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# European Commission's Call for Evidence on the European Savings and Investments Union

The SIU should build upon the current discussions for simplification and the reduction of bureaucracy. The customer journey needs to be less burdensome to realize the benefits of capital markets for wealth creation and retirement planning. We need bold measures to reduce unnecessary regulatory requirements that make investments burdensome and time-consuming. For example, 69.1 percent of clients surveyed in a 2019 study by Ruhr University Bochum stated that they felt the time required to carry out their securities transactions was too high. This puts many clients off taking the step towards the capital market. Another problem is the information overload. Many clients feel overwhelmed by the amount of information. The choice between commission-based and fee-based advice models must be maintained. Especially young and unexperienced persons need support by advisors. A ban on certain types of investment advice would contradict the idea to attract more people to capital market investments. A simplified advisory process for basic investment products could also help retail investors. We strongly oppose cost benchmarks in RIS, which pose a risk of price regulation. Not only the costs but also qualitative aspects such as capital guarantees or sustainability features must be considered. Most of the RIS proposals run counter the objectives of SIU as they would make investment much more bureaucratic. The Commission needs to reflect how to proceed with RIS.

Only through the demand-oriented allocation of loans and financing resources, as well as their subsequent transformation into investment products - including, if necessary, the separation of capital flows and the risks associated with lending - makes a participation of broad sections of the population in financing the European economy possible. Banks have to serve all financing forms, preventing an unbalanced shift toward capital market financing that would bypass the needs of European SMEs.

Banks provide financing to businesses locally, in a demand-driven and sustainable manner. This proofs the share of bank financing in a European corporate landscape dominated by SMEs. In order not to jeopardise this financing, the enforceability of loan collateral in the event of insolvency must not be impaired by legislation at the European level, as this would have a negative impact on the credits' supply. Insolvency-proof loan collateral is often a prerequisite for granting credit in the first place or the basis for lower interest rates on loans.

Direct borrowing from capital markets would overwhelm the vast majority of companies. Only a mix of financing instruments enables a risk-appropriate, tiered product range that aligns with the individual savings and investment preferences of EU citizens. Since bank financing and financing via the capital market serve different target groups and needs, both must be equally promoted.

Current tendencies at European level to further expand ESMA's powers in the context of SIU should be examined very carefully. Supervision in principle needs to remain the responsibility of NCAs. Good supervision must be close to national markets.

The SIU does not require a broad harmonisation of insolvency law or of the ranking of claims, as this would do little to make the insolvency scenario much more predictable or have a positive effect on investment decisions. The real key factors are earnings opportunities, market access, taxation and bureaucracy. Furthermore, insolvency law is closely intertwined with national economic, labour and tax law. Therefore, a broad harmonisation would be complex and would require prior harmonisation of the respective areas of law. However, the modernisation of insolvency-related capital market regulations under the directives "on financial collateral arrangements" and "on settlement finality in payment and securities settlement systems" (together: "rules for financial collateral and settlement") would be much more relevant for advancing the SIU.

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