



Minutes of the IFS2020 Joint Committee Meeting

09.00am, 25 April 2016
Room 308, Government Buildings, Department of the Taoiseach

Attendance

Public Sector High Level Implementation Committee (HLIC): Minister of State Simon Harris (Chair); Ann Nolan (D/Fin); Martin Fraser (D/Taoiseach); John Murphy (D/JEI); Martin Shanahan (IDA); Julie Sinnamon (Enterprise Ireland); Jonathan Conlon (D/FAT, for Niall Burgess); David Moloney (D/PER, for Robert Watt).

IFS Industry Advisory Committee (IAC): Carin Bryans (J.P. Morgan); David Dalton (Deloitte); Brian Daly (KPMG); Susan Dargan (State Street); Liam Foley (Interaction); John Higgins (Avolon); Peter Keegan (BAML); Colm Lyon (Fire Financial Services); Michael Mainelli (International Member); Patrick Manley (Zurich); Barry O'Dwyer (Blackrock).

HLIC Secretariat: Mary Clare O'Sullivan (D/Taoiseach). IAC Secretariat: Marc Coleman (FSI)

Officials in attendance: Gareth Murphy, James O'Sullivan (Central Bank); Neil Ryan (D/Finance); Maria Ginnity, Criona Brassill (D/JEI); Cathal O'Regan, John Golden, Emma Sambrooks (D/Taoiseach); Brendan McCormack, Giles O'Neill (Enterprise Ireland); Kieran Donoghue, Justin Sullivan (IDA); Richard Troy (Private Secretary to Minister Harris). Michael Lee (NTMA) for Agenda Item 1.

Apologies: Niall Burgess (D/FAT); Robert Watt (D/PER); Geraldine Gibson (AQ Metrics).

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Item 1. Briefing on Ireland Strategic Investment Fund

As provided for in Action 32 of the 2016 Action Plan, Michael Lee (NTMA) provided an overview to members of the Ireland Strategic Investment Fund (ISIF) and its relevance to IFS, outlining the Fund's mandate to invest on a commercial basis to support economic activity and employment. From an International Financial Services (IFS) perspective, Mr Lee outlined the importance of enhancing Ireland's long term "sphere of influence" and creating high-value added jobs that would attract corporate decision-makers from the financial services industry to live and work in Ireland. He also outlined other potential investments that the Fund could support, including in IFS sub-sectors like FinTech and Aviation Finance and Leasing. Mr Lee concluded his input by inviting follow-up engagement from public sector, individual companies and industry groups regarding the potential of ISIF to invest in IFS-related activities. (Michael Lee departed the meeting).

Item 2. Q1 2016 Progress

The draft Progress Report for Q1 2016 was circulated prior to the meeting, including for the first time a 'traffic light' overview of progress against the action plan. Six of the seven measures scheduled for delivery in Q1 have been completed on time, with one measure delayed, and a further two measures due in Q2 that may potentially be delayed. These measures would be considered later in the meeting, but Minister Harris indicated that the Q1 measures is now back on track, and that he expects the Q2 measures at risk of delay will still be delivered within a reasonable time frame. The Minister requested that any comments on the draft Report be provided to the Secretariat by Friday 29 April at the latest, with a view to bringing it to Government for noting as soon as possible thereafter.



J. Sinnamon (EI) and M. Shanahan (IDA) both reported that their respective agencies have a strong pipeline of jobs and investment following the net jobs growth of 7.4% in 2015, and expect 2016 to be another good year for job creation in the sector including from a regional perspective.

Item 3. Review of EFF2016 and proposals for EFF2017

Minister Harris noted that members had received a summary of the IDA review of the European Financial Forum 2016, which had been informed by consultation with stakeholders. The event received generally positive feedback particularly considering the limited timeframe for delivery. M. Shanahan updated on initial plans for next year's European Financial Forum, as set out in the 2016 Action Plan, which will take place on 24th January 2017, again in Dublin Castle. EFF2017 will include a focus on Asia, and work is already underway to identify high calibre speakers. IDA is currently preparing for a public procurement process to appoint a Professional Conference Organiser for the event. Both Minister Harris and M. Shanahan invited industry to input to the planning of EFF2017 as soon as possible, in particular regarding identifying speakers, attracting delegates, and ensuring a co-ordinated approach to any planned fringe events. IDA agreed to revert on an industry query about the number of delegates who had travelled from overseas to attend the 2016 event.

Item 4. International Promotion & roll-out of IFS Ireland Banner Brand

Minister Harris welcomed the progress in rolling out the IFS Ireland Banner Brand to date, including efforts by both public and private stakeholders to include the banner brand at relevant events and other promotional opportunities (as reflected in the shared calendar circulated prior to the meeting) and emphasised the importance that this work continue. To support this, the HLIC had agreed that a public sector sub-group be established to ensure a strategic and co-ordinated approach to further roll-out of the banner brand. M. Shanahan reinforced these comments from an IDA perspective noting that opportunities for deployment of the Banner Brand at ministerial/government level has been somewhat constrained in Q1 but that the public sector side would ensure it is reflected in trade missions and ministerial travel when the opportunity arises. J. Conlon added that the Embassy network is ready to assist where possible, including with the task of translating banner brand material for key markets, and welcomed any suggestions from industry in this regard.

Item 5. Update on other key deliverables

Minister Harris noted the increased number of actions due for delivery in Q2, and welcomed the ongoing positive engagement between the public sector and Industry.

5.a Update on FinTech and Payments actions

Minister Harris emphasised the importance of the delivery of the FinTech and Payments strategies, and welcomed the engagement on these to date. J Sinnamon updated the Group, advising that the Payments Strategy is on track for delivery in Q2. Given the broader scope and complexity of the FinTech Strategy, work may extend beyond its original Q2 deadline but remains on track for finalisation by year end.

C Lyon briefed the Committee on developments in the FinTech & Payments Association of Ireland, including the appointment of Richard Walsh as CEO, and the recent hosting of the very successful *FinTech Nation* conference. He noted and welcomed the participation of the public



sector at this event, including speakers from the Central Bank and the Department of Finance. The FPAI plans to run workshops to contribute to the development of the FinTech and Payment strategies.

5.b Mentoring Panel

J. Sinnamon advised that while the finalisation of a Terms of Reference had been slightly delayed, a draft had been circulated in advance of the meeting. It is anticipated that a mentoring panel will be formed shortly, which will be operated along the same lines as EI's general mentoring programme, but with C-level executives from the IFS sector supporting FinTech, Payments and other client companies in the EI IFS portfolio. Minister Harris encouraged the IAC and other industry representatives to engage with Enterprise Ireland with a view to establishing the panel as quickly as possible.

5.c Education & skills and IFS apprenticeships

Minister Harris noted that the next meeting of the Education & Skills Liaison Forum, to support delivery of the relevant 2016 actions, is being planned for June. It was noted that the IFS apprenticeships had been launched at an event on 15 April, and strong interest is being shown by companies. A one-page note offering additional information on the three new IFS apprenticeships is available on request to the Group. Minister Harris commended both FSI and the National College of Ireland for their efforts in delivering this measure.

Item 6. AOB

China: A. Nolan and J. Conlon confirmed that there is ongoing progress in relation to China, with D/FIN and D/FAT progressing the issue in conjunction with other stakeholders including our overseas missions.

Limited Partnership Legislation: A. Nolan advised that since the last quarterly meeting the Department of Finance had prioritised priority IFS-related legislation including the transposition of UCITS V (Directive 2014/91/EU) via S.I. 143/2016 which was achieved within the deadline, and engagement at EU level in relation to proposals on Money Market Funds. Work on Limited Partnership legislation would be progressed as soon as possible in this context.

EU Audit Reforms: Industry had raised this as an Agenda Item and J Murphy updated the Joint Committee on plans to transpose the EU Audit Directive (56/2014) by way of statutory instrument, in time to meet the 17 June deadline. The accompanying EU Audit Regulation (537/2014) takes effect on the same day. Those aspects of the EU reforms which are not appropriate for statutory instrument will be considered in a Statutory Audits Bill, the heads of which are intended for submission to Government for approval in Q3 2016. The Bill will seek to strike the correct balance between the need for appropriate regulation of the sector and Ireland's competitive position reflecting consultation with the Central Bank, IAASA, the Oireachtas and Industry stakeholders. Minister Harris noted S. Dargan's comments that industry considers certain aspects of the approach may impinge on Ireland's competitiveness given the approach being taken by some of our competitors, and indicated that the issues raised would be conveyed to the Minister.

Outsourcing

L. Foley outlined industry concerns in relation to the current uncertainty regarding the application of VAT on certain activities of outsourcing firms, following judgements by the European Court of Justice. A. Nolan noted the limited discretion for individual Member States and the necessity to



maximise what can be done within the existing framework, indicating that as far as she was aware the Commission does not currently propose issuing a Directive on the matter. L. Foley indicated that a Directive on the matter might prove welcome.

Working Groups

Minister Harris noted that industry is progressing with its plans to establish International Banking and International Insurance in line with the 2016 Action Plan. A more recent proposal for an industry working group on Aviation Finance and Leasing could be considered at the Q2 Joint Committee meeting, once draft Terms of Reference had been given initial consideration by the Public Sector Coordination Group. The Minister indicated that any proposal should have regard to the principles previously outlined for the establishment of industry working groups, including the avoidance of duplication with existing groups and other mechanisms. The IAC Secretariat noted it would provide draft terms of reference to the IFS2020 Public Sector Coordination Group for initial consideration and feedback.

Conclusion and dates of next meeting

Minister Harris concluded by thanking all members for their attendance and continuing efforts in relation to IFS2020. Noting the rotation of the Industry Secretariat, Minister Harris thanked FSI and in particular Marc Coleman for his valuable contribution to the work of the Joint Committee, and his contribution to the IFS2020 Strategy actions.

It was noted that the Joint Committee is currently scheduled to meet again on Monday 20 June at 9 am.