



Enhancing Financial Literacy among COMCEC Member States

Financial Literacy Task Force Chair

On Behalf of COMCEC Capital Market Regulators Forum

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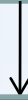
Securities and Exchange Organization of Iran (SEO)

Presentation Structure

- 
- Emergence of Financial Literacy;
 - Capital Market and Financial Inclusion;
 - Importance of Financial Literacy;
 - Financial Literacy prefaces & Consequences;
 - COMCEC CMR 2012-2013 Survey Results;
 - COMCEC CMR 2013-2014 Survey;
 - Further Cooperation.

Emergence of Financial Literacy

Started as Personal Finance



Deregulation in Financial Markets



Eruption of Financial Products

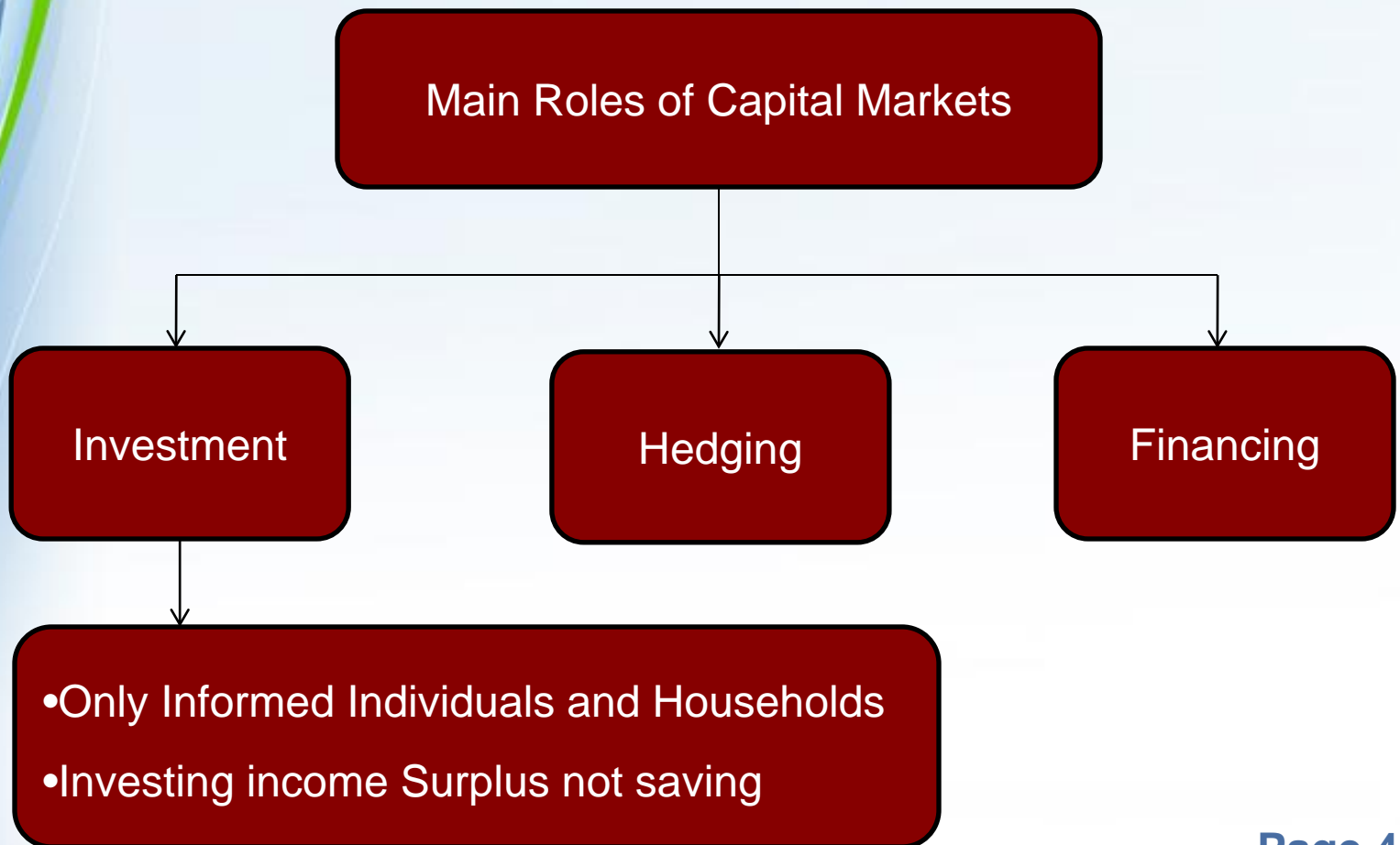


Financial Literacy & Capacity Building



2008 Financial Markets Crisis: who should be blamed?


Financial Inclusion in Capital Market




Financial Inclusion in Capital Market

- As capital market regulators, we conduct educational programs, promote alternative financial products and services, and increase access to financial services in order to provide equal opportunities for people participation but not for their involvement.

Importance of Financial Literacy

- 
- **Variety of products, their complexity and their consequences;**
 - **Different institutions offering financial products;**
 - **The concept of fraud;**
 - **Consumers and investors protection;**
 - **More participation of and more responsibility taken by consumers and investors;**

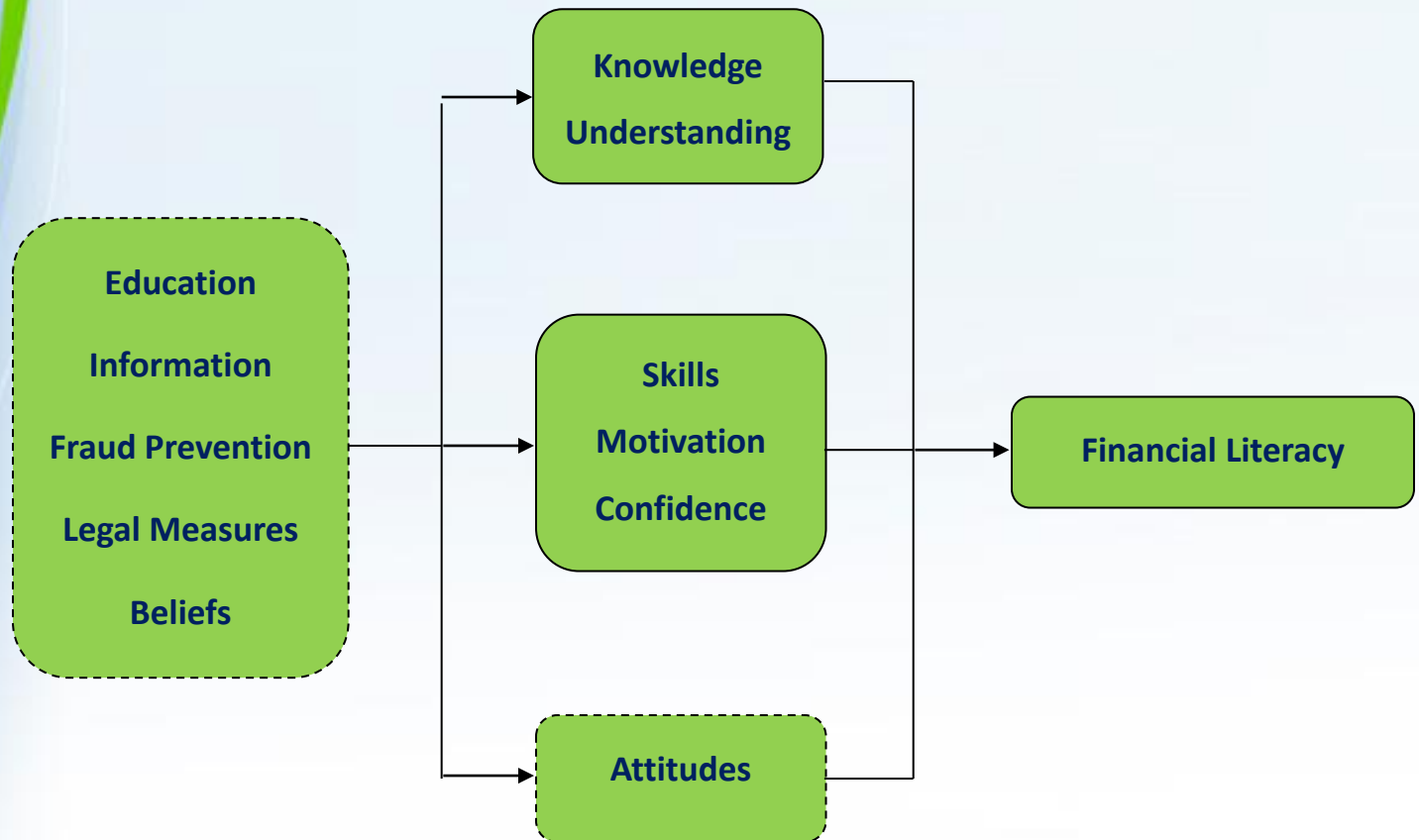
Importance of Financial Literacy

- 
- **Concept of risk and return has gained importance;**
 - **Changing structure and architecture of regulatory and supervisory regimes;**
 - **Enhancement of financial behavior by enhancing financial decisions;**
 - **More stable local markets;**
 - **Better planning for future and retirement;**
 - **Global trend toward financial literacy.**

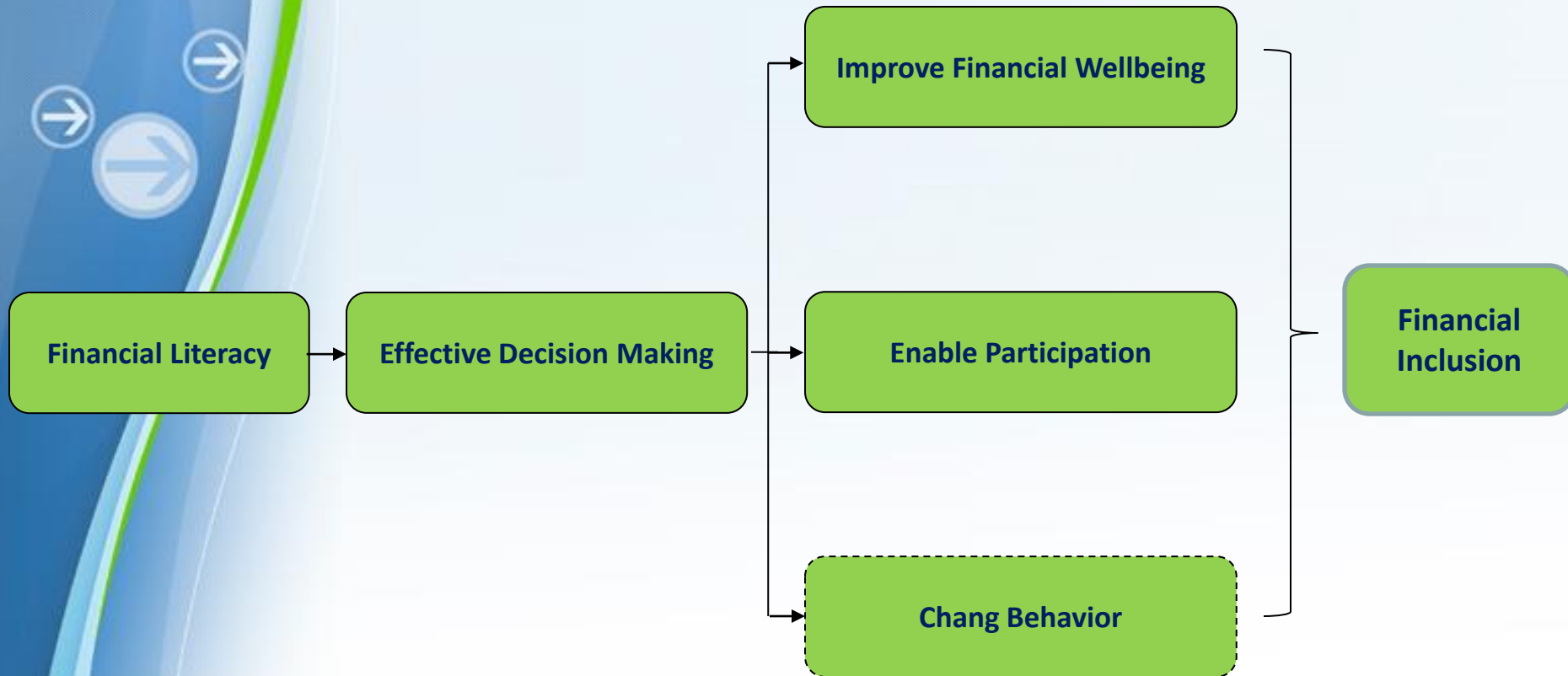
Financial Literacy Definitions

- **The main question:** What do we expect to Achieve through Financial Literacy?
- *Knowledge* and *understanding* of financial concepts, and the *skills, motivation* and *confidence* to apply such knowledge and understanding in order to *make effective decisions* across a range of financial contexts, to improve the *financial well-being* of individuals and society, and to *enable participation* in economic life

Prefaces of Financial Literacy

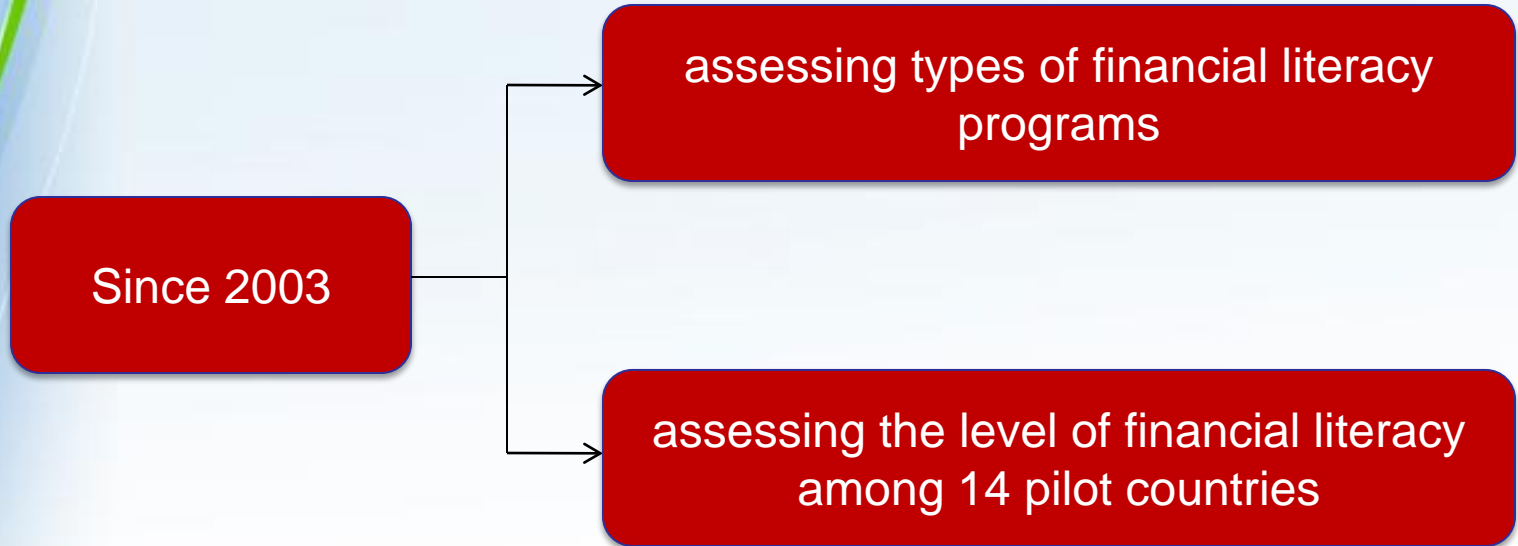


Consequences of Financial Literacy



Financial Literacy Projects:

OECD/INFE



Financial Literacy Projects: IOSCO

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graph TD; A[2013] --> B[Investor Education Initiatives Relating to Investment Services];
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2013

Investor Education Initiatives Relating to Investment
Services

COMCEC

Capital Market Regulators

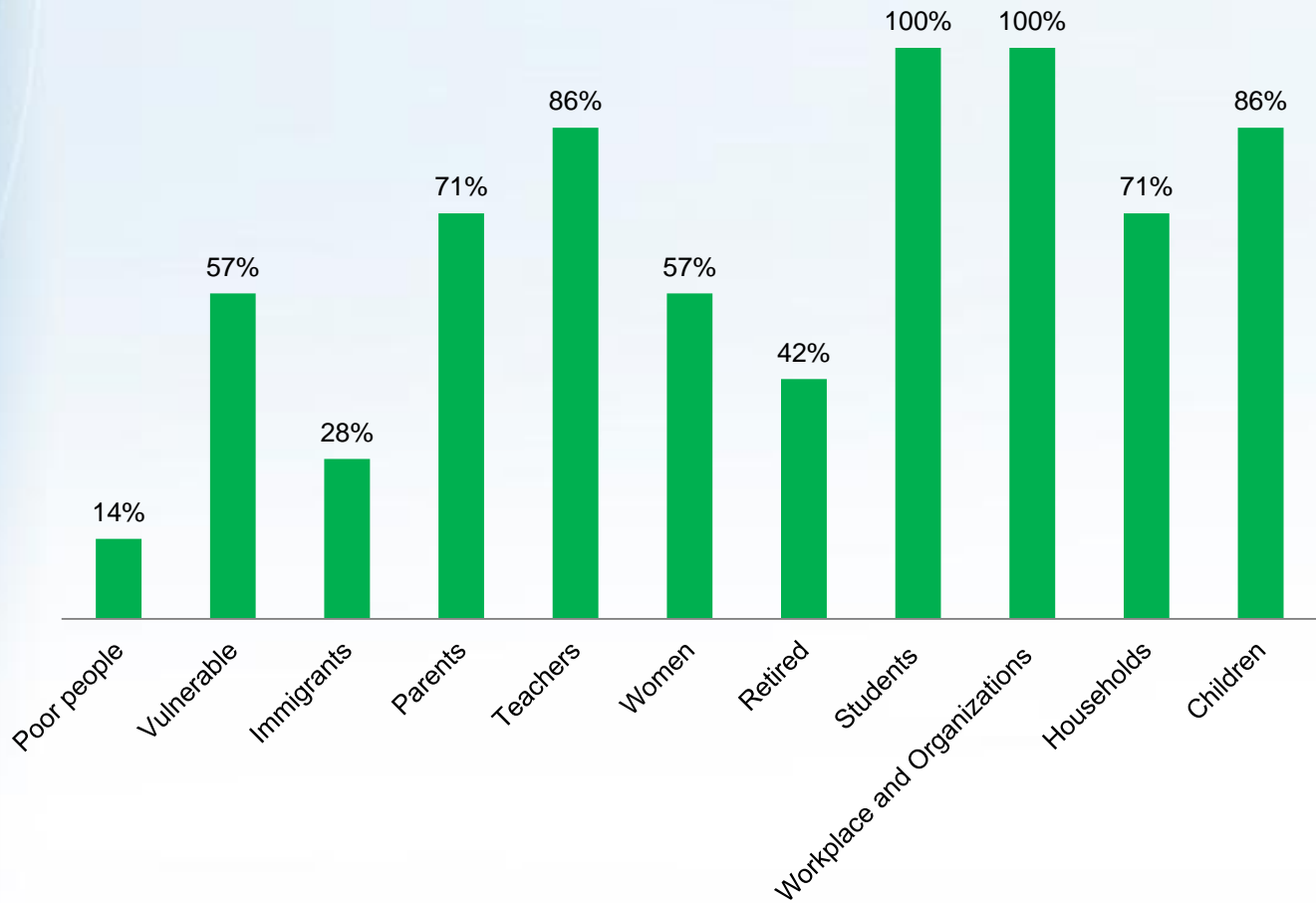
2012- Establishment of taskforces

Financial Literacy Task Force Mandates

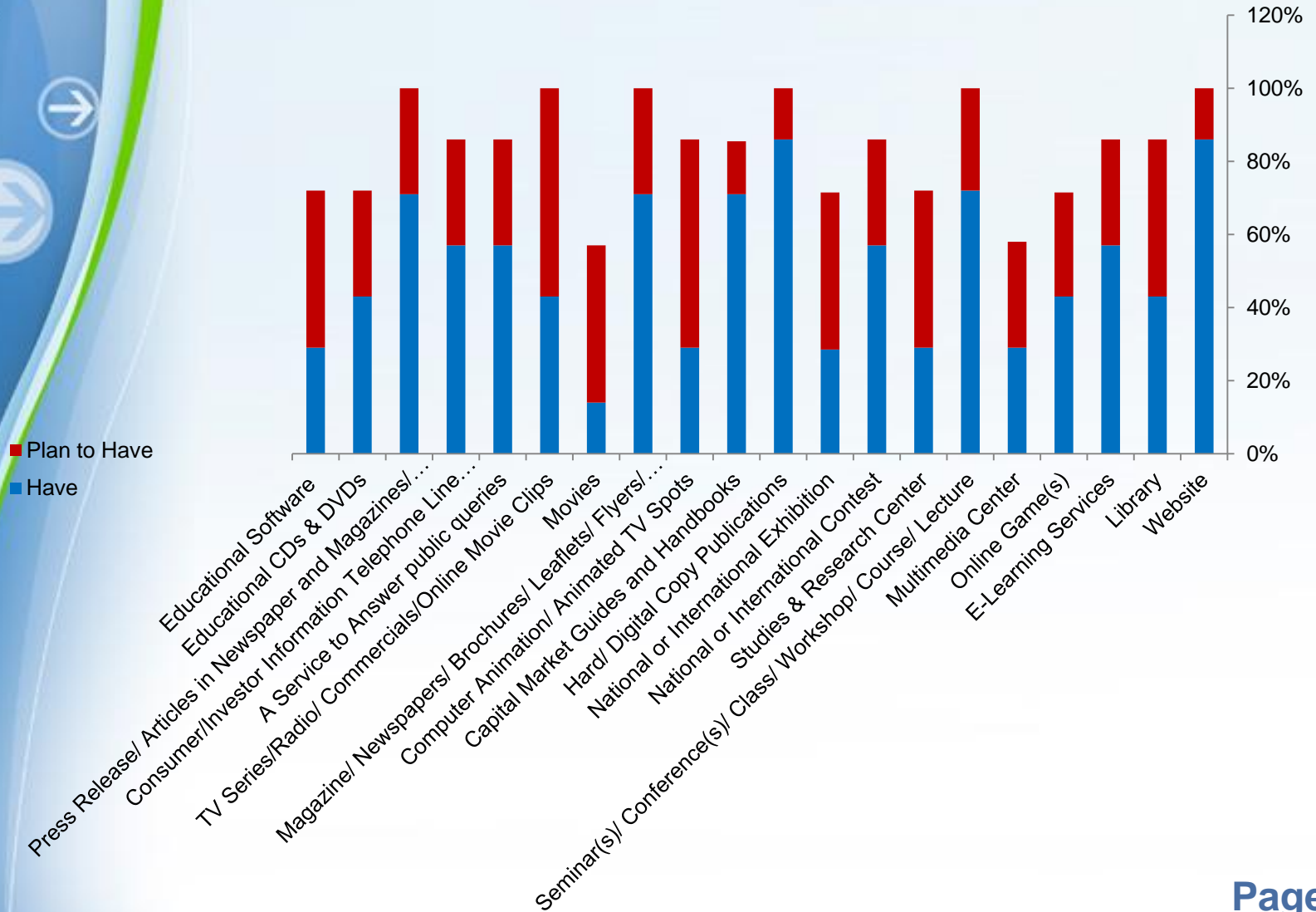
1- Current State of Status
for Financial Literacy of
Member States

2- Strategies and Policy
Recommendations for Enhancing
Financial Literacy of COMCEC CMR
Member States

Main Finding: Target Groups



Main Findings: Delivery Methods



Other Findings

- Majority

- 1- Have a dedicated unit for FL;**
- 2- Doesn't have national strategy;**
- 3- Have incentives for FL;**
- 4- Programs are self funded by authorities;**
- 5- Programs are supported by acts.**

Conclusions of 2012-2013 Tasks

Ultimate goal of financial literacy in capital market



Preparing situation for making effective decisions



Many other factors would affect effective decisions



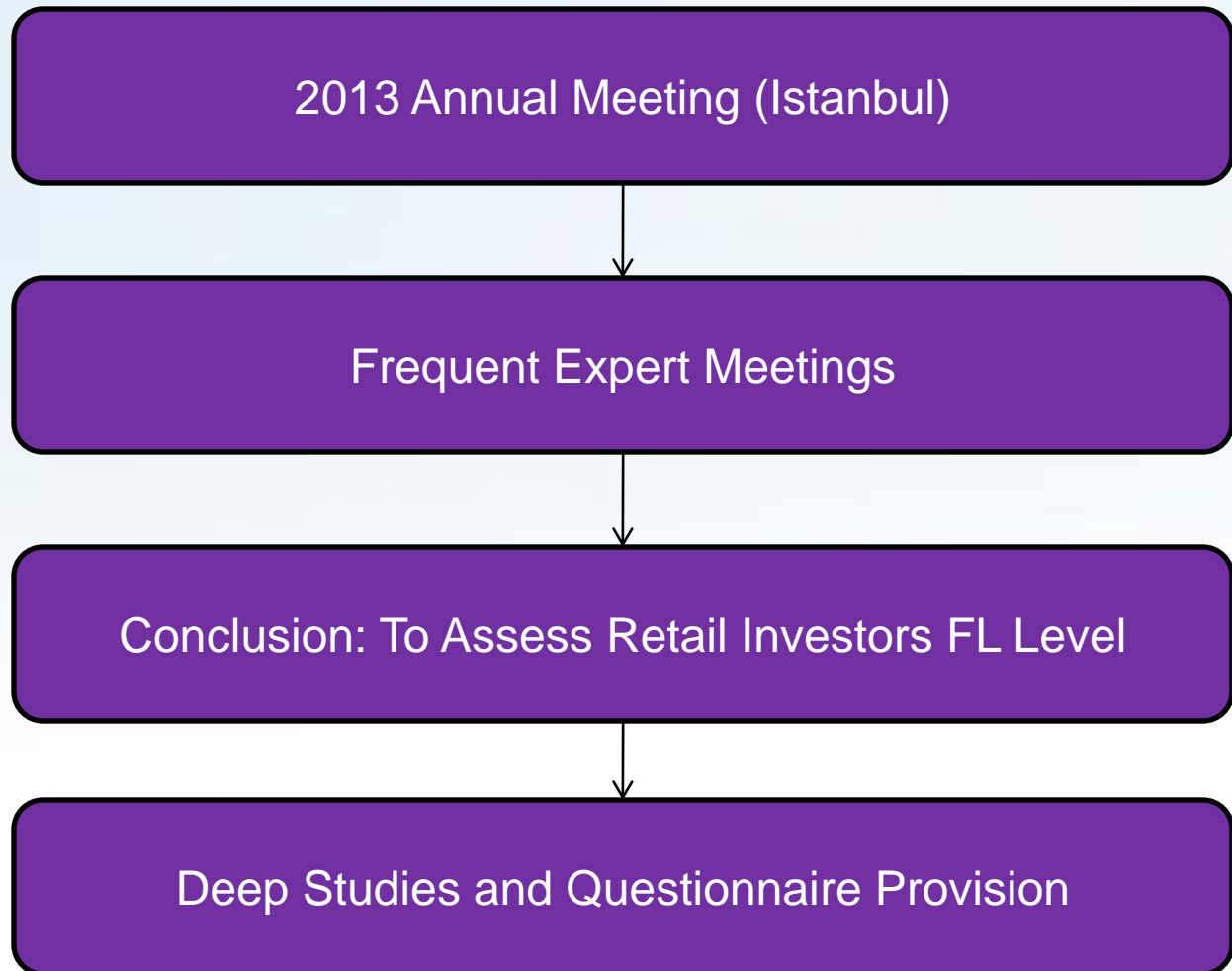
Financial IQ

Employment status and income

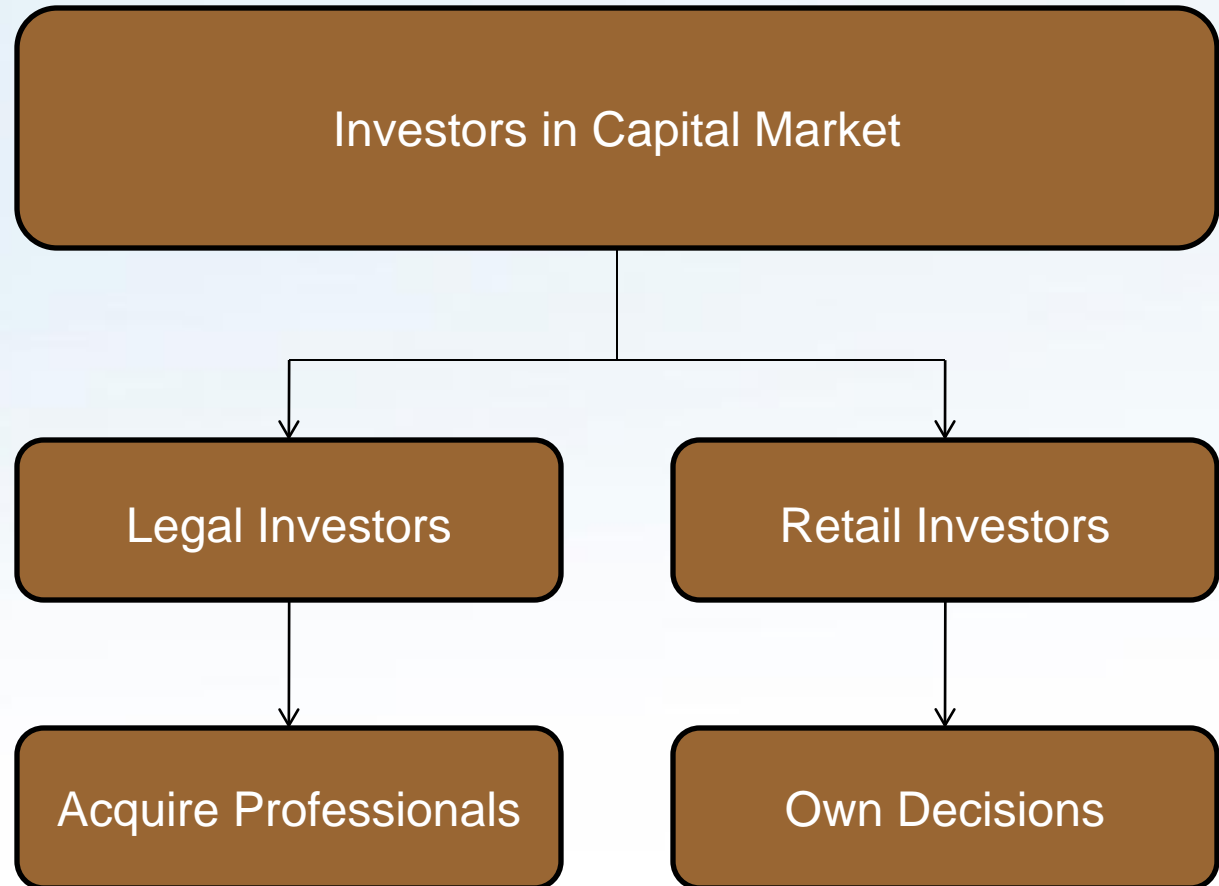
Peers and family pressure

Risk characteristics of individuals

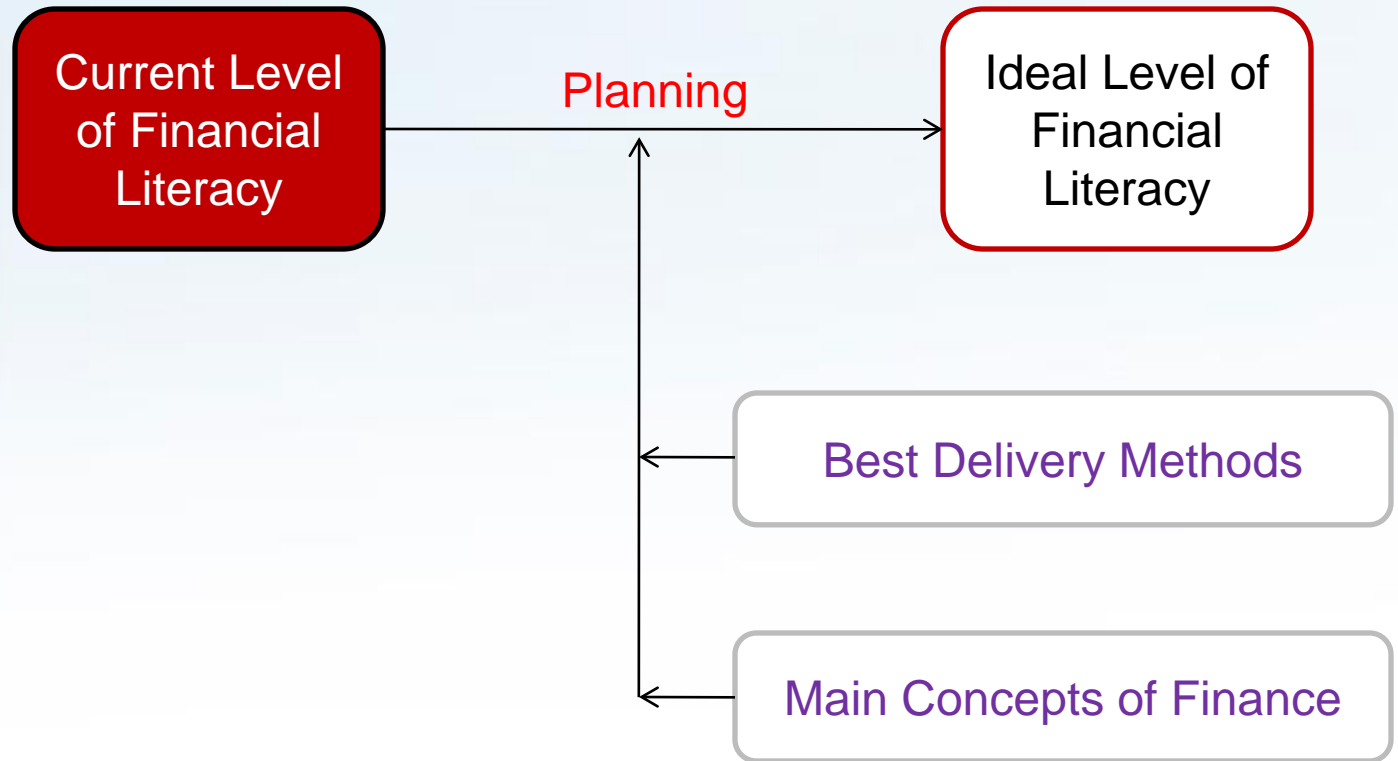
Current Survey (2014)



Capita Market Investors



What We Achieve



Questionnaire Provided

Sections of the
Questionnaire

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graph LR; A[Sections of the Questionnaire] --> B[General information]; A --> C[Knowledge and Understanding]; A --> D[Skills]; A --> E[Education, Information and Confidence]; A --> F[Attitudes];
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General information

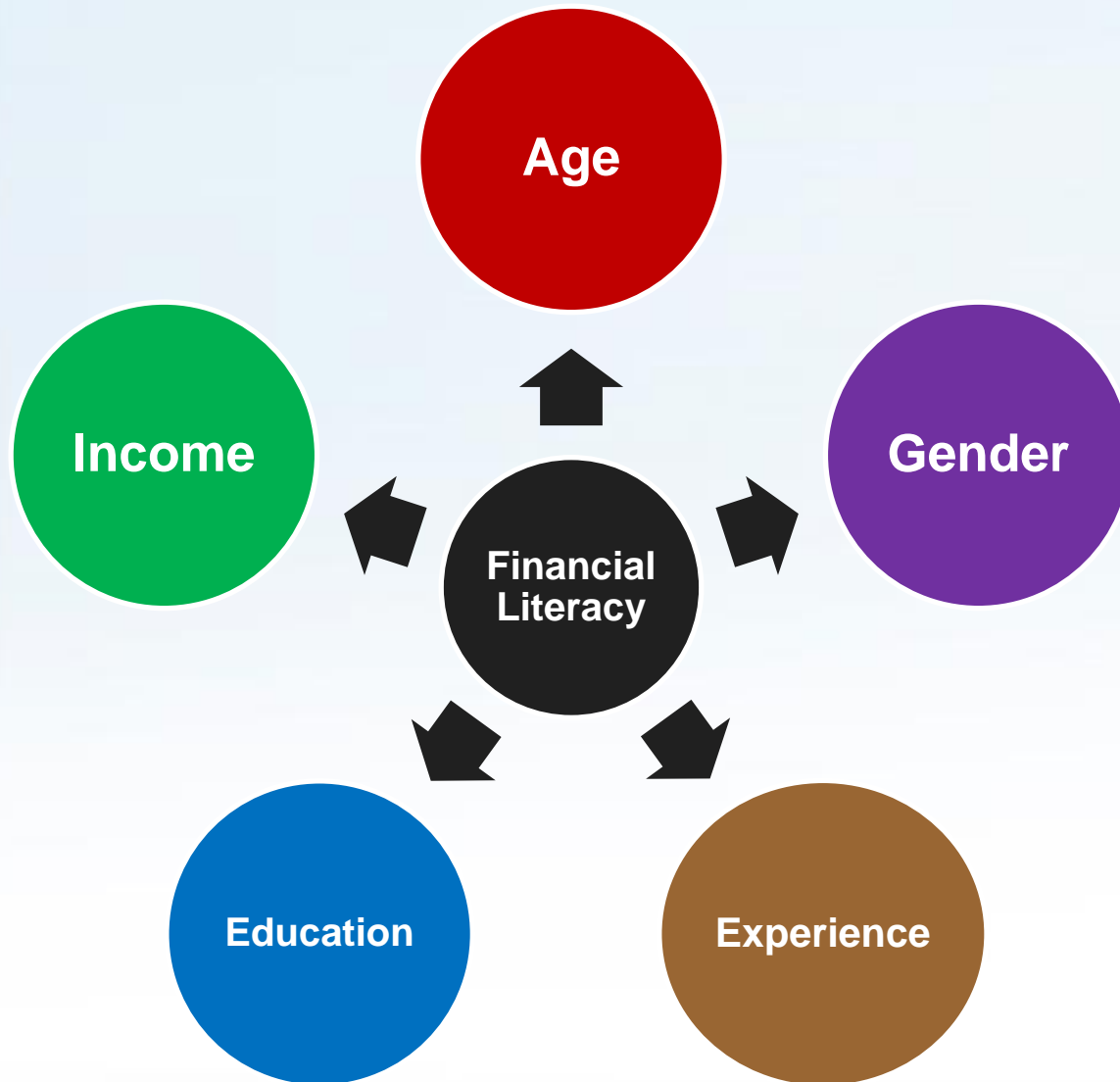
Knowledge and Understanding

Skills

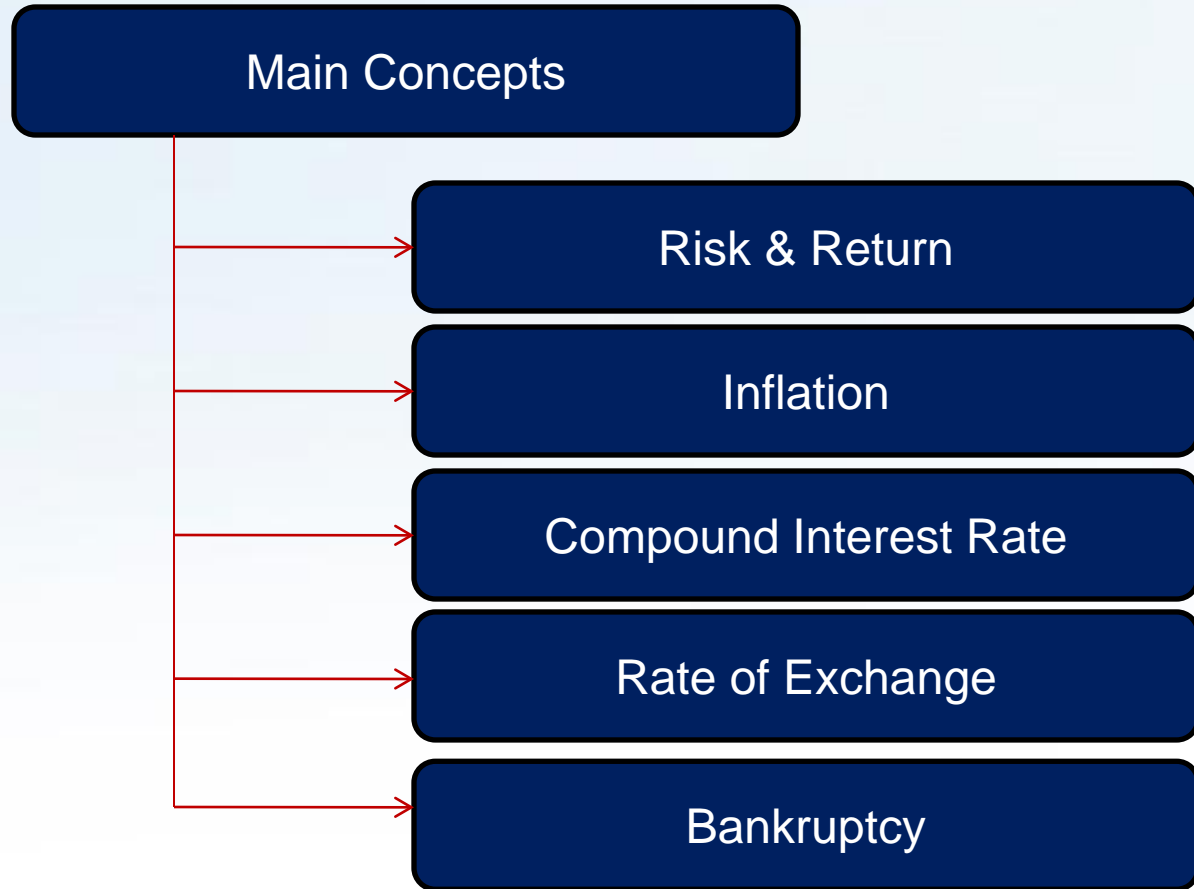
Education, Information and
Confidence

Attitudes

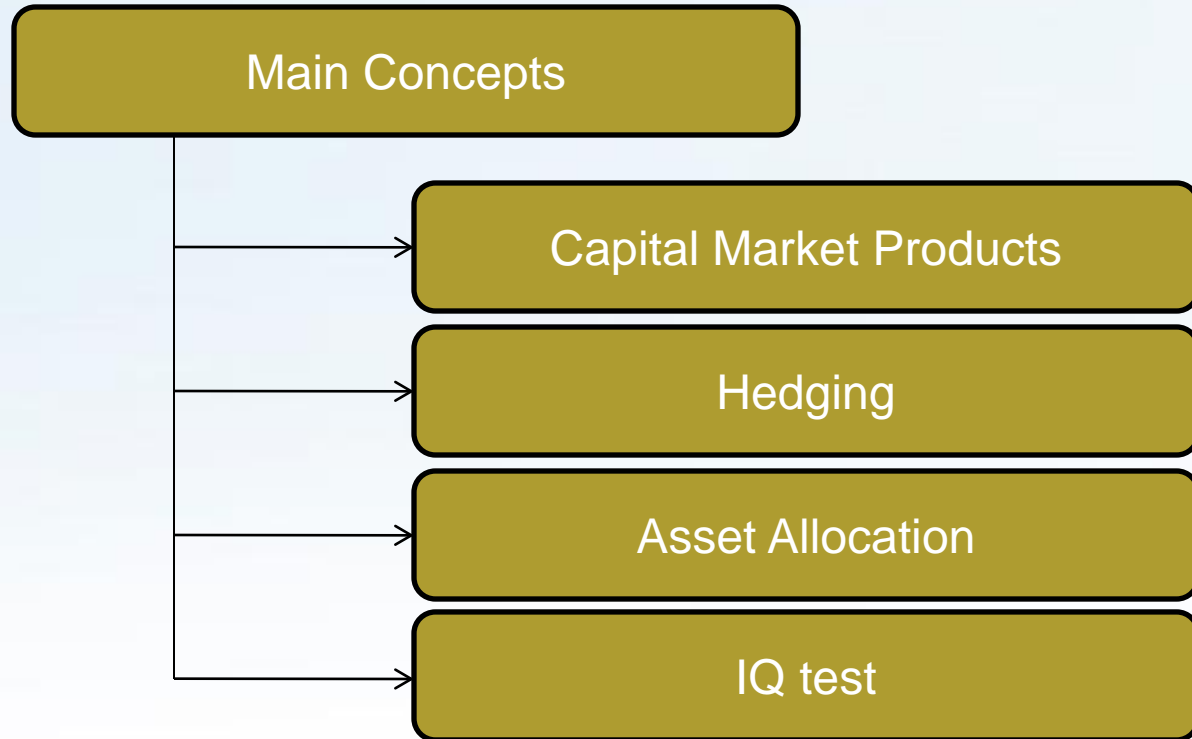
Section A: General Information



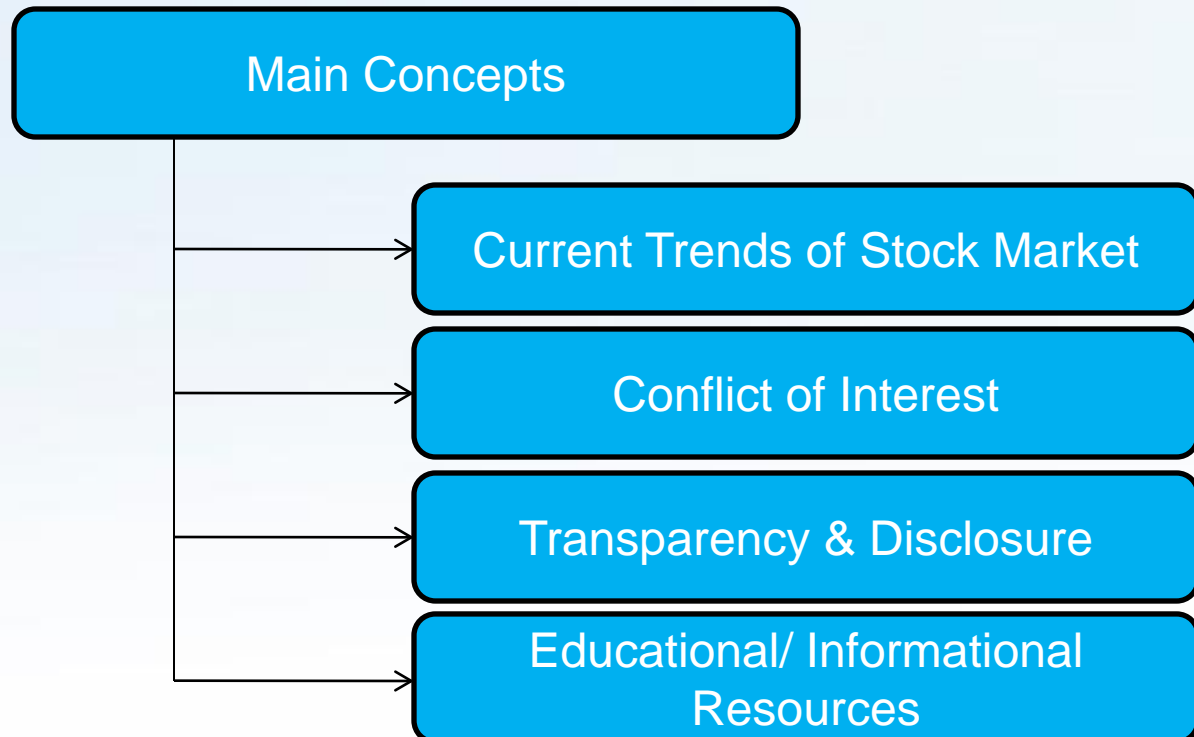
Section B: Knowledge & Understanding



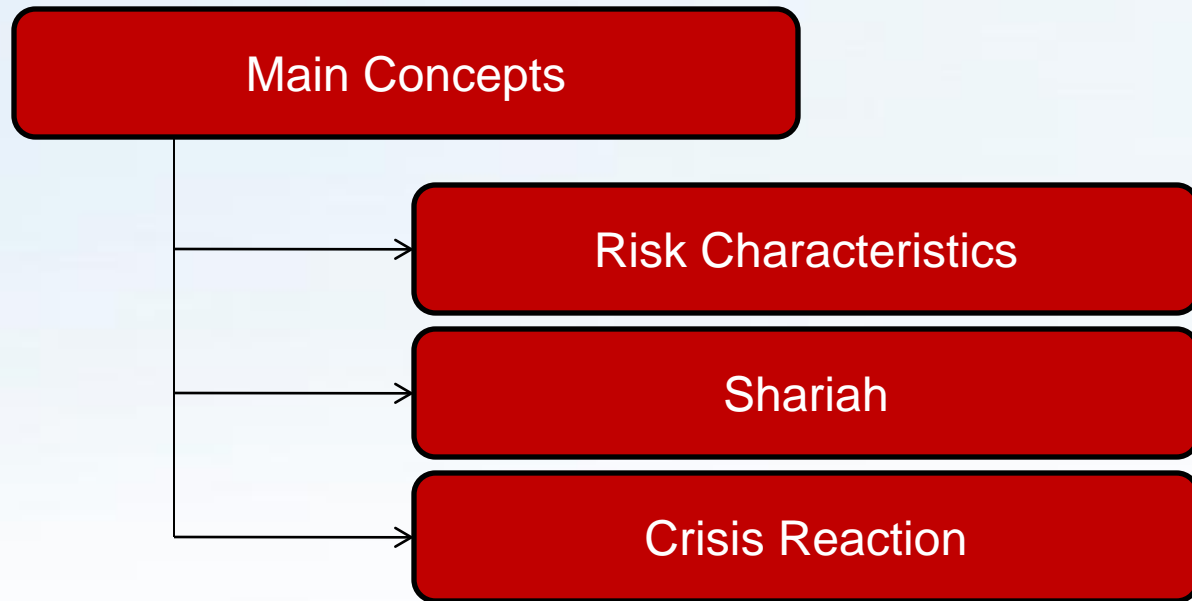
Section C: Skills



Section D: Education, Information & Confidence



Section D: Attitude



Interview Process

Adults over 18 years old



Accessibility and availability

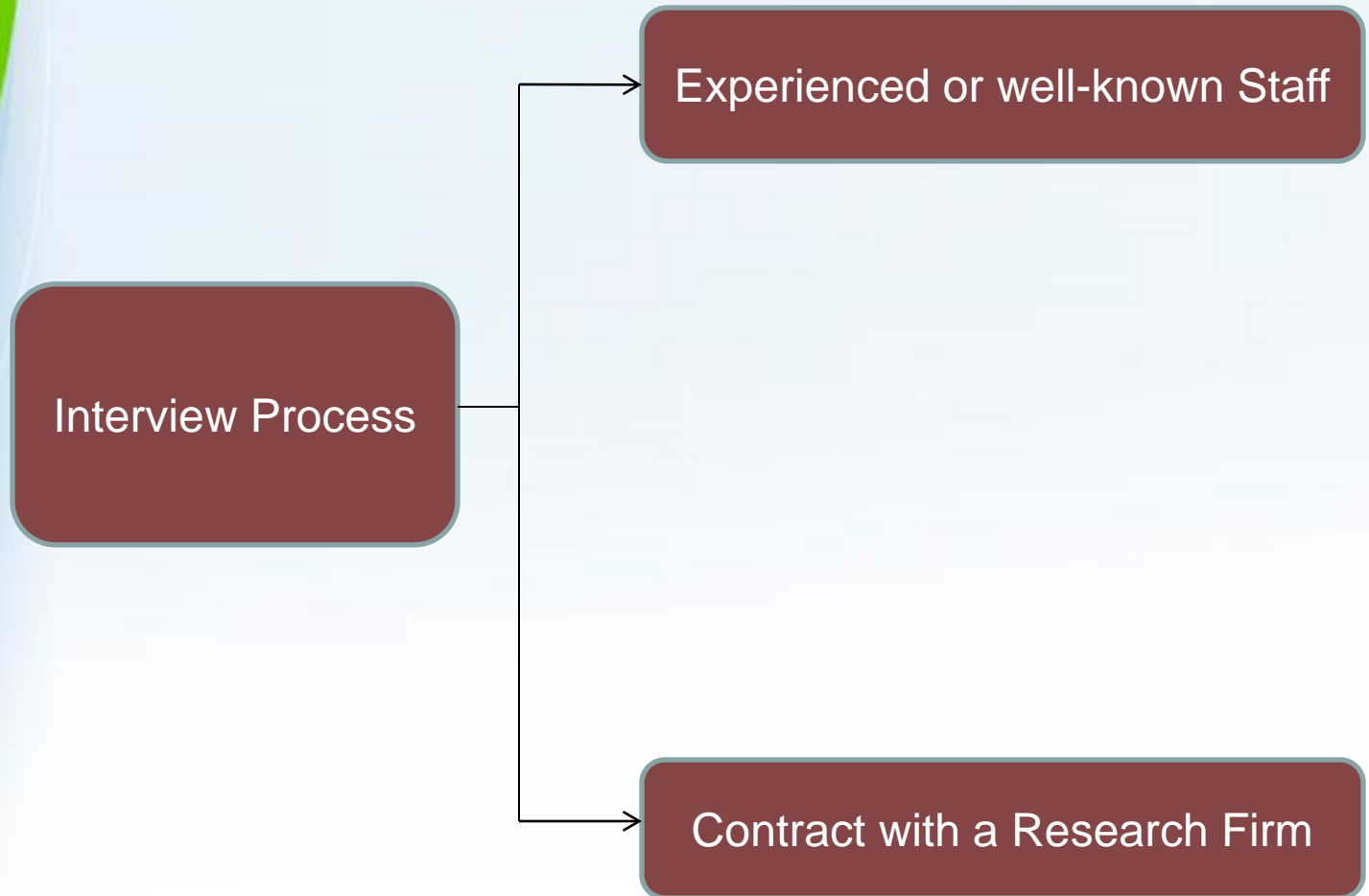


Right to Trade

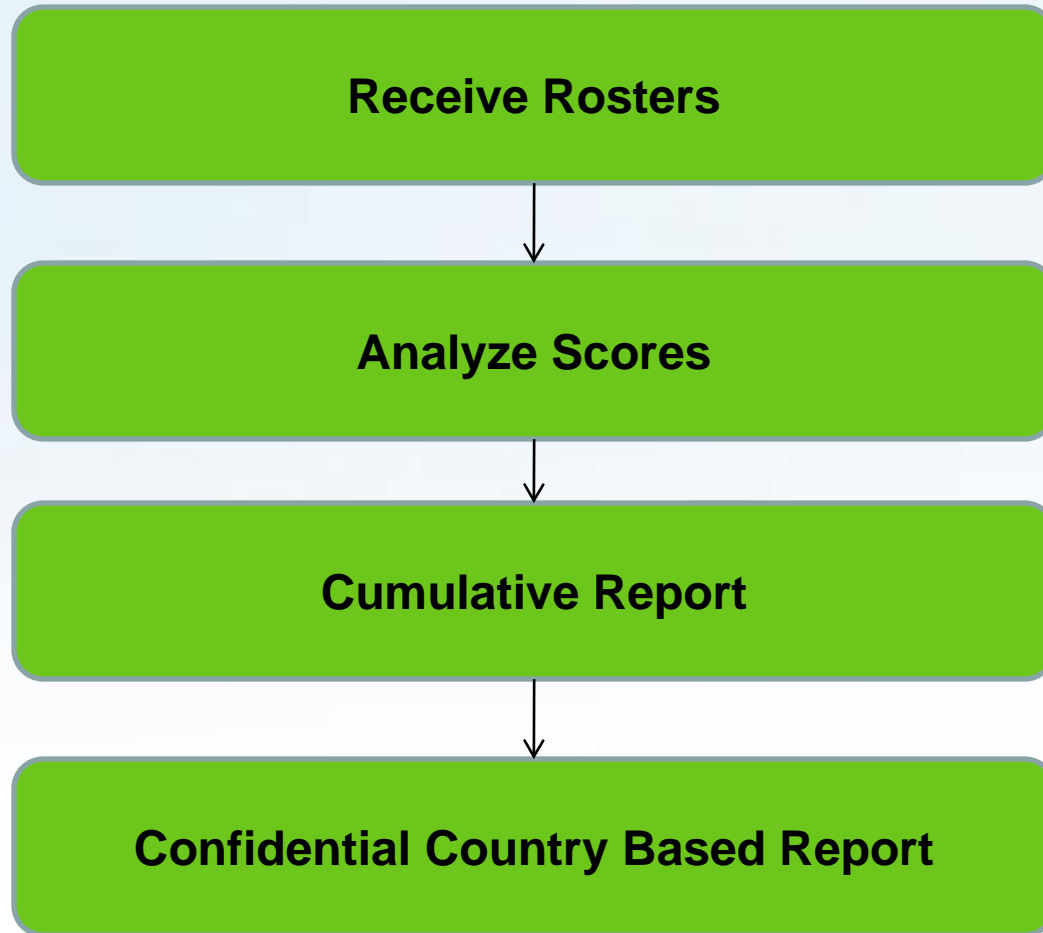


Best Way: Face to Face Interview

Face to Face Interview



Data Analysis



Survey Restrictions

- Low Rate of Cooperation;
- Distance Problem;
- Translation Problem;
- Control Problem;
- Delay in feedback and response;

Participants up to know

- Iran;
- Lebanon;
- Malaysia;

Possible Participants:

- Kuwait;
- Turkey.



Thank You for Your Attention

Meysam Hamedi

Financial Literacy Task Force