

**Progress Report**  
**Q3 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 IFS2020, the Government strategy for Ireland's international financial services (IFS) sector. This sixth IFS2020 quarterly progress update outlines progress made on measures contained in the 2016 Action Plan during Q3 2016 (July – September 2016).

While the implications of the UK decision to leave the EU poses a significant challenge for the IFS sector, the existence of this IFS2020 Strategy means that the public sector is well-placed to manage the risks and opportunities that arise within the IFS sector in Ireland.

Following the referendum, I convened a special meeting of the IFS2020 public sector High Level Implementation Committee. The purpose of the meeting was to bring together all the key public sector stakeholders to review the impact of the referendum, with particular reference to the IFS sector. I have also updated the newly established Cabinet Committee on Brexit on the implications of the referendum for the IFS sector and increased IFS promotional engagements, including the launch of the *IFS Ireland* banner brand in Singapore, Shanghai and Tokyo (Q3), and New York (Q4).

In addition to the ongoing measures to promote Ireland's IFS sector, an additional 14 measures were scheduled for completion in Q3 2016. Some 12 of the 14 measures scheduled for completion in Q3 have been completed, while the remaining measures (#20 and #40) will be completed in Q4.

There has been a particular focus in Q3 2016 on the development of education and skills initiatives in the IFS sector including the delivery of specialist third level programmes in FinTech, aviation leasing and financing, and applied alternative investments. In addition, a new IFS Apprenticeship suite has been developed in response to the Government's call for the establishment of financial services apprenticeships. The suite includes 3 specific IFS apprenticeships, an accountancy apprenticeship and an insurance apprenticeship.

Enterprise Ireland continues to work with all key stakeholders to prepare strategies for the FinTech and Payment sectors. These are important initiatives which will build on our success to date by working with new and existing companies to drive increased investment, entrepreneurship and employment across the industry, and strengthen Ireland's position as a leading global location for innovative FinTech and Payments companies.

The second annual European Financial Forum will take place on 24<sup>th</sup> 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. The Forum will also showcase Ireland's international financial services environment to a global audience and highlight the Government's commitment to the development of the sector.

The implementation of IFS2020 is an iterative process which takes on board ongoing developments, both domestically and internationally. In that context, Q4 2016 will see the development of a new Action Plan for 2017 which will ensure that Ireland is well-placed to capitalise on emerging opportunities, to protect the sector against threats in an ever-changing environment, and to adapt to changing trends. The IFS2020 Strategy, which predates the UK EU referendum decision, provides an ideal platform from which to grow and develop the IFS sector in Ireland during these challenging times.

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

Eoghan Murphy, T.D.

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

## 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 14 measures scheduled for delivery in Q3 2016.

Table 1 indicates that 8 of the 10 headline actions in Action Plan 2016 are on course to be completed on schedule. Action 4 and Action 10 include a combined four measures that have been delayed beyond their scheduled delivery date, but are still expected to be completed within the calendar year. More detailed update on progress is available below on all Q3 deliverable measures, as well as those measures that are delayed to Q4.

**Table 1 Monitoring Dashboard - 10 headline actions**

Action	Title	Q3 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	●
<b>Legend</b>		
●	Action contains measure(s) delayed beyond scheduled quarter	
●	Action contains measure(s) at risk of being delayed	
●	Action on track	
✓	Action Completed	

## **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 2016 Action Plan – through Action #1 – focuses on coordinating the promotion of Ireland's IFS sector under a new banner brand, and associated initiatives.

### **Progress in Q3 2016**

#### **Box 1: Banner Brand**

In July 2016 Minister of State, Eoghan Murphy T.D., established a communications sub-group within the IFS2020 implementation structure with the objective of ensuring the continued roll out and future development of the IFS Ireland banner brand. The group, which is chaired by the Department of Foreign Affairs and Trade, also involves representatives from the Department of Finance, IDA Ireland and Enterprise Ireland.

In the three months since the communications group was established, it has published a new promotional brochure on the IFS industry in Ireland under the IFS Ireland banner brand. This brochure will be translated into relevant languages, including Chinese and Arabic. It will be distributed to the Embassy network and IDA Ireland and Enterprise Ireland overseas offices. It will also be available when the public sector is participating in promotional events in Ireland and overseas.

The communications group has also agreed other IFS Ireland branded promotional material related to the European Financial Forum (EFF) including a template "Save the Date" to issue from Minister of State Murphy, and has updated the "EFF" segment of the IFS Ireland website to reflect the 2017 Forum. <http://www.ifsireland.com/european-financial-forum.html>

Minister of State Murphy launched the IFS Ireland banner brand during his visit to Asia (Singapore, Shanghai and Tokyo) in September. Raising the profile of the banner brand will also be a key part of his visit to the US in October (New York and Washington).

### 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.

Planning for EFF2017 is well advanced, including the confirmed attendance of a number of international keynote speakers from the public and private sector. The overarching theme will again be the European Financial System and Ireland's committed position within Europe. It will also feature a substantial North American and Asian dimension. EFF2017 will showcase Ireland's international financial services (IFS) environment to an international audience and highlight the Irish government's commitment to the development of the IFS sector in Ireland. EFF2017 offers an unparalleled opportunity for investors and key-decision makers from financial markets around the world to get an overview of the financial, business, FinTech and regulatory landscape in Europe.

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

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><b>Q3 2016 Update:</b> The newly established 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>Minister of State Murphy undertook a two day visit to Luxembourg in July which included meetings with the public and private sector on financial services. As part of his visit the Minister addressed the Luxembourg-Ireland Chamber of Commerce.</p> <p>In July, Enterprise Ireland announced its international trade mission and events programme for July to December 2016. The programme has a significant number of financial services focused events in Q3 and Q4 2016 including New York, London, Shanghai, Singapore, Tokyo, Berlin, Copenhagen, Johannesburg, Nairobi and Lagos.</p> <p>Programmes for each ministerial engagement are well advanced with close coordination between the Embassy network, Enterprise Ireland and IDA Ireland offices overseas.</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>

## Strategic Priority 2: Drive continuous improvement in the operating environment & competitiveness of Ireland's 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; developing the business environment for IFS, including the regulatory, tax and infrastructure arrangements.

### Progress in Q3 2016

There is considerable focus on this strategic priority in the 2016 Action Plan, with 7 Actions containing 24 discrete measures due to be implemented. 9 of the 10 measures due for delivery in Q3 2016 have been completed.

In relation to education and skills, Q3 has seen the development of specialist third level programmes in FinTech, aviation leasing and financing, and applied alternative investments. In addition, the roll-out of Ireland's first IFS apprenticeship programmes has commenced, including a total of five new IFS-related apprenticeships. The apprenticeships are for people with different levels of experience, from school-leavers to degree-holders, and people with relevant work experience. The apprenticeships include insurance, accountancy, IFS associate professional, IFS specialist and IFS advance specialist.

This strategic priority also includes the development of the regulatory and infrastructure environment. In that regard, the Central Bank, following extensive engagement with the Department of Finance, has revised the format to its Annual Performance Statement, and published revised authorisation service standards.

Measure #20 highlights the importance of engaging with Ireland's IFS diaspora. In that regard, the Department of Foreign Affairs and Trade issued a questionnaire through the Embassy network to overseas Irish business networks, including business networks in all of the main IFS markets. Further direct engagement with the IFS diaspora will be possible in Q4 through Minister of State Murphy's overseas engagements. In that regard, it has been agreed to delay the finalisation of a report until the Q4 IFS2020 Joint Committee meeting.

**Table 3 Strategic Priority 2: Operating environment & Competitiveness**

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 Q3 2016
M #7 Extend the Finuas Networks programme to deliver a suite of FinTech programmes	
<p><b>Q3 2016 Update:</b> In September 2016, the National College of Ireland (NCI) commenced delivery of a Higher Diploma in FinTech. Tailored for the needs of industry, this part-time programme will focus on data analytics, financial analysis, data governance, cyber security, quantitative modelling, IT auditing, e-Finance and services. The need for the programmes was identified in IFS2020 and a report entitled "A Skills Needs Analysis of the International Financial Services Sector in Ireland, 2015" published by Summit Finuas Network in Q4 2015.</p>	<p>✓ Measure Complete</p>
M #8 Extend the Finuas Networks FinTech Law Masterclass programme	
<p><b>Q3 2016 Update:</b> Law Society Finuas Network has completed development of an online programme entitled "FinTech – The Fundamentals". The</p>	<p>✓ Measure Complete</p>

	<p>complimentary programme was launched in June 2016 and there has been significant uptake by network member companies.</p> <p>On 02 September 2016, Law Society Finuas Network hosted a symposium “FinTech – Law and Regulation in Ireland”. Key themes addressed at the symposium included a regulatory overview, funding platforms, AML for the FinTech industry, cyber security and capital raising for FinTech.</p> <p>The symposium was designed under the guidance of expert international financial services solicitors and professionals who demystify the law and regulation of FinTech in Ireland.</p> <p>There was a significant level of industry engagement in developing the programme and the symposium. Speakers on the day included senior representative from Arthur Cox, Goodbody Corporate Finance, Matheson, AIB Group, Skillnets, FEXCO, Bank of Ireland and the Central Bank of Ireland.</p>	
M #10	<p>Deliver a Specialist Diploma in Aviation Leasing &amp; Finance and MBA in Aviation Management</p> <p><b>Q3 2016 Update:</b> In September 2016, Aviation Finance Finuas Network and the University of Limerick commenced delivery of the Specialist Diploma in Aviation Leasing &amp; Finance (NFQ Level 9: part-time). Key topics addressed on the diploma include air transportation characteristics, aircraft leasing, corporate airline finance, integrated risk management and the legal aspects of aviation finance.</p> <p>In September 2016, Aviation Finance Finuas Network and the University of Limerick also commenced delivery of a Corporate MBA (part-time). Industry-specific content undertaken as part of the MBA includes airline economics, airline finance, ground operations and aircraft leasing. The programme combined essential generalist business subjects with an in-depth analysis of aviation.</p>	<p>✓ Measure Complete</p>
M #11	<p>Deliver a Professional Diploma in Applied Alternative Investments</p> <p><b>Q3 2016 Update:</b> Following a pilot review and evidence of enterprise demand, Summit Finuas Network and the Institute of Banking re-launched the Professional Diploma in Applied Alternative Investments in September 2016.</p> <p>Tailored for the needs of industry, the programme is delivered on a part-time basis and focuses on investment valuation and risk, applied alternative investment strategies, and the legal and regulatory aspects of alternative investments.</p>	<p>✓ Measure Complete</p>
M #14	<p>FSI and National College of Ireland to further progress current proposals for apprenticeships in the financial services sector</p> <p><b>Q3 2016 Update:</b> The Financial Services Ireland (FSI) and the National College of Ireland (NCI) consortium submitted a proposal for three levels of apprenticeship (Level 6 through to Level 9) to the Apprenticeship Council in 2015 and gained approval for an initial 220 places across three IFS apprenticeships:</p> <ul style="list-style-type: none"> <li>• International Financial Services Associate Level 6 Higher Certificate in Finance and Business</li> <li>• International Financial Services Specialist Level 8 Higher Diploma in Data Analytics &amp; FinTech</li> <li>• International Financial Services Advanced Specialist Level 9 MSc in Data Analytics &amp; FinTech</li> </ul>	<p>✓ Measure Complete</p>

Since August 2015, the consortium has been working with all of the many stakeholders to design, develop, validate and align with existing apprenticeship legislation. Stakeholders include the Department of Education & Skills, SOLAS, the Higher Education Authority, the Apprenticeship Council, Quality Qualifications Ireland (QQI), and IFS employers. Occupational profiles have been created for all three IFS apprenticeships as has the Industrial Training Order (ITO) to create the IFS apprenticeships in legislation. The education programmes have been designed and are in the validation process with QQI. Employers have been engaged and very involved in the design of the programme – particularly the integration between the ‘on-the-job’ and ‘off-the-job’ elements of the education programme. All three programmes have been designed utilising the same model: 2 year apprenticeships with the IFS apprentices attending college in the National College of Ireland one day a week for 30 weeks per year and working the remainder of the time with the employer. Companies such as State Street, Citi, Bank of America Merrill Lynch, AIB, and Irish Life have committed to hire IFS apprentices. It is expected that these apprenticeships will be in a position to move to enrolment in early 2017.

220 IFS Apprenticeships have been approved for funding for the first iterations across the three IFS apprenticeship schemes with a stated ambition to grow to 1,000 in 2020. The FSI and NCI consortium has worked very hard with industry via industry briefings and a large number of one to one meetings to introduce the IFS apprenticeship concept to industry, with strong support from key industry players (e.g. Susan Dargan, Chair of FSI and Country MD of StateStreet, and also a member of the IFS2020 Industry Advisory Committee). The FSI and NCI consortium strongly believes that once employers experience the first iteration of IFS apprentices, it will be viewed as a valid alternative recruitment and retention tool, and be utilised as one element of IFS employers overall human capital strategy.

The three IFS apprenticeships have been designed based on skills needs identified in a report published by Summit Finuas Network in Q4 2015 - “A Skills Needs Analysis of the International Financial Services Sector in Ireland, 2015”.

The Level 8 and Level 9 IFS Apprenticeships very much focus on areas such as Data Analytics and FinTech. The apprenticeships will be dynamic in nature and new programmes will be designed and embedded in to the apprenticeships in the future such as RegTech and Compliance.

M #15 Further progress current proposals for apprenticeships in the financial services sector

**Q3 2016 Update:** This measure is now being progressed and lead by the Insurance Institute of Ireland (III). Following the approval by the National Apprenticeship Council of 100 places for an Insurance Practitioner Apprenticeship, a NQAI level eight Bachelor of Arts (Hons) in Insurance Practice launched on 19 September 2016. This is a three year, full time, semesterised course, delivered with a mix of blended, on-line and work based learning. The syllabus and curriculum was developed in line with industry requirements, including focused engagement with key stakeholders such as SOLAS, the Higher Education Authority, the Department of Education & Skills, the Central Bank, the Irish Brokers Association and the Chartered Insurance Institute. The programme is delivered by IT Sligo

✓  
Measure Complete

	following a robust procurement process. To date, 50 employers nationwide have signed up and 67 apprentices have been recruited.	
M #16	Accounting Technicians Ireland to further progress proposals for a Higher Apprenticeship in Accountancy	
	<p><b>Q3 2016 Update:</b> The Accountancy Consortium Group was formally established on 25 November 2015 to oversee the development of the new Accounting Technician Apprenticeship.</p> <p>Five Education and Training Boards are collaborating as partners on the programme in 2016 (City of Dublin; Wicklow Kildare; Dublin Dún Laoghaire; Cork and Cavan Monaghan).</p> <p>Accounting Technicians Ireland has been formally appointed Coordinating Provider by the Group and it is currently finalising QQI programme validation arrangements which it plans to have in place by the end of Q1 2017. The Accounting Technician Occupational Profile has been approved by the Apprenticeship Council and the Accountancy Industrial Training Order has been approved by the SOLAS Board.</p> <p>The Accounting Technician Praktikum programme started on 19th September 2016. There are 49 participating employers representing large firms such as EY &amp; Grant Thornton, small practices, industry and the public sector. 450 applications were received and 60 placements made. These 60 accounting technicians (in training) are now actively attending on the job training once a week in college and employed full-time with a participating employer where they are completing the on the job aspects of praktikum.</p>	 Measure Complete

	<b>Action #4: Talent attraction and retention for the IFS sector</b>	<b>Status at Q3 2016</b>
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><b>Q3 2016 Update:</b> This measure tasks the Department of Foreign Affairs and Trade, IDA and EI to obtain and consider the view of the Irish diaspora and business networks in relation to Ireland as a location of choice for high-skilled IFS professionals.</p> <p>In consultation with the Department of Finance, it was agreed that engagement with the diaspora would primarily be undertaken by means of a questionnaire to be issued through the Embassy network to approximately ninety overseas Irish business networks, including business networks in all of the main IFS markets.</p> <p>The questionnaire was designed in consultation with the IDA, EI and the Department of Finance and has four main parts:</p> <ul style="list-style-type: none"> <li>• The first part focuses on collating background information on the respondent. It is designed to build up as full a picture as possible of the respondent and, in particular, to gauge their experience in the industry.</li> <li>• The second part focuses on the respondent's awareness of Ireland in general and, specifically, of the IFS industry in Ireland. This section is also aimed at building awareness for IFS2020 and the banner brand for financial services in Ireland – "<i>IFS Ireland</i>".</li> <li>• The third part focuses on the constraints and enablers in respect of Ireland as a location of choice for high skilled IFS professionals.</li> </ul>	 Measure Delayed

<ul style="list-style-type: none"> <li>The final part provides for follow-up engagement. It includes references to the new IFS Ireland website and to the European Financial Forum on 24th January of 2017.</li> </ul> <p>The questionnaire - accompanied by a letter of introduction from the Minister of State with responsibility for IFS, Eoghan Murphy T.D. - was issued through the Embassy network on 28 July with a deadline for responses of Friday 9 September.</p> <p>The collated responses will form the basis of the report to the IFS2020 Joint Committee on the views of the diaspora and overseas business networks on the constraints and enablers in respect of Ireland as a location of choice for high-skilled IFS professionals. It was agreed by the Public Sector Coordination Group that Minister of State Murphy would undertake targeted direct consultations with diaspora and business network members in key IFS markets as part of his overseas promotional visits programme in H2 2016. Reports of these meetings will also feed into the final report.</p> <p>Given the decision to include reports from Minister of State Murphy's direct consultations in H2 2016, it was decided that the submission of the final report to the Joint Committee would be postponed to the Q4 Joint Committee meeting.</p>	
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<b>Action #6: Operational Metrics for the Central Bank</b>	<b>Status at Q3 2016</b>
<p>M #25 The Central Bank and Department of Finance will, in accordance with their respective legal roles, continue to review the authorisation service standards reported by the Central Bank in 2015, with a view to further refining these standards by Q3 2016.</p>	
<p><b>Q3 2016 Update:</b> This measure is now complete on schedule. The Central Bank has published a revised Annual Performance Statement in line with the requirements set by the Minister for Finance. Following extensive engagement with the Department of Finance, the Central Bank has also published revised authorisation service standards.</p> <p>There are two distinct outputs from this measure, namely the publication by the Central Bank of a:</p> <ol style="list-style-type: none"> <li>1. Revised Annual Performance Statement in line with the requirements set by the Minister for Finance, and</li> <li>2. Revised Central Bank authorisation service standards.</li> </ol> <p>Given the legal independence of the Central Bank the revision to the authorisation service standards policy and changes were advanced by the Central Bank.</p> <p><b>1. Central Bank Annual Performance Statement (Financial Regulation) 2015-2016</b></p> <p>A joint Central Bank / Department of Finance working group agreed changes to the Central Bank's Annual Performance Statement to make it more focused on performance, accessible and concise. These changes, approved by the Minister for Finance, were implemented in the publication of the Annual Performance Statement (Financial regulation) 2015-2016. The Annual Performance Statement was published in April 2016 and is available on the</p>	<p style="text-align: center;">✓</p> <p>Measure Complete</p>

corporate publications page of the Central Bank website. These changes will be built on in the coming years.

<http://www.centralbank.ie/publications/Pages/corporate-publications.aspx>

## 2. Central Bank Authorisation Service Standards

The Central Bank has engaged extensively with the Department of Finance regarding IFS2020 since June 2015. This engagement initially consisted of (i) drafting an appropriate measure for inclusion in the IFS2020 Action Plan 2016 consistent with the Central Bank’s independent status and (ii) progressing the measure itself.

On a twice yearly basis the Central Bank publishes a report, the Regulatory Service Standards Performance Report, on its performance against service standards which have been committed to in respect of authorisation activity. The Central Bank is committed to providing a clear, open and transparent authorisation process while ensuring a rigorous assessment of the applicable regulatory standards.

Following engagement under IFS2020, a number of improvements have been made to the reporting, including:

- The number (and not only percentage) of submissions or applications that met the standard,
- Processes not previously captured by reporting (e.g. the Prospectus Directive function),
- Links to the guidance on the Central Bank’s website on how to submit an application for authorisation for the various entity types, and
- Information on applications that have (a) been withdrawn by the applicant or (b) become dormant through lack of engagement from the applicant.

The report for H1 2016 was published by the Central Bank in Q3 2016 and is available on the Central Bank website. This document sets out the Central Bank’s performance against service standards that it has committed to for the authorisation of financial service providers and Pre-Approval Control Functions under the fitness and probity regime.

<http://www.centralbank.ie/regulation/processes/authorisation/ServiceStandards/Pages/default.aspx>

<b>Action #8: Assess Ireland’s Financial Markets Infrastructure</b>	<b>Status at Q3 2016</b>
M #28 D/FIN, with input from key stakeholders, to produce an analysis of possible core markets infrastructure, identifying dependencies and assessing possible outcomes/objectives.	
<b>Q3 2016 Update:</b> Following input from the IDA, the Department of Finance completed an analysis of Ireland’s financial markets infrastructure, relevant legislation and potential issues that may arise for Ireland in the future. Given the nature of this area and the pace of change the securities settlement landscape is experiencing, it may be necessary for relevant stakeholders to examine the area further to build greater awareness of the strategic issues arising.	 Measure Complete

### **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.

Relevant initiatives under the 2016 Action Plan are under Action #9, measures #29-30, due for delivery in Q4 2016. There are no measures due for completion in Q3 2016, but with indications that the Action is fully on course at this juncture.

#### 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, of which 3 are scheduled for completion in Q3 2016, namely (i) review Ireland’s status as a location for asset management, (ii) Ireland as a global location for asset management and (iii) industry engagement in the aviation financing and leasing sub-sector. Updates on progress on these 3 measures are provided below.

A further 2 measures under strategic priority 4 are delayed from Q2, but are nevertheless expected to be completed within the calendar year. In relation to measure #31 and measure #39, Enterprise Ireland continues to work with all key stakeholders to prepare strategies for the FinTech and Payment sectors. Given the breadth of the sectors and the scope of the task involved, it is important to ensure close consultation and co-operation with industry. In that regard, the finalisation of both measures has been delayed, but is expected within the calendar year. The development of robust collaborative FinTech and Payments strategies will reinforce and strengthen Ireland’s position as a leading global location for FinTech and Payments.

Work continues on the development of Ireland’s capabilities and readiness to capitalise on opportunities afforded by the EU Capital Markets Union initiative which is delayed at an EU level.

**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 Q3 2016
M #31	FinTech Strategy Paper	
	<p><b>Q3 2016 Update:</b> This measure is delayed but is expected to be completed in Q4. Enterprise Ireland has been engaging with industry stakeholders through the FinTech and Payments Association of Ireland (FPAI) FinTech Working Group. Given the breadth of the sector and the scope of the task involved the completion of the proposed strategy paper outlining proposals to further develop and enhance Ireland’s status as a leading location for FinTech has been delayed. Project management and administrative support resources have been made available by Financial Services Ireland. The industry input into this strategy paper has been received by Enterprise Ireland. Enterprise Ireland will develop proposals with all other stakeholders with the aim of finalising the paper in Q4.</p>	<p>● Measure Delayed</p>
M #39	Prepare a Strategy for the Payments sub-sector	
	<p><b>Q3 2016 Update:</b> Enterprise Ireland has been engaging with industry stakeholders through the Payments Working Group of the FinTech and Payments Association of Ireland (FPAI) to progress this strategy. The FPAI has developed an industry strategy paper which has identified a vision for the sector and a number of key objectives aimed at adding value to government initiatives and driving a leap forward in the Irish Payments Industry. This strategy paper provides important guidance from a number of key voices within the payments</p>	<p>● Measure Delayed</p>

	<p>industry. Recommendations have been identified which support development and innovation in the Irish payments industry. The focus areas proposed and recommendations require further discussion and buy-in from the wider payments industry as well as agency and Government Departments before the Payments Strategy can be finalised. This process has already begun with a dedicated meeting between the FPAI and public sector stakeholders to explore and clarify some of the detailed recommendations from these inputs.</p> <p>A final Payments Strategy will be prepared in Q4 by Enterprise Ireland with input from the IDA and other key stakeholders. It is anticipated that the some key recommendations and actions will contribute towards the development of the IFS2020 Action Plan for 2017.</p>	
M #40	Review Ireland's status as a location for asset management	
	<p><b>Q3 2016 Update:</b> 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 Ireland Strategic Investment Fund, a number of measures are being developed for inclusion in the IFS2020 2017 Action Plan. While the review has now been completed, IDA Ireland is currently considering its findings and will provide a report to the Q4 Joint Committee meeting.</p>	<p>● Measure Delayed</p>
M #41	Ireland as a global location for private equity funds and management	
	<p><b>Q3 2016 Update:</b> Heads of a Bill to amend the Investment Limited Partnership Act 1994 are at an advanced stage. All relevant stakeholders, including all relevant public sector stakeholders, have been consulted.</p>	<p>✓ Measure Completed</p>
M #42	The Aviation Finance and Leasing sub-sector will engage through the IFS2020 Industry Advisory Committee and other structures such as the National Civil Aviation Development Forum (NCADF to be established Q1 2016) and associated working groups, as appropriate, in relation to the development of the sub-sector. The industry representative on the IAC will update the IFS Joint Committee in Q3 2016 in relation to issues of interest to the sub-sector including, inter alia, Education and Skills, promotion and marketing measures, Double Taxation Agreements and other relevant bilateral agreements.	
	<p><b>Q3 2016 Update:</b> As part of the National Civil Aviation Development Forum (NCADF), a working group dedicated to Leasing and Finance has been meeting since Q2 2016. The outputs of the group have significant overlap between the work of the Department of Transport Tourism and Sport and IFS2020. The work of the NCADF was presented to the Q3 Joint Committee by John Higgins, the aviation industry representative. It included a number of recommendations on developing the attractiveness of the jurisdiction for international executives. This is aimed at protecting and maintaining the existing</p>	<p>✓ Measure Completed</p>

	levels of activity within the aviation leasing sector in as the industry is forecast to continue growing.	
M #45	Develop Ireland's capabilities and readiness to capitalise on opportunities afforded by the EU Capital Markets Union initiative	
	<p><b>Q3 2016 Update:</b> 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. It sets out a programme of measures which aim to establish the building blocks of an integrated capital market in the 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.</p> <p>The Department of Finance has been actively engaged on CMU since its inception. Progress has been made on the Prospectus Regulation and the Securitisation Regulation. In both of these files, Ireland's interest have been well served in the Council agreements.</p> <p>There has been a substantial number of public consultations launched under the CMU umbrella. The Department of Finance continues to monitor closely, including consultations on Covered Bonds, the Cross Border Distribution of Investment Funds and on the review of the cumulative impact of the recent wave of EU financial services legislation.</p> <p>Following the European Commission's Report on Crowdfunding, the Department of Finance is currently preparing a public consultation document which will examine the merits of establishing a national regulatory regime for crowdfunding.</p> <p>The Department continues to have an internal Capital Markets Union Working Group which meets as necessary to monitor progress on the CMU Action Plan. As proposals at a European level develop further, the Department of Finance will continue to identify what opportunities arise for Ireland and engage with the relevant stakeholders.</p> <p>The Department of Finance will provide an update to the IFS2020 Joint Committee in Q4 2016.</p>	 Measure Completed

### **Strategic Priority 5: Benchmarking Progress**

Since 2011, Ireland's relative international competitiveness as measured by a range of international indices has steadily improved. 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 24th in the WEF 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 recent 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.

## Appendix 1 Monitoring Dashboard

Action	M	Title	Deadline	Q1	Q2	Q3	Q4
1	<b>Deliver a coordinated approach to promotion of IFS under the new banner brand</b>						
	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	<b>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</b>						
	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	<b>Promote IFS as a career option</b>						
	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	<b>Talent attraction and retention for the IFS sector</b>						
	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	<b>Promote IFS development on a regional basis</b>						
	23	Promote IFS on a regional basis	Q4				●
	24	Ensure that IFS features in policy and strategies for development in Dublin	Q1	✓			
6	<b>Operational Metrics for the Central Bank of Ireland</b>						
	25	Review the authorisation service standards reported by the Central Bank of Ireland	Q3			✓	
7	<b>Double Taxation Agreements and other bilateral instruments</b>						
	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	<b>Assess Ireland's Financial Markets Infrastructure</b>						
	28	Produce an analysis of possible core markets infrastructure	Q3			✓	
9	<b>Enhance Ireland's Research and Innovation ecosystem for the IFS sector</b>						
	29	Showcase Ireland's research and innovation ecosystem for the IFS sector	Q4				●
	30	Support FinTech Accelerators	Q4				●
10	<b>Develop opportunities in niche and emerging IFS sub-sectors and new markets</b>						
	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		✓			
<b>Legend</b>							
● Measure delayed beyond scheduled quarter							
● Measure at risk of being delayed							
● Measure on track							
✓ Measure Completed within scheduled quarter							

