

Bucharest Stock Exchange presented its Report on Financial Literacy Task Force during FEAS's WoCo Meeting in Muscat, Oman

Press Release

Muscat, 2019: The Federation of Euro-Asian Stock Exchanges (FEAS) announces the **28th General Assembly and Working Committee Meeting** in Muscat, Oman on October 23, 2019.

Having Research and Task Forces as two basic pillars of FEAS strategy, today's Working Committee discussed and accepted the results of Task Forces led by FEAS Members. Bucharest Stock Exchange (BVB) presented the report on Financial Literacy task force.

"Trends do not exist in 21st century without the notions of financial inclusion and digital inclusion. And the financial inclusion can't exist without the premises of sound financial education. With this, our money related decisions and actions are meant to be successful. Financial education is the tool we can have starting an early age or later in life which can help us planning for the future. And it is our responsibility now to take action and leave something for the future generations. We are glad that, together with Athens and Muscat stock exchanges, we coordinated a financial literacy study for 12 countries of the FEAS region, which is relevant because, even though the degree of economic development differs, the need of increasing the level of financial education is universally valid" - **stated Lucian Anghel, Phd, Chairman of the Bucharest Stock Exchange and leader of the FEAS working committee on financial literacy.**

FEAS ran a financial literacy survey during spring 2019, to which input was received from 15 of its members, representing 12 markets, which at end of 2017 cumulated a total GDP of USD 2,430 bn and a population of 451 mn. With a life expectancy at birth between 70.038-81.388 years and a primary school enrolment varying between 89.45%-107.96% (WB statistics for 2017) for the 12 markets, it is even more important for these markets to take action on financial education side, as the pool of population is there and the enrollment in school can offer the premises for an early age education.

Even though the stock exchanges in 10 out of 12 markets ran financial education programs, in some of them there is the need of the involvement of the private sector to make the outcome better, while in all markets a country strategy for financial inclusion and the active involvement of the government in implementing it are considered of utmost need for the medium and long term success of any financial literacy program or project. The respondents of the FEAS study consider the increased involvement of the local regulator in education programs for the purpose of developing financial education (in only 3 markets the regulators have programs and invest in increasing the financial education degree).

Fiscal facilities are considered by the survey respondents as very important for the development of capital markets, especially for the least developed ones. Among the examples of fiscal facilities offered by the respondents can be mentioned:

- Tax incentives for individuals/institutions investing in the financial products listed on the stock exchange. In particular, capital gain, dividend and interest from securities listed on the stock exchange are exempted from corporate income tax and individual income tax.
- Trading of government bonds to be tax-free.
- Incentive policies such as tax breaks for traders and issuers in capital market.
- Listed companies' income tax discount (10%-20%); recent discount on trading tax (from 0.5% to 0.1%) payable by sellers; credit lines provided by brokerage firms to the investors.
- Preferential taxation for certain kinds of securities under special conditions.
- Gains arising from the disposal of securities to be exempted from income tax.
- Trading to be exempted from taxes.

Respondents to the FEAS study largely consider the need to improve cooperation between stock exchanges in order to transfer best practices and successful examples in the field of improving financial education, including for accessing regional funds from various international donor institutions in order to improve financial education.

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About FEAS: The Federation of Euro-Asian Stock Exchanges (FEAS) was established on 16 May 1995 with 12 founding members.

The purpose of the Federation is to contribute to the cooperation, development, support and promotion of capital markets in the Euro-Asian Region (i.e. Europe, Asia and the Mediterranean Basin).

Currently there are 38 members. For information about FEAS, its members and activities, please visit www.feas.org.

About Bucharest Stock Exchange: BUCHAREST STOCK EXCHANGE runs markets for shares, bonds and other instruments, through regulated platforms and alternative systems, and provides a wide range of services to participants of financial markets.

Bucharest Stock Exchange is a public company, listed on its own market since 2010. For more information refer to WWW.BVB.RO

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