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EUROPEAN UNION SAVINGS & INVESTMENT UNION STRATEGY (EU SIU STRATEGY)

SUMMARY OF KEY POINTS ON SIU AND CAPITAL MARKETS

Introductory remarks

ICMA provided detailed recommendations on the four EU SIU Strategy areas in the ICMA response from 7 March 2025¹, to the EU SIU Call for Evidence published on 3 February 2025².

In our contribution from 7 March 2025 ICMA outlines how **the fixed income market** plays a key role in achieving EU investment needs by providing low-cost, simple solutions for retail investors' wealth creation and alternative funding sources for corporations in addition to bank loans, resulting in the promotion of sustainable and innovative growth in Europe.

In the EU SIU Strategy however, there is notable little focus on fixed income other than securitisation and the indirect effects of more retail investment and pension fund growth.

ICMA would like to emphasise the **importance of bond markets** for all aspects of funding and investing initiatives for citizens and corporates as an **indispensable element** to deliver on the EU's economic growth and sustainability agenda.

Summary

This note summarises key points related to capital markets of the **EU Savings and Investments Union Strategy** (SIU Strategy) to foster citizens' wealth and economic competitiveness in the EU.³

1. The EU SIU Strategy is about 20 pages long and explores how the EU's economic potential can better serve citizens, businesses, optimise both markets and supervision, alongside suggested improvements for the banking union.
2. The EU UCITS investment funds framework is highlighted as a globally successful brand and the leading investment vehicle, especially in sustainable finance.
3. Reference is made to the Commission's Competitiveness Compass⁴, which identified three imperatives to boost competitiveness: promoting venture capital -

¹ [ICMA Contribution from 7 March 2025 to the EU SIU Call for Evidence from 3 February 2025](#)

² [European Commission SIU Call for Evidence, 3 February 2025](#)

³ [EU Savings and Investments Union Strategy to enhance financial opportunities 19 March 2025](#)

⁴ [European Commission, 'A Competitiveness Compass for the EU,' COM\(2025\) 30 final, 29 January 2025](#)

especially related to technology, a joint roadmap for decarbonisation, and reducing excessive foreign dependencies and increasing security.

4. The EU SIU Strategy builds on four core areas:

- 1) Citizens and savings: wealth creation for individuals
- 2) Investments and financing: funding EU business for growth
- 3) Integration and scale: integration and efficiency of capital markets
- 4) Efficient supervision: promoting an effective EU single rulebook

5. The implementation of the SIU strategy is considered a shared responsibility of EU Member States and EU Institutions, building on the progress made by the Capital Markets Union (CMU) over the last 10 years.

6. The strategy highlights that both legislative and non-legislative measures will need to be adopted. It recognises, however, that for reasons of competitiveness the pace of action needs to accelerate and can only be achieved if combined with industry-led efforts.

7. Financial markets play a key role in promoting economic growth, generating wealth for citizens and providing solutions for retirement income. These objectives are ideally achieved through shifting EU savers' deposits into key European sectors and generally European corporates, however it should be through products aligned with the investment suitability requirements of citizens.

8. A key obstacle to unleash the full potential of European capital markets remain the barriers across EU investment borders and overall fragmentation of the market infrastructure and supervisory landscape within the EU single market, as laid out in the Draghi report⁵, which also highlighted that minimum annual additional investment of €750 to €800 billion is needed to promote growth in Europe.

9. The EU SIU Strategy acknowledges, in light of global geopolitical developments, the need to prioritise investments into security and defence, sustainable prosperity and economic competitiveness, so to secure democracy and social fairness.

1- Citizens and Savings

10. The report encourages shifting cash deposits into capital markets to obtain higher returns from their savings and contribute directly to EU economic growth, especially through tax incentives on investment products. A wider choice of products is called for in terms of retirement savings, investment and insurance, which should be easy, simple and provide low-cost access.

11. The EU points to examples of investment accounts with digital interfaces that give access to a wide range of products, offer preferential tax rates or simplified tax processes, and allow a change of provider for no or low cost.

12. In some cases, the accounts and tax incentives are designed to support investment in European companies and in strategic priorities such as defence and space, research and innovation and the green transition according to the EU SIU Strategy.

⁵ [The Draghi Report : A Competitiveness Strategy for Europe, 9 December 2024](#)

13. An opportunity for citizens to co-invest alongside public entities should be explored together with the EIB and ESM, to allow retail investors to contribute to the funding of EU priorities.

14. Promoting financial literacy in pursuit of these goals is vital as a strategy to empower citizens and develop an ‘investment savvy’ culture.⁶

15. The development of a supplementary pension sector will be a key building block. This includes auto-enrolment of occupational pensions, but also awareness-building tools such as pension tracking systems and pension dashboards.

16. The existing regulatory frameworks of occupational retirement provision (IORPs) and the pan-European personal pension product (PEPP) will be re-assessed to identify the slow uptake in the market in developing respective product offerings for retail investors. Some challenges have been identified including pension providers being too small, fragmented markets, restrictive regulations and high fees and costs.

2 - Investment and Financing

17. The SIU Strategy aims to promote the creation of a larger pool of capital to support the European economy and lower financing costs for European businesses. It puts a focus on equity and alternative assets such as venture capital, private equity and infrastructure.

18. Access to funding especially for SMEs and small mid-caps will be critical as they play a key role in the growth of the EU economy and face barriers in accessing finance. The EuVECA label aimed to create such access, but experienced limited success due to regulatory limitations that affected its attractiveness.

19. Certain sectors would specifically benefit from growth and investments such as Artificial Intelligence (AI), quantum and other deeptech fields, biotech and cleantech, or in the defence sector. The SIU Strategy here makes reference to the EU Defence White Paper⁷ which is complemented by the objectives of the upcoming Startup and Scaleup Strategy.⁸

20. Public funding and the SIU aim to be better aligned, for example with the new Multi Annual Financial Framework. EU spending programmes includes loans, guarantees and financial instruments backed by the EU budget, and aims to mobilise co-financing from Member States and beneficiaries. However, mobilising private sector investments has been very limited so far, hence this area will be assessed in collaboration with the EIB.

21. The SIU strategy acknowledges that securitisation can boost investment through a risk-transfer mechanism of banks to free up capital for additional lending to citizens and businesses, including SMEs. Further simplification of the framework could promote the securitisation’s potential as a liquidity, capital management and risk transfer tool. Industry and the EIB could also further contribute to the development of the EU

⁶ [EIOPA financial education map : including EU member state information](#)

⁷ [EU White Paper for European Defence and the ReArm Europe Plan/Readiness 203, 19 March 2025](#)

⁸ [EU Initiative : Towards a Start-Up and Scale Strategy, March 2025](#)

securitisation market. It aims to make proposals in Q2 2025 focusing on simplifying due diligence, transparency and adjusting prudential requirements for banks and insurers.

22. The European Commission also envisages working with the EIB Group and private investors to scale up the TechEU22 investment programme,⁹ and the European Tech Champions Initiative 2.0 (ETCI) which will be launched ideally before 2026 by the European Investment fund (EIF), pooling capital from both private and public investors with a focus on innovation and tech companies.

23. The EU aims to increase liquidity and supply of capital to listed companies through the implementation of the Listings Act, ensuring that burdens are reduced with a view to creating more attractive public markets. The EU SIU strategy aims to address the lack of suitable exit options as a main barrier to increase venture and growth capital investments in the EU. To increase the attractiveness, the EU plans to explore improved exit mechanisms via public capital markets and boosting secondary markets for private capital, in case IPO exits are not suitable.

3 – Integration and Scale

24. Market-driven consolidation shall be facilitated through the removal of any regulatory, supervisory or political barriers. Removal of gold-plating and reducing national opinions will be a priority, working closely with the European Supervisory Authorities (ESAs) and National Competent Authorities (NCAs). The Commission will propose legislation to launch infringement procedures.

25. Legislative measures, in the form of regulations rather than directives will be prioritised. The Commission has proposed a 28th legal regime and views the European Innovation Act¹⁰ as a key tool to remove fragmentation especially in the areas of corporate law, insolvency, labour and tax law.

26. The EU SIU Strategy focuses, furthermore, on the consolidation of trading and post-trading market infrastructures, including through better interoperability, interconnection and efficiency supported by the latest generation of technologies and innovations, such as distributed ledger technology (DLT), tokenisation and Artificial Intelligence (AI).

27. Whilst the prudential framework for the asset management sector is considered to be sound, more can be done to address fragmentation and unnecessary regulatory burdens, especially for entities that operate cross-border in multiple EU jurisdictions. This results in unnecessary resourcing costs for industry players with a group structure, as they cannot enjoy the benefits of a passport, which increases the fees for end investors.

4 – Efficient Supervision in the Single Market

28. A single supervisor is common practice in large parts of the EU banking sector, but not capital markets, which are mostly supervised through NCAs. Harmonised supervision may also be achieved here through convergence of national supervisory practices. However, rules often are applied differently by NCAs. This can lead to

⁹ [EIB Group Strategic Roadmap : reaffirm its role as financing arm of the EU, June 2024](#)

¹⁰ [EU Competitiveness Compass launched in February 2025](#)

unnecessary administrative burdens leading to increased costs for businesses and create supervisory arbitrage, impacting the trust between NCAs.

29. ESAs can play a key role in addressing these divergences, where NCAs face capacity constraints to support them, with a pool of expertise, technical advice, delegating specific tasks or responsibilities or using the ESAs as data and technology hub and provider of ‘SupTech tools’.¹¹

30. The EU SIU Strategy therefore proposes that ESAs and NCAs make full use of the simplification communication tools and use convergence tools where available. The EU plans to propose measures in Q4 2025 to achieve a more unified supervision, including transferring certain tasks to EU level.

Roadmap

The key measures to implement the SIU are laid out in a precise timeline.

2025 Q3: Focus on encouraging retail participation in capital markets through the creation of an EU Savings and Investment Account and establishing a financial literacy strategy. Together with the European Investment Bank (EIB) and the European Stability Mechanism (ESM) and national banks, the EU will assess the possibility of suitable financial products that allow citizens to invest into EU priority sectors.

2025 Q4: Recommendations related to pensions sector, and specifically related to occupational pension auto-enrolment, a pensions tracking system and pensions dashboards will be developed. A review of pillar 2 Occupational Retirement Provisions (IORP) Directive and pillar 3 pension products such as the Pan-European Personal Pension Product (PEPP) Regulation will be conducted.

2025 Q4: Development of market integration and supervision measures through the adoption of a Market Infrastructure Package, barrier reduction of EU cross-border fund provision and harmonised supervision.

2025 Q4: Focus also on the promotion of equity investment, i.e. the eligibility and clarification of equity investments by institutional investors.

2026 Q3: A review of the European Venture Capital Fund (EuVECA) Regulation will take place.

2026: Publication of a report assessing the overall situation of the EU banking system, including its competitiveness.

Q2 2027: An SIU mid-term review of the overall progress will be published.

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¹¹ [ECB SupTech, 15 November 2023](#)