

# MSI 20000<sup>®</sup>

## The Financial Quality Certification



**MSI  
20000<sup>®</sup>**

Financial Quality Certification

**SOLIDITY  
INDICATOR  
EXPERTISE  
COMPLIANCE  
PERFORMANCE  
COMPETITIVENESS**



International Group for Sustainable Finance

# MSI 20000® : THE STANDARD DEDICATED TO FINANCIAL QUALITY

MSI 20000 is the standard for the quality of a company's financial situation

## THE STANDARD

MSI 20000®, or Market Standard Indicator – Index 20000®, is the international standard dedicated to the quality of the financial situation of companies and institutions. The MSI 20000® standard defines the most stringent compliance requirements in terms of financial quality.

## FOUNDATIONS

The quality of an entity's financial situation is measured by assessing its solidity and financial performance.

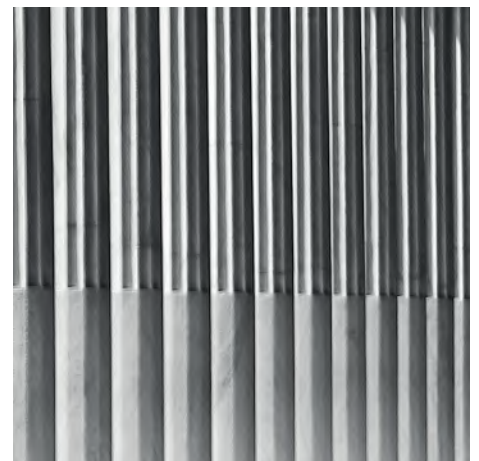
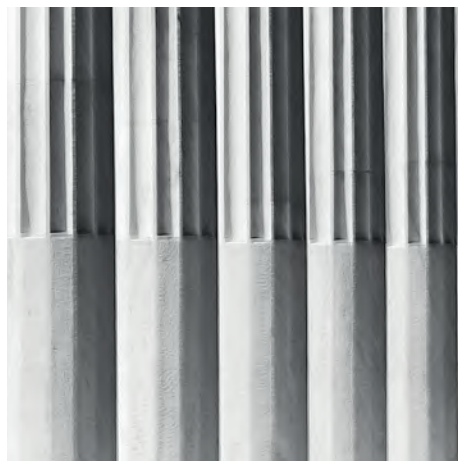
The MSI 20000® specifications outline the requirements based on best practices and sound governance in financial management.

Today, MSI 20000® certification stands as the international benchmark for the financial quality of companies and institutions.

## HISTORY

In a globalized and constantly evolving economy, various actors in the economic and financial spheres are increasingly relying on indicators to safeguard against the risks faced by certain companies, particularly in light of the successive crises of recent years. The goal is to provide markets with a reliable, concrete, and accessible confidence index.

This reflection led to the development of a new framework focused on the quality of financial health with the MSI 20000® certification standard. This standard, under its current designation MSI 20000®, for Market Standard Indicator – Index 20000, was officially established in 2008 following the subprime crisis to identify the healthiest publicly traded banks across various stock exchanges. In response to demand, the project was extended to encompass all types of companies, whether publicly listed or not, across all sectors.



# CERTIFICATION PROCESS

## Evaluation & Certification

In accordance with international regulations for management system certification, the MSI 20000® certification process consists of two steps: first, the system evaluation to assess the level of compliance with the standard's requirements, and then, if compliance is confirmed, the issuance of a certificate.

|                              |  |
|------------------------------|--|
| 1. Mission Opening           | The evaluation process begins with a meeting to present the methodology used and the execution schedule.   |
| 2. Data Collection           | The primary documents analyzed are the financial statements from recent years, approved by legal auditors and accompanied by management reports and annexes. |
| 3. Financial Analysis        | The evaluation is conducted remotely by financial analysts specialized by sector, supported by Fintech tools.  |
| 4. Report Submission         | The evaluating body presents and submits a well-reasoned report, which serves as the basis for the commission's deliberation.                                |
| 5. Commission & Deliberation | If compliance is confirmed following the main evaluation, a certificate of conformity is issued.   |

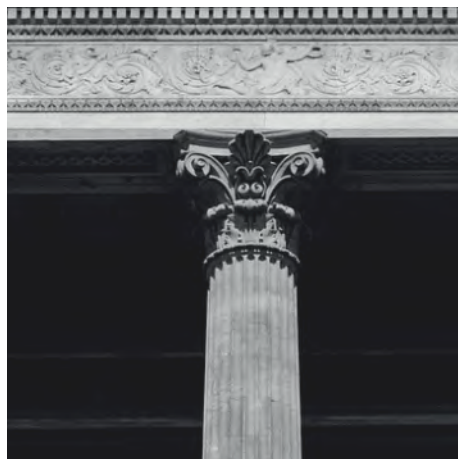
# CERTIFICATION CYCLES

In accordance with management system certification regulations, the MSI 20000® certification is granted following a Main Evaluation (ME) for a period of three years. Follow-up evaluations are conducted annually in years n+1 and n+2 to ensure the continued compliance of the organization with the MSI 20000® standard throughout the entire cycle.

The MSI 20000® certification is issued by a duly authorized certification body.

An active and valid certificate grants the right to use the MSI 20000® compliance marks.

The certificate is renewed at the end of the cycle following a Maintenance Evaluation (ME).



# EVALUATION SCOPE

To obtain certification, the evaluation is conducted in accordance with the procedures and specifications outlined in the relevant specifications.

## AREAS

## THEMES

Solidity

- Asset Management
- Liquidity Management
- Liability Management
- Risk Management
- Human Capital Management

Performance

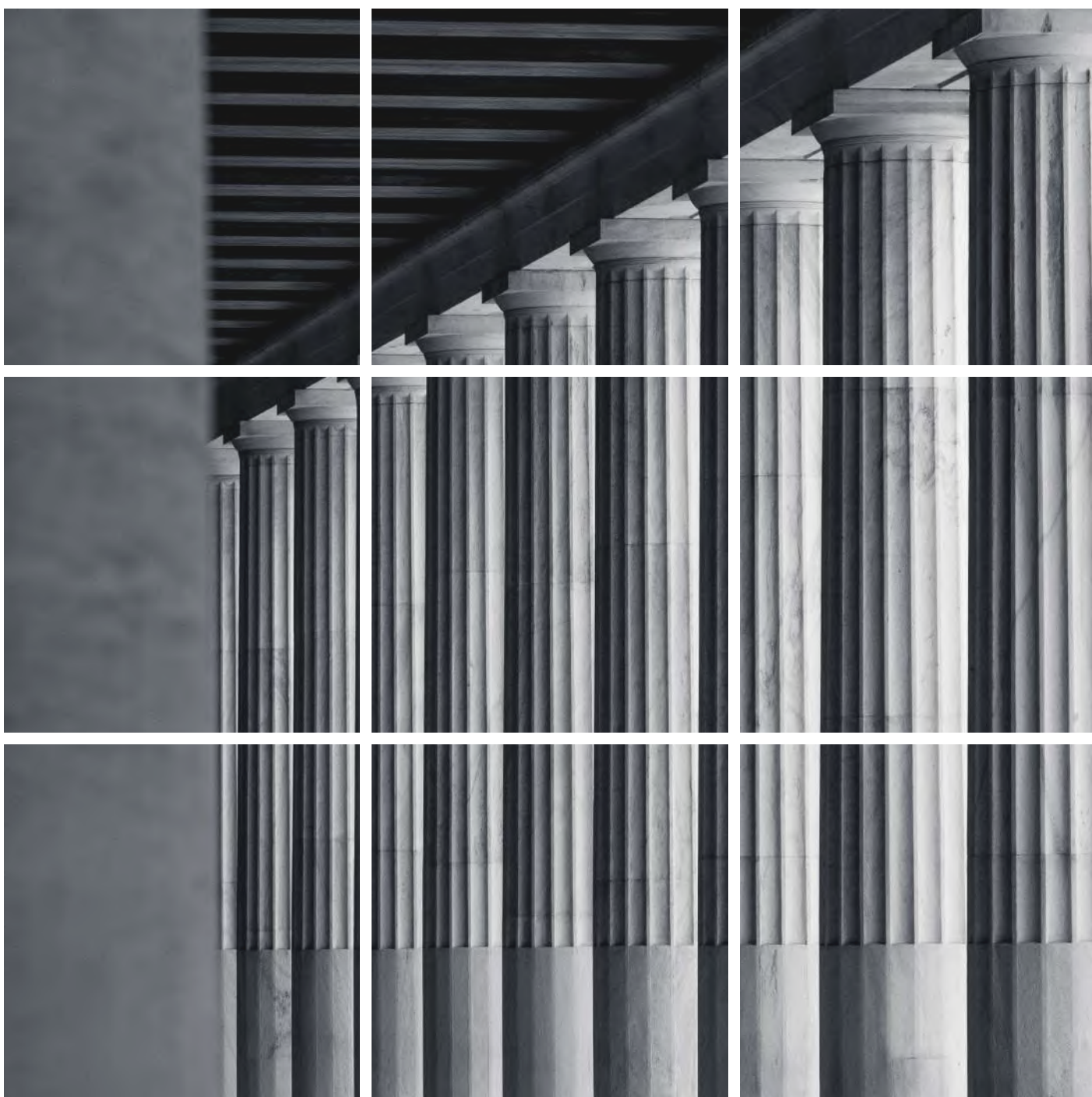
- Commercial Profitability
- Economic Profitability
- Financial Profitability
- Operating Profitability
- Operational Profitability

The MSI 20000® specifications define the requirements for the financial quality of organizations, based on their sector of activity.

These requirements focus on two main aspects: financial solidity and financial performance.

These two evaluation areas reflect the solvency, profitability, and sustained viability of the organization.

Evaluations are conducted based on financial statements approved by legal auditors.



# ADVANTAGES

## THE CERTIFICATION PROCESS PRESENTS TWOFOLD VALUE

### INDUSTRY EXPERTISE:

The MSI 20000® certification process provides insights into the financial solidity and performance of an organization, thereby reflecting its solvency, profitability, and sustained viability.

The certification approach:

Encourages the adoption and integration of best practices in terms of financial management and transparency.

Offers information on the organization's positioning in comparison to sector standards.

Enables engagement in a continuous improvement process for financial governance.

### COMMUNICATION TOOL:

The MSI 20000® standard serves as a benchmark and a differentiating tool for organizations at both national and international levels through reliable and independent criteria.

The MSI 20000® certification offers:

Enhanced brand image and attractiveness facilitating access to financing.

A competitive advantage and demonstrated credibility through a compliance status in the areas of financial solidity and performance.

A strong and concrete negotiation argument with various stakeholders.

## A CONFIDENCE INDEX FOR STAKEHOLDERS



### CREDITORS / PARTNERS

#### Sustained viability Index

Ability of the organization to maintain its operations over time.



### CLIENTS / SUPPLIERS

#### Solvency Index

Indicator of short- and medium-term financial stability.



### INVESTORS / SHAREHOLDERS

#### Profitability Index

Financial quality benchmark to assess the risk/profit balance.



# FAQ Questions Answers

|   |   |
|---|---|
| Why pursue certification?   | Certification to the MSI 20000® standard provides a reliable and independent benchmark of financial standing for stakeholders.  |
| What documentation is required?   | At a minimum, the last three financial statements approved by legal auditors should be provided.  |
| How long does the evaluation take?  | The evaluation spans a period of four to six weeks from the submission of the required documentation.   |
| Who is the certification intended for?  | The certification is intended for all types of companies and institutions across all sectors, provided they meet the various requirements of the MSI 20000® standard.   |
| What is the validity period of the MSI 20000® certification?                                | As per international management system certification regulations, once the Certification Evaluation (CE) confirms compliance with the MSI 20000® standard, the certificate is valid for three years, subject to satisfactory annual follow-up evaluations.  |
| What is the difference between MSI 20000® financial certification and financial rating?     | By definition, certification is based on current factual data, while ratings incorporate forward-looking elements. Financial rating aims to evaluate a counterparty's future ability to meet a financial commitment, whereas MSI 20000® financial certification assesses a company's financial health to determine compliance with the standard.  |
| What is the difference between statutory audit work and MSI 20000® financial certification? | Statutory auditing is an accounting expertise exercise aimed at ensuring the accuracy of accounts in accordance with applicable accounting standards. The objective is to ensure that the accounts faithfully reflect the company's actual financial position. Financial certification, on the other hand, is a financial analysis process conducted in continuity with the audit, involving the restatement of accounting information to assess the quality of the company's financial position. |
| What data needs to be provided for the evaluation?  | The documents required for an MSI 20000® evaluation include financial statements approved by auditors, accompanied by management reports and annexes, covering a minimum of the last three years; specifically, the last three completed fiscal years. It should be noted that the certification decision is based solely on the last fiscal year, with previous years serving to identify trends for the PDCA (Plan-Do-Check-Act) process.   |
| Who verifies ongoing compliance with the MSI 20000® standard?                               | Compliance with the MSI 20000® standard is verified annually as long as the certificate is active. The organization responsible for ongoing verification is the certification body that issued the certificate of conformity.   |
| What is PDCA?   | PDCA, which stands for Plan Do Check Act, is a universally employed mechanism for quality management, particularly in the certification process. It enables organizations to improve their performance year after year according to a reference standard. The principle involves identifying strategies to consolidate strengths and enhance weaknesses, then tracking these over time through defined milestones and objectives outlined in a continuous improvement and remediation program.    |

## CERTIFICATION BODIES

The compliance certificate for the MSI 20000® standard is issued by international certification bodies, including global leaders in the certification industry.

These bodies are independent entities responsible for conducting assessments to determine whether an organization seeking certification meets the requirements of a specific standard.

They are accredited by national or international standardization institutions that ensure their competence and impartiality. If the organization meets the standard's requirements, the certification body issues a certificate confirming its compliance. This certificate can then be shared with various stakeholders.

The evaluation processes adopted by an authorized certification body are subject to continuous monitoring in accordance with the ISO 17021 standard (Conformity Assessment – Requirements for bodies auditing and certifying management systems).



## STANDARDIZATION BODY

### IGSF International Group for Sustainable Finance

The IGSF, is the body responsible for the development and dissemination of the MSI 20000® standard. It is a global organization for financial and non-financial standardization, based in Luxembourg. As a standardization entity, the IGSF primarily focuses on two areas: on one hand, the technical organization of standards related to financial and non-financial governance, and on the other hand, the dissemination of these standards and best practices in general. The topics addressed by the IGSF notably include issues related to financial governance, combating financial crime, and corporate social responsibility for companies or organizations of all types.



### MSI Committee

The MSI 20000® standard is supported by the internal financial governance committee within the IGSF. Chaired by Dr. Rama CONT, the committee is composed of international experts in finance and economics who contribute to the ongoing updating and continuous improvement of the specifications.



### RAMA CONT: Chair of the MSI Committee

Dr. Rama CONT is a Research Director within leading institutions (CNRS, EPSRC, Oxford Martin School) and teaches at Columbia University, École Polytechnique in France, and Imperial College London.

He is also a consultant for financial institutions (ECB, IMF, BIS) and holds the Chair of Financial Mathematics at the University of Oxford. He is recognized for his breakthroughs in the field of stochastic analysis, particularly for creating mathematical models assessing systemic risks for central banks.

His work has been honored with several international awards, including the Louis Bachelier Prize from the Academy of Sciences in 2010 and the APEX Award for Excellence in Interdisciplinary Research from the Royal Society in 2017. He was also elected as a Fellow of the Society for Industrial and Applied Mathematics (SIAM) in 2017.





---

International Group for Sustainable Finance