

Progress Report
Q4 2016

IFS 2020

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



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Foreword



I am pleased to introduce this progress report documenting the implementation of the IFS2020, the Government strategy for Ireland's international financial services (IFS) sector. This is the seventh IFS2020 quarterly progress update. It outlines progress made on measures contained in the 2016 Action Plan during Q4 2016 (October – December 2016).

In addition to ongoing measures to promote Ireland under the *IFS Ireland* banner brand and the planning of the European Financial Forum in January 2017, an additional 13 measures were scheduled for completion in Q4 2016. Of the 13 measures scheduled for completion in Q4, 12 measures have been completed on schedule, along with the outstanding measures from Q2 and Q3. The final measure, measure 27 is now due for completion in Q1 2017.

Enterprise Ireland have completed extensive work on developing opportunities for Ireland in niche and emerging subsectors of the financial services industry. The previously delayed Payments and FinTech Strategies have both been completed and Enterprise Ireland with extensive input from both public and private stakeholders have now identified key areas for development in 2017 in both these subsectors.

Work has been ongoing across government to address the challenges and opportunities that may present themselves following the UK's vote to leave the European Union. One of the principal themes of Budget 2017 was 'Brexite Ready' measures and financial services is one particular area where opportunities may present themselves. How we expect to approach this will be discussed in greater detail in the 2017 Action Plan.

The second annual European Financial Forum will take place on 24th of January 2017. The Forum will build on the success of the inaugural event in January 2016 as a platform to engage leaders from both the public and private spheres through discussion and debate. In October I was pleased to announce the first group of speakers including include Vice Chairman of Blackrock, Philipp Hildebrand; President of the Asia Infrastructure Investment Bank, Jin Liqun, and Credit Suisse Vice-Chair of the Board of Directors, Noreen Doyle. IDA Ireland continues to undertake extensive work in the organisation and logistics of this event, and I must acknowledge the excellent work IDA Ireland has done to date.

Kicking off 2017 with the EFF will enable us to get the message out to the world that Ireland is a destination of choice for international financial services investment with a track record of success. In such changing times both politically and economically around the world it is more crucial than ever that all stakeholders work together to advance the interests of Ireland and ensure we continue building our shared ambitious vision for Ireland's financial services industry.

The implementation of IFS2020 is an iterative process which takes on board ongoing developments, both domestically and internationally. The team in the Department of Finance have been mindful of developments in drafting the Action Plan for 2017 which continues to focus on the job creation target set out in the original strategy while adapting to meet the needs of the sector in an ever changing environment.

I look forward to working closely with all IFS stakeholders as we maintain momentum towards our ambitious job creation target.

Eoghan Murphy TD
Minister of State for Financial Services
Chair of the IFS2020 Joint Committee
December 2016

Progress Report

The progress report begins with an overview of progress against the ten headline actions in the IFS2020 Action Plan 2016, and then follows with a more granular account of progress against the IFS2020 strategic priorities, with a particular focus on the 13 measures scheduled for delivery in Q4 2016 and those measures which have been delayed from Q2 and Q3.

Table 1 Indicates that in 2016 all measures have been either completed or in the case of action 7 is due for completion by the end of 2017.

Table 1 Monitoring Dashboard - 10 headline actions

Action	Title	Q4 2016
1	Deliver a coordinated approach to promotion of IFS under the new banner brand	✓
2	Ensure that the skills needs of the IFS sector are adequately reflected in the development and implementation of national policy in the Further and Higher Education systems	✓
3	Promote IFS as a career option	✓
4	Talent attraction and retention for the IFS sector	✓
5	Promote IFS development on a regional basis	✓
6	Operational Metrics for the Central Bank	✓
7	Double Taxation Agreements and other bilateral instruments	●
8	Assess Ireland's Financial Markets Infrastructure	✓
9	Enhance Ireland's Research and Innovation ecosystem for the IFS sector	✓
10	Develop opportunities in niche and emerging IFS sub-sectors and new markets	✓
Legend		
●	Action contains measure(s) delayed beyond scheduled quarter	
●	Action contains measure(s) at risk of being delayed	
●	Action on track	
✓	Action Completed	

End of year review and outlook

Strategic Priority 1: Promote Ireland as a location for International Financial Services & world class innovative products & services

This strategic priority focuses on enhancing Ireland's standing and reputation as a location for, and producer of, international financial services and products, including innovative financial technologies. IFS2020 provides the context for a more strategic and coordinated approach to promoting, marketing and branding Ireland's IFS sector internationally, leveraging the expertise and international reach of Departments, State Agencies and our embassy and consulate network, in conjunction with industry stakeholders.

The inaugural European Financial Forum was held in Dublin in January 2016, the event was a tremendous success with over 600 delegates from twenty seven countries in attendance. Speakers such as President of Morgan Stanley, Colm Kelleher; Governor of the Central Bank of Ireland, Phillip Lane; and CEO of the Prudential Regulation Authority and Deputy Governor of the Bank of England, Andrew Bailey led the discussions around the challenges facing the financial services sector in Ireland. Following the success of this event the second annual European Financial Forum will take place 24th January 2017 in Dublin Castle. Confirmed speakers for 2017 include Vice Chairman of Blackrock, Philipp Hildebrand; President of the Asia Infrastructure Investment Bank, Jin Liqun, and Credit Suisse Vice-Chair of the Board of Directors, Noreen Doyle.

Throughout 2016 there has been significant activity to promote Ireland as a location for international financial services investment. At the European Financial Forum in January Minister of State Harris launched the IFS Ireland brand. The brand is now the shared identity of all international financial services stakeholders.

Minister of State Murphy has undertaken a series of international visits in order to promote Ireland, the IFS Ireland brand and the European Financial Forum. Since May the Minister has visited the UK, Luxembourg, China, Japan, Singapore, and the United States in order to showcase Ireland's international services offering to senior executives in all markets. On these visits Minister Murphy had the opportunity to meet with both IDA and Enterprise Ireland client companies as well as public sector bodies.

The IFS Ireland banner brand was used while the Minister was overseas and use of the brand itself has increased through both public and private sector events. Looking ahead to 2017 we will see a greater rollout of the brand at both public and private events, we will look to expand the exposure of the brand across multiple channels, and the range of marketing and promotional material expanded. On the domestic front the brand will see greater roll out, to date much of the brand's usage was focused on the international audience but in order to create greater awareness and buy-in from all stakeholders the brand will see further promotion domestically.

Enterprise Ireland hosted their annual Financial Services & Business Process Outsourcing event in London in November. Two Enterprise Ireland trade missions took place in November; Minister for Foreign Affairs and Trade, Charles Flanagan TD lead a trade mission to the UAE and Saudi Arabia. While Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor TD visited China as part of a joint EI and IDA Ireland trade and investment mission. These ministerial visits further highlight the focus on trade diversification and expansion into new markets.

Box 1: Investments and Job Announcements in 2016

IFS2020 sets an ambitious target to grow the level of direct employment in the IFS sector to at least 45,000 people by 2020, requiring the enterprise agencies to support the creation of a net total of 10,000 new jobs, or an almost 30% increase in employment across their combined IFS portfolios, over the period of the Strategy. In this context, there has been very positive growth in IFS employment in 2016.

IDA Ireland and Enterprise Ireland client companies saw employment increase 5.4% in 2016, this gives an overall employment figure in international financial services in Ireland of approximately 40,000. Since the start of the IFS2020 Strategy in 2015, 5,000 net new jobs have been created in the IFS sector.

Enterprise Ireland (EI) has continued to successfully support domestic Irish firms and start-ups. A number of EI's client firms announced expansion plans in 2016 with 538 jobs created in indigenous companies. Of particular note in 2016 was the launch of EI's competitive start fund for fintech. The €500,000 fund is EI's first Competitive Start Fund for fintech, and the 10 successful start-ups came from a variety of financial services subsectors including payments, banking, and insurance.

IDA Ireland continued the successful promotion of Ireland as a location for investment, a number of IDA clients made job announcements in 2016, with 1,526 net new jobs in IDA client firms created in 2016. These included a number of significant investments and an expansions by some of the world's leading IFS companies, including a new data lab in Deutsche Bank and the prime brokerage desk in Credit Suisse. Additional highlights for IFS investment include:

- MetLife opened a Global Technology Campus in Galway, creating 200 roles to support the company's operations around the world.
- First Data announced their RD&I centre in Nenagh which will employ 300 highly skilled people, working on the company's leading technology platforms.
- Yapstone, a payments and global FinTech company announced the opening of its International Headquarters in Drogheda in September.

Box 2: European Financial Forum (EFF) 2017

The hosting of the European Financial Forum (EFF) in January 2016 was a key IFS2020 deliverable. This inaugural EFF was attended by over 600 delegates from around the world. Following the success of the inaugural event, **the second annual** EFF will take place in **Dublin Castle on 24 of January 2017**. EFF2017 will build on the success of the first Forum which confirmed the demand for and an operating model for an annual IFS Ireland conference.

In October the initial group of headline speakers were announced, including An Taoiseach, Enda Kenny; President of the Asian Infrastructure Investment Bank, Jin Liqun; Blackrock Vice Chairman, Philipp Hildebrand; and Credit Suisse Vice-Chair of the Board of Directors (& Chair of the British Bankers' Association), Noreen Doyle.

The main focus for the European Financial Forum in Dublin will be the macro economic outlook for the European, Asian and North American economies and impacts for financial services.

FT Live, the conference organising partner, has begun the process of delegate registrations and the issuing of invitations. The full agenda for the day of the Forum has been finalised along with a number of co-ordinated events that will complement what is taking place at Dublin Castle.

Information on speakers and a full agenda for the EFF2017 can be found at: <https://live.ft.com/Events/2017/European-Financial-Forum2>

Table 2 Strategic Priority 1: Promote Ireland as a location for IFS Q4 Measures

Action #1: Deliver a coordinated approach to promotion of IFS under the new banner brand	Status at Q3 2016
M #2 Strategic planning of promotional and marketing opportunities for IFS sector	
<p>Q4 2016 Update:</p> <p>The IFS2020 communications group maintains, regularly updates and shares a common calendar of both public and private sector promotional opportunities. The communications group liaises with the Industry Advisory Committee and other industry stakeholders to maximise global promotional and marketing opportunities for the IFS sector.</p> <p>As part of the group’s work the IFS Ireland brochure was translated into Chinese, Japanese and Arabic to help enable further promotion of Ireland’s financial services ecosystem in these regions.</p> <p>Minister of State Murphy travelled to Singapore, China and Japan at the end of September and to New York and Washington DC in October. His itineraries on both visits included meetings with the public and private sector on financial services and also the launch of the IFS Ireland brand for both the Asian and North American markets.</p> <p>For 2017 the communications group will ensure the continued roll out of the IFS Ireland brand and also encouraging greater usage of the brand at private sector events.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>

Strategic Priority 2: Drive continuous improvement in the operating environment & strategic competitiveness of Ireland IFS sector

This strategic priority focuses on the importance of improving Ireland's standing as a competitive location for innovative IFS companies. It covers a broad range of issues, including education and skills; promotion of IFS as a career option for young people; promotion of Ireland as an attractive location for mobile international talent; promoting the regional dimension of Ireland for IFS; and developing the business environment for IFS.

During 2016 there has been significant process in the area of education and skills. The Education and Skills Liaison Forum took place in June. The Forum examined the challenges and benefits of increasing and diversifying participation in the IFS workforce, with a focus on promoting IFS as an attractive career option, and delivering innovative approaches to education and skills development, and addressing the challenge of career progression. There were two elements to the forum, a roundtable discussion followed by a panel debate.

Five new IFS Apprenticeships launched in 2016, three of these were general IFS apprenticeships designed for individuals from a variety of academic backgrounds while the remaining two were specific to the insurance and accountancy subsectors. The apprenticeships give apprentices the skills they need to build a successful career in financial services through both academic studies and practical experience with blue chip financial services companies.

A specialist diploma in aviation finance has also been A Certificate in Aircraft Acquisition and Finance, promoted by the Aviation & Aerospace Skillnet, and delivered in Dublin by IT Carlow, began in January 2016, with 45 participants. The programme was concluded successfully by end Q1 2016. Industry feedback indicates that the programme was highly relevant and is likely to deliver a tangible business impact.

In July 2016 the Central Bank published its Revised Annual Performance Statement in line with the requirements set by the Minister for Finance, and revised Central Bank authorisation service standards. Given the independence of the Central Bank the revision to the authorisation service standards policy and changes were advanced by the Central Bank.

Box 3: Renminbi Qualified Foreign Institutional Investor (RQFII) Quota

In December the People's Bank of China and Central Bank of Ireland confirmed that Ireland had received a Renminbi Qualified Foreign Institutional Investor quota.

The quota allows Irish-domiciled financial institutions to invest in China's domestic bond and equity markets using China's own currency, the Renminbi. Irish financial service providers will now be able to offer this additional service to European markets.

A quota of 50 billion Renminbi of investment has been granted. This is equivalent to approximately €6.8 billion that can be invested in Renminbi denominated securities under China's Renminbi Qualified Foreign Institutional Investor (RQFII) programme.

The granting of a quota for Ireland aligns with the objectives of the government's IFS2020 Strategy. The quota improves Ireland's financial services ecosystem and increases Ireland's attractiveness for foreign direct investment. The quota is also an important step in building closer bilateral economic cooperation with China.

Table 3 Strategic Priority 2: Operating environment & Competitiveness Q4 Measures

Action #2: Ensure that the skills needs of the IFS sector are adequately reflected in the development and implementation of national policy in the Further and Higher Education systems	Status at Q4 2016
M #5 Stakeholder engagement through the IFS2020 Education and Skills Liaison Forum	
<p>Q4 2016 Update:</p> <p>The second meeting of the Education and Skills Liaison Forum took place on 29 June 2016 and focused on diversity and inclusion as a source of competitive advantage in the IFS sector.</p> <p>The Forum examined the challenges and benefits of increasing and diversifying participation in the IFS workforce, with a focus on i) promoting IFS as an attractive career option, and ii) delivering innovative approaches to education and skills development, and addressing the challenge of career progression.</p> <p>There were two elements to the forum, a roundtable discussion followed by a panel debate. The outcome of the forum will feed into the 2017 Action Plan. Two panel discussions were held. The first looked at gender diversity as a source of competitive advantage for IFS companies and the second panel examined initiatives and policy measures to promote diversity and inclusion as a source of competitive advantage.</p> <p>The roundtable discussions considered practical actions from an education and skills perspective; Ireland’s performance internationally in terms of our approach to diversity and inclusion in the IFS sector; How Ireland can capitalise on increased diversity and inclusion to create more jobs in the IFS sector; and opportunities for the public sector, NGOs and IFS companies to work more closely together to create job opportunities for marginalised and under-represented groups.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>
M #6 Monitor Skills Needs of IFS Sector	
<p>Q4 2016 Update:</p> <p>As an enterprise-led programme, FINUAS networks monitor the skills needs of the sector on an on-going basis. The 3 Finuas networks (SUMMIT, Law Society & Aviation Finance Finuas networks) each operate an annual training plan which is driven by a steering group of industry representatives from the member companies to ensure that skills gaps are prioritised and addressed. Furthermore, these 3 Finuas networks have recently conducted a formal Training Needs Analysis (TNA) as part of their application for funding for Skillnets (2017), and these TNA’s were used to inform their 2017 funding submissions.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>
M #13 Research, design and implement a marketing strategy for the Finuas networks programme	

<p>Q4 2016 Update:</p> <p>The Finuas Programme Manager initiated and co-ordinated a review of the Finuas marketing strategy in H1 2016. This included a review and analysis of the Finuas digital marketing strategy and online channels currently being deployed to determine their effectiveness. It also included consultation with the 3 Finuas network managers as key stakeholders, to ensure alignment with their individual network promotional plans which promote their network objectives and course offerings to the IFS sector. The Finuas marketing plan will be completed by year end and the timing will ensure that it is fully aligned with the new Skillnets Statement of Strategy launched in November 2016 by Minister Bruton. Implementation of the marketing plan is scheduled for H1 2017.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>
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Action #4: Talent attraction and retention for the IFS sector	Status at Q4 2016
<p>M #20 Engage Ireland's overseas diaspora and business networks for their views on the constraints and enablers in respect of Ireland as a location of choice for high-skilled international IFS professionals</p>	
<p>The Department of Foreign Affairs and Trade drafted a report following their survey of the diaspora. The survey identified key enablers in respect of Ireland as a location of choice for IFS progressions, the top four enablers included the English language, the lifestyle, career progression and children's education.</p> <p>In contrast the constraints identified by the survey included career progression (identified as both an enabler and a constraint), limited opportunities, and lack of information on job opportunities.</p> <p>The Department of Foreign Affairs and Trade provided a comprehensive update on the findings of the survey to the Q4 Joint Committee.</p> <p>In addition to the survey Minister of State Murphy engaged with the diaspora on his promotional visits to China, Japan, Singapore, the UK in Q3 and Q4.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>

M #21	Reflect IFS on industry needs in the Critical Skills list for employment permits	
	<p>Q4 2016 Update:</p> <p>A wide range of technical and financial occupations are included on the Highly Skilled Eligible Occupations List (HSEOL) on the basis of the data supplied by Expert Group on Future Skills Needs (EGFSN) and supported by inputs from various stakeholders. On the same basis, an exception is made on the Ineligible Categories of Employment List (ICEL) for specific financial clerical staff with languages to meet the needs of financial services companies.</p> <p>Following the first 2016 review in Q2, the HSEOL was revised with the addition of niche qualified and experienced tax consultants and accountants in order to meet the skills demand for global audit services which is a growth area for the State.</p> <p>The updated list was effective from 2nd August 2016, when the required Employment Permit Regulations commenced.</p> <p>The Q4 2016 review is currently in process, the public consultation phase having taken place in September and October.</p> <p>A total of 624 employment permits were issued in respect of the Financial Services area as at 31st October, of which 353 were Critical Skills Employment Permits. The occupations included both positions in financial services and in the ICT area.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>
M#22	Single Website Portal to attract international ICT talent	
	<p>Q4 2016 Update:</p> <p>Tech/Life Ireland is a Government initiative under the ICT Skills Action Plan. It is funded by the Department of Jobs, Enterprise and Innovation in partnership with Enterprise Ireland, IDA Ireland and the Irish Technology Industry to aims to help attract up to 3,000 top tech professionals to Ireland each year.</p> <p>The Tech Life web site (www.techlifeireland.com) was launched in June 2016 and provides background information on the tech scene in Ireland and profiles real stories of foreign tech workers who have moved to Ireland and the companies they are working with. The site currently lists thousands of available tech jobs on its portal and highlights the top 5 in-demand skills as Java, Python, .NET, C++ and PHP.</p> <p>The jobs and case studies included on the site include Financial Services positions and Irish Financial Services companies are profiled, (e.g. FEXCO, AQMetrics, Realex). Further Financial Services and FinTech material will be added to the site in 2017.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>

Action #5: Promote IFS development on a regional basis		Status at Q4 2016
M #23	Promote IFS on regional basis	
	<p>Q4 2016 Update:</p> <p>The CEOs of the Development Agencies will provide an end of year report to the Q4 2016 meeting of the IFS Joint Committee illustrating the positive progress by means of regional job announcements and provide an overview of projects in hand</p>	<p>✓</p> <p>Measure Complete</p>

Action #7: Double Taxation Agreements and other bilateral instruments		Status at Q4 2016
M #26	Liaise and inform regarding changes to Ireland's network of double taxation treaties	
	<p>Q4 2016 Update:</p> <p>Throughout 2016 meetings have been held with key stakeholders in the financial services industry on a range of taxation treaty issues. Stakeholders were engaged in consultation meetings as part of the public consultation on the renegotiations of our existing double taxation treaty with the United States.</p> <p>Meetings have also been held on OECD work around the treatment of non-CIV funds and tax treaties. Negotiations remain ongoing on a new range of tax treaties, updates to existing treaties and on the OECD Multilateral Instrument.</p>	<p>✓</p> <p>Measure Complete</p>
M #27	Fully adopt the Alternative A Provisions of the Cape Town Convention	
	<p>Q4 2016 Update:</p> <p>An Order of the Government is required to give effect to the provisions of Alternative A of Article XI of the Aircraft Protocol to the Cape Town Convention into Irish law. The text of the Order has been developed by the Department of Transport, Tourism and Sport and has been approved by the Office of the Parliamentary Counsel.</p> <p>The measure was expected for approval for Q4 2016 however this has been delayed, with completion of the measure now estimated for Q1 2017. An update to the status of the measure will be provided to the Joint Committee in Q1 2017.</p>	<p>●</p> <p>Measure Delayed until Q1 2017</p>

Strategic Priority 3: Drive Research, Innovation & Entrepreneurship in the IFS sector, with a particular focus on financial technology & governance, risk & compliance

This strategic priority focuses on the significant role of research, innovation and entrepreneurship in developing Ireland’s status as a leading global location for Financial Services. The objective is to continue to develop and promote Ireland as a centre for innovative, scaling and next generation companies with world-class capabilities in financial technology, governance, risk and compliance, working within an innovation ecosystem that supports advanced research and commercialisation in areas such as data analytics, mobile banking/payments, cloud computing, etc.

Enterprise Ireland (EI) have undertaken significant work in supporting Fintech Accelerators. In September as part of their competitive start fund for FinTech, EI partnered with Ulster Bank, Citi and Dogpatch Labs to provide mentoring, master classes and workspace to 10 companies. Enterprise Ireland companies have also successfully secured places on some UK based accelerator programmes. In addition the Governance, Risk and Compliance Technology Centre’s (GRCTC) have an annual Symposium scheduled for the Dublin Convention Centre on Dec 14th.

As the strategy moves into 2017 Enterprise Ireland, and IDA Ireland will continue engagement with relevant stakeholders to further enhance Ireland’s innovation and research ecosystem.

Action #9: Enhance Ireland’s Research and Innovation ecosystem for the IFS Sector	Status at Q4 2016
M #29 Showcase Ireland’s research and innovation ecosystem for the IFS sector	
<p>Q4 2016 Update:</p> <p>EI, IDA and SFI continue to fund a number of research centres, technology centres and technology gateways and to focus on industry collaboration with these centres. A number of these centres support FinTech projects in areas such as regulation, financial mathematics, blockchain, cloud computing etc.</p> <p>During the year the Technology Centres have continued to hold events to promote their capabilities. The Governance, Risk and Compliance Technology Centre’s (GRCTC) have an annual Symposium scheduled for the Dublin Convention Centre on Dec 14th on the theme of ‘Rethinking the R of GRC and how we view Risk: Future Possibilities for Next Generation Enterprise Risk Management.’</p> <p>The Technology Gateway network held an Industry Showcase on May 10th as an opportunity for companies to network with the 15 Gateways from Institutes of Technology around the country.</p> <p>The Innovation Showcase event is held biennially and is next scheduled for Dec 2017. However, Knowledge Transfer Ireland held its Annual Conference on Nov 14th 2016. At the event a panel of experts from a range of national and international companies and from the Irish research base addressed an audience of over 200 from business, technology transfer and the Irish research base. They shared their experience of working together to deliver commercial results, including insights into the benefits of collaborative research and how to address some of the challenges that can arise.</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">Measure Complete</p>

M #30	Support Fintech Accelerators	
	<p>Q4 2016 Update:</p> <p>During 2016 there were a number accelerator programmes actively supporting FinTech companies to develop, establish and grow their businesses.</p> <p>The Accenture FinTech Innovation Lab is a 12-week programme that gives early-stage companies the opportunity to develop their product or proposition under the mentorship of C-level executives, culminating in Investor Day pitches in Dublin and London. In January, six companies were selected to participate in the second programme (Bizbase, Coinprism, Courtsdesk, Juggle, Ostia and TouchTech).</p> <p>Enterprise Ireland is a partner on the programme and company supporters include Credit Suisse, Allied Irish Bank, Bank of Ireland, Citi, FEXCO, Google, State Street, Realex Payments and Ulster Bank. The programme is currently recruiting for its third annual programme which will commence in January 2017.</p> <p>Enterprise Ireland has also partnered with Ulster Bank, Citi and Dogpatch Labs to provide mentoring, masterclasses and workspace to the 10 companies selected for support under its FinTech Competitive Start Fund in September 2016.</p> <p>The NDRC FinTech Pre-Accelerator is a partnership initiative between NDRC and Bank of Ireland with the aim of surfacing digital solutions with the potential to disrupt and solve global financial services challenges. NDRC also held an InsureTech bootcamp weekend in May which brought together teams to develop new technology solutions to insurance challenges such as with the Internet of Things, Fraud and Big Data, etc.</p> <p>MasterCard continues to manage its StartPath Global virtual accelerator programme from Ireland. This six month programme enables companies from around the world to gain access to MasterCard’s global ecosystem and to break new markets through relationships with MasterCard and its customers.</p> <p>A number of Irish companies have also been selected to participate in UK based accelerator programmes such as Startup Bootcamp, Techstars and Dot Forge.</p> <p>Enterprise Ireland continues to promote and support incubator and accelerator programmes to highlight Ireland’s innovative Financial Technology start-ups.</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">Measure Complete</p>

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

This section reports on progress in developing new opportunities from IFS sub-sectors. The 2016 Action Plan includes 16 measures in total.

In 2016 Enterprise Ireland have drafted two new IFS related strategies, the first for the payments subsector and the second for the ever growing area of FinTech. The strategies with input from both industry and other public sector stakeholders will help to shape the direction of both subsectors as through 2017 and beyond. Enterprise Ireland has also launched a competitive start fund this year which is currently supporting 10 early stage start-ups in the FinTech and payments areas.

The IDA with support from stakeholders completed a review of Ireland’s status as a location for asset management. The review looked at what the next steps might be for continuing the development and growth of asset management activities in Ireland.

Looking ahead to 2017 the new iteration of the action plan is set to include actions linked to the outcomes of the work that EI and IDA conducted in 2016. Enterprise Ireland has launched two strategies for the payments and FinTech subsectors. The main recommendations from these will feed into the 2017 Action Plan.

Table 4 Strategic Priority 4: Develop job-creation opportunities from emerging IFS sub-sectors & new markets. Action #10.

Action #10: Develop opportunities in niche and emerging IFS sub-sectors and new markets	Status at Q4 2016
M #31 FinTech Strategy Paper	
<p>Q4 2016 Update:</p> <p>Enterprise Ireland and IDA Ireland have worked closely with the FinTech Working Group of the FPAI to create a FinTech strategy paper and a series of recommendations have been proposed. An executive summary note of this work, and that of the Payments Strategy, along with a combined list of recommendations has been circulated to the joint committee.</p>	<p>✓ Measure Complete</p>
M #34 Capability maturity in FinTech start-ups	
<p>Q4 2016 Update:</p> <p>Enterprise Ireland and the Innovation Value Institute (IVI), a Technology Centre based at Maynooth University have carried out a preliminary study of the IT capability maturity of Financial Service organisations. A report entitled “The Capability Maturity of Fintech Start-Ups and Recipient Financial Organisations to Effectively Engage and Leverage the Opportunities Presented by Emerging Technology” has been completed.</p> <p>The IT capability maturity of an organisation is a measure of how well it leverages its people, tools, processes and culture to execute IT tasks that are designed to maximise business value.</p>	<p>✓ Measure Complete</p>

<p>Many of the large long-established financial organisations are finding it difficult to build the innovation and technology based capability within their legacy IT organisations. To circumvent the need to execute a major internal transformation, they are increasingly turning to Fintech companies to deliver new and innovative technology-enabled products and services for them. However, both companies carry significant differences in their culture of innovation and organisational structure which is adversely affecting the successful collaborative outcomes originally envisaged.</p> <p>Despite these differences and the risks they generate, recent studies have confirmed that collaboration with Fintech start-ups is increasingly seen as a critical element in bank digital transformation strategies.</p> <p>A number of international banks based in the IFSC (who are long-term users of IT-CMF) have indicated their support for a research programme designed to focus on the uncovering the capabilities that must be present in large financial organisations to absorb and realise the impact from emerging technology developments within the Fintech sector. The focus will also need to be on the Fintech start-ups as they form the other piece of the puzzle. In addition to their technology development, the Fintech will need to build capabilities that position them to effectively interface and engage successfully with their much larger corporate consumers. During 2017, Enterprise Ireland, IVI and its partners will seek to progress this research project.</p>	
<p>M #37 Fintech and Payments foresight exercises</p>	
<p>Q4 2016 Update:</p> <p>A number of FinTech focused events have taken place during the year which highlighted the future direction of the FinTech and Payments industry in Ireland.</p> <p>In April the FPAI held its inaugural FinTech Nation conference. This day-long conference included by a series of panel discussions and presentations from expert speakers across the spectrum of Irish FinTech. The day provided an opportunity for representatives from all parts of the FinTech ecosystem based in or from Ireland, to network and discuss future directions for the FinTech and Payments industry. The conference also included panel discussions on the challenges affecting the Irish Fintech sector, how Brexit will influence the sector, and whether Blockchain will drive innovation across a number of sectors including Fintech</p> <p>In May there was a FinTech Panel discussion at the FutureScope conference organised by the Dublin BIC. An on stage panel discussion on the future direction of FinTech and Payments was preceded by presentations from panellists from Fire, Linked P2P, Stripe and Plynk.</p> <p>The Second Annual ePayments Conference took place in September. This event was organised by The Mill Drogheda in association with the M1 Payments Corridor Steering Group and opened by Minister</p>	<p style="text-align: center;">✓</p> <p style="text-align: center;">Measure Complete</p>

	<p>Murphy. Chris Skinner, a noted commentator on Financial Services gave a keynote presentation on 'How FinTech is Transforming Payments', while Louise Phelan of PayPal spoke on 'The Future of Money' and Michael Wassenfuh of Vestas spoke on the Atlanta Payments Corridors experience of 'Building a National Payments Cluster'.</p>	
M #39	Prepare a strategy for the payments sub-sector	
	<p>Q4 2016 Update:</p> <p>Enterprise Ireland has worked closely with the Payments Working Group of the FPAI and other key stakeholders to create a Payments Strategy and a series of recommendations have been proposed. An executive summary of this work and that of the FinTech strategy paper, along with a combined list of recommendations has been circulated to the joint committee.</p>	<p>✓</p> <p>Measure Complete</p>
M #40	Review Ireland's status as a location for asset management	
	<p>Q4 2016 Update:</p> <p>Building on a number of recent successes in the development of front office investment management activity IDA conducted a review, in consultation with industry and the Department of Finance, of the sector. Based on the review, and on work done with the industry stakeholders, a number of measures were developed for inclusion in the IFS2020 2017 Action Plan. A summary of the proposed measures was delivered at the Q4 Joint Committee meeting.</p>	<p>✓</p> <p>Measure Complete</p>
M #45	Develop Ireland's capabilities and readiness to capitalise opportunities afforded by the EU Capital Markets Union initiative	
	<p>Q4 2016 Update:</p> <p>The Capital Markets Union (CMU) Action Plan was published by the Commission on 30 September 2015. CMU aims to support the development of alternative sources of finance, complementary to bank-financing - including venture capital and market-based finance over a number of years. It sets out a programme of measures which aim to establish the building blocks of an integrated capital market in the European Union (EU) by 2019. It seeks to support jobs and growth in the EU by making it easier for companies to finance investment through capital markets and facilitating cross-border investment. There has been intensive engagement by Ireland in the EU legislative process on the priority EU dossiers currently being negotiated under capital markets union.</p> <p>To date, a Council General Approach was agreed on the proposed Securitisation Regulation, with the next step being trilogues with the European Parliament, once Parliament agree a common position on the Regulation. The proposed changes to the Prospective Directive are currently in the trilogue process between Council and Parliament. On the latter file, the Department of Finance have been active in the</p>	<p>✓</p> <p>Measure Complete</p>

negotiations through the Council Presidency and will undertake the same approach once the securitisation file moves into trilogies.	
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Strategic Priority 5: Benchmarking Progress

Since 2011, Ireland's relative international competitiveness as measured by a range of international indices has steadily improved and this improvement has continued into 2016. In the IMD's latest World Competitiveness Yearbook published in Q2 2016, Ireland ranked 1st in the Eurozone, 5th in the OECD, and 7th in the world for overall competitiveness (an improvement of 9 places from 16th in 2015). Ireland has also moved up to 23rd in the World Economic Forum Global Competitiveness Report.

The World Bank's "Doing Business 2016" report ranks Ireland 17th out of 189 countries, an improvement of two places on an annual basis. Ireland maintained its position as the best country in the Eurozone for doing business in the Forbes magazine rankings in 2015, coming an overall 4th in the world. This ranking is testament to Ireland's favourable business and regulatory climate.

In relation to IFS-specific measures of competitiveness, the latest Z/YEN Global Financial Centres index (GCFI-19) shows that Dublin has improved 7 places on its ranking as a global financial centre, up to 39th from its previous position of 46th.

Ireland's attractiveness as a financial services centre was emphasised in the PWC Global Economy Watch. The PWC financial services attractiveness indicator ranked Dublin as the second most attractive of the major European financial centres, notably ranking highly for strength of legal rights, ease of doing business and talent. In December Dublin was ranked 3rd in the world for foreign direct investment in fDi magazine's "Global Cities of the Future" rankings.

Ireland has maintained its position as 4th in Forbes' list of 'Best Countries for Business' for 2016 based on a variety of factors such as property rights, innovation, taxes, technology, corruption, freedom (personal, trade and monetary), investor protection and stock market performance.

In 2016 the IMD World Competitiveness Yearbook ranked Ireland 1st in the Eurozone, 5th in the OECD, and 7th in the world for overall competitiveness.

Appendix 1 Monitoring Dashboard

Action	M	Title	Deadline	Q1	Q2	Q3	Q4	
1	Deliver a coordinated approach to promotion of IFS under the new banner brand							
	1	Develop IFS messaging and promotional material under the new banner brand	Q1	✓				
	2	Strategic Planning of promotional and marketing opportunities for IFS sector	Quarterly	✓	✓	✓	✓	
	3	Plan the European Financial Forum 2017	Q1, Q2	✓	✓			
	4	Host the European Financial Forum 2017	Q1 2017				●	
2	Ensure that the skills needs of the IFS sector are adequately reflected in the development and implementation of national policy in the Further and Higher Education systems							
	5	Stakeholder engagement through the IFS2020 Education and Skills Liaison Forum	Q4				✓	
	6	Monitor Skills Needs of IFS Sector	Q4				✓	
	7	Enhance the Finuas Networks Programme to deliver a suite of FinTech programmes.	Q3			✓		
	8	Extend the Finuas Networks FinTech Law Masterclass programme.	Q3			✓		
	9	Deliver a Certificate in Aircraft Acquisition & Finance	Q1	✓				
	10	Deliver a Specialist Diploma in Aviation Leasing & Finance and MBA in Aviation Management	Q3			✓		
	11	Deliver a Professional Diploma in Applied Alternative Investments	Q3			✓		
	12	Further rollout of Sustainability Skillnets Programmes	Q2		✓			
	13	Research, Design and Implement a marketing strategy for the Finuas Networks Programme.	Q4				✓	
	14	FSI and National College of Ireland to further progress current proposals for apprenticeships in the financial services sector	Q3			✓		
	15	Further progress current proposals for apprenticeships in the financial services sector	Q3			✓		
	16	Accounting Technicians Ireland to further progress proposals for a Higher Apprenticeship in Accountancy	Q3			✓		
	17	Profile innovative models of IFS-relevant skills and education programmes in the further and higher education sectors	Q2		✓			
	3	Promote IFS as a career option						
		18	Promote IFS as a career option through the Smart Futures programme	Q2		✓		
		19	Promote IFS as a career option through the Slingshot Academy programme	Q2		✓		
4	Talent attraction and retention for the IFS sector							
	20	Engage Ireland's overseas diaspora and business networks for their views on the constraints and enablers in respect of Ireland as a location of choice for high-skilled international IFS professionals	Q3				✓	
	21	Reflect IFS industry needs in the Critical Skills list for employment permits	Q4				✓	
	22	Single website portal to attract international ICT talent	Q4				✓	

5	Promote IFS development on a regional basis						
	23	Promote IFS on a regional basis	Q4				✓
	24	Ensure that IFS features in policy and strategies for development in Dublin	Q1	✓			
6	Operational Metrics for the Central Bank of Ireland						
	25	Review the authorisation service standards reported by the Central Bank of Ireland	Q3			✓	
7	Double Taxation Agreements and other bilateral instruments						
	26	Liaise and inform regarding changes to Ireland's network of double taxation treaties	Q4				✓
	27	Fully adopt the Alternative A provisions of the Cape Town Convention	Q4				●
8	Assess Ireland's Financial Markets Infrastructure						
	28	Produce an analysis of possible core markets infrastructure	Q3			✓	
9	Enhance Ireland's Research and Innovation ecosystem for the IFS sector						
	29	Showcase Ireland's research and innovation ecosystem for the IFS sector	Q4				✓
	30	Support FinTech Accelerators	Q4				✓
10	Develop opportunities in niche and emerging IFS sub-sectors and new markets						
	31	FinTech Strategy Paper	Q2				✓
	32	Ireland Strategic Investment Fund	Q1	✓			
	33	Entrepreneurial supports	Q2		✓		
	34	Capability maturity in FinTech start-ups	Q4				✓
	35	EI Competitive Startup Fund for FinTech / Payments companies	Q2		✓		
	36	IFS mentoring panel	Q1		✓		
	37	FinTech and Payments foresight exercises	Q4				✓
	38	Identify opportunities within Ireland's research and innovation ecosystem	Q2		✓		
	39	Prepare a strategy for the Payments sub-sector	Q2				✓
	40	Review Ireland's status as a location for asset management	Q3				✓
	41	Ireland as a global location for private equity funds and management	Q3			✓	
	42	Aviation Finance and Leasing	Q3			✓	
	43	International Banking Group	Q2		✓		
	44	International Insurance Group	Q2		✓		
	45	Develop Ireland's capabilities and readiness to capitalise on opportunities afforded by the EU Capital Markets Union initiative	Q2, Q4			✓	✓
46	Promoting Diversity and Inclusion in IFS	Q2		✓			
Legend							
● Measure delayed							
● Measure at risk of being delayed							
● Measure on track							
✓ Measure Completed							