



## New EU Market Abuse Regulation: Whistleblower's Delight

The purpose of the Market Abuse Regulation is to expand and develop the existing market abuse regime across EU countries.

So how is it relevant to HR?

The key area of interest for us stems from the provisions dealing with whistleblowing, some of which are as expected and some of which take whistleblowing in an interesting new direction.

The Regulation requires EU countries to put in place effective mechanisms to facilitate whistleblowing to local regulators (like the UK's FCA), as well as to require financial services employers to have in place appropriate internal whistleblowing procedures. So far, so good: no surprises here.

However, the Regulation goes much further than just ensuring reporting mechanisms (which should, at least in the UK, already exist). It also allows for countries to provide *financial incentives* to whistleblowers, US-style, provided:

- the information disclosed is new; and
- the individual disclosing does not have any existing obligation to report information (so this would exclude a compliance officer); and
- the information disclosed leads to action against the infringer.

It will be interesting to see how many EU countries provide financial incentives for whistleblowing in the future, and how this impacts the whistleblowing landscape across the EU.