysis of the background and characteristics of the Science and Technology Innovation Board under the registration system, we can better understand the positioning and functions of the Science and Technology Innovation Board as an innovative enterprise's listing platform. At the same time, it provides necessary background knowledge and theoretical basis for further exploration of research and development manipulation behavior and its governance mechanism.

3. Manifestations of R&D Manipulation Behavior in IPO Enterprises

3.1. Research and development expenditure inflated

In order to exaggerate their innovation ability and technological strength, some science and technology innovation board IPO companies may manipulate by artificially increasing research and development expenses. They may include some expenses unrelated to actual research and development in their research and development projects, or calculate expenses that should belong to other expenses as research and development expenses to achieve the purpose of inflated costs.

3.2. Exaggeration of technical property and patent data

IPO companies on the Science and Technology Innovation Board often rely on technological innovation and patented technology to showcase their core competitiveness. However, some companies may exaggerate the actual value of technological property rights or the number of patents, misleading investors and the market through false advertising.

3.3. Imperfect internal control and information disclosure

Research and development manipulation behavior is often accompanied by defects in internal control and incomplete information disclosure. Enterprises may have weak internal control systems and inadequate audit mechanisms, which provide opportunities for R&D manipulation behavior. At the same time, companies may conceal or falsely disclose information related to research and development in their information disclosure, resulting in investors being unable to accurately evaluate the company's research and development capabilities and innovation potential. Through in-depth analysis of the manifestations of R&D manipulation behavior, specific means and strategies that exist in the R&D manipulation behavior of IPO companies on the Science and Technology Innovation Board can be revealed, providing an empirical basis for subsequent research on the reasons for R&D manipulation behavior.

4. Reasons for Research and Development Manipulation Behavior

4.1. Profit pressure and investor expectations

Companies listed on the Science and Technology Innovation Board often face high profit pressure and high expectations from investors. In order to meet the market's expectations for high growth and high returns, some companies may manipulate research and development data to enhance their innovative image and performance, in order to attract more investors and obtain higher valuations.

4.2. Management incentive and compensation mechanism

The incentive and compensation mechanisms of enterprise management may also become driving factors for R&D manipulation behavior. If the incentives of management are directly related to R&D performance, or if there is a compensation and reward system related to R&D performance, it will trigger the motivation of management to manipulate R&D data for personal gain.

4.3. Regulatory deficiencies and institutional loopholes

The research and development manipulation behavior of IPO companies on the Science and Technology Innovation Board is also related to regulatory deficiencies and institutional loopholes. Regulatory authorities may face difficulties in detecting and cracking down on R&D manipulation behavior, and the degree of improvement of regulatory systems and mechanisms can also have an impact on the manipulation behavior of enterprises.

By conducting in-depth analysis of the reasons for research and development manipulation behavior, we can gain a deeper understanding of the motivations and driving forces behind the R&D manipulation behavior of IPO companies on the Science and Technology Innovation Board. This helps to develop corresponding governance mechanisms and policy measures to reduce the occurrence of R&D manipulation behavior and improve market transparency and healthy development.

5. Governance Mechanism for Research and Development Manipulation Behavior

5.1. Improving the Information Disclosure System

Improving the information disclosure system is a key measure in governance of research and development manipulation behavior. Regulatory authorities should strengthen the supervision of information disclosure for IPO companies on the Science and Technology Innovation Board, requiring companies to provide accurate, comprehensive, and authentic research and development related information, including research and development expenses, technical

property rights, and patent data. At the same time, strengthen the review and audit of information disclosure, improve the quality and accuracy of disclosure, and provide a reliable information foundation for investors.

5.2. Strengthening internal control mechanisms

Internal control is an important means to prevent and curb research and development manipulation behavior. IPO companies on the Science and Technology Innovation Board should establish a sound internal control system, including the R&D project approval process, budget control, cost accounting, financial report review, and other aspects. At the same time, enterprises should strengthen internal auditing and risk management, conduct regular risk assessments and audits of research and development projects, and promptly identify and correct potential manipulation behaviors.

5.3. Strengthen supervision and law enforcement efforts

Regulatory authorities should strengthen the supervision and law enforcement of IPO enterprises on the Science and Technology Innovation Board, establish a sound regulatory system and effective law enforcement mechanisms. Strengthen the monitoring and investigation of enterprise R&D manipulation behavior, seriously deal with discovered violations, increase punishment, and form an effective deterrent effect. At the same time, regulatory authorities should strengthen collaboration with other regulatory agencies, strengthen information sharing and data monitoring, and improve their ability to identify and respond to corporate R&D manipulation behavior.

By establishing a sound governance mechanism, including the improvement of information disclosure systems, the strengthening of internal control mechanisms, and the strengthening of regulatory and law enforcement efforts, the R&D manipulation behavior of IPO companies on the Science and Technology Innovation Board can be effectively prevented and curbed. This helps to safeguard the interests of investors, improve market transparency, and promote the healthy development of the Science and Technology Innovation Board.

6. Conclusion and Suggestions

6.1. Regulatory recommendations based on research findings

Based on the research results and analysis, firstly, regulatory agencies should strengthen their monitoring and identification capabilities for corporate R&D manipulation behavior, and reveal the authenticity and reliability of corporate R&D activities by strengthening information disclosure requirements and the effectiveness of financial auditing. Secondly, regulatory agencies should increase their review and spot check efforts on corporate financial data, paying special attention to the rationality of R&D investment and the consistency of financial indicators, in order to avoid companies using R&D manipulation behavior to mislead investors and the market.

6.2. Feasibility and implementation difficulties of regulatory strategies

When proposing regulatory recommendations, it is also necessary to consider the feasibility and implementation difficulties of regulatory strategies. Regulatory agencies should balance regulatory efforts with market vitality to avoid the inhibitory effect of excessive regulation on corporate innovation activities. In addition, regulatory agencies need to strengthen communication and cooperation with IPO companies on the Science and Technology Innovation Board, establish a good regulatory compliance mechanism, and promote the integrity and standardized development of enterprises.

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