

**if** irish  
funds

# Irish Funds Hong Kong Seminar

15 January 2019

## Welcome Address, HKEX

**Kevin Rideout**  
Managing Director, HKEX

## Industry Update & Key Developments

Hong Kong Seminar hosted by HKEX

15 January 2019

**Pat Lardner**  
Chief Executive, Irish Funds

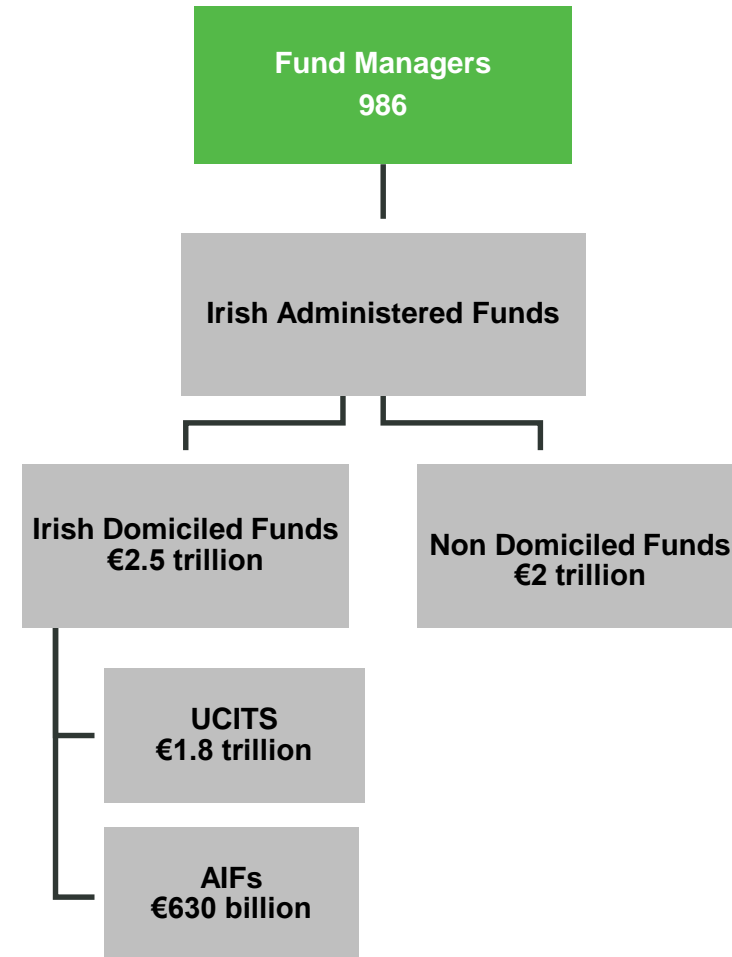
## Who / What are we



- industry association for all aspects of regulated cross border funds in Ireland
  - representative function
  - promotional function
- 137 member firms, located both in and outside Ireland
- key link to the authorities & policy makers in Ireland and beyond
- the industry's representative in Europe and globally
- a platform for collaboration, information sharing and driving outcomes & improvement

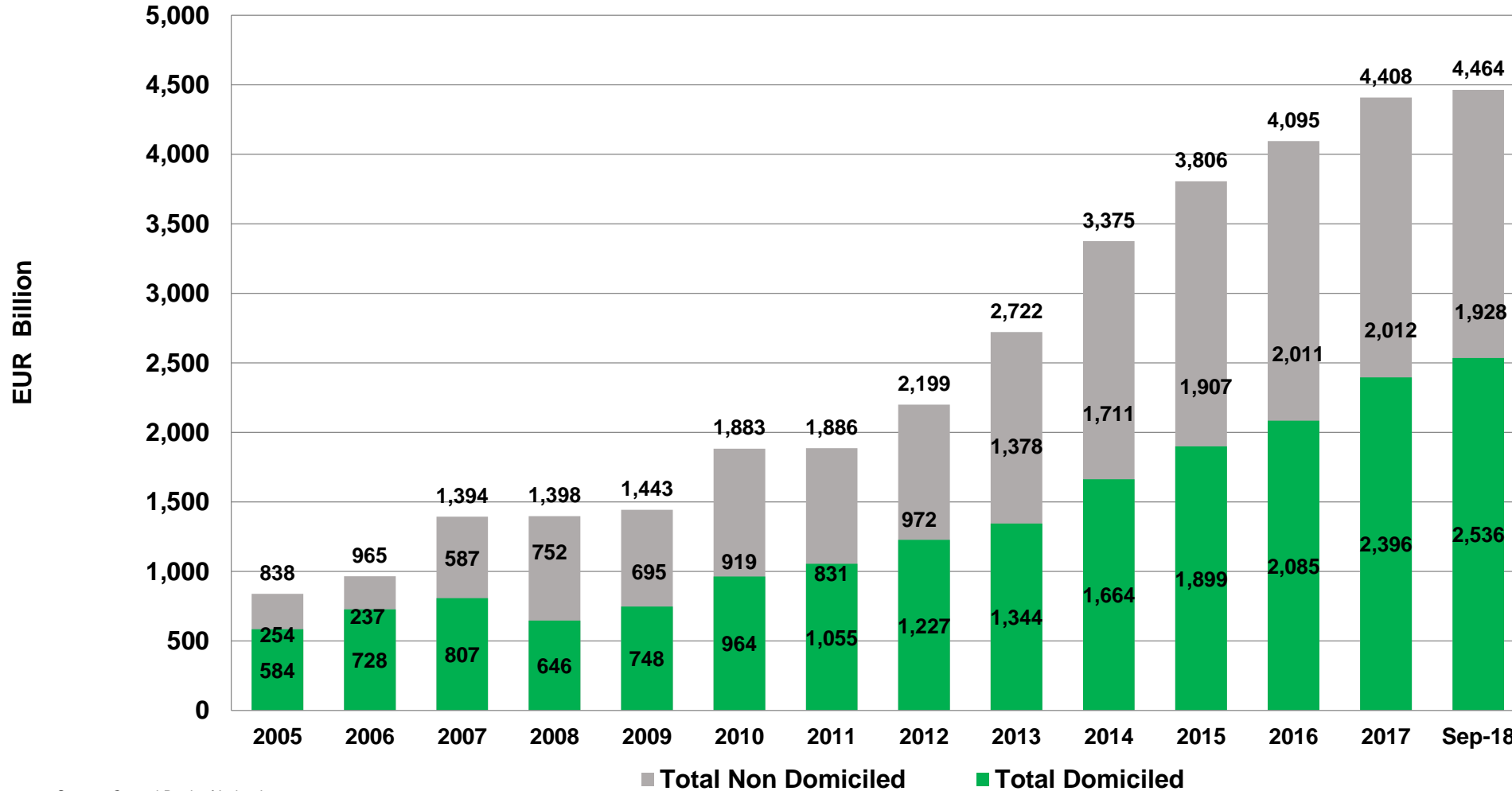
# The Irish Funds Industry

- supports managers from all over the world
- full range of services for Irish domiciled funds as well as providing expert services for funds domiciled outside of Ireland
- solutions are provided to managers across the full spectrum of investment strategies



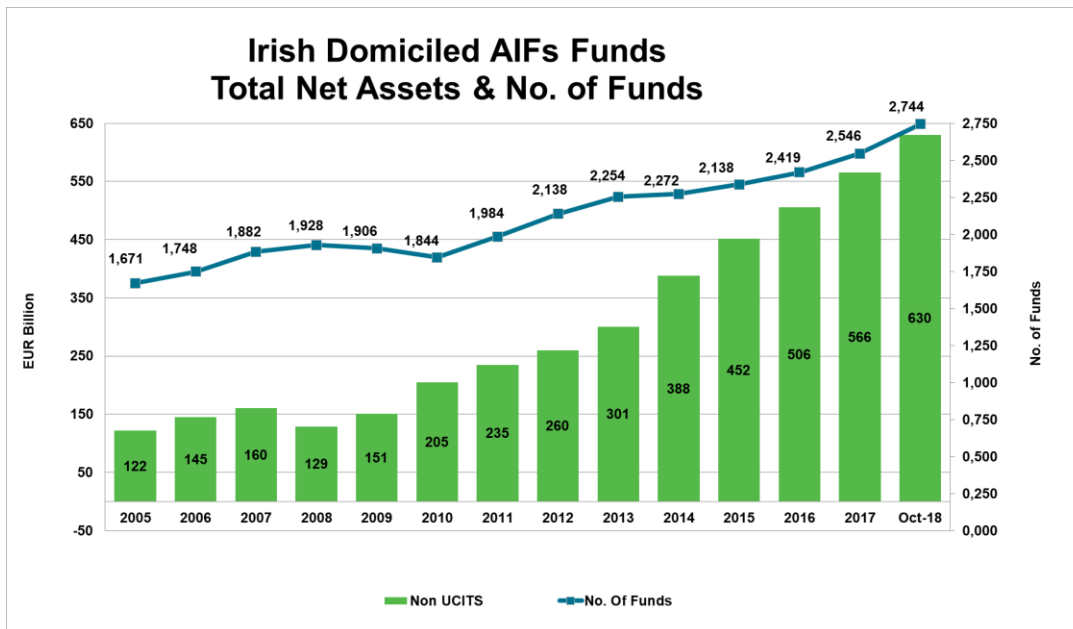
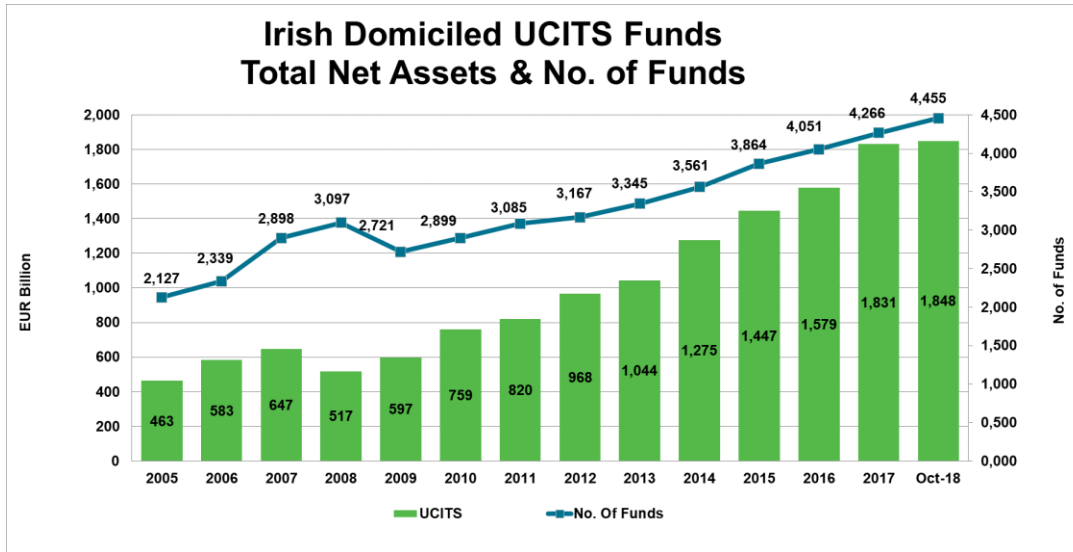
# Total Assets Under Administration

Irish Domiciled and Non-Domiciled Fund Assets - € bn



Source: Central Bank of Ireland

# Irish Domiciled Asset Breakdown

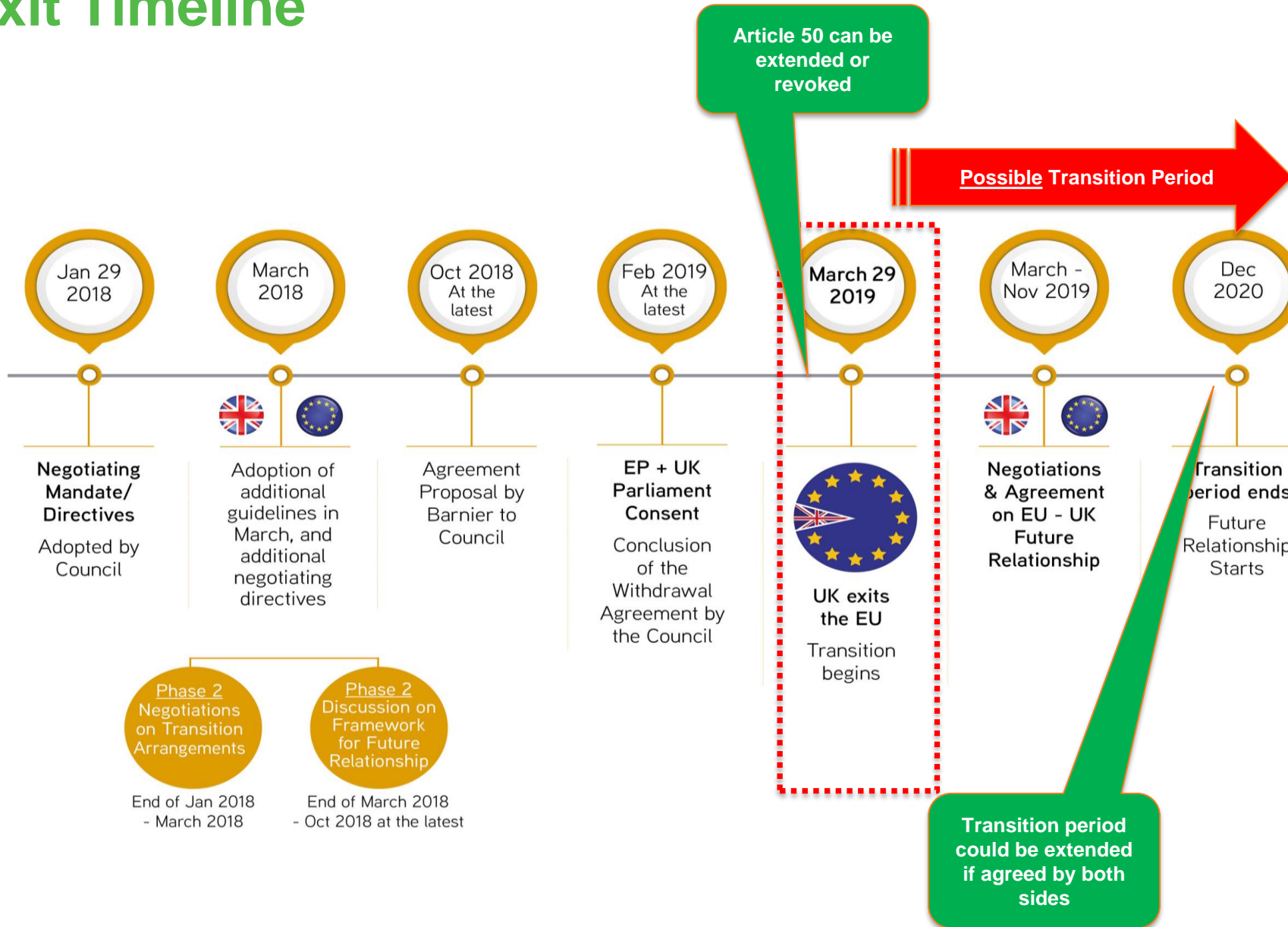


- UCITS represent 75% of Irish Domiciled Assets
- 93 UCITS Man Cos
- 168 AIFMs Registered or Authorised
- 711 AIFMs operating in Ireland on cross border basis
- 496 ICAVs established (since 18 March 2015)

Source: Central Bank of Ireland



# Brexit Timeline



# Brexit interdependent themes

## Current context

**OVER 2,700 IRISH FUNDS SOLD TO UK INVESTORS<sup>1</sup>**

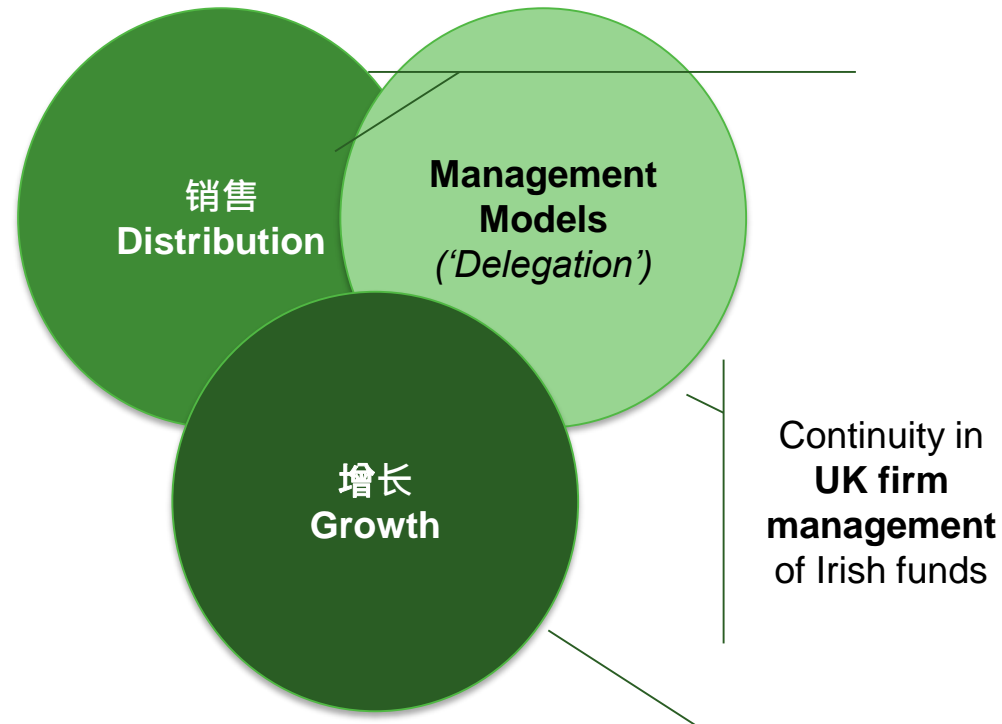


**\$750 bn<sup>2</sup> IN IRISH FUND ASSETS MANAGED BY 190+ UK FIRMS IN IRELAND<sup>2</sup>**

SOURCE: 1-Lipper IM Dec 2017  
2-Monterrey Ireland Fund Report 2018

## Target outcome

Continuity in **UK investor access** to EU/Irish funds



**Increase Ireland's growth trajectory** as an international asset management centre

- Significant increase in Brexit related applications to the Central Bank of Ireland for:
  - Management Companies (ManCo's)
  - Alternative Investment Fund Managers (AIFMs)
  - MiFID entities
- Any firm which to access the EU and requires an EU presence or license should be taking action now
- Strong evidence of creation or upscaling of physical presence in Ireland from a range of investment managers – this will continue
- Increasing scrutiny by the European Securities and Markets Authority (ESMA) of Brexit related relocation applications
- Continuing questions from industry regarding cooperation agreement between the UK and each of the 27 remaining NCAs (national competent authorities)

# Short Game versus Long Game

## Short-term considerations

- Applications for authorisations to continue serving clients in the event of a no-deal Brexit
- Cooperation Agreements and the Temporary Permissions Regime
- Nature and length of any transition period
- Business “won or lost” by competing locations.

## Long-term considerations

- Brexit specific matters become BAU considerations
- Policy and legislative environment for financial services in the EU post 2019
  - Populism
  - New European Commission
  - New European Parliament
- General orientation towards 3<sup>rd</sup> Countries
- Ireland’s strategic response

# What does Brexit mean for stakeholders?

## Policy Makers & Legislators



An Roinn Airgeadais  
Department of Finance



Houses of the  
**Oireachtas**  
Tithe an Oireachtais



An Roinn Gnóthaí Eachtracha  
agus Trádála  
Department of Foreign Affairs  
and Trade



Council of the  
European Union



European  
Commission



European Parliament

## Regulators



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem



esma  
European Securities and  
Markets Authority



SECURITIES AND  
FUTURES COMMISSION  
證券及期貨事務監察委員會



FINANCIAL  
CONDUCT  
AUTHORITY



IOSCO

## Industry



European Fund and Asset Management Association



association française  
de la gestion financière



## Regulatory/Legislative

- **Reform of the European Supervisory Authorities (ESAs)**
  - Industry engaging intensively to ensure delegation of portfolio management continues in current form and under scrutiny of national regulators without additional oversight / approval from ESMA
- **EU Cross Border Distribution**
  - Industry continues to input on this engagement to increase efficiency of EU cross border distribution

## Product

- **Updating of Ireland's Investment Limited Partnership Legislation**
  - Draft Bill expected in coming weeks
  - Will provide additional scope for private equity and real asset funds.
- **Pan European Personal Pension Plan (PEPP)**
  - Industry white paper published on PEPP and prepared case studies which assisted progression through ECON committee. Now progressing through trilogue with more favourable pay-out provisions.

# Conclusion

- EU Member & Strategically Positioned
- +
- International Hub for Globally Distributed Investment Funds
- +
- Unrivalled Experience and Expertise in the Widest Range of Fund Structures



COME TO IRELAND  
AND WE'LL CONNECT YOU  
TO THE WORLD

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*The contents of this document may not be comprehensive or up-to-date, and neither Irish Funds, nor any of its member firms, shall be responsible for updating any information contained within this document.*



## HKEX Closing Bell Ceremony

## Blockchain and the Future of Custody

Moderator:

**Conor O'Mara**, Jefferies

Panellists:

**Kevin Rideout**, HKEX

**John Van Verre**, HSBC

**Michael McGovern**, Brown Brothers Harriman

**James O'Sullivan**, Standard Chartered Bank

## The Where, What and Why of Fund Domiciles

Moderator:

**Alan O'Sullivan**, Brown Brothers Harriman

Panellists:

**Pat Lardner**, Irish Funds

**Christina Choi**, Securities & Futures Commission

**Alexa Lam**, ICI Global

## China Connect and Regulatory Update

Moderator:

**Michelle Lloyd**, Maples and Calder

Panellists:

**Tae Yoo**, HKEX

**Paul Moloney**, Eversheds Sutherland

**Wanming Du**, FTSE Russell

**Paul Heffernan**, HSBC

## Closing Address

**David Costello**

Consul General of Ireland to Hong Kong and Macau

## Drinks Reception

Kindly sponsored by Brown Brothers Harriman

**B R O W N**   
**B R O T H E R S**  
**H A R R I M A N**

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