

Submission to the Funds Sector 2030 consultation

Talent and skills are fundamental to continued success

Section 1 – Executive Summary

1. IOB is pleased to make this submission in response to Section 2 of the Public Consultation, particularly questions three to eight inclusive.
2. The Irish funds and asset management sector is an outstanding success. Over the past 30 years it has developed into the third largest global centre and the second largest in Europe. More than 17,000 people are directly employed in the sector and there has been considerable progress in the regionalisation of the sector's activities with employees located in all counties in Ireland. 38.3% of the employment was located outside of Dublin in 2020. The sector makes substantial contributions to the Exchequer, with direct tax returns of €914 million estimated in 2020. The total economic impact was estimated at €14.8 billion.
3. **People power the Irish funds sector. IOB considers that talent, qualifications, skills, proficiency and professional standards at all organisational levels are fundamental to the sector's future success and that these elements should receive consideration as part of the *Funds Sector 2030* consultation.**
4. Funds is a dynamic sector that continues to expand in complexity and evolve its product offerings and services for global investors. In the context of the themes of this consultation and how the sector can stay *open, resilient and developing into the future*, it is instructive to evaluate the key forces of change at play that will shape the sector and Ireland's role as a global centre over the coming years. In the submission IOB considers the following forces of change:
 - Increased substance requirements applicable to Fund Management Companies
 - Transformative technology
 - Sustainable finance and Environmental, Social and Governance (ESG) investing
 - Regulation

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- Hybrid working
- Regionalisation

Whilst the forces of change are challenges, they also represent exciting opportunities for continued growth, innovation and success.

5. Funds is a highly developed knowledge industry that has a large pool of professional talent with skilled capabilities across a wide range of specialist occupational categories. IOB considers the future talent pipeline as one of the most significant challenges for the sector. With Ireland continuing near full employment levels, there is strong competition for talent amongst the funds sector, the wider financial services industry and Ireland's substantial technology industry. In addition, several recent studies referenced in this submission highlight significant skill gaps emerging due to digital transformation, as well as gaps in other technical skills and in-demand soft skills. Substantial upskilling in sustainable finance is also identified as high priority in the context of Government's vision to establish Ireland as a world class sustainable finance knowledge centre.

IOB considers that any discussion about talent and skills shortages should take into account the opportunities offered through accelerating progress on diversity and inclusion within the financial services sector. While female representation in the general workforce in financial services tends to be equally balanced, differences emerge in the progression to more senior levels. Continuing to improve gender balance in senior management roles is therefore crucial to deepening the overall resource capacity of the financial services sector.

6. **Against the background of these factors, IOB is concerned that if a sufficient supply of talent is not available or if there are significant skills mismatches, there will be difficulty maintaining the exceptionally successful funds sector Ireland has developed and take advantage of the opportunities that will arise in the future.**
7. IOB plays a central role in the Irish financial services sector in the provision of education, university accredited qualifications, professional designations, Continuing Professional Development (CPD), lifelong learning and in sustaining professional standards through these

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education activities and through the professional standards IOB professional members commit to uphold.¹

IOB is dedicated to meeting the current and future education and skills requirements of the funds sector and, as detailed in the submission, it offers a substantial range of services. The vital role of leadership in the funds sector and the professional qualifications and continuing development of existing and aspiring leaders are highlighted, along with the leadership education programmes and professional designations offered by IOB.

IOB is the education partner to the Irish Funds Industry Association (Irish Funds) and works closely with it in developing education and professional development programmes for the funds sector. In addition, IOB continually consults with the companies in the sector and collaborates with other professional bodies, including Compliance Institute and Chartered Accountants Ireland and is a member of the Government sponsored IFSC Funds Working Group. IOB has its own Funds Advisory Board with members from across the funds sector. In addition, IOB's Director of Funds is Chairperson of the Expert Group on Future Skills Needs (EGFSN) International Financial Services Study that is currently in progress. Its objective is to assess the skills demand for jobs in high potential financial services sub-sectors.

8. IOB acknowledges the strong policy planning and implementation undertaken by the Government, Government departments and state agencies in relation to talent supply and development in the funds sector. Government's *Ireland for Finance Strategy 2025*, directed by the Department of Finance, and its action plans that are updated annually, are making a substantial contribution. Universities, other educators, and professional bodies are active in responding to the emerging needs of the sector. Funds and asset management companies themselves play a primary role investing in the recruitment and development of talent. It is notable that, given their international structure, for many of these companies the decision making in relation to learning and development is not based in Ireland which creates certain challenges in customising strategies to the local market needs.

¹ Professional members of IOB commit to uphold the best standards of integrity, professionalism, propriety, objectivity and fairness.

Whilst the Irish funds and asset management sector is in a position of strength, IOB emphasises that the risks to the future talent pipeline and the potential problems of skills gaps and mismatches should not be underestimated.

9. In the concluding section of the submission IOB sets out four proposals which it considers would be valuable interventions in assisting the funds sector address its future talent acquisition and retention requirements and in supporting the ongoing upskilling and reskilling of current employees in a fast-evolving sector. These are:

Proposal 1: Irish Financial Services Skills Framework

10. IOB proposes that all relevant stakeholders in the Irish funds and asset management sector would collaborate with IOB in the building of a world class Irish Financial Services Skills Framework with funds and asset management included as a key sector.

IOB's vision is to create a Framework which is a dynamic, online tool that identifies the key current, emerging, and future technical skills and professional competencies needed by the financial services industry. It would be an open framework that incorporates training, qualifications, experience, professional designations and CPD aligned to the competencies and competency levels. It would be validated and tested by the funds sector and the other financial services industry sectors. The Framework would recognise prior learning, supporting employers' in-company training and it would be standards-based, with qualifications validated to the National Framework of Qualifications. It would be easy to navigate, providing access and transparency for employers, employees, education providers, the Central Bank of Ireland and wider society. IOB is confident that the Framework can be implemented quickly on a phased basis.

One of the recommendations of the Department of Finance *Retail Banking Review 2022* is that IOB lead development of a skills framework for the retail banking sector. The recommendations contained in the *Review* have been adopted as Government policy. IOB now proposes that the scope of the Framework is extended to include all sectors in Irish financial services, including funds and asset management, international banking, fintech, retail banking and credit unions.

In developing the concept and prototype for the Irish Financial Services Skills Framework, IOB has reviewed international skills frameworks in Singapore, UK, Canada and Saudi Arabia.

The submission details the substantial number and range of benefits the Framework offers to all industry stakeholders. From a policy perspective, IOB believes that the Framework would strengthen professional standards and assist in accelerating the development and growth of the Irish financial services industry. It would:

- ensure consistency of education, qualifications and skills standards for the industry.
- assist in attracting and retaining talent and support the building of an ongoing pipeline of skilled professionals.
- support upskilling, reskilling and overall skills development, including the skills required for the industry's pivotal role in sustainable finance and the green transition.
- support innovation and enhance Ireland's reputation as a major financial services centre.

Proposal 2: Professional designations and lifelong learning

11. The Accredited Funds Professional (AFP) is a professional designation developed by IOB in conjunction with Irish Funds. The designation provides an independent validation of excellence and an endorsement of academic qualifications, professional knowledge and experience. The development of the AFP designation satisfied an action contained in Government's *Ireland for Finance Strategy 2025*. IOB and Irish Funds consider that the designation has the potential to distinguish Ireland's funds sector amongst its global peers and sustain Ireland's reputation for professional standards and people talent.

IOB's experience in other sectors of financial services has highlighted the powerful role professional designations can play in embedding lifelong learning and CPD whilst sustaining standards. For example, in retail banking, Qualified Financial Adviser (QFA) which is a mandatory designation, ensures that knowledge and skills are kept up to date through the completion of specified annual learning, set out as lifelong learning and CPD requirements.

- IOB proposes that awareness of the benefits of AFP designation is continually highlighted, and that the designation is endorsed and promoted by the key stakeholder bodies in the funds sector, including the IFSC Funds Working Group.

Proposal 3: Investment funds to be an elective module in Business Degrees in Irish Universities

- Business degrees have a long tradition at the forefront of business and management education in Ireland. IOB proposes that investment funds and asset management is offered as an elective module in business degrees offered by Irish universities. As detailed in Section 5, this would provide a grounding in investment funds and how they work.

Many business degrees offer a year-long paid industry internship. This would provide considerable advantages to the funds sector, introducing business students to the possibility of a fulfilling and rewarding career in the sector.

It is instructive that IOB partnered with Chartered Accountants Ireland and provides a final year specialist elective subject in financial services as part of the Final Admitting Examination to its Chartered Accountancy qualification.

Proposal 4: European Foundation Certificate in Sustainable Finance

- The European Banking and Financial Services Training Association (EBTN) is a leading standard-setting body for the accreditation and certification of knowledge, skills, and competencies in the European financial services sector. EBTN is at an advanced stage of developing a European Foundation Certificate in Sustainable Finance and, as a founding member of EBTN, IOB has contributed to this initiative. The European Foundation Certificate in Sustainable Finance will be a professional designation confirming fundamental knowledge of the sustainability responses to climate change and of the business, regulatory, product, and risk features of sustainable finance.

IOB proposes that the European Foundation Certificate in Sustainable Finance be broadly adopted across the Irish financial services industry when it is inaugurated by EBTN (expected early 2024). IOB will be pleased to lead the launch of the designation in Ireland.

Section 2 – Current position

15. The development of the Irish funds and asset management sector over the past 30 years is a remarkable success story. Ireland is the domicile for 5.9% of the world-wide investment fund assets, making it the third largest global centre and the second largest in Europe. Net assets in Irish domiciled funds reached €3.7 trillion in 2022, with €90 billion in net sales. Ireland is the fastest growing major European domicile for funds and accounts for 19.1% of all European fund assets. 1,053 fund managers from 54 countries have assets administered in Ireland and 17 of the top 20 global asset managers have Irish domiciled funds. Ireland offers EU-wide market passport for Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). Ireland stands out as the European domicile of choice for UCITS opportunities in terms of regulatory, tax, depositary and client servicing factors. In addition, Ireland is the leading European domicile for exchange traded funds, representing over 60% of the total European market.²
16. At the end of 2020 there were 17,273 people directly employed in investment funds and asset management related enterprises in Ireland, with over 34,000 of a total employment impact across the country. Recent years has seen significant progress in the regionalisation of the sector's activities with employees located in all counties in Ireland. 38.3% of the employment was located outside of Dublin in 2020.

The sector makes substantial contributions to the Exchequer, with direct tax returns of €914 million estimated in 2020. The total economic impact was estimated at €14.8 billion.

There is a diverse ecosystem of enterprises within the investment funds and asset management sector. It is estimated that 180 different firms operate in Ireland, across various types of service provider, including fund management companies, investment/asset managers, fund administration/depositary services, auditing/tax and legal services and other support services such as securities, technology and software. Several firms provide multiple services to the sector.³

² [The Irish Funds Industry Association \(Irish Funds\)](#)

³ [Indecon Assessment of Economic Impact of the Funds & Asset Management Industry on the Irish Economy](#)

17. Funds sector participants consider the following to be the top three items with a very positive wider impact on the Irish economy⁴:

- Provision of high-skilled employment opportunities.
- Source of business for Irish service suppliers, including legal, accounting and other services.
- Development of Ireland as a knowledge economy.

⁴ [Indecon analysis of survey of businesses in the investment funds and asset management industry in Ireland \(2021\)](#)

Section 3 – Forces of change

18. Funds is a highly dynamic sector that continues to expand in complexity and evolve its product offerings and services for global investors. In the context of the themes of this review and how the sector can stay *open, resilient and developing into the future*, it is instructive to briefly consider the key forces of change at play which will shape the sector and Ireland’s role as a global centre over the coming years.
19. IOB considers the following to be key forces of change:
- **Increased substance requirements applicable to Fund Management Companies:** While traditionally the main areas of employment in this sector were within fund administration and depositary services and within audit and advisory firms, increased substance requirements for fund management companies have arisen over time from changes to the legal and regulatory regime. Brexit has also had an impact and many fund management companies establishing in Ireland carry out management of investment funds as well as asset management for individual clients. Fund governance and oversight requirements will continue to evolve as funds grow in size and in complexity.
 - **Transformative technology:** Funds is a technology intensive sector. Technology is a core asset and resource, essential to decision-making processes, operational efficiency, and the delivery of a consistent high quality customer experience. The Irish funds sector is currently going through a new phase of rapid transformational change as it embraces advanced and new digital technologies which are reshaping business models. These technologies include cloud computing, robotic process automation, blockchain, machine learning and artificial intelligence (AI). From a risk perspective, such technologies require rigorous data governance, operational resilience, cybersecurity and outsource management.
 - **Sustainable finance and Environmental, Social and Governance (ESG) investing:** The climate crisis is the greatest single threat faced by the global community. IOB considers that the financial services industry has a powerful, pivotal role to play in supporting and accelerating the transition to a green economy, including deployment of capital to

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green purposes and activities, supporting businesses and consumers. This involves innovating in the design and creation of sustainable finance products and in promoting financial literacy and inclusion. The vision in *Government's Ireland for Finance Strategy 2025* is to establish Ireland as a world class sustainable finance knowledge centre and it is exciting that Ireland's international banks consider that there is global leadership opportunity for their Irish operations in sustainable finance.⁵

Markets for investment products with ESG characteristics are attracting significant investor demand, with the launch of new investment funds or the conversion of the existing funds to take into account such characteristics. To address the potential for greenwashing, and to ensure investor protection and market integrity, the asset management sector is now subject to new sustainability-related disclosure requirements, particularly the Sustainable Finance Disclosures Regulation and Taxonomy Regulation.

- **Regulation:** New regulation will continue to be a major force for change. There are numerous initiatives, at different stages of maturity, which are having and will have a significant impact on the funds sector. These include the EU Capital Markets Union (CMU). Under CMU, the European Long Term Investment Funds (ELTIF) Regulation has been revised and changes to the Alternative Investment Fund Managers Directive (AIFMD) have been agreed at political level. The funds sector will also be impacted by the EU Retail Investor Strategy and by the EU Markets in Crypto-Assets (MiCA) regulation which entered into force in June 2023. The development of a macroprudential framework for investments is under consideration, with the Central Bank of Ireland at the forefront of efforts in this regard. This is particularly relevant given Ireland's role as a global hub for investment funds. Other Central Bank of Ireland initiatives such as the cross-sectoral guidelines on outsourcing and on operational resilience are also addressed to the funds sector. Furthermore, the implementation of the Individual Accountability Framework (IAF), notwithstanding that the Senior Executive Accountability Regime (SEAR) aspects will not be immediately applicable, will be an important responsibility for firms in the funds sector.

⁵ [Supporting Ireland's Success - the Contribution of International Banking \(2022\)](#)

- **Hybrid working:** Arising from the Covid-19 pandemic, the world of work has experienced substantial structural changes that are likely to become embedded. Research across three continents (North America, Europe and Australia) suggests that hybrid work is here to stay⁶. Ireland's workforce has transitioned to hybrid working at a greater rate than any other in the EU, with 25% of Ireland's workers now working from home most of the time.⁷ Hybrid working can have many advantages such as increased productivity, higher levels of flexibility, improved work-life balance and increased employee satisfaction. It can also have positive impacts on diversity, equity and inclusion. However, consistently achieving the benefits from the new hybrid work models is challenging. Research has highlighted different impacts for employees and employers. In the case of employees, remote working can be linked with negative effects on mental health, with workers experiencing feelings of isolation, loneliness and stress. Employees can also experience difficulty in switching off and keeping regular working hours. Feedback from employers indicates that remote working does not easily support creativity, group dynamics, shared ownership and collegiality. It can lead to an innovation deficit due to difficulties collaborating with colleagues.⁸
- **Regionalisation:** Supported by Government policy, substantial progress has been achieved in the regionalisation of the sector's activities over the past decade. The sector is now much less Dublin centric, with 38.3% of the employment outside of Dublin and employees located in every county.

⁶ [Hybrid work: Making it fit with your diversity, equity and inclusion strategy - McKinsey \(2022\)](#)

⁷ BNP Paribas Real Estate Ireland

⁸ [Making Remote Work: National Remote Work Strategy Department of Enterprise, Trade and Employment](#)

Section 4 – Talent, skills and lifelong learning

20. Ireland has a highly developed education system that is one of the most advanced in the world. Education is regarded as a central plank in the economic, social and cultural development of Irish society. Ireland is ranked third in the OECD for the rate of 3rd level education attainment and 63% of 18–24-year olds in Ireland are in education, well above the OECD average of 54% and the EU average of 59%. Ireland performs better than the EU average in terms of digital skills, with strong growth in recent years. Ireland also does a good job at activating people’s skills in the labour market, and their skills contribute to high levels of innovation⁹.
21. The Irish funds sector has a large pool of professional talent with skilled capabilities that has been built up over the past 30 years. More than 17, 000 are now directly employed. The sector has seen substantial employment increases over the past five years and is estimated to grow by at least 10% by 2026 based on the *Ireland for Finance* employment targets.¹⁰
22. Funds is a highly developed knowledge industry which employs a wide range of specialist occupational categories. These include investment oversight/management professionals, investment fund specialists, custody specialists, credit research specialists, investor services, asset management, portfolio analysts, fund accounting specialists, IT professionals, accountants, tax experts, business and financial analysts, project managers, customer/shareholder service professionals, sales and marketing professionals, risk management professionals, compliance professionals, money laundering officers, treasury specialists and legal professionals. Data analyst professionals are in high demand, as are professionals with skills in the area of sustainable finance, similar to many other sectors.
23. People power the Irish investment funds and asset management sector. IOB considers that talent, qualifications, skills, proficiency and professional standards at all organisational levels are fundamental to the sector’s future success and that these elements should receive consideration as part of the *Funds Sector 2030* consultation. Section 3 of this paper identifies some of the key forces of change at play in the sector and no doubt other submissions to the

⁹ [OECD Skills Strategy Ireland 2023](#)

¹⁰ Update to Ireland for Finance: Action Plan 2023

consultation will highlight additional opportunities and challenges. However, there is an overarching risk that if a sufficient supply of talent is not available or if there are significant skill mismatches, there will be difficulty maintaining the exceptionally successful funds sector Ireland has developed and take advantage of the opportunities that will arise in the future.

Talent and skills shortages

24. IOB considers the future talent pipeline as one of the most significant challenges for the investment funds and asset management sector. With Ireland continuing near full employment levels (monthly unemployment in May 2023 was 3.8%, a new low), there is strong competition for talent amongst the funds sector, the wider financial services industry and Ireland's substantial technology industry. In addition, Ireland has an ambition to become both a global fintech hub and a global centre for sustainable finance.
25. The seminal *Financial Services in Ireland – Skills of the Future 2022* report found that a shortage of a well-rounded skill set that includes both role-specific hard technical skills and in-demand soft skills needed by today's organisations represents a threat to the health of the talent pipeline for financial services. It highlighted that competition for new graduates with in-demand STEM (science, technology, engineering and mathematics) is fierce with financial institutions competing directly with each other, as well as technology firms, fintech companies and other organisations for talent.¹¹
26. A report titled *Ireland Funds Sector Technology Skills Needs Analysis 2022* concluded from its research that there are significant skills gaps emerging in the funds and asset management sector due to digital transformation, and that the competition for similar skills across industry is escalating exponentially. It stated that it is evident from the findings that nurturing a multi-faceted approach to growing technology talent is critical. This would include the reskilling and upskilling of existing employees, the attraction of new entrants and professions, alongside embracing diversity in the sector. The report also concluded that digitisation challenges and opportunities are significantly impacting the business models that funds and asset

¹¹ [Financial Services in Ireland - Skills of the Future June 2022](#)

management organisations can adopt, how they implement them, and the specific collaborations, professions and competencies required across their work teams.¹²

27. In her introduction to the *Update to Ireland for Finance Action Plan 2023*, the Minister of State with responsibility for Financial Services, Credit Unions and Insurance stated that “sustainable finance remains key to the future of our financial services industry” and that “Ireland’s talent and skills development in this sector can drive green finance across the entire economy”.¹³ The vision in Government’s *Ireland for Finance* strategy is to establish Ireland as a world class sustainable finance knowledge centre and in October 2022 it launched the International Sustainable Finance Centre for Excellence to deliver the skills necessary for the financial services community to finance a net-zero future. The Centre will be an international hub from which the Irish located finance community will develop its response to sustainability demands.

There are substantial skills gaps in sustainable finance and ESG. A Sustainable Finance Skillnet/Deloitte report titled “*Deep sector analysis of future Sustainable Finance skills and talent requirements in Ireland 2019*”¹⁴ stated that the battle for advancing sustainable finance must be waged on the education and training front. 67% of respondents to a survey undertaken in compiling the report said that there is a current demand for sustainable finance skills and talent within their organisations, but supply is inadequate, and up-skilling is required, with 87% stating that they expect existing employees will be up-skilled. The report found that training in baseline knowledge is the main skills priority in the short term and 33% stated that if the current level of sustainable finance skills applied in 2025 it would have a significant negative impact on their organisations.

28. IOB considers that any discussion about talent and skills shortages should take into account the opportunities offered through accelerating progress on diversity and inclusion within the financial services sector. While female representation in the general workforce in financial services tends to be equally balanced, differences emerge in the progression to more senior

¹² [Irish Funds Sector Technology Skills Needs Analysis September 2022](#)

¹³ [Update to Ireland for Finance: Action Plan 2023](#)

¹⁴ [Deep sector analysis of future Sustainable Finance skills and talent requirements in Ireland November 2019](#)

levels. A Central Bank of Ireland demographic analysis of Pre-Approval Controlled Functions (PCF) roles in Regulated Firms published in March 2022 reported that female applicants for PCF roles accounted for 31% of the total applicants in 2021, compared to 16% in 2012. Therefore, continuing to improve gender balance in senior management roles is crucial to deepening the overall resource capacity of the financial services sector.

IOB's role

29. IOB plays a central role in the Irish financial services sector in the provision of education, university accredited qualifications, professional designations, CPD, lifelong learning and in sustaining professional standards through these education activities and through its membership requirements.

30. IOB's Professional Education Framework provides learning and development opportunities for everyone in banking and financial services from entry level right through to board director level. Its education programmes are developed and regularly updated following extensive consultation with academic and industry stakeholders with an emphasis on practical application. The Framework responds to the expectations of customers, regulatory requirements, and the industry's evolving business needs. IOB offers more than 40 UCD accredited qualifications ranging from Professional Certificate to Masters degree. In addition, it offers a wide range of micro and short programmes, masterclasses and other professional training programmes. Subject areas relevant to the funds and asset management sector include:
 - Applied Alternative Investments
 - Capital markets, investments and funds
 - Complex financial instruments in international finance
 - Designated Persons in a fund management company
 - Digital, data and innovation
 - Environmental, Social, Governance (ESG) and sustainable finance
 - Governance, culture, and compliance
 - International investment fund services
 - Investment fund services management
 - Leadership and bank board directorship
 - Risk management

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- Strategic management

A full list of education programmes for international financial services is contained in Appendix 2.

IOB delivers its education programmes through in-person classes, online and blended learning (i.e., primarily online, augmented with workshops and seminars). During the Covid 19 pandemic all classes, lectures, recorded webinars, and exams were successfully delivered and facilitated online. Student feedback regarding their experience was generally positive and the pandemic has accelerated the adoption of and preference for online learning. In 2019 IOB made a substantial investment in a multi-media studio where IOB's academic faculty and instructional team create online courses and webinars.

The regionalisation of the funds and asset management sector, described in point 19, has had a significant impact on the way education and training are delivered. IOB's highly developed online learning capabilities have responded to these changes and the needs of the sector.

31. IOB offers a level 9 learning pathway culminating in a MSc in Financial Services awarded by UCD. The pathway develops expertise in the learner's chosen areas of interest (for example, digital, data, risk management, retail banking, culture, investment funds) whilst developing all the essential strategic skills to equip leaders in a fast-changing industry.
32. IOB provides a full suite of education programmes and related professional designations that lead to the attainment of all the key recognised regulatory banking qualifications. A designation is a badge of competence and professionalism gained from a combination of formal study and professional experience. Designations are maintained through the completion of specified annual learning, including the subject of ethics, set out as lifelong learning and CPD requirements. There are 23,000 financial services professionals registered with IOB for professional designations and CPD. In addition, IOB manages several CPD schemes on behalf of other organisations.

Professional designations (which are not regulatory required) relevant to the funds and asset management sector include:

- Accredited Funds Professional

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- Certified Data Protection Officer¹⁵
- Certified Financial Crime Prevention Practitioner¹⁶
- Certified Investment Fund Director

33. Leadership has an intrinsic, vital role in the success of any business and any business sector. IOB therefore considers that the future success of the funds and asset management sector in Ireland has a high dependency on the vision, values, integrity, quality and effectiveness of its leaders who, along with boards of directors and staff, decide, implement and execute strategy and create the right culture. The professional qualifications and continuing development of existing and aspiring leaders are therefore of considerable importance to IOB in pursuit of its purpose to *educate, enable and empower a community of professionals to achieve their full potential in delivering financial services to the highest standards with better outcomes for their customers, clients, and society.*

IOB's leadership education programmes and professional designations include:

- *Certified Investment Fund Director (CIFD)* programme is unique in Europe and is the premier qualification for investment directors, directors of fund management companies, and those holding senior leadership positions in the funds industry. Launched in 2015, the CIFD programme has been delivered in Dublin, London, Zurich and New York. CAIA Association, a world leader in alternative investment education and CFA Institute, the global association of investment professionals, are partners with IOB in delivery of the programme, with AIMA, the global hedge fund industry association, a supporter of the programme. Successful completion of the programme leads to the Certified Investment Fund Director designation and there are currently more than 250 designates world-wide.
- *Inside Out Leadership* is a next generation education programme specifically designed for women leaders and aspiring leaders in the financial services sector. It is a unique leadership programme developed in conjunction with WomanUp that blends technical knowledge with self-awareness and the development of behaviours that empower

¹⁵ Certified Data Protection Officer (CDPO) - Compliance Institute | IOB

¹⁶ Certified Financial Crime Prevention Practitioner (CFCP) - Compliance Institute | IOB

women leaders with confidence and authenticity. The programme supports the financial services sector in advancing greater diversity and inclusion at all levels of the sector, accelerating the number of women through the leadership pipeline.

- *Professional Diploma in Leading Cultural Change and Ethical Behaviour in Financial Services* provides senior managers with the knowledge and tools to lead and embed effective culture in their organisations. The programme was designed in consultation with the Compliance Institute.

34. In 2021 IOB introduced IOB Learn, a digitally enabled, personalised, lifelong learning platform. It also launched a mobile app. Powered by AI diagnostics, IOB Learn enables members to define a learning path, explore their talent and potential to advance their career in a fast-changing industry. IOB Learn offers access to a wide range of micro learning courses, including curated content, as well as IOB's full suite of accredited learning. The platform also includes career and wellness supports for members, developed in partnership with subject matter experts. The supports include CV preparation and career planning.
35. In pursuit of its purpose, IOB has developed strategic alliances with several leading Irish and international organisations where IOB develops and delivers education programmes for their members or employees. IOB is an active member of the European Banking and Financial Services Training Association (EBTN) which is a leading standard-setting body for the accreditation and certification of knowledge, skills, and competencies in the European financial services sector.
36. IOB is also the largest professional membership body in Ireland with 33,200 members. As a condition of membership, Professional members of IOB are committed to uphold the best standards of *integrity, professionalism, propriety, objectivity and fairness*. It is a very active network with members generously giving of their time and expertise in participating in a wide range of events.

Section 5 – Proposals

37. The Irish funds and asset management sector is an extraordinary success. It is the third largest global centre and the second largest in Europe. Section 3 suggested that the future development of the sector will require it to address key forces of change, which are challenges but also exciting opportunities for continued growth, innovation and success. As a highly developed knowledge sector, talented people with the necessary skills, competencies and experience are fundamental to its success. Section 4 outlined the current and emerging talent and skills gaps and explained that there is strong competition for talent amongst the funds sector, the wider financial services industry and Ireland’s substantial technology sector. Against the background of these factors, IOB is concerned about the risk of an insufficient supply of talent, which compounded by skills mismatches, could have the serious implications for the funds sector in maintaining its leading position, sustaining its growth, and developing all the future opportunities.
38. It is important to acknowledge the strong policy planning and implementation undertaken by the Government, Government departments and state agencies in relation to talent supply and development in the funds sector. Government’s *Ireland for Finance Strategy 2025*, directed by the Department of Finance, and its action plans that are updated annually, are making a substantial contribution. The strategy and action plans are developed in conjunction with other relevant state agencies and industry bodies. Universities, other educators, and professional bodies are active in responding to the emerging needs of the sector. Of course, funds and asset management companies themselves play a primary role investing in the recruitment and development of talent. It is notable that, given their international structure, for many of these companies the decision making in relation to learning and development is not based in Ireland which creates certain challenges in customising strategies to the local market needs.
39. IOB, for its part, is dedicated to meeting the current and future education and skills requirements of the sector and as outlined in Section 4, it offers a substantial range of services. IOB is the education partner to Irish Funds and works closely with it in developing education and professional development programmes for the funds sector. In addition, IOB continually consults with the companies in the sector and collaborates with other professional bodies, including Compliance Institute and Chartered Accountants Ireland and is a member of the Government sponsored IFSC Funds Working Group and the Irish Funds Talent Steering

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Committee. IOB has its own Funds Advisory Board with members from across the funds sector. In addition, IOB's Director of Funds is Chairperson of the Expert Group on Future Skills Needs (EGFSN) International Financial Services Study that is currently in progress. Its objective is to assess the skills demand for jobs in high potential financial services sub-sectors.

However, there is more that can be done and, in this Section, IOB sets out proposals which it considers would be valuable interventions in enabling the funds sector to attract and retain talent and support upskilling and reskilling. These initiatives are in addition to those currently available to the sector.

Proposal 1: Irish Financial Services Skills Framework

40. IOB proposes that all relevant stakeholders in the Irish funds and asset management sector would collaborate with IOB in the building of a world class Irish Financial Services Skills Framework with funds and asset management included as a key sector. IOB's vision is to create a Framework which is a dynamic, online tool that:
- reflects international best practice.
 - identifies the key current, emerging and future technical skills and professional competencies needed by the financial services industry.
 - provides an open framework that incorporates training, qualifications, experience, professional designations and CPD aligned to the competencies and competency levels.
 - recognises prior learning, supporting employers' in-company training for all organisational roles.
 - is standards-based, with qualifications validated to the National Framework of Qualifications.
 - is designed to the best user experience standards, easy to navigate, providing easy access and transparency to employers, employees, education providers, the Central Bank of Ireland and wider society.
 - is validated by the industry sectors.
 - can be implemented quickly on a phased basis.
 - is regularly updated and is a "living" framework.
41. Based on an IOB proposal, in its report on the *Retail Banking Review (2022)*, the Department of Finance recommended that " the retail banking sector should work with the Institute of Banking

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to consider the development of a Financial Services Skills Framework to build skills and competencies needed for the future and sustainable development of the retail banking sector". IOB now proposes that the Framework is extended to all sectors in financial services including funds and asset management, international banking, fintech, retail banking and credit unions.

42. In developing the concept and prototype for the Irish Financial Services Skills Framework, IOB has reviewed existing international skills frameworks including:
- Skills Framework (SFw) Singapore, developed by the Institute of Banking and Finance Singapore, the Monetary Authority of Singapore and other partners.
 - Future Skills Framework, developed by the UK Financial Services Skills Commission.
 - Canadian Securities Institute Career Map.
 - Saudi Arabia Future Skills.

43. The Framework offers wide ranging benefits to all industry stakeholders:

Policy makers: The Framework will strengthen professional standards and assist in accelerating the development and growth of the Irish financial services industry. It will:

- ensure consistency of education, qualifications and skills standards for the industry.
- assist in attracting and retaining talent and support the building of an ongoing pipeline of skilled professionals.
- support upskilling, reskilling and overall skills development, including the skills required for the industry's pivotal role in sustainable finance and the green transition.
- support innovation and enhance Ireland's reputation as a major financial services centre.

Employers: The Framework will offer a valuable resource to employers in assessing their talent requirements and skills gaps in a fast changing operating and industry environment. It will:

- identify emerging skills areas, ensuring investment decisions are well informed.
- support upskilling and reskilling in the context of changing business models and hybrid working.
- recognise validated training undertaken by employers at all organisational levels.
- assist in designing talent development plans.
- inform and enhance recruitment criteria.
- support human resource management, assisting workforce agility.

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Employees: The Framework will enable financial services professionals at all levels to evaluate and advance their career pathway. It will:

- inform decisions on education, training and qualifications.
- provide information on education programmes and education providers.
- identify existing and emerging skills and competency levels.
- support lifelong learning and skills upgrading.
- support movement across the sub-sectors in the financial services industry.

Education and training providers: The Framework will assist higher education bodies and professional training providers to develop courses and programmes to support the needs of the financial services industry. It will:

- provide insights to in-demand, emerging and future skills needs.
- support providers in designing courses tailored to industry needs.
- assist in innovating the design and delivery of future courses and qualifications.

Proposal 2: Professional designations and lifelong learning

44. IOB's experience in other sectors of financial services has highlighted the powerful role professional designations can play in embedding lifelong learning and CPD whilst sustaining standards. For example, in retail banking, Qualified Financial Adviser (QFA) which is a mandatory designation, ensures that knowledge and skills are kept up to date through the completion of specified annual learning, set out as lifelong learning and CPD requirements.
45. The Accredited Funds Professional (AFP) is a designation developed by IOB in conjunction with Irish Funds. For holders of the designation, it is evidence of their expertise in funds, their client focus and their professional standing. For employers in the funds sector, the designation provides an independent validation of excellence of employees who hold it, and an endorsement of academic qualifications, professional knowledge and experience. The AFP is available to those with the requisite academic qualifications or relevant industry experience. It is maintained by completing 10 hours of CPD annually.

The development of the AFP designation satisfied an action contained in Government's *Ireland for Finance Strategy 2025*. IOB and Irish Funds consider that the designation has the potential to

distinguish Ireland's funds sector amongst its global peers and sustain Ireland's reputation for professional standards and people talent.

46. IOB proposes that awareness of the benefits of AFP designation is continually highlighted, and that the designation is endorsed and promoted by the key stakeholder bodies in the funds sector, including the IFSC Funds Working Group.

Proposal 3: Investment funds to be an elective module in Business Degrees in Irish Universities

47. Business degrees have a long tradition at the forefront of business and management education in Ireland. IOB proposes that investment funds and asset management is offered as an elective module in business degrees offered by Irish universities. This would provide a grounding in investment funds and how they work. The module would provide a comprehensive understanding of funds, how they are organised, including the fund service providers within the funds ecosystem, the legal forms they take, how they are managed and governed and how they are regulated. It would explain investment strategy, the main asset classes in which they invest and how funds are sold to investors.

Many business degrees offer a year-long paid industry internship. This would provide considerable advantages to the funds sector, introducing business students to the possibility of a fulfilling and rewarding career in the sector.

48. It is instructive that IOB partnered with Chartered Accountants Ireland and provides a final year specialist elective subject in financial services as part of the Final Admitting Examination to its Chartered Accountancy qualification.

Proposal 4: European Foundation Certificate in Sustainable Finance

49. The European Banking and Financial Services Training Association (EBTN) is a leading standard-setting body for the accreditation and certification of knowledge, skills, and competencies in the European financial services sector. EBTN is at an advanced stage of developing a European Foundation Certificate in Sustainable Finance and, as a founding member of EBTN, IOB has contributed to this initiative. The European Foundation Certificate in Sustainable Finance will be

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a professional designation confirming fundamental knowledge of the sustainability responses to climate change and of the business, regulatory, product, and risk features of sustainable finance. Holders of the designation will have attained essential knowledge of sustainable finance and the tools to support clients in transitioning to a low carbon economy. Innovative in design, the qualifications that lead to the designation can be based on stackable micro-credentials. EBTN will accredit appropriate national qualifications that are aligned to the European Qualifications Framework (EQF). Ireland's National Framework of Qualifications maps to the EQF.

50. IOB proposes that the European Foundation Certificate in Sustainable Finance be broadly adopted across the Irish financial services industry when it is inaugurated by EBTN (expected early 2024). IOB will be pleased to lead the launch of the designation in Ireland.



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Section 7 – Close

51. IOB appreciates the opportunity to make this submission and contribute to the Funds Sector 2030 consultation. It would be pleased to discuss and clarify any aspects of the submission directly with the Review Team.

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Appendix 1

More about IOB

- IOB is a leading provider of specialist education and lifelong learning to the banking and financial services sectors in Ireland, Northern Ireland and in certain international locations. A Recognised College of University College Dublin (UCD), IOB offers more than 40 university accredited education programmes ranging from professional certificates (Level 7 on the National Framework of Qualifications (NFQ)) to Masters degrees (Level 9 on the NFQ). Accreditation by UCD to the NFQ ensures quality assurance, recognition and portability of these programmes and related qualifications.
- IOB is one of the world's leading providers of micro-credentials since 2008. It also offers a wide range of short programmes, masterclasses and other non-accredited programmes. IOB's programmes are delivered by experienced academics and industry subject matter experts, combining academic rigour and practical relevance. UCD is Ireland's largest university, ranked within the top 1% of higher education institutions worldwide.

6,900 people studied with IOB in the academic year ending 2021. IOB offers 15 professional designations and has Ireland's largest Continuing Professional Development (CPD) community with 23,000 registered members, committed to lifelong learning.

- IOB is also Ireland's largest professional membership body with 33,200 members who work in banking, financial planning, fintech, insurance, investment funds, international financial services, professional services, stockbroking, and wealth management. It also has 30 Corporate Members.
- IOB's purpose is to *educate, enable and empower a community of professionals to achieve their full potential in delivering financial services to the highest standards with better outcomes for their customers, clients, and society.*
- IOB's values are *learner and member focused, our people, integrity, excellence, collaboration and continuous improvement.*
- Founded in 1898, and celebrating its 125th anniversary, IOB is one of the oldest banking institutes in the world. It is not-for-profit and its wide range of education and professional education services are ultimately for public benefit.

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Appendix 2

IOB – Education programmes for International Financial Services 2023–2024

Short Courses
Regulatory Reporting in ROI (Regulatory Reporting Professional)
Digital Banking Revolution
University Qualifications (Level 7)
Professional Certificate in International Investment Fund Services (AFP)
Professional Certificate in Complex Financial Instruments in International Financial Services
Professional Certificate in Digital Financial Services and Data Analytics
Professional Certificate in Digital Risk, AML and Financial Crime Prevention
Professional Certificate in Responsible and Sustainable Finance
Professional Certificate in Compliance
Professional Diploma in Compliance (LCI)
Professional Certificate in Consumer Protection Risk, Culture and Ethical Behaviour in Financial Services
Professional Certificate in Fintech
University Qualifications (Level 8)
Professional Diploma in Sustainable Finance for Compliance Professionals
Professional Diploma in Digital Product Management in Financial Services
University Postgraduate Qualifications (Level 9)
Professional Certificate for Designated Persons in a Fund Management Company (AFP)
Professional Diploma in Applied Alternative Investments
Professional Certificate in Capital Markets, Investments and Funds
Pathway to MSc in Financial Services
Professional Diploma in Strategic Management in Financial Services
Professional Diploma in Sustainable Finance Reporting and Disclosures
Professional Diploma in Data and Analytics in Financial Services
Professional Diploma in Digital Transformation in Financial Services
Graduate Diploma in Digital and Data Strategy in Financial Services
Professional Certificate in Data Protection (CDPO)
Professional Certificate in Financial Crime Prevention (CFCP)
MSc in Compliance
Professional Diploma in Leading Cultural Change and Ethical Behaviour in Financial Services
Professional Diploma in Advanced Banking Risk Management
Professional Diploma in Advanced Operational Risk Management in Financial Services
Professional Diploma in Banking (Chartered Banker)
Executive Education
Certified Investment Fund Director (CIFD)
Inside out Leadership: A next generation programme for women leaders

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