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# Minutes of the *Ireland for Finance* Joint Committee

28 June 2021

Online meeting

## Attendance

### PRESENT

**High Level Implementation Committee (HLIC):** Minister of State Seán Fleming TD (Chairperson); Michael J McGrath (D/Finance); Emily Whelton (D/Taoiseach); Michael Lonergan (D/Foreign Affairs); Therese Callery (D/Further and Higher Education, Research, Innovation and Science); Lucy Cusack (D/Enterprise, Trade and Employment); Kieran Donoghue (IDA Ireland); Dr Carol Gibbons (Enterprise Ireland)

**Industry Advisory Committee (IAC):** Olwyn Alexander (PwC); Ruth McCarthy (Fexco); Barrie O'Connell (Chartered Accountants Ireland); Deirdre O'Connor (International Member); Cecilia Ronan (Citi); Derek Kehoe (BNP Paribas); Aidan Holton (Monument Insurance)

**HLIC Secretariat:** Karen Cullen (D/Finance); **IAC Secretariat:** Niamh O'Donnellan (Banking and Payments Federation Ireland)

**Observer:** Gerry Cross (Central Bank of Ireland)

### APOLOGIES

Dr Orlaigh Quinn (D/Enterprise, Trade and Employment); Niall Burgess (D/Foreign Affairs); Martin Fraser (D/Taoiseach); Jim Breslin (D/Further and Higher Education, Research, Innovation and Science); Martin Shanahan (IDA); Leo Clancy (Enterprise Ireland); Teresa O'Flynn (BlackRock); Declan Lynch (Elavon); Ann Prendergast (State Street); David Swan (SMBC); Andrea Reynolds (Swoop); Joe Duffy (BNY Mellon); Tadhg Young (State Street).

### IN ATTENDANCE

Aidan O'Connor (Special Adviser to Minister Fleming); Mila Sullivan, Cathal Kelly, Padraig Kelly (D/Finance); Maeve McConnon, Andrew Noonan, Brendan Walsh (IDA Ireland); Enda McDonnell (Enterprise Ireland); Cian Congdon (Central Bank of Ireland); Aidan Carrigan, Cian O'Laoide (D/Foreign Affairs); Gavin Purtill (IAC Secretariat).



## 1 Minutes of previous meeting

The draft minutes of the Joint Committee meeting of March 29 2021 were approved.

## 2 Update from agencies and industry

K Donoghue (IDA) reported that IDA had secured 20 investments in H1, with approximately 2,000 roles attached with a good regional spread. Notable announcements included those of Stripe, Fiserv, IQEQ, and Alter Domus. He indicated that a decision on European Financial Forum 2022 would be made shortly and that preliminary planning had started for Ministerial travel later in the year.

Dr. Gibbons (EI) updated that EI had had a positive start to the year and that they had published their export returns for 2020 recently and that these had held steady. She thanked the Minister for his support of “The State of Regtech” Report for the Asia-Pacific region. Overseas offices are exploring opportunities in Russia and Central Europe. Dr Gibbons highlighted “Start in Ireland” (<https://www.startinireland.com/>) – a one-stop-shop for start-ups in Ireland.

C Ronan (Citi) stated that we need a diversity of talent in Ireland from the EU and possibly further afield.

## Presentation on Return to Work

Minister Fleming then introduced a presentation by B O’Connell (Chartered Accountants Ireland) on the return to the office noting that this was not a definitive view of the sector.

Points raised included:

- clear that hybrid working will be the future
- commute and work/life balance considerations
- larger firms favour a return to the office while start-ups favour remote working
- return of international travel
- how to assimilate new joiners remotely
- tax implications for people working outside Ireland
- the issue of ergonomic assessments
- tax relief for employees working from home.

B O’Connell (CAI) finished by saying that remote working is different from hybrid working and that it will be an adjustment.

A Holton (Monument Insurance) said that the more policy and guidance from the Government on this matter, the better as this would help firms in their decision-making.



### 3 Progress update for Q2 Action Plan 2021

K Cullen (D/FIN) updated that of 20 actions due for reporting in Q2, five of these were delayed.

G Cross (Central Bank of Ireland) said that the consultation related to M#4 – *Continue work on further stakeholder engagement with Central Bank of Ireland* - closed on May 11<sup>th</sup>. They received 18 responses and the CBI is trying to expand their insights by engaging with its Consumer Advisory Group. The Central Bank hope to bring the matter to the governing body in Sept/Oct.

L Cusack (D/ETE) updated that M#21 – *Commission a study from the Expert Group on Future Skills Needs* has been delayed as the priority was on developing the remote working strategy.

N O'Donnellan (IAC Secretariat) advised that the Women in Finance Charter (M#28) had been developed and that they were now considering the governance and data collection aspects. She noted that a proposal had been made to Balance for Better Business (B4BB) on this. L Cusack (D/ETE) informed the group that new Co-Chairs and a new Director were being appointed to Balance for Better Business and that they hoped to have an update ahead of the next meeting.

The other delayed measures – M#23 – *Promote Financial Services as a 'Career Less Ordinary'* and M#45 – *Co-host Sustainable Finance Day Summit 2021* have been delayed to Q3.

### 4 Update from international member

D O'Connor (international member) then updated on cryptocurrencies. Key points included:

- Cryptocurrencies have grown exponentially and now have over 100 million users worldwide
- A lot of the volatility in cryptocurrencies is as a result of regulators shutting down bad actors. Regulators are concerned about AML
- DeFi (Decentralised Finance) and Smart Contracts will likely be the biggest trends coming over the next few years
- Stablecoins are growing and some are tethered to national currencies
- Central Bank Digital Currencies are also entering the game
- Crypto-exchanges are going public on the stock exchange
- ETFs in crypto will likely draw more investors in
- NFTs (Non-Fungible Tokens) can allow for the trading of physical or digital items and are widely used in art and gaming
- Likely to see a move on Crypto Taxes soon



- 5G will be used for mining and DeFi

G Cross (CBI) said that cryptocurrencies were on the regulatory radar and noted there were opportunities in DeFi and Blockchain but that there were also risks. He highlighted some main risks as volatility, AML, and consumer protection as well as the potential impact on monetary policy and financial stability which is a huge challenge for Central Banks. He noted the work on the MiCA (Markets in Crypto Assets) file at EU level has been moving fast and that this regulation is helpful.

The Minister of State noted that it was D O'Connor's last meeting with the group and thanked her for her commitment and contributions to the Committee over the past 3 years.

## **5 UK exit from the European Union**

*This update came after AOB and the presentation from the Irish Embassy in the UK. C Kelly (DFIN) updated on behalf of M Lonergan (D/FA) who provided a written update.*

C Kelly (D/FIN) updated that a lot of focus had been on the leadership contest of the DUP in recent weeks and that Ireland had been the largest recipient of the EU's Brexit Fund.

## **6 AOB**

K Cullen (D/FIN) informed members that the 2020 Progress Report would go to Government soon ahead of publication on the Departmental website. She also updated on the latest jobs numbers relating to the *Ireland for Finance* strategy. The key takeaways were that employment in the international financial services portfolio had remained steady across 2019 and 2020. A review of the methodology had also taken place and fintech firms were now included in the jobs portfolio – this accounted for a further 3,000 jobs in the portfolio (from 47,000 jobs to 50,000 jobs) but it should be clarified these are not new jobs, this new figure of 50,000 is a result of a change in methodology.

### **Presentation**

The Irish Embassy in the UK then delivered a presentation on financial services aspects of Brexit.