



BSEC Whistleblower Protection Rules 2026



Bangladesh Securities and Exchange Commission (Draft)

Capital Market Information Disclosure and Whistleblower Protection Rules

NOTIFICATION DATE

1 March 2026 (Draft for public comments)

What This Draft Sets Out

BSEC Whistleblower Protection Rules 2026



Purpose

Enhance market integrity and investor protection by enabling transparent disclosures and establishing robust legal protections for whistleblowers.



Scope

Applies to all capital market entities including issuers, market intermediaries, listed companies, mutual funds, and Special Purpose Vehicles (SPVs).



Status

Draft rules issued by BSEC. Public objections and suggestions are invited within **02 (two) months** of publication.

CURRENT PHASE

Public Consultation

01

MARCH

02

MONTHS

"Inviting opinions, advice, or objections from relevant stakeholders."

Legal Basis and Authority

Empowering Statutes & Related Legislation



Primary Authority

Securities & Exchange Ordinance, 1969

SECTION 33(1)

Grants power to the Commission to make rules for carrying out the purposes of this Ordinance.

BSEC Act, 1993

SECTION 24(1)

Empowers the Commission to make rules, by notification in the official Gazette, to carry out the purposes of this Act.

Reference Framework

The draft rules are constructed in alignment with the broader legislative ecosystem of Bangladesh's financial market.

- **Depository Act, 1999**
Governs central depository systems and electronic securities.
- **Exchanges Demutualization Act, 2013**
Regulates the governance and structure of stock exchanges.
- **Public Interest Information Disclosure Act, 2011**
Provides the foundational protection principles for whistleblowers.
- **Other Rules & Regulations**
Any by-laws or orders framed under these statutes.

Key Definitions (1/2)

Core Terminology under the Draft Rules



Appropriate Authority



Defined as:

The Chairman

of the Bangladesh Securities and Exchange Commission (BSEC).

Laws & Regulations



Includes specific legislative acts:

- ✓ Securities & Exchange Ordinance, 1969
- ✓ BSEC Act, 1993
- ✓ Depository Act, 1999 & Demutualization Act, 2013

Whistleblower Identity



Any person associated with a regulated entity who discloses information to the Commission.

Employees Officers Auditors

Associated Entities



Whistleblowers must be connected to:

- Issuers
- Intermediaries
- Listed Companies
- Funds & SPVs

Key Definitions (2/2)

What Counts as "Information" for Disclosure



Statutory Violations



Contravention of Laws:

Any violation of securities laws, rules, or regulations, including the Securities & Exchange Ordinance 1969 and BSEC Act 1993.

Market Malpractice



Includes high-impact offenses:

- ⚠️ Fraudulent Activity
- ⚠️ Insider Trading
- ⚠️ Market Manipulation

Unlawful Inducement



Coercing, inducing, or bribing individuals to buy/sell securities through misleading means, kickbacks, or unlawful advantages.

Bribery Coercion Deception

Financial Misconduct



Severe financial irregularities involving corporate assets:

- Embezzlement
- Fund Misuse
- Misappropriation
- Money Laundering

Right to Disclose

Core Protections & Channels



Who Can Disclose?

Any whistleblower engaged, employed, or contracted by a regulated entity has the explicit right to disclose information to the Appropriate Authority.

Reward

Reward of up to 25% of the recovered fine or penalty (maximum 10 crore taka) may be granted to an information provider based on published information.

Employees

Contractors

Vendors



Good Faith Standard

A disclosure is legally protected if the whistleblower reasonably believes the information is true or warrants investigation.



Complete proof is not required at the initial stage—suspicion based on reasonable grounds is sufficient.

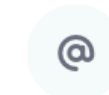


Channels & Evidence

Disclosures must be submitted via **Form-1**. Whistleblowers should provide supporting materials to substantiate claims where possible.



Post / Hand Delivery



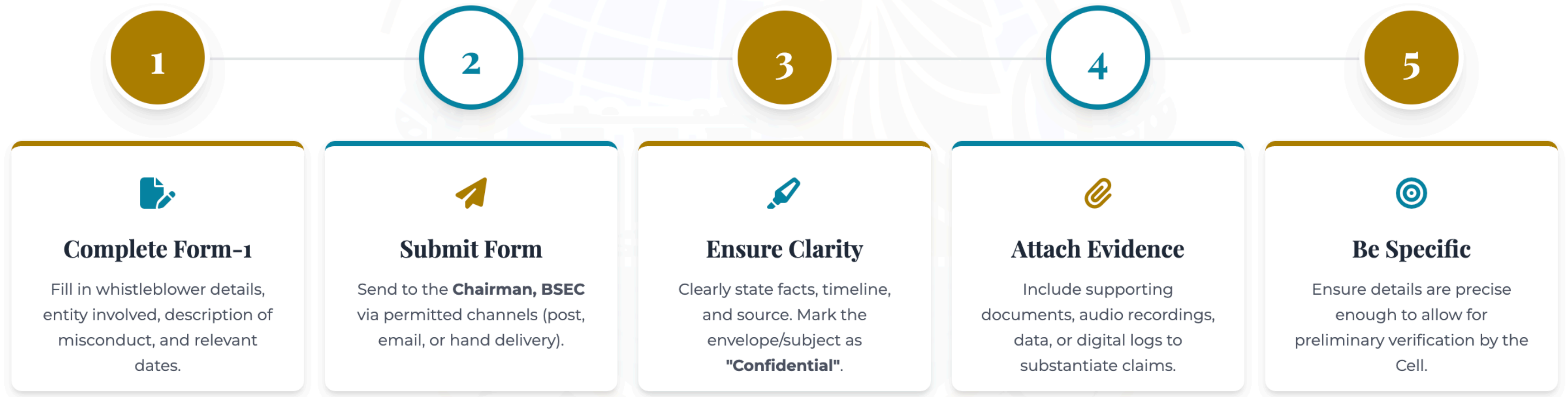
Official Email




Documents / Audio / Data

How to Disclose (Form-1)

Standard Operating Procedure for Whistleblowers



 *Tip: Retain copies of all submitted documents and the receipt acknowledgment.*

Protection Mechanisms

Safeguards for Whistleblowers



Strict Confidentiality

The identity of the whistleblower is strictly protected and cannot be disclosed without consent.

- ✔ Exceptions only for lawful court orders

Anti-Retaliation

Prohibits punitive actions against employees. Whistleblowers are shielded from dismissal, demotion, forced transfer, or harassment.

- ✔ Protects against discrimination & bias

Legal Immunity

Whistleblowers cannot be compelled to testify as a witness merely for having disclosed information.

- ✔ Courts must redact identity from records

Secure Records

All related documents and evidence are handled with strict protocols consistent with Section 19 of the Securities Ordinance.

- ✔ Identity redacted from public files

Designated Officer's Cell

Office Structure & Responsibilities



Establishment



BSEC Commission

Appropriate Authority



Designated Officer's Cell

Dedicated Department



Designated Officer

Min. Rank: Additional Director
+ Adequate Support Staff

Core Duties & Responsibilities



Maintain Secure Registry (Form-2)

Maintain a strictly confidential registry to log all disclosures. Ensure whistleblower identities are segregated from the case files to prevent unauthorized access.



Data Protection & Acknowledgment

Formally acknowledge receipt of disclosures to the whistleblower. Implement "need-to-know" access controls to safeguard personal data and evidence.

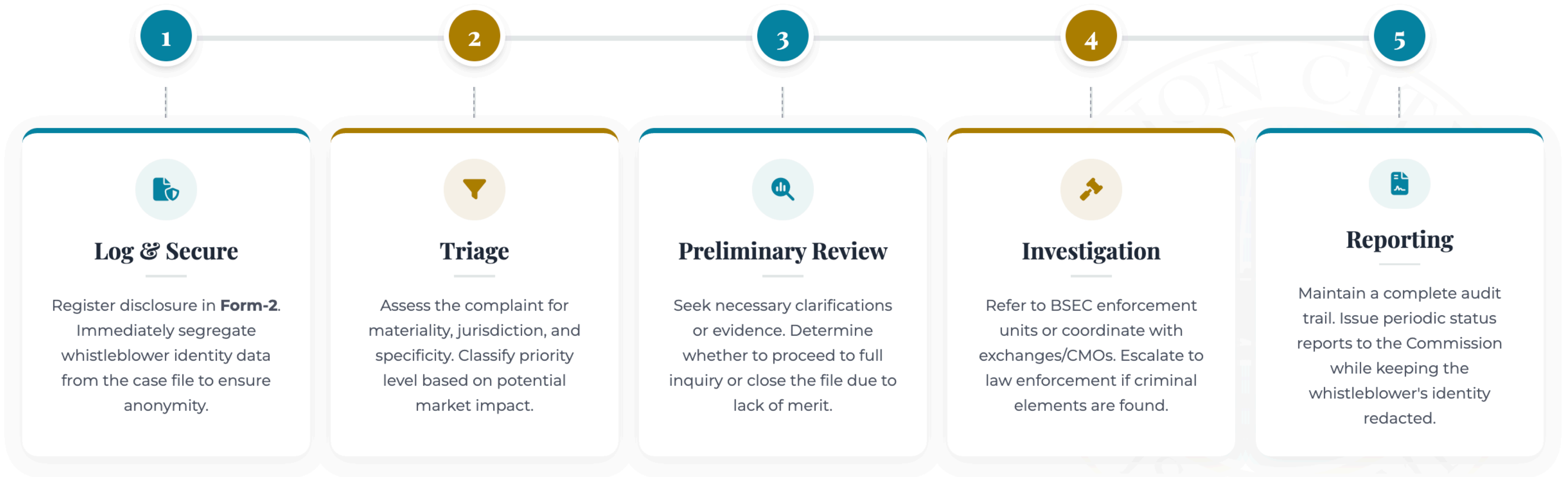


Case Management & Oversight

Oversee initial screening of complaints, refer valid cases to relevant BSEC departments for investigation, and monitor the progress of inquiries.

Handling Disclosed Information

5-Stage Operational Workflow



● Administrative Actions ● Assessment & Enforcement

Summary & Next Steps

Strategic Implications for Lion City Advisory Limited



Draft Rules Overview

Objective & Scope

Aims to foster transparent markets by protecting bona fide whistleblowers. Applicable to all issuers, intermediaries, listed companies, and funds.

Structural Safeguards

Establishes a dedicated **Designated Officer's Cell** at BSEC and mandates standardized reporting via **Form-1** to ensure due process.

Rights & Protection

Guarantees strict confidentiality, legal immunity from testifying as a witness, and protection against workplace retaliation.

Action Plan

- 1 Compliance Mapping**
Map existing internal "speak-up" channels to the new draft requirements to identify gaps in anonymity and evidence handling.
- 2 SOP Development**
Prepare internal Standard Operating Procedures (SOPs) for securing evidence and preventing retaliation against staff who disclose info.
- 3 Staff Training**
Develop training modules to educate employees on their rights under the new rules and the correct usage of Form-1.



Immediate Action Required

Submit comments/objections to BSEC within the **2-month consultation window**.

DEADLINE

May 01