

To:

European Commission

DG FISMA – Capital Markets Union

DG TAXUD – Direct Policy & Cooperation

1049 Bruxelles / Brussel

Belgium

Milan, 8 July 2025

RE: AIPB Feedback to the European Commission’s Call for Evidence on the Savings and Investment Account Initiative

Dear Sirs,

The Italian Private Banking Association (*Associazione Italiana Private Banking*) (**AIPB**) welcomes the opportunity to contribute to the European Commission’s consultation on the “Savings and Investment Account” (**SIA**) initiative, which represents a significant step within the broader strategy for the development of the Savings and Investment Union (**SIU**).

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*Established in 2004, AIPB brings together leading national and international private banking operators, universities, research centres, service providers, industry associations, and legal and professional firms. This interdisciplinary network combines its distinctive expertise to **foster, develop, and broaden the culture of Private Banking**, addressing the needs of families and individuals with significant wealth and complex investment requirements.*

*AIPB’s mission is to **promote the recognition of the unique nature and role of Private Banking** within both the financial sector and society at large.*

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1. CURRENT CONTEXT

AIPB shares the objective of establishing a European Union of savings and investments and **supports the development of a European model for savings and investment accounts or products**. It is however important that the **new framework results in tangible benefits for European citizens** – in terms of increased savings and improved returns – as well as for European businesses, in particular small and medium-sized

enterprises (**SMEs**), including those that are innovative and/or operate in strategic sectors for the European Union.

The current context within the Union is characterized by a fragmentation into 27 distinct legal systems. Individual Member States have adopted various measures to encourage and facilitate private financial investment, typically favouring – also through tax incentives – investment in European SMEs and innovative start-ups, often subject to a minimum holding period.

While certain national experiences, such as those of Sweden and Finland, have proven more successful than others, there is still a clear need to further stimulate private capital – as highlighted in Mario Draghi’s Report on EU Competitiveness and Enrico’s Letta Report on the Future of the Single Market. Much of this capital remains stagnant in low-yield deposits, despite its considerable potential to enhance the economic conditions of EU citizens and businesses.

2. ALTERNATIVE MODELS

Against the background described above, **it is important to choose the right model to create the appropriate incentives at EU level in order to unlock the potential of private capital to foster the EU economic growth.**

In this respect, the models that appear to be most favourably regarded – namely those of Sweden and Finland – **do not appear to be fully aligned with the objective of supporting and expanding SMEs, as well as incentivizing long-term investments**, even though they offer features that are attractive to end users.

We believe that the above objectives should be a priority for the European economy also in the light of the SIU initiative. We have accordingly outlined in the paragraphs below a possible proposal to address the issues outlined in paragraph 1 above.

The below proposal is consistent with the positions expressed by European institutions on this matter on several occasions¹ as well as with the Union’s objective of supporting and financing the economic growth of European SMEs, as well as rewarding those investors who retain their investments over the medium to long term.

3. OUR VIEW FOR A EUROPEAN SIA BLUEPRINT

We believe that the SIA proposal should be based on a **common structure with standardised features applicable across all Member States**. It would be beneficial for SIAs to be **clearly recognisable to both investors and financial institutions**, for instance through a **common designation or identifying label** used uniformly throughout the Union.

While this common “base model” should be maintained, **certain elements may vary depending on the Member State in which the SIA is opened and held** – most notably with regard to tax treatment. However, Member States should be encouraged to adopt **favourable tax measures to promote the use of SIAs**.

¹ See the Mission Letter from President Ursula von der Leyen to Commissioner Maria Luís Albuquerque, the Statement of the Eurogroup in inclusive format on the future of the Capital Markets Union, the European Commission Communication of 19 March 2025 on the Savings and Investments Union, as well as the conclusions of the European Council of 20 March 2025.

In our view the European SIAs should be based on the following features:

- **Simplicity, intuitiveness and cost-efficiency** – The opening, management and termination of the account should be based on **simple, intuitive and cost-effective rules**.

The rationale of this approach is that the more straightforward, accessible, flexible, and affordable the SIA is, the more attractive it will be to potential users. Conversely, the complexity of the procedures necessary to open investment accounts often represent key barriers discouraging private individuals from investing their money.

The presence of certain standardised features and, where possible, a common designation, would also facilitate the seamless transfer of SIAs between financial institutions also across different Member States.

- **Transferability** – The SIA framework should also promote **the transferability of the SIA among financial institutions, including those authorized in different Member States**. The rules on transferability could leverage on those established for payment accounts under the Payments Account Directive (PAD).

The SIA should be capable of “following” its holder both in the event of a transfer to another financial institution within the same Member State and in the case of a transfer to a financial institution in a different Member State.

The transferability should also facilitate the free movement of workers and citizens across EU Member States. A citizen relocating in another Member State should indeed be entitled to transfer his/her SIA to a financial institution based in the new country of residence, without being forced to sell the investments or alter their composition. In such cases, the structure and core features of the SIA would remain unchanged, with only certain elements – especially the applicable tax treatment – adapting to the regulations of the relevant Member State.

- **Eligible investors** – SIAs would be primarily intended for **natural persons holding investments outside a business activity**. EU institutions could however assess the **merits of extending access to non-commercial entities** – such as trusts, private family foundations and certain non-commercial partnerships – subject to certain conditions or limitations. These structures are commonly used by families for long-term financial planning purposes, including in the context of intergenerational wealth transfer.

- **Eligible investments** – European SIAs should enable investment in a **diverse range of financial products**.

However, it is important to emphasise that, if the core objective is to support and strengthen European businesses – particularly young and innovative ones – by meeting their capital needs, **European SIAs should be geared towards investments in the risk capital of both listed and unlisted companies established within the EU and EEA**.

The inclusion of equity stakes in unlisted companies aims to stimulate the private equity sector, particularly in relation to SMEs which, as stated by President von der Leyen in her Political Guidelines 2024–2029, “...create quality jobs anchored in local communities. But they, along with larger companies, still face too many complexities”, including those arising from inadequate financing options.

In our view, the range of eligible investments for the European SIA **should also include IPOs and follow-on offerings of EU companies**, in order to increase retail investor participation in both primary and secondary capital market.

- **No minimum holding period** – Investors should be free to **dispose of their investments at any time**, retaining them only for as long as they consider it beneficial.

However, it would be appropriate to **reward those investors who hold their investments over time through the application of favorable tax treatment** (as outlined below). This incentive would be beneficial in terms of long-term financial planning as well as with a view to encouraging long-term investments in European businesses.

- **Tax incentives** – Income derived from investments held with SIAs should benefit from a **more favorable tax treatment** compared to the standard regimes applied to financial income in EU Member States, and the related **tax and reporting obligations should be simplified** for the investor – see the considerations outlined in paragraph 4 below.

4. TAX INCENTIVES

As noted above, identifying the **right tax incentives** is a **key element for the success of the SIA framework**.

Below we set out the key aspects of our proposal.

- **Investments in EU companies** – Bearing in mind that the objective of both the SIU and the SIA is to promote investments by private individuals in EU SMEs, it is essential that the tax incentives are used in relation to investments focused on European companies.

While the other simplification measures mentioned under para. 3 above could be applicable regardless of the nature of the investment, in our view it is important that the tax leverage is used only to promote investments in the EU economy – either directly (e.g. through the acquisition of shares or bonds of listed or non-listed EU companies) or indirectly (e.g. through the subscription of units or shares of UCITS or AIFs investing in EU listed or non-listed companies).

- **Holding period** – As previously noted, while investors should retain the flexibility to dispose of their investments – for example, by selling a security whenever they deem appropriate – the principal tax incentive associated with the European SIAs should consist of a progressive reduction in the tax rate applied to income generated by the investment, proportionate to the holding period.

In several European jurisdictions, financial income – including both capital income (such as dividends and interest) and capital gains – is subject to a fixed tax rate (applied either through withholding tax or a substitute tax, depending on the circumstances and the national system).

In Italy, for instance, capital income is generally taxed at a flat rate of 26%, with a reduced rate of 12.5% applicable to interest and capital gains from Italian and eligible foreign government bonds (i.e., bonds issued “white list” countries). At present, this rate does not vary according to the length of time the investment is held.

Were one to consider the example of a hypothetical “Italian” SIA, capital income and capital gains could instead be taxed at progressively lower rates depending on the duration of the holding period. By way of example only:

- income realized within the first three years from the date of acquisition could be subject to a standard rate of 26%;
- income realized between the third and fifth year could be subject to a reduced rate of 20%;
- Income realized between the fifth and tenth year could be subject to a lower rate of 15%;
- Income realized after the tenth year could be subject to a preferential rate of 12.5% (aligned with the rate applicable to government bonds).

This approach would reward long-term investment and contribute to greater capital stability in European markets, particularly where such investments are directed towards European SMEs;

- **Off-setting and tax deferral** – The SIA regime should provide that capital losses may be offset against any capital gains subsequently realized by the investor.

Consideration could be given to deferring the taxation of a capital gain where the proceeds are reinvested within a specified period (e.g., within 90 days of the disposal). This would help to neutralise any potential tax disincentive associated with the reallocation of assets. Timely reinvestment would allow for the continuation of the holding period and would further strengthen the long-term objectives of the EU SIA.

- **Transfer of the SIA** – The transfer of a SIA from one investment firm to another, including to a firm in a different Member State, should not constitute a taxable event if the account continues to be kept by the same individual. Similarly, the transfer of a financial instrument from one SIA to another held by the same individual should not trigger taxation.

It is understood that, following such a transfer to a firm located in another jurisdiction, the SIA (or the transferred asset) would become subject to the tax regime applicable in that Member State;

- **Tax reporting** – The responsibility for tax reporting and payment should lie with the investment firm holding the SIA, and investors should be relieved from any tax reporting obligations. This would further facilitate and incentivize the investment of private capital in EU capital markets.
- **Succession or trust** – Finally, the SIA framework should provide that, in case of donation or transfer of a SIA by way of succession to certain close family members – such as a spouse or children – or in the event of allocation to a trust established for their benefit, the holding period would not be interrupted as a result of the succession or transfer.

5. STRATEGIC ALIGNMENT AND FINAL REMARKS

AIPB strongly supports the Commission’s ambition to transform the European capital markets landscape through a more inclusive and competitive framework. The SIA initiative, if well-designed, can serve as a cornerstone of the SIU by facilitating a more efficient allocation of private wealth.

However, to maximize its potential, the initiative must ensure that retail investor participation is aligned with the long-term financing needs of the Union.

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AIPB remains fully available to engage in further dialogue and contribute its expertise to support the development of a successful and balanced framework.

Yours faithfully,

Associazione Italiana Private Banking (AIPB)