



# YPOG-Briefing: Whistleblower Protection Act

May 12, 2023

## What is it about?

Today, the German federal lawmaking entities, Bundestag and Bundesrat, passed the [Whistleblower Protection Act](#) (May 12, 2023). The aim is to improve the protection of "whistleblowers" who discover abuses and violations of the law in companies and authorities, but who do not want to turn to their superiors for fear of reprisals, for example.

## For which companies is this relevant?

Setting up and operating a whistleblowing system is mandatory for...

- companies with more than 50 employees, until December 2023,
- companies with more than 250 employees, as of the entry into force of the law (June 2023)
- institutions according to the German Banking Act (**banking institutions** and **financial service providers** according to Section 1 (1b) of the German Banking Act)
- **investment firms** according to Section 2 (1) of the German Investment Firm Act as of the entry into force of the Act (June 2023).
- **capital management companies** pursuant to Section 17 (1) of the German Capital Investment Act (Kapitalanlagegesetzbuch) (e.g. **investment funds**) as of the entry into force of the Act (June 2023)

## What does this mean for banks, investment firms and funds, for example?

The establishment and operation of a whistleblowing system is legally obligatory as of June. In short, a whistleblowing system consists of (1.) an internal reporting office, (2.) a whistleblowing hotline and (3.) a number of documents that must be made accessible within the company. This is not trivial:

1. The **internal reporting office** must perform its tasks independently, securely and confidentially. This requires resources, personnel and equipment. It must receive, evaluate and clarify (ideally also anonymous) reports.
2. In order to be able to receive reports confidentially, it must operate a **whistleblower hotline** on various channels (web, mail, telephone, in writing).
3. A number of **documents** must be kept on hand, some of which must be published and made accessible to employees, and regularly updated. These are, for example, the Whistleblower Protection Policy, Privacy Policy for Whistleblower Protection, etc.



## The good news: we can do this for you (almost completely)

Through **YSolutions**, our unit for software-based legal services, we offer the set-up and operation of a whistleblower system at a fixed price - as a web-based platform that is installed, hosted and operated by us in Germany:

1. As a "commissioned third party", we take over the establishment of the **internal reporting office** and thus the receipt of reports. Together with a person named by you, we support you in processing the reports and taking further necessary measures.
2. We install and operate your **whistleblowing hotline**. You receive a link for your website, we take care of the rest. Our technology combines the security standards of a law firm with the simple transmission of digital files, a completely anonymous dialogue with the whistleblower and structured communication and case processing.
3. We provide all necessary **documents**, update them regularly and provide evidence of the expertise required under the Whistleblower Protection Act.

## Your advantages

Our "all-in-one solution" distinguishes us from other providers on the market who usually offer "only" software, the operation of a hotline or an ombudsperson. **Our service means the (almost) complete "outsourcing" of legal obligations.**

## Our services and prices

Set up anonymous hotline and internal reporting office	one-time 1,800	EUR
Provision of all documents that companies have to keep available	one-time 1,800	EUR
Operation of anonymous hotline and internal reporting office as well as continuous updating of documents	annually 1,800	EUR

By way of comparison, the German Bundestag calculates (in its explanatory memorandum to the law) that setting up an internal reporting office costs around 12,500 euros and that operating it requires an annual "compliance cost" of 5,772 euros, see [here](#), pages 43/44.

## Call to Action

Companies that are obliged to set up a whistleblower system when the Whistleblower Protection Act comes into force should act quickly: If the obligation to set up and operate an internal whistleblowing system is not fulfilled within 6 months after promulgation, this constitutes an administrative offence. There is also the threat of severe fines. All further information and the possibility to commission us directly can be found on the website <http://ystle.legal> or by clicking here:

[Get a quote](#)

## Contacts | Here are your advisers:



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