

SAVINGS AND INVESTMENT UNION

STRATEGY

AMAFI's position

AMAFI is the trade association representing financial markets' participants of the sell-side industry located in France. It has a wide and diverse membership of more than 170 global and local institutions notably investment firms, credit institutions, broker-dealers, exchanges and private banks. They operate in all market segments, such as equities, bonds and derivatives including commodities derivatives. AMAFI represents and supports its members at national, European and international levels, from the drafting of the legislation to its implementation. Through our work, we seek to promote a regulatory framework that enables the development of sound, efficient and competitive capital markets for the benefit of investors, businesses and the economy in general.

In a rapidly changing and unpredictable geopolitical context, it has become critical to develop the Union's strategic autonomy in key sectors. This is particularly true for financial markets, which have a critical role to play in financing the Union's five transitions: defence, digitalisation, decarbonisation, deglobalisation and demographics.

The Competitiveness compass¹ adopted in January 2025 highlights financing, in particular through the creation of a European Savings and Investments Union (SIU), as a key enabler to boost the competitiveness across all sectors. **The objective is to develop deeper and more liquid capital markets to direct private resources towards future-oriented growth-driving sectors.**

The financing needs of the Union are enormous. The Draghi report² estimates **an additional €750-800 billion per year by 2030** is necessary. On top of which the ReArm Europe Plan/ Readiness 2030 stresses investments in defence could reach **at least € 800 billion over the next four years³**.

In this context, **AMAFI welcomes the communication of the European Commission (EC) on the SIU Strategy⁴ and considers it is now urgent to seize the political momentum and implement ambitious reforms.**

Since the inception of the Capital Markets Union (CMU), AMAFI has been committed to making this vision a reality. Following up from the publication of its [report](#) in January 2024 updated in a position paper published in September 2024 ([AMAFI / 24-56](#)), the Association aims to share its

¹ [A competitiveness compass for the EU](#)

² [Report](#), The future of European Competitiveness, M. Draghi

³ [Joint white paper](#), for European Defence Readiness 2030

⁴ [Strategy on the Savings and Investments Union](#)

views on the SIU Strategy regarding **(I) the proposed approach for the elaboration of EU legislation and (II) the legislative reforms instrumental to build the SIU.**

I. A RENEWED APPROACH IN THE ELABORATION OF EU LAW

A. A COMBINATION OF TOP-DOWN AND BOTTOM-UP APPROACHES

We strongly support the approach proposed by the EC combining top-down and bottom-up measures. It is key to consider the interest of all Member States, so they see benefits in the SIU. This will enable the parallel development of both pan-European and domestic capital markets.

Efficient domestic capital markets have an important role to play in **responding effectively to the needs of small and mid-size companies** whose contribution to growth and employment is central. Maximum harmonisation should be pursued where it is useful and beneficial, while allowing local markets to grow their own specificities and hubs of expertise. More generally, we support the EC's call for Member States to form alliances in order to accelerate initiatives for which they have common interest.

With this in mind, **we are very much in favor of the development of “coalitions of the willing” on specific topics (e.g. insolvency law, a label for savings and investment account) as illustrated by the EU Competitiveness Lab initiated by Spain and joined by several Member States.**

B. A BROADER VIEW OF COMPETITIVENESS

Increasing the attractiveness of EU markets and the competitiveness of EU market participants is critical for EU financial markets to play a bigger role in the financing of the EU economy. While the banking sector is of paramount importance in the success of the SIU initiative, and while the EC's commitment to work towards further simplification⁵ and reduction of administrative burden contributes to enhancing the competitiveness of EU actors, we believe this approach should be broader. **It is key to embrace the whole EU financial market ecosystem to create a globally integrated and competitive sector for the benefit of EU investors, issuers and citizens.**

We consider a holistic approach towards increasing the competitiveness of EU market actors should be clearly laid out. In particular, **the systematic use of an EU competitiveness test for each new legislative proposal, as per tool 21 of the Better Regulation⁶, should be made compulsory.** It should be demonstrated systematically that any new proposed legislation will have positive effects on the competitiveness of European financial markets and their participants and contribute to the strategic autonomy of the Union.

⁵ The issue of simplification should also be considered with regards to level 2 and 3 texts which should be strictly limited to what is provided in the level 1 legislation.

⁶ Better regulation toolbox, [Chapter 3](#) – Identifying impacts in evaluations, fitness checks and impact assessments.

II. KEY LEGISLATIVE PRIORITIES

A. REVITALISING THE EU SECURITISATION MARKET

We believe this is a **critical reform for the growth of EU capital markets as well as to meet the objectives of financing the transitions**. Securitisation is a necessary tool to increase banks' ability to provide credit more dynamically while offering investors a greater variety of investment opportunities.

As such, we welcome the EC's ambition and the political support of EU Member States⁷, but we are concerned with the absence of this instrumental reform in the draft own initiative report⁸ of the European Parliament's Economic and Monetary Affairs Committee.

More precisely, we call on the EC to undertake full reviews of the Securitisation Regulation, CRR and Insolvency to create a new asset class, this means:

- Adjust the prudential treatment of securitisation for both banks and insurers;
- Improve the eligibility of securitisation in the LCR ratio;
- Calibrate diligence and disclosure requirements to align them with investors' needs, reflecting the type of transaction (private/public, collateral), the tranche seniority

B. TOWARDS A MORE CENTRALISED SUPERVISION BY ESMA

Overall, while **we welcome the EC and Member States' commitment to eliminate uncoordinated national exemptions, prevent domestic gold plating of EU law and move to direct supervision** for large trading and post-trading infrastructures with cross-border activities, we would like to highlight additional reforms which have to be considered equally important.

1. Strengthening ESMA's governance with greater independence

Empowering ESMA must go hand-in-hand with reforming its governance. The current structure of the Board of Supervisors (BoS), ESMA's main decision-making body, appears ill-suited to further develop supervisory convergence. In addition, today's supervisory decisions can depend on reaching the majority with national competent authorities (NCAs) from countries with little or no connections to the activities in question, an evident misalignment of incentives that undermines supervisory effectiveness⁹.

We advocate for the strengthening of ESMA's decision-making power by:

- **Changing the decision-making process of the BoS.** As financial markets in Member States vary widely in size and complexity, we call for new voting arrangements to reflect the heterogeneous weight of financial markets as well as the different areas of expertise of each

⁷ EU Summit [conclusions](#), 21 March

⁸ Draft [report](#) on Facilitating the financing of investments and reforms to boost European competitiveness and creating a Capital Markets Union (Draghi Report)

⁹ [Report](#), Capital Markets Union: Ten Years Later, N. Veron, ECON Committee, March 2024

NCA. Moreover, as this is the case for simple majority voting, abstentions should never count as a vote for or against.

- **Replacing the existing Management Board by an Executive Board with greater executive power.** Similarly to the governance of the Anti-Money Laundering Authority, an Executive Board composed of a few selected members would enable ESMA to take more agile decisions.

2. Broadening the scope of no-action letters

The EU legislative process is, by nature, slower and less reactive than that of many third countries which **hampers the competitiveness of its market players**.

The delay between the adoption of a proposal of the EC and its publication in the EU Official Journal can significantly hinder the business operations of EU market participants – particularly when the matter at stake is time sensitive and affects their ability to serve clients. This can result in losing clients to competitors operating in a jurisdiction without a similar restriction on their service offering.

To address this issue, especially when EU rules appear inadequate due to changes in the overall (regulatory and business) environment, **we propose expanding the scope of the no-action letter that ESMA can issue**, aligning with the powers of the SEC in the US. Such a tool should only be made available after ESMA's governance has been reformed and provided that the Authority is prepared to develop a deeper understanding of the operational realities of market actors as well as of practices.

3. Embedding competitiveness in ESMA's regulatory mandate

In light of the central role played by the European Supervisory Authorities in shaping and implementing EU regulations, we consider that **competitiveness should be added as a key objective of ESMA's regulatory mandate**.

This is necessary for EU financial markets to be more competitive at the international level given such goal is already in the mandates of the CFTC and the SEC in the US as well as of the UK PRA and FCA as a secondary statutory objective.

C. TURNING EU SAVINGS INTO EU CAPITAL

We share the EC's objective to better channel EU savings to the financing of the European economy as currently a significant portion of risk-exposed capital abroad primarily finance the US economy¹⁰ (EUR 300bn a year). Transforming EU households savings into EU capital is hence of the utmost importance.

Unlike the US and to lesser extent the UK, and with the exception of a handful of countries, the EU lacks developed pension systems which would enable massive investments in equities. As such, we

¹⁰ [Report](#), Much more than a market, E. Letta.

support the proposal to further develop the EU supplementary pension sector notably via auto-enrolment both at EU and national levels.

Additionally, we welcome the EC ambition to simplify the Retail Investment Strategy aiming at encouraging spontaneous investments. One should avoid imposing new burdensome requirements weighing on the client's journey, the internal control framework of firms or from creating new supervisory tools that would bring little benefits. Instead, taking into consideration EU households' strong risk aversion, **it is necessary to develop incentives to long term investments in EU companies.**

Given the urgency of that matter and the need to avoid the lengthy legislative process, **we support the ongoing work of the EU Competitiveness Lab established by Spain which aims at creating a European label for existing long-term saving accounts.** Amongst the various features of this label, experience has shown in Sweden (ISK), in Italy (PIR) and in France (PEA) that **tax incentives should be an essential component of such a label.**

We do not believe that creating an EU account/product from scratch is the best way to enable a rapid mobilisation of EU savings towards the financing of the Union's economy.

