

IOSCO Announces Final Report on Investor Education on Crypto-Assets

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IOSCO is pleased to release its Final Report on Investor Education surrounding Crypto-Assets. This Report summarizes the results of a survey distributed to members of IOSCO's Committee for Retail Investors (C8) in autumn last year about retail investor behaviour, demographics, and experiences with crypto-assets.

Crypto-assets have been a key priority for IOSCO for some time and in 2022 it established a Board-level FinTech Task Force to develop, oversee, deliver and implement IOSCO's work with respect to FinTech and crypto-assets. Early work has shown that investors are drawn to invest in crypto-assets for three key reasons:

- Fear of missing out" ("FOMO") or as a speculative investment;
- Low cost of entry; and
- Advice from friends and/or social media.

Today's [Final Report](#) highlights examples of regulatory changes and enforcement activity by C8 members since the [related 2020 report](#), as well as current priority issues around investor education in the crypto-asset space, such as relationship investment scams and the need to communicate with retail investors on, and about, social media.

The Report suggests specific investor education messages which C8 members could consider when driving forward education of crypto-assets in their local jurisdiction.

- *Investments in crypto-assets can be exceptionally risky and these assets are often volatile.*
- *Investors should be wary of investments promoted on social media and use skepticism when following “finfluencers.”*
- *Crypto-asset investments might lack basic investor protections, as those offering crypto-asset investments or services may not be complying with applicable law, including registration and licensing requirements.*
- *Investments offered in compliance with a jurisdiction’s regulatory framework confers investors with certain investor protections.*
- *Fraudsters continue to exploit the rising popularity of crypto-assets to lure retail investors into scams, often leading to devastating losses.*
- *Understanding the nature of investing generally, including having an investing plan, and understanding risk tolerance and time horizon, as well as understanding the nature of investing in crypto-assets, can be critical to overall and long-term investing success.*

Jean-Paul Servais, Chair of IOSCO, commented: *“With such growing widespread interest in crypto-assets, retail investors are subject to unique risks. Market events have shown that the industry carries high levels of volatility, failures, and bad actors causing harm to investors and the markets.*

“It is not surprising, therefore, that crypto-asset education is one of IOSCO’s top priorities and forms a big part of this year’s World Investor Week, which highlights a number of common challenges that we all face as financial regulators and as financial consumers.”

Taking place over the course of this week, IOSCO’s annual World Investor Week is a platform to promote financial education and literacy. <https://www.worldinvestorweek.org/>.

Mr Servais added: *“Financial education is a complementary tool to regulation and supervision to enhance investors’ awareness, critical sense and rational behavior. Financial literacy must go hand in hand with appropriate investor protection measures, fair advice, supervision and enforcement of rules.”*

Notes to Editors

1. IOSCO is the leading international policy forum for securities regulators and the global standard setter for financial markets regulation. It develops, implements and promotes adherence to internationally recognized standards for financial markets regulation and works closely with other international organizations on the global regulatory reform agenda.
2. The organization's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions. By providing high quality technical assistance, education and training, IOSCO supports its members to come together to achieve the following three objectives.
 - a. Enhance investor protection;
 - b. Ensure markets are fair and efficient;
 - c. Promote financial stability by reducing systemic risk.
3. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 35 securities regulators. Mr. Jean-Paul Servais, the Chair of Belgium’s Financial Services and Markets Authority (FSMA) is the Chair of the IOSCO Board. Mr. Shigeru Ariizumi, Vice Minister for International Affairs, Financial Services Agency, Japan, Dr. Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt, and Mr. Rostin Behnam, Chair of the U.S. Commodity Futures Trading Commission, are the Vice-Chairs of IOSCO Board.
4. The Growth and Emerging Markets (GEM) Committee is the largest Committee within IOSCO, representing more than 75% of the IOSCO membership, including ten of the G20 members. Dr. Mohamed Farid Saleh, Executive Chairman of the Financial Regulatory Authority, Egypt, is Chair of the GEM Committee. The Committee unites members from four growth and emerging markets and communicates their views at other global regulatory discussions.

IOSCOs FinTech Task Force

IOSCO’s Board-level FinTech Task Force (FTF) was established in 2022 and was tasked with developing, overseeing, delivering and implementing IOSCO’s work with respect to FinTech and crypto-assets. This includes the recent publication of [IOSCO’s Policy](#)

[Recommendations for Crypto and Digital Asset Markets Final Report](#) and its [Final Report with Policy Recommendations for Decentralized Finance \(DeFi\)](#).

IOSCO's work on investor education and financial literacy

IOSCO believes the need for investor education and financial literacy has never been greater than today. As the financial marketplace continues to evolve and innovate, investment products are becoming increasingly complex and financial services increasingly diverse. Greater understanding of key financial concepts is required on the part of retail investors to understand and evaluate the choices available to them and to avoid financial fraud. Strengthening investor education and financial literacy programs also is essential at a time when responsibility for saving and investing for retirement is shifting from the employer to the individual in many jurisdictions.

IOSCO's Committee on Retail Investors (Committee 8)

In response to these challenges, IOSCO's Board approved the establishment of Committee 8 (C8) on Retail Investors in June 2013. This Committee's primary mandate is to conduct IOSCO's policy work on retail investor education and financial literacy. Its secondary mandate is to advise the IOSCO Board on emerging retail investor protection matters and conduct investor protection policy work as directed by the IOSCO Board.

IOSCO's annual **World Investor Week** is a platform to promote financial education and literacy. <https://www.worldinvestorweek.org/>

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