

EDITORIAL: Risk governance in a changing disclosure and enforcement environment

Dear readers!

The papers in this issue reinforce a clear direction in contemporary corporate governance and risk research, marking a shift toward a dynamic governance style in which operational risk management systems interact with disclosure regimes, regulation, and market discipline. Building on agency and monitoring theories in risk governance (Jensen & Meckling, 1976; Shleifer & Vishny, 1997; Van Asselt & Renn, 2011) and the disclosure literature (Al-Dubai & Al-Matari, 2025; Almasria et al., 2025; Amanamah, 2024; Healy & Palepu, 2001), some papers show how changing reporting and enforcement conditions interact with incentives and oversight. In this issue, governance is linked to audit outcomes and financial distress (*Tanggor Sihombing* and *Hubertus Ade Resha Raditya Boli*), while regulatory change is shown to affect behavior through accounting adjustments (*Kang Wan Tan* and *Mei Foong Wong*). Governance is also explored in Islamic donation-based crowdfunding, where gaps in verification and post-campaign accountability point to the need for a standardized Shariah-compliant governance framework (*Wan Nur Fazni Wan Mohamad Nazarie, Muhammad Iqmal Hisham Kamaruddin, Nurul Aini Muhamed, Aimi Fadzirul Kamarubahrin, Rafisah Mat Radzi, and Syifa' Mawaddah Zaimi*). These contributions provide a clearer and more testable mapping from governance design to observable assurance and risk signals, particularly in settings with heterogeneous enforcement and institutional constraints. These contributions further highlight the importance of identifying *when* reporting regimes change incentives and *how* monitoring mechanisms translate into measurable financial outcomes, such as audit opinions, bankruptcy risk, and potential opinion shopping.

The second cluster advances the literature on financial flexibility, banking performance, and credit risk governance in emerging markets and small and medium-sized enterprises (SME)/micro, small, and medium enterprises (MSME) ecosystems, building on the literature on legal origins, investor protection, and financial development (Jadah et al., 2025; Kostyuk & Ivanyi, 2025; La Porta et al., 1998). A few contributions in this issue, in particular, contribute by highlighting the need for stronger cause-and-effect evidence on how governance capacity and regulatory constraints influence balance-sheet resilience, especially during periods of stress. Here, the moderating role of financial flexibility for governance-performance and governance-risk relationships is examined at the SME level (*Yuni Utami, Sri Lestari, and Dian Purnomo Jati*) and also in commercial banking (*Hamid Mohsin Jadah, Hadeer Khayoon Ashour, Noor Salah Alramadan, and Noor Hashim Mohammed Al-Husainy*). Complementary studies focus on policy and portfolio consequences of mandated MSME credit expansion (*Julia Safitri, Rini Yayuk Priyati, Anisa Zahwa Akbara, Ake Wihadanto, and Etty Susanty*) and on determinants of 'bad debt' threshold in joint-stock commercial banks (*Thi Van Anh Pham, Van Binh Nguyen, Huong Quynh Doan, and Thi Hoai Thu Ho*).

Finally, several contributions in the issue contribute to the risk governance literature by taking a novel perspective on market efficiency, uncertainty shocks, and public-sector frameworks. This emphasis is consistent with the view that transparency and monitoring are central design features of governance systems (Bushman et al., 2004) and reinforces the broader corporate finance view that governance is ultimately about the allocation of control rights and the effectiveness of monitoring (Shleifer & Vishny, 1997). Specifically, market-oriented contributions address derivatives-market random walk properties through a risk governance lens (*Thi Ha Thanh Nguyen, Ngoc Anh Pham, and Tuan Anh Do*), commodity futures returns and speculative dynamics (*Algirdas Justinas Staugaitis and Česlovas Christauskas*), volatility risk premia for forecasting across market types (*David Umoru, Ebhote Oseremen, Ehis Taiwo Omoluabi, Godwin Ohiokha, Friday Izien Ohiokha, Beauty Igbinovia, Mohammad I. Umole, Emmanuel Enaberue, Bamidele Oyakhromhe Agbadua, Izevbekhai Monday Olade, Akpaida Pax Anoghene, Dirisu Nefisat Margret, Anyanwu Precious Ihechi, Osahenvenwen Tracy Ebunlola, Ahanmisi Evelyn, Osue Amina, Michael Osiriamhe Imologomhe, Idehen Aminetu, and Obalo Luke Oyarekhua*), and event-driven price responses (*Massimo Regalli, Giovanni Verga, Evita Allodi, and Andrea Del Sante; Julian Heinen and Jonas Vogt*). Macro-uncertainty, economic inequality and geopolitical transmission are explicitly addressed (*Mohammed Sultan Alsubaie; Benny Budiawan Tjandrasa and Andrew Sebastian Lehman*), while the inclusion of public-sector risk management and procurement governance frameworks (*Ketevan Nadirashvili, Ana Luiza Freire de Lorena, Ana*

Paula Cabral Seixas Costa, Mariam Menteshahsvili, and Tornike Surguladze; Kareem Sayed Aboelazm, Raghda Raafat, Fady Tawakol, and Khalid Mohamed Dganni) signals an important convergence: risk governance research is increasingly comparative across sectors, with a growing focus on practical and implementable frameworks. Lastly, this issue further broadens the discussion beyond firm-level governance mechanisms and disclosure choices by focusing on financial innovation (as in the paper by *Phuong Huyen Do, Ngoc Mai Nguyen, Hoang Lan Nguyen and Van Duc Nguyen*). Similarly, *Yasmeen Ansari, Rohit Bansal, Anand Kumar Mishra, and Prince Kumar Maurya* examine how “reasons for” and “reasons against” considerations influence robo-advisor adoption in the Saudi financial services sector.

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