

# Ireland: Regulating for Europe's digital future

American Chamber of Commerce Ireland position paper on Ireland's role as an EU digital regulatory hub.



## Recommendations

### Why Ireland?

- Future reshaping of Cabinet portfolios reflects the importance of cyber, data and digital to the Irish economy, whilst ensuring digital skills are in place in all Departments to ensure consistency in the regulatory environment for business.

### Ireland's experience

- Aim to develop Ireland into a centre of excellence for regulation.
- Ensuring Ireland is a strong advocate for the protection of the 'country of origin' principle at EU level.
- The continued provision of implementation updates to showcase progress in achieving the ambitions of Ireland's digital strategy: '*Harnessing Digital: The Digital Ireland Framework*'.

### Strengthening Ireland

- A focus on ensuring the rate of legislative change reflects the speed of regulatory change.
- Ensuring the timely and proper transposition and enactment of key European regulations.
- An awareness-building campaign by Government and public bodies, aimed at policymakers and regulatory bodies in our European and international partners, focused on the strength of Ireland's decision-making and judicial systems as foundations for Ireland's regulatory system.

### Cyber security to underpin Ireland's digital base

- A continued focus on increasing investment and resourcing to the NCSC, keeping current commitments under constant review to adapt to emerging cyber security challenges and threats.
- That resourcing of the NCSC ensures a robust team of experts from backgrounds directly linked to cyber, and focused on behavioural understanding, while ensuring the NCSC is resilient against attrition of key staff.
- An examination of engagement with industry on staffing, informed by approaches taken in NCSCs in other jurisdictions.
- Continued engagement with international partners to inform Ireland's cyber security with international best practice and to deepen international relations and collaborations at government, agency and public body levels.
- The resourcing of cyber security within key regulatory bodies is prioritised.

## Ireland – A European champion

- Ireland takes proactive positions on key files under consideration at EU level, particularly in the areas of A.I., cyber, data, digital, and Industry 4.0.
- Ireland leverages the industry expertise based in Ireland to inform technical consideration of future regulation at EU level, informed by the experience of Irish regulators.
- A focus on communicating to European partners how Ireland's position as a digital regulatory hub can spur innovation to benefit the EU as a whole.
- Ireland's '*soft power*' in diplomacy is utilised as a means of benefiting European competitiveness and advancing discussions on digital regulation with non-EU, international partners.

## Skilling Ireland's digital future

- A focus on ensuring all regulatory bodies are resourced with the required digital skills to ensure they can fulfil regulatory functions for products and services which are becoming increasingly digitalised in their area of remit.
- A focus on developing indigenous talent, and attracting international talent, with key skills in A.I., cyber, and digital.
- A continued emphasis on upskilling and reskilling individuals with digital skills to cater for the current and future needs of an ever-digitalising workforce.
- An educational campaign centred on second-level students to encourage greater engagement in A.I., digital and STEM courses at tertiary level to support future skills development.

# Ireland as a Digital Regulatory Hub in the EU

## Executive Summary

*"Regulation needs to be measured, understandable, enforceable and effective. These aims align with Ireland's ambition to be a centre of regulatory excellence in Europe where both industry investments and European consumers are the winners."*

As the above quote from Harnessing Digital 2022 Progress Report demonstrates, the values and ambitions of Ireland are very much akin to that of the EU. 2023 marks Ireland's 50th year as a member of the European Union. Over the course of those 50 years, Ireland has been a key player on the European stage, and the EU has received the clear support of the Irish people. Irish citizens are 'clearly the most pro-European of all European citizens', according to the 2022 Eurobarometer report for Ireland.<sup>1</sup>

Ireland's position as a rules-based democracy, underpinned by the rule of law and transparency, along with its experienced regulatory bodies, have granted Ireland a status as a regulatory hub for the digital sector within the EU.

This position reflects the strong presence of US MNCs in Ireland. Ireland is home to 950 US companies – for many of these companies, Ireland represents their European or EMEA headquarters.

## Ireland's position

Ireland has a vital role as the transatlantic gateway connecting the USA and the EU.

Ireland has been chosen as the base for the EU HQs or significant operations by:

- 9 of the top 10 US technology companies
- 9 of the top 10 pharmaceutical companies
- The top 5 global software companies
- 14 of the top 15 medical technology companies
- 8 of the top 10 industrial automation companies
- 20 of the top 25 global financial services companies

The commitment of US companies to Ireland is evident given that 1 out of every 3 US multinationals in Ireland have been here for more than 20 years. Each year US multinationals in Ireland invest significantly in the Irish economy, with spends of:

- €14.1 billion on payroll
- €8.7 billion on goods and services
- €7.9 billion on capital expenditure

Furthermore, US companies in Ireland directly employ 209,000 people and indirectly support a further 167,000 additional jobs in the Irish economy.

## Why Ireland?

The regulatory expertise developed within Ireland has been enhanced as a result of the presence of many US MNCs. As such, we must look to why these companies have chosen to place significant operations in Ireland and call Ireland home.

Ireland is the only English-speaking, common-law country within the EU, and has close historical and social ties to the US. As a result, Ireland is a natural transatlantic gateway to connect the EU and US, resulting in significant US investment being attracted to the EU via Ireland.

Ireland's position in the EU's single market, open economy, and pro-business environment has enhanced its attractiveness as a '*destination of choice*' for US investment. This is further enhanced by significant public support for the role FDI plays in both economic and social terms throughout the country.

The EU's values are core to Ireland's identity. A nation, striving towards the embodiment of these values, is an attractive destination for both business and talent. These integral values which we see under attack in other parts of the world are:

- Democracy
- Equality
- Freedom
- Human dignity
- Human rights
- Rule of law

Further, Ireland is ranked eighth in the world for quality of life and was the first democracy in the world to vote for marriage equality. It has the fourth most international workforce in the EU, and 63% of 25–35-year-olds have attained third-level qualifications. Additionally, Ireland has seen the largest reduction in income inequality from one generation to the next.

Ireland's position as a regulatory hub within the EU has developed naturally and as a result of the success of Ireland's inward investment strategy. This success has resulted in key functions being placed in Ireland and the implementation of EU regulation, based on the '*country of origin*', principle has strengthened Ireland's position within the EU in the context of regulation. For instance, much European wide regulation takes place in Ireland in the areas of consumer protection, communications and telecommunications, data protection, and financial services.

The '*country of origin principle*' provides certainty to business in relation to the competent authorities they must deal with, and the rules and regulations they must follow – in practice it means that a company, where it is providing services across borders within the EU, is subject to legislation and to regulatory oversight in the country of establishment. Where a company is established in Ireland but providing its services in other EU countries, it is subject to Irish law and to the regulatory authority of bodies based in Ireland.

In an ever-digitising world, the functions taking place in Ireland are becoming subject to increasingly complex regulation. This results from an always evolving regulatory system which is focused on adapting to new and emerging technologies, solutions, products and services. As such, providing consistent, balanced, responsible regulation with certainty for business while also fostering innovation is vital to showcase success as a regulatory hub.

'*Harnessing Ireland: The Digital Ireland Framework*' is a particularly positive signal of intent on the part of the State as to the priorities of Government in supporting the digital environment.<sup>2</sup> Translating this intent to action will be integral in bolstering Ireland's attractiveness and protecting Ireland's position as a regulatory hub.

Ensuring the importance of cyber, data and digital to the Irish economy is reflected in Government portfolios would ensure their importance for Ireland is reflected in Cabinet. The constant reshaping of Government portfolios has had significant, and very positive impacts, ensuring the Cabinet reflects matters of importance to our economy and society. AmCham notes the creation of the Department of Further and Higher Education, Research, Innovation and Science, and how this Department has been beneficial in fostering stronger links between tertiary education, industry, and the innovation ecosystem. Further, ensuring digital skills are in place in all departments is essential in ensuring consistency in the regulatory environment for business.

This commitment would support Ireland in its role as a regulatory centre of excellence. It would further enhance Ireland's attractiveness as a destination for investment and innovation for businesses in cyber, digital, data, A.I., and key sectors including Industry 4.0.

**AmCham recommends:**

- Future reshaping of Cabinet portfolios reflects the importance of cyber, data and digital to the Irish economy, whilst ensuring digital skills are in place in all Departments to ensure consistency in the regulatory environment for business.

## Ireland's experience

Ireland's status as an EU regulatory hub has allowed Irish regulators to develop world-class skills in 'good regulation'.

Ensuring balanced regulation and regulatory certainty is pivotal in enhancing both Ireland's and the EU's attractiveness as an investment location, supporting job creation, and fostering economic and social development.

Factors such as the 'country of origin' principle and the 'one-stop-shop' under the General Data Protection Regulation (GDPR) have supported the development of regulatory excellence in Ireland. Furthermore, they have provided certainty to business in terms of the regulatory bodies they must engage with, and the legislative and regulatory ecosystem in which they will operate. The 'one-stop-shop' under GDPR allows an organisation to deal with one lead supervisory authority in relation to their processing activities. This applies in the EU Member State in which an organisation has its 'main establishment' and in cases where an organisation is engaged in cross-border processing. The lead supervisory authority in the EU Member State of the main establishment will be the relevant supervisory authority under the 'one-stop-shop'.<sup>3</sup>

Ireland's position under GDPR has been pivotal in protecting consumers and working with industry on a European-wide basis. Ireland's Data Protection Commission (DPC) is responsible for enforcing data protection regulation on organisations with their European Headquarters based here, utilising the one-stop-shop mechanism on GDPR. The Irish DPC fulfils this function on behalf of over 440 million people across the EU. Of fundamental importance is ensuring Ireland's work in this area is understood Europe-wide and that any negative perceptions which may exist are challenged.

In contrast to a sometimes-negative perception of its enforcement of the GDPR, both the number, and the value of the fines levied by the Irish DPC demonstrate its ability to enforce effective data protection. To look at GDPR in particular, the Irish DPC ranked first in Europe for aggregate fines imposed since May 2018 and January 2022.<sup>4</sup>

The DPC's latest annual report notes that 17 large scale inquiries, with administrative fines in excess of €1 billion and multiple reprimands and compliance orders were imposed in 2022. This accounted for two-thirds of all fines issued across Europe last year, including the EU, EEA and UK. While the vast majority of these were levied against large technology companies, nearly three quarters of a million euro in fines was directed at non-technology firms as a result of non-compliance. Further, in addition to the large scale of the work done by the DPC, the report highlights the efforts that have been made by the DPC to improve how it functions. Notably the DPC became a founding member of Ireland's first Digital Regulators Group, to help integrate communication with Government and drive regulatory coherence ahead of pending legislative changes at EU level.<sup>5</sup>

Despite the strong enforcement of data protection regulation on organisations by the Irish DPC, the 'country of origin' principle and the 'one-stop-shop' mechanism has been critical in providing certainty to business in terms of the regulatory bodies that they must engage with, and therefore a cornerstone of the EU's success in attracting FDI.

Furthermore, according to the latest DPC report, when we look at cross-border complaints, of the complaints lodged with the Irish DPC from individuals living in Ireland that relate to the actions of a company in another EU Member State, 48% have been resolved via other EU data protection authorities. In comparison, the DPC has resolved 71% of the complaints redirected by other EU authorities.



As we look to the future and anticipate additional EU regulations on the horizon, it is crucial for Ireland to demonstrate its continued commitment to serving as a regulatory hub for the benefit of the EU as a whole. Ireland should work diligently to ensure that its role, responsibilities, and the privilege it holds in this integral role are forefront in its European identity. The expectations on Ireland as a digital regulatory hub within the EU, and the pressures on *'good regulation'* will increase in the context of the Digital Services Act, and additional, critical pieces of legislation being implemented and being developed at EU level. As such, it is essential that Ireland focuses on providing the investment and commitment required to maintain, and build upon, its role as a digital regulatory hub.

Ireland has the potential to develop its role as a regulatory hub into that of a centre of excellence for regulation at the heart of the EU. Spurring innovation in Ireland will be key to achieving this goal, as will ensuring Ireland has a strong voice at the European table on all matters related to digital, data, cyber, A.I. and Industry 4.0. This viewpoint of AmCham members aligns with the ambition outlined in the State's digital strategy which focuses on good regulation and Ireland's role in the wider European context:

*"Regulation needs to be measured, understandable, enforceable and effective. These aims align with Ireland's ambition to be a centre of regulatory excellence in Europe where both industry investments and European consumers are the winners."*<sup>6</sup>

AmCham welcomes the publication of the 2022 Progress Report in December 2022, and notes the importance of a continued focus on providing progress reports and implementation updates into the future.<sup>7</sup>

#### AmCham recommends:

- Ensuring that Ireland is a strong advocate for the protection of the *'country of origin'* principle at EU level.
- The continued provision of implementation updates to showcase progress in achieving the ambitions of Ireland's digital strategy: *'Harnessing Digital: The Digital Ireland Framework'*.

## Strengthening Ireland

Ireland's continued position as a regulatory hub within the EU comes with much responsibility and is not guaranteed. Ireland's digital strategy provides an important, high-level ambition regarding Ireland's position as a regulatory leader within Europe, stating that:

*A strong, coherent and stable digital regulatory framework is a key element of our offering. Ireland will continue to show leadership to safeguard the country-of-origin principle and to proactively and effectively shape negotiations and advocate for an appropriate regulatory framework at EU level. Domestically, we will continue to build a strong well-resourced network of regulators to effectively oversee and enforce digital regulations. Regulation must simultaneously ensure the safety of our citizens and promote innovation and progress.<sup>8</sup>*

Ireland must showcase its commitment to continuing to meet its responsibilities on behalf of the European community. Key to this is ensuring legislative pace matches the pace of regulatory change.

Delays in the transposition of EU Directives into domestic law can cause significant frustration. Where the legislative pace is 'too slow' it can damage Ireland's reputation on the European stage. In the timeframe it takes for legislative drafting and enactment, the world may have moved on, and challenges may have evolved. Additionally, where the legislative pace is 'too fast', achieving compliance can be significantly cumbersome as business works to enact the necessary changes. Achieving the correct balance in the legislative timeframe will be essential to supporting Ireland's regulatory environment.

As we look to recent legislative changes at European level, a key signal that can be sent by Ireland will be, for instance, ensuring the Digital Services Act is properly enacted at national level, and that there are no delays to its transposition. Failure to enact key European regulations within the transposition timeframe can act to undermine Ireland's position as a regulatory hub and therefore, for such legislation, Government must ensure transposition timeframes are aligned with EU requirements. With the regulatory environment becoming ever more complex, the opportunity exists for Ireland to show it can, and will, rise to the challenge. When we look to the Digital Services Act for instance, the opportunity exists for Ireland to further show how its regulatory knowledge and prowess can strengthen Europe's position as a location for investment and innovation.

The Enterprise White Paper 2022-2030 acknowledges the role Ireland plays in EU regulation, and the importance of implementation to strengthening Ireland's position and influence in the EU:

*"Ireland is the lead regulator of the global technology companies headquartered here for the purposes of major EU digital regulations, including the Digital Services Act and the General Data Protection Regulation. This is an invaluable opportunity to demonstrate Ireland's digital leadership on the EU and global stage, and strong execution is essential. Our experience in this space adds weight to Ireland's influencing power on digital regulatory matters in the EU, and in international fora, and we will continue to act as strong advocates for an ethical and human-centric approach to the development and adoption of digital technologies"<sup>9</sup>*

The establishment of a new regulatory body in the Media Commission, and particularly the identification that this body will be the Digital Services Coordinator for the Digital Services Act is positive. However, it is now of the utmost importance that the necessary additional legislation to fully implement the Digital Services Act is brought forward, considered and enacted within the required implementation timeframe – by February 2024. Through the timely enactment of this legislation, Ireland can show that it is committed to fulfilling its regulatory role fully, and responsibly.

At the core of all action to support Ireland's position as a regulatory hub must be a focus on ensuring quality regulation. This is even more important given the increasing complexity of the regulatory ecosystem. However, Ireland's strengths in this regard are underpinned by a high-quality, robust decision-making processes and the presence of a strong legal system. It is of the utmost importance that Ireland engages with international partners and stakeholders to build awareness of these strong foundations upon which Ireland's position as a regulatory hub is built.

**AmCham recommends:**

- A focus on ensuring the rate of legislative change reflects the speed of regulatory change.
- Ensuring the timely and proper transposition and enactment of key European regulations.
- An awareness-building campaign by Government and public bodies directed toward policymakers and regulatory bodies in our European and international partners. This campaign should emphasise the strength of Ireland's decision-making and judicial systems as the foundation for Ireland's regulatory system.

## Ireland – A European champion

To strengthen Ireland's position as a regulatory hub, it is imperative that Ireland demonstrates its status as a European champion at the EU level. Leveraging the skills of Ireland's representatives, and through engagement with industry, the opportunity is there for Ireland to ensure it is taking proactive, informed positions on key files under consideration at the European table. Such an approach will be important in ensuring that Ireland is advocating for measures in both the national and the wider European interest.

With geopolitical and economic uncertainties on the global stage, it becomes crucial to ensure Europe's competitiveness as an investment destination in contrast to global competitors. This endeavour will bring benefits to both Ireland and the EU. Ireland's role as a regulatory hub has the potential to enhance Europe's overall competitiveness and enhancing the bloc's attractiveness for inward investment. Ireland's strengths will empower the EU, while the strengths of other Member States will fortify Ireland's competitiveness.

In an address to the Joint Houses of the Oireachtas, European Commission President, Ursula von der Leyen recognised Ireland's potential as a regulatory hub, stating:

*"Ireland has become a hub for the world's most innovative companies, from pharma to high tech. And you are taking up the responsibility to regulate this crucial sector. Europeans depend heavily on Irish authorities to ensure that the many tech giants based here comply with our common privacy rules. Ireland can be the home base for the human-centred internet Europe wants to build. And the European Commission looks forward to working closely with Ireland in implementing new EU digital legislation – the Digital Markets Act and the Digital Services Act. This will keep the digital economy fair and competitive."*<sup>10</sup>

In her address, President von der Leyen further recognised the benefits of leveraging Ireland's 'soft power' internationally, saying:

*"Ireland is Europe's springboard over the Atlantic. A gateway to the world. Two centuries of emigration have given Ireland an unparalleled soft power and diplomatic network. .... And there are few countries more skilled than Ireland at leveraging the influence and friendship of a historic diaspora."*

Given Ireland's deep relationships and status as a trusted partner with many non-European, international partners, Ireland can benefit Europe's competitiveness by leveraging its position as an EU regulatory hub to promote a European view in relation to digital regulation with non-EU, international partners.

President von der Leyen's remarks represent an opportunity for Ireland to seize at European level and signify an openness in the EU for Ireland to showcase how it can utilise its position as a regulatory hub to drive forward Europe's innovation ecosystem and the bloc's competitiveness on the global stage.

Moreover, in showcasing how Ireland's position as a regulatory hub can benefit the EU on the world stage, a 'whole of Ireland' approach, with strong collaboration between industry and academia will be essential. In this context, supporting key institutions, and the provision of resources and investment in supporting industry and academia collaboration to inform education in key regulatory competencies, would support Ireland's position on the European stage as an active participant with proactive, informed positions, informed by best practice, on forthcoming regulation.

## The opportunity within Europe on Artificial Intelligence

Great opportunities exist for Ireland across numerous policy areas. However, there should be particular focus on matters related to digital, data, cyber and A.I. given the ever-changing regulation focused on these sectors and their importance to the Irish economy.

For A.I. to play a role in Ireland's economic future, regulation will be essential. In June the European Parliament adopted its negotiating position on the A.I. Act, and the final version of the A.I. Act is expected before the end of 2023. The rationale behind the A.I. is noted below:

*"It aims to address risks of specific uses of A.I., categorising them into 4 different levels: unacceptable risk, high risk, limited risk, and minimal risk.*

*In doing so, the A.I. Regulation will make sure that Europeans can trust the A.I. they are using. The Regulation is also key to building an ecosystem of excellence in A.I. and strengthening the EU's ability to compete globally."<sup>11</sup>*

Ireland can utilise this opportunity to identify how best it can function as a regulatory hub for A.I. It can further highlight to European partners how Ireland can leverage its position as a regulatory hub to drive innovation in A.I., to spur inward investment into the EU in this sector, and to ensure business and individuals in the EU will benefit from strong oversight and good governance in this sector. AmCham notes that Ireland participates in the European Commission's High-Level Group on A.I. and Digitalisation of Business, which provides the foundations to enhancing Ireland's focus on digital and A.I. regulation in Europe.<sup>12</sup>

A.I. is also a key priority area for the EU-US Trade and Technology Council, which has a dedicated subgroup, taking account of the opportunities which exist for the EU, the US and the transatlantic relationship. AmCham believes it is important that internationally recognised standards to implement trustworthy A.I. systems are adopted.

Ireland is in a unique position to shape the EU's direction on A.I. and to showcase its commitment to regulating the sector, from Ireland, in its role as a regulatory hub within the EU. As the transatlantic gateway between the US and the EU and given the presence of over 900 US MNCs in Ireland, the industry expertise is available for Ireland to leverage to ensure it takes a proactive and informed position in relation to future A.I. regulation, which would benefit Ireland's position as a key regulatory base.

Looking to future regulation, Ireland must focus on ensuring it utilises its digital base to be to the forefront of regulatory change. This is acknowledged in the White Paper on Enterprise:

*"As much of our regulation originates at EU level, this helps to position Ireland, along with other Member States, at the forefront of regulatory developments and with the potential to avail of 'first mover' advantage in areas such as digital, personal data and responsible business matters."<sup>13</sup>*

Overall, many opportunities exist for Ireland to ensure its commitment and the privilege it holds as a regulatory base in the EU are reflected in the perception of Ireland as a Member State at the heart of the EU.

#### **AmCham recommends:**

- Ireland ensures it is taking proactive positions on key files under consideration at EU level, particularly in the areas of A.I. cyber, data, digital, and Industry 4.0.
- Ireland leverages the industry expertise based in Ireland to inform technical consideration of future regulation at EU level.
- A focus on communicating to European partners how Ireland's position as a digital regulatory hub can spur innovation to benefit the EU as a whole, informed by the experience of Irish regulators.
- Ireland's 'soft power' in diplomacy is utilised as a means of benefiting European competitiveness and advancing discussions on digital regulation with non-EU, international partners.

## Cyber security to underpin Ireland's digital base

Ireland must ensure that the necessary cyber security infrastructure and resourcing is in place within public and regulatory bodies. This is imperative given Ireland's strategic importance as a hub in the transatlantic digital economy.

Prioritising cyber security is pivotal from a regulatory perspective in building trust – trust with industry, trust with the public, and trust with other jurisdictions for whom Ireland's regulators fulfil governance and compliance functions.

AmCham acknowledges the publication of the NIS 2 Directive in December 2022 and its entry into force in January 2023. NIS 2 will build on and repeal NIS 1, and crucially addresses deficiencies in the current legal framework. NIS 2 expands the coverage of the current legal framework and clarifies minimum mandatory cyber security measures applicable across the EU, whilst additionally streamlining incident reporting requirements. NIS 2 also bolsters the functions of national cyber security authorities with respect to regulatory oversight, enforcement action, and sanctions. AmCham views the implementation of NIS 2 as an opportunity for Government to firmly and clearly communicate the importance of cyber security to a range of sectors, given the number of industries which will fall under its remit. AmCham looks forward to Ireland's adoption of NIS 2 and its application of those measures in advance of the deadline on 18 October 2024.

AmCham further stresses the importance of responding to criminal actors in the cyber security space. AmCham therefore welcomes the e-Evidence regime and the Second Protocol under the Budapest Convention as mechanisms of enabling the cross-border requests for evidence relating to law enforcement investigations in this space. AmCham looks forward to the transposition of these regimes at the earliest opportunity.

In building Ireland's cyber security capabilities, the National Cyber Security Centre (NCSC) must be resourced with the required expertise to address any current and potential future cyber-threats. To best prepare the NCSC to have a comprehensive approach to cyber security, a robust team of experts from a variety of backgrounds is needed. For instance, individuals with backgrounds in diplomacy, incident response, and law enforcement would be beneficial. The current recruitment programme for the NCSC aims to increase staffing numbers to 70 by the end of 2024.<sup>14</sup> Given the high demand for cyber personnel and the shortage of skills in the field, it is crucial that the NCSC's resourcing is planned in a manner that ensures the organisation's resilience against attrition and maintains adequate personnel to cover crucial roles in cases of attrition.

Skillsets focused on human behaviour should also be taken into account in the resourcing of the NCSC. Cyber security is a people-centred field, where understanding the motivation and potential actions of those responsible is crucial to preventing and stopping attacks. Those with backgrounds in fields including behavioural sciences, geopolitics, and psychology can make significant contributions to reinforcing Ireland's cyber-protection.

Looking to staffing models used elsewhere, the United Kingdom's NCSC leverages the expertise of industry, whereby experts employed by industry are embedded in the NCSC. Such an approach could foster greater collaboration with industry and increase the diversity of knowledge and number of employees at the Irish NCSC. With the scaling of the NCSC, the opportunity exists for Ireland to not only be a hub for best practice from a European perspective, but also to be the bridge between the EU and the US for cyber security, as a country with the highest levels of cyber security and cyber security best practice as its core.

Cyber security is a prerequisite for increasing digitalisation. As digitalisation increases throughout each sector of the economy, it is crucial that there is a focus on ensuring cyber security expertise is in place within each of Ireland's regulatory bodies. Such actions will provide greater confidence to our European partners of the resilience of Ireland to any cyber challenges which may present. It will further provide certainty to business and to the public that the matters being considered by regulators are fully secure, enhancing Ireland's reputation both as an investment location and as a regulatory hub within the EU.

AmCham acknowledges the target within the State's digital strategy that:

*"All operators of essential services, Government Departments and key agencies independently verified to have implemented robust cyber security mitigation measures based on internationally recognised standards by 2024."*<sup>15</sup>

Many of the world's largest companies have operations and regional headquarters in Ireland. These companies deserve world-class protection and regulation. Our European partners would further expect the provision of world-class protections in Ireland, for these companies, serving global markets, with global teams.

Ireland can also leverage the experiences of international partners to enhance its cyber security and resilience. Ireland can learn from the success and mistakes of others who have cyber security centres. By continuing to deepen international engagement at governmental, agency and public body levels, Ireland can ensure its approach to cyber security is informed by best-practice.

#### AmCham recommends:

- A continued focus on increasing investment and resourcing to the NCSC, keeping current commitments under constant review to adapt to emerging cyber security challenges and threats.
- That resourcing of the NCSC ensures a robust team of experts from backgrounds directly linked to cyber including diplomacy, incident response, and law enforcement.
- That future resourcing of the NCSC additionally acknowledges the need for experience from varying backgrounds, including behavioural sciences, geopolitics and psychology.
- Given that cyber personnel are in high demand, the resourcing approach should ensure the NCSC is resilient against attrition of key staff.
- Examine engagement with industry on staffing, informed by approaches taken in NCSCs in other jurisdictions.
- Continued engagement with international partners to inform Ireland's cyber security with international best practice and to deepen international relations and collaborations at government, agency and public body levels.
- The resourcing of cyber security within key regulatory bodies is prioritised.

## Skilling Ireland's digital future

As our economy and society becomes increasingly digitised, equipping businesses and people with the skills needed to thrive in the workplace, and in accessing public services is essential.

With regard to digital regulation in Ireland, the main regulatory bodies with competencies in this area are the new Media Commission, the Competition and Consumer Protection Commission (CCPC), the Commission for Communications Regulation (ComReg) and the Data Protection Commission (DPC). However, with increasing digitalisation across all sectors, it is of intrinsic importance that our regulatory bodies are digitally 'savvy'. This is essential to ensure the regulatory environment does not stall innovation, but rather enables it in a manner which is ethical and focused on consumer empowerment and protection.

To make this a reality, there must be a focus on ensuring all regulatory bodies (including those who may not traditionally have been digital focused) have the necessary skills at sufficient level to adequately engage with new digital innovations in their area of remit. For instance, resourcing the Central Bank of Ireland with skills to cater for both current and future digital innovation will further enhance Ireland by providing the capability for its regulatory framework to be both reactive and proactive.

As announced by President of the European Commission, Ursula von der Leyen in her 2022 State of the Union address to the European Parliament in September, 2023 will be the European Year of Skills.<sup>16</sup> Emphasising the importance of skills, President von der Leyen noted the importance of investment in professional education and upskilling, the need to attract the necessary skills to the EU to strengthen the bloc's growth, and the role of companies in identify the skills most needed.

AmCham members have consistently highlighted talent attraction and skills shortages as the second and third greatest challenges they are facing to their continued growth and expansion in Ireland. In the context of a European focus on skills in 2023, Ireland must redouble efforts to ensure skills are developed, and attracted to Ireland in the areas of digital, A.I. and cyber. Ensuring adequate skills development and attraction in these key sectors will support innovation in Ireland. This will subsequently enhance opportunities for Ireland to be to the forefront of regulatory discussions on emerging technologies in Europe and will provide greater opportunity to ensure these key skills are embedded in key public bodies, including all regulators.

The development of a framework for stakeholders – academia, government, industry and regulatory bodies – is essential. This framework aims to ensure that targets for skills development align with the needs of all stakeholders, allowing for the setting of targets that cater to the requirements of each group.

With the global battle for talent ongoing, upskilling and reskilling will be key to empowering individuals within the modern-day workforce. This is particularly key for those returning to the workforce after an absence.

Furthermore, when we look to the skills being produced in Ireland, it would be beneficial for a campaign focused on second-level students to highlight future employment opportunities in key digital areas, and encourage students to engage in relevant digital, A.I. and STEM courses in the tertiary education system.



**AmCham recommends:**

- Ireland's regulatory approach has at its core a determination to foster innovation in a manner which is responsible and has an ethical, consumer protection focus.
- A focus on ensuring all regulatory bodies are resourced with the required digital skills to ensure they can fulfil regulatory functions for products and services which are becoming increasingly digitalised in their area of remit.
- A focus on developing indigenous talent, and attracting international talent, with key skills in A.I., cyber, and digital.
- A continued emphasis on upskilling and reskilling individuals with digital skills to cater for the current and future needs of an ever-digitalising workforce.
- An educational campaign centred on second-level students to encourage greater engagement in A.I., digital and STEM courses at tertiary level to support future skills development.
- The development of a framework for stakeholders to ensure targets for the development of skills needs for all actors are aligned, and to inform the setting of targets for skills development.

## Conclusion

The opportunities for Ireland to enhance its position as an EU digital regulatory hub and become a centre of excellence are significant.

The publication Ireland's national digital strategy has been positive. However, turning its ambition into reality must now be a key priority for government. Doing so in a manner which enhances the perception of Ireland on the European stage will be vital in strengthening Ireland's role in the EU's regulatory ecosystem.

Many of the tools and experiences needed to transform Ireland into a centre of excellence for regulation, and to strengthen its position as a regulatory hub already exist. Building on the regulatory framework, ensuring our European partners understand the commitment and expertise of Irish regulators, and addressing delays in the transposition of key EU regulations into domestic law will be pivotal in showcasing Ireland's commitment to digital regulation. This must be coupled with a continued prioritisation of the protection of the 'country of origin' principle at EU level.

Ireland's position as a regulatory hub largely came about as a result of the success of the State's inward investment strategy. Addressing challenges, including cyber security capabilities and skills shortages offers the potential to ensure Ireland's FDI strategy remains successful in key digital sectors into the future.

Attracting investment to key digital sectors to Ireland will spur future innovation and the development of emerging technologies within the EU, subsequently benefiting the wider EU business ecosystem.

2023 marks 50 years since Ireland joined the European Economic Community. Speaking in Dáil Éireann in March 1972, Taoiseach Jack Lynch said:

*"Today we stand at a most important crossroads in our history. The road we take will determine not only the future of our country for generations to come, but also the contribution we make to the creation of a Europe that will measure up to the high ideals of the founders of the Community. I am confident that the decision we take will reflect our people's faith in their capacity to help fashion for themselves and for future generations of Irish men and women a better Ireland in a better Europe."*

<sup>17</sup>

While membership of the EU has had great benefits for Ireland since its entry to the EEC in 1973, Ireland has also made significant contributions to the European project. Ireland, with a focus on digital regulation, can now enhance its contribution to the European project, in a manner which has both domestic and European benefits. Ireland can, once again, help fashion a better Ireland in a better Europe for themselves and for generations to come.

With smart policy decisions, Ireland can firmly take its place at the heart of the European Union.

## Endnotes

- 1 [https://ireland.representation.ec.europa.eu/news-and-events/news/european-commission-representation-presents-annual-2022-eurobarometer-report-ireland-2022-04-06\\_en](https://ireland.representation.ec.europa.eu/news-and-events/news/european-commission-representation-presents-annual-2022-eurobarometer-report-ireland-2022-04-06_en)
- 2 Harnessing Ireland: The Digital Ireland Framework
- 3 One Stop Shop (OSS), Data Protection Commission
- 4 DLA Piper GDPR fines and data breach survey: January 2023
- 5 <https://www.dataprotection.ie/en/news-media/press-releases/data-protection-commission-publishes-2022-annual-report>
- 6 Harnessing Ireland: The Digital Ireland Framework
- 7 Harnessing Ireland: The Digital Ireland Framework
- 8 Harnessing Ireland: The Digital Ireland Frameworkk
- 9 White Paper on Enterprise 2022-2030
- 10 Address by European Commission President, Ursula von der Leyen to the Joint Houses of the Oireachtas, 1 December 2022
- 11 Proposal for a Regulation laying down harmonised rules on artificial intelligence, European Commission
- 12 Harnessing Ireland: The Digital Ireland Frameworkt
- 13 White Paper on Enterprise 2022-2030
- 14 Harnessing Ireland: The Digital Ireland Framework
- 15 Harnessing Ireland: The Digital Ireland Framework
- 16 2022 State of the Union address, Ursula von der Leyen, President of the European Commission
- 17 Motion on Membership of EEC., Dáil Éireann, 21 March 1972

# The American Chamber of Commerce Ireland

## The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and Investment.

## Connecting with Purpose

Through our virtual/attended events, webinars, and roundtable discussions our networks support deep collaboration and peer-to-peer learning in a trusted environment. Through AmCham, our members get to have meaningful, value-creating interactions with their peers. We use best in class technology to ensure that our members can get a first-class networking experience.

## Advocacy with Purpose

AmCham membership gives companies a powerful voice as part of what is recognised as one of the most influential business groups in the country. We are recognised as a trusted, credible and authoritative voice at the most senior level with Government and decision makers in Ireland, Brussels and Washington DC.

## Leadership Development with Purpose

Our leadership development programmes support individual growth within our member companies. These highly sought-after programmes operate virtually and in-person.



[www.amcham.ie](http://www.amcham.ie)