

CALL FOR EVIDENCE FOR AN INITIATIVE (without an impact assessment)

This document aims to inform the public and stakeholders about the Commission's work, so they can provide feedback and participate effectively in consultation activities.

We ask these groups to provide views on the Commission's understanding of the problem and possible solutions, and to give us any relevant information they may have.

TITLE OF THE INITIATIVE	Communication on European Savings and Investments Union
LEAD DG – RESPONSIBLE UNIT	DG FISMA – B1 Capital Markets Union
LIKELY TYPE OF INITIATIVE	Communication
INDICATIVE TIMING	Q1 2025
ADDITIONAL INFORMATION	–

This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context [max 10 lines]

In her [Political Guidelines 2024-2029](#), President von der Leyen announced that the Commission would “propose a European Savings and Investments Union (SIU), including banking and capital markets”. The initiative combines the Capital Markets Union (CMU) and the Banking Union (BU) and builds on their past achievements. After two CMU action plans in 2015 and 2020, and significant steps to establish the BU since 2012, important building blocks for the SIU are already in place or are being put in place.

In her [mission letter](#), President von der Leyen tasked Commissioner Albuquerque to develop a Savings and Investments Union to leverage the enormous wealth of private savings in support of our wider objectives and to “focus action on supporting people to save better, fostering capital for innovation, unlocking digital finance, ensuring the competitiveness of the financial sector and harnessing sustainable finance”.

Commissioner Albuquerque [announced](#) that she would present, within the first months of taking office, an overall approach on how the EU, Member States and market participants can move forward decisively on the SIU. The Commission therefore plans to issue a Communication on the SIU.

Many stakeholders and experts have expressed support for the SIU over the past months, including the reports by Enrico Letta and Mario Draghi.

The SIU also benefits from renewed political support, as evident in the March 2024 Statement of the [Eurogroup in inclusive format](#) on the future of CMU and the April 2024 [European Council Conclusions](#). At the same time, Member States have yet to reach consensus on what they see are the key measures to decisively move forward on SIU.

The European Parliament consistently supported and voted in favour of completing the BU and the CMU, highlighting their importance for achieving the EU's strategic goals.

Problem the initiative aims to tackle [max 25 lines]

The reports of Mario Draghi and Enrico Letta highlighted remaining inefficiencies in EU’s capital markets, in particular a significant savings and investment mismatch in the EU, where citizens' wealth is being underserved by low-yielding deposits, and companies, particularly young and innovative ones, are struggling to meet their

capital needs due to inadequate financing options. There is therefore the need to act to better link savings with investments to create real economic impacts over the next 5-year period.

EU citizens hold significant savings: in Q2 2023, EU households saved 14,79% of their disposable income (ESTAT). In 2023 EU citizens held €11,63 trillion or 31,01% of their savings in currency and deposits (ESTAT, 2023 data), which offer limited returns. Without increased participation in capital markets, EU citizens are missing out on the opportunities of wealth creation through possible increased returns on their long-term savings.

At the same time, the EU increasingly needs massive amounts of capital to finance its broader policy goals including competitiveness, innovation, green, digital and defence investments. The banking sector remains an important source of financing in the EU: in 2023 bank loans accounted for 50,43% of the financing of non-financial corporations (ESTAT, ESTAT, ECB, DG FISMA calculations), and whilst progress towards an integrated banking market has been substantial, there are outstanding aspects of the Banking Union that could further boost bank financing in absolute terms. But bank finance is not well suited to funding all investment needs, in particular those of young and innovative companies, which require equity rather than debt and represent relatively risky investments. Those companies are often unable to meet their funding needs within the EU.

EU capital markets do not offer yet sufficient opportunities, missing the necessary scale and depth, with cross-border business still being subject to numerous barriers. This implies a need to build and deepen EU capital markets, including in particular as a source of risk capital.

Basis for EU action (legal basis and subsidiarity check) [max 10 lines]

Legal basis

The Communication is expected to present a strategy on SIU and measures to be taken in a limited range of areas with a clear link to boosting competitiveness and productivity in the EU economy. Envisaged measures, including potential legislative initiatives, may have different legal bases, depending on their content.

Practical need for EU action

Action at the EU level is needed because existing capital markets lack sufficient opportunities, as they do not yet possess the necessary scale and depth, which is a core objective of the single market. Moreover, there is a need for the EU to remove the numerous cross-border barriers that business faces and to facilitate the flow of capital for productive use across the EU. But the SIU cannot be built by EU-level actions only, as many of the actions required are within the competence of the Member States. The Commission will also encourage and assist Member States in taking action at national level and implement legislation on the ground, while striving for enhanced and coordinated action. Burden reduction will also be an important guide for policies and actions for the Savings and Investment Union.

B. What does the initiative aim to achieve and how [max 25 lines]

The SIU will contribute to achieving wider economic and social objectives, notably supporting the green and digital transitions and ensuring economic and social sustainability for the EU in the long term.

By helping citizens get higher returns on their savings, the SIU aims to contribute to wealth creation, including by serving retirement needs, and more generally to ensure more prosperity and fairness for Europeans.

By ensuring that European savings are channelled as effectively as possible to finance productive and strategic investments, the SIU aims to offer more financing options to businesses, thereby being a key driver of improved competitiveness and productivity.

The SIU is a long-term project and will consist of a series of actions that will foster the development of capital and banking markets. Building on their complementary scopes and different levels of advancement, the CMU and BU should be further developed so that the SIU can help the EU reach a 'tipping point', which will set in motion a more accelerated process of market development.

A number of impactful measures can be envisaged in the following areas that have a clear link to boosting competitiveness and productivity in the EU economy:

- Mobilising savings more effectively, notably by supporting retail participation in capital market through

simple and low-cost saving and investment products and including through appropriate fiscal or other incentives, thereby pooling large amounts of investment capital and enabling more wealth creation.

- Making more investments available for EU companies, including for young and innovative companies, notably by incentivising European private and institutional investors to channel funding to productive and innovative firms.
- Fostering greater market integration and efficiency in capital markets so as to support the creation of market depth and scale, by identifying and removing barriers to cross-border activity whether they be supervisory, taxation, authorisation or other barriers.
- Enhancing supervisory arrangements to ensure that the single rulebook is effectively applied and that oversight of capital markets is of high quality across the EU.

The following principles will guide the implementation of the SIU:

- The Commission will ensure the right balance between legislative or non-legislative action, acknowledging that legislative action should be focused on key areas and reduce burdens as much as possible. Action at EU level will focus on aspects where EU action is most effective, with an equally important focus on coordinated ‘bottom up’ actions and enhanced coordination by Member States.
- SIU will have at its centre the needs of EU citizens, who can be the among the greatest enablers and beneficiaries of SIU.
- Overall, the SIU will focus on supporting the Commission’s priorities on increasing Europe’s sustainable prosperity and competitiveness and be complementary to other policies which are directed at specific sectors and promoting investments in strategic areas. These include: the Clean Industrial Deal, a new European Competitiveness Fund, the Single Market Strategy, the Startups and Scaleups Strategy, the European Affordable Housing Plan and the Defence Union.

Likely impacts

The potential benefits of greater financial market development and integration are substantial. President von der Leyen stated in her Political Guidelines that better integrated capital markets alone could allow EU companies to raise an additional EUR 470 billion per year in capital markets.

Young and innovative companies would benefit because they would have increased flexibility in terms of financing, as the sources of available funding from within the EU would increase, as would the scope to lower funding costs.

Citizens would benefit as they would have greater ability to engage in wealth creation in financial markets thanks to increased opportunities to save and invest in the most appropriate way and with adequate returns, including with a view to retirement.

All Member-State economies – large and small – should benefit from the SIU through increased investments in their economies, increase in cross-border investments and better supported household wealth creation.

Future monitoring

Since 2021, the Commission has been publishing a [“List of indicators to monitor progress towards the capital markets union objectives”](#). This list of indicators will be adapted to reflect the wider scope of the SIU and the specific initiatives to be proposed under the SIU, and it will then be used for regular monitoring of progress towards the objectives of the SIU.

C. Better regulation

Impact assessment [max 10 lines]

The proposed Commission Communication will present areas for potential initiatives that the Commission is reflecting on to build a Savings and Investments Union over the coming years.

As the Communication is setting out a general policy framework, it does not require an impact assessment. For the individual legislative actions and other initiatives that will be announced in the Communication, the Commission will conduct an impact assessment where needed in line with the principles set out in the Better Regulation framework.

Consultation strategy [max 10 lines]

Stakeholders are invited to provide their feedback on how to advance the SIU, based on the progress made so far on the Capital Market Union as well as on the Banking Union, along the areas presented above.

This call for evidence is open for feedback for 4 weeks. Contributions can be provided in the 24 EU official languages on [Have your say](#).

The Commission will consider stakeholders' contributions to this call for evidence when drafting the Communication.

The Commission will also consult stakeholders on specific initiatives where needed.

Why we are consulting?

The Commission is seeking input that can help build the path for future action and will consider stakeholders' contributions to this call for evidence when drafting the Communication.

The call for evidence allows the Commission to receive input from a broad range of stakeholders.

The Commission is specifically seeking feedback on the progress made so far and the remaining challenges for making progress on the Savings and Investments Union.

Target audience

The main stakeholders are: Civil society; consumers and their organisations; social partners; businesses, including SMEs, financial intermediaries, financial markets and infrastructures and their representative organisations; and authorities of the Member States.