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## Journal of Financial Economics

journal homepage: [www.elsevier.com/locate/jfec](http://www.elsevier.com/locate/jfec)Editorial<sup>☆</sup>

The policies and procedures of the *Journal of Financial Economics* (JFE) described below begin July 1, 2021. Many of these policies and procedures have been formulated to be consistent with the policies of the *Journal of Finance*, the *Review of Financial Studies*, the *Journal of Accounting Research*, the *American Economic Review*, the *Review of Economic Studies*, the *Journal of Political Economy*, and *Econometrica*. The editors of the JFE thank the editors of these journals for constructing these thoughtful policies.

## 1. Aims and scope

The JFE is a leading peer-reviewed academic journal covering theoretical and empirical topics in financial economics. It provides a specialized forum for the publication of research in the area of financial economics and the theory of the firm, placing primary emphasis on the highest quality empirical, theoretical, and experimental contributions in the following major areas: capital markets, financial intermediation, entrepreneurial finance, corporate finance, corporate governance, the economics of organizations, macro finance, behavioral finance, and household finance.

## 2. Submissions

All submitted manuscripts must be original, not under submission at another journal, and not under consideration for publication in another form, such as a monograph or chapter of a book. Manuscripts must be unpublished, with the following three exceptions: publication in the form of an abstract; publication as an academic thesis; publication as an electronic preprint. The submitted manuscript may not be submitted for publication elsewhere until the JFE makes an editorial decision. Failure to observe these rules will result in rejection of your submission. All submissions must follow the JFE guide

for authors, which can be found at: <https://www.elsevier.com/journals/journal-of-financial-economics/0304-405x/guide-for-authors>.

### 2.1. Initial submissions

Unsolicited manuscripts must be submitted online using Editorial Manager and be accompanied by a submission fee of \$750. Note that payment of the submission fee does not guarantee that a full review process will be conducted. Before deciding whether or not to take the time-consuming step of sending a manuscript to referees, the editor in charge of the submitted manuscript reviews each it to ensure that it is appropriate for the journal and that it has a sufficiently high chance of receiving a favorable review. If not, the editor desk rejects the manuscript and asks an associate editor to provide brief anonymous feedback. Note that the editor in charge of the manuscript—not an associate editor—makes the desk rejection decision. Because this process requires time and input from the editors and associate editors, only \$500 of the submission fee is refunded for desk rejections. Any one author can receive at most four partial refunds for desk rejections in any one calendar-year, regardless of whether that author is the corresponding author or not. None of the submission fee will be refunded for any desk rejections of submissions received by that author beyond the fourth.

All submissions must include a title page PDF with author contact and disclosure information and a separate manuscript PDF without identifying information.

The title page must include the manuscript's title, as well as the name, affiliation, and email address for each author. The title page PDF should also include an acknowledgments footnote. As described below in Section 4, each author must include a Disclosure Statement at the end of the title page PDF.

The manuscript PDF must be anonymous and should not include author information or acknowledgments. It must include the title and an abstract not to exceed 100 words. The manuscript must be double-spaced with a

<sup>☆</sup> Dimitris Papanikolaou, Nick Roussanov, and Philipp Schnabl provided helpful comments.

12-point or larger font and a minimum of one-inch margins. If the manuscript includes an online appendix, it must be attached to the end of the main manuscript file. The online appendix must be marked clearly and not contain author names. For initial submissions, high-resolution figures should be avoided to limit file size.

Final accepted manuscripts must conform to the style guidelines at <https://www.elsevier.com/journals/journal-of-financial-economics/0304-405x/guide-for-authors>. Online appendices for accepted manuscripts must contain all identifying author information and be submitted separately.

Manuscripts must be written in English and checked for spelling, grammar, and syntax before submission. Few manuscripts are free from any typos or grammar glitches, but manuscripts will be desk rejected if the editor believes reading the paper will put an unfair burden on referees.

## 2.2. Resubmissions

Resubmissions should be made within 18 months of the initial decision. Any revisions submitted after 18 months will be considered as a new submission and need not receive the same editor or referee. Exceptions to this policy should be based on hardship and discussed with the editor before resubmission.

Resubmissions should include separate documents that summarize any responses to comments made by the referee(s) and editor. Authors are strongly encouraged to point out the pages in the submitted manuscript that contain any changes that have been made. Long, rambling response documents are discouraged.

While a full submission fee must accompany resubmissions, the editors will strive to limit the number of rounds of revision by providing clear guidelines when offering revise-and-resubmit decisions. In addition, whenever possible, editors will strive to treat later-round referee reports containing only minor comments as recommendations of conditional acceptance.

Resubmissions of papers previously rejected at the *JFE* will be desk rejected, and none of the submission fee will be refunded. Occasionally, authors of rejected manuscripts have revised their work sufficiently that the manuscript can be considered a new submission. In such a case, the author must notify the editor about the previous rejection, and the editor reserves the right to desk reject the submission, although \$500 of the fee will be refunded if the editor is notified, and if the author has not already received four desk rejections in the past year.

## 2.3. Decisions

The *JFE* aims to provide swift manuscript turnaround. Submission fees will be refunded for any decisions rendered after 120 days. The editors will not make “reject-and-resubmit” decisions. Instead, all decisions will take the form of desk rejections, rejections, revise-and-resubmits, conditional acceptances, and outright acceptances.

## 2.4. Accepted manuscripts

Authors of all accepted manuscripts are encouraged to share their work, as outlined in Elsevier's policies for promoting and sharing articles, which can be found at <https://www.elsevier.com/authors/submit-your-paper/sharing-and-promoting-your-article>.

## 2.5. Appeals

Due to the large number of submissions and the fact that appeals consume a disproportionate amount of editorial time, the *JFE* follows a formal policy for appeals. The general principle has been and remains that our decisions are final. However, we recognize that there can be circumstances in which an appeal is justified. The appeal only has merit if the author can argue that material in the original manuscript, or possibly elsewhere in the literature, refutes points raised by the reviewing team that were material in the rejection decision. For example, refuting minor points in the referee report is not valid grounds for an appeal, nor are arguments that a revised version of the manuscript could address the issues that originally lead to rejection. Moreover, the errors have to be mistakes concerning facts. Appeals based on subjective judgments about the contribution of the manuscript will not be considered.

In those cases, we ask authors to submit a formal letter stating the reasons for the appeal. The letter should be concise and not constitute a response document. Because of the resources appeals consume, we require a submission fee of \$1,250. As a first step, the editor who handled the original submission will evaluate the appeal correspondence and assess the merits of the case. If the editor decides that the appeal and the authors' arguments do not alter the decision, the previous rejection becomes final. If the editor decides that a reconsideration of the decision is warranted, the manuscript will be sent to the original referees, as well as to a new referee. The new referee will advise the editor solely on the merits of the appeal. Based on the ensuing responses, the editor will make a final decision. No further appeal will then be considered.

Successful appeals will either be accepted outright or converted into revise-and-resubmits, with the appeal referee continuing to be assigned to the manuscript on subsequent rounds.

If an appeal is unsuccessful, none of the authors of the appeal can be part of another appeal for four years.

## 3. Instructions for referees

The *JFE* aims to continue its rapid turnaround of manuscripts and to streamline the refereeing process. The *JFE* pays referees an honorarium to encourage a quick response. Most submissions will continue to have one referee, with multiple referees being reserved for those situations in which the editor needs extra advice.

While the level of polish of initial submissions has a high variance, and while some accepted manuscripts benefit greatly from substantive referee suggestions, referees will be encouraged to refrain from becoming anonymous coauthors. The following instructions, adapted from Chad

Jones' instructions to *Econometrica* referees, will be given to referees when soliciting their advice.

Referee reports should be divided into three sections: Summary, Essential Points, and Suggestions.

- Summary: A brief summary of how you see the contribution of the manuscript. This part of the report is already standard.
- Essential Points: For a revise-and-resubmit, the points that are essential for the authors to address if the manuscript is to be published in a top finance journal; for a rejection, the points that make the manuscript unpublishable. The list of essential revisions should include at most three items, and preferably fewer. If more are required, unless the topic is extremely novel and interesting, the manuscript should be rejected.
- Suggestions: Everything else. This manuscript is the authors', and the referee should not act as a shadow coauthor. Given the convex returns to publishing in our profession, authors want to write the best possible manuscript, and all of us can benefit from the suggestions of expert referees. However, the authors should have leeway to address these points as they see fit.

Referee reports should not be long. Two or three single-spaced pages should be enough for most manuscripts. The advice in Berk et al. (2017) should be helpful for referees in writing constructive reports.

#### 4. Author conflicts of interest

The *JFE* is adopting the policies of the *Journal of Finance* and the *Review of Financial Studies* regarding author conflicts of interest.

1. Every submitted manuscript must state each source of financial support for the particular research it describes. If none, that fact should be stated.
2. Each author of a submitted manuscript should identify each interested party from whom he or she has received significant financial support, summing to at least \$10,000 in the past three years or that will exceed this threshold under contracts in place at the time of submission. Support includes financial support (e.g., consulting fees, retainers, grants, research support, equity shares or stock options, and the like), and in-kind support (e.g., access to data). An interested party is any individual, group, organization, or business entity that has a stake (e.g., financial, political, regulatory, etc.) related to the manuscript.
3. Each author should disclose any and all paid or unpaid positions as an officer, director, corporate advisor, or board member of relevant non-profit organizations or profit-making entities. A "relevant" organization is one whose policy positions, goals, or financial interests relate to the manuscript.
4. The disclosures required above apply to any close relative or partner of any author.
5. Each author must disclose if another party had the right to review the manuscript prior to its circulation. Third-party review that must be disclosed includes review by supervisors and employers. If no third-party

was required to review the manuscript, that fact must be disclosed.

6. If any support provided to an author by an interested party is subject to any non-disclosure obligation, this fact must be disclosed to the *JFE*, along with the nature of the conflict.
7. Any submitted manuscript reporting research that involved the collection of data on human subjects must disclose whether the author obtained approval for such data collection from the Institutional Review Board (IRB) of the authors' home institutions. If IRB approval was not obtained, the authors must state the reason.

When submitting a manuscript, each author should prepare a separate page titled "Disclosure Statement" and attach it to the end of the submission title page. If the manuscript involves coauthors, each coauthor should submit a separate Disclosure Statement. The Disclosure Statement should be included even if the authors have nothing to disclose; this fact should be explicitly stated.

The *JFE* uses a double-blind refereeing system, so the Disclosure Statement should not be part of the manuscript, and it will not be available to referees.

For manuscripts accepted for publication, authors must sign Elsevier's conflict of interest statement, which can be found at [https://www.elsevier.com/\\_\\_data/promis\\_misc/asjsur\\_coi.pdf](https://www.elsevier.com/__data/promis_misc/asjsur_coi.pdf).

Failure to disclose relevant information at the submission stage may result in termination of the review process or reversal of acceptance decisions.

#### 5. Editor roles

The editor-in-chief initially receives all submissions in Editorial Manager and then keeps the submission to handle or assigns it to a coeditor to handle. While the editor-in-chief and coeditors are free to consult with one another regarding manuscripts, coeditors have autonomy in making editorial decisions.

Associate Editors serve three main roles: (1) they act as frequent referees; (2) they can suggest referees; and (3) they provide brief feedback for desk rejections. Associate Editors do not have any decision authority, nor do they write reports on manuscripts unless they are assigned as a referee.

Advisory Editors can suggest referees and occasionally referee manuscripts. They can also act as guest editors when coeditors submit manuscripts. Finally, Advisory Editors can be consulted regarding major journal policy changes.

#### 6. Editor and referee conflicts of interest

##### 6.1. Editor

To guarantee a fair review process to all authors, the *JFE* does not allow its editor-in-chief and coeditors to handle submissions by the following categories of authors: advisors, advisees, current colleagues at the same institution (regardless of department), current or past coauthors, family members, or any other authors whose personal or pro-

fessional ties to an editor may call into question the integrity of the review process. This list includes all coauthors, advisors, and advisees of an editor, regardless of the time since the conflicted editor worked with the author. In addition, any editor with a conflict of interest will be blinded from viewing the review process of that particular submission. To encourage referee impartiality, the handling editor will notify referees that their reports will be remain confidential with respect to the conflicted editor.

Submitting authors may make a suggestion for the editorial assignment. The editorial team tries to respect these suggestions as long as they are compatible with editorial workloads and expertise but must void any suggestion that violates the *JFE*'s conflict of interest rules.

The editor-in-chief cannot submit manuscripts to the *JFE*, although coeditors can submit manuscripts. In this case, the editor-in-chief assigns a guest editor, and the coeditor is blinded from viewing the review process.

The name of the editor who handles a manuscript will appear in the acknowledgments footnote.

## 6.2. Referees

If a referee recognizes a manuscript by advisors, advisees, current colleagues at the same institution (regardless of department), coauthors, family members, or any other authors whose personal or professional ties to a referee may call into question the integrity of the review process, the referee should disclose this information to the editor so that the editor can assign a new referee.

The names of referees will never be disclosed to the authors, even for those manuscripts that are eventually accepted. Any information that could potentially be identifying, such as average turnaround times, will remain confidential. Moreover, the editor will not share acceptance rates for any individual referee.

## 7. Data and code sharing policy

Authors of accepted manuscripts that contain empirical work, numerical simulations, or experimental work must make available to the *JFE* any data, programs, and details for the computations necessary for replication. As soon as possible after acceptance, authors are expected to upload their data, programs, and detailed instructions for use to Mendeley Data, where it will be published under the author's choice of reuse license. Alternatively, authors can upload this material in a domain-specific repository. In either case, a link to the data and programs will appear on ScienceDirect with the article.

Authors should notify the editor-in-chief at the time of submission if the above requirements cannot be met, along with a precise explanation. The editor-in-chief reserves the right to refuse publication of manuscripts whose authors do not comply with these requirements.

Authors are not required or expected in any way to provide assistance and further support to eventual users of the code and data.

### 7.1. Data

Exceptions to the data-sharing policy include but are not limited to proprietary data owned by third parties whose identity can be disclosed, confidential proprietary data whose owners cannot be disclosed, confidential administrative data, experimental data that violates the confidentiality of the subjects, or hand-collected data the authors would like to keep confidential for a period not exceeding two years.

In the case of administrative data or third-party data whose owners can be disclosed, the authors must submit a detailed description of how the raw data were obtained or generated, including data sources and the specific date(s) on which the data were downloaded or obtained. Authors also have to provide details to outside researchers on how to obtain the data. When allowed by the data provider, observation identifiers in the raw data should be disclosed.

If the data are confidential and proprietary, upon acceptance of the manuscript, the authors must supply the *JFE* with an affidavit stating that permission has been obtained for the data to be used in the publication at hand.

In the case of hand-collected data, if the authors would like to keep the data confidential for a period of time not exceeding two years, the authors must notify the editor-in-chief in a cover letter at the time of submission. If the manuscript is accepted, the data must be submitted to the editorial office at the time of acceptance. It will be held in confidence and be uploaded to Mendeley Data or a domain-specific repository after the embargo period.

For experimental manuscripts, we have adopted the policies of the *American Economic Review*. We expect the authors of experimental manuscripts to supply the following supplementary materials:

- The original instructions: These should be summarized as part of the discussion of experimental design in the submitted manuscript and also provided in full as an appendix at the time of submission. The instructions should be presented in a way that, together with the design summary, conveys the protocol clearly enough that the design could be replicated by a reasonably skilled experimentalist. For example, if different instructions were used for different sessions, the correspondence should be indicated.
- Information about subject eligibility or selection: This should be summarized as part of the discussion of experimental design in the submitted manuscript.
- Any computer programs, configuration files, or scripts used to run the experiment and/or to analyze the data: These should be summarized as appropriate in the submitted manuscript and provided in full as an appendix when the final version of a manuscript is submitted. (Data summaries, intermediate results, and advice about how to use the programs are welcome, but not required.)
- The raw data from the experiment: These should be summarized as appropriate in the submitted manuscript and provided in full as an appendix when the final version of an accepted manuscript is submitted, with sufficient explanation to make it possible to

use the submitted computer programs to replicate the data analysis.

## 7.2. Code

Disclosed code must include the computer programs or code used to convert the raw data into the final dataset used in the analysis. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, the variables were defined, any outliers were treated, etc. Also required are any programs used to generate the final published output from the final dataset.

All of this code must be accompanied by instructions for use. These instructions should include information on the operating system and the version of the software used in the analysis. Software requirements should explicitly list all modules, libraries, toolboxes, packages, and commands that are not part of the core software. Programs that rely on random number generators should set seeds to allow replication. If it is necessary to execute programs in a particular order, these details must be included in the instructions.

For those cases in which the data cannot be disclosed, the authors must supply pseudo-dataset(s) to demonstrate that the code runs. It is the authors' responsibility to ensure that the code works on the pseudo-dataset or the actual dataset if the data can be disclosed.

Any person downloading any of the file(s) will need to certify that the programs will be used only for academic research. Any other use, including for commercial purposes, is strictly prohibited except with explicit permission from all authors of the published article. If the code comes from a third-party source, explicit permission must be obtained from the cited originators of the code before use. Academic researchers using the code, or fragments of it, in their own work are required to acknowledge the origin of the code.

Exceptions to the code-sharing policy may be granted if the authors invested a great deal of intellectual effort in generating the code and want to keep it private for a period not exceeding two years. In this case, the authors must notify the editor-in-chief in a cover letter at the time of initial submission, and the code must be submitted to the editorial office at the time of acceptance. It will be held in confidence and be uploaded to Mendeley Data or a domain-specific repository after the embargo period.

Exceptions to the code-sharing policy will also be granted if all or part of the code is proprietary in nature or if parts of the code reveal confidential information.

## 8. Research misconduct

Before publication, the *JFE* editors take reasonable steps to identify and prevent the publication of manuscripts that show evidence of research misconduct, which includes but is not limited to plagiarism, citation manipulation, result fabrication, and data falsification or fabrication. After publication, if the *JFE* editors or Elsevier are made aware of an allegation of research misconduct relating to a published article in the journal, the allegation will be addressed by the editor-in-chief or the assigned editor, who will follow the guidelines published by the Committee on Publication Ethics (COPE).

## 9. Coercive citations

Wilhite and Fong (2012) present evidence that some editors across different business disciplines have engaged in coercive practices with regard to citations. The authors define coercive citations as requests that give no indication the manuscript is lacking in attribution but instead simply guide authors to add citations to the editor's journal. They suggest that such practices are motivated by an intent to increase measured journal impact factors.

The editors hereby affirm that it has been, and will continue to be, the policy of the *JFE* to avoid coercive citation practices. While we retain professional discretion to suggest that authors cite particular manuscripts, we will do so only when scientifically appropriate, and without regard to the journal where the cited manuscript is published.

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