When people compare the Bank Secrecy Act (BSA) whistleblower programme with the Securities and Exchange Commission (SEC) programme, "procedural and administrative distinctions" means more than different forms or filing addresses. The programmes have different legal foundations, decision-makers, award rules and routes for challenging retaliation. A person considering a report should not assume that a step which preserves a claim under one programme will do the same under the other.

The comparison matters in financial-crime reporting. A worker may raise a concern through an employer's internal compliance channel, provide information to a regulator, or do both. Suspicious Activity Reports (SARs) add a further complication: they are subject to confidentiality restrictions, so reporting suspected misconduct does not necessarily mean that an employee may disclose a SAR or confirm that one exists.

This article explains the main differences in the programmes' administrative frameworks, including the 2022 overhaul of the BSA whistleblower provisions, the monetary-sanctions threshold, the potential award range and anti-retaliation rights. It is general information, not legal advice. The details of an individual report, including its timing and the information disclosed, can change the analysis.



What the phrase means

An administrative framework is the system a law uses to receive information, assess eligibility, decide claims and pay awards. "Claims processing differences" refers to the practical steps and legal tests that apply at each stage. The phrase "BSA vs SEC procedures" is therefore shorthand for two programmes that may reward information about financial misconduct but do not operate as interchangeable routes.

The SEC administers its whistleblower programme under the securities laws and its own rules. The BSA programme is grounded in federal anti-money-laundering law and is administered through the Treasury Department, including the Financial Crimes Enforcement Network (FinCEN). The agencies, statutory tests and procedures differ. A report sent to one agency should not be treated as automatically filed with the other.

The BSA programme after the 2022 overhaul

The Anti-Money Laundering Act of 2020 created a statutory BSA whistleblower framework. Congress then made significant changes in 2022 through the Anti-Money Laundering Whistleblower Improvement Act, enacted as part of the National Defence Authorisation Act. The changes addressed a key weakness in the earlier framework: an award could depend on the availability of funds, rather than operating as a dependable statutory entitlement.

The amended law provides for awards to eligible whistleblowers whose original information leads to qualifying enforcement results. It also sets a potential award range and includes anti-retaliation protections. These changes brought the BSA programme closer in some respects to established financial-regulatory whistleblower models, but they did not make its procedures identical to the SEC's.

In particular, "mandatory awards" does not mean that every person who reports a concern receives money. It means that, where the statutory conditions are met, the law directs that an award be paid. Eligibility, the quality and originality of the information, its contribution to an enforcement action, the sanctions collected and the applicable rules still matter. A report that is useful to an employer or regulator may not satisfy the requirements for an award.

The $1 million sanctions trigger

For a BSA whistleblower award, the relevant enforcement action must result in monetary sanctions exceeding $1 million. The threshold is important: it is not enough that a person reports a serious suspected violation, or that an investigation is opened. The outcome must meet the statutory test, and the award process depends on qualifying sanctions being imposed and collected.

The SEC programme also uses a $1 million threshold for qualifying enforcement actions. That shared headline figure can make the programmes look alike, but it does not erase differences in what counts as a qualifying action, how a claimant establishes eligibility or how the agency processes a claim. The fact that a matter involves both securities issues and money-laundering concerns does not itself decide which programme applies.

Nor should the threshold be read as a prediction about the likely size or success of a case. Whistleblowers generally cannot control whether regulators pursue an investigation, what charges they bring or how much money is ultimately recovered. The threshold is one legal condition, not a promise of an award.

What the 10 to 30 per cent range means

Under the amended BSA framework, an eligible whistleblower's award is generally set at between 10 and 30 per cent of the monetary sanctions collected in qualifying actions, subject to the statute and the applicable rules. The range describes the possible proportion, not a guaranteed rate. A person should not budget on the assumption that the maximum will be awarded.

In setting an award, the relevant authority may consider matters such as the significance of the information, the degree to which it assisted the authorities, the whistleblower's participation in internal reporting and the person's role in the misconduct. The precise factors and how they are applied depend on the governing provisions and rules. The percentage is not simply a payment for making an allegation.

The SEC programme also provides for awards in a 10 to 30 per cent range in qualifying cases, calculated by reference to monetary sanctions collected. That similarity is useful, but it should not be mistaken for a single shared claims process. Different application requirements, agency decisions and legal tests can affect whether a person qualifies and what award is set.

Issue BSA whistleblower programme SEC whistleblower programme Legal and administrative setting Federal anti-money-laundering law; administered through the Treasury Department and FinCEN. Securities laws and SEC rules;

administered by the SEC. Sanctions threshold Qualifying monetary sanctions must exceed $1 million. Qualifying enforcement action must meet the programme's $1 million threshold. Potential award range Generally 10 to 30 per cent of qualifying monetary sanctions collected, subject to statutory requirements and rules. Generally 10 to 30 per cent of qualifying monetary sanctions collected, subject to SEC rules. Retaliation route Federal statutory protections and a route to pursue a retaliation claim. Protections under the securities laws, with their own statutory requirements and procedures.

Internal channels are not external submissions

Most regulated firms have internal compliance reporting channels, such as a manager, compliance officer, ethics hotline or designated reporting portal. These channels can help a company investigate and address a problem. They are not the same as submitting information to FinCEN, the SEC or another regulator.

That distinction can affect both award eligibility and retaliation protections. An internal report may be relevant to how an enforcement authority assesses a whistleblower's contribution, but it does not automatically establish that the person has made an external submission. Conversely, going directly to a regulator may have different consequences under the applicable programme and the facts of the case.

The FinCEN tip submission guide SEC has specific rules addressing internal reporting. In certain circumstances, a person who first reports information internally and then submits it to the SEC within 120 days may preserve the earlier date for programme purposes. That is a feature of SEC rules; it should not be assumed to apply in the same way to a BSA claim. Anyone weighing internal reporting against an external submission should obtain advice on the relevant programme before relying on a timing rule.

SAR confidentiality needs special care

A SAR is a report that a covered financial institution may be required to file when a transaction or activity meets applicable suspicious-activity criteria. The obligation to file a SAR belongs to the institution under the BSA and its implementing rules. A whistleblower's report of suspected misconduct is a separate matter.

SARs and information revealing their existence are subject to strict confidentiality rules. An employee should not assume that a desire to support a whistleblower claim permits them to share a SAR, disclose that one was filed or provide material that reveals a SAR's existence. A person may be able to report the underlying conduct through proper channels without disclosing protected SAR information. The safe course depends on the person's role, the documents involved and the applicable restrictions.

Anti-retaliation protection and a federal cause of action

The 2022 changes strengthened the BSA programme's anti-retaliation protections. In broad terms, the law prohibits covered employers from taking adverse action against a worker for specified lawful whistleblowing activity. The statute provides a federal route for a worker to pursue a retaliation claim, subject to its requirements and deadlines.

This is significant because a potential award and a retaliation claim are different things. A person may have a concern about being dismissed, demoted, threatened or otherwise penalised even if no enforcement action has yet produced sanctions. Equally, a retaliation claim does not guarantee an award under the whistleblower programme. The legal tests and remedies are distinct.



The SEC also has anti-retaliation protections, but their scope and application are governed by securities law and SEC-related procedures. In both settings, the facts matter: what the person reported, to whom, when, and whether the conduct falls within the statutory protection. A general complaint about workplace treatment does not necessarily qualify as protected whistleblowing.

Timing is particularly important. The BSA statute sets procedural requirements for retaliation complaints, including short filing periods. A worker should not wait for an employer's internal investigation or for a regulator to conclude its work before checking the applicable deadline. Preserve relevant records lawfully, make a contemporaneous note of events and seek advice promptly. Do not remove confidential customer, company or SAR material to build a case.

Practical points before making a report

1. **Identify the issue and the likely regulator.** A concern may involve BSA duties, securities violations, or both. The subject matter can affect which external route is relevant.
2. **Separate internal and external steps.** Reporting through an employer's channel is not automatically a submission to a regulator, and the timing rules may differ.
3. **Protect SAR confidentiality.** Focus on reporting underlying conduct through authorised channels. Do not disclose a SAR or its existence without advice on what the law permits.
4. **Keep a careful record.** Note dates, the substance of reports and any subsequent workplace action, while respecting confidentiality, privilege and data-protection obligations.
5. **Check deadlines early.** Award claims and retaliation claims have separate requirements. A delay that seems reasonable internally may still create a legal problem.

The practical meaning of "procedural and administrative distinctions"

The phrase is a warning against treating the BSA and SEC programmes as one system. They share some visible features, including a $1 million sanctions threshold and a possible 10 to 30 per cent award. But their administrative frameworks, claim processes and retaliation routes are distinct. The 2022 BSA overhaul made awards more firmly statutory and strengthened protections; it did not remove the need to meet programme-specific conditions.

For workers, the core questions are practical: which authority should receive the information, whether an internal report affects a later claim, what can safely be disclosed given SAR rules, and what deadlines apply if retaliation occurs. Because reporting can carry employment, confidentiality and legal risks, a potential whistleblower should not rely on a headline comparison or assume that an eventual award is assured. A lawyer familiar with the relevant programme can help assess the route and timing before an irreversible step is taken.