

September 19, 2025

Ireland for Finance
Department of Finance,
Government Buildings, Merrion Street Upper
Dublin, D02 R583 Ireland

Submitted via email: iffconsultation@finance.gov.ie

Re: Consultation paper – Ireland for Finance Strategy 2026-2030

Dear Sir/Madam:

State Street International Limited and its asset management arm, State Street Global Advisors Europe Limited (collectively, “State Street”¹), welcome the opportunity to respond to the Consultation Paper (“CP”) on the new Ireland for Finance Strategy for 2026-2030 (the “Strategy”).

In responding to the CP, our views are informed by our status as one of the world’s largest fund service providers and asset managers. Ireland is a world-leading center for fund servicing and asset management. As such, it is a key component of our global operations and it is a core portfolio management and functional hub for our regional presence. This response represents the view of State Street Global Advisors Europe Limited and those of our Irish-domiciled fund administration and depositary entities, State Street’s Fund Services (Ireland) Limited and State Street Custodial Services (Ireland) Limited.

State Street, through its two entities Funds Services and Custodial Services Ireland Limited is the largest provider of fund administration and custody services, with €2.12tn in assets under custody

¹ State Street is one of the world's leading providers of financial services to institutional investors including investment servicing, investment management and investment research and trading. With \$49 trillion in assets under custody and/or administration and \$5.1 trillion in assets under management as of June 30, 2025, State Street operates globally in more than 100 geographic markets and employs approximately 52,000 worldwide.

and administration across all asset classes for 134 clients. Having operated in Ireland since 1996, State Street has offices in Dublin, Kilkenny, Louth and Kildare, employing over 2200 staff.

Our Irish-domiciled Management Company, State Street Global Advisors Europe Ltd, has been operating in Ireland since 1987 and ranks as a major investment manager with total AuM of approximately €351.4bn. With a diverse client base including pension funds, insurance companies, official institutions, foundations, charities, local authorities, family offices and intermediaries, State Street Global Advisors Europe Ltd employs over 284 professionals who manage our UCITS, AIFs and ETFs fund ranges.

State Street has supported efforts by the Department of Finance to future proof the competitiveness of the Irish financial services sector, and in particular the funds sector, as a key source of economic prosperity and growth. The Ireland for Finance Strategy is an opportunity to place the financial sector at the centre of other Government strategies and initiatives related to Ireland's competitiveness. By linking the sector with the rest of the real economy, the Strategy can amplify investments and economic participation and be a catalyst for broader and shared economic growth.

In our submission to the Funds 2030 review, we recommended that the Irish government combines a focus on rules and supervision with a long-term vision of the industry based on some key outcomes:

- promoting the competitiveness and innovation of the sector for the benefit of investors,
- facilitating cross-border business, and
- ensuring that Ireland continues to offer an attractive ecosystem for the fund industry.

Building on this, we would like to highlight the following priorities for the Strategy:

1. From a governance perspective, a key element of the Strategy should be to establish an accountability framework for the delivery of the identified policy actions. This would help bridge the gap in the Irish institutional architecture on supporting a competitiveness mandate. It could take the form of dedicated teams within the Department of Finance, each accountable for the delivery of specific actions, together with a dedicated Taskforce with senior supervisor and industry participation.
2. Thematically, the new Strategy should leverage the key growth opportunities in the fund space, namely broader retail participation in capital markets and the development of private markets next to public markets.

3. We would also like to stress the opportunity for regulatory simplification, aligning with ongoing discussions at the EU level. This includes areas where we think Ireland has exceeded requirements set at the EU level.

Expanding on these points, State Street believes the Department of Finance and the Irish government, in their initiative to ensure that Ireland's finance sector remains internationally competitive, should consider the following policy measures.

The operating environment

As we highlighted at the time of the Funds 2030 review, State Street believes that a gap remains in Ireland in the overall institutional architecture. Previous reform initiatives might have not gained momentum due in part to the lack of a clear actor entrusted with the goal of delivering on the overall competitiveness of the sector. The new Strategy should embed a new governance by establishing a clear responsibility for delivery within a specific time period. This would be a key differentiator for success and would help fill the competitiveness gap.

Further to this, we also suggest that peer comparisons with other EU and non-EU jurisdictions with active financial centers could be helpful in permeating the regulatory architecture with a competitiveness mindset. There are different models as to how the goals of supervision and growth are balanced, how responsibilities between banking and securities regulators have been allocated, and more generally on how the industry, regulators and government can partner together.

Therefore, next to a clear accountability on delivery, a stronger partnership with the industry would also help building momentum around regulatory reforms. A permanent Taskforce, established by the Department of Finance, with senior representation from the industry and the CBI, could be entrusted with the mandate to discuss matters of strategic importance and deliver on:

- addressing emerging sectoral trends and changing investors demands, thereby supporting product innovation;
- share views at an early stage on policy developments, especially when implementing EU regulation;
- inform Government and regulators of industry developments in the international market, with a view to keeping pace with peer standards in an agile and responsive way;
- support and promote talent development and ensure the Funds Sector can rely on the right skillset to drive the future evolution of the industry.

This Taskforce would help embed a regulator-industry partnership throughout the regulatory process, giving the opportunity to escalate delayed or partial delivery. Getting the governance right will be a key driver for the success of the new Strategy.

As part of the operating environment, we would also like to highlight some areas where improvements could be made from a regulatory and supervisory perspective. From a policy perspective, the Strategy should lay the foundation for making Ireland the European hub for the Savings and Investments Union (SIU). The SIU has many implications in terms of operating environment for the Irish financial services industry, and the Strategy should attempt to assess the potential impacts and identify priority areas where government action and legislation may be required. We suggest focusing on policy initiatives in 3 areas:

1. **Capture private asset growth.** With the Irish and European economy facing significant investment needs in infrastructure and defence, there is increasing focus needed on opening up investment opportunities via private asset investing. Private markets should be the next evolution of the Irish sector, and we suggest focusing action on the obstacles that have inhibited the rollout of ELTIFs, L-QIAIFs and ILPs. The upcoming AIF Rulebook updates ahead of the AIFMD 2 rollout are critical in bridging the remaining gaps with other EU jurisdictions in relation to flexibility for credit facility arrangements, investment rules for loan origination funds and flexible regulatory frameworks for sub-funds within umbrella structures. We anticipate that these changes, with the alignment of depositary standards under AIFMD2, will allow Ireland to offer a viable alternative for private market funds.
2. **Establish an Irish culture of retail investment.** The upcoming EU Commission Recommendation on European Savings and Investment Accounts (SIAs) will be an opportunity for Member States to take concrete steps to encourage retail investment into capital markets. The Strategy is a good opportunity to define what key elements of the SIAs the Department of Finance would like to see amplified at the Irish level. Building on the momentum of the introduction of Ireland's autoenrollment scheme in 2025, the goal should be to pull together initiatives that were announced in the Funds 2030 report under a unified strategy for financial education and retail investors participation, including effective promotional campaigns.
3. **Bake-in a regulatory simplification approach.** If the Ireland for Finance Strategy is to succeed in keeping Ireland's strategic position as a global financial services center, a mindset centered on simplification must permeate all supervisory and regulatory practices. As such, we State Street advocate for a more proportionate and efficient framework that

allows for reduced compliance costs. The goal should be to identify actions that CBI and Dept. of Finance can implement quickly to reduce regulatory burden. Examples include areas where Irish regulators have exceeded the requirements for EU regulations, for example on outsourcing requirements, and supervisory practices that can be operationally improved, such as the approval of senior managers, where we would like to stress a need for a predictable and timely approval process.

In addition to the above, we would like to expand on two specific policy areas.

Firstly, it is paramount that Ireland continues to nurture its position as a leading domicile for ETFs. As the ETF market matures and product innovation accelerates, astute and timely regulation becomes an increasingly critical factor. Recent practical examples include the work done on portfolio transparency and fund naming conventions. Going forward, it should include topics such as fund tokenisation, ensuring that regulations support Ireland's ambition to remain the domicile of choice for ETFs and tokenised ETFs in the future. Punitive tax policy has also historically been one of the main drags preventing further retail investment into ETF, leaving Ireland as an outlier at the European level.

Secondly, we note that the fund administration sector in Ireland is subject to very prescriptive outsourcing requirements compared to EU and international standards. In particular, it does not take into account the level of risk of the client. The current supervisory approach is also based on incremental time-inconsistent approvals instead of an holistic period reviews. We see in this area great scope for a simplified and streamlined process.

Finally, we also believe that more work can be done to make taxation of funds simpler and more efficient, both from a fund and investor perspective. The current Taxation regime for Funds in Ireland imposes a number of barriers to industry growth, particularly for retail investors, ETF funds and Private Markets. State Street supports the Taxation proposals made by Irish Funds to the DOF under Funds 2030 and this year's 2025 Finance Bill aimed at simplifying the taxation of Irish-domiciled and equivalent offshore funds and providing incentives for broadening the investor base and supporting industry growth.

Innovation and technology

State Street welcomes the central role that innovation plays in the new Ireland for Finance Strategy. In the context of the wider digitalisation of capital markets, we would like to point to the role that

tokenisation is likely to play in the way funds will be delivered in the future. We believe that more could be done at the Irish level to support the adoption of this new technology, and we would like to draw the attention to the example of other jurisdictions which have been active in this space. In particular, Germany and Luxembourg have moved faster in integrating the concept of dematerialized securities in their legal frameworks, while in the UK, the Government, Regulators and industry have partnered to identify roadblocks to the launch of tokenization use cases.

The initial focus should be on the most promising use cases, with MMFs being the most concrete example. MMFs are a compelling case for tokenisation because of the significant benefits that it would bring to investors and markets more broadly, including faster settlement, instantaneous transfer and access to new distribution channels. The portability of tokenized MMFs would also remove the operational (albeit not the regulatory) barriers that prevent a broad use of MMFs as collateral, thereby reducing redemption pressure on MMFs themselves at times of market stress.

There is a vibrant technology industry in Ireland and creating a connection between the technology and the financial services industries will further help support the innovation that is required to maintain Ireland's leading global status as a fund domicile. Building these strategic partnerships and collaboration with other industry players, such as fintech firms, could also be part of the agenda of the Department of Finance Taskforce mentioned above.

Policy that support innovation should not, however, be limited to new products such as tokenized solutions, but should foster an environment where new tools such as Generative AI can be applied at various stages of the investment process, including fund management and distribution. Here experimentation is key, and a supervisory and regulatory framework that allows fund managers and servicers to test potential applications will make the difference in creating a successful ecosystem. We support initiatives such as the CBI's Innovation Hub that show openness to new ideas and can result in the right balance between growth, innovation and investor protection.

Skills, talent and regional development

State Street was historically the first company in the International Financial Services Centre (IFSC), to establish a regional base outside of Dublin, in Kilkenny since 2003. This commitment to Ireland and its regional development was recently reconfirmed by the opening in 2024 of our global cybersecurity center in Kilkenny, serving the needs of all our key operational service functions in over 200 geographical markets worldwide. This was made possible by the availability of relevant

and skilled technology talent from universities in the South-East region and the links we have developed with the third level institutions.

State Street believes that ensuring the right skillset and educational infrastructure to deliver a dynamic and agile talent pipeline with strong expertise in key technical areas is crucial to future-proof the industry and amplify its regional impact. Technological developments combined with the ever increasing pace of investor-led demands have led to a skills gap across the industry which must be met by local as well as international talent. A continuous skills development programme, particularly at third level and post-graduate level, should be a priority of the new Strategy, encouraged through specific funds-related curricula within universities and new apprenticeship programmes. The partnership between the Department of Finance, the industry and the CBI could be the ideal forum to discuss proposals to devise a specific talent development strategy for the financial services sector.

Finally, as part of the broader initiatives of the Irish Government to support competitiveness and regional development, the impact of the difficult situation of the housing crisis should also be considered as part of broader Government initiatives, as it impacts the ability to attract talent together with the incentives of a talent-friendly personal taxation regime.

Conclusion

Thank you once again for the opportunity to comment and provide input on the important matters raised within the CP. State Street is fully committed to being an active and constructive participant in this debate, and we remain supportive of efforts to strengthen the global position of the Irish financial services industry. We look forward to further contributing to these discussions with Irish policymakers and stand ready to contribute further as the regulatory framework evolves.

Yours Sincerely,



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