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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
Subject:	Commission Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment

EUROPEAN
COMMISSION

Brussels, 30.9.2025
C(2025) 6800 final

COMMISSION RECOMMENDATION

of 30.9.2025

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

{SWD(2025) 6800 final}

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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 insufficient financial literacy, complex investor journeys and fragmented financial services markets resulting in a lack of competition, and limited choices. This limits the options available to EU citizens for investing their savings in ways that could yield higher returns and increase 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 and 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. Encouraging greater retail participation in capital markets can therefore also provide additional sources of investments for the benefit of the EU economy.

(4) While individuals have the freedom to invest according to their personal preferences, needs, and choices and at their own pace, more 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 finance strategic EU priorities, including the digital, green and social transitions, and the strengthening of EU security and defence, should retail investors choose to allocate their investments accordingly.

(5) Member States play a crucial role in the achievement of the objectives of the Savings and Investments Union (SIU) and they stated their commitment to improving citizens' access to capital markets in both the Eurogroup statement of April 2024 and the European Council conclusions of March 2025. Accordingly, Member States are being 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 help achieve to these objectives. Some Member States have already obtained 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 help achieve the objective of boosting retail participation in capital markets.

(7) SIAs are provided by authorised financial service providers and enable individuals to invest in financial instruments such as shares, bonds, and units of collective investment undertakings. They often come with tax benefits. Certain countries, including some EU Member States, have implemented SIAs to address the matter of low retail participation in capital markets. Evidence from successful SIA frameworks shows 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 in the EU and internationally, has highlighted key characteristics of successful SIAs. These features include user-friendliness making them easy to access and operate, flexibility in terms of investing and divesting, and facilitation of tax compliance. Member States are recommended to introduce national SIA frameworks with these characteristics.

(9) Variations in wealth and income across the population affect retail participation in capital markets. SIA frameworks should aim for high participation rates across all age groups, from young people all the way through to older people, accommodating all citizens regardless of whether they are able to invest small or large amounts.

(10) Saving and investing from an early age can help to build wealth sustainably and contribute to increasing financial literacy and fostering an investment culture. Member States are encouraged to provide for a framework that will facilitate the take-up of SIAs by younger people, subject to appropriate safeguards.

(11) The EU’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.

(12) Best practices show that SIAs are successful when there is strong competition among financial service providers, enabling retail investors to access the most advantageous offers and the best service. A wide range of financial service providers should therefore be allowed to offer SIAs to retail investors, provided they have an authorisation for the services they intend to provide, such as the reception and transmission of orders, the execution of orders and the safekeeping and administration of financial instruments, giving investment advice, and portfolio management. In general, possible costs and fees associated with SIAs should be transparent as well as easy to understand and compare for retail investors.

(13) Fragmented markets and protectionist behaviours are 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, creating more opportunities for retail investors to get the best investment opportunities, as successful SIA frameworks in the EU have shown. Under existing rules, financial service providers authorised in one Member State 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. In implementing this recommendation, Member States should therefore ensure that, in setting up SIA frameworks, no barriers are created to the free movement of capital, or

to the cross-border provision of financial services or freedom of establishment in the EU. Member States should therefore allow SIAs to be provided by financial service providers authorised in any Member State.

(14) Fees and administrative processes associated with transferring assets between SIAs or switching SIA providers can also impede competition. It is therefore recommended to Member States 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 a portfolio with 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, either domestically or cross-border, does neither create a taxable event for income tax nor challenge existing tax benefits, including where it involves a sale of the assets with a subsequent transfer of the proceeds to the new provider, and that the tax treatment of the assets in the account is continued. This is without prejudice to bilateral tax Treaties, and to Member States' taxing rights in case of change of the tax residence of the retail investor.

(15) Member States are also encouraged to work together to avoid the risk of double taxation related to the possession of an SIA if a retail investor changes tax residence in the EU, and to ensure that the tax treatment does not discourage citizens from exercising their right to freedom of movement.

(16) 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 an SIA, EU citizens should have access to a wide range of financial instruments, including, at a minimum, shares, bonds, and units or shares of undertakings for collective investment in transferable securities (UCITS; including exchange-traded funds), from a broad range of issuers to ensure access to non-complex financial products. Other financial instruments, such as units or shares of European long-term investment funds (ELTIFs) and retail alternative investment funds (AIFs; where a Member State allows alternative investment funds to be marketed to retail investors), may also be eligible to be held in an SIA. The availability of such instruments could enable retail investors to diversify their portfolios and contribute to the funding of important infrastructure projects as well as unlisted companies, including start-ups, scale-ups and SMEs. Financial service providers should extend the offer of available investment assets 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.

(17) Financial services providers should also provide retail investors with options to focus their investments on the EU economy, to contribute to strategic EU priorities, including the digital, green and social transitions, and to strengthen EU security and defence.

(18) One of the core objectives of SIAs is to help retail investors, including citizens who have not previously invested in capital markets, to diversify their portfolios and increase their wealth prudently and sustainably through capital markets. This can best be done by investing primarily in non-complex financial instruments, that do not expose retail investors to risks which are difficult to understand and that do not

constitute investments in the real economy. SIA investable assets should therefore exclude certain highly risky or complex assets, without a reference asset, or whose reference asset is itself considered highly risky or complex. Such assets include highly risky or complex financial instruments such as some derivatives, as well as crypto assets other than those qualifying as financial instruments eligible to be held in an SIA (i.e. tokenised version of those financial instruments).

(19) As noted in the Commission's Communication on a Financial Literacy Strategy for the EU, launched alongside this Recommendation, investors have different levels of financial literacy and expertise, and different investment objectives and risk profiles. Retail investors should therefore have the option of choosing between investment services that provide investment advice and execution of orders, and services that only consist of execution or reception and transmission of client orders, where investment decisions are made independently by retail investors. Moreover, there should be no minimum investment requirements to open or operate an SIA to allow all retail investors to use them regardless of their level of wealth.

(20) Member States' and the financial services providers' efforts to streamline the investor journey and simplify all administrative and procedural aspects of SIAs are crucial for a successful framework. Member States and the industry should therefore 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 their uptake by investors and reduce overall costs for the industry. While digital solutions are a very effective way to facilitate access to SIAs, offline options for SIAs should also be available where feasible to ensure inclusivity and accessibility for all.

(21) For many people, the complexity of tax compliance related to investment income can discourage them from investing in capital markets. When settling taxes on assets held in SIAs, people should be able to use simple, easy, and, as much as possible, automated tax systems. National tax authorities should therefore rely on SIA providers for tax collection and/or the provision of information on SIA investments to minimise complexity related to tax compliance for holders of such accounts. To promote cross-border competition between providers, each Member State should enable SIA providers from other Member States to follow 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.

(22) Offering retail investors a tax incentive and having simple tax compliance procedures for investments held in an SIA can improve uptake and have been shown to be key features of successful SIA frameworks in Member States and third countries. Member States are encouraged to give SIAs advantageous tax treatment, that would be at least equivalent to the most favourable tax treatment available under that Member State's legislation that is given to income from any asset class or given to an investment product or account. If Member States wish to introduce tax incentives to promote the uptake of SIAs, they may consider introducing tax deductions, tax exemptions, tax deferral measures, uniform tax rates, or a combination of such measures. Tax deduction schemes may help to incentivise the initial uptake of SIAs. They may consist of allowing an amount to be deducted from taxable income when an account is opened, such as the deduction from taxable income of an amount in the first fiscal year of the opening of one SIA or more. A tax exemption scheme could consist of exemption from taxation of the income generated by the assets held in an SIA. Tax

deferrals would make it possible to postpone the taxation event until the assets are withdrawn from the SIA.

(23) Member States are strongly encouraged to design such tax incentives with due consideration of the objectives of SIAs in facilitating retail investment, as well as 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 follow the principle that tax incentives should be well targeted and simple for retail investors, SIA providers and tax administrations to understand and apply. Taking into account the objective of preserving an open and inclusive internal market, Member States should also ensure that such incentives are fully aligned with the free movement of capital and other requirements stemming from EU legislation. In particular, such measures should not discriminate between businesses established in the single market and should be designed in a manner that does not impede the cross-border distribution and scale-up of investment products in the EU.

(24) Member States could support the uptake of SIAs with non-tax measures, including monetary incentives such as lump-sum payments directly into them, when they are opened or as a complement to funds invested by the account holder.

(25) 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. The existence of SIAs to formalise investing would also increase the traceability of taxable events related to investments, supporting higher compliance and mitigating any existing tax gaps related to the investment income of retail investors.

(26) Any measures implemented by Member States pursuant to this recommendation are without prejudice to Articles 107 and 108 of the Treaty on the Functioning of the European Union.

(27) The development of SIAs is the responsibility of the Member States, so it is important that adequate monitoring systems are in place to follow their development. This monitoring, to take place as part of the 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 of measures taken to comply with this recommendation and of the actual uptake of SIAs. It is important to evaluate the effectiveness of tax incentives at regular intervals and whether these incentives also have a positive impact on the EU economy. These measures will also enable the Commission to track the Member States' SIA frameworks at regular intervals, when closely monitoring progress made under the SIU for the SIU Midterm Review.

(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 encouraging saving and investing from a young age by presenting the opportunities over the long-term while also being clear about the risks.

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

(31) This recommendation is adopted on the basis of Article 292 TFEU. The relevance and effect of the recommendation with regards to the EEA must be determined on the basis of the EEA Agreement.

HAS ADOPTED THIS RECOMMENDATION:

Article 1
Subject matter

This recommendation concerns the establishment of SIA frameworks by Member States to promote greater retail investor participation in capital markets, and the characteristics of these accounts.

Article 2
Creation of SIAs

(1) Member States should establish SIA frameworks.

(2) In developing their SIA frameworks, Member States are encouraged to give them the characteristics outlined in this recommendation.

(3) If they are not already aligned with this recommendation, Member States are encouraged to review their existing SIA frameworks, bearing in mind the characteristics outlined in this recommendation.

(4) Member States should ensure that no minimum amount is imposed for the opening of an SIA or for regular payments into it.

(5) Member States should allow investors to open multiple SIAs including with different providers.

Article 3
Provision of SIAs

(1) Member States should ensure that all financial services providers authorised under EU legislation to offer the relevant services that they intend to provide in relation to an SIA, such as the reception and transmission of orders, the execution of orders on behalf of clients and the safekeeping and administration of financial instruments, portfolio management and investment advice, should be permitted to offer an SIA to individuals resident within their territories, irrespective of the Member State in which such financial services providers are authorised.

(2) Member States should ensure that financial services providers authorised and supervised by the competent authorities of another Member State and authorised by such authorities to provide or perform the financial services referred under paragraph

1, within their territories, are not required to comply with any additional requirements when offering those services together with the provision of an SIA and are able to offer the SIA under the same conditions as providers established in their territories.

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

(4) Member States should enable the transfer of individual financial instruments or the entire portfolio from one SIA provider to another, as long as the receiving SIA provider can provide safekeeping and administration of the financial instruments being transferred and follows the rules on facilitating tax compliance as referred to in Article 7.

Article 4
Costs associated with SIAs

(1) Member States should ensure that the possible costs of and fees for opening and operating an SIA are fair, proportionate, transparent and easy to understand.

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

(3) Member States should ensure that the transfer of a retail investor's portfolio from one SIA provider to another SIA provider, either domestically or cross-border, will neither create a taxable event for income tax nor challenge existing tax benefits. This is without prejudice to bilateral tax Treaties, and to Member States' taxing rights in case of change of the tax residence of the retail investor.

Article 5
Scope of the assets in SIAs

(1) Without prejudice to any requirements under Directive 2014/65/EU (Markets in Financial Instruments Directive II), in particular those concerning suitability and the 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 qualify as a financial instrument eligible to be held in an SIA.

(3) Among eligible investments, Member States should encourage providers to offer the widest possible array of investment options available on the market, so that retail investors can diversify their portfolios across asset classes, geographies, issuers, asset managers, financial instrument manufacturers, and risk profiles. Member States should strongly encourage providers to include investment options that allow retail investors to channel their investments into the EU economy to contribute to strategic EU priorities, including the digital, green and social transitions, and the strengthening of EU security and defence.

Article 6
Simplicity and transparency of SIAs

Member States should ensure that SIAs provide a simple, reliable, secure, and easily accessible experience for retail investors – online as well as offline. 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 way that is easily accessible and understandable for retail investors and financial services providers that intend to offer SIAs.

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

(a) the collection of 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 residence of the SIA account holder so that it can be used to pre-fill the tax return of the account holder in question.

(3) Member States should allow SIA providers authorised and supervised in any other Member State to provide the services referred to in paragraph 2 to any retail investor in relation to the SIA framework in their jurisdiction under the same conditions as providers established in their territories.

Article 8
Beneficial tax treatment

(1) To encourage the uptake of SIAs, Member States are recommended to introduce tax incentives and ensure that SIAs and assets held in SIAs are given at least the most favourable tax treatment available that is given to income from any asset class or given to an investment product 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 an SIA to be deducted from the taxable income;

(b) tax exemptions, including providing an exemption from tax on the taxable income generated by the assets in an SIA;

(c) tax deferrals, including deferring the taxation of the income generated through an SIA until it is withdrawn from the SIA; or

(d) applying a uniform tax rate to the income generated by or the value of assets held in an SIA.

Article 9
Implementation and Reporting

(1) Member States are encouraged to regularly evaluate the effectiveness of the measures taken to implement this recommendation in increasing 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 support.

(2) To accelerate the creation of a single market for SIAs, promote best practices and bring them more into line with each other, Member States are encouraged to exchange best practices regarding the design of SIAs, including the taxation of income on savings and investments, to align 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 should regularly report the measures taken to implement this recommendation through the SIU-related monitoring processes, and in the context of the Midterm Review of the Savings and Investments Union strategy, which will be published in 2027.

(4) 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 inform 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.

Article 11
Addressees

This Recommendation is addressed to the Member States.

Done at Brussels, 30.9.2025

For the Commission
Maria Luís Albuquerque
Member of the Commission

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
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Decision-making & Collegiality
EUROPEAN COMMISSION