

**FIN15**

## **Evolution of Pricing Efficiency for Chinese IPOs with Regulatory Reforms**

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### **Abstract**

We review the evolution of Chinese IPO markets with a special focus on the ChiNext board. Since its inception, ChiNext IPOs are priced by the “Chinese-style” bookbuilding mechanism, and the board has gone through two different regulation regimes with numerous sets of listing day trading restrictions. From a mainly value-driven pricing under approval regime to a largely demand-driven pricing under registration regime, ChiNext has been evolving from an immature IPO market with erratic trading towards a more transparent, efficient, market-oriented, and investor-protecting one. Reviewing the history of ChiNext and related lessons sheds valuable insights for other emerging IPO markets worldwide.

### **Conference Track**

Finance and Investment