

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS



Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed

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SEBI'S INFORMANT MECHANISM: AN EVALUATION OF INDIA'S WHISTLEBLOWER FRAMEWORK IN SECURITIES REGULATION

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ABSTRACT

Whistleblowers are essential to enhancing transparency, accountability and integrity in securities markets, and help regulators uncover hidden cases of insider trading and market abuse. The Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations 2019 (PILT) has introduced an Informant Mechanism as a tool for the protection of investors and integrity of the market, which is critically examined in this study. The research is divided into three parts: Legal framework governing whistleblowing in India, Analysis of the key characteristics of the Informant Mechanism and the limitations in the actual implementation of the Informant Mechanism such as high reward, weak anti-retaliation provisions, limited confidentiality and participation rates. The research methodology employed in the study is doctrinal which involves analysis of statutory provisions, SEBI rules and regulations, annual reports, judicial rulings and comparative study of whistleblower provisions in the United States and the United Kingdom. It argues that strengthening legal protections, improving awareness, and aligning the mechanism with global best practices are essential for enhancing its effectiveness and fostering greater confidence in India's securities market.

Key words: Whistleblowing, Insider Trading, SEBI, Informant Mechanism, Market Integrity, Investor protection, Regulatory Enforcement

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ABBREVIATION	FULL FORM
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act, 2010
FCA	Financial Conduct Authority
FY	Financial Year
IPEF	Investor Protection and Education Fund
IT	Information Technology
LODR	Listing Obligations and Disclosure Requirements
NHAI	National Highways Authority of India
OIP	Office of Informant Protection
PIDA	Public Interest Disclosure Act, 1998
PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations
PMO	Prime Minister's Office
PRA	Prudential Regulation Authority
RTI	Right to Information
SAT	Securities Appellate Tribunal
SCC	Supreme Court Cases
SEC	Securities and Exchange Commission
SEBI	Securities and Exchange Board of India
UPSI	Unpublished Price Sensitive Information
VIDF	Voluntary Information Disclosure Form

CHAPTER I

INTRODUCTION

Whistleblowers are important watchdogs of financial market transparency as they uncover activities that would otherwise go undetected by regulators. As regards securities law, such a role becomes all the more important as insider trading is often an underground activity and direct evidence is difficult to procure. The Indian securities market has experienced some high-profile scandals ranging from the Satyam fraud of 2009 to WhatsApp leak case and has grappled with regulatory loopholes and limitations of investigations that have resulted in loss of investor faith as well as market integrity.

In response to these persistent challenges, SEBI formally introduced the Informant Mechanism in 2019 through the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, which came into force on December 26, 2019. This amendment inserted Chapter III-A into the 2015 Regulations, thereby establishing an Informant Mechanism intended to encourage the voluntary disclosure of insider trading activities.

Though the mechanism is a milestone of Indian securities regulation, it has also been subject to critical evaluation. Various authors point out that confidentiality protection is only limited in that the identity of the informant can be revealed in evidentiary proceedings. Various others put a strong emphasis that its high threshold of ₹1 crore excludes a wide range of smaller insider trading cases, thereby limiting the deterrent capacity of the framework. Moreover, unlike jurisdictions such as the United States, India lacks a comprehensive complete statutory regime to safeguard against retaliation of whistleblowers and so informants face risk of dismissal, harassment, or career setbacks.

This paper critically analyses SEBI's Informant Mechanism as a regulatory instrument aimed at combating insider trading and strengthening market integrity. It analyses the effectiveness of the mechanism in the larger context of India's securities law, its provisions, its limitations, and its selected case studies. Additionally, comparative lessons from international whistleblower regimes, such as those of the U.S and the U.K, have been scrutinized to identify suitable practices applicable to India. Keeping in view changing market dynamics and persistent challenges of underreporting, fear of retaliation, and limited awareness, this study underscores the immediate need to reinforce SEBI's Informant Mechanism to ensure investor protection, promote corporate accountability, and uphold market transparency.

CHAPTER II

WHISTLEBLOWER JURISPRUDENCE AND THE INDIAN REGULATORY LANDSCAPE

2.1 The Function of Whistleblowing in Securities Market Oversight

Whistleblowing refers to disclosing information by insiders, such as directors, employees or others, about unethical, illegal or fraudulent activities that occur in organisations. When it comes to securities regulation, whistleblowing becomes especially important as violations of insider trading and market manipulation are inherently difficult to detect and prove, often relying on circumstantial evidence.

Whistleblowers, having access to **unpublished price sensitive information (UPSI)**, give a direct lead to regulators that has the potential of causing investigations as well as enforcement action. In this regard, whistleblowers act as critical allies of the SEBI, enabling the detection of concealed misconduct that undermines market fairness. Whistleblowers play an important role in reinforcing transparency and rebuilding investor confidence, both of which are indispensable for sustaining the growth and stability of India's capital markets.

2.2 Legislative and Regulatory Architecture for Whistleblower Protection in India

Whistleblower protection in India is highly fragmented, combining statutory provisions with regulatory guidelines. The **Whistle Blowers Protection Act, 2014**¹, provides protection against retaliation to those disclosing public interest; its coverage is restricted to a large extent to those in public employment and does not effectively include the private corporate sectors. Under **Section 177(9)**² of the Companies Act, 2013³, every listed company, must establish a vigil mechanism that enables directors and employees to report unethical behavior without the threat of retaliation. **Regulation 22**⁴ of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015⁵, makes it mandatory for listed entities to adopt a whistleblower policy. But these internal mechanisms were weak and inefficient.

¹ Whistle Blowers (Protection) Act, 2014

<https://thc.nic.in/Central%20Governmental%20Acts/Whistle%20Blowers%20Protection%20Act,%202014..pdf> (Accessed on 25th May, 2026)

² Companies Act, 2013, No. 18 of 2013, § 177, Acts of Parliament, 2013 (India).

³ The Companies Act, 2013 <https://www.indiacode.nic.in/bitstream/123456789/2114/5/A2013-18.pdf> (Accessed on 25th May, 2026)

⁴ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Gazette of India, Reg. 22.

⁵ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 <https://www.sebi.gov.in/legal/regulations/may-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-may-01-2025-93799.html> (Accessed on 25th May, 2026)

CHAPTER III

SEBI INFORMANT MECHANISM

The **SEBI Informant Mechanism** was formally introduced through the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019⁶, and it became effective on December 26, 2019. By introducing **Chapter III-A** into the 2015 Insider Trading Regulations, SEBI created India's first industry-specific whistleblower system for insider trading.

3.1 Structural and Operational Provisions

Defining the Informant: Scope and Eligibility Under Regulation 7A(1)(b)

An informant is an individual who voluntarily provides SEBI with credible information about insider trading. This can relate to violations that have already taken place, are ongoing, or are expected to occur soon. Importantly, an individual may still qualify as an informant even if they are not eligible for monetary rewards, as long as the disclosure is submitted in the required form.

The Requirement of Original Information: Regulation 7A(1)(h)

Original information refers to new and reliable insider trading information obtained from the informant's own knowledge or analysis. This information should not already be available to SEBI from another source, unless the informant was the one who first provided it. Such information should be sufficiently specific and clear to help SEBI initiate or advance an investigation.

Regulation 7B: The Voluntary Disclosure Framework

Informants must submit details using the prescribed VIDF format. To maintain anonymity, submissions may be given through a practicing advocate. The form must include material facts, supporting documents, and a declaration of authenticity.

Regulation 7C: Institutional Architecture of Informant Protection

SEBI created the OIP as an independent body tasked with:

1. Receiving and recording VIDFs.
2. Assessing and verifying the materiality of disclosures.

⁶ https://www.sebi.gov.in/legal/regulations/sep-2019/securities-and-exchange-board-of-india-prohibition-of-insider-trading-third-amendment-regulations-2019_44341.html (Accessed on 25th May, 2026)

3. Serving as a channel between informants/legal representatives and SEBI.
4. Ensuring informant confidentiality.
5. Submitting annual reports on the mechanism's functioning.

Regulation 7D: Financial Incentive Structure

- a) The informants can get up to 10 per cent of the collected monetary sanctions, subject to a ceiling of ₹1 crore.
- b) Interim rewards not exceeding ₹10 lakhs can be awarded by issuance of a final order.
- c) Rewards are paid out of the Investor Protection and Education Fund.

Regulation 7E: Qualifying Conditions and Monetary Thresholds

Rewards are paid only if SEBI successfully recovers at least ₹1 crore in penalties or disgorgement based on the disclosure. Employees of regulators, frivolous complainants, or individuals under investigation for the same matter are not eligible.

Regulation 7H: Preservation of Informant Anonymity

The identities and information of informants will not be disclosed under the RTI, 2005. However, exceptions apply when disclosure is required for legal proceedings, court orders, or verification during reward processing.

Regulation 7I: Safeguards Against Victimization

The employers are not allowed to discriminate or victimize informants that make disclosures to SEBI. Although significant, the regulation is still missing such remedies as reinstatement or damages, which are insufficient to protect against the international standards.

Regulation 7G: Prevention of Mechanism Abuse

SEBI can take action against informants who deliberately file false, frivolous, or vexatious complaints. This provision will help strike a balance between the real disclosure and protection against abuse.

3.2 Procedure:

VIDFs are submitted to the OIP by informants which conducts a screen on disclosures of credibility and materiality. Appropriate cases are submitted to enforcement departments at SEBI to be investigated. If enforcement leads to disgorgement, rewards are paid from the IPEF.

3.3 Time Limit for Filing VIDF:

When Chapter III-A was introduced, no filing deadline was specified. To fill this gap, SEBI proposed in its board meeting on 29 September 2020⁷, a **three-year time limit** for filing VIDFs.

CHAPTER IV

LIMITATIONS AND CHALLENGES IN SEBI'S INFORMANT

MECHANISM

4.1 Reward Thresholds

The current reward threshold of ₹1 crore means that only significant instances of insider trading are rewarded. This excludes some smaller yet recurring violations, which collectively harm market fairness.

4.2 Partial Confidentiality and Exposure Risks

Although SEBI assures confidentiality, informants might still be called upon to give evidence in the court of law. This undermines anonymity guarantees and exposes whistleblowers to reputational damage, workplace retaliation, or even physical threats. Such risks discourage potential informants, eroding both the credibility and effectiveness of the system.

4.3 Weak Anti-Retaliation Protections

Compared to stronger global frameworks, Indian law falls short of effective remedies for whistleblowers facing retaliation. There is no regulation for reinstatement, damages, or compensation if someone faces unfair treatment after speaking up. This gap in the law leaves informants exposed to dismissal, harassment, or setbacks in their careers.

4.4 Low Awareness and Cultural Stigma

The system's effectiveness is limited by a lack of awareness among employees and deep-rooted cultural stigma around whistleblowing. It is often viewed as disloyalty instead of a stand for integrity, leading to a negative perception. Additionally, inadequate education about protections reduces participation and weakens the system's effectiveness.

⁷ https://www.sebi.gov.in/media/press-releases/sep-2020/sebi-board-meeting_47739.html (Accessed on 25th May, 2026)

4.5 Incentives vs. Internal Compliance Programs

A key concern is whether SEBI’s reward-driven system undermines corporate compliance practices. Vigil mechanisms under the Companies Act, 2013, and SEBI’s LODR Regulations were meant to promote internal reporting. By allowing informants to skip these mechanisms and report directly to SEBI, the system may weaken the compliance culture in companies.

4.6 Safeguards Against Frivolous and Malicious Complaints

One of the main challenges is finding the right balance between genuine disclosures and safeguards against misuse. SEBI has put measures in place, like penalizing malicious complaints, requiring submissions through lawyers, and restricting eligibility to original information. However, risks still exist, as regulatory resources can be wasted on weak claims. Stronger penalties and better screening processes could help filter out baseless cases, maintaining credibility while encouraging real whistleblowers.

4.7 The Gap Between Promise and Practice: A Data-Driven Assessment

Between 2019 and 2025, however, the number of disclosures stayed notably low.

SEBI Informant Mechanism Disclosures (2019-2025)			
S. No	Year	Number of Disclosures	Original Information
1.	2019-2020 ⁸	1	1
2.	2020-2021 ⁹	0	0
3.	2021-2022 ¹⁰	0	0
4.	2022-2023 ¹¹	0	0
5.	2023-2024 ¹²	0	0
6.	2024-2025 ¹³	4	1

Reviews of SEBI’s annual reports show limited progress, with participation affected by **lack**

⁸ See Securities & Exch. Bd. of India, Annual Report 2019-20 (Feb. 2021), https://www.sebi.gov.in/reports-and-statistics/publications/feb-2021/annual-report-2019-20_49071.html. (Accessed on 25th May, 2026)

⁹ See Securities & Exch. Bd. of India, Annual Report 2020-21 (Aug. 2021), https://www.sebi.gov.in/reports-and-statistics/publications/aug-2021/annual-report-2020-21_51610.html (Accessed on 25th May, 2026)

¹⁰ See Securities & Exch. Bd. of India, Annual Report 2021-22 (Oct. 2022), https://www.sebi.gov.in/reports-and-statistics/publications/oct-2022/annual-report-2021-22_63812.html (Accessed on 25th May, 2026)

¹¹ See Securities & Exch. Bd. of India, Annual Report 2022-23 (Aug. 2023), https://www.sebi.gov.in/reports-and-statistics/publications/aug-2023/annual-report-2022-23_74990.html. (Accessed on 25th May, 2026)

¹² See Securities & Exch. Bd. of India, Annual Report 2023-24 (Aug. 2024), https://www.sebi.gov.in/reports-and-statistics/publications/aug-2024/annual-report-2022-23_74990.html. (Accessed on 25th May, 2026)

¹³ See Securities & Exch. Bd. of India, Annual Report 2024-25 (Aug. 2025), https://www.sebi.gov.in/reports-and-statistics/publications/aug-2025/annual-report-2024-25_96014.html (Accessed on 25th May, 2026)

of awareness, cultural stigma, and weak confidentiality protections.

Its long-term success will rely on reforms that lower eligibility thresholds, improve protections against retaliation, and increase transparency in enforcement outcomes.

CHAPTER V

NOTABLE CASES IN WHISTLEBLOWER JURISPRUDENCE

The researcher has only encountered a limited number of case laws where the courts have defined and interpreted the law while also acknowledging the necessity for protection for whistleblowers.

In *Indirect Tax Practitioners Association vs. R K Jain*¹⁴, the Apex Court explained who qualifies as a whistleblower. This individual is characterized as someone who brings to light concerns regarding misconduct happening within an organization or among a group of individuals. Subsequently, in *Manoj H Mishra v. Union of India & Ors*¹⁵, it was clarified that for an individual to be recognized as a whistleblower, their primary intention must be aimed at promoting the public good. A whistleblower is expected to act with honesty, integrity, and the spirit of a crusader, leaving little room for doubt about their motives. Merely belonging to an organization and having access to confidential information is not sufficient. The primary drive behind a person's actions to be categorized as a "whistleblower" must be to purify the organization. This motivation should not be merely incidental or a byproduct of actions taken for ulterior or selfish reasons. In essence, a whistleblower's actions must serve the larger public interest, with the objective of exposing unethical practices within a public organization or institution.

*Satyendra Dubey Case*¹⁶: Satyendra Dubey is a civil engineer who was working on a project of the Golden Quadrilateral Project with the National Highways Authority of India. In the course of his work, he discovered severe financial anomalies and tried to approach the matter in a responsible manner, by writing to senior officials and even the Office of the Prime Minister, expressly saying that his identity should remain a secret. His identity was not protected, and on 27 November 2003, Dubey was killed in Gaya, Bihar. His death marked a turning point,

¹⁴ *Indirect Tax Practitioners' Assn. v. R.K. Jain*, (2010) 8 SCC 281

¹⁵ *Manoj H. Mishra v. Union of India*, (2013) 6 SCC 313.

¹⁶ Pratima Vishnu Barde, *Whistleblowing Mechanism: A Positive Step towards Enhancing Corporate Governance*, 4 INT'L J.L. MGMT. & HUMAN. 1613 (2021).

revealing the serious dangers encountered by those who expose corruption and the lack of adequate legal safeguards for whistleblowers in India during that period.

Satyam Computer Services Fraud: Satyam, the fourth-largest Indian IT company, had fallen in 2009, when its chairman confessed to falsifying accounts totalling more than ₹7,000 crore. The fraudulent activity concerned the fraudulent invoices, exaggerated revenues and unrealized bank balances. There was no whistleblower in the Satyam case, even though a number of employees and insiders confessed to their suspicions about the financial reporting practices of the company.

WhatsApp Leak Case¹⁷: In 2017, SEBI examined the “WhatsApp leaks,” in which unpublished price sensitive information (UPSI) like company earnings was being shared in private WhatsApp groups prior to official announcements. SEBI suspected insider trading but was unable to find the source of the leaks, and the Securities Appellate Tribunal (SAT) later held that WhatsApp messages equated to **insufficient direct evidence**. The Supreme Court¹⁸ confirmed the SAT’s decision.

This case highlighted the difficulty in establishing insider trading without the cooperation of insiders. Non-availability of whistleblowers rendered SEBI solely reliant on circumstantial evidence, diminishing its ability to enforce. The incident highlights why SEBI introduced the Informant Mechanism in 2019, which is a framework that offers confidentiality and rewards to encourage insiders to share original information.

CHAPTER VI

COMPARATIVE STUDY OF WHISTLEBLOWER MECHANISM

6.1 The U.S. SEC Whistleblower Programme

The whistleblower system in the United States is one of the most successful in the world, having been instituted through the **Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010**¹⁹. Whistleblowers receive good financial incentives and protection of the law through the program administered by the Securities and Exchange Commission (SEC).

¹⁷ https://www.sebi.gov.in/sebi_data/attachdocs/jun-2020/1592320803978_1.pdf (Accessed on 25th May, 2026)

¹⁸ SEBI v. Shruti Vora, 2022 SCC OnLine SC 1311.

¹⁹ <https://www.govinfo.gov/app/details/PLAW-111publ203/related> (Accessed on 25th May, 2026)

If a whistleblower's disclosure results in a successful enforcement action, they are eligible to receive a share of the monetary sanctions imposed, ranging from **10 to 30 percent**, without any fixed cap on the reward amount. Confidentiality is ensured, and the informants can even send information anonymously through a lawyer. The Act included anti-retaliation provisions, which allow whistleblowers to seek reinstatement, back pay, and damages if they are punished for reporting misconduct.

In FY 2024²⁰, the SEC got approximately **24,980 tips** submitted by whistleblowers and paid over \$255 million to 47 whistleblowers, the third largest amount paid out in the program in a single year.

6.2 The United Kingdom's Protection-Centred Whistleblower Model

The UK has taken a very different regulatory stance, driven more by a culture and institutional approach rather than by incentive, unlike the approach taken in the United States. The UK rules require all regulated firms to have internal whistleblowing procedures and a "**whistleblowers' champion**", which is a member of the board's governance body, to ensure that the integrity of these procedures is respected and followed. This structural requirement provides employees with a formal and protected route to raise concerns without the risk of professional repercussions and strong confidentiality protocols are kept throughout.

The Public Interest Disclosure Act of 1998²¹ underpins this framework, and grants workers statutory protection against unfair dismissal or victimisation as a result of disclosures about public interest matters made in good faith. Of particular note, however, is that the U.K. model does not rely on any economic incentive for whistleblowers, and yet it has shown that, with good legal protections, a culture of institutional trust and organisational accountability can be a powerful way of encouraging whistleblowers to share information.

6.3 Comparative Insights and Their Applicability to the Indian Context

In this context, comparative insights will help to guide the analysis of the Indian context. For this purpose, comparative insights will guide the analysis of the Indian context. While the regulatory approaches of the United States and United Kingdom are very different, they share lessons that are mutually reinforcing, and relevant to enhancing the whistleblower regime in India. The American approach emphasizes that effective anti-retaliation enforcement is an

²⁰ <https://www.sec.gov/files/fy24-annual-whistleblower-report.pdf> (Accessed on 25th May, 2026)

²¹ <https://www.legislation.gov.uk/ukpga/1998/23/contents> (Accessed on 25th May, 2026)

essential component of the whistleblower's task; assurance of legally enforceable remedies for whistleblowers is essential to whistleblowing. In contrast, the British approach illustrates the advantages of building a culture of compliance within organisations, which is backed up by a strong statutory framework in place, including the Public Interest Disclosure Act, 1998.

The best approach for India seems to be combination of the two systems, some of the substantive anti-retaliation protections of the U.S. system and the investment in the sort of internal compliance system and institutional trust-building that typifies the U.K. system. These lessons offer a useful template for enhancing the effectiveness and credibility of the Informant Mechanism under SEBI from a robust but underutilized tool to a truly effective and effective pillar of the securities market.

CHAPTER VII

STRENGTHENING SEBI'S INFORMANT MECHANISM: REFORM

PROPOSALS

The SEBI is proposed to be strengthened in the Informant Mechanism by implementing the following:

7.1 Rationalising the Eligibility Threshold

While the current minimum disgorgement of ₹1 crore adequately covers the definition of insider trading, it leaves out a significant class of smaller but more frequent instances of insider trading. Reducing the threshold will increase the scope of the mechanism, encourage disclosures of more market wrongdoing and make the entire regulatory regime more effective at all levels of trading.

7.2 Enacting Comprehensive Anti-Retaliation Safeguards

Clearly, the current regulatory regime does not provide remedies for whistleblowers who suffer workplace recrimination after disclosure that are enforceable. Statutory protections need to be expanded to explicitly ban termination, demotion and workplace harassment, as well as reinstatement, compensation and, if appropriate, protection for close family members. These would be worthwhile measures that would help to alleviate the individual risk surrounding disclosure and provide the assurance that would lead to more informants participating.

7.3 Harmonising External Reporting with Internal Compliance Structures

The Informant Mechanism must be coupled with other existing Corporate Governance System. Generally, there should be a system of internal watchdogs to bring persons to the attention of SEBI before they can be brought before SEBI directly, except in the case of senior management who are suspected of being involved in the offence. This comprehensive system would help to strengthen the internal accountability and maintain the strength of external regulatory sanctions, creating a unified and balanced whistleblower system.

7.4 Strengthening Disclosure Screening Mechanisms

The Office of Informant Protection should have sufficient resources and institutional authority to make timely and rigorous preliminary evaluations of disclosures. An effective screening process would help weed out trivial or vexatious and malicious complaints early, thereby saving regulatory time, keeping the credibility of the process, and allowing for investigation to be given to complaints that deserve it.

7.5 Fostering Awareness and Enabling a Cultural Shift

One major obstacle to the success of the mechanism is the lack of awareness among employees and the embedded culture that blowing the whistle is a disloyalty. Awareness-raising campaigns on a national scale, both in the private and public sectors, are crucial to change the perception of whistleblowing as a civic and professional duty. Informants would benefit from being informed about the protections in place and this would help to break the inertia of non-participation which is fueled by the stigma and risks.

7.6 Aligning with International Best Practices

It would be of great help to SEBI's Informant Mechanism to be parallel to international standards. The anti-retaliation enforcement model of the U.S. Securities and Exchange Commission is strong and the organizational culture-based approach of the Financial Conduct Authority and the Prudential Regulation Authority in the U.K. are lessons that complement each other. The addition of these global best practices would improve the credibility, effectiveness and global similarity of India's whistleblower system.

CONCLUSION

The launch of SEBI's Informant Mechanism is a significant step in India's efforts to curb insider trading and maintain the integrity of the securities market. While creating a platform

for whistleblowers, SEBI has given a tacit approval that proper market enforcement is not possible just by surveillance and circumstantial evidence.

Despite this progressive motivation, the present study shows that the mechanism is not being performed in practice to its full potential. The requirement of a minimum disgorgement of ₹1 crore restricts the number of cases that can be reported, thereby making it less effective as a deterrent measure. At the same time, the limited protections on confidentiality place informants at risk of reputational damage and professional consequences, and lack of a broad statutory remedy for employer retaliation persists as a disincentive to informants. This is supported by the annual disclosures made by SEBI in reports issued between 2019 and 2025 which show that the disclosures have been negligible right till 2024-25, with continuing challenges of lack of awareness, embedding of culture and security measures for prospective informers.

For the Informant Mechanism to fulfil its intended regulatory purpose, structural reforms are imperative. These include a review of the eligibility threshold, implementation of enforceable anti-retaliation provisions (and appropriate remedies), alignment of the mechanism with existing internal compliance processes, and continued public awareness raising. In essence, a strong whistleblower regime is not just about preventing insider trading it is an integral part of promoting transparency, protecting investor interests and also ensuring the credibility of the capital markets in the long term.