



Financial Services in Ireland

Global Reach, Local Roots



**Financial Services
Ireland**

ibec

Introduction

Ireland's financial services sector is a cornerstone of the economy, driving growth and innovation. Providing direct and indirect employment to over 123,500 people and contributing billions in tax revenue (€6.8bn), the industry boasts a strong foundation. However, untapped potential remains. Financial Services Ireland (FSI) outlines a strategic vision to propel Ireland to the forefront of global finance.

We have identified five key pillars as crucial for achieving this goal:

- 1. Cultivating a Business-Friendly Environment:** Maintaining a competitive landscape that attracts and retains leading financial institutions through streamlined market access, regulatory efficiency, and a commitment to international collaboration.
- 2. Championing Sustainable Finance:** Leveraging Ireland's reputation for transparency and strong regulation to become a global leader in sustainable finance. This requires government investment, industry collaboration, and the creation of a skilled talent pipeline.
- 3. Fostering Diversity, Equity, and Inclusion:** Promoting a more diverse and inclusive workforce, particularly at senior levels, to drive better decision-making and innovation. Continued support for the Women in Finance Charter and targeted initiatives to diversify the talent pool are essential.
- 4. Investing in Talent Development:** Building a world-class workforce equipped with the skills needed for the future financial services landscape. Upskilling programmes, early talent development initiatives, and streamlined recognition of international qualifications are crucial.
- 5. Embracing Digitalisation:** Supporting the ongoing digital transformation of the sector by establishing a National Fintech Hub to foster innovation and collaboration. This will empower both established institutions and new players to thrive in the digital age.

By implementing these recommendations, Ireland can solidify its position as a global financial hub, attracting significant investment, creating high-quality jobs, and driving sustainable economic growth. This strategic vision is a call to action for policymakers, industry leaders, and educational institutions to work together and shape a bright future for Ireland's financial services sector, and for the nation as a whole.



Financial Services in Ireland at a glance



Ireland's financial services industry
employs over 103,500 people

with additional 20,000 people employed in
auxiliary services supporting the sector.¹



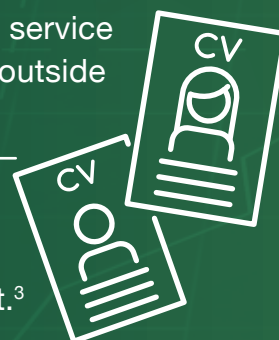
Over 57,600 people

are employed by international financial service
companies, of which 30% are located outside
of Dublin.²

Contributes around

€18.2 billion a year

to the country's gross domestic product.³



The sector's combined corporate
tax contribution is around

€2.7 billion per annum.⁴



Full tax contribution of the sector (including
income tax, PAYE, Capital Gains etc.) exceeds

€6.7 billion per annum.⁴



Ireland is the
**8th largest exporter
of financial services**
in the world.⁵

Ireland is now home to over

30 international banks

holding cross border claims worth \$538 billion.⁶



187 insurance and reinsurance companies

based in Ireland.⁷

Ireland has the **4th largest insurance industry in the EU.**⁷

Ireland's funds industry currently services over **€5.6 trillion of assets under administration.**⁸



Ireland is the **3rd largest funds domicile in the world.**⁸

Ireland is the leading centre for aircraft leasing globally, representing **\$100 billion of assets.**⁹

Ireland is home to **over 50 leasing companies,** including 19 out of the world's 20 top lessor companies.⁹

Over 60% of the world's leased aircraft now managed here.⁹

It is estimated that an Irish leased aircraft takes off from a runway around the world **every two seconds.**⁹



Cultivating a business-friendly environment

The success of the financial services sector in Ireland has been bolstered by Ireland's reputation for having a business-friendly environment. Favourable corporate tax policies, a highly skilled workforce, a strong legal framework and a stable geopolitical position have all contributed to our success.

To solidify our position as a premier destination for international financial firms, we must adopt a two-pronged approach:

- **Optimising FDI attraction:** We need to continuously refine conditions for foreign direct investment. This includes offering streamlined market access and fostering international networking for long-term growth with key partner countries.
- **Fostering domestic growth:** Alongside attracting foreign firms, we must nurture the domestic financial services sector. This requires maintaining a competitive legislative and regulatory landscape, with ongoing engagement with industry experts to ensure policies remain relevant.

Additionally, maintaining Ireland's attractiveness necessitates:

- Swift implementation of European Union directives and international agreements. This promotes stability and predictability for financial institutions.
- Active participation in shaping European financial regulations. By ensuring our unique financial landscape is adequately represented, we can navigate future regulations effectively.



Measures to support this include:

1. **National Anti-Fraud Strategy:** Implement a comprehensive national strategy to combat financial crime, fostering collaboration across sectors to address money laundering and trafficking. Promote information sharing and public awareness for effective prevention.
2. **Promote the Funds Industry:** Enhance initiatives to promote Ireland's funds industry, ensuring its competitiveness in the face of global competition.
3. **Banking Levy Removal:** The levy hinders bank profitability and discourages new entrants to the retail banking market.
4. **Double Taxation Agreements:** Continue to expand Ireland's network of Double Taxation Agreements to maintain its attractiveness for aviation leasing companies.
5. **Optimise Corporate Tax Strategy:** Develop a corporate tax strategy that maximise competitiveness within the new minimum rate, preserving Ireland's reputation as a business-friendly location.
6. **Cybersecurity Investment:** Adequately resource and implement the necessary infrastructure to ensure cyber resilience for financial institutions. Develop a robust cybersecurity ecosystem and industry to safeguard Ireland's digital economy.

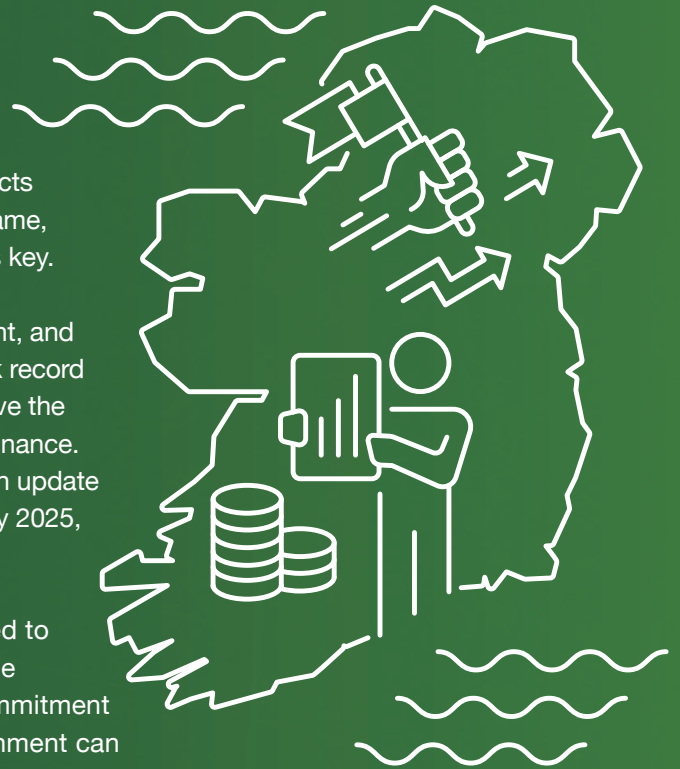
Championing sustainable finance

Ireland for Finance Action plan 2020 recognises the significant opportunity for Ireland to play a leading role in global sustainable finance.

Ireland, the EU, and countries worldwide have agreed ambitious emissions targets in a bid to reach net zero by 2050. To reach these targets, and to mitigate the worst effects of climate change, governments will need to invest trillions. Private capital will be essential to finance the projects needed across infrastructure projects. Within a tight timeframe, greater mainstreaming of the sustainable finance agenda is key.

Ireland has a well-earned reputation as an open, transparent, and well-regulated investment environment, with a proven track record as a robust and reliable financial centre. This means we have the potential to become an international leader in sustainable finance. Ireland's Sustainable Finance Roadmap (2021) (of which an update is currently underway) sets out a pathway to achieve this by 2025, laying out several key actions.

While a number of these actions have been accomplished to date, such as the creation of the International Sustainable Finance Centre of Excellence, we must maintain this commitment to fulfilling our potential as a leader in this space. Government can achieve this through continued investment in the talent and innovation pipeline.



Measures to support this include:

- 1. Unified Messaging:** Government to strongly promote Ireland as a jurisdiction and global hub for sustainable finance by developing a one-page briefing for key government officials outlining a clear and concise message about why Ireland is the ideal location for sustainable finance companies. This ensures a consistent and compelling narrative across all levels of government.
- 2. Active Promotion:** Government ministers to champion Ireland's sustainable finance credentials at international events and conferences. This high-level advocacy demonstrates commitment and attracts international attention.
- 3. Building a sustainable finance talent pipeline:** A huge and skilled talent pipeline is required to future-proof Ireland's role as a leader in the sustainable finance sector, both via third-level and alternative access routes, on the job learning and peer learning. Government to organise a roundtable discussion with government officials, educational institutions, and industry leaders to address the skills gap in sustainable finance. This fosters collaboration in developing relevant curricula and training programmes.

Fostering diversity, equity and inclusion

FSI calls on the Irish government to prioritise diversity, equity, and inclusion (DE&I) measures. A more diverse workforce, particularly at senior levels, fosters better decision-making and a more vibrant ecosystem.

While we welcome the government's support to date for Ireland's Women in Finance Charter, more is required for the Charter to achieve its objective of harnessing the talent and experience of all women in financial services and developing a strong pipeline of talent. This will lead to greater diversity of thought and experience. Further support, financial and otherwise, will be required to ensure its continued success and the mainstreaming of its objectives beyond the four founding trade associations.

We urge the government to implement the recommendations outlined in our "Financial Services in Ireland – Skills of the Future" report, particularly those focused on diversifying the talent pipeline and access routes to roles in financial services.



Measures to support this include:

- 1. Continued Investment in Women in Finance Charter:** Sustained government support for the Women in Finance Charter, promoting its wider adoption across all financial services firms.
- 2. National Financial Literacy Strategy:** Ireland needs a national strategy on financial literacy, empowering individuals with essential money management skills. This will create a more financially savvy population.
- 3. Targeted Fast-Track Immigration:** To address skill shortages, we advocate for the retention and expansion of fast-track immigration initiatives. Regular evaluations of the skills landscape are crucial to ensure these programmes meet the evolving needs of the sector.

By implementing these policy asks, the government can play a pivotal role in positioning Ireland as a global leader in DE&I within financial services. This will attract top talent, drive innovation, and ultimately lead to a more prosperous and inclusive financial services ecosystem.

Investing in talent development

Ireland's reputation for a skilled workforce is a valuable asset, but to stay ahead, we must anticipate and address the evolving skill needs of the financial services sector. This requires a proactive approach with significant investment from both public and private entities.

Our "Financial Services in Ireland - Skills of the Future" report provides a roadmap for developing the talent pipeline. Here are key strategies and specific policy recommendations.

1. Building a Diverse Talent Pool:

- **Upskilling Initiatives:** Implement programmes to equip the current workforce with the skills needed for the future.
- **Early Talent Development:** Establish clusters and innovation hubs to attract early talent and foster a culture of innovation.
- **Strengthening Industry-Academia Partnerships:** Collaborate with colleges and universities to expand the pool of graduates with relevant skills.
- **Attracting Transition Talent:** Highlight the sector's forward-thinking and tech-driven elements to attract talent seeking career changes.



Measures to support this include:

- **Funding for Upskilling:** Allocate resources from the National Training Fund to support upskilling and reskilling programmes as outlined in FSI's "Financial Services in Ireland – Skills of the Future" report.

2. Creating an Attractive Environment for Talent:

- **Competitive Tax Landscape:** Review personal tax structures, particularly the entry point for higher income tax rates, to ensure competitiveness with other countries vying for mobile talent.
- **Investment in Infrastructure:** Increase investment in infrastructure, housing, education (at all levels), and childcare to create a desirable environment for international talent.

Measures to support this include:

- **National Infrastructure Strategy:** Develop a comprehensive national infrastructure strategy to address housing shortages and improve connectivity.
- **Increased Funding for Education and Childcare:** Allocate more resources to enhance education at all levels and make childcare more affordable, creating a more attractive environment for families.

3. Leveraging International Expertise:

- **Streamlined Qualification Recognition:** Promote the formal recognition of international qualifications to attract and retain global talent.

Measures to support this include:

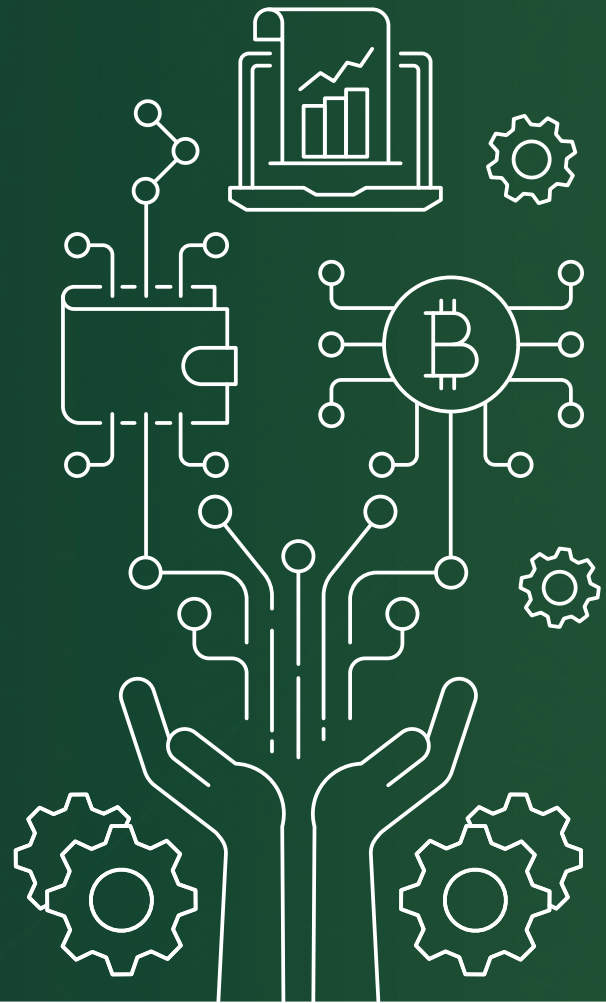
- **Review of Qualification Recognition Processes:** Streamline the process for recognising international qualifications, making it easier for foreign professionals to contribute their skills.

By implementing these recommendations and policy asks, Ireland can solidify its position as a global leader in financial services. Attracting and developing a diverse, highly skilled workforce will be the cornerstone of this success.

Embracing digitalisation

Ireland's financial services sector is undergoing a digital revolution, and a recent report by FSI, "Ireland's Fintech Future" (2023), sheds light on the exciting possibilities and challenges ahead.

Our report showed that outlook was broadly positive amongst FSI's fintech member companies, with the majority of those in the sector predicting continued growth in both revenue and headcount over the next three years. However, there were also several challenges identified to the growth of fintechs and to the digitalisation of longer-established financial services firms. These challenges include a skills shortfall, regulatory burdens, and a perceived shortfall in state supports for fintech innovation and development.



Measures to support this include:

- **Establish a National Fintech Hub:** This Hub would serve as a tangible symbol of Ireland's ambition to maintain its positioning as a global leader in the space, and further enhance the current fintech ecosystem. As a centre of innovation, the Hub would foster greater innovation and collaboration across the sector. Furthermore, a dedicated Hub would serve as both a natural landing spot for multinationals seeking to enter the Irish market, and an ideal incubator for startups looking to scale up. It would also be a key enabler in supporting traditional financial service providers in their digitalisation ambitions, by promoting shared learnings and peer supports.

About Financial Services Ireland

Financial Services Ireland (FSI) is the Ibec sector body representing the full suite of financial services companies in Ireland. Since 1984, FSI has represented the interests of its members at domestic and international levels. These member organisations include those involved in banking, insurance, fund administration, investment management, corporate treasury, international financial services, aircraft leasing, securitisation and fintech. As a representative body, FSI is committed to working with government, EU institutions, and key industry stakeholders, to ensure that Ireland remains a competitive location that fosters success for FSI members, customers and clients.



Vision:

Ireland as a leading global hub for financial services.



Mission Statement:

FSI is dedicated to championing the growth, innovation, and sustainability of Ireland's financial services sector. We strive to be the leading voice and advocate for our diverse membership.

FSI is committed to fostering a dynamic ecosystem that promotes excellence and collaboration within the industry. We support an operating environment that advances innovation and underpins competitiveness. We work with our members on sustainable finance, diversity, equity & inclusion (DE&I), talent & skills, and digital finance, while promoting Ireland internationally.

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