

**Peer Effect on Corporate Innovation Disclosure: Evidence from the Registration-Based  
IPO Reform in China**

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**Declaration of Competing Interest**

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## Abstract

In 2019, China launched a registration-based IPO system on the STAR board, later extending it to the ChiNext board, requiring listed firms ("peer firms") to disclose detailed innovation information in their prospectuses. This study exploits this regulatory reform as a quasi-natural experiment to identify the causal effect of peer firms' mandatory innovation disclosure on the voluntary disclosure behavior of non-registration-based listed firms in the same industry. We consider two competing hypotheses: the *competitive pressure hypothesis*, which posits that increased peer transparency intensifies market scrutiny, prompting focal firms to disclose more to maintain visibility and reputation; and the *strategic withholding hypothesis*, which suggests that firms may reduce disclosure to avoid unfavorable comparisons or protect proprietary information. Our findings reveal that non-registration-based firms significantly increase innovation disclosures following peer firms' mandated disclosures, and this effect is more pronounced in industries with more intense competition and a higher presence of innovation-oriented peers, consistent with the *competitive pressure* mechanism. Nonetheless, we also find evidence consistent with *strategic withholding* mechanism among firms with relatively weak innovation capabilities. Overall, this study contributes to the literature on peer effects in corporate innovation disclosure and highlights a market-driven channel that fosters transparency in innovation information.

## Keywords

Peer Effect, Innovation Disclosure, Registration-Based IPO reform, Mandatory Disclosure