Cork Chamber
Advancing business together

Cork Financial Services Forum

Response to Ireland for Finance Strategy 2026-2030 - Consultation Paper

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To whom it concerns

Cork Financial Services Forum Response to Ireland for Finance Strategy 2026-2030 - Consultation

We welcome the opportunity to respond to the Ireland for Finance Strategy 2026-2030 ("**Consultation Paper**”).

Who we are

Cork Chamber represents 1,200 members together employing 130,000+ people throughout the city, metropolitan area and county. The vision of the Chamber is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community.

The Cork Financial Services Forum was established in 2008 to drive the advancement of the financial services industry in the region and strengthen partnerships between industry, education and government organisations. The Cork Financial Services Forum also promotes Cork as a destination for investment and talent and provides a supportive environment for existing businesses, potential new entrants and their teams. The Cork Financial Services Forum is comprised of organisations and businesses that represent the wide depth and breadth of the financial services sector in the Cork region, as well as the local agencies that support the development of economic growth in the region. It is a formal centre with a voluntary Chair and Vice-Chair, representing industry partners with the activities driven and managed by Cork Chamber staff on behalf of the members. A cornerstone of the Forum’s work is the advancement of the funds sector in the Cork region. It also supports Ireland for Finance through the delivery of several actions outlined in the annual Action Plans, ensuring Cork’s continued contribution to Ireland’s national strategy for financial services.

The Forum has consistently contributed to *Ireland for Finance* strategies. Actions examples include the *Skillful Futures* sector report with Skillnet Cork Chamber, which identifies opportunities and priorities for the region, and the annual Cork Financial Services Forum Annual Summit, which unites industry, education and government stakeholders to address trends and plan for growth.

To support talent and leadership, the Forum has created a Financial Services Emerging Leaders Taskforce and a senior leader networking series, nurturing collaboration and career development. Together, these initiatives strengthen Cork’s financial services ecosystem and reinforce the region’s role in Ireland’s global financial services ambitions.

Financial Services Industry Success in Cork

Of the 52,800 people working in the international financial services sector in Ireland, 40% of all roles are in the regions.

Cork is home to 25 IFS employers employing almost 2,000 professionals. Moreover, 6,700 persons are employed in finance-related roles in indigenous financial services employers with transferable skills. An additional pool of nearly 3,900 professionals is currently employed in accounting, bookkeeping, auditing, and tax consultancy activities in Cork and a further 2,100 professionals are employed in management consultancy activities. Both cohorts constitute a talent reservoir of interest for IFS employers. There are also over 10,700 professionals in Cork employed in ICT and cyber activities which constitute a key talent pool on which the IFS sector can rely for its successful technological transformation.

Cork is home to IFS companies who are predominantly active in the following sub-sectors:

- Fund Administration
- Professional Financial Services; Audit, Tax, Legal and Consultancy
- Wealth Management
- Investment Banking
- Fintech
- Insurance

Cork has built a strong and diverse financial services ecosystem, establishing itself as Ireland's second largest financial services centre. Its network of financial services companies creates opportunities for collaboration, knowledge-sharing, and innovation, attracting both multinational corporations and rapidly growing fintech firms.

The city benefits from a strong pipeline of highly skilled graduates, with University College Cork (UCC) and Munster Technological University (MTU) producing over 13,000 graduates each year. These institutions attract a diverse and international student population, contributing to a workforce that is both well-qualified and globally minded. High graduate employability rates and strong industry connections ensure that companies have access to talent ready to contribute from day one.

Cork is also a pioneering region for innovation. It is home to the International Security Accelerator[1], which invests in start-ups across cybersecurity, IoT, blockchain, AI, health & bioinformatics, defence, critical infrastructure, financial services, and logistics. These start-ups strengthen Cork's reputation as a hub for cutting-edge technology, particularly in financial services. As of January 2024, there are 7,600 professionals that reported working in Fintech or that have a profile that makes them eligible to work in the sector and that currently live in the Cork area[2], reflecting a strong commitment to technological innovation and efficiency.

[1] AxisBic (2025) *International Security Accelerator.* Available at: https://www.axisbic.com/international-security-accelerator (Accessed 16 September 2025).

[2] Cork Chamber Skillnet (2024) *Skillful Futures: Strengthening Cork's Role as a Leading IFS Destination.* Cork: Cork Chamber of Commerce. Available at: https://www.skillnetireland.ie/insights/Skillful_Futures_Strengthening_Corks_Role_as_a_Leading_IFS_Destination

Our Fund's Industry's Regional Footprint

Almost half of the 19,500 people working in the Funds Industry are now located outside of Dublin. There has been an expansion of almost 40% in the number of office locations outside of Dublin since 2020[3]. The Indecon Assessment of Economic and Cross Sectoral Impacts of the Special Purpose Vehicle Sector published in September 2023 also notes the growing number of full-time employees now based in the regions and the contribution of this sector to the economy[4].

Preliminary Observations

We endorse the comprehensive review of the Ireland for Finance Strategy to ensure that this sector can continue to play a crucial role in the expansion of the financial services sector in Ireland and particularly in the regions. We note that one of the key objectives of the consultation is developing a framework within which Ireland can build strong momentum in fund management and fund servicing and ensuring that the sector continues to support economic activity both at the **regional** and national level in Ireland. As a regional representative body for this industry, we have sought to highlight in this submission the elements of the proposals which we feel are most important to continue to support regionalisation.

We have set out in our comments in relation to specific questions raised in the Consultation Paper which are relevant to this. We have not provided responses in respect of specific questions which are not of direct relevance to the regional development of the industry. For ease of reference, we have included the relevant questions from the Consultation Paper and addressed each of them in turn.

Forum Requested Actions

Action 1: Regional Presence for the Central Bank of Ireland

The Central Bank of Ireland (the "Central Bank") is the statutory authority responsible for authorising and supervising regulated financial service providers and Irish investment funds. Working closely with industry stakeholders, the Central Bank has developed a regulatory framework that accommodates a broad range of investment products with differing structural features.

Its approach to balancing evolving market practices with its duty to protect investors and safeguard financial stability has defined Ireland's robust and dynamic regulatory environment. The stability, efficiency and transparency of this regime are key factors that attract investors and asset managers seeking to establish, manage, and distribute financial products in and from Ireland.

The Central Bank has played a pivotal role in the growth and international reputation of Ireland's funds industry. As a prudent regulator, it has thus far been sufficiently resourced to meet the industry's increasing demands.

To maintain this success and set a benchmark for international best practice, we believe it is timely for the Department, in consultation with the Central Bank, to consider establishing a regional presence. This would help ensure that the Central Bank remains adequately resourced, continues to attract top talent, and maintains a truly national regulatory footprint signalling confidence in the wider Irish industry which is so vital to supporting further expansion.

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[3] Irish Funds (2025) *Regional Spread.* Available at: https://www.irishfunds.ie/in-the-community/regional-spread/ (Accessed 16 September 2025).

[4] Indecon Impact Assessment Report 2023 - https://idsa.ie/wp-content/uploads/2023/09/Indecon-Executive-Summary_SPVs_September-2023.pdf

The Central Bank has already demonstrated its commitment to regional engagement through its 2023 regional roadshows and outreach visits to Mayo, Cork, and Limerick. While these initiatives have been valuable in promoting regional engagement, a permanent regional presence would significantly strengthen this effort.

A regional office would deliver several benefits for the funds sector:

1. **Enhancing Attractiveness**: Making regional locations more appealing for funds sector firms by ensuring they have local access to the financial regulator, particularly for initial exploratory meetings to set regulatory expectations.

2. **Facilitating Workshops**: Enabling the Central Bank to host regulatory workshops in regional centres, improving accessibility for firms located outside Dublin.

3. **Strengthening Regional Representation**: As confirmed by the *Indecon Assessment of the Economic Impact of the Funds & Asset Management Industry on the Irish Economy*, funds activity is present in all 26 counties. A regional presence would encourage broader participation from regional stakeholders in shaping regulatory policies and priorities.

From a regulatory perspective, a regional presence offers additional advantages:

1. **Representing the Entire Country**: With approximately 40% of funds sector employees based outside Dublin, a regional office would underscore the Central Bank's remit as a national regulator.

2. **Talent Attraction and Retention**: Providing alternative locations for employment would broaden the talent pool, improve staff retention, and strengthen the Central Bank's ability to recruit top professionals nationwide.

Establishing a regional presence would position the Central Bank in line with its European peers, support balanced regional development, and reinforce Ireland's reputation as a well-regulated, globally competitive funds hub.

<u>Action 2: Increased funding to promote the regionalisation of the sector</u>

Over the last decade, the funds and asset management industry in Ireland has been very successful in expanding into regional locations. This growth was initially driven by second-site operations but has accelerated further due to new entrants post-Brexit. Importantly, the regionalisation of financial services is not limited to funds and asset management, there are significant operations in insurance, banking, aviation finance, and fintech in Cork, Limerick, Clare, Galway, Donegal, Kilkenny, and other regional centres.

Cork has developed a thriving, sustainable, and secure funds and asset management ecosystem, enabling people to remain and work locally while also attracting talent from across Ireland and abroad. Since 2008, the Cork Financial Services Forum has been a consistent advocate for Cork Financial Services and the broader macroeconomic goal of regionalisation. This work has contributed to Cork becoming the largest financial services centre outside Dublin, something Cork Chamber and all member companies are proud of. The Forum is recognised as a credible voice for the industry by both the government and Irish Funds.

Sustaining Ireland's sector growth and competitiveness requires continued regional expansion. Housing and cost-of-living pressures are most acute in the Dublin region, making the development of strong alternatives in regional locations essential for maintaining Ireland's competitiveness as a funds and asset management hub.

In line with the department's pillar on regionalisation within the *Ireland for Finance* action plan, we are calling for dedicated funding mechanisms to build on the significant progress to date and support the continued evolution of the industry. These could take the form of grants and structured support, like existing Skillnet initiatives, to fund clear employment creation, skills development, and profile-raising activities. We see three key areas where increased funding could be utilised:

1 **Skills & Talent Development:** The Funds Academy, established in 2021 as a HCI Pillar 3 joint initiative between MTU and South East Technological University, demonstrates the impact of targeted funding through valuable regional networking opportunities, the onboarding of 80 students to a bespoke Master's in Investment Fund Administration, and the creation of an introductory Certificate in Regulated Investment Funds to attract new entrants. Continued funding and support for such programmes are essential to advance regionalisation goals. In parallel, funding Skillnet-style upskilling initiatives would create direct employment pathways, while delivering in-person versions of investment management courses (e.g., via the Institute of Banking) would boost participation and accessibility across the region.

2 **Regional Promotion & Market Positioning:** Collaborate with Government and key stakeholders to create or adopt marketing materials that position Cork as Ireland's second financial services centre, ensuring it is consistently presented alongside Dublin when showcasing Ireland to international investors and industry entrants. This should include championing Cork's strategic role in national growth, as highlighted in the Ireland 2040 programme, which recognises Cork's importance over the next 15 years.

3 **Financial Incentives & Supports:** Provide taxation relief and grants for start-ups and scale-ups in Cork and other regional centres, ensuring Cork is considered equitably alongside other locations for government supports to the funds industry. Introduce targeted financial incentives to attract new entrants outside Dublin (a priority following BNY's market exit and the slowdown in local hiring) to stimulate growth and strengthen regional resilience.

Action 3: A mandate for the Central Bank to actively promote the Irish Funds Industry

We have seen the Singapore and Luxemburg Funds industry in recent years outpace Ireland in terms of AUM growth within the Fund's Industry, with Singapore likely to surpass Ireland. A key differential in our view is the existing mandate of the Monetary Authority of Singapore to actively promote the industry and similar if less structured approach of the CSSF of Luxemburg.

Action 4: A review of the competitiveness of Ireland in the Private Asset Space

This is an area where despite enacting the amended ILP, Ireland continues to be underweighted. We believe a collaboration between industry bodies, the Cork Financial Services Forum, Irish Funds and the Irish Association of Investment Managers to address the challenges in the attractiveness of Ireland with the support of the Central Bank of Ireland, would play a key role in setting the Irish growth story in the funds space on the right path.

Action 5: Cork to play a role in the development of a national Fintech Hub.

Cork is uniquely positioned to play a central role in Ireland's ambition to develop a truly national fintech hub. It is a leading centre for cybersecurity and fintech, with the highest number of cyber firms per capita and the largest concentration of cybersecurity multinationals. Dublin, Galway, Limerick and Cork accounts for 73% of all cybersecurity offices in the country. While Dublin hosts more offices overall, Cork has more firms per capita than any other county in Ireland[5]. Its strategic positioning complements Dublin's financial centre and supports the government's goal of balanced regional development. Cork's innovation infrastructure, including Cyber Ireland, the national cybersecurity cluster, and the International Security Accelerator, attracts and invests in start-ups across cybersecurity, IoT, blockchain, AI, and other advanced fields.

Supported by UCC and MTU, which supply future-ready graduates in data analytics, cybersecurity, AI, and regulatory technology, Cork offers a sustainable pipeline of talent that strengthens its position as a national hub for fintech and cybersecurity.

Section 2: Overview of IFS sector and assessment of impact

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

   Employment:

   The funds sector is a major employer in Ireland, with the financial services industry as a whole supporting over **120,000 jobs**. Industry led modelling suggest that, with continued growth, employment in the sector could rise by 34% to reach 168,000 jobs by 2028, with the funds sector playing a key role in this expansion.

   The report highlights the importance of developing regional financial services hubs, such as Cork and Galway, to broaden talent distribution and support sustainable workforce growth. This regional focus helps to ensure that employment opportunities are not concentrated solely in Dublin but are accessible across the country.

   Revenues:

   The financial sector services generate €6.8 billion annually in tax revenues, with the funds industry contributing significantly to this figure through corporate taxes, payroll taxes and indirect economic activity.

   Growth in the funds sector is projected to add €3.4 billion in gross value added (GVA) by 2028, further boosting Ireland's economic output and fiscal stability.

   Regional Development:

   The report recommends supporting the development of regional financial services hubs. By expanding the sector's footprint beyond Dublin, the funds industry can drive economic growth in regions like Cork, Galway and Limerick, supporting local communities.

   Regional hubs help address challenges such as housing affordability and talent retention, making financial services careers more accessible and sustainable for people living outside of the capital.

   The presence of global fund administrators and professional services firms in regional centres (e.g., Cork) strengthens local economies, attracts further investment, and encourages the development of supporting industries and infrastructure.

[5] Byrne, E. and O'Shea, D. (2022) "State of the Cyber Security Sector in Ireland 2022", *Cyber Ireland.* Available at: https://cyberireland.ie/publications/

Section 3. Future of Ireland for Finance Strategy

3. **What key performance indicators should be used to measure the success of the refurbished strategy?**

Gross Value Added (GVA) Growth:

- **Definition:** GVA measures the output generated by the financial sector minus the cost of goods and services used to produce those outputs.

- **Target:** EY's report models a potential **26% increase in GVA** from 2024 to 2028, with an additional €3.4 billion added to the sector.

- **Why Important:** GVA is a direct measure of the sector's contribution to the economy and is benchmarked against global peers.

Employment Growth:

- **Definition:** Number of jobs created and sustained in the sector.

- **Target:** Projected 34% increase in employment, bringing the total workforce to to168,000 by 2028 (an additional 30,000 jobs).

- **Why important:** Employment is a tangible indicator of sector health, regional development

Regional Development Metrics:

- **Definition:** Growth of financial services hubs outside Dublin (e.g. Cork, Galway).

- **Target:** Expansion of regional hubs and broader talent distribution.

- **Why important:** Demonstrates the sector's impact on balanced national development and addresses housing/talent challenges.

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

Foster innovation through regulatory sandboxes and collaborations

The report recommends that the CBI should actively support and participate in the Innovation Hub Sandbox programme, enabling financial services firms to test new products and technologies in a controlled environment. This would accelerate innovation and help Ireland remain competitive in fintech and digital finance. The CBI should establish collaborative working groups, especially in areas like AI and cybersecurity, co-chaired across public and private sectors, and involving government, regulator, industry groups, academia, consulting firms and tech experts.

Improve regulatory efficiency and agility

Industry leaders highlight the need for the CBI to simplify and modernize regulatory frameworks to support innovation while maintaining market integrity. The report notes concerns about efficiency and speed of policymaking and legislation, which can create barriers to entry and slow down product development. The CBI should reduce regulatory complexity and "gold-plating" (overly stringent requirement beyond EU standards), making it easier for start-ups and new entrants to obtain licenses and operate in Ireland.

Enhance structured engagement and public-private partnerships

The CBI is encouraged to promote structured engagement through public-private partnerships, industry secondments and working groups. This would facilitate a balanced approach to regulatory development, aligning market need with financial stability and consumer protection.

Section 4. The Operating Environment

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

Capital Requirement:

1. **Area of Regulation/Process:**

CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013 (SECTION 48(1)) (INVESTMENT FIRMS) REGULATIONS 2023 ("Investment Firm Regulations").

Part 5 - Own funds and capital adequacy requirements for fund administrators

2. **Current Challenge/Pain Point:**

- The current Expenditure Based Requirement regulations requires Irish fund administrators to maintain regulatory capital on cash deposit in excess of that required by other comparable fund servicing jurisdictions.
- This is a significant burden and is a potential risk to the Irish industry, especially in the context of the proportion of non-Irish funds serviced.
- This disparity in capital requirements could be a contributing factor in global organisations choosing to service non-Irish funds in jurisdictions with significantly lower capital requirements.

3. **Suggested Simplification/Amendment:**
Reduce the cash reserve capital requirement of Irish fund administrators to align more closely, either with comparable jurisdictions (outlined below) or to better align with other regulated entity types in Ireland. The fund administrator requirement is approx. 3 times higher than that imposed upon other Irish regulated entities, e.g. MiFID, credit institutions.

Location	Regulatory Requirement	Cash Deposit
Ireland	25% of Regulatory Capital held in cash reserve	✓
Luxembourg	€125K maintained on balance sheet	✗
Guernsey	£100k maintained on balance sheet	✗
Cayman	$500k maintained on balance sheet	✗

4. **Expected Benefit Comments/Clarifications**
As part of global organisations, this disparity in capital requirements could be a contributing factor in those global organisations choosing to service non-Irish funds (approx. 50% of current AUA serviced in Irish fund administrators) in jurisdictions with significantly lower capital

requirements. A reduction in this capital requirement would make the Irish administrator a more attractive option for the servicing of these non-Irish funds, by reducing the burden of maintaining such a high cash capital reserve.

5. **Additional Comments/Clarifications Needed**
    - Ireland is the only jurisdiction with such a capital requirement for fund administrators.
    - It in effect adds 25% to the cost of each additional employee for Irish administrators.

Outsourcing:

1. **Area of Regulation/Process:**
CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013 (SECTION 48(1)) (INVESTMENT FIRMS) REGULATIONS 2023 ("Investment Firm Regulations")
Part 4, Chapter 2 Outsourcing Requirements

2. **Current Challenge/Pain Point:**

The current outsourcing obligations imposed on Irish fund administrators, is not aligned with regulatory requirements of other regulated entities in Ireland, or with the EBA guidelines on Outsourcing.

- The CBI outsourcing requirements for Fund Administrators are considered complex and onerous, requiring adherence to multiple standards as set out by IFR, Cross Industry Guidance on Outsourcing, supplementary notices and various "Dear CEO" letters. This results in:
    - Inconsistent standards and regulations as they relate to outsourcing across different regulated financial service providers (RFSP), with the Fund Administration sector, subject to additional prescriptive and onerous requirements that are not justified by the associated inherent risk.
    - These requirements are typically not applied based on proportionality; unlike EBA guidelines which are more principle-based and consider proportionality.
    - Intra-group outsourcing faces the same prescriptive requirements as external outsourcing, unlike EBA guidelines that view it as requiring different risk mitigation procedures.

3. **Key Considerations**

- Market Changes: The existing regulatory framework governing outsourcing for the Fund Administration Sector does not reflect how the fund and asset management industry in Ireland has evolved over the past 25 years:
    - The existing IFR Regulation dates to 2017 when the majority of funds in the industry operated on a self-managed basis.
    - IFR itself, originated from the minimum activity requirements for fund administrators in 2003, designed to retain certain activities in Ireland at a time when most of the investment management and associated services were located outside Ireland.
    - These minimum activities were updated to Annex II requirements in 2013 and then encapsulated within IFR in 2017 and further expanded in the 2021 cross industry guidance.
    - The subsequent implementation in 2016 of the Fund Management Companies Guidance has resulted in both Investment Managers and Management companies establishing significant substance and expertise in the local market with close supervision of their service providers, including any outsourcing arrangements.

4. **Suggested Simplification/Amendment**

The industry believes there is significant scope for aligning the CBI outsourcing guidance with EBA standards to reduce complexity, eliminate duplicative reporting, and recognize the differing risk profile of intra-group outsourcing:

- **Adopt Risk-Based and Proportional Outsourcing Rules:**
  - Recognise inherent risk differences between intra-group and third-party outsourcing arrangement.
  - Consolidate guidance, supplementary notices and Dear CEO letters, creating a level playing field for all RFSP's.
  - Review guidance on concentration limits (considering technological advancement, and FTE seniority).
  - Simplify client notification.

- **Streamline Reporting:** Reduce overlap in annual outsourcing registers and consolidate returns.

- **Simplified Gatekeeping/Approval Regime:** consider a holistic periodic review approach instead of incremental approvals and introduce fast-track approvals for low-risk or client-driven changes. Simplify activity categorization for new submissions.

  Simplified Assurance: Introduce proportionality for internal audit and compliance reviews of new outsourcing arrangements, reduce dual obligations, and allow for more agile, outcomes focused assurance.

- **Expected Benefit Comments/Clarifications:** Reduces the some of the more burdensome aspects of the current regime, without eliminating effective and proportionate risk and control measures. As part of global organisations, the current outsourcing regime is creating situations where non-Irish work is being situated in outside of Ireland due to restrictions and additional constraints. The suggested alignment of the requirements for fund administrators with those of other regulated entity types in Ireland, would help to maintain Ireland's competitiveness as a fund servicing jurisdiction, and allow the industry to continue to grow.

Section 5. Sustainable Finance

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

Opportunities for Future Positioning:

1 **The EU Presidency, H2 2026:** Hosting the UNDP Project Office and serving the EU Presidency provide platforms to push EU-wide reforms and embed Irish best practice into Europe's regulatory and market expansion.

2 **Bridging the Global South:** Ireland is uniquely placed to facilitate knowledge transfer and capacity building for emerging markets in sustainable finance, a role requested by both the UNDP and international donors.

3 **Digital and Data Leadership:** By continuing to invest in and support ESG/regulatory "RegTech" hubs, Ireland can leverage its position as a digital innovation leader while addressing the EU's data fragmentation challenge.

4 **Nature Finance Thought Leadership:** Leveraging recent reports and the NATURE-INSURE partnership, Ireland is at the forefront of nature finance supervisory practice and product innovation.

5 Ireland is a safe harbour where US MNCs can continue to pilot sustainability programmes in the current volatile political climate and be ready to export best practices to the US when the fundamentals of sustainability become clear again in 2029.

Challenges:

1. **Greenwashing, Data Quality, and Reporting Gaps:** As regulatory requirements intensify (CSRD, SFDR, CSDDD Taxonomy, etc), and backslide (The EU Omnibus), the lack of granular and comparable ESG data poses risks to integrity and reputation. The ECB have been critical of the approach to EU Omnibus as undermining the objectives of the Green Deal and its supporting regulatory framework. EU regulators warn omnibus proposal could increase financial risk.
2. **Skills Bottlenecks:** Ongoing upskilling in emerging fields (data science, biodiversity, nature finance) is required to ensure sustained competitive advantage. The 3 emergencies are wicked problems and systemic challenges, it takes decades to build capabilities in people and companies. Government and business must continue to invest in deep work and skills to transform Ireland even if the tide temporarily goes out on sustainability in some regions.
3. **Regulatory Complexity:** Cross-border operations must navigate both evolving EU and non-EU rules. The position of the UK and impact on NI must be considered in terms of future non-alignment on sustainability regulations.

Recommendations:

1. Intensify government support for digital and RegTech hubs.
2. Foster pan-European collaboration for standard-setting and knowledge transfer.
3. Expand public-private programmes to nurture skills pipelines for both ESG and digital innovation.
4. Position Ireland as an honest broker in international sustainability dialogues.

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

Short-Term (i.e. 2025 - 2027)

1. *Regulation and Market Alignment:*

   Preparation in the two years under Stop the Clock for full implementation of CSRD, SFDR, and Taxonomy reporting, as amended by EU Omnibus regulations and timeframes. Irish firms and advisors have a narrow window to harness expertise in regulatory implementation, advisory, and digital compliance solutions. Early movers can capture pan-EU mandates, especially as many EU member states lag in readiness. Ireland did adopt these measures within the required timelines. The position now is that Ireland can continue to promote leadership beyond the minimum requirements, which will be necessary if Ireland has any chance of closing the significant gaps to transition to a greener economy and deliver on the legal requirements of the Climate Action Plan. The need to accelerate performance on sustainability is a key opportunity in terms of energy security and expansion of the energy grid and data centre network critical to AI leadership, and food security as Ireland can position itself on a niche provider of regenerative agriculture.

2. *Green Bonds and Sustainable Loans:*

Seeking leadership position in green/blue bond issuance/listing, with new products in transition and biodiversity finance driven by EU Green Bond Standard roll-out from 2024. As an island with substantial territorial waters Ireland can leverage these natural resources as nature credits and carbon “insets” where projects financed on land and sea will generate income and tackle the 3 interlinked emergencies.

3. *Nature and Biodiversity Finance:*

   Ireland is cited in recent ECB and IFPRI discussions as a “test bed” for market-ready biodiversity credits, insurance-linked nature resilience products, and TNFD-aligned disclosure pilots. There is growing international demand for both products and technical advisory. Ireland’s hardest to abate sector is Food & Agriculture given exceptional methane emissions, the target of 25% reduction by 2030 is also seriously off-track, and domestic credits will be needed to “in-set” carbon emissions in the Irish economy by expanding nature-based solutions such as carbon storage & sequestration, expansion of native woodlands, restoration of peatlands, and protecting species at risk.

Medium-Term (i.e. 2027–2030)

1. *Digitalisation and RegTech:*

   AI-powered ESG analytics, digital onboarding for green products, and RegTech for Taxonomy/CSRD are growing areas. Ireland could dominate this space through collaboration among ISFCOE, fintech labs, and large studios, as evidenced by the recent Sustainable Finance SprintTech Challenge.

2. *Harmonisation and Automation:*

   As data standards mature (open APIs, machine-readable taxonomy), significant export opportunities exist for digital solutions built and tested in Ireland.

3. *Impact and Social Finance:*

   Social, SDG, and inclusion bonds, as defined by the Sustainable Development Goals, are likely to see rapid market growth. Ireland’s experience with social impact investing positions it favourably. Ireland needs to accelerate performance on its UN SDG 2030 commitments.

   Technical assistance (consultancy, capacity-building academies) for EU and emerging-market partners represents a significant export opportunity. Sustainable Finance needed to finance off-shore wind energy in particular, which can be exported through interconnectors with grids in UK and France.

Long-Term (i.e. 2030 and Beyond)

1. *Just Transition and Inclusion:*

   Integrating climate, nature, and social inclusion: Ireland’s focus on regional impact in the financial sector is a model for holistic, “just transition” finance for the EU, especially as green transition drives geopolitical and socio-economic shifts. The work of the Just Transition Commission and the Climate Advisory Council is bringing social sustainability to the fore.

2. *Private-Public Partnerships:*

By aligning sovereign green issuance, public R&D, and innovation clusters, Ireland can make long-term investments in housing, clean energy, and infrastructure that create financial products for global export.

3. *Internationalisation:*

   As the global regulatory landscape converges on EU and UN/EU-brokered sustainability standards, Ireland's role as a trainer, technical advisory centre, and financier for emerging markets can be unmatched, especially as knowledge from the Dublin-based UNDP and ISFCOE is disseminated globally.

   "Sustainability is Ireland's Industrial Policy" (EPA Climate Dialogue – Sec Gen of DECC May 2025). As other countries pull back from Net Zero commitments Ireland can differentiate itself as a climate leader linking sustainability and competitiveness (Both/and thinking required)

4. *Delivery Mechanisms:*

   - Maintain a programme of public-private sector innovation funding (ISFCOE, Skillnet, SprintTech, research grants).
   - Support continuous consultation between regulators and market participants.
   - Launch and scale "Test and Learn" regulatory and product pilots, especially in nature and social finance.
   - Expand participation in, and leadership of, EU and global working groups (FC4S, SIF, TNFD, EBA/EIOPA advisory groups).

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

While sustainable finance (climate, biodiversity, ESG) remains a central focus, there is growing consensus among EU policymakers, Irish authorities, and major market actors that the scope of strategic finance planning must broaden to encompass the full spectrum of investment needs facing the EU, especially those aligned with digital transformation, productivity, resilience, health, and regional equality. (Note the Draghi Report of Sept 2024 and the Green Deal announcement by the European Commission of Dec 2019, that sustainability is the lever for EU competitiveness and the way to address systems challenges on energy security, food security, defence, climate and nature risks, societal risks of collapse, etc).

Rationale for Expansion:

1. *Infrastructure and Productivity:*

   The EU's twin transitions (green and digital) depend on vast investments in housing, renewables, transportation, digital core systems, and public infrastructure. Financing and risk-sharing mechanisms will exceed the scope of 'classical' green finance products.

   Ireland's success as a financial centre can be further secured by amplifying activity in infrastructure and growth finance, linking sustainable and conventional asset classifications, and positioning as an EU gateway for new product development.[Note the overlap with Project Ireland 2040 and the National Development Plan, Ireland is unique in that the population is growing rapidly, full employment is being maintained, but the supply of infrastructure cannot keep pace with demand.

2. *Digital and Human Capital:*

   Investment must also support digital public services, education, social enterprise, and healthcare innovation. These are all recognised in the latest iterations of the EU Green Deal Industrial Plan and Ireland's own climate and digital action plans.

3. *EU Resilience and Security:*

   Security of energy, supply chains, and digital sovereignty requires blended finance and innovative risk pooling. Ireland's fast-evolving ecosystem around sustainable/impact investment networks is an asset to broader EU objectives.

Implementation Challenges:

The principal challenge is aligning regulatory frameworks across climate, social, and broader infrastructure investment, especially as digital and sustainability reporting become more interconnected.

Maintaining focus and capacity for core ESG/green finance priorities while expanding to broader areas without diluting expertise or jeopardising regulatory compliance.

Recommendations:

1. Launch more collaboration initiatives "Finance for Sustainable Growth" pilots: test public-private, cross-sectoral investment vehicles for digital, health, housing, and public infrastructure adjacent to green finance.
2. Develop further regional innovation clusters (e.g., Dogpatch Labs, ISFCOE Nature Finance pilots) as blueprints for EU-wide models.
3. Maintain a dual reporting and measurement framework (traditional and ESG/impact) to enable both investment, impact, and resilience assessment.

Section 6. Technology and Innovation

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

Innovation and adoption of new technology is enabled through, amongst other things, a level of certainty for financial services firms in relation to regulatory, market and consumer expectations. This requires proactive engagement with multiple stakeholders and increased level of trust in FS firms. This can be achieved through:

1. Increased supports for the regulatory sandbox with the CBI and other regulators (such as the DPC) – this also includes increased cadence and scope f the sandbox with more than one thematic area per year.

2. Proactive engagement with the regulators where clear, open and early discussion can take place. This includes where firms wish to roll out new technology where there is no or limited guidance.
3. Earlier guidance from regulators to provide clarity on expectations and requirements for firms.
4. Increased supports for internal innovation and entrepreneurship within established firms to de-risk that innovation. Such supports might include access to data, access to infrastructure and access to research professionals.
5. Continue to support national technology infrastructure and security of resources
6. Increased funding and recognition of supports such as CeDAR and the test before invest service.
7. Other areas to support are discussed elsewhere in this response, such as section 6 and 7.

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

Ireland's AI strategy has the ability to place Ireland as leader in AI innovation with a focus on responsible, safe and secure AI. We are in a strong position to be a global leader on AI in finance across multiple domains. With a strong ecosystem of digital regulators and a standards authority that has the ability to become a leader in managing AI standards Ireland could set itself out as a location for assessing AI systems, managing certifications, establishing mark of conformity requirements and driving safe and responsible AI.

However, financial literacy as well AI literacy are areas of concern with regards to public use of AI n financial settings. Advancement in awareness raising campaigns to increase knowledge across both domains will enable consumers to have more confidence in their use of AI, and int financial services use of AI. Much of the same can be said about other uses of emerging technology, however, AI is one that is very much in the public consciousness at present.

The use of AI systems in finance such as in assessing credit worthiness or credit scores and for risk assessments and pricing in life and health insurance fall within high-risk AI use cases under the EU AI Act. With a proactive regulator and standards authority, Ireland could become a leader in assessing conformity of those AI systems with set standards. This will result in Ireland being a sought-after location for the development and placing on the market of those systems

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

Similar to question 13, uncertainty in regulatory approach is a major barrier to innovation in FS. Especially with varying approaches across multiple jurisdictions and markets. In addition, many of the barriers to innovation are listed elsewhere in this response such as access to funding for startups, financial incentives, and talent.

A clear regulatory approach with effective guidance and reduction in complexity will provide certainty to firms and reduce their risk.

Section 7. Growth of indigenous start-up, scaling and innovative firms

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

One of the key challenges for start-ups in financial services is access to capital as infrastructure and compliance costs can be expensive. They also have the added disadvantage that companies are reluctant to share sensitive data especially if it involves transfer of funds activities. Another challenge is that financial service startups are a prime target for cyberattacks, one attack can destroy trust and shut down activities. There is also not a culture/profile in incubators for financial services start-ups or mentoring.

To address these challenges there needs to be planned promotion of grants and services available so entrepreneurs can apply for grants targeted at Fintech e.g. Enterprise Ireland, CBI Sandbox etc.

There needs be a platform created so that startups can partner with existing well-known brands e.g. Stripe, Visa, Fexco, Bank of Ireland, AIB, Credit Unions. There needs to be a panel of financial services Fintech mentors established and KPI's should be set for government funded incubators so that metrics improve for Fintech start-ups.

There needs to incentives created for startups through R&D tax credits and tax exemptions for starting a business in this sector.

Section 8. Skills, Talent & Regional Development

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

To ensure the continued growth of the IFS sector, investment in development of a talent pipeline is crucial. This has two key components: attracting new entrants into careers in IFS and the ongoing development and upskilling of existing staff.

1. *New entrants/encouraging second level students to study for IFS careers*

   In the first instance, a crucial element of the talent pipeline is encouraging the next generation to enter the world of IFS. Many second level students and their parents are still unaware of the opportunities that exist in this space and there is work to be done to increase awareness at school level (which also feeds into the financial literacy agenda). The funding of projects in higher level education institutions and other stakeholder bodies that frees up resources to liaise with schools to educate on these opportunities is an important element of preparing a next generation of talent pipeline. In addition, support for the creation of bespoke undergraduate specialisms for IFS is required. Many of our HEI's have large full-time, "common entry" programmes in business. After a period of study, usually when students start the third year of their programmes, participants choose their specialist area. The choices that are available tend to be quite traditional and have not changed for many years: for example, specialisms in accounting, human resources, marketing etc. An addition of a specialism in IFS would ensure that third level students are more prepared for work placements and graduate employment in the IFS space, thus bolstering their success in these.

2. *Upskilling existing staff to develop the talent pipeline*

   Governmental support for the development and delivery of industry focused, specialised programmes in the IFS space is crucial to the incentivisation for existing employees to engage with these programmes. The activities carried out by IFS organisations are extremely complex and do not lend themselves to the undergraduate curriculum. Consequently, ongoing engagement with lifelong learning is important to help employees develop skills & competencies that can fill current and future key skills gaps in this area. Added to this is the rate at which the demand for certain skills change, as regulations and technology change the key skills required by employers also evolve. As an economy, we need to be able to react to these changes so that our competitive position is not eroded.

As sub-sectors of financial services, including funds, are attracting junior and mid-level professionals, these are not in a position to pay for postgraduate courses (unlike c-level executives in the space who may have easier access to bursaries for professional and MBA courses). Consequently, the subsidisation of places for this group is necessary to ensure that higher level institutions can continue to offer tailor made courses that are delivered in conjunction with industry, with input from industry.

Direct feedback from industry partners can often indicate that due to the current uncertainty in the economic climate, they are oftentimes unable to support employee upskilling to the extent that they would like i.e. limited in the number of bursaries they can offer etc. This leads to an undemocratic system where managers/C-level staff may be able to access upskilling but operational staff at more junior levels (who are the very cohort who should be accessing upskilling opportunities) are barred from accessing courses.

A ring-fencing of a portion of the recently unlocked National Training Fund (NFT) specifically for projects and programmes for the development of the IFS sector (and all its sub-sectors) would ease budgetary pressures on industry partners who may not due to the current uncertainty of the macroeconomic and microeconomic climates be in a position to fully fund employee places. With 60,000 directly employed in the IFS sector the contributions to the NTF is significant (1% of reckonable income is allocated to the NTF).

Direct fee subsidy/abatement to the participant on these programmes is the most effective way to encourage engagement with lifelong learning. A tailored Springboard type scheme might offer a template here. However, the current Springboard model is quite restrictive in the type of programme that can be funded, and some tweaking would be required.

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

At the outset, the most important condition required to attract and retain talent in the region is that there are sufficient stable employment opportunities available in the region. We are not aware of any employer organisations in our region in the investment fund servicing domain, where the lack of availability of talent has restricted their growth.

From the employee perspective, the roles in IFS are very specialist and therefore it is a risk that they can become ‘stranded’ in a region should a particular employer leave or downsize i.e. the employee is highly skilled but there may be no other employers in the area that require such skills. This is a risk that the employee assumes when taking up employment with a regionally based organisation.

An effective way to reduce this risk (on the employee) is to ensure that there is a cluster effect within the region i.e. several IFS organisations with similar skill profiles locating relatively close together. This ensures that there are other opportunities available to the employee and it also provides employers with a much larger pool of talent should they need to expand. This type of competition between employers is healthy part of a well-functioning labour market.

The investment fund servicing sector is a good case in point with a string regional focus and significant clusters emerging in Cork, Kilkenny and the broader South-East.

In our view, there are two significant aspects to this:

1. *Encouraging new employers into the regions:*

   Given the international profile of the sector, this often falls to IDA Ireland. IDA Ireland does have a strong regional remit and has a strategic priority to continue to promote the regions. This prioritisation needs to continue with additional supports in place to support new companies looking to establish operations in the regions. Clearly, any supports need to respect the State Aid rules but a responsive local environment, ready availability of high-quality office space, dedicated links to the regional universities and an established active cluster network are important attributes to encourage international employers into a region.

   The 'second site' model that has emerged has served the regions well. However, this model does have its weaknesses as the regions tend to be overexposed where there are fluctuations in the business cycle of an organisation. This is further exacerbated by the fact that the impact of job losses on the small local communities in a region is greater than the same number of job losses in a Dublin based operation. This is not an argument against the 'second site' model, instead it is an argument to also strive for more "first-site" locations into the regions. This will help spread the profile of employers much more broadly and provide opportunities for growth that are not overly dependent on a small pool of employers.

2. *Supporting those who are already there:*

   The funding of courses offered by regional outfits such as the Funds Academy at MTU is crucial to the retention of employees in the regional IFS organisations. As such, it has the two-fold impact of upskilling employees to a level required, focusing on the next generation of talent who may wish to stay in the regions for their careers and bolstering the quality of the jobs available in the regions.

Section 8.

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

The IFS sector is highly talent-intensive and competition for skills is increasingly global. As the sector continues to grow, it is essential that industry, government agencies and universities work together to develop tailored education and training programmes that build a resilient, future-ready workforce.

One of the key challenges is awareness and perception. If asked, the average person might only associate financial services with traditional banking. There is a real need to communicate the breadth of the sector - including asset management, fintech, payments, compliance, and more - as well as to highlight the career paths, progression opportunities and earning potential available.

A coordinated approach could include collaboration between Irish Funds, industry partners, and universities to profile early-career professionals and mid-career employees, creating a bank of testimonials and case studies for use by career guidance counsellors. This effort could be strengthened by introducing a national IFS schools' competition, providing structured transition year placements, and ensuring these opportunities are widely communicated to students.

Finally, promoting Ireland's IFS sector on the global stage remains critical. Hosting international summits in key markets such as New York and London can enhance visibility, attract international talent, and position Ireland as a leading hub for financial services.

Yours faithfully,

Cork Financial Services Forum

Conor Healy:	CEO of Cork Chamber of Commerce
David Bennett:	Chair of the Cork Financial Services Forum
Aisling O' Mahony:	Contributor and Member of the Cork Financial Services Forum
David O' Sullivan:	Contributor and Member of the Cork Financial Services Forum
Eoin Motherway	Past Chair and Member of the Cork Financial Services Forum
Gerard O' Donovan:	Contributor and Member of the Cork Financial Services Forum
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Annex 2: About You

What is your name?

Name (Required)	
Conor Healy:	CEO of Cork Chamber of Commerce
David Bennett:	Chair of the Cork Financial Services Forum
Aisling O' Mahony:	Contributor and Member of the Cork Financial Services Forum
David O' Sullivan:	Contributor and Member of the Cork Financial Services Forum
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I am responding as:

☐	An individual contributing in a personal capacity
☒	A representative of an organisation / representative group

If you are responding on behalf of an organisation, please enter your organisation name here:

Organisation
Cork Chamber - Cork Financial Services Forum