



Main themes of the WIW campaign (2024):

- Technology and Digital Finance
- Crypto Assets
- Sustainable Finance

Complemented with:

- Fraud and Scam Prevention
- Investor Resilience
- Basics of Investing

Technology and Digital Finance

IOSCO World Investor Week 2024 Key messages – Technology and Digital Finance

A smart investor:

- Takes the time to be informed when making investment decisions, even in the context of today's fast-paced nature of investing.
- Understands how to use digital tools that can help with their finances and knows that those tools do not prevent loss or fraud and that they must continue to conduct independent, thorough research on every investment opportunity.
- Knows how to distinguish legitimate versus inaccurate sources of information online.
- Understands that influencers can have conflicts of interest and might receive payment for the investment opportunities they promote online.
- Understands that social media influencers cannot know the personal circumstances of their followers, so their recommendations could be unsuitable.
- Understands the new possibilities that arising technologies, such as artificial intelligence, and other digital features like gamification and metaverse offer for the way they invest but is aware of any potential negative influence on their actions due to behavioral biases.

- Recognizes the inherent risks associated with practices such as Digital Engagement Practices¹, Copy Trading², and Fractional Trading³ and how they align with personal risk tolerance.

In short:

Technology and Digital Finance

A smart investor:

- Understands that digital tools can make investing quick and easy and, used appropriately, could help them make more informed investment decisions as they create a long-term, risk-appropriate investment plan.
- Researches and understands the investments and strategies embedded in Digital Engagement Practices, Copy Trading, and Fractional Trading practices before committing funds.
- Engages with reputable platforms that have transparent practices and licensing.
- Knows how to distinguish between influencers who create content for educational purposes and those who act only for commercial interest.
- Doesn't follow influencer's recommendations without question and checks the profile of any financial content creator, including their education, experience, and credentials.

Crypto Assets

IOSCO World Investor Week 2024 Key messages – Crypto Assets

A smart investor:

- Understands the investment products and risks associated with crypto assets.
- Recognizes that fraudsters actively seek to take advantage of investor interest in crypto assets to encourage them to "invest" and steal their money. For instance, transnational criminal organizations are actively trying to lure unsuspecting investors to invest in crypto assets through a fraud that the operators refer to as "pig butchering."
- Realizes that crypto assets can be irrevocably transferred overseas in minutes.

¹ Digital Engagement Practices (DEPs) are tools including behavioural techniques, differential marketing, gamification, design elements, or design features that intentionally or unintentionally engage with retail investors on digital platforms, as well as the analytical and technological tools and methods (OSC definition).

² Copy trading allows a person (the copy trader) to copy trades executed by one or more other traders, who are usually characterized as "experienced" (the lead trader).

³ "Fractional shares" allow investors to participate in the share performance of an issuer by way of an instrument that tracks the share price but is available at a smaller purchase price, namely the pro rata share price of the underlying share (ESMA definition).

- Knows that due diligence is even more important when involving crypto assets, given that many crypto asset participants are operating outside of, and/or in non-compliance with, applicable regulatory frameworks and given the propensity for misleading/celebrity endorsements.
- Verifies if the crypto asset transactional platform is registered, licensed, or otherwise authorized to operate within the jurisdiction in which it is offering products or services

In short:

Crypto Assets

A smart investor:

- Understands the risks associated with crypto assets, including non-compliance with applicable regulations, fraud, volatility, misleading endorsements, and potential bankruptcy or insolvency of the issuer or intermediary.

Sustainable Finance

IOSCO World Investor Week 2024 Key messages - Sustainable Finance

A smart investor:

- Recognizes that sustainable finance may be referred to in many different ways, such as environmental, social, and governance (ESG) investing, socially responsible investing, and impact investing.
- Reviews an investment's disclosure documents to see how relevant disclosures weigh various ESG or sustainable finance factors.
- Considers whether an investment's stated approach to sustainable finance matches the investor's investment goals, objectives, risk tolerance, and preferences.
- Evaluates each sustainable finance investment opportunity as unique and on its own terms.

In short:

Sustainable Finance/Investing:

A smart investor:

- Recognizes that while sustainable investing may be described in different ways (such as ESG investing, socially responsible investing, or impact investing), it is important to consider whether an investment matches the investor's goals, objectives, and risk tolerance.
- Reviews disclosure documents and recognizes that investments in sustainable finance may significantly differ and need to be evaluated on their terms.

Fraud and Scam Prevention

IOSCO World Investor Week 2024 Key messages - Frauds and Scams Prevention

A smart investor:

- Checks whether an investment professional is licensed.
- Researches investment opportunities independently before investing.
- Avoids "get rich quick" and "can't lose" schemes by slowing down their decision-making and asking many questions.
- Understands that expected returns can't be guaranteed. The promise of "guaranteed" (extremely) high returns with little or no risk is a common red flag and should raise concerns.
- Distrusts anyone who tries to pressure them into making hurried investment decisions.
- Never feels rushed and ignores over-the-top sales pitches and pressure to invest right on the spot.
- Gets suspicious of requests to wire money out of the country.
- Never discloses personal information on an unexpected call or other communication.
- Ensures the use of strong passwords and good data security practices such as two-factor authentication on accounts containing financial data.
- Is skeptical of unsolicited investment offers through social media.
- Verifies the source of any investment information found on the internet.

Investor Resilience

IOSCO World Investor Week 2024 Key messages – Investor Resilience

A smart investor:

- Focuses on the impact of inflation on purchasing power and uses real rates of return to assess investment performance.
- Understands the way asset classes may behave in a persistent inflation environment and the impact on their attractiveness.
- Recognizes the importance of diversification, especially with respect to protecting investments from losses from a single, unexpected event.
- Weathers negative financial shocks with an adequate emergency fund.
- Understands that risk exists in all investments.
- Plans for life's unexpected challenges with budgeting strategies to manage risk, reduce the impact of inflation, and avoid high-interest debt.

Basics of Investing

IOSCO World Investor Week 2024 Key messages – Basics of Investing

A smart investor:

- Recognizes the early warnings of investment fraud and understands what they are putting their money into ('Look before you leap').
- Recognizes the benefit of long-term, regular, and diversified investment.
- Plans for and invests according to their future needs and goals.
- Recognizes the power of compound interest.
- Assesses the impact of fees when choosing an investment.

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