

European Commission

Call for Evidence for an initiative on recommendation on Savings and Investment Accounts

## **Finance Finland supports the European Commission's initiative to create a European blueprint for Savings and Investments Accounts**

The blueprint for savings and investments accounts (SIA) should be designed to be simple, flexible and comprehensive. The primary objective should be to establish a clear, attractive and investor-friendly framework that encourages retail investment, building on the strengths of existing investment accounts and financial products. It is essential that these accounts are built upon best practices, ensuring ease of use, access to a diverse range of investment and insurance products, simplified tax treatment, and allowing changes of provider without negative tax implications.

There is no single SIA model that fits every EU Member State and all potential retail investors, who have varied risk profiles and investment objectives. Therefore, SIAs should offer a broad selection of eligible assets, including at least listed shares, bonds, UCITS, ELTIFs, and retail AIFs. An EU blueprint must be inclusive so that SIAs can also be structured as life insurance products, such as a unit-linked products.

The legislative framework should enable financial companies to innovate and create products that best meet customer needs. Many retail customers could benefit from having easy access to these accounts and investments through digital means.

SIAs should not be subject to geographical investment restrictions. Contributing to the EU's competitiveness is important, but it should not be the responsibility of retail investors. From their perspective, geographical diversification is critical as it mitigates region-specific risks and enhances portfolio resilience. Currently, European retail investors predominantly invest in domestic assets, and increasing their participation within the EU will naturally lead to greater investment within Europe.

Tax regulations must be simple, and tax reporting should be user-friendly to encourage investor participation and attract even inexperienced retail investors. Although long-term investing should be promoted within the EU, potential tax incentives should not be restricted to long-term and pension products alone. Restricting tax incentives to long-term products may reduce competition if clients keep all investments exclusively in such products. Applying tax incentives to a broader range of products would likely result in increased investments, which in turn would enhance competition and reduce product costs, making investing more appealing. To ensure flexibility and to foster competition, SIAs should not mandate a minimum holding period.

The SIA initiative should aim to create the right incentives for Europeans to invest their savings, free from unnecessary geographical or minimum holding periods. By offering a wide range of eligible assets, SIAs can appeal to retail investors with diverse risk profiles. As demonstrated in practice, the most successful and attractive investment accounts are those with minimal restrictions. Thus, to make savings and

investment accounts attractive to customers, constraints should be minimised, both in terms of account/product rules and permissible investments.

FINANCE FINLAND