

MEDIA RELEASE



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

Report on *Investor Behaviour and Investor Education in Times of Turmoil: Recommended Framework for Regulators based on Lessons Learned from the COVID-19 Pandemic*. The report proposes seven sound practices that regulators should consider in designing financial and investor education initiatives, with a view to mitigate and address retail investor risks and vulnerabilities that may occur during periods of crisis:

- Monitor. Have tools and metrics in place to identify emerging patterns, including deviations from typical investing and/or trading patterns (deviations can provide insights to retail investor-related risks and can inform concrete alerts and messages) and changes in retail investors' complaints and queries (as these may provide early indications of emerging issues that investors are facing).
- Understand. Learn about their target audience and identify particularly vulnerable segments by conducting research to gauge retail investors' characteristics, behaviors, preferences, attitudes, and knowledge (regulators should understand investors to develop solid and successful financial education initiatives).
- Customize. Create targeted, research-based communications and investor protection measures that are tailored to specific populations' needs (e.g., age, gender, etc.), and use simple and clear language (e.g., be empathetic and consider the tone of their messaging).
- Collaborate. Combine policy and education efforts to address investor protection issues. Internally, regulators should find collaborative opportunities between their financial education and their policy, oversight and enforcement departments, and outside their organization, develop collaboration with other sectoral regulatory agencies and, where appropriate, collaboration with industry associations.
- Evaluate. Test the effectiveness of educational and investor protection initiatives during or post-implementation and evaluate whether the programs implemented are working, for instance through survey research or administrative data collected by regulators, including the number of complaints or the level of enforcement activity.

- Explore novel ways to reach investors (including younger investors) through new channels, formats, and platforms. Regulators may need to be bold with their communication strategies, depending on the nature of the crisis. Strategically adapting to and communicating through a digital environment is essential.
- Remember. Unprecedented events (e.g., Covid-19 pandemic) often expose investors to new and magnified risks and vulnerabilities. Reinforcing some “basics” of investor protection and investor education can help identify, understand, and react to those risks or vulnerabilities arising from a crisis, including, for example, financial fraud.