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IFS 2020

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

ACTION PLAN 2018



Rialtas na hÉireann
Government of Ireland



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Foreword



Following my appointment as Minister of State for Financial Services and Insurance in June 2017, I am pleased to introduce the 2018 Action Plan under the IFS2020 Strategy. Launched in March of 2015, the Strategy provides a structured five-year plan to achieve the Government's long-term vision for the development of Ireland's international financial services sector.

In developing the Strategy, the Government envisaged Ireland as a leading global location for specialist international financial services, across all sub-sectors while building on our strengths in innovative technologies, data analytics, governance, risk and compliance. The Government also set an ambitious medium-term objective: to grow the numbers directly employed in the international financial services sector by 10,000 – a net increase of almost 30% - over the five-year term of the Strategy.

The IFS2020 Strategy combines long-term strategic thinking with the flexible tools to react to any domestic and international developments occurring over the period. The annual Action Plans enable us to tailor responses to deal with these challenges and opportunities as they arise.

Reflecting this, the 2018 Action Plan includes a look back at the key successes over the first years of the Strategy 2015-2017, and looks forward to the shifting context and priorities for the remainder of the Strategy. In taking this reflective approach I am confident that the Strategy is meeting the aspirations and targets of the original plan while also being responsive to new realities.

The 2018 Action Plan reflects the exciting, strong potential of Ireland's IFS sector. I have outlined six priority areas for the coming year which will improve Ireland's operating environment and further increase Ireland's attractiveness as a location for international financial services. These measures ensure that we will continue to have a strong talent pool available for IFS in the years to come. It will enable us to capitalise on emerging sub-sectors, such as sustainable finance, and maintain our competitiveness in sectors where we have been very successful over the lifetime of the Strategy such as aviation financing and funds. It will also continue the promotion of second site operations in the regions. Progress on implementation of IFS2020 will continue to be reported quarterly to Government and subsequently published on the Department of Finance website.

In formulating this Action Plan, I am very conscious of the decision of the UK to leave the European Union. Ireland remains completely and very strongly committed to our membership of the European Union and the Eurozone despite the UK referendum. As a result of determined policy action over recent years, Ireland's economic recovery is now firmly established and sustainable, and we will be tackling these new challenges from a position of strength.

Since the referendum result, a clear whole-of-Government response to the UK decision has been implemented. While there are many challenges arising from the UK's decision to leave the EU, we have already seen that there are opportunities for Ireland in relation to international financial services and we will continue to pursue these. As the long-term vision for international financial services, the IFS2020 Strategy was developed and put in place long before the UK decision to leave the EU. However, it provides a clear framework to maximise any opportunities and to respond to any challenges that might arise from that decision particularly through the annual Action Plans and ongoing work in 2018. Recognising this, all measures in this Action Plan will be implemented in the context of the ongoing evolution of the negotiations on the UK's departure from the EU. This is consistent with the approach of the 2018 Action Plan for Jobs and complements the ongoing review of the Enterprise 2025 strategy.

A strong, robust, independent regulator is essential to any successful international financial system. The Central Bank of Ireland meets all of these criteria - balancing experience with innovation. The Central Bank is committed to providing a high-quality, fair and transparent authorisation process for all applicants and it stands ready to engage with new applicants seeking authorisation or existing firms seeking to extend their business. Potential applicants will find the Central Bank to be engaged, efficient, open and rigorous.

Over the coming years, the Irish financial sector will continue to grow, and quite possibly to a significant extent. The Central Bank has taken on additional staff to meet this challenge.

In conclusion, I want to acknowledge the excellent contribution made by the public sector High Level Implementation Committee, the Industry Advisory Committee, other stakeholders and the Department's IFS Secretariat in the development of this latest Action Plan for IFS2020. I am confident that the actions set out for 2018 will ensure continued focus on, and momentum behind, our collective efforts to develop Ireland's international financial services sector and to achieve our ambitious jobs creation target which clearly exemplifies the overall ongoing importance of international financial services to Ireland's economy.



Michael D'Arcy TD

Minister of State for Financial Services and Insurance
Chair of the IFS2020 Joint Committee

Six Priority Areas for Action

Investment Limited Partnership Legislation

The Department has worked closely with stakeholders to develop proposals, consistent with IFS2020 and the Capital Markets Union agenda, to promote the establishment of private equity and venture capital funds vehicles in Ireland.

Private equity funds are typically constituted as partnerships, and the proposals to amend the Investment Limited Partnership Act 1994 are aimed at increasing the attractiveness of Ireland as a jurisdiction for such funds. This is another step towards ensuring that Ireland remains one of the leading funds domiciles in Europe.

The revised Investment Limited Partnership structure will stand alongside the Irish Collective Asset-management Vehicle as a symbol of Ireland's commitment to grow the funds sector while retaining a sound regulatory environment. This will be progressed by the Department of Finance under measure #13.

Green and Sustainable Finance

Ireland offers a unique blend of expertise and a proven track record in the area of green and sustainable finance, with a globally-recognised cluster of talent in renewable energy finance and world-leading professional services firms experienced in green asset management located here.

The transition to a sustainable, low-carbon economy has been given additional impetus with the Paris COP21 Climate Change Agreement, the G20, G7 and OECD acting as global policy drivers. Ireland's Strategic Investment Fund (ISIF) estimates that Ireland's transition will require over €40 billion of new capital investment by 2050. The European Commission High-Level Expert Group on Sustainable Finance will recommend potential policies in this area in early 2018. Ireland will engage in the process that follows through the Department of Finance, under measure #36.

In November 2018, Europe's Climate-KIC (Knowledge and Innovation Community), in partnership with Sustainable Nation Ireland, will co-host the annual European Climate Innovation Summit in Dublin (measure #31). Sustainable Nation Ireland will also lead on developing training courses in climate risk and opportunity under measure #32

Regional Measures

Under IFS2020, there has been a continued focus on the growth and development of financial services employment in regional towns and cities across Ireland, with around 30% of those employed in the sector outside Dublin. As the number of jobs in the sector increases, there is an emphasis on ensuring that the jobs available in all areas across the country are of a high value and are sustainable into the future.

A regional consultation forum held in October 2017 examined the key opportunities and challenges to developing links between Dublin and the regions. In 2018, Enterprise Ireland (EI) and IDA Ireland will promote regional locations for second site operations and will conduct showcases in two regions aimed at promoting their capabilities under measure #10, EI will also conduct a FinTech census to assess the financial technology offering across Ireland (measure #28).

Under measure #41, the Department of Business, Enterprise and Innovation will ensure connectivity between IFS2020 and the Regional Action Plans for Jobs (APJ). The Institute of Banking plan to further expand the delivery of relevant programmes to regional centres such as Limerick and Kilkenny in 2018 (measure #24).

Skills and Development

A key focus of IFS2020 has been the provision of skills development to those currently working in, or hoping to work in, the international financial services sector to ensure the availability of a strong talent pool to work in the sector and to open up opportunities for new entrants. Skillnets will continue to work with industry to create bespoke programmes tailored to the needs of firms in the industry.

A number of measures in Action Plan 2018 focus on the continued growth of such initiatives across a variety of industry subsectors such as law, aviation finance, applied alternative assets, FinTech and sustainable finance. Stakeholders include Law Society Finuas Network, Summit Finuas Network, Aviation Finuas Network, and industry, under measures #16, #18, #19, #20, #21, #32, and #37. In addition, the Institute of Banking will continue the delivery of courses in applied alternative assets (measure #23) while also expanding their relevant IFS programmes across Ireland (measure #24).

Over the first three years of IFS2020, four apprenticeship programmes have been launched. The continued development and expansion of these programmes remains a key priority for 2018 under measure #22.

Aviation Finance

Aircraft leasing companies in Ireland can avail of Ireland's extensive Double Taxation Agreement (DTA) network combined with our membership of the EU, a world class talent pool, specialised educational support and the ratification of the Cape Town convention.

Ireland will continue to monitor developments in this area, including further consideration of various financing methods. In 2018, this will include the ongoing development of the DTA network under measure #17 and the implementation of measure #25, under which Ireland will seek to fulfil the qualifying declarations under the OECD Aircraft Sector Understanding on Export Credits for Civil Aircraft for inclusion on the "Cape Town List" in order to avail of the Cape Town Credit Discount. These measures are complemented by the continued provision of specialised courses in aviation finance and leasing, plus the development in 2018 of an aviation future leaders programme under measure #21.

Financial Market Infrastructures

Central Securities Depositories (CSDs) are specialist institutions which operate a securities settlement system and are authorised under the framework set out in the EU Regulation on Central Securities Depositories (CSDR). CSDR also sets out a third country regime based on equivalence assessments by the European Commission.

In July 2017, the Minister for Finance indicated that the establishment of an Irish-based CSD would be the best method in which to ensure smooth continuity of settlement services to market participants in the context of the UK decision to leave the EU. At that time, Minister Donohoe and Minister of State D'Arcy encouraged applications to the Central Bank of Ireland to establish a CSD in Ireland in accordance with CSDR.

In 2018, the Department of Finance under measure #42 will evaluate developments in respect of financial market infrastructures and will provide an update to the IFS2020 Joint Committee with input from stakeholders as appropriate.

IFS2020 Actions for 2018

Strategic Priority 1: Promote Ireland as a location for IFS & world class innovative products and services				
Measure	Proposal	Lead	Stakeholders	Deadline
1	<p>A public sector financial services sub-group to engage with the Cabinet Committee on Brexit</p> <p>An existing public sector financial services sub-group, led by the Department of Finance, will continue its work in developing a strategic and prioritised approach to the implications of the UK-EU referendum on the financial services sector, including IFS. This group is part of a much wider network of cross-departmental co-ordination structures which provide overall policy input to the Government's wider response to Brexit.</p> <p>This public sector financial services sub-group engages and liaises with all IFS stakeholders, including the IFS2020 Joint Committee where Brexit is a standing agenda item.</p> <p>The implications of the UK-EU referendum result continue to pose a significant challenge for the financial services sector globally. Contingency planning has been ongoing at all levels of Government for all scenarios. The IFS2020 Strategy, which predates the result, allows Ireland to leverage the Strategy and provides a framework to protect and grow the IFS sector in Ireland.</p>	D/FIN	D/FIN, in consultation with all IFS stakeholders	Quarterly
2	<p>Further progress co-ordinated IFS messaging</p> <p>The IFS2020 Communications sub-group will continue to liaise closely with all stakeholders and report on a quarterly basis to the IFS2020 Joint Committee on the measures that are being taken to promote Ireland as a location for international financial services. The aims of the co-ordinated IFS messaging are:</p> <ul style="list-style-type: none"> ■ to promote a comprehensive, co-ordinated and consistent approach from all public and private sector stakeholders to IFS promotional, communications and other activities; ■ to continue the co-ordinated approach to updating messaging on Ireland's IFS sector on a regular basis, taking into account ongoing developments in the Brexit negotiations, in order to raise awareness of Ireland's IFS sector overseas and of Ireland as an attractive location to live, work and invest. 	Comms sub-group, IDA, EI	D/FAT, D/FIN, Industry Advisory Committee (IAC) and other industry stakeholders, as appropriate	Quarterly

Strategic Priority 1: Promote Ireland as a location for IFS & world class innovative products and services

Measure	Proposal	Lead	Stakeholders	Deadline
3	<p>Promote and market Ireland as a location for foreign direct investment (FDI) to international financial services (IFS) firms</p> <p>IDA Ireland will promote and market Ireland as a leading location for mobile FDI in IFS. The agency’s global IFS team will work in partnership with key stakeholders (existing clients, D/BEI, D/FIN, D/ES, D/FAT, EI, industry bodies etc.) both at home and overseas to win investments. These investments are the cornerstone of the IFS2020 job creation targets and are a vital contribution to sectoral development and economic activity.</p>	IDA	Industry Stakeholders	Quarterly
4	<p>Strategic promotion and marketing of Ireland’s IFS sector overseas under the IFS Ireland banner brand</p> <p>There will be active engagement between industry and public sector, including a quarterly report to the IFS2020 Joint Committee, on overseas promotion and marketing of Ireland’s IFS sector to ensure a co-ordinated and strategic approach to the promotion and marketing of Ireland as a centre of excellence for IFS. Elements of the marketing strategy will include:</p> <ul style="list-style-type: none"> ■ overseas trade missions: co-ordinated programme of overseas trade missions and high profile IFS-related events (including Ministerial participation where appropriate) in consultation with industry stakeholders. This will reflect the Government’s commitment to the consolidation of IFS relationships with established partners and the exploration of new IFS opportunities in growing markets; ■ shared IFS calendar: public sector and industry representative bodies to continue to develop and share on a quarterly basis an inclusive calendar of IFS-related events, both international and domestic (regional); ■ Ministerial and other official visits: promote the IFS sector as part of Ministerial visits to key financial services markets, including the St. Patrick’s Day visits programme; 	<p>D/FAT, D/BEI</p> <p>D/FAT</p> <p>EI, IDA, D/FAT</p>	<p>EI, IDA, D/FIN, IAC</p> <p>EI, IDA, D/FIN, IAC</p> <p>D/FIN</p>	<p>Quarterly</p> <p>Quarterly</p> <p>Quarterly</p>

Strategic Priority 1: Promote Ireland as a location for IFS & world class innovative products and services				
Measure	Proposal	Lead	Stakeholders	Deadline
	<ul style="list-style-type: none"> ■ banner brand – public sector: increase deployment of the banner brand at promotional events organised, supported or attended by the Departments/agencies and overseas trade missions; and ■ banner brand – industry: IFS industry associations to deploy the banner brand at industry promotion events and to include the banner brand in new and updated promotional material. ■ marketing materials are regularly updated and disseminated to promote Ireland’s IFS offering internationally and nationally, led by IDA and EI in conjunction with the embassy network, local market teams and industry stakeholder groups. 	EI, IDA	D/FAT, D/FIN, D/BEI	Quarterly
		IAC	Comms sub-group	Quarterly
		Comms Sub Group, IDA, EI	IDA, EI, D/FAT, D/FIN, Industry Advisory Committee (IAC) and other industry stakeholders, as appropriate	Quarterly
5	<p>European Financial Forum 2018</p> <p>IDA Ireland, in consultation with public sector and industry stakeholders, will host the third European Financial Forum in Q1 2018.</p>	IDA	PSCG, industry stakeholders	Q1 2018
6	<p>Plan the European Financial Forum 2019</p> <p>IDA will present a review of the European Financial Forum 2018 to the IFS2020 Joint Committee Q1 2018 meeting. Based on the outcome of the review, the IDA will prepare a plan for the hosting of the 2019 event. In preparing this plan, the IDA will consult with public sector and industry stakeholders. A project plan, including asks of all stakeholders and resource implications arising, will be presented to the IFS2020 Joint Committee in Q2 2018. IDA will continue to update the IFS2020 Joint Committee quarterly on progress.</p>	IDA	PSCG, industry stakeholders	Review Q1 2018 Project Plan Q2 2018

Strategic Priority 1: Promote Ireland as a location for IFS & world class innovative products and services

Measure	Proposal	Lead	Stakeholders	Deadline
7	<p>Host an event in London to highlight the many advantages Ireland has for carrying on international insurance-related activities</p> <p>The proposal is to engage with senior decision makers in the London insurance market to showcase the scale and sophistication of the international activity in Ireland.</p>	Insurance Ireland	IDA, EI, D/FIN, D/FAT, Industry stakeholders	Q2 2018
8	<p>Introduce an international marketing plan to promote the European Insurance Forum</p> <p>The European Insurance Forum (EIF) will take place on 24 October 2018 in Trinity College, Dublin. The EIF is the flagship event of the insurance sector in Ireland. It is a highly niched event that draws the most senior executives from the insurance industry.</p>	Insurance Ireland	Industry stakeholders	Q2 (to promote the event in advance) 2018
9	<p>Insurance Ireland to update its Jurisdictional Promotion Brochure produced in partnership with IDA under the title “Ireland for Insurance”</p> <p>This brochure will profile insurance companies based in Ireland, and also focus on firms who recently moved to Ireland. This will give an insight into the Irish business environment as well as the key considerations from insurers who have moved to Ireland and what influenced their decision.</p>	Insurance Ireland	IDA	Q1 2018

Strategic Priority 1: Promote Ireland as a location for IFS & world class innovative products and services				
Measure	Proposal	Lead	Stakeholders	Deadline
10	<p>Promote regional locations for second site operations to support growth by IFS companies located in or near Dublin</p> <p>Engage regional actors in packaging and promoting the key benefits of their region as a base for second sites targeting the IFS sector.</p> <p>Conduct a showcase event in two regions aimed at promoting the specific regional capability supported by relevant state agencies and public and private sector interests.</p>	EI,IDA	SFI, D/FIN, Industry bodies, Regional Action Plan for Jobs fora	Q2 2018 Q4 2018
11	<p>Research will be carried out on the opportunities for Ireland's financial services sector within Asian financial institutions</p> <p>The research will focus on niche sectors of opportunity for potential Asian investment in Ireland including the types of Asian financial institutions which would be a natural fit for Ireland's financial services ecosystem and global talent pool. The research will present an opportunity to position Ireland's current financial services offering within Europe to key Asian stakeholders and the lessons learned from decision makers will be summarised in a report which will be shared with all of the stakeholders in IFS2020.</p> <p>The output will be phased in two parts, the first part (amalgamation) will be due at end January and the second part (research) will be due at end March 2018.</p>	Asia Matters	D/FIN, D/BEI, D/FAT, IDA, EI	Q1 2018
12	<p>Present and update quarterly economic data on IFSIreland.com</p> <p>The website will provide a one-stop-shop for up-to-date economic data linked back to relevant Government sources which could be used by firms, advisors and others seeking to promote Ireland as a location for IFS.</p>	PSCG, Comms Group	D/FIN, D/FAT, IDA, EI, BPFI	Quarterly

Strategic Priority 2: Drive continuous improvement in the operating environment and competitiveness of Ireland's IFS sector				
Measure	Proposal	Lead	Stakeholders	Deadline
13	<p>Ireland as a global location for private equity funds management</p> <p>Progress legislation to provide appropriate limited partnership structures to support development of the private equity fund industry as soon as practicable and provide updates to the Joint Committee in progress achieved.</p>	D/FIN	D/BEI	Q2 and Q4 2018 (Reports)
14	<p>Engage at EU level on proposals in relation to the regulation of crowdfunding</p> <p>Under measure 29 of the 2017 Action Plan, a public consultation on crowdfunding was undertaken. Subsequent to this consultation, the EU Commission proposed a pan-European regulatory regime for crowdfunding in its 2018 work programme. The progress on this work will be monitored.</p>	D/FIN		Q2 2018 Q4 2018
15	<p>EU legislative / Regulatory Proposals</p> <p>Industry to review and consider if a more effective framework of engagement can be put in place to allow for messaging of relevant IFS issues to EU authorities.</p>	Industry Representatives		Quarterly

Strategic Priority 2: Drive continuous improvement in the operating environment and competitiveness of Ireland's IFS sector				
Measure	Proposal	Lead	Stakeholders	Deadline
16	<p>Continue to monitor the skills needs of IFS industry and stakeholder engagement on education and skills</p> <p>Skills needs are monitored through the skills architecture as set out in the National Skills Strategy. IFS stakeholders will engage with relevant Departments and agencies, on the development and implementation of national policy, and education and skills initiatives relevant to the IFS sector, and the applicability of the provisions of Directive 2005/36/EC on the recognition of professional qualifications. An end of year update will be prepared for the Joint Committee in Q4 2018.</p>	D/ES	Other stakeholders as appropriate	Q4 2018
17	<p>Liaise and inform regarding changes to Ireland's network of double taxation agreements</p> <p>Continue to extend Ireland's treaty network into additional markets and ensure our existing treaties remain appropriate in a post-BEPS (Base Erosion Profit Shifting) environment.</p> <p>D/FIN and Revenue Commissioners will, as appropriate, maintain an open dialogue with the IFS industry, D/FAT and the enterprise agencies regarding negotiations on new double taxation agreements and updates to existing agreements, and requests the IFS industry to actively promote the opportunities of double taxation agreements (DTA) among key stakeholders, including policy makers, investors and entrepreneurs in local markets.</p>	D/FIN	Revenue, D/FAT, D/BEI, EI, IDA, Industry Stakeholders	Q4 2018
18	<p>Design and deliver an IFS Legal Brexit Summit</p> <p>The UK's decision to leave the EU poses significant challenges and opportunities for legal professionals working with the IFS sector.</p> <p>The principal opportunity is to equip Irish lawyers with the necessary legal knowledge to enable them to assist UK companies who wish to move their financial business to Ireland.</p>	D/ES	Law Society Finuas Network, Skillnets, IDA, Council of the Bar and Law Societies of Europe (CCBE), D/FIN	Provide update Q3 2018

Strategic Priority 2: Drive continuous improvement in the operating environment and competitiveness of Ireland's IFS sector				
Measure	Proposal	Lead	Stakeholders	Deadline
19	<p>Deliver a Master's degree course in International Law</p> <p>Under measure 8 of the 2017 Action Plan, the Law Society Finuas Network developed a Master's degree course in International Law in consultation with international industry experts and in conjunction with the Sutherland School of Law at UCD. The inaugural degree was confined to the current graduates of the Diploma in International Financial Services Law. The second stage of the degree will commence in Q4 2018 and will be open to solicitors, diploma graduates and non-graduates. It will run until 2020.</p>	D/ES	Law Society Finuas Network, UCD Sutherland School of Law, Skillnets	Q4 2018
20	<p>Design and deliver a FinTech Symposium</p> <p>The aim of the Symposium will be to keep IFS professionals upskilled and abreast of legal and regulatory developments in the FinTech area. The Symposium curriculum will be developed Q1-Q2 2018. The Symposium will be delivered in Q3 2018.</p>	D/ES	Law Society Finuas Network, Skillnets, D/ES, IDA, EI, D/FIN, IFS public and private companies and institutions	Q3 2018
21	<p>Deliver an aviation future leaders programme</p> <p>The programme has been designed to facilitate existing employees operating in specialist roles to progress into management positions within their firms and to ensure the effectiveness of individuals promoted into positions with significant levels of responsibility. The programme is expected to commence in Q3 2018.</p>	D/ES	Aviation Finance Finuas Network, Skillnets	Q3 2018
22	<p>IFS Apprenticeship Programme</p> <p>Financial Services Ireland (FSI), National College of Ireland (NCI), Insurance Institute of Ireland (III), and Accounting Technicians Ireland (ATI) and other key stakeholders will progress the delivery of current IFS apprenticeships.</p> <p>FSI, NCI, III, ATI and other key stakeholders will seek to expand the numbers of employers and apprentices engaging in IFS apprenticeship programmes</p>	D/ES	FSI, NCI, III, ATI, other stakeholders as appropriate	Q4 2018

Strategic Priority 2: Drive continuous improvement in the operating environment and competitiveness of Ireland's IFS sector				
Measure	Proposal	Lead	Stakeholders	Deadline
23	<p>Continue to deliver a postgraduate programme in applied alternative assets</p> <p>The postgraduate programme in applied alternative assets was delivered in 2016 and 2017. The course is designed to provide people with the necessary skills to work in the derivatives sector.</p>	Institute of Banking	D/ES, Irish Funds and the Summit Finuas Network	Q3 2018
24	<p>Expand the delivery of Institute of Banking relevant IFS programmes across Ireland</p> <p>The delivery of these programmes will contribute to an increased pool of graduates and the development of talent across Ireland. In 2018, it is planned to deliver programmes in Limerick and Kilkenny.</p>	Institute of Banking	D/ES, Irish Funds and the Summit Finuas Network	Q3 2018
25	<p>Ireland to seek inclusion on Cape Town Convention List</p> <p>Following the adoption of the Cape Town Convention Aircraft Protocol Alternative A insolvency provisions in 2017 (SI 187 of 2017), Ireland will seek to fulfil the qualifying declarations under the OECD Aircraft Sector Understanding on Export Credits for Civil Aircraft for inclusion on the "Cape Town List" to avail of Cape Town Credit Discount.</p>	D/TTAS		Q3 2018

Strategic Priority 3: Drive research, innovation & entrepreneurship in the IFS sector, with a particular focus on financial technology & governance, risk & compliance

Measure	Proposal	Lead	Stakeholders	Deadline
26	<p>Develop promotion campaign for Ireland’s FinTech sector based around the ‘Irish Advantage’ campaign</p> <p>Enterprise Ireland launched the Irish Advantage (https://irishadvantage.com) marketing campaign as part of a market diversification drive in September 2017 to promote the advantages of sourcing suppliers from Ireland directly in specific target sectors. During the first half of 2018, ‘Irish Advantage’, will expand to cover the FinTech sector. A comprehensive media and social media campaign will be rolled out to specific markets and support other promotional activities including trade missions, buyer visits, trade fairs, etc. and aligned to events where the IFS Ireland Brand will be used.</p>	EI	IDA, D/FAT	Q3 2018
27	<p>Tender for research services to benchmark payments in Ireland</p> <p>The Department of Finance will lead research in the payments sector.</p>	D/FIN		Q4 2018
28	<p>Conduct a FinTech census to provide a fact base on the scope, scale and strategic positioning of the sector</p> <p>The census will, among other things, allow a comparison of the Irish FinTech sector to those in other leading FinTech hubs and highlight areas where Ireland needs to improve, drawing on best practice from other leading FinTech hubs. Enterprise Ireland will commission a census of FinTech activity across the country.</p>	EI	FPAI, FinTech Ireland, BPF, FSI	Q2 2018

Strategic Priority 3: Drive research, innovation & entrepreneurship in the IFS sector, with a particular focus on financial technology & governance, risk & compliance				
Measure	Proposal	Lead	Stakeholders	Deadline
29	<p>Promote and ensure market diversity with priority given to FinTech & Payments in well-defined markets</p> <p>Support will be provided to companies to promote and ensure market diversity with priority given to FinTech & Payments in well-defined markets. This will include an increase in focus on the Americas, Middle East and North Africa, and Asia Pacific, including a review of Ministerial and high-level visits, a renewed focus on the UK to ensure that Irish interests and partnerships are nurtured and developed further in close consultation with international business networks, and the identification of flagship FinTech events (e.g. EBA Day, Munich, Money2020, Amsterdam), where Ministerial or high level involvement will add significant value to the mission's overall objectives.</p>	EI	IDA, D/FAT, FPAI	Quarterly
30	<p>Provide dedicated fund for FinTech start-ups</p> <p>Building on similar funding measures in the preceding years, Enterprise Ireland will provide up to €500,000 in a dedicated early stage investment fund for FinTech start-ups in Ireland aimed at investing €50,000 in up to 10 early stage companies.</p> <p>Enterprise Ireland will open a call for early stage FinTech companies to apply for support under a dedicated FinTech competitive start fund.</p> <p>A programme of masterclasses and mentoring will also be provided to successful applicants in conjunction with partners in the banking/education sectors.</p>	EI	FPAI, FinTech Ireland	Q4 2018

Strategic Priority 4: Develop job-creation opportunities from emerging IFS sub-sectors and new markets

Measure	Proposal	Lead	Stakeholders	Deadline
31	<p>Co-host the European Climate Innovation Summit in Dublin in November 2018</p> <p>Sustainable Nation Ireland will continue to work with all of the stakeholders in IFS2020 to promote Ireland as a location for green finance based activities while raising awareness of the responsible investment agenda. In partnership with Europe’s Climate-KIC and with a sustainable finance innovation theme, Sustainable Nation Ireland will co-host Climate-KIC’s annual European Climate Innovation Summit in Dublin, November 2018.</p>	Sustainable Nation Ireland	IDA, EI	Q4 2018
32	<p>Develop training programmes in climate risk and opportunity supported by Sustainability Skillnets</p> <p>Sustainable Nation Ireland will develop capacity building programmes and qualifications to expand the market for sustainable finance in Ireland.</p>	Sustainable Nation Ireland	Sustainability Skillnets, D/ES	Q3 2018
33	<p>The Irish Strategic Investment Fund (ISIF) will co-invest in suitable private sector proposals with a particular focus on asset management and financial technology</p> <p>IDA and EI to engage with ISIF to highlight the potential for specialist asset managers to receive an investment from the ISIF.</p>	Irish Strategic Investment Fund, IDA, EI	Industry stakeholders	Q4 2018
34	<p>Continue to engage at EU level on proposals for an EU Regulation on a pan-European Personal Pension Product (PEPP)</p> <p>The Department of Finance will monitor EU developments on the proposal for a PEPP and provide an update to the IFS2020 Joint Committee on significant developments. The pensions policy unit of the Department of Finance plan to engage with key industry stakeholders as proposals in relation to the PEPP develop in 2018.</p>	D/FIN	Industry stakeholders	Quarterly

Strategic Priority 4: Develop job-creation opportunities from emerging IFS sub-sectors and new markets				
Measure	Proposal	Lead	Stakeholders	Deadline
35	<p>Engage at EU level on Capital Markets Union proposals</p> <p>The Department of Finance will monitor EU developments on Capital Markets Union and will provide an update to the Q3 IFS2020 Joint Committee on significant developments.</p>	D/FIN	Industry stakeholders, relevant departments	Q3 2018
36	<p>Engage at EU level on Sustainable Finance proposals</p> <p>The Department of Finance will monitor EU developments on Sustainable Finance and provide a quarterly update to the IFS2020 Joint Committee on significant developments.</p>	D/FIN	Industry stakeholders, relevant departments	Quarterly
37	<p>Develop and deliver a programme that addresses the specialised educational requirements relating to alternative investment structures</p> <p>The programme will be developed over the course of 2018 with delivery scheduled to commence in Q3 2018, subject to demand.</p>	D/ES	Summit Finuas Network, Skillnets, Financial Services Ireland	Q3 2018
38	<p>Engage with EU Institutions on the EU Covered Bonds Directive proposal and represent Irish position at subsequent negotiations</p> <p>Following agreement of the EU Directive, the Department of Finance will consider if amendments are required to Irish covered bond legislation.</p>	D/FIN	BPFI, FIBI	Q4 2018
39	<p>Review and assess the situation in relation to the use of debt/equity hybrid instruments by SMEs</p> <p>Following on from the work undertaken on the mapping review of access to equity finance by SMEs, additional work will be undertaken to understand the scope of the use of debt/equity hybrid instruments by SMEs. This will examine if there is current use by SMEs and if there is scope to encourage their usage as a leeway into equity investment into SMEs.</p>	D/FIN	EI	Q3 2018

Strategic Priority 4: Develop job-creation opportunities from emerging IFS sub-sectors and new markets

Measure	Proposal	Lead	Stakeholders	Deadline
40	<p>Continue to monitor developments in relation to equity finance for SMEs</p> <p>Following on from the mapping review of access to equity finance, the equity market for SMEs will continue to be monitored. Equity finance can offer a solution for SMEs who do not want to or cannot access debt, and as such can play an important role in the funding of the Irish SME market. As the mapping review gave details of the current state of the equity market for SMEs, it is important to continue to monitor and review developments in this area.</p>	D/FIN		Q4 2018
41	<p>Identify areas for further IFS-related actions through engagement with the Regional Action Plan stakeholders</p> <p>The Department of Business, Enterprise and Innovation (D/BEI) will monitor the progress of ongoing IFS-related measures within the Regional Action Plan for Jobs and identify, in consultation with EI, IDA, and other stakeholders, areas for further IFS-related actions within the rolling framework. D/BEI will provide an end-of-year update to the IFS2020 Joint Committee.</p>	D/BEI	Regional Action Plan for Jobs implementation committees and fora, EI, IDA	Q4 2018
42	<p>Update on developments in relation to financial markets infrastructures</p> <p>The Department of Finance will provide an update to the Q4 Joint Committee on developments in financial markets infrastructures in Ireland, with input where required from key stakeholders.</p>	D/FIN	Industry stakeholders	Q4 2018

Strategic Priority 5: Implementation Framework for IFS2020				
Measure	Proposal	Lead	Stakeholders	Deadline
43	<p>Secretariat for Joint Committee</p> <p>Department of Finance to continue to provide secretariat to IFS2020 Joint Committee.</p>	D/FIN	Joint Committee	Quarterly

IFS2020

Summary of Progress to Date

The review of the Strategy looks back at key progress made since 2015. It finds that the flexible, dynamic and iterative nature of the Strategy is appropriate for its purpose. The annual Action Plans combined with quarterly structured dialogue both within the public sector and between the public sector and industry allows the Strategy to respond to emerging contexts such as Brexit. The Strategy is on track to achieve the target of an increase in the number of jobs in Ireland's international financial services sector of 10,000 by 2020. The five strategic priorities, therefore, provide a solid framework for the implementation of the Strategy and will be retained for the final years of the five year-plan.

Key areas of progress achieved are highlighted under each of the Strategic priority areas. The review complements the detailed progress reports published on a quarterly basis.

1. Promote Ireland as a location for international financial services

- European Financial Forum held in 2016, 2017 and 2018.
- Targeted international visits with a focus on financial services, led at Ministerial level.
- The launch of the IFS2020 Banner Brand, for use both by the public sector and industry.
- Establishment of a communications sub-group and development of co-ordinated messaging.

2. Improvement in the operating environment and competitiveness of the IFS sector

- Targeted courses delivered to support the development of skills in the sector.
- Initiatives such as Smart Futures Ireland promote the sector as career option.
- Skillnets launched its Finuas 2020 Strategy in 2015.
- The number of comprehensive Double Taxation Agreements increased.
- Ireland joined the Asian Infrastructure Investment Bank.
- The granting by the People's Bank of China of a Renminbi Qualified Foreign Institutional Investor (RQFII) quota of 50 billion yuan, or €6.8 billion.

3. Drive research, innovation and entrepreneurship with a particular focus on FinTech, governance, risk and compliance

- The launch of the FinTech and Payments Association of Ireland.
- The completion of strategies on FinTech and Payments.
- Establishment of Enterprise Ireland's dedicated FinTech start-up fund; provision of mentoring to FinTech start-ups; development of innovation labs; and discussion fora for new technologies and their potential impact.

4. Developing job creation opportunities from emerging IFS subsectors and new markets

- Ongoing support to the aviation finance sector.
- Increasing engagement on green and sustainable finance.
- Annual attendance at the Asian Financial Forum in Hong Kong and increased engagement with markets across Asia.
- An increase in domestic engagements to increase focus on further regional development.
- Continued engagement on the development of the Capital Markets Union.

5. Implementation Framework - emerging Benchmarking of Progress

- Early establishment of an Industry Advisory Committee, public sector High Level Implementation Committee and Joint Committee which meets quarterly.
- Annual assessment of job creation and other benchmarking measures showing that the jobs target is on track for delivery.

IFS2020

A Review of Progress 2015-2017

IFS2020 sets out a new vision for the financial services sector in Ireland, consisting of an annual set of new actions, based around five strategic goals, to drive continued job creation and growth in key areas of action. Since its initiation in March of 2015, the Strategy has been flexible, dynamic and iterative and has been adapted as progress was made across the Strategic Goals and as the external context evolved.

IFS2020 Strategy, March 2015

Vision

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.

Target

The IFS2020 target is to grow the level of direct employment in the IFS sector from its current level of 35,000 (in 2015) to at least 45,000 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.



IFS2020 was developed following a period of significant regulatory change and it was always anticipated that the international and domestic context would also change within the lifetime of this initial five-year strategy. The intervening period has shown these expectations to be correct. Each year since its launch in 2015, annual Action Plans have been developed, with each building on the successful implementation of the preceding one. This review is written in the context of both a balanced Irish budget for 2018 and the forecast that the Irish economy will continue to grow in the coming years.

IFS2020 identifies a number of industry sub-sectors across which Action Plan measures apply. These include sectors such as: banking & payments, funds, insurance and reinsurance, investment and asset management, and aircraft leasing & financing. FinTech is now a horizontal sector, affecting most areas of the international financial services industry. It is driving disruptive improvements both within traditional financial

service providers and through technology companies promoting new business models. It is evident that what we now call FinTech will become the mainstream of financial services into the future.

The secretariat for the Strategy was originally based in the Department of the Taoiseach. It moved to the Department of Finance in 2016 in tandem with the announcement of the new role

of Minister of State for Financial Services. The Strategy is now led by the Minister of State for Financial Services and Insurance at the Department of Finance, Michael D'Arcy TD, who has been in office since 20 of June 2017.

This review looks back on the progress made since March 2015 when the initial Strategy and Action Plan was published.

It is intended to reflect on the successes of the Strategy over the 2015-17 period and to provide a picture of how the Strategy responded to new and emerging opportunities and challenges for financial services in Ireland during those years. The review is organised under the strategic goals or priorities identified in 2015 and it reflects elements of the quarterly progress reports published since Q2 of that year.¹ The 2018 Action Plan has been developed in this context and the work which will be conducted in 2018 will set the scene for the final year of the current Strategy in 2019.

Under each of the strategic goals or priority areas, the actions implemented in each year through the annual Action Plans have driven forward significant progress in growing the international financial services industry in Ireland. Based on the operation of the Strategy since 2015, the five

strategic priorities provide a solid framework for the implementation of the Strategy and therefore, they will be retained for the final years of the five-year plan. The strong, yet flexible, structures that underpin the Strategy facilitate cross-government co-ordination and allow for structured discussion on progress between industry and Government. The Industry Advisory Committee (IAC) has played a key role in this structure. It is intended that there will be a rotation of membership of the Industry Advisory Committee in the first half of 2018 to ensure the full representation of industry in the ongoing development of the Strategy.

Looking back on the past nearly three years, it is clear that the overarching framework set down in IFS2020 provided both the bedrock for future Action Plans and also the flexibility to respond to significant changes as they

occurred. This will continue to be the case through the remainder of the lifetime of the Strategy.

Overall, the progress reports each year have indicated that the Strategy is on track to meet the overall target of increasing employment in the international financial services sector to at least 45,000 people by 2020 from 35,000 in 2015. In the first two years of the Strategy, over 4,600 additional jobs were created in the international financial services sector. The figures for 2017 show that there are now almost 42,000 people working in the sector, which represents 20% of the overall 2015-2020 employment target. This indicates that the target for 2020 can be expected, not only to be achieved, but it may be surpassed.

1. Detailed progress reports on quarterly achievements are published on the Department of Finance website.

Central Bank

A key component of a successful and attractive jurisdiction for the location of financial services activities is a strong and independent regulator, with international credibility. In this regard, it should be noted that the Central Bank does not have a promotional mandate.²

The Central Bank carries out its functions in the context of a harmonised approach to financial regulation across the EU. The Central Bank is committed to providing a high-quality, fair and transparent authorisation process for all applicants. In doing so, the Central Bank will deploy necessary resources to meet any increased level of demand and complexity in applications received for authorisations. The Central Bank undertakes a rigorous assessment against published rules, processes and standards derived from EU law, ensuring that regulated firms are well-run and resourced, and that consumers are protected.

The Central Bank stands ready to engage with new applicants seeking authorisation (or existing firms seeking to extend their business) and it is resourced to meet the level of demand and enquiries that are being presented, despite the significant increase in enquiries.

The Central Bank regularly emphasises its readiness to confront any challenges posed by Brexit. It is open for engagement and it has the resources including dedicated professional teams, to deal with any increase in applications.

2. Promotional activity is undertaken by the IDA and Enterprise Ireland under the auspices of the Department of Business, Enterprise and Innovation, with support from the Department of Foreign Affairs and Trade embassy network.

UK exit from the European Union

It is clear that there is a new self-confidence in Ireland as an island at the centre of the world. This national self-confidence requires that we always be ambitious, visible and active in promoting the interests of our Nation on the international stage. The Taoiseach has announced the Global Footprint 2025 initiative, with a statement of Government intent to double Ireland's overseas footprint over the seven-year period 2018-2024. Expanding our global presence will help to drive efforts to diversify and grow trade, including in the context of Brexit. It will also enhance our ability to attract investment to Ireland, strengthen links with our diaspora, and advance our values, interests, reputation and impact internationally.

In addition, the Government is implementing a wide set of measures to ensure that Ireland is Brexit-ready. As a key starting point, the Government will continue to prudently manage the economy and public finances to enable us to meet future challenges. Budget 2018 included Brexit-specific measures as well as a new 10-year capital plan. The measures included are an additional €3 million for the Department of Business, Enterprise & Innovation and the Enterprise Agencies to assist exporters, attract investment and to ensure a joined-up response to Brexit. In the Department of Finance, additional staff resources have been assigned to the Permanent Representation to the EU in Brussels specifically to deal with Brexit. Across the Department, Brexit is becoming an increasingly important and core part of the work of staff at

all levels. As we approach the deadline of 29 March 2019 for the exit of the UK from the EU, this importance can only increase and the Department has put in place measures to address these greater pressures.

The IFS2020 response to Brexit is to maximise the positive outcomes from the opportunities that arise and to address any challenges. However, the fundamentals of the Strategy remain the same – the in-built flexibility across the strategic goals has allowed the Strategy to move with this changing context. The implementation model established under the fifth strategic goal allows structured interaction within and between the public sector structures and nominated industry representatives to ensure that it responds most appropriately to emerging trends and challenges.

Brexit has already, and will continue to change the landscape for international financial services operations already located, and choosing to locate, in Ireland. Over the course of the first two years of IFS2020, and well in advance of the Brexit vote, Ireland was already winning high-quality investments from household names in international financial services. These regulated, front-office activities were located in Ireland to access the high-quality talent pool and competitive operating environment here and have proven an invaluable reference case for firms that are looking to relocate sophisticated operations and activities. Since the UK referendum result there have been a number of additional announcements by companies choosing to establish or expand operations in Ireland.



Ireland is home to **20 of the World's Top 25** Financial Services Companies



Recent Investments include:



More than a dozen companies have chosen Ireland for their operations post Brexit, including:



For more information contact IDA Ireland @IDAIRELAND www.idaireland.com

Ireland. Right place Right time



Strategic Priority 1

Promote Ireland as a Location for International Financial Services & World Class innovative products & services.

Over the lifetime of the Strategy, a considerable number of initiatives have been successfully implemented to increase the profile of Ireland's position as a location of choice for the international financial services sector.

These initiatives include the annual European Financial Forum that is held in Dublin Castle, and which is now in its third year. In addition, a banner brand has been developed for the financial services sector for use by both Government and industry. It was launched in 2016 as was an inter-departmental communications sub-committee to support the strategy and the launch of the IFS Ireland website, www.IFSIreland.com. There has been an increase in targeted international visits with a focus on financial services led by the Minister of State for Financial Services and Insurance, and the inclusion of financial services as a priority area in other promotional high-level visits, including visits by the Minister for

Finance and other Government Ministers. IFS2020 complements the work of Enterprise 2025 and it is recognised in Ireland Connected, Trading and Investing in a Dynamic World as one of the sector specific strategies on which Team Ireland will work collectively across Government, agencies and embassies to ensure complementarity and to deliver on our shared vision.

Since 2015, Ireland's financial services sector has been promoted in key international markets including London, Luxembourg, Switzerland, and other European locations, Shanghai, Singapore, Tokyo, Hong Kong, and across North America during Ministerial visits and other events.

Since its establishment, the IFS2020 communications sub-group has developed a messaging deck for use by both Government and industry in promoting the IFS sector. It has also developed and translated a brochure for use in markets abroad, helped deliver targeted inward visits by key international journalists and it supported the further development of the IFS Ireland website. In particular, the communications sub-group worked to promote the European Financial Forum internationally in a co-ordinated and targeted manner. It is intended that the group will progress a revitalised web presence for the work of the Strategy through 2018.

A flagship event: The European Financial Forum

The inaugural European Financial Forum (EFF) was held in January of 2016. Now being held for the third time on 31 January of 2018, the EFF has already become a flagship event for IFS2020 and a key calendar event for international attendees doing business in Ireland.

The attendance of the Taoiseach each year at the Forum clearly demonstrates the importance placed on the event by the Government, and also exemplifies its commitment to the development of Ireland's international financial services industry.

Held on each occasion in Dublin Castle, the event attracted over 650 delegates representing at least 350 different organisations in 2017. International delegates travelled from 21 countries and represented approximately 60% of attendees.

Alongside facilitated networking opportunities and additional breakout sessions, the Enterprise Agencies also use the presence of existing and potential clients and buyers to build programmes to facilitate new business.

Hosted by the Minister of State for Financial Services and Insurance, the event on 31 January 2018 will also be addressed by the Taoiseach, Leo Varadkar TD; the Minister for Finance, Paschal Donohoe TD, the Minister for Business, Enterprise and Innovation, Heather Humphreys TD, and the Governor of the Central Bank, Philip Lane.

It is intended that the Forum will continue to be a key highlight of the International Financial Services Calendar. 2017 attendees said:-

"The well-diversified panel of speakers provided good and interesting insights into today's threats and chances."

"A day of wide-ranging discussion on the key issues facing global finance in the year ahead."

"One of Ireland's premier events for the international financial services decision makers."

Strategic Priority 2

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

A number of areas have seen significant developments in support of improvements in the operating environment of the financial services sector.

In March of 2017, Ireland was formally approved as one of the 13 new members to join the Asian Infrastructure Investment Bank (AIIB), a multi-lateral development bank set up in 2016 by the Chinese Government to fund a wide range of infrastructure projects in Asia.

In December of 2016, the People's Bank of China and the Central Bank of Ireland announced that Ireland had been granted a Renminbi Qualified Foreign Institutional Investor (RQFII) quota of 50 billion yuan, or €6.8 billion. The quota improves Ireland's offering for the funds sector as the quota will allow Irish-domiciled financial institutions to invest in China's domestic bond and equity markets using China's own currency.

A recurring supporting action in the Action Plans has been to ensure that Ireland's package of double taxation agreements supports the work of the IFS sector. In this regard, Ireland has signed comprehensive Double Taxation Agreements with 73 countries, with 72 agreements in effect. Negotiations have concluded for new double taxation agreements with a number of additional countries.

Central Bank and IFS2020

The Central Bank has engaged extensively with the Department of Finance regarding IFS2020 while maintaining their independent status.

For example, the Department of Finance and the Central Bank established internal working groups in 2015 to consider and review the Central Bank's authorisation service standards. In July of that year, the Central Bank published its performance report on Regulatory Transactions Service Standards for the period January – June 2015. This report, which was published on the Central Bank's website, provided detail on the Central Bank's performance in respect of authorisation standards.

These standards were further reviewed and refined through continued engagement of the working groups which resulted in the publication of revised authorisation service standards by the Central Bank in 2016.

In 2017, work was undertaken to communicate the Central Bank's approach to authorisation processes with the Bank's approach to authorisations incorporated into speaking material for relevant Ministers and officials for both domestic and overseas events as well as being made available on the Central Bank website.

Education and Skills

It has long been recognised that the education levels of the Irish workforce, coupled with the availability of skilled and experienced staff, has been a crucial factor in Ireland's inward investment package. One of the most important areas of development under IFS2020 has been the provision of targeted education courses to support the development of financial services skills in the workforce.

Financial services is now promoted as a career option through the SFI Smart Futures Programme (www.smartfutures.ie). Many Smart Futures activities and materials support the underlying skills relevant to the financial services industry. For example, Smart Futures has developed a career sheet 'Smart Futures: Working in Maths' incorporating financial services career paths, which is distributed to all schools and at all career events that Smart Futures attend. When required, Smart Futures also call on volunteers working in the financial services industry to participate in talks in schools or at other events throughout the year. Additionally, the smartfutures.ie website hosts career profiles from workers in the international financial services sector. These initiatives are funded by the Department of Business, Enterprise & Innovation in partnership with Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Irish technology industry.

In the IFS sector, four apprenticeships have been launched. They are the accounting technician apprenticeship, apprenticeships in International Financial Services (Associate & Specialist) and the Insurance

practitioner apprenticeship. These apprenticeships are being overseen by an Apprenticeship Council with membership from industry, unions, state agencies and provider bodies.

In 2015, Skillnets, a state-funded, enterprise-led support body, launched its Finuas 2020 Strategy which is aligned to IFS2020 and designed to develop new programmes for emerging areas including FinTech, and to extend existing provision in data analytics, alternative investments and IFS risk and compliance. Since 2015, over €5m has been invested in Finuas training by Skillnets and IFS member companies with an average of 500 IFS companies and 2,000 trainees participating in a range of programmes per annum. Skillnets Finuas networks also facilitated the development of a suite of FinTech programmes including a FinTech Law & Regulation Symposium and a Masters in FinTech accredited by the National College of Ireland. In 2017, a new Master's Degree in IFS Law has been developed by Law Society Finuas and the UCD Sutherland School of Law. A Specialist Diploma in Aviation Leasing and Finance, developed by Aviation Finance Finuas and the University of Limerick, has been delivered annually since 2015.

In 2015 and 2016, there were almost 2,000 enrolments in IFS and FinTech related courses under Springboard+ which is a Government programme that trains the unemployed from certificate to Masters Degree level. Over half of these enrolments were in the area of Data Analytics, and the majority are at Level 8 on the National Framework of Qualifications. These courses deliver good employment outcomes with 57% of 2015/16 graduates in employment 6 months after graduation, and a further 12% in further study.

The Department of Education and Skills has established a network of nine Regional Skills Fora along with nine Regional Skills Fora Managers. In the first three quarters of 2017, the Regional Skills Fora Managers have engaged with over 670 individual companies and representative organisations. Six of the nine regions are currently engaging with financial services employers through skills audits of companies, the facilitation of new upskilling programmes and reporting on regional skills needs.

Insurance Apprenticeship Programme - A Case Study

In 2015, a number of skills needs were identified in the Irish insurance industry including technical expertise; data analytics; project/change management; and regulation and compliance. The Insurance Institute of Ireland aimed to address these needs and at the same time highlight the option of a career in the industry, by collaborating with stakeholders to create an entry path into the industry.

Insurance Ireland's response was the development of an 'earn and learn' scheme– the Insurance Practitioner Apprenticeship. IT Sligo was chosen as the implementing partner due to its experience in distance learning and its QQI (Quality and Qualifications Ireland) delegated authority.

The apprenticeship was designed as an off-the-job education programme that could be delivered online through livestream technology, enabling apprentices to access lectures anywhere. A curriculum was developed in line with industry requirements, combining the Insurance Institute's insurance exams and business degree modules, delivering 'business-ready' individuals who are enabled to lead and guide their organisations to 2020 and beyond with a level 8 BA honours degree awarded upon successful completion - the first programme of its kind in Ireland.

The Results:

- 150 apprentices were employed by 73 organisations nationwide during 2016 & 2017 and the first cohort will graduate in 2019.
- The age profile ranged from 18 to 39 ensuring that there is a diverse talent pool available across three generational groups;
- In addition, in an industry that struggles with gender diversity at a senior level, it is encouraging to note that 43% of apprentices are female; the highest female count in Irish apprenticeship history.
- Regulatory requirements: Apprentices earn the Professional Certificate in Insurance (APA) qualification after just one year. This means that they are compliant with Central Bank of Ireland regulations at this stage.
- The programme has helped to raise awareness of careers in the insurance industry with over 1,500 people registering their interest in the programme.

Diversity and Inclusion

In the 2016 and 2017 Action Plans, measures supporting inclusion and diversity across the industry became an emerging area of work. A significant example of progression in this area is the establishment of a Diversity Rainbow Network in Q2 2017 by the Central Bank of Ireland. This internal network aims to support an organisational culture in which LGBTQ+ colleagues can live and work openly, foster networks, combat homophobic or transphobic behaviours, improve internal policies and set a high standard as a public sector employer.

This complements the establishment of a Women's Network in the Central Bank in 2014. The Central Bank is a supporter of the 30% Club Ireland, a movement which aims to reach a 30% female gender balance in Irish business boards and executive management level by 2020.

In light of recent research and the experience of other organisations concerning diversity and inclusion, the Central Bank recognises that becoming a more diverse and inclusive workplace will better enable the institution to fulfil its mission and vision of 'safeguarding stability, protecting consumers' and of being 'trusted by the public,

respected by our peers, and a fulfilling workplace for our people'.

Other industry sectors such as Insurance Ireland have completed significant work in the area as detailed in the progress reports in 2017 and it is hoped that this progress will continue along all streams of diversity and inclusion.

Strategic Priority 3

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

This priority area has become increasingly linked to technological innovations driven by FinTech. Increasingly, FinTech not only provides innovative solutions in areas such as payments and business to business transactions but also provides solutions to the implementation of complex regulatory and compliance requirements (RegTech) and FinTech can be expected to continue to grow in influence across all financial services sub-sectors.

Since 2015, new structures have been established that support work across the sector including the launch of the FinTech and Payments Association of Ireland (FPAI) and the subsequent FinTech and Payments working group, combined with a number of other very active working groups involving both the public and private sector. Enterprise Ireland, in partnership with industry, led on the development of two sub-strategies, on FinTech and Payments, resulting in a number of specific actions being included in the 2016 and 2017 Action Plans.

Complementing the wider Team Ireland global promotion of international financial services, Enterprise Ireland has been particularly involved in multiple actions to support the development of the FinTech sector in Ireland. This work includes holding a number of FinTech Trade Missions, many led at Ministerial level, and inward buyer visits with a particular focus in recent years on ensuring market diversity, an increase in focus on the Americas, MENA and Asia Pacific, coupled with a renewed focus on the UK and a fresh approach being taken to the Eurozone.

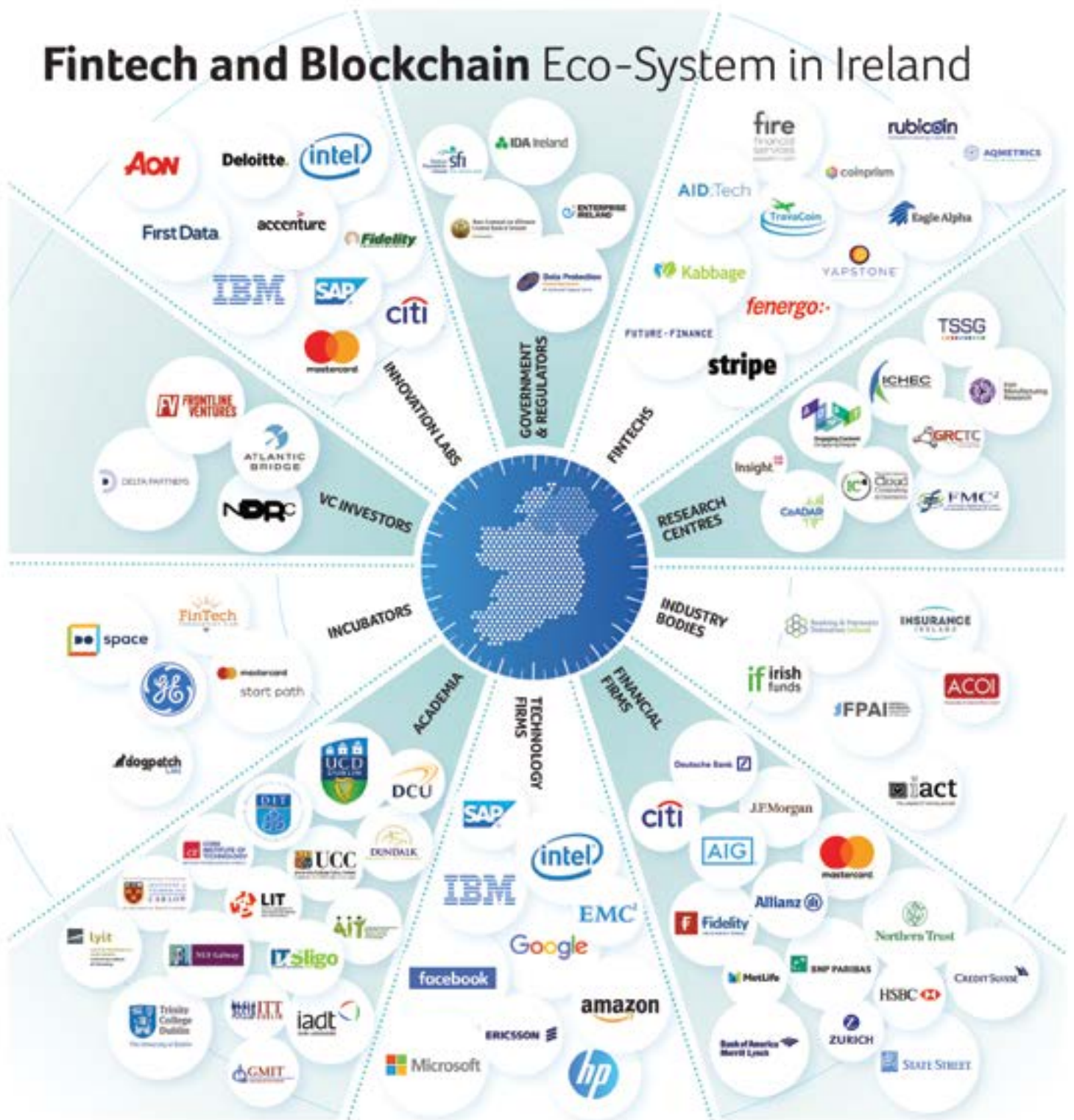
Additional support and access to relevant expertise in Ireland and overseas, has been provided through the introduction of one-on-one mentoring for start-ups and focused advisory panels in-market. Additional networks of in-market advisors have been developed to support the ambition of client companies looking to internationalise.

A number of targeted events have also been run in Ireland to date to provide market intelligence, and establish mechanisms to discuss new technologies (blockchain, artificial intelligence, robotics and cyber), resulting in the development of a strong offering by Ireland, in these areas which resulted in an international conference on blockchain in Dublin in 2017 sponsored by both Enterprise Ireland and IDA. Much of this work has had a strong sectoral support from industry, the blockchain working group and the broader FinTech ecosystem. The sector support is national, with a specific FinTech focus in innovation labs across the country, with further regional tech hubs being developed.

A dedicated FinTech competitive start fund has been run by Enterprise Ireland for the last two years providing critical, early stage start-up funding. This development is in addition to the start-up supports already offered by Enterprise Ireland. The start-up scene in FinTech has been particularly dynamic over the last two years with FinTech now comprising nearly 10% of all Enterprise Ireland start-up activity. Enterprise Ireland has also supported a number of investor networks focused on FinTech start-ups. FinTech Ireland are particularly active in the start-up scene, advancing Ireland's unique ability and leveraging its capacity to become and remain a global centre for FinTech.

The 2018 Action Plan reflects these ongoing developments and recognises that areas such as the payments industry is undergoing radical change with an increased expectation that equally radical change can be expected in many other sub-sectors. These changes present opportunities for Ireland as an open economy with a strong background in both technology, research and financial services.

Fintech and Blockchain Eco-System in Ireland



Strategic Priority 4

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

In addition to working towards achieving the IFS2020 jobs target, work is also ongoing to ensure that opportunities across emerging sub-sectors are identified to move financial service employment opportunities up the value chain. Successes have occurred in areas and they have resulted in attracting a variety of new businesses both within and outside a Brexit context.

Aviation Finance

During the initial years of implementation of IFS2020, public sector officials contributed to the National Civil Aviation Development Forum under the Department of Transport, Tourism and Sport. As part of this Forum, a working group dedicated to the development of the Aircraft Leasing and Finance sector was established.

At this stage, 8 of the top 10 global aviation lessors and over 60% of the world's leased commercial aircraft are now owned and managed from Ireland.

Capital Markets Union

As part of the first set of actions under IFS2020, an ad-hoc working group was created to work on the EU Commission proposals for changes to legislation, particularly in the area of securitisation, under their Action Plan for a Capital Markets Union (CMU). The focus of the group was to provide co-ordinated responses to the formal consultation process that highlighted the deep pool of talent in structured finance that developed over a number of years in Ireland and how the jurisdiction supported a sustainable regulatory framework capable of financing European enterprise. Work continues at an EU level on the CMU project and as a sub-sector, the provision of capital to European capital markets through regulated non-bank financial channels, is developing in Ireland. Since the launch of IFS2020, there has been an increase in levels

of activity in the servicing and administration of such entities in addition to a growing number of firms locating more of the front-office asset management work in Ireland.

Ireland is broadly supportive of CMU and welcomes the progress made to date. Our focus is on what CMU can do for smaller capital markets. We particularly welcome progress on CMU measures that advance product markets which can help diversify funding to smaller and fast growing companies.

Work continued on the implementation of the Capital Markets Union and its various initiatives throughout 2017 and will continue into 2018 with the publication of relevant legislative proposals, studies and communications in due course.

Looking to the Future: Green and Sustainable Finance

Sustainable & green finance has evolved in a global context, particularly with the agreement and implementation of the Paris COP21 Climate Change Agreement and the Sustainable Development Goals. Collectively, these developments create a demand for financing the investment that is necessary to transition to a lower carbon economy. Significant work in this area continues, and it ensures that Ireland is well positioned to respond to opportunities for job-creation in the intermediation of finance for such projects.

The Action Plan in 2018 once again includes important measures in relation to green and sustainable finance. The 2015 Paris Agreement has been a key driver of this sector globally and as the EU 2020 emissions targets deadline grows ever closer, it is expected that this sector will continue to see growth in Ireland as financing needs and investment opportunities across the green and sustainable sectors become increasingly apparent.

Green and sustainable finance are, at their simplest, about sourcing and spending the finance required to tackle climate change by developing climate action approaches that are sustainable and relevant. Estimates of the financing requirement on a global basis differ, but range up to an estimate of €90 trillion. Regardless of the actual amount, one thing is very clear – this is a major pressing issue and one which will be very expensive.

Ireland is better positioned than most to become a hub for green finance with an extensive pool of talent in renewable energy finance available, and our reputation as a centre of excellence for niche international financial services.

On a global level, green and sustainable finance is increasing in line with advances in technology such as electric vehicles and the internet of things, the increasing competitiveness of renewables, and innovations in energy storage which help energy to be used more efficiently. In the context of developing job creation opportunities from emerging international financial services sub-sectors and new markets, green and sustainable finance provides a unique opportunity for Ireland to utilise our existing strengths and situate ourselves at the forefront of this movement.

Market Development

There has been significant investment in working across Government on engaging with new and emerging markets. Through co-operative methods of working, the Enterprise Agencies, the Department of Finance and the Department of Foreign Affairs and Trade in particular, have supported numerous visits and engagements both in Ireland and abroad. There has been a particular focus on Asia with the Asian Financial Forum in Hong Kong becoming a springboard for engagement with markets across the East and South-East Asian regions. Moving forward, it is expected that there will be increased interaction with the Middle East. In this context, the broadening of infrastructure investment opportunities and potential for collaborative investment funds will provide key points of interaction.

These deepening engagements will complement Ireland's strong relationships with the financial services industry in the USA, where opportunities remain very strong. The US continues to offer many opportunities for both Irish firms exporting and also for inward investment. While we have always had a strong link to the US, it is important to maintain this connection and we cannot become complacent in such a competitive global economy, as well as within the EU and also the UK.

Industry has also engaged in new markets with a notable example of new market development being the publication by Irish Funds in 2017 of a guidebook on the Irish funds industry for Chinese asset managers, (including a translation into Mandarin) in order to support and enable further investment in this area into Ireland.

Regional Focus through 2017 and into the Future

As well as looking to new international markets through ministerial trade missions and increased co-ordinated promotional activity through 2017, the promotion not only of Ireland, but specifically the regions outside Dublin has become a key focus of the Strategy which will be further developed through 2018. Both Minister of State D'Arcy and his predecessor, then Minister of State, Eoghan Murphy increased domestic engagements with IFS companies, including a specific focus on those located in regional locations outside of Dublin. Locations visited to date include Limerick, Cork City, Clonakilty, Killorglin, Letterkenny, Derry City, Galway and Kilkenny. In this regard, Minister of State D'Arcy held an IFS Regional Consultation Forum in Gorey, Co. Wexford in early October 2017.

In 2018, it is intended that at least two regional forums will be held to identify and develop

regional opportunities. These will be led by Enterprise Ireland in conjunction with other Government Departments, Chambers of Commerce and individual businesses and they will complement the Regional Action Plans for Jobs.

Between June 2015 and January 2016, the Department of Business, Enterprise, and Innovation published eight Regional Action Plans for Jobs, aimed at raising employment levels in the regions and facilitating them to achieve their economic potential.

Each plan contains a series of actions with timelines for delivery between 2015-2018 to be delivered through improved collaboration between enterprise agencies and other stakeholders supporting enterprise development in the regions.

A number of these regional action plans linked back to the IFS2020 Strategy and contained specific actions relating to IFS. Currently, as the plans move towards the end of their life cycle, all identified IFS actions have been initiated and completed or in the case of long-term actions, remain ongoing as appropriate.

IFS Regional Consultation Forum



On 2 October 2017, the Minister of State for Financial Services and Insurance, Michael D'Arcy TD, hosted an International Financial Services Regional Consultation Forum in Gorey, Co. Wexford, part of which took place in a tech incubator space, The Hatch Lab.

This dedicated regional consultation forum brought together a range of stakeholders from across the international financial services sector to examine the key opportunities and challenges to fostering closer links between Dublin and regional financial services hubs.

“The conversations we had in Gorey show the significant potential for an increased number of financial services jobs in the regions. There are already major success stories which we can build on and learn from.”

Minister of State Michael D'Arcy TD

At the forum, participants heard about key successes of the IFS2020 Strategy, such as increased availability of educational opportunities, the way in which education can support industry to attract and develop staff, and how the development of hubs can drive both competition between companies and staff development.

The forum confirmed that there is considerable interest and capability among regional actors to identify and facilitate the establishment of second site office operations to supplement growing IFS operations in Dublin or other cities.

Strategic Priority 5

Implementation Framework - Data and Benchmarking of Progress.

The implementation of the Strategy is now supported by a small secretariat in the Department of Finance. It is driven by a structured process ensuring quarterly oversight of the implementation of the annual action plans which allow for structured interaction between Industry and Government.

Implementation of the overall Strategy and the annual Action Plan is driven by a public sector High Level Implementation Committee (HLIC). The HLIC meets on a quarterly basis as a standalone committee. It also meets as the IFS2020 Joint Committee on a quarterly basis with the Industry Advisory Committee (IAC). The IAC is composed of representatives of leading Irish and international IFS companies from a broad range of financial services sub-sectors with diverse experience and perspectives. In between quarterly meetings, public sector officials meet on a regular basis to progress the various measures in the Action Plan.

The public sector HLIC reports to Government quarterly on progress. This reflects the importance of the international financial services sector to the Irish economy and the priority placed by Government on its growth and development. The terms of reference of the committees and quarterly progress reports of the Strategy are published on the Department of Finance website.

These structures have supported the Strategy through its implementation and first three years of operation and will continue to be the frame for the implementation of the annual Action Plans.

As mentioned previously, it is timely that there will be a rotation of membership of the Industry Advisory Committee in the first half of 2018 to ensure the full representation of industry in the ongoing development of the Strategy.

Data and Benchmarking

The crucial measure of IFS2020 is the achievement of the original target set down in 2015. To this end, there were over 2,600 net new jobs created in 2015 and over 2,000 in 2016. In 2017, indications are that over 2,300 jobs were provided. This means that the target of 10,000 jobs over 5 years is well on track to being achieved and it is likely that this target will be met and surpassed over the coming two-year period.



APPENDIX

Glossary of Terms

APJ	Action Plan for Jobs
ATI	Accounting Technicians Ireland
D/ES	Department of Education and Skills
D/FAT	Department of Foreign Affairs and Trade
D/FIN	Department of Finance
D/BEI	Department of Business, Enterprise and Innovation
D/TTAS	Department of Transport, Tourism and Sport
EI	Enterprise Ireland
FIBI	Federation of International Banks in Ireland
FPAI	FinTech & Payments Association of Ireland
FSI	Financial Services Ireland
HLIC	High Level Implementation Committee
IAC	Industry Advisory Committee
IFS	International Financial Services
III	Insurance Institute of Ireland
ISIF	Irish Strategic Investment Fund
KIC	Knowledge and Innovation Community
MENA	Middle East and North Africa
NCI	National College of Ireland
NTMA	National Treasury Management Agency
PEPP	Pan European Personal Pension Product
PSCG	Public Sector Co-ordination Group
SFI	Science Foundation Ireland
SME	Small and Medium size Enterprise

