BETTER FINANCE
The European Federation of Investors and Financial Services Users
Fédération Européenne des Épargnants et Usagers des Services Financiers

BETTER FINANCE responds to

European Commission Call for Evidence on Savings and Investment Accounts

08 July 2025

Executive Summary

Simple access to a wide range of investment products, incentives to adopt a long-term perspective and the freedom to switch service providers without undue costs are crucial elements of an investor-friendly framework for retail investments.

In that regard, BETTER FINANCE, the European voice of individual investors, strongly welcomes the European Commission's intention to promote simple and portable investment savings accounts as an essential step towards a genuine savings and investments union (SIU) that caters to the basic needs of all EU citizens as individual savers and investors.

BETTER FINANCE draws the Commission's attention to the need to ensure that investment savings account as a minimum given holders access to simple, cost-effective investment products with a long-term orientation such as equity, bonds and ETFs.

We believe that full and costless portability of investment savings accounts across providers and across borders, which would be a cornerstone of a SIU, should be a key objective of EU action.

Finally, we cannot stress enough the importance of designing tax frameworks that create powerful incentives for individuals to invest their savings with a long-term perspective while offering them flexibility in managing and accessing their financial assets.

Keywords :SIU ; investment accounts ; investor journey ; tax incentives

About BETTER FINANCE

BETTER FINANCE — the European Federation of Investors and Financial Services Users — is the voice of European citizens as savers, investors, and financial users at the EU level. Working independently from the industry, BETTER FINANCE serves as an independent hub of financial expertise for the direct benefit of individual shareholders, investors, savers, life insurance policyholders, pension fund participants, and mortgage borrowers across Europe. Their work aims to promote research, information, and training on investments, savings, and personal finances to lawmakers and the public. BETTER FINANCE counts 40 independent, national, and international member organisations, sharing similar objectives from the EU Member States as well as Iceland, Norway, Turkey, Lebanon, and Cameroon.

Contact

Sebastien Commain | Senior Research & Policy Officer

policy@betterfinance.eu

Rue d'Arenberg 44, 1000 Bruxelles

+32 2 514 37 77

betterfinance.eu

General comments

BETTER FINANCE welcomes the Commission's intention to promote the development of savings accounts for EU citizens to easily invest in capital markets. We believe that the Commission is right to stress the need for these accounts to be **simple to use**, **easy to transfer at no or little cost** between providers, and **enable investments in a wide range of products**. Investment savings accounts should make it virtually as easy for investors to save in capital market securities as it is to save in cash. We explore these issues further below.

Nevertheless, we note that the expression used by the Commission — "Savings and Investment Accounts" — may be confusing as regards the purpose of these accounts: if the purpose is to create a basic container for one's capital market investments, we would rather refer to "investment savings accounts", as opposed to "cash savings accounts".

We also believe that proposing a legislative instrument, not merely a recommendation, would have been more effective in terms of promoting investment savings accounts and reduce the fragmentation of the EU framework for retail investments. A Regulation or Directive could list the essential features and minimum requirements for investment savings account (including in terms of disclosures and portability, like the Payment Accounts Directive does), while leaving room for national adaptations.

Eligibility of products

BETTER FINANCE has consistently argued for individual investors to gain easy access to as wide a range of suitable investment products as possible, and we see simple investment accounts as contributing to that objective. Therefore, **all simple investment products should in principle be eligible for investment savings accounts** (notwithstanding the need the need to ascertain the suitability or appropriateness of a specific product for a specific investor, as per MiFID and IDD rules).[1] A service provider offering such accounts should **at least offer the client access to a wide range of equity, bonds, ETFs and cost-efficient investment funds.** More complex (and potentially, expensive) packaged retail and insurance-based investment products or personal pension products could also be made eligible if and only if the account provider offers a wide range of the aforementioned simplest products. Generally, the range of products should be large enough for the investor not to be confined to the (potentially limited) range of (expensive) products selected by the account provider.

Structured **products used primarily for short-term speculative purposes should be excluded** (e.g., turbo certificates). The aim for the account holder should be long-term capital accumulation through savings and reinvestment of returns; therefore, it would make sense to exclude from these accounts products that have short and ultra-short recommended holding periods and are used in day trading (weeks or even days).

[1] On the definition of "simple" investment products, see BETTER FINANCE, *Simple Products for Retail Investors*.

Rue d'Arenberg 44, 1000 Bruxelles
+32 2 514 37 77
betterfinance.eu

From the above, we also derive that crypto-assets should, as a general category, be ineligible for the investment savings accounts, owing to their complexity and speculative nature of most of these investments.

Cash deposits should be permitted for the primary purpose of facilitating transactions: cash to be invested or resulting from the sale of assets or the payment of dividends. Having the possibility to hold cash in the investment account could also facilitate portability, to the extent that some types of securities could not be transferred from one account provider to another, making it necessary to temporarily sell these securities when changing provider. Nevertheless, unlimited cash deposits may defeat the purpose of redirecting savings towards capital markets: cash may end up lying dormant in investment savings accounts, an issue faced by various existing schemes.[2] Various solutions may be explored to overcome this issue, including caps or exclusions of cash holdings from the calculation of tax incentives.

Investment mandates limiting eligibility based on the location of the investment should be excluded: We strongly believe that investment choices should be guided by investors' assessment of investment opportunities, not constrained by industrial policy considerations. The reorientation of investment flows towards the EU economy should be the result and reward of improved competitiveness of the EU's financial system and real economy making investing in Europe a rational, advisable decision.[3] Home bias is already strong in individuals' investment decisions without restrictive investment mandates; therefore, any increase in the amounts EU citizens invest will mechanically increase investment flows towards the EU economy.

Portability and shareholder rights

Ensuring that account holders always have the **possibility to switch providers at no or very limited cost** (within or across borders) is essential. Without an effective possibility to transfer one's account to another provider with cheaper/better services, no competition exists between account providers.

Therefore, **transfers of one's securities should be possible without exit fees**[4] and with the **transfer not being treated, tax-wise, as a withdrawal** (incurring taxes) followed by a contribution (counting towards a potential contribution or tax deductibility limit). Legally, securities on an account should be the property of the account holder, and they should have the possibility to move seamlessly that property wherever they like.[5] As regards cost-

---

[2] Bierbaum, *Designing Savings and Investment Accounts in the EU*, 20.
[3] We also note that, among existing investment savings account in Europe and elsewhere, the most popular are those that enable access to world markets, see Bierbaum, *Designing Savings and Investment Accounts in the EU*.
[4] In Germany, the Highest Federal Court has ruled that it is a main duty of the deposit contract that securities deposits can be transferred free of charge to another account provider. This principle should be generalised.
[5] This objective faces challenges, first from securities holding structures: nominee arrangements (street name) and omnibus accounts. While the two can overlap, both hinder beneficial owner identification and may create transfer, tax, and shareholder rights frictions to varying degrees — especially cross-border. Nominee arrangements register intermediaries as legal owners, concealing the actual investor, while omnibus accounts pool clients' holdings, potentially obscuring ownership transparency within the custody chain. Second, these issues should be addressed

Rue d'Arenberg 44, 1000 Bruxelles
+32 2 514 37 77
betterfinance.eu

free portability, inspiration can be drawn (duly considering the specifics of investment accounts), from existing EU legislation, such as the PEPP Regulation or the Payment Account Directive.[6]

Portability of investment accounts across providers and Member State borders should be the end-goal, making investment accounts an essential part of a genuine, competitive, savings and investments union. However distant this may seem, we urge the Commission to keep this objective in mind. Various solutions should be considered, such as a passporting regime for investment accounts meeting EU-level standards; standardised financial and tax reporting of assets and transactions should also be developed in order to make the various national frameworks interoperable and enable cross-border portability and distribution on investment savings accounts.

Besides the right to buy, sell and take their property elsewhere, investment savings accounts should also facilitate the exercise of fundamental shareholder rights: accessing information from the companies they are invested in, attending general meetings of shareholders and voting, etc. Making it easier for individuals to exercise their rights as shareholders would go a long way towards fostering an equity culture in the EU.

Tax reporting and incentives

Tax complexity and cross-border risks of double taxation remain major barriers to retail investment. Streamlined processes and simplified relief mechanisms are needed to ensure fair treatment and reduce burdens.[7] Simplicity in the taxation framework and in the filing of tax reports should feature amongst the main objectives of policy-makers designing modern investment savings accounts. The FASTER directive is a step forward, but a fully simplified and cost-free cross-border relief process remains essential.[8]

The automatic filing of tax reports, under Sweden's ISK regime or the French PEA, for instance, removes the worry of "getting it wrong" at the moment of filing one's tax return and, consequently, make investing significantly less burdensome. Tax administration in each Member State should, therefore, clearly state what information they need from account providers and provide a reporting framework that is as seamless as possible, without intervention from the individual investor.

The structure of taxes on financial assets greatly influences saving behaviours: devising a tax system for capital market investments that nudges individuals to invest early, regularly and with a long-term perspective is paramount for the development of EU capital markets. Various tax incentives solutions can be considered and we urge the Commission to review all existing best practices with in mind the goals of providing simplicity and flexibility to investors. One of such best practices is, for instance, the framework applied to British Individual Savings Accounts (ISA), which exempts from tax all capital gains and dividends obtained in the ISA, thereby providing a powerful incentive for investors to leave their

---

through parallel trade and post-trade reforms: look-through mechanisms, reduced intermediation (notably at the CSD level), stronger beneficial ownership compliance rules, or even direct retail access to (consolidated) CSD accounts (cf. Finland case).

[6] Regulation (EU) 2019/1238 and Directive 2014/92/EU.

[7] BETTER FINANCE and DSW, *Withholding Taxes on Dividends in the European Union*.

[8] BETTER FINANCE, *Feedback on FASTER Proposal*.

savings in the ISA for long periods of time while enabling withdrawals at any time: simplicity, flexibility. Other solutions could be no taxation after a certain minimum holding period and/or deferred taxation at the time assets are withdrawn from the investment savings account (by way of a withholding tax).

Rue d'Arenberg 44, 1000 Bruxelles

+32 2 514 37 77

betterfinance.eu

References

BETTER FINANCE, *Feedback on the European Commission's Withholding Taxes FASTER Proposal*, Brussels, September 18, 2023. https://betterfinance.eu/publication/better-finance-feedback-to-european-commission-on-withholding-taxes-faster-proposal/.

———, *Simple Products for Retail Investors: What They Look like vs. What They Should Look Like*, Brussels, December 2021. https://betterfinance.eu/publication/simple-products-for-retail-investors-what-they-look-like-vs-what-they-should-look-like-2/.

BETTER FINANCE and DSW, *Withholding Taxes on Dividends in the European Union: An Uphill Battle for Individual Shareholders*, Brussels, May 15, 2023. https://betterfinance.eu/publication/report-withholding-taxes-EU-dividends-shareholders-2023/.

Bierbaum, Maximilian, *Designing Savings and Investment Accounts in the EU: Analysis of Investment Accounts and Tax Wrappers in Europe and Worldwide and What the EU and Member States Can Learn from Them*, New Financial, May 2025. https://www.newfinancial.org/reports/designing-savings-and-investment-accounts-in-the-eu.

Rue d'Arenberg 44, 1000 Bruxelles

+32 2 514 37 77

betterfinance.eu