COMMISSION RECOMMENDATION (EU) 2025/XXXX

of XX October 2025

on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Whereas:

(1) EU citizens have one of the highest savings rates in the world. However, often they do not get the most out of their savings. This is due to a combination of factors, including cultural preferences, insufficient financial literacy, income variations, complex investor journeys, and fragmented financial services markets leading to a lack of competition, with limited choices. This limits the options available to EU citizens for investing their savings in ways that could yield higher returns and contribute to growing their wealth.

(2) Investments in capital markets can contribute to better financial outcomes for EU citizens. Making investments more easily accessible can therefore increase their financial well-being.

(3) Retail investors, as well as asset managers, often prefer to allocate an outsized share of their portfolios to their domestic capital markets, due to factors such as market development, familiarity, common language, common culture and geographical proximity. Fostering greater retail participation in capital markets can therefore also provide additional sources of investments to the benefit of the EU economy.

(4) While individuals have the freedom to invest according to their personal preferences, needs, choices and at their own pace, an increase of retail investments in capital markets can provide EU businesses with more funding opportunities to grow, innovate and create jobs. Increasing the EU investor base could also help the financing of strategic EU priorities, including the digital and green transitions, and the strengthening of EU security, should retail investors choose to allocate their investments accordingly.

(5) Member States play a crucial role in advancing the objectives of the Savings and Investments Union (SIU) and have shown their commitment to enhancing citizens' access to capital markets in both the Eurogroup statement of April 2024 and European Council conclusions of March 2025. Accordingly, Member States are now encouraged to implement reforms to develop and strengthen their domestic capital markets, including measures to boost retail investor participation. Improving financial literacy, facilitating retail investments and providing appropriate incentives can contribute to

these objectives. Some Member States have already achieved very positive results in this regard.

(6) This recommendation provides Member States with a European blueprint for Savings and Investment Accounts (SIAs), drawing on existing best practices. It outlines the key characteristics that SIAs should have to maximise their uptake and advance the objective of boosting retail participation in capital markets.

(7) SIAs are provided by authorised financial intermediaries and enable individuals to invest in financial instruments such as shares, bonds, and units of collective investment undertakings and often come with tax benefits. Certain countries, including some EU Member States, have implemented SIAs to tackle the challenge of low retail participation in capital markets. Evidence from successful SIA schemes show that, when designed properly, they can make capital markets more attractive and easier to access for retail investors and help them build their wealth more effectively.

(8) An examination of best practices of SIAs, both within the EU and internationally, has highlighted key characteristics of successful SIAs. Notable features include their user-friendliness, encompassing simplicity and flexibility in accessing them, in investing and divesting, and facilitating tax compliance. Member States are recommended to introduce national SIA frameworks that comply with these characteristics.

(9) Variations in wealth and income across the population affect retail participation in capital markets. Moreover, saving and investing from an early age can contribute to building wealth sustainably and to fostering an investment culture. SIAs should strive for high participation rates across all age groups, from the youngest generations to the elderly, accommodating citizens that can invest either small or large amounts.

(10) The Union's financial sector plays a crucial role, as the primary intermediary between retail investors and capital markets. Financial service providers should take advantage of the opportunities that SIAs offer for increasing retail investor participation and offer retail investors the best possible investment options and services, at competitive and fair prices.

(11) Best practices show that SIAs are successful when there is strong competition among providers, enabling retail investors to access the most advantageous offers and the best service. Therefore, a wide range of financial intermediaries should be permitted to offer SIAs to retail investors, provided they hold an authorisation for the relevant services they intend to provide, for instance reception and transmission of orders, execution of orders and safekeeping and administration of financial instruments, investment advice, and portfolio management.

(12) Fragmented markets and protectionist behaviours have been detrimental to retail investors and to the development of EU capital markets. Facilitating the provision of SIAs across borders can increase competition among providers and encourage innovation, thus creating more opportunities for retail investors to get the best investment opportunities, as demonstrated by successful existing accounts in the EU.

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Under existing rules, financial service providers authorised in one Member States must not face additional barriers to entry when providing financial services in another Member State based on the principles of freedom of establishment and freedom to provide services. Therefore, in implementing this Recommendation, Member States should ensure that, in setting up SIA frameworks, no barriers are created to the free movement of capital, including cross-border investments and to the cross-border provision of financial services or freedom of establishment within the EU. Member States should therefore allow SIAs to be provided by providers authorised in any Member State.

(13) Fees and administrative processes associated with transferring assets between SIAs or switching SIA providers can also create obstacles to competition. Therefore, Member States are recommended to ensure that the process of transferring accounts and assets is streamlined and incurs minimal fees. Similarly, a transfer of a portfolio between providers might be considered from a tax perspective a taxable event (e.g. if the transfer between providers is arranged by actually first selling the portfolio followed by repurchasing the same portfolio by the new provider) and thus subject to taxation. This can impede the portability of SIAs between providers. Therefore, Member States are recommended to ensure that the transfer of a portfolio of a retail investor between providers does not create a taxable event for income tax purposes and that the tax treatment of the assets in the account is continued. This facilitation from a tax perspective should not change the taxing rights of Member States compared to the situation if the transfer within a Member State had not taken place.

(14) Similarly, Member States are encouraged to work together in order to avoid the risk of double taxation related to the possession of SIAs in the event of a change of tax residence of a retail investor within the Union and ensure that the tax treatment does not disincentivise citizens to exercise their freedom of movement.

(15) Diversification of investor portfolios is essential for risk mitigation, which can be facilitated by ensuring broad access to various investment options. Therefore, when investing through a SIA, citizens should have access to a wide range of financial instruments, including, at a minimum, shares, bonds, and units or shares of UCITS, (including exchange-traded funds), from a wide array of issuers to ensure access to non-complex financial products. Furthermore, other financial instruments, such as units or shares of ELTIFs and retail AIFs (where a Member State allows AIFs to be marketed to retail investors), may also be eligible to be held in a SIA. The investment universe should extend beyond the financial assets issued in the Member State under whose laws the SIA is offered. Retail investors should have the opportunity to diversify their investments across multiple asset classes and geographies.

(16) Retail investors should also be provided with options to focus their investments on the EU economy and to contribute to strategic EU priorities, including the digital and green transitions, and the strengthening of EU security.

(17) One of the core objectives of SIAs is to help retail investors, including citizens that have not previously invested in capital markets, to diversify their portfolios and increase their wealth in a prudent and sustainable manner through capital markets. This can be

best achieved by investing primarily in non-complex financial instruments, that do not expose retail investors to risks which are difficult to understand, and that represent investments into the real economy. Therefore, the SIA investable universe should exclude certain assets that are highly risky or complex, those that do not have a reference asset, or those whose reference asset is itself considered highly risky or complex. Such assets include, for instance, highly risky or complex finance instruments such as some derivatives, as well as crypto assets other than those that represent a tokenized version of a financial instrument that is eligible to be held in a SIA. Such assets do not facilitate investment into the real economy and are typically highly speculative in nature.

(18) Investors have different levels of financial literacy, expertise, and different investment objectives and risk profiles. Therefore, retail investors should have the option to choose between investment services that provide investment advice and execution of orders, and those that provide execution only, where investment decisions are made independently by retail investors without any recommendation from the SIA provider. In addition, there should be no minimum investment requirements to open or operate a SIA to allow all investors to use them regardless of their level of wealth.

(19) Efforts by Member States and the industry to streamline the investor journey and simplify all administrative and procedural aspects of SIAs for citizens are crucial for establishing a successful framework. Accordingly, Member States and the industry should ensure that SIAs provide a simple, reliable and easily accessible experience for retail investors, including through user-friendly digital interfaces and high-quality customer service. Industry cooperation in setting up such user-friendly digital interfaces can facilitate investors' take-up and reduce overall costs to the industry.

(20) For many citizens, the complexity of tax compliance related to investment income can represent a disincentive to invest in capital markets. When settling taxes on assets held in SIAs, citizens should be able to use simple, easy, and, as much as possible, automated tax systems. Therefore, national tax authorities, should, rely on SIA providers for tax collection and/or provision of information related to SIA investments and should reduce the complexity for holders of such accounts. To promote cross-border competition between providers, each Member State should enable SIA providers from other Member States to deal with the same tax compliance procedures as domestically authorised providers, including where relevant, to collect and settle relevant SIA-related taxes on behalf of their customers.

(21) Offering retail investors a tax incentive and having simple tax compliance procedures for investments held in a SIA can be a catalyst to improve uptake/participation and has been demonstrated to be a key aspect in successful SIA frameworks in Member States and third countries. Therefore, Member States are encouraged to grant the SIA with an advantageous tax treatment, which would be at least equivalent to the most favourable tax treatment available under that Member State's legislation. Should Member States wish to introduce tax incentives in order to promote the uptake of SIAs, they may consider introducing tax deduction, tax

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exemption or tax deferral measures. Tax deduction schemes may help to incentivise the initial uptake of the SIA. It may consist in allowing an amount to be deducted from the taxable income upon opening of an account, such as allowing the deduction from the taxable income of an amount in the first fiscal year of opening of one or more SIA(s). A tax exemption scheme could consist of exemption from taxation of the income generated by the assets held in SIA. Tax deferral would allow to postpone the taxation event until the assets are withdrawn from the SIA.

(22) When introducing tax incentives promoting the uptake of SIA, Member States are strongly encouraged to design such incentives with due consideration of the main principles underlying the judicious and cost-effective use of tax incentives within a sound and efficient tax system. While tax incentives can encourage the uptake of SIAs and can also consider the link to strategic EU priorities, without restricting the ability to hold a broad and diversified range of eligible financial instruments in the SIA, it is important to ensure tax fairness and not facilitate tax avoidance or evasion. Any tax incentives introduced to stimulate the uptake of SIAs should be underlain by the principle that tax incentives should be well targeted and simple for retail investors, SIA providers and tax administrations to understand and apply. Member States should also ensure that such incentives are fully aligned with the free movement of capital as established in article 63 of the TFEU. They should be designed in a manner that does not impede the cross-border distribution and scaling up of investment products in the EU.

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(24) In addition, Member States could support the take-up of SIA with non-tax measures, including monetary incentives such as lump sum payments made directly into the account, either upon opening or as a complement to funds invested by the account holder.

(25)

(26) Any measures implemented by Member States pursuant to this Recommendation are without prejudice to Articles 107 and 108 TFEU.

(27) Greater levels of retail investment would most likely lead to increased economic activity, higher returns and an increased tax base on the investment returns which in the long term may alleviate the cost of tax or other monetary incentives. Furthermore, the existence of SIAs to formalise investing would increase the traceability of taxable events thereby contributing to increasing the compliance rate and reducing any existing tax gaps related to current investment income of retail investors. Noting that the development of SIAs is the responsibility of the Member States, it is important that adequate monitoring systems are in place to follow their development. This monitoring, to take place in the context of relevant SIU-related monitoring process and the European Semester, should include the sharing of best practices between Member States and track how Member States and the industry have developed and implemented SIA frameworks.

(28) Member States should inform the Commission on measures taken to comply with this Recommendation and on the actual uptake of the SIA. It is important to evaluate the effectiveness of tax incentives at regular intervals and whether these incentives also have a positive impact on supporting the EU economy. These steps will also enable the Commission to track the Member States' SIA frameworks at regular intervals, when closely monitoring progress made under the SIU for SIU Midterm Review, and competitiveness in its Annual Single Market Competitiveness Report.

(29) Raising awareness of SIAs, including their functionality and accessibility, is crucial for encouraging their uptake. Awareness raising campaigns, run by Member States and the industry, which can be integrated into broader financial and investment literacy campaigns, should accompany the rollout of SIAs. These campaigns should also focus on bringing young people into saving and investing by presenting the opportunities while also being clear about risks.

(30) This recommendation acknowledges existing initiatives at Member State level on the creation of a label for a European savings product designed to support the financing of the European economy. It does not intend to interfere with or disrupt already existing successful SIAs that have effectively increased retail investors' participation in capital markets and facilitated their wealth creation.

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HAS ADOPTED THIS RECOMMENDATION:

Article 1
Subject matter

This recommendation concerns the establishment of savings and investment account frameworks by Member States to promote greater retail participation in capital markets, and the characteristics that these accounts should feature.

Article 2
Creation of Savings and Investment Accounts

1. Member States should establish frameworks for savings and investment accounts (SIA).
2. In developing their SIA frameworks, Member States are encouraged to introduce the features outlined in this recommendation.
3. If not already fully aligned, Member States are encouraged to review their existing savings and investment accounts frameworks, considering the features outlined in this recommendation.
4. No minimum age requirement or minimum amount should be imposed for the opening of a SIA or for the regular investments into the account.
5. Member States should allow investors to open multiple SIAs including with different providers.

Article 3
Provision of Savings and Investment Accounts

1. All financial services providers authorised to offer the relevant services that they intend to provide in relation to a SIA, for instance reception and transmission of orders, execution of orders on behalf of clients and safekeeping and administration of financial instruments, portfolio management and investment advice), should be permitted to offer a SIA to individuals resident in the Union, irrespective of the Member State in which such financial services providers are authorised.
2. Member States should not impose additional requirements on the provision of SIAs beyond those established by Union law. This includes ensuring that any financial services provider authorised and supervised by the competent authorities of another Member State may freely provide SIAs, together with the relevant investment and ancillary services associated with the SIAs, within their territories, provided that those services and activities are covered by the firm's authorisation.

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3. Unless specifically required under EU legislation, holders of SIAs should not be required to receive financial advice when investing through a SIA.

4. Entities providing SIAs should allow the transfer of individual financial instruments or the entire portfolio from one provider to another, as long as the receiving SIA provider can provide safekeeping and administration of the financial instruments being transferred and is compliant with the applicable rules set to facilitate tax compliance as referred to in Article 7.

Article 4
Costs associated with Savings and Investment Accounts

1. Member States should ensure that possible costs and fees charged for the opening and operation of SIA are fair and proportionate.

2. Member States should ensure that costs associated with transferring assets as stated in article 3(4) whether with the same or a different provider, are limited to administrative costs. Such costs should be charged at a reasonable level and clearly stated in the terms and conditions of the SIA.

3. Member States should ensure that the transfer of a portfolio of a retail investor from one SIA provider to another SIA provider will not create a taxable event for income tax purposes. The tax treatment of the assets in the account should continue to be as if the transfer of the portfolio has not taken place.

Article 5
Scope of the assets in the Savings and Investment Accounts

1. Without prejudice to any requirements under Directive 2014/65/EU (MiFID II), in particular those concerning suitability and appropriateness assessment to be performed by investment firms, Member States should ensure that SIAs provide access, at a minimum, to the following financial instruments: shares, bonds and shares or units in UCITS. Member States may decide to extend the scope of SIAs to other financial instruments provided that they are adequate for retail investors.

2. Member States should exclude from the scope of SIAs highly risky and complex financial instruments, such as highly risky and complex derivatives, and crypto assets other than those that represent a tokenized version of a financial instrument that is eligible to be held in a SIA.

3. Among eligible investments, Member States should encourage providers to offer the widest possible array of investment options available in the market, to enable retail investors to diversify their portfolios across asset classes, geographies, issuers, asset managers, financial instrument manufacturers, and risk profiles. Member States should strongly encourage providers to offer options for citizens to focus their investments on

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the EU economy and to contribute to strategic EU priorities, including the digital and green transitions, and the strengthening of EU security.

Article 6
Simplicity of Savings and Investment Accounts

Member States should ensure that SIAs provide a simple, reliable and easily accessible experience for retail investors. A digital interface can be particularly effective in facilitating access to SIAs. The principles of simplicity, reliability, security and accessibility should be consistently applied across all user interfaces.

Article 7
Facilitated tax compliance

1. Member States should ensure that comprehensive information on the tax treatment of assets held in SIAs is made available in a manner that is easily accessible and understandable for retail investors and providers of SIAs.

2. Member States should ensure simple and easy tax compliance procedures for SIA account holders regarding taxable income related to assets held via one or more SIA(s) by putting in place a framework enabling the SIA providers to provide services that encompass:

   a) the collection of the tax on behalf of the SIA account holder; and/or

   b) the sharing of all relevant data with the tax authority of the Member State of the tax resident of the SIA account holder so that it can be used to pre-fill the tax return of the account holder.

3. Member States should allow all SIA providers established in a Member State of the EU/EEA to provide the service, as referred to in paragraph 1, to the retail investors that are tax resident in their jurisdiction.

Article 8
Beneficial tax treatment

1. In order to encourage the uptake of SIAs, Member States should introduce tax incentives and ensure that SIAs and assets held through SIAs are granted at least the most favourable tax treatment available for any asset class or account.

2. Without prejudice to the above, Member States may consider incentivising SIAs through measures such as, but not limited to:

   a) Deductions from the taxable base, including allowing an amount invested in the SIA to be deducted from the taxable income;

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b) Tax exemptions, including providing an exemption of taxation on the taxable income generated by the assets held in the SIA;

c) Tax deferrals, including deferring the taxation of the income generated through a SIA until withdrawal from the SIA;

d) Applying a uniform tax rate to assets held in the SIA.

Article 9
Implementation and Reporting

1. Member States are encouraged to regularly evaluate the effectiveness of the measures they have taken to implement this Recommendation in increasing citizens' wealth creation and supporting the financing of the European economy. They are invited to monitor uptake, assets invested and budget impact related to any tax incentives in order to gauge the effectiveness of any support granted.

2. In order to accelerate the creation of a single market for SIAs and in order to promulgate best practices and enhance the convergence of practices, Member States are encouraged to exchange best practices regarding the design of SIAs, including the taxation of income on savings and investments., with a view to aligning their national criteria for granting tax incentives as much as possible and facilitating the portability of such accounts or products across Member States, including by introducing measures to avoid double taxation.

3. Member States are invited to inform the Commission on the measures taken to implement the present Recommendation, as well as on any changes made to existing frameworks, at the **latest one year** after the date of publication of this Recommendation.

4. Member States are called **to regularly report the measures mentioned in article 9(3) through the relevant established SIU-related monitoring processes**, also in view of the Midterm Review of the Savings and Investments Union strategy, which will be published in 2027.

5. The Commission will also monitor the implementation of the recommendation through the European Semester process.

Article 10
Awareness Raising

Member States should carry out awareness-raising campaigns to educate the public on the benefits and risks of investing and of the use of SIAs. These campaigns may be linked to, or form part of, broader financial literacy initiatives.

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Article 11
Addressees

This Recommendation is addressed to the Member States.

Done at Brussels, XXX 2025

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