

Director's update

In May 2019, FSI launched its new strategy. Underpinned by 5 goals focused on technology, diversity, talent, sustainability and the operating environment, we set out our clear objective that by 2025 Ireland will be a top 20 global financial centre.

With the publication of the 26th Global Financial Centres Index (GFCI) in September 2019 - ranking cities rather than countries - we had the first opportunity to measure our strategy's progress. The 2018 GFCI ranked Dublin 38th in the world. In the 2019 index, Dublin remains ranked 38th.

While the overall ranking is the metric most watched, it is the rating score, from which the rankings are determined, that I find most telling. The rating score exposes the reality of the competitiveness challenge Ireland and our sector faces.

In this year's index, Dublin's rating score increased 16 points to 658. This is positive. To give context, breaking into the top 20 would require a rating of 716. Alongside this, while the top 5 global financial centres all maintained their 2018 ranking, each of the top 5 dropped in their ratings score by an average of 10 points, indicating a faltering competitiveness.

However, locations hot on the heels of the top 5 saw strong rating score gains. Paris jumped 29 rating points, Beijing 10, Chicago 15 and Luxembourg 17. Therein lies our real challenge. Competition to be the best is fierce. While Dublin has increased its rating score, its ranking remains static. Simply improving Ireland's competitiveness offering will not be enough. To break into the top 20, we must improve, but with speed and urgency.

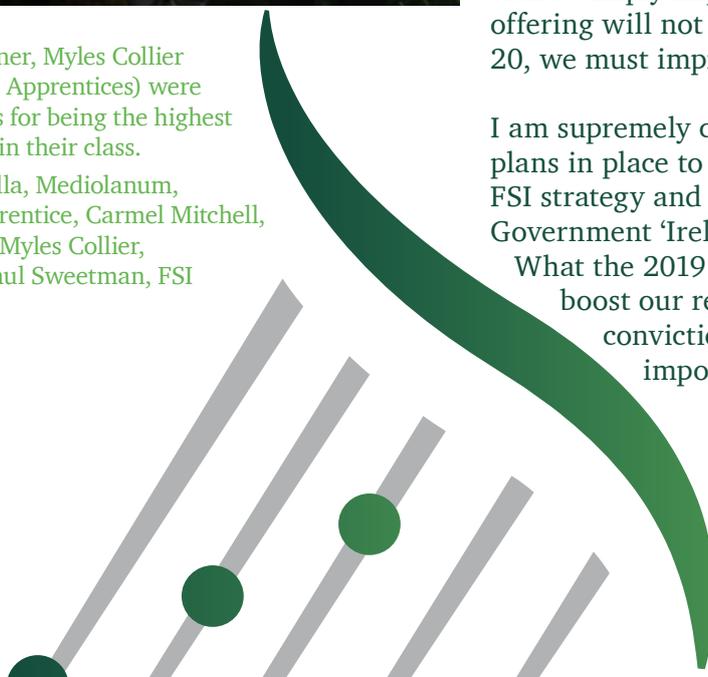
I am supremely confident that we have the right plans in place to meet this challenge, through the FSI strategy and the Joint Industry and Government 'Ireland for Finance' Action Plan.

What the 2019 GFCI tells me is that we must boost our resolve, double down with conviction on these plans and, most importantly, pick up the pace.



At the FSI Annual Dinner, Myles Collier and Louise Devitt (IFS Apprentices) were presented with awards for being the highest achieving apprentices in their class.

L - R: Mariano Mesolella, Mediolanum, Louise Devitt, IFS Apprentice, Carmel Mitchell, Fidelity International, Myles Collier, IFS Apprentice, and Paul Sweetman, FSI



Sustainable Finance

Promoting Ireland as a world-class location for sustainable finance is one of FSI's 5 goals.

On 15 October, FSI co-hosted a roundtable session with the Ibec Energy and Climate Change Policy Committee.

The session focussed on ESG activities and wider collaboration between the two sectors regarding sustainability and climate change actions.

Participants included representatives from energy companies, banks, investment management and insurance companies, among others.

The session was chaired by Furio Pietribiasi, Vice-Chair of FSI, Mediolanum and Jill Murray, Chair of the Ibec Energy and Climate Change Policy Committee, Bord Gáis. Future actions may look at large scale corporate projects and, SME and domestic supports.



L – R: Jill Murray, Chair of the Ibec Energy and Climate Change Policy Committee, Bord Gáis, Furio Pietribiasi, Vice-Chair of FSI, Mediolanum, Paul Sweetman, FSI and Conor Minogue, Ibec

Joint leaders event between Technology Ireland and FSI

A joint board session of Technology Ireland (the Ibec trade association representing tech companies) and Financial Services Ireland met on 11 October. At the session, there was a wide-ranging discussion on potential areas of collaboration.

Topics discussed included:

- Skills and talent needs;
- Cybersecurity;
- Fraud;
- Artificial Intelligence;
- Know Your Customer (KYC).

One issue that was raised repeatedly was the need for employees who understood both financial services and technology. Therefore, FSI and Technology Ireland will develop the skills agenda through the Technology Ireland and IFS Skillnets. This will include raising awareness of current cross-sectoral training provided by the Skillnet initiatives and the possibility of tailoring and/or developing programmes with a combined financial services and tech spin.

A joint working group will be established to identify the financial services sector's top area of concern and

explore technological solutions. This group may give rise to different projects and events. The spirit of the collaboration will centre on future proofing both sectors and harnessing our unique sectoral leadership advantage, rather than commercial development.

If your firm would like to nominate a representative for this working group, please contact aisling.mcniffe@ibec.ie.



Joint meeting of FSI and Technology Ireland Executive Boards

Regulatory Policy Highlights



L – R: Audrey Crummy, FSI, Shane Kelleher, William Fry, Derek Hegarty, William Fry, Catherine O'Flynn, William Fry, Furio Pietribiasi, Vice-Chair of FSI, Mediolanum and Paul Sweetman, FSI

Individual Accountability

FSI has been engaging with the Department of Finance, the Central Bank of Ireland (CBI) and our members in relation to the proposed Individual Accountability Framework. The Department of Finance is currently preparing legislation that will give the CBI new, streamlined powers of enforcement against individuals. A public consultation on a heads of Bill is expected at the end of 2019, setting out a four-part framework: Conduct standards; a Senior Executive Accountability Regime ('SEAR'); an enhanced Fitness & Probity regime; and streamlined enforcement (wherein nine assessor regimes under the current enforcement regime will be reduced to one).

Following the introduction of the legislation, the next level of detail will be written by the CBI.

Updated Guidance on Administrative Sanctions Procedure (ASP)

In November, the Central Bank published new guidance on its ASP. The guidance is intended to provide greater clarity and transparency to industry on the CBI's general approach to applying the ASP. It is also intended to promote "an improved culture of compliance".

Consultations Highlights

- Central Bank - Use of Service Companies in the Insurance Industry (DP9) open to 31 January. This is a "distinct discussion" from outsourcing, inviting industry views on the boundary between this practice and other activity outsourcing.
- European Commission consultation on implementing the final Basel III reforms, open to 3 January. Note, this consultation also considers the merits of introducing an accountability regime for the management body.
- European Supervisory Authorities consultation on the PRIIPs Delegated Regulation, open to 13 January. It addresses the timeline for the extension of PRIIPs KIDs to UCITS and how to address the "main regulatory issues that have been identified".

EU Institutions

Ursula Von der Leyen's new Commission, originally expected to take office on 1 November, was delayed due to the rejection by the European Parliament of the French, Romanian and Hungarian Commission candidates put forward. On 27 November however, the new Commission was approved by the Parliament. There were 461 votes in favour, 157 against and 89 abstentions. Notably, the Greens-European Free Alliance did not vote in favour of the new Commission.

At end-October, Croatian Prime Minister Andrej Plenković unveiled the theme of the upcoming European Council presidency from January to June 2020, entitled 'A Strong Europe in a Challenging World'.

In October, the ESAs Joint Committee (JC) outlined its priorities for 2020, which have a particular focus on PRIIPs, financial innovation, sustainable finance and securitisation.

In December, FSI will meet with a number of newly elected MEPs at the European Parliament.

For more information, please contact audrey.crummy@ibec.ie.

Events



FSI Annual Dinner

Over 300 guests gathered for FSI's Annual Dinner held on 20 November in the InterContinental, Dublin, kindly sponsored by Accenture.

Jay Bregman, CEO of New York headquartered InsureTech Thimble, spoke to the audience on how his company is using technology to disrupt the world of insurance. By providing an online platform, gig economy workers and small businesses can access insurance from one hour up to a year.

Also on the night, the top two students from the inaugural IFS Apprenticeships Programme graduating class - an initiative led by FSI and the National College of Ireland with the support of the HEA and Solas - were presented with awards in recognition of their achievement.

L - R: Sharon Higgins, Ibec, Paul Sweetman, FSI, Audrey O'Mahony, Accenture and Jay Bregman, Thimble



Aviation Technology Roundtable

Aircraft Leasing Ireland was very pleased to facilitate the first roundtable discussion of this new Aviation Technology initiative. Under Action 28 of the 'Ireland for Finance' government strategy, led by the Department of Finance, this initiative brought together airlines, leasing companies, MROs and the technology sector to explore how new technologies could benefit aviation in Ireland.

A specific idea that emerged from the meeting, and one which ALI will seek to progress in 2020, was a digital and centralised registry of aircraft maintenance work, potentially based on a new pan-industry (regulator/airline/MRO/lessor/airport) agreed protocol.



Participants at the first meeting held on 7 October at the IAA Head Office, Dublin

Inaugural Financial Services Innovation Awards 2019

The awards took place on 20 September, organised by Deloitte in partnership with FSI and the Banking and Payments Federation of Ireland.

More than 100 submissions were received with the winners selected by a panel of expert judges, including FSI Chair, Joe Duffy. Congratulations to all those involved. The winners were:

Category	Winner
Product or Service	TransferMate
Operations	The Institute of Banking
Customer Experience	Xtremepush
RegTech	Fenergo and AQMetrics (joint winners)
Most Disruptive FinTech	InvoiceFair
Social or Sustainable Entrepreneurship	Fexco
Learning	Ulster Bank
Leadership	Denis McCarthy, Fexco
Overall Winner	TransferMate



Representatives from AIB, BPF, Deloitte, FSI, Skillnet Ireland, Sustainable Nation Ireland and UCD gathered at the launch of 'Deep sector analysis of future Sustainable Finance skills and talent requirements in Ireland report' during Climate Finance Week

Launch of a sustainable finance skills report

Led by Sustainable Nation Ireland, FSI worked with colleagues from Deloitte, BPF, Insurance Ireland, Irish Funds, AIB, Bank of Ireland, Davy, BNP Paribas, Matheson, Irish Life Investment Managers, Skillnet Ireland and UCD to deliver a report on the gaps in sustainable finance skills in Ireland. The 'Deep sector analysis of future Sustainable Finance skills and talent requirements in Ireland report' identifies what the specific gaps are and proposes a corrective action plan.

Climate Finance Week 2019

Climate Finance Week 2019 organised by Stephen Nolan and the team at Sustainable Nation Ireland took place from 4-8 November 2019. It was an excellent week of seminars, conferences, workshops and networking events. CFW2019 was a clear signal that Ireland will build on its already strong position as a global platform in sustainable finance. Some highlights:

- FSI along with our sister trade associations signed a Statement of Intent recognising the opportunities within climate & sustainable finance, detailing the actions we will deliver to secure these opportunities.
- 'Deep sector analysis of future Sustainable Finance skills and talent requirements in Ireland report' - which FSI contributed to - was launched on 8 November.
- Ireland's Responsible Investment State of Play Report 2019 was launched on 5 November.
- Ireland became the world leader for green bonds, following the announcement by Euronext Dublin of its new green bond offering.

Paul Sweetman, FSI speaking at ESG Day on Tuesday 5 November, Dublin Castle during Climate Finance Week



Ibec's roundtable on international tax reform

On 18 September Ibec hosted a joint roundtable on international tax reform with Business at the OECD (BIAC). The event, held in Dublin, focused on the importance of the ongoing OECD/G20 BEPS process for business globally and for small open economies. Attendees included senior businesspeople from Ireland and several other OECD countries. The current round of OECD/G20 BEPS proposals which were under discussion will, if agreed, represent the most fundamental change in global corporate tax policy in a century.

Recent statements on behalf of the G7 and G20 along with the recent consultation paper from the OECD concerning BEPS Pillar 1 shows the significant political momentum behind global multilateral tax reform. The proposals outlined under Pillar 1 will mean some re-allocation of taxing rights to larger importing countries. For business, the proposals will radically alter where and how companies pay tax. If properly implemented this direction of travel could, and should, put an end to damaging tax uncertainty globally and ultimately result in a more stable global tax environment. This in turn would benefit the global business environment. But there will be a narrow path to agreement at a global level.

That narrow path means that it is imperative that measures which are adopted on a multilateral basis do not unduly disadvantage small open economies, must be grounded in the concept of value creation, and must minimise the potential for administrative complexity and disputes between jurisdictions. The focus of Pillar 1 will now turn to more detailed questions concerning the scope and thresholds of the proposal.

We also await the December publication of further detail on the proposed global minimum effective corporate tax rate which holds significant risks for the Irish business model. Ibec will be actively inputting on both fronts as Ireland's only representative at Business at the OECD (BIAC).



Danny McCoy, CEO, Ibec and William Morris, Chair, BIAC and PricewaterhouseCoopers LLP

Snapshot of FSI 2020 Events

5 February	FSI/Insurance Ireland Tech Forum
12 February	Ibec Business Leaders Conference
20 February	FSI HR Forum
21 February	FSI International Life Insurance CEO Working Group
4 March	FSI Executive Board
26 March	FSI EU & Regulatory Affairs Group
1 April	Aircraft Leasing Ireland Council
1 April	FSI/City of London Plenary
8 May	FSI International Life Insurance CEO Working Group
13 May	FSI Executive Board
21 May	FSI HR Forum
27 May	FSI/Insurance Ireland Tech Forum
10 June	FSI EU & Regulatory Affairs Group
12 June	FSI Annual Lunch

For more information on FSI events, please contact louise.kelly@ibec.ie or carolyn.doumeni@ibec.ie.

Ibec Webinars

Over 6,000 members have attended online webinars facilitated by Ibec on topics from health & safety, sustainability and pay negotiations to preparing for a no deal Brexit. These are free and open to all Ibec members. To view upcoming webinars, please visit www.ibec.ie.

Education and Skills

Make IFS Apprenticeships a new talent pipeline

“IFS apprentices bring fresh ideas and new ways of thinking into the organisation and it’s a great way to attract and retain talent that might have otherwise been overlooked.....the combination of academic learning and work experience enables apprentices to build their skills and analytical knowledge while feeding this straight back into the business.”

Carmel Mitchell,

Fidelity International and IFS Apprenticeships Chair.

On 28 November, the inaugural IFS Apprenticeships class graduated, with all apprentices receiving a passing grade and 90% of the graduates being offered a full-time position with their participating company. This is a clear testament to the skills garnered throughout the programme.

The success of the IFS Apprenticeships is measured by the participant retention rates, the diversity of the apprentices and the strong outcomes. With very



Congratulations to the first intake of IFS Apprenticeships graduates

positive feedback from employers, 63% of the 2019 graduates were offered a promotion in their organisation.

Loyalty and retention is also a notable outcome of the programme. 86% of the graduating class state that they are happy with their new career advancement opportunities and 66% report that they are now excited about going to work. In 2020, we look forward to rolling out the IFS Apprenticeships programme nationally.

Call Carol to join the growing number of employers gaining access to excellent talent by recruiting IFS Apprentices on: 01 6051631 or visit www.ifsapprenticeships.ie.

IFS Skillnet

From digitisation to changing consumer behaviour, the financial services sector is going through a necessary upheaval now to better meet the needs of customers and deliver sustainable profitability.

Ireland is well positioned to take advantage of the current disruption in financial services. The Future of Financial Services Leadership Programme is an opportunity for senior managers working in financial services and fintech to assemble the toolkit necessary to lead their organisations

through a time of transformation, ensuring continued success. Designed by the IMI and BPFII in association with FSI’s IFS Skillnet, the programme is targeted at senior managers working in financial services and fintech.

Speaking at the programme launch, Minister Michael D’Arcy said that the programme is a headline action in the ‘Ireland for Finance’ strategy and increasingly, we will be adopting a ‘life-long learning approach’ to ensure that people and their employers have the necessary skills and expertise to deal with both current and future demands.

The first cohort of participants started in October 2019. If you are interested in finding out more about this programme or about IFS Skillnet please contact brian.mcmahon@ibec.ie.

Launch of the Future of Financial Services Leadership Programme

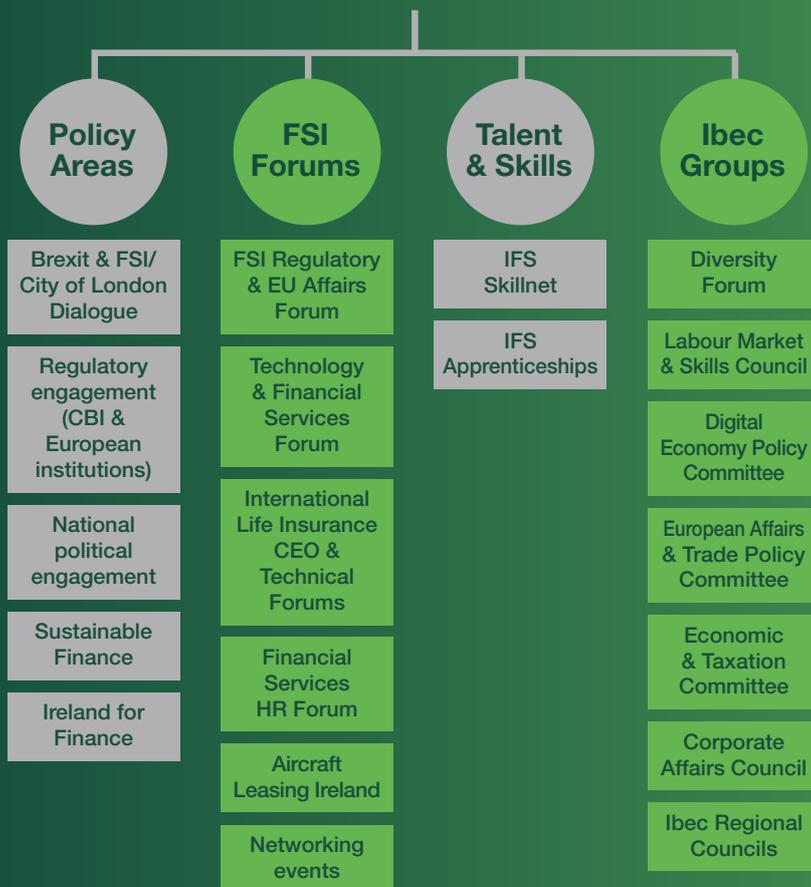
L - R: Brian McMahon, IFS Skillnet, Simon Boucher, IMI, Minister Michael D’Arcy, Lisa Lanigan, IMI, Chris Roebuck, IMI, Julie Ryan, IMI and Brian Hayes, BPFII



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