

BC Securities Commission's New Whistleblower Program

On November 7, 2023, the British Columbia Securities Commission (“**BCSC**”) **announced** it will start offering payments to people who provide qualified tips regarding investment fraud and other serious kinds of market misconduct through a new whistleblower program.

The program follows the implementation of whistleblower protections under British Columbia’s Securities Act in March 2020, which protects employees from reprisal for making disclosures to the BCSC¹.

Awards will be issued by the BCSC where information leads to enforcement action such as halt trade orders, the issuance of formal allegations, sanctions hearings, settlement agreements or the identification and location of the assets of people ordered to pay financial sanctions.

Awards will range from \$1,000 to \$250,00 depending on factors including but not limited to:

- how quickly the information is reported;
- how much the information contributed to the enforcement outcome; and
- the seriousness of the misconduct.

Whistleblowers may receive more than one award as a result of the same information, up to a maximum amount of \$500,000. If there are multiple whistleblowers, the maximums will apply to the total payout.

While much lower than the maximum cap of \$5 million potentially available under the whistleblower program implemented by the Ontario Securities Commission (“**OSC**”), the BCSC has stated it will pay for more enforcement outcomes and will pay more quickly. It will be interesting to see whether this occurs in practice and the impact this has on enforcement outcomes in the province.

From the time the OSC implemented its whistleblower program in July 2016 to March 2022, the OSC has:²

- received 797 total tips, of which 50% named public companies and 33% named registrants;
- awarded over \$9 million to 11 whistleblowers;³
- ordered approximately \$48 million in sanctions and voluntary payments against 19 respondents in matters where whistleblowers made valuable contributions; and
- received tips from individuals residing in 30 different countries, highlighting the global reach of the program.

The Alberta Securities Commission and Quebec’s Autorité des marchés financiers also have whistleblower programs, but they do not offer financial compensation for information.

If you have any questions please get in touch with **Jessica Mank** or any other member of our Securities Regulation and Litigation Group. Read more about our expertise in this area [here](#).

¹ *Securities Act*, **R.S.B.C 1996, Ch. 418**, s. 168.04.

² **Update** on the OSC Whistleblower Program 2016-2022, dated March 9, 2023

³ Of this amount, almost \$7.5 million was awarded to three whistleblowers on separate matters, **announced** in 2019.



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