

FINNIUS

Next up: the Savings Investment Union (SIU)

21 March 2025

 3 MINUTES

On 19 March 2025, the European Commission (EC) launched its [strategic framework](#) for the Savings and Investment Union (SIU). The SIU seeks to offer EU citizens broader access to capital markets and better financing options for companies. By doing so, the SIU addresses the mismatch between savings and investment needs.

With the SIU strategy, the EC takes a holistic approach on the EU financial system, combining the banking union and a capital markets union (CMU). Compared to the CMU, the SIU is more EU citizen focused.

In short, the SIU strategy aims to provide EU citizens – holding EUR 10 trillion as bank deposits – easier, simple and low-cost access to capital market instruments issued by SMEs and innovative companies which deal with the challenges Europe currently faces, e.g. i) climate change, ii) rapid technological shifts and iii) new geopolitical dynamics. In turn, these SMEs and innovative companies will receive funding and are enabled to grow. Under the SIU, EU citizens, as retail investors, can invest in higher yielding instruments and companies will have alternative funding options available. This will eventually result in growth in sectors dealing with innovation, decarbonisation and security and eventually the whole EU economy.

The SIU strategy follows the [report](#) published by the EC on 9 September 2024 on the future of European Competitiveness, also referred to as the ‘Draghi Report’. In his report, Draghi conducted research into the competitiveness of the EU economy. The report identifies three main areas for action for Europe to reignite sustainable growth (the same areas are identified in the SIU strategy):

- closing the innovation gap with the US and China, especially in advanced technologies,
- concluding on a joint plan for decarbonisation and competitiveness, and
- increasing security and reducing dependencies.

Draghi concluded that the EU relies excessively on bank financing, which is less well-suited to fund innovative projects and faces several constraints and that EU banks face specific regulatory hurdles which constrain their capacity to lend. See also our earlier [blog post](#) (Dutch only).

What to expect next from the EC in 2025? According to their [Q&A](#), the following new measures are scheduled for Q3 2025 under the SIU:

- The EC “*will develop a **European blueprint for savings and investments accounts** or products for retail investors based on existing national best practices, [...]. Such savings or investments accounts, combined with adequate tax treatment, can widen the pool of funding available for EU companies and help to meet EU investment needs in the green and digital transitions, as well as in defence*”.
- The EC will work on a **financial literacy plan** “*to ensure that potential new retail investors are well-informed about the implications and risks of investments*”.

The EC also scheduled multiple measures, initiatives and plans for later this year and the coming years, including in the field of pensions (pension tracking systems and pension dashboards), supervision and for the banking sector specifically.

One area consistently mentioned by the EC is securitisations. According to the EC, by means of securitisation, instruments with a various reference assets can be issued. It also allows banks to free up resources on a bank's balance, enabling a bank to have more liquidity available for new lending. We expect that the EC, following a consultation thereof simultaneously with the Draghi report, will publish a proposal to amend the Securitisation Regulation in the first half of 2025. The purpose of this proposal will be to simplify due diligence and transparency requirements and to adjust prudential requirements for banks and insurers.

The SIU plans are not very concrete yet, and especially require further policy proposals for specific measures. It remains to be seen if the SIU is not just a rebrand of the CMU. As the Draghi report already emphasizes, we need speed and striking power. Time will tell if the SIU proposals will actually lead to more retail investments by EU citizens and differentiation of lending opportunities for companies. We will keep you informed of further more specific plans.

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