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International Organization of Securities Commissions
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المنظمة الدولية لهيئات الأوراق المالية

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IOSCO publishes Framework to help members enhance investor education initiatives

The Board of the International Organization of Securities Commissions today published the [Core Competencies Framework on Financial Literacy](#) to assist members, investor education providers and other stakeholders in their efforts to develop and implement investor education initiatives.

The Framework provides guidance to users on the content of investor education programs and indicates which areas could be assessed as part of an evaluation strategy.

The objective of the Framework is to better prepare investors to navigate an increasingly complex investing environment. It seeks to equip investors with core competencies that enable them to make informed decisions about how to diversify investments, reduce risk or choose suitable investments, among other things. The Framework also describes the knowledge, attitudes and behaviors that retail investors should attain for each core competency to enhance their financial literacy.

The Core Competencies Framework builds on and complements the [OECD/INFE Core Competencies Framework on Financial Literacy for Adults](#) and the [IOSCO Strategic Framework for Investor Education and Financial Literacy](#). It encourages users to build investors' competences based on the following seven areas:

1. **Basic investing principles and concepts**: the broad underlying principles of investing.
2. **Investment product attributes**: key features such as product structure and fees as well as the potential risks of various investment products.

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3. ***Buying/selling process of investment products***: the competencies applicable during the process of selecting investment products, financial service providers and platforms for buying and selling investment products.
4. ***Owning investment holdings***: the competencies applicable to monitoring and managing investments.
5. ***Investor rights and responsibilities***: investor rights and responsibilities and investor protection measures such as complaint and redress procedures.
6. ***Behavioural biases related to investing***: the emotional or cognitive biases that may affect investors when making investment decisions.
7. ***Investment scams and frauds***: the common features of investment scams and the ability to avoid being a victim of scams and frauds.

Finally, the Framework provides illustrative examples of selected competencies, which are intended to be general and universally applicable.

To prepare the framework, IOSCO drew on the results of a survey it distributed among members of its Committee on Retail Investors and the OECD International Network on Financial Education.

NOTES TO THE EDITORS

About IOSCO

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,

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Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Kenya, Korea, Malaysia, Mexico, Ontario, Pakistan, Panama, Portugal, Quebec, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom, and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.

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. Dr. Obaid Al Zaabi, Chief Executive Officer, Securities and Commodities Authority, United Arab Emirates, 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.

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.

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