
Proposed Regulation 21F: The SEC's New Whistleblower Program

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The Securities and Exchange Commission (the "SEC" or "Commission") has proposed Regulation 21F to implement Section 21F of the Securities Exchange Act of 1934 ("Exchange Act"), entitled Securities Whistleblower Incentives and Protection. Section 21F, which was added to the Exchange Act by the Dodd-Frank Wall Street Reform and Consumer Protection Act, requires the SEC to pay an award to whistleblowers who have "voluntarily provided original information to the Commission that led to the successful enforcement of a judicial or administrative action, or related action," in which monetary sanctions exceeding \$1,000,000 were imposed and actually collected. The purpose of the Section 21F is to "elicit high-quality tips by motivating persons with inside knowledge 'to come forward and assist the Government to identify and prosecute persons who have violated the securities laws.'"

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