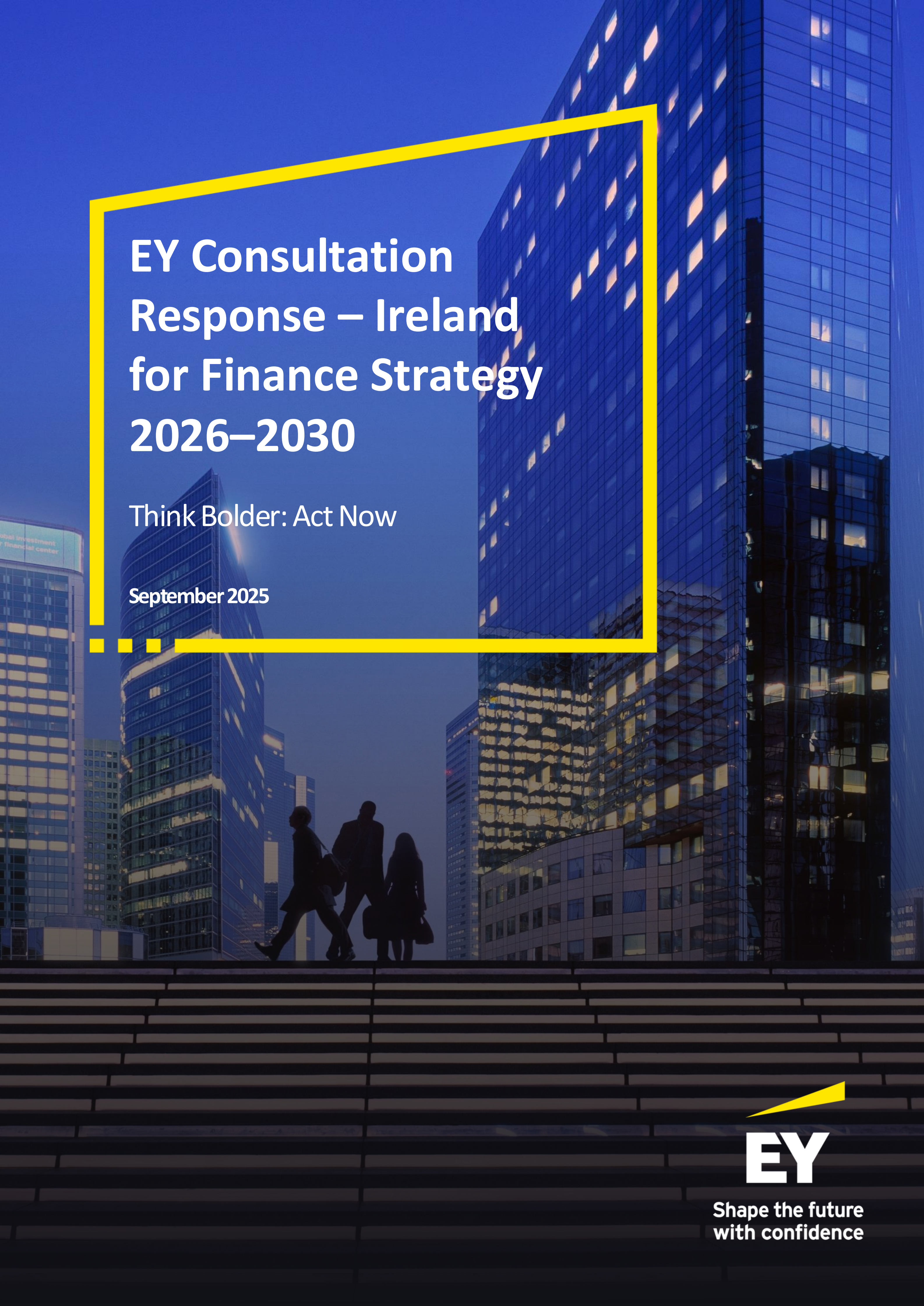

EY Consultation Response – Ireland for Finance Strategy 2026–2030

Think Bolder: Act Now

September 2025

EY

Shape the future with confidence

Think Bolder: Act now

Opening Statement

EY welcomes the opportunity to contribute to the Department of Finance's consultation on the Ireland for Finance Strategy 2026–2030. This submission builds on our January 2025 report Building a Better Financial Services Ireland: Accelerate to Elevate, which explored the sector's future opportunities and challenges.

Ireland's financial services industry is a national asset and a global success story — employing over 125,000 people, contributing €6.8 billion in annual tax, and financing critical areas like housing, infrastructure, SMEs, and innovation.

But the sector is at a turning point. Geopolitical shifts, regulatory change, seismic technological advances, and rising global competition mean continued success is not guaranteed—it must be actively secured.

Ireland must now diversify, deepen, and lead.

We have a strategic opportunity to position Ireland as a gateway for international capital and innovation. This requires bold collaboration across government, regulators, industry, and the wider ecosystem.

Ireland's next chapter should echo the ambition that created the IFSC— cementing our strengths in asset management, aviation finance, banking (domestic and international), and insurance while accelerating leadership.

We propose **three priorities** that will shape Ireland's financial services future:

A. Mobilise Capital for our Country and our People

Ireland has a unique opportunity to turn household savings into real economic impact— financing housing, SMEs, infrastructure, and innovation.

The Draghi Report highlights a critical truth: access to capital drives business growth and global competitiveness. Europe must mobilise household savings into productive investment—and Ireland can lead by example. Mobilising household capital is not just an economic strategy—it is a national imperative. It strengthens financial resilience, deepens domestic capital pools, and ensures that growth is inclusive, sustainable, and citizen-driven.

Recent policy progress, including the National Financial Literacy Strategy and auto-enrolment pensions, lays the foundation. The next step is to create practical, inclusive pathways for households to participate in Ireland's prosperity.

Ireland should lead the EU's Savings and Investments Union (SIU) by unlocking household capital through product innovation, policy alignment, and strategic investment.

Key actions:

(i) **Empower Households:**

Ireland is the third-largest investment fund domicile globally, yet the vast majority of these assets are owned by international investors—not Irish households. This means Irish families are missing out on the prosperity and opportunities created by the financial services industry on their doorstep. As such we must:

- **Reform tax treatment**: Align tax treatment on investment products. Shares, ETFs, funds, property, bonds, pension savings and savings accounts all fall under different tax rules and rates making it unnecessarily complex and confusing for Irish households.
- **Enable long-term savings**: Introduce tax-efficient savings plans—like pensions or SSIAs—to encourage household investment in regulated Irish funds. Backing vehicles like the Future Ireland Fund and the Infrastructure, Climate and Nature Fund would drive diversified, domestic investment, boost financial literacy, and support Ireland's long-term growth.
- **Open access to private assets**: Develop regulated retail feeder vehicles and semi-liquid structures to allow households to invest in private equity, infrastructure, and real assets with appropriate protections.
- **Expand digital access**: Promote open-architecture platforms and digital-first investment tools integrated with Irish banks and fintech's—potentially backed by state endorsement or seed funding.
- **Boost financial literacy**: Go beyond pensions and deposit accounts to build a confident, informed investor base.

This is about levelling the playing field—empowering Irish citizens to invest, grow wealth, and participate fully in Ireland's financial future.

(ii) **Fund National Priorities**

- Use Irish fund structures to channel capital into critical national infrastructure projects— SMEs, housing, renewables, water, energy and data centres.
- Structure sovereign wealth funds within Irish frameworks, set benchmarks for sustainable investment, and coordinate inter-agency action.

B. A Strong and Clear Signal that Ireland is Open for Business

Ireland is globally recognised as a financial services leader—but reputation alone is not enough. Investor sentiment is shaped by competitiveness, regulatory clarity, and speed to market. We welcome the inclusion of financial services in the Programme for Government and the focus on investor protection. But to secure long-term growth, Ireland must now pivot decisively toward competitiveness, innovation, and strategic influence.

Key Actions to Strengthen Ireland's Position:

(i) **Simplify and strengthen the existing Financial Services Growth Taskforce**
Establish one single Taskforce, empowered cross-agency body with a Government mandate for growth —chaired by the Secretary General of the Department of Finance - bringing together the Department of Enterprise, Central Bank of Ireland, IDA, Revenue Commissioners, industry associations and Cabinet-level oversight—with a clear mandate to drive financial services growth.

The Government-mandated Taskforce should:

- **Streamline and fast-track approvals** for high-impact initiatives.
- **Align fiscal incentives** with strategic priorities.
- **Review tax policy** to enhance competitiveness.
- Introduce mechanisms **to attract and retain global talent.**
- Direct capital to **high-impact national priorities.**
- Align **capital mobilisation and innovation.**
- **Maintain vigilance on inflation,** focusing on employment costs and housing—addressing both supply and demand dynamics.
- **Track KPIs** for innovation, Environmental, Social, & Governance (ESG) integration, and economic impact.

(ii) **Add a Competition Mandate to the Central Bank of Ireland and increase focus on innovation**

- Ensure markets remain fair, dynamic, and globally attractive. Simplify regulation and adopt a forward-looking framework that supports innovation and investment.
- Expand the Central Bank's Innovation Hub, streamline approvals, and introduce KPIs to track adoption and impact.

C. Transform the Future of Finance Through Bold Action

Ireland's financial services sector has the foundations to lead: a skilled workforce, global tech hubs, and proven strengths in asset management, payments, aviation finance, and innovation. But the next phase demands bold action.

A wave of transformation is reshaping not just sources of finance, but how it is delivered—driven by AI, digital payments, tokenisation, sustainable finance, private assets, and digital currencies.

Ireland must be at the forefront, shaping the future rather than reacting to it. As a finance hub we need to lead in the adoption of emerging technologies and the building of applications that empower society.

Key Priorities:

***1.* Lead in Frontier Technologies**

Drive adoption of AI, tokenisation, ESG-linked instruments, and digital currencies. Modernise pensions, payments, and capital markets infrastructure. Develop specialisms in high-growth areas to differentiate Ireland globally.

Incentivise investment, balance innovation with ethical safeguards, and lead in AI for financial services across Europe.

***2.* Unlock all sources of Capital – in Public and Private Assets**

Unlock all capital sources: Historically, Europe and Ireland has focused on public markets as complimented by bank lending. With the rise of private capital (and alternatives more broadly) there is an increased range in the sources of capital and the products that support the same. Private assets are reshaping global capital markets. Ireland must lead by:

- ***i.*** Develop complete set of fund structures and tokenised offerings for household and institutional access.
- ***ii.*** Enhance frameworks for private credit, infrastructure, and real estate.
- ***iii.*** Link innovation to SIU goals to expand citizen participation and fund national priorities.

Section 2: Overview of the IFS Sector and Assessment of Impact

Q1. What role can the sector play in contributing to wider economic development, with particular reference to employment, revenues and regional development?

EY analysis in our report Building a Better Financial Services Ireland: Accelerate to Elevate, shows the potential to generate an additional €3.4 billion in GVA by 2028—but unlocking this requires targeted action.

As outlined in our Opening Statement, we see three priorities that will maximise the sector's economic impact:

- **Mobilise Capital for our Country and our People**:

  Financial services channel investment into the real economy—funding housing, energy, entrepreneurship, and innovation. When finance thrives, the benefits flow directly to households, businesses, and communities.

- **A Strong and Clear Signal that Ireland is Open for Business**:

  A clear, confident stance on competitiveness and regulatory clarity will attract new investment and jobs, while reducing exposure to sectoral concentration risks in a volatile global environment.

- **Transforming the Future of Finance Through Bold Action:**

  As technology reshapes the industry, Ireland must lead in innovation—developing future-ready skills, transitioning the workforce, and positioning itself at the forefront of AI, digital finance, and sustainable investment.

With one in four IFS jobs outside Dublin, growth must be inclusive and regionally balanced. By acting boldly, Ireland can ensure financial services deliver lasting value—creating jobs, driving innovation, and strengthening communities nationwide.

Q2. What role can the sector play in achieving EU policy objectives, including deepening of capital markets to support the EU's Savings and Investments Union project?

Ireland has grown into one of the world's largest financial services hubs, facilitating global managers and investors to achieve global reach with their investment programmes. This positions us uniquely to leverage the benefits of the EU's Savings and Investments Union. As noted above, Ireland can mobilise capital to empower households and fund national priorities.

Role of the Asset Management Sector

Ireland's asset management sector is a strategic enabler of the EU's Savings and Investments Union. As the leading domicile for European ETFs (with 70% of markets) and a key distribution hub for global managers. Ireland provides the infrastructure to deepen capital markets, standardise products, and expand retail and institutional access across Member States. Currently our infrastructure and capability supports and rewards investors not based in Ireland. As such we would look to extend the reach of our capability to unlock opportunity for Irish households and national priorities.

Specifically, it is currently more tax efficient for an Irish individual to invest in an US domiciled ETF rather than an Irish domiciled ETF. To unlock further potential, Ireland must level the playing field for Irish households —equalising tax treatment across investment types, removing barriers like the deemed disposal rule, and enhancing digital access.

Furthermore, as the sector increasingly raises capital for direct access by SMEs and facilitates non-bank lending through private credit, there is an increasing opportunity to link supply and demand to enable long-term retail participation via ELTIF 2.0.

As Enterprise Ireland highlights, a globally competitive export sector depends on a connected innovation ecosystem. A financially literate, empowered domestic investor base—supported by world-class regulation and fintech-driven solutions—will be essential. By driving product innovation, digital finance adoption, and inclusive investment structures, Ireland's asset management industry can lead Europe's capital markets transformation.

Role of the Banking Sector

Banks play a key role in providing capital directly through lending, as well as serving as intermediaries and distributors. In this capacity, they are critical in aligning supply with the demand of their customer base. We see a clear pathway for domestic banks to add liquidity to the local economy through matching supply and demand across the spectrum of credit and equity financing to bring forward a new generation of real economy SMEs and other businesses. This is a central ambition of the SIU and represents a key opportunity for banks to play their role. Furthermore, as the cost of lending is impacted by the cost of capital, this is an area where further assessment of capital requirements to ensure deep legacy events do not unduly influence capital requirements in an environment where bank and regulatory controls have much improved lending risk profiles. This could improve the affordability of lending and the efficiency of bank balance sheets.

Role of the Insurance Sector

Insurance has dual roles in protecting both the health and wealth of the nation which underpins our prosperity. As a provider of insurance protection to companies and individuals, the sector increases the risk capacity and appetite of the nation to be bolder in the creation or new enterprises.

Insurance Reform is a key aspect of this journey by ensuring that capital is directed as efficiently and frictionless as possible to settle claims and provide value for money. As an investment vehicle, primarily through retirement solutions, the insurance industry has both direct ownership and custodial responsibility of assets. Those investments can, subject to risk and return requirements, be directed towards opportunities in the real economy in addition to the secondary public markets.

Role of the Aircraft Leasing Sector

The aircraft leasing sector provides important diversification within our financial services industry and the wider Irish economy. In addition, it can play a pivotal role in two specific areas, namely supporting sustainable aviation and deepening the EU capital markets. The leasing sector can facilitate the transition to more sustainable aviation by financing newer, more fuel-efficient aircraft for airlines and investing in sustainable aviation fuel (SAF). Ireland has been the global hub for aircraft leasing for over 40 years which attracts foreign direct investment and can continue to deepen the capital markets within the EU. The aircraft leasing sector attracts significant capital from institutional investors, such as pension funds and insurance companies, looking for stable and long-term returns bringing an influx of capital.

Section 3: Future of the Ireland for Finance Strategy

Q3. What key performance indicators should be used to measure the success of the new Strategy?

To ensure Ireland's financial services strategy delivers real value, success metrics must align with three core priorities as outlined above: **mobilising capital**, **signalling competitiveness**, and **leading innovation**. Performance metrics should be tracked transparently and used to dynamically adjust policy and strategy.

Economic & Employment Impact

- Net new jobs created in financial services (with regional breakdown).
- GVA contribution and tax revenue from the sector.
- Regional dispersion of high-skilled employment.
- Talent attraction and retention rates.
- Skills development in emerging areas (e.g., private assets, fintech, ESG).
- Industry-academia collaboration intensity.

Capital Mobilisation & Domestic Participation

- Capital deployed into Irish housing, infrastructure, and SMEs.
- Growth in Irish household participation in investment and savings products.
- Domestic institutional investment in Irish fund structures.
- Performance and ROI of sovereign wealth funds.

Innovation & Global Competitiveness

- Investment in financial services innovation, R&D, and technology adoption.
- Regulatory sandbox utilisation and successful product launches.
- Time-to-market for new financial products.
- Ireland's position in international competitiveness rankings.
- Market share growth in private assets and sustainable finance.
- Retail investor activity (volume and value of trades).
- Productivity and revenue per employee.
- Success of indigenous firms and their international expansion.

Market Position & Strategic Influence

- Global market share in key segments (e.g., UCITS, AIFs, private assets).
- Growth and retention of assets under management (AUM).
- Competitive positioning vs. Luxembourg, UK, and other jurisdictions.
- Integration with domestic economy through SME financing and infrastructure investment.

Q4. Is the scope of Ireland for Finance appropriate, and if not, detail why and what a revised scope could be?

We believe that the new strategy should consider all parts of the financial services industry in Ireland, both IFS and other (e.g., domestic banks). This is particularly relevant in the context of the SIU where many market players will have a role to play.

Q5. What should the key objectives, or focus, of the strategy be?

Ireland's position depends on the three priorities set out earlier: Mobilise Capital, Open for Business and Transform the Future of Finance.

Q6. What are the key opportunities for the sector in the medium to long-term and how can they be delivered? What particular sub-sectors or product types do you believe hold the most potential for growth?

The key opportunities for the medium and long term have sectoral nuances that map to our three core priorities outlined above.

i. **Mobilise Capital for our Country and our People**

Realising this ambition works across our banking, wealth, asset management and retirement sectors as we further open up the opportunities to householder to fully embrace the broadest possible range of financial products; As identified in earlier sections this requires a range of actions across levelling of tax playing fields, reducing the cost of delivery/value for money, enhanced education as we move from being a nation of savers to a nation of investors and mobilising banking to finance the new wave of SMEs funded by these investments.

ii. **A Strong and Clear Signal that Ireland is Open for Business**

Ireland's asset management sector is primed to consolidate and expand its leadership across Europe and globally. The most significant opportunities lie in three areas:

1. **Sustaining dominance in ETFs**, where Ireland already hosts over 70% of European ETF assets.
2. **Capturing the next wave of growth in private assets**, including private equity, private debt, and real estate.
3. **Establishing Ireland as a centre of excellence for loan origination and private credit**, underpinned by full alignment with AIFMD II.

Realising this potential requires targeted regulatory, tax, and operational reforms. We strongly support the Department of Finance's Funds 2030 Review and urge swift implementation of its recommendations. We welcome recent consultations—ranging from CP161 and 162 and anti-reverse hybrid rules to dividend withholding tax and interest treatment—all critical steps toward enhancing Ireland's competitiveness and attractiveness as a funds domicile.

By acting decisively, Ireland can reinforce its position as a gateway for global capital, a driver of innovation, and a key contributor to the EU's ambition to build deeper, more inclusive capital markets.

iii. Transforming the Future of Finance Through Bold Action

A wave of transformation is reshaping not just sources of finance, but how it is delivered—driven by AI, digital payments, tokenisation, sustainable finance, private assets, and digital currencies.

Ireland must be at the forefront, shaping the future rather than reacting to it. As a finance hub we need to lead in the adoption of emerging technologies and the building of applications that empower society

As a leading player in both investment management and in fintech we need to capitalise on our strengths and reinvest in our capabilities.

Specifically, we are witnessing technological changes across all aspects of the asset management value chain. Building strategic partnerships and collaborations with other industry players, such as fintech firms, banks, insurers and platforms, to create synergies and value-added services.

Given the highly functioning asset management eco-system that is in place in Ireland, where global custody banks, third-party fund administrators, asset managers, professional advisors and fintech companies collaborate effortlessly, significant opportunities exist to be at the forefront of such technology changes.

Q7. What opportunities for international partnerships or relationships should Ireland seek to establish or further deepen?

Ireland is globally recognised as a financial services leader — but reputation alone is not enough. To demonstrate that Ireland is truly open for business, several actions are required. These will reinforce areas where we already have mature, well-established relationships, while also addressing gaps highlighted in the Global Financial Centres Index 37 (March 2025, www.zyen.com) — particularly in regions such as Asia Pacific, where Ireland must further build its reputation.

Please see key actions under Priority B above (A Strong and Clear Signal that Ireland is Open for Business).

Section 4: The Operating Environment

Q8. What are the most important elements of the operating environment and what measures would you propose to improve the operating environment for IFS firms?

The areas identified under Priority B above (A Strong and Clear Signal that Ireland is Open for Business) are the key areas required to improve the operating environment for the financial services sector.

Q9. Taking account of the European and international aspect of the Irish framework, what simplifications and modernisation could be made to the legislative, regulatory and supervisory framework?

The following modernisation priorities will balance European integration with competitive innovation:

Digital Integration and Collaboration:

- Integrated platforms connecting Department of Finance, Central Bank and Revenue Commissioners to reduce regulatory fragmentation.
- Risk-based supervision focusing on highest-impact areas.
- Single-window access for authorisation and regulatory guidance.

Innovation-Friendly Pathways:

- Piloting agile regulation for ESG and tokenised finance products building on Innovation Hub idea.
- Agile regulation frameworks allowing controlled testing and gradual rollout.
- Developing digital-first supervisory pathways for fintech's.

Efficiency and Global Competitiveness:

- Digital-first licensing, reporting, and compliance systems.
- Automated compliance monitoring providing real-time oversight.
- Alignment with EU regulations (MiCA, DORA, AI Act) while maintaining competitive implementation.

Section 5: Sustainable Finance

Q10. How best can Ireland position itself in the future as a sustainable finance centre?

Ireland's sustainable finance leadership must combine international excellence with domestic impact by focusing on leadership and implementation.

Leadership Priority: Build and Sustain Ireland's position globally

- **Mobilising capital** to investible projects as they emerge (both domestically and internationally).
- **Green Fintech and Data:** ESG technology development, analytics, and reporting platform innovation.
- **Regulatory Measures:** Influencing EU taxonomy, CSRD, SFDR requirements, and international sustainability frameworks.
- **Sovereign wealth funds** showing best-practice sustainable investing with measurable returns.
- **Product development** across insurance, wealth management and banking for households and international finance.

Implementation Priority:

- Market Ireland as a global hub for sustainable finance through Department of Finance and Department of Foreign Affairs with corresponding incentive packages to assist relocation and development.
- Build talent pipelines in climate finance, impact measurement and ESG analytics.
- Integrate sustainability into all Irish financial services activities, not just separate sector development.

Q11. What are the key opportunities in sustainable finance in the short, medium and long-term and how can they be delivered?

Short-term:

Scale ESG fund offerings.

Medium-term:

- Identify scalable demand opportunities to underpin key ESG needs, in particular in respect of investible infrastructure programmes.
- Build a transition finance, natural capital and carbon finance ecosystem with Ireland as a global innovation and transaction hub.

Long-term:

Attract impact investors and develop ESG infrastructure finance capabilities.

Q12. Should the new strategy expand beyond sustainable finance to focus on other investment needed for the EU economy?

Recognising the significance of the Green Agenda, there are several areas of critical investment demand across the EU economy as it responds both to geopolitical shifts and to the rapid acceleration of technological innovation in AI and related fields.

In mobilising domestic capital, it needs to look to priorities as they relate to domestic infrastructure that will aid resilience and self-sufficiency, such as energy and telecommunications, as well as creating capacity to compete in the new technology economy driven by AI adoption.

Key decisions will need to be addressed as regards to contentious areas such as defence linked spending note that less politically sensitive areas such as cyber security provides agnostic yet critical capabilities supporting defence against bad actors, whether state or criminal.

Specific areas of investment include:

- **Digital Transformation:** Financing AI development, cybersecurity, quantum computing and digital identity.
- **Innovation Infrastructure:** R&D funding, technology commercialisation and knowledge-based industry transition.
- **Strategic Autonomy:** Critical infrastructure, supply chain resilience and European manufacturing.
- **Social Infrastructure:** Education, healthcare, housing and demographic change solutions.

This expansion builds on proven capabilities while serving European priorities and Irish national interests—positioning Ireland as Europe's centre for innovative capital deployment where financial services excellence meets policy innovation.

Aviation Finance

With increasing regulatory pressure and consumer demand for sustainability, aircraft lessors have a unique opportunity to invest in and offer ‘green’ aircraft, including those powered by powered by SAF and invest in electric or hybrid transportation options.

Lessors have an opportunity to collaborate with manufacturers to develop and lease more eco-friendly aircraft and provide incentives for airlines to adopt greener technologies.

As the demand for travel continues to rebound from the pandemic and the middle class continues to expand, the need for a larger global fleet will continue. Aircraft lessors have an opportunity to become an even more important financing solution for airlines by offering flexible financing solutions and increasing the lessor market share.

Section 6: Innovation and Technology

Q13. How can Ireland more effectively support innovation and the adoption of new technology in the financial services sector?

To position Ireland as a global leader in financial innovation, the strategy must focus on enabling the development, scaling, and adoption of new technologies through targeted, coordinated action:

- **Establish Fintech R&D Hubs**: Create dedicated research and development centres—through collaboration between DETE, Enterprise Ireland, and industry—focused on high-impact areas such as payments, responsible AI, RegTech, digital identity, cybersecurity, and sustainable finance.
- **Incentivise Collaboration**: Introduce targeted funding and tax incentives to drive partnerships between financial services and technology firms, with a focus on solving real-world challenges and accelerating commercialisation. Support the development of open-architecture platforms and digital tools that integrate with banks and fintechs—making it easier for firms to innovate and for consumers to access new financial products.
- **Strengthen Innovation Networks**: Deepen Ireland's global innovation links by building clusters that connect universities, global tech leaders, and domestic firms. Support the development and scaling of applications locally, while maintaining Ireland's attractiveness as a location for IP, innovation, and deployment.
- **Enhance R&D Tax Supports**: Improve access to R&D tax credits for financial services firms, particularly where innovation is product- or process-based and may not fit traditional definitions. Many firms invest heavily in innovation but struggle to qualify under current criteria.

Q14. In your view, what areas of emerging technology present most opportunity for Ireland in the coming years?

Ireland is uniquely positioned to lead in several emerging technologies that are critical to the future of its financial services sector. This potential stems from its strong fintech ecosystem, skilled workforce, stable regulatory environment, and access to the EU single market. As global financial hubs evolve, Ireland's ability to integrate technology with financial services will be key to maintaining competitiveness, attracting investment, and driving sustainable growth.

The most promising areas include:

- **Responsible AI:** Supports ethical and transparent financial decision-making, helping Ireland build trust and leadership in AI-driven finance.
- **Cybersecurity and quantum-safe systems:** Enhances resilience against growing cyber threats, protecting Ireland's financial infrastructure and boosting investor confidence.

- **Payments & real-time payments**: Build advanced instant payment capabilities to strengthen Ireland's role in global transaction flows.
- **Digital identity infrastructure:** Secure, interoperable ID solutions, including leveraging the forthcoming EU Digital Identity Wallet to enable seamless cross-border onboarding and compliance.
- **Tokenised Assets & Blockchain Settlement:** Use Distributed Ledger Technology for faster, lower-cost issuance, trading, and settlement of financial instruments.
- **Green Fintech / ESG Tech:** Leverage data analytics, AI, and blockchain to enable sustainable investing, climate-risk modelling, and carbon-market transparency.

Q15. What do you see as the primary barriers to innovation in the financial sector in Ireland? What measures do you suggest to address these barriers?

Ireland has strong foundations to lead in technology-enabled innovation. However, barriers could limit progress if not addressed.

We propose the following measures:

- **Strengthen cross-sector collaboration:** Establish structured public–private partnerships focused on high-potential areas such as AI, payments, cybersecurity, RegTech, and tokenisation. Strengthen communication channels and amplify the visibility of information available to businesses.
- **Incentivise Collaborative R&D:** Introduce targeted fiscal incentives and funding programmes to support collaborative R&D in emerging technologies.
- **Develop and attract specialist talent:** Invest in upskilling and talent attraction strategies, including developing regional financial services hubs to ease pressure on Dublin's housing market.
- **Strengthen national cyber resilience**: Strengthen Ireland's resilience to evolving cyber threats through coordinated action between government, regulators, and industry, supported by shared intelligence and common security standards.
- **Modernise technology infrastructure** to enable fintech collaboration: Modernise data infrastructure, adopt agile ways of working, and enable cloud-based API driven systems to boost flexibility and accelerate innovation.

Section 7: Growth of Indigenous Start-up, Scaling and Innovative Firms

Q16. What are the key challenges experienced by start-up and scaling firms in financial services and how can these be addressed?

Start-up and scaling firms are a vital source of innovation in Ireland's financial services sector. While many of the broader barriers to innovation outlined earlier also apply, these are often felt more acutely by smaller firms due to their limited resources and the need for rapid market traction.

Irelands position in growing indigenous startups and scaling of firms is best focused on capital-light, technology-led enterprises.

Key challenges:

- **Limited access to customers and pilot opportunities** with established financial institutions slows solution validation and adoption.
- **Meeting enterprise-level security, risk and procurement standards** can delay onboarding.
- **Regulatory divergence and limited market-entry support** make it harder to expand internationally.

To address these challenges, Ireland could streamline market entry through enhanced innovation hubs and sandbox programmes, create structured pilot pathways with established firms, provide advisory support to help start-ups meet enterprise readiness standards, and offer targeted funding, market intelligence, and coordinated promotion to support export growth.

Q17. What features or services are essential in a national fintech hub, and what are the optimal funding and operational models and alternative options to its establishment?

The following recommendations are taken directly from our recent submission to IBEC (FSI) in relation to the establishment of a National Fintech Hub, which could play an important role in accelerating innovation, fostering collaboration, and supporting the growth of Ireland's financial services ecosystem.

Essential features and services include:

Global connectivity and strategic alignment

- Structured engagement with leading international hubs to embed global best practice.
- Connection to fintech ecosystems with a strong Irish footprint to support market expansion.

Deep ecosystem and regulatory integration

- Close collaboration with Irish regulators, state agencies, and industry to support sandbox testing, licensing readiness, and regulatory innovation.
- Embed the hub within Ireland's broader financial, academic, and enterprise ecosystem.

Capital access pathways

- Facilitate routes to venture capital, public funding, and corporate investment.
- Position the Hub as an on-ramp for start-ups and an entry point for global capital.

Skills development and cross-sector talent pipeline

- Fintech-specific training, cross-training between financial and technology domains, and accredited learning partnerships with universities.
- Mobilise national training fund and smart regions funding to close priority skills gaps.

Innovation and impact acceleration

- Focus on ESG fintech, RegTech, and digital financial inclusion in line with national economic and social goals.
- Enable measurable impact through KPIs linked to job creation, market reach, and innovation output.

Funding and operational models

Different funding sources and their conditions should be explored, where applicable, including:

- Exchequer funding
- Grant funding
- Public-private partnerships
- URDF funding (depending on location in Dublin)
- ISIF or EIB funding
- Private funding

Section 8: Skills, Talent and Regional Development

Q18. How can we ensure that Ireland develops and attracts the necessary pipeline of talent for the growth of the IFS sector?

Ireland's talent ecosystem, globally recognised for its skilled workforce, is a critical asset and key differentiator for Ireland. However, rising global competition, housing and tax cost pressures, and near-full employment are intensifying the need for a more strategic and enhanced talent strategy. Attracting and retaining the right talent in Ireland's financial services sector is more than just a programme approach, it is a critical lever for long-term competitiveness and to remain a leading financial services hub.

We recommend that the Ireland for Finance Strategy focus on four strategic talent priorities within financial services:

1. It must build future-ready skills, especially in areas such as ESG, AI, and sustainable finance, ensuring the workforce is equipped for emerging demands.
2. Increasing the talent pool of female participation and broader diversity across the sector is essential to unlocking innovation and untapped talent, an area which has waned recently.

3. Ireland must enhance its international competitiveness by attracting and retaining global and returning talent.
4. Finally, supporting the development of regional financial services hubs to help address challenges of cost-of-living, improve workforce distribution, and unlock new sources of growth across the country.

To deliver on these priorities, Ireland's financial services sector must take a proactive and integrated approach to talent development. Building future-ready skills will require investment in accessible, high-impact learning opportunities, alongside efforts to streamline training pathways.

Q19. How can the new strategy put in place the conditions needed to attract and retain talent and investment in the regions?

To expand the talent pool and increase diversity, the sector should:

- **Amplify outreach and visibility** of financial services careers to underrepresented groups and individuals from non-traditional backgrounds with transferable skills, while creating inclusive career pathways that support mobility and progression.
- **Enhancing international competitiveness** will require targeted incentives, increase in recognition schemes, and a compelling value proposition for living and working in Ireland.
- U**nlock the potential of regional hubs** through coordinated efforts and partnerships to improve infrastructure, promote local career opportunities, and support relocation through cost-of-living and lifestyle benefits for a more evenly distributed and sustainable talent pool across the country.

Section 9: Governance, Engagement and Promotion

Q20. What aspects, if any, of the Ireland for Finance governance structure should be amended?

See key actions under Priority B Open for Business section above.

Q21. What areas should be focused on in promotional activities for the IFS sector in the future and by whom?

As outlined previously, we recommend that the **Financial Services Growth Taskforce** concentrate on the key actions identified in Priority B (i) for the IFS sector in the future.

Q22. How could engagement between Government and the IFS sector be improved?

As per our response to Q7 on the **Financial Services Growth Taskforce**, a stronger, structured engagement between Government and the IFS sector is essential to protect Ireland's competitive position and to capture new opportunities.

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