

## Chapter 2

# Supervisory processes and governance

## 2.4 Reporting of breaches

### 2.4.1

**R**

- (1) A *firm* must have appropriate procedures in place for its employees to report breaches internally through a specific, independent and autonomous channel.
- (2) The channel in (1) may be provided through arrangements provided for by social partners, subject to the Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 to the extent that they apply.

[Note: article 71(3) of CRD]

### 2.4.2

**G**

■ SYSC 18 (Whistleblowing) contains requirements on *UK SMCR banking firms* and certain *insurers* (see ■ SYSC 18.1.1AR) in relation to the adoption and communication of appropriate internal procedures for handling *reportable concerns* as part of an effective risk management system. ■ SYSC 18.1.1CG provides that *firms* not otherwise subject to ■ SYSC 18 may nonetheless wish to adopt the provisions in that chapter as best practice.