



CONSOB

COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

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External relations and investor education

The initiatives designed to inform the public about the role Consob plays and to increase investors' knowledge of the characteristics of financial instruments and the rules governing the operation of securities markets (investor education) continued over 2001.

The development of a financial culture has improved investors' ability to protect themselves by enabling them to play a more active role in the selection of financial instruments and the assessment of risks. Better informed investors can also make an important contribution to Consob's supervision of the industry by reporting abuses, fraudulent practices and improper behavior. Investor education is receiving considerable attention from regulatory authorities in other countries and is encouraged by the International Organization of Securities Commissions (IOSCO).

Consob's website (which was launched in 1998) has been identified as the main channel for the dissemination of information on the Institute's activity in view of its effectiveness and extensive reach and in consideration of the growing number of visitors (Table IX.3).

In particular, a new area called "Investor education" has been added with sections providing information on two types of financial instruments that have become widely distributed among the public: covered warrants and reverse convertible bonds. The sections contain detailed descriptions in user-friendly language of the characteristics of these products and explanatory animations that can be consulted online or downloaded.

In addition, easy-to-use calculators are available that, in just a few steps, allow potential buyers of these instruments to obtain helpful indications on the investment to make. For covered warrants it is possible to compare similar products present on the market, while for reverse convertibles it is possible to verify the congruousness of the price of the put option they incorporate.