

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
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المنظمة الدولية لهيئات الأوراق المالية

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IOSCO seeks to protect senior investors from financial fraud, unsuitable investments and other risks

The Board of the International Organization of Securities Commissions has published today a report that examines the growing vulnerability of ageing investors to financial fraud and other risks and identifies sound practices for enhancing their protection.

The report *Senior Investor Vulnerability* reveals that seniors are at a higher risk than other investors of losing money to fraud or of being misled by others. It also indicates that the biggest risks to senior investors are unsuitable investments, financial fraud and their diminished cognitive capability which affects their financial decision-making. Complex products, deficient financial literacy, and social isolation pose additional risks to senior investors.

Ageing populations are a challenge to investor protection, as ageing and associated levels of physical and cognitive decline increasingly debilitate the capabilities of investors worldwide. Research indicates that age-induced cognitive decline is linked to impaired financial decision-making. Some research also correlates ageing with increased susceptibility to financial exploitation and fraud. These vulnerabilities are growing just as many investors assume greater responsibility for their retirement and financial future.

This report explores the views and experiences of IOSCO members regarding senior investor vulnerability. It provides a list and description of sound practices for both regulators and financial services providers and includes a non-exhaustive bibliography of literature that may be helpful to regulators and others.

Sound practices for regulators:

1. Deliver educational programs and resources targeting senior investors.

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2. Foster the development of senior-focused expertise within existing regulatory, educational or advisory programs.
3. Conduct research projects to better understand the risks and issues facing senior investors and the incidence and mechanics of investment fraud that affect seniors in their jurisdictions.
4. Develop guidelines and training programs for personnel reviewing transactions conducted with senior investors.

Sound practices for financial services providers:

1. Offer support to senior investors experiencing a life event during the product lifecycle.
2. Provide training and support for employees of financial services firms.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organization's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of the International Organization of Securities Commissions (IOSCO), and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission (SFC) of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Jamaica, Japan, Kenya, Korea, Malaysia, Mexico, Morocco, the Netherlands, Nigeria, Ontario, Pakistan, Panama, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States of America.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing close to 80 per cent of the IOSCO membership, including 11 of the G20 members. Mr. Ranjit Ajit Singh, Chairman of the Securities Commission Malaysia and Vice Chair of the IOSCO Board, is the Chair of the GEM Committee. The Committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, among others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.

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4. IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting adherence to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

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