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## Developing a Comprehensive Pattern of Preventing Stock Price Manipulation in Iran's Capital Market: A Grounded Theory Approach

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### Abstract

The purpose of this research is to design a comprehensive model to prevent price manipulation in the Iranian capital market. The approach used in this research is qualitative and has been used as the research method from the theory of grounded data (grounded theory). The data collection was done in depth and open interviews with 26 capital market elites and professors and students from different universities. For data analysis, the comparison method has been used during three stages of open, axial and selective coding. With regard to the analysis of data, we have found that the comprehensive model for preventing price manipulation consists of six main categories, including regulatory mechanisms, legal mechanisms, educational mechanisms, cultural mechanisms, structural mechanisms and implementation of the pattern of prevention. The price manipulation is explained in detail. Finally, the circumstances, the conditions of the intervention, the conditions governing (strategies), the strategies and the consequences have been identified.

**Keywords:** Price Manipulation, stock Trading, Stock Market in Iran, A Grounded Theory Approach.

## Introduction

The capital market of the country is considered as one of the most important economic stimulus sectors of the country. Therefore, any disturbance in the conduct of stock trading leads to uncertainty in the investment in this market. One of the most important and sensitive areas in the capital market is the monitoring of how transactions are conducted. Investors are always looking to maximize profits for trading. One of the ways in which those individuals make a profit is to manipulate the price of stock market transactions. Trust in the capital market owes continuous monitoring by the supervisory authority, and the underlying capital market is trusting in how transactions are conducted, which manipulates the price if the oversight of the market by an overseer cannot undermine that trust and transparency. According to the definition of the US Securities Exchange Commission, manipulation is deliberate interference with the supply and demand of a securities sheet, often designed to trick investors into controlling or influencing artificially the price or market activity of a type of securities. On the other hand, the concept of tampering with Iranian law is "any act that leads to a misleading appearance of the securities trading process or the creation of false prices or the condescension of individuals to conduct transactions in securities." In legal terms, the law of exacerbation of the punishment of perpetrators of bribery, embezzlement and fraud, was approved by the Islamic Consultative Assembly in 1985. One of the reasons for keeping the Tehran Stock Exchange short before 2005 and its lack of sufficient development was to throw off the offenders in the capital market. Until the mass of manipulation of the securities market for the first time after forty years was established in 2005 by the Law on the Securities Market of the Islamic Republic of Iran (Heydari et al., 2015).

One of the key issues in today's capital market is the issue of manipulating prices in stock trading. Because by joining the Securities and Exchange Organization, members of the International Commission on Securities Commissions are required to ensure how to monitor the trading of shares in order to attract foreign investors. Given the fact that the capital market of the country should be transparent, like other countries operating in the field of stock market, it seems that the names of companies and individuals are disclosed to the public, while such an important issue in any one of the institutions and organs of the country is not provided.

According to the survey, the reason for this is the lack of a pattern of price manipulation in stock trades. It seems that the presentation of a model for manipulating the price of stock transactions agreed and approved by the financial experts of the country could be used by relevant institutions. This research helps to answer the question by combining qualitative research methods using the theory of data base and document analysis, which is "What is the comprehensive model of price manipulation in stock trading in the Iranian capital market?"

## Literature Review

Considering the research on price manipulation in stock trading and considering the differentiation of the present study with previous research and research in the field of stock price manipulation in terms of the type of research methodology and the thoroughness of this research, Further research and research in this area is cited. Allen and Gale (1992) introduced a theoretical framework for a particular type of manipulation called transaction manipulation. This type of manipulation was due to the purchase and sale of stocks. This was while it was previously thought that the manipulation was not profitable based on the deal. They showed that in a framework of rational expectations, in which all factors seek to maximize utility, some manipulators may have profits.

Jaroo (1992), assessed Marketing Strategies, manipulation by major traders. The strategy of manipulating market transactions reflects the accepted hypotheses in the price equilibrium processes. If prices change, a profitable speculation may be due to the fact that the rise in prices on a given date by speculation will cause prices to rise in the coming days.

Khajja and Mian (2003), looked at the shares of the company that had been tampered with in the Pakistani stock market, and it was found that brokers in the Pakistani stock market always gained more profits than foreign investors, and they have been concluded that gaining this high profit is always through the manipulation of the price of their income.

Chuckroburty and Yilmaz (2004), examined a model that individuals who have the secret information are supposed to act on the basis of stock trading, which would manipulate the price of stock market transactions.

(Report of the Technical Committee of the International Organization of Securities Commission, 2013), the main goal of manipulators in the stock market is to profit from the lowest cost and the least risk. To accomplish this goal, they will take the following actions:

- Manipulating stock prices or derivatives derived from them by creating conditions for buying them at low prices and selling them at high prices;
- manipulation of the stock price on which the transaction is traded on the market in order to reduce the transaction for the person having the contract and to discard the application of the contract;
- Manipulation of stock prices in microcosms to affect major transactions;
- Creating a space to encourage investors to buy or sell some stocks or equity rights;

- Introducing diversified stocks and financial guides to bring investors together and take the leadership of the group to introduce their preferred stocks.

Emicter and Dice (2013), one of the factors that has caused investors' confidence in the stock market to drop today is manipulating prices and creating artificial pricing in the stock market. For this reason, the legislator has banned this action. The legislator is consistent with the drafting of new laws and controls to prevent this from happening, because preventing this action will increase the efficiency of the capital market.

Cannellos et al. (2016), believe the arrival of deceptive orders is a kind of price manipulation that manipulators enthrall with other investors in the stock market by entering deceptive orders. These orders are such that the manipulators are prompted to log in and remove the custom prompt that does not have the purpose of implementing it. These orders increase or decrease stock prices, and many investors will be in this situation.

Neopen, Ray, Vitangage, Varaaguan (2017), found in this study that when the companies are first admitted to the stock market (initial launch), price manipulation is carried out on a high scale. This type of manipulation is based on transaction-based manipulation.

Fallah Shams, Kordlooy and Rashno (1391), in this paper, using a backup car model, presented a model for predicting price manipulation in the stock market. This model is used for the classification and separation of the groups and the data to be surveyed should be linear. Although the data used in the research was not linear, the Basic Components Analysis (BCA) method was attempted to compensate for the problem of non-linear data.

Peeling, Nasser Sadr Abadi and Moeinuddin (2015), in this paper, using quadratic audit models and genetic algorithm based on ANN to estimate stock price manipulation in Tehran Stock Exchange. The results showed that the prediction capability of the quadratic audit model is better than the genetic algorithm based on artificial neural network.

Shams and Atayii (1395), In this paper, we identify stock price manipulation using the combined model of genetic algorithm - artificial neural network and SQDF model. In this study, price, volume and free-floating-price variables have been used to match the model's results and actual data from price manipulation. The results showed that the combined model of genetic algorithm-artificial neural networks (ANN-GA) in identifying stock price manipulation and classification of companies into two groups of manipulated and unmanaged have a much better performance than the SQDF model and much less error.

## Research method

In this research, we used the qualitative data research method of the foundation. The data theory of the foundation can be described as a research approach, in which, based on actual data and through a scientific method, new theories are formulated. Barney Glaser and Anselm Strauss published a book entitled "The Discovery of the Theory of Data Foundation", and thus presented a new approach to research methods (Glaser and Strauss, 1967). For the purpose of The Theorization of Data, the foundation of a "induction" methodology is the discovery of the theory, which enables the researcher to develop a theoretical account of "general features of the subject", while simultaneously base the report on empirical observations (Fernandez, 2004). Considering that the purpose of this research is to identify and explain the pattern of price manipulation in stock trading in Iran's capital market, the research question can be as follows:

What is the pattern of price manipulation in stock trading in Iranian capital market?

This research is in the context of understanding and explaining the pattern of price manipulation in stock trading in the capital market of the country. Considering the existence of qualitative research methods in this research, the concept of the foundation has been used initially. Theorization of the Foundation's context is a method aimed at understanding the experiences of individuals from events and events in a particular context. In the field theory context, the data collection model is different and data collection and analysis activities are carried out simultaneously. In this regard, interviewing is a good way to collect data in the theory of the field context (Kazemi et al., 1395).

The approach used in collecting the present research is exploratory, in fact, an exploratory approach to education, through which learners are encouraged to interact with their environment; That is, they try to crawl and manipulate objects, cope with questions, or conduct an experiment, and as a result, they understand the subject (Seif, 2003) and the data are not structured according to the purpose of the research has been collected. This type of interview is used only for qualitative research, and the interviewee is free to talk about everything that it considers important, and usually a little interference is being made by the researcher during the interview. This part of the research has been of great importance for the period of 2018 and the statistical community of this research is a lot of people who are directly and indirectly involved with transactions in the stock market. These individuals and institutions can be the managers of the securities and stock market, regulatory directors, academic professors, capital companies, brokers and some investment companies and basketball players active in the field of stock trading in the capital markets of the country. According to the aim of this study, snowball sampling method has been used. Snowball sampling (SNOWBALL)

is also a simple sampling method. This method is difficult to use when accessing people with the desired properties of the researcher is difficult. In this method, one or more people are first selected with the desired features, and then they are asked to introduce people who have similar characteristics to them. Sampling continues until the samples reach the desired level. This method, sometimes referred to as a grid or chain approach, is a convenient, efficient, and affordable way to reach people who otherwise find it difficult to find. In this method, the researcher will use the first examples, often chosen simply, to identify other people who have similar experiences and perspectives in the context of the phenomenon to be introduced to participate in the study. The snowball method, while taking little time, communicates with the researcher through the acquaintance of new people with the first person and through him.

This kind of networking is especially useful in finding people who are not willing to disclose their identity (Nadery Far, 1396). According to interviews conducted with 26 experts in the field of transactions in the stock market data collection has reached saturation stage and due to the repetition of other cases, there was no need for a new interview. In Table 1, the profiles of the people interviewed is mentioned:

Table 1. Interwees

Experts	Ph.D.	Masters
Securities and change Organization	4	5
Faculty and lecturer of the university	7	0
Self-regulated institutions	4	6

To analyze the data extracted from the interviews, three stages of open coding, axis coding, and selective coding have been used. Open coding is part of the data analysis process that focuses on crushing, comparing, naming, conceptualizing, and categorizing data. During open coding, the data is broken up into distinct sections and examined for similarities and differences. Then, these "concepts" are classified according to their similarities, which are referred to as "categorization" and "the category" is a concept that is more abstract from other concepts. In summary, the result of coding is a collection of conceptual categories created from data. (Mashayekhi et al., 1392). The axis code is the name given to the secondary operation in the field theory analysis, in which the main categories that have evolved from the data coding codification are linked together . If we break the data in the coding and separate it, or open the data in order to display the data and the theoretical categories, the coding will reorient the previous categories with different conceptual methods in. Thus, in the codification of the core categories that

have been expanded in the codification, internal communication is established (Mashayekhi et al., 1392). It is expressed in Fig 1 (Rezaei, 1396):

**Axial Coding:** The axial coding of the researcher selects one of the classes as the axial class and explores it as the axial phenomenon at the center of the process and identifies the relation of the other classes to the researcher in five titles. naming as:

1. **Causal Conditions:** These conditions cause the formation of a pivotal phenomenon or class. These conditions are a set of classes and their characteristics that affect the main category.

2. **Actions & Interactions:** Targeted behaviors, realities, and interactions that are influenced by the interventionist conditions and the dominant context.

3. **Context:** The special conditions that influence the strategies are called bedding and they are difficult to distinguish from causal conditions. These conditions are a set of concepts, classes, or contextual variables.

4. **Intervening Conditions:** Conditions that are affected by strategies. These conditions are a set of mediator and interface variables. Interfering conditions are structural conditions that facilitate or limit the intervention of other factors.

5. **Consequences:** Some classes represent outcomes and outcomes that result from the adoption of strategies. This coding method, known as the axial coding paradigm model, is proposed by Strauss and Corbin.

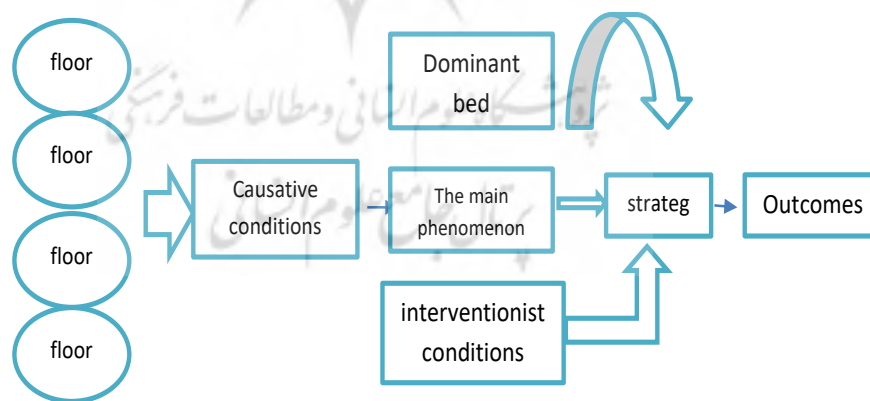


Fig1. Axial coding paradigm model

The selective coding takes the findings of the previous coding steps, chooses the axial category, systematically links it to other categories, proves those relationships, and lists the categories that need further improvement and development (Danaei Fard and Imami, 2007), which is below the pathway and completed the analysis of data in the present study (Rezaei, 2017):

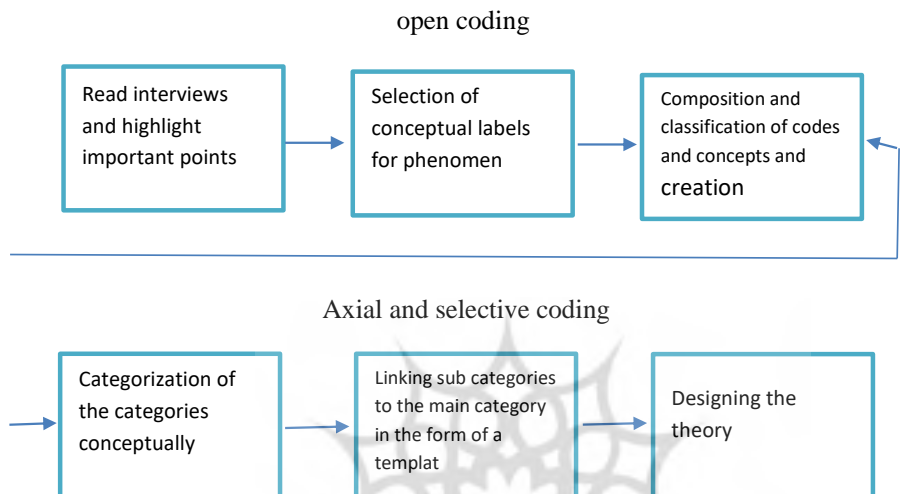


Fig2: The process of performing and completing the analysis of research data

For example, the coding process is expressed in the following text:

### Step 1. Open Coding

#### A) Initial coding of an example of interviews

"The asymmetry of information available on the market causes many investors in the capital market to manipulate prices. Everyone in the capital market at any place strives to maximize profit without the least risk of it. Price manipulation is due to imbalances in supply and demand and by breaking the normal mode of supply and demand, people make huge profits. Usually, in manipulations, warnings are given to the market that the unconsciously aware of the demand either up or down the supply, and then the manipulation will be realized the bouts of manipulation by publishing false news lead to lower prices or rising stock prices. On the other hand, due to the lack of consistent information and reliable data, and the lack of access to personal accounts and the small capital market of the country, people manipulate the price. In some cases, people take the company's lead in lowering the company's stock prices and, once the price has dropped sufficiently, they are buying the relevant stocks



for business. Occasionally, people, through the dissemination of misleading news through virtual networks, are attempting to disrupt the stock market in order to disrupt the economic situation of the country. On the one hand, these people want to introduce themselves as leaders in order to gain reputation in introducing high-yielding stocks; on the other hand, they are aware of the deficiencies in the laws and regulations and how to monitor the market. As a result, they are doing so, and from this deficiency Available to the maximum. On the other hand, many stock market manipulators are aware of the impairment of regulatory systems, and according to their experiences, they know that some regulatory oversight violations can not be discerned. They also know that they do not have time to handle long crimes. "An example of the initial encoding of interviews is listed in Table 2.

Table 2. an example of initial coding of interviews

Part of the initial encoding of the interview
1. Asymmetric information on the capital market
2. Maximize profit and benefit
3- Having the lowest risk in trading
4. Disturbance on the supply side and demand in transactions
5. False and misleading news
6. Lack of integrated databases
7. Lack of access to accounts of trader's entities, both real and legal
8. Small scale capital market
9. Acquisition of management positions of commodity companies and outsourcing
10. Publication of news by virtual networks
11. Inadequate disclosure of corporate information
12. The lack of trusted financial statement analysts
13. Insufficient depth in the market
14. Insufficient opportunity to analyze corporate financial statements
15. The lack of a suitable mechanism for using microfinance shareholders to analyze financial statements
16. The disadvantages of showing the country's economic conditions through poor performance of the capital market
17. Leading other stakeholders through the introduction of the intended stock
18. The deficiency in the laws and regulations of the capital market of the country
19. Lack of effective supervision of the correct execution of transactions

- 20. Ineffective transaction monitoring to discover price manipulation
- 21. Lack of training to people about laws and regulations
- 22. insufficient people know how to do transactions
- 23. Familiarity with the defect of regulatory systems by manipulators
- 24. Long time of handling the violations of these individuals
- 25. The low price of manipulating prices in transactions in the community
- 26....

B) Secondary coding and formulation of categories (Continued grounding theory): In the next step, the primary codes (due to their abundance) become secondary codes. A few secondary codes become a conceptual code. In the tables below, a small section of open coding results based on the secondary code, conceptual codes, and categories are presented in Table (3):

Table 3. Secondary and conceptual coding and categories

Categories	Conceptual Codes	Secondary codes
Comprehensive database creation	<ul style="list-style-type: none"> <li>-Investors Information</li> <li>-Corporate financial information</li> <li>-Creating information between related units</li> </ul>	<ul style="list-style-type: none"> <li>-Asymmetry of information</li> <li>- The lack of communication between the supervisory authorities</li> <li>- Lack of access to accounts of individuals</li> <li>- Unbalanced access to the trading system by station or online traders</li> <li>- Lack of effective collaboration between the parties</li> <li>- Lack of authentication and identification of traders in online transactions</li> </ul>
Designing a mechanism for monitoring stock trading	<ul style="list-style-type: none"> <li>-To upgrade trading systems</li> <li>- Define new alerts in the trading system</li> </ul>	<ul style="list-style-type: none"> <li>-No prevention of the manipulation of prices in transactions</li> <li>- Lack of control over price manipulators</li> <li>- Lack of monitoring transaction effectiveness to discover price manipulation</li> <li>- Inform investors of the lack of knowledge of the supervisory authority</li> <li>- The monopoly on data and the lack of access to stock exchanges to their order transaction data</li> <li>- Parallel work between supervisory authority and stock exchanges in supervision</li> <li>- Restrictions on trading systems and lack of knowledge of native about system settings to limit price manipulation in transactions</li> <li>- Notify the traders about the defects of the trading system</li> </ul>

		<ul style="list-style-type: none"> <li>- The lack of effective monitoring by the supervisory authority</li> <li>- The lack of curiosity and vigilance of the supervisory forces in the capital market</li> </ul>
Designing a Modern Educational System in the Capital Market	<ul style="list-style-type: none"> <li>- Provide specialized and practical training</li> </ul>	<ul style="list-style-type: none"> <li>- The absence of analysts of trusted financial statements in the capital market</li> <li>- Lack of sufficient opportunity to analyze corporate financial statements</li> <li>- The lack of an appropriate mechanism for the use of microfinance shareholders for the analysis of financial statements</li> <li>- The lack of XBRL substrates in the release of financial statements</li> <li>- Automatic analysis of financial statements</li> <li>- Culture-building through social networks</li> <li>- Failure to reform the structure of companies</li> <li>- Lack of training on the violation of price manipulation</li> <li>- Failure to provide the necessary information for the manipulation</li> <li>- Definition of different standards appropriate to Sana</li> </ul>
	<ul style="list-style-type: none"> <li>- Continuing training of traders and investors</li> </ul>	<ul style="list-style-type: none"> <li>- Structural design for continuous training of traders</li> <li>- Virtual training in the field of capital market</li> <li>- Applying modern teaching methods</li> <li>- Holding training centers</li> <li>- Familiarity of all people in the community through curriculum</li> </ul>
Correction of laws and regulations in the field of capital market	<ul style="list-style-type: none"> <li>- Traders' point of view of the rules and regulations in the field of capital market transactions</li> </ul>	<ul style="list-style-type: none"> <li>- No existence of deterrent laws for dealing with offenders</li> <li>- Failure to deal with violations as promptly as possible</li> <li>- Absence of necessary rules and regulations</li> <li>- Lack of adequate training of individuals and ignorance of laws and regulations in the field of transactions</li> <li>- Failure to demonstrate the power of observing the discovery of price manipulations</li> <li>- Strengthening the law of supervision of internal auditors of companies and independent auditors</li> </ul>
	<ul style="list-style-type: none"> <li>- Refresh the rules and regulations in the area of violations</li> </ul>	<ul style="list-style-type: none"> <li>- Vacuum rules</li> <li>- Establishing supportive laws for disclosure of violations of publishers both financially and in terms of occupational safety</li> <li>- Failure to identify violations in algorithmic transactions</li> <li>- Unified rules and regulations</li> </ul>
The need to	<ul style="list-style-type: none"> <li>- To meet the requirements of</li> </ul>	<ul style="list-style-type: none"> <li>- Investors' awareness of the relevance of markets related to the capital market</li> </ul>

understand the avoidance of price manipulation in stock trades	investors in preventing manipulation	<ul style="list-style-type: none"> <li>- The need for investors to be aware of the benefits of preventing price manipulation</li> <li>- The coherence and beliefs of other investors to prevent price manipulation in transactions</li> <li>- Encouraging and encouraging markets related to the stock market, including the money market, to cooperate in subsidiary companies to prevent this practice.</li> </ul>
	-Memory preventing price manipulation	<ul style="list-style-type: none"> <li>- Verification body to prevent price manipulation</li> <li>- Explaining the positive effects of preventing price manipulation for investors</li> <li>- Establishing advisory institutions and market analysts to familiarize investors with the correct way of conducting transactions</li> </ul>

C) Formation of the main classes: After determining the categories, the stage of building the general classes of the theory is presented in the following table:

Table 4. Formation of the main classes of the theory

Main classes	Categories
Supervisory mechanisms	<ul style="list-style-type: none"> <li>-Creating a comprehensive database in the field of capital markets</li> <li>Designing a stock trading system monitoring system based on indigenous knowledge</li> <li>-Avoiding the monopoly of the supervisory authority for all data and authorizing the exchanges</li> <li>-Lack of parallel work between supervisor and stock exchanges in monitoring transactions</li> <li>-Definition of effective supervisory warnings</li> </ul>
Legal Mechanisms	<ul style="list-style-type: none"> <li>- Transparency in the laws, regulations and market</li> <li>-specific legal affairs</li> <li>-Correction of laws and regulations in the field of capital markets</li> <li>-Identifying violations in algorithmic transactions</li> <li>-Integrity in the rules</li> <li>-Establishing a process to identify offenders</li> <li>-Legislation to establish deterrent penalties</li> </ul>
Educational Mechanisms	<ul style="list-style-type: none"> <li>-To study the standards appropriate to the various finance industries</li> <li>-Teaching social networking activities to promote informed decision making</li> </ul>

	<ul style="list-style-type: none"> <li>-Designing new educational systems in the field of capital market</li> <li>-Training and updating of observers to detect new violations in the field of transaction</li> </ul>
Cultural Mechanisms	<ul style="list-style-type: none"> <li>-Transparency of religious and Islamic issues in traders</li> <li>-Highlighting the price manipulation violation among the general public</li> <li>-Accountability of investors in reporting market offenses</li> </ul>
Structural correction mechanisms	<ul style="list-style-type: none"> <li>-The development of the capital market of the country</li> <li>-Promoting oversight and evaluation activities</li> <li>-Increasing the responsibility of brokers and their market authority</li> <li>-Culture-building through social networks</li> <li>-Ratings of Bourse Companies in terms of disclosure of information and transparency</li> <li>-Specialized analysis of corporate financial statements by financial institutions</li> </ul>
The design and pattern of preventing price manipulation	<ul style="list-style-type: none"> <li>-Trust and confidence in the capital market</li> <li>-Optimal allocation of resources with less transaction costs</li> <li>-Foreign investors entering the market</li> <li>-increase of transparency and efficiency and fair prices</li> <li>-Succession of liquidity towards the market and, consequently, economic prosperity</li> </ul>

### Step Two: Axial Encoding

The pivot encoding is the second stage of analysis in the foundation data theorizing. The goal of this step is to establish a relationship between the produced classes (in the open coding step). This work is done according to the paradigm model and helps the theorist to facilitate the process of the theory. The basis of the communication process in axial coding lies in the expansion of one class. Therefore, in the second step of this study, based on the data obtained from the study of documents and their in-depth interviews and their categorization, six components of the model for preventing price manipulation in stock trades have been obtained (Rezaei, 1396). Regulatory mechanisms, legal mechanisms, educational mechanisms, cultural mechanisms, structural and design mechanisms, and the establishment of a pattern of price manipulation. Efficiency and transparency of the capital market of the country requires the observance of the above components.

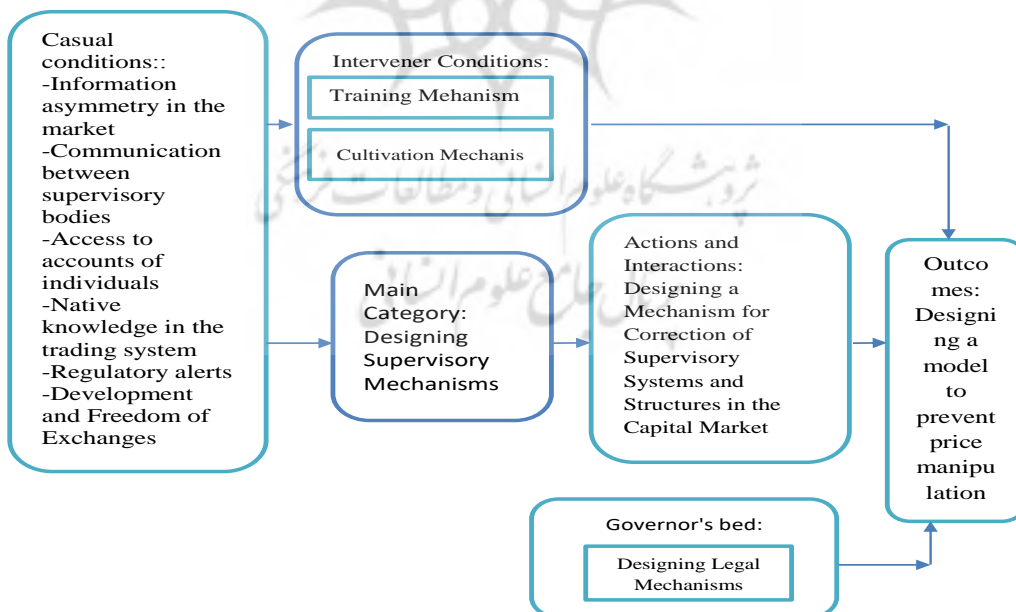


### Step Three: Explaining the Theory (Selection Coding)

As stated above, the fundamental theory is the production of the theory, not merely the description of the phenomenon. For the transformation of analyses into the theory, the class is related to each other on a regular basis. Selection coding (based on the results of the previous two stages of coding) is the main stage of theorizing. In a way that systematically relates class-leading to other classes, it corrects those relationships in the context of a narrative and refines classes that require more improvement and development. At this stage, the investigator, based on his understanding of the context of the phenomenon the study, or the framework of the paradigm model, is presented as a narrative or falsifies the paradigm model to graphically show the final theory (Danaeefard and Islami, 1389).

### Paradigm Model to Avoid Price Manipulation in Stock Transactions in Iranian Capital Market

This model expresses the mechanisms by which the target society (country's economy, capital market of the country, securities and stock market organization, Tehran Stock Exchange, Iran Stock Exchange, etc). specifies what it needs and, given the obtained results, in order to achieve success and growth. In other words, the discovery of manipulating the share price in capital market transactions has reached its minimum, and efficiency and transparency have reached their maximum profit margin. For a comprehensive model of price manipulation, the following general model is presented:



## Conclusion

The main objective of this qualitative research, based on the data theory of the foundation, is to provide a model for preventing price manipulation in the capital market of the country. In this qualitative study, an in-sample sampling method has been used to select a sample that we have achieved through the interview with the experts of the capital market of the country and analysis of the interviews carried out to the five main components. These components are: causative conditions, intervening conditions, underlying conditions (domains), strategies and outcomes. The most important conditions for effective information asymmetry are the necessary communication between supervisory bodies, access to individual accounts, native knowledge in trading systems, regulatory warnings, and the development of stock exchanges. On the other hand, the interventionist factors identified in this study are divided into two general categories of education mechanisms and a culture reform mechanism that includes training the standards appropriate to the various securities industries in the financial statements, training activities of the networks with the aim of promoting informed decisions, designing new educational systems in the area of the capital market, training and updating observers with warnings to discover new contraventions in the area of transactions.

Cultural reform mechanisms include strengthening religious and Islamic debates, investors' accountability for reporting violations, highlighting the policy of manipulating price violations among the general public. The underlying conditions (governing platforms) are: transparency in the laws, regulations and market-specific legal affairs, the amendment of laws and regulations in the field of capital markets, identification of violations in algorithmic transactions, the integration of laws and regulations, the creation of a facilitating process in order to identify offenders, and legislation to create deterrent penalties. Strategies include: Ratings of listed companies based on disclosure and transparency of reports, development of the country's capital market, promotion of regulatory and evaluation activities, increased responsibility of brokers and their market authority, culture-building through social networks, analysis specialized financial statements of companies by financial institutions. Finally, the consequences identified in this study include trust and confidence in the capital market, optimal allocation of resources with less transaction costs, increased transparency and efficiency, fair market prices, liquidity to market and economic prosperity.



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