Fondbolagens förening
SWEDISH INVESTMENT FUND ASSOCIATION

The Swedish Investment Fund Association's recommendations on establishing Savings and Investment accounts

Experiences from the Nordic markets show that Savings and Investments accounts can unlock the investment potential of retail savings. The Swedish Investment Fund Association (SIFA) supports the European Commission's proposal to develop a European Savings and Investments accounts blueprint. However, for the initiative to succeed, the blueprint must be sufficiently flexible to account for the diverse national tax and pension systems across the EU.

To promote better saving habits and reduce the amount of household wealth sitting in deposits, Savings and Investment accounts must be simple and accessible for retail investors. Introducing more financial products, labels or layers of complexity will only discourage participation, especially from inexperienced savers.

Sweden has demonstrated strong results in engaging retail investors—largely due to the introduction of simple, tax-incentivized Savings and Investments accounts (the Swedish ISK). Based on this experience, SIFA proposes the following principles, recommendations, and follow-up measures.

The European Commission's blueprint should be grounded in the following three general principles:

National design and implementation: Savings and Investments accounts characteristics, including tax treatment, should be determined at the member state level to ensure local compatibility.

Minimum standards: The blueprint must set only minimum standards to prevent any weakening of existing national Savings and Investments accounts schemes.

Reduce restrictions: Avoid strict rules on deposit limits, geography, asset eligibility, or holding periods, as they increase fragmentation and complexity.

Following the above principles, the blueprint should include recommendations in six key areas:

Deposit limits: To ensure that Savings and Investments accounts will effectively transform household savings into productive investments, any deposit limit should be substantial.

Eligible assets: Households are a diverse group of potential retail investors. To appeal to a wide range of households with varying risk profiles, the European Commission should recommend that member states introduce Savings and Investments accounts with a broad selection of eligible assets, including listed shares and bonds, and all UCITS, ELTIFs, and retail AIFs.

Geographical scope: Most European investors already show a significant home bias, so further geographical restrictions are unnecessary and counterproductive. Sweden's IPO market, for example, has flourished without such limits, outperforming much larger economies in terms of listings.

Holding period: Retail investors have different and evolving time horizons. A mandatory holding period would reduce flexibility and limit provider competition. The EU should recommend Savings and Investments accounts with no minimum holding period.

Simple tax rules: Complex tax treatments deter participation. Savings and Investments accounts should be built around simple, easy-to-understand structures.

Tax reporting: Savings and Investments accounts must be user-friendly. To reduce burden and improve accessibility, tax reporting should be handled by service providers rather than account holders.

Competition and access: All licensed institutions—banks, brokers, insurers, fund managers—should be eligible to offer Savings and Investments accounts. Investors must be able to switch providers without triggering tax penalties to ensure low costs and healthy competition.

The European Commission should conduct follow-ups as more Savings and Investments accounts are introduced, with two specific measures:

Good practices communication: The European Commission should gather and share successful national implementations to encourage adaptation.

Monitoring: Retail participation and use of Savings and Investments accounts should be tracked, and maybe integrated with the European Semester framework.