5th June 2025

Unit B1 (Capital Markets Union) & Unit A1 (Policy Definition and Coordination)
DG FISMA,
European Commission,
Rue du Spa 2,
1000 Brussels
Belgium

Re: Call for Evidence on the Savings and Investments Union: Fostering Integration, Scale and Efficient Supervision in the Single Market.

BlackRock[1] is pleased to have the opportunity to respond to the call for evidence on fostering integration, scale and efficient supervision in the single market, issued by the European Commission.

BlackRock supports a regulatory regime that increases transparency, protects investors, and facilitates responsible growth of capital markets while preserving consumer choice and assessing benefits versus implementation costs.

We welcome the opportunity to comment on the issues raised by this call for evidence and will continue to contribute to the thinking of the European Commission on any issues that may assist with the supervisory framework or the savings and investments union (SIU) work more broadly.

We welcome further discussion on any of the points that we have raised.

Yours faithfully,

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[1] BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit www.blackrock.com/corporate

We welcome the Savings and Investment Union initiative that empowers citizens to invest in their future, channel capital into EU businesses and enhance the depth, effectiveness and connectivity of EU capital markets.

Reflections on the future of the EU's supervisory framework must balance multiple objectives: improving market integrity and growth; appropriately protecting investors; and maintaining robust financial stability oversight. As such, adjustments to the existing supervisory framework must be proportionate, demonstrably support more integrated capital markets, and take care to not introduce new burdens or costs that could detract from the goal of fostering investment into the EU.

Single supervision of European banks focuses on prudential capital leaving conduct issues to national supervisors. The asset management business model with third party custody of client assets does not pose the same prudential capital risk. Supervision of asset managers whatever their size should continue to focus on conduct at an entity level and on products where the EU already benefits from world-class national supervisory centres in the fund and asset management sector. We support measures to reinforce connectivity, standardisation, consistency and align practices but without rebuilding the existing supervisory architecture.

A structural overhaul that splits supervision of management companies from product authorisation and oversight will not simplify supervision and is likely to undermine existing centres of excellence, creating additional layers of review and costs.

A multi-year effort to enact significant changes to the supervisory architecture will divert political attention from more impactful measures to increased investment in the EU economy, and likely require significant upfront investment by industry, diverting resources from innovation and improving end-investor outcomes.

Most of the current inefficiencies in supervision of EU capital markets stem less from the supervisory architecture and more from gold-plating and inconsistent interpretations of regulation at the national level. Aligning regulation and supervision are distinct goals, and challenges in one cannot be solved by altering the other.

We see opportunities to enhance practices through stronger supervisory convergence, for example via more effective use of the existing supervisory convergence toolkit which is in many cases underused. We see benefit in reinforcing coordination forums such as supervisory colleges led by, and composed of, national regulators. Different configurations should be considered based on firms' structures, product mix, and client base. For some firms, especially those with a multi-hub presence, a rotating chair model involving relevant NCAs may be most appropriate. Others with a clearly defined headquarters might benefit from a lead NCA approach.

We recommend investing the finite resources of ESMA and NCAs in greater convergence and building common trust and confidence between NCA's. For the common rule book to converge in practice, we need a supervisory outlook with increased use of common supervisory actions and shared supervisory collaboration platforms.

Emerging technologies such as the development of a standardised data reporting process and language, could help supervisors discharge their duties more effectively and would support the roll out of AI tools. Focus on interoperable regulatory data reporting platforms for use by firms, NCAs and ESMA would bring significant efficiency gains, especially in times of market stress, and reduce existing costs and inefficiencies. Common data reporting language and templates would assist firms from a burden reduction perspective and prioritise better data sharing between NCAs.

Crucially, before decisions on more integrated supervision are made, we support the use of a pilot project to ensure decisions are made based on real-world evidence – this will help inform prioritisation of supervisory convergence.