Whistle while you work – BCSC now offers cash for tips

November 16, 2023

Key takeaways

Under the British Columbia Securities Commission's (BCSC) new Whistleblower Program, individuals who report serious market misconduct may now receive significant monetary awards. In response, businesses should review and update their internal policies and procedures as necessary to prevent, detect, and address misconduct and ensure alignment with the BCSC's Whistleblower Program.

Background

On Nov. 7, 2023, the BCSC announced a new Whistleblower Program (Policy 15-604) that offers monetary rewards and protection for individuals who report serious misconduct in the investment market. The program aims to encourage whistleblowers to come forward with information that could lead to enforcement actions and deter fraudsters and other violators of securities laws.

The program addresses a wide range of misconduct, such as insider tipping or trading, market manipulation, fraud, misrepresentation, and illegal distributions. The program applies to misconduct that occurs inside of B.C. as well as conduct that occurs outside of B.C. but affects B.C. investors.

To qualify for an award, whistleblowers must provide information that leads to one or more of the following enforcement outcomes:

- a halt trade order;
- issuance of an administrative penalty;
- issuance of a notice of hearing;
- a person entering into a settlement agreement;
- identification and location of assets of sanctioned people; or
- collection of outstanding amounts due from orders or settlement agreements.

The information must be original, voluntary, and not publicly available. The information must also relate to someone else's wrongdoing, not just the whistleblower's own.

Whistleblowers can file their tip anonymously, but they must reveal their identity to the BCSC before receiving an award.

Whistleblowers may receive awards ranging from $1,000 to $250,000, depending on various factors, such as how quickly the information was reported, how much the information contributed to the enforcement outcome, the seriousness of the misconduct, and other considerations. A whistleblower may receive more than one award for the same information, up to a maximum total payout of $500,000.

Whistleblowers may use a special online portal to submit whistleblower tips. The BCSC will protect the confidentiality of whistleblowers and their information, subject to certain exceptions, such as when disclosure is required by law or necessary for a fair hearing.

Whistleblowers are protected from retaliation by employers or others under the *Securities Act* (British Columbia). Retaliation includes any adverse action, such as dismissal, demotion, harassment, or discrimination, that is taken or threatened because of the whistleblower's reporting or cooperation. The BCSC can take enforcement action against anyone who engages in retaliation or attempts to deter whistleblowing.

Individuals are excluded from receiving an award under the Whistleblower Program if they provide information only about their own wrongdoing. However, such individuals may qualify for credit for cooperation under the BCSC's Credit for Cooperation program (BC Notice 15-701). Under this program, individuals may receive benefits from the BCSC for reporting their own misconduct. Depending on the individual's cooperation, benefits may include reduced sanctions, the BCSC not commencing enforcement proceedings, settling the matter on less serious allegations and the BCSC not referring the matter to criminal authorities.

Implications

The BCSC first implemented protections for whistleblowers in March 2020, and are hoping that the new monetary award will increase reporting by the public. The Whistleblower Program is expected to increase the detection and deterrence of misconduct in the investment market, which could enhance investor confidence and market integrity.

It is yet to be seen whether the BCSC's Whistleblower Program will be successful. In 2016, the Ontario Securities Commission (OSC) launched their own whistleblower program which, as of March 31, 2023, has paid $9 million to 11 whistleblower and received 797 tips from more than 840 whistleblowers. The OSC's whistleblower program has grown in the public's awareness, experiencing an average annual increase in tips of 17% in recent years.

While the maximum award of $500,000 under the BCSC's program is lower than the OSC's $5 million, the OSC requires that a final order or voluntary payment be made and that the appeal filing period have expired before an award payment is made. The award amounts in BC may be less, but the BCSC will pay for a broader range of enforcement outcomes and will pay more quickly.

Recommendations

While the BCSC's Whistleblower Program may protect investors and promote confidence in the capital markets, it may also pose some challenges and risks for businesses. The program may increase the likelihood of whistleblowers bypassing internal reporting channels and reporting directly to the BCSC, which could undermine the effectiveness and credibility of internal mechanisms.

Businesses should be aware of the BCSC's Whistleblower Program and its potential impact on their operations and governance. Businesses without internal whistleblower policies should consider adopting ones that meet the needs of their organization and help facilitate compliance with securities laws. Businesses with existing policies and procedures should review and update them as necessary to prevent, detect, and address misconduct and ensure alignment with the BCSC's Whistleblower Program. Businesses should also educate and train their employees and stakeholders on their internal programs and their obligations and rights under securities laws.

The BCSC's Whistleblower Program is a significant development in the regulation and enforcement of securities laws in B.C. The program offers a new avenue for whistleblowers to report misconduct and receive rewards and protection, while also creating new challenges and opportunities for businesses.

By

George Collister, Graeme Martindale

Expertise

Capital Markets

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary
Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa
World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.