

## ACCOUNTABILITY AND WHISTLEBLOWING (No 2) INSTRUMENT 2017

### Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on 7 September 2017.

### Amendments to the Handbook

- D. The Senior Management Arrangements, Systems and Controls sourcebook (SYSC) of the FCA’s Handbook of rules and guidance is amended in accordance with the Annex to this instrument.

### Citation

- E. This instrument may be cited as the Accountability and Whistleblowing (No 2) Instrument 2017.

By order of the Board  
27 April 2017

## Annex

**Amendments to the Senior Management Arrangements, Systems and Controls  
sourcebook (SYSC)**

In this Annex underlining indicates new text and striking through indicates deleted text.

**18 Whistleblowing**

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**18.1 Application and ~~Purpose~~ purpose**

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18.1.1A R This chapter applies to:

- (1) a *firm*;
- (2) in relation to the ~~guidance~~ guidance in SYSC 18.3.9G to ~~every~~ every *firm*; and
- (3) in relation to SYSC 18.3.6R and SYSC 18.3.10R, EEA relevant authorised persons and third-country relevant authorised persons only in relation to a branch maintained by them in the United Kingdom.

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**18.3 Internal arrangements**

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Reporting of concerns by employees to regulators

18.3.6 R This rule applies to a firm, an EEA relevant authorised person and a third-country relevant authorised person.

- (1) ~~A firm~~ person subject to this rule ('P') must, in the manner described in (2), communicate to its UK-based *employees* that they may disclose *reportable concerns* to the PRA or the FCA and the methods for doing so. ~~A firm~~ P must make clear that:
  - (a) reporting to the PRA or to the FCA is not conditional on a report first being made using ~~the firm's~~ P's internal arrangements;
  - (b) it is possible to report using ~~the firm's~~ P's internal arrangements and also to the PRA or FCA; these routes may

be used simultaneously or consecutively; and

(c) it is not necessary for a disclosure to be made to ~~the firm~~ P in the first instance.

(2) The communication in (1) must be included in the *firm's* employee handbook or other equivalent *document*.

18.3.6A     G     For the purposes of SYSC 18.3.6R(1) the possibility for P's employees to disclose reportable concerns to the PRA or to the FCA does not override any obligation of P or its employees to report breaches to P's Home State regulator of matters reserved by an EU instrument to that regulator.

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Additional rules for UK branches

18.3.10     R     (1) This rule applies where an EEA relevant authorised person or a third-country relevant authorised person has:

(a) a branch in the United Kingdom; and

(b) a group entity which is a UK relevant authorised person.

(2) An EEA relevant authorised person and a third-country relevant authorised person must, in the manner described in (3), communicate to the UK-based employees of its UK branch:

(a) the whistleblowing arrangements of the group entity that is a UK relevant authorised person; and

(b) indicate that these arrangements may be used by employees of its UK branch.

(3) The communication in (2) must be included in the branch's employee handbook or other equivalent document.