

**MAC Minutes Meeting 02<sup>nd</sup> February 2015**

**Attendance:** Derek Moran (Chair), Ann Nolan, Nicholas O'Brien John McCarthy, Gary Tobin, Paul Ryan, Des Carville, Niall O'Ceallaigh, Neil Ryan, Greg Dempsey, Paul Bolger Derek Tierney (Secretary).

**Apologies:** Aidan Carrigan, John Hogan, Brendan Loughnane.

**1. Minutes of previous meeting and matters arising**

In addition to the Communications diary the following were noted. The joint ESRI/Department of Finance research programme will be officially launched on Tuesday. Exchequer returns for January 2015 will also be published on Tuesday. The figures show a very positive start to the year. The tax performance of 12.3% above last year (allowing for SEPA) is heavily influenced by consumption in the run into Christmas (VAT and Excise). It is expected that the Central Bank will publish its latest quarterly economic bulletin on Tuesday. Moody's latest rating review is expected to be published later in the week. The OECD structural mission is underway and this is being coordinated by the Economics Division who recorded their thanks for assistance with pre-mission preparation. MAC acknowledged the good work across the Department relating to the recent Article IV review by the IMF as part of post programme normalisation arrangements.

Given that the Minister will be travelling over the next weeks all members were requested to have submissions to the Minister by Wednesday.

In relation to outstanding action points, progress was reviewed.

The minutes of the previous MAC, 26<sup>th</sup> January were agreed.

**2. Dashboard Summary including discussion on:**

**1. Greece**

The unfolding situation following the outcome of the Greek elections and upcoming key events was discussed by the MAC. It was noted that while Greece is required to complete a review of its progress with the Troika by the end of February, the new Government is maintaining an opening negotiation position that seeks time to have a new programme in place by end May. Access, by Greece, to the pending instalment of the current bailout package (€7 billion) and agreement being reached on a programme extension was examined and analysed in some detail. The situation in Greece, its liquidity position, first and second round implications for other member states and the financial markets over the coming weeks will continue to be closely monitored on a weekly basis by the MAC.

## 2. IFS Strategy

Work, in conjunction with Minister Harris, D/Taoiseach, CBI and the Clearing House Group is ongoing relating to the development of an IFS strategy. An update on input from various stakeholders feeding into the process was discussed and a half-day consultation exercise was hosted at the D/Taoiseach late last week the week. The draft Strategy entitled Vision and Targets for IFS 2020 seeks to create 10,000 additional jobs over the next five years and is underpinned by a number of proposed actions (it was noted that this story had appeared the weekend's media). A major focus is being placed on driving employment (through collaboration between the IDA and Enterprise Ireland) among financial technology (FinTech) companies, which are involved in payment processing, innovation in electronic banking, and disruptive technologies. The draft strategy also proposes creating a "banner brand" for the IFSC. An annual industry summit to promote investment in Ireland is also being considered, that is similar in nature to the Asian Financial Forum in Hong Kong recently attended by Minister Harris.

A working draft will be tabled at the next Policy Committee. It is understood that the draft strategy and recommendations will be refined before the Minister presents a final document to the Cabinet later this month. The plan would then be launched in early March for the various ministerial trade missions around St Patrick's Day as a platform.

## 3. Abolition of Swiss franc/Euro peg

The Swiss National Bank (SNB) recently abolished the exchange rate peg. The SNB have concluded that the ceiling is no longer sustainable. The wider implications including the risk of an over-valuation of the Swiss exchange rate and financial stability concerns relating to the exposure of banks in emerging market were noted and the situation will be monitored by the Financial Stability team.

## 4. Banking Inquiry

MAC acknowledge the ongoing effort across the Department to progress the necessary work to meet both the Joint Committee of Inquiry's refined request for records and the end month deadline. Additional internal and external resources have been allocated, 31 Department staff are working full-time exclusively on Banking Inquiry matters, including 10 newly recruited staff, in addition to the significant number of Department staff who are actively sourcing and examining records relevant to the Inquiry's Direction in addition to their normal duties. Additional accommodation secured and investment in IT hardware and software also sanctioned. Corporate Affairs will work with the OBI team and policy units to project plan the required work to meet the end of February deadline.

## 5. EU Semester Commission Review

Officials from the European Commission visited Dublin on 29-30 January to review implementation of Ireland's 2014 Country Specific Recommendations (CSRs). D/Taoiseach who coordinate Ireland's participation in the European Semester hosted all the meetings with Finance and PER attendance. The agenda items for the Department of Finance were Public Finances, Non-Performing Loans and Access to SME financing. The Commission are preparing a single analytical document for the end of March. MAC agreed to return to this matter in the near future.

**Action Point**

- Present draft IFS Strategy to next Policy Committee – Mr N Ryan.

**3. Key Milestones Look-Ahead**

Upcoming key milestones were noted.

**4. AOB**

The Department is shortlisted for an award in the category Best Learning and Development Organisation – Medium Sized Enterprises (over 250 employees and less than 350) for the IITD National Training Awards 2015. The next steps is to present to the judging panel on Thursday 05th February 2015 and building on the submission which was forwarded to IITD last week. MAC acknowledged the good work in achieving the above together with ongoing learning and development initiatives including the research programme being developed in collaboration with the ESRI as demonstration that the Department is achieving its objective of becoming a leading knowledge and learning organisation.

The European Council Travel scheme has now transferred to Shared Services.

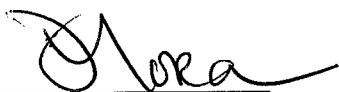
It is expected that the NTMA will make a second tranche of repayment to the IMF c. €3.5 billion on 06<sup>th</sup> February.

**5. Corporate Governance****1. FMU Strategy**

An overview of the FMU Strategy was presented. This set out scope of services, challenges and next steps. This matter will be carried forward to the next MAC meeting. A recruitment process is underway to appoint an Assistant Principal to this section.

**Action Point**

- FMU Strategy to be taken forward to next meeting. – Mr Dempsey.



Derek Moran  
Secretary General