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## Abstract

We characterize optimal voluntary disclosures by a privately informed agent facing a counterparty endowed with market power in a bilateral transaction. Although disclosures reveal some of the agent's private information, they may increase his information rents by mitigating the counterparty's incentives to resort to inefficient screening. We show that when disclosures are restricted to be ex post verifiable, the informed agent optimally designs a disclosure plan that is partial and that implements socially efficient trade in equilibrium. Our results shed light on the conditions necessary for asymmetric information to impede trade and the determinants of disclosures' coarseness.

Keywords: Information Design; Disclosure; Asymmetric Information; Market Power; Persuasion.

JEL Codes: D42, D82, D83, G24, L12.

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