

## **Securities Regulation Daily Wrap Up, ESG NEWS—SEC stays climate-related disclosures, (Apr 4, 2024)**

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The Commission issued a statement stating that it has exercised its discretion to stay the final rules pending judicial review.

The SEC issued a stay of its final rules requiring climate-related disclosures pending the completion of judicial review. Adopted on March 6, 2024, the final rule amendments were almost immediately the subject of litigation, and the consolidated petitions are now before the U.S. Court of Appeals for the Eight Circuit. The statement notes that the Commission believes that the final rules are consistent with applicable law, but a stay in these circumstances will facilitate the resolution of the challenges to the rules and avoid possible regulatory uncertainty (*In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors*, [Release No. 33-11280](#), April 4, 2024).



**Regulatory uncertainty.** The statement stresses that the SEC will continue to vigorously defend the rules' validity. But, under these circumstances, the Commission finds that a stay will facilitate the orderly judicial resolution of the challenges to the rules and allow the court of appeals to focus on deciding the merits. Plus, a stay would avoid potential regulatory uncertainty if registrants become subject to the rules' requirements while the challenges to their validity are still pending.

**Stays and motions to stay.** On March 8, 2024, petitioner Liberty Energy Inc. filed a [motion](#) for administrative stay, which was issued by the [Fifth Circuit](#) on March 15. The petitions seeking review of the rules, which were also filed in several other circuits, were consolidated for review in the Eight Circuit on March 21, and the Fifth Circuit [dissolved](#) its stay. Soon after, [Liberty Energy](#) and [other petitioners](#) filed motions in the Eight Circuit seeking a stay pending judicial review.

The final rules were published in the [Federal Register](#) on March 28, with an effective date set for May 28, 2024. Finally, on March 29, the Commission filed a motion to establish a consolidated briefing schedule encompassing all motions seeking a stay, but on the next day, thirty-one petitioners opposed this motion and urged the court to expedite briefing on the stay motions.

The release is [No. 33-11280](#).

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