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FP

EACB Considerations on a EU long-term savings and investment account

8 July 2025

The **European Association of Co-operative Banks** (EACB) is the voice of the cooperative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of cooperative banks in general. Cooperative banks form decentralised networks which are subject to banking as well as cooperative legislation. Democracy, transparency and proximity are the three key characteristics of the cooperative banks' business model. With 2,500 locally operating banks and 40,000 outlets cooperative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 227 million customers, mainly consumers, retailers and communities. The cooperative banks in Europe represent 90 million members and 737,000 employees and have a total average market share of about 20%.

For further details, please visit www.eacb.coop

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General remarks

The **European Association of Co-operative Banks (EACB)** is pleased to provide its reflections on the development of a potential EU Savings and Investments Account, one of the key initiatives under the Savings and Investments Union (SIU) Strategy.
In particular, we share the core objectives behind the idea of such an EU-wide instrument, namely to boost retail investor participation in EU capital markets by providing them with an additional long-term, easily accessible, option.
We note that a variety of investment tools already exist across Member States, including national savings and investment accounts. In line with the SIU's focus on simplification and burden reduction, we believe that there is no need to 'reinvent the wheel', when it is possible to build on existing instruments and best practices already present in the market.
Against this background, we have developed the following considerations:

Key EACB considerations

1. Objectives and Design of a EU Savings and Investments Account

- A European Savings and Investment Account (SIA) should act solely as a **reference model** for Member States that do not yet offer similar schemes.
- It should be designed as an instrument tailored to support clients' long-term investment objectives, such as saving for retirement, and offering tax benefits. In particular, savings should not be taxed during the accumulation period.
- The less restrictions, the better: building on successful examples[1], to ensure that it remains flexible, an European SIA should ideally:
  - not provide for mandatory annuitisation and compulsory guarantees;.
  - not impose annual or lifetime limits to the deposit.
  - not have a minimum holding period.
  - virtually not impose restrictions on what savers can invest in.
  - have a clear and simple tax regime, including tax incentives, in order to be appetible to investors.
- In principle, it should be similar to a securities accounts, in which investments can be made with different asset classes and funds suitable for retail investors and enabling wealth accumulation.
- it must avoid introducing requirements that could interfere with existing national systems for occupational or private pensions.

2. Reflections on a EU Label for Long-term Investments

- A **voluntary** EU Savings and Investments Label may seem also a viable and effective tool, especially to direct investments towards strategically important areas for the EU (e.g. green and digital transition, security and defence)
- In particular, The "Finance Europe" Label for long-term investment, proposed by a group of Member States at the level of the Competitiveness lab, with its features (70% allocation in EU assets, 5-year holding period, optional equity/SME threshold, no mandatory guaratees) offers an interesting opening.
- However, because of its high level of concentration in EU assets, which limits diversification and may reduce returns, the label should not be connected with pension products.

[1] E.g. Sweden's ISK

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3. Additional considerations

Any initiative on a Pan-EU Savings and Investment Instrument should be preceded by careful considerations and assessments. In particular, we believe that the following outstanding elements deserve attention:

- National markets already offer a wide range of products that serve similar purposes, and introducing a new EU-level tool may generate overlap and complexity, both for distributors and for investors.
- Furthermore the existing EU investment framework is already dense and complex. Saturating the market with additional products, label and/or schemes, would hence not align with the SIU goals of reducing administrative burden and complexity. For these reasons, we welcome the Commission's decision to opt for a non-legislative initiative in the form of a Recommendation, which we believe is a proportionate measure to tackle the matter of an EU-wide Savings and Investment Account, as it aims to provide a voluntary reference model based on market's best practices.
- Making sure that the EU retail investment framework supports the uptake of initiatives aimed at boosting retail investor participation in financial markets, rather than hindering them, is crucial. Against this background, the interplay with the Retail Investment Strategy (RIS) must be carefully considered. Certain features of the RIS, may inhibit rather than support the effective uptake of both an EU savings account, as well as of the EU label.
- Against this background, it is crucial ensuring that the SIA does not inadvertently trigger additional regulatory obligations that could limit its accessibility for retail investors. For instance, in some Member States combining savings and investment elements within one product may lead to its classification as a complex financial instrument, thereby triggering additional regulatory requirements (e.g. extended suitability test, extra product governance requirements, more detailed cost disclosures and more information to be provided to clients).
- The Commission's initiative on a EU-wide SIA and the Competitiveness Lab's long-term investment Label "Finance Europe" should be distinguished as of their different, although complementary, primary objectives, namely i) boosting retail investors' participation in capital markets and ii) funding strategic sectors vital for the revival and resilience of the EU economy. In fact, while amongst the key feaures of the "Finance Europe" Label there is a minimum allocation in EU assets (approximately 70%), geographical restrictions in asset allocation would not be appropriate for a retail investor-oriented tool amining at offering competitive returns such as a SIA.

Conclusion

The EACB believes that:

- ➔ Any intiative in this area should be evaluated against the SIU principles of **competitiveness**, **simplification**, **reduction of the regulatory complexity and administrative burden.**
- ➔ a **Blueprint on a EU Savings and Investment Account** may represent a **proportionate** first step. Such a solution would offer recognisable EU-wide standards while respecting national specificities.
- ➔ In particular, the EU SIA should be a **flexible, easily accessible, tax-friendly instrument**, based on existing, succesful, best practices.
- ➔ The EU SIA **should not introduce extra regulatory requirements** hindering retail investors' access.
- ➔ A EU long-term investment label to finance strategically key sector of the EU Economy, such as "Finance Europe", should **not be linked to or designed as a state-subsidised pension scheme**.
- ➔ The **two initiatives (EU SIA and EU Label) should be separated**.

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The EACB trusts that its comments will be taken into account.

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