



Those present for the **2018 IFIE Americas Annual Members Meeting** held on 9 April 2018 in Tokyo, Japan included:

- Errol Cova, Central Bank of Curacao and Sint Maarten (CBCS)
- Koichi Ishikura, Japan Securities Dealers Association (JSDA)
- Lori Schock, U.S. Securities & Exchange Commission (SEC)
- Robert Stammers CFA, CFA Institute
- Gerri Walsh, FINRA
- Ana Leoni, Brazilian Financial and Capital Markets Association (ANBIMA)
- Fabiola Benotti, Brazilian Financial and Capital Markets Association (ANBIMA)
- Pamela MacDonald, British Columbia Securities Commission (BCSC)
- Valentin Sanchez, Superintendence of the Stock Market, Dominican Republic

Errol Cova formally began the IFIE Americas Chapter Annual Chapter meeting at 13:30 JST. He was assisting in behalf of the Brazilian Financial and Capital Markets Association (ANBIMA) and Chapter Chair Ricardo Nardini. Cova made brief remarks which included thanking the Conference hosts and his colleagues. He invited IFIE Chairman Koichi Ishikura to make opening remarks.

Chairman Ishikura delivered a summary of IFIE's activities. He encouraged Chapter members to consider moving into leadership positions within IFIE. Ishikura thanked everyone for their participation and commitment and expressed his excitement to be hosting the 10<sup>th</sup> Anniversary IFIE-IOSCO Conference.

Cova moved the meeting to the first agenda item, which was a review of the 2017 IFIE Americas Chapter Annual Chapter meeting minutes. Cova invited anyone with questions or comments to bring them to the attention of the Chapter leadership.

The second agenda item was an overview of the functions of the IFIE Americas Chapter and its initiatives and plans. Errol summarized how the IFIE Americas Chapter worked for Chapter members who were less engaged. Cova said that the diverse group of organizations were working primarily on implementation. The work was symbiotic, and Cova said the groups "needed each other." Cova continued to explain the basic functions of the Chapter, from the biweekly virtual meetings (conference calls) to the yearly standard face-to-face meetings. The discussion centered on five key areas/priorities:

- Engagement
- Leadership

- Capacity building
- Seamless Virtual and In Person Programming
- Problem solving/Work groups/Toolkit building

All of the issues were important. Resiliency was a particularly weighty issue for the Americas Chapter in light of recent and devastating natural disasters such as hurricanes and flooding. The Caribbean region and the Southern coast of the United States had seen a lot of devastation. This point, in the face of these destabilizing natural disasters but also geopolitical instability was significant for the capacity building bullet.

Gerri Walsh asked how the Problem-Solving and Tool-Kit building was progressing. She asked whether someone had taken charge of the effort. Cova answered that the work had begun during the GEM Workshop in 2017 and had continued that morning during the 2018 GEM Workshop. There had been such a wide array of priorities across the different Workshop participants that simply electing five initial priorities of focus was the first major step. It was major because of the dearth of resources, and the feeling of being overwhelmed by so many pressing priorities which was a common attitude across jurisdictions. Now resources were being pooled and stakeholders identified vis-à-vis these priorities of focus.

Ana Leoni said that she wondered how to put the experiences and content in a place where the resources can be shared efficiently among the Workshop participants. She felt the Chapter needed a more efficient hub to share tools and resources. Leoni said that ANBIMA was using LinkedIn, Facebook, and other social media platform to perform this function. Cova agreed and gave examples of how this type of resource-sharing was functioning on a smaller scale in his home jurisdiction. The shared material was shared across the collaborating groups' websites.

Erica Richardson at the British Columbia Securities Commission (BCSC) spoke about the vast array of resources and toolkits housed on the BCSC website. She said the shared aspect was invaluable, and for that reason she liked Leoni's idea of using social media.

Walsh gave two examples. One was a military spouse project conducted by the FINRA Foundation. Walsh shared that FINRA had struggled until they brought in authentic military spouse leadership to run the effort. Now the effort was doing very well. Walsh was also involved in an effort overseen by the CFTC, but it had its own issues of fostering more of a CFTC monologue than a collaborative conversation. Walsh told Cova that he may be a more authentic leader in the Caribbean jurisdictions than a representative from an organization such as FINRA, although FINRA was more than happy to commit available support. Walsh also made a point about the potential problematic optics of one organization taking the single leadership role during an initiative. It was always important for respective organization members to report back to their organization to show value in order for the efforts to continue.

Cova moved to the next agenda item, an overview of Chapter initiatives and programmes for 2017-2018. Already webcasts were being planned for to follow up on the previous year's handful of webcast/webinar content items. Colleagues from South America would be presenting on developing and enhancing apps for investor education. Cova said that the landscape in Africa and South America was moving to mobile phones, and it was important for Members to recognize that. Now a simple smart phone was allowing people around the world to be financially included.

Leoni made a humorous remark that she no longer understood how today's mobile devices could be simply terms a "phone." Smart phones performed so many more functions than placing calls that a new word was perhaps needed. The Chapter Meeting participants laughed in amusement.

Cova touched on the IFIE and IFIE Americas did regional projects activities related to IOSCO's 2017 World Investor Week (WIW). In the Caribbean, what was done was a collaborative initiative, including video contests, new resources like webcasts, and more. In English and Spanish IFIE broadcast a webinar about using a live event to bolster social media following and vice versa. In 2018 something similar might be attempted despite resource constraints. Topics would continue to center around fostering resiliency.

Leoni shared that in Brazil, financial professionals were central to providing education but as advisers also helping clients and thus the overall economy. The Chapter should focus more there and cited how such efforts had been beneficial in Brazil. Educating the financial professions had several positive impacts, and perhaps the Chapter could invest more time in content that targeted professionals. Stammers said that this point actually tied right into the notion of trust, or lack thereof, in the markets. Cova said that among his Dutch jurisdictional colleagues, this was called behavioral supervision. You could either force people or educate them to do the right thing.

Leoni said that just two years ago, ANBIMA underwent a transformation to focus more on behavior and best practices in their investor education programming. At the end of the day, the goal was to help people who had emotions, not robots or mindless accounts.

MacDonald said that she agreed with Leoni's comments. She added that what her organization had found was that investors don't make the best decisions because they over-rely on advice from professionals who also may be making extra money on fees and sales incentives. The investors themselves should be receiving some level of education, and that was a large part of what BCSC was doing with their outreach programmes that taught investors about advisory fees.

The next item on the agenda was an overview of initiatives and discussion by members of regional priorities for the upcoming year. The first to speak was Ana Leoni to update the Chapter on developments in Brazil. Leoni touched on new research information was being provided to their members. Upgrades were also being implemented to improve inter-member communication. Fabiola Benotti added that there was an online course for youth title "How to Invest in You" now available at 10 different Brazilian Universities. The ANBIMA website "How to Invest" would be featured in the webcast in June. Digital analytics illustrated the rising success of their new programming. Leoni added that the overall effort was relatively inexpensive and that the payoff and impact were huge.

Schock asked about the difference between approving to the programme and being approved to the programme. Leoni explained that the programme was similar to a school course, and there were limited spots available at the 10 participating universities. The course was generally considered an "elective."

MacDonald said she was very interested to see the Brazilian relationship with money. She said she thought the programme was great and truly engaged investors' attention in a way that taught investors about themselves.

Leoni said that ANBIIMA had data available on all the discussed on their website.

Valentin Sanchez of the Superintendence of the Stock Market, Dominican Republic, was next to speak. The 2017 IFIE-IOSCO Conference in Rio de Janeiro was his first, making this his second year in attendance. Sanchez said that when he showed his colleagues in the Dominican Republic all the information and presentations he had been exposed to in Rio, his entire organization realized that they needed to get started immediately to begin their own programme. They had no idea what other countries and jurisdictions were doing.

Currently the Superintendence of the Stock Market was extremely active in collaborating with fellow jurisdictions like Peru and other WIW participants. They were disseminating educational material in schools and out of nowhere it seemed a full fledged FCIE programme had emerged. The Superintendence of the Stock Market in the Dominican Republic was a major IFIE-IOSCO Conference success story. Cova thanked Sanchez for his presentation.

Lori Schock summarized recent developments at the U.S. SEC. Currently, most of the focus was on cryptocurrency, bitcoin, fintech and ICOs. SEC maintained that regardless of underlying assets, ICOs were securities and therefore within jurisdiction. Schock mentioned that the comedian John Oliver had said in his television show that there were over 30 ICOs a day; that simply wasn't sustainable. Additionally, SEC was working on updating the pension programme for U.S. veterans. Schock also noted the 100+ percent uptick in cryptocurrency-related complaints.

Gerri Walsh then spoke about the activities of FINRA and the FINRA Foundation. Walsh mentioned that she and Schock do many presentations together, and recently had collaborated on workshops for the new military retirement system. This was under the auspices of the Investor Protection Campaign, which has five strategic goals: to protect investors from fraud; enhance military financial capability and readiness for retirement; to foster sustainable financial capability programmes at the community level (some of which parlayed into delivering disaster resilience to disaster zones); to benchmark, analyze and communicate national financial survey data; and finally investor education. The fifth and final mandate of investor education focused on volatility and cryptocurrency.

MacDonald introduced the British Columbia Securities Commission (BCSC), which operated under the Canadian Securities Administrators (CSA). A campaign called aretheyregistered.ca aimed to teach investors to research whether their investment professional was a registered adviser. A new piece of the Canadian regulatory landscape was a new law forcing brokers and investment professionals to be more transparent about advisory fees and the impact that those rates can have on investments over time. BCSC was in the midst of several campaigns spreading knowledge about fees, specifically to align with the changing regulation. Other educational campaigns centered on upcoming regulations and preparing them for shifting environments.

Bob Stammers of the CFA Institute explained that the organization's mission was to be a leader in education and certification of investment professionals globally, but the Institute also acted as an advocate for investors. Stammers' group provided education to both investment professionals and investors/clients alike, and there was also a huge focus on ethics. Stammers described the jurisdictions in which CFA Institute was conducting a global and market reports, which would be housed at [www.NextGenTrust.CFAInstitute.org](http://www.NextGenTrust.CFAInstitute.org). Stammers also worked on pieces for consumers focused on fees, questions to ask your advisor and on the 10 Investor Rights. Stammers wondered whether some of the work could be reworked to be used in the Caribbean.

Cova of Central Bank of Curacao and Sint Maarten (CBCS) discussed resiliency, both for people and markets, in the face of the hurricane devastation. CBCS was also devoting more money and resources

to dealing with ICO issues that they would like to. There was even internal disagreement at CBCS on how to proceed with regulating cryptocurrency. Cova said that partnerships were helping his organization through European Central Banks, but discussions were ongoing on how best to deploy programming, whether adopting a broad financial education curriculum or an entrepreneurial-focused curriculum.

Regarding the next agenda item, the discussion of IFIE-IOSCO Global Conference follow-up relevant to the IFIE Americas Chapter membership, Cova thanked Schock for suggesting this topic. Cova asked for any specific topics for Americas Chapter follow-up (separate from the GEM Toolkit).

Walsh said that one area where there might be value was having the Americas Chapter assemble brief learnings and take-aways from the 2018 IFIE-IOSCO Conference sessions. A survey could then be conducted which of these learning most interested the general Chapter Membership, and then a webinar could be organized related to the topic. Cova and MacDonald both agreed. Cova said that it seemed the new trend was shifting each year. MacDonald said it had, and at a faster rate, and that it behooved their field to stay prepared. Cova said this tied right back into resiliency.

Cova reminded the Chapter that follow-up on the topics raised was crucial. Cova summarized the various items raised and he thanked all the Chapter members present.

With no more business to conduct, Cova adjourned the 2018 IFIE Americas Chapter Annual Chapter meeting at 15:30 JST.