

## Strengthening disclosure regulations to increase market transparency and investment decisions: Evidence from the Vietnamese stock market

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**Abstract:** Strengthening disclosure regulations to increase market transparency and investment decisions: Evidence from the Vietnamese stock market. Information disclosure plays a fundamental role in ensuring transparency and efficiency in financial markets. In emerging markets, where the legal framework and regulatory enforcement are still developing, the quality of corporate information disclosure is particularly important for mitigating information asymmetry and enhancing investor confidence. For the Vietnamese stock market, improving information disclosure practices has been recognized as a top priority to promote market transparency and sustainable capital market development. However, empirical evidence on the impact of information disclosure quality on investor perceptions and investment decisions in Vietnam remains limited. This study aims to examine the impact of information disclosure quality on market transparency, investor confidence, and investment decisions in the Vietnamese stock market. This study uses a quantitative approach, drawing on survey data collected from 326 individual investors and financial professionals participating in the Vietnamese stock market. Structural Equation Modeling (SEM) was applied to examine the relationships among information disclosure quality, market transparency, investor confidence, and investment decisions. Empirical results show that market transparency and investor confidence mediate the relationship between information disclosure quality and investment behavior. This study contributes to the existing literature by providing empirical evidence on the mechanisms linking information disclosure to investment decisions in emerging markets. The findings also offer important policy implications for regulators and listed companies in strengthening information disclosure practices, improving market transparency, and enhancing investor confidence in the Vietnamese stock market.

**Keywords:** *Information disclosure, Investment decisions, Investor confidence, Market, Transparency, Vietnam.*

### 1. Introduction

Financial markets play a crucial role in the efficient allocation of capital and support for economic development. In modern financial systems, transparency and reliability of information are fundamental conditions for ensuring market efficiency and protecting investors [1]. In other words, the stability and development of the stock market depend not only on capital flows and market efficiency but also on the quality and timeliness of information disclosure [2]. Information disclosure enables investors to assess business performance, evaluate risks, and make sound investment decisions. Information disclosure not only provides investors with the necessary basis for decision-making but also serves as an important means of ensuring market transparency and fairness [3]. However, many securities firms argue that disclosing or concealing information depends on what best provides a competitive advantage for their counterparties [4]. Without full disclosure, information asymmetry can arise between insiders and investors, potentially leading to inefficient market outcomes and reduced investor confidence [5]. Therefore, regulators in many countries have required listed securities firms to provide accurate, timely, and comprehensive information to market participants.

In emerging markets, the importance of information disclosure is further emphasized by a relatively weaker institutional environment and higher levels of information asymmetry. Compared to developed markets, emerging economies often face challenges in regulatory enforcement, corporate governance, and financial reporting reliability. In Vietnam, the stock market plays a crucial role in providing investment opportunities for investors, hedge fund managers, and domestic and foreign companies [6]. The Vietnamese government has continuously improved the legal framework governing information disclosure through amendments to the Securities Law [7]. The goal is to clarify information disclosure requirements, require reporting to comply with standards, and move closer to international practices. Since the establishment of the Vietnamese stock market in 2000, the number of listed companies, market capitalization, and trading volume have increased significantly. The market has become an important channel for mobilizing capital for economic development and business expansion. Despite these achievements, the Vietnamese stock market still faces several challenges related to transparency and information disclosure. One prominent issue is the quality of information disclosed by listed companies, which has fallen short of market expectations. Empirical studies show that information disclosure is often formalistic, delayed, or lacks transparency, especially regarding unusual and non-financial information [7]. A second drawback of the Vietnamese stock market is its lack of transparency, which undermines investor confidence [8]. Foreign companies investing in Vietnam may face information shortages due to weak accounting and information management systems [9]. A comparison with other emerging markets in the region shows that Vietnam still has a gap in its stock market information disclosure standards, especially in English [10].

Information disclosure practices can differ significantly between developed and emerging markets. In developed capital markets, the legal framework, information disclosure systems, and investor protection mechanisms are relatively stable [11]. Therefore, in these markets, corporate information disclosure practices have been extensively studied in relation to market efficiency, stock price information, and corporate governance performance. In contrast, emerging markets have a developing institutional environment, leading to weaker law enforcement, less developed corporate governance mechanisms, and more pronounced information asymmetry [12]. Even institutional gaps can cause market dysfunction, opportunism, and excessive profit-making by a few entities, as well as concentration of market power [13]. Therefore, the effectiveness of disclosure regulations in shaping market transparency and investor behavior can vary across institutional contexts. Existing studies on Vietnam largely examine disclosure effects on liquidity, prices, or market performance, while insufficient attention has been paid to the adequacy of the legal design, enforcement architecture, and treatment of non-financial disclosure obligations. There is little research investigating how disclosure quality affects investor confidence and investment decisions in the Vietnamese stock market [14], particularly the mediating mechanisms through which disclosure quality influences investor behavior, which remain largely unexplored. Clarifying this relationship is essential to explaining how improvements in regulations and disclosure practices lead to greater investor confidence and more active market participation, and to building effective management policies and improving market transparency. Therefore, this study aims to examine the role of disclosure quality in shaping market transparency, investor confidence, and investment decisions in the Vietnamese stock market. This research investigates how disclosure practices affect investors' perceptions of transparency and trust, and, ultimately, their investment behavior. By applying structural equation modeling (SEM), the study first provides empirical evidence on the relationships among disclosure quality, market transparency, investor confidence, and investment decisions in emerging markets such as Vietnam. Secondly, the study uses information asymmetry theory to explain the mechanisms linking information disclosure to investor behavior. Thirdly, these findings offer practical implications for policymakers and regulatory bodies to enhance transparency and protect investors in the securities market.

## 2. Literature Review

### 2.1. Information Disclosure in Capital Markets

Information disclosure is the process by which an entity communicates with investors. Accurate and complete corporate information disclosure plays a crucial role in a free-market economy, influencing a nation's economic development [10]. At the overall level, the effectiveness of government operations in managing economic policies depends on the quality of the information provided because optimal economic policies depend on the government's ability to achieve goals that maximize the common good for society as a whole [15]. Information disclosure (ID) in the securities market refers to the process by which obligated entities, such as public companies, listed companies, and investment funds, provide investors with data, facts, and information related to operations, financial conditions, corporate governance, and significant events that may affect securities prices in a timely, complete, accurate, and fair manner [16]. Information disclosure is not limited to compliance with mandatory legal requirements but also includes voluntary information aimed at enhancing the transparency and credibility of businesses in the capital markets [17]. Information disclosure plays a fundamental role in ensuring the efficient functioning of capital markets. Firstly, information disclosure helps minimize information asymmetry. According to Akerlof's theory of information asymmetry, market inefficiency often arises when one party in a transaction possesses more information than the other [18]. In capital markets, managers generally have better knowledge of a company's financial situation and prospects than investors. Secondly, it enhances market liquidity and efficiency: Transparent and comprehensive information disclosure strengthens investor confidence, stimulates trading activity, and helps securities prices more accurately reflect the business's intrinsic value. A transparent information disclosure mechanism can improve market efficiency, allowing for more efficient capital allocation to the most promising businesses and projects in need of financial support, while promoting sustainable economic development [2]. Third, investor protection: Disclosure provides investors with a rational basis for decision-making and helps prevent market manipulation, fraud, and insider trading. Investors are required to disclose information about their investments in companies that may be engaged in active operations or have acquisition intentions, thereby affecting the companies' value [1]. Fourth, strengthening corporate governance discipline: Mandatory disclosure, especially of non-financial information, encourages companies to improve their governance structures and adjust their practices to conform to recognized standards [19].

### 2.2. Quality of Information Disclosure and Market Transparency

The positive relationship between the quality of information disclosure and market transparency has been demonstrated in numerous studies [20, 21]. When companies disclose high-quality information, it helps investors better assess the business's performance and risks [22]. Furthermore, the disclosure of reliable financial information reduces information asymmetry and improves the efficiency of the capital market [23]. When investors have access to reliable information, they can more accurately assess a company's capabilities and make sound investment decisions. Conversely, incomplete or delayed information disclosure can significantly undermine market transparency, making it difficult for investors to monitor business performance and leading to misvaluation of the company [24].

In capital markets, transparency reflects the availability, accessibility, and reliability of information, enabling investors to accurately assess the performance and financial situation of businesses [25]. In emerging markets, transparency is crucial for attracting both domestic and foreign investors. However, investors often view emerging markets as riskier due to institutional weaknesses and limited information. Therefore, improving the quality of corporate information disclosure is considered an effective way to enhance transparency and credibility in the financial market [26]. Thus, the higher the quality of information disclosure, the greater its contribution to improving the transparency of the stock market. Therefore, the first hypothesis proposed is:

*H<sub>1</sub>: The quality of information disclosure has a positive impact on market transparency.*

### 2.3. *Quality of Information Disclosure and Investor Confidence*

Providing comprehensive and reliable information on financial performance and strategic directions helps investors reduce considerations and make decisions quickly [22]. When businesses disclose accurate and timely information, it not only demonstrates management accountability but also strengthens market confidence in the integrity of financial reports. In addition, information disclosed by businesses beyond the mandatory level is a strong indicator of effective corporate governance [25]. The stock market is always volatile, so transparent information will help reduce investment risk, thereby increasing the reliability of corporate reports. When pioneering businesses adopt international reporting standards, it creates a positive effect, encouraging other businesses to improve transparency, thereby maintaining transparency to attract capital from investors [27]. For emerging economies like Vietnam, where the legal framework and enforcement mechanisms are still being perfected, information disclosure becomes even more crucial. Investor confidence depends not only on businesses' self-discipline but also on the effectiveness of regulatory oversight. A strict enforcement mechanism will create a transparent business environment and protect stakeholders' rights. Therefore, strengthening the state's regulatory role is a prerequisite for building sustainable confidence, promoting liquidity, and ensuring the long-term stability of the stock market. Hypothesis 4 is proposed as follows:

*H<sub>4</sub>: The quality of information disclosure positively affects investor confidence.*

### 2.4. *Market Transparency and Investor Confidence*

Investor confidence is a crucial factor influencing the stability and development of the financial market. Confidence refers to the degree to which investors trust the integrity and clarity of market institutions, the information disclosed by businesses, and the legal framework. When investors perceive the market to be transparent and well-regulated, they are more willing to allocate capital and participate more actively in investment activities.

If the stock market is transparent and information is easily accessible, investors will perceive that prices accurately reflect a company's fundamental factors [28]. This helps strengthen investor confidence in the market mechanism. Therefore, transparency contributes significantly to investor confidence and market participation. In addition, transparency reduces the likelihood of opportunistic management and financial manipulation. When information is publicly available, market participants, analysts, regulators, and investors can assess business actions more effectively [11]. This monitoring effect helps strengthen investor confidence and improve market reliability. A lack of transparency or information in the market will make investors doubt the integrity of financial reports and become hesitant to invest. This is particularly relevant to emerging markets, where institutional structures and regulatory enforcement are still developing. Therefore, the following hypothesis is proposed:

*H<sub>5</sub>: Market transparency positively impacts investor confidence.*

### 2.5. *Investment Decisions and Influencing Factors*

Investment decisions are complex processes influenced by many factors, including financial information, market conditions, and investor sentiment [29]. Information disclosure affects investors' perceptions of risk. Higher levels of transparency correspond to lower information risk, which can encourage investment activity. A transparent market allows investors to monitor business performance and detect potential problems early, thereby minimizing risk.

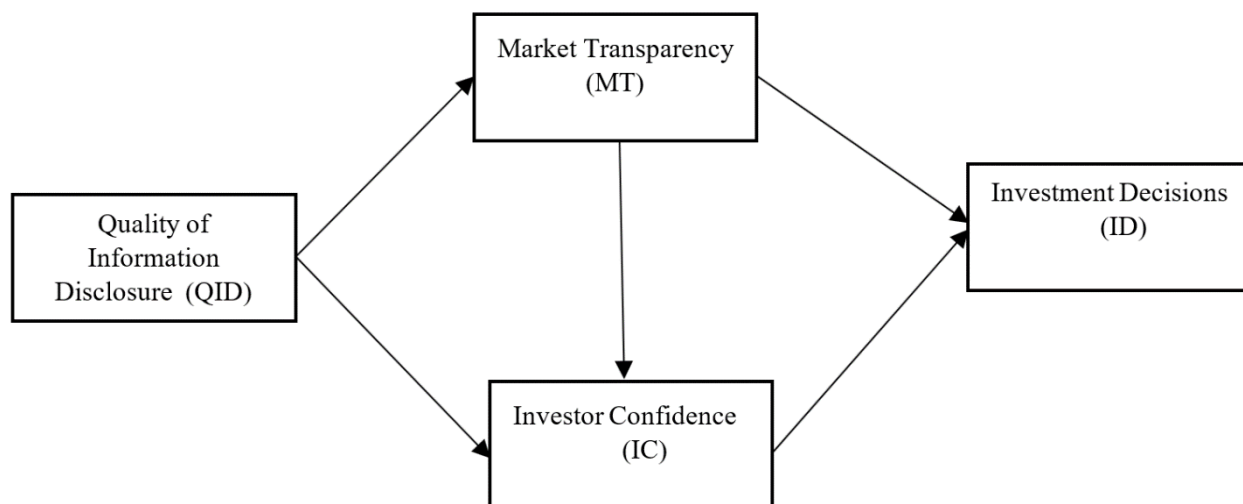
Signaling theory suggests that disclosed financial and non-financial information not only reflects a business's intrinsic value but also shapes market sentiment [30]. Information transparency helps reduce transaction costs, increase liquidity, and thus promote more efficient capital allocation decisions [31]. However, information overload can sometimes lead to cognitive biases, such as an overemphasis on shocking news or unusual announcements, which can easily lead to emotional trading behavior [32]. Additionally, in emerging markets, stock prices are often volatile due to limited independent information, making investor decisions susceptible to rumors [33]. Therefore, disclosing financial data and information on corporate governance, social responsibility, and environmental responsibility helps

investors access accurate information, thereby building trust in the company and influencing their investment decisions. Thus, it can be seen that information disclosure does not directly affect investment decisions; rather, it influences them through two other factors: market transparency and investor confidence. Therefore, the last two hypotheses are:

*H<sub>4</sub>. Market transparency positively influences investment decisions.*

*H<sub>5</sub>. Investor confidence positively influences investment decisions.*

From this, the research model is defined as follows:



**Figure 1.**  
Research model.

### 3. Research Methodology

This study employs a quantitative research method to examine the relationships among information disclosure quality, market transparency, investor confidence, and investment decisions in the Vietnamese stock market. This method is preferred because it allows testing theoretical relationships between variables using statistical techniques and empirical data [34]. The survey subjects include individual investors and financial professionals participating in the Vietnamese stock market. Specifically, the survey focuses on two groups of respondents: individual investors and financial professionals. Financial professionals include securities analysts, brokers, and investment advisors, who possess specialized knowledge and regularly analyze financial information when providing investment advice.

The scales used in this study are adapted from previous empirical studies related to corporate information disclosure, market transparency, and investor behavior. All constructs were measured using multiple indices on a five-point Likert scale, from 1 (“strongly disagree”) to 5 (“strongly agree”). The research framework included four latent variables: information disclosure quality, market transparency, investor confidence, and investment decision. These factors were measured using multiple observed indices adapted from previous studies in the accounting and finance fields.

Data were collected via a Google Form questionnaire sent to 348 subjects. After cleaning, 326 valid responses were selected for analysis. Data were analyzed using SmartPLS 3 software.

## 4. Results

### 4.1. Descriptive Statistics

**Table 1.**  
Descriptive Statistics.

Item	Mean	SD	Excess Kurtosis	Skewness
QID1	4.445	0.688	4.278	-1.529
QID2	4.074	0.795	0.649	-0.647
QID3	4.255	0.847	1.791	-1.243
QID4	4.239	0.750	1.859	-0.994
QID5	4.236	0.757	2.441	-1.106
QID6	4.156	0.781	1.725	-0.941
IC1	3.564	0.988	-0.234	-0.381
IC2	3.801	0.893	0.072	-0.506
IC3	3.890	0.900	0.519	-0.745
IC4	3.761	0.993	0.083	-0.639
IC5	4.285	0.764	2.472	-1.239
IC6	3.727	1.058	-0.194	-0.624
MT1	3.972	0.877	0.464	-0.768
MT2	3.982	0.810	1.396	-0.801
MT3	3.969	0.843	1.019	-0.775
MT4	4.089	0.841	1.143	-0.916
MT5	4.049	0.835	1.163	-0.887
MT6	3.982	0.848	0.706	-0.724
ID1	4.025	0.821	0.189	-0.580
ID2	4.126	0.783	-0.145	-0.533
ID3	4.098	0.769	0.410	-0.576
ID4	4.233	0.764	1.730	-1.004
ID5	4.150	0.763	1.286	-0.803

With 22 observed variables grouped into 4 main factors, the average item scores ranged from 3.564 to 4.445 on a 5-point Likert scale, indicating generally positive perceptions of the phenomenon under study among respondents. QID1 recorded the highest average score ( $M = 4.445$ ), while IC1 recorded the lowest ( $M = 3.564$ ), but both were above the theoretical midpoint of 3.0. Most items had SD values below 1.0, except for IC6 ( $SD = 1.058$ ). These results suggest a high level of agreement among respondents, providing initial confidence for further multivariate analysis. Regarding distribution assumptions, the skewness values ranged from -1.529 to -0.381, and the excess kurtosis values ranged from -0.234 to 4.278. According to thresholds proposed by Hair et al. [35] and Byrne [36], data are considered to follow a normal distribution if skewness is within  $\pm 2$  and kurtosis within  $\pm 7$ . Since all observed values fall within these ranges, the dataset meets the requirements for structural equation modeling (SEM).

### 4.2. Evaluation of the Measurement Model

**Table 2.**  
Values in the measurement model.

	Cronbach's Alpha	rho_A	CR	AVE
IC	0.887	0.892	0.914	0.639
ID	0.922	0.932	0.941	0.761
MT	0.917	0.920	0.938	0.751
QID	0.894	0.895	0.919	0.653

The measurement model was evaluated by internal consistency and convergent validity. Results from Table 2 show that the Cronbach's Alpha values for all constructs ranged from 0.887 to 0.922,

exceeding the recommended threshold of 0.70 [37]. Furthermore, the rho\_A coefficient and the Composite Reliability (CR) values were both above 0.892 and 0.914, respectively, indicating very good internal consistency and reliability of the scales. All AVE values ranged from 0.639 to 0.761 and were > 0.50 [38], suggesting that the underlying constructs explained more than 60% of the variance of their respective indices. All those indicators demonstrate that the measurement model is very suitable, with good data across all four factors: IC, ID, MT, and QID.

4.3. Structural Model Analysis

**Table 3.**  
Fornell-Larcker criterion results.

	IC	ID	MT	QID
IC	0.800			
ID	0.555	0.872		
MT	0.690	0.535	0.866	
QID	0.626	0.619	0.630	0.808

Discriminant validity was assessed using the Fornell and Larcker [38], a well-known method for evaluating the difference between constructs in a model. The results in Table 3 show that all diagonal values (0.800-0.872) are higher than their corresponding correlation values, indicating the model's discriminant validity.

**Table 4.**  
Hypothesis test results.

Hypothesis	Path	Original Sample (O)	Sample Mean (M)	SD	T Statistics	P Values	Results
H1	QID -> MT	0.630	0.629	0.047	13.506	0.000	Accepted
H2	QID -> IC	0.316	0.319	0.049	6.430	0.000	Accepted
H3	MT -> IC	0.491	0.487	0.051	9.547	0.000	Accepted
H4	MT -> ID	0.290	0.291	0.066	4.428	0.000	Accepted
H5	IC -> ID	0.355	0.355	0.061	5.786	0.000	Accepted

The results in Table 4 show that the structural model estimation results indicate that all research hypotheses are supported at a high level of statistical significance. The path coefficients are all positive and have T-statistics greater than 1.96, with p < 0.001, indicating that the model's assumed relationships are empirically confirmed. A chain reaction mechanism (Path Analysis) with a strong path coefficient from QID to MT (0.630), combined with the effect of MT on ID (0.290) suggests that MT is likely to play a significant mediating role. The fact that all P-values are equal to 0.000 reinforces the robustness of the theoretical model in the context of the actual study.

**Table 5.**  
Specific Indirect Effects.

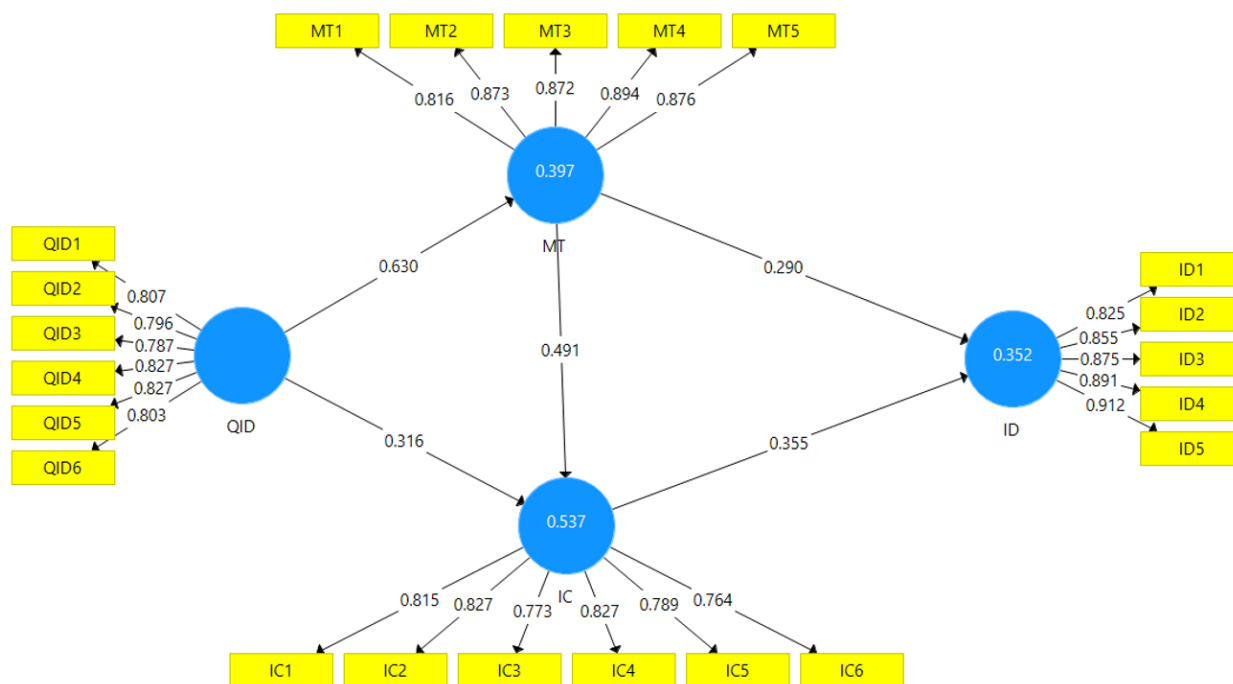
	Original Sample	Sample Mean	SD	T Statistics	P Values
QID -> MT -> IC	0.309	0.307	0.042	7.314	0.000
MT -> IC -> ID	0.174	0.173	0.035	5.025	0.000
QID -> MT -> IC -> ID	0.110	0.109	0.024	4.552	0.000
QID -> IC -> ID	0.112	0.114	0.028	3.980	0.000
QID -> MT -> ID	0.183	0.183	0.046	3.948	0.000

The results of the 5000 bootstrap analyses of indirect effects in the model revealed several statistically significant mediating relationships. Specifically, MT played the strongest mediating role in the relationship between QID and IC with  $\beta = 0.309$ ,  $t = 7.314$ , and  $p < 0.001$ . The t-statistic value is greater than 1.96, and the p-value is less than 0.05, indicating that this effect is statistically significant

and demonstrating that QID not only directly influences but also enhances the impact on IC through MT.

Similarly, IC also played a mediating role between MT and ID, with  $\beta = 0.174$ ,  $t = 5.025$ , and  $p < 0.001$ , confirming a statistically significant mediating effect. It had the second-highest effect coefficient, indicating that MT can indirectly influence ID by improving IC. Simultaneously, IC continued to mediate the relationship between QID and ID, with  $\beta = 0.112$ ,  $t = 3.980$ , and  $p < 0.001$ . This result shows that the relationship is statistically significant and ranks third among the model's effects. Bootstrap results also confirmed the mediating role of MT in the relationship between QID and ID ( $\beta = 0.183$ ,  $t = 3.948$ , and  $p < 0.001$ ). This indicates that MT is an important mechanism through which QID can influence ID.

The results also show a mediating effect along the chain in the  $QID \rightarrow MT \rightarrow IC \rightarrow ID$  relationship. The indirect effect coefficient reached  $\beta = 0.110$ ,  $t = 4.552$ , and  $p < 0.001$ , indicating that QID influences ID through two consecutive mediating variables, MT and IC. This result confirms that MT and IC not only act as independent mediating variables but also form a chain mediating mechanism, thereby transmitting the influence of QID on ID in the research model.



**Figure 2.** Path analysis results.

The empirical results provide strong support for the proposed research model, underscoring the central role of information disclosure quality in promoting market transparency. Furthermore, market transparency and investor confidence act as both independent mediators and form a chain of intermediary mechanisms, transmitting the influence of information disclosure on investment decisions in the research model.

### 5. Discussion

This research provides empirical evidence showing that enhanced information disclosure plays a crucial role in improving market transparency, investor confidence, and investment decisions in the

Vietnamese stock market. The results confirm that information disclosure quality (QID) significantly influences market transparency (MT), investor confidence (IC), and investment decisions (ID), both directly and indirectly through various intermediary mechanisms.

Firstly, the research results strongly demonstrate that market transparency acts as a mediating factor in the relationship between the quality of information disclosure and investor confidence. This finding supports the information asymmetry theory, as transparent disclosure of information improves market efficiency [23]. Timely and reliable information provided by companies is the basis for investors to better understand the financial situation and prospects of listed companies, thereby increasing their confidence in the market. This result is also consistent with the studies by Goldstein and Yang [1] and Fung [25], which emphasize the important role of an effective information disclosure system in improving transparency in financial markets and enhancing investor confidence. The study also reflects the high level of uncertainty in emerging markets, driven by weaker institutional environments [20].

Secondly, the findings confirm that investor confidence continues to mediate between market transparency and investment decisions. This suggests that transparent markets do not directly influence investment behavior unless investors perceive them as trustworthy. This result is consistent with behavioral finance studies by PH and Uchil [29]. As transparency increases, investors perceive markets as fairer and more efficient, encouraging them to participate more actively in investment activities.

Thirdly, this study identifies a sequential mediating mechanism: the quality of information disclosure improves market transparency, thereby fostering investor confidence and ultimately influencing their investment decisions. This logical relationship highlights the mechanism by which improved legal regulations on information disclosure can impact market outcomes. The research results support the argument that transparency plays a crucial institutional role connecting the information environment with investor behavior [31]. Investors often rely on the reliability of disclosed information to assess and form expectations of future returns. Investment decisions are made based on reliable information, not on speculation or rumors. This aligns with the findings of Dang et al. [14], which show that the disclosure of accounting information significantly influences the investment decisions of individual investors in the Vietnamese stock market.

Fourth, the study confirms that market transparency acts as a mediator in the relationship between the quality of information disclosure and investment decisions. From an institutional perspective, stringent disclosure requirements create a clear and accurate information market, which forms the basis for determining prices and market efficiency [28]. Therefore, a legal framework enforcing strict disclosure standards plays a crucial role in enhancing investor protection and improving market performance. Evidence from Vietnam also shows that disclosure regulations significantly impact the development and stability of the stock market [10]. Previous policy-oriented studies in Vietnam also emphasize the importance of improving the legal framework and supervisory mechanisms in strengthening information requirements in the Vietnamese stock market [7, 39].

## 6. Research Contributions and Legal Policy Implications

This study contributes to the literature on financial disclosure and capital market transparency by providing empirical evidence on the mechanisms by which disclosure quality influences investor behavior in emerging markets. While previous studies have broadly examined the relationship between corporate disclosure and market outcomes [1, 22], this study provides empirical evidence on the mediating mechanism from disclosure quality to investment decisions in Vietnam's emerging financial market. The research findings emphasize that disclosure reform not only enhances market information efficiency but also shapes investor perceptions and beliefs, ultimately influencing their investment behavior. This study expands on the existing literature by demonstrating that the impact of information disclosure quality operates through both legal mechanisms that enhance market transparency and psychological mechanisms, such as investor confidence.

The results of this study offer several important policy implications for enhancing the information environment of the securities market. Firstly, regulatory bodies need to strengthen the legal framework

for information disclosure in the securities market. The results show that information disclosure quality significantly improves market transparency and investor confidence, thereby influencing investment decisions. Therefore, regulatory bodies such as the State Securities Commission of Vietnam need to continuously refine disclosure regulations to ensure that listed companies provide accurate, timely, and complete information to investors. Secondly, regulatory bodies need to strengthen oversight mechanisms, increase audit frequency, and impose stricter penalties for information disclosure violations, thereby significantly improving compliance among listed companies. Thirdly, policymakers should also focus on improving investor education and information access. Even with high-quality information, investors still need sufficient knowledge and analytical skills to interpret it effectively, thereby making sound, accurate investment decisions.

For Vietnam, the findings suggest that improving the quality of information disclosure should remain a top priority in developing the stock market. The Vietnamese government needs to further refine information disclosure standards for listed companies, ensuring that financial and non-financial information is reported promptly, consistently, and easily accessible. Furthermore, strengthening deterrent mechanisms and imposing stricter penalties or sanctions for violations will help improve compliance and bolster market credibility. Finally, modernizing the information disclosure infrastructure by expanding digital information disclosure platforms and improving access to corporate information is necessary. These efforts will help bridge the information gap between companies and investors, create a more transparent market environment, and attract greater participation from both domestic and international investors in Vietnam's capital market.

## 7. Conclusion

This study examines the role of disclosure quality in shaping market transparency, investor confidence, and investment decisions in the Vietnamese stock market. Using structural equation modeling (SEM) and survey data from investors and financial experts, the study provides empirical evidence on how disclosure practices influence investor perceptions and behavior in emerging markets. The results show that disclosure quality not only indirectly affects investor confidence through market transparency but also directly does so. Overall, strengthening the legal framework for disclosure, enhancing law enforcement, and improving investor education are necessary steps to build a more transparent, reliable, and efficient stock market in Vietnam.

Despite its contributions, this study still has some limitations. The data was collected from a small sample of investors and financial professionals, which may limit the generalizability of the findings. Future research could expand the sample size and include institutional or international investors to provide a broader perspective. Additionally, future studies could consider other factors influencing investment decisions, such as corporate governance quality, financial literacy, or management efficiency.

### Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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