

SIU: CAN DECISIVE PROGRESS BE MADE WITH THE CURRENT PROPOSALS?



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From strategy to delivery: Member States must now act on the SIU

The Savings and Investments Union (SIU) Strategy, launched in March 2025, brings together a coordinated set of EU-level measures with complementary national reforms to deepen, integrate and strengthen the functioning of European capital markets. By tackling supply and demand, the SIU aims to boost efficiency, scale, and market connectivity. On the supply side, the Market Integration Package and targeted measures on securitisation seek to improve liquidity, transparency and investor confidence, reduce fragmentation across Member States, and unlock long-term financing for strategic sectors such as infrastructure, energy transition, innovation and digitalisation. On the demand side, the Recommendation on Savings and Investment Accounts (SIAs) and the supplementary pensions package – including reforms to Pan-European Personal Pension Products (PEPP), updates to IORP II, and Recommendations on auto-enrolment, pension tracking systems and dashboards – as well as fostering a culture of informed long-term investment through financial education aim to expand households' opportunities to invest efficiently, encourage long-term savings behaviour, and build trust in market-based financial instruments. Taken together, these initiatives are intended to create a more resilient, competitive and interconnected European capital market that channels Europe's high level of savings into productive investment across the Union.

By tackling supply and demand, the SIU aims to boost efficiency, scale, and market connectivity.

For savers, investors and companies, the SIU is expected to deliver clear and practical benefits. Citizens will gain access to simpler, more transparent and potentially tax-efficient savings vehicles alongside well-governed pension products, which over time can offer higher long-term returns compared with funds held primarily in bank deposits. Early visibility of consolidated pension entitlements through tracking tools enables individuals to plan retirement more effectively and make informed financial decisions throughout their working lives. For companies, deeper and more liquid capital markets improve access to financing, enhance price discovery for debt and equity issuance, and support long-term investment strategies that foster innovation, productivity and job creation.

While some improvements may already be visible within the Commission's current mandate, the full impact on market depth, cross-border integration and efficiency is expected to materialise progressively over the medium term, strengthening both investment flows and economic resilience across Europe.

The SIU's emphasis on joint efforts reflects the reality that many of the most powerful levers for success – including taxation, supplementary pension design and financial literacy – remain at national level. Ensuring consistent and timely delivery therefore requires strong cooperation between EU institutions and Member States. The Commission is monitoring progress closely in those areas, providing guidance and technical support, and encouraging Member States to translate Recommendations into concrete national reforms. In parallel, the co-legislators are expected to advance the various legislative files on the table, including the ambitious Market Integration Package, and implement measures that reduce cross-border barriers and improve access to capital markets.

The key conditions for success are clear: sustained political commitment from Member States, coordinated action across EU and national levels, and the willingness to prioritise reforms that foster market integration. A truly integrated single market for capital is far more beneficial for companies and citizens than the sum of its national parts. Achieving greater scale, removing the barriers that continue to constrain cross-border investment, and broaden participation in retail investment and supplementary pensions are essential if Europe is to compete globally.

Our goal is to make life easier for investors and firms so that they do not feel compelled to leave in search of more profitable markets or markets where they find support to grow and expand.

The time for action is now. This is not business as usual. EU Leaders have made clear the urgency of moving forward. Delays risk weakening the Strategy's momentum, and Europe cannot afford to wait, given the urgent need to create the right conditions for investment and growth and unlock the full potential of the Single Market.

The Commission has taken decisive action and will continue to monitor progress towards an ambitious, positive, forward-looking structural change of our capital markets, supporting Member States along the way.



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Completing the Single Market: time for market integration

Europe's capital markets are too fragmented, too shallow and insufficiently integrated to match our economic ambitions. What has too often been missing is delivery. Today, however, we have a concrete legislative agenda on the table. The question before us is clear: are we ready to translate shared diagnosis into genuine market integration within a clear and credible timeframe? 30 years after the launch of the Single Market, the EU must complete its financial integration.

The urgency is not theoretical. The Draghi and Letta reports converge on a clear assessment: fragmentation is constraining Europe's growth potential. According to the European Investment Bank, nearly half of European firms consider access to finance as a barrier to investment, despite the Union's abundant savings. This paradox should concern us. A continent rich in savings should not struggle to finance its own innovation, defense or industrial transformation. Yet capital still circulates imperfectly across borders; supervision remains largely national; scale remains regional. The cost of this mismatch is increasingly visible, resulting in slower scaling of start-ups, fewer global champions and reduced capacity to finance our strategic priorities. Fragmentation and national barriers are not a technical inconvenience; they represent a strategic weakness.

Addressing fragmentation requires coherence. Experience has shown that supervisory convergence alone, however valuable, has not sufficed to deliver genuine integration. Where markets operate cross-border, national supervision inevitably generates inconsistencies, duplications and, at times, regulatory arbitrage. Moving towards stronger European-level supervision is therefore not about institutional centralization for its own sake. It is about ensuring that harmonized rules are applied consistently, risks are monitored effectively and market participants operate within a truly European framework. Market integration and credible European supervision are mutually reinforcing dimensions of the same objective: improve the competitiveness of our capital markets.

Deep and integrated capital markets are a central lever for competitiveness. European companies compete in global markets where access to large pools of risk capital is decisive. When financing conditions vary significantly across Member States and cross-border investment remains cumbersome, our firms face higher costs and reduced opportunities to scale. Greater integration would lower the cost of capital, increase liquidity and allow firms to tap a truly continental investor base. It would strengthen the attractiveness of European financial centers and help retain innovative companies within the EU.

This agenda is also about simplification. Fragmentation multiplies reporting requirements, supervisory interfaces and compliance costs for firms operating across borders. A

more integrated framework, combined with clearer allocation of supervisory responsibilities, can reduce duplication and provide a single reference point for market participants. By aligning supervision with the integrated nature of markets, reducing unnecessary complexity and making the rulebook more coherent, we can enhance both legal certainty and market efficiency.

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These discussions raise key questions regarding national competences and institutional balance, and it is essential that progress is built on trust and inclusiveness. Market integration must take full account of the diversity of financial systems, with due respect for proportionality and for the specificities of market structures and sizes across the Union. At the same time, fragmentation is a European challenge that ultimately requires a European response. Preserving the status quo would only perpetuate inefficiencies and constrain our collective potential. We should set ourselves a clear and shared objective: to conclude the negotiations on the integration and supervision package by the end of 2026 on the basis of a balanced and comprehensive reform. Achieving this will depend on strong political ownership in all Member States to move decisively, and translate a political momentum into concrete outcomes that must be commensurate with the diagnosis we all share and the urgency to act.

The SIU now rests on clearly identified priorities, including relaunching securitization, improve the mobilization of European savings, harmonize our corporate laws, and enable integration through European supervision. Dispersion would be counterproductive, as an open-ended agenda has, at times, dissipated the momentum required to adopt necessary reforms. As we have concrete proposals, the task ahead is to deliver them fully, timely, and consistently.



AVGI CHRYSOSTOMOULAPATHIOTIS

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Europe's savings paradox: turning capital at home into growth at home

Europe is not short of savings. European households and institutional investors accumulate substantial financial wealth every year, yet a large share of this capital continues to be invested outside the European Union. This paradox weakens Europe's capacity to finance innovation, the green and digital transitions, defense, and long-term competitiveness. The Savings and Investments Union (SIU), launched by the European Commission in 2025, is designed to address this gap by reconnecting European savings with European investment needs. A series of legislative initiatives have been undertaken in implementation of the SIU, with the proposal on the Market Integration and Supervision Package (MISP) having a prominent place. The ultimate goal is to mobilize EU citizens' savings, which are being overwhelmingly held in deposits, into productive investments financing the growth of the EU economy.

At the monetary level, stable and credible price conditions are a prerequisite. Low and predictable inflation, supported by a clear monetary policy framework, reduces uncertainty and encourages long-term investment. At the same time, deeper and more integrated capital markets allow monetary policy transmission to rely less exclusively on banks and more on market-based financing, which is essential for innovative and fast-growing firms that do not fit traditional lending models. Improved risk-sharing across borders would also make European assets more attractive relative to non-EU alternatives.

The SIU aims to turn Europe's savings surplus into long-term investment for Europe's future.

From a macroeconomic perspective, Europe needs a growth-friendly environment that rewards productive risk-taking within integrated and liquid capital markets. This includes reducing fragmentation between national capital markets, increasing simplification, reducing unnecessary regulatory burden, accelerating time to market for financial products and intermediaries and creating sufficient scale for private equity and venture capital markets. When investors face increased compliance costs impacting their returns, they will push capital abroad. A more integrated market lowers barriers and improves the risk-return profile of investing in Europe, particularly in small and medium-sized enterprises and innovative companies.

Structural conditions are equally decisive. Europe's financial system remains heavily bank-centred, while equity financing and long-term institutional investment are underdeveloped

compared to other global markets. The SIU addresses this by promoting diversified savings products, enhancing the financial intermediation role of asset management, strengthening supplementary pensions, and encouraging retail participation in capital markets. Greater financial literacy and simple, transparent investment products can help households move part of their savings from low-yield deposits into long-term investments that support European priorities.

As SIU measures are implemented, market participants should expect more harmonized rules and integrated and interoperable market infrastructures. Asset managers and investors will benefit from easier and accelerated cross-border distribution of products, more convergent supervision, and a gradual reduction of barriers that currently limit scale. Companies, especially high-growth firms, should see broader access to equity, venture capital and securitized financing, reducing over-reliance on bank credit. Over time, this can lower the cost of capital and support investment in strategic sectors such as clean technologies, digital infrastructure and defence.

Citizens are likely to notice changes more directly in how they save and invest. New or upgraded savings and investment accounts, clearer disclosures, and stronger consumer protection should make capital market participation simpler and safer. Pension reforms and tracking tools can also increase confidence in long-term investment, linking personal wealth accumulation with Europe's economic future.

Ultimately, mobilizing European savings for European objectives is not about forcing capital to stay at home, but about making Europe an attractive place to invest. If the monetary, macroeconomic and structural conditions align, the SIU can transform Europe's savings surplus into a powerful engine for resilience, innovation and strategic autonomy.



STÉPHANE BOUJNAH

Chief Executive Officer and Chairman of
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Europe's strategic autonomy begins with unified capital markets: A Euronext view

As we face a changing world order, strengthening European capital markets is no longer just an economic objective, but a geopolitical necessity. To finance defence capabilities, energy resilience, technological leadership and industrial capacity at the required speed and scale, Europe must mobilise more private capital. This demands deeper markets, retail participation, stronger pension systems and a supervisory structure that match the reality of European financial markets. Further action is therefore needed on bringing retail investors to capital markets, ensuring European strategic autonomy, putting in place an efficient supervisory structure and simplifying European regulation.

Mobilising retail capital is central to improving liquidity and directing European savings into productive investment. Retail participation in capital markets currently remains constrained by fragmented rules, cultural risk aversion and insufficient incentives. At Euronext, we fully support the proposals included in the Savings and Investment Union, aiming at a structural shift in European investment culture. This includes stronger incentives for long-term capital allocation, including initiatives to create Savings and Investment Accounts, pension reforms that increase exposure to capital markets and enhanced financial education. In adopting measures to improve retail participation in capital market, a continued focus on trust and transparency will be necessary.

**We must recognise that veritable
European businesses require
European solutions.**

In the post-2022 geopolitical landscape, Europe must also channel investments into the sectors that underpin its long-term security and competitiveness. This means ensuring that strategic industries can access markets efficiently. At Euronext, we have therefore launched a comprehensive set of initiatives in Energy, Security and Geostrategy the “New ESG” designed to underpin Europe's strategic autonomy and provide tailored financing solutions. These initiatives aim to ensure that companies critical to Europe's security and resilience can raise capital efficiently and transparently.

Furthermore, strengthening European capital markets requires unified supervision across Europe. Over the past 25 years, Euronext has developed into a distinctly pan-European market infrastructure. Through the gradual integration of the markets in which we operate, we have established a unified platform that supports market participants across

multiple jurisdictions. As the leading listing and trading venue in Europe, Euronext now delivers services across the full capital-markets value chain: trading, clearing and settlement via 8 regulated markets, 2 CCPs and 5 CSDs. Meanwhile, the supervision of our operations remains largely national. This disconnect creates complexity, fragmentation and delays. **We must recognise that veritable European businesses require European solutions.** Centralisation of supervision for major cross-border entities, as envisaged in the Market Integration Package, would reduce inconsistencies, enhance clarity for market participants, instil trust for investors and allow Europe's capital markets to operate more efficiently. If Europe is serious about financing its strategic priorities at scale, supervision must be aligned with that ambition.

Finally, delivering on Europe's strategic ambitions also requires a smarter regulatory framework. By streamlining and harmonising rules, while preserving high standards of transparency and market integrity, the EU can facilitate listing and strengthen its competitiveness as a global financial centre. The current commitment of the European institutions to remove duplicative and obsolete reporting obligations by 25% is a welcome initiative, but more significant measures towards burden reduction are necessary.

The objective is clear: Through integrated markets, cross-border liquidity, innovation in listings and debt financing, and enhanced investor access, we can help channel European savings into strategic priorities. Europe has the capital, the talent and the expertise. We need to have the courage to deliver the speed, scale and strategic impact that this new geopolitical era demands. A stronger and more autonomous Europe will be built not only through ambition, but through deeper, faster and more unified capital markets. The first step is to take bold action in the Market Integration Package.



KATARINA KRALJEVIĆ

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SIU - enough talking, let's do it

Decisive progress is essential in order for Europe to make use of the still untapped potential of our capital markets. They can play a crucial role in boosting Europe's competitiveness by offering companies broader financing options, while also being helpful against pressurized national budgets and for a strengthened financial health of EU citizens.

However, it's undeniable that the clock has been ticking for many years. The former Capital Markets Union never was a success story, unfortunately, and now, the Savings and Investments Union (SIU) represents a re-launch, which pursues similar objectives from a slightly different angle, and which has created a significant political momentum in recent years.

In my view, to turn the SIU into a genuine success, progress must not only be decisive but also rapid. Europe can no longer afford further delays.

Overall, the Commission has been doing a laudable job on the SIU since taking office in late 2024. The right priorities, which are capable of delivering step change, have been identified.

First, many EU citizens do not benefit from incentivized and simple savings and investment accounts (SIAs) today. They are available in some Member States only. Hence, the fact that the Commission recommended Member States to study and implement the SIA blueprint, which it proposed last autumn, is a welcome initiative. If properly designed, in particular when combined with favorable tax treatments, SIAs can be an impactful tool to help citizens engage with capital markets and take the next steps toward growing their savings.

Sweden provides a strong example of how a well-crafted SIA framework can deliver tangible benefits. Its model is built around a very straightforward tax structure that is easy to understand: taxation is based on the overall annual balance, and financial intermediaries handle the administrative procedures. Importantly, the Swedish state has not experienced any significant loss of tax revenue, according to what we hear from domestic stakeholders.

This should help reassure other countries that establishing SIAs does not necessarily entail a substantial risk of seeing a big hole in their public finances. Second, the Commission's pensions package from last November has the potential of being a real gamechanger too. Decisive progress can be achieved if the proposed measures are followed up appropriately and fast. The biggest impact in practice would perhaps be the suggested auto-enrollment in pillar 2 pensions, i.e. the automatic inclusion of workers in supplementary pensions.

Besides all advantages for citizens, an increase in the popularity of pillar 2 pension in Europe, combined with

stronger (ideally cross-border) pension funds would, in addition, bring some much-needed liquidity to Europe's capital markets. When reflecting about gaps and what is still missing, I would point to simplifications. Europe's current capital markets structure is not only fragmented on the ground, so to speak, but also in regulation.

Take a simple example: why must we present citizens pre-contractual information in each of our core markets in different formats within the same mobile banking app before they purchase a financial instrument? Fragmentation is not only inconvenient and costly, but also unnecessary. There is a wide room for manoeuvre to further harmonize and simplify our legislative texts. The recently agreed Retail Investment Strategy was a great occasion to do so, but our first impression is that by far not all available potential has been used.

**Commitment, seriousness and speed
are essential to deliver tangible
results before it's too late.**

Less burdensome regulatory frameworks, in general, would help banks free up resources to improve their role in both traditional bank lending as well as being an intermediary for financial markets activities. Finally, a sensible reform of the securitization ruleset, where the Commission delivered another very decent proposal, and, ideally, restored, 'old' equity investment risk weights, which faced a significant increase in the latest Capital Requirements Regulation review, would be additional measure that help banks in their function as intermediaries, enablers and actors of capital market development.

To sum up, the momentum is there and real gamechangers have been proposed. Let's be faster and more serious with the SIU than was the case with the CMU, and also serious about simplified and less burdensome regulation. Let's walk the talk.



CAREY EVANS

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Growing European capital markets: a shared agenda

The goal of deeper, more vibrant capital markets is rightfully a key pillar of Europe's competitiveness agenda. Progress will require a focus on both increasing the supply of capital invested in European markets and stimulating greater demand for capital from European companies to invest and grow. This will require shared efforts across public and private sectors, at both EU and national level.

Capital markets are ecosystems that rely on the willing participation of a range of actors: from the savers who invest their capital to generate returns; to companies, governments and others that draw on that pool of savings to fund capital spending or investment; and a range of specialist intermediaries in between with the commercial incentives to innovate and improve market efficiency.

Like any ecosystem, success is rarely contingent on one part. Despite the urgency of the political agenda, there are unlikely to be quick, simple policy wins, and the most impactful changes may take time to bear fruit.

Capital markets are ecosystems, success is rarely contingent on one part.

On the supply side, the focus should be on growing a deeper investor base. Europe does not lack capital, but high savings rates do not translate into high levels of either direct retail/household investment or deep pools of funded pensions outside of a few Member States.

These two segments are critical foundations for capital markets. Retail investors bring important depth and diversity to capital markets. US households make up around 40% of the capital invested in US equity markets; in Europe, that number is closer to 10%. Pension funds, with their long-term investment horizons, are important investors across both public and private markets.

Addressing these 'supply' gaps in Europe's capital markets requires both conducive regulatory frameworks and appropriate incentives for savers to start investing. Encouragingly, on many fronts, these discussions are moving in the right direction.

Savings and Investment Accounts which make it easier and more attractive for citizens to invest in a broad range of assets are a practical step forward. Further, the new simplified advice framework under the Retail Investment Strategy (RIS) will enable the development of innovative services and products which

improve investor outcomes, strengthen trust, instill confidence, and gradually enhance financial literacy across the EU.

Looking further ahead, the focus on the Pan-European Personal Pension Product (PEPP) presents an opportunity to design a more effective and compelling retirement solution. A well-calibrated PEPP could unlock long-term pension savings and support cross-border investment particularly in Member States where personal pension markets remain underdeveloped.

Efforts to increase investor participation and grow long-term savings are welcome on their own merits. But without an increase in 'demand' – more companies using capital to grow – additional capital supply could end up competing for the same existing investments, driving down returns without necessarily funding new economic activity.

Many European companies are today net savers, that is, they are retaining more in earnings than they are spending on investment. Policies that seek to increase investor participation in capital markets should be balanced with policies that promote business investment and hence, drive greater demand for capital from European companies.

Beyond the fundamentals of supply and demand, market structures and intermediaries can realise cross-border efficiencies in Europe which will make capital markets more effective. This again requires both public and private sectors working towards common goals. Regulatory change needs to create cross-border synergies, avoid adding new layers of requirements, as well as preserve the commercial incentives to innovate and improve service delivery across capital markets.

Asset managers will continue to play a central role in bridging savings and investment opportunities in Europe. Some of the proposed changes in the Market Integration and Supervision Package (MISP) – such as greater harmonisation of marketing rules, true reductions in supervisory duplications and reduced cross-border fragmentation – can deliver meaningful efficiency gains and help reduce costs for European savers.

At the market structure level, proposals that support innovation and digitalisation may further enhance market efficiency and open new channels for investment over time.

An impactful policy agenda could help Europe seize the momentum to catalyse meaningful long-term change. Deeper capital markets in Europe have the power to drive economic competitiveness, and at the same time, help more Europeans share in the upside of economic growth.



CHARLES BOUFFIER

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Is the SIU effective in mobilizing savings to finance the EU's investment needs?

With the Savings and Investment Union (SIU), the European Commission is reviving its ambition to better direct household savings towards the financing needs of the real economy. The objective is clear: greater depth, growth, and integration of capital markets, to mobilize hundreds of billions of euros each year to address the climate, technological, and geopolitical challenges that the Draghi report estimates will amount to between 750 and 800 billion euros per year by 2030.

The Savings and Investment Union project is at a crucial turning point, caught between the promise of genuine economic mobilization and the risk of creating a “fast fashion” of finance. As Aéma Groupe, a leading mutual insurer protecting 12.1 million people and managing over €200 billion in ESG assets through Ofi Invest, we warn against the risk of excessive standardization that encourages superficial savings which fail to serve long-term economic, societal, and environmental transitions.

Retail savers and institutional investors: the actors in the supply of capital

Regarding retail savers, the SIU wants to redirect part of the ~10 trillion euros that are lying dormant in bank accounts towards market instruments offering better long-term returns. On the menu: the European savings and investment accounts, label finance Europe, auto-enrollment, pension dashboards and financial education initiatives, all of which are key to building a genuine culture of investment in stocks and bonds. On this last point, with only 18% of EU citizens demonstrating a high level of financial literacy, the education gap leaves individual investors vulnerable to the allure of speculation. The SIU must prioritize building close relationships, particularly those fostered by mutual insurers who establish trust-based relationships rather than mere clicks, as offered by digital platforms.

For institutional investors, the Commission seeks to influence the product supply: simplification of securitization, adjustments to prudential rules to encourage long-term shareholding, EuVECA revision to boost venture capital and growth capital, and reduce tax and operational barriers that discourage cross-border allocations.

While these measures are a step in the right direction, it is regrettable that they are not sufficiently bottom-up and do not adequately consider the specific characteristics of each domestic market. In France, for example, it would be better to take into account the important role played by insurers and to continue working on adapting the Solvency regulatory framework.

It is also necessary to accelerate the pace. Only 10% of the proposals in the Draghi and Letta reports have been implemented. That's not fast enough.

Insurers: tangible progress, but obstacles remain

Key players in investment, insurers are at the heart of the mechanism for financing the investment needs of the European economy. The Commission plans to amend the Solvency II delegated act to specify the eligibility criteria for favorable prudential treatment of the long-term equity investments, including in “strategic” projects. Coupled with a simplification of securitization due diligence, this development should improve the return/capital consumption trade-off on long-maturity assets —infrastructures, innovation, transition.

Several constraints persist and hinder the rise of the SIU (heterogeneous taxation, incomplete convergence of supervision, limited market depth). Unlike the Capital Markets Union, which failed to translate intentions into action, the SIU launch was successful and the European Commission has begun to establish a calendar and governance.

She has therefore acted, but now it is necessary to accelerate (because the world outside Europe is changing faster than before), and to translate intentions into real activity.

Combine top-down and bottom-up approaches to succeed in SIU.

The top-down vision is undoubtedly necessary to take into account the overall needs of Europe, but it should not be forgotten that, for implementation, a bottom-up approach remains very useful to take into account the specificities of each savings market.

If the course is maintained, the SIU can trigger the change of scale needed to enable better-rewarded European savings, better-financed businesses and a more financially integrated and competitive Europe.