

[Published as Independent Op-Ed, 04-June-2015, <http://bit.ly/1FvLd2g>]

*

Getting to grips with Ireland's Fintech Advantage

Mastering the basics is the difference between Ireland achieving premier league or second division status as a Fintech hub

Recent weeks have seen the business pages of this paper and others peppered with encouraging signs on the financial services' front.

Realex acquired by Global Payments for €115 million, Currency Fair raising €10 million on the markets to fund their further expansion, Sentient launching their *Nuapay* service as a Bank alternative for business customers, while last week Marsh McLennan added 100 hi-

skilled jobs to their workforce with the creation of a Fintech Innovation Centre.

In isolation they are a series of Irish and IDA-supported companies cutting a swathe on the fast moving Fintech scene, and this is to be welcomed.

Together they represent something considerably more. Something I am acutely aware of and actively addressing in the context my responsibility to advance the Government's International Financial Services' Strategy, IFS2020.

Together they represent a valuable niche in the international marketplace Ireland can really put its stamp on. Taking on the mantle of a premier global Fintech hub is an opportunity that requires an alignment and leveraging of the many advantages Ireland has worked long and hard to achieve.

Our proximity and strong links to the City of London, our place at the heart

of the Eurozone, our recognition as a leading European Financial Services centre, and our deep cultural and commercial ties with the US situate Ireland as a nexus and hub for transatlantic financial services' activity.

Our big tech and big data advantages are many. The company listings, spanning Apple to Zynga, reads like a who's who in the ICT hall of fame. While Amazon, Microsoft, Google, and Apple setting up data centres across the country prove that Irish clouds really do have a silver lining.

These human and capital votes of confidence in Ireland lend both the critical mass and fertile hinterland around which indigenous companies can cluster, thrive and expand as either direct service providers or emerging out from a vibrant ICT community and start-up culture.

A third element, and indeed the catalyst behind the inexorable rise of

Fintech on the global stage, is that Financial Services and ICT are increasingly two sides of the same coin. A look around Citi's Dublin Innovation Lab bears scant resemblance to traditional conceptions of what one would term a Bank, while Apple Pay and Google Wallet assert these tech companies' advance as dominant players in the areas of mobile banking and merchant services.

To borrow the words of O'Casey's Captain Boyle, the financial services' world is truly in a 'terrible state o' chassis'. In business and tech circles this 'disruption' is challenging every aspect of financial services.

In many cases previous providers of ICT services to established banks, insurance companies, and investment houses have decided to cut out the middleman and go straight to the consumer and business customer.

Likewise established financial service providers, conscious of the changing landscape, are working hard to catch up. Some by way of acquisition of or partnering with tech companies, others by way of stimulating an entrepreneurial spirit and start-up culture amongst their workforce and organisational structures.

All in all, challenging and interesting times.

Since taking up my role as Minister of State for International Financial Services my first challenge has been to better coordinate our Public Sector to be more responsive and alive to current and future trends.

In the course of my consultations with industry my Damascus moment was a visit to the Enterprise Ireland stand at Paddy Cosgrave's Web Summit last November.

The energy and ambition radiated by these Fintech entrepreneurs was contagious, and confirmed for me that

this was an area to be overlooked at one's peril.

Since that day I have made it my priority to work to foster and develop Ireland's Fintech and innovation ecosystems.

This includes, in the near term, implementing several cross-cutting measures to foster a pipeline of talent, to open up access to funding and expertise for Irish start-ups, and to work with other stakeholders to address the pressing need of enterprise space – both for start-ups looking for a first foot on the ladder and established SMEs eager to expand.

In the two months since launching the IFS2020 Strategy I have been impressed by the responsiveness of the public sector to come together to propose options and avenues to advance these measures, and by industry's openness to find a common ground so as to better communicate

with Government and ensure that Ireland can compete in an increasingly competitive market place for ideas, drive and talent.

I am firmly of the view that getting to grips with the basics of communication and collaboration will unleash our potential to allow us outshine competitor locations as a destination of choice.

Recently the Taoiseach pointed out that bringing our unemployment down from 15% to under 10% was a massive undertaking to undo the failures of past administrations, and that moving from below 10% to full employment is an equally difficult and important task of responsible Government.

I am convinced that Fintech is such a route beyond recovery to a sustainable and prosperous future.

The task of Government is now one of continuing to deliver sure-footed policy in tandem with a robust and

responsive regulatory regime to ensure that an innovative, expanding and highly-prized sector can thrive in line with our innate and cultivated advantages.

Positioning and promoting Ireland as a preeminent Fintech hub is a step in that direction.

Simon Harris TD is Minister of State at the Departments of Finance, Public Expenditure and the Department of the Taoiseach, with special responsibility for International Financial Services.

*