

# Euro Tax Flash from KPMG's EU Tax Centre

## European Commission Recommendation on Savings and Investment Accounts

Issue 568

October 3, 2025

On September 30, 2025, the European Commission (the Commission or the EC) published a "Recommendation on increasing the availability of savings and investment accounts (SIA) with simplified and advantageous tax treatment" (the Recommendation).

The Recommendation encourages all Member States to establish SIAs in order to promote greater retail investor participation in capital markets. The European Commission invites Member States to consider and adopt a range of key design features, including user-friendliness (making the accounts easy to access and operate), as well as flexibility in terms of investing and divesting. Additionally, the EC recommends a wide range of measures to support the uptake of SIAs, from incentives that encourage retail investors to open and maintain an SIA, to initiatives that simplify tax compliance.

The Recommendation is non-binding on Member States but it is intended to serve as a blueprint for those Member States that wish to develop and implement SIAs.


Overview of our E-News
E-News - KPMG Global

ETFs – Euro Tax Flash
Euro Tax Flash - KPMG Global

# European Commission – Recommendation – Savings and Investment Union – Savings and Investment Accounts – Tax incentives

## Background

On March 19, 2025, the European Commission (EC) adopted its Communication on the "Savings and Investments Union: A Strategy to Foster Citizens' Wealth and Economic Competitiveness in the EU". The Communication aims to provide a strategic framework that encourages the effective alignment of all aspects of the EU financial system. Specifically, it includes initiatives and policy actions grouped in four workstreams: (1) citizens and savings; (2) investments and financing; (3) integration and scale; (4) efficient supervision in the single market.

This new initiative builds on the progress already made under the two Capital Markets Union Action Plans and the parallel efforts to develop the Banking Union. One of the workstreams announced was an upcoming recommendation on savings and investments accounts – the Commission had committed to develop a European blueprint for savings and investments accounts or products for retail investors based on existing national best practices, including recommendations to Member States on the tax treatment for such investment accounts.

For more details on the Communication on the Savings and Investment Union, please refer to E-news Issue 209.

## Recommendation on Savings and Investment Accounts

On September 30, 2025, the European Commission published its "Recommendation on increasing the availability of savings and investment accounts (SIA) with simplified and advantageous tax treatment" (the Recommendation). The Recommendation is accompanied by a Commission Staff Working Document and a Frequently Aked Questions (FAQ) webpage. Taken together, these documents set out the rationale underlying SIAs, define the objectives pursued, and identify the design principles that the Commission considers to constitute best practice.

### *Objectives of the Recommendation*

The Commission observes that EU households maintain some of the highest savings rates globally but often fail to maximize the return on these savings. A large proportion of EU savings remains in bank deposits which, although secure, typically yield limited returns and do not offer protection against inflation. The Recommendation identifies several factors contributing to this outcome, including low financial literacy, complex investment processes, fragmented financial services markets and limited competition. In the Commission's view, these barriers reduce citizens' willingness and ability to invest in capital markets.

By addressing these shortcomings, SIAs are expected to contribute to better financial outcomes for individuals and to wider EU goals. The EC argues that a stronger base of retail investors would provide additional sources of funding for businesses, encourage innovation and job creation, and support the financing of strategic priorities such as the green, digital and social transitions and the strengthening of EU security and defense.

The Recommendation also recalls that Member States have already committed to improving citizens' access to capital markets in the Eurogroup statement of April 2024 and the European Council conclusions of March 2025. The Commission presents SIAs as a practical instrument to support these commitments.

### *What are SIAs?*

The Recitals of the Recommendation clarify that SIAs are special accounts offered by authorized financial service providers and that allow individuals to invest in a variety of financial instruments such as shares, bonds and units of collective investment undertakings. The EC also notes that SIAs often include tax advantages and are already in place in some Member States and third countries. According to the Commission, evidence from these jurisdictions shows that well-designed SIAs can make capital markets easier to access, help investors diversify their portfolios and support sustainable wealth creation.

### *Key features of effective SIAs*

The Recommendation outlines a series of characteristics drawn from best practices. In developing their SIA frameworks, Member States are encouraged to ensure that these best practices are considered. Member States that already have SIA frameworks in place are invited to review and, where appropriate, adapt them with due regard to those characteristics.

*Accessibility and possibility to hold multiple accounts*

The Commission recommends that accounts be accessible without minimum deposit thresholds or mandatory investment requirements. Member States should permit investors to open multiple SIAs, including with different providers.

Additionally, in the Recitals, the Commission encourages Member States to design SIAs so that they can be used by all citizens, regardless of age or wealth. Access should be possible through both digital and offline channels to ensure inclusiveness. Frameworks are encouraged to promote uptake among young people to foster long-term saving habits and financial literacy.

*A wide array of providers*

The Recitals of the Recommendation stresses that competition among providers is key to successful SIAs. In the EC's view, a broad range of authorized financial service providers, including banks, brokers, insurers and investment firms, should be able to offer SIAs. The Recommendation notes that fees should be fair, proportionate and transparent. Providers authorized in one Member State should not face additional barriers when offering SIAs across borders. Facilitating cross-border provision of SIAs is considered essential for innovation and improved offers for investors.

*Flexibility: portability and transfers*

Investors should be able to switch providers easily. The Recommendation asks Member States to ensure that transfers of portfolios between service providers – whether domestically or cross-border, are streamlined and subject only to limited administrative costs. Moreover, transfer should not trigger a taxable event, so as not to impede the portability of SIAs between providers. The Recitals note that a transfer of a portfolio between providers might be considered a taxable event (e.g. where an existing portfolio is sold and then repurchased with a new provider), and therefore subject to taxation. Member States are recommended to ensure that the transfer of a portfolio of a retail investor between providers, either domestically or cross-border, does not create a taxable event for income tax and does not compromise existing tax benefits, i.e., the tax treatment of the assets in the account should be continued. The Communication notes that this recommendation is without prejudice to the provisions of applicable bilateral tax Treaties, and to Member States' taxing rights. Member States are, however, encouraged to cooperate to prevent double taxation where investors change residence within the EU.

*Large scope of investment opportunities across asset types*

SIAs should permit access to a broad range of financial instruments to allow diversification. At a minimum, eligible instruments should include shares, bonds and UCITS, including exchange-traded funds. Member States may extend eligibility to other products, such as European long-term investment funds (ELTIFs) or retail alternative investment funds (AIFs). Providers are encouraged to offer investment options that contribute to EU strategic priorities.

*Exclusion of certain types of products*

The Recommendation notes that SIAs should exclude investments in highly risky or complex financial instruments, such as certain derivatives or crypto assets not qualifying as financial instruments.

*Simplicity and transparency*

The Recommendation highlights that SIAs should offer a simple, reliable and secure experience for users. Administrative procedures should be streamlined, and all interfaces should be user-friendly. Costs for opening, operating or transferring accounts should be easy to understand and limited to proportionate administrative charges. Transparency in fees and terms is underlined as essential to building trust and encouraging participation.

*Simplified tax compliance*

Member States are encouraged to ensure that comprehensive information on the tax treatment of assets held in SIAs is made available in a manner that is easily accessible and understandable for both retail investors and financial services providers intending to offer SIAs.

The Commission acknowledges that the complexity of tax compliance represents a significant barrier for individual investors. To address this challenge, the Recommendation includes provisions for streamlined tax procedures that aim to move the compliance burden from the retail investor and to put it in the hands of the SIA provides. Specifically, the EC recommends that Member States establish a framework enabling SIA providers to offer services such as:

- collecting tax on behalf of the retail investor; and/or
- supplying all relevant data directly to the tax authorities of the Member State where the SIA account holder is tax resident, so that this information can be used to pre-fill the tax return of the retail investor.

The Commission also encourages Member States to permit service providers that are authorized and supervised in other Member States to follow the same tax compliance procedures on behalf of their customers as domestically authorized providers.

*Tax incentives*

The Commission acknowledges that retail investors may require incentives to open SIAs. The EC therefore recommends that Member States promote their use by increasing the net investor returns, notably through the introduction of tax incentives. Member States are also encouraged to ensure that SIAs and the assets held therein are granted at least the most advantageous tax treatment available domestically for other investment products and accounts.

In this regard, the Recommendation sets out a non-exhaustive list of tax incentives that Member States may consider, including:

- deductions from the taxable base, such as allowing amounts invested in an SIA to be deducted from the taxable income;
- tax exemptions, for example exempting from taxation the income generated by assets held in an SIA;
- tax deferrals, such as deferring the taxation of income generated through an SIA until such income is withdrawn; or
- uniform tax rates, applied to income generated by or the value of assets held in an SIA.

The Recitals of the Recommendation underline that incentives must be simple, well-targeted, aligned with fairness principles, and compliant with EU law, including the free movement of capital and State Aid rules.

*Other incentives*

Although not specifically included in the text of the Recommendation, the Recitals note that additional non-tax measures may encourage the uptake of SIAs, such as lump-sum payments upon account opening or Member State matching contributions.

### *Awareness raising*

Member States are encouraged to conduct awareness campaigns to promote SIAs, explaining their functionality and risks. The EC notes that these campaigns could be integrated with, or complement, broader financial literacy initiatives.

## Next steps

The Recommendation calls for regular monitoring and evaluation of SIA frameworks.

Member States are encouraged to regularly assess the effectiveness of measures taken to implement the Recommendation, particularly with respect to wealth creation and supporting the financing of the European economy. Member States are also encouraged to share best practices regarding the design and tax treatment of SIAs, and to align as much as possible their national criteria for granting tax incentives.

Member States should regularly report on their implementation measures through SIU monitoring processes and as part of the Midterm Review of the Savings and Investments Union strategy, scheduled for publication in 2027. Additionally, the Commission will monitor the implementation of the Recommendation through the European Semester process.

# ETC Comment:

The documents accompanying the Recommendation emphasize the key role that SIAs can play in reinforcing the EU's competitiveness. While there is no requirement for investments held in SIAs to be made in EU assets, the Commission notes the well documented phenomenon of “home bias”, where investors tend to allocate a large share of their portfolios to domestic markets. Evidence from existing frameworks in the EU and third countries show that even without formal restrictions, significant proportions of investments remain in national or regional markets. As a result, the Commission expects that SIAs would still contribute materially to the financing of EU companies and strategic priorities. Additionally, the Commission’s related Q&A sets out a best-case scenario for the initiative, noting that increased retail participation in capital markets could raise investment in EU assets by more than EUR 1.2 trillion over ten years.

In preparing this Recommendation, the Commission reviewed various existing schemes within the EU and in third countries to identify and incorporate established best practices. "The Commission Working Staff documents provide details on these frameworks and explain the reasoning behind the selection of features subsequently included in the Recommendation.

The Commission’s FAQ page highlights that SIA frameworks are already in place in several Member States – i.e., Denmark, Estonia, Finland, France, Hungary, Italy, Latvia, Lithuania, Slovakia and Sweden, but notes that their specific features “vary quite significantly”. The Commission also notes that other EU countries have announced plans to introduce similar frameworks starting in 2026. For jurisdictions where SIAs are already established, the Recommendation is intended to equip Member States with tools to refine and improve their national frameworks. Nevertheless, as noted above, Recommendations are not binding on Member States, and the extent to which they will be implemented remains uncertain. Furthermore, several EU Member States are now facing budgetary constraints, which are likely to negatively influence their ability to introduce SIA frameworks. Service providers wishing to offer SIAs will need to monitor closely how these recommendations are implemented at national level.

The potential introduction of tax-efficient investment accounts may present a significant opportunity for asset managers, particularly in attracting retail investors to ETFs and UCITS funds. By developing products that are compatible with these new accounts – featuring user-friendly integration, transparent pricing, and readiness for digital data exchange, asset managers can position themselves to capture increased retail investment flows.

TThe Recommendation is part of a package of two key initiatives designed to enhance financial literacy and expand investment opportunities for citizens across the EU. The other key initiative – the Financial Literacy Strategy, is specifically targeting the improvement of financial literacy for individuals of all ages and at every stage of life. Its aim is to empower EU citizens to make informed financial decisions by equipping them with the necessary knowledge and skills to manage their finances effectively, save efficiently, and invest in their future. According to the European Commission, data from the 2023 Eurobarometer survey indicates that financial literacy levels within the EU remain low, with fewer than 20 percent of citizens demonstrating a high level of financial literacy. Furthermore, there are considerable disparities in financial literacy rates among Member States. In response to these challenges, the Financial Literacy Strategy outlines a series of measures aimed at increasing financial awareness among all citizens and supporting Member States in their efforts to improve financial literacy. As part of these measures, the Commission and Member States will, among other measures, establish by Q1 2026 a network of “financial literacy ambassadors” to act as trusted advocates, promote financial awareness campaigns, and help connect EU citizens with reliable initiatives at EU level.

Should you have any queries, please do not hesitate to contact KPMG’s EU Tax Centre or, as appropriate, your local KPMG tax advisor.



**Raluca Enache**
Associate Partner
Head of KPMG's EU Tax Centre



**Ana Pușcaș**
Associate Director
KPMG's EU Tax Centre



**Ben Musio**
Manager
KPMG's EU Tax Centre

# Key EMA Country contacts

**Ulf Zehetner**
Partner
KPMG in Austria
E: UZehetner@kpmg.at

**Margarita Liasi**
Principal
KPMG in Cyprus
E: Margarita.Liasi@kpmg.com.cy

**Jussi Järvinen**
Partner
KPMG in Finland
E: jussi.jarvinen@kpmg.fi

**Zsolt Srankó**
Partner
KPMG in Hungary
E: Zsolt.Sranko@kpmg.hu

**Steve Austwick**
Partner
KPMG in Latvia
E: saustwick@kpmg.com

**Robert van der Jagt**
Partner
KPMG in the Netherlands
E: vanderjagt.robert@kpmg.com

**Ionut Mastacaneanu**
Director
KPMG in Romania
E: imastacaneanu@kpmg.com

**Caroline Valjemark**
Partner
KPMG in Sweden
E: caroline.valjemark@kpmg.se

**Kris Lievens**
Partner
KPMG in Belgium
E: klievens@kpmg.com

**Ladislav Malusek**
Partner
KPMG in Czechia
E: lmalusek@kpmg.cz

**Patrick Seroin Joly**
Partner
KPMG in France
E: pseroinjoly@kpmgavocats.fr

**Ágúst K. Gudmundsson**
Partner
KPMG in Iceland
E: akgudmundsson@kpmg.is

**Vita Sumskaite**
Partner
KPMG in Lithuania
E: vsumskaite@kpmg.com

**Thor Leegaard**
Partner
KPMG in Norway
E: Thor.Leegaard@kpmg.no

**Zuzana Blazejova**
Executive Director
KPMG in Slovakia
E: zblazejova@kpmg.sk

**Stephan Kuhn**
Partner
KPMG in Switzerland
E: stefankuhn@kpmg.com

**Alexander Hadjidimov**
Director
KPMG in Bulgaria
E: ahadjidimov@kpmg.com

**Birgitte Tandrup**
Partner
KPMG in Denmark
E: birgitte.tandrup@kpmg.com

**Gerrit Adrian**
Partner
KPMG in Germany
E: gadrian@kpmg.com

**Colm Rogers**
Partner
KPMG in Ireland
E: colm.rogers@kpmg.ie

**Olivier Schneider**
Partner
KPMG in Luxembourg
E: olivier.schneider@kpmg.lu

**Michał Niznik**
Partner
KPMG in Poland
E: mniznik@kpmg.pl

**Marko Mehle**
Senior Partner
KPMG in Slovenia
E: marko.mehle@kpmg.si

**Timur Cakmak**
Partner
KPMG in Turkey
E: tcakmak@kpmg.com

**Maja Maksimovic**
Partner
KPMG in Croatia
E: mmaksimovic@kpmg.com

**Joel Zernask**
Partner
KPMG in Estonia
E: jzernask@kpmg.com

**Antonia Ariel Manika**
Director
KPMG in Greece
E: amanika@cpalaw.gr

**Lorenzo Bellavite**
Partner
KPMG in Italy
E: lbellavite@kpmg.it

**John Ellul Sullivan**
Partner
KPMG in Malta
E: johnellulsullivan@kpmg.com

**António Coelho**
Partner
KPMG in Portugal
E: antoniocoelho@kpmg.com

**Julio Cesar García**
Partner
KPMG in Spain
E: juliocesargarcia@kpmg.es

**Matthew Herrington**
Partner
KPMG in the UK
E:Matthew.Herrington@kpmg.co.uk

**Key links**
Visit our website for earlier editions



Privacy | Legal

You have received this message from KPMG International Limited and its related entities in collaboration with the EU Tax Centre. Its content should be viewed only as a general guide and should not be relied on without consulting your local KPMG tax adviser for the specific application of a country's tax rules to your own situation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

If you wish to unsubscribe from Euro Tax Flash mailing list, please e-mail KPMG's EU Tax Centre mailbox (kpmgeutaxcentre@kpmg.com) with "Unsubscribe Euro Tax Flash" as the subject line. For non-KPMG parties – please indicate in the message field your name, company and country, as well as the name of your local KPMG contact.

If you have any questions, please send an e-mail to kpmgeutaxcentre@kpmg.com. KPMG's EU Tax Centre, Laan van Langerhuize 9, 1186 DS Amstelveen, Netherlands

© 2025 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.