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SEC Proposes to Rescind 2024 Climate-Related Disclosure Rules

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On May 29, 2026, the Securities and Exchange Commission (SEC) proposed to rescind in their entirety the climate-related disclosure rules it adopted in March 2024 (the 2024 rules). The proposal – Rescission of Climate-Related Disclosure Rules –would withdraw all amendments to Regulation S-K (including Items 1500 through 1508), Regulation S-X, Regulation S-T, Securities Act Rule 436, and related Securities Act and Exchange Act registration statement and report forms, including Forms S-1, S-3, S-4, S-11, F-3, F-4, 10, 10-Q, 10-K and 20-F.

Key takeaways

- The 2024 climate rules never went into force, so the proposed rescission should not have a practical impact on companies' SEC reporting obligations.
- Companies may remain subject to reporting obligations in other jurisdictions, such as California (where SB 261 remains subject to a judicial stay, and SB 253 reports are due in August) or the European Union.
- The SEC recently proposed several other impactful rulemakings and has an ambitious agenda of other potential proposals. The need to complete a formal rulemaking process for the climate rule rescission may add to administrative burdens for the SEC.

The 2024 rules (see Cooley's March 7, 2024, alert, "SEC Adopts Climate Reporting Requirements") would have required domestic registrants and foreign private issuers to include specified climate-related information in their registration statements and annual reports. Those rules never took effect and have been stayed since April 4, 2024, pending judicial review before the US Court of Appeals for the Eighth Circuit. Following the 2024 presidential election, then-acting SEC Chair Mark Uyeda directed the SEC to cease defending the 2024 rules in litigation, raising novel questions about whether agencies may effectively rescind rules through inaction rather than formal rulemaking. The Eighth Circuit, however, subsequently held the consolidated petitions in abeyance pending the SEC's reconsideration of the 2024 rules through notice-and-comment rulemaking. The proposed rescission is the SEC's formal response to that abeyance order.

Rationale for rescission

The SEC argues that the 2024 rules were a dramatic overreach of its statutory authority and, independently, unsound as a matter of policy. On the legal question, the SEC asserts that its rulemaking authority is limited to the types of disclosures Congress contemplated and must be tied to information about a registrant's business and financial characteristics. The SEC further states that its disclosure authority should elicit information pursuant to the materiality standard established by the US Supreme Court (i.e., information that a reasonable investor would consider important in buying or selling securities), and that existing disclosure requirements and anti-fraud provisions already elicit climate-related information to the extent it is material to a registrant's circumstances.

On the policy front, the SEC identifies several independent policy reasons supporting rescission. It argues that the 2024 rules are unnecessary under a registrant-specific, materiality-based disclosure framework, extend beyond the policy concerns underlying the federal securities laws, and impose substantial costs not justified by their informational benefits. The SEC also contends that the rules' compliance burdens would deter companies from accessing the public capital markets, potentially widening the transparency gap between public and private companies and undermining capital markets' information efficiency.

Comment solicitation

The SEC has solicited comment on a range of issues that may shape the outcome of this rulemaking. Key areas of focus include:

- Whether the 2024 rules should be rescinded in full or whether specific provisions could be retained and function independently.
- Whether alternatives to full rescission, such as limiting the rules to a narrower subset of registrants or replacing the current prescriptive framework with less burdensome climate-related disclosure requirements, would better serve investors.
- Whether the proposed rescission would adversely affect any reasonable reliance interests that market participants may have developed, notwithstanding the stay, and whether registrants incurred meaningful costs in preparing to comply during the stay period.
- Whether existing disclosure requirements, including the SEC's 2010 guidance on climate-related disclosure and existing Regulation S-K and Management Discussion and Analysis (MD&A) obligations, adequately elicit material climate-related information, and whether updated guidance would be appropriate.
- How recent developments in voluntary and mandatory climate reporting practices, including international standard-setting by the International Sustainability Standards Board (ISSB) and domestic regulatory activity, affect the underlying policy rationale for the 2024 rules.

Despite the scope of these questions, given the current SEC's pronounced skepticism toward regulation related to environmental, social and governance (ESG), and prior statements regarding the 2024 rules, it is broadly expected that the final rulemaking will result in a comprehensive rescission of the 2024 rules.

Practical impacts

Given that the 2024 rules never took effect and have already been set aside by most companies, a formal rescission of the 2024 rules is unlikely to materially affect companies' reporting plans, investor expectations or the broader ESG disclosure landscape. Nonetheless, several practical considerations remain:

Continued applicability of existing disclosure obligations. Rescission of the 2024 rules would not eliminate registrants' obligations to disclose climate-related information that is material to their specific circumstances. Existing requirements under Regulation S-K, including Items 101 (business description), 103 (legal proceedings) and 105 (risk factors), along with MD&A requirements, continue to require disclosure of material climate-related risks and opportunities. The proposed rescission would mark a return to the SEC's generally principles-based approach to disclosure of climate-related matters, which uses performance standards based on the concept of materiality. Registrants should continue to assess whether their climate-related risk disclosures reflect a current and accurate picture of the risks they face.

Interaction with state-level and international requirements. Rescission of the 2024 rules would eliminate the federal climate disclosure framework but would not affect state-level requirements – such as California's climate disclosure laws, SB 253 (greenhouse gas emissions disclosure) and SB 261 (Climate-Related Financial Risk Act), the latter of which is currently subject to an ongoing stay in the Ninth Circuit (see Cooley's November 24, 2025, alert, "Ninth Circuit Stays SB 261 as CARB Announces Numerous Company-Friendly Expectations for First-Year California Climate Reporting"). Rescission also would not affect international reporting obligations, including the EU's Corporate Sustainability Reporting Directive (see Cooley's December 10, 2025, alert, "EU Reaches Agreement on 'Omnibus I' Impacting CSRD and CSDDD Compliance for US Companies"). Many companies also continue to voluntarily report on climate and other ESG topics.

Impact on SEC rulemaking agenda. The SEC has an ambitious rulemaking agenda, including recently proposed rules affecting quarterly reporting (see Cooley's May 11, 2026, alert, "The SEC's Semiannual Reporting Proposal: Fare Thee Well Quarterly Reporting?"), filer status (see Cooley's May 22, 2026, alert, "SEC Proposes Simplified Filer Status Rules and Expanded Disclosure Accommodations"), and registered offerings, as well as potential rulemakings related to shareholder proposals under Rule 14a-8 and executive compensation and other Regulation S-K disclosure requirements. Although the rescission of the 2024 rules was once viewed as a procedural afterthought, the need to complete a formal rulemaking may affect the timing and prospects of other rulemaking initiatives. The SEC will likely be required to devote additional administrative resources to reviewing comments and preparing a final rule. However, unlike the 885-page 2024 rules, which drew more than 24,000

comments and took nearly two years from proposal to adoption, the rescission effort is not expected to approach that scale.

Next steps

Comments on the proposed rescission are due August 3, 2026. Registrants, investors, assurance providers and other market participants with views on the scope of the rescission, the adequacy of existing disclosure requirements, reliance interests, or preparation costs incurred during the stay period should consider whether to submit comments during that period.

Cooley's corporate governance and securities regulation attorneys are available to discuss these issues. Reach out to your existing Cooley contact or email the Cooley capital markets team.

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