BlackRock

7 March 2025

European Commission, DG FISMA – B1 Capital Markets Union
Rue de Spa 2, 1000
Brussels, Belgium

Submitted at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14488-Savings-and-Investments-Union/addFeedback_en?p_id=33402481

RE: European Commission Call for Evidence on the Communication on European Savings and Investments Union

BlackRock[1] is pleased to have the opportunity to provide feedback to the European Commission's (EC) Call for Evidence on the Communication on European Savings and Investments Union.

BlackRock supports a regulatory regime that increases transparency, protects investors, and facilitates responsible growth of capital markets while preserving consumer choice and assessing benefits versus implementation costs.

We welcome the opportunity to comment on the issues raised by this call for evidence and will continue to contribute to the thinking of the EC on any issues that may assist on the Savings and Investments Union (SIU) and Capital Markets Union (CMU) work more broadly.

We welcome further discussion on any of the points that we have raised.

Yours faithfully,

Carey Evans
Managing Director
Co-Head of EMEA Government Affairs & Public Policy
carey.evans@blackrock.com

Martin Parkes
Managing Director
Government Affairs & Public Policy
martin.parkes@blackrock.com

[1] BlackRock is one of the world's leading asset management firms. We manage assets on behalf of institutional and individual clients worldwide, across equity, fixed income, liquidity, real estate, alternatives, and multi-asset strategies. Our client base includes pension plans, endowments, foundations, charities, official institutions, insurers and other financial institutions, as well as individuals around the world.

BlackRock strongly supports the growth of capital markets around the world, and has long supported the EU's efforts to build deeper capital markets (2019 Putting the Capital in the CMU; 2015 CMU: An Investor Perspective).

We believe the most important focus of the SIU should be to grow a deep and diverse investor base in the EU. Institutional investors, such as pension funds and insurance companies, play a significant role, yet their development varies across Member States. Promoting household participation in capital markets, where the EU currently lags behind other developed markets, should be the top priority.

Whilst increasing retail participation will deepen the EU's capital markets, we strongly believe the main policy driver of encouraging citizens to invest more of their savings should be to make them better off over the long term. Increased household financial well-being can translate into sustained economic growth creating what we call "The Virtuous Circle".

We are supportive of the creation of individual investment accounts to help increase retail participation; however, we believe it is important to provide account structures that cater to different investment horizons. To be successful, these accounts need to be designed with the end-user in mind, considering ease of use - crucial in an increasingly digital world-, wide investor choice, and stable, user-friendly tax incentives. When rolling out these accounts, we recommend incentivising regular savings allowing savers to invest small amounts regularly and in a diversified manner.

The attractiveness of such account structures can be further enhanced by introducing clear regulatory frameworks to facilitate fractional trading across Europe and to include simplified advice within MiFID II. Simplified advice would help to increase participation among those who seek advice but can't or won't pay for it. It would bridge the gap between execution-only and full advice models and enable the rollout of financial planning tools while maintaining high investor protection (more on this here).

For longer-term objectives, aspects such as auto-enrolment and default product design using lifecycling techniques are essential.

To date, much of the debate on the CMU has focused on public markets. While public debt and equity markets in the EU remain fragmented across national lines to varying degrees, we are optimistic about recent developments such as the introduction of a Consolidated Tape. Digitalisation and tokenisation will also benefit European markets more broadly, and the announced move to shorten the settlement cycle to T+1 can help bring greater efficiency to the public market ecosystem.

However, for capital markets to optimally serve the EU economy, we should not neglect the importance of private markets in delivering new capital investment to companies. The vast majority of European companies are private, and for many, listing is not always a likely path. These companies still need capital, and the growing interest by many investors in private markets should be seen as a critical opportunity for Europe. Europe already has a world-leading fund structure in ELTIF, but policymakers and industry still have the opportunity to ensure it reaches its full potential. As retail investment grows, linking European savers with the European economy through access to private market investment will be key. This can be achieved by different policy actions geared towards broadening access to private markets via retirement funds or accounts.

Finally, careful consideration is needed before making decisions on changing current supervisory arrangements. An effective supervisory framework must balance multiple objectives, including financial stability, market integrity, market growth, and investor protection. Clearly defined goals and assessment of the costs and benefits of any changes will be crucial. We would recommend a tailored approach that distinguishes between different market participants and infrastructure. For the asset management industry, we recommend promoting resource sharing by establishing a network of supervisory centres of excellence and efficient and consolidated data access via a common data hub.

Overall, significant progress has been made in expanding capital markets and establishing a robust regulatory framework. However, challenges remain to fully realize the SIU. By addressing the key areas outlined above, an inclusive financial ecosystem, that empowers retail investors and drives economic growth, will be created.

BlackRock is committed to contributing to these objectives and promoting the financial well-being of European citizens.