

# **Financial Literacy Around the World** ■■■

## **A Brief Review to Initiatives**





# COMCEC

Standing Committee  
For Economic and Commercial Cooperation  
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CAPITAL MARKET  
REGULATORS FORUM  
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## FINANCIAL LITERACY AROUND THE WORLD: A BRIEF REVIEW TO INITIATIVES

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Securities market Regulators  
Forum



# Contents

<b><u>FINANCIAL LITERACY AROUND THE WORLD: A BRIEF REVIEW TO INITIATIVES ....</u></b>	<b>1</b>
ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT (OECD).....	2
GLOBAL FINANCIAL LITERACY EXCELLENCE CENTER (GFLEC): S&P GLOBAL FINLIT SURVEY.....	5
<b><u>MEMBER COUNTRIES' REPORT .....</u></b>	<b>12</b>
ALBANIA.....	13
IRAN, ISLAMIC REPUBLIC OF.....	14
KUWAIT .....	16
MALAYSIA.....	17
OMAN .....	19
TURKEY .....	21
UNITED ARAB EMIRATES .....	23



## Financial Literacy Around the World: A Brief Review to Initiatives

Nearly a decade after that the global financial crisis highlighted the importance of financial literacy and subsequently initiatives were taken by national and international organizations, statistics show little improvement in financial knowledge and capacity of investors to make prudent financial decisions.

In today's fast-paced financial markets where innovation in financial instruments is constantly made and access to financial services is made easier while more risks are transferred to investors, financial literacy has become an essential skill for individuals as well as businesses to thrive. In addition, financial literacy has been recognized as an important factor for financial stability and a way to avoid occurrence of possible future crises.

In case of capital markets, financial literacy and investor protection are interrelated. Nowadays, regulators, the main mission of whom is investor protection, have realized that financial literacy is a powerful means to provide self-protection for investors. As financial inclusion and financial consumer protection, financial literacy is also important to restore confidence and trust in financial markets and supports financial stability.

The fact is that financial ignorance imposes significant costs to investors. As it has been emphasized by many studies, financial

literacy leads to proper financial behavior. Therefore, the higher financial literacy level in a market will lead to more professional behavior. Behaviors like herding, overconfidence, anchoring, framing effect and many other biases may be alleviated through improvement of financial literacy.

Financial literacy is defined differently for different people, and this is reflected clearly in various definitions used in the literature. For some it has a broad concept, including an understanding of economics and how household decisions are affected by economic conditions and circumstances. For others, it focuses quite narrowly on basic money management: budgeting, saving, investing and insuring.

Globally, there are some expressions applied as financial literacy interchangeably. Financial Education, Financial Capability, and Financial Literacy are three main expressions could be found in the international language. International Organization of Securities Commission (IOSCO) defines financial literacy as follows:

"Understanding ordinary investors have of market principles, instruments, organizations and regulations."

In addition, Organization for Economic Co-operation and Development (OECD) defines financial literacy as follows:

"Knowledge and understanding of financial concepts and risks, 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."

Apart from the definition, there are many national and international bodies who have worked on the subject many of whom have assessed financial literacy levels and many others have made reports about its current status.

In this review, First, a number of researches conducted by Organization of Economic Cooperation and Development (OECD) are briefly reviewed in order to illustrate the overall situation of financial literacy in the world. Then the insight from the S&P Global FinLit survey, as a comprehensive global research supported by Global Financial Literacy Excellence Centre (GFLEC), will be reviewed in details. Afterwards, to better understand where member countries are standing, there will be a quick look at the initiatives taken by each member to elevate the level of financial literacy among different groups of society. The members can benefit from each other by sharing their experience in the field of financial literacy.

## Organization of Economic Cooperation and Development (OECD)

OECD has been a pioneer agency in doing researches and providing reports regarding financial literacy since 2003. The OECD's Financial Education Project initiated in 2003 to assess how much financial literacy individuals need and to develop principles for improving financial education and literacy standards.

The project was to proceed in two phases. Phase One surveyed member countries to collect the information needed to describe the types of financial education programs that exist, analyze their effectiveness, and develop a methodology to compare strategies and programs for improving financial literacy. Phase one resulted in the first major study of financial education at the international level under the title of "Improving Financial Literacy: Analysis of Issues and Policies". The survey conducted by circulating questionnaire asking respondents to provide information on how they view the level of financial education in their respective countries, what they see as the most important issues in financial education, what they consider the main obstacles to financial education, what major initiatives they have underway in the area of financial education, and whether they have attempted to measure the effectiveness of their financial education programs.

Phase 2 of the project focused on assessing the level of financial literacy among some pilot countries. In this phase, researchers provided guidelines for national strategies by conducting a research among 100 economies including the G20. The report titled "The High-level Principles on National Strategies for Financial Education" was endorsed by G20 leaders in the 2012 meeting.

This endorsement encouraged the production of more reports the most important of which are briefly reviewed next.



## G20/OECD INFE report on adult financial literacy in G20 countries (2017)

### G20/OECD INFE REPORT ON ADULT FINANCIAL LITERACY IN G20 COUNTRIES



The report describes the levels of financial literacy of adults in G20 countries as well as the Netherlands and Norway, guest countries under the G20 German Presidency. The results show that there is considerable scope for improvement in levels of financial knowledge, behavior and attitudes across G20 countries, confirming the importance of developing and sustaining a national strategy on financial education that reaches all groups of the population including young people. This is ever more urgent as the digitalization of finance brings new opportunities and challenges to consumers, and especially to vulnerable groups.

The report was prepared in response to a call from G20 Leaders in the 2016 Hangzhou Action Plan, drawing primarily on data collected using the toolkit to measure financial literacy and financial inclusion developed by the OECD/International Network on Financial Education (OECD/INFE). It was presented to G20 Leaders at their 2017 Summit meeting in Hamburg on 8 July 2017.

## Ensuring Financial Education and Consumer Protection for all in the Digital Age (2017)

### G20/OECD INFE REPORT

Ensuring financial education and consumer protection for all in the digital age



This report is meant as a contribution to the priorities of Germany's G20 presidency on digitalization and financial inclusion and is transmitted to G20 Financial Ministers and Central Bankers at their meeting in Washington DC on 20-21 April 2017. Highlights from the report were also circulated to the G20 in 2016 and mentioned



in the annex of the G20 Leaders' communiqué.

## OECD/INFE International Survey of Adult Financial Literacy Competencies (2016)

OECD/INFE INTERNATIONAL SURVEY OF  
ADULT FINANCIAL LITERACY COMPETENCIES



Assessing the levels of financial literacy in the population is a key component of a successful national strategy for financial education, enabling policy makers to identify gaps and design appropriate responses. International comparisons increase the value of such an assessment by allowing countries to benchmark themselves with other countries. Where similar patterns are identified across countries, national authorities can work together to find common methods for improving financial literacy within their respective populations.

Addressing a call by G20 Leaders to develop practical tools for financial literacy measurement, the OECD/INFE has conducted an international data collection exercise to measure financial literacy and financial inclusion. A total of 51,650 adults aged 18 to 79 from 30 countries and economies participated in the survey.

The survey results were released at the Global Symposium on Financial Education in Auckland, New Zealand, on 12 October 2016.

## G20/OECD INFE Core Competencies Framework on financial literacy for Adults (aged 18+)

**G20/OECD INFE**  
CORE COMPETENCIES FRAMEWORK  
ON FINANCIAL LITERACY FOR ADULTS



This document describes the types of knowledge that adults aged 18 or over could benefit from, what they should be capable of

doing and the behaviors that may help them to achieve financial well-being, as well as the attitudes and confidence that will support this process. It can be used to inform the development of a national strategy on financial education, improve program design, identify gaps in provision, and create assessment, measurement and evaluation tools.

### National Strategies for Financial Education (2015)

#### HIGHLIGHTS

NATIONAL STRATEGIES  
FOR FINANCIAL EDUCATION  
OECD/INFE Policy Handbook



The OECD/INFE Policy Handbook on National Strategies for Financial Education is a follow up to the OECD/INFE High-level Principles on National Strategies for Financial Education. The policy handbook supports governments and key stakeholders in mature and emerging economies in addressing challenges linked to the implementation of national strategies for financial education. It

provides an overview of the status of national strategies worldwide, an analysis of relevant practices and case studies and identifies key lessons learnt. The policy handbook also includes a checklist for action, intended as a self-assessment tool for governments and public authorities. This report published in 2015.

### Global Financial Literacy Excellence Center (GFLEC): S&P Global FinLit Survey

The Standard & Poor's Ratings Services Global Financial Literacy Survey is the world's largest, most comprehensive global measurement of financial literacy. It probes knowledge of four basic financial concepts: risk diversification, inflation, numeracy, and interest compounding.

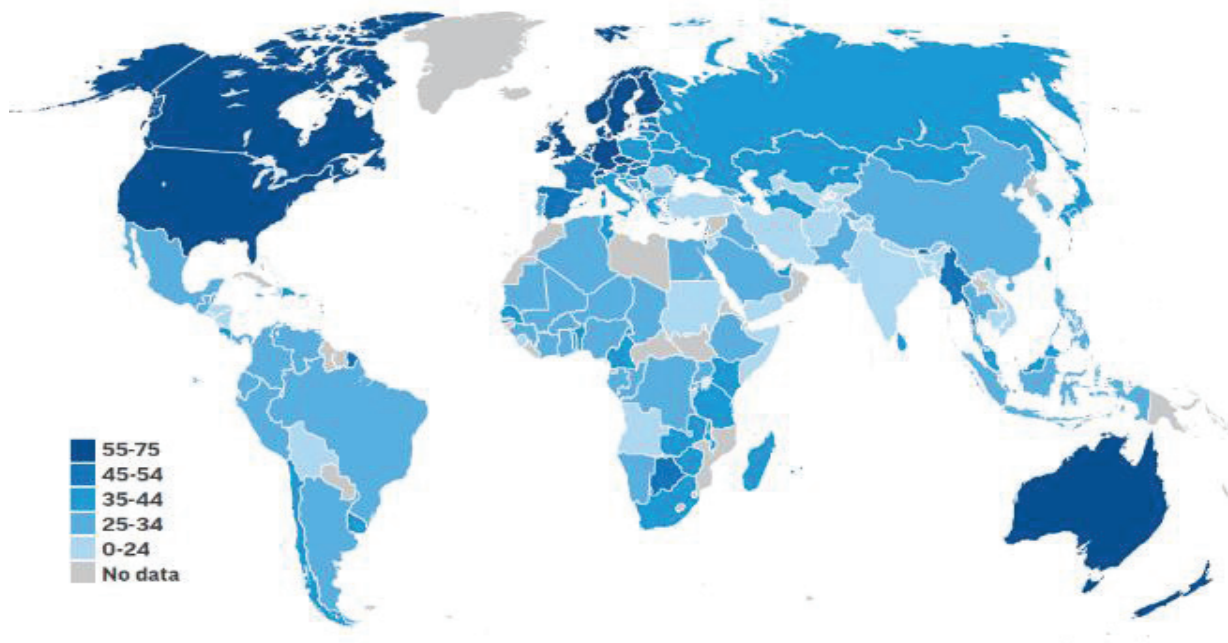
The survey is based on interviews with more than 150,000 adults in over 140 countries. In 2014 McGraw Hill Financial worked with Gallup, Inc., the World Bank Development Research Group, and GFLEC on the S&P Global FinLit Survey.

A person is defined as financially literate when he or she correctly answers at least three out of the four financial concepts described above. The definition is chosen because the concepts are basic and this is what would correspond to a passing grade. Based on this definition, 33 percent of adults worldwide are financially literate. This means that around 3.5 billion adults globally, most of them in developing economies, lack an understanding of basic financial concepts.





**Figure 1: GLOBAL VARIATIONS IN FINANCIAL LITERACY**  
(% OF ADULTS WHO ARE FINANCIALLY LITERATE)



Source: S&P Global FinLit Survey

These global figures conceal deep disparities around the world (Figure 1).

The countries with the highest financial literacy rates are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway, Sweden, and the United Kingdom, where about 65 percent or more of adults are financially literate. On the other end of the spectrum, South Asia is home to countries with some of the lowest financial literacy scores, where only a quarter of adults—or fewer—are financially literate. Not surprisingly, financial literacy rates differ enormously between the major advanced and emerging economies in the world. On average, 55 percent of adults in the major advanced economies—Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States—are financially literate. But even across these countries, financial literacy rates range

widely, from 37 percent in Italy to 68 percent in Canada.

In contrast, in the major emerging economies—the so-called BRICS (Brazil, the Russian Federation, India, China, and South Africa)—on average, 28 percent of adults are financially literate. Disparities exist among these countries, too, with rates ranging from 24 percent in India to 42 percent in South Africa.

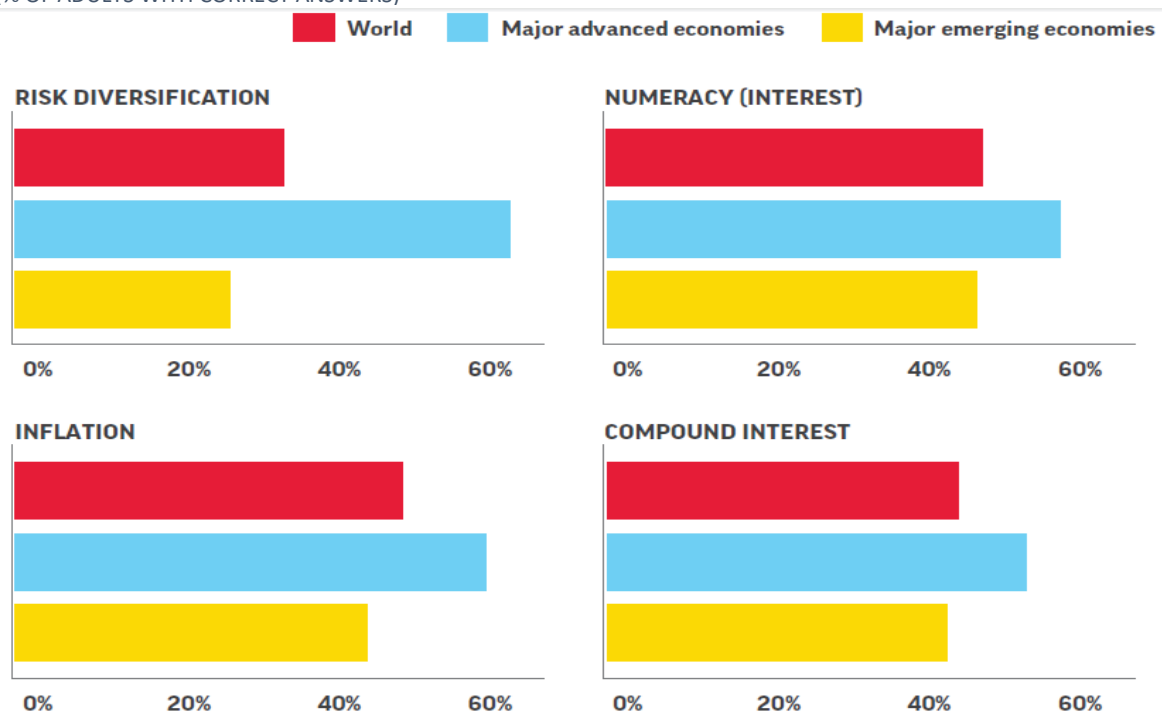


## Financial Literacy Topics

Among the four topics that define financial literacy, inflation and numeracy (in the context of interest rate calculations) are the most understood. Worldwide, half the adult population understand these concepts.

Knowledge of risk diversification is the lowest, with only 35 percent of adults correctly answering that survey question. Risk diversification also figures into some of the largest disparities among countries. In the major advanced economies, 64 percent of respondents have an understanding of this concept, against 28 percent in the major emerging economies (Figure 2). Differences for the other concepts are less pronounced, ranging from 15 percentage points for inflation to 10 percentage points for the compound interest concept.

**Figure 2: STRONGER GRASP OF FINANCIAL CONCEPTS IN ADVANCED ECONOMIES**  
(% OF ADULTS WITH CORRECT ANSWERS)



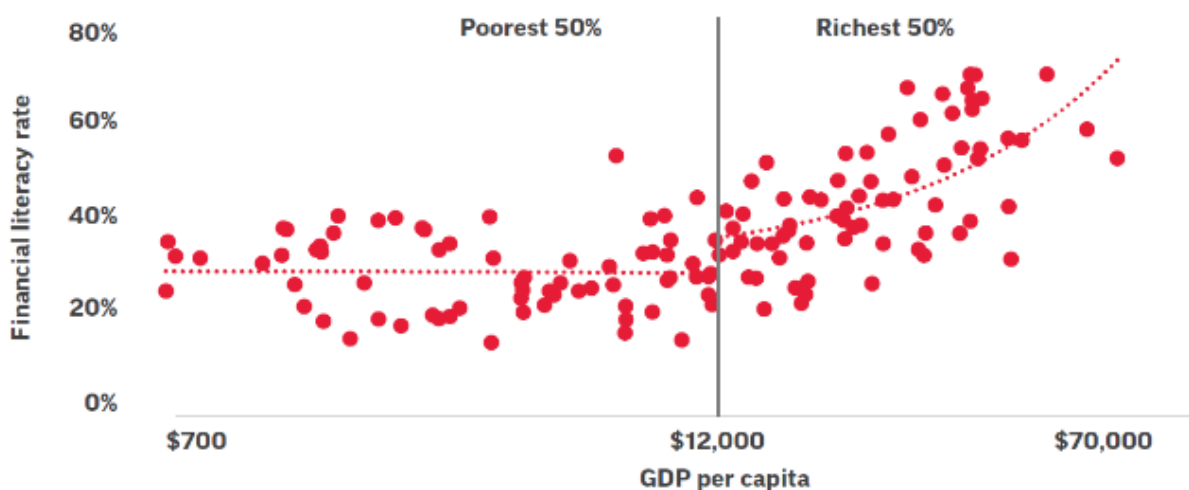
Source: S&P Global FinLit Survey.



## GDP PER CAPITA AND FINANCIAL LITERACY

In richer countries, proxied by GDP per capita, financial literacy rates tend to be higher (Figure 3). However, the relationship only holds when looking at the richest 50 percent of economies. In these economies, around 38 percent of the variation in financial literacy rates can be explained by differences in income across countries. For the poorer half of economies, with a GDP per capita of \$12,000 or less, there is no evidence that income is associated with financial literacy. What this likely means is that national-level policies, such as those related to education and consumer protection, shape financial literacy in these economies more than any other factor.

Figure 3: HIGH ECONOMIC DEVELOPMENT TIED TO HIGH FINANCIAL LITERACY



Source: S&P Global FinLit Survey and Global Findex database.

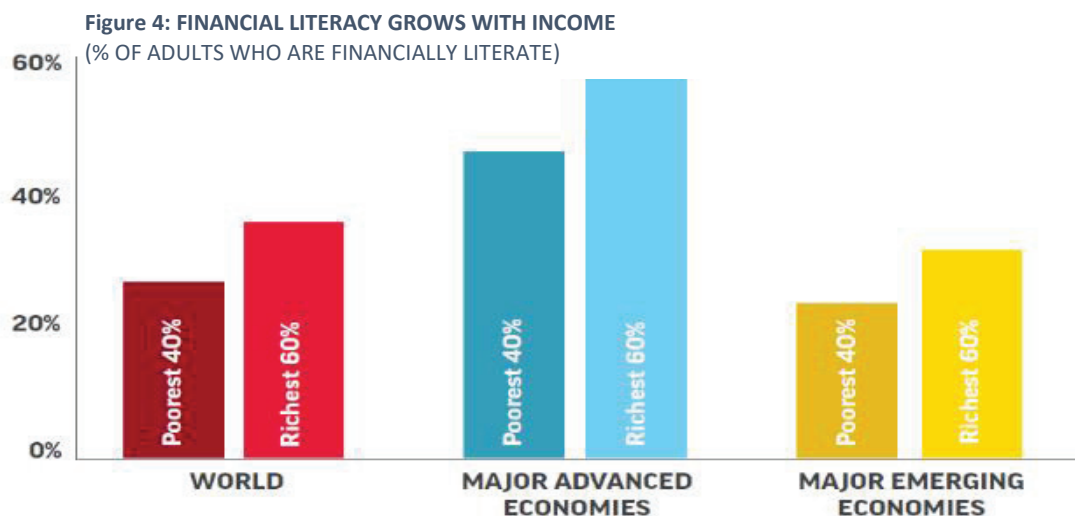


## Lower financial literacy among women and the poor

Financial literacy rates differ in important ways when it comes to characteristics such as gender, education level, income, and age. Worldwide, 35 percent of men are financially literate, compared with 30 percent of women. While women are less likely to provide correct answers to the financial literacy questions, they are also more likely to indicate that they “don’t know” the answer, a finding consistently observed in other studies as well.

This gender gap is found in both advanced economies and emerging economies. Women have weaker financial skills than men even considering variations in age, country, education, and income.

Rich adults have better financial skills than the poor. Of adults living in the richest 60 percent of households in the major emerging economies, 31 percent are financially literate, against 23 percent of adults who live in the poorest 40 percent of households (Figure 4).

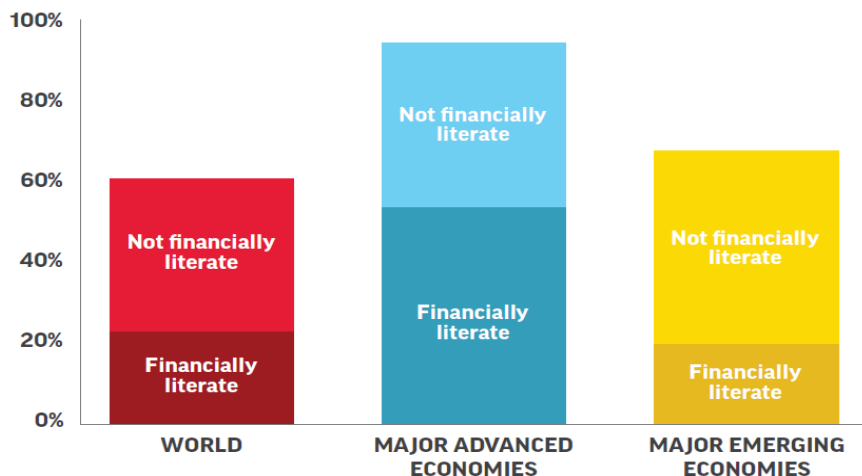


Source: S&P Global FinLit Survey.



## Many users of financial products lack financial skills

**Figure 5: ACCOUNT OWNERS OFTEN LACK FINANCIAL SKILLS**  
(% OF ADULTS WITH AN ACCOUNT)



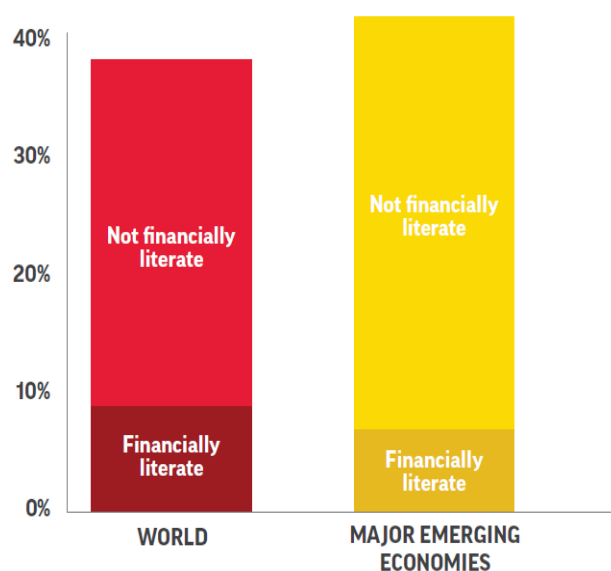
Source: S&P Global FinLit Survey, and Global Findex database.

Financial literacy skills are important for people who use payment, savings, credit, and risk-management products. For many, having an account at a bank or other financial institution—or with a mobile money service provider—is an important first step to participation in the financial system. Yet access to financial services is not an end in itself. Rather, it is a means to an end. When people have financial accounts, and use digital payments, they are more able to provide for their families, save money for the future, and survive economic shocks. Digital payments can also reduce corruption by increasing transparency, and they help empower women by giving them greater control over their finances. But people who lack the knowledge to effectively use such services can face financial disaster, such as high debt or bankruptcy. It is, therefore, worth exploring the link between financial services and financial literacy.

Account owners tend to be more financially savvy, but plenty of them still lack financial skills. Globally, 38 percent of account-owning adults are financially literate, as are 57 percent of account owners in major advanced economies and 30 percent in major emerging economies (Figure 5).

Financial skills are even weaker among adults who do not have an account (Figure 6). Globally, 25 percent of these adults are financially literate, as are 22 percent in major emerging economies.

**Figure 6: ADULTS WHO LACK AN ACCOUNT ALSO LACK FINANCIAL SKILLS**



Source: S&P Global FinLit Survey.



### FinLit Survey Conclusion

Worldwide, just 1-in-3 adults show an understanding of basic financial concepts. Although financial literacy is higher among the wealthy, well educated, and those who use financial services, it is clear that billions of people are unprepared to deal with rapid changes in the financial landscape. Credit products, many of which carry high interest rates and complex terms, are becoming more readily available. Governments are pushing to increase financial inclusion by boosting access to bank accounts and other financial services but, unless people have the necessary financial skills, these opportunities can easily lead to high debt, mortgage defaults, or insolvency. This is especially true for women, the poor, and the less educated—all of whom suffer from low financial literacy and are frequently the target of government programs to expand financial inclusion.

Financial literacy challenges confront developing economies and advanced economies alike.

Given these risks, policymakers should build strong consumer protection regimes to safeguard citizens from financial abuse and provide a functional market environment. Researchers have found that financially savvy adults are, in general, less likely to default on loans and more likely to save for retirement. But traditional financial education can be costly and has not demonstrated clear impact. However, behavioral insights suggest ways to promote effective use of financial services, for example, by helping new customers use ATMs and PIN numbers and sending text messages about upcoming loan repayments or encouragement to save. Financial institutions must ensure that treatment of customers is fair, prudent, and responsible.



## Member countries' report<sup>1</sup>

By the passage of around four years conducting initiatives regarding financial literacy based on the COMCEC Capital Market Regulators (CMR) Forum mandates, and providing insights about this important concept, and since it has been perceived that there are many new and appropriate initiatives in member countries, the Securities and Exchange Organization of Iran as the chair and the Capital Market Authority of Kuwait as the co-chair of Financial Literacy Taskforce decided to provide a magazine named as "Financial Literacy Review" in order to collect information regarding initiatives that have been taken in different aspects of financial literacy during 2016 and 2017.

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<sup>1</sup> The country statistics come directly from the World Bank website and the capital market statistics come from WFE's September 2017 report.

This is the first phase entering into practical works and it is aimed to do more in this respect. To better understand the situation, a questionnaire was designed to explore initiatives of each member country.

The questions try to obtain information about the initiatives each jurisdiction has taken to improve financial literacy for general public, children, parents, students. Questionnaire also measures literacy about Islamic finance, rules and regulations, financial institutions as well as investors' rights. Members were also asked about their latest innovation and if they have dedicated any website promoting financial literacy.

It is helpful to understand how regulators plan to elevate the level of literacy in 3 groups of people who are categorized based on their level of activity in financial markets. These groups are potential investors, new arrivals and professionals.



## Albania

The transition from a centrally planned to a market-oriented economy, together with strategic assistance over the last decades, helped Albania to make progress. Due to strong growth performance, Albania grew from less desirable condition in early 1990s to middle-income status in 2008. The country's economic transformation continues to build on its huge potential and opportunities. Albania's GDP was 11.9 billion in 2016 which marked %3.5 growth. The population was standing 2.88 million in 2016.

The country literacy rate, 15-years-old and above, was reported %97.2 in 2012.

The Tirana Stock Exchange (TSE) is the principal stock exchange in Albania.

## Initiatives

Albanian FSA Board has recently approved the "Strategy for increasing consumers' trust on the market under FSA supervision". This strategy aims at a better information and knowledge of the consumers in the financial markets. The strategy will start implementing this month and foresees some of the initiatives to a better informed financial consumer. The strategy will be implemented for the period November 2017 – 2020.

In the designed Strategy, there is an initiative to start building the information system with middle schools and informing them on the insurance market. The aim is to put some of the information in the school curricula.

Albanian FSA website has a section about the consumer protection. There is also a section on education and publication.

AFSA - Legislation - Financial Stability - Consumer protection - Register of Licensed Persons/Entities - Publications - Transparency Program - Media

### Investor Alert!

The scope of the Authority's activity is the regulation and supervision of the securities market, insurance market and voluntary pension market.

The public must be assured that the provision of financial services is rendered by companies licensed by the Financial Supervisory Authority. In any case, any interested should consult the official website of the AFSA.

Operators licensed by the AFSA in the insurance market (follow this link)

Operators licensed by the AFSA in the securities market (follow this link)

Operators licensed by the AFSA in the voluntary pension market (follow this link)

Any investment or financial product purchase at a non-licensed company or entity may be subject to fraud and speculation.

## Financial literacy





## Iran, Islamic Republic of

Iran is the second largest economy in the Middle East and North Africa (MENA) region after Saudi Arabia, with an estimated Gross Domestic Product (GDP) in 2016 of US\$412.2 billion. It also has the second largest population of the region after Egypt, with an estimated 80.2 million people in 2016. Iran's economy is characterized by the hydrocarbon sector, agriculture and services sectors. Iran ranks second in the world in natural gas reserves and fourth in proven crude oil reserves.

Literacy rate of Iranian adult, 15-year-old and above, in 2014 was %85.

Iran capital market has two stock exchanges namely Tehran Stock Exchange (TSE) and Iran Fara Bourse (IFB). Iran Mercantile Exchange (IME) and Iran Energy Exchange (IRENEX) are also the two commodity exchanges in Iran. TSE and IFB have 326 and 100 listed companies respectively. There are also 154 unlisted companies on base market of IFB. The total market cap of the stock exchanges amounts US\$117.5 billion.

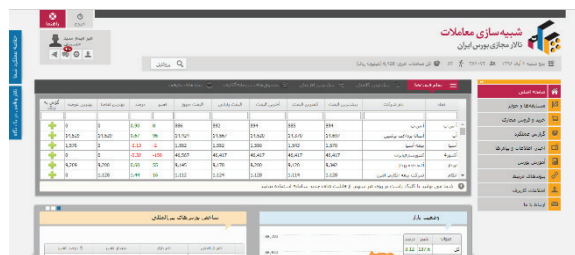
### Initiatives

To help potential investors learn about financial markets, SEO in cooperation with Central Bank of Iran (CBI) and Central Insurance of Iran hold an annual exhibition called Iran Financial Exhibition (FINEX) in Tehran. The exhibition has also been expanded to other cities like Mashad and Kish in recent years.



There are also numerous multimedia materials like Bourse Alphabet, an animated series, to help general public learn preliminary concepts ranging from the meaning of shares to corporations to dividends and capital raise.

To help new arrivals learn more and test their understanding of the markets, SEO Information and Dissemination services (SIDSCO) has provided IRVEX which is a virtual exchange, containing all real time data of market, where investors can trade but with virtual money and with no risk.



To help professional, SEO has recently launched a website where all capital market rules and regulations are aggregated and interconnected through hyperlinks to know which ones are precedent.

There is also a two-year course called Capital Market MBA for those professional who seek to obtain an official certificate which



proves their professional competence to work in all financial institutions.

Another professional service for Islamic specialists, is the Islamic Capital Market Conference (ICM) which is held annually and hosts professional from many Islamic countries to discuss and share the latest developments and achievements in the field.

For children, SIDSCO has different programs like painting festival, color books for children and board and puzzle games to help them get in touch with the financial concepts.



9<sup>th</sup>  
International Course on Islamic Capital Markets  
18-20 April 2017  
Tehran  
Islamic Republic of Iran



## Kuwait

Apart from petroleum, financial services are also a main industry for Kuwait. The Kuwaiti dinar is the highest-valued unit of currency in the world. Kuwait's GDP was reported US\$114 billion in 2015. The GDP growth was %2.9 in 2016. The total population reported 4.05 million in 2016.

Kuwaitis Literacy rate, 15-years-old and above, was %95.6 in 2015.

The number of listed companies on Bursa Kuwait (KSE) is 178 the market cap of which is around US\$90 billion.

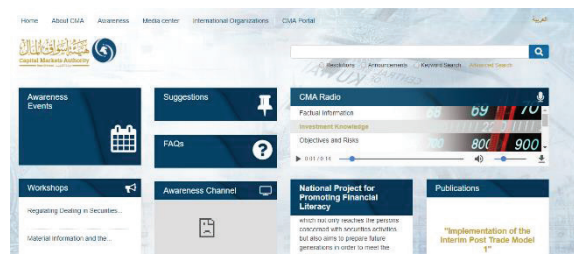
### Initiatives

The Kuwait Capital Markets Authority (CMA) conducts an annual awareness conference every March for the general public.



There is also National Project for Promoting Financial Literacy, the main point of which is "Raising public awareness of securities activities, and the benefits, risks and obligations relevant to investment in securities, and encouraging their development". This projects targets all groups of investors in all age categories including different lectures in different

universities.



Additionally, there are numerous workshops covering a variety of subjects including investors' rights, rules and regulations and financial instruments and institutions for more sophisticated investors.

Regarding rules and regulations, the CMA Law was amended in May 2015 along with the issuance of an expansive Executive Bylaws in November of the same year. The CMA conducted 23 awareness workshops explaining the new rules and regulations. Furthermore, the CMA Organizes quarterly based workshops with subjects related to the CMA laws and bylaws.

A recent promising development for Kuwait was the membership in International Organization of Securities Commissions (IOSCO).



## Malaysia

Malaysia today has a diversified economy and has become a leading exporter of electrical appliances, electronic parts and components and natural gas. After the Asian financial crisis of 1997-1998, Malaysia continued to post solid growth rates, averaging 5.5 percent per year from 2000-2008. Malaysia was hit by the Global Financial Crisis in 2009 but recovered rapidly, posting growth rates averaging 5.7 percent since 2010. The gross domestic product (GDP) growth was reported US\$296.3 billion for 2016. GDP is predicted to rise to 4.9% for 2017. The population of Malaysia was 31.1 million for 2016.

Literacy rate of Malaysians, 15-years-old and above, was %92 in 2010.

Bursa Malaysia (MYX), formerly known as Kuala Lumpur Stock Exchange (KLSE, Bursa Saham Kuala Lumpur in Malay), has 891 domestic and 10 foreign listed companies. Its market cap is recorded US\$424 billion.

### Initiatives

In 2014, the InvestSmart brand was launched through which various programs are conducted for adults including:

- 1- Securities Commission's (SC) annual flagship event InvestSmart Fest that gathers capital market institutions, associations, industry players and relevant agencies under one roof in order to raise awareness on investment opportunities available in the Malaysian capital market.
- 2- InvestSmart Day which is a series of one-day events comprising stock market and



unit trust seminars as well as talks for university students.

- 3- SC-in-the-Community where SC sets up its 'InvestSmart' Kiosk at various locations nationwide. This enables one-to-one engagement with the various segments of the public to raise awareness on smart investing habits and unlicensed investment schemes.

Islamic studies as well as rules and regulations are covered through the same program.



For younger generation, SC has 2 key programs, namely (i) Kids & Cash and (ii) Teens & Cash. The programs aim to inculcate a healthy money management culture in children and provide an introduction to the basic concepts of banking and investing as well as savings and investment accounts

Cash@Campus is The tailor-made programmer for university students aimed at enhancing their knowledge and skills in managing savings and developing investment know-how.



As a part of protecting investors' rights, SC also has awareness programs during the listed companies Annual General Meetings.



## Oman

Oman's GDP (current US\$) was reported US\$66.3 billion in 2016 which recorded %5.7 growth. The population of the country was 4.42 million the same year. Current GDP per capita has expanded continuously in the past 50 years.

Literacy rate of Omanis, 15-years-old and above, was %93 in 2015.

Established in 1988, Muscat Securities Market (MSM) is the only stock exchange in Oman. It hosts 110 listed companies the market cap of which is amounted US\$21.07 billion.

## Initiatives

Capital Market Authority of Oman (CMA) has been actively providing the followings for the general public.

- Providing lectures on financial literacy to individuals and companies.
- Publishing financial literacy materials for general public.
- Participating in and creating several awareness programs.

Muscat Securities Market (MSM) also published a comic book informing parents on the benefits of early age saving and investments for themselves and on behalf of their children.

For the matter of students, MSM – SQU Forum is organized every year for over ten years now, in cooperation with Sultan Qaboos University Students. In this forum, students from all over Oman are invited in order to come together in one platform along with CMA, MSM, MCD (Muscat Clearing & Depository) and other market participants. In order to have an open dialogue about the current learning needs of students in the field of finance in Oman and also a place for them to showcase their knowledge through practical exhibit of their inventions, findings and creations such as Stock Game etc.



MSM has published several educational booklets on saving and investment in coordination with Ministry of Education Oman for children starting from Grade 1 to Grade 7 students, these books have also been a part of some government school curricula for a period.



CMA & MSM have both published books and soft material on investor rights such as;

- 1- A publication named investor guide;
- 2- soft links; and



- 3- Regular discussion sessions among companies and investors to keep them up to date on their financial instruments health, which is an important investor's right.

As a portal for financial literacy, MSM launched the first financial learning website in Oman in the year 2009 under the web address, [www.msmllearning.gov.com](http://www.msmllearning.gov.com). The website is currently under a shift to be connected directly to the MSM official website.



## Turkey

Turkey's performance since 2000 has been impressive. Macroeconomic and fiscal stability were at the heart of its performance. Its GDP rate accelerated from 3.2% in 2016 to 5.1% in the first half of 2017. With 79.5 million population, its GDP stood at US\$857.7 billion in 2016.

Turkey's literacy rate, 15-years-old and above, was %95.6 in 2015.

The Borsa Istanbul (BIST) is the sole exchange entity of Turkey combining the former Istanbul Stock Exchange, the Istanbul Gold Exchange and the Derivatives Exchange of Turkey under one umbrella. The number of listed companies on BIST is 380. There is one foreign company listed on BIST. The total market cap of these companies is US\$219 billion.

### Initiatives

Turkey's National Strategy which was accepted in 2014 by the Prime Ministry of Turkish Republic aims to provide equal access to the financial education of the different target groups of people who have different needs with respect to financial information. The target groups include general public, family and women, children in the school age, academy and universities, disabled people, public and private sector employees, sector employees, people in their milestones, entrepreneurs, MSMEs.

A webpage which will be launched in 2018 is specifically assigned to the financial education.

Capital Markets Board of Turkey (CMB) implemented the essay contest through which school-aged children between 11-17 years old are reached out.

There was a close collaboration with the Ministry of Education. Furthermore, this project was sponsored by the Borsa Istanbul and Turkish Capital Market Association.



For adults, CMB organizes seminars targeting women in 3 big cities of Turkey. Moreover, as a stakeholder in Financial Education Strategy and Action Plan, Ministry of Family and Social Policies delivers seminars throughout the country to families on financial issues.







The core competencies on financial education on youth for the ages of 15-18 were shared with the Ministry of Education in order to provide input into the new curriculum. As a result of these initiatives, financial literacy topics has recently been incorporated into various courses such as Mathematics, Citizen Rights, and Social Sciences.

Furthermore, certificate programs are held in various universities every year. Students attending the seminars are provided free of charge education and internship at the CMB, Borsa Istanbul and Capital Market Association of Turkey.

With respect to investor rights, CMB is working together with IOSCO C8 committee of Investor Education. For World Investor Week 02-08.10.2017 we have collaborated with one of the biggest economics and finance news channels which will be broadcasting investor education must know facts for investors.

The most important step to provide equal access to financial education programs is Financial Education website prepared by the CMB. This website is by far the most extensive one related to financial education topics.

- Basic financial education topics cover budget planning, basic financial terms, debt and credits.
- Intermediate financial education topics are investment products, retiring plans, tax issues in investment products, financial valuation and analysis, insurance products
- Advanced level topics cover advanced financial products such as derivatives, forex and mortgage-backed securities, corporate governance principles in financial markets, fraudulent activities in financial markets and the sanctions.



## United Arab Emirates

UAE is the second largest economy in the Arab world (after Economy of Saudi Arabia), with a GDP of US\$348.7 billion in 2016 which means %3.0 growth rate. The United Arab Emirates has been successfully diversifying its economy. The population of UAE was 9.3 million in 2016.

Literacy rate in UAE, 15-years-old and above, was %95.6 back in 2005.

UAE's stock exchanges are Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM) hosting 64 and 60 listed companies respectively. 3 out of 64 companies of ADX are of foreign entities. Adding the US\$115.4 and US\$103.8 of ADX and DFM results in 219.3 billion of total market cap.

### Initiatives

During 2016 & 2017, SCA has undertaken various initiatives to enhance financial literacy of public in UAE regarding capital markets. It has conducted series of workshops, lectures and seminars to advance the knowledge level of its people. Some of the topics were "How to build your own fund", "How to trade in financial markets" and "Using technical analysis to build your own portfolio".



Another pertinent step for general public is setting up displays and stalls at various malls in Abu Dhabi and Dubai for creating awareness about financial markets and capital markets among the general public visiting such malls. SCA is planning to conduct this event in various languages to encourage wider audience participation.

To promote financial literacy among students SCA conducted a series of workshops during 2016 with students from 16 schools from Abu Dhabi educating them about financial markets and role of the Securities and Commodities Authority (SCA). More than 800 students participated in the events.



Another step for students is linked to UAE Vision 2021 which "sets the key themes for the Socio-economic development of the

UAE” and calls for “a shift to a diversified and knowledge-based economy with a key focus on education of youth. In this regard, different lecture and workshops and on-site visits are provided for students.

Apart from being a member of Islamic Finance Services Board (IFSB) and promoting Islamic Finance products domestically and globally, SCA recently co-organized a workshop-cum-conference on Islamic Finance on October 4, 2017 for students, investors and ministry at the University of Sharjah attended by around 80-100 participants.



SCA published its strategy to develop Islamic capital markets in September 2017 with cooperation of Dubai Islamic Economy Development Centre (DIEDC), it includes the role of SCA and Securities Exchanges in addition to the challenges in Islamic finance, under SCA’s role. There are different initiatives and projects one of which is the development of industry Sandbox that encourages innovation in Islamic capital markets, on the other hand SCA has FinTech initiative which aims also to boost innovation and motivate Entrepreneurs to share their ideas and suggestions and test them in a virtual environment.





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