



WHITE COLLAR CRIME & INVESTIGATIONS BULLETIN



INTRODUCTION

As part of our continued coverage on global developments in white collar crime and corporate investigations, we are pleased to share the second update in this edition of our Bulletin.

In this edition, we focus on a recent decision by the European Court of Justice that underscores the growing emphasis on whistleblower protection and regulatory enforcement across the EU.

WHISTLEBLOWER SILENCE NOW HAS A PRICE TAG—FOR NATIONS TOO

Just last week, the European Union Court of Justice fined five member states—Germany, the Czech Republic, Hungary, Luxembourg, and Estonia—for failing to adopt rules to strengthen whistleblower protections. Germany alone was fined EUR 34 million—over INR 300 crore.

These fines stem from a 2019 European Union wide directive that required member states to implement laws mandating companies to set up internal channels for whistleblowers and shield them from reprisals such as dismissal, demotion, pay reduction and even litigation.

This is a first-of-its-kind move: countries, not companies, being held accountable for failing to create safe environments for people to speak up against fraud, tax evasion, data breaches, and other misconduct.

It's more than a fine—it's a message.

When silence costs nations millions, the world is saying: protecting those who speak up is no longer optional—it's essential to responsible governance.

And protection must be for all: not just whistleblowers, but also those named in complaints, witnesses, and investigators. The risks aren't one-sided—unfounded allegations, internal politics, or flawed processes can harm anyone involved. A credible system must prioritise fairness and integrity at every stage.

And yet, India's framework remains fragmented. The Whistle Blowers Protection Act, passed in 2014 and granted Presidential assent, has still not been brought into force—even after a decade. And when implemented, its scope is limited to the public sector.

In the private sector, protections depend largely on internal company policies. Yes, the Companies Act, 2013 requires certain classes of companies to establish vigil mechanisms with safeguards against victimisation. Similarly, SEBI's LODR Regulations, 2015 mandate listed entities to do the same. However, legislations in India do not specifically dictate the manner of implementation of whistleblower policies and investigation of complaints

It's time we move from policy on paper to protection in practice. The world is watching—and acting. India must prioritise a balanced framework—one that protects genuine whistleblowers, but also safeguards those falsely accused. In an age where a single complaint can upend reputations, credibility depends not just on encouraging disclosure, but on ensuring fairness at every step.

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