An Irish Welcome to a World of International Financial Services

Ireland is welcoming. Ireland is outgoing. Ireland is forward-thinking.

Today’s Ireland is thriving with an economy that regularly ranks among the fastest-growing in the world. Our place in the global International Financial Services Sector is well established with a proven track record of excellence. Our place in the EU and the Eurozone is central to the success of our open, competitive economy. The Irish Government and our people provide the essential infrastructure, knowledge and culture to attract best-in-class companies to locate and operate their global networks here.

IFS Ireland invites you and your company to come and grow here. Welcome to Ireland: the Country that Grows Globally.
As Minister of State for Financial Services, I am very proud that Ireland is recognised as a leading global centre for International Financial Services. The sector has grown from less than 60 people employed in the IFSC in Dublin’s Docklands in 1987 to a truly national industry, with approximately 42,000 people directly employed across the country.

I am committed to ensuring the further growth of this expanding and evolving sector through the International Financial Services Strategy 2020 (IFS2020) framework. This Strategy embodies a ‘whole-of-Government’ approach designed to energetically drive the growth and development of International Financial Services in Ireland. The dynamic and evolving nature of IFS2020 allows us to respond to emerging and trends and challenges by way of the action plans.

The Action Plan for 2018 under the Strategy continues our successful partnership between the public and private sectors. I have identified six key priority areas for 2018 - Investment Limited Partnership Legislation; Sustainable and Green Finance; Promotion of Ireland’s regions for IFS; Education and Skills; Aviation Finance and Financial Market Infrastructures.

Ireland’s attractiveness as a key International Financial Services location is underpinned by over 200 foreign multinational IFS companies based here, including the world’s largest companies in banking, funds, asset management and investment, insurance and reinsurance, and aircraft leasing. We are also home to over 200 Irish-owned IFS companies at the cutting edge of innovative international financial services, in areas including Payments and FinTech.

Ireland’s key competitive advantage is our young, highly skilled and talented workforce with expertise across all of the key areas of International Financial Services, both long-established activities and more recently emerging ones. We are also the only English-speaking common law country in both the EU and Eurozone with a strong track-record of working closely and successfully with businesses at Government and State Agency levels.

I will continue to work tirelessly with our Irish Diaspora, our extensive business networks, and all stakeholders around the globe to ensure the sector continues to grow and evolve in the fast-changing world of International Financial Services.

Michael D’Arcy TD
Minister of State for Financial Services
A World of Business Experience

Ireland is a modern, mixed and open economy. We have a strong pool of highly skilled, multilingual workers in the only English-speaking country in both the EU and the Eurozone.

Ireland offers a pro-business environment, together with a stable and competitive corporation tax regime and strong incentives for research and development. Many indigenous progressive Irish companies successfully work in productive partnership with the thousands of international companies who have put down roots in Ireland. Global giants and the next generation of high growth companies find in Ireland a business-enabled environment that provides the perfect strategic base for their European operations and, in some cases, their operations at a more global level: EMEA and world-wide. And at the forefront of innovation, there is a thriving International Financial Services Sector, now represented by IFS Ireland.

A World of Financial Experience
Ireland has a successful track record of competing for, and winning, global foreign direct investment. To continue supporting the growth in the international financial services sector, the Irish Government launched the ‘International Financial Services 2020 Strategy’ (IFS2020) in 2015 with the goal of creating 10,000 net new jobs over 5 years, or a 30% increase in the numbers employed in international financial services.

The vision for IFS2020 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.

A World of Rapid Change
Ireland remains completely and strongly committed to our membership of the European Union and the Eurozone despite the UK referendum. EU membership remains central to the success and the development of Ireland’s economy and we look forward to continued economic growth through cooperation with our European partners. 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.

A World of Innovation
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. A number of new initiatives and programmes have been launched in recent years.

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.

A World Class Regulator
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. The Central Bank of Ireland (CBI) meets all these criteria – balancing experience with innovation. The CBI carries out its functions in the context of a harmonised approach to financial regulation across the EU and is committed to providing a high-quality, fair and transparent authorisation process for all applicants.
International Banking Services - an Irish Success Story

The International Banking Sector is a highly-developed and highly-competitive one, a fast-moving financial marketplace where Irish based banks are well established.

The Sector has grown significantly from a standing start in the 1980’s to become an important element of the Irish economy today. The Sector comprises more than 80 leading global banks who, through combining local excellence with global reach, are engaged in a broad range of international banking activities:

- Ireland has developed an enviable global reputation as a recognised location for a wide range of international Banking activities encompassing Front, Middle and Back Office/Support (i.e. Operations and Technology).

- Functions including Corporate and Wholesale Banking; Prime Brokerage; Global Business and Transaction Services; Corporate and Structured Finance; Treasury and Cash Management; Securitisation; Trade Finance; Foreign Exchange and many others.

- The Sector has benefited from solid foundations and strong Government support which enabled it manage the effects of the financial crisis with limited impact. The sector is well-positioned going forward to support sustainable long-term growth.

- One of Ireland’s key benefits for global banks is the ability for regulated institutions in Ireland to benefit from EU passporting opportunities, providing regulatory access to the EU single market. This reflects Ireland’s 45-year track record as a committed member of the EU.

- Ireland continues to fine-tune its environment for international banking activities in response to industry developments and requirements globally. The introduction of legislation in 2013 to facilitate the establishment of regulated branch entities in Ireland by non-EU headquartered banks and to facilitate passporting opportunities into EU markets is a clear manifestation of the progressive and responsive approach from Irish Government and regulatory authorities.

- Many banks here have also developed significant non-banking capabilities including Insurance, Asset/Investment Management and Aviation Financing. Increasingly, global banks are also leveraging Ireland’s long-established technology ecosystem to establish Technology and Innovation/FinTech capabilities to complement their other activities here.

- With global banks from across the world already operating here, the range of diverse banking activities engaged in Ireland is mirrored by the diversity of nationalities, cultures and skillsets/talent which have become a key feature of the sector.

- Ireland is a common law jurisdiction, similar in nature to that of the US and the UK.

- Has a strong and fully-independent financial services regulator providing high-quality, effective regulation and supervision fully embedded in the European System of Financial Supervision (ESFS) and, for banks, the Single Supervisory Mechanism (SSM).
For more than 25 years, Ireland has been a leading domicile for internationally distributed investment funds covering the widest range of fund types. Ireland attracts international fund promoters due to its open, transparent and well regulated investment environment, its strong emphasis on investor protection, its efficient tax structure and its dynamic and innovative business culture.

With over 14,000 professionals employed exclusively in the servicing of investment funds, the Irish funds industry has developed a centre of excellence-with-expertise that spans a wide range of services. Fund administration, transfer agency, custody, legal, tax and audit services, stock exchange listing, plus compliance and consultancy services are all readily available.

From traditional to complex alternative strategies, Ireland offers solutions designed to cater for the widest range of investment strategies. We were the first country in the world to provide a regulatory framework for the rapidly emerging alternative investment fund industry.

The Irish funds industry recognises that technology is key to responding effectively to increasing regulatory, reporting and efficiency demands. Our total automation rate of 88.3% means Ireland is leading the drive for greater efficiencies through fund processing standardisation.

The Irish funds industry is determined to be at the forefront in preparing for and reacting to regulatory developments at EU and national level. Ireland’s responsiveness and adaptability enable clients to quickly bring innovative products to market supported by the most developed regulatory, product and service infrastructure available anywhere in the world. With an unrivalled track record in the alternatives space, the Irish funds industry remains at the forefront of product innovation, providing opportunities and solutions for this complex sector.

- Over 800 fund managers from 50+ countries have assets administered in Ireland
- 18 of the top 20 global asset managers have Irish domiciled funds
- Over 40% of global hedge fund assets are services in Ireland
- Ireland offers managers access to the EU wide marketing passport for UCITS and AIFs
- Ireland is an English speaking member of the EU and Eurozone
- Ireland is known for its clear and practical regulatory framework and support for the funds industry
- Ireland is home to 50% of the total European ETF market
- Ireland is a major hub for distribution – with funds sold in 70 countries in the Americas, Asia and the Pacific, the Middle East and Africa.
Ireland for Insurance
Ireland for Growth

There are over 230 insurance businesses operating in Ireland employing a total of more than 28,000 people directly and indirectly.

The insurance industry in Ireland:
- Holds €303 billion in assets in Ireland
- Invests €35 billion in Irish infrastructure and government debt
- Generates €32 billion premium income from domestic and international customers
- The Irish insurance industry sells into 110 countries meeting the needs of 25 million policy holders

Cross-border life insurance business written in Ireland amounts to over €19 billion each year. A significant majority of these are single premium savings and investment products.

Centre of Development
Ireland has established itself as a leading centre for insurance services in recent years. In part, this has been driven by the ability to provide insurance products on a pan-European basis. Today, most of the insurance firms based here are involved mainly or exclusively in cross-border insurance activity. Particular industry strengths lie in the captive insurance and reinsurance areas. Ireland has also been successful in attracting international groups seeking to consolidate operations as a result of Solvency II and other regulatory changes.

A Growing Industry
A recent welcome trend has been the growing number of major international insurance companies who have decided to establish European headquarters operations in Ireland.

What helped bring this about?
Ireland’s attractiveness as a location was significantly enhanced by the EU’s Insurance Framework Directives, which aimed to create a single European market for insurance products. The directives allowed insurance companies in Ireland to carry out insurance business in all other EU member states either by establishing branches in other states or simply by selling directly into them under the “passport” rights granted by the directives.

Of key importance here is that the companies and their products and services have only to be regulated once – in Ireland’s case by the Central Bank of Ireland. There is no requirement for further regulation in the markets being sold into.

The increasingly complex capital requirements of the insurance industry under the Solvency II Directive have led to moves to consolidate insurance groups into a single location within the EU. Ireland is recognised as one of the best locations for these new headquarters operations - and indeed for all internationally focused insurance businesses. Contributing factors include the availability of a pool of skills and expertise in the sector, the clear political commitment to maintaining the 12.5% rate of corporation tax, a strong, highly respected regulatory regime, and the significant base of international insurance companies already located here.
The Rise and Rise of FinTech

FinTech is the term used to describe the intersection between finance and technology. It refers both to technical innovation being applied in a traditional financial services context and also to innovative financial services offerings which disrupt the existing financial services market. It is one of the most exciting, dynamic segments within financial services.

A number of factors are driving FinTech growth. Continued expansion of digital connectivity is a primary driver – with more and more connected devices in the hands of businesses and consumers, the march towards mobility is unstoppable. The economic downturn also played a part. Financial institutions turned to technology as a way of improving the effectiveness of their processes while reducing costs. At the same time, incumbent institutions may have failed to invest in technology and innovation, opening the door for more nimble alternatives. Finally, the range of new regulation introduced in recent years and the penalties associated with getting it wrong have created demand for new and innovative ways of managing compliance and reducing risk.

The World of FinTech - right here, right now
FinTech is changing the world of finance and Ireland is uniquely positioned to be a key player. The country is now universally recognised as a key hub; one of a very few locations with a proven track record both in the Financial Services and Technology arenas. The world's top 10 global software companies have chosen Ireland as a centre of excellence, alongside all of the top 10 'Born-on-the-Internet' companies.

All parts of the eco-system exist, ranging from start-ups to scaling indigenous companies and multinationals, all of which are supported by Government policy that has identified FinTech as a key strategic area. Financial services companies already in Ireland with a significant technology presence include Citi, MasterCard, Aon, Fidelity, Prudential, Deutsche Bank and UnitedHealth Group.

Rich on Talent
Ireland enjoys the advantage of having the youngest population in Europe with 40% of the population under 29 years of age. It’s a bright and a brilliant generation – educational achievements among the 25-34 year old rate significantly higher than the OECD average. Already, a strong track record exists of Irish entrepreneurs building and scaling successful indigenous FinTech companies. Realex, Fexco, Fenergo, Fintrax and Corvil are just some of the Irish companies that grew up in Ireland and continue to create waves in the global FinTech sector.

Rewarding Innovation
Ireland encourages and rewards genuine innovation. There is a competitive 12.5% corporate tax rate and with generous allowances made by way of R&D Tax Credits for software development activities.
Aviation Leasing
Where Ireland is the market leader

Ireland is home to the Aviation leasing industry and continues to grow with investments by the world’s major players.

Currently, the Aviation Leasing Industry in Ireland employs over 1,800 people directly through the leasing companies. That’s a sizeable contribution to the Irish economy, enhanced by significant extra employment created through the legal, tax, audit and other professional services linked directly with the industry.

The statistics make for impressive reading:
- Irish lessors manage more than €159 billion in assets
- Equating to approximately 26% of the global aircraft fleet
- Surpassing 63% of the world’s leased aircraft fleet

And if that wasn’t enough...
- Ireland has 9 of the top 10 lessors
- A strong reputation dating back to GPA in the 1970s
- Deep, multi-disciplinary talent pool
- A favourable corporate tax regime with an extensive Tax Treaty Network
- Tax depreciation over 8 years and an extensive range of exemptions

Comprehensive range of aviation activities
Aviation activities in Ireland span the entire industry value chain and includes sales and re-marketing, asset management, technical services and oversight, securitization, accounting and legal.

Strong tailwinds for growth
The strong fundamentals behind the growth in global aviation augurs well for the future of aviation leasing and the overall attractiveness of the country as a prime FDI location. The two largest companies in the world AerCap and GECAS are based in Ireland along with Sumitomo Mitsui Banking Corporation (SMBC) who has established its global aviation headquarters in Ireland.

Aviation Leasing in Ireland’s IFS Sector is a success story built by pioneering executives from Ireland.
International Financial Services in Ireland account for:

400+ IFS Companies
200 Irish Owned

42,000+
Directly Employed in IFS
33% Outside Dublin

1st
for flexibility and adaptability of people

One of the top ten
most innovative countries in the world

Alternative Investment Funds
Ireland #1 Location

1,100+ Funds
Promoters from 50 Countries

€4.1 Trillion
of Assets under Administration

Aviation Finance
9 of the top 10 Global Aviation Lessors are located here

63%
of the world’s leased Commercial Aircraft owned or managed from Ireland

Indigenous Payments Industry
25 Payment Companies
2,000+ Jobs here
Ireland is welcoming.
Ireland is outgoing.
Ireland is forward-thinking.

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IFS Ireland and the global IFS Sector together play a vital role in the economic, social and cultural success that signifies the Ireland of today. Our ambition is to drive on to consolidate and invigorate the sector and to create opportunities for new entrants to the scene here. We welcome your interest and promise our whole-hearted commitment to enabling your plans for a profitable partnership with Ireland become a fulfilling reality.

INVESTING IN IFS?
INVEST IN IRELAND
IFS Ireland looks forward to a rewarding and stimulating relationship
www.ifsireland.com