

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]