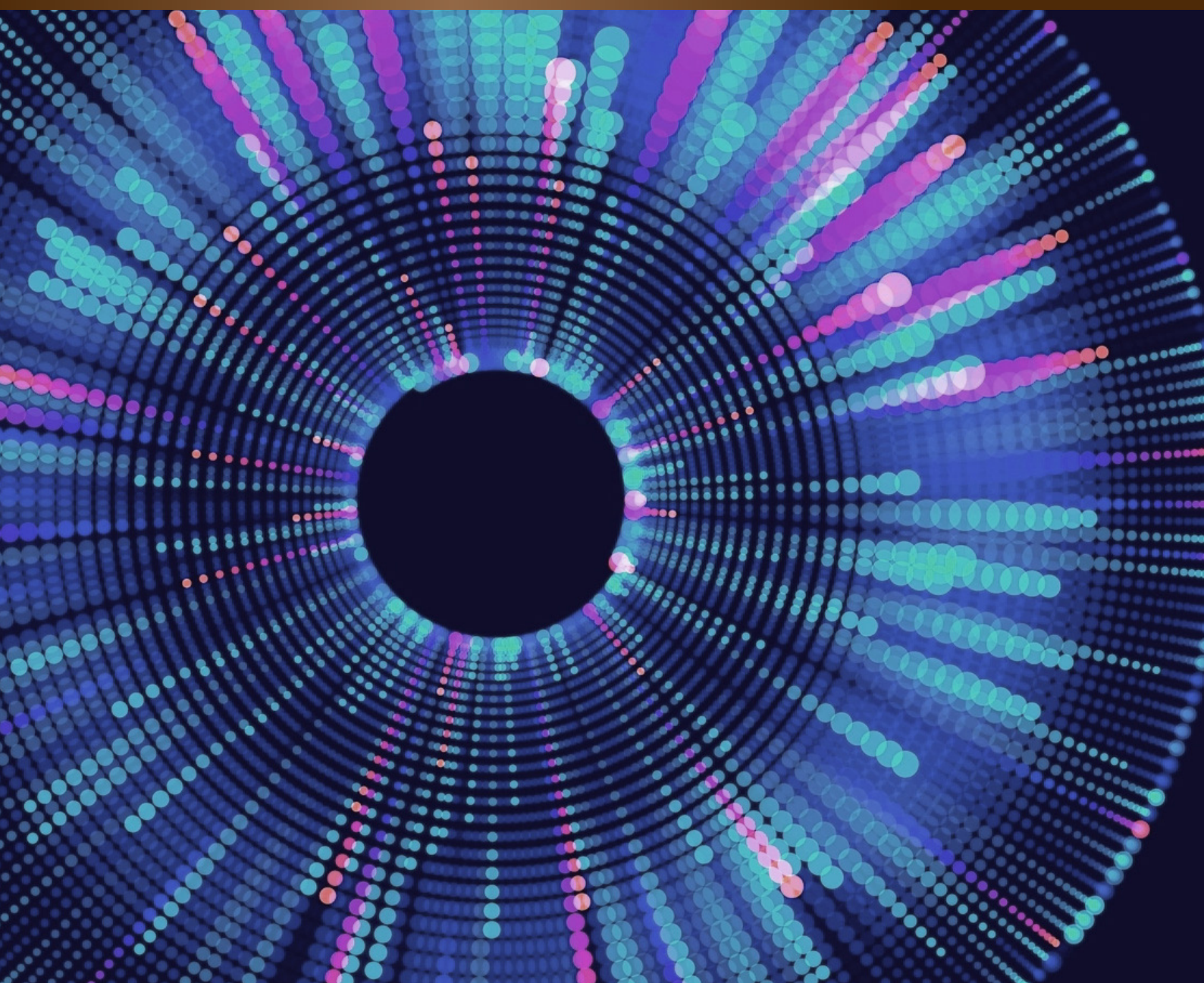


Ireland Eyes Continued Active ETF Dominance

An exploration into why asset managers are increasingly choosing to domicile exchange-traded funds (ETFs) in Ireland.



Executive Summary

Ireland is synonymous with the rise of exchange-traded funds (ETFs). Its dominance as an ETF domicile is attributable to its first-mover advantage in the cross-border funds realm and the substantial expertise and operational infrastructure it has since built in developing legal fund structures and tax treaty networks. The Undertakings for Collective Investments in Transferable Securities (UCITS) Directive, the goal of which was to build a transparent and unified cross-border funds market, was adopted in 1985. Ireland established the Irish Financial Services Centre in Dublin in 1987 and became the second member state to adopt the UCITS Directive in 1988, shortly after Luxembourg. In the intervening almost four decades, Ireland has capitalised on its early knowledge-base to develop into a thriving cross-border fund ecosystem specialising in ETFs. Its ready host of accountants, lawyers, technology partners, and administrators can handle the complexity of funds catering to a diversified portfolio of assets. Ireland has maintained and further honed its regulatory stability and flexibility, as well as operational efficiency, thus facilitating market access for cross-border ETF distribution.

As regulatory changes allow for wider swaths of investors in Europe to enter more fund structures, savvy asset managers would do well to examine the advantages of domiciling ETFs in Ireland. This paper examines the historical rise of active ETFs and the particular benefits Ireland offers from a cross-border fund perspective for issuers looking to build out ETF wrappers.

Irish Entrance: A Historical Lens

Since their debut in North America in the early 1990s, ETFs have attracted investors with their simplicity and transparency. Call it ETF 1.0, an era that embraced ETFs as passive, index-tracking vehicles offering low expense ratios, tax advantages, and region-specific benefits while also enabling intra-day trade flexibility and fully visible holdings. The rest of the world followed suit, with Ireland launching its first ETF in 2000.¹ ETFs became essential tools for asset managers to broaden their offerings.

By the mid-2010s, ETF 2.0 arrived with smart beta and factor-based products, boosted by the SEC's 2019 Rule 6c-11, the so-called ETF Rule, which made custom baskets easier and improved tax efficiency—especially for active ETFs. Concerns about transparency and alpha leakage faded as active managers found success with fully transparent ETFs, and the structure's cost and tax advantages continued to drive growth and institutional interest.

Now, ETF 3.0 is emerging. ETFs have evolved from simple, passive vehicles to sophisticated tools with actively managed portfolios and complex strategies.

The ETF industry has grown massively as such, with no signs of slowing down. All told, there are some 15,652 ETFs listed globally holding a record-breaking \$19.8 trillion in assets as of year-end 2025.² Actives, numbering 4,191 funds, now constitute more than a quarter of ETFs and have reached \$1.73 trillion in assets.³ These numbers are set to rise considerably. EY predicts global ETF AUM could reach more than \$40 trillion by 2030, double the current total.⁴ The rate of growth in active ETF AUM is expected to be particularly robust, with projections that it will more than double to reach \$4 trillion by 2030, largely at the expense of active mutual funds rather than passive ETFs, according to BlackRock.⁵

The U.S. has seen its market share of actively managed ETFs soar with actives making up 85% of new 2025 launches.⁶ Actives accounted for 37% of new ETF launches in EMEA in 2025.⁷ Ireland, which holds 96% of European active ETF AUM, has played an instrumental part in keeping pace with delivering the product complexity to meet end investor demand.⁸

Ireland is a domicile that issuers cannot ignore given how advantageous the environment is to building ETF wrappers that are attractive to end investors in light of its favourable tax and regulatory regimes, concentration of ETF talent in Securities Services, and critical mass of legal firms and management companies (ManCos) that oversee operations, compliance, risk management, and investments for ETFs.

¹ [The Irish Funds Industry - a history](#), IOB

² [Bloomberg Finance L.P., ETFGI](#)

³ [Ibid.](#)

⁴ [European ETF market surges 41% to over €2.7 trillion in 2025, on track to hit over €5 trillion by 2030](#), EY, Feb. 27, 2026

⁵ [How active ETFs are reshaping the market](#), BlackRock, July 15, 2025

⁶ [Bloomberg Finance L.P., ETFI](#)

⁷ [Ibid.](#)

⁸ [Ireland Extends Its Dominance in the European ETF Market, Driven By Active ETFs Commanding A 96% Market Share](#), Irish Funds, Nov. 21, 2025

The Irish Advantage

Ireland is the de facto ETF domicile of choice for the European market. Its dominance is definitive, with some 70% of the approximately 3,100 European ETFs domiciled there.⁹ Luxembourg, the European market with the second-largest number of ETFs, domiciles just 21% of European ETFs.¹⁰ Beyond the sheer number of funds, Ireland dominates in assets too, domiciling three-quarters (78%) of European ETF AUM for a total of \$2.1 trillion.¹¹

Though passive ETFs currently represent more than 96% of Irish domiciled ETF AUM¹² and are thus the driving force behind Ireland's dominant market share, active ETFs represent the latest growth area that can further boost Ireland's position. Ireland domiciles 220 of Europe's 260 active ETF structures (85%), holding \$98.6 billion of \$103.1 billion (96%) in European active ETF AUM and attracting 94% of 2025 net flows as of November 21, 2025 for a total of \$47.9 billion.¹³ ETFs, particularly actives with bespoke investment baskets of greater complexity, are increasingly of interest to investors given the diversification they offer through their complexity, intraday liquidity, affordability as a product, and overall efficiency, including the potential for preferential withholding tax rates on certain overseas dividends.

In Ireland, a 2025 CBI clarification has also elucidated the regulatory approach to the creation of listed ETF share-classes within mutual funds without the UCITS ETF moniker at the sub-fund level; this allows existing mutual fund managers to add an ETF share class to an existing mutual fund.¹⁴ This represents further ETF market entry points for asset managers building a wrapper that provides potential opportunities for retail investors. Ireland domiciles 429 of 496 (86%) ETF share classes in Europe.¹⁵ That said, there could be tax implications from doing this for ETFs holding U.S. equities, depending on the structure and investor profile, and it has seen limited traction since the CBI's change of stance.

Ireland also benefits from extensive double taxation treaties, including a reduced 15% U.S. dividend withholding tax for Irish ETFs with U.S. equity exposure. Large passive managers with high exposure to U.S. assets have established low-cost passive tracker funds

in Ireland over any other European domicile. Managers may launch an entirely new product tailored for a European Union (EU) client base or re-distribute an existing fund into the EU market if the strategy fits the regulations and wrapper. Though Ireland may not be attractive to Irish retail investors due to Irish tax, the ETF products domiciled in Ireland are appealing to general EMEA retail investors due to funds availing of the double taxation treaties.

In addition, the absence of a subscription tax on ETFs adds to Ireland's appeal. Ireland's corporate tax environment is also attractive, with fund suppliers taxed at 12.5% versus 25% in Luxembourg. Flexible structures support active ETF launches, and as a result of regulatory changes in early 2025, the CBI now allows ETFs with full exposure to collateralised loan obligations (CLOs).¹⁶

In April 2025, the CBI provided the ability to establish semi-transparent ETFs by amending its requirements for portfolio transparency and allowing ETFs to disclose portfolio holdings only at each calendar quarter.¹⁷ This shift away from transparency to semitransparency may help active managers as they launch their strategies in Ireland without the immediate risk of having their holdings and strategies replicated, although such a risk cannot be eliminated.

There have also been a spate of recent private credit and private equity ETF filings – such as PRIV, the Apollo/State Street public-private credit ETF in the U.S. – that demonstrate increased enthusiasm for innovative applications of the ETF wrapper allowing retail investors to access a complex mix of private assets. This development could be advantageous to Ireland should similar products come to Europe.

⁹ [Industry Insights: Entering the European ETF Space](#), Irish Funds, March 6, 2025

¹⁰ *Ibid.*

¹¹ [Ireland Extends Its Dominance in the European ETF Market, Driven By Active ETFs Commanding A 96% Market Share](#), Irish Funds, Nov. 21, 2025

¹² Bloomberg Finance L.P., ETFIGI

¹³ *Ibid.*

¹⁴ [The Rise of ETF Shares Classes of Mutual Funds](#), J.P. Morgan, May 5, 2025

¹⁵ [Ireland Extends Its Dominance in the European ETF Market, Driven By Active ETFs Commanding A 96% Market Share](#), Irish Funds, Nov. 21, 2025

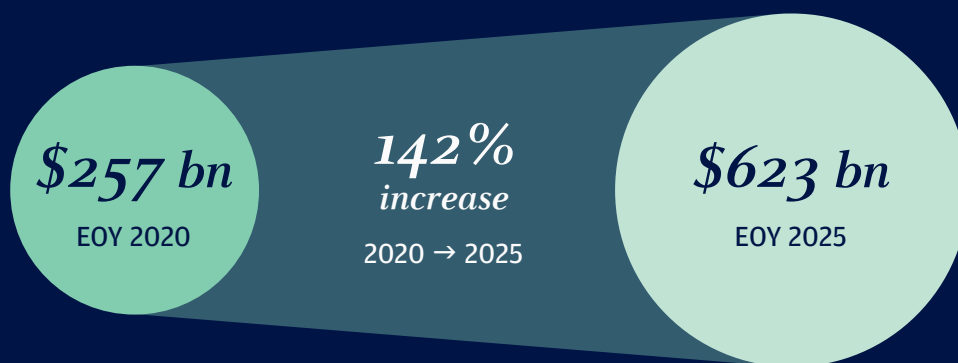
¹⁶ [Irish regulators give green light for 100% CLO exposure in UCITS](#), 9fin, November 7, 2024

¹⁷ [UCITS Questions and Answers 42nd Edition](#), Central Bank of Ireland, April 17, 2025

The Luxembourg Allure

Despite Ireland's dominance in the ETF realm, Luxembourg, the second-largest fund centre globally after the U.S., is strategically positioning itself to capitalise on the growing trend of active ETFs. Though Luxembourg currently domiciles slightly more than a fifth of all European ETFs, it is angling for greater market share.¹⁸ In fact, Luxembourg for Finance, the Grand Duchy's financial centre development agency, has instituted a catchy tagline: "Luxembourg is where ETFs go to work."

Big picture: ETF AUM IN LUX



Sources: CSSF/EFAMA

Sources: *Luxembourg Financial Centre Records*
Strong Growth Across Sectors in 2025
Luxembourg For Finance, March, 26, 2026

Luxembourg's Advantages:

- Comprehensive double taxation treaties with 92 countries¹⁹
- Established fund infrastructure and financial ecosystem, with no significant start-up costs for ETFs
- Ability to use "synthetic replication" structures to mimic U.S. ETFs through a swap agreement with a counterparty without purchasing underlying securities²⁰
- The discontinuation of levying a subscription tax on active ETFs in Luxembourg, effective Jan. 2025 (an exemption already in place for passives)²¹
- The promotion of a fast-track approval process for ETFs from Commission de Surveillance du Secteur Financier (CSSF) in certain circumstances²²
- The ability for UCITS vehicles, especially Sociétés d'investissement à Capital Variable (SICAVs), to establish ETF share classes within existing mutual fund structures, subject to CSSF requirements

¹⁸ *Industry Insights: Entering the European ETF Space, Irish Funds*, March 6, 2025

¹⁹ *Luxembourg: Individual - Foreign tax relief and tax treaties*, PwC, Jan. 21, 2025

²⁰ *Can Luxembourg ride the active ETF wave?*, *etfexpress*, May 23, 2025

²¹ *Luxembourg exempts active ETFs from subscription tax*, *ETF Express*, Dec. 20, 2024

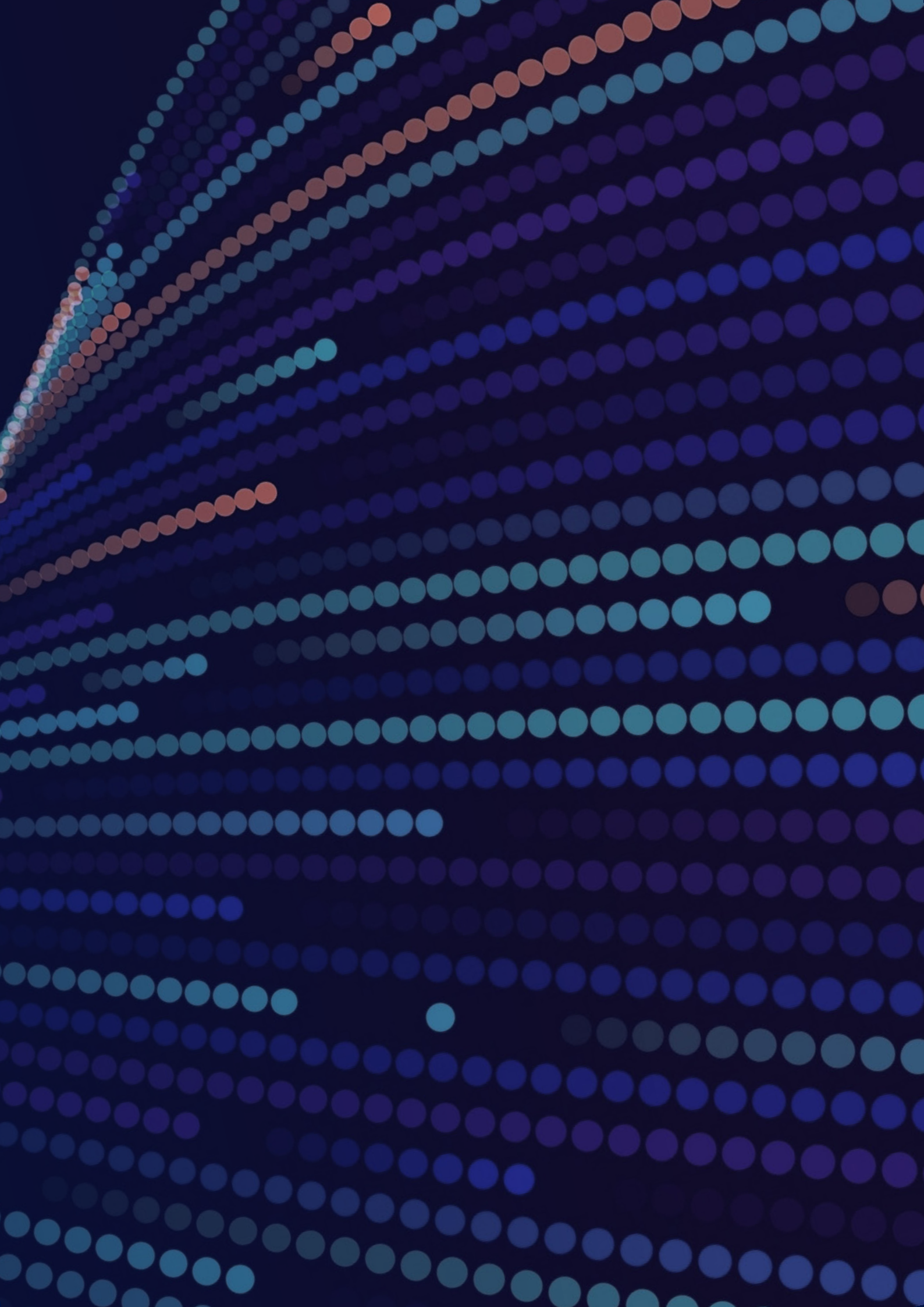
²² *Can Luxembourg ride the active ETF wave?*, *etfexpress*, May 23, 2025

Facilitating ETF Creation

If launching an ETF in Ireland, or Luxembourg for that matter, an asset manager has a particular set of needs for servicing and supporting these funds according to the intricate regulatory environment.

J.P. Morgan's global expertise and scale make it an ideal partner for launching ETF wrappers. With more than \$25.2 trillion in traditional assets and \$1.4 trillion in alternatives serviced, and more than 681 ETFs totalling \$3.8 trillion in assets, as of Dec. 31, 2025, J.P. Morgan offers comprehensive support for ETF issuers. Our deep knowledge of the regulatory landscape in both Ireland and Luxembourg, combined with innovative technology and a global platform, helps clients navigate product development, liquidity, and operational needs. This business is strengthened by leveraging the technology and proximity of our leading investment bank that also serves as an authorised participant (AP) and market maker for exchange-traded products around the world.

Asset managers benefit from our integrated services, including market making, primary origination, and operational asset servicing, as well as Fusion by J.P. Morgan—a cloud-native data solution for analytics and reporting. Wherever you choose to domicile your ETFs, our dedicated ETF service team spanning Sydney, Dublin, and Boston ensures robust infrastructure and hands-on support throughout the trade lifecycle. Partnering with J.P. Morgan means access to expertise, technology, infrastructure, and local insight to empower asset managers and investors to optimise ETF execution and outcomes.



Contacts

Eamonn Diamond

Head of Securities Services Sales - Ireland

200 Capital Dock, 79 Sir John Rogerson's Quay,
Dublin, Dublin, D02 RK57, Ireland
eamonn.diamond@jpmorgan.com
+353 87 452 4499

Ciarán Fitzpatrick

Global Head of ETF Product

200 Capital Dock, 79 Sir John Rogerson's Quay,
Dublin, Dublin, D02 RK57, Ireland
ciarán.fitzpatrick@jpmorgan.com
+353 1 612 4416

Kevin Coughlan

Head of Offshore Securities Services Sales, EMEA

200 Capital Dock, 79 Sir John Rogerson's Quay,
Dublin, Dublin, D02 RK57, Ireland
kevin.coughlan@jpmorgan.com
+353 1 612 3933

Notice

FOR INSTITUTIONAL & PROFESSIONAL CLIENTS ONLY – NOT INTENDED FOR RETAIL CUSTOMER USE

This is not a product of J.P. Morgan Research. J.P. Morgan is a marketing name for the Securities Services businesses of JPMorgan Chase Bank, N.A. and its affiliates worldwide. JPMorgan Chase Bank, N.A. is regulated by the Office of the Comptroller of the Currency in the U.S.A., by the Prudential Regulation Authority in the U.K. and subject to regulation by the Financial Conduct Authority and to limited regulation by the Prudential Regulation Authority, as well as the regulations of the countries in which it or its affiliates undertake regulated activities. Details about the extent of our regulation by the Prudential Regulation Authority, or other applicable regulators are available from us on request. J.P. Morgan and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only and is not intended to provide, and should not be relied on for, tax, legal, regulatory or accounting advice. You should consult your own tax, legal, regulatory and accounting advisors before engaging in any transaction. This document is not intended as a recommendation or an offer or solicitation for the purchase or sale of any security or financial instrument. Rather, this document has been prepared exclusively for the internal use of the J.P. Morgan's clients and prospective client to whom it is addressed (including the clients' affiliates, the "Company") in order to assist the Company in evaluating, on a preliminary basis, certain products or services that may be provided by J.P. Morgan. This document is provided for informational purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by J.P. Morgan. Any opinions expressed herein may differ from the opinions expressed by other areas of J.P. Morgan. This document may not be disclosed, published, disseminated or used for any other purpose without the prior written consent of J.P. Morgan. The statements in this material are confidential and proprietary to J.P. Morgan and are not intended to be legally binding. All data and other information (including that which may be derived from third party sources believed to be reliable) contained in this material are not warranted as to completeness or accuracy and are subject to change without notice. J.P. Morgan disclaims any responsibility or liability to the fullest extent permitted by applicable law, whether in contract, tort (including, without limitation, negligence), equity or otherwise, for any loss or damage arising from any reliance on or the use of this material in any way. The information contained herein is as of the date and time referenced only, and J.P. Morgan does not undertake any obligation to update such information. J.P. Morgan is the global brand name for JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide. All product names, company names and logos mentioned herein are trademarks or registered trademarks of their respective owners. Access to financial products and execution services is offered through J.P. Morgan Securities LLC ("JPMS LLC") and J.P. Morgan Securities plc ("JPMS plc"). Clearing, prime brokerage and brokerage custody services are provided by JPMS LLC in the U.S. and JPMS plc in the U.K. Bank custody services are provided by JPMorgan Chase Bank, N.A. JPMS LLC is a registered U.S. broker dealer affiliate of JPMorgan Chase & Co., and is a member of FINRA, NYSE and SIPC. JPMS plc is authorized by the PRA and regulated by the FCA and the PRA in the U.K. JPMS plc is exempt from the licensing provisions of the Financial and Intermediary Services Act, 2002 (South Africa). J.P. Morgan Securities (Asia Pacific) Limited is regulated by the HKMA. J.P. Morgan Europe Limited, Amsterdam Branch does not offer services or products to clients who are pension plans governed by the U.S. Employee Retirement Income Security Act of 1974 (ERISA). For additional regulatory disclosures regarding these entities, please consult: www.jpmorgan.com/disclosures. The products and services described in this document are offered by JPMorgan Chase Bank, N.A. or its affiliates subject to applicable laws and regulations and service terms. Not all products and services are available in all locations. Eligibility for particular products and services will be determined by JPMorgan Chase Bank, N.A. and/or its affiliates.

© 2026 JPMorgan Chase & Co. All rights reserved. JPMorgan Chase Bank, N.A. Member FDIC.