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### Speech

Good afternoon, ladies and gentlemen.

Firstly, I would like to thank the Eurofi team for making this conference possible under such challenging circumstances. We are clearly not operating in a business-as-usual environment, and I commend the whole team for adapting with such agility and determination.

Today, I would like to speak about our efforts to strengthen Europe's competitiveness through a more effective financing ecosystem. To do so, it is important to first set the scene and to understand the geopolitical context driving our decisions.

In many ways, the fact that I am addressing you virtually rather than in person already signals the shifts we are witnessing.

Ladies and gentlemen, Europe has too often been a reactive global power. The task before us now is to become more proactive, and to prepare for a new normal. That is the context in which I would like to frame my remarks today.

Over the past six months, since we last met in this forum, the Savings and Investments Union has advanced significantly.

We describe the SIU as a connector of savings and productive investments – and in that time, the Commission has actively engaged with all stakeholders to develop both sides of this equation.

On one side, we are working to turn citizens from mere

observers of the economic forces at play to active participants in it. This means better financial skills for Europeans, and more opportunities for them to invest their savings in productive assets.

We have put forward the first European financial literacy strategy aiming to equip citizens with the confidence to manage their money, save and invest – and to move beyond low-yield bank deposits as the default option for their savings.

And just a few days ago, we had the first meeting of the Financial Literacy Ambassadors, a concrete step in turning this strategy into action.

This brings us to the next step: ensuring that citizens not only understand the opportunities available to them but are also able to act on them in practice.

In September last year we recommended that all Member States introduce Savings and Investment Accounts to give citizens simple and accessible entry points into capital markets.

In November we complemented this with proposals to expand access to supplementary pension schemes.

Together, these are practical and effective ways to support the participation of citizens in capital markets, strengthening their financial resilience and improving long-term returns.

The second part of the SIU equation is to ensure that we have the capital to match the innovative

and entrepreneurial ambition of Europeans.

Public markets will remain central, and bringing more citizens into them will make a real difference.

But Europe already has significant financial firepower, and we must ensure it is deployed effectively.

If we are to achieve true scale, our institutional investors need the right incentives to lend to and invest in European companies and projects.

Our revision of the securitisation framework was a first step in that direction.

Since then, we have adopted further measures to foster more investments by pension funds, insurers and banks into companies, venture capital and infrastructure.

We believe that long-term investors in our economy need to have a clear path to deploy their capital at scale.

We have revised Solvency II to make it easier for insurers to invest in European businesses and strategic priorities.

In the same vein, the clarification of the prudent person principle and the proposed changes to the IORPS II Directive aim to facilitate pension funds' investment into equity and venture capital.

For both insurers and banks, we have also clarified that equity investments carried out under legislative programmes – where public support is combined with

private financing -, can benefit from more favourable prudential treatment, helping to crowd in private capital where Europe needs it most.

So, we have worked intensely to provide the incentives. We then started work to make sure that the system also provides the opportunities. We will be closely watching how these initiatives are implemented and taken forward by these institutional investors.

And this brings us to the circulation of Europe's capital markets - which, as you know, is still far from seamless.

In December, we put forward the Market Integration and Supervision Package. This package is not about incremental change or quick fixes - this is wholesale change. This package connects the two sides of our equation, and it has been designed to bring about true European scale.

It will create a genuine single rulebook to make passporting and cross-border activities a reality. This will include for example one single license to operate several local markets simultaneously - a new PEMO licence for trading venues.

It will create a truly connected market where trading venues, CSDs, and asset managers, all have access and contribute to deeper liquidity pools. Key market infrastructures need to be able to work more effectively together, and this package shows how we can achieve that.

The MISP fully embraces DLT-based innovation, supported by our revised DLT pilot regime and modernised post-trade legislation.

Importantly, this package also delivers more efficient and agile supervision. It enables single supervision through ESMA for our most significant cross-border infrastructures and crypto-asset service providers, while equipping supervisors with sharper tools to ensure convergence across the Union in all areas.

By reducing fragmentation and duplication, it creates scale, lowers costs and strengthens the

efficiency of our Single Market.

Ladies and gentlemen, since the beginning of this mandate, our focus has been clear: building a more agile Europe - one that can take strategic decisions, act faster, and that can truly compete.

That is the ambition behind our competitiveness agenda, with the Savings and Investments Union as a key driver.

But ambition alone is not enough. To deliver, we need rules that are clear, easy to use, and properly implemented.

From the outset, we have been turning this ambition into action.

We are taking a proactive look at existing rules to reduce unnecessary burdens on industry, while preserving their core objectives. Over the past year, we have delivered major simplification packages, from the omnibus on sustainability reporting, to the review of the Sustainable Finance Disclosure Regulation or the small mid-caps package.

But simplification must also translate into better outcomes for citizens. Pensions are a clear example, where complexity has too often discouraged both providers and savers.

This is why, last November, we adopted a package to simplify the Pan-European Personal Pension Product - the PEPP - making it easier for providers to offer these products across borders and for citizens to save with confidence.

Beyond this, simplification will be embedded across our broader agenda, from EuVECA and the Shareholders' Rights Directive, to measures supporting private company exits. And with the new "EU Inc." label, announced under the 28th Regime, we are creating a simpler way to do business across Europe.

Our simplification effort goes beyond Level 1 legislation. We have reviewed all pending Level 2 measures from the last mandate and are focusing only on what is truly essential. At the same time, we are working closely with the European Supervisory Authorities

to rationalise and reduce reporting requirements.

We will also make sure that the preparation of Level 2 measures for the recently agreed legislation, such as the Solvency II framework and the Insurance Recovery and Resolution Directive (IRR) will embed simplification more broadly and give a true meaning to proportionality.

But it is important to note that the Commission can only do so much in the simplification journey. To really deliver on the ground, it must run through the entire legislative and supervisory process.

Too often, complexity has been added along the negotiation pathway - through exemptions, carve-outs, additional Level 2 mandates, and gold-plating at national level. The result is a system that is harder to navigate, risks entailing inconsistencies or diluting initial regulatory objectives and therefore often undermines our ability to compete.

Simplification is not about doing less - it is about doing better. And it is often the harder path. It requires discipline and a collective effort across the entire legislative and supervisory chain, as well as a clear commitment to avoid reintroducing national preferences that fragment our Single Market.

In my discussions with financial firms, innovators and businesses across Europe - North and South, East and West, across all market sizes - the message is consistent: they want a truly integrated market that allows them to grow, scale and compete globally.

Implementation is therefore critical, perhaps the most critical stage. Because in the end, what matters is what is applied in practice.

And we should be clear about what simplification means: for industry, it should mean one rule, interpreted and applied in the same way from Dublin to Madrid and from Helsinki to Nicosia, enabling one clear decision. It should not be more complicated than that.

Ladies and gentlemen, we are turning our rulebook upside down to distinguish what is essential from what is holding us back.

I have said this before, but it's worth repeating: incremental changes lead to incremental results. In the current geoeconomic and geopolitical context, that is no longer enough. If we want to achieve a fundamentally different result, we need to act in a fundamentally different way.

And simplification must not be confused with deregulation. It does not mean lowering standards or weakening prudential safeguards.

Financial stability and market integrity are not negotiable. They are the backbone of trust in our financial system. The progress we have made since the financial crisis – more transparent markets and stronger banks, – is a European success story. We will not reverse it.

The Savings and Investments Union strategy takes a broad view. It looks at the entire European financial ecosystem – capital markets, institutional and retail investors, banks and other intermediaries – with banks playing a relevant role, as the most significant providers of funding for companies.

Over recent months, my services have been engaging with many of you to ensure that we bring about a financing ecosystem in Europe that can truly move the needle to Europe's financing capacity. And this system must also be simple and easy to use.

The SIU has been designed to make full use of Europe's financing firepower. And this begs the question: "can our banks, alongside capital markets, drive Europe's competitiveness"?

European banks are resilient and profitable – there is no question about that.

Across the Union, they still provide around two-thirds of business financing. They are the first port of call for households and a vital pillar for SMEs.

But we need to go further. I would like to see banks opening up access to a wider range of financing options and playing a stronger role in directing savings towards Europe's strategic priorities.

I would also want to see banks operating seamlessly across Member States, in both wholesale and retail markets. And supporting a more relevant and efficient European capital market.

Making full use of the Single Market is how we strengthen Europe's competitiveness while continuing to safeguard the financial stability our system relies on.

As I'm sure you are aware, we are currently consulting stakeholders on these topics.

Our consultation reflects this ambition. It spans the full banking landscape and focuses on the key issues we need to address:

simplifying the rules that have become unduly complex, while safeguarding financial stability;

completing the Single Market for banking by removing barriers and enabling banks to operate as truly European institutions;

advancing the Banking Union by assessing targeted and practical solutions;

better reflecting the diversity of our banking sector, with a stronger focus on proportionality.

As requested by the European leaders at the last European Council, we will present our bank competitiveness report by the third quarter. It will identify the key blockages to competitiveness and set out a clear path forward to deliver meaningful change.

This exercise is not mostly about fixing unintended consequences of the current framework. We want to drive a positive forward-looking agenda, one capable of supporting a European banking sector fit for the future.

In the end, our success will depend on building a Europe that is easier to invest in and easier to scale in.

The question is no longer whether Europe has the capacity to compete – it does.

The question is whether we are ready to remove the barriers that hold it back.

This requires a collective effort – from policymakers, supervisors and industry – to deliver a system that works better for citizens and companies alike.

Because this goes beyond finance. It is about Europe's autonomy, its resilience, and its ability to defend its values and prosperity in a more uncertain world.

This is worth working for. It is worth fighting for.

And we must deliver it – together, for Europe.

Thank you.