

FESE response to the Commission CfE on the Savings and Investment Union

3rd March 2025

The Federation of European Securities Exchanges (FESE) would like to highlight some key points it believes are crucial for the successful completion of the Savings and Investment Union (SIU). FESE represents 36 exchanges in equities, bonds, derivatives and commodities through 17 Full Members and 1 Affiliate Member. The exchange industry is at the heart of financial markets as our sector facilitates a third of all EU financing flows by operating transparent and public markets. Further information is available on our website [here](#).

The EU must leverage its capital markets and promote a market-driven financing system to boost long-term competitiveness and growth. The European Savings and Investments Union (SIU) should serve as a catalyst, advancing a new vision for the Capital Markets Union (CMU) that empowers EU businesses and citizens.

The SIU's success will depend on progress in three interconnected pillars of EU capital markets: the supply side, the demand side, and market structure. Tackling challenges and seizing opportunities in these areas will require strong, coordinated action from policymakers at both the EU and Member State levels.

Following the release of FESE's manifesto, "C.H.E.C.K-list to Getting European Capital Markets in Motion" (available [here](#)), this paper aims to provide further market insights and recommendations for a future roadmap.

FESE policy recommendations

1. Boost an attractive listing ecosystem

- Enhance pre-IPO financing frameworks. For instance, the EIF could be provided with increased liquidity and an expanded mandate to facilitate public listings.
- Consider initiatives to foster regulatory alignment in areas such as dual listing, listing requirements, or a European prospectus.
- Simplify regulatory requirements. In particular, it is essential to enhance the attractiveness and accessibility of SME Growth Markets.

2. Stimulate investment and expand capital pools

- Reform national pension systems to adopt market-based pension funds as a standard practice.
- Offer straightforward cross-border investment and savings products for retail investors, such as an updated PEPP or a product similar to Sweden's Investment Savings Account.
- Increase efforts to enhance the financial literacy of EU citizens.
- Review prudential ratios under Solvency II and Basel II and adopt a more flexible approach to investments in UCITS and equity infrastructure.

3. Tackle liquidity fragmentation and fostering transparency in EU markets

- Promptly reevaluate the current regulatory framework (e.g. MiFID II/R) to identify what needs to be improved for deepening and increasing liquidity.
- Strengthen and harmonise the authorisation, supervision and enforcement regime for SIs, and resolve data quality issues arising from OTC and SI trading

To read further details regarding these suggestions, please consult the full paper in [the attachment](#).