

# Chapter 18

## Whistleblowing



# 18.1 Application and purpose

## Application

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| 18.1.1   | G | [deleted]   |
| 18.1.1A  | R | <p>This chapter applies to:</p> <ul style="list-style-type: none"><li>(1) a <i>firm</i>;</li><li>(2) in relation to the <i>guidance</i> in ■ SYSC 18.3.9G, every <i>firm</i>;</li><li>(3) in relation to ■ SYSC 18.3.6R and ■ SYSC 18.3.10R, <i>EEA SMCR banking firms</i> and <i>overseas SMCR banking firms</i> only in relation to a <i>branch</i> maintained by them in the <i>United Kingdom</i>; and</li><li>(4) in relation to ■ SYSC 18.6.1R to ■ SYSC 18.6.3G (Whistleblowing obligations under MiFID):<ul style="list-style-type: none"><li>(a) a <i>UK MiFID investment firm</i>, except a <i>collective portfolio management firm</i>; and</li><li>(b) a <i>third country investment firm</i>; and</li></ul></li><li>(5) in relation to ■ SYSC 18.6.4G to ■ SYSC 18.6.5G (Whistleblowing obligations under other EU legislation), a <i>person</i> within the scope of the identified <i>EU</i> sectoral and cross-sectoral legislation.</li></ul> |
| 18.1.1AA | G | <p><i>Firms</i> are reminded that for the purpose of ■ SYSC 18 (except for ■ SYSC 18.3.9G) "<i>firm</i>" has the specific meaning set out in paragraph (8) of that definition in the <i>Glossary</i>, namely:</p> <ul style="list-style-type: none"><li>(a) "(8) (in ■ SYSC 18, with the exception of the <i>guidance</i> in ■ SYSC 18.3.9G):<ul style="list-style-type: none"><li>(a) a <i>UK SMCR banking firm</i> except a <i>small deposit taker</i>; and</li><li>(b) a <i>firm</i> as referred to in Chapter 1.1 of the PRA Rulebook: Solvency II Firms: Whistleblowing Instrument 2015."</li></ul></li></ul>  |
| 18.1.1B  | R | <p>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.</p>  |

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**  
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- 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]