



WHY IRELAND?

EXCHANGE TRADED
FUNDS (ETFs)

if irish
funds



The Leading ETF Domicile for 25 Years

At the end of December 2024, assets in ETFs domiciled in Ireland were valued at \$1,617bln, comprising **74.2% of overall European ETF assets under management**. In the five years ending 31 December 2024, 84.9% of all flows into European UCITS ETFs were to those domiciled in Ireland.

The attractiveness of the UCITS wrapper to investors globally is evidenced by the record net inflows in 2024 where assets under management in Irish domiciled UCITS ETFs grew 31% year on year.¹

Since launching Europe's first Exchange Traded Fund (ETF) 25 years ago, Ireland has become the leading domicile for internationally distributed ETFs.

95% of new ETF products launched in Europe in 2024 were Irish domiciled.

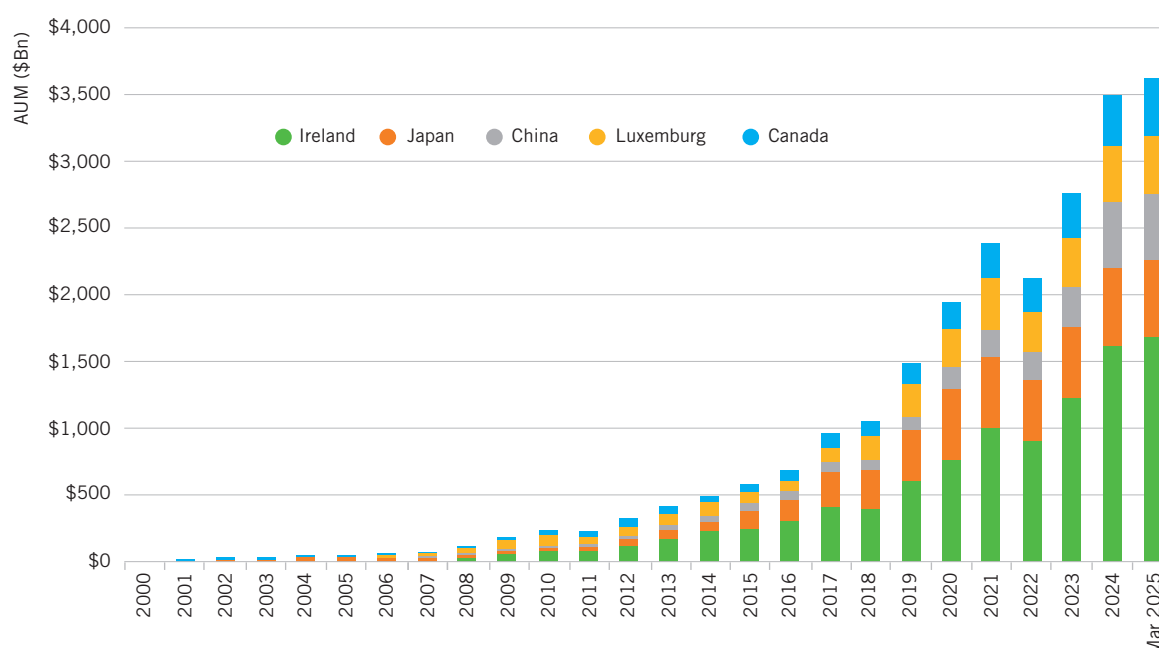
Ireland continues to attract the majority of new launches, with 95% of new ETF products launched in Europe in 2024 being Irish domiciled, representing a 16.4% year on year increase.²

Over 1,000 fund promoters have chosen Ireland to domicile and/or service their funds. With many of the world's largest asset managers now offering

ETFs, Ireland's strong brand and reputation as a leading fund domicile only enhances its position as a domicile of choice for these products. Ireland is delivering at scale across passive, active, physical and synthetic strategies.

There are a number of reasons which contribute to Ireland's continued success as a domicile of choice.

Figure 1: AUM of ETFs in top 5 international ETF domiciles (ex-US) as at March 2025



Source: Bloomberg

¹ ETF Book; EFAMA data

² Source: ETF Book

Why Ireland is the Leading Domicile for ETFs

Breadth and depth of service capability

Ireland is unrivalled in Europe for its ETF experience and expertise. The maturity and scale of the Irish model ensures that ETF issuers have access to a range of service providers which provide market leading, highly automated and scalable global solutions.

Supported by Ireland's world-leading financial technology industry, Irish service providers have over the past 25 years developed and accumulated the depth of experience to provide seamless connectivity to the specialised ETF ecosystem (including authorised participants and market makers), and provide ETF issuers with a flexible framework for structuring and delivering their full range of ETF products.

Ireland's professional services infrastructure is equally well developed, with specialist legal, tax and accounting skills and expertise.



Ireland's financial services ecosystem has evolved from a predominantly asset servicing focus to offering broader front office expertise where asset managers have front office services involved in capital markets, product development, innovation, and the distribution of funds globally.

Innovation

The high level of expertise and support across the country means that Ireland has long been at the forefront of ETF product innovation across passive, active, physical and synthetic ETFs. It is no surprise that we now see Ireland leading the way in key emerging trends in ETF product development.

This is driven by the dynamic efforts of asset managers and service providers who continually enhance product development, fund structuring and servicing capabilities.

The Central Bank of Ireland (CBI) is engaged in supporting innovation and the evolution of the market. There have been several recent regulatory developments, including:



- ▶ The permitting of ETF share classes within mutual funds, allowing asset managers to provide the benefits of ETFs to their investors within their existing mutual fund structures without the need for a separate legal structure.
- ▶ A flexible portfolio transparency regime (which applies to both active and passive ETFs), permitting ETFs to disclose their portfolio holdings on up to a quarterly basis with a lag of up to 30 business days.
- ▶ Approval of UCITS ETFs investing in a broad range of asset classes, such as collateralised loan obligations (CLOs).

As part of its broader regulatory efforts, the CBI is engaging on an ongoing basis with global policy makers to assess the opportunities associated with tokenisation.



Why Ireland is the Leading Domicile for ETFs

Global reach

Irish domiciled funds are sold in 90 countries across Europe, the Americas, Asia and the Pacific, the Middle East and Africa. As at 30 June 2024, Irish ETFs had over 18,663 registrations globally³, making up over 70% of the total registrations of European ETFs. As well as the ability to passport Irish ETFs across EU jurisdictions, Irish ETFs are more frequently being used as an attractive vehicle for non-EU investors, particularly across Asia, the Middle East and Latin America.

The recent Mutual Recognition of Funds between Hong Kong and Ireland, which specifically provides for the sale of Irish ETFs (active and passive) into Hong Kong, shows the ongoing focus on expanding this global reach.

Trusted regulatory environment

Ireland has a strong and stable regulatory environment which is based on principles of openness, transparency and investor protection.



The CBI is one of the leading regulators of ETFs globally and is strongly engaged with the ETF ecosystem, playing a central role in the International Organization of Securities Commissions (IOSCO).

The CBI is wholly independent of the Irish Government or any financial institution and is committed to being both independent and transparent.

ETF issuers can rely on a clear and practical authorisation process which provides certainty on approval timeframes.



Tax landscape

ETFs established in Ireland benefit from a national tax regime that is clear, certain, transparent and fully compliant with OECD guidelines and EU law. In addition, ETFs benefit from a neutral tax regime that applies to all funds regulated in Ireland including;

- ▶ Income and gains derived from investments are exempt from Irish tax,
- ▶ No Irish taxes on the net asset value of the ETF,
- ▶ No transfer taxes or capital duties on the issuance or redemption of units in ETFs, and
- ▶ No withholding taxes applied on payments made to non-Irish resident investors or on units held in recognised clearing systems.

Ireland has a broad double tax treaty network spanning over 75 countries across Europe, Middle East, Asia and Americas.

This includes a favourable Ireland - US double tax treaty, the benefits of which are available to many Irish ETFs in respect of withholding tax on US dividend income.

³ <https://www.pwc.lu/en/asset-management/etfs/etf-poster.html>

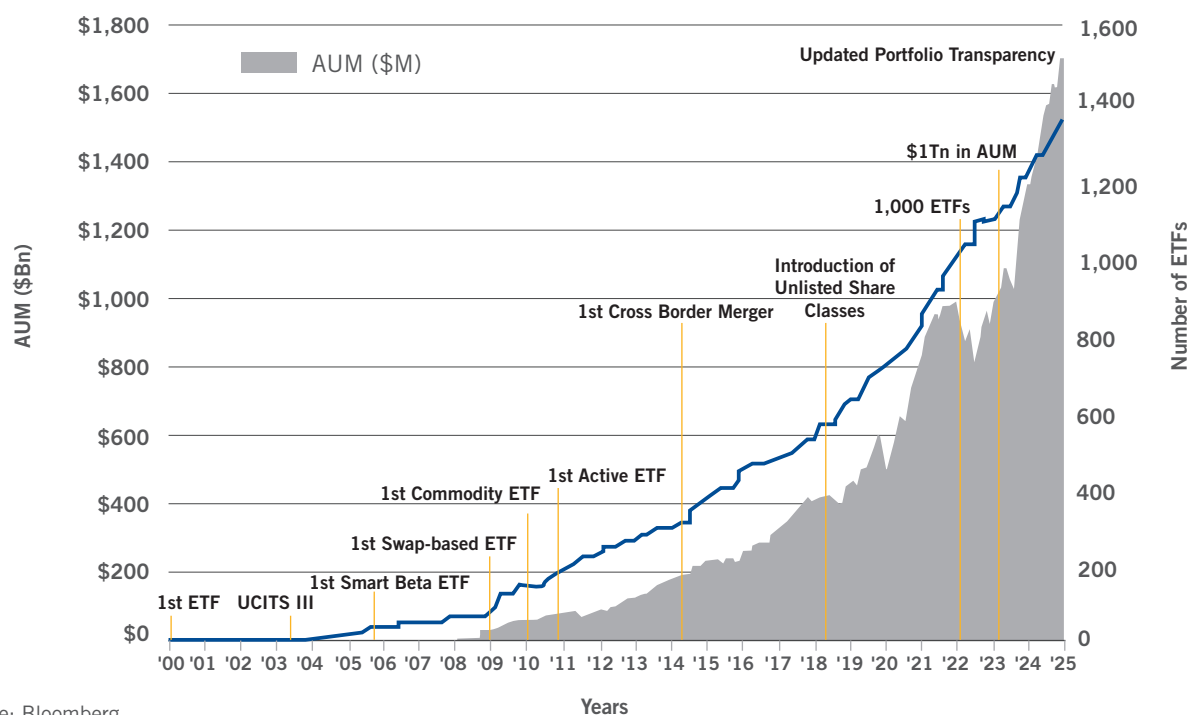


What's next for Ireland?

The journey so far

Since the launch of the first ETF in Ireland in the late 1990s, the market has been a hub for product innovation, offering a diverse range of offerings across asset classes, sectors, and geographies. As we look ahead, the next 25 years promise to build on this strong foundation while being shaped by new emerging trends.

Among these emerging trends, the rise of Active ETFs stands out as a pivotal development.



Source: Bloomberg

Why Ireland – For Active UCITS ETFs

Active solutions

While passive strategies continue to make up the majority of the existing \$1,617bln Irish ETF asset base, there is a growing recognition among investors that the ETF wrapper is equally well-suited for actively managed strategies.

Active ETFs are poised for significant potential growth, mirroring trends observed in the U.S. and global ETF landscape. In recent years, assets in active ETFs have grown significantly. As at 31 May 2025, over 96% of assets in active UCITS ETFs are domiciled in Ireland.⁴

Globally, active ETFs captured 20% of ETF flows in 2023 and 21% in 2024⁵. Additionally, the total assets under management for active ETFs worldwide reached \$1,076bln⁶ by the end of 2024, reflecting a year-over-year growth rate of 60%.

This trend is already evident across most ETF markets, including notably the US, Canada and Australia, all reporting substantial increases in active ETF adoption.



96%

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Growing industry awareness and regulatory developments over the last number of years has led to the increasing use of active ETFs by a diverse range of investors, from retail to institutional.

⁴ Source: ETF Book

⁵ Source: Bloomberg

⁶ Source: Bloomberg



Active ETFs are rapidly emerging as a key component of modern investment portfolios worldwide. By combining certain benefits of traditional active mutual funds – such as research-backed security selection and portfolio construction – with the structural advantages of ETFs – including lower costs, tax efficiency, and intraday trading flexibility – active ETFs present a compelling hybrid solution. These benefits can be particularly valued in dynamic and changing market environments.

The growing availability and variety of active ETFs across multiple asset classes and regions enables investors to customise their portfolios to align with specific investment goals and risk profiles. Furthermore, the integration of Environmental, Social, and Governance (ESG) criteria into active ETF offerings can help meet continued international demand for sustainable and socially responsible investing.



Ireland leads as the premier destination for asset managers launching ETFs, combining a proven track record with ongoing innovation across diverse strategies and asset classes to reach investors worldwide.

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