

FESE reaction to the European Commission's Communication on the Savings and Investments Union (SIU)

19th March 2025

The Federation of European Securities Exchanges (FESE) welcomes the European Commission's Communication on the Savings and Investments Union (SIU).

In light of geopolitical dynamics, economic realities and significant investment needs, FESE supports an ambitious roadmap that structurally boosts EU capital markets and unleashes their full growth and innovation potential.

As part of this, FESE shares the objective of deepening liquidity pools and strengthening demand-related initiatives. We agree that the establishment of a European blueprint for savings and investments accounts with a recommendation on the tax treatment could make a meaningful contribution, while also enhancing participation opportunities for EU citizens.

FESE also welcomes the renewed momentum created around pensions, including measures on auto-enrolment and pension dashboards, as well as the revamp of the Pan-European Personal Pension Product (PEPP) and a review of relevant frameworks for institutional investors to stimulate equity investments.

A deepening of liquidity pools will also be supported by the European Commission's examination of equity market structure, which will provide an opportunity to remedy the high level of fragmentation driven by non-transparent alternative execution venues following the MiFID/ MiFIR reforms, re-establishing a level playing field and incentivising lit-trading.

Regarding the consolidation of trading and post-trading infrastructure, FESE shares the objective of supporting market-driven approaches, ensuring that integration initiatives can deliver full synergies to bolster efficiency and effectiveness. In this context, FESE supports additional work to further harmonise legal and regulatory frameworks across the single market, fostering cross-border competition. In addition, FESE believes that regulatory intervention, such as in the area of "interoperability", has to be carried out with due care to avoid a reduction of competition and innovation due to disincentives for investments, leading to a race-to-the-bottom on quality, performance and output.

FESE supports the idea of bolstering supervisory convergence and structural integration of the single market by fostering the single rule book. Finally, the simplification workstream should support the SIU objectives by streamlining the overly complex regulatory frameworks, reducing the burden for companies and generally boosting the attractiveness of the EU's business environment, thereby driving growth, competitiveness, and innovation.