

# Major Shift in SDNY's Voluntary Self-Disclosure Program

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On February 24, 2026, the US Attorney's Office for the Southern District of New York (SDNY) announced its revised [Voluntary Self-Disclosure and Cooperation Program for Financial Crimes](#). The updated program focuses on increasing predictability and transparency around the self-disclosure process by offering self-reporting companies a clear path to conditional and final declination letters, clearing them of criminal liability as to the disclosed misconduct. [US Attorney for the SDNY Jay Clayton described the change](#) as helping to create a "strong alignment among corporate fiduciary duties, corporate cooperation with the Department of Justice, and the interests of victims, shareholders, and the public generally."

Before availing themselves of the new program, companies should discuss with counsel the potential collateral consequences of self-disclosure. Of note, the new program is limited to actions brought by the SDNY and does not foreclose charges brought by the Securities and Exchange Commission (SEC) or other regulators.

## SDNY's new policy – Key differences

SDNY's revised voluntary self-disclosure program significantly accelerates the benefits of self-reporting. Under [SDNY's prior voluntary self-disclosure program from 2023](#), a company that voluntarily disclosed misconduct to the SDNY would be eligible to receive "significant benefits," including a declination letter. Critically, however, those benefits were not guaranteed. The company would be expected to fully cooperate with the SDNY and remediate the misconduct before qualifying for any benefits.

Under the new program, any company that self-reports misconduct to the SDNY will be immediately eligible for a conditional declination letter after a brief review. Importantly, if the company fully cooperates with the SDNY to remediate the misconduct, it will then receive a final declination letter. While such declination letters will not shield individual executives and employees from criminal liability, they will shield the company from criminal charges. The new voluntary self-disclosure program makes clear that the SDNY "will treat decisions not to self-report as weighing heavily against any future declination request" by a company.

## Requirements under the new program

To be eligible for the benefits offered by the SDNY's new self-disclosure program, a company must first self-report misconduct to the SDNY. A self-disclosure qualifies under the new program even if the company makes the report after becoming aware of a whistleblower submission or press reporting regarding the company's misconduct. The key requirement is that the disclosure be made before the company learns of a government investigation.

After the SDNY reviews the report, it will provide the company with a conditional declination letter. The company will then be required to cooperate fully and commit to ongoing reporting of criminal conduct for three years, including by supplementing the information it initially provided with any new information it learns. In addition, the company must remediate the harm caused, including by terminating responsible employees, and commit to pay restitution to all injured parties. After the company finishes cooperating with the SDNY, it will receive a final declination letter.

Nonetheless, companies should be aware of the limited scope and potential collateral consequences of the program. Principally, it only applies to actions brought by the SDNY. Companies that self-report could still face significant liability, including through actions filed by the SEC and other regulators, shareholders, other US Attorney's Offices, or state regulators. SEC enforcement actions against corporations can have significant impacts, including high penalties and reputational harm, as well as potential collateral consequences to their ability to raise capital by relying on certain exemptions to registration requirements.

## Key takeaways

- SDNY's revised voluntary self-disclosure program provides a greater incentive to companies to self-report misconduct. A conditional declination letter allows a company to assure itself and its stakeholders that it will very

likely be free from future criminal liability regarding the reported misconduct. Moreover, the guarantee of a final declination letter marks a major shift in the SDNY's previous approach to self-reporting.

- However, it is important to note that any shield from liability through a declination letter only applies to criminal prosecutions brought by the SDNY. Companies must still consider potential exposure to civil liability from actions brought by a patchwork of other government agencies, such as the SEC, as well as criminal liability from actions brought by other US Attorney's Offices or state regulators. Potential shareholder litigation is also an area of concern.
- Companies should work with counsel to carefully consider whether to self-report under the new policy.

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