

[Securities Regulation Daily Wrap Up, ESG NEWS—SEC drops defense of climate disclosure rules, \(Mar. 27, 2025\)](#)

Securities Regulation Daily Wrap Up

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The Commission has told the Eighth Circuit that it has withdrawn its defense and that its counsel is no longer authorized to advance its previous arguments.

The SEC has voted to end its defense of its climate disclosure rules. The rules requiring the disclosure of climate-related risks and greenhouse gas emissions were adopted in March 2024 and petitions seeking review were filed in multiple courts almost immediately. Following the vote, the Commission informed the Eighth Circuit that its counsel will no longer advance the arguments presented in the Commission's response brief.

In the [press release](#), SEC Acting Chairman Mark T. Uyeda said: "The goal of today's Commission action and notification to the court is to cease the Commission's involvement in the defense of the costly and unnecessarily intrusive climate change disclosure rules."

[Commissioner Crenshaw](#) issued a dissent accusing the "current Commission" of wanting to dismantle the rule by way of politics and unlawfully. The Commission's majority, she says, is effectively letting the court do the dirty work and "crossing their fingers and rooting for the demise of this rule, while they eat popcorn on the sidelines." The SEC should do its job, she says, and if it does not wish to defend the rule, it should ask for a stay and then come up with a rule that it is prepared to defend.

Rules challenged. Following the adoption of the new disclosure regime, the rules were challenged in multiple jurisdictions. The petitions were soon consolidated in the Eighth Circuit under the caption *Iowa v. SEC*, No. 24-1522.

In April 2024, the Commission exercised its discretion to [stay](#) the final rules pending judicial review. The [statement](#) stressed that the Commission would vigorously defend the validity of the rules, but had concluded that a stay would facilitate the orderly resolution of the challenges and avoid potential regulatory uncertainty.

As of October 2024, the [final briefs](#) had been filed before the Eighth Circuit. The SEC [argued](#) that it possessed the statutory authority to promulgate the rules, and that its reasoning behind their adoption was reasonably explained and their economic effects considered. In addition, the rules were consistent with APA procedural requirements and the First Amendment.

Having voted to end its defense of the rules, the SEC informed the Eighth Circuit via a [letter](#) that it has withdrawn its defense of the rules, and that Commission counsel is no longer authorized to advance the arguments in the Commission's brief. There is no need for the court to reach the petitioners' challenges based on the First Amendment or non-delegation doctrine if it sets the Rules aside on other grounds," the letter says.

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