

# Irish Debt Securities Association (IDSA)



# The Irish Debt Securities Association (IDSA)

IDSA is an industry body which works to promote and develop Ireland as the top European location for servicing the global structured finance, debt securities and the specialist securities industries.



## Ireland is the leading European jurisdiction for SPVs by value



## Our members

Our members are the corporate service providers, trustees, audit firms, advisers, listing agents and other parties involved in the structuring and management of securitisations and SPVs in Ireland.

## Our Objectives

**Shape the industry** - We contribute to and help shape the development of Ireland's regulatory, tax and legislative framework.

**Define best practice** - Through the development of industry policy and guidance papers, we define best practice in areas such as compliance, reporting and accounting.

**Connect the industry** - By fostering engagement and co-operation between industry participants, government, and agencies, we consider all aspects of the industry in the development of policy and guidance.

**Promote sustainable finance** - We believe in sustainable finance and support green investing, which in turn facilitates transactions, creates investment products and raises capital funding for this important sector.

**Maintain high standards of professional conduct** - This is key to maintaining and building a world-leading environment for structured finance transactions and the issuance of debt securities and other specialist securities.



## Why Ireland for SPVs

For over 30 years, Ireland has developed the infrastructure and expertise that offers a well-established environment for global structured finance.

There are **2,800+ SPVs** in Ireland with **€890+ billion in assets**, representing **28% of the European market**.

**A well-developed infrastructure** – A network in Ireland of 3,500+ people. These specialist service providers - directors, advisers, listing agents and trustees - support and service the widest range of structured finance deals.

**A trusted legal and regulatory regime** – Ireland is a member of the EU and the OECD. SPVs are established as companies in Ireland, and are subject to Irish laws, regulations and tax, which provide security, certainty and protection for investors.

**A European 'passport'** – Once approved by the Central Bank, Irish SPV-issued securities can be publicly offered throughout the EU or admitted to trading on regulated markets.

**A Common Law Jurisdiction** – Ireland, like the US and the UK, is a common-law jurisdiction.

**Innovation and defining best practice** – Ireland continues to lead the sector in determining and defining best industry practice.

**Double Taxation Treaties with 70+ countries** – Ireland's double taxation treaty network is extensive and covers the vast majority of global GDP.

**An efficient listing mechanism** – Euronext Dublin has extensive experience in the listing of specialist debt securities.

*\*Statistics and figures sourced from the Atlantic Star Consulting - Irish SPV Report Q4 2020.*



## Irish SPVs: The Centre of the IFS Ecosystem

In Ireland securitisation structures are established as Special Purpose Vehicles (SPVs). The SPV legal, regulatory and tax framework supports and underpins the other main international financial services sectors in Ireland.

- **Loan origination/direct lending** – as a means of providing finance directly to business and non-business customers.
- **Capital raising** – by corporate groups to issue bonds or borrow money to finance the group's activities.
- **Investment fund set ups** – in order to isolate and hold particular assets within their portfolios. These companies are often funded exclusively by the investment fund.
- **Securitisations and collateralised loan obligations (CLOs)** – a securitisation company can acquire commercial loans and issue bonds to finance the acquisition.
- **Aircraft finance transactions** – through the issuance of bonds to fund the purchase of one or more aircraft, which is then leased to an airline or airlines.



## Securitisation – Stronger and Diversified Capital Markets

Securitisation is an effective means to build stronger and more diversified capital markets by increasing the availability of credit and reducing the cost of funding. Unlocking capital makes it easier for credit institutions and lenders to lend to Small and Medium Sized Enterprises (SMEs), Homeowners and Customers. In particular, SPVs have enabled companies in the aircraft leasing, investment funds and reinsurance industries to establish financing companies and manage risk appropriately through the deployment of Special Purpose Vehicles (SPVs).

