

STATUTE FOR FINANCIAL LITERACY TASK FORCE

CONCEPT

Since the global financial crisis, financial literacy has become an important element of financial stability and economic development. There is a consensus that low level or lack of financial literacy may cause challenges for local markets. Consequently, governments around the world recognize that good financial literacy skills would enable individuals to make better informed decisions in an increasingly complex financial marketplace. Well informed decisions could have positive spill-over effects on financial markets and the economy as a whole.

From regulator perspective, widening the access to financial markets in developing economies, enhancing households trust in financial markets, strengthening households saving for retirement and other important life expenses, reinforcing households investment in financial markets to support economic and infrastructure development became forefront in all regulatory bodies agenda.

As well as a focused, concrete plan of action for strengthening the financial literacy of various segments of the population, this task force is proposed to improve opportunities to exchange best practices between members.

MANDATE

The mandate for this TF had been discussed and decided through consensus by the delegates at the September 2012 Forum meeting. In this context, the delegates considered the following issues as essential to TFs mandate.

- **Chair/co chair for the Task Force**

Chair/co chair for the Financial Literacy Task Force is elected by consensus at the General Assembly of the COMCEC CMR Forum. The terms of task force chairmanship would be for one year however this can be changed for two years term at the annual General Assembly meeting.

In coordination with the Forum Secretariat, Chair and Co-Chair determines the topics for co-operation to be pursued as the main work of the Task Force.

- **Working procedures**

Chair and Co- Chair may select some of the cooperation proposals set out in this Statute or they may also choose to work on a different topic relevant with the subject matter of the Task Force.

In case more than one topic is determined for co-operation, prioritizing the topics would be important therefore Task Force Chair and Co-chair have to set a target and a timetable for the task force workings. If the Task Force is working on more than one issue then establishing the working groups would be in the responsibility of TF chair/co-chair. As a general argument for the task force, number of working groups would depend on the topics the task force covered. And it would also be dependent the way task force organizes its work. A member authority can be a member in more than one working group in the Task Force. The Secretariat of Forum shall create a special e-mail account for this TF in order to facilitate the sharing of information and experience among members.

- **Co-operation Tools**

Preparing surveys, evaluating survey responses, drafting need-gap analyses and guidance reports, organizing conferences, training seminars for member authorities, establishing an information database for researchers should be considered as co-operation tools.

- **Meeting arrangements**

TF physical meetings shall be twice a year. The number of meetings may also depend on the workload and availability of Task Force members. One of the meetings will be held in Istanbul a day before the general meeting (General Assembly) of the Forum. The second meeting will be held at an appropriate date and place decided by the chair/co-chair of the Task Forces and the Forum Secretariat. Also the chair and co-chair will decide how often they would meet electronically.

- **Reporting requirements**

Quarterly reporting; the Task Force Chair/Co-Chair should report to the Forum Secretariat four times a year regarding the outputs of their workings.

- **Communication arrangements**

Forum website should be used as a tool for effective communication.

COMCEC CMR Forum website shall be a tool for sharing of task force working documents, information and other related documents. Every member authority will have the opportunity to upload some of their important country-specific developments/information at the website.

- **Membership**

Every member authority can be a member of the Task Force. Members should designate a contact person and notify to the Forum Secretariat.

This Mandate is not intended to create any legal rights or obligations.

POSSIBLE CO-OPERATION PROPOSALS

- **Setting the Policy Framework;**

Financial literacy mainly aims to raise public knowledge and awareness about managing their own budget and investing in capital market instruments for the purpose of creating wealth. On the demand side investors expected to know where and how to search for help and advice. Particularly to find out their rights and obligation in a specific investment. On the other side regulatory bodies must ensure that the information are accurate and adequate. In this regard, investor education plays a critical role in financial literacy.

In order to enhance the demands for financial matters mass media campaigns must be adopted. Especially focusing on the existing investors than potential ones. Dedicated websites makes easier to attach investors to projects and increase effectiveness.

This task will mainly focus on taking a snapshot first and accordingly taking informative measures on financial literacy.

- **National Strategies and Their Implementation;**

Initially we want to identify needs of countries with setting the frameworks. Than in macro plan it will be beneficial to prepare a national plan. By the way all the stakeholders can be involved in all these procedure, make easy to adopt them to the financial literacy matters and mission. Additionally stake holders undertake opportunities to coordinate efforts with others.

National strategy will also improve the financial literacy framework as well. Herewith member countries will may choose one or more of the goals and build relevant, measurable objectives by promoting financial literacy through pilot projects (web based portfolio management competitions, social media activities, university seminars, middle-high school educational and competional practices etc.)

- **Exchanging Experiences and Reviewing Best Practices of COMCEC Capital Market Regulators;**

Before implementation, member countries has set the policy framework and prepared national strategy. After all we had a data to be both shared and evaluated. Every implementation has various unique impacts on investors. In order to have the best practice all these experiences have to be shared with each other.

Member states can evaluate the effectiveness of financial education programs in any country. At the end several recommendations can be made as next steps for member countries to improve its own best practices around financial literacy programs and to promote best practices nationally.