

# IFS 2020

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A STRATEGY FOR IRELAND'S  
INTERNATIONAL FINANCIAL SERVICES SECTOR  
2015-2020





# **IFS2020: A Strategy for Ireland's International Financial Services sector 2015-2020**

Published March 2015

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## Foreword

The International Financial Services (IFS) sector has been an important feature of Ireland's economy for close to thirty years. It has grown from less than 60 people employed in the IFSC in the Dublin Docklands in 1987 to a truly national industry, providing work to 35,000 people across the length and breadth of the country. Even during the most difficult economic periods, employment in the IFS sector has demonstrated considerable resilience, thanks to Ireland's very distinctive strengths including the availability of highly-skilled talent, a culture of innovation, tax competitiveness and a strong client focus.

But we cannot afford to be complacent. And while no one has a crystal ball to predict the future, it's clear that international financial services is one to watch for the positive opportunities it presents. We can expect the emergence of novel and highly innovative financial services business models and products, driven by powerful disruptive factors.

We believe that Ireland is very well placed to capitalise on emerging opportunities and adapt to changing trends - largely because of the significant work this Government has already done in rebuilding our economy, restoring confidence and creating employment. Since 2012, through the Action Plan for Jobs and Pathways to Work Strategies, we have identified and implemented many actions, some small, others transformative, to support business in the maintenance and creation of jobs. And, like all sectors across the economy, the international financial services sector has benefitted from this sustained focus on jobs and employment.

For Ireland to fully capture the future opportunities in the international financial services sector, there are distinctive and specific actions needed to grow and support the sector. In appointing, for the first time in 20 years, a Minister of State with specific responsibility for international financial services, we demonstrate the Government's deep commitment to the sector. And in this Strategy we set out our vision for its future as well as our ambitions in terms of jobs targets. We have identified 30 Actions to be implemented immediately, and we will continue to add to these on an annual basis to ensure we are responsive to new trends and emerging opportunities. We expect that this sustained focus will result in the creation of at least 10,000 net new jobs in the international financial services sector by the year 2020.

This is an ambitious but achievable target. It will require sustained commitment by Government at the highest level working in close partnership with industry. We have established a new public-private implementation model to achieve this, and we will be working tirelessly both at home and overseas to showcase Ireland's strengths, attract further multinational investment and grow and develop our indigenous Irish IFS companies all over the country.

This Strategy will continue this Government's strong track record in creating jobs and driving employment growth right across the economy. And it represents an important milestone in ensuring Ireland's international financial services sector continues to thrive, grow and evolve to 2020 and beyond.



**Enda Kenny TD**  
Taoiseach



**Joan Burton TD**  
Tanaiste & Minister for  
Social Protection



**Richard Bruton TD**  
Minister for Jobs,  
Enterprise & Innovation



**Simon Harris TD**  
Minister of State for  
International Banking  
(including IFSC)



## Executive Summary

IFS2020 sets out a new vision and strategy for Ireland's international financial services (IFS) sector, including a suite of specific actions to drive continued growth and job creation in the sector. Our vision is for Ireland to be the recognised global location of choice for specialist international financial services, building on our strengths in talent, technology, innovation and excellent client service, while focusing on capturing new opportunities in a changing marketplace and embracing the highest standards of governance.

Reflecting the importance of the IFS sector to Ireland's economy, this Strategy will be driven by a whole of government approach that will be overseen at the highest level. While IFS2020 is a Government-led strategy, it also reflects Ireland's well-established partnership approach between Government and Industry. The preparation of IFS2020 has benefited from extensive consultation with industry stakeholders and experts, and its successful implementation will depend on the continuation, and indeed enhancement of, the strategic partnership between Government and Industry.

Ireland today has a thriving and growing IFS sector, which is making an important contribution to the economy. The core of the IFS sector is the approximately 430 IDA Ireland and Enterprise Ireland client companies that provide internationally-traded financial services and technologies. Half of these companies are Irish-owned while the other half are foreign-owned firms with operations here. As of end-2014, these IFS companies directly employ over 35,000 people. Three quarters of IFS employment is provided by foreign-owned companies and one quarter by Irish-owned companies.

The past 25 years has seen quite spectacular growth in the IFS sector. It has evolved from what, in the late 1980s, was a small group of IFS companies located primarily in Dublin's Docklands into what is today a truly national industry, with significant numbers employed in IFS companies operating elsewhere across Dublin city and county, and also in numerous regional locations such as Cork, Galway, Limerick, Kerry, Waterford, Kilkenny, Louth and Donegal. Approximately 40% of employment in Irish-owned IFS companies is located outside of the Dublin/Mid-East region, with 30% of employment in foreign-owned IFS companies also outside this region.

The IFS sector in Ireland today is a broad-based industry. Foreign-owned multinationals provide front, middle and back-office roles across the range of established IFS sub-sectors including Funds; Banking & Payments; Insurance and Reinsurance; Investment and Asset Management; and Aircraft Leasing & Financing. In addition, several hundred Irish-owned companies operate across IFS sub-sectors including payments, FinTech, and services including BPO.

Internationally, Ireland is now well-regarded as a competitive location for IFS. But, the industry today is faced with significant challenges, including growing international competition for IFS investments, and the rapid transformation of financial services business models and products, driven by powerful disruptive factors including technological innovation, data, demographic and geopolitical trends, the impact of emerging markets on the global business landscape, a changing regulatory and taxation environment, and the rapid evolution of consumer behaviour and preferences.

These changes will not only impact the type of products and services offered by financial services companies, they will also challenge the very basis on which companies can compete. There are no guarantees that today's leading international financial services companies will still dominate the market in five or ten year's time. And there is every reason to expect that the skills and competencies that IFS companies will require from their workforces in the future will be very different from those required today.

For Ireland to retain the employment that currently exists in the IFS sector, and to create new jobs, we must ensure that those IFS companies already located here can respond to new competitive challenges, that our workforce has the necessary skills for the future, that innovative Irish companies continue to start up and scale, and that we continue to attract new foreign direct investment.

In short, we must prepare and plan for an increase in the pace of transformation in the IFS sector. IFS2020 is designed to ensure the IFS sector continues that journey of transformation, with renewed commitment and

support from Government. It articulates a new vision for the sector, sets ambitious growth targets, establishes a new model of governance and implementation, and provides the first set of actions to be implemented, beginning immediately.

IFS2020 also sets an ambitious target to grow the level of direct employment in the IFS sector from its current level of 35,000 to at least 45,000 people by 2020, requiring the creation of a net total of 10,000 new jobs. This is equivalent to an almost 30% net increase in employment across the combined IFS portfolios of IDA and Enterprise Ireland over the period of the Strategy, and represents the envisaged contribution that the IFS sector can make to the Government's ambitious jobs creation targets.

To deliver this target, IFS2020 sets out five strategic priorities with 30 actions to be implemented. This is the first phase of an iterative planning and implementation process that will be driven and implemented through a new implementation structure, with the public and private sectors working together to implement existing actions and to identify new actions on an annual basis, reflecting emerging sectoral trends, challenges and opportunities.

The strategic priorities are:

1. Promote Ireland as a Location for International Financial Services & world class innovative products & services
2. Drive continuous improvement in the operating environment & competitiveness of Ireland's IFS sector
3. Drive Research, Innovation & Entrepreneurship in the IFS sector, with a particular focus on financial technology & governance, risk & compliance
4. Develop job-creation opportunities from emerging IFS sub-sectors & new markets
5. A new implementation framework for IFS2020

The Strategy that follows sets out the rationale for each of these strategic priorities, and details the specific actions to be undertaken by Government departments and agencies, in conjunction with industry and other stakeholders.

Throughout the document, there are stories from those working in the industry that help illustrate some of the areas which the IFS2020 strategy is focused on. Appendix I lists the full set of initial actions, with further iterations of these actions to be developed during the lifespan of the Strategy.

# Introduction

## The Rationale for a new IFS strategy

Ireland today has a thriving and vibrant International Financial Services (IFS) sector, which makes an important economic contribution to this country. IFS employers provide employment to over 35,000 people across the length and breadth of the country. IFS exports constitute a significant share of Ireland's growing exports and improving trade surplus, while IFS payroll and corporate taxes make a significant contribution to Exchequer revenues.

Internationally, Ireland is now well-regarded as a competitive location for IFS companies. There are more than 200 foreign-owned multinational companies operating in the IFS sector, which between them provide 75% of total employment in the sector. Many of these IDA Ireland client companies are leading global players in the industry. Likewise, Enterprise Ireland supports more than 200 innovative Irish-owned companies, specialising in particular in payments, financial technology and services, including BPO, which are competing internationally for IFS-related business.

IFS companies are facing fierce and growing international competition, not just from leading global IFS centres but also from emerging competitor locations. Companies in Ireland's IFS sector must also deal with a more profound and long-term challenge for the industry globally, namely the increased pace of transformative change the IFS sector is experiencing. While it is impossible to predict today what the IFS sector will look like in five or ten years time, we can confidently anticipate an increased rate of transformative change in the coming years. We can expect the emergence of novel and highly innovative financial services business models and products, driven by powerful disruptive factors including technological innovation, data analytics, demographic and geopolitical trends, the impact of emerging markets on the global business landscape, a changing regulatory and taxation environment, and the rapid evolution of consumer behaviour and preferences, driven by the 'Millennial Generation'.

These changes will not only impact the type of products and services offered by financial services companies, they will also challenge the very basis on which companies can compete. There are no guarantees that today's leading international financial services companies will still dominate the market in five or ten year's time. And there is every reason to expect that the skills and competencies that IFS companies will require from their workforces in the future will be very different from those required today.

While this represents a collective challenge for individual companies, Industry and Government, it clearly requires different responses at enterprise, sectoral and policy level. Across all levels, it requires a strategic approach to anticipating and responding to change, to ensure that Irish-owned IFS companies continue to innovate and scale, and that Ireland continues to attract new foreign direct investment. In short, we must prepare and plan for a transformation of the IFS sector.

This IFS2020 Strategy continues the journey of transformation. It sets out a new vision and strategy for the sector, including a suite of 30 specific actions to drive continued growth and job creation. Finally, it sets out a governance and implementation model that will ensure a whole of government approach to implementation, to be overseen at the highest level. It also reflects Ireland's well-established partnership approach between Government and Industry. The preparation of IFS2020 has benefited from extensive consultation with industry stakeholders and experts, and its successful implementation will depend on the continuation, and indeed enhancement of, the strategic partnership between Government and Industry.

## Ireland's IFS sector today

Over the past 25 years, Ireland's International Financial Services (IFS) sector has grown in quite spectacular fashion. What began in the late 1980s as a small, incentive-driven industry located almost exclusively in Dublin's Docklands, has rapidly evolved into what is today a truly national industry. IFS plays an important role in our export-oriented, open economy, attracting significant numbers of foreign-owned companies to Ireland, providing extensive business opportunities for Irish companies, and making a significant contribution to employment and taxation.

The IFS sector in Ireland today is a broad-based industry. Foreign-owned multinationals provide front, middle and back-office roles across the range of established IFS sub-sectors including Funds; Banking & Payments; Insurance and Reinsurance; Investment and Asset Management; and Aircraft Leasing & Financing. In addition, several hundred Irish-owned companies operate across IFS sub-sectors including payments, FinTech, and services, utilising innovative technology to offer disruptive products and services to the industry.

The core of Ireland's IFS industry are the approximately 430 client companies of the enterprise development agencies IDA Ireland and Enterprise Ireland, that provide internationally-traded financial services and technologies. Half are Irish-owned companies, with the other half being foreign-owned. As of end-2014, these companies directly employ over 35,000 people, with three quarters of employment provided by foreign-owned companies and a quarter by Irish-owned companies. This employment baseline of 35,000 provides the basis on which future growth of the sector will be calibrated.

In addition to the 35,000 people directly employed in the industry, there are several thousand more people employed in providing professional and technical services dedicated to IFS activities. These highly-skilled professionals are a key part of Ireland's value proposition, and an integral part of Ireland's IFS ecosystem. Specialist industry service providers, such as legal and accounting firms, participate in industry fora such as the Clearing House Group and in various industry representative bodies. The most recent estimate<sup>1</sup> of employment in services dedicated to IFS put the number of such jobs at over 10,000.

## A national IFS industry

The original IFSC area of Dublin's Docklands has traditionally been perceived as the epicentre of Ireland's IFS industry. However, there has been significant growth in the number of IFS companies operating across Dublin city and county, and a successful strategic expansion into numerous regional locations such as Cork, Galway, Limerick, Kerry, Waterford, Kilkenny, Louth and Donegal. In 2014, approximately 40% of employment in Irish-owned IFS companies (Enterprise Ireland client companies) is located outside of the Dublin/Mid-East region, while the equivalent figure for foreign-owned IFS companies (IDA client companies) is 30%.

Ireland today is a recognised international centre for funds management and administration, insurance and re-insurance, aviation finance and banking. It is also recognised globally as having strong payments capabilities through a cluster of innovative Irish companies specialising in Dynamic Currency Conversion (DCC), PCI compliance, and payment processing platforms.

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<sup>1</sup> Research by Financial Services Ireland, 2012

# INTERNATIONAL FINANCIAL SERVICES: SOME FACTS & FIGURES

**400+ IFS COMPANIES**  
200 IRISH OWNED

**1st**  
FOR AVAILABILITY  
OF SKILLED PEOPLE  
**2ND** FOR FINANCIAL SKILLS



**35,000+**  
DIRECTLY  
EMPLOYED  
IN IFS

**1/3 OUTSIDE DUBLIN**



**4th**

**LARGEST EXPORTER OF  
FINANCIAL SERVICES IN  
THE EU**



**IS EUROPEAN HOME FOR**



STATE STREET



BNY MELLON



realEx  
payments



ZURICH

BLACKROCK



Your Trusted Partner



Northern Trust

sysnet



Prudential

taxback.com



GE Capital  
Aviation Services

MONEX

Deutsche Bank



CurrencyFair



The Foreign Exchange Marketplace

**AND MANY MORE...**



**ALTERNATIVE  
INVESTMENT  
FUNDS**



**AVIATION  
FINANCE**



**INDIGENOUS  
PAYMENTS  
INDUSTRY**



**#1 LOCATION**

**1,100+**

FUND PROMOTERS  
FROM **50** COUNTRIES



**€3.2 TRILLION**  
OF ASSETS UNDER  
ADMINISTRATION



**14/15 TOP GLOBAL  
AVIATION LESSORS  
ARE LOCATED HERE**



**50%**

OF THE WORLD'S LEASED  
COMMERCIAL AIRCRAFT  
OWNED OR MANAGED  
FROM IRELAND



**25**  
PAYMENTS  
COMPANIES



**2,000+**  
JOBS HERE

## Other facts and figures about IFS in Ireland

- Ireland is home to over **200** foreign multinational IFS companies, including the world's largest companies in sub-sectors like banking, funds, asset management and investment, insurance and reinsurance, and aircraft leasing;
- There are also over **200** Irish-owned IFS companies operating across a wide range of sub-sectors including Payments, FinTech, Insurance, Funds & BPO (Business Process Outsourcing).
- Ireland is the global centre for aviation finance and is also the location of the International Registry of Financial Interests in Aircraft, established under the Cape Town Convention
- The indigenous payments industry in Ireland is a competitive cluster of **25** payments companies. This cluster is globally recognised for its strengths in Dynamic Currency Conversion (DCC), Payment Card Industry (PCI) compliance, and payment processing platforms.
- The value of investment funds domiciled or administered in Ireland is now €3.2 trillion, and these funds are managed by 900 asset managers from 50 countries;
- There are currently **891** designated investment companies in terms of RIAIF, QIAIF and UCITS.
- The Central Bank has authorised **79** UCITS management companies; **61** life insurance and **134** non-life insurance undertakings;
- There are **127** Alternative Investment Fund Managers registered and authorised by the CBI and **660** Alternative Investment Funds
- There are currently **431** credit institutions registered in Ireland, which are authorised to carry out banking business either in Ireland or in another EEA Member State, and operate in the Ireland on a branch or cross-border basis
- There are some **430** credit institutions domiciled in or offering services from Ireland
- There are currently **1,127** approved Fund promoters
- In 2014, **three** FinTech Accelerators were launched in the Irish market: the National Digital Research Centre (NDRC), Mastercard and Accenture Innovation Labs. The launch of these FinTech accelerators should drive up the number of FinTech start-up companies over the coming years.

## Growth of the IFS sector

The IFS sector has seen significant growth in recent years, with employment in IDA and Enterprise Ireland client companies increasing by 71% between 2004 and 2014. Growth fluctuated considerably over the decade, with very strong average annual growth of 12.7% between 2004-2007, falling to average annual decline of -3% per annum between 2008-2011, and returning to healthy growth rates approaching 5% per annum from 2011-2014. This reveals the resilience of employment in the IFS sector even during the height of the economic crisis, compared to other sectors during the same period.

In the period 2004-2014, there was a 46% increase overall in the number of agency-supported IFS companies (up from 295 in 2003 to 432 companies in 2014), including a 100% increase in the number of Irish-owned IFS companies and an 18.5% increase in the number of foreign-owned IFS companies.

## A Strategic Policy Framework for IFS

The impressive expansion, diversification and growth rate of the sector can, in part, be attributed to a consistent and strategic Government policy framework in support of the industry. The decision by the Taoiseach in 2014 to appoint a Minister of State with responsibility for international financial services marked another step in the Government's strategy to further grow and develop the industry in Ireland. IFS2020 is the latest in a series of Government strategies focused on developing the sector. Through current and previous Government Strategies, including the Action Plan for Jobs and a range of sectoral strategies, progress is being made in exploring particular opportunities within the sector, and this work will continue.

The Government and private sector have worked together over many years to drive the growth of the sector. At a national level, the Clearing House Group (CHG), a public-private committee chaired by the Secretary General of the Department of the Taoiseach (D/Taoiseach), has played a key role over a number of years in enabling the development of the sector. For key markets and for each of their client and prospective client companies, both IDA Ireland and Enterprise Ireland have dedicated resources to drive growth in the IFS and related sectors. Together with their colleagues in the Embassy network, enterprise agency personnel work as part of integrated local market teams to promote exports into overseas markets by Irish-owned IFS companies, and to promote Ireland as a location for inward investment by foreign-owned firms.

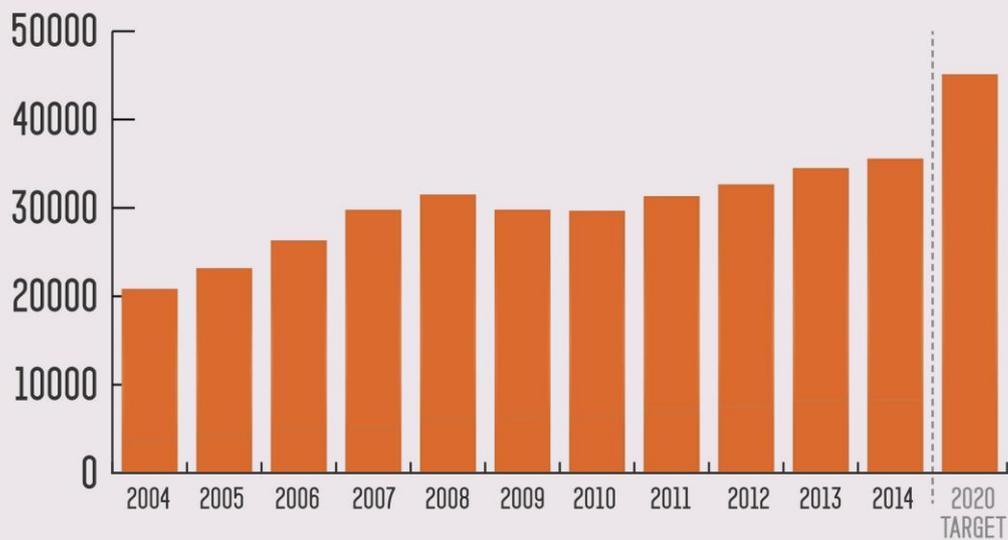
A range of Government Departments including the Department of Finance (D/Fin), the Department of Jobs, Enterprise and Innovation (D/JEI), the Department of Foreign Affairs and Trade (D/FAT) and the Department of Education and Skills (D/ES) – and their associated agencies - play key roles in supporting the growth of the industry through legislative and policy initiatives.

Industry itself has also played a central role in driving growth and development of the sector, through its participation on the CHG, the various working groups that feed into the CHG, and through active engagement with relevant Departments and Agencies as appropriate.

As a Government-led strategy, IFS2020 emphasises the need for effective public sector governance and implementation by the relevant Departments and Agencies. However, the Strategy clearly marks out the intention to continue, and indeed enhance, the relationship between Government and Industry, in recognition of its role in not only shaping the strategy but ensuring its effective implementation.

# EMPLOYMENT GROWTH IN THE IFS SECTOR

## EMPLOYMENT IN AGENCY-SUPPORTED IFS COMPANIES 2004-2014



**71%**

INCREASE IN

IFS EMPLOYMENT

2004 - 2014

## And one-third of IFS jobs are outside of Dublin....

### **Taxback (Kilkenny)**

Taxback was established by Irishman Terry Clune back in 1996. While working in Germany as a student, Terry spotted the opportunity to get into International Financial Services by providing tax refund services to Irish students travelling overseas. That initial idea has become the TaxBack Group, which has grown to be parent to a family of brands providing finance, tax and travel services to personal and corporate customers. Its global footprint encompasses 30 offices worldwide and Taxback does business across 100 countries on a daily basis.

Taxback is headquartered in Kilkenny, where centralised management of global activities and all tax refunds take place. Taxback has grown rapidly in recent years through its inherent ability to develop innovative FinTech products and to rapidly resource these growing business units to target specific markets. Taxback expects to continue to grow strongly over the next few years. Group employment is now in excess of 1,000 staff globally of which around 160 are Irish based.

### **Pramerica (Donegal)**

Pramerica Systems Ireland Ltd established its wholly owned Irish subsidiary in 2000, choosing Letterkenny, Donegal for its Irish location. The company provides software, technology skills and customer support services to the parent company Prudential Financial Inc provides a wide range of Insurance, investment management and financial products and services to individual and Institutional customers worldwide. Today, the company employ well over a thousand people in Donegal.

### **Northern Trust (Limerick)**

With operations in Dublin and Limerick, Northern Trust provides a comprehensive range of fund administration, trustee and global custody solutions to a diverse international client base, encompassing alternative, multi-manager and traditional fund managers and institutions.

The Limerick operation currently employs more than 500 people, bringing total Irish headcount to approximately 1,000 people. Key to this success in Limerick has been an excellent labour pool in the region aided by strong collaboration with University of Limerick and Limerick Institute of Technology. NT's investment in Limerick was supported by IDA Ireland and a strong relationship continues benefitting both NT and the Mid-West region.

## IFS2020: Vision, target & strategic priorities

### Vision

In looking to the future of Ireland's international financial services sector, it is important to set out a new Vision, a clear declaration of Ireland's ambition and intended direction for the IFS sector:

Our vision is for Ireland to be the recognised global location of choice for specialist international financial services, building on our strengths in talent, technology, innovation and excellent client service, while focussing on capturing new opportunities in a changing marketplace and embracing the highest standards of governance.

This Vision is informed by the many valuable insights into global trends and future possibilities that emerged through the stakeholder consultation process, and by expert input from the Government Agencies and Departments charged with developing Ireland's IFS sector. It sets out a clear strategic direction for Ireland's IFS sector, and implies a highly ambitious change agenda which will require wide-ranging, effective and sustained action by Government Departments and Agencies, by industry, the education sector and other stakeholders.

The Vision evokes a thriving IFS sector that is sustainably growing its contribution to the Irish economy in terms of employment, taxation and exports, through the increasing global competitiveness of innovative Irish-owned companies and leading foreign-owned companies that are successfully leveraging the benefits of Ireland's business and innovation ecosystem, regulatory environment and its adaptable, highly-skilled workforce.

The Vision - quite intentionally - has a long-term horizon, and the aspiration to establish Ireland as one of the best IFS locations in the world is one that should endure well beyond the five-year lifespan of this IFS2020 Strategy. The purpose of this Strategy document, therefore, is to begin an iterative process of defining the goals, actions and measures required over the five-year period to 2020.

### Target

The new Vision for Ireland's IFS is both ambitious and challenging. Reflecting this, IFS2020 sets out an ambitious job-creation target for the sector:

The IFS2020 target is to grow the level of direct employment in the IFS sector from its current level of 35,000 to at least 45,000 people by 2020, requiring the Enterprise Agencies to support the creation of a net total of 10,000 new jobs, or an almost 30% increase in employment across their combined IFS portfolios, over the period of the Strategy.

This ambitious target indicates the potential contribution by the IFS sector to the Government’s overall job-creation objectives, including its ambition to create 40,000 new jobs in 2015 alone, and to restore the economy to full employment with a 2.1 million-strong workforce by 2018. Setting a net target for the IFS sector’s contribution to the Government’s overall ambition takes into consideration the reality that there will inevitably be job churn across the sector during this period, and that gross job creation numbers will need to considerably exceed 10,000.

This will mean a dual focus for public policy: support the retention of existing IFS jobs while generating new activity and employment, across all of the IFS sub-sectors. Meeting this target will not only necessitate a steady stream of new investment projects by foreign-owned multinationals, but also a concerted effort to enhance the value-added of existing IFS activities and the quality of jobs in the sector. In terms of the contribution of indigenous IFS companies, it will necessitate strong growth in the number of start-ups and companies of scale.

### Strategic Priorities & Actions

To achieve the ambitious target of 10,000 net new jobs over the lifetime of IFS2020, we set out 5 strategic priorities, under which fall 30 specific actions to be implemented, as follows:



# 1. Promote Ireland as a Location for International Financial Services & world class innovative products & services

This strategic priority recognises that a range of Government Departments and Agencies will contribute to the delivery of the ambition set out in this strategy. The State's representatives overseas are often the first point of introduction in overseas markets to Ireland as a location for International Financial Services. There is significant potential to leverage the expertise and international reach of State bodies to further raise Ireland's profile as a location for International Financial Services. The actions set out in this strategy are intended to achieve this through an enhanced and more coordinated approach to promotion, marketing and branding.

## Enhanced coordination in the market place

A number of Government Departments and State agencies, as well as private sector bodies, have contributed to the success to date in developing and growing Ireland's international financial service sector.

The Department of Jobs, Enterprise and Innovation and its enterprise development agencies have primary responsibility for the development of IFS as a sector that contributes significantly to economic growth and job creation. Working collaboratively, IDA Ireland and Enterprise Ireland will play a direct and crucial role in realising the ambition to create 10,000 net new jobs set out in this strategy.

As Ireland's Investment and Development Agency, IDA Ireland is responsible for the promotion and marketing of Ireland as a location for Foreign Direct Investment (FDI) including investment from IFS. The Agency undertakes this role by building relationships with existing and new investors both at home and overseas, by developing and delivering tailored value propositions and working to ensure a supportive policy and operating environment. IDA has a dedicated international financial services team with executives based in all the major financial centres. The team manages a portfolio comprising all of the leading global industry players.

Enterprise Ireland is responsible for developing Irish owned enterprises involved in IFS and has a dedicated Financial Services Global Team (FSGT). Their key objective is to strengthen and deepen business relationships between client companies and leading financial institutions and market partners to increase international business resulting in an increase in employment in Ireland. They provide a range of services including brokered introductions with key decision makers, promoting Ireland's capabilities and expertise, delivering targeted and effective trade missions, providing market advice and in-market incubation and hot-desk facilities.

At Government level, a number of Departments play an important role in the promotion and marketing of Ireland in overseas markets. The Taoiseach, the Minister for Foreign Affairs and Trade, the Minister for Finance, the Minister for Jobs, Enterprise and Innovation, the Minister of State with responsibility for international financial services, and other Ministers are involved through overseas trade missions, supported by the Embassy network and the Enterprise Development agencies.

Responsibility for coordination across all Government Departments and State agencies involved in trade, tourism, investment and education promotion internationally rests with the Department of Foreign Affairs and Trade and the Embassy network, through the Export Trade Council. The Embassy network can play an important role in support of the IFS strategy in overseas markets, through its oversight of high-level visits and the work of Local Market Teams (see below), by helping to raise the profile of Ireland as an investment location of choice for IFS and as a source of world class technologies, products and services, and by providing access to decision-makers and opinion-formers in Government, the private sector and the media.

The Export Trade Council, which is chaired by the Minister for Foreign Affairs and Trade, encourages co-operation and co-ordination across all Government Departments and State agencies involved in the promotion and development of trade, tourism, investment and education internationally. It also oversees

the implementation of the Government Trade, Tourism and Investment Strategy, a Review of which was published in February 2014.

The Trade, Tourism and Investment Strategy sets out a market development approach that incorporates a model of disaggregation in terms of 'High Value Markets'; 'Other Established and Developing Markets'; and 'Exploratory and High Potential Markets'. The strategy also identifies Internationally Traded Financial Services as a priority sector for Ireland's future economic development. Local Market Teams are in place in each of the priority markets identified in the Trade Strategy. Each Team is chaired by the Ambassador and includes representatives of the Embassy and relevant State agencies in-market. Local Market Teams report to the Export Trade Council, through Local Market Plans which set out their planned activities in each market on an annual basis. Where possible, the overseas offices of the enterprise development agencies are co-located with the local embassy to maximise efficiencies and effective information-sharing and communications.

The overarching strategic objective is to optimise the effective use of in-market state resources, while maintaining clarity with regards to roles and direct responsibilities, to deliver a coherent, cohesive and compelling proposition to potential international investors. A more systematic and targeted programme of engagement from Ireland with markets overseas at political and senior official level will be developed and delivered.

**Action 1 IDA Ireland**

Working through a dedicated IFS global team, IDA will actively promote and market Ireland as a high quality location of choice for investment in IFS. This will be achieved working in partnership with key stakeholders at home and overseas, including the Embassy network, with the intention of meeting investment and job creation targets to contribute to sectoral development and economic activity.

Responsible: D/JEI, IDA Ireland

Timeline: Ongoing

**Action 2 Enterprise Ireland**

Utilise the extensive EI overseas office network and dedicated Financial Services Global Team (FSGT) located in key target international markets to support the expansion and growth of Irish owned entities through increased international sales and exports to deliver on job creation targets and economic activity in Ireland, and in so doing, raise the profile of Ireland's expertise and capabilities in technologies and innovation in the IFS.

Leverage and work in partnership with the Embassy networks as appropriate to support overseas activities, promotional engagements and trade missions.

Responsible: D/JEI, Enterprise Ireland

Timeline: Ongoing

**Action 3 Embassy Network**

The IFS Public Sector Coordination Group will provide clear briefing materials and information to equip the Embassy network to engage in informed and insightful discussion, setting out the objectives, government support environment, existing enterprise base and distinctive strengths in IFS. Such briefings will be updated regularly, with presentations and/or verbal updates provided at regular intervals, including at local market team meetings, and annually to inform the update of local market plans.

Responsible: IFS Public Sector Coordination Group

Timeline: Q2 2015 and ongoing

**Action 4 Embassy Network and Enterprise Development Agencies**

Following the launch of IFS2020, the Embassy network and the overseas offices of the enterprise development agencies will ensure that appropriate priority is given to the IFS sector in their ongoing planning and activities, including through reviewing and updating local market plans, where applicable, and setting out actions that reflect the specific market potential, culture and resources:

This will include:

- a review of all Ministerial and other high-level visits in order to identify IFS opportunities;
- identifying and collating significant local IFS developments and trends and disseminating information to relevant government departments including D/Taoiseach, D/Fin, D/JEI , D/FAT;
- consultation with local Irish and international business networks, including Chambers of Commerce and members of the Global Irish Network and, where appropriate, the establishment of new IFS-specific networks;
- recommendation of international conferences and events where high-level attendance should be considered for the promotion of Ireland's IFS industry.

Responsible: D/FAT, IDA, Enterprise Ireland

Timeline: Q 2 2015 and ongoing

**Action 5 Coordinated approach to international promotion of IFS**

A co-ordinated international programme of high-profile IFS platform events, and overseas trade missions (including Ministerial participation where appropriate) will be developed by the IFS Public Sector Coordination Group in consultation with industry stakeholders. Industry representatives will be consulted on the international programme and will be invited to participate in all appropriate events overseas.

Responsible: IFS Public Sector Coordination Group, key industry bodies

Timeline: Each Annual programme to be finalised in Q4 of preceding year

**Action 6 Targeted Secondments**

Relevant Departments and Agencies will explore the possibility of appropriate private-sector secondments both in Ireland and overseas to support the objectives of IFS2020.

Responsible: D/FAT, D/Fin, Enterprise Ireland, IDA

Timeline: Q2 2015 and at frequent intervals

**Action 7 Export Trade Council**

A representative from the IFS industry will be invited by the Minister for Foreign Affairs and Trade to participate in the Export Trade Council to reflect the priority attached to the sector and to support the Government's broader trade and investment activities.

Responsible: D/FAT

Timeline: Q2 2015 and ongoing

**Strengthening our international brand recognition for IFS**

Today, Ireland is a recognised and highly regarded investment location for the global financial services industry. This has been achieved through specific public policy initiatives, marketing and promotion by the State agencies and private sector, relationship building across the international industry, excellent client service and superior operating performance. To build on these achievements, we propose to develop a new “banner brand” to represent and support the next phase of development of the industry and its various sub-sectors.

An initial examination of branding, promotion and communication was conducted in 2014 as one of the strategic priorities for the Clearing House Group and it was concluded that there was a significant appetite to assess the potential for developing an overarching banner brand for IFS in Ireland. The development of an umbrella brand is not intended to ‘diminish’ existing brands, but to facilitate a more cohesive approach to the marketplace. This will now be progressed as a key element of this Strategy.

**Action 8 Banner Brand for the IFS sector**

Work with key stakeholders, including industry associations, to develop a “banner brand” and associated marketing material which will be used to promote Ireland’s IFS sector, including during overseas trade missions and at selected international events.

Responsible: IDA, Enterprise Ireland, Industry

Timeline: Commence Q2 2014, Launch Q1 2015

## Action 9 IFS Summit

Ireland will host a major IFS Summit to highlight emerging trends and opportunities in the sector and facilitate the building of connections amongst investors, entrepreneurs, policy-makers, and representatives of leading global companies. This event will aim to attract leading international policy makers, companies, entrepreneurs and innovators across the sector with the intention of assisting them to build and renew relationships and pursue commercial opportunities, while simultaneously highlighting Ireland's role, commitment and value to the global industry.

Responsible: IDA, Enterprise Ireland, industry stakeholders

Timeline: Q1 2016

### IFS2020 opportunities: Islamic Finance

Islamic Finance is considered to be the fastest growing sector of finance in the world with estimates of 20% growth per annum forecast<sup>2</sup>.

Legislation was introduced in the Finance Act 2010 ensured parity of treatment for Islamic Finance products, with further enhancements made in the 2012 and 2013 Finance Acts. According to the ECB<sup>3</sup> Ireland has developed a strong foundation for the Islamic Finance Industry, with a supportive legal and tax environment, easy access to the European market, a skilled workforce, supportive infrastructure, business-friendly policies and a stable regulatory environment, and is well positioned for further development of Shari'ah compliant business. The Chartered Institute of Management Accountants (CIMA) offers a diploma and advanced diploma in Islamic Finance which continues to increase Ireland's capability in this area.

Since 2011, Ireland has become a significant location for Islamic funds with an estimated 20% of the Islamic funds market outside the Gulf located in Ireland. We intend to continue to develop these markets based on this initial success. Islamic Finance will continue to feature in the sectoral and regional strategies outlined in IFS2020

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<sup>2</sup> Standard & Poor's and ECB

<sup>3</sup> Islamic Finance in Europe Occasional Paper Series No. 146/June 2013 (Di Mauro *et al*), European Central Bank

## 2. Drive continuous improvement in the operating environment & competitiveness of Ireland's IFS sector

This strategic priority recognises the importance of improving Ireland's standing as a competitive location for innovative IFS companies. In effect, this priority reflects the IFS-related dimensions of the Government's comprehensive approach to improving Ireland's overall competitiveness, through inter alia the Action Plans for Jobs, the Roadmap for Tax Competitiveness and national strategies for skills and education, science technology and innovation. One of the headline strategic ambitions in the Action Plan for Jobs is to get Ireland back to a top-five ranking in international competitiveness. Since the APJ multi-annual process was initiated in 2011, Ireland has improved its overall international competitiveness significantly. For example, our ranking on the IMD World Competitiveness ratings is up from 24th in 2011 to 15th in 2014, while we rank 1st in the world for inward investment by quality and value, 1st in the world for investment incentives, 1st in the world for availability of skilled labour, and 2nd in the Eurozone for ease of doing business.

IFS2020 focuses on additional measures that will assist our competitiveness profile for IFS companies, including the business and regulatory environment, innovation ecosystem, education and skills, technological and physical infrastructure.

### Skills and Education

Realising the growth potential of the IFS sector relies to a large extent on the availability of high quality skills that meet the needs of a sector that is facing both significant challenges and opportunities in an international context. The global trends that are shaping the IFS industry, including the disruptive changes being driven by ICT; Big Data; increased emphasis on risk, compliance and security; new business models, products and services; and the intensified global competition for FDI and for talent require concerted responses in terms of the supply of quality graduates, ongoing skills development, capacity for innovation and problem solving, and talent attraction. It is imperative that Ireland can continue to support substantive operations here (whether foreign or Irish owned) that include value creation, decision making/risk and strategic control, all of which require highly talented individuals, and teams with high level responsibilities.

The IFS sector is competing with other sectors, including domestic FS employers and leading multinational corporations, for graduates in disciplines such as ICT, engineering, mathematics, data analytics, business and law. This competition for talent has been accentuated in more recent years as the convergence between ICT and IFS has accelerated. There is need for a step change in the public profile and image of Ireland's IFS sector, one which projects the reality of a multi-faceted and innovative industry in a way that appeals to a new generation of talent.

#### **Employment in the IFS sector: A view from an employer, State Street**

Susan Dargan, Executive Vice President & Head of State Street Global Services Ireland: "Without doubt, the single most important factor in growing our business in Ireland has been the quality of people we have been able to attract to work in State Street. From a modest start 20 years ago, we now have over 2,500 people employed at 6 locations countrywide. We have teams based in 3 locations in Dublin and have significant operations in Naas, Kilkenny and Drogheda."

"What makes Ireland a great place for financial services? It's the commitment to client service, the attention to detail and the deep understanding our teams have of our clients and the business they are in."

The Further and Higher Education systems are the primary conduits to supplying the 'skills pipeline' of suitably-qualified graduates entering the workforce, and for re-skilling and up-skilling the existing workforce to meet the needs of Industry. There is a broad range of further and higher education and skills providers, both public and private, offering a range of programmes relevant to IFS, including Universities, Institutes of Technology, Education and Training Boards, industry training bodies and Skillnets. The span of courses ranges from those that are broad in nature (business, economics, accounting, statistics, mathematics), to courses dedicated to financial services operations like insurance, banking, investment management, and capital market sectors, through to those focused on specific aspects such as anti-money laundering, risk management, cyber security etc.

The Government is investing significantly in workforce re-skilling and up-skilling initiatives. Springboard supports third-level courses at NFQ levels 6 to 9 in IFS-relevant areas like Financial Services, Risk Analysis, Data Analytics, Fund Accounting and ICT. In 2014 alone, Springboard funded over 600 places on IFS-specific higher education courses. Through Skillnets, the Government is supporting the IFS-specific Finuas programme, which has a demonstrated strong track record of engaging with and responding to the sectors skills and training needs. Finuas Skillnets have 344 member companies, and in 2013 (most recent published figures), 137 training courses were delivered to 1,191 employed people, 91% of whom had a prior higher level qualification of Level 7-10 on the NFQ. The Government's Pathways to work strategy will also work in tandem with the IFS Strategy to ensure that those on the live register can avail of the employment opportunities in the IFS sector.

#### **Working in the IFS Sector: Karen Sisk, hedge fund administrator**

Karen Sisk (25), originally from Ballincollig, Cork never really envisaged a career in financial services but her interest in business and numbers has led her to now working in hedge funds administration for nearly two years.

"I will say, international financial services was not what I dreamt of doing when I was four or five, but I did find I was good at business in secondary school. So, it made sense that the next thing I'd do was a commerce degree in UCC. The degree was organised really well, as it allowed you to figure out what you wanted to do – first year was broad where you did most topics, second year was a bit narrower and final year you decided your specialisations. I chose a major in economics and a minor in accounting."

"I'm the kind of person that likes facts and figures, rather than the ambiguity of opinion – so economics and accounting really suited me. With numbers – well, those are the numbers, there is no two ways about it!"

"It was nearing the end of college that I started to think about a career in financial services. I had done a work placement with an accountancy firm as part of my degree. Put it this way, auditing was not for me but I definitely loved the finance aspect of the work. So I opted for a Masters in Corporate Finance – and then while finishing my thesis, got a job with a hedge fund company. I finished my thesis and was straight off to work."

"The stereotype is that this is a male dominated business but since working in the sector, I'm genuinely impressed with the number of women in management or in decision-making roles where I work. It's inspiring for a woman starting out in this business to see that it's not just the men who rule the roost...."

## **Influencing education and skills development**

Managing and monitoring supply and demand on an ongoing basis is essential to deliver to the needs of the sector – taking into account the lead time from course design/modification through to output in higher and further education, the accelerated pace of change within the sector, and the domestic and international competition for core skills and capabilities in technologies and maths in particular.

The SOLAS Skills and Labour Market Research Unit (SLMRU) and the Expert Group on Future Skills Needs (EGSFN) produce the National Skills Bulletin, which provides an overview of the labour market at occupational level identifying where shortages are arising, monitors skills supply across the education and training system and feeds into the employment permit's critical skills list where employers can apply for permits to meet their skills needs.

In the area of ICT skills and Big Data talent, Government has put in place the ICT Skills Action Plan to address the level of anticipated demand. The insights of companies operating within the IFS are crucial to ensure that the evolving needs of the sector continue to be reflected in such analysis, and in other relevant surveys of employer skills, education and training needs. In establishing the needs of the IFS industry, it is particularly important that the broad community of IFS enterprises is engaged, including sub-sectors like the payments industry, FinTech and IFS-related services including BPO. The consultations undertaken to inform this strategy highlight the need for enhanced communications and coordination mechanisms between industry and education/skills providers.

Work placements for undergraduates are an important aspect of delivering the employment-readiness capabilities sought by the sector. They can contribute to raising the profile of the sector overall, provide valuable feedback on ongoing relevance of programme content and overall enhance the vital engagement between the education system and employers. There is an ongoing imperative for industry to organise the provision of such vital placements, and to inform best practice across the sector.

### **Government IFS training programmes: David Cummins & Springboard**

Financial Services was identified as one of the key sectors identified by Springboard, a Government programme that selects industry sectors with employment potential and trains the unemployed in those areas, from certificate to masters levels. In light of the employment potential, the employment group IBEC developed a suite of Springboard courses, called FSI Career Start. This included a Professional Certificate in International Financial Services which introduces to the key markets, products and financial risks in international financial services, and offers a comprehensive grounding in the principal elements of the industry.

David Cummins got a place on that Certificate course – and here's how he found it: "After becoming unemployed in July 2013, I decided it was time to seek out new opportunities through upskilling and further education. After investigating the courses on offer through Springboard, I decided that the FSI Career Start was the programme for me. It offered me 2 qualifications which were both relevant to my past experience and my future goals. The FSI CareerStart team were very helpful and supportive in providing all the information required to secure a place on the most appropriate course to take. I commenced the FSI CareerStart Professional Certificate in International Financial Services and the Diploma in Management. The course content was extremely relevant, up to date and the lecturer's experts in their fields. I was successful in gaining an internship with Citi. The internship, together with the courses, and my own determination, has led to my success in securing a permanent contract with Citi, in their Alternative Investments division."

Government-supported initiatives relevant to the IFS sector should extend their provision to take into account the changing nature of the sector, and to address the emerging needs of sub-sectors like Payments and FinTech. Skills and Education initiatives like Springboard, Finuas, Momentum, and the new Apprenticeship scheme being rolled out in 2015 routinely issue calls for proposals or requests for tender which are designed to respond to the needs of industry. Longer term horizon scanning, sector-specific global trend analysis and enterprise related research and technology initiatives funded by Enterprise Ireland, the IDA, the Irish Research Council (IRC) and Science Foundation Ireland (SFI) are crucial to taking longer term perspective and identifying the nature and evolution of skills needs for the sector. In maximising the efficacy of Government-supported provision for the IFS sector, it is important that Industry engages cohesively with the forward planning processes that are designed to respond to their needs.

There is also a need to further develop awareness and profile of IFS as an attractive career option. IFS industry representatives have cited a lack of awareness among students, graduates and the general public about the sector, and the potential of the sector to offer attractive job and career opportunities across a range of skills levels and across all regions. The industry itself can and should play a proactive role in engaging with and leveraging the range of State-funded initiatives already in place that target the next generation of graduates for the sector. Those already working within the sector are best placed to present a compelling and exciting proposition that will encourage individuals to choose financial services as a career.

**Action 10      Establish an IFS Education and Skills Liaison Group**

Establish an IFS Education and Skills Liaison Group to provide a forum for the IFS industry to liaise with education sector stakeholders and relevant Government Departments and Agencies on implementing the skills/education elements of IFS2020, and to facilitate dialogue between industry, education/training providers and policy makers on emerging opportunities and challenges for the sector, feeding as appropriate into other fora and bodies including the Expert Group on Future Skills Needs and the IFS2020 High Level Implementation Committee.

Responsible:    IFS Public Sector Coordination Group, Labour Market Council

Timeline:        Q2 2015

**Action 11      IFS Training and Future Skills Needs Assessment**

Deliver training needs and future skills needs assessment for the sector, taking into account the drivers of change within the industry, positioning for international competitiveness and the range of activities involved in a broader Internationally Trading Financial services sector.

Responsible:    IFS Education and Skills Liaison Group, D/ES, Summit Finuas Network, Skillnets, Financial Services Ireland

Timeline:        Q3 2015

**Action 12 Enhance Finuas Network**

Enhance the Finuas Network to take account of the broadening of IFS activities in Ireland with a particular focus on Payments and FinTech.

Responsible: D/ES, Skillnets

Timeline: **Ongoing**

**Action 13 Promoting IFS as a career choice**

The IFS Education and Skills Liaison Group will consider ways to raise the profile of IFS career opportunities through new and existing career guidance initiatives and platforms. Industry will contribute to the development of IFS-specific occupational information and multi-media content, to better inform school leavers and jobseekers regarding the nature and range of IFS opportunities.

Responsible: IFS Education and Skills Liaison Group, D/ES, D/SP, SFI

Timeline: Q2 2015

**Action 14 Talent Attraction - Employment Permits Critical Skills List**

Ensure that the 6 monthly review of the critical skills list for employment permits continues to reflect the skills the shortages experienced by the IFS.

Responsible: D/JEI, industry

Timeline: Ongoing

**Action 15 Talent Attraction – Single Website Portal**

The agencies with responsibility for engaging with industry to devise and implement a programme around a single website portal, to attract international ICT talent.

Responsible: D/JEI, EI, IDA, industry

Timeline: Ongoing

**Ireland as a location for IFS**

While Dublin and the original IFSC has been the historic centre of the industry in Ireland, there are now a considerable number of companies operating in regional locations outside the Greater Dublin area, in locations as geographically diverse as counties Cork, Galway, Limerick, Waterford, Kilkenny, Louth, Donegal, Mayo and Kerry. The industry now employs approximately 12,000 people in non-Dublin locations, and what has truly become a national industry.

As we plan for the next phase of development of the industry, the availability of attractive locations that can provide a safe and secure operating environment, skilled staff, connectivity, urban amenity and high quality, competitively priced, enabling infrastructure becomes a strategic imperative. This “Place-Making” agenda is of increasing importance in the contest to encourage and attract investment by all firms. Place-

making involves the full range of actors and contributors ranging from local authorities and urban planners, architects & engineers, businesses, infrastructure agencies, transport operators and the construction sector, to create conducive and attractive locations for investment and for people to live and work.

The Government has recently announced a 5-year, €250million strategy to accelerate jobs creation in every region of the country, by developing eight *Regional Action Plan for Jobs* that will support agencies and organisations within each region to build on the particular strengths and assets of their area and drive new job-creation strategies and projects. Regional Action Plans will be developed by the Department of Jobs, Enterprise and Innovation, in conjunction with the enterprise development agencies and other stakeholders who will identify regional strengths, assets and areas of competitive advantage in order to support businesses to start-up, expand, and export, to attract foreign direct investment and to stimulate strengthened collaboration between HEIs, research and industry across a range of sectors and activities.

In this context, this IFS strategy and underpinning analysis will be submitted to D/JEI and the Regional Assemblies to inform the development of the regional plans and to ensure that the potential relating to IFS is reflected in the Regional Action Plans for Jobs and the Regional Spatial and Economic Strategies.

<b>Action 16 Placemaking and Regional Development</b>	
National - Reflect IFS appropriately in the planned Regional Action Plans for Jobs.	
Dublin - Further enhance the profile of the Dublin City region as a place to live, invest, grow a business and nurture innovation. Instigate a coordinated, partnership approach to forward planning and facilitation of Dublin's financial services ecosystem, taking into account the various dimensions that include: quality of life and culture, intra-city connectivity, welcome/landing services, events, workspaces, and the dynamic established through the Activating Dublin initiative.	
Responsible:	National: D/Taoiseach, D/JEI, Regional Assemblies Dublin: Dublin City Council, Dublin Chamber of Commerce, IDA, Enterprise Ireland
Timeline:	2015, ongoing

### **Dublin's Strategic Development Zone (SDZ)**

While the IFS sector is now a truly national sector that has moved considerably beyond its original confines, there is still a vibrant centre of activity in Dublin's docklands, which will remain a key hub for the sector. With this in mind, the Government - through the National Asset Management Agency (NAMA) - will deliver high specification commercial office space in Dublin's docklands that will meet the future needs of financial services firms and other investors.

In December 2012, the Minister for the Environment, Community and Local Government designated the North Lotts and Grand Canal Docks area of the Dublin Docklands as a Strategic Development Zone (SDZ).

Going forward, NAMA is committed to facilitating, on a commercial basis, the funding of Grade A office space and new housing on sites in the SDZ. NAMA has a direct interest, through its loans, in 13 sites within the SDZ which, in accordance with the planning scheme adopted for the SDZ, could accommodate up to 3.5m sq. feet of commercial office space and over 1,800 residential units. NAMA expects to directly fund the development of some of the 13 sites and to enter into strategic joint partnership and other funding arrangements in respect of others. Delivery of all sites (NAMA and non-NAMA) in the SDZ is expected to take between seven and fifteen years depending on complexity of each individual site.

The following are recent examples of the work carried out by NAMA in relation to the SDZ:

- Supporting the development of the landmark Boland’s Mill site in Dublin’s south Docklands. The proposed development is for office, residential, cultural and retail development totalling almost 400,000 sq. ft.. The development, once completed, is expected to accommodate over 2,000 workers;
- NAMA is a minority shareholder in a fund – the South Docks Fund - which has recently submitted a planning application to Dublin City Council for the development of over 450,000 sq. ft. of office and residential accommodation at 5 Hanover Quay and 76 Sir John Rogerson’s Quay in the Docklands. Subject to planning approval, construction is likely to begin during the first quarter of 2015 and the new developments are expected to accommodate up to 2,400 workers and 158 apartments; and
- NAMA announced on 17 December that Oxley Holdings Limited (a Singapore-based property developer) is its preferred bidder for a key site located at 72-80 North Wall Quay. Subject to completion of the transaction, Oxley will acquire a long leasehold interest with the right to develop, manage and realise the site. NAMA will retain the freehold interest and will receive a secure income stream in addition to a percentage of any future sales proceeds. Oxley’s proposal comprises the development of more than 645,000 sq. ft. of Grade A office space, with capacity for up to 5,500 employees, and the delivery of over 200 apartments. The planning application is likely to be submitted in early 2015 and, subject to this, it is envisaged that construction will begin in late 2015/early 2016.

NAMA’s ongoing work in providing funding on a commercial basis to the SDZ will make a major contribution to the supply of high-quality Grade A office space in the Dublin central business area and, by so doing, will facilitate IDA Ireland in continuing to attract and grow FDI activity and employment in Ireland, including in international financial services which is the focus of this Strategy. As is clear from the examples above, NAMA’s funding and co-ordination role in the SDZ can make a substantial contribution to supporting the goals in this strategy. NAMA’s approach is also entirely consistent with its principal commercial objective to achieve the optimal financial return for the State over the shortest possible time span.

The provision of office space in Dublin both inside and outside the SDZ will be complemented by a property investment programme through IDA Ireland to build advanced office space in regional locations. In this way, the commercial real estate requirements to support the further development of the industry will be facilitated on a national basis.

<b>Action 17</b>	<b>Marketing the overall opportunity in the SDZ</b>
There is further scope for key stakeholders in the SDZ area to work together to market the overall opportunity to interested end user/investors in the IFS sector. In this context, Dublin City Council (as the SDZ Development Agency) will co-ordinate with the IDA, Enterprise Ireland and NAMA (as funder and facilitator) around the identification of prospective end user demand with the focus on the pipeline of new space in the Dublin Docklands. Enterprise Ireland will consult with key stakeholders in the Irish start-up ecosystem regarding a designated IFS incubator space with the SDZ.	
Responsible:	NAMA, Dublin City Council, IDA Ireland, Enterprise Ireland
Timeline:	Ongoing

## Regulation

The changes that have developed over the past 5 years during the financial crisis have ensured that there is a more robust, independent and well-resourced Central Bank. Ireland is now widely recognised as having a well regulated financial services sector which is an important pillar underpinning the soundness of the IFS sector. Following the Central Bank Reform Act 2010, the Central Bank (“CBI”) has an independent mandate which is summarised in its mission statement: ‘Safeguard Stability, Protect Consumers’.

The CBI has developed a reputation as a competent and responsive body which maintains high levels of industry engagement compared to its regulatory peers. The CBI is subject to regular external scrutiny and has received positive assessments from the IMF, peer regulators and international standard setters as well as the European Supervisory authorities. Due to Ireland’s leading position in key IFS industry areas, the CBI plays a significant role on various sectoral regulatory issues in European policy fora.

### Operational Efficiency and Cost Effectiveness

Operational efficiency and cost effectiveness is one of the CBI’s High Level goals. As part of this, the CBI has initiated a programme of process re-engineering and automation designed to improve key supervisory processes.<sup>4</sup> This is a multi-year programme of work which includes, inter alia:

- the creation of a centralised function for the processing of regulatory transactions<sup>5</sup>;
- the delivery of a re-engineered and paperless process for funds and retail intermediary authorisation applications;
- the creation of Contact Management Operating Model for handling authorisation and supervisory queries;
- the introduction of services standards for the processing of applications for authorisations; and
- the regular publication of delivery timelines versus these standards.

### Stakeholder engagement and consultation

The CBI is committed to having clear, open and transparent engagement with stakeholders in fulfilling its financial regulation and supervisory objectives and, in particular, when introducing new codes, regulations, standards or guidelines.<sup>6</sup> This is reflected across the broad range of the CBI’s regulatory and supervisory interactions with industry:

- the operation of a risk-based supervisory framework with clear processes and levels of engagement<sup>7</sup>;
- setting out its annual programme of supervisory themed-inspections and enforcement priorities at the beginning of each year; and
- the period of open consultation operated by the Central Bank is, in general, 12 weeks.

#### Action 18 Operational Metrics for Central Bank

The Central Bank and Department of Finance will, in accordance with their respective legal roles, review the authorisation service standards reported by the Central Bank in 2015.

Responsible: D/Fin

Timeline: Q3 2015

<sup>4</sup> See Consultation Paper CP67

<sup>5</sup> Such as (i) fitness and probity applications, (ii) the receipt of regulatory returns and (iii) the handling of high-volume authorisations and post-authorisation events,

<sup>6</sup> <http://www.centralbank.ie/regulation/poldocs/consultation-papers/Pages/default.aspx>

<sup>7</sup> <http://www.centralbank.ie/regulation/processes/PRISM/Pages/default.aspx>

## Ireland's International Tax Network

In late 2014, Ireland outlined its future tax policy through the “Roadmap for Ireland’s Tax Competitiveness”, and has been at the forefront of tax transparency and fairness. A consultation on the proposed Knowledge Development Box was recently initiated as part of this roadmap. Ireland has also developed an extensive and effective network of double taxation agreements in line with international best practice.

### Double Taxation Agreements

Double Taxation Agreements are widely regarded as critical pieces of fiscal infrastructure for developing substantial bilateral trading and investment opportunities, by reducing tax impediments that might otherwise deter such cross-border activity. For a small open economy like Ireland, so dependent on trade and investment with other countries, continuing to expand our network of international tax agreements is not only necessary but vital.

Double Taxation Agreements facilitate trade and investment by:

- providing greater certainty to taxpayers regarding their potential liability to tax in the foreign jurisdiction;
- allocating taxing rights between the two jurisdictions so that the taxpayer is not subject to double taxation;
- ensuring that taxpayers will not be subject to discriminatory taxation in the foreign jurisdiction.

Double Taxation Agreements provide benefits to both taxpayers and Governments by setting out clear rules that will govern tax matters relating to cross-border trade and investment. Tax treaties ensure predictability and fairness in the tax treatment of taxpayers and spell out clearly defined provisions that facilitate companies investing and doing business overseas.

This is achieved by allocating exclusive taxing rights to one country, or where both countries retain taxing rights, by requiring the country where the taxpayer is resident to grant credit against its tax for the tax paid in the other country.

Ireland’s tax treaty network compares very favourably with the networks of other larger OECD countries and now includes most of the world’s largest economies, accounting in aggregate for more than 80% of world GDP.

To date, Ireland has signed comprehensive double taxation agreements with 72 countries, of which 68 are in effect. The number of tax treaties has doubled in recent years. The agreements cover direct taxes, which in the case of Ireland are income tax, corporation tax and capital gains tax. They are comprehensive in scope, covering both the taxation of companies and individuals and are, in the main, based on the OECD Model Tax Convention.

Plans to initiate negotiations for new agreements with other countries during 2015 are ongoing. Many of the existing arrangements are over 30 years old and will require updating in the coming years.

# GLOBAL FOOTPRINT OF IRELAND'S INTERNATIONAL TAX NETWORK



## SOME KEY FACTS

 **72**  
DOUBLE TAXATION  
AGREEMENTS  
AROUND THE WORLD

 **x2**  
NUMBER OF TAX TREATIES  
DOUBLED IN RECENT YEARS

## Tax Information Exchange Agreements (TIEAs)

Ireland has also concluded 23 Tax Information Exchange Agreements (TIEAs) and Agreements for affording relief from double taxation.

### Action 19 Double Taxation Treaties

The Department of Finance, Revenue Commissioners, the Department of Foreign Affairs and Trade and the Enterprise Agencies will liaise with the IFS industry to identify potential target countries for consideration with regard to opening negotiations on double taxation treaties, and updating existing agreements where necessary.

Responsible: D/Fin, Revenue Commissioners, D/FAT, IDA, Enterprise Ireland, industry

Timeline: Commencing Q2

## Financial Markets Infrastructure

Financial market infrastructures (FMIs) can strengthen the markets they serve and play a critical role in fostering financial stability<sup>8</sup>. FMI's include systemically important central securities depositories (CSDs), securities settlement systems (SSSs), and central counterparties (CCPs) as well as over-the-counter (OTC) derivatives CCPs and trade repositories (TRs).

These infrastructures facilitate the clearing, settlement, and recording of monetary and other financial transactions, such as payments, securities, and derivatives contracts (including derivatives contracts for commodities).

A largely common feature of established and growing economies, against which Ireland is competing in the IFS field, is the existence of this core market infrastructure that can support the development of core products and systems.

The introduction of new products, systems and platforms, a focus on capital management and efficiency, as well as aggregated risk<sup>9</sup>, is a key feature of developments at the European level. Collateral management, T2S, SEPA, retail payment system and other elements of core markets infrastructure have been a continuing focus at EU level.

As the convergence between technology and finance continues to gather apace, the strategic challenges increase although the opportunities to reconfigure infrastructure also emerge.

In order to ensure that the market infrastructure develops in line with other jurisdictions, the strategic policy issue of core markets and financial markets infrastructures should be examined in the light of recent technological and regulatory advances.

### Action 20 Financial Markets Infrastructure

Determine the position with regard to core markets infrastructure with input from the key stakeholders, examining key strategic issues, dependencies and critical emerging issues.

Responsible: D/Fin, IDA, industry

Timeline: Q3 2015

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<sup>8</sup> Principles for Financial Markets Infrastructure, BIS/IOSCO 2012

<sup>9</sup> <https://www.ecb.europa.eu/paym/html/index.en.html>

### **Aircraft leasing: Where Ireland is really taking off**

Ireland is the global centre for aviation finance , with 14 of the 15 top global aviation lessors located here. 50% of the world's leased commercial aircraft are owned or managed from Ireland. We are also the location of the International Registry of Financial Interests in Aircraft, established under the Cape Town Convention.

#### **Orix Aviation**

Orix Aviation was established in Dublin in 1991 and currently employs 60 people in an aircraft and engine leasing business. The main activities undertaken in Orix in Dublin are Sale and Lease Placement, Lease Administration, Engineering and Technical Support, Legal and Accounting Services, Treasury and IT systems. The company has a high skill base with graduates in Engineering, Law and Accounting. The Irish company also has a significant business in advisory services for the financial services industry relating to aviation, helping to incubate two smaller leasing companies (GMY Global Republic Aviation and Q Aviation) in Ireland.

Orix has over 140 commercial jet aircraft and engines. The company currently has lessees in over 30 countries with strong business in Asia, Europe and the US; with China being a significant growth market.

#### **Avolon**

Avolon is another leading global aircraft leasing firm based in Ireland. Established in 2010, Avolon provides aircraft leasing and lease management services to airlines and aircraft investors worldwide.

Dómhnaí Slattery, CEO of Avolon explains: "Ireland's people make it the best place in the world to locate a structured finance business like Aircraft Leasing; we have the technical expertise and the reputation for delivering exceptional customer service. The IFS ecosystem in Ireland, including the DTA treaty network developed through Government and Industry collaboration; the new strategy needs to take this to the next level – to have the agility to fully embrace the future and big ideas, with the highest standards of transparency and governance, ensuring Ireland is at the forefront of IFS."

### **3. Drive Research, Innovation & Entrepreneurship in the IFS sector, with a particular focus on financial technology & governance, risk & compliance.**

This strategic priority identifies the significant role of research, innovation and entrepreneurship in developing Ireland's status as a leading global location for Financial Services. It recognises the transformational nature of financial technology and the certainty that disintermediation and disruptive business models will transform the Financial Services landscape, delivering new financial services to customers and offering innovative solutions to existing global players. It also recognises the transformational impact of regulation and compliance on the industry. The objective is to continue to develop and promote Ireland as a centre for innovative, scaling and next generation companies with world-class capabilities in financial technology, governance, risk and compliance, working within an innovation ecosystem that supports advanced research and commercialisation in areas such as Data Analytics, Mobile Banking/Payments, Cloud Computing, etc.

#### **Innovation in Financial Services**

Product and process innovation is a key feature of the financial services industry, as it responds to customer requirements and the need to increase operational efficiency. In recent years, several foreign-owned firms located in Ireland have established dedicated innovation centres, particularly in data and analytics, payments and online and mobile banking. This is a welcome development that Ireland is anxious to support further. Similarly, Irish-owned companies operating in IFS typically have in-house innovation capabilities embedded into their organisations.

The Government is focused on providing a supportive eco-system to stimulate increased research, development and innovation by financial services firms. Relevant State funding and support to date includes:

- Funding for research and development into a number of areas relevant to IFS, including Data Analytics, Management Security & Privacy; Innovation in Services and Business Processes; as well as investments in research and development in the underpinning technology areas of digital platforms, content and applications: and Future Networks and Communications;
- SFI funding of €155 million over the period 2014-2020 to support five Research Centres, three of which - ADAPT, LERO and Connect - are engaged in research directly relevant to IFS. In addition, FMC2, established in 2009 as part of SFI's Strategic Research Cluster programme, is focused on research in the areas of asset and risk management;
- The €100 million Technology Centre programme is a joint Enterprise Ireland - IDA Ireland initiative that supports industry-led research, development and innovation. Of particular relevance to IFS is the Governance, Risk and Compliance Technology Centre (GRTC); the Centre for Applied Data Analytics Research (CeADAR) and the Innovation Value Institute (IVI);
- The Enterprise Development agencies also provide direct supports to enterprises to stimulate in-firm RD&I activities and to strengthen collaborations between enterprises and the research & technology centres – leading to new product and services, enhanced competitiveness and to the creation of employment.

### Action 21 Drive Research and Innovation

Drive continued innovation in the IFS Industry by increasing the number of companies engaged in projects with research institutes through Technology Centres, Gateways and Strategic Research Clusters, including:

- Governance Risk and Compliance Technology Centre (GRCTC)
- Centre for Applied Data Analytics Research (CeADAR)
- Telecommunications Software & Systems Group (TSSG)
- The Irish Centre for Cloud Computing and Commerce (IC4)
- INSIGHT Centre For Data Analytics
- The Financial Mathematics Computation Cluster (FMC2)

Responsible: D/JEI, Enterprise Ireland, IDA Ireland, SFI

Timeline: Ongoing

### Action 22 Drive Research, Development and Innovation (RD&I) within existing firms

Encourage more IFS enterprises to invest in RD&I, building on existing work to raise awareness of state investments and initiatives and to stimulate collaborative approaches between enterprises, and between enterprises and research institutes

Raise the profile and understanding of innovation in financial services, and its potential impact in delivering economic and societal benefits. Facilitate peer-to-peer learning across companies, sectors and ownership through a semi-structured model of site visits, case study dissemination and on-line fora.

Responsible: IDA Ireland, Enterprise Ireland

Timeline: Ongoing

#### A new Government support for the sector: The GRCTC in Cork

The rapidly-changing and complex regulatory environment means it is becoming more and more difficult for IFS companies to keep up with Governance, Risk and Compliance requirements.

The Financial Services Governance Risk and Compliance Technology Centre (GRCTC) is a Government-funded research centre supported by Enterprise Ireland and IDA Ireland and is hosted by UCC, with NUI Galway and University College Dublin as academic partners. The GRCTC was established to assist companies in moving towards 'smart regulation' in financial services. It is one of 15 industry-led, Government-funded technology centres which are designed to achieve competitive advantage for key industries in Ireland by accessing the innovative capacity of the Irish research community.

The GRCTC goal is to build a portfolio of innovative, applied research projects that collectively address the significant Governance, Risk and Compliance challenges facing the financial industry. Based in Cork, the national consortium of industry and academic partners is currently developing a suite of GRC ontology and process models, domain-specific GRC maturity models, risk assessment tools, and a GRC semantics repository. These semantic knowledge bases and process models provide the foundation for GRC solutions to be developed by software enterprises, financial services organisations, technology and services vendors, content providers, and regulators – nationally and internationally.

### **SFI-supported research and innovation centres**

**ADAPT.** Global digital connectivity enables enterprises, communities and individuals to share information and communicate globally at incredible speed, in enormous volumes, across the world's languages and over an ever-increasing number of devices. Adapt's research will fundamentally change the way in which enterprises, communities and individuals can engage globally in real time. Adapt will enhance efficiencies and global reach for industry partners in key priority sectors for Ireland, including ICT, localisation, financial services, eCommerce, media, entertainment and games, life sciences, eLearning, digital culture and humanities.

**LERO.** The Irish Software Research Centre. Software is everywhere, and key Irish industry sectors such as manufacturing, medical devices, financial services, cloud computing, analytics, and smart cities depend on it. LERO's research mission is to replicate the success of traditional software engineering in the context of large-scale, pervasive, physically-integrated, highly interconnected, evolving, and continuously-available systems, in which the boundary between design-time and runtime is disappearing.

**CONNECT.** The key challenges that face society drive the need for new and varied forms of networked services. These include mobile Internet, connected health, smart agriculture, smart grids and metering, and environmental monitoring services. The CONNECT Centre focuses on future broadband, cellular and Internet-of-Things networks on which all of these services will be enabled; thereby growing the economy and supporting society at large.

**FMC2.** The Financial Mathematics Computation Cluster is a collaboration between University College Dublin, Dublin City University, NUI Maynooth and industry partners. The research focuses on optimal asset allocation, risk management of the resulting investment portfolios, performance measurement of fund managers, algorithmic trading and efficient execution dealing. It also focuses on increasing the understanding of risk in financial and investment markets and the development of better metrics and software tools to manage this risk.

### **An example of IFS innovation: Citi**

With 2,500 employees, Citi is the largest employer in the IFSC today. In 2015, Citi celebrates its 50th anniversary in Ireland, having first established itself here back in 1965, when it was known as the First National City Bank of New York.

In the 1990s, Citi underwent a major strategic shift, capitalising on the establishment of the International Financial Services Centre (IFSC), where it relocated to in 1993.

In 2005, Citi became the first financial services company to establish a dedicated research and development facility in Ireland. Citi's Dublin Innovation Lab has 400 highly-skilled technologists examining the delivery of financial services via new technologies such as mobile and digital platforms. The CitiDirect BE mobile platform is an example of what happens when existing IFS players of Citi's scale embrace digital innovation. A product of the Irish innovation lab, the CitiDirect BE platform is now operational in 90 countries and 16 languages, and is compatible with more than 50 devices.

## FinTech

The pervasive nature of technology in Global Financial Services presents a unique opportunity for the growth of the international financial services sector in Ireland. Today and into the future, the ability of IFS firms to meet new challenges and capitalise on new opportunities will depend to a significant degree on their technological innovation capabilities. The next generation of financial services business models, products and services is being shaped by the increasing significance of data and analytics, risk management and compliance, security, digitization, enterprise mobility, payments and enhanced customer experience.

Across the spectrum of Fintech companies, from innovative start-ups and scaling companies seeking to create a new alternative financial sector to established global financial institutions seeking competitive advantage via increasing adoption and deployment of technology, the focus on and investment in financial services technology has never been greater.

Global corporations are adopting multiple strategies to deliver on these challenges and opportunities, such as incubate, invest and collaborate. Many of the world's leading and emerging technology and financial services companies have strategic international operations in Ireland, and IDA is working with its clients to determine what role Ireland can play as they plan their future technology requirements. To date, a number of signature investments have been secured for Ireland, including Global Innovation Labs from Citi and MasterCard; next generation analytics centres from Aon and Munich Re; cybersecurity centres from Zurich and Liberty Insurance and software development centres from Fidelity and Pramerica.

But Ireland is also establishing a strong global reputation for innovative FinTech start-ups. The start-up rate for Irish-owned FinTech companies is accelerating rapidly. In 2014, Enterprise Ireland supported twice as many early stage FinTech start-ups than in the previous year.

This thriving tech start-up scene, combined with established research centres, creates what is an internationally recognised ecosystem for Fintech research, development and innovation. As a result, Ireland is uniquely positioned to become a leading global centre for Fintech investment – where global multinationals can develop and implement their innovation strategies, while Irish-owned start-ups continue to scale up and succeed in global markets.

Already, Ireland, along with the UK, captures most of the FinTech venture investment occurring in Europe. According to a 2014 report by Accenture<sup>10</sup>, Ireland and the UK have seen the volume of FinTech deals triple since 2011, with a five-year compound growth rate for FinTech financing twice the global average and twice that of Silicon Valley. In 2013, the UK and Ireland together accounted for more than half of Europe's FinTech deals (53%) and more than two-thirds of its total financing.

To establish Ireland's credentials as one of the best countries in the world to set-up and scale a FinTech business, it is necessary to develop and maintain an effective ecosystem which addresses the needs of start-ups and scaling companies in terms of funding, skills, mentors, accelerators, an innovation-friendly regulatory environment, and access to key markets, while at the same time addressing the needs of foreign-owned IFS multinationals.

This Strategy aims to build on our success to date, by working with new and existing companies to capture additional financial technology investment in Ireland and help drive increased investment, entrepreneurship and employment across the industry.

A key objective is to sustain year-on-year growth in the number of new FinTech start-ups, and to accelerate the scaling of start-ups, building on the existing ecosystem including FinTech accelerators such as the NDRC, Mastercard and Accenture programmes. Enterprise Ireland's dedicated FinTech team, which assists both indigenous start-ups and established companies, in partnership with the IDA, and the key public and private sector stakeholders, will increase its focus on the sector in order to establish Ireland as a centre of excellence for FinTech.

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<sup>10</sup> *The Boom in Global FinTech Investment*, Accenture (2014).

One of the key objectives of this Strategy is to facilitate collaboration between the large international financial services companies and the indigenous base to create disruptive solutions based on innovative products and services. The MNCs in Ireland will be able to access products and services from a growing cluster of indigenous start-up firms, in software, payments, peer to peer and analytics, all of which are looking to revolutionise the way technology is used in Financial Services.

**Action 23      Enhancing IFS – ICT sectoral collaboration, engaging both Irish-owned and foreign-owned SMEs and MNCs**

IDA and Enterprise Ireland will work in partnership with other stakeholders to build a more cohesive financial technology ecosystem in Ireland to drive increased collaboration between Ireland’s IT and international financial services sectors, indigenous and foreign-owned firms, and centres of research.

The agencies will expand and deepen the pool of Fintech companies and activities in Ireland by winning investment from both existing clients and new entrants.

Responsible:    Enterprise Ireland, IDA and public and private stakeholders

Timeline:        Q4, 2015

**Action 24      Sources of Funding for FinTech**

Identify both domestic and international sources of funding for FinTech companies and develop an engagement process to facilitate introductions to investor ready companies.

Review funding mechanisms for start-ups, including feasibility of developing a dedicated syndicate to fund FinTech start-ups.

Responsible:    Enterprise Ireland

Timeline:        Q4 2015

**Action 25      FinTech Accelerators**

Partner with existing accelerators to support engagement and upskilling and mentoring process with participating companies. Leverage EI’s existing in-market advisory panels to support market activities. Identify other potential accelerator partners and examine the success of FinTech models in other jurisdictions, including the approach in these jurisdictions in relation to key enablers for enhancing the business environment and innovation ecosystem.

Responsible:    Enterprise Ireland and existing accelerators, private and public stakeholders

Timeline:        Q4 2015

### **Incubating the future: Accenture FinTech Innovation Lab**

The Accenture FinTech Innovation Lab which was launched in Ireland in late 2014. Accenture, in partnership with Enterprise Ireland and a number of leading technology and financial services firms, have established this accelerator programme to support early stage Irish companies involved in the FinTech area, getting them to scale and go global.

The progress of participating start-ups is being accelerated through the provision of a broad range of supports, which include direct access to key decision makers in financial services and technology companies, hands-on mentoring, as well as strategy and pitch coaching from senior Accenture executives and mentors from the partner organisations. And these are only some of the supports being provided. The programme culminates in Investor Day pitches from the start-ups to an audience of venture capitalists and financial industry executives.

Speaking about this collaboration, Kevin Sherry of Enterprise Ireland said, “The FinTech Innovation Lab is a fantastic opportunity for technology entrepreneurs in the financial services industry to gain invaluable experience under the guidance of some of Ireland’s most experienced executives. This programme can make a big difference to the commercial success of new technologies by bringing innovators together with their potential customers, and could help to revolutionise the financial services industry, both here in Ireland and abroad.”

Alastair Blair, country managing director of Accenture in Ireland, said “Following the success of the Accenture FinTech programme in London and New York, it was an easy decision to bring the programme to Dublin where we are at the intersection of the financial and technology industries with a wealth of talent and experience around us. Ireland is home to some of the most exciting examples of technology innovation – the entrepreneurial appetite is very pronounced here which is why our start-up culture is so strong. Businesses such as Accenture have an important role to play in nurturing these young entrepreneurs, marrying business and technology insights and experience.”

### **IFS2020 opportunities: Sustainable & Green Finance**

The previous IFS Strategy highlighted the opportunities that Green Finance could offer. Since then, the Green IFSC has worked to raise the profile of this sector, working with international funds with over €3 billion of capital invested, developing the green agenda at a national and regional level.

More recently, the Green IFSC has evolved into the International Sustainability Investment Centre, bringing a cluster of 77 stakeholders spanning investment, professional advice, distribution and financing under the sustainability banner to bring the progress made to date to a broader international market.

This work will continue to feature in the sectoral and regional strategies outlined in IFS2020, with a more specific marketing approach taken.

## 4. Develop job-creation opportunities from emerging IFS sub-sectors & new markets

In developing this IFS2020 Strategy, a wide-ranging consultation process was undertaken. Inputs were received from industry representative groups, IFS professionals and academic experts, stakeholders from across the public service, and members of the public. A vast number of ideas were put forward about how Ireland can further grow and develop the IFS sector. This strategy focuses on a select number of those ideas, and anticipates that there will be further scope to address other ideas in future action plans.

This section focuses on developing new opportunities from IFS sub-sectors including Funds, Payments and BPO, while FinTech opportunities are dealt with elsewhere in this Strategy, in the section on Innovation.

### Funds Services Cluster

Ireland has an international reputation as a centre for Fund Administration, serving EU markets and other international financial centres. In recent years, there has been a seismic shift in the regulatory environment of the Funds industry, particularly in the EU. New legislations such as the Alternative Investment Fund Managers Directive (AIFMD) and Undertakings for Collective Investment in Transferable Securities (UCITS) as well as new regulators such as the European Securities and Markets Authority (ESMA) have been introduced in recent years.

The new regulatory landscape has widened the scope of firms/activities that require regulation. It has increased the compliance workload of regulated firms, and it has changed the business model for many firms with regards to how their services are delivered.

Ireland's International Financial Services industry has an opportunity to position itself as a Centre of Excellence for emerging Fund Services, particularly in Risk and Compliance, providing products and services that can improve risk management and regulatory reporting processes, and that can capitalise on industry shifts that have occurred in response to new regulations.

The clustering of both established and emerging firms in this segment, in co-ordination with relevant industry bodies such as the Governance Risk and Compliance Technology Centre (GRCTC) can help establish Ireland's reputation as a centre for Fund Services.

Action 26	Funds Services Cluster
Set up an indigenous "funds services cluster" and support the group to target key markets, in particular the UK and North America.	
Responsible: Enterprise Ireland and the IFIA	
Timeline: Q4 2015	

### Payments

Ireland's Payments Industry hosts many of the world's leading global payments companies including Irish-owned and foreign-owned companies. The Payments Industry is a highly successful sub-sector of the International Financial Services Industry which has seen considerable growth in recent years.

The Irish Payments industry uses an ever increasing range of innovative FinTech solutions to support and process efficient payment for goods and services nationally and internationally using Cash, Credit/Debit Cards, Direct Debits, Money Transfers, Mobile Payments, etc.

**One of Ireland's IFS success stories: Realex**

Irish company Realex Payments is one of Europe's largest and fastest growing online payment gateways. It enables online businesses, large and small, to accept payments from their customers and currently processes payments valued in excess of €28 billion per annum on behalf of 12,500 retailers. Its customers include such world leading brands as Vodafone, Virgin Atlantic, Aer Lingus, Paddy Power and The AA.

Colm Lyon founded Realex Payments in 2000, after noticing a distinct requirement in the market: "I saw that financial institutions were being contacted by retailers who wanted to sell online and the banks didn't really have solutions for them. It was very clear to me that there was a problem to be solved. The simplicity of the business model was such that it just made complete sense. Businesses want to be able to sell online. The banks don't want to have to link into every single retailer who's selling online. They would like a gateway in the middle, and we could be that gateway."

Since its foundation, the company has gone from strength to strength, experiencing year on year growth and enabling thousands of customers to scale their online business and expand their international reach.

Colm completed Enterprise Ireland's Leadership 4 Growth programme in 2008 and describes it as a "transformational experience" that significantly raised the ambitions of the company. He now works with Enterprise Ireland to help other start-ups in the area. He hopes that with Enterprise Ireland's support, Irish internet companies can take a place in the global market.

Colm adds: "I really would love to see some really big global companies emerge from Ireland. That would be the icing on the cake and it would demonstrate that the talent we have is there and is not constrained in any way."

Realex Payments is headquartered at Sir John Rogerson's Quay in the Docklands and also has offices in London and Paris. It has around 170 staff and it is currently expanding both its product set and the regions into which it sells.

From its implementation in 2014, the Single Euro Payments Area (SEPA) is further opening up cross border payment services in Europe allowing the most innovative payments firms to compete on a pan-European basis.

The pace of change in payments globally is accelerating particularly with technological developments in disintermediation of payments initiation through the pervasive use of smartphones and developments in near field communication (NFC) resulting in the emergence of new ways to pay. New payment models based on modern technologies, such as instant payments, e-wallets, cryptocurrencies, etc., are challenging the traditional banking structures.

Revisions to the Payment Services Directive (PSD) and second E-Money Directive (EMD2) are currently being proposed at an EU level and Ireland's Payment Industry will need to evaluate the impact of these proposed changes.

Enterprise Ireland is supporting Irish payments companies to develop innovative new payment technologies and grow international businesses from Ireland. For Ireland to continue to establish, retain and scale innovative payments companies and to grow as a payments hub it needs to ensure that there is a co-

ordinated approach which is open to all the key players, (innovators, banks, initiators, processors, schemes, security, compliance, colleges, industry associations, agencies, etc.).

Such an open inclusive payments forum should involve all parties in a detailed review of the positioning, opportunities and dependencies of the sector and would help to transform the payments landscape in an open, accessible and competitive fashion. This forum could build on recent industry-led initiatives such as Payments Ireland.

The payments sector positioning, opportunities and dependencies should be examined in detail with a view to creating a strategy on a Payments Hub in Ireland. This could include a comparison with the regulatory support process in place in other jurisdictions.

#### **Action 27      Create a Payments Forum and develop a Sectoral Strategy for Payments**

Create a Payments Forum to co-ordinate sector-wide discussion and review of the Payments Industry in Ireland. This Forum should inform the development of a sectoral strategy paper, outlining a national approach to the future of the Payments Industry.

Responsible:    Enterprise Ireland, IDA Ireland, D/Fin, Payments Ireland, BPFI, IFS Industry

Timeline:        Q4 2015

### **Business Process Outsourcing (BPO)**

BPO in Ireland, though relatively small in terms of the numbers of companies, are important regional employers. A key trend in this sector is the move to higher value, more complex contracts, through the utilisation of data analytics, lean techniques and a skilled workforce. Achieving scale through contracts won in international markets is key to sustaining and growing this sector. Enterprise Ireland has a strong focus on supporting BPO companies to internationalise by supporting the existing BPO cluster, through access to its overseas network, and lean supports.

The international banking sector is a target market for a number of BPO companies as regulatory compliance, risk management, and solutions which will assist banks to improve customer retention and acquisition will drive opportunities in the BPO market.

#### **Action 28      Business Process Outsourcing (BPO)**

Analyse the financial services capabilities of the BPO cluster in Ireland through a high level group and recommend actions to develop the international financial services capability of the BPO sector including a proposed “framework” of engagement with the banking industry.

Responsible:    Enterprise Ireland

Timeline:        Q3 2015

### **Ireland as a Securitisation Hub**

Ireland has been a centre for asset backed securities activity over the past 20 years. The activities in Ireland have ranged from listing securities, managing special purpose vehicles, establishing securitisation and covered bond programmes and vehicles, acquiring, managing and trading portfolios of asset backed securities from Ireland and, in one case, advising the ECB on the management and valuation of the asset backed securities held as collateral for open market operations.

## Irish Securitisation Forum

In 2007, the Irish Securitisation Forum ('ISF') brought this wide ranging set of activities and players into one ecosystem. At that time, over €100 billion of asset backed securities were managed from Ireland with 25% of each new transactions being purchased by Irish based investors. The ISF also supported educational initiatives such as the Government-sponsored Finuas programme to help develop and broaden the skill base and level of expertise in the sector.

## Recent EU policy initiatives

Two recent developments at EU level have reintroduced securitisation techniques as a suitable avenue for financial intermediation between the non-banking financing providers, the capital market and borrowers.

The *Capital Markets Union* initiative, informed by a paper for an EU working group co-chaired by Ireland, has focused on the need to increase non-bank financing to the corporate and SME sectors across the EU. While the level of securitisation across the EU has fallen significantly, the renewed emphasis will provide a fillip to this sector. In a number of the larger markets across Europe (Germany, France, Spain), there is vast potential to see further capital markets involvement in their overall financing models and, the involvement of a number of institutional and private equity in purchasing portfolios of assets or loans will naturally drive interest in securitisation and capital markets products as a form of longer term financing.

The emphasis that the *Juncker Plan* will place on infrastructure will drive a new market in funding and long term financing techniques. The plan calls for €21 billion of public money to be invested in infrastructure projects across the EU, but is also crafted in a manner to seek private sector financing, on a leveraged basis, of some €315 billion. Once again, institutional investors with long term liability profiles such as pension funds and asset managers will seek, and are being sought, to become involved in this market. While the US has a well-developed suite of infrastructure asset-backed securities (ABS) products, there has not been a similar development within the EU and, as the *Juncker Plan* begins to develop momentum, the possibility of using ABS products and techniques will have to be explored as a means to achieving the goals of the Plan itself.

## Ireland and securitisation

Based on the most recent figures available from the Central Bank (data for Q2 2014), the total value of assets under management in Ireland through Financial Vehicle Corporations (FVCs) was reported at €395.9bn<sup>11</sup>. Of this, approximately half (€200bn) can be attributed to the value of securitised assets under administration, attributable to the IDA network companies.

The value of assets held on the balance sheets of these Irish FVCs (€395.6bn) represents approximately 21% of the total European FVC assets and is the biggest securitisation location in Europe, with larger total asset values than Italy (€316bn), Netherlands (€350bn) and Germany (€47.6bn).<sup>12</sup>

There is the opportunity for Ireland to harness the skills, experience, expertise and knowledge of the ABS markets to place Ireland at the centre for these developments in what will be a new pan-European market.

IFS2020 will seek to create a securitisation forum to position Ireland for three elements of securitisation – highlighting Ireland as a European centre of excellence for securitisation techniques and products; developing the educational skill base around securitisation through delivery of leading edge courses in securitisation; and create a programme to align with EU programmes that are evolving in the securitisation industry.

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<sup>11</sup> As provided online by Central Bank of Ireland <http://www.centralbank.ie/polstats/stats/fvc/pages/data.aspx>

<sup>12</sup> As provided by the European Central Bank website, Q2 2014;  
<http://www.ecb.europa.eu/stats/money/fvc/html/index.en.html>

**Action 29      Securitisation and Capital Markets Forum**

Develop a working group that will examine the opportunities afforded by the Capital Markets Union green paper as well as follow on opportunities for strategic positioning and skills enhancement.

Responsible: D/Fin, IDA and industry stakeholders

Timeline: Q3 2015

**IFS2020 opportunities: Smart Ageing**

The Government's initiative on innovation in Smart Ageing is exploring the potential for leveraging Ireland's strong base of financial service and technology companies to design or provide financial services to meet the specific needs of older people. This represents a global market opportunity that Ireland may be well positioned to capitalize on over the coming years.

**IFS2020 opportunities: Marine Finance**

The 2012 Government strategy "Harvesting Our Ocean Wealth" contains ambitious targets to increase the contribution that maritime commerce makes to the Irish economy with implementation being driven by a Marine Co-ordination Group chaired by the Minister for Agriculture, Food and the Marine. As part of this work a number of initiatives in the area of marine finance are planned in 2015 including commissioning a ship finance report for publication and promoting Ireland at key Marine Finance conferences.

## 5. Implementation Framework for IFS2020

One of the most important elements of this new Strategy is that implementation will be supported by a new model of engagement involving the heads of the key Government Departments and Agencies working in close partnership with key industry stakeholders. The implementation arrangements will be responsive, action-oriented, flexible and characterised by high quality dialogue and engagement between the public and private sectors based on the shared goal of driving economic growth, jobs, investment and exports in the sector.

Implementation of this Strategy will be driven by a new high-level International Financial Services Implementation Committee chaired by the Minister of State for International Banking (including the IFSC) and composed of the Secretaries General of the Departments of the Taoiseach, Finance, Public Expenditure and Reform, Jobs Enterprise and Innovation, and Foreign Affairs and Trade, as well as the CEOs of the IDA and Enterprise Ireland. This Committee will:

- provide strategic leadership to ensure the growth and development of the IFS sector
- ensure co-ordinated timely and effective implementation of the strategy
- identify and resolve barriers / constraints in implementation of the strategy or in developing the industry more generally in consultation with the IFS Advisory Committee (see below)
- review and report quarterly to Government on progress through the Action Plan for Jobs monitoring structure
- identify any additional actions that need to be taken to facilitate the growth and development of the sector and ensure these are included in the Strategy in following year (following and feeding into the successful Action Plan for Jobs model).

There has been a long and successful track record of engagement between government and the IFS industry through the IFSC Clearing House Group and its associated structures. The new approach in this Strategy now requires a modernisation of this approach to reflect the current profile and characteristics of the sector as well as the new models of engagement which have worked very well in driving growth and jobs through the Action Plan for Jobs and other highly successful Government strategies.

A new Forum is therefore being created - the IFS Industry Advisory Committee which will replace the existing Clearing House Group. This Group will be structured around the key priorities of this strategy. Its membership will reflect the emphasis that is being placed on driving growth in indigenous companies by including representatives from Irish companies working alongside Ireland's key multinational investors. There will also be participation from outside Ireland to ensure that international trends and perspectives are reflected in the work of the group. This Committee will meet quarterly with the High Level Implementation Committee and provide a channel for the IFS sector to work closely with and engage with the public sector across the range of issues, opportunities and challenges for the sector. There will also be a number of public-private Working Groups to drive implementation of some of the key actions in the Strategy.

This work will be supported by a new, small IFS co-ordination team to be established in the Department of the Taoiseach. This will ensure coordination across the range of activities to be delivered by the relevant Departments and Agencies, provide Secretariat to the High Level Implementation Group, support the Minister of State in his activities to promote the Strategy and the sector, and monitor and report on implementation through the Action Plan for Jobs quarterly reporting process.

## Performance Monitoring and Benchmarking

It will be vital to take a comprehensive approach to measuring and monitoring Ireland's IFS sector over the coming years, to provide reliable information on how the sector is developing and evolving, what its economic impact is in terms of jobs and taxation, how successfully it is competing internationally, and to identify the barriers and blockages to growth. It will also be important to measure progress with the implementation of this IFS2020 Strategy, to provide a regular progress updates, and to provide evidence-based inputs to the development of future action plans for the IFS sector.

### **Action 30      Data and Benchmarking**

Relevant Departments and Agencies will work together to research, design and deliver a year-end annual IFS progress report, which will

- measure progress on implementation of the IFS2020 strategy
- measure performance and trends in terms of the economic impact of the IFS sector
- assess risks to the sector;
- benchmark the competitiveness of the sector vis other international locations

Responsible: D/Taoiseach, supported by relevant Departments and Agencies

Timeline: commencing Q2 2015, with year-end report

## Conclusion

This Strategy marks an important milestone in the ongoing evolution of Ireland's international financial services sector. It articulates a clear vision of how the Government wishes to position the industry for the future, an ambitious jobs target as well as a set of clear priorities and actions to deliver this. Crucially, it continues the strong partnership and engagement between Government and industry which has contributed so effectively to the growth and development of the IFS sector, but within a modernised implementation framework. This new model of public-private engagement will be crucial both in ensuring timely and effective delivery of the actions within this Strategy and in ensuring that the sector can adapt and evolve to reflect emerging opportunities and trends in the context of a rapidly changing global environment.

IFS2020 begins another phase of transformation for Ireland's international financial services sector, the latest phase in the evolution of a fledgling centre in the Dublin Docklands to what it is now, a thriving national industry and a crucial pillar of the Government's economic and jobs strategy. We are confident that by implementing this Strategy we will achieve our ambitious jobs target and guarantee Ireland's status as a highly skilled and competitive IFS location for the future.

## Appendix: Compendium of IFS2020 actions

### Action 1 IDA Ireland

Working through a dedicated IFS global team, IDA will actively promote and market Ireland as a high quality location of choice for investment in IFS. This will be achieved working in partnership with key stakeholders at home and overseas, including the Embassy network, with the intention of meeting investment and job creation targets to contribute to sectoral development and economic activity

Responsible: D/JEI, IDA Ireland

Timeline: Ongoing

### Action 2 Enterprise Ireland

Utilise the extensive EI overseas office network and dedicated Financial Services Global Team (FSGT) located in key target international markets to support the expansion and growth of Irish owned entities through increased international sales and exports to deliver on job creation targets and economic activity in Ireland, and in so doing, raise the profile of Ireland's expertise and capabilities in technologies and innovation in the IFS.

Leverage and work in partnership with the Embassy networks as appropriate to support overseas activities, promotional engagements and trade missions

Responsible: D/JEI, Enterprise Ireland

Timeline: Ongoing

### Action 3 Embassy Network

The IFS Public Sector Coordination Group will provide clear briefing materials and information to equip the Embassy network to engage in informed and insightful discussion, setting out the objectives, government support environment, existing enterprise base and distinctive strengths in IFS. Such briefings will be updated regularly, with presentations and/or verbal updates provided at regular intervals, including at local market team meetings, and annually to inform the update of local market plans.

Responsible: IFS Public Sector Coordination Group

Timeline: Q2 2015 and ongoing

**Action 4 Embassy Network and Enterprise Development Agencies**

Following the launch of IFS2020, the Embassy network and the overseas offices of the enterprise development agencies will ensure that appropriate priority is given to the IFS sector in their ongoing planning and activities, including through reviewing and updating local market plans, where applicable, and setting out actions that reflect the specific market potential, culture and resources:

This will include:

- a review of all Ministerial and other high-level visits in order to identify IFS opportunities;
- identifying and collating significant local IFS developments and trends and disseminating information to relevant government departments including D/Taoiseach, D/Fin, D/JEI, D/FAT;
- consultation with local Irish and international business networks, including Chambers of Commerce and members of the Global Irish Network and, where appropriate, the establishment of new IFS-specific networks;
- recommendation of international conferences and events where high-level attendance should be considered for the promotion of Ireland's IFS industry.

Responsible: D/FAT, IDA, Enterprise Ireland

Timeline: Q2 2015 and ongoing

**Action 5 Coordinated approach to international promotion of IFS**

A co-ordinated international programme of high-profile IFS platform events, and overseas trade missions (including Ministerial participation where appropriate) will be developed by the IFS Public Sector Coordination Group in consultation with industry stakeholders. Industry representatives will be consulted on the international programme and will be invited to participate in all appropriate events overseas.

Responsible: IFS Public Sector Coordination Group, key industry bodies

Timeline: Each Annual programme to be finalised in Q4 of preceding year

**Action 6 Targeted Secondments**

Relevant Departments and Agencies will explore the possibility of appropriate private-sector secondments both in Ireland and overseas to support the objectives of IFS2020.

Responsible: D/FAT, D/Fin, Enterprise Ireland, IDA

Timeline: Q2 2015 and at frequent intervals

**Action 7 Export Trade Council**

A representative from the IFS industry will be invited by the Minister for Foreign Affairs and Trade to participate in the Export Trade Council to reflect the priority attached to the sector and to support the Government's broader trade and investment activities.

Responsible: D/FAT

Timeline: Q2 2015 and ongoing

**Action 8 Banner Brand for the IFS sector**

Work with key stakeholders, including industry associations, to develop a "banner brand" and associated marketing material which will be used to promote Ireland's IFS sector, including during overseas trade missions and at selected international events.

Responsible: IDA, Enterprise Ireland, Industry

Timeline: Commence Q2 2014, Launch Q1 2015

**Action 9 IFS Summit**

Ireland will host a major IFS Summit to highlight emerging trends and opportunities in the sector and facilitate the building of connections amongst investors, entrepreneurs, policy-makers, and representatives of leading global companies. This event will aim to attract leading international policy makers, companies, entrepreneurs and innovators across the sector with the intention of assisting them to build and renew relationships and pursue commercial opportunities, while simultaneously highlighting Ireland's role, commitment and value to the global industry.

Responsible: IDA, Enterprise Ireland, industry stakeholders

Timeline: Q1 2016

**Action 10 Establish an IFS Education and Skills Liaison Group**

Establish an IFS Education and Skills Liaison Group to provide a forum for the IFS industry to liaise with education sector stakeholders and relevant Government Departments and Agencies on implementing the skills/education elements of IFS2020, and to facilitate dialogue between industry, education/training providers and policy makers on emerging opportunities and challenges for the sector, feeding as appropriate into other fora and bodies including the Expert Group on Future Skills Needs and the IFS2020 High Level Implementation Committee.

Responsible: IFS Public Sector Coordination Group, Labour Market Council

Timeline: Q2 2015

**Action 11 IFS Training and Future Skills Needs Assessment**

Deliver training needs and future skills needs assessment for the sector, taking into account the drivers of change within the industry, positioning for international competitiveness and the range of activities involved in a broader Internationally Trading Financial services sector.

Responsible: IFS Education and Skills Liaison Group, D/ES, Summit Finuas Network, Skillnets, Financial Services Ireland

Timeline: Q3 2015

**Action 12 Enhance Finuas Network**

Enhance the Finuas Network to take account of the broadening of IFS activities in Ireland with a particular focus on Payments and FinTech.

Responsible: D/ES, Skillnets

Timeline: **Ongoing**

**Action 13 Promoting IFS as a career choice**

The IFS Education and Skills Liaison Group will consider ways to raise the profile of IFS career opportunities through new and existing career guidance initiatives and platforms. Industry will contribute to the development of IFS-specific occupational information and multi-media content, to better inform school leavers and jobseekers regarding the nature and range of IFS opportunities.

Responsible: IFS Education and Skills Liaison Group, D/ES, D/SP, SFI

Timeline: Q2 2015

**Action 14 Talent Attraction - Employment Permits Critical Skills List**

Ensure that the 6 monthly review of the critical skills list for employment permits continues to reflect the skills the shortages experienced by the IFS.

Responsible: D/JEI, industry

Timeline: Ongoing

**Action 15 Talent Attraction – Single Website Portal**

The agencies with responsibility for engaging with industry to devise and implement a programme around a single website portal, to attract international ICT talent.

Responsible: D/JEI, EI, IDA, industry

Timeline: Ongoing

**Action 16 Placemaking and Regional Development**

National - Reflect IFS appropriately in the planned Regional Action Plans for Jobs.

Dublin - Further enhance the profile of the Dublin City region as a place to live, invest, grow a business and nurture innovation. Instigate a coordinated, partnership approach to forward planning and facilitation of Dublin's financial services ecosystem, taking into account the various dimensions that include: quality of life and culture, intra-city connectivity, welcome/landing services, events, workspaces, and the dynamic established through the Activating Dublin initiative.

Responsible: National: D/Taoiseach, D/JEI, Regional Assemblies

Dublin: Dublin City Council, Dublin Chamber of Commerce, IDA, Enterprise Ireland

Timeline: 2015, ongoing

**Action 17 Marketing the overall opportunity in the SDZ**

There is further scope for key stakeholders in the SDZ area to work together to market the overall opportunity to interested end user/investors in the IFS sector. In this context, Dublin City Council (as the SDZ Development Agency) will co-ordinate with the IDA, Enterprise Ireland and NAMA (as funder and facilitator) around the identification of prospective end user demand with the focus on the pipeline of new space in the Dublin Docklands. Enterprise Ireland will consult with key stakeholders in the Irish start-up ecosystem regarding a designated IFS incubator space with the SDZ.

Responsible: NAMA, Dublin City Council, IDA Ireland, Enterprise Ireland

Timeline: Ongoing

**Action 18 Operational Metrics for Central Bank**

The Central Bank and Department of Finance will, in accordance with their respective legal roles, review the authorisation service standards reported by the Central Bank in 2015.

Responsible: D/Fin

Timeline: Q3 2015

**Action 19 Double Taxation Treaties**

The Department of Finance, Revenue Commissioners, the Department of Foreign Affairs and Trade and the Enterprise Agencies will liaise with the IFS industry to identify potential target countries for consideration with regard to opening negotiations on double taxation treaties, and updating existing agreements where necessary.

Responsible: D/Fin, Revenue Commissioners, D/FAT, IDA, Enterprise Ireland, industry

Timeline: Commencing Q2

**Action 20 Financial Markets Infrastructure**

Determine the position with regard to core markets infrastructure with input from the key stakeholders, examining key strategic issues, dependencies and critical emerging issues.

Responsible: D/Fin, IDA, industry

Timeline: Q3 2015

**Action 21 Drive Research and Innovation**

Drive continued innovation in the IFS Industry by increasing the number of companies engaged in projects with research institutes through Technology Centres, Gateways and Strategic Research Clusters, including:

- Governance Risk and Compliance Technology Centre (GRCTC)
- Centre for Applied Data Analytics Research (CeADAR)
- Telecommunications Software & Systems Group (TSSG)
- The Irish Centre for Cloud Computing and Commerce (IC4)
- INSIGHT Centre For Data Analytics
- The Financial Mathematics Computation Cluster (FMC2)

Responsible: D/JEI, Enterprise Ireland, IDA Ireland, SFI

Timeline: Ongoing

**Action 22 Drive Research, Development and Innovation (RD&I) within existing firms**

Encourage more IFS enterprises to invest in RD&I, building on existing work to raise awareness of state investments and initiatives and to stimulate collaborative approaches between enterprises, and between enterprises and research institutes

Raise the profile and understanding of innovation in financial services, and its potential impact in delivering economic and societal benefits. Facilitate peer-to-peer learning across companies, sectors and ownership through a semi-structured model of site visits, case study dissemination and on-line fora.

Responsible: IDA Ireland, Enterprise Ireland

Timeline: Ongoing

**Action 23      Enhancing IFS – ICT sectoral collaboration, engaging both Irish-owned and foreign-owned SMEs and MNCs**

IDA and Enterprise Ireland will work in partnership with other stakeholders to build a more cohesive financial technology ecosystem in Ireland to drive increased collaboration between Ireland’s IT and international financial services sectors, indigenous and foreign-owned firms, and centres of research.

The agencies will expand and deepen the pool of Fintech companies and activities in Ireland by winning investment from both existing clients and new entrants.

Responsible:    Enterprise Ireland, IDA and public and private stakeholders

Timeline:        Q4, 2015

**Action 24      Sources of Funding for FinTech**

Identify both domestic and international sources of funding for FinTech companies and develop an engagement process to facilitate introductions to investor ready companies.

Review funding mechanisms for start-ups, including feasibility of developing a dedicated syndicate to fund FinTech start-ups.

Responsible:    Enterprise Ireland

Timeline:        Q4 2015

**Action 25      FinTech Accelerators**

Partner with existing accelerators to support engagement and upskilling and mentoring process with participating companies. Leverage EI’s existing in-market advisory panels to support market activities. Identify other potential accelerator partners and examine the success of FinTech models in other jurisdictions, including the approach in these jurisdictions in relation to key enablers for enhancing the business environment and innovation ecosystem.

Responsible:    Enterprise Ireland and existing accelerators, private and public stakeholders

Timeline:        Q4 2015

**Action 26      Funds Services Cluster**

Set up an indigenous “funds services cluster” and support the group to target key markets, in particular the UK and North America.

Responsible:    Enterprise Ireland and the IFIA

Timeline:        Q4 2015

**Action 27      Create a Payments Forum and develop a Sectoral Strategy for Payments**

Create a Payments Forum to co-ordinate sector-wide discussion and review of the Payments Industry in Ireland. This Forum should inform the development of a sectoral strategy paper, outlining a national approach to the future of the Payments Industry.

Responsible: Enterprise Ireland, IDA Ireland, D/Fin, Payments Ireland, BPFI, IFS Industry

Timeline: Q4 2015

**Action 28      Business Process Outsourcing (BPO)**

Analyse the financial services capabilities of the BPO cluster in Ireland through a high level group and recommend actions to develop the international financial services capability of the BPO sector including a proposed “framework” of engagement with the banking industry.

Responsible: Enterprise Ireland

Timeline: Q3 2015

**Action 29      Securitisation and Capital Markets Forum**

Develop a working group that will examine the opportunities afforded by the Capital Markets Union green paper as well as follow on opportunities for strategic positioning and skills enhancement.

Responsible: D/Fin, IDA and industry stakeholders

Timeline: Q3 2015

**Action 30      Data and Benchmarking**

Relevant Departments and Agencies will work together to research, design and deliver a year-end annual IFS progress report, which will

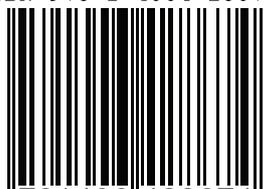
- measure progress on implementation of the IFS2020 strategy
- measure performance and trends in terms of the economic impact of the IFS sector
- assess risks to the sector;
- benchmark the competitiveness of the sector vis other international locations

Responsible: D/Taoiseach, supported by relevant Departments and Agencies

Timeline: commencing Q2 2015, with year-end report



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