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Variable	Definition
<i>EXPERIENCE</i>	The number of years the auditor is performing his function as an audit partner.
<i>TENURE</i>	The length of tenure for the audit partner who has the longest tenure, where each partner's tenure is the number of cumulative years the company has retained the audit partner.
<i>GOING</i>	1 if the client firm received a going concern opinion and 0 otherwise.
<i>INITIAL</i>	1 for initial audit firm engagement and 0 otherwise.
<i>IMPORTANCE</i>	Client importance measured at the firm level, where client importance is measured as the natural logarithm of client sales divided by the sum of the natural logarithm of client sales from all public clients of the audit firm.
<i>DUAL</i>	1 if a person is both CEO and chairman and 0 if CEO and chairman are different persons.
<i>INSIDEB</i>	The proportion of board director shareholding.
<i>INSIDEM</i>	The proportion of management shareholding.
<i>INST</i>	The proportion of external institutional shareholding.
<i>INDE</i>	The percentage of outside (that is, nonmanagement) directors on the board.
<i>FF</i>	1 if the firm is controlled by a family and 0 otherwise.
<i>BOARDSIZE</i>	The natural logarithm of the number of directors sitting on the board.
<i>MEETING</i>	The natural logarithm of the number of board meetings per year.
<i>TAXH</i>	The number of investees in tax havens divided by the total number of investees, based on the list of tax havens in Dyreng and Lindsey (2009) .
<i>DLAYER</i>	1 if the number of layers equals 3 or is greater than 3 and 0 otherwise.
<i>RELATED</i>	Related-party sales over total sales plus related-party purchases over total purchase.
<i>ABNORMAL_RELATED</i>	The abnormal level of the related-party purchases and sales after removing the normal level of related-party purchases and sales via OLS regressions, similar to Jian and Wong (2010) .

Note. OLS = ordinary least squares.

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