



By Email

15 January 2025

To: Senior Executive Officers of Authorised Firms, Audit Principals of Registered Auditors, and Money Laundering Reporting Officers of Designated Non-Financial Businesses or Professions ('DNFBPs')

Re: Findings from the 2024 Whistleblowing Thematic Review

The purpose of this letter is to share the key findings and observations from the 2024 whistleblowing thematic review (Review).

Whistleblowers form a key component of Regulated Entities'¹ ability to detect, escalate and address issues of misconduct. The DFSA's whistleblowing regime (Regime) came into force on 7 April 2022. The Regime aims to provide better legal protection for persons who report regulatory concerns; whilst helping to improve the whistleblowing culture in Regulated Entities, deter wrongdoing, and promote better compliance and ethical culture.

In line with its regulatory objectives, the DFSA carried out the Review to:

- assess the overall effectiveness of the Regime and the level of compliance of Regulated Entities that are in scope of the Review, including whether effective whistleblowing policies and procedures have been implemented in accordance with GEN section 5.4, AML section 15.3A, and AUD section 4.11 (as applicable);
- identify good practices and areas for improvement to convey to Regulated Entities; and
- identify outliers and instances of material non-compliance for further action.

Methodology

The Review was conducted in two phases:

- **Phase 1:** In line with the DFSA's risk-based supervisory approach, we created a survey which was aligned with specifically developed key risk indicators and measures. We issued the survey to 766 Regulated Entities and received 738 completed surveys (a 96% completion rate). The responses provided an overview of the Regulated Entities' whistleblowing arrangements, policies and procedures, and systems and controls.
- **Phase 2:** The results of the survey were assessed, and Regulated Entities were risk rated based on the key risk indicators and measures. This allowed us to identify Regulated Entities that may pose a higher risk to our regulatory objectives as well as others that may have robust whistleblowing frameworks in place. We selected a sample of 30 Regulated Entities across different business models and carried out a follow-up desk-based review and/or visits to further assess their whistleblowing

¹ This letter and the Review concerns Authorised Persons, Registered Auditors, and DNFBPs but excludes Authorised Market Institutions.

arrangements. We took a consistent approach for all Regulated Entities to enable appropriate comparisons and benchmarking.

Key findings and observations

The key findings and observations from the Review are summarised below and detailed further in the Review report found on the DFSA's [website](#).

The Review identified weaknesses in the following areas:

1. whistleblower protection;
2. policies and procedures;
3. governance;
4. training and awareness;
5. reporting channels;
6. feedback mechanisms;
7. monitoring and testing; and
8. record keeping.

The DFSA has also provided specific risk mitigation programmes, where necessary, to specific Regulated Entities to address deficiencies in their whistleblowing arrangements.

Next steps

We expect all Regulated Entities to consider the key findings and observations from the Review and determine whether further enhancements may be needed to their governance, policies and procedures, management information, trainings, reporting mechanisms, systems and controls, to demonstrate compliance with the Regime. In future engagements with Regulated Entities, the DFSA may request evidence of any actions taken.

If you have any questions about this letter, or more generally, please contact us via the Supervised Firm Contact Form found on the DFSA's [website](#).

Yours sincerely,



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