

## Recommendations on Savings and Investment accounts

### Response Deutsche Börse Group

Deutsche Börse Group (DBG) believes that the establishment of a blueprint for a Savings and Investment account is one of the most important initiatives of the SIU and a central instrument for mobilizing private capital, increase retail investor participation, improve market liquidity, and strengthen the European real economy. We therefore propose the following points, which we believe will contribute to achieving these goals:

- **Simple and digital approach:** In order to ensure broad acceptance and coverage, the digital account and its options must be easy to understand, with low complexity, particularly when it comes to the choice of financial instruments, tax implications, and a quick opening process. The account should be integrated into Member States' existing pension systems and take into account existing savings and investment accounts.
- **Flexible choice of financial instruments:** Eligible financial instruments should include shares, ETFs, ELTIF, bonds as well as exchange traded and centrally cleared derivatives.
- **Trading on transparent multilateral markets:** To ensure market integrity, price formation, transparency and investor protection, financial instruments should be traded exclusively on multilateral trading platforms and not via bilateral execution.
- **Tax incentives:** A beneficial and simple tax treatment is a necessary factor for the success of the account. Possible options include a lower flat tax, higher allowances for capital gains, or tax exemptions after certain holding periods.
- **Optional government subsidies:** If possible, Member States should consider providing further incentives by granting subsidies to increase attractiveness for lower-income individuals to participate in the capital market. Furthermore, the accounts could start with a one-time or recurring subsidy for children to achieve returns as early as possible and to pave the way to the capital market.
- **Flexible payout options:** With the beginning of the payout phase, the option to choose between a lifetime annuity or an individual payout plan would significantly increase the flexibility of private pension provision.
- **Supporting the European economy:** The account should be free of any geographical investment obligations. It is well known that retail investors have a home bias. Thus, it can be assumed that better capital mobilization will automatically channel more capital in European companies. However, we believe that the European economy would benefit from incentives to invest in ELTIFs, AIFs or future European fund structures.
- **Broad accessibility/flexibility/portability:** To ensure a sufficient level of capital stock at retirement, accounts should not be designed with restrictions on the amount that savers can invest annually or over their lifetime. Further, light withdrawal restrictions would increase competition between providers and reduce negative impacts on savers if they are not satisfied with their product choice or provider, or if the investment preferences have changed over the course of their lives.
- **Campaigns for financial education:** Citizens often feel inadequately informed about investing. Therefore, the EU should – in collaboration with the industry – launch

financial education campaigns and offer comprehensible information packages to support the acceptance of the account. These campaigns could turn out to be most efficient when conducted under school/university/employment schemes.