

# Irish Debt Securities Association (IDSA)



Ireland: Europe's leading jurisdiction for Special Purpose Vehicles (SPVs)

# Irish Debt Securities Association



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.

## Our Members

Our members include the corporate service providers, trustees, audit firms, advisers, listing agents and other parties involved in the structuring and management of securitisations and special purpose vehicles (SPVs) in Ireland.

## Our Mission



**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 representatives, government authorities and agencies, we include all aspects of the industry in the development of policy and guidance.



**Promote sustainable finance:** We support sustainable finance and ESG 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.

# Ireland: The Leading European Jurisdiction for SPVs, Structured Finance and Securitised Structures

Ireland is the leading European jurisdiction for SPVs, structured finance and securitised structures. For over 30 years, Ireland has developed the infrastructure and expertise that is required of a global leading and internationally focused structured finance sector.

## FACTS & FIGURES The year in review (2023)



# €1.1 Trillion

Assets in Irish SPVs

26.2%

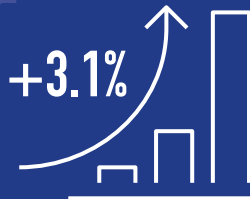
Market share of the euro area by assets

31.7%

Market share of the euro area by number

3,300+

Number of SPVs in Ireland



Annual growth rate of the number of Irish SPVs

# Why Ireland for SPVs

## A WELL-DEVELOPED INFRASTRUCTURE

With an extensive network of professionals in specialist service providers, the SPV sector in Ireland supports and services the widest range of structured finance deals.

## A HIGHLY REGARDED AND TRUSTED

### LEGAL AND REGULATORY REGIME

Ireland is a member of the EU and OECD. SPVs are established as companies in Ireland, and are subject to Irish laws, regulations and tax, providing security, certainty and protection for investors.

## A EUROPEAN 'PASSPORT'

Once approved by the Central Bank of Ireland, securities issued by an Irish SPV can be accepted throughout the EU for public offers and/or admission 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 leads the industry in determining and defining best practice.

## DOUBLE TAXATION TREATIES WITH

### 70+ COUNTRIES WORLDWIDE

Ireland's double taxation treaty network covers over 70 countries worldwide.

## AN EFFICIENT LISTING MECHANISM

Euronext Dublin has extensive experience in the listing of specialist debt securities.

## 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).

SPVs play an integral role in the operation of the international financial services industry and are used by a growing number of industries in Ireland including aircraft leasing, insurance / reinsurance, Irish regulated funds and securitisations.

Irish SPVs are set up as Irish companies with tax neutrality and bankruptcy remoteness. Bankruptcy remoteness is a key feature in most securitisation transactions, providing assurances to investors and lenders that their investment is secured on a defined pool of assets or cash flows and cannot be compromised by a bankruptcy or liabilities of other entities associated with the company issuing the debt.

# Irish SPVs: At the Centre of International Financial Services

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.