

SEC Whistleblower Amendments May Increase Reporting in Smaller Cases

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A divided Securities and Exchange Commission voted to amend its whistleblower rules to: (1) increase the amounts of smaller awards; (2) assert SEC discretion in determining award amounts; (3) cover Deferred Prosecution Agreements (DPA) and Non-Prosecution Agreements (NPA) with the Department of Justice; and (4) streamline the SEC's process for evaluating applications. The changes may incentivize whistleblowers to report smaller cases, while increasing uncertainty about award amounts in cases that typically draw large penalties, including those involving the FCPA, accounting fraud and issuer disclosure failures.

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.

Greg D. Andres

+1 212 450 4724
greg.andres@davispolk.com

Martine M. Beamon

+1 212 450 4262
martine.beamon@davispolk.com

Angela T. Burgess

+1 212 450 4885
angela.burgess@davispolk.com

Robert A. Cohen

+1 202 962 7047
robert.cohen@davispolk.com

Neil H. MacBride

+1 202 962 7035
neil.macbride@davispolk.com

Tatiana R. Martins

+1 212 450 4085
tatiana.martins@davispolk.com

Fiona R. Moran

+1 202 962 7137
fiona.moran@davispolk.com

Stefani Johnson Myrick

+1 202 962 7165
stefani.myrick@davispolk.com

Paul J. Nathanson

+1 202 962 7055
+1 212 450 3133
paul.nathanson@davispolk.com

Linda Chatman Thomsen

+1 202 962 7125
linda.thomsen@davispolk.com

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