



Fintech Connect

Case Study: the Central Bank of Ireland's approach to innovation engagement



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Central Bank of Ireland
Eurosystem



What Will We Discuss Today

- A Unique Irish Financial Services Ecosystem
- The Central Bank of Ireland Approach to Innovation Engagement
- How We Informed this Approach
- The Steps We Took
- Deep Dive: Central Bank of Ireland Innovation Sandbox Programme



Who We Are - Innovation Strategy



Eoin Fitzgerald
Innovation
Hub Manager



Carole
Donaghy
Innovation
Programmes
Manager



Miriam Dunne
Head of
Function
Innovation
Strategy and
Policy



Dave Tighe
Innovation
Strategy
Manager



Steuart
Alexander
Innovation
Sandbox
Manager



Unique Irish Financial Services Ecosystem



Ireland is uniquely positioned to be a leader in fintech, with the combination of its established hub for international financial services and its large global technology sector presenting the ideal conditions for innovation and growth

Our Approach to Innovation Engagement

Deepen our understanding of innovation in the financial services sector.



Allowing us to better understand the opportunities and risks for consumers and the economy.

Better inform our regulatory approach.



Allowing us to ensure that our regulation is aligned with a well-functioning financial system based on good levels of competition and innovation.

Better explain to innovative firms what being regulated entails.



So firms can build regulatory requirements and safeguards into their early stage development.

Embed a regulatory culture in nascent and fast growing firms.



To ensure they are properly prepared for the responsibilities that come as regulated firm, as well as properly run once authorised.



Future Focused Approach

Supervising and
Authorising New and
Innovative FS



Forward
Looking



Engaged
People
working in
Innovative
Ways



Engaged with the
Innovation Ecosystem



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Informing our Approach - Stakeholders



- Feedback and input sought from the Industry Forum's Innovation Sub-Group.
- Feedback specifically sought on “Innovation and Disruption” through the Consumer Protection Code Discussion and Consultation Papers.
- Collation of Innovation Hub feedback since launch in 2018.
- Engagement across the Innovation Ecosystem to hear feedback.



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Informing our Approach - Peers

- Review of 40 Innovation Hubs and 15 Sandboxes assessing format, value add and impact
- Collaboration face to face with 10 National Central Banks to hear feedback on their approach.
- Participation in 'live' programme (FCA Techsprint)



Consultation Approach

Five years on from the launch of the Innovation Hub, we identified that there would be value in enhancing our engagement approach.

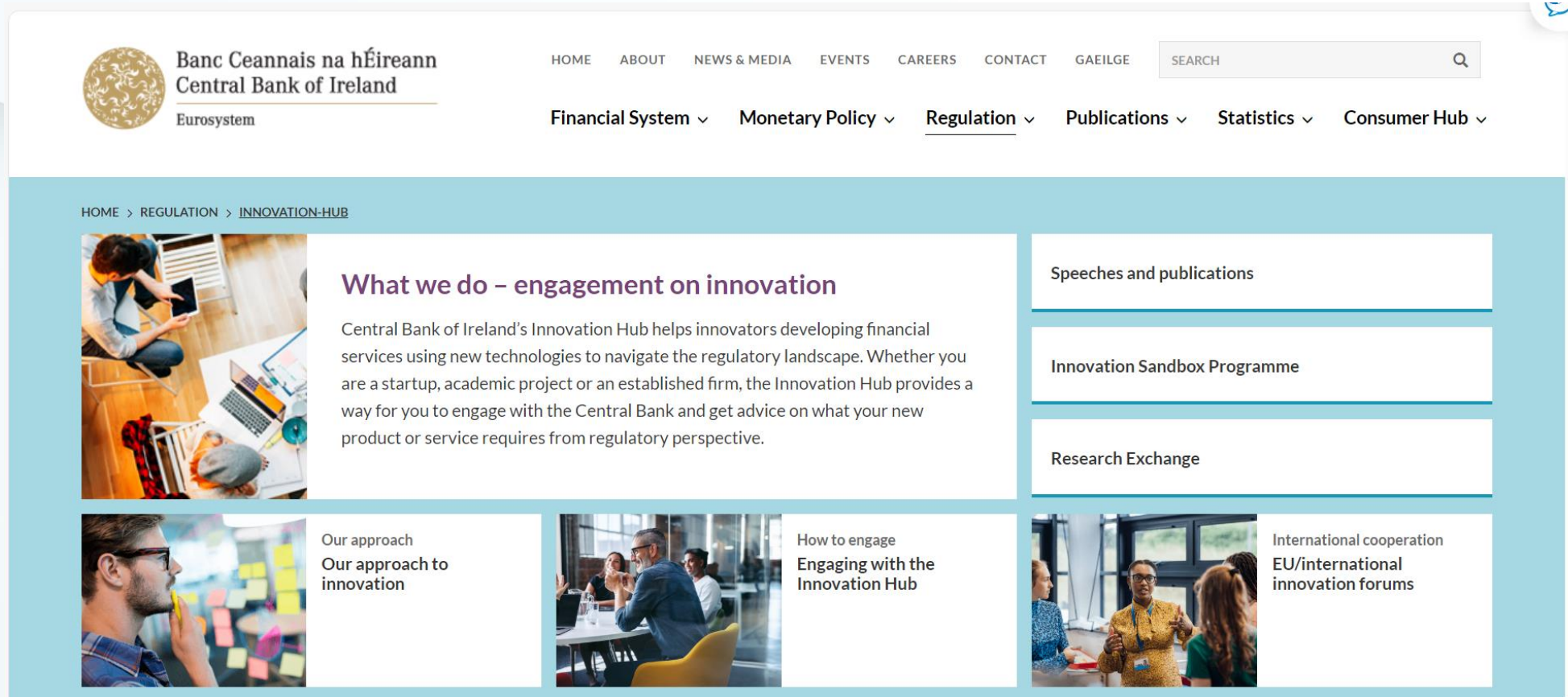
The key enhancements we proposed in CP 156 were:

Enhance our Innovation Hub to deliver deeper, clearer and more informed engagement

Establish an Innovation Sandbox Programme, which will involve informing the early stage development of selected innovative initiatives



Innovation Hub Enhancements



The screenshot displays the Central Bank of Ireland's Innovation Hub website. The header features the bank's logo and name in both Irish and English, along with a navigation menu including Home, About, News & Media, Events, Careers, Contact, and Gaeilge. A search bar is also present. Below the header, a secondary navigation bar lists key areas: Financial System, Monetary Policy, Regulation (highlighted), Publications, Statistics, and Consumer Hub. The main content area is titled 'HOME > REGULATION > INNOVATION-HUB'. It features a large image of people working on laptops, followed by the heading 'What we do – engagement on innovation'. The text describes the Innovation Hub's role in helping innovators navigate the regulatory landscape. To the right, there are three boxes: 'Speeches and publications', 'Innovation Sandbox Programme', and 'Research Exchange'. Below this, there are three smaller images with captions: 'Our approach Our approach to innovation', 'How to engage Engaging with the Innovation Hub', and 'International cooperation EU/international innovation forums'.

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HOME ABOUT NEWS & MEDIA EVENTS CAREERS CONTACT GAEILGE SEARCH

Financial System ▾ Monetary Policy ▾ Regulation ▾ Publications ▾ Statistics ▾ Consumer Hub ▾

HOME > REGULATION > INNOVATION-HUB

What we do – engagement on innovation

Central Bank of Ireland's Innovation Hub helps innovators developing financial services using new technologies to navigate the regulatory landscape. Whether you are a startup, academic project or an established firm, the Innovation Hub provides a way for you to engage with the Central Bank and get advice on what your new product or service requires from regulatory perspective.

Speeches and publications

Innovation Sandbox Programme

Research Exchange

Our approach
Our approach to innovation

How to engage
Engaging with the Innovation Hub

International cooperation
EU/international innovation forums

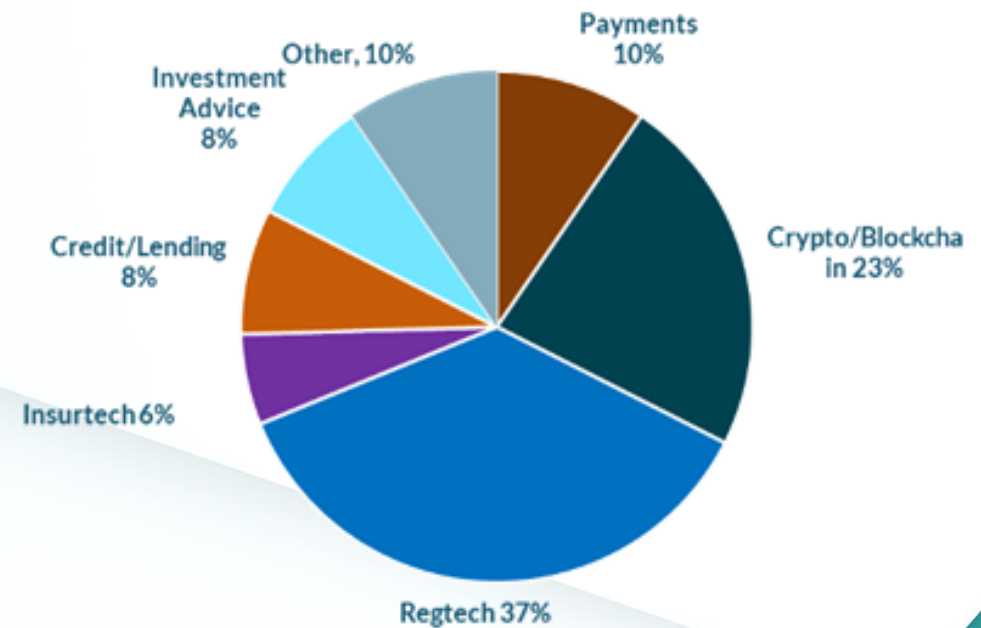


Innovation Hub Activity (end Q3)

Number of Enquiries



Breakdown of the Sectors Q3 2024



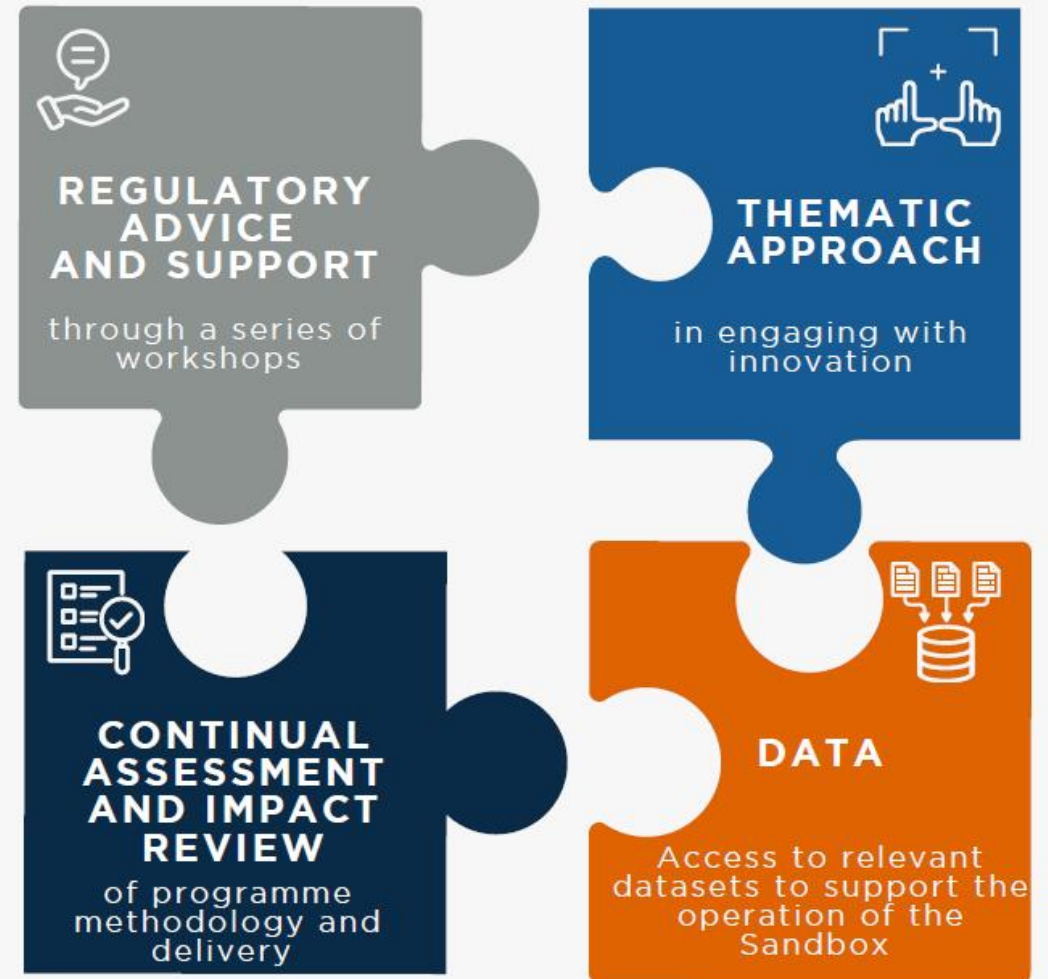
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INNOVATION SANDBOX PROGRAMME

**ROBUST PROGRAMME
OVER 6 MONTHS**



What we do NOT offer



01

NO derogation or waivers

from regulation but we will seek to apply the applicable regulatory frameworks proportionally with an outcome focused, risk-based approach.

02

NO digital testing

of products with consumers in the proposed programme

03

NO endorsement

of any innovative product or service.

INNOVATION SANDBOX PROGRAMME THEME

Combatting Financial Crime - Through the use of innovative technology, foster and develop solutions that minimise fraud, enhance KYC/AML/CFT frameworks, and improve day to day transaction security for consumers.



SELECTION CRITERIA



ALIGNMENT

Mandate & Sandbox Theme

The innovation adds benefits to consumers and the financial system and is clearly aligned with Sandbox Programme theme.



NEED

There is a clear need for the Bank's regulatory advice and support.



VALUE

The innovation is at a sufficiently advanced stage of development to participate and value in the Sandbox Programme.

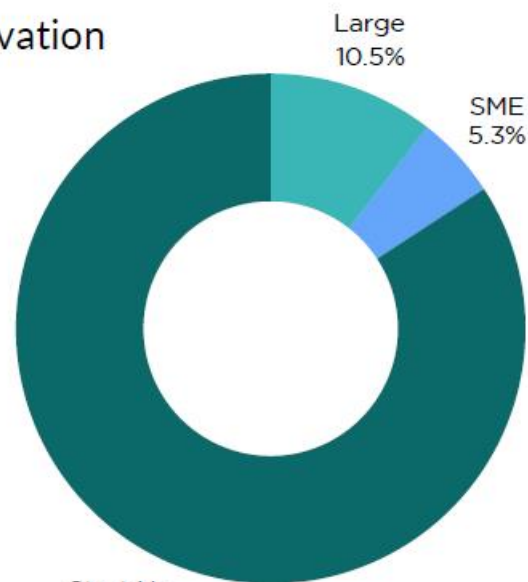


VIABILITY

The conditions are in place for the innovation to have a positive sustainable impact on consumers and the financial system.

APPLICANTS OVERVIEW

Scale of Innovation



HIGH VOLUME SUBMITTED

38 applications submitted



WIDE ARRAY of USE CASES

Different uses cases and sectors involved
e.g. Payments, Digital Identity, Insurance



LARGE DIVERSITY

From early stage start ups to scaling firms
to an incumbent bank and partnerships.



68% FROM IRELAND

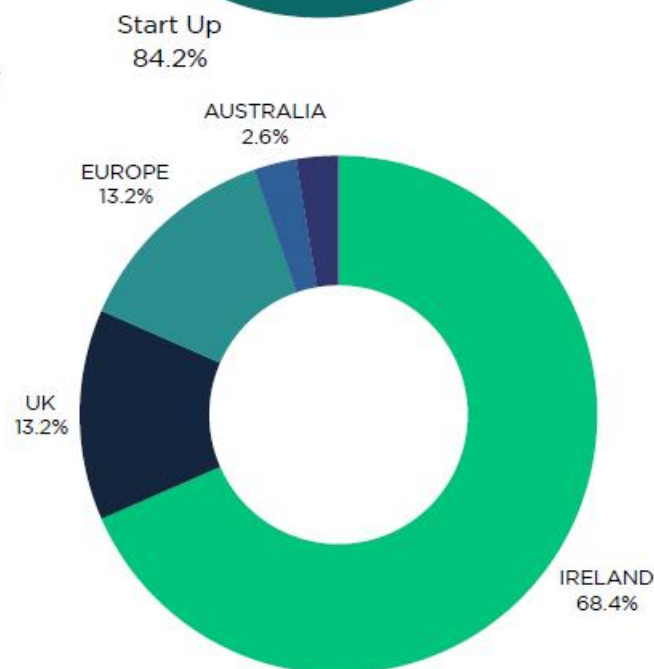
26 applications from Ireland, 5 from EU,
5 from UK, 2 from non EU

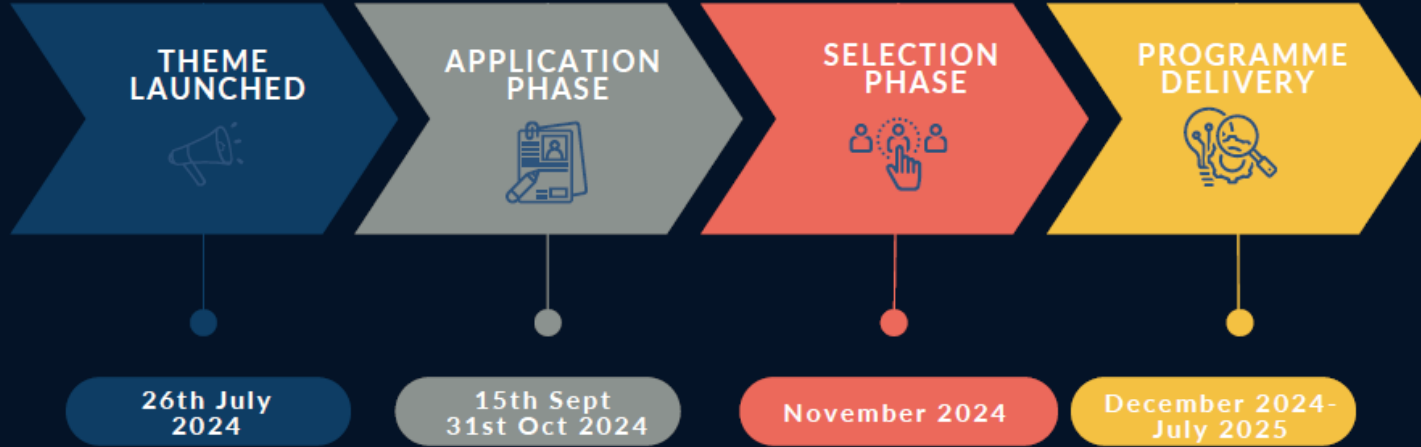


STRONG NEED FOR DATA

Majority of applicants show interest in
the Data platform

Geography





KEY MILESTONES

Thank You

Contact: Innovation@centralbank.ie



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