



BULLETIN

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LEGITIMACY AND ACCOUNTABILITY FOR BETTER PROTECTION OF WHISTLEBLOWERS - LAW



Pages 2-7: A few years later: How is the transposition of Directive 2019/1937 going?
Pages 8-9: Protecting the public interest and the lack of incentives for reporting?
Pages 10-12: Legislative changes to Whistleblower Protection Act in Bulgaria.
Pages 13-14: Protecting whistleblowers through the eyes of young people in Bulgaria.
Pages 15-16: About the project partners.



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A few years later: How is the transposition of Directive 2019/1937 going?

EU REGULATIONS



Three years have passed since the deadline for transposing Directive 2019/1937 on the protection of whistleblowers into the national laws of all EU Member States.

Today, all 27 countries have adopted legislative measures to transpose the Directive, but no country has yet fully met the requirements for full transposition.

Current state of play and challenges

The European Commission has launched and is advancing infringement procedures against most Member States for failure to meet the transposition deadline.

In July 2024, the Commission published a compliance report assessing Member States' efforts to transpose the Directive. The report highlights that while transposition has been formally achieved, in practice there are significant gaps in the implementation of key provisions that limit the effectiveness of whistleblower protection.



Urgent action needed

The European Commission is calling on Member States to speed up the process of full compliance with the Directive. Improving national legislation will not only ensure more effective protection for whistleblowers but will also increase citizens' trust in institutions.

The effective transposition and implementation of Directive 2019/1937 is essential to strengthen transparency and accountability in the public and private sectors.

Until all Member States fully comply with the requirements, the EU will continue to monitor and take measures to promote compliance.

WARNING: *States pay a high price for failing to protect whistleblowers.*

On 6 March 2025, the Court of Justice of the EU imposed fines on five Member States of the European Union for failing to transpose the Whistleblower Directive.

The five countries that received fines are Germany, Luxembourg, Estonia, the Czech Republic and Hungary.

Germany was fined €34 million, the Czech Republic €2.3 million and Hungary €1.75 million. Luxembourg and Estonia received fines of up to €500,000.

Each of these countries has specific problems that have led to non-compliance with the requirements of Directive 2019/1937.



Germany

Germany adopted its Whistleblower Protection Act (HinSchG), which came into force on July 2, 2023. The law requires organizations to establish reporting channels and ensure protection for individuals who disclose wrongdoing. However, these measures will only be effective if whistleblowers feel adequately informed, protected, and supported.

The Federal Republic of Germany also states that the establishment of internal reporting channels in municipalities and their associated structures falls under the competence of regional legislators, which creates additional challenges for the effectiveness of whistleblower protection.

German legislation provides for an evaluation of the law by mid-2025, but no funding has been allocated for this purpose in the draft federal budget.

According to information from the Whistleblowing International Network (WIN), many municipalities and companies have yet to establish internal reporting channels, and the government has shown no intention of addressing the shortcomings of the law.

Among the main issues in the German legal framework are:

- The narrow scope of the law, which focuses primarily on legal violations and excludes other forms of serious misconduct.
- The exclusion of matters related to national security and intelligence services.
- The limited protection provided to individuals who disclose classified state documents.
- Restrictive and unclear conditions under which individuals can make public disclosures.



Luxembourg

The European Court fined Luxembourg for failing to adopt rules that enhance the protection of whistleblowers who report fraud, tax evasion, data breaches, and other misconduct.

In 2019, EU member states agreed to implement provisions requiring companies to establish internal channels for reporting irregularities and to protect whistleblowers from retaliation such as dismissal, demotion, or legal action.

Estonia

Estonia was also penalized for delaying the transposition of the directive. The country began developing a whistleblower protection law as early as 2021, but political and administrative challenges delayed its adoption.

The Estonian Parliament failed to pass the law within the required timeframe, despite multiple attempts. This delay led to the imposition of fines by the European Commission, because of the country's continued non-compliance with the directive's requirements.

Czech Republic

The Czech Republic also faced sanctions due to delays in transposing the directive. The legislation was only approved in August 2023, following a series of unsuccessful attempts and procedural obstacles.

One of the main challenges was defining the scope of the law, with the Czech Republic deciding to include not only violations of EU law but also other forms of corruption and abuse. Additional difficulties arose from the need to integrate the new law into the existing anti-corruption legal framework.



Hungary

Hungary was also fined for delays in transposing the directive. The country's challenges are linked to political disagreements over the establishment of mechanisms for the protection of whistleblowers, as well as difficulties in determining which organizations would be required to create reporting channels.

The broader European picture clearly shows that delays or incomplete implementation of the directive will lead to sanctions. This should serve as an incentive for all EU Member States to adopt the necessary measures promptly and without further postponement.

The lack of internal whistleblowing channels in many countries indicates that organizations still do not fully grasp the importance of protecting whistleblowers.

Without such channels, conditions are created for retaliation and the discouragement of citizens across the EU.

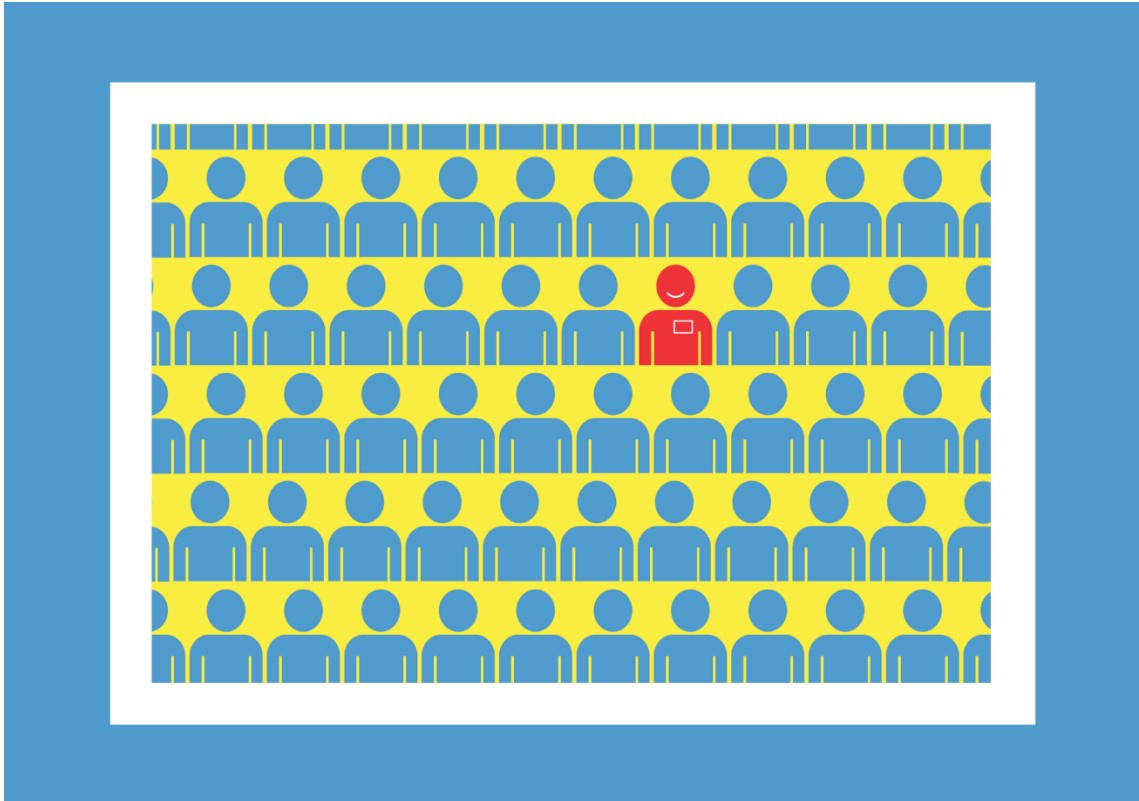
Despite the adoption of legislation in Member States, there are still serious administrative and political obstacles to its effective implementation.

This requires governments to show bigger commitment and willingness to address the shortcomings.

According to the Court of Justice of the European Union, protecting whistleblowers is not only an ethical obligation but also a crucial tool for ensuring transparency and justice in society.



Protection of the public interest and the lack of incentives for whistleblowing



According to the Corruption Perceptions Index (CPI) for 2024, Bulgaria's score has dropped from 45 points in the previous survey to 43 points this year remaining among the countries with high levels of corruption in the public sector. This is the result of years of façade efforts and legislative changes in favor of kleptocratic elites—masquerading as efforts to align with European norms.

The lack of reliable protection for whistleblowers leads to fear of retaliation and strongly discourages their willingness to report irregularities. This not only makes it difficult to uncover corruption schemes, but also contributes to their permanent reproduction in institutions, deepening the systemic problems in the country.



To achieve real progress in the fight against corruption, it is necessary not only to formally adopt legislation, but also to effectively implement it, as well as to create a culture of whistleblowing by citizens.

Public interest requires effective transparency and accountability mechanisms that protect those who dare to expose irregularities.

When citizens and employees in the public and private sectors have effective and secure channels for reporting irregularities, this increases the accountability of institutions, reduces the risk of corruption and contributes to better management of public resources.

Although the Whistleblower Protection was adopted with the aim of ensuring such protection, its implementation in practice still remains problematic.

One of the main challenges in this direction is the lack of trust in institutions and the fact that many Bulgarians do not believe that the reports they file will lead to real action. This is the result of a long-standing practice where reports are either ignored or the people who report them become victims of retaliation.

How to improve the protection of the public interest?

1. Institutions must demonstrate through concrete actions that reporting leads to investigation and follow-up measures, rather than reprisals against whistleblowers.
2. It is important to implement effective rules for reporting and protection from dismissal or legal pressure against whistleblowers.
3. The possibility of financial compensation or legal assistance can encourage more people to report without fear for themselves or their family.
4. There should be a broad information campaign and clearly communicated messages to citizens.



The changes in the new Whistleblower Protection Act in Bulgaria



According to Eurobarometer data, Bulgaria is among the countries where public trust in institutions responsible for protecting whistleblowers remains low. This underscores the need for increased efforts to promote the new legal mechanisms and to build public confidence in the whistleblower protection system.

In November 2024, significant amendments were proposed to the Whistleblower Protection Act.

One of the key changes is the abolition of the two-year statute of limitations for reporting

This expands the scope of protection by allowing individuals to report violations without time constraints-an important step, especially for disclosing older but significant misconduct.





The amendment promotes greater justness by removing artificial limitations on whistleblower protections. However, the absence of a statute of limitations may also pose challenges in investigating older cases, particularly when evidence is limited. It is expected to increase the administrative burden on institutions tasked with handling such reports.

Additional proposed amendments to the Whistleblower Protection Act aim to enhance transparency, strengthen accountability at the local level, and provide stronger protection for citizens who report irregularities.

Key proposed measures include:

- **Adoption of a Code of Ethics for Municipal Councilors:** A new paragraph 4 in Article 21 mandates municipal councils to adopt a Code of Ethics, outlining the principles and standards of conduct for local representatives.
- **Reporting and Disclosure Obligations:** A new paragraph 7 in Article 27 requires annual reports from standing committees to include the number of whistleblowing cases related to unethical behaviour, conflicts of interest, and corruption. These statistics will be published on the websites of the respective municipal councils.
- **Ethical Conduct as a Legal Obligation:** A new paragraph 2 in Article 36 requires municipal councilors to perform their duties in accordance with the adopted Code of Ethics.
- **Public Disclosure of Violations:** A new Article 37c mandates municipal councils to publish final decisions on established violations of the Code of Ethics, including cases of incompatibility, conflicts of interest, and corruption—while ensuring compliance with personal data protection regulations.
- **Establishment of a Permanent Ethics Commission:** A new paragraph 2 in Article 48 introduces the creation of a standing ethics commission within each municipal council. This body will handle reports of unethical conduct and breaches of the Code of Ethics, including corruption.



These amendments aim to strengthen protections for whistleblowers, build trust in public institutions, and establish clear ethical standards for local governance. By implementing bigger transparency and setting out rules for ethical behaviour, the legislation supports more responsible management and more effective use of public resources.

Raising Awareness of the New Mechanisms

Improving public awareness is essential for building a culture of whistleblowing and encouraging civic engagement.

Increased outreach can reduce scepticism and distrust toward the protection system- but it requires substantial effort and resources for educational and informational campaigns.

Despite these positive legislative steps, the lack of administrative practice remains a significant challenge in evaluating the real impact of the reforms.

There is currently insufficient case law and analysis to assess how the amendments will function in practice.

This creates risks of misinterpretation by institutions and potential gaps in the application of whistleblower protections.

Experts emphasize the urgent need for:

- Training of public administration officials,
- Clear guidance for businesses, and
- Public awareness campaigns about citizens' rights and the procedures for reporting violations.



Protecting whistleblowers through the eyes of young people in Bulgaria

In the period October - December 2024, we held meetings with more than 90 students from Sofia University “St. Kliment Ohridski”, Plovdiv University “Paisii Hilendarski”, the Academy of the Ministry of Interior and the University of Economics - Varna.

During the seminars, we reviewed European standards and the national legal framework for the protection of whistleblowers. Special attention was given to the role of the public and private sectors, the media, and civil society in this process.

We discussed real-life examples of whistleblowing, the personal and professional risks involved, and why fostering a culture of whistleblowing is essential for safeguarding the public interest. These topics are especially important for future experts in the fields of law, security, and public administration, who will play a key role in strengthening the rule of law and ensuring the effective protection of citizens' rights.

Seminar in Sofia University St. Kliment Ohridski в Софийски университет „Св. Климент Охридски“



Kremena Chobanova, Jurist presents to students from Sofia University, Faculty of Philosophy the need to implement internal channels for obligated entities.



Seminar at the Academy of the Ministry of Interior



Cadets from the 4th year of the Bachelor's Degree in Public Safety and Security at the Academy of the Ministry of Interior, during the seminar: "Whistleblowing protection".



About the LAW Project Partners

The LAW project is implemented by three partners meaning:

- two civil society organizations, both Chapters of Transparency International movement - Transparency International Romania and Transparency International Bulgaria
- and one public institution: the National Integrity Agency in Romania, the responsible authority designated by the Romanian whistleblowers protection law as the main external whistleblowing channel.

Transparency International Romania and Transparency International Bulgaria have extensive experience on whistleblowing theme. Both TI Chapters have been operating ALACs – the Advocacy and Legal Advice Centers that provide free and confidential advice and support to victims and witnesses of corruption, enabling them to defend their rights, seek redress and stand up for justice. Also, both NGOs have experience in promoting and advocating the protection of whistleblowers.

On the other hand, the challenges related to whistleblowing channel and potential whistleblowers protection in Romania and Bulgaria are similar, therefore the cooperation between the two partners can be beneficial for both countries.

The third partner in the project is the National Integrity Agency in Romania, the responsible authority designated by the Romanian whistleblowers protection law as the main external whistleblowing channel. TI-Romania and the National Integrity Agency have a long and very good cooperation experience. They implemented projects in partnership for the promotion of integrity and prevention of conflicts of interests in Romania, on a continuous basis, since 2018.

By working together, civil society and the public sector can strengthen legal frameworks and policies to provide comprehensive protection for whistleblowers.



Citizens, Equality, Rights and Values programme

Citizens, Equality, Rights and Values (CERV) programme aims to protect and promote rights and values as enshrined in the EU Treaties and the Charter of Fundamental Rights in particular by supporting civil society organisations active at local, regional, national and transnational level.

The CERV programme seeks to support and develop open, rights-based, democratic, equal and inclusive societies based on the rule of law. That includes a vibrant and empowered civil society, encouraging people's democratic, civic and social participation and cultivating the rich diversity of European society, based on our common values, history and memory.

The CERV programme was launched in 2021 and will run for seven years until 2027. It was created along with the 2021-2027 Justice programme under the Justice, Rights and Values Fund.

Civil society organisations active at local, regional, national and transnational level, as well as other stakeholders, can apply to receive CERV funding for initiatives aimed at citizens' engagement, equality for all and the protection and promotion of rights and EU values.

The project “Legitimacy and Accountability for better protection of Whistleblowers_LAW” is co-financed by European Union, through the medium of Citizens, Equality, Rights and Values (CERV) programme.