

Senior arrangements, Systems and Controls

Chapter 18

Whistleblowing

18.1 Application and purpose

Application

- 18.1.1** **G** [deleted]
- 18.1.1A** **R** This chapter applies to:
- (1) a *firm*;
 - (2) in relation to the *guidance* in **SYSC 18.3.9G**, every *firm*;
 - (3) in relation to **SYSC 18.3.6R** and **SYSC 18.3.10R**, *EEA SMCR banking firms* and *overseas SMCR banking firms* only in relation to a *branch* maintained by them in the *United Kingdom*; and
 - (4) in relation to **SYSC 18.6.1R** to **SYSC 18.6.3G** (Whistleblowing obligations under MiFID):
 - (a) a *UK MiFID investment firm*, except a *collective portfolio management firm*; and
 - (b) a *third country investment firm*; and
 - (5) in relation to **SYSC 18.6.4G** to **SYSC 18.6.5G** (Whistleblowing obligations under other EU legislation), a *person* within the scope of the identified *EU* sectoral and cross-sectoral legislation.
- 18.1.1AA** **G** *Firms* are reminded that for the purpose of **SYSC 18** (except for **SYSC 18.3.9G**) "*firm*" has the specific meaning set out in paragraph (8) of that definition in the *Glossary*, namely:
- (a) "(8) (in **SYSC 18**, with the exception of the *guidance* in **SYSC 18.3.9G**):
 - (a) a *UK SMCR banking firm* except a *small deposit taker*; and
 - (b) a firm as referred to in Chapter 1.1 of the PRA Rulebook: Solvency II Firms: Whistleblowing Instrument 2015."
- 18.1.1B** **R** In this chapter, a reference to a provision of the Employment Rights Act 1996 includes a reference to the corresponding provision of the Employment Rights (Northern Ireland) Order 1996.

18.1.1C **G** A firm not referred to in ■ SYSC 18.1.1AR may adopt the *rules and guidance* in this chapter as best practice. If so, it may tailor its approach in a manner that reflects its size, structure and headcount.

Purpose

- 18.1.2 **G**
- (1) The purposes of this chapter are to:
 - (a) set out the requirements on *firms* in relation to the adoption, and communication to *UK-based employees*, of appropriate internal procedures for handling *reportable concerns* made by *whistleblowers* as part of an effective risk management system (■ SYSC 18.3);
 - (b) set out the role of the *whistleblowers' champion* (■ SYSC 18.4);
 - (c) require *firms* to ensure that *settlement agreements* expressly state that *workers* may make *protected disclosures* (■ SYSC 18.5) and do not include warranties related to *protected disclosures*;
 - (ca) set out the requirements which implemented the whistleblowing obligation under article 73(2) of *MiFID*, which requires *MiFID investment firms* (except *collective portfolio management firms*) to have in place appropriate procedures for their employees to report potential or actual infringements of the MiFID regime (■ SYSC 18.6);
 - (cb) outline other *EU-derived* whistleblowing obligations similar to those in article 73(2) of *MiFID*, some of which may also be applicable to *MiFID investment firms* (■ SYSC 18.6);
 - (d) outline best practice for *firms* which are not required to apply the measures set out in this chapter but which wish to do so; and
 - (e) outline the link between effective whistleblowing measures and fitness and propriety.

(2) [deleted]

18.1.3 **G** [deleted]