Cooley

Capital Markets Update – July 2026 One-Minute Reads

July 20, 2026

SEC proposes rescission of climate-related disclosure rules

The Securities and Exchange Commission (SEC) announced it has proposed to rescind the climate-related disclosure rules and has requested comments by August 3, 2026. See the proposed rules and the fact sheet. Comments can be submitted or viewed here, and you can also read statements from Chair Paul Atkins, Commissioner Mark Uyeda and Commissioner Hester Peirce. For information and insights on the proposal, see this Cooley alert and this TheGovernanceBeat.com post. For other thoughts on the proposed rescission, see this ESG Dive article, this Responsible Investor article, this Bloomberg Law article, this TheCorporateCounsel.net blog post and this TheCorporateCounsel.net blog post.

SEC settles charges for violating whistleblower protection rule

The SEC announced settled charges against Foot Locker for using separation agreements with a provision that purported to waive employees' rights to receive SEC whistleblower awards. According to the SEC's order, approximately 148 departing Foot Locker employees signed separation agreements in order to receive severance payments. The order finds that the agreements contained a provision that purported to waive employees' rights to receive whistleblower awards from the SEC, and that Foot Locker phased out the award waiver provision in its separation agreements and no longer requires departing employees to waive such rights. The SEC's order finds that Foot Locker violated Rule 21F-17(a) of the Securities Exchange Act of 1934, which prohibits any person from taking any action to impede an individual from communicating directly with SEC staff about a possible securities law violation. Without admitting the findings in the order, Foot Locker consented to the entry of a cease-and-desist order and agreed to pay a $148,000 civil penalty. For more information, see this CompensationStandards.com blog post.

SEC approves new Nasdaq delisting rule

Per this SEC order, Nasdaq's proposed rule change (SR-NASDAQ-2026-009), as modified by Amendment No. 1, is approved on an accelerated basis. Nasdaq Rule IM-5101-4 provides that where a security exhibits trading activity that is indicative of potential manipulation, and the SEC has implemented a temporary trading suspension of that security pursuant to Section 12(k) of the Act (Section 12(k) suspension), Nasdaq may exercise its authority under Nasdaq Rule 5101 to delist the security when it determines that doing so is necessary to protect investors. Nasdaq would be permitted to exercise the discretionary authority even when the security and the listed company otherwise satisfy all applicable Nasdaq listing standards at the time of determination. For more information, see this TheCorporateCounsel.net blog post.

Corp Fin posts new CFI – Rights listings in business combinations

The SEC's Division of Corporation Finance has posted new Securities Act sections corporation finance interpretation (CFI) 142.01, which addresses the contents of a registration statement of securities underlying rights that are to be listed on an exchange. For more information, see this TheCorporateCounsel.net blog post.

Question: A company seeks to list rights on a national securities exchange in connection with a business combination transaction without the underlying securities also being listed. As required by the exchange, the company must have an effective registration statement, prior to the rights being listed, that registers the issuance of the underlying securities upon exercise of the rights. Must the registration statement contain information regarding the specific transaction and the business to be acquired?

Answer: Yes. The registration statement must contain information about the contemplated business combination transaction and the business to be acquired.

Supreme Court validates SEC's use of disgorgement without investor loss

Per this TheCorporateCounsel.net blog post, the US Supreme Court issued its decision in *Sripetch v. SEC*, in which it unanimously held that the SEC may obtain a disgorgement award from a defendant in an enforcement proceeding without a showing of pecuniary loss to investors. In his opinion for the Supreme Court, Justice Neil Gorsuch reviewed the history of the SEC's use of the disgorgement remedy, the Supreme Court's 2020 decision in *Liu v. SEC* limiting the agency's use of disgorgement and federal legislative responses to that decision. Citing a variety of judicial precedent, Justice Gorsuch concluded that neither the Supreme Court's decision in Liu nor traditional equitable principles required the SEC to establish pecuniary harm in order to use disgorgement as a remedy. For more information, see this SCOTUSblog post.

CapitalXchange offers current SEC rulemaking overview

In this CapitalXchange blog, Cooley's Liz Dunshee explores the five recent SEC rulemakings (touching capital markets access, scaled disclosure accommodations, reporting cadence, climate disclosure and enforcement practice) and how they fit together and reflect growing momentum for the overarching goal of SEC Chair Paul Atkins to "make IPOs great again."

SBTi releases finalized new corporate net-zero standard

Per this ESGtoday article, the Science Based Targets initiative (SBTi) announced the release of Corporate Net-Zero Standard Version 2.0, its update to its flagship standard to assess, certify and track companies' decarbonization commitments and support science-based climate target setting. Among the key changes introduced with the new standard is the use of a "best-efforts" framework, enabling companies to remain in compliance with the standard even if targets are not achieved, with an expectation for companies to utilize "all available levers to drive emissions reductions," and to be transparent about implementation barriers and mitigating actions, with the SBTi "acknowledging that factors outside a company's control may affect progress." See also this article from The Wall Street Journal.

CARB proposes revisions to SB 253 and deferral of reporting deadline

The California Air Resources Board (CARB) announced it is updating its regulatory proposal to defer the reporting deadline for entities to report Scope 1 and Scope 2 greenhouse gas emissions from August 10, 2026, to November 10, 2026. In addition, CARB will be proposing limited changes to the regulation to clarify certain requirements and will make these available for comment as part of a 15-day public comment period. A new proposed reporting deadline of November 10 will help ensure reporting entities have additional clarity following approval of the final regulation before reporting is due. For more information, see this ESG Dive article.

Nasdaq amends proposed $5 million market cap for continued listings

In January, Nasdaq filed a proposal with the SEC to adopt a continued listing requirement of at least $5 million market value of listed securities (MVLS). Since January, the SEC has extended the time to act on the proposal and posted an order instituting proceedings to determine whether to approve the proposed rule change. Now, the SEC has posted a new notice to solicit comments on a revised proposal from Nasdaq. Comments on the amended proposal were due July 10, 2026. To address comments previously received, Nasdaq amended its proposal by giving the Hearings Panel more discretion. Nasdaq proposes to modify the initial proposal, which would have prevented a Hearings Panel from reinstating a company that failed to maintain a minimum of $5 million MVLS. Instead, Nasdaq now proposes to adopt Listing Rule 5815(c)(1)(I) to provide that in the case of a company that received a Staff Delisting Determination due to a failure to maintain MVLS of at least $5 million under Rule 5450(a)(3) or 5550(a)(6), the Hearings Panel, where it deems appropriate, may grant an exception for a period not to exceed 180 days from the Staff Delisting Determination for the company to demonstrate that it meets all requirements for initial listing. For more information, see this TheCorporateCounsel.net blog post.