



Ireland for International Financial Services

International Messaging

November 2018

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KEY MESSAGES

Ireland and IFS

- Ireland is a **globally-recognised centre for specialist International Financial Services**.
- Ireland is home to **over 400 IFS companies** including over 200 foreign-owned companies spread throughout the country employing **almost 42,000 people**.
- These companies include some of the world's largest IFS companies in sub-sectors such as **banking, funds, asset management and investment, insurance and reinsurance, FinTech and aircraft leasing**.
- Ireland has a **clear and coherent plan for driving further growth in IFS** – the **IFS2020 Strategy** – supported and driven by all relevant public and private stakeholders and led by a **dedicated Minister for IFS, Michael D'Arcy TD**.
- Ireland offers a unique blend of expertise and a proven track record in the area of green and sustainable finance with €28bn worth of activities listed here.
- The fourth annual **European Financial Forum (EFF)** will be held on the **13th February 2019** in Dublin Castle.
- Ireland **co-hosted the EU's Climate-Knowledge Innovation Community (Climate-KIC) Innovation Summit in Dublin Castle on 6-8 November 2018**.

Trading with and Investing in Ireland

- Ireland is and will remain a **fully committed member of the EU and the Eurozone**. As an EU member, Ireland has **guaranteed access to financial services passporting across the EU and EEA**.
- Our unemployment rate, at 5.4%, is well below the EU (6.8 percent) and Eurozone (8.1 percent) averages.
- All key economic indicators point to **continued solid economic growth in Ireland**. **Real GDP grew by 7.2 percent in 2017** and **real GDP growth of 7.5 percent** is forecast for **2018**. **Real GDP is predicted to grow by 4.2 percent in 2019**.

Ireland – Business Environment

- Ireland was ranked as the **2nd best country in the Eurozone for doing business** in the Forbes magazine rankings in 2018, coming an overall 8th in the world.
- The International Institute for Management Development ranks Ireland **12th in the World; 7th in Europe; and 3rd in the Euro Zone** for overall competitiveness.

- Ireland is ranked **10th overall and 4th in knowledge and technology outputs in the 2018 Global Innovation Index** and **11th globally for overall scientific research**. Companies receive a 25% tax credit against Research and Development.
- **Government** plans to **invest €116bn in infrastructure projects** by 2027, and capital investment in infrastructure will be sustained at an average of 4% of GNI* over the period.

Living & Working in Ireland

- Ireland is an increasingly **diverse society**, and is ranked **12th (out of 146 countries) on the Social Progress Index 2018** and is ranked **4th in the UN Development Programme's "Human Development Index"** for 2018.
- **International schooling is available in Dublin and a number of private education providers are working on increasing provision of international educational services in Ireland.**
- Ireland is **well connected to the rest of the world**. There are regular flights to all major European cities; over **70 daily weekday flights to London** and direct flights to Beijing and Hong Kong.
- Ireland is the **only European country with US immigration flight pre-clearance facilities**.

IRELAND AND IFS

Overview & Strategy

Overview

- Ireland is a **globally-recognised centre for specialist IFS**. Ireland is home to **over 400 IFS companies** including over 200 foreign-owned companies spread throughout the country.
- **Almost 42,000 people work in dedicated international financial services in Ireland.**
- Snapshot of IFS in Ireland:
 - ✓ 4th largest exporter of Financial Services in the EU
 - ✓ No. 1 location worldwide for hedge fund administration, servicing 40% of all global hedge fund assets
 - ✓ Over €4.9 trillion of assets under administration – over 14,000 funds and promoters from 50 countries
 - ✓ 20 of the top 25 Financial Services companies have a presence in Ireland
 - ✓ 17 of the top 20 global banks are based in Ireland
 - ✓ 8 of the top 10 global aviation lessors and over 60% of the world's leased commercial aircraft owned or managed from Ireland
 - ✓ 11 of the top 15 insurance companies have a presence in Ireland

Ireland's Government Strategy for IFS – IFS2020

- The continued successful development of the **IFS Sector in Ireland is a priority for the Irish government** and is led by a **dedicated Minister for IFS, Michael D'Arcy TD.**
- IFS2020 is a five-year, **whole-of-Government strategy to drive the growth and development of the IFS sector in Ireland.**
- The IFS2020 **Action Plan for 2018** identifies 6 priority areas for action:
 - ✓ **Progress legislation** to support the development of Ireland as a global location for **private equity funds management.**
 - ✓ A focus on **green and sustainable finance**, including co-hosting the European Climate Innovation Summit in Dublin in November.
 - ✓ Continue to promote **growth in regional locations in Ireland.**
 - ✓ Continued focus on **skills and development** of talent.
 - ✓ Further support for the **aviation finance sector** with implementation of Double Taxation Agreements and inclusion on the Cape Town Convention list.
 - ✓ Develop Ireland's **Financial Market Infrastructure** with an assessment of the feasibility of establishing an Irish-based Central Securities Depository.
- ***IFS Ireland*** is the **banner brand** for Ireland's IFS industry, supported and promoted by the public and private sector, representing the integrated face for the world's premier financial institutions all trading from Ireland.

- Further details on IFS Ireland are available on www.IFSireland.com and you can follow IFS Ireland on twitter on [@IFS_Ireland](https://twitter.com/IFS_Ireland)

Regional Aspect of IFS

- **30% of IFS jobs are based outside Dublin**, with firms in these locations reporting **lower operating costs** and **higher staff retention rates** than in other major cities.
- **Office rental prices substantially less than Dublin**, thereby offering competitive and lower cost locations.
- Regions outside the Greater Dublin Area and Cork are **eligible for IDA Ireland¹ Capital and Employment Grants**.

European Financial Forum - #EFF19

- The fourth annual **European Financial Forum (EFF)** will be held on **13 February 2019** in Dublin Castle.
- The EFF is a unique, Government sponsored, **European platform for top decision-makers and influencers**, in the public, private and regulatory fields of financial services, enabling them to discuss the future of financial services.
- The EFF allows Ireland's IFS sector to showcase its capability in providing specialist financial services, with senior executives explaining the importance of their Irish operations as part of their Global and regional corporate strategies.
- In 2019 participants will include:
 - An Taoiseach, Leo Varadkar, TD;
 - Minister for Finance, Paschal Donohoe, TD;
 - Central Bank Governor, Philip Lane;
 - CEO of IDA Ireland, Martin Shanahan;
 - Head of EMEA and CEO of Morgan Stanley & Co. International, Clare Woodman;
 - President of the Atlanta Federal Reserve, Raphael Bostic;
 - Vice Chair of Bank of America Merrill Lynch, Anne Finucane;
 - CEO designate of State Street, Ronald O'Hanley.
- More details can be found here: <https://live.ft.com/Events/European-Financial-Forum2>

¹ Industrial Development Authority Ireland – Ireland's inward investment promotion agency.

Ireland's IFS Subsectors

FinTech and Payments

- As a global hub for finance, technology and investor activity, Ireland is a hotbed of Fintech innovation with:
 - ✓ Established global industry leaders with Irish operations in both IFS and Technology sectors;
 - ✓ Critical mass of innovative indigenous Irish companies;
 - ✓ Comprehensive Double Taxation Agreement network;
 - ✓ Competitive corporate tax rate of 12.5%;
 - ✓ Knowledge Development Box – tax rate of 6.25%;
 - ✓ R&D Tax Credit of 25%;
 - ✓ EU Regulatory Passporting;
 - ✓ Strong independent Regulator delivering independent and effective authorisation and supervision;
 - ✓ **Six Irish** FinTech companies on the global regtech 100 list.
- Ireland is the European home for global innovation labs for companies such as Mastercard, Accenture, Deloitte, Google, Consensus, BNP Paribas and Citi.
- Enterprise Ireland is the world's second biggest FinTech investor and the third largest venture capitalist in Europe, investing in over 80 deals for FinTech companies.
- These deals, combined with financial services companies, have helped generate over €1 billion in revenue in 2017.

Green/Sustainable Finance

Key Messages

- Green/Sustainable finance is an emerging high-growth IFS sub-sector. The G20 estimates that the world will need to invest around \$90 trillion in sustainable infrastructure assets by 2030 to implement the Paris Agreement on climate change and the UN Sustainable Development Goals.

What is Ireland's green finance offering?

- Ireland has a globally-recognised cluster of talent in renewable energy finance, thanks to our global windfarm pioneers.
- World-leading professional services firms with experience in supporting green asset management.
- The National Treasury Management Agency issued its first green bond on 10 October 2018, raising €3 billion, which is underpinned by the Irish Sovereign Green Bond Framework.

Finance Green Ireland

- Ireland's green/sustainable finance initiative is **Finance Green Ireland**. The Forum aims to drive awareness of Ireland's world leading green finance credentials and **promote Ireland as a leading Global Green Finance Centre**, in order to attract more talent, capital and innovation to Ireland.

Climate Innovation Summit

- Ireland co-hosted the EU's Climate-Knowledge Innovation Community (Climate-KIC) Climate Innovation Summit in Dublin Castle on 6-8 November 2018.
- It is Europe's leading event on climate innovation and was attended by over 600 policy makers, financiers, scientists, climate experts, business leaders, entrepreneurs and academics.
- The summit discussed innovative finance solutions (i.e. sustainable finance needed for the decarbonisation of transport, buildings, and food production) to put Europe on track to meet its climate goals.

TRADING WITH AND INVESTING IN IRELAND

Ireland's Economy

- All key economic indicators point to **continued solid economic growth in Ireland**, despite the challenging regional and global environment. **Real GDP grew by 7.2% in 2017** and **real GDP growth of 7.5%** is forecast for **2018**. **Real GDP is predicted to grow by 4.2 percent in 2019**.
- Furthermore, private consumption is expected to rise by an average of 2% through to 2021, while investment and exports are forecast to grow by 6.1% and 6.9%, respectively, in 2018. The **immediate impact of the UK referendum and Brexit negotiations has been relatively muted**.
- The Government is maintaining a countercyclical budgetary policy, which will maintain resilience of the public finances, avoid unnecessary borrowing and protect against overheating – thereby **supporting competitiveness and debt sustainability**.
- Ireland's unemployment rate, at 5.4%, is well below the EU (6.8%) and Eurozone (8.1%) averages.
- Ireland has an **'A' grade status from all major sovereign debt rating agencies, with all forecasting a stable outlook**.
- Ireland has made steady progress towards placing our **public finances on a sustainable footing**.
 - Furthermore, a balanced budget is forecast for 2019, **for the first time since 2007**, allowing the country to better withstand external shocks.
 - Ireland's **debt to GDP ratio is manageable and on a firm downward trajectory** and is projected to be 64% of GDP in 2018, a 4.4 percentage point decrease since end-2017. It is forecasted to be below 60% of GDP by 2020 (the Stability & Growth Pact debt target), hitting 56.5% in that year.
 - **The cost of borrowing is close to historic lows**. Irish bond yields (benchmark ten-year bonds) are now trading steadily at close to 1%, in line with most EU peers.

Ireland: The EU and Brexit

- Ireland is **fully committed to membership of the EU and the Eurozone.**
- As an EU member, Ireland has **guaranteed access to financial services passporting across the EU and EEA.**
- **Irish public support for the EU is very high** (92%). There is strong support for EU membership across all major political parties.
- EU membership remains **central to the success of our open, competitive economy.**
- **Diversification in identifying new markets and intensification in expanding existing markets** is an important component of our post-Brexit strategy.
- The UK is an important trading partner, at 14% of Irish trade. However our export market is increasingly diversified, with **31% of Irish trade now being with other EU Member States.**
- Ireland is in a very strong position to **maximise opportunities in IFS** arising from Brexit.

IRELAND – BUSINESS & WORKING ENVIRONMENT

Pro-Business Environment

- Ireland:
 - ✓ Is, and will remain, the **only English-speaking, common law country in both the EU and the Eurozone**;
 - ✓ Has a strong **pro-business environment, including an open economy** and a stable and consistent **12.5% corporate tax rate**;
 - ✓ Has a **strong and fully-independent financial services regulator** providing high-quality, effective regulation and supervision fully embedded in the European System of Financial Supervision and the Single Supervisory Mechanism;
 - ✓ Has **close and long-established business links with both the UK and the US**;
 - ✓ Has **strong incentives for research and development**.
- Ireland was ranked as the **2nd best country in the Eurozone for doing business** in the Forbes magazine rankings in 2018, ranking an overall 8th in the world.
- Ireland is one of the most competitive economies in the world. Our strong and improving competitiveness position is reflected in Global Competitiveness Reports:
 - ✓ The International Institute for Management Development ranks Ireland **12th in the World; 7th in Europe; and 3rd in the Euro Zone** for overall competitiveness;
 - ✓ The World Economic Forum ranks Ireland as the 23rd most competitive economy;
 - ✓ The World Bank ranked Ireland as the 17th easiest country in the world in which to do business in 2018.

Regulation and Licencing

- The **Central Bank of Ireland (CBI) is committed to delivering high-quality, effective financial regulation and supervision to safeguard financial stability and protect consumers**.
- The CBI **strongly encourages all applicants to engage with them early in the application process for authorisation to establish and operate in Ireland**.
- The CBI carries out its functions in the context of a **harmonised approach to financial regulation across the EU** and regularly undertakes **rigorous assessment against published rules, processes and standards derived from EU law**, ensuring that regulated firms are well-run and resourced, and that consumers are protected.
- The CBI is **ready to confront any challenges posed by Brexit**. It has sufficient resources, including dedicated professional teams, to deal with any increase in applications.

People and Talent

Key messages

- The Government recognises that the **continued growth of high-value, export-based sectors** requires firms to have access to a **skilled labour pool**.
- It is dedicated to achieving this via **continued investment in education and up-skilling domestically**, and an **effective visa and work permit system for migrant workers**.

Young and highly skilled workforce

- Ireland's key assets are our people. Our workers are well-educated, highly-skilled, flexible, internationally diverse and multilingual.
- 33% of our population is aged under 25, giving us **the youngest population in the EU**.
- Ireland has a **highly educated workforce**:
 - ✓ Over 50% of 30-34 year olds have a third-level qualification – higher than the OECD average of 43%;
 - ✓ In 2015/16, over 222,000 students enrolled in third-level courses across Ireland's universities and colleges, while 8,357 pursued doctorates.
 - ✓ Highest proportion of science, maths and computing graduates in the OECD.
- **Talent development** is driven by the: (i) National Skills Strategy 2025; and (ii) Action Plan for Education, covering training and skills development, from primary school to PhDs.
- Ireland has **dedicated training courses** to support the **further development of IFS expertise in Ireland**, with funding programmes supported by the State and industry.
- The International Institute for Management Development, ranks Ireland as:
 - ✓ **1st in the World for flexibility & adaptability of workforce**
 - ✓ **3rd in the World for a national culture that is open to foreign ideas**
 - ✓ **3rd most productive workforce in the world**
 - ✓ **3rd when it comes to worker motivation**
 - ✓ **5th in the World for attitudes toward globalization**
 - ✓ **7th in the World for availability of finance skills**

Immigration and visas

- **15% of Ireland's workforce is international** (11% from other EU countries) meaning that proportionally Ireland has the **3rd most international workforce in Europe**.
- Employment permits criteria are eased for employers and sectors best positioned to grow Ireland's economy through schemes such as the **Trusted Partner Initiative**, aimed at **companies in start-up and expansion modes**, with benefits including:
 - No fee and faster turnaround time
 - Reduced paperwork for every permit applied for under the scheme

Ireland and Innovation

- **The 2018 Global Innovation Index ranks Ireland 10th of 126 countries and 4th in knowledge and technology outputs.**
- Ireland is ranked **11th globally for overall scientific research** and in the **top 5 in key disciplines such as nanotechnology (2nd) and mathematics (4th).**
- Ireland's reputation for excelling in research and creative discovery, is due to 4 main factors:
 - ✓ World renowned research institutes with state-of-the-art facilities;
 - ✓ Many research and study collaborations, including partnerships with industry and universities;
 - ✓ Generous funding and support from both Ireland and the EU, as well as private funding; and
 - ✓ Talented, highly skilled people and PhD graduates with expertise in research.
- 17 Science Foundation Ireland Research Centres established over 1,600 collaborations with industry in 2017.
- Ireland encourages companies to undertake research programmes by **offering a substantial 25% tax credit for Research and Development.**
- Ireland introduced the first **Knowledge Development Box (KDB)** in the world to meet the OECD's 'modified nexus' standard. Ireland's KDB applies a tax rate of 6.25% to profits arising from certain Intellectual Property Assets (patented inventions and copyrighted software) which are the result of qualifying R&D activity in Ireland.
- The EU's Programme to support Research and Innovation, has a **budget of €75 billion** and runs from 2014-20. Ireland has already won €513 million in funding from Horizon 2020 and is on course to secure €1.25 billion over the lifetime of the programme.

Today, Ireland is home to:

- ✓ All of the top 10 'Born on the Internet' companies;
- ✓ All of the top 10 global pharmaceutical firms;
- ✓ 8 of the top 10 global software companies, with more than 500 software firms in Ireland overall;
- ✓ 13 out of the Top 15 Med Tech companies;
- ✓ An established Internet hub with World leading brand name companies (e.g. Google, Facebook, Twitter, LinkedIn, Microsoft, Apple, eBay and PayPal)
- ✓ 7 of the Top 10 Industrial Automation companies

Investing for Competitiveness

Housing Investment

- Steps taken by the Government to address the housing challenge are yielding results.
- **Budget 2019 allocated €2.3 billion to the housing programme for 2019**, a 26% increase on 2018.

Future Planning

- **Project Ireland 2040: Building Ireland's Future**, is an ambitious plan to drive Ireland's long term economic, environmental and social progress across all parts of the country over the next decade, and to prepare Ireland for expected **population growth of over 1 million by 2040**.
- This capital investment is being done in a **prudent and measured way**, taking account of external uncertainties facing our economy, and aims to ensure that Ireland is ready for the future with a society that has **sustainable and balanced growth, nurtures talent, serves the welfare of our people, and offers opportunity for all**.
- **Highlights** include:
 - **A €22bn climate change investment programme** to aid the transition to a low carbon and climate resilient society over the next decade.
 - **Significant public transport investment** across the country, to **boost connectivity** both within Ireland and with international locations.

Start-up Ecosystem

- **Start-up activity is at a record high in Ireland**, with start-up companies now accounting for over two-thirds of all new jobs created in Ireland.
- Ireland is ranked 8th of 137 countries on the Global Entrepreneurship Development Index.
- Enterprise Ireland continues to support start-up companies focussed on the Fintech sector which is a key area of focus under the Government's IFS2020 strategy.

LIVING & WORKING IN IRELAND

Quality of Life

Opportunity

- The number of people employed in IFS in Ireland is projected to grow to 45,000 by 2020.

International education

- **International schooling, including the International Baccalaureate, is available** in Dublin and there is increasing provision of private international educational services in Ireland.

Diversity

- Ireland is ranked:
 - ✓ **12th out of 146 countries** on the **Social Progress Index 2018** and is an increasingly diverse society;
 - ✓ **8th** on the **UN Development Programme's "Human Development Index"**.
- **Irish society is increasingly diverse** with approximately 1 in 6 born abroad. A 2015 Eurobarometer report on Discrimination in the EU showed Ireland to have much higher rates of acceptance, tolerance and open-mindedness compared to other EU countries on issues of gender, race, sexuality, age and disability

Connectivity

- Ireland is **well connected to the rest of the world**. There are regular flights to all major European cities; over **70 daily weekday flights to London** and direct flights to Beijing and Hong Kong.
- Ireland is the **only European country with US immigration flight pre-clearance facilities**.