
SEC Abandons Climate Disclosure Rules

On March 27, 2025, the Securities Exchange Commission (SEC) [voted](#) to abandon its defense of its climate-related disclosure rule for public companies, signaling the end of the controversial rule. The Enhancement and Standardization of Climate-Related Disclosures for Investors (the Rule) was adopted by the SEC on March 6, 2024 and was subsequently stayed by the SEC on April 4, 2024 due to pending litigation in the U.S. Court of Appeals for the Eighth Circuit brought by states and private parties challenging the Rule's implementation. Adopted by the Biden administration, the Rule has been an anticipated target of the Trump administration.

SEC Acting Chair Mark Uyeda stated that the SEC would no longer defend the Rule in the ongoing litigation, calling the Rule "costly and unnecessarily intrusive." While the SEC is no longer defending the Rule, the litigation remains pending in the Eighth Circuit. Commissioner Caroline Crenshaw, currently the only Democratic commissioner, issued a dissenting statement averring that the SEC's decision likely violated the requirements of the Administrative Procedures Act. She further urged the Eighth Circuit to appoint counsel to replace the SEC in defending the Rule. Even if the Rule is ultimately upheld by the Eighth Circuit, the extent to which the current SEC would enforce the Rule is uncertain.

Companies that were subject to the Rule, however, should continue to monitor developments related to applicable climate-related reporting requirements in other jurisdictions, such as in California and the European Union. For example, on April 3, 2025 the European Parliament [voted](#) to delay certain compliance dates for the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CS3D).

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If you have any questions about the issues addressed in this alert, or you would like a copy of any of the material mentioned in it, please do not hesitate to call or email authors Helene Banks (Partner) at hbanks@cahill.com or 212.701.3439, or Lynn Schmidt (Senior Attorney) at lschmidt@cahill.com or 212.801.3641; or email publicationscommittee@cahill.com.

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