

## SEC Proposes Amendments to Whistleblower Program Rules, Which May Lead to More SEC Tips

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On February 10, 2022, the U.S. Securities and Exchange Commission [announced](#) two proposed amendments to its whistleblower program rules.

As we previously reported [here](#), a closely divided SEC adopted a final rule implementing several changes to its whistleblower program in September 2020. On January 13, 2021, a whistleblower attorney filed a lawsuit in the U.S. District Court for the District of Columbia challenging various aspects of the final rule (our post on that case is [here](#)). After SEC Chair Gary Gensler assumed office, he directed staff to consider revisions to two amendments that could have discouraged tips by allowing the SEC to (1) unilaterally deny “related action” awards where there is another applicable whistleblower award program, and (2) limit the size of some of the largest awards (see our post [here](#)).

In announcing the proposed amendments, Chair Gensler noted that “[t]hese amendments, if adopted, would help ensure that whistleblowers are both incentivized and appropriately rewarded for their efforts in reporting potential violations of the law to the Commission.” He also said that the first proposed rule change was “designed to ensure that a whistleblower is not disadvantaged by another whistleblower program that would not give them as high an award as the SEC would offer,” and that under the second proposed change, “the SEC could consider the dollar amounts of potential awards only to increase the whistleblower’s award.”

The SEC will vote on the proposed amendments after a 60-day public comment period.

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