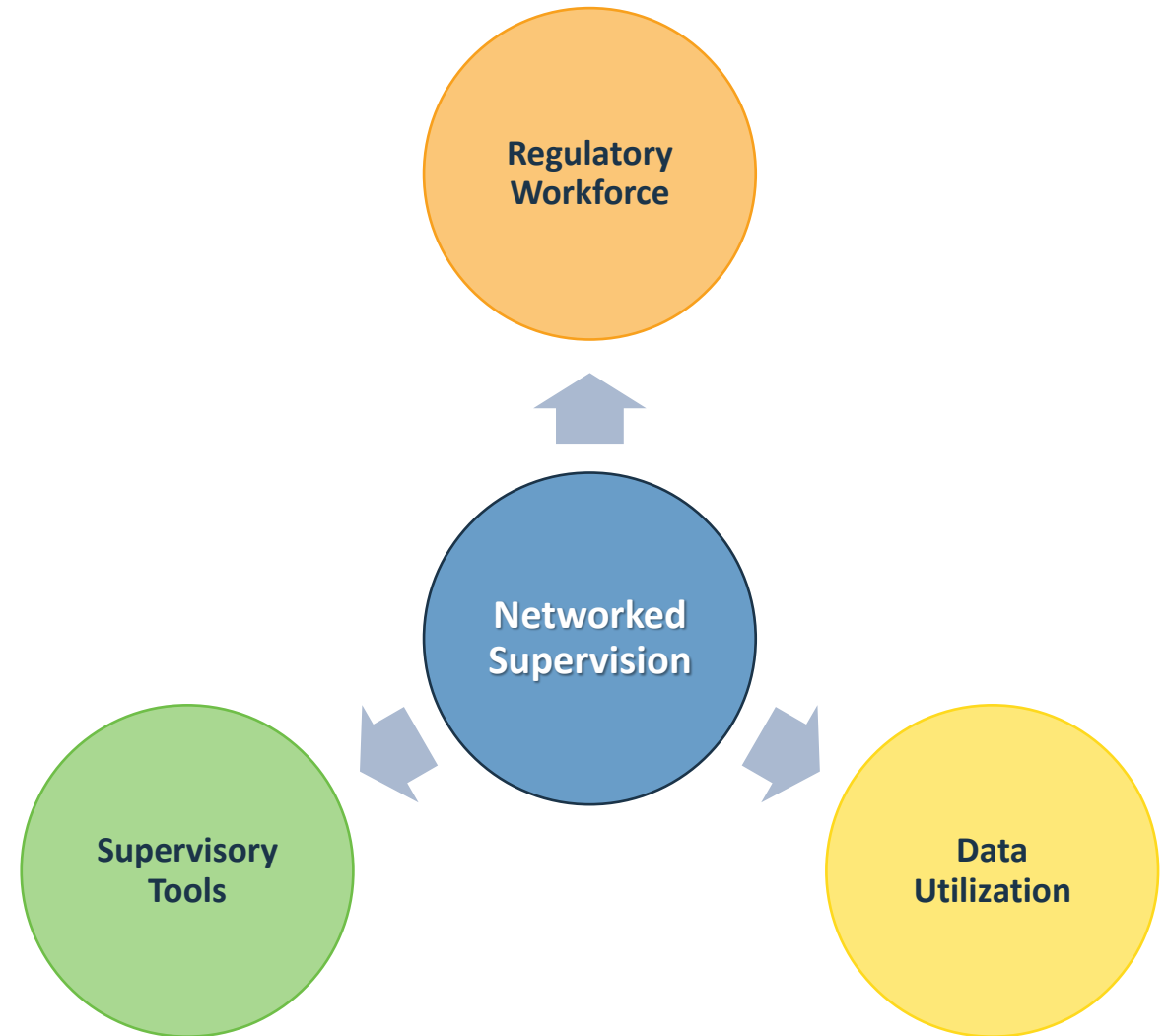




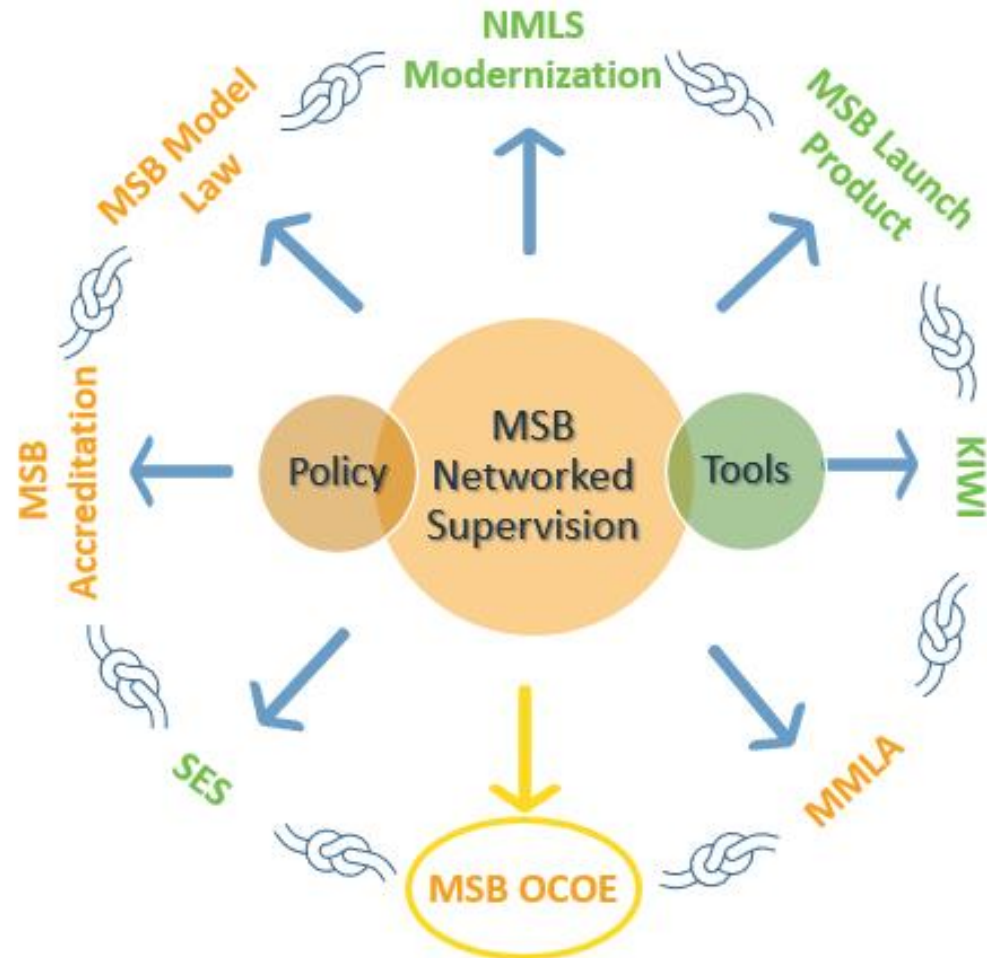
MSB One Company, One Exam

Defining Networked Supervision

CSBS will serve as a platform for state financial regulators to collaborate on the supervision of the firms they regulate. States will bring their knowledge and experience of working at the local level to form the collective intelligence of the network. CSBS will provide the technology and data for states to efficiently know the financial health and compliance of the firms they regulate.



Components of MSB Networked Supervision



Why?

To empower a strong and assertive state system of financial regulation that will reduce regulatory burden, create new efficiencies, and improve the overall effectiveness of the state system.

Why now?

State Regulators must consider how constant disruption due to emerging technologies, big data, artificial intelligence and automation will impact their organization, customers, tools and partnerships.

The Purpose of MSB One Company, One Exam



To transform a 50-state system into an inclusive national system using common policies to prioritize work based on risk and resource availability. This will empower a strong, efficient, and assertive state system of financial regulation.

The MSB Protocol and Agreement

Basics of the Coordinated Supervisory Process



The Multistate MSB Examination Taskforce (MMET) is tasked with administering an all-states scheduling call to be held quarterly.



EICs are to contact the home state of the licensee to invite the home state onto the exam



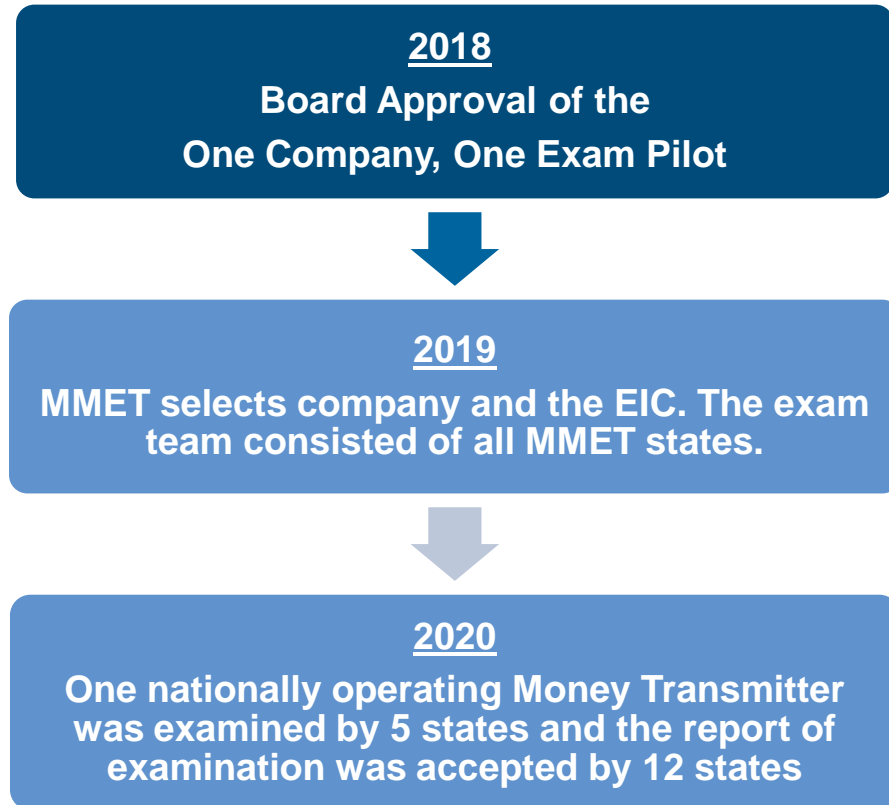
Independent exams (e.g. exams that are not multistate in nature), are to be limited



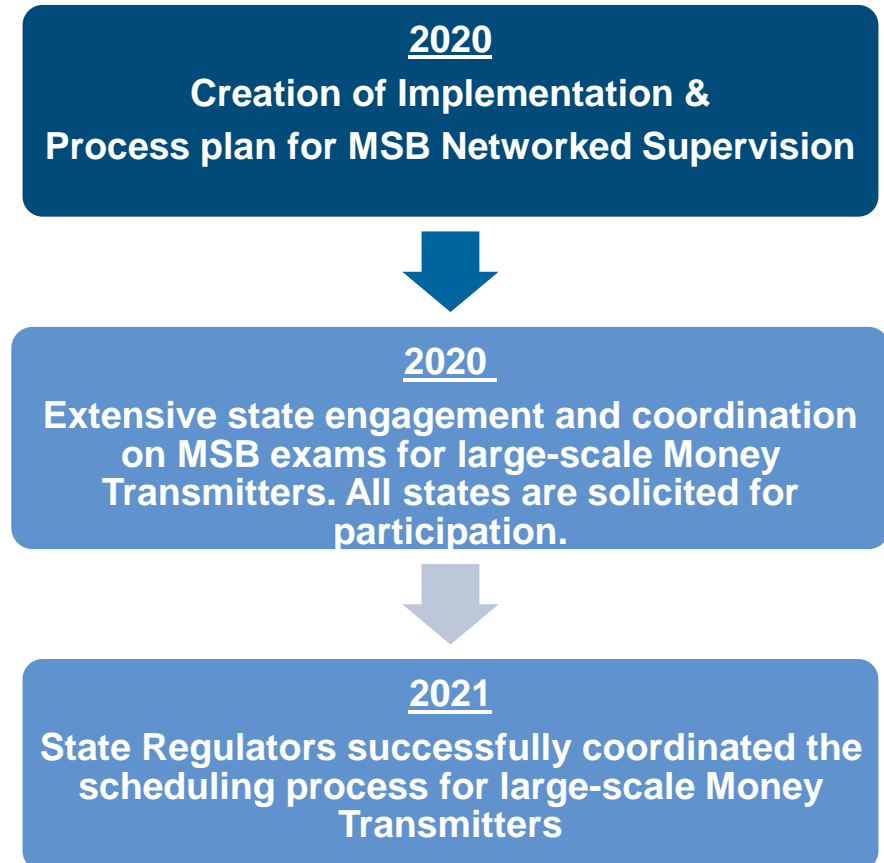
States that do not participate in multistate exams agree to strive to accept other state exams in lieu of conducting an on-site independent exam

MSB OCOE Pilot to Program

One Company One Exam Pilot



MSB OCOE Program



Benefits of a Networked Process

1. A strong networked system of state regulation that functions efficiently and offers strong consumer protection
2. A more efficient and inclusive scheduling process
3. A core set of harmonized standards to create multi-state partnerships with examiner pools and shared resources
4. Increased opportunities for examiner training

2021 MSB OCOE Highlights

70

OCOE Exams have taken place

14

States led these exams

34

Different States have participated as Joint States

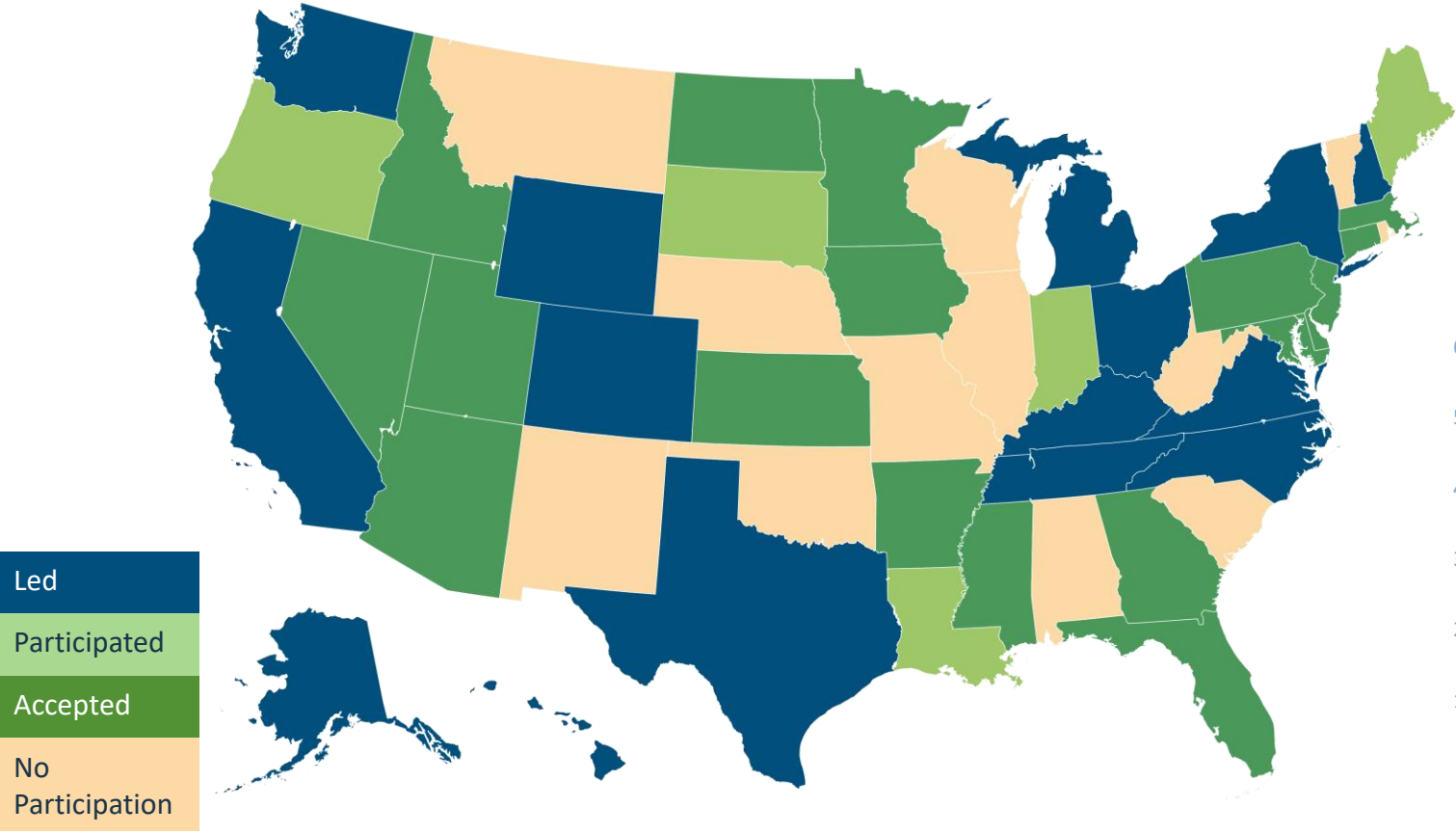
28

States have indicated they will accept an ROE of an OCOE exam in lieu of an independent exam for a total of **235** accepted ROE's

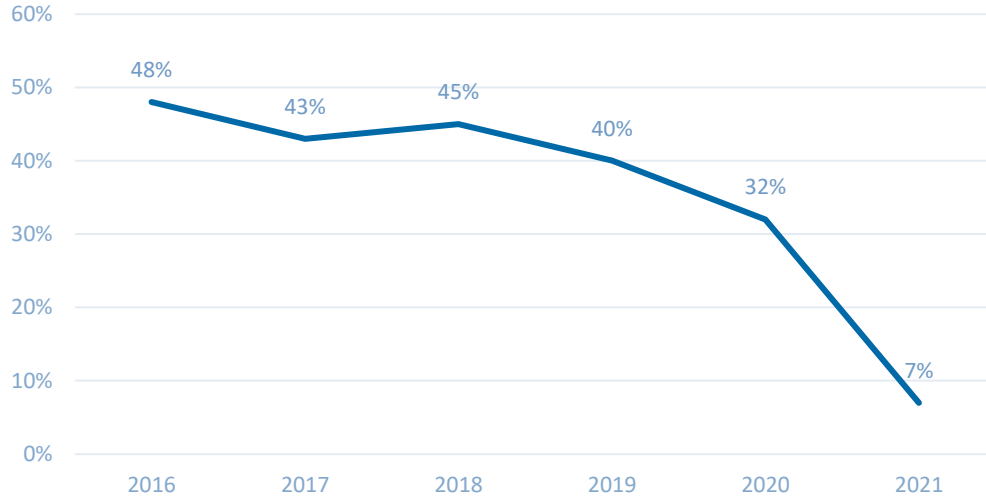
4

The average exam consist of 4 states. 43% of exams consisted of 5 or more states.

MSB OCOE State Activity Map



% Redundant Examinations



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The Future of Money Transmission Regulation

Current Environment

Manual & Siloed

- 50 sets of standards and varying policies
- Independent regulation, state specific requirements
- Calendar year exam cycles



The Vision

Streamlined

- National standards and common policies
- Harmonized regulation that relies on technology and data analytics
- Exam cycles based on risk and resource availability



The Enabling Feature of Networked Supervision is the Model Law

