EUROPEAN CENTRAL BANK

BANKING SUPERVISION

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Version 1.0

Own funds reduction in the SSM Portal

1. How can banks apply for own funds reductions?

Significant institutions, as head of group, can submit own funds reduction applications to the ECB via the SSM Portal. Applications are not bound to a fixed schedule — banks may apply as needed. Each application must include a reporting template detailing the specific instruments for which the reduction is being requested and a signed cover letter from the institution's authorised manager. The reporting template is validated automatically upon submission. You will receive the validation results directly in the SSM Portal. Once the template is validated successfully, the supervisory assessment begins.

The available reduction types are: *Without replacement CET1, Without replacement AT1 & Tier 2, With replacement, General prior permission* and *Mutuals*. Each reduction type is assessed individually, even when submitted within the same template.

You can track the progress of your application via the process status in the *My processes* tab.

2. How do I pre-validate (test) my reporting template before submitting?

Before submitting your application officially, it is highly recommended to pre-validate your reporting template. This step allows you to identify any errors or missing information without initiating the formal submission process, and no data will be sent to supervisors during pre-validation. Pre-validation does not trigger the formal process and no data is stored.

To pre-validate:

1. Navigate to *Home* → + *New Process* → *Process category*: **Own funds** → Process type: **Submit own funds reductions application** → select the head of group → *Create*.
2. In the newly created process, create a new message of type Own funds **reduction pre-validation.**
3. Attach your reporting template and submit.
4. The template will be automatically validated. A reply message of type *Own funds reduction pre-*

validation results will be created in the process with the outcome (Valid or Failure), including a downloadable Excel file with the detailed validation results.

If the pre-validation is successful, you can proceed to submit your application. If it fails, correct the template based on the validation results and repeat the pre-validation.

3. How do I submit an own funds reduction application for one reduction type?

To submit an application for a single reduction type:

1. Navigate to *Home* → + *New Process* → Process category: **Own funds** → Process type: **Submit own funds reductions application** → select the head of group → *Create*.
2. In the newly created process, create a new message of type **Own funds reduction submission**.
3. In the form, select the applicable **reduction type** from the dropdown. Only the selected reduction type will be in scope of this process, even though the attached template may contain data for other reduction types.
4. Attach the completed reporting template, the signed cover letter and any additional supporting documentation.
5. Submit the message.

Upon submission, the template is automatically validated. You will receive a reply message with the validation outcome:

- **Valid**: Your submission has been accepted and the supervisory assessment process begins. The process status will be updated to Submitted.
- **Failure**: The validation has identified errors. You will receive the detailed results in an attached Excel file. Please correct the template and resubmit (see question 4 below).

4. How do I submit for multiple reduction types?

If your application covers multiple reduction types, you must create a separate process for each reduction type. The same reporting template can be reused across processes.

Before creating individual processes per reduction type, it is highly recommended to first pre-validate your reporting template (see question 1 above). Pre-validation checks the template as a whole across all reduction types contained in it. Only after you have received a successful validation result should you proceed with opening a separate process for each reduction type.

To submit for multiple reduction types:

1. Create and submit your first process for the first reduction type (see question 2 above).

2. For each additional reduction type, use the copy from existing function in the SSM Portal to copy the existing submission. This allows you to reuse the same reporting template and cover letter without re-uploading them manually.

3. In each copied process, change the selected **reduction type** in the dropdown to the one you want to address.

You may create up to 4 processes per application (one per reduction type). Each process is assessed independently by the supervisors. The template is validated per reduction type — the validation result applies only to the reduction type selected in that process.

5. How do I resubmit or update the reporting template?

You can resubmit your reporting template as long as your process has not yet reached the Decision-making status.

Please note: If your process has already reached the Decision-making status and you need to submit updated information, resubmission via the SSM Portal is no longer possible. In this case, please contact the supervisors directly by sending an **Information** message within the process to discuss next steps. Depending on the circumstances, the supervisors may revert the process to an earlier status to allow resubmission or alternative arrangements will be agreed upon.

Resubmission may be necessary when:

- The template validation failed and corrections are needed.
- You want to update or correct data that was already submitted.
- The supervisors have requested additional or corrected information via a Request for Information message.

To resubmit:

1. Open the relevant process in the SSM Portal.
2. Create a new **Own funds reduction submission** message.
3. Attach the corrected or updated reporting template and submit.

The updated template will be validated again. Upon successful validation, the updated data will be made available to the supervisors for their assessment.

Important notes for multiple reduction types:

- If validation fails and the corrections only affect the tab for a specific reduction type, you only need to resubmit in that process.
- If corrections affect shared tabs (e.g., capital projections), you should resubmit the updated template in all open relevant processes.

6. What are the process statuses and expected timelines?

Your process in the SSM Portal will reflect the following statuses:

Status	Description
Submitted	Your application has been submitted and is being assessed by the supervisors. Resubmission is allowed.
Decision-making	The supervisory assessment is complete. No further resubmissions are allowed.
Follow-up	The process is in follow-up after the decision.
Completed	The final decision has been communicated to the head of group.
Cancelled	The process has been cancelled by the supervisor.
Withdrawn	The application has been withdrawn at your request.

7. How do I proceed if I decide not to proceed with reducing my own funds?

If you decide not to proceed with your own funds reduction, you can withdraw your application via the SSM Portal at any time.

To withdraw:

1. Open the relevant process in the SSM Portal.
2. Send an **Information** message to the supervisor indicating that you wish to withdraw your application.
3. The supervisor will update the process status to *Withdrawn*.
4. You will receive a status update confirming the withdrawal.

If you have applied for multiple reduction types, you may withdraw individual processes independently without affecting the others.

8. What should I consider when applying for a renewal of a General Prior Permission (GPP)?

If you are applying for a renewal of an existing General Prior Permission, please ensure that your reporting template contains **only** the renewal case. Do not combine a renewal with a standard (new) General Prior Permission application in the same template.

Each template must cover either a renewal case or a standard general prior permission case — not both at the same time:

- If you are applying for a renewal, complete the template accordingly and do not include standard general prior permission data.
- If you are applying for a standard general prior permission, complete the template accordingly and do not include renewal data.

Mixing both case types in a single template is not permitted and may result in your application being deemed incomplete.

This distinction is important because:

- A **renewal** refers to a previous own funds reduction that has already received an ECB decision. The renewal extends that existing permission under the same terms without changes to the underlying conditions.
- A **standard General Prior Permission** is a new application that follows a different assessment process.

If your template contains both a renewal and a standard GPP case, the submission cannot be processed correctly. Please submit them as separate applications using separate templates.

9. What should I consider if my institution is the highest level of consolidation but has no subsidiaries?

If your institution is classified as the highest level of consolidation but is a stand-alone entity with no subsidiaries, you are still required to complete Annex 7A as part of your reporting template and report the "Level of reduction impact" (DP 1400) as "Consolidated". This applies even if your institution is normally supervised on an individual basis. The information in Annex 7A is needed for the supervisory assessment regardless of whether your institution operates as part of a wider banking group.

10. How should subsidiaries submit their own funds reduction applications?

Subsidiaries cannot submit own funds reduction applications directly. Applications must be submitted by the head of group. After submission, the head of group can grant edit rights on individual applications to subsidiaries, allowing them to contribute to the application process.

Own funds reduction contacts:

- **Application queries**: For status or outcome questions, contact your JST via the SSM Portal or your JST mailbox.
- **Reporting template**: For content or completion questions, contact OwnFundsProcessHub@ecb.europa.eu or your JST.