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Innovative Solutions.

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ANNUAL REVIEW  
2018

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**if** irish  
funds

# Snapshot

## REGULATION AND POLICY DEVELOPMENT



- 191 meetings with local, European and global stakeholders
- 86 separate written submissions
- A structure comprising 40+ working groups and 8 steering groups
- Marketing and Promotions
- Distribution
- Tax
- Operational
- Innovation Skills and Technology
- AIF Product Dev Group
- UCITS Dev Group
- Front Office

## TRAINING AND EDUCATION



- Partnership with the Institute of Banking has enabled more than **550** students to undertake a UCD accredited professional education programme in 2017/18
- More than **60** Irish Funds member firms had participating students
- Technical Seminars attended by over **600** people
- Members Portal with 1,700+ resources

## MANAGER ENGAGEMENT & PROMOTION



- **26** International Events held in **15** Cities with **5,000** attendees
- Over 65 direct meetings with current or prospective investment managers regarding the jurisdiction
- Increased engagement via social media with over **4,500** followers on LinkedIn and over **1,900** followers on Twitter
- Irish Funds website with **327,000** page views in 2018

## INTERNATIONAL REPRESENTATION



- Board member of the: European Fund and Asset Management Association and International Investment Funds Association
- Meetings with foreign regulators and diplomatic staff
- Engagement with industry bodies from around the world



- Supporting, complementing and developing the funds industry in Ireland
- Close working relationship with IDA Ireland domestically and an extensive network of international offices
- IFS Ireland, the banner brand for Ireland's international financial services industry
- Direct involvement in the IFSC Funds Group

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## Welcome



Welcome to our Annual Review 2018 which features association activities, updates, events and accomplishments from throughout the last 12 months.

As the representative body for the international funds community in Ireland and a member organisation, in our annual review we aim to:

- communicate our objectives in a clear and concise way
- recognise the important work of our committed members and what we have achieved together
- demonstrate the collaborative nature of what we do and how it ensures we continually develop, improve and expand the solutions Ireland offers

With these aims in mind, there are a few things we have decided to do differently in this year's review.

First, we have moved to a calendar year review. This provides a clearer picture of what was accomplished during the full year.

Second, we have reorganised and added to the information we provide and have updated the look and feel of this report to make it more engaging and easier to follow.

Third, we have published an online interactive version of this review with highlights of this report at [www.irishfunds.ie/annualreview2018](http://www.irishfunds.ie/annualreview2018).

In 2018 we worked together to initiate a broad range of new activity as well as continue work we had begun previously. There is an enormous team effort involved in what we do, with guidance and oversight from your elected Council and support from a dedicated Secretariat team. We hope you find this report a valuable record of what we have been able to achieve together in 2018.

### Our association and the value of membership

We welcomed 12 new members to the association during 2018 and now have a total membership of more than 140 firms. This represents over 30% growth since this time four years ago and we see ongoing interest from industry firms looking to get involved.

The breadth of our membership community gives us added strength and increases our ability to deliver value. We are very fortunate that we are able to draw on so much valuable experience from the nearly 700 individuals who are on our 40+ Working Groups.

As important as growing our membership is listening to our members. We have introduced new initiatives this year to foster more extensive engagement with our members

and to create as many opportunities as possible for collaboration and knowledge sharing.

In 2018, we hosted 8 member engagement lunches aimed at gathering valuable feedback and to support networking. We also established a new Member Engagement Working Group to develop and improve the ways we build relationships and engage with our members.

We continue to hold member-only events throughout the year and have been pleased with the levels of interest in and attendance at these events. Additionally, materials from these events form part of the over 1,700 industry resources available on our member portal, which we continue to develop to provide information and insights to our members.

### A record-breaking year, with an elephant in the room

2018 was a record-breaking year for the funds industry in Ireland, with assets in Irish domiciled funds surpassing €2.5 trillion. Ireland is the domicile for 5% of worldwide investment fund assets, making it the third largest centre in the world.

While the Irish funds industry reached new highs in 2018, throughout the year, we have had our sights set on the changes to come in 2019 and the impact of Brexit. Our Brexit Steering Group has been working non-stop in 2018, engaging with government and a wide range of stakeholders. The group has been preparing for the eventualities of Brexit and we have all been working to ensure that as an industry we are equipped to face the challenges and grasp the opportunities to come.

### Guiding the evolving industry in Ireland

As the industry evolves we must play our part in shaping its future. We engaged with a wide range of stakeholders both at home and overseas on many areas, reflecting that we are simultaneously local, European and global in what we do.

The Irish Government continues to support the industry in delivering a responsive business and regulatory environment for the wider investment community. In recent months Minister of State Michael D'Arcy has been preparing a successor strategy to the government's IFS2020 strategy. We have made strong and detailed representations about what an updated competitiveness strategy should incorporate, including benchmarking ourselves against other international locations, speed and agility in implementing legislative changes, and maintaining high regulatory standards, which also support global business.

While we face the uncertainties of Brexit, it is clear we must continue to be competitive in our own right. We have been very determined to increase Ireland's attractiveness for private equity investing and an immense amount of work was done by the ILP Legislative Working Group in

## Welcome

2018 to advocate for the progression of the Investment Limited Partnership Legislation.

In this document we illustrate the work that has been done in 2018 on a wide range of issues, from ILP and Money Market Fund Regulation (MMFR) to ESA reform, Mandatory Disclosure Regime (DAC 6) and amendments to UCITS Regulations.

### Advocacy based on facts – the industry's economic contribution

To effectively drive the development of the industry we must engage in evidence-based advocacy to exert impactful influence. To this end, we have engaged consultants to undertake an Economic Impact Study which will ensure we accurately capture our aggregate contribution to the economy. The assessment will provide support for our public advocacy generally and specifically with European parliamentary elections on the horizon in the first half of 2019.

### Raising the profile of the Irish funds industry

Throughout this review we highlight the many events and promotional activities we undertook to raise the profile of the industry and its offering and to share information, solutions and different perspectives with all our stakeholders. We had a very active programme during 2018 with 26 international events in 15 cities with record attendance at our Annual Conference and our UK Symposium. Year on year we are consistently raising the bar for ourselves. Our 2019 events programme kicked off in Asia as we lead up to our 2019 Annual Conference on 23 May in the Convention Centre Dublin.

In addition to our events activity, we continue to serve as a clear, professional and consistent voice for the industry through the information we make available in publications, newsletters, online and on social media. We have continued to see growth in traffic to our website and social media followers as we utilise these channels to a greater extent.

### Preparing for the future – developing and attracting talent

Identifying, recruiting and developing talent is one of the bedrocks on which our industry has been built. Bringing new and diverse talent pools into the industry is the fuel for tomorrow's success.

Our Talent & Skills Working Group have led the development of our funds industry career profiles which highlight professionals, their roles and their experiences working in the industry. This momentum will help us to continue to build on our industry attractiveness efforts to help us reach new audiences.

As part of our ongoing commitment to skills development, we partner with the Institute of Banking to offer funds industry training and qualifications. We regularly offer industry-specific events throughout the year which focus on key funds industry topics and also participate in regional development focused events and graduate career fairs.

### Thank you

Thank you for your continued support. We cannot say this enough. It has been my great privilege to lead a wonderfully dedicated and professional team within the Association and work with a highly engaged Governing Council, led by Brian Forrester, whose immeasurable commitment along with determined effort helps to drive the association forward and position it for the future. We look forward to continuing our important work together to seize opportunities and break new ground together.

## Letter from the Chairperson



Since taking over as Chair of Irish Funds earlier this year it's fair to say there's never been a dull moment, and that shows no signs of changing any time soon.

On the one hand the industry in Ireland is hitting record numbers across a variety of areas. Ireland has again been the fastest growing European

Domicile over the last year with both employment numbers and asset levels hitting record levels, and the association itself has seen a steady flow of new members.

On the other hand there's Brexit.

As I'm writing these remarks I'm conscious that by the time anyone has read what I've written much of what I have to say will be taken over by events, and I'll most likely be proven wrong. No change there then (although for the record I put my pen down on 11 December the day after Teresa May postponed the Brexit vote in the House of Commons). What I would say, is regardless of whether we have Brexit, No Brexit, or a No Deal Brexit the UK will always be an extremely important partner for the funds industry in Ireland and no matter the outcome that will not change.

During the year Council and the Irish Funds team spent some time looking at the strategy of the association, to make sure that we remain relevant for our members and are focussing on those areas of strategic importance. The outcome of that process resulted in an updated Mission Statement which states that the aims of the association are to:

**PROMOTE** Ireland to be the leading European jurisdiction for the international asset management industry

**INFLUENCE** the regulatory environment and supporting eco-system to enable member firms provide quality products and services that meet their clients' current needs and future investment requirements

**SERVICE** the needs of our diverse membership

We will work to achieve this under the pillars of **Advocacy & Influence, Promotion** and **Preparing for the Future**, as well as the current focus on our **Brexit Response**. This is the first time we have specifically called out the Future and I'm very excited at some of the ideas emanating from our working groups in this area, and look forward to seeing some of these ideas come to life later in the year.

As part of our efforts to both promote our industry and to influence the environment in which we operate, we have recently commissioned an Economic Impact study to get some empirical evidence supporting the contribution of our industry to Ireland as a whole. This is expected to be released early in 2019, and I would hope will be of great interest to our members, and to all stakeholders in our industry. This is the first time we have undertaken such an exercise. Historically we have quantified our industry by the number of jobs, and assets directly serviced here but this study will look more holistically at the economic contribution we make both directly and indirectly, and based on the number of industry representatives I see at Dublin airport on a regular basis I would expect that contribution to be quite significant!

There are a huge number of people I'd like to thank for their support during the year, most particularly Pat Lardner and his team at Irish Funds who work tirelessly to represent the interest of our members. I'm also hugely appreciative of my fellow Council members, and those members of our working groups who so generously give of their time on a voluntary basis. You know who you are, and I most sincerely thank you all for your efforts.

I don't yet know what 2019 has in store, but what I do know is that if we approach 2019 with the "can do" attitude that the industry in Ireland is known for, we should allow ourselves to look forward with confidence that we can deal with whatever challenges are thrown our way.

Thank you, and best wishes for the year ahead.

**Brian Forrester**

### Past Chairs of the Association

1991 - 1993	Vic Holmes	2001 - 2002	Brian Collins	2010 - 2011	Carin Bryans
1993 - 1994	Paul McNaughton	2002 - 2003	Damian Neylin	2011 - 2012	Ken Owens
1994 - 1995	Denise Kinsella	2003 - 2004	Jeffrey Holland	2012 - 2013	Fearghal Woods
1995 - 1996	John Fitzpatrick	2004 - 2005	Dan Morrissey	2013 - 2014	Kevin Murphy
1996 - 1997	Bernard Hanratty	2005 - 2006	Liam Manahan	2014 - 2015	Barry O'Dwyer
1997 - 1998	Padraig Kenny	2006 - 2007	Noel Moynihan	2015 - 2016	Tadhg Young
1998 - 1999	Eimear Cowhey	2007 - 2008	Deirdre Power	2016 - 2017	Alan O'Sullivan
1999 - 2000	Anthony Carey	2008 - 2009	Seán Páircéir	2017 - 2018	Tara Doyle
2000 - 2001	Paul McGowan	2009 - 2010	Michael Jackson		

## Background & Activities



### Objectives of Irish Funds / To support, complement and develop the funds industry in Ireland.

The Irish Funds Industry Association (Irish Funds) is the representative body for the international investment fund community in Ireland. Founded in 1991, we represent fund managers, depositaries, administrators, transfer agents, and professional advisory firms and other specialist firms involved in the international fund services industry in

Ireland. Members come from all areas of the funds industry, and Irish Funds is well-placed to support and complement the continued development of the industry. Irish Funds vigorously pursues the goal of enhancing and promoting Ireland as the location of choice for the domiciling and administration of investment funds.

### Our main roles include:

#### The Voice of the Funds Industry

Representing the industry in discussions with Government, its departments/agencies and the Central Bank of Ireland to ensure that the environment and infrastructure available can support the continued development and growth of the industry.

#### Promoting and Profiling Ireland's Funds Industry

Irish Funds raises the profile of the industry to promote Ireland as the premier centre of excellence to domicile and service international investment funds. We promote awareness of the funds industry both internationally and domestically by hosting conferences, events and seminars and by engaging with the media.

#### Support the Training and Development of Personnel in the International Funds Industry

Irish Funds is committed to the continued development of the industry's most valuable resource - its people. Through the Professional Certificate in International Investment Fund Services, the Certified Investment Fund Director Programme, and other industry related programmes run in conjunction with the Institute of Banking and our industry

specific and technical seminars, we actively support the professional development of those working in the industry.

#### An Information Resource for the International Funds Industry

Through the development of industry policy, guidance papers, technical briefings and the output of our working groups, we assist in the defining of practice across a range of complex areas such as compliance, valuation, accounting, share dealing and registration. The partnership between members ensures that a full range of perspectives and insights are represented in the formulation of guidance papers. In doing so, we provide a valuable service in generating and disseminating information.

#### Representing the Funds Industry at a European / International Level

Irish Funds is a member of the European Fund and Asset Management Association (EFAMA). In cooperation with our European partners, we actively engage in policy discussions at an EU level. We are a member of the International Investment Funds Association (IIFA) which brings together representatives from 41 national and regional fund associations across the globe.

## Irish Funds Around The Globe

**15** Offices Globally  
(In Conjunction with IDA Ireland)



### North America

New York  
Boston  
Chicago  
Atlanta  
California



### South America

Sao Paulo



### Australia

Sydney



### Europe

Dublin  
London  
Frankfurt



### Asia

Singapore  
Shanghai  
Hong Kong  
Beijing  
Tokyo

## Association Structure

An elected council of 13 members governs Irish Funds. The work of the council is supported by a network of steering and working groups and the day-to-day affairs of the association are managed by a full time secretariat.

The Association structure for 2018 is summarised below. In 2019, the structure and groups will be reconstituted to ensure we best serve both ongoing industry initiatives and more recent strategic priorities underpinning our goals of influencing, promoting and servicing the needs of our diverse membership



Brexit Co-ordination – (Representation from each Steering Group)

### Working Groups

A	B	C	D	E	F	G	H
Marketing/ Promotion	Distribution	Tax	Operational	IST	AIF Product	UCITS Product	Front Office
Events	UK	International	Legal	Talent & Skills Development	Hedge Funds	UCITS Product Innovation	Investment Risk
Conference	Continental Europe	FATCA/ CRS	Transfer Agency	FinTech	Real Economy Investing	ETFs	Organisational Risk
Membership	Asia	Domestic	Depositary	Middle Office & Related Operations	ILP Legislative	MMFs	Fund/ ManCo Governance
Comms & Publications	Latin America	VAT	Financial Reporting		AIF Regulation & Reform	UCITS Regulatory Response	MiFID II
Member engagement	Switzerland		AML				EMIR
	North America		Head of Operations				PEPP
	PRIPs		Regulatory Reporting				
			Internal audit				

## Welcome To New 2018 Members



AQMetrics



Artisan Partners Limited Partnership



Canaccord Genuity Wealth Management Ltd



Carnegie Fund Services Ltd.



Citadel Europe LLP



Clearstream Global Securities Services Ltd



Eversheds Sutherland



First State Investments



Gemini Capital Management



Lemanik Asset Management S.A.



MDO Management Co



Morgan Stanley &amp; Co International Plc



Pinsent Masons



Simmons &amp; Simmons



Sparkasse Bank Malta plc, Ireland Branch

## The Secretariat

In March 2018, Irish Funds moved to new offices in Ashford House on Tara Street in central Dublin – around the corner from our old offices. This has kept us near many of our members, policy makers and the regulator in a fit-for-purpose space for our team.



## Regulatory &amp; Tax Highlights

**During the course of the last year,** Irish Funds has responded to a wide range of regulatory and tax issues as well as leading on a number of product related initiatives. Areas covered include:

Financial Reporting	EMIR	ETFs
ESA Reform	MiFID II	IREF
China Connect	Central Bank UCITS Rulebook / Regulations	Leverage
FATCA + CRS	AML	AIF Rulebook
Finance Bill	AIFMD Review	Cross Border Distribution
UCITS	Asset Segregation	Money Market Funds
OECD / BEPS	Management Company Effectiveness	VAT
Limited Partnership Reform	Brexit	PEPP
Mandatory Disclosure Regime	Outsourcing	ESG
PRIIPs	Specialised Depositories	GDPR

## Tax Steering Group



The purpose of the Tax Steering Group is to develop and improve the Irish and international tax environment in pursuit of business opportunities for the Irish funds industry and to respond effectively to domestic, regional and global

tax developments impacting the industry in order for Ireland to continue to have a competitive tax regime providing certainty, stability, and transparency.

The Tax Steering Group and its attendant working groups have been principally concerned with the following matters during the period April to November 2018:

- The OECD Base Erosion and Profit Shifting (BEPS) project continues with a majority of the actions finalised. This initiative includes the adoption of a multilateral instrument (MLI) which is designed to counteract the perceived misuse of tax treaties. In 2017 representatives from over 70 jurisdictions, including Ireland, participated in an OECD ceremony for the signing of the agreement. Treaty access for both CIV and non-CIV funds continues to be a key area of focus for the Tax Steering Group. In particular, the future application of the 'Principal Purpose Test' included in the multilateral instrument is of great importance to ensure that funds are not inappropriately denied the benefits of double tax treaties. Consequently, the Tax Steering Group and the International Tax WG continue to advance the case for the Irish funds industry with relevant stakeholders.
- EU Anti-Tax Avoidance Directive  
The EU has introduced an anti-tax avoidance directive ATAD which contains measures to combat tax avoidance practices including the introduction of a net interest restriction based on 30% of tax EBITDA, anti-avoidance measures in respect of certain "hybrid" entities and financial instruments, the introduction of an "exit charge" for migrating companies and branches, the introduction of a controlled-foreign-company (CFC) regime, and the introduction of a general anti-avoidance rule by all EU member states. Most of the measures are due to be implemented with effect from 1 January 2019 though some may be deferred at the discretion of the relevant member state. The application of these rules across Europe will have wide-ranging implications and the Tax Steering Group and the Domestic Tax WG will work with the Irish authorities to ensure that the interests of the Irish funds industry are taken account of.
- US FATCA and the EU Common Reporting Standard (CRS) are both now in operation in Ireland and require Irish financial institutions (including Irish domiciled investment funds) to file information with the Irish Revenue authorities in respect of their investors. The CRS/FATCA WG continues to engage with the Irish Revenue in order to improve the reporting regime and get clarity for Irish funds and their administrators.
- The introduction of an EU-wide mandatory reporting regime in respect of certain transactions which contain one or more of a list of prescribed hallmarks has been agreed and Ireland will be obliged to implement these rules by 2020 with retro-active reporting to the middle of 2018. The Tax Steering Group will engage with the Irish Revenue on the roll out of these new rules to ensure that matters relevant to the Irish funds industry are taken into consideration.
- The Steering Group continues to focus on other topics both domestically and internationally including:
  - the recently introduced taxation regime for Irish Real Estate Funds (IREFs);
  - the evolving VAT landscape for funds and fund service providers;
  - the negotiation of new tax treaties; and
  - modernising and updating the Irish tax legislation applicable to funds, and other administrative and policy issues.

## Operational Steering Group



The Operational Steering Group grew from 8 to 9 Working Groups during 2018 as follows:

1. Transfer Agency
2. Anti-Money Laundering
3. GDPR
4. Regulatory Reporting
5. Heads of Operations
6. Financial Reporting
7. Depositary
8. Legal & Regulatory
9. Internal Audit

During 2018, the group sought to prioritise the topics under its remit that are likely to have the most impact on the sector as follows:

1. Outsourcing
2. Anti-Money Laundering
3. Cyber Security

### Outsourcing

The Heads of the Operations WG has been actively working as a group in conjunction with Irish funds and through interaction with the Central Bank of Ireland to develop thought leadership and best practice with outsourcing by member firms. A practice paper has been developed, and the group is currently working on preparing a response to the CBI's paper on Outsourcing, with specific consideration being given to the operating models, regulatory requirements and risks associated with the provision of fund administration and depositary services in Ireland. It is anticipated that this work will continue into 2019.

### Anti-Money Laundering

The AML WG has eagerly anticipated the transposition of the 4th Money Laundering Directive, and has focussed on updating the funds industry specific guidance to reflect the revised legislation. The WG will lead the review of the CBI Guidance, which will accompany the revised legislation and is expected in Q1 2019 for consultation.

### Cyber Security

The Head of Operations WG has established a sub-group to focus on the Cyber Security practices in the sector. This sub-group has sought participation from IT Security professionals from across member firms and will focus on the implementation of Tiber in Ireland and the practices and challenges faced by member firms in managing security risk.

### Other Initiatives

In addition to the above 3 priority areas, the working groups have held events in Financial Reporting and Transfer Agency Technology, as well as keeping a watching brief on the impact of Brexit (including the Application for Authorisation requirements of the CBI), the Skills & Resource requirements of the sector and the Winding-Up of Collective Investment Schemes.

## AIF Product Development Steering Group

The AIF Product Development Steering Group monitors and provides strategic guidance on legal, regulatory and product initiatives impacting Irish alternative investment funds on a domestic, EU and global level. The aim of the AIF Steering Group is to further develop and enhance Ireland's reputation as the leading EU domicile for the establishment, management and distribution of AIFs.

The Steering Group's mandate covers the entire alternative asset sector and has formed specific Working Groups in the areas of:

- Hedge Funds
- Real Economy Investing
- ILP Legislative
- AIF Regulation & AIFMD Reform

### Hedge Funds

The Hedge Funds WG delivered on a number of work streams in 2018 and continues to work on others, all of which are aligned to specific objectives. The goals were as follows:

1. Market Communication and Engagement
  - a. Promoting the use of Ireland as a Hedge Fund Domicile.
  - b. Continuing to maintain Ireland's position as the leading service centre for hedge funds
2. Produce materials outlining the needs, goals and objectives of investors and managers in the hedge fund industry (e.g. through use of new structures such as the ICAV or proposed new structures such as the ILP).
3. Supporting Irish Funds leadership through collaboration with other bodies such as AIMA.

**Loan Origination Funds** – The WG collated data on structures in place post-introduction of the L-QIAIF regime to facilitate discussions between Irish Funds and stakeholders around changes to the existing rules.

**Global Sound Practices Guide on Outsourcing** – The HF WG was part of the editorial team feeding into the drafting of the inaugural Global Sound Practices Guide (“GSPG”) on Outsourcing. This large body of work, which includes the Guide and the Questionnaire for Due Diligence of outsource service providers, is in the final draft stage with roll out expected Q1 of 2019. The WG has built a strong working relationship with AIMA and will explore other collaborative projects.

### Real Economy

The core objective and purpose of the REI WG is to facilitate the growth of Ireland as a domicile of choice for closed-ended funds. Two main areas of focus are PE and loan origination/private credit. The following points are key to creating the right framework: a modern LP legislative framework, a clear regulatory framework with regards to closed-ended funds (particularly engagement on the AIF Rulebook), and a clear regime regarding the L-QIAIF product.

### Updates on key activities/projects/initiatives

The REI WG is close to the end of a lengthy engagement with the CBI on changes to the AIF Rulebook aimed at making Ireland more attractive as a funds domicile for private equity.

The REI WG, in conjunction with other industry members, has prepared a new submission to the CBI seeking clarification of certain aspects of the existing L-QIAIF regime. The submission identifies policy amendments aimed at enhancing the L-QIAIF product. The CBI has agreed the WG will make a further submission on the L-QIAIF regime and append the L-QIAIF submission changes to the final AIF Rulebook submission so that both items can be considered at the same time.

Significant progress has been made by the sub-group of the REI WG engaging with the CBI on creating a new specialised depositary regime. The Central Bank recently released a Notice of Intention to make provisions for entities to act as depositaries under Regulation 22(3)(b). It is positive that the Central Bank is seeking to allow for applications under this provision. Irish Funds is seeking clarification on limitations on the authorisation of such depositaries to safekeeping of real assets.

### ILP Legislative

The WG carried out an extensive review of global partnership structures to consider what Ireland needed to do to offer a “best-in-class” structure. Two detailed proposals were put forward to amend (i) the Limited Partnership Act, 1907 (1907 LP) and (ii) the Investment Limited Partnership Act, 1994 (ILP).

The WG have drafted and submitted extensive legal and regulatory proposals to enhance the existing regime and responded to queries on original submissions. We have worked on a constructive basis with the Department of Finance, Central Bank and industry. This work has resulted in the ILP amendments being formally added to the Government's legislative schedule for 2018 and we are informed that draft legislation should issue imminently (as at November 2018). The ILP submissions have also included important amendments to the ICAV Act, 2015. We have received comments on the proposals and responded to the issues raised.

### AIF Regulation & AIFMD Reform

The WG has continued to monitor developments in the implementation of AIFMD at a domestic and an EU level. The Group has been involved with maintaining a dialogue with ESMA following their advice in July 2016 on the potential introduction of the third country passport. The WG has also been heavily involved in the EFAMA and local industry responses to ESMA's Q&As on the delegation of the management functions set out in Annex I of AIFMD and remuneration disclosures in AIF annual reports.

The Group also coordinated the response to the survey initiated by the European Commission in relation to possible changes to AIFMD. In addition, the WG participated in a bilateral interview with KPMG in May 2018 as part of the second phase to the AIFMD review by the European Commission.

The WG continued to monitor the draft Directive and Regulation on cross-border distribution and the introduction of AIF Regulations by the Central Bank to replace the AIF Rulebook. The WG also considered the introduction of the EU Securitisation Regulation, the Shareholder Rights Directive II and proposals from the European Commission in relation to sustainable finance.

## UCITS Product Steering Group

The objective of the UCITS Product Steering Group is to manage the engagement of the industry regarding the UCITS regulatory and legislative landscape with key local and European government stakeholders and regulators; primarily the Department of Finance, the Central Bank and ESMA. The Steering Group also inputs into the consideration of UCITS related developments by other industry associations, including the European Fund and Asset Management Association (“EFAMA”). The Steering Group is divided into four working groups as follows;

1. UCITS Product Innovation;
2. Exchange Traded Funds (“ETFs”);
3. Money Market Funds (“MMFs”);
4. UCITS Regulatory Responses.

### UCITS Product Innovation

The UCITS Product Innovation Working Group is responsible for identifying areas in which UCITS may be enhanced, whether by initiatives at a European or Irish level and to advocate for relevant changes.

The WG has considered such areas as liquidity requirements, leverage, share class structures, segregation of assets, central clearing counterparty exposure limits, remuneration requirements, eligible assets, performance fee proposals and the extension of MiFID concepts to UCITS structures.

The WG seeks to track any product innovation in other EU or global fund jurisdictions to determine whether they should also be introduced in Ireland and, in this capacity, has also looked at the potential regimes which might be available in Ireland for virtual currency funds. In 2019, it is envisaged that the working group will consider how best to align Irish UCITS structures with proposals at EU level in relation to environmental, social and governance (“ESG”) matters including the Commission legislative proposals on and sustainable finance.

### ETF WG

The ETF WG continued its process of engagement with the Central Bank in 2018 with a view to further enhancing Ireland’s position as the largest EU domicile for ETFs.

This included engagement with the Central Bank in relation to the Central Bank Feedback Statement on Exchange Traded Funds (published on 14 September 2018), which increased flexibility in ETF share class arrangements. The WG collated input from across the range of service providers appointed to Irish funds, including fund managers, administration and depositary firms, authorised participants, audit firms and legal advisers in relation to the questions raised by the Central Bank.

The ETF WG continues to work with the Central Bank in relation to further discussions on ETFs at European and international policy forums (including IOSCO). In particular, the ETF WG will continue to work on some of the outstanding points identified in the Feedback Paper, including requirements in respect of mandatory disclosure of portfolio holdings. The WG published a White Paper on Ireland as a centre of excellence for ETFs in March 2018.

### MMF WG

The MMF WG’s primary focus since September 2013 has been on the European Commission legislative proposals relating to EU MMF reform, the transitional period for implementation of which culminates in January 2019.

Each working group also devoted increased time in 2018 to assess the potential impact of Brexit on UCITS, including areas of concern such as the marketing of UCITS into UK, the continued delegation of investment management functions to UK investment managers, the eligibility of OTC counterparties located in the UK and the clearing of units in ETFs and investments in Irish listed companies in the event of a hard-Brexit.

The working groups have engaged with the Irish Funds Brexit Steering Group and other Irish Funds working groups in relation to Brexit matters.

This process of engagement with legislators and regulators continued through the legislative process and subsequent work with the Central Bank and at European level in relation to the implementation of the MMF Regulation into national law.

In this capacity, the WG has sought and received input and evidence-based arguments for presentation to legislators on topics such as the use of reverse distribution mechanisms (“RDM”) by money market funds (“MMF”), historic pricing and settlement procedures. Representatives of the WG have met with ESMA and EU legislators as part of this process. The WG has also engaged with the Central Bank in relation to the appropriate pricing structures to be used by accumulating share classes who wish to facilitate same day settlement by investors.

The most pressing priority for the MMF WG has been in assisting MMF fund managers in framing their response to the November 2018 determination by the European Commission that it regards RDM as inconsistent with the MMF Regulation. In doing so, the MMF WG has sought to identify alternate mechanisms which may be implemented by MMF fund managers in a manner consistent with the best interests of investors and to engage with regulators for an appropriate transitional period, consistent with market stability and investor demand.

The WG will also continue a series of seminars and events on the options available to the promoters of Irish MMFs following the implementation of the MMF Regulation.

### UCITS Regulatory Responses

The UCITS Rulebook WG is charged with co-ordinating Irish Funds responses to any regulatory consultation papers or other proposals which may impact on the UCITS regime in Ireland.

Since inception, the WG has been closely engaged with the Central Bank in relation to the Central Bank UCITS Regulations 2015. This included input to the Central Bank in the form of an Issues Tracker outlining those matters which industry believes needs to be addressed in future iterations of the Regulations and engaging with the Central Bank in relation to changes proposed by the Central Bank to the legislation. This process is ongoing, with the WG currently leading the industry response to Central Bank Consultation Paper on amendments to (and consolidation of) the Central Bank UCITS Regulations (“CP 119”).

The WG has also worked in relation to the implementation in Ireland of the ESMA Opinion on Share Classes of UCITS (the “ESMA Opinion”) pursuant to an updated Guidance Note and Central Bank Q&A published on 28 June 2018.

## Front Office Steering Group

The working groups within the Front Office steering group focus on the market and regulatory developments most directly relevant to asset managers within the Irish funds industry. This involves consideration of matters having an impact on the funds asset managers (e.g. operational and

governance considerations in meeting existing obligations) and external developments that may create opportunities for funds asset managers or which will, in the future, have a practical impact on their business.

The Front Office steering group consists of six working groups, namely:

- 1 Organisational Risk;
- 2 Investment Risk;
- 3 MiFID II;
- 4 Management Company Effectiveness;
- 5 EMIR;
- 6 PEPP.

### Organisational Risk

The group has focussed on the following areas: (i) Guidance Paper on Risk Management Framework in response to CBI Letter 2016; (ii) Guidance Paper on Risk Appetite Statement; and (iii) General Risk Management Framework Guidance for Industry Members. In addition in 2018, group members have shared their experiences in the completion of various CBI questionnaires, including that on AML & IT Risk. This group circles back to the “risk of outsourcing” on a regular basis and will support the Head of Operations WG on responding to outsourcing expectations set out by the Central Bank of Ireland in 2018. The next topic of focus for this group is guidance under the title: Industry Standard on Due Diligence of Third party providers.

### Investment Risk

The group has completed work on two thought leadership papers in 2018. A liquidity risk paper is expected to issue shortly. The paper explores a number of liquidity issues and questions which affect Irish Funds members including fund disclosure, limits and stress testing, and provides high-level recommendations in the key areas of consideration. The group is currently working on the second paper assessing the use and measurement of leverage in investment funds. The Investment Risk WG provided input to Irish Funds’ response to IOSCO’s consultation on CIS liquidity risk management recommendations. In addition, the working group reviewed the ECB paper “Developing macroprudential policy for alternative investment funds” published in November 2017 and provided feedback on IOSCO’s on-going work to standardize notional exposures’ methodologies as well as proposals to standardize definitions on netting and hedging arrangements versus the existing EU frameworks. The group also met with representatives of EFAMA to discuss the proposed ESMA Guidance on Liquidity Stress Testing due in 2019.

### MiFID II

The group has focused on the application of MiFID II to the funds industry, in particular on the impact on UCITS management companies and AIFMs which engage MiFID firms to provide services, such as investment managers and distributors. The work has included engagement with and submissions to, the Central Bank and the Department of Finance in relation to the MiFID II transposing legislation. It has also undertaken the following: (i) the publication of a Q&A (original and revised version) covering topics including inducements, payments for research, costs disclosures and product governance, (ii) liaising with other Irish Funds WG on related issues eg. PRIIPs, and (iii) the publication of a “Why Ireland” marketing brochure focusing on funds asset management in Ireland. The working group has also been involved on European industry initiatives relating to the implementation of MiFID II such as common approaches and templates.

### Management Company Effectiveness

The group’s primary focus has been in relation to analysis of the Central Bank’s Management Company Effectiveness Guidance (“CP 86”) and ensuring its effective implementation. The working group expects to play an important role in 2019 given the influx of new management companies to Ireland in the past year to 18 months.

### EMIR

The key objective in 2018 has been to track the progress of the EMIR review proposals within the trilogue negotiations between the European Parliament, Council and Commission. It is anticipated that this will provide a number of opportunities for the EMIR WG to deliver feedback, support European level initiatives and to develop appropriate guideline materials. Looking ahead, the group will monitor the impact of Brexit on both cleared and uncleared derivatives, and the next phase of Initial Margin requirements in September 2019.

### PEPP

The group is focussed on proactively shaping the proposal for a Pan European Personal Pension Product (PEPP) which continues to present an opportunity for the funds industry to expand its product offering based on the UCITS model. A number of key aspects of the proposed PEPP continues to be under observation, including available default options, authorisation rules, offering national compartments and the position on tax. Engagement with EFAMA and the Irish Department of Finance is at an important phase.

## International Events

## Irish Funds Events 2018

15/01/2018	Hong Kong Seminar	Hong Kong
17/01/2018	Beijing Seminar	Beijing
19/01/2018	Shanghai Seminar	Shanghai
12/03/2018	Toronto Seminar	Toronto
15/03/2018	New York Seminar	New York
18/03/2018	ICI St Patrick's Day Reception	San Antonio
12/04/2018	TA Technology & Innovation Seminar	Dublin
18/04/2018	London Alternative Investment Seminar	London
25/04/2018	AEOI FATCA/CRS Seminar	Dublin
02/05/2018	Tax Townhall	Dublin
10/05/2018	Irish Funds Annual General Meeting	Dublin
16/05/2018	Annual Conference Golf Outing	Dublin
17/05/2018	Annual Global Funds Conference	Dublin
18/05/2018	Annual Conference Distribution Seminar	Dublin
30/05/2018	Hong Kong Seminar	Hong Kong
11/06/2018	FundForum Irish Funds Berlin Lunch	Berlin
11/10/2018	Singapore Seminar	Singapore
23/10/2018	Boston Seminar	Boston
24/10/2018	Greenwich Seminar	Greenwich
26/10/2018	New York Seminar	New York
30/11/2018	Tokyo Seminar	Tokyo
14/11/2018	UK Syposium Annual Dinner	London
15/11/2018	6th Annual UK Symposium	London
28/11/2018	Frankfurt Seminar	Frankfurt

## Conference Participation

Regular participation as speakers, panelists and promotional work in conjunction with IDA Ireland continue to be important. Outside of these events, Irish Funds executives are also regularly called upon to provide industry briefings to member firms, diplomatic representatives and companies considering inbound investment into Ireland. A sample of our activities included:

10/01/2018	Adminovate	Admin & Fintech Conference	Dublin
28/02/2018	NICSA	Strategic Leadership Forum	Miami
06/03/2018	ALFI	European Asset Management Conference	Luxembourg
20/03/2018	AIMA	Global Policy & Regulatory Forum	Dublin
06/09/2018	Swiss Fund Academy	Brexit Panel discussion	Dublin
21/09/2018	Crane	European MMF Conference	London
25/09/2018	PwC	Brexit Panel with other associations	London
27/09/2018	K&L Gates	Regulatory Priorities	London
03/10/2018	Paragon Executive	Brexit Decision Time	Dublin
04/10/2018	Bloomberg	Tech & Admin Panel	Dublin
19/10/2018	PwC European AWM	The Future of Europe Beyond Brexit	Dublin

## Event Highlights



Greenwich Seminar



Tokyo Seminar



Madrid Seminar



Annual Global Funds Conference



UK Symposium



TA Technology Seminar

Our events programme was very active during 2018 with 26 international events in 15 cities and a total of 5,000 delegates.

The **Annual Global Funds Conference** in Dublin, with our move to the Convention Centre, was a big success as evidenced by a highest-ever attendance of 460 delegates. The 2019 Annual Conference will be held at the Convention Centre Dublin on *Thursday, 23 May 2019*.



**5,000+**  
TOTAL EVENT DELEGATES



**460**  
DELEGATES: IRISH FUNDS ANNUAL GLOBAL FUNDS CONFERENCE, DUBLIN



**580**  
DELEGATES: IRISH FUNDS ANNUAL UK SYMPOSIUM, LONDON



**15,000+**  
THE IRISH FUNDS CALENDAR OF EVENTS IS PROMOTED VIA A GLOBAL CONTACTS DATABASE OF OVER 15,000 INDUSTRY PROFESSIONALS.

## Marketing & Media

Developing and disseminating key messages and information both domestically and internationally is crucial to developing and reinforcing the profile of the Irish funds industry.

We share industry-specific messages and news to stakeholders across the board in multiple ways, including direct e-mail, web, social media, print materials and presentations.

The Marketing & Promotions Steering and Working Groups collaborate with the wider organisational group structure to develop highly relevant content and materials focusing on Irish solutions and opportunities within the funds industry.

### Outreach through Events

Running throughout the year, Irish Funds events increase awareness of solutions available to connect fund managers globally with their cross-border investors. Our continuing goal is to bring awareness and understanding of the contribution and importance of the industry in Ireland. Irish Funds members and key industry experts are present at Irish Funds seminars around the world speaking on opportunities, industry updates and why Ireland is the location of choice for domiciling funds. Surrounding these events are numerous journalist meetings, live social media activity, multimedia promotional pieces and continuous engagement with targeted regional marketing lists and attendees.

### Media Influence

We regularly engage with the media throughout the year. Typical media opportunities include market commentary and media briefings with coverage appearing across a varied range of national and trade media on nearly every continent. We also regularly submit articles on timely topics to industry publications. Publications we have featured in for 2018 include The Irish Times, FTfm, Asset Servicing Times, Funds Europe, Ignites Europe, HedgeWeek, Institutional Asset Manager and Global Investor, among others.

### Key Achievements 2018

- Increased web traffic - The Irish Funds website continues to attract users and reached 327K views last year. There is ongoing content development and the site provides up-to-date news, statistics, key regulatory and tax topics and information on Ireland as a jurisdiction.
- Increased social media outreach and engagement – Increase in the number of posts, engagement and the number of followers. Our LinkedIn followers, at 4,500, have increased by 1,800 and we continue to build a following on Twitter.
- Funds industry attractiveness and career profiles – We recently launched a funds industry career profile series which highlights a range of funds industry professionals, their roles and their experiences working in the industry to help us reach to new audiences.
- Videos and slideshows – Production of an animated explainer video on the work Irish Funds does and the highlights and achievements of the funds industry here in Ireland.

- Seasonal newsletters – Spring and autumn editions of the Irish Funds newsletter containing updates and in-depth analysis by our members of timely topics and developments. These newsletters are disseminated via mailouts and social media and are available on the website and in print.
- Direct mail and communications - Extensive use of a targeted mailing system to keep members up to date on regulatory matters and to promote events and other funds industry information to a wide range of stakeholders.
- Member plaques – Production of member plaques for all Irish Funds full member companies.

### Irish Funds Publications

Irish Funds publications are regularly updated with key facts and figures with new materials being developed for timely topics and areas.

- Why Ireland for Management Companies and Investment Firms
- Fintech Ecosystem – Funds Industry in Ireland
- Funds Wrapper Matrix
- Why Ireland
- Why Ireland (Chinese Language)
- The Pan European Personal Pension Product (PEPP)
- Ireland: Europe's Centre of Excellence for Exchange Traded Funds
- Guide to Establishing Money Market Funds in Ireland
- Guide to Establishing Loan Originating Funds in Ireland
- Ireland: A Guide for Chinese Asset Managers
- Ireland: A Guide to International Fund Distribution
- Country Distribution Guides (Members Only) - Switzerland, France, Hong Kong, Singapore, USA Taiwan, Spain, Sweden, Norway, Italy
- Liquid Alternatives: Why Ireland for Alternative UCITS
- CCFs: The Tax Efficiency in Asset Pooling
- Irish AIFs: A Guide to Establishing Alternative Investment Funds in Ireland
- Membership: Supporting your International Funds Business through Advocacy, Collaboration and Promotion



## Marketing & Communications Steering Group

The Marketing and Communications Steering Group is made up of 5 working groups: Membership, Events, Conference, Communications & Publications and the recently formed Member Engagement Group. Collectively the Steering

Group has responsibility for on-going engagement with our members and prospective members to create and deliver the key messages that promote the industry and Irish Funds, as an association, domestically and internationally.

### Membership

This year Irish Funds hosted a series of membership drive lunches in London and New York, with a focus on Asset Managers. This tactic has proven again successful in that we surpassed the target for new membership by over 40%. In 2018 Irish Funds attracted 19 new members, 11 of which are Asset Managers. Irish Funds now has more asset manager members than any other membership type, with more than 40% of its members being Asset Managers. Further lunches are planned for 2019.

The success of this approach requires constant fuelling of the pipeline of prospective new members. The focus of the membership team now is building the 2019 pipeline, and in that regard the membership team is considering implementing a coverage model that assigns a member of the WG to cover certain current members with a view to ongoing mining for potential new members. The WG seeks to identify new potential IF members and introduce them to the IF Executive (Kieran Fox) to follow up. All commercial sensitivities and potential conflicts are carefully managed. We need the help and support of the existing Membership and Council to continue to grow our overall membership and influence. Other areas of focus going forward include working with Mancos and IFDA as influencers. Increased interest in Ireland as a fund domicile and as a place to do business from, arising from the various potential Brexit scenarios, has also been a focus for the Membership team.

As of November 2018 we are currently at circa 130% of our 2018 target from an annual revenue perspective with 9 new members and are in-line to exceed overall 2018 target. The bulk of new memberships occur in Q1 and to a degree Q2. Our new member cycle can be circa 18 months on average so we need collectively to be thinking of possible new members into 2019 and 2020 at this stage.

Other initiatives include developing membership testimonials on digital media to encourage membership in conjunction with the Communications Group.

The WG will be rolling out event survey questions to enhance the data mining capabilities of potential new membership targets. This will be a potential new source of lead generation for new members.

In 2018 the Membership Group designed and circulated a new membership plaque which we hope will be/request is displayed prominently in each Member's reception area.

### Conference

The Irish Funds Annual Conference 2018 took place on Thursday, 17 May 2018 at the Conference Centre in Dublin. The switch in venue from the Intercontinental Hotel in prior years was deemed a success in all regards and was primarily predicated on the growing numbers of attendees over the past few years. The theme was 'Global Challenges – Innovative Solutions'. The Conference brought together global CEOs and industry executives with European policy makers and regulators to explore and debate the key issues of the industry. There were 458 attendees, from 251 companies, 106 of which were asset managers. We had a record number of exhibition stands (28) at the Conference. By all metrics it was a record-breaking year.

The 2019 Conference (bookended by the IF Golf Day and the IF Distribution event) is due to be held on Thursday, 23 May in the Convention Centre at Spencer Dock, North Wall Quay. Building on the value derived by attendees at the 2018, Conference 2019 is on target to exceed last year's metrics. The 2019 conference working theme is "The Future of Funds - Evolution or Revolution?".

### Events

Since April 2018 an extensive calendar of over 26 networking events and industry seminars took place in 15 cities across US, Asia and Europe. We had circa 7,000 registrations with over 5,000 delegates. The registration figures and attendees are broadly in line with/slightly ahead of prior years with a noted uptick in attendance at our UK events. As ever we seek input as to how we can improve the style, content and logistics around our events. In particular, with a view to further successes, the Events Group is reviewing our approach to the US market (s) where a re-fresh could deliver further value.

Potential new locations for events in 2019 include South Africa and India.

## Marketing & Communications Steering Group



### Communications & Publications

The Communications and Publications Group produced two newsletters covering updates on the funds industry, including legal and regulatory and Brexit matters.

- Spring 2018 - 9 contributors to articles
- Autumn 2018 - 6 contributors to articles

Our Newsletters now include sections covering Irish Funds updates, recent and upcoming events.

The spring 2018 Newsletter was ready for the London Alternative Investment Seminar on 18 April where it was distributed to seminar attendees in hard copy.

The Autumn Newsletter was also made available at the UK Symposium on 15 November.

**Spring 2018 newsletter – 4,395 opens**

**Autumn 2018 newsletter – 5,250 opens**

### Communications and Publications

The WG assisted the Talent & Skills WG to further promote the industry attractiveness of Funds as a career path and develop industry profiles, which are now available on the Irish Funds website.

The Marketing & Communications Group urge greater promotion of Irish Funds LinkedIn & Twitter page among staff at member firms. With 16,000 people working in Funds in Ireland – the Irish Funds social media platforms can be a better source to disseminate information around our industry and be a better way to promote industry events to member contacts. Since promoting these platforms we have seen an increase of 200 followers on Twitter, an increase of 1,700 LinkedIn followers and the website received over 327,000 views annually.

### Membership Engagement

The new Membership Engagement WG has met twice. The membership is diverse in gender, age, location and industry sector. Participants are enthusiastic and very willing to

contribute. As set out in the objectives of the WG, it is considering how to gain and maintain greater engagement with members with a particular focus on:

- 1) Employees at member firms other than those at the most senior levels
- 2) Inclusion
- 3) Younger Employees / Next Gen
- 4) Returning Workforce
- 5) New Member Firms
- 6) Schools and Colleges

The first task is to identify a clear and tangible Value Proposition that Irish Funds can communicate to stakeholders. It is recognised that different stakeholders will have different perspectives on the Value Proposition and it is intended to consider groupings of stakeholders and develop tailored propositions. A sub-group is working initially on producing a Value Proposition for younger/Next Gen employees in the funds industry and will work through other stakeholder groups subsequently.

The WG recognises the importance of working with the Communications and Publications WG in communicating its Value Proposition and other messages. It also plans to link in with the New Member WG to create a buddy scheme for integrating new members into IF and ensure they get the most out of their membership.

The WG is interested in developing links with professional organisations and voluntary bodies that have connections to the funds industry, hosting joint events and using those organisations' platforms to engage with a wider audience of members and potential members. Further integration into members' internal networks is also planned. These projects will be fleshed out over the next quarter.

We are considering ways in which the WG can measure progress and levels of member engagement and aim to set some KPIs for future reporting.

## Training & Development



Irish Funds actively supports the professional development of funds industry employees and offers opportunities for people to enter the sector.

In association with the Institute of Banking, Irish Funds participates in a suite of UCD accredited professional education programmes and the Certified Investment Fund Director Programme. 550 students took these qualifications in 2017/2018 and 60 firms had participating students. Irish Funds is also an active leader in developing a schedule of training programmes and industry-specific seminars and briefings.

### Education Programmes

#### Professional Certificate in International Investment Fund Services

Designed and delivered by the industry, the Professional Certificate in International Investment Fund Services is a unique and specific programme which provides a broad view of the structure, purpose and operation of an investment fund from its establishment right through its life cycle and supports the industry's day-to-day activities.

#### Professional Certificate in Complex Financial Instruments

This programme is designed for an ever-increasing range of people who are engaged in activities which require a good working knowledge of the characteristics of derivative products and complex financial instruments. The objective of this programme is to provide students with not only a very practical understanding of how the most common types of complex financial instruments and derivative products are used in financial markets, but also their use in hedging, risk management and return enhancement strategies.

#### Professional Diploma in Applied Alternative Investments

Increasingly, alternative assets, which include hedge funds, commodities, private equity, structured products and real asset investments such as infrastructure investments are becoming mainstream investments which are predicted to grow significantly.

Given the breadth of alternative assets, this programme will appeal to professionals seeking specific knowledge, insight and skills in alternative investments which can be immediately applied in the day-to-day working environment and is a unique opportunity to gain a UCD postgraduate qualification in this area.

#### IFS Skillnet - Training and Grant Funding

The Summit Finuas Network (now IFS Skillnet) was established in mid-2009 to provide enterprise led training to international financial services companies operating in Ireland. Since then over 3,800 employees from Irish Funds member companies have completed network funded courses. Funds companies have invested over €1.1 million in training and benefited from over €500 thousand in grant funding.

Courses have ranged from e-learning solutions to fully accredited training courses such as the Professional Certificate in International Investment Fund Services. The Network has recently partnered with Accenture to conduct a sector wide skills gap analysis to determine the current and future skills gap facing the sector. Regulation, Trading Strategies, Liquidations and Fund Mergers and Acquisitions.

# Funds Industry, Career Profiles

The Talent & Skills Working Group launched the Irish Funds Industry Career Profile Series in 2018. The first phase of the 'Your Future in Funds' initiative included 12 professionals in various roles at a variety of companies who shared their backgrounds and experiences working in the industry.

These profiles highlighted the many opportunities the funds industry offers in terms of achievement, continued learning and skills development, flexibility and work/life balance, travel, regional opportunities, Diversity & Inclusion initiatives, and Corporate Social Responsibility programmes.

**if irish funds** CAREER PROFILES  
**YOUR FUTURE IN FUNDS**



www.irishfunds.ie

**if irish funds** | Dara Flynn  
NAV Supervisor at SMT Fund Services (Ireland)



Dara Flynn, NAV Supervisor at SMT Fund Services (Ireland), talks about her current role, how she got into the industry, working her way up and what she enjoys most about her job. She also shares the lessons she's learned and gives some advice for those looking to get into the industry.

**Next goal?**  
To keep developing my career as much as possible. I'm always open to new opportunities and this industry has tons of it.

**Which achievement / project are you the most proud of?**  
Being chosen to open the office in Japan will always be the highlight of my career. When I left college I wasn't sure if funds was the right place for me, but one day as I made my daily commute through Tokyo on the way to work I remember thinking, 'you made the right choice'.



**if irish funds** | Tom Dolan  
Head of Galway Office at BNP Paribas



Tom Dolan, Head of the Galway office and Client Services Director at BNP Paribas Security Services, talks about his current role and career, his proudest achievements, what he's looking forward to and what he's learned along the way.

**Describe your role or career in 3 words...**  
**INTERACTIVE  
REWARDING  
CHALLENGING**

**What achievement are you the most proud of?**  
The expansion of our Galway office, which has enabled us to attract experienced Financial Services staff to the Galway region.



**if irish funds** | Karen Campbell  
Vice President - Change Management at State Street



Karen Campbell, Vice President - Change Management at State Street Ireland, talks about her current role and career, taking time out, working remotely, her proudest achievements, and what she'd say to someone considering a career in the funds industry.

**Describe your role or career in 3 words...**  
**INTERESTING  
CHALLENGING  
VARIED**

**Tell us about your career so far at State Street.**  
I have worked in the funds industry for nearly 20 years in a number of roles. I took 2 years out after having my children and came back to State Street in a Change Management role on a work from home basis in a bid to gain a better work life balance.



**if irish funds** | Elliott Moore  
Specialist, Risk & Valuation at Citco



Elliott Moore, Risk & Valuation Specialist at Citco, talks about where he studied, why he chose the funds industry, and what he enjoys most about his job. He also shares what he's learned so far and what he would say to someone considering working in the industry.

**Your first impressions?**  
**Friendly working environment, flexible working hours, paid overtime, free drinks, free breakfast...**

**As a recent graduate, why Funds?**  
I had a 15 month placement in the Citco Risk & Valuation team during my 3rd year of university. I enjoyed and learnt so much I was very keen to come back.



**if irish funds** | Carol Andrews  
Managing Director of Client Experience at BNY Mellon



Carol Andrews, Managing Director of Client Experience at BNY Mellon, talks about how she started out in the industry and describes her current role and what she enjoys most about it. She also shares her proudest achievements, lessons she's learned, her work on the 30% Club and her goals for the future.

**Describe your role or career in 3 words...**  
**EXCITING  
CHALLENGING  
PARTNERSHIP**

**Tell us about Corporate Social Responsibility (CSR) and Diversity & Inclusion initiatives?**  
I am one of the founders of the 30% Club in Ireland which aims to develop a diverse pool of talent for all businesses. We now have almost 200 confirmed supporters in Ireland and our focus is on gaining visible and practical support for gender balance at all levels.



## Innovation Skills & Tech Steering Group



The objective of the Innovation Skills & Technology group is to drive the development and growth of Ireland's Funds eco-system, by identifying and leveraging talent, skills

and technology needs to meet future demand and enable Ireland to be at the forefront of delivery and innovation in Investment Funds and related services.

### FinTech WG

The FinTech working group continues to monitor FinTech developments at the EU level in the asset management sector, engaging with the Central Bank of Ireland and Department of Finance and liaising with FinTech firms operating in the Irish asset management sector.

The directory identifying where each provider fits into the international fund services value chain created in conjunction with PWC with input from Enterprise Ireland and IDA Ireland, and the working group was finalised and published in September 2018 (see pg 21, **Marketing & Media**).

Focus of the working group in the latter part of the year was on working to establish a speaker series, with the goal of broadening awareness and understanding of the potential of emerging technologies and Fintech enterprise offerings across the industry.

### Middle Office

The objectives of the middle office WG are to develop the middle office skillset within Ireland and to promote Ireland as a location to establish and/or relocate middle office services. As part of this the WG is committed to defining and maintaining a middle office skill set matrix including any oversight requirements with a view to facilitating a more client focused operational environment.

The initial meetings focused on a review of the output from the previous years' working group, i.e. the IF Middle Office Services survey. There was a consensus that the survey was reflective of the current middle office environment specifically around the importance of data delivery, data integrity and an ability to mine data efficiently.

Following this review, the working group switched its focus to look at opportunities to identify, develop and attract the required skills to meet the demand of the value add middle office services with a possible focus on collaboration between operations and technology.

The first task was to scope and define the required skill set from a middle office perspective. The group discussed this at length and agreed that a healthy mix of technical and competency skills were needed to meet the changing needs of the middle office landscape within Ireland. Some of the technical aspects included product knowledge, investment

restrictions understanding, basic programming knowledge, specifically SQL and Python and a keen sense of control awareness. On the competency based side the focus areas included relationship management, communication and providing comprehensive oversight.

The next step in the process was to define and map out what a career in middle office could look like with a specific focus on building subject matter expertise, upskilling and career diversification opportunities. The initial draft of our career road map included technical processing, data analytics change management support, relationship management and risk management.

The next task for the working group is to align our career road map with the prescribed template agreed at steering group level, provide granular definitions for each of our career modules and to ultimately publish the road map on the IF portal.

### Talent and Skills Development

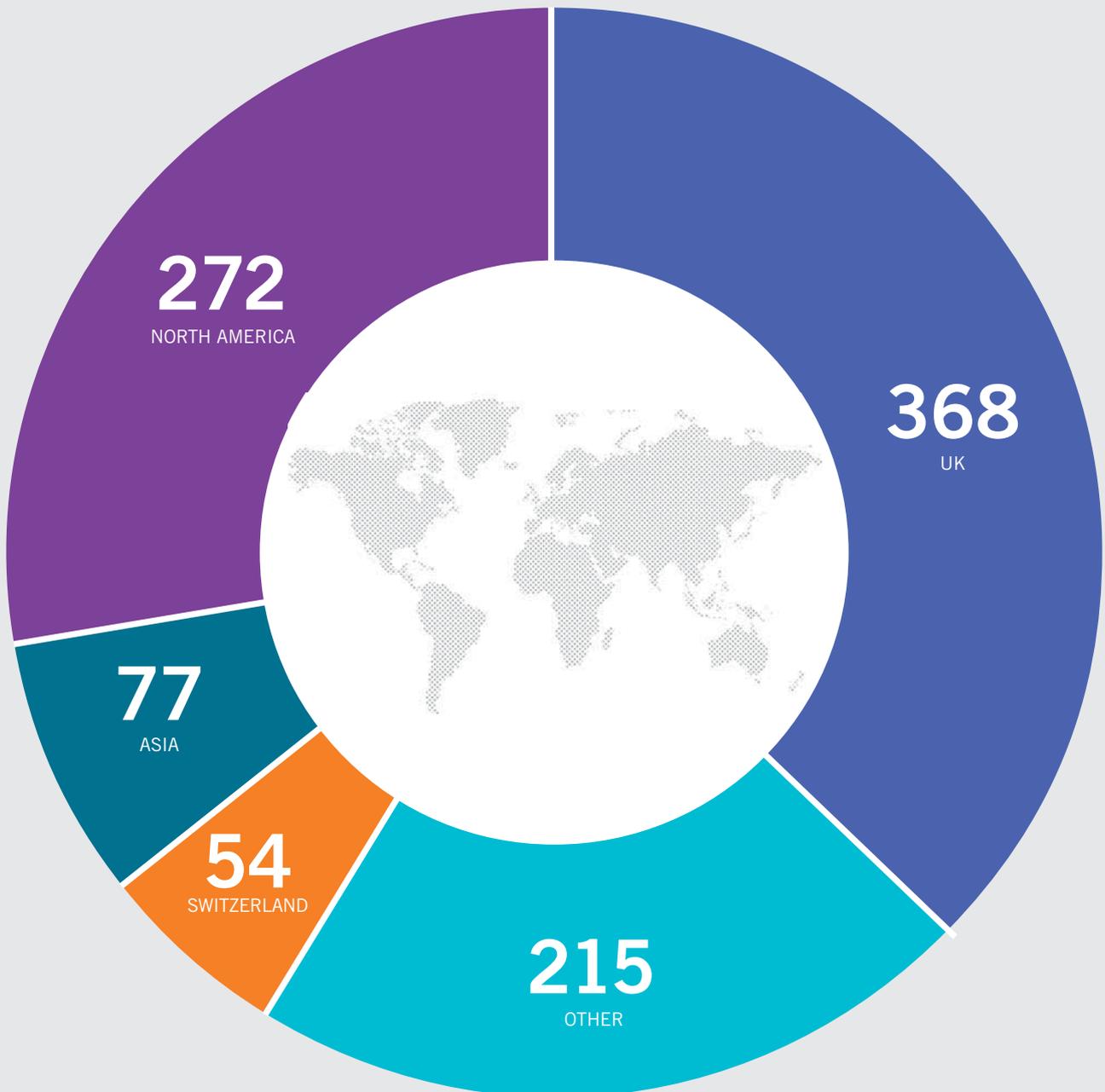
The Talent and Skills Development WG have been progressing with two main areas of focus this year; launching the industry attractiveness profiles and creating a funds industry specific career route map. Following a detailed review process, the first of our Industry Attractiveness Profiles launched in October with a new profile being added to the IF website and LinkedIn page each week, up to the end of January 2019.

These profiles highlight the many opportunities the industry has to offer, show casing real life experiences of careers within the funds sector. Feedback on the profiles released to date has been very positive and we are now looking at how this initiative can be extended further in 2019.

The Career Route Map, a visual representation of the various routes into the funds industry and the opportunities that exist for potential entrants to progress their careers, has been drafted and refined over the past number of months. In December, with the help of the Transfer Agency and Middle Office working groups, we plan to test our current draft template against specific roles and career options available within Transfer Agency and Middle Office. In the future we hope to tie the Industry Profiles and Career Route Map together to provide a tool to promote careers at industry level.

Who's already here

**986** Fund Managers  
from **53** Countries



SOURCE: Monterey Ireland Fund Report 2018

## Countries where Irish Funds are registered for sale

Since the establishment of the funds industry in Ireland 30 years ago we have helped investment managers from all over the globe to develop and expand their international distribution footprint. Ireland is a major hub for cross border

distribution and Irish funds are sold in 90 countries across Europe, the Americas, Asia and the Pacific, the Middle East and Africa.

	Position	Country	N. Funds 2013	N. Funds 2017
	1	United Kingdom	1673	2764 ▲
	2	Germany	1577	2643 ▲
	3	France	1225	2336 ▲
	4	Switzerland	1130	2003 ▲
	5	Netherlands	1179	1879 ▲
	6	Austria	984	1769 ▲
	7	Sweden	861	1679 ▲
	8	Luxembourg	1081	1678 ▲
	9	Spain	778	1654 ▲
	10	Italy	737	1654 ▲
	11	Finland	569	1340 ▲
	12	Norway	419	1039 ▲
	13	Denmark	362	960 ▲
	14	Singapore	398	698 ▲
	15	Belgium	305	538 ▲
	16	Portugal	286	449 ▲
	17	Liechtenstein	11	244 ▲
	18	Chile	15	212 ▲
	19	Hong Kong	217	195 ▼
	20	Taiwan	147	139 ▼
	21	Guernsey	65	135 ▲
	22	Macau	135	127 ▼
	23	Peru	84	96 ▲
	24	South Africa	43	79 ▲
	25	Bahrain	46	61 ▲

## Distribution Steering Group



2018 was another busy period for the Distribution Steering Group (DSG). The DSG meets monthly and coordinates the activities of the six Distribution Working Groups covering the UK, Switzerland, Continental Europe, Asia, North

America and Latin America. In addition the DSG has added a new group to focus on Packaged Retail and Insurance based Investment Products (PRIIPs).

The mission statement and objectives of the distribution working groups are to:

- Promote Ireland as a domicile for internationally distributed investment funds;
- Capture and promote key statistics regarding the distribution of Irish domiciled funds across the Investment Management community;
- Ensure Ireland's competitive advantages from a Distribution perspective are understood and marketed from a:
  - Service
  - Regulatory
  - Tax Perspective
- Identify new ways and emerging opportunities to facilitate the ease of distribution for funds domiciled and serviced from Ireland;
- Identify and work to remove any barriers or obstacles to the successful distribution of Irish funds in all key markets.

The Working Groups continue to engage with managers and other relevant stakeholders in their respective target markets to enhance Irish Funds understanding of the dynamics of fund distribution in each market.

In May, the DSG ran a successful Irish Funds Distribution workshop in conjunction with the IF Annual Global Funds Conference. The workshop was delivered by a number of speakers and panellists covering topics such as MIFID and PRIIPs, sub advisory trends, and Latin American distribution. Over 100 people attended the event.

With Brexit a major focus for Irish Funds, the UK distribution WG has been working closely with the Brexit Steering Committee to review the consultation paper

published by the Financial Conduct Authority in respect of the Temporary Permissions Regime. The groups have also been working together to evaluate the structural options for Irish domiciled funds to maintain their distribution in the UK post Brexit.

Following on from the publication of their information note outlining a common approach in relation to the requirement to prepare a KID for Non-UCITS Funds, the PRIIPs WG have been focused pushing for an extension to the UCITS exemption to produce a PRIIPs KID from 1 January 2020. It is anticipated that retail investors in a UCITS will receive two different documents, a UCITS KIID and a PRIIP KID with different figures for similar concepts. The general view of the PRIIPs group has been that the commission will remove the exemption unless the European parliament or the European Council request that it is maintained. The group has worked on a contribution to an EFAMA response that will ask for the exemption to be extended.

The Latin American WG's contribution to an EFAMA response to the Chilean Pensions authorities on their draft amendment to Title I of Book IV of the Compendium of Rules of the Pension System proved fruitful following the announcement that the authorities would exempt Irish UCITS from new restrictions on the sale of investment products to pension funds which have hedge fund type investment strategies. A copy of the response outlining the argument for excluding UCITS is available on the Irish Funds member portal.

In addition to these specific initiatives, the DSG working groups are continuing to update a number of distribution guides including versions for South Korea and Japan which are due to be published before the end of the year.

## Irish Funds Industry Milestones

Established in 1991 the Irish Funds Industry Association (Irish Funds) is the representative body of the international investment fund community in Ireland.

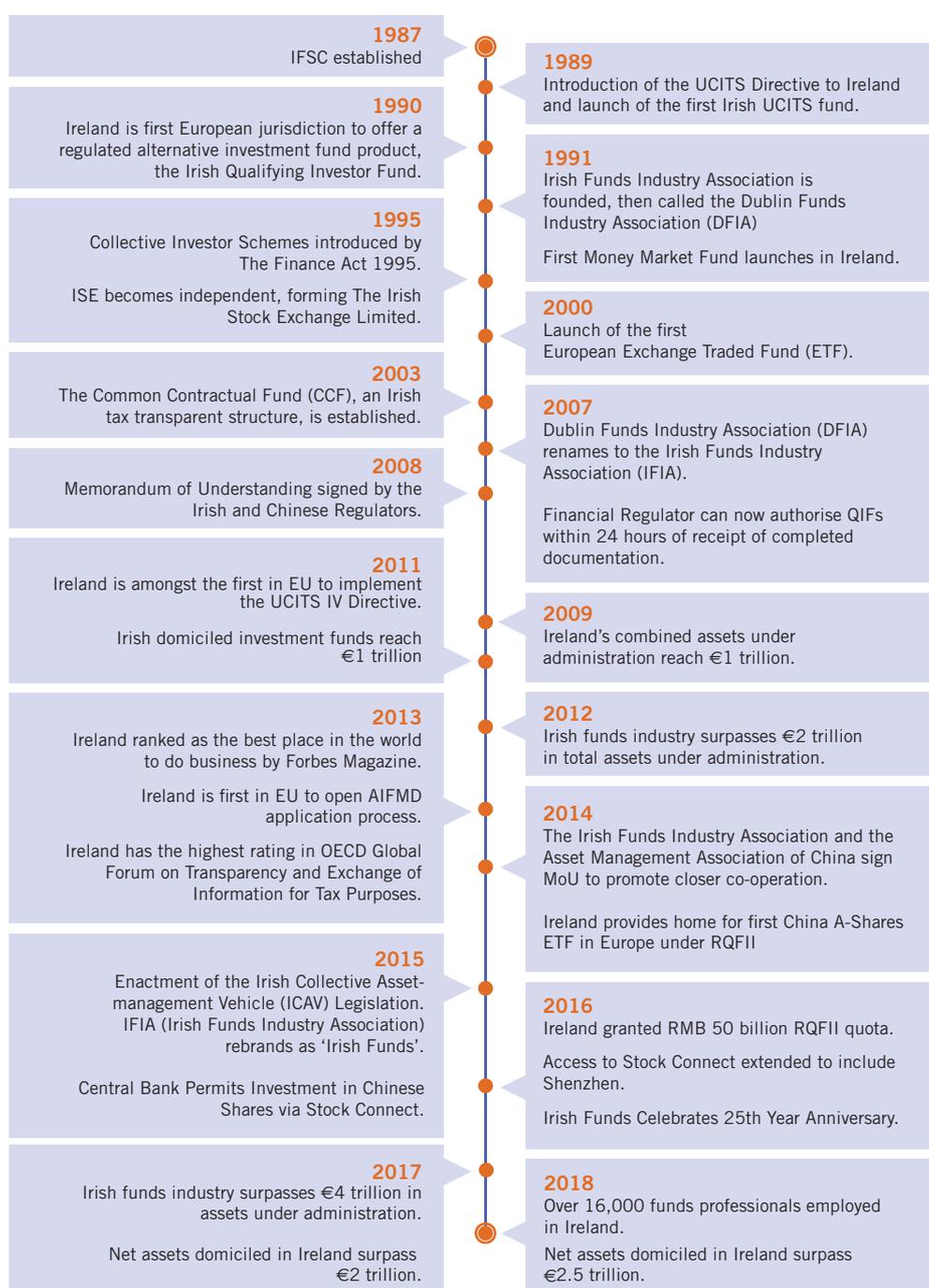
We represent fund promoters / managers, administrators, depositaries, transfer agents and professional advisory firms involved in the international funds industry in Ireland, with nearly 14,000 funds and net assets of \$4.2 trillion.

The objective of Irish Funds is to support and complement the development of the international funds industry in Ireland, ensuring it continues to be the location of choice

for the domiciling and servicing of investment funds.

Through its work with governmental and industry committees and working groups, Irish Funds contributes to and influences the development of Ireland's regulatory and legislative framework.

Irish Funds is also involved in defining market practice through the development of policy and guidance papers and the promotion of industry-specific training.



# Why Ireland?

## The Facts

SOURCE: Central Bank of Ireland, Monterey Insight Ireland Survey 2018 and Irish Funds (Net assets and number of funds valid as of December 2018)

**986 Fund Promoters**  
(532 promoters of Irish Domiciled Funds)

### Irish Investment Funds Industry

**€4.2**

TRILLION TOTAL AUA

€2.4

TRILLION DOMICILED AUA

DISTRIBUTION TO OVER

**90 COUNTRIES**

**13,914 TOTAL FUNDS**

7,290 IRISH DOMICILED

6,624 NONDOMICILED

LAWYERS  
ACCOUNTANTS  
LISTING BROKERS

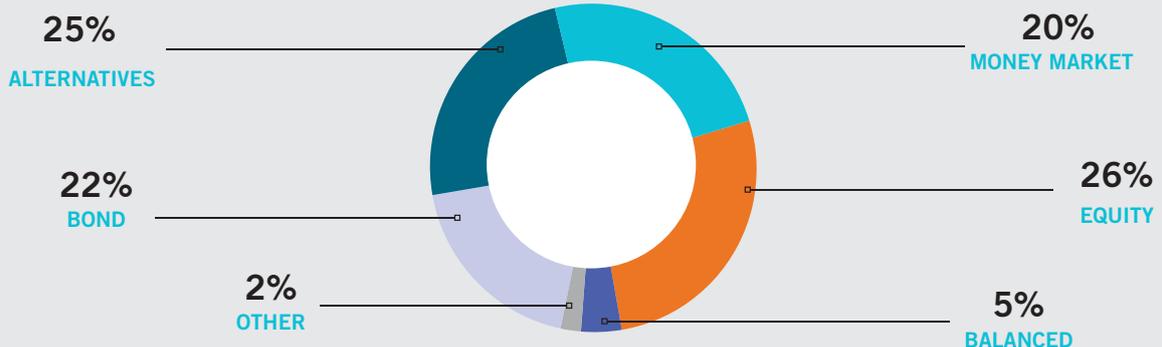
ADMINISTRATORS  
DEPOSITARIES

ASSET  
MANAGERS



SOURCE: Central Bank of Ireland, December 2018

### Irish Domiciled Funds Breakdown by type





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March 2019

**if** irish  
funds

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