An official EU website How do you know?

Law

# Feedback from: ShareAction



| | |
|---|---|
| **Feedback reference** | F3524558 |
| **Submitted on** | 05 March 2025 |
| **Submitted by** | Marika Carlucci |
| **User type** | Non-governmental organisation (NGO) |
| **Organisation** | ShareAction |
| **Organisation size** | Medium (50 to 249 employees) |
| **Transparency register number** | 75791956264-20 (http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist id=75791956264-20&locale=en) |
| **Country of origin** | Belgium |
| **Initiative** | Savings and Investments Union (/info/law/better-regulation/have-your-say/initiatives/14488-Savings-and-Investments-Union_en) |

*'The Savings and Investment Union (SIU), in line with the Draghi and Letta reports, is presented as a win-win solution: mobilising capital to enhance EU competitiveness, enable the green and digital transition and benefit citizens. Yet the SIU as currently conceived will not be a panacea for Europe's challenges: it will rather fuel climate change, increase threats to financial stability, and exacerbate inequalities. According to the Commission, the SIU can help the EU reach a tipping point, which will set in motion a more accelerated process of market development. As it stands, the only tipping point the SIU would help reach is a climate one with disastrous consequences for the EU. Indeed, the lack of clear incentives towards sustainability & away from*

*harmful activities is at odds with broader EU policy goals and will not guarantee the redirection of capital towards sustainable activities. This, together with weak shareholders rights and transparency requirements for companies, will only delay the green transition. This, in turn, threatens financial stability. The ESAs Fit-for-55 climate scenario analysis projects that delays in achieving the green transition, coupled with likely large losses from climate and macroeconomic factors, could cost the financial sector losses of up to 3866 bn. Given the concentration and interconnectedness of the EU financial sector, such losses could have far-reaching destabilizing effects, threatening citizens savings and public finances where bailouts are needed. To avoid this, the EU should focus on addressing both the climate crisis and financial risks. This means implementing measures that stir financial flows away from fossil fuels, eg via targeted capital requirements increases for banks & insurers (as recommended by EIOPA in 2024) and towards sustainable activities, themselves clearly identified via a robust taxonomy, adequate reporting legislation and anti-greenwashing measures. The proposed reviving of securitisation, on the other hand, is likely to worsen financial vulnerabilities while failing to deliver benefits. First, there are no guarantees that banks would use any 'freed up capacity' to support European households, the real economy and a sustainable transition. Indeed, banks investments and lending decisions will still be made on a profitability basis (risk/return analysis), meaning banks will not necessarily aim to improve households or SMEs access to finance nor invest in sustainable projects. Banks could instead further invest in fossil fuels, thus contributing to climate change and the build-up of transition-related risks. Second, as any securitisation deal is a complex contractual and financial operation, boosting securitisation means increasing the complexity, opacity and interconnectedness of our financial sector. As the onset of the 2008 financial crisis showed, any drop in investor confidence related to securitisation can lead to fire sales, devaluation, losses and ultimately a financial market freeze, not to mention bankruptcies necessitating state intervention. Third, securitisation can be distressing for consumers and mortgage holders, and lead to significant complications if loans need to be renegotiated, as banks customers face a change of creditor, who becomes one (or multiple) investor(s) who can be located outside their member state or even the EU. Finally, while the SIU is claimed to have at its centre the needs of EU citizens, who can be the among its greatest enablers and beneficiaries, this overlooks citizens wealth disparities across and*

> *within EU states, as well as the varying levels of financial literacy & access to finance. Deeper capital markets will mostly benefit wealthy Europeans with significant savings, liquid assets, who are financially literate & can afford risky investments. Without strong conditionalities and redistribution mechanisms, the SIU will only exacerbate existing inequalities rather than ensure economic fairness.'*

Report an issue with this feedback *(/info/law/better-regulation/have-your-say/initiatives/14488-Savings-and-Investments-Union/F3524558/report_en)*

All feedback

The views and opinions expressed here are entirely those of the author(s) and do not reflect the official opinion of the European Commission. The Commission cannot guarantee the accuracy of the information contained in them. Neither the Commission, nor any person acting on the Commission's behalf, may be held responsible for the content or the information posted here. Views and opinions that violate the Commission's feedback rules will be removed from the site.