

This year, 2017, marks the 30th anniversary of the IFSC but is also marks, with this edition, the 30th anniversary of this publication

INTRODUCING FINANCE

The financial sector is in a strategic position in the economy, and at a time of change it creates the opportunity for new possibilities.

These possibilities lie not just in unburdening people and businesses from past modes of financial operation that were rigid and unsuitable to the needs of users, but in offering them liberating possibilities that were only dreamed of in the past. Today, financial services, both in Ireland and throughout the world, are creating these new possibilities at an unprecedented pace.

It is the role of "Finance" to cover these developments and present its readers with information that is not just of interest to the financial professionals at the front line of the new changes but also to the users who themselves through their professional position are becoming members of a wider financial community.

The people of the financial services industry are united in a single profession — the provision of value added and savings to the real sector, be they corporate treasurers or individuals trying to maximise the return on their savings or minimise the cost of their indebtedness.

This is true of the international financial services industry as it is of the Irish industry. "The coming of age of the financial services industry in Ireland" lies not just in the development of a fully integrated financial system after 55 years of independence, but also in a change in the concept and attitude towards finance in Ireland. Rapidly disappearing is the historic distrust of the financier as a modern day *gambler* man ("interest man"). In its place is a new understanding of the financial services sector as a real contributor to the development of the economy, to the development of exports, increased output, and, yes, jobs.

Because of its strategic role finance has a particularly important potential in spurring the development of a more sophisticated economy, an economy that works.

This is true of course not just of Ireland but of everywhere in the advanced world. Just as there is a revolution in finance in Ireland, there is also one underway in the world at large. The British Government saw this earlier than most, and through a far seeing, indeed, brilliant strategy has placed London securely in the position of the undisputed capital of finance in the European time zone. Secondary capitals such as Frankfurt and Paris have been left

behind for the time being, and are now seeing that they must catch up. This applies particularly to Frankfurt, if it is to regain its former pre-eminence.

The Americans, as in most other spheres, have led the way in finance. That New York had its "Big Bang" on May 1st 1975 speaks volumes, and the daily pages of the "Wall Street Journal" give testimony of the continuing innovative lead the Americans are giving in new developments. The Japanese have also shown their particular brilliance in new developments in international finance. It is a sector, unlike electronics or biotechnology, where Japan has particular disadvantages, language and cultural distinctions being just two. Yet it is the Japanese banks that are most feared as competitors in London as they reap the best graduates of Oxbridge, and bring, through sheer dedication and teamwork, a force of competition that is proving difficult for blue blooded western banks to match.

Ireland, for its part, is poised to become a significant niche financial centre in its own right.

The Government committee to develop Dublin as a financial centre has been set up on action lines; indeed the term "committee" is a misnomer: it is a working group, with the aim of achieving concrete results. Already, after just five "meetings" it has got new legislation on to the table, encapsulated in the Finance Bill published last month.

There has been some criticism of this approach — that it is "seat of the pants", "not thought out", "ad hoc". We would take issue with this emphasis. The important thing is to do something, not just to talk about it. Certainly there may be mistakes, but they can be put right. It is more important to move, than to have things worked out to the nth degree. Proper planning, market research, and getting things right are of course important, but, to quote Lee Iacocca, there comes a time when the "bean counters" must be ignored, and decisions made, involving the inevitable risk that comes from imperfect knowledge.

"Finance" is part of the spirit of these developments, and we will aim to play our part by delivering to our readers the practical information and insights that will assist them in seizing the exciting opportunities that lie ahead.

June 1987 saw the publication of the first edition of *Finance Magazine*, which we merged in 2009 as a title with what was originally a newsletter 'Finance Dublin', to form the present *Finance Dublin*. For us therefore, this edition marks our thirtieth year of continuous publication.

We reproduce below the introductory editorials from both publications, and we will leave it to readers to judge how the publication(s) have followed their introductory mandate in the meantime.

A perusal provides some timely insights, as well as perspective on the fast changing world of finance in what is currently a highly technology-driven era.

But it also suggests that long term perspectives as well as timely awareness of new developments are important. It is striking in this age of 'disruption', and 'fintech', and 'Brexit' that identical forces were at play then, even though the

language used to describe them might be different. For example the 'disruption' of today might have supplanted the more gentle (but no less profound) 'disintermediation' of 1987. The 'financial technology' of then of course is replaced by 'fintech', and, to recognise innovation's place, there are truly new advances, such as 'blockchain'.

Worryingly, maybe, 'globalisation' is now supplanted by 'Brexit', and threats of protectionism worldwide. Perhaps, on that front the wheel has not yet come full circle, and the Brexit phenomenon, and concerns about trade, for example in US-China-India relationships, will in time turn out to be a

necessary course correction that will avoid the depths and excesses of the last time such forces emerged - the 1930s. Only time will tell.

In the meantime it is our hope that *Finance Dublin* will continue to play the role it has done as part of the 'eco system' (another new word) that we hoped would come about in the final paragraph of that first article 'Introducing Finance'. We see the future as being as exciting as it was back then, indeed even more so, with equally challenging tasks to undertake for the industry. We are planning to continue to provide the forum that we have offered in the 30 years of the publication's existence to date.

EDITORIAL

The launch of 'Finance Dublin' is a tangible sign of the success of the Dublin IFSC. It has, now 8 years old, now reached a size where there are enough companies, people, careers, and issues to provide the meat of a regular monthly periodical.

The launch of a new publication is always an exciting event for those involved in working on it. That excitement and enthusiasm has been encountered by us amongst the many people in all areas involved with the centre who have helped and played a part to date in bringing 'Finance Dublin' to fruition.

We share that optimism. Of course, no-one can be sure what the future years will hold. There certainly will be setbacks for Dublin as a financial centre, and for international financial services sectors as a whole. We share the belief of one of the centre's founding fathers Ernst Matthiensen (interviewed on page 7) - a feeling he has always held, that it would last long after the year 2005, when the EU tax concession is scheduled to end.

This issue provides a flavour of what 'Finance Dublin' will be like. It is first and foremost a service to the companies and executives who are what the centre is in essence. And that is the yardstick by which we shall judge our efforts.

There will be several features. One of its prime aims will be to serve as a noticeboard for the centre - providing a source of ideas and business opportunities for companies doing business in and with Dublin - (examples in this issue are stories on new

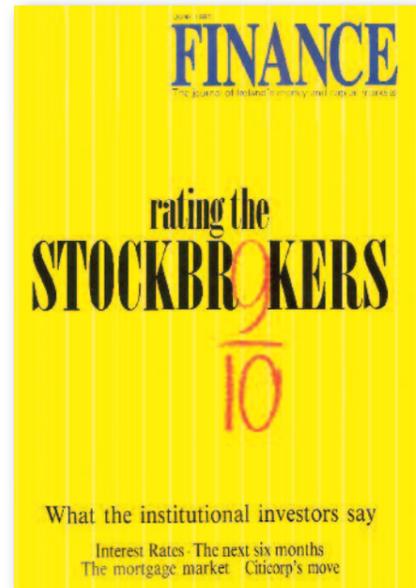
arrivals such as Abbey National and Bear Stearns, the Dutch ATC stirrings, and the Central Bank's new custodian risks clarification).

Another of its prime aims will be to provide a public forum for the centre - something which the Minister for Finance, Ruairi Quinn generously welcomed on the occasion of the announcement of this publication in July 1995. The lead story on page 1 - and the Central Bank's wholehearted and impressive response on pages 3 and 4 is an example of how we would hope that the publication in the future could play a part in the evolution of the centre.

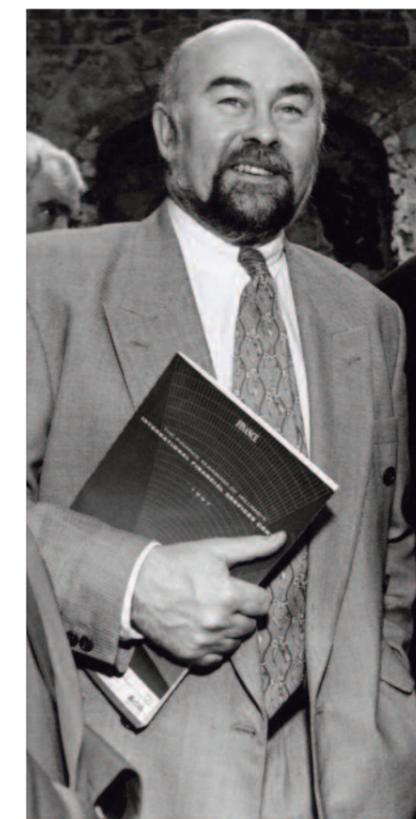
'Finance Dublin' will be a forum for ideas - note Peter Blessing's thoughts on syndicated lending on page 8 and Jon Borrill's on treasury and captive insurance on page 16.

Future issues will also contain briefings on new concepts in the sectors that are clustered in the centre - for example Gerry Brady's article on master-feeder funds on page 12. Sectors will be featured in their international context, for example see Kaj Ahlmann's survey of global trends in reinsurance on page 13. Future issues will contain other regular features, such as doing business in Dublin, international publications and conferences listings and reviews, and articles on other financial centres which, like Dublin, are changing the face of financial services internationally.

Above all, we see the publication as a service to our new readers both in Ireland, and internationally - and that will be to the forefront in every issue.



Above: The front cover of the first issue of *Finance Magazine* June 1987. Left: The first editorial from the first issue.



Ruairi Quinn, then Minister for Finance, launching the 1997 edition of the 'Yearbook of the IFSC'. Former Minister Quinn, now chief of the IIEA, and former Minister for Finance Dr Ray Mac Sharry will, along with former Taoiseach and Minister for Finance John Bruton, be speakers at the forthcoming Financial Centres Summit, in Dublin Castle on October 17th next. (See announcement in page 8 of this issue).

Above right: The front cover of the first issue of *Finance Dublin* January 1996. Above: The first editorial from the first issue of *Finance Dublin*.