

SEC's Proposed Amendments to Its Whistleblower Program May Increase Reporting of Potential Securities-Law Violations to the SEC

July 6, 2018 | Client Update

On June 28, 2018, the Securities and Exchange Commission ("SEC") voted to propose amendments to the rules governing its whistleblower program. These changes include expanding the types of resolutions covered by the program, giving the SEC discretion in modifying awards, eliminating potential double recovery, adjusting the claims review process, and barring individuals who submit false information or make repeated frivolous claims. The proposed amendments would also expressly adopt the reporting requirements set forth in *Digital Realty Trust, Inc. v. Somers*, a recent Supreme Court decision which held that Dodd-Frank whistleblower protections apply only when a securities-law violation is reported to the SEC. If adopted, these rules may increase reporting of potential securities-law violations to the SEC, though more data is needed to better understand the potential ramifications.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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