

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/38/2022

Madrid, 30 November 2022

IOSCO identifies sound education practices for securities regulators to consider in a crisis situation to support investor protection

IOSCO today published a [report](#) on *Investor Behaviour and Investor Education in Times of Turmoil: Recommended Framework for Regulators based on Lessons Learned from the COVID-19 Pandemic*, which found that the pandemic did not hinder investor education efforts. In fact, many regulators continued, expanded and/or adapted their investor education activities to support investor protection throughout the pandemic.

Well before COVID-19, regulators were already working to protect investors who had limited investment knowledge and faced an array of complex investment choices, while also addressing behavioural biases that could hurt investors.

However, the report highlights that the pandemic introduced new challenges and exacerbated some existing issues. For example, the COVID-19 period featured high levels of market volatility, an upward trend in self-directed investing, an increase in gamification of investing and growing investor reliance on social media for advice, as well as a surge in frauds and scams in a context of increased retail (and young and demographically diverse) investor participation.

Nevertheless, looking forward, high-quality measures aimed at protecting investors and enhancing investor education continue to be critical. Indeed, some of the changes observed during the pandemic are expected to endure, e.g., it is easier to participate in the financial market today than ever before and retail investors continue trading riskier investments, while regulators report a higher volume of investor claims and complaints.

[The report proposes seven sound practices](#) that regulators should consider when designing financial and investor education initiatives to mitigate and address retail investor risks and vulnerabilities during periods of crisis. The report also provides practical examples of the financial education and investor protection initiatives implemented by different jurisdictions from both developed and emerging markets.

Pasquale Munafò, Chairman of the IOSCO Committee on Retail Investors, said *“The COVID-19 pandemic has reminded us that investor education pays off. Investor education initiatives need to continue adapting to market developments, changing investors’ needs and characteristics, and evolving risks that challenge investor protection. In a context in which retail participation in the capital markets is easier than before, investor education should explore and find new and proper ways to reach out to current and new investors and help them develop knowledge and sound behaviours under normal and crisis situations.”*

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 some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, Chairman of the Belgium’s Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Australia, Bahamas, Bangladesh, Belgium, Brazil, China, Egypt, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, Mauritius, Mexico, Morocco, the Netherlands, Oman, Ontario, Peru, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and the 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 more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt is 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, amongst others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

- to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement 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 to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

Carla Vitzthum
Outside office hours
Email:
Website:
Follow IOSCO on [Twitter here](#)

+ 34 91 787 0419/
+ 34 697 449 639
carla@iosco.org
www.iosco.org