Original Paper

Research on the Impact of Strong Financial Regulation on Enterprise Total Factor Productivity—Evidence Based on the Introduction of New Asset Management Regulation

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Abstract

This study evaluates the impact of strong financial regulation on enterprise total factor productivity (TFP) using the 2018 New Asset Management Regulation (NAMR) as a quasi-natural experiment. Based on data from Chinese A-share listed firms (2014-2022), the results show that NAMR significantly reduces TFP in firms with higher pre-policy financialization, indicating a short-term efficiency cost. The negative effect operates through increased financing constraints, reduced innovation, and aggravated maturity mismatches. Heterogeneity analysis reveals that the effect is stronger in regions with lower banking competition and weaker in firms with financially experienced executives. These findings provide micro-level evidence on the efficiency trade-offs of financial regulation and inform policy efforts to balance financial stability with real economy development.

Keywords

Strong financial regulation, New Asset Management Regulation, Enterprise total factor productivity

1. Introduction

Finance is the lifeblood of the national economy and a cornerstone of national security. Strong financial regulation is essential for preventing risks, ensuring stability, and promoting high-quality development. In recent years, shadow banking has become a key focus. Coined in 2007 (Xu, 2013), China's shadow banking sector expanded rapidly after 2008 amid loose monetary policy and demand spillover from formal financing channels tightened later (China Banking and Insurance Regulatory Commission Policy Research Bureau Task Force, China Banking and Insurance Regulatory Commission Statistical Information and Risk Monitoring Department Task Force, 2020; Qiu & Zhou, 2014). By end-2017, its assets reached 65.6 trillion RMB (79.3% of GDP) (Qiu & Zhou, 2014).

To address underlying structural contradictions and unblock financial services to the real economy, China implemented the New Asset Management Regulation (NAMR) in April 2018. NAMR reduces shadow banking incentives by breaking rigid redemption, eliminating fund pooling, curbing channel business, and resolving multi-layer nesting (Peng, Han, & Li, 2018). Post-NAMR, broad shadow banking assets fell from 62.2 trillion RMB in 2017 to 57.9 trillion in 2018, further declining to 48.5 trillion by Q1 2023—though the absolute drop has recently slowed (Tang & Rao, 2025).

2. Literature Review

The academic community has not reached a consensus on the effectiveness of financial regulation. From a macroeconomic perspective, the regulatory effectiveness theory argues that strengthening financial regulation helps optimize market resource allocation, improve the capital allocation efficiency of the real economy (Ma & Yang, 2022), prevent the disorderly expansion of financial monetary capital, curb financial bubbles (Huang, Yu, & Yang, 2020), and guide financial resources to the real economy, thereby optimizing the macroeconomic environment to some extent (Duan & Zhuang, 2020). The regulatory ineffectiveness theory, on the other hand, argues that financial regulation leads to credit tightening, suppresses banks' liquidity creation capabilities (Huang, Ma, & Dai, 2005), reduces the effectiveness of monetary policy (Li & Zhang, 2022), hinders the improvement of financial industry efficiency, and affects the intensity and breadth of financial support for the real economy. Additionally, regulatory arbitrage under financial regulation fuels the development of shadow banking, exacerbating systemic financial risks and risk transmission between financial markets (Wang, H., Wang, H., Wang, L. et al., 2019; Wen, 2006). From the perspective of micro-entities, the regulatory effectiveness theory suggests that financial regulation can reduce the supply of informal finance by curtailing credit to enterprises with soft financing constraints, effectively curbing excessive corporate financialization (Wang, 2021). Furthermore, financial regulation can stimulate diversified investments (including R&D and physical capital investments), reduce earnings management, and provide stability for financial risk management, thereby promoting increased corporate technological innovation activities (Li, Deng, & Wu, 2021). The regulatory ineffectiveness theory argues that financial regulation weakens the role of financial technology in alleviating corporate financing constraints, thereby increasing financing constraints. Financial regulation also has a contraction effect on the technological innovation output of SMEs (Li & Zhang, 2022), particularly for enterprises heavily reliant on innovation attempts (Ba, Guan, & Zhang, 2024). Additionally, strengthened financial regulation directs funds to low-risk enterprises, which is unfavorable for industry competition, leading to resource misallocation, reduced long-term output levels, and additional regulatory costs. Some scholars take a dialectical view of financial regulation, suggesting that financial regulation and economic growth exhibit an inverted U-shape relationship (Zhou, 2021). In the short term, financial regulation can effectively promote governance, guide capital to high-efficiency and low-risk enterprises, and thereby enhance social output. However, from a long-term perspective, such regulation may weaken investment efficiency, ultimately leading to

a decrease in total capital and steady-state output levels, constraining economic growth (Peng & He, 2020; Zhou & Wang, 2021).

3. Theoretical Analysis and Research Hypotheses

3.1 Possible Positive Effects of NAMR

NAMR restricts enterprises' shadow banking participation by prohibiting multi-layer nesting, limiting non-standard investments, and mandating conversion to standard assets. This curbs large firms, especially SOEs, from acting as "intermediaries" funneling funds to SMEs, cutting informal finance and redirecting SMEs to compliant credit markets. From 2017 to 2023, shadow banking loans to the real economy fell from 15.25% to 4.67% of social financing.By requiring maturity matching and banning fund pooling, NAMR extends investment horizons and weakens short-term arbitrage. Breaking rigid redemption and promoting net-value transformation increases financial product risk, lowering risk-free returns and raising market fluctuation costs. This reduces the appeal of financial investments, prompting firms to rebalance toward real investment.According to investment substitution theory, declining financial returns redirect resources to the real economy, easing the "investment substitution" effect and improving allocation efficiency—shifting funds from non-real sectors to manufacturing—thereby enhancing corporate TFP.

Hypothesis H1a: The implementation of NAMR improves corporate total factor productivity.

3.2 Possible Negative Effects of NAMR

NAMR limits enterprises' ability to smooth cash flows via financial assets by prohibiting fund pooling, restricting non-standard investments, and requiring maturity matching. Previously, firms could sell short-term wealth products to meet sudden funding needs. Post-NAMR, financial assets become less liquid and longer-term, hindering quick liquidation under external shocks and forcing firms to cut real investment. This liquidity risk may inhibit long-term R&D and technological upgrades, directly reducing TFP.NAMR also exacerbates financing constraints. First, by restricting shadow banking participation, it reduces financial investment income—especially for highly financialized firms—shrinking profit sources. Profit declines may raise financial institutions' risk premium expectations, increasing financing costs and compressing real investment. Limiting financial asset scale also reduces collateral value, further weakening financing capacity. Second, while targeting shadow banking, NAMR may worsen structural financing issues. Restricting large firms' "entity intermediary effect" leaves SMEs' credit rationing unresolved. With narrowed financing channels, SMEs turn to costly private lending, raising real investment costs, hindering production and technology upgrades, reducing innovation, and ultimately lowering TFP.

Hypothesis H1b: The implementation of NAMR reduces corporate total factor productivity.

4. Research Design

4.1 Sample Selection and Data Sources

This paper selects annual data from 2014 to 2022 of Chinese A-share listed non-financial and non-real estate companies as the sample and processes the initial sample as follows: (1) excludes ST samples; (2) excludes samples with missing core financial indicators such as total assets, total liabilities, operating income, operating costs, and net profit; (3) fills missing values of other non-core financial data with 0; (4) excludes missing values generated after calculating relevant variables; (5) excludes samples with less than one year of listing. To control the influence of outliers, this paper winsorizes continuous variables at the 1% and 99% levels, ultimately obtaining 14,827 enterprise-year observations. To control for individual and time effects, this paper uses multidimensional fixed effects for regression and adjusts the standard errors for clustering at the enterprise level. The enterprise characteristic data in this paper mainly come from the CSMAR database and are supplemented by the Wind database. Macroeconomic variable data come from annual statistical bulletins and fiscal final accounts reports published by provincial units.

4.2 Model Specification and Variable Definitions

To test the impact of NAMR on corporate total factor productivity, this paper draws on the approach of Li (2013) and constructs a generalized difference-in-differences model(1) for multiple regression analysis based on the financialization level of enterprises before the policy implementation.

$$TFP_{i,t} = \beta_0 + \beta_1 Post * \Pr eFin + \beta_2 Control_{i,t} + \gamma_i + \varphi_t + \varepsilon_{i,t} \tag{1}$$

where i is the year, t is the enterprise, the dependent variable TFP is the enterprise's total factor productivity, estimated using the OP method following Lu Xiaodong and Lian Yujun (2012), and robustness checks are conducted using TFP estimated by LP, OLS, and GMM methods (TFP_LP, TFP_OLS, TFP_GMM). PostPost is a time dummy variable, taking the value of 1 if the observation period is after 2018 (when NAMR was implemented), and 0 otherwise. PreFinPreFin is the average financialization level of enterprise ii in the four periods before the implementation of NAMR, measured by the ratio of financial assets to total assets, following Du et al. (2019). Financial assets include trading financial assets, reverse repurchase financial assets, available-for-sale financial assets, held-to-maturity investments, and investment real estate. ControlControl is a vector of control variables, including: (1) enterprise financial characteristic variables: ①asset growth rate (Growth) ②fixed asset ratio (FATA) ③leverage ratio (Lev) ④return on assets (Roa) ⑤enterprise size (Size)⑥Tobin's Q (TQ) (2) enterprise corporate governance variables: ①CEO duality (Dual) ②ownership nature (Soe)③equity concentration (Top1) (3) macro-level economic variables: ①regional economic level (Lngdp). γ is the individual fixed effect，φ is the time fixed effect，ε is the error term.

Table 1. Variable Descriptions

Variable Type	Variable Name	Variable Definition
Dependent Variable	TFP	Enterprise total factor productivity, estimated using the OP method
Explanatory Variables	Post	NAMR policy dummy variable, 0 before 2018, 1 otherwise
	Prefin	Enterprise financialization level, calculated as the average ratio of financial assets to total assets in the four years before NAMR
	DID	NAMR policy interaction term, calculated as Post × PreFin
Control Variables	Size	Enterprise size, natural logarithm of total assets
	Lev	Leverage ratio, total liabilities divided by total assets
	Roa	Profitability, net profit divided by total assets
	FATA	Fixed asset ratio, fixed assets divided by total assets
	TQ	Tobin's Q, market value divided by total assets
	Growth	Asset growth rate, (current total assets - previous total assets) / previous total assets
	Top1	Equity concentration, shareholding ratio of the largest shareholder
	Soe	Ownership nature, 1 for state-owned enterprises, 0 otherwise
	DUAL	CEO duality, 1 if the chairman also serves as general manager, 0 otherwise
	Lngdp	Regional economic level, natural logarithm of GDP of the city where the enterprise is located

4.3 Descriptive Statistics

Table 2 presents the descriptive statistics of the variables. As shown in Table 2, the mean TFP of the sample enterprises is 6.7889, with a standard deviation of 0.8539 and a median of 6.7, indicating that the TFP indicator used in this paper has certain volatility. The 25%-75% quartile range is 6.2-7.3, suggesting that most enterprises' TFP is concentrated around the mean, approximating a normal distribution, but a few extreme negative values increase the standard deviation; therefore, winsorizing the data effectively addresses this issue. Other variables are consistent with reality.

Table 2 Descriptive Statistics

Variable Name	Sample Size	Mean	Standard Deviation	Min	25% Quartile	Median	75% Quartile	Max
TFP	14827	6.7889	0.8539	4.9800	6.2000	6.7000	7.3000	9.3200
Post	14827	0.5792	0.4937	0.0000	0.0000	1.0000	1.0000	1.0000
Prefin	14827	0.0304	0.0561	0.0000	0.0028	0.0122	0.0359	0.8834
DID	14827	0.0153	0.0345	0.0000	0.0000	0.0004	0.0159	0.3154
Size	14827	22.513	1.2626	20.1347	21.6240	22.3381	23.2671	26.2925
Lev	14827	0.4298	0.1919	0.0656	0.2787	0.4249	0.5732	0.8825
Roa	14827	0.0308	0.0665	-0.2855	0.0104	0.0326	0.0619	0.1930
FATA	14827	0.2226	0.1536	0.0037	0.1027	0.1906	0.3095	0.6750
Growth	14827	0.1148	0.2220	-0.3025	-0.0012	0.0689	0.1721	1.1901
TQ	14827	2.1135	1.3780	0.8289	1.2472	1.6765	2.4362	8.7325
DUAL	14827	0.2376	0.4256	0.0000	0.0000	0.0000	0.0000	1.0000
Soe	14827	0.4187	0.4934	0.0000	0.0000	0.0000	1.0000	1.0000
Top1	14827	33.0207	14.3578	8.3800	21.9050	30.6300	42.3400	71.5400
Lngdp	14827	9.0134	1.1163	4.5311	8.1973	9.1466	10.0309	10.7102

5. Empirical Results and Analysis

5.1 Baseline Regression Results

Table 3 reports the results of the baseline regression. Column (1) shows that, controlling only for time and individual fixed effects, the core explanatory variable DID is significantly negative at the 1% level, indicating that NAMR reduces the total factor productivity of highly financialized enterprises, initially supporting hypothesis H1b. On this basis, column (2) includes control variables, and the results show that the core explanatory variable DID remains significantly negative at the 1% level, indicating that after controlling for a series of variables, NAMR still reduces the total factor productivity of highly financialized enterprises, further supporting hypothesis H1b.

Table 3. Baseline Regression Results

Variable	Column (1) TFP	Column (2) TFP
DID	-1.2304*** (-5.2058)	-0.7629*** (-3.5097)
Control Variables	NO	YES
Individual Fixed Effects	YES	YES
Time Fixed Effects	YES	YES

Constant	6.8077***	-1.7959**
	(1.9e+03)	(-2.4740)
Sample Size	14827	14827
R2	0.863	0.907

Note. ***,** and * indicate significance at the 1%, 5%, and 10% levels, respectively. The numbers in parentheses are t-values from two-tailed tests, with standard errors clustered at the enterprise level. The same applies to the tables below.

5.2 Robustness Tests

5.2.1 Parallel Trends Test

The key premise for using the DID method for policy evaluation is to satisfy the parallel trends assumption. In the context of this study, it means ensuring that there is no difference in the trend of total factor productivity changes among listed companies with different financial asset allocations before the implementation of NAMR. To this end, based on model (1), this paper uses the year before the implementation of NAMR (2017) as the base period, includes interaction terms between dummy variables for each year three years before, the year of, and three years after the implementation of NAMR and the treatment intensity variable (PreFin), and constructs model (2) for re-regression.

$$TFP_{i,t} = \beta_0 + \sum_{m=-4, m \neq -1}^{4} \beta_m (Post * \Pr eFin)_{m,it} + \beta_s Control + \gamma_i + \varphi_t + \varepsilon_{i,t} \tag{2}$$

Table 4 reports the results of the parallel trends test. The empirical results indicate that the parallel trends assumption is satisfied.

Table 4. Parallel Trends Test

Variable	Column (1) TFP	Column (2) TFP
Pre_4	0.3795	0.1531
	(1.3407)	(0.6730)
Pre_3	0.2294	-0.0517
	(0.8899)	(-0.2401)
Pre_2	0.2085	0.0210
	(1.0762)	(0.1236)
Current	-0.3736*	-0.3073*
	(-1.9374)	(-1.8256)
Post_1	-0.6067***	-0.5397***
	(-2.7975)	(-2.7264)
Post_2	-1.1753***	-0.7953***

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	(-4.1784)	(-3.2232)
Post_3	-1.5221***	-1.0759***
	(-4.6440)	(-3.6730)
Post_4	-1.4226***	-0.9172***
	(-3.8990)	(-2.7119)
Control Variables	No	Yes
Individual Fixed Effects	Yes	Yes
Time Fixed Effects	Yes	Yes
Sample Size	14827	14827
R2	0.864	0.907
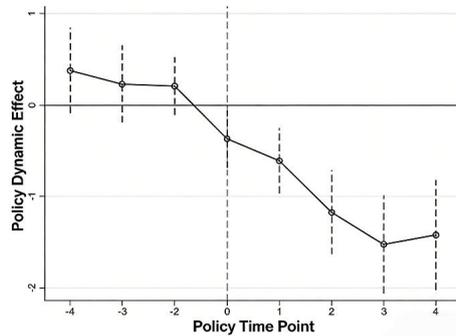
Figure 1. Parallel Trends Test

5.2.2 Placebo Test

This paper uses a placebo test by randomly setting the policy pilot time and sampling affected enterprises. Since the "pseudo" pilot time and "pseudo" affected enterprises are randomly generated, NAMR should not have a significant impact on corporate total factor productivity, meaning that the regression coefficient of the "pseudo" treatment variable should be around zero. Accordingly, this paper repeats the above random process 500 times for model estimation.

The results show that after randomizing the core explanatory variable, most of the estimated values of the virtual policy are concentrated around 0, and the p-values are mostly greater than 0.1. At the same time, the placebo test regression results are significantly different from the true regression result of -0.7629 (Table 3, column 2), indicating that the impact of NAMR on corporate total factor productivity is real and not influenced by other unobservable factors.
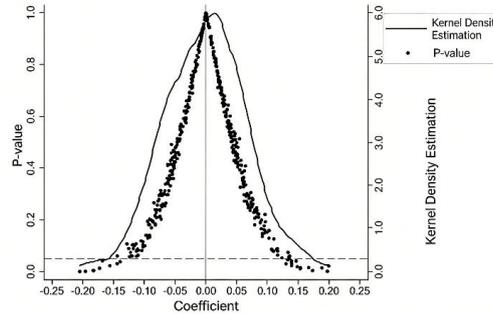
Figure 2. Placebo Test

5.2.3 Replacing the Dependent Variable

This paper uses total factor productivity estimated by LP, OLS, GMM, and FE methods for regression analysis. Columns (1), (2), (3), and (4) in Table 5 report the results of replacing the dependent variable, showing that regardless of the method used to measure corporate total factor productivity, the implementation of NAMR significantly reduces the total factor productivity of enterprises with higher financialization levels.

Table 5. Replacing Dependent and Explanatory Variables

Variable	Column (1) TFP-LP	Column (2) TFP-OLS	Column (3) TFP-GMM	Column (4) TFP-FE
DID	-0.7569***	-0.8894***	-0.6749***	-0.9185***
	(-3.2690)	(-3.8220)	(-3.0198)	(-3.9030)
Control Variables	YES	YES	YES	YES
Individual Fixed Effects	YES	YES	YES	YES
Time Fixed Effects	YES	YES	YES	YES
Sample Size	14827	14827	14827	14827
R^2	0.934	0.956	0.889	0.960

6. Mechanism Tests

6.1 Exacerbating Financing Constraints

NAMR strengthens the regulation of shadow banking by standardizing the asset management business of financial institutions, restricting some high-risk, high-leverage financing behaviors, which may weaken the entity intermediary effect of enterprises. However, the fundamental reasons for corporate financing difficulties have not been eliminated, and the weakening of the entity intermediary effect leads some enterprises to face stricter financing conditions, thereby exacerbating corporate financing

constraints. At the same time, the implementation of NAMR disrupts the reservoir effect of enterprises, making them more dependent on external financing and worsening their financing environment. The exacerbation of financing constraints deteriorates corporate total factor productivity (Song, Zhou, & Si, 2021). This paper follows the approach of Jiang (2022) and tests this mechanism through model (3).

$$KZ_{i,t} = \beta_0 + \beta_1 Post * \Pr eFin + \beta Control_{i,t} + \gamma_i + \varphi_t + \varepsilon_{i,t} \tag{3}$$

where KZ is the KZ index, representing the financing constraints faced by the enterprise; a larger KZ index indicates stronger financing constraints. Other measurements are the same as in (1). As shown in column (1) of Table 6, the coefficient of the interaction term is significantly positive at the 1% level, indicating that after the implementation of NAMR, enterprises with higher financialization levels face increased financing constraints, meaning that NAMR disrupts the reservoir effect and reduces the entity intermediary effect of enterprises, worsening their financing environment and exacerbating financing constraints.

Table 6. Mechanism Tests

Variable	Column (1) KZ	Column (2) RDsz
DID	1.2065*** (2.5886)	-0.0100** (-2.4119)
Control Variables	Yes	Yes
Individual Fixed Effects	Yes	Yes
Time Fixed Effects	Yes	Yes
Sample Size	14827	14827
R2	0.758	0.852

6.2 Reducing Corporate Innovation Capabilities

NAMR can affect corporate total factor productivity by reducing corporate innovation capabilities. R&D activities have characteristics such as positive externalities, high risk, long cycles, and high uncertainty (Yu et al., 2016), relying more on long-term financing. NAMR prohibits fund pooling with characteristics such as rolling issuance, collective operation, and maturity mismatches, strictly limiting channels for long-term funding, thus restricting financing for corporate R&D activities and reducing corporate R&D innovation capabilities, which further reduces corporate total factor productivity. In the short term, NAMR may also lead to reduced R&D investment due to increased financing difficulties for some enterprises, affecting innovation capabilities and thereby reducing corporate total factor productivity (Jiang, 2022). Additionally, shadow banking, by providing higher interest risk compensation and flexible financing contracts (Atanassov, 2016), may increase creditors' tolerance for innovation risks of borrowing enterprises, reduce intervention in operations, and encourage enterprises

to take risks to share the potential benefits of long-term innovation success (Hao, Hu, & Liang, 2025). Based on the above analysis, this paper tests this mechanism through model (4).

$$RDsz_{i,t} = \beta_0 + \beta_1 Post * \Pr eFin + \beta Control_{i,t} + \gamma_i + \varphi_t + \varepsilon_{i,t} \quad (4)$$

where RDsz represents corporate innovation capabilities, measured by the ratio of R&D expenditure to total assets, following Quan Xiaofeng[31]; a larger value indicates higher R&D investment. Column (2) of Table 6 reports the regression results, showing that the coefficient of the interaction term is significantly negative at the 5% level, indicating that after the implementation of NAMR, the innovation capabilities of enterprises with higher financialization levels decline.

7. Heterogeneity Analysis

7.1 Regional Banking Competition

Banking competition can increase corporate credit availability (Zhang, Li, Z. j., & Li, C. T., 2019) and reduce corporate financing costs (Yin, Qian, & Wu, 2015). Therefore, in regions with higher banking competition, the impact of NAMR on corporate total factor productivity should be significantly lower than in regions with weaker banking competition. This paper follows the approach of Jiang Fuxiu[37] and uses the proportion of the number of branches of the top three banks to the total number of bank branches (CR3) to measure regional banking concentration, calculated as follows:

$$CR3 = (Branch_{1th} + Branch_{2th} + Branch_{3th}) / Total\_Branches \quad (6)$$

where Branch1th, Branch2th, and Branch3th are the number of branches of the three banks with the most branches in the region, and Total_Branches is the total number of bank branches in the region. This variable ranges from (0,1), and a larger value indicates lower banking competition. Based on the median of CR3, the full sample is divided into a group with higher regional banking competition (CR3 < CR3_Median) and a group with lower regional banking competition (CR3 > CR3_Median), and regression analysis is conducted separately.

Columns (1) and (2) of Table 7 report the results of the grouped regression. In regions with low banking competition, the coefficient of the interaction term is significantly negative at the 1% level; in regions with high banking competition, the coefficient of the interaction term is not significant, indicating that the impact of NAMR on enterprises varies across different regions.

7.2 Executives with Financial Backgrounds

Executives with financial backgrounds typically have a deeper understanding of financial market operations, financing channels, and fund management. They can more keenly capture market changes brought by NAMR and quickly adjust corporate financing strategies. Therefore, after the implementation of NAMR, the impact of NAMR on the total factor productivity of enterprises with executives having financial backgrounds should be significantly lower than that on enterprises without such executives. This paper defines executives with financial backgrounds following Du (2019), meaning that executives have served in positions at policy banks, commercial banks, investment banks, financial regulatory departments, fund management companies, insurance companies, exchanges,

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securities companies, securities registration and settlement companies, futures companies, trust companies, investment management companies, and other financial institutions. If at least one executive in the enterprise has a financial background, it is recorded as 1; otherwise, 0. Based on whether executives have financial backgrounds, the full sample is divided into a group with executives having financial backgrounds and a group without, and regression is conducted separately.

Columns (3) and (4) of Table 7 report the results of the grouped regression. When the company does not have executives with financial backgrounds, the coefficient of the interaction term is significantly negative at the 1% level; when the company has executives with financial backgrounds, the coefficient of the interaction term is significantly negative at the 5% level, and the regression coefficient decreases, indicating that the impact of NAMR on corporate total factor productivity is reduced.

Table 7. Heterogeneity Analysis

Variable	Column (1) Low Banking Competition Regions TFP	Column (2) High Banking Competition Regions TFP	Column (3) Executives with Financial Backgrounds TFP	Column (4) No Financial Backgrounds TFP
DID	-0.9549*** (-3.1398)	-0.2653 (-0.9970)	-0.5124** (-2.0036)	-1.2456*** (-4.1024)
Control Variables	Yes	Yes	Yes	Yes
Individual Fixed Effects	Yes	Yes	Yes	Yes
Time Fixed Effects	Yes	Yes	Yes	Yes
Sample Size	7509	7280	10245	4140
R2	0.904	0.914	0.909	0.924

8. Conclusion

This study analyzes data from Chinese A-share listed non-financial and non-real estate companies from 2014 to 2022 using a generalized difference-in-differences model to explore the impact of the New Asset Management Regulation (NAMR) on corporate total factor productivity (TFP). The findings reveal that NAMR significantly reduces the TFP of highly financialized enterprises, and this negative effect is confirmed through various robustness tests. The negative impact of NAMR on TFP is primarily mediated through increased financing constraints, reduced innovation capabilities, and exacerbated maturity mismatches in investment and financing. Additionally, the impact of NAMR exhibits heterogeneity: in regions with lower banking competition, the negative impact on TFP is more

pronounced, while in regions with higher banking competition, the impact is not significant. Enterprises with executives who have financial backgrounds experience a lesser negative impact from NAMR, indicating that the professional knowledge of managers helps mitigate the effects of regulatory changes.

Although NAMR has been effective in reducing shadow banking risks and systemic financial risks, its negative impact on corporate productivity cannot be ignored. This highlights the complex trade-off between achieving financial stability and promoting economic efficiency through financial regulation. Future regulatory policies need to minimize adverse effects on corporate productivity while maintaining financial security to support the sustainable development of the real economy.

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