



BDO



The background features a collage of crumpled grey paper. A vertical red line runs down the left side. A large, stylized profile of a person's head is formed by the crumpled paper. The right side of the head is filled with a solid red color. The person's mouth is open, and a red key is shown as if being blown out of it. The text is centered over the lower part of the head profile.

YOUR OBLIGATIONS ON WHISTLEBLOWER PROTECTION

BDO MALTA



THE WHISTLEBLOWER PROTECTION DIRECTIVE

The EU Directive 2019/1937, commonly termed as the “Whistleblower Protection Directive”, has been enforced across EU member states since 17 December 2021. The scope of the Directive is to protect whistleblowers from harm or retaliation for reporting breaches, and therefore, covers a wide range of reporting persons working in the private and public sectors. The Directive imposes effective, proportionate and dissuasive penalties for breaches of the directive, particularly on any persons or organizations who hinder reporting or who retaliate against whistleblowers.

The Whistleblower Protection Directive” has been transposed into Maltese law under the “Protection of Whistleblower Act” in December 2021, meaning that all organizations registered in Malta and employing more than 50 workers are now obliged to comply with the law requirements.



What is the Protection of Whistleblower Act?

The Protection of Whistleblower Act, establishes rules and procedures to protect 'whistleblowers', these being individuals who report information they acquired in a work-related context on breaches of EU law in key policy areas.

Breaches falling within the scope of the Act, and consequently of the EU Whistleblower Director, may concern:

- ▶ the EU's financial interest;
- ▶ internal market, EU competition and national corporate tax rules;
- ▶ privacy and personal data;
- ▶ information security;
- ▶ food and feed safety;
- ▶ consumer protection;
- ▶ transport and product safety; financial services; and
- ▶ prevention of money laundering and terrorist financing.

The scope of the Act is to protect whistleblowers from harm or retaliation for reporting EU breaches. The Act covers a wide range of reporting persons working in the private and public sectors. Potential reporting persons include:

- ▶ employees and shareholders;
- ▶ trainees and job applicants;
- ▶ management and supervisory bodies; and/or
- ▶ all other persons who are connected to whistleblowers.

Protection extends also to individuals who, whilst not being 'workers' within the organization, can play a key role in exposing breaches of Union law and may find themselves in a position of economic vulnerability of their work-related activities. Such individuals include suppliers, distributors, freelancers, contractors, and subcontractors.

The Protection of Whistleblower Act (CAP 527) has been enacted in Malta on 17 December 2021.

HOW DOES THE PROTECTION OF WHISTLEBLOWER ACT AFFECT MY BUSINESS?

- ▶ Is your private organization based in Malta?
- ▶ Do you employ 50 or more workers?
- ▶ Are you ready for the new Protection of Whistleblower Act?

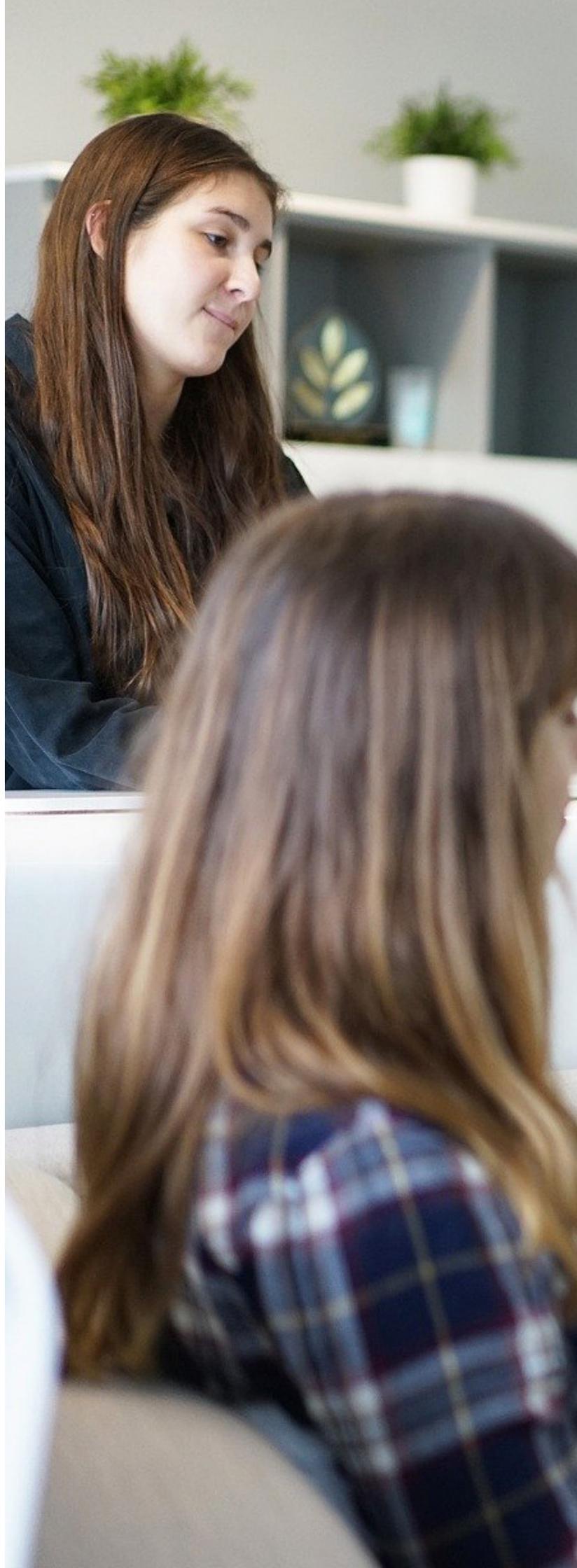
You need to act now!

Private organizations employing 50 or more workers will be obliged to have in place internal reporting channels for the protection of whistleblowers.

This effectively means that such operators need to start planning for the development of secure and confidential internal reporting channels, including a dedicated and independent Whistleblower Reporting Officer or Unit, to receive and follow up on reports concerning breaches of EU law.

All workers within the organization are to be fully aware of the internal reporting mechanisms in place. Furthermore, the Whistleblowing Reporting Officer/Unit is to be sufficiently trained on handling such reports in a confidential manner and keeping whistleblowers informed throughout the process.

Establishing the required user-friendly and secure reporting channels requires professional training and the development of written as well as practical whistleblowing policies and procedures, easily accessible and understandable by all workers, suppliers and business partners.







SUPPORTING OUR CLIENTS IN BEING COMPLIANT WITH THE PROTECTION OF WHISTLEBLOWER ACT

At BDO, our team of experienced professionals is dedicated to helping our clients succeed. We start by helping them understand their whistleblower protection compliance obligations, before creating and executing a remediation plan that meets all the organization's requirements.

While every plan is specifically customized to meet each of our client's unique context, our main services are aligned to support the EU Whistleblower Protection requirements. These include:

- ▶ development of internal reporting whistleblowing channels
- ▶ setting up a whistleblower procedure;
- ▶ defining internal reporting channels;
- ▶ establishing a whistleblower reporting officer/unit;
- ▶ development of a tailored risk management framework;
- ▶ defining the corporate culture and setting the tone from the top;
- ▶ mapping processes for the handling of concerns in a prompt, secure and confidential manner;

- ▶ deploying measures across the organization to safeguard the organization's employees against retaliation;
- ▶ enabling the communication of whistleblower protection controls and reporting channels among existing and new employees on an ongoing basis; and
- ▶ provision of professional training in relation to whistleblower protection and company-specific reporting channels.

In the course of developing this tailored organizational framework, BDO will hold discussions with the top management to ensure the internal mechanisms in place reflect the internal processes, values and set up.

FOR MORE INFORMATION:

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