

# Irish fintech industry experiences record period of activity

Insights - 23/03/2021

On the back of a challenging year (to say the very least), there's reason for optimism when we consider that the Irish fintech industry experienced a record period of activity with almost \$400m in mergers and acquisitions, venture capital and private equity transactions recorded in 2020 (source: KPMG - Pulse of Fintech H2'20 Report).

The fintech industry has shown resilience and met fast-changing demands to accommodate consumers during these unprecedented times. The pandemic has undoubtedly expedited the existing trend towards the digitisation of traditional banking and financial services. Following Brexit, it is now becoming clear that Ireland is a global magnet for fintech companies looking to grow their European business operations. In addition to global brands such as Stripe and Mastercard recently announcing their commitment to the country by each hiring an additional 1,500 Irish-based staff within five years, Ireland has an already existing thriving indigenous fintech ecosystem which sets it apart from other European countries.

## Government support

The Government believes that "the International Financial Services sector in Ireland will play a major role in not only the global economic recovery but the twin transitions to a digital and sustainable future". The Government has sought to build on the success of the 'Silicon Docks' and the international financial services centre based in Dublin City (known as the IFSC). It has set out its vision up to 2025 (Ireland for Finance Strategy) for Ireland to be "a top-tier global location of choice for specialist international financial services". The objective of the Government, supported by Enterprise Ireland and IDA Ireland, is to provide an innovative, supportive and dynamic environment for companies looking to leverage Ireland's expertise and long history in technology and financial services. Interestingly, they are also focusing their attention on developing regional hubs outside of Dublin so as to make the industry truly nationwide.

Last month the Government launched the Ireland for Finance Action Plan for 2021, highlighting its commitment to building on the resilience shown by the financial services sector over the last year. Among the 16 measures set out in the plan, a new Department of Finance Fintech Group will be established.

This month, The Irish Strategic Investment Fund (a state-owned sovereign development fund) announced that it has invested €42m in Stripe. This is a clear signal that the government and the country is supportive of the fintech industry and welcomes international fintech businesses to the jurisdiction.

## **Central Bank of Ireland - Innovation Hub**

The Central Bank, the body responsible for regulation of financial services in Ireland, launched The Innovation Hub in April 2018. The Innovation Hub engages with fintech businesses and helps answer questions on navigating the Irish regulatory landscape in a more informal environment by providing a direct and dedicated point of contact for all businesses. Engagement with The Innovation Hub by fintech businesses increased by 25% in 2020 and tends to be smaller sized entities operating outside the regulatory perimeter, many of whom are early-stage start-ups. The Innovation Hub is an obvious starting point for fintech businesses taking steps to set up here. It is mutually beneficial for both the business and the Central Bank as it helps to identify the trends of the industry (so as to try and keep regulation up to date) while providing a useful resource for fintech businesses looking to commence operations in Ireland.

## **Sophisticated business environment**

Ireland has been chosen by multinationals (big and small) from many different industries as a foothold in the European Union and because we consistently rank as one of the best countries in the world for doing business. Businesses choose Ireland because of, among other things, the very competitive corporation tax rates (12.5%), the highly educated workforce, access to the EU market, the only common law system in the EU, access to financial services regulatory passporting across the EU and access to leading professional services. Of course, English is the most widely spoken language but Ireland continues to attract a young, diverse and talented workforce from all over the world and has become a multicultural country with great opportunity for businesses and staff alike.

For any enquires on setting up a business or expanding into Ireland please contact Ogier Leman, so we can understand your objectives and help you achieve them.

Maps 'Source: <https://fintechireland.com/fintech-ireland-map.html> ©Fintech Ireland'

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

## Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under [Legal Notice](#)

## Meet the Author



[Dominic Conlon](#)

Partner

[Ireland](#)

E: [dominic.conlon@ogier.com](mailto:dominic.conlon@ogier.com)

T: [+353 1 232 1075](tel:+35312321075)

## Related Services

[Corporate](#)

[Mergers and Acquisitions](#)

## Related Sectors

[Technology and Web3](#)