

# ANNUAL REVIEW 2022

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**if** irish  
funds

The Voice of the Funds & Asset  
Management Industry in Ireland



## Regulation & Policy Development



- 197 meetings with local, European and global stakeholders
- 41 separate written submissions during 2022
- White papers and thought leadership articles on crypto assets, macroprudential policy, sustainable finance duties, SFDR, liquidity risk, AML and VAT treatment, funds sector Technology Skills Needs Analysis, briefing paper on LDI and Recent Market Events, the Russian Invasion of Ukraine, CP138, EU Transparency Report and update on EU Affairs.
- A structure comprising 36 working groups and 7 steering groups in 2022:
  1. Promotion & Engagement
  2. Distribution
  3. Asset Management
  4. Operational
  5. Sustainability, Skills & Technology
  6. Fund Product
  7. Tax

## Engagement & Promotion



- Increased engagement via social media with over **14,000** followers on LinkedIn and over **2,500** followers on Twitter
- Launched a new website with a fresh, new look and updated information
- Member portal now has **2,900+** resources and **4,500** members
- Member of the European Fund and Asset Management Association (EFAMA) and International Investment Funds Association (IIFA)
- Engagement with industry bodies in Ireland and around the world
- Over 40 events attracting more than 5,400 attendees

## Training & Education



- Partnership with the IOB has enabled more than **700** students to undertake a UCD accredited professional education programme in 2021/2022
- **85** Irish Funds member firms had participating students
- The IFS Skillnet delivered over 110 courses to 1,800+ participants from 182 companies operating in the international financial services sector in Ireland in 2022

## Community Involvement



- Focus Ireland Shine A Light Campaign
- Proud advocate of Trinity Centre for People with Intellectual Disabilities
- Support for basis.point, the charity of the Irish funds industry and its wider ecosystem
- Business in the Community Pilots – Time to Read and Time to Count volunteer programmes at local primary schools



- Supporting, complementing and developing the funds industry in Ireland
- Close working relationship with IDA Ireland domestically and an extensive network of international offices
- Direct involvement in the IFSC Funds Group

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# Welcome

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It is my pleasure to welcome you to the Irish Funds Annual Review, as we reflect on the past year's developments, achievements, and activities. In many ways, 2022 was a year of transition for our members, our Association, and the wider industry.

After nearly two years of Covid restrictions and uncertainty, starting in the spring there was a widespread return to the office and in-person gatherings. While the transition has presented challenges, our members remained highly adaptive as they had during Covid, demonstrating the resilience and determination that characterises our industry.

Our broad base of member organisations, covering every aspect of the funds and asset management ecosystem gives us unique strength. It also enables us to communicate with one voice to strengthen and continually develop our industry through our work with the Irish Government, the regulator, EU bodies and a broad range of industry stakeholders. It is this collective effort that drives us to realise our industry's vision that Ireland be the premier location to enable and support global investing through its reputation for trust, capability, and innovation. Collaboration and cooperation are essential to achieving our shared goals, and we are proud to represent such a vibrant and dynamic community.

In this review you will have a chance to look back at the work that contributed to our progress in the past year. Many members have participated; through the Working Group structure, involvement in events and webinars, contributions to submissions, publications and thought leadership pieces and engagement in many other activities, including community and sustainability initiatives. You will see both quantitative and qualitative data on the output of our collective efforts and a series of updates from our Steering Group chairs.

I hope you find a few moments to read through this document and celebrate all that we've achieved together. It would be easy with the busyness and bustle of 2023 to forget our collective activities and accomplishments from last year, and indeed, the enormous amount of work, year on year, that makes progress possible and impacts positively on our industry. We hope that you find this review informative and we welcome your feedback and ideas as we continue to grow and evolve.

In her introduction to this review, our past chair Maria Ging highlights our key strategic objectives and links them back to our member study in 2020. Since we completed that study we have continually evolved and added activities, services and information resources for your benefit, enhancing the value you receive from your membership. We are also developing and augmenting our own team and structures to ensure we deliver on our objectives. As we look to the future, we are excited about the opportunities that lie ahead to make a meaningful impact on the industry and beyond.

Finally, thank you for your continued support. We cannot say this enough. We are grateful for your continued engagement in all the activities of the Association, ensuring that we can deliver on our objectives and stay loyal to our mission, vision, and values. None of these successes would have been possible without the hard work of our members, a dedicated executive team, and a highly engaged Governing Council, led by Maria Ging and Eoin Fitzgerald. Their collective enthusiasm, commitment and determined effort drives us on to improve and better serve you.

**Pat Lardner**  
CEO, Irish Funds

## Letter from the Chairperson



Dear Members,

It is with great pleasure that I look back on 2022 and the progress Irish Funds have made on our continued journey to ensure that we deliver for you, our members.

You will be aware that post the member survey in 2020 we undertook significant changes to the mission, vision and values of Irish Funds as well as its structures, including Council. Those changes were approved by you at our EGM in 2021 under Lisa Kealy's chairpersonship. 2022 was the first full year where we had our reshaped Council in place to focus on the delivery of our new mission and vision and ensuring that we live our new values every day.

As a reminder, Council is made up of representatives from asset managers (6), administrators/depositaries (4), legal firms (2), auditors (3), other member categories (1) who focus on delivering our mission that Ireland will be the premier location to enable and support global investing through its reputation for trust, capability and innovation.

To deliver on that mission, over 2022 we focussed on:

- Advocacy
- Capability and Engagement
- Talent
- IF Structure and Resources

### Advocacy

Advocacy is Irish Funds' highest priority. If we can successfully advocate for the right structures and regulatory and legislative environment that deliver for investors internationally, asset managers will launch products here in Ireland, appointing local service firms to support them. In particular, in 2022 our advocacy activities focused on:

- Closely tracking, monitoring and influencing outcomes on AIFMD 2 and sustainable finance.
- Regular engagement with the Central Bank (CBI) on enhancements to their authorisations process where I'm pleased to say we have seen improvements in timelines.
- Creating and facilitating direct Council/SME engagement with the CBI e.g. on the impacts on funds of the Russia-Ukraine conflict, difficulties in complying with SFDR requirements, CP86 and other topics as well as maintaining our regular quarterly meeting with the CBI.

- Strengthening, deepening and leveraging policy and political relationships in the EU on our advocacy objectives including a Council trip to Brussels in September.
- Continued engagement at EFAMA to ensure Irish Funds' views influence EFAMA's positions and priorities on EU advocacy issues.

### Capability and Engagement

Investors' needs are constantly evolving and we must be innovative and forward looking to ensure we continue to meet those needs both now and into the future. In 2022 Irish Funds sought to enhance Ireland's ability to continue to deliver for investors ("capability") through:

- Delivering a clear program of activities on sustainable finance including multiple responses to consultation papers through IF and EFAMA, and member briefings/information sessions.
- Completion of a digital assets white paper.
- Engagement with industry on private assets and unregulated products where unfortunately, we made less progress than we aimed to and will take this forward to 2023.
- In 2022 Irish Funds was also able to reintroduce in-person events for our current (and hopefully future!) members through a targeted program of events aligned to our mission, vision and values. In particular, I know I was delighted and relieved that we were able to hold the Annual Dinner and Annual Conference as in-person events and it was wonderful to have the opportunity to meet so many of our members there. And I was very proud to be able to host the final Council meeting of my term in Cork with members from Cork and the "100 Mile Hinterland". Thank you to all who supported Council events over 2022 and for the valuable feedback you provided to ensure we focus on the right topics to meet your needs.

### Talent

Irish Funds made further progress on our Transition Year Financial Literacy Pilot Program in 2022, finalizing the material for the program. This program aims to educate transition year students and hopefully improve the perception of our industry as well as increase the talent pipeline. The pilot of this program has commenced in 2023.

## SECTION 1 - WELCOME

### IF Structure and Resources

To ensure Irish Funds can deliver on the priorities of our members, we reviewed the structure and resources of the association to ensure they continue to be effective and efficient and aligned to our strategy.

### Conclusion

It has been a privilege to be the Chair of Irish Funds Council, especially in 2022. 2022 was an incredibly important year for Irish Funds. We had our restructured Council in place and our new mission, vision and values. As a result, my term was dedicated to how we live and embed that new direction in everything we do and how we do it. Only then can we authentically deliver what our members have asked of us. While this is a multi-year journey, hopefully your experience of Irish Funds in 2022 felt “different” and more aligned to what you need.

I would like to thank all the members of Council very sincerely for their support, encouragement and commitment and I would like to thank all of our members for your support. Without you and your feedback, none of this would have been possible. I would also like to thank the Irish Funds Executive Team for all of their hard work. In September 2022 Eoin Fitzgerald, Country Manager at Brown Brothers Harriman became Chair of Council. I wish Eoin every success and I’m very confident that he will make significant further progress for you, our members, as we continue this journey of evolution together.

Kind regards,

**Maria Ging**

## Past Chairs of the Association

|             |                  |             |                 |             |                 |
|-------------|------------------|-------------|-----------------|-------------|-----------------|
| 1991 - 1993 | Vic Holmes       | 2002 - 2003 | Damian Neylin   | 2012 - 2013 | Fearghal Woods  |
| 1993 - 1994 | Paul McNaughton  | 2003 - 2004 | Jeffrey Holland | 2013 - 2014 | Kevin Murphy    |
| 1994 - 1995 | Denise Kinsella  | 2004 - 2005 | Dan Morrissey   | 2014 - 2015 | Barry O'Dwyer   |
| 1995 - 1996 | John Fitzpatrick | 2005 - 2006 | Liam Manahan    | 2015 - 2016 | Tadhg Young     |
| 1996 - 1997 | Bernard Hanratty | 2006 - 2007 | Noel Moynihan   | 2016 - 2017 | Alan O'Sullivan |
| 1997 - 1998 | Padraig Kenny    | 2007 - 2008 | Deirdre Power   | 2017 - 2018 | Tara Doyle      |
| 1998 - 1999 | Eimear Cowhey    | 2008 - 2009 | Seán Páircéir   | 2018 - 2019 | Brian Forrester |
| 1999 - 2000 | Anthony Carey    | 2009 - 2010 | Michael Jackson | 2019 - 2020 | Yvonne Connolly |
| 2000 - 2001 | Paul McGowan     | 2010 - 2011 | Carin Bryans    | 2020 - 2021 | Lisa Kealy      |
| 2001 - 2002 | Brian Collins    | 2011 - 2012 | Ken Owens       | 2021 - 2022 | Maria Ging      |

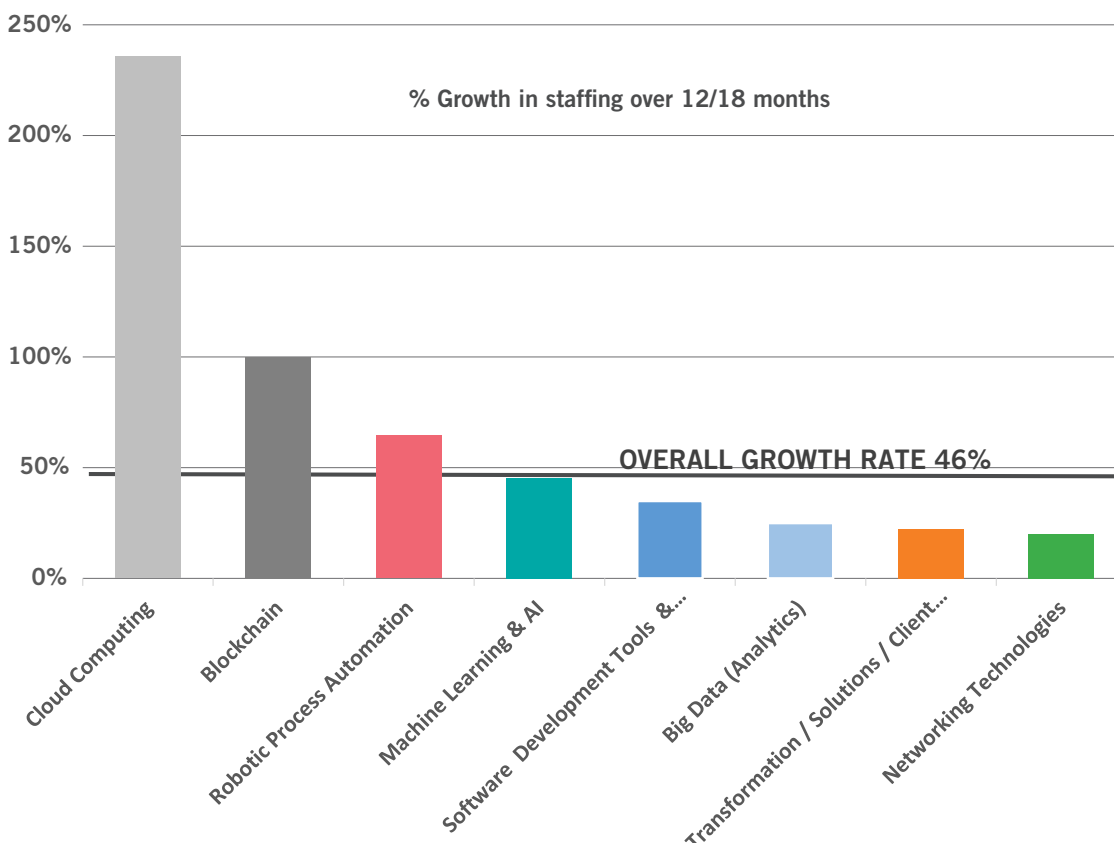
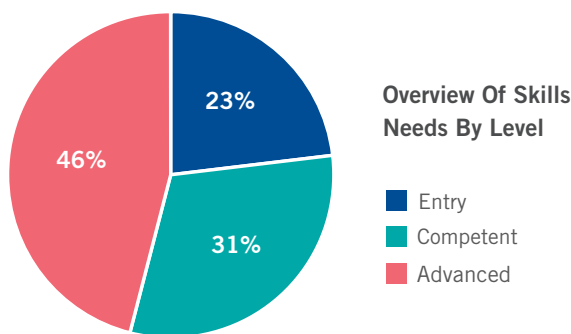
# Irish Funds Sector Technology Skills Needs Analysis 2022

The Irish funds and asset management sector is currently going through a new phase of transformational change that will require, in effect, a revamp of its skills ecosystem. The digitisation challenges and opportunities presented in the research are significantly impacting the business models that fund and asset management organisations can adopt, how they implement them, and the specific collaborations, professions and competencies required across their work teams.

The purpose of this first-ever Irish Funds and Asset Management Sector Technology Skills Audit, which has been undertaken by Irish Funds in collaboration with sector leaders and with the support of FIT, is to provide insight

into the current and future tech skills requirements of the sector to ensure its continued expansion and dynamism within Ireland's key International Financial Services Sector as a whole.

The overall findings of the Irish Funds and Asset Management Technology Skills Audit 2022 point to a significant and increasing demand for tech talent in the sector. Significantly, it finds that the **demand is even stronger at entry/competent levels (54%) than at the expert level (46%)**. The overall picture that emerges is of an **increasingly digitally enabled sector in need of substantial numbers of competent ICT practitioners**.

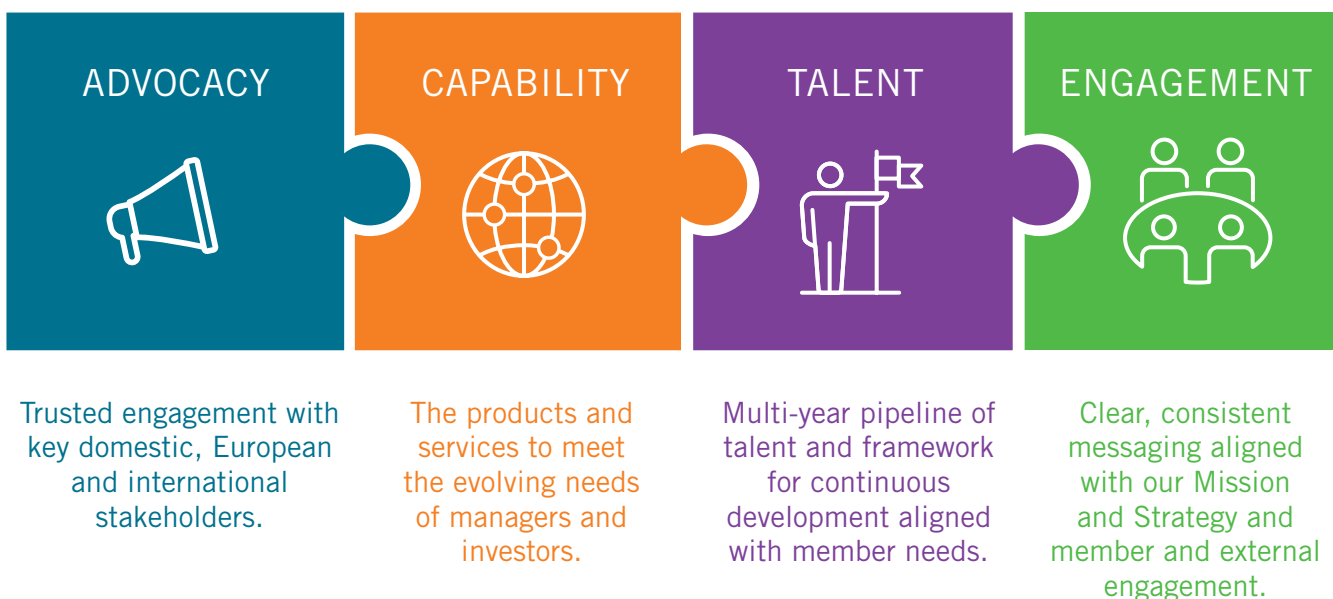


## Strategic Framework 2021 - 2023

### Guiding our Growth

We gathered invaluable insights from our member study in 2020 and have honed those contributions into a new mission and vision to light our way, and a set of values

with which to navigate. Making these a reality required a new strategic framework, one with clarity and purpose, built on the bedrock of reputation and reputational excellence.



### Our Mission

We are the voice of the Funds and Asset Management industry in Ireland.



### Our Vision

Ireland will be the premier location to enable and support global investing through its reputation for trust, capability and innovation.



### Our Values

- **Collaboration** – we succeed together and in working with others
- **Commitment** – to achieving better outcomes for investors
- **Dedication** – to member interests
- **Excellence** – in delivering and enhancing our capabilities
- **Integrity** – in everything we do
- **Society/Community engagement** – we give back
- **Transparency** – In who we represent, our interests and our decisions



## Working Group Structure

The work of the Association 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 executive. The Steering and Working Group structure are the lifeblood of the industry. These groups assist in delivering the strategic objectives of the Association, bringing members together, sharing information

and building industry consensus. In 2023 the structure of these groups is being reorganised and refreshed. **As we evolve to a new Working Group structure in 2023 and beyond we would like to take this opportunity to thank all our Working and Steering Group Chairs, Vice Chairs and participants for their hard work and dedication.**



In the pages that follow we have a series of updates from the Chairs of our Steering Groups.

# Asset Management Steering Group

**Grainne McEvoy** - CEO, PIMCO Global Advisors (Ireland) Limited

**Lindsay Gold** - CEO, Baillie Gifford Investment Management (Europe) Ltd



The Irish Funds Asset Management Steering Group's key focus is to identify key industry wide priorities, considerations and issues on behalf of its Asset Management members, and to help set priorities and ensure they have the appropriate focus within the working groups (under the Irish Funds Asset Management pillar). The Steering Group acts as a key point of escalation for these Working Groups and in turn, where appropriate, to

the Irish Funds Programme Office and/or Council with the end goal of adding Asset Management considerations to the wider Funds industry's voice. The Steering Group seeks to ensure that the industry is well prepared for any changes, assists in advocating on behalf of the Irish Funds members and, most importantly, represent investors' interests at all times.

### Key Topics

All working groups were actively involved in considering legislative and regulatory initiatives as they pertain to the asset management sector. **Outsourcing** and **operational resilience** were key themes requiring consideration by the **Management Company and Operational Risk Working Groups**, as to how best to interpret and apply the new Central Bank Guidelines. The **Operational Risk Working Group** also contributed to the Irish Fund's outsourcing briefing paper for fund administrators and fund management companies.

ESMA's ongoing work on **ESG** included the consultation on **MiFID II Suitability Requirements** to which the MiFID working group responded. ESMA also issued a consultation on **ESMA's MiFID II Product Governance Guidelines** that required the consideration of the MiFID working group and the **CSA on Valuations** (among other matters) which was discussed by the Management Company working group, as well as the wider working group network of Irish Funds.

The **Investment Risk Working Group** also made a significant contribution to the Irish Funds ESG paper on "EU Sustainable Finance Duties for Fund Management Companies" and progressed its consideration of liquidity management tools and in particular **swing pricing**.

The **Designated Persons Forum** hosted a number of engagement events during the year, including their first in-person meeting, where attendees heard from industry experts and representatives from the Central Bank. Building on the success of the Forum, further engagements are planned for 2023.

### Other Topics

In February 2022, Russia launched an invasion of Ukraine resulting in sanctions imposed upon various Russian entities and persons. This group discussed the impact of the war and related consequences including sanctions, fair value and

the use of side-pockets by investment funds along with the sharing of members' engagement with the Central Bank on these matters. The extent, duration, or repercussions of such military actions are impossible to predict and may result in future market disruption.

The **Derivatives and Middle Office WG** continued to engage on CSDR and held a cash penalties webinar for members at the start of the year. They are also progressing a Middle Office brochure as part of a skills and training initiative in the space.

A **Cross Industry Working Group** was established towards the end of the year to consider the draft **Conflicts on Interests Paper** prepared by the INED Governance Group and to refresh the **Industry Corporate Governance Code** for Funds and Management Companies. While the work on Conflicts of Interest is paused for the time being, work on the Corporate Governance Code is progressing and will carry forward as a priority for 2023.

### Key Priorities for 2023

The Irish Funds Strategy will identify priorities and areas of strategic importance for 2023; accordingly, the re-constitution of working groups is required to align with Irish Funds Strategic Priorities. Notwithstanding this, key areas of focus will likely include the **EU and Domestic legislative and regulatory landscape**, including the finalisation of AIFMD II (and related delegation provisions), the evolution of the ESG European framework and ELTIF. The outcome of the **Capability Initiative**, the future of **Digital Assets** and more broadly looking at **Talent Management** – ensuring the continued development of talent and skills needed in Ireland - to ensure we are well equipped to continue developing the industry will also be taken into account. Finally, consideration of the **UK – EU Relationship** and its impact on the asset management sector will remain a key area of focus

# Fund Product Steering Group

**Justin Mealy** - Managing Director EMEA,  
Head of Investment Oversight BlackRock



The **Fund Product Steering Group** sets out to oversee the activities of the Fund Product Working Groups and act as an escalation point to address issues raised as required, to identify and consider trends and issues relating to the fund product area and to discuss issues and make recommendations to Programme Office as appropriate.

The Working Groups that report into the Fund Product Steering Group include the **ETF Working Group**, the **MMF Working Group**, the **AIFMD Regulatory Working Group** and the **Investment Limited Partnership Working Group**.

Post-Covid 2022 was a challenging year for Fund Product management: escalating tensions in Eastern Europe, the invasion of Ukraine, ensuing Russian sanctions; volatile global markets with significant falls in both equities and bonds, Crypto price and operator collapses; European fuel crisis, interest rate hikes, inflation, Taiwan tensions, rising protectionism and threatened de-dollarisation of global trade. Furthermore, on foot of the UK budget and severe stresses in the Gilt market, significant attention focused on the use of leverage, liquidity interconnectedness and channels of propagation of secondary effects across firms and regulators. The Fund Product Steering Group focused on navigating these evolving market issues, their impact on ongoing product management, investment strategy and implications for risk, liquidity and leverage. We reached out across working groups and with the regulator on interpretation, regulatory and operational readiness on such initiatives as the feasibility of Side Pockets within UCITS funds for illiquid or sanctioned assets.

Another key theme of discussion at the Steering Group throughout the year was the **actual (real estate leverage) and the potential (LDI, MMF) emergence of further macro prudential approaches** under consideration within the Irish regulatory context and their impact on product management and future offerings. Advice and recommendations on ETF management and good practices in April from IOSCO was reviewed with interest, and ETF market review further echoed from the IMF in October a focus on potential risks within the sector. Whilst ETFs have navigated capably through the stresses and volatility of 2022 and prior years, further review has been followed-up in 2023 with CBI initiatives to review the sector and its microstructure ecosystem of participants.

In parallel with market-driven stresses, SFDR and ESG integration and interpretation continued apace across Irish Managers, including anticipating emerging regulatory divergence between the UK and EU in relation to UK SDR and investment labels; additional guidance was issued at a European level regarding SFDR and Taxonomy expectations and requirements. Irish Managers worked diligently on the publication of Pre-Contractual Disclosures in the run up to year-end, whilst honing their approach on interpretation of requirements for assignment of categorisations, involving significant cross-Working Group

engagement across Irish Funds. For Money Market Funds, the Working Group reported throughout the year on the developments in anticipation of ESMA and Commission consideration of potential reforms, in tandem with SEC considerations on Swing Pricing with considerable engagement with regulatory authorities on this topic.

The AIFMD Review at a European level and AIF Rulebook considerations locally were particularly active areas of research and review throughout the year at a Steering and Working Group level, including the establishment of several focused subgroups within the **AIFMD Regulatory Working Group** and also impacting the **Investment Limited Partnership Working Group** and its private assets investment initiatives; this work continues. Key initiatives are being studied for enhancement of domestic Fund Product development including Loan Origination funds, Delegation and Substance considerations, approaches to Liquidity Risk and ELTIF development. The Investment Limited Partnership Working Group also maintained its focus on driving for further clarity on the utilization of US GAAP and local interpretation. The FPSG and in particular the **ETF Working Group** continued to study the implications of CSDR, including the European Parliament's draft report on and review of the mandatory buy-in regime and Consolidated Tape developments.

In sum, firms are identifying emerging challenges in navigating regulatory divergence development - such as, as one example: UK Consumer Duty, impacting inward distribution from EU Managers into the UK under the Temporary Permissions Regime whilst firms seek to internally align with *similar-but-different* continued Common Supervisory focus within the EU on avoidance by firms of Undue Costs. As another example - how best can Irish Managers maintain effective sustainability interpretation and controls between jurisdictions in which they might manage, distribute, manufacture and portfolio manage. Even slight divergence exacerbates the complexities of maintaining a scalable, effective approach. Robust unified governance frameworks by firms operating across regional jurisdictions, as many Irish Funds members are engaged in, is critical to supporting continued innovation, cost control and good customer outcomes within Fund Product management and development.

# Sustainability, Skills & Technology Steering Group

**Dervla McCormack** - Partner, Consulting PwC



The role of the Sustainability, Skills and Technology Steering Group is to facilitate the coordination of the activities across the four Working Groups (“WG”) outlined below, and the initiative in relation to the provision of a Transition Year (“TY”) Programme:

- The ESG Policy, Legal and Regulatory WG,
- The ESG Servicing Data WG,
- The Fintech WG and
- The Talent and Skills Development WG.

During 2022, all five groups (including the TY Programme) engaged extensively with the industry and various stakeholders to agree industry perspectives, share the latest thinking on topical matters and to influence initiatives that would position the industry to:

- Embrace technology,
- Develop and apply world-leading skills and
- Position Ireland as a world-class jurisdiction from which to promote and service sustainable funds.

Specifically, the WGs delivered the following:

## 1. The ESG Policy, Legal & Regulatory WG

Meeting fortnightly this group contributes to, and seeks to influence, policy in relation to ESG as it emerges from regulators and legislators.

Publications and engagement during 2022 included:

- Engagement with the CBI in relation to topics such as: the SFDR Level 2 fast-track framework; the CBI’s intended thematic review of industry compliance with sustainable finance measures; and updated guidance on Taxonomy alignment disclosures.
- Engagement with European industry bodies, such as EFAMA, in relation to items such as their response to the EFRAG consultation and their interactions with ESMA.
- Engagement with member firms through ESG themed webinars.
- Engagement with other working groups including the Depositary WG.
- Engagement with other industry groups e.g. Sustainable Finance Skillnet, to develop the environment to support ESG products in Ireland.
- Engagement with the team at IF to provide input to meetings with key stakeholders (e.g. EFAMA, Commissioner McGuinness, CBI, etc.)

## 2. ESG Servicing Data WG

The ESG Servicing Data WG meets fortnightly and is focused on the implementation, data and reporting requirements of ESG regulations and standards. This WG has published a range of guidance and engaged with relevant policy makers and stakeholders, including:

- Contributions to multiple EFAMA responses to EC consultations on ESG Rating Providers, IFRS proposed Sustainability Disclosure Standards, EFRAG Consultation on European Sustainability Reporting Standards (ESRS) and an impact assessment on regulating ESG ratings providers.

- Hosting a webinar on Sustainability reporting.
- Completing analysis on the availability of PAI voluntary indicators with the data vendors.
- Coordinating and presenting at the Irish Funds panel at Climate Finance Week.
- Issuing regular industry guidance and FAQ on the implementation and reporting expectations of SFDR Level 2 reporting.
- Identifying the funds industry’s ESG training needs resulting in the roll out of a funds industry specific training course on sustainable finance in December 2022.

## 3. The Fintech WG

### Fintech Factor

The third instalment of the FinTech competition provided FinTech companies with the platform to showcase their products to industry leaders. The Fintech Factor involved the following:

- 2 presentation sessions, at which
- 8 FinTechs pitched their products and services.
- The winner of each session earned a booth at the Irish Funds Annual Conference.

### Fintech Speaker Series

Continued with the successful Fintech Speaker Series hosting three sessions entitled:

1. Irish Funds and FIT Industry Technology Skills Webinar
2. Technology Ireland ICT Skillnet and Quantum Computing in Finance
3. Cyber for Regulated Companies

### Thought Leadership

The WG is also developing papers related to the following topics:

- FinTech – barriers to implementation - part II. The objective of this paper is to deep dive further into two challenges to the implementation of FinTech by financial institutions, being:



## Sustainability, Skills & Technology Steering Group

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- Regulatory requirements &
- Due Diligence framework
- Crypto Assets - Addressing Certain Operational Issues for Regulated Investment Funds in Ireland. This paper aims to share information on current industry thinking and market practices around how some of the key risks in AML, valuation and the technical attributes of crypto assets could be addressed in practice.

### 4. The Talent and Skills WG

Much of the focus of the working group in the first half of 2022 was taken up managing the pandemic response and the practical and physiological impacts of employees returning to offices. Sharing best practice alongside key challenges was extremely valuable to working group members and provided the opportunity for some consistency in approach across the industry. As the year progressed, the working group focus shifted towards the evolving regulatory & legal environment (gender pay gap reporting & individual accountability framework being two examples of that shift).



Topics that were relevant throughout the year included cost of living responses, the challenging recruitment environment, talent retention and the increased employee expectations around diversity and engagement.

### The Irish Funds Transition Year Programme

Achievements during 2022 include:

- The development of the TY Programme framework, outlining the key modules and components for the programme.
- The delivery of a well-received prototype programme to Larkin Community College in April
- The drafting of an Investment game specification, and
- The identification of potential delivery partners.

2023 will see delivery partners appointed, detailed programme content developed to launch a pilot programme, and the investment game development initiated once resources and providers are agreed.



# Operational Steering Group

**Owen Carroll** - Global Head of Transfer Agency Operations Citi



The Operations Steering group supported seven working groups and one discussion forum as follows:

1. Head of Operations
2. Depository
3. Anti-Money Laundering
4. Transfer Agency
5. Legal and Regulatory
6. Reporting
7. AEOI
8. Audit (Discussion Forum)

### Outsourcing and Resilience

This has been a key focus of a number of the WGs notably the **Operational and Depository WGs** in working together to provide feedback and industry guidance on **CP138 (Outsourcing)** and **CP140 (Operational Resilience)**. Both the **Depository and Head of Operations WG's** issued papers regarding implementation and impacts to our industry throughout 2022.

Following on from work done previously around COVID, the Head of Operations WG has also examined the impact of hybrid models, again publishing a paper in July which also links in with attracting and retaining talent within our industry.

### Anti-Money Laundering

The **AML WG** have worked on a number of key focus areas including reacting to the Russian/Belarusian sanctions imposed from February onwards. Whilst participating in cross group meetings to help navigate and share information across our industry, the WG published a paper and Q&A document in August.

This WG has also been busy drafting sectoral guidance notes which they hope to publish shortly; they have also issued papers on the treatment of financial intermediaries and transaction monitoring from an ongoing due diligence perspective.

The WG has also been very active on various forums such as the National AML / CTF Public / Private Sector Consultative Forum and the EFAMA AML Taskforce.

### Depositories

In addition to CP138 and CP140 above, the **Depository WG** has been busy reviewing amongst other things ESG impacts, treatment of excess margin, Regulated Markets for Bonds, Depository Certificate of Changes, the treatment of Russian/ Ukrainian conflict breach reporting, the treatment of digital assets as well as treatment of cash on insolvency. Several papers issued across these areas throughout 2022 were a significant body of work.

2022 has been very focused on the evolving regulatory landscape and the operational practicalities of executing those changes. Many of the topics have involved collaboration across several working groups (WGs) both operational and across the other Irish Funds (IF) workstreams. I've highlighted below just some of the key achievements of the operational WGs which in many ways does not do full justice to the work, dedication and collaboration from all involved.

### Legal

As well as responding to various items touched on previously such as Russian/ Belarusian sanctions charitable donations, the evolving regulatory landscape in areas such as ESG, the **Legal WG** has also been responding to and engaging with the Central Bank of Ireland on challenges with the fund authorisation process and helping resolve issues relating to the accounting frameworks available to Investment Limited Partnerships to enable greater growth of our industry.

The WG have reviewed various industry papers and submissions prepared by peer working groups throughout the period including paper regarding conflict management and corporate governance enhancements, charter regarding diversity and inclusion and an Ireland for Finance action plan.

### Other areas of focus:

The **Operations WG** has also been examining areas such as the impact of SEARs and assessment of conflicts of interest process.

The **AEOI WG** continue to educate and issue guidance on FATCA and CRS reporting whilst engaging with the Revenue Commissioners and the OECD on technical changes.

The Reporting WG, as with others continue to work across various aspects mentioned such as accounting framework on Irish Limited Partnerships, collaboration with the CSRD/ ESAP/EFRAG subgroup and collaboration on the SFDR FAQ Level 2 disclosure.

The Transfer Agency WG has worked on a number of items such as automation within TA, fraud prevention as well as working with the AML WG to review transaction monitoring and AML on NSCC brokers.

Finally, the internal audit forum has discussed nearly all of the areas above in addition to discussing the very real threat to Cyber security.

# Distribution Steering Group

**Leonard Sutton** - Executive Director,  
Transfer Agency J.P. Morgan



The Distribution Steering Group consisted of 8 working groups in 2022 as follows:

1. Product Distribution Strategy
2. Distribution Technology
3. UK
4. North America
5. Asia
6. Latin America
7. Europe
8. Africa & Middle East

The mission statement and objectives of the 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 and 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.

During 2022, the Distribution Steering Committee continued to build on the work started in the previous year following the roll out of the new strategy by Irish Funds.

### Crypto Assets

In May, a crypto assets White Paper was published by Irish Funds and was subsequently reviewed and discussed with the Department of Finance. The investors' appetite for crypto asset exposure is creating opportunities for investment products and services to satisfy demand and provide exposure to crypto assets in a more risk-managed way. Regulated investment funds could be the optimal vehicle to deliver this exposure as many of the protections which crypto asset investors are seeking – professional asset management, safeguarding of assets, independent valuation, ease of dealing, portfolio diversification, regulatory oversight, are already incorporated into regulated investment fund structures. The Irish Funds industry has the ecosystem in place to deal with the needs and complexities of operating authorised investment funds investing in crypto assets. The White Paper proposed a number of next steps including consideration by the Central Bank of the conditions under which direct exposure by QIAIFs in crypto assets would be allowable and clarity on any additional risk mitigation measures required to make indirect and direct exposure to crypto assets permissible for RIAIFs.

### NSCC AML Challenges

The Distribution Steering Committee worked closely with the AML Working Group again during 2022 to examine how the current KYC model in place for non-US based independent broker dealers (IBD's) utilizing US based clearing brokers for access to Irish domiciled funds via the NSCC can be supported without breaking STP processes. The DTCC have

been facilitating industry meetings to better understand the challenges which mostly emanate from the requirement to perform enhanced due diligence where there is an EU high risk third country risk exposure with underlying investors whom executing brokers are trading on behalf of via NSCC accounts held by clearing brokers such as Pershing. An AML Guidance Paper was published following extensive work to review how to address AML risk in the NSCC distribution channel.

### Geographic Updates

There was a noted increase in interest from Indian managers during 2022 now that they can be directly authorised in Ireland. The **Asia Working Group** are working on a Why Ireland Country Guide for Indian Managers which will be published during 2023. A new Australia based sub-group was set up within the Asia Working Group to focus on the distribution of Irish funds in Australia. In addition, the LATAM Working Group published a country distribution guide on Mexico.

The **UK Working Group** published a country guide overview which outlines the Temporary Permission Regime (TPR) for existing UCIT's and AIF products, and also provides some guidance on UCIT's and AIF's outside the TPR regime. The UK Distribution Country Guide was also updated to provide information on the UK Proposed Overseas Funds Regime ("OFR").

The **US and Canada Working Group** updated the US and Canadian country guides in 2022 for regulatory changes and has been monitoring a number of US regulatory initiatives that impact private funds, including the new US Marketing Rule (which Irish Funds commented on through EFAMA) and the new US private fund and ESG proposals.

# Promotion & Engagement Steering Group

**Alan Cuddihy** - Director, Audit & Assurance at Deloitte



The mission of the Promotion and Engagement Steering Group is to engage with prospective and new members along with the wider global industry and local community.

This is achieved through the organising of events and webinars along with various other initiatives.

### Competitor Analysis and Membership research

The **Prospective Membership WG** analysed current and new members and identified that the main groups of members were Asset Managers, Service Providers and Fintechs. Our research with IAIM also highlighted that AMs want a safe space to converse and share ideas. We recognised different materials are required for each sub sector in order to highlight different benefits of IF that are of interest to them. We are in the process of tailoring the Brochure and Flyer to have 2 versions – 1 focussed on Benefits for AMs and a separate brochure highlighting benefits for Fintechs.

### Irish Funds in the community

The focus of this initiative is to have wider outreach in the community and increase engagement of the industry within the wider community – successful **Time to Read and Time to Count** pilots were run by Irish Funds in partnership with Business in the Community with representatives from member firms. Members of the **Member Engagement & Communications WG** are also involved in the Irish Funds Transition Year Pilot programme. The group is also engaging with basis.point to get a greater understanding of how financial donations can be followed up with volunteering by member companies and how these can also be utilised as networking and engagement opportunities across all levels within the industry. This is an area where member firms can collaborate more in the future, particularly noting in member firms with a smaller staff footprint who may not have the capability or capacity for this in-house.

### Sustainathon 2022

Grant Thornton and Irish Funds ran the Sustainathon competition in October 2022. The event included 27 participants – 15 member firms, one INED and Trinity College were all represented. The winning team (“Scope Me”) are currently working with the working group to take their initiative forward. Workshops with Grant Thornton and the Green Team Network are scheduled for Q1 2023. We have also connected them with Global Action Plan and the winning team will have exposure at the IF Conference in May. Discussions for a 2023 event are pending.

### Irish Funds Annual Global Funds Conference

A keynote for the 2022 Conference was Panti Bliss (aka Rory O’Neill) who shared her D&I journey growing up in 1980s Ireland. Total registrations were 523 (including 105 asset managers from 52 different companies). 31 exhibition stands (largest number ever) with 60 sponsors in total. General feedback was that people were happy to be at a “physical” event and recommence networking. The 2023 Conference is being held on 18 May 2023 in the Royal Dublin Convention Centre and registrations are now open.

### Other in-person events throughout the year

Physical events were held in London (Alternatives in April and UK Symposium in November), USA (March), Stockholm and Oslo (October). Each of these events were very well attended.



# Tax Steering Group

**Gareth Bryan** - Tax Partner, KPMG Ireland



The Tax Working Groups and Tax Steering Group work to engage with governmental and other agencies on tax matters relevant to the industry and its members and seek to promote initiatives which support the growth and enhancement of the funds industry in Ireland.

### Automatic Exchange of Information (AEOI)

The **AEOI Working Group** continues to engage with Revenue AEOI policy and reporting teams on FATCA, CRS and DAC6. In 2022 this included engagement with Revenue on their FATCA and CRS compliance quality assurance reviews of Irish Financial Institutions (FI's). The working group engaged with Revenue to understand issues identified for Irish FI's and provided updates for members.

It is expected that 2023 will be a busy year for the working group, with technical changes expected from the OECD on CRS and Revenue's plan to accelerate their AEOI compliance reviews. The working group will continue to monitor AEOI changes, update member, and raise issues with Revenue or other regulatory bodies.

### VAT

Last year, the **VAT Working Group** engaged with the Revenue Commissioners to clarify aspects of its position on the VAT treatment of Depositary and Global Custody services following the issue of new guidance. The working group also engaged with Revenue on a number of other matters, including:

- Foreign exchange matters in respect of non-euro denominated invoices from foreign suppliers and timing of reverse charge accounting,
- Impact on VAT recovery rate calculations methodologies with invoices dated in one year but paid in another,
- The nature and extent of Revenue information requests during compliance interventions.

The working group interacted with the Revenue Commissioners in respect of issues arising from the changes to the VAT treatment of management services provided to regulated funds in other EU countries.

### Domestic Tax

In 2022 the **Domestic Tax Working Group** had extensive engagement with Revenue and the Department of Finance in relation to the revision of Revenue guidance related to COVID-19 travel restrictions, offshore funds and anti-

reverse hybrid rules, as well as changes to the tax reporting requirements for Common Contractual Funds and Investment Limited Partnerships. The working group also prepared a submission to Department of Finance in response to the public consultation on Ireland's territorial system of taxation.

The working group continues to engage with Revenue and the Department of Finance across a range of industry matters such as real estate, offshore funds, and employment incentives. In 2023 it is anticipated that the working group will be involved in the announced review of the Irish funds' regime and the Section 110 securitisation regime.

### International Tax

In 2022, the **International Tax Working Group** undertook a review of the UK Asset Holding Company to consider its competitiveness against Irish fund vehicles which the working group will continue to monitor.

The working group formulated IF's responses to the DEBRA public consultation and the EU Commission's consultation on ATAD III. The working group engaged with Revenue and the Department of Finance in relation to the proposed EU Directive on 'shell companies'.

The working group also had extensive engagement with Revenue and the Department of Finance in relation to the implementation of the Interest Limitation Rule, including the preparation of detailed submission on the draft guidance.

The coming year will see the working group involved in areas such as the impact and application of the BEPS Pillar 2 proposals on the Irish funds industry. Ongoing engagement is anticipated in respect of the proposed 'shell companies' directive and the DEBRA proposals.

There are also plans to engage with Revenue in connection with expanding Ireland's Tax Treaty Networks and seeking enhancements in existing treaties. The working group will continue to seek the removal of Ireland from Brazil's list of 'low tax' jurisdictions and to monitor HMRC's responses to UK treaty passport applications for ICAVs.

## Events

### Irish Funds Events and Webinars 2022

Irish Funds held a total of 40 events and webinars. We had a total of 5,400+ attendees to our webinars and in-person events.



|          |  |           |
|----------|--|-----------|
| 24/01/22 | Irish Funds Regulatory Update - CSDR                 | Webinar   |
| 31/01/22 | Designated Persons Forum - Distribution              | Webinar   |
| 15/02/22 | Member Update  | Webinar   |
| 17/02/22 | Crypto Assets Webinar                                | Webinar   |
| 21/02/22 | Designated Persons Forum - Operational Risk          | Webinar   |
| 03/03/22 | Transfer Agency Webinar                              | Webinar   |
| 16/03/22 | New York Seminar                                     | In-Person |
| 18/03/22 | Boston Seminar                                       | In-Person |
| 25/03/22 | FinTech Factor 2022 Webinar                          | Webinar   |
| 28/03/22 | Designated Persons Forum - Fund Risk                 | Webinar   |
| 31/03/22 | London Alternative Investment Seminar                | In-Person |
| 06/04/22 | EU Sustainable Finance Regulatory Update             | Webinar   |
| 26/04/22 | SFDR for Asian Asset Managers                        | Webinar   |
| 29/04/22 | FinTech Factor 2022 Webinar                          | Webinar   |
| 05/05/22 | Annual Dinner  | In-Person |
| 17/05/22 | AGM  | In-Person |
| 30/05/22 | Golf Dublin  | In-Person |
| 31/05/22 | Annual Global Funds Conference Dublin                | In-Person |
| 08/06/22 | Asset Manager Forum                                  | In-Person |
| 16/06/22 | EU Sustainable Finance Data and Reporting Update     | Webinar   |
| 23/06/22 | AIFMD & Member Update                                | Webinar   |
| 28/06/22 | ESG Duties for Fund Management Companies             | Webinar   |
| 26/08/22 | Sydney Event   | In-Person |
| 27/09/22 | Irish Funds Brussels Event                           | In-Person |
| 30/09/22 | Funds Industry Technology Skills Needs               | Webinar   |
| 12/10/22 | Asset Manager & DP Forum                             | In-Person |
| 18/10/22 | Stockholm Seminar                                    | In-Person |
| 20/10/22 | Oslo Seminar   | In-Person |
| 28/10/22 | FinTech Speaker Series: Quantum Computing in Finance | Webinar   |
| 24/11/22 | UK Symposium   | In-Person |
| 24/11/22 | UK Dinner  | In-Person |
| 29/11/22 | Member Update  | Webinar   |
| 01/12/22 | Working Groups Christmas Reception                   | In-Person |
| 05/12/22 | Financial Reporting Webinar                          | Webinar   |

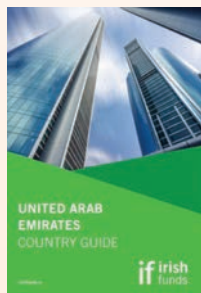
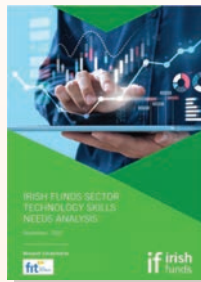


## Marketing & Media

Communicating our key messages and information is crucial to the continuing development of the Irish funds and asset management industry. We share industry-specific messages and news to stakeholders domestically and globally in multiple ways, including direct e-mail, web, social media,

interviews and articles, print materials, and presentations. We aim to increase awareness of the solutions available to connect fund managers globally with their cross-border investors as well as to bring awareness to the contribution the industry makes in Ireland.

### Publications and Resources



### Digital Reach



**New website** launched in 2022



**14,000+** LinkedIn Followers



**2,500+** Twitter followers



**150** Email Updates



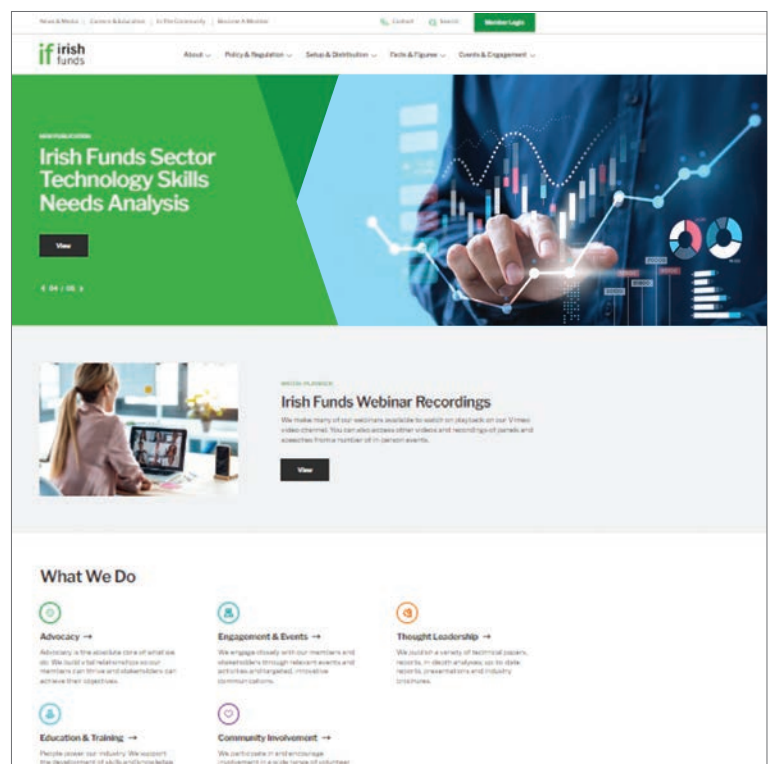
**11** Irish Funds Podcasts

### MEDIA COVERAGE



### IRISH FUNDS NEW WEBSITE

Irish Funds launched its new website in July 2022 with a fresh, new look.



# Training & Development

Irish Funds partners with IOB (the Institute of Banking) to provide practical, relevant and flexible university programmes, masterclasses and events specifically designed for those who work in the funds industry.

### Accredited Funds Professional (Designation)

The Accredited Funds Professional designation offers the potential to distinguish the Irish Funds industry amongst its global peers. Launched just before the start of the Covid-19 pandemic, it was developed with Irish Funds and meets an objective set out in Ireland for Finance 2025, the national strategy for the further development of the international financial services sector. The only professional designation in funds, the Accredited Funds Professional is a badge of excellence providing independent validation of a holder's skills, qualifications, expertise and commitment to lifelong learning. AFPs must complete at least 10 hours of continuing professional development (CPD) annually and IOB holds events and develops a suite of eCPD material to ensure that relevant material on important topics are available. Moreover, all Irish Funds events in 2021 qualified as CPD hours for the Accredited Funds Professional. Further details on the Accredited Funds Professional designation are available [here](#).

All programmes are delivered and assessed online. More than 600 students achieved fund related qualifications in 2021/2022 and more than 60 firms had participating students on our UCD accredited programmes at level 7 and level 9 on the National Framework of Qualifications.

### Education Programmes

#### Professional Certificate in International Investment Fund Services (Level 7)

Designed and delivered by industry experts, 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 (Level 7)

This programme is designed for 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.

#### NEW Professional Certificate in Capital Markets, Investments and Funds (Level 9)

The Professional Certificate in Capital Markets, Investments and Funds is designed to deepen your knowledge of the drivers of performance of capital markets and of capital market products, the settlement and trade life cycles, regulations, and the importance of risk management and operational robustness in the fund management sector.



The programme is targeted at the fund management industry, bringing together all the major areas of requisite knowledge required for portfolio and risk management processes within the funds and investment environment.

#### Professional Certificate for Designated Persons in a Fund Management Company (Level 9)

The Professional Certificate for Designated Persons in a Fund Management Company supports the development of individuals in Designated Person roles or those who aspire to these roles. It is also relevant to individuals who support Designated Persons and to other professionals in Fund Management Companies. The Central Bank of Ireland requires that a Fund Management Company or self-managed fund ("Fund ManCo"), which delegates activities, must appoint a number of Designated Persons to carry out prescribed managerial functions. Designated Persons (DPs) are the individuals who are responsible for monitoring and overseeing the managerial function assigned to them. DP roles are Pre-Approval Controlled Functions (PCFs) under the Central Bank's Fitness and Probity regime.

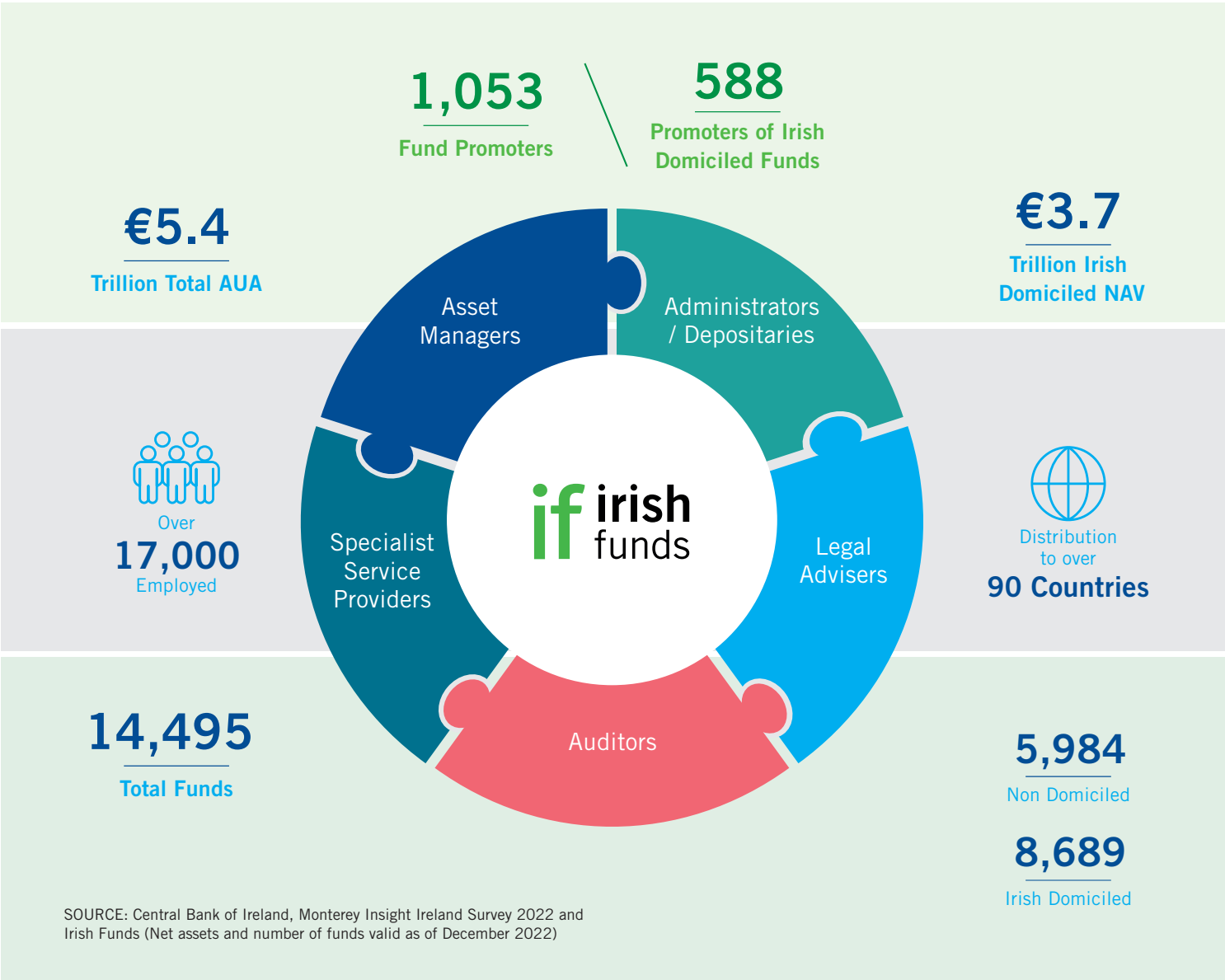
#### Professional Diploma in Applied Alternative Investments (Level 9)

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.

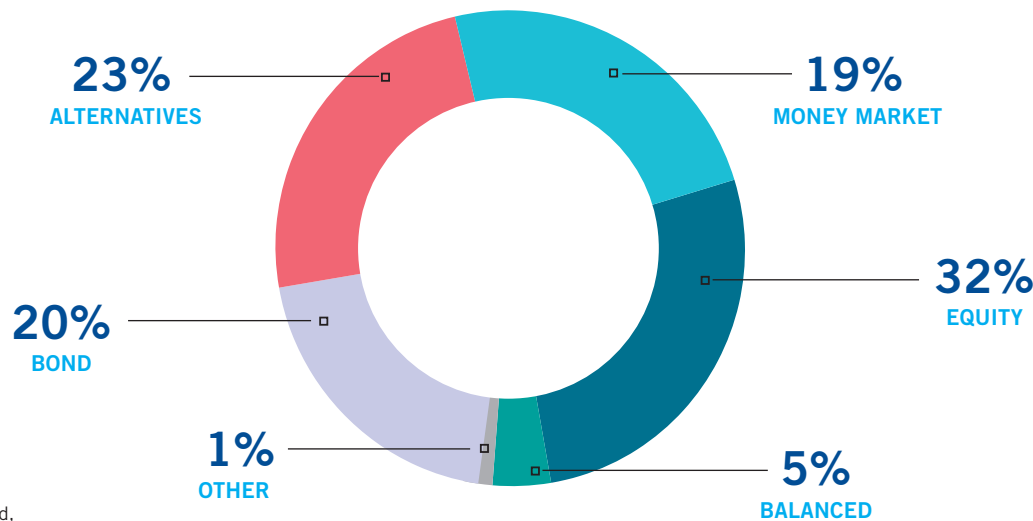
#### Certified Investment Fund Director (CIFD)

The CIFD programme is a unique programme specialising in investment fund governance and is regarded as the qualification of choice for investment fund directors. This programme is designed for all investment fund directors, directors of Fund Management companies or those with extensive asset management or funds experience who aspire to become investment funds directors. It is also a valuable programme for those responsible for the regulation of investment funds and institutional investor personnel responsible for the oversight of investment fund governance frameworks within their portfolio of investment funds.

Why Ireland



Irish Domiciled Funds / Breakdown by type



SOURCE:  
Central Bank of Ireland,  
December 2022

## New Irish Funds Members 2022

BECOME A MEMBER

[www.irishfunds.ie/become-a-member](http://www.irishfunds.ie/become-a-member)



Aviva Investors Luxembourg



Azimut Investments Limited



Aztec Group



Broadridge



Crossroads Capital Management Ireland Limited



Expleo Technology Ireland Limited



Fund Recs



Impax Asset Management Ireland Limited



Lantern Structured Asset Management Limited



Six Group



## Getting Involved in the Community

### Focus Ireland – Shine A Light Night Sleep Out

Every October, Irish Funds participates in the Focus Ireland Shine a Light Night sleepout to raise vital funds and stand in solidarity with people experiencing homelessness. A team of current and former Council members take part on the night while people across our industry get involved in many ways and donate much needed funds. Together in 2022 our industry raised over €100,000 through the Shine a Light Night sleep out fundraiser.



### Business in the Community (BITC) Time to Count and Time to Read

In 2022, we ran volunteering pilots as part of Business in the Community's (BITC) Time to Count and Time to Read Programmes. Our volunteer groups for each programme consisted of Irish Funds staff and staff from five member firms. Each week we joined 2nd and 3rd class students to practice reading or play counting games to help develop literacy and numeracy skills within local Irish primary schools. Our programme was virtual due to Covid-19 and then we were able to meet in-person with students in a final wrap session.

### Trinity Centre for People with Intellectual Disabilities (TCPID)

Irish Funds is a proud advocate of The Trinity Centre for People with Intellectual Disabilities (TCPID) and has facilitated work placements within the association and encouraged participation by our member firms. A core aim of the TCPID programmes are that their graduates should have the same opportunities in life as their fellow graduates of Trinity College, including opportunities for further education, meaningful ongoing employment and the ability to contribute to their local community.



### basis.point – Boston Marathon

In 2022, Killian Lonergan from Brown Brothers Harriman ran in the Boston Marathon on behalf of basis.point, raising €22,000 to support the Junior Cycle Programme run in association with TU Dublin. The programme helps demystify third level education by welcoming kids from local DEIS schools onto campus at an impressionable age so that they can picture themselves as third level students.



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April 2023

