

Group Briefing

May 2018

Regulator places itself at the hub of FinTech innovation in Ireland

Ireland Client Service Law Firm of the Year 2018
Chambers Europe Awards

Ireland Law Firm of the Year 2018
International Financial Law Review (IFLR)
Europe Awards

Advised on Equity Deal of the Year 2018 – Allied Irish Banks IPO
International Financial Law Review (IFLR)
Europe Awards

Finance Dublin Awards 2018
Arthur Cox advised on 12 Deals of the Year awarded by Finance Dublin.

Ireland Law Firm of the Year 2017
Chambers Europe Awards

Best Firm in Ireland 2016 & 2017
Europe Women in Business Law Awards

Best National Firm for Women in Business Law 2016 & 2017
Europe Women in Business Law Awards

Best National Firm Mentoring Programme 2016 & 2017
Europe Women in Business Law Awards

Ireland Law Firm of the Year 2016
International Financial Law Review (IFLR)
Europe Awards

Ireland Law Firm of the Year 2016
Who's Who Legal

Americas International Tax Firm of the Year 2016
International Tax Review

Advised on the 'Deal of the Decade' – Merger of Lafarge and Holcim
Mergermarket European M&A Awards

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This document contains a general summary of developments and is not a complete or definitive statement of the law. Specific legal advice should be obtained where appropriate.

Taking a pro-active approach to the development of FinTech in Ireland is at the heart of the Central Bank's new innovation hub and expanded industry engagement programme.

At a [speech](#) at the Cork University Business School, University College Cork Financial Services Innovation Centre, Derville Rowland, Director General, Financial Conduct at the Central Bank, shared the Central Bank's plans; to develop an innovation hub for firms to engage directly with the Central Bank on innovation and Fintech; and to expand its industry engagement programme.

As part of the work undertaken by the Central Bank over the previous months in reviewing its approach to FinTech and innovation, the Director General stated that the Central Bank engaged with regulators across Europe and held discussions with FinTech industry stakeholders.

It found that both regulators (for the most part) and industry stakeholders are in favour of active engagement with each other. Firms, according to the Director General, "want to know that the regulator is open and accessible to them; to have a direct point of contact where they can ask for a steer on the regulations that they should be considering."

Equally, "most regulators recognise that earlier engagement gives them sight of innovations before they

become mainstream. It allows them to proactively assess potential risks and regulatory gaps sooner rather than later."

Drawing on these insights and its own experience in the area of consumer protection in RegTech and elsewhere, the Central Bank is looking to actively engage with stakeholders in FinTech. The innovation hub will allow firms to engage directly with the Central Bank, outside of more formal regulatory interactions, such as in the authorisations process. The Central Bank hopes that by doing this, it will be able to learn from the firms about their ideas, the technologies they are developing, and have a view to where financial services are heading.

While the announcement does not include the establishment of a regulatory sand-box, its creation now looks more rather than less possible, perhaps as a second step driven by engagement through the innovation hub programme. The Central Bank has provided an [email address](#) for firms so that they may contact it with their questions on the innovation hub. This will be followed, at an as yet unspecified date, by a dedicated page on its website.

As part of its expanded industry engagement programme, the Central Bank will host regular FinTech Roundtables, starting later in 2018, to bring together relevant stakeholders to discuss issues relevant to FinTech and innovation. Those involved will have an opportunity to learn from each other and share issues and ideas.

COMMENT

This announcement follows swiftly on the publication of a discussion

paper by the Department of Finance in March setting out its plans to establish an intra-departmental working group to oversee developments in virtual currencies and blockchain technology. (For more information on the paper and related developments, see our recent briefing: [Clarity on the Status of Cryptocurrencies in Ireland.](#)) Again, in our view, the constructive engagement by the Central Bank in these areas is a welcome development for established business seeking to innovate, as well

as innovative start-ups, whether indigenous or relocating overseas businesses.

FURTHER INFORMATION

The FinTech Group at Arthur Cox comprises lawyers with experience and expert knowledge across relevant legal disciplines, including financial regulation, technology, data protection, tax, intellectual property and corporate. Contact any of the FinTech team [here](#).

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