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Securities Regulation & Corporate Governance
Update

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SEC Proposes Rescission of Climate-Related Disclosure Rules

It will be important to the comment process for commenters to submit their views on the Proposal. A well-developed administrative record—including from those who support the Proposal—helps inform the Commission’s deliberations and supports the durability of any final action.

Background

On May 29, 2026, the Securities and Exchange Commission (SEC or Commission) formally [proposed](#) (the Proposal) to rescind the Commission’s climate-related disclosure rules adopted in March 2024, the Enhancement and Standardization of Climate-Related Disclosures for Investors (the Climate Rules or the Final Rules).^[1] The Climate Rules were among the Gensler Commission’s most consequential rulemakings, both in terms of their breadth and the litigation they generated.

The Climate Rules were first proposed on March 21, 2022 and finalized on March 6, 2024.^[2] As adopted, the Climate Rules established a climate-related disclosure framework for registration statements and annual reports, including disclosures regarding climate-related risks, governance and oversight, and risk-management processes, as well as financial statement requirements for recording the effects of severe weather events and other natural conditions.^[3]

The Climate Rules have been highly contentious and have generated significant litigation.^[4] Litigation challenging the validity of the Climate Rules began almost immediately following their adoption, and in April 2024, the Commission stayed the effectiveness of the rules pending completion of consolidated litigation in the U.S. Court of Appeals for the Eighth Circuit.^[5] In March 2025, the Commission voted to abandon its defense of the rules. The Eighth Circuit then issued an order holding the case in abeyance until the SEC either “reconsider[ed] the challenged [rules] by notice-and-comment rulemaking or renew[ed] its defense of the [rules].”^[6] On May 7, 2026, the SEC notified the Eighth Circuit of its decision to propose rescission of the Climate Rules by notice-and-comment rulemaking.^[7]

The Proposal itself does not terminate the Climate Rules. Instead, since the Proposal is subject to the Administrative Procedure Act’s notice-and-comment requirements, the Proposal initiates a comment process through which the Commission will consider public input on whether to rescind the Climate Rules in the manner proposed by the Commission. The Proposal was published in the Federal Register on June 3, 2026, and comments are due on or before August 3, 2026.^[8]

Proposed Rescission and Rationale

The Proposal reflects the Commission’s view of the scope of its rulemaking and disclosure authority under the federal securities laws. In support of the proposed rescission, the Commission identifies concerns that had been raised by commenters and litigants challenging the Climate Rules. The Proposal also notes that “[t]he court has not made any decision on the merits of any arguments presented by any petition for review of the Final Rules.”^[9]

The Commission identifies the following principal rationales for proposing rescission of the Climate Rules in their entirety:

- the Climate Rules exceed the Commission’s statutory authority;
- the Climate Rules are unnecessary and inconsistent with a registrant-specific, materiality-based approach to disclosure, which serves the interests of registrants and investors;
- the Climate Rules stray beyond the policy concerns of the federal securities laws and address divisive social or political issues;
- the Climate Rules would impose significant costs on public companies and their shareholders that are not justified by the informational benefits they provide to some investors; and
- the high costs of the Climate Rules are inconsistent with the Commission’s policy objectives of facilitating capital formation and promoting public company status.

Additionally, the Proposal estimates that the annualized cost savings if the Climate Rules are rescinded is approximately \$4.9 billion per year over 10 years across all affected registrants.^[10]

What’s Next and What to Do

Comments on the Proposal are due on or before August 3, 2026.

Companies and other affected market participants should consider whether to submit comments addressing the practical, legal, and economic implications of the Proposal to help inform the Commission's deliberative process.^[11]

Comments may be particularly useful where they provide quantitative and qualitative data on the effects associated with the Climate Rules.

Commenters may wish to address, among other things:

- the costs and burdens associated with preparing for, implementing, and maintaining compliance with the Climate Rules;^[12]
- whether the Climate Rules would have required disclosures beyond information material to investors under traditional securities-law principles;
- the extent to which existing SEC disclosure requirements, voluntary disclosures, investor engagement, or other regulatory regimes already address climate-related information considered material by registrants and investors;
- the reasons for or against a full rescission of the Climate Rules and any alternatives;^[13] and
- whether compliance burdens associated with the Climate Rules could affect decisions about whether to become or remain a public company.^[14]

Conclusion

It will be important to the comment process for commenters to submit their views on the Proposal. A well-developed administrative record—including from those who support the Proposal—helps inform the Commission's deliberations and supports the durability of any final action. Gibson Dunn's Securities Regulation and Corporate Governance team is available to assist companies and other market participants in evaluating the Proposal, assessing potential implications, and preparing comments.

^[1] See *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, available at <https://www.sec.gov/rules-regulations/2024/03/s7-10-22#33-11275final>.

^[2] See, e.g., *Summary of and Considerations Regarding the SEC's Proposed Rules on Climate Change Disclosure* - Gibson Dunn (April 15, 2022), and *Energy Industry Reacts to SEC Proposed Rules on Climate Change* - Gibson Dunn (August 10, 2022), available at <https://www.gibsondunn.com/summary-of-and-considerations-regarding-the-sec-proposed-rules-on-climate-change-disclosure/> and <https://www.gibsondunn.com/energy-industry-reacts-to-sec-proposed-rules-on-climate-change/>.

^[3] See, e.g., *SEC Adopts Sweeping New Climate Disclosure Requirements for Public Companies* - Gibson Dunn (March 8, 2024), available at <https://www.gibsondunn.com/sec-adopts-sweeping-new-climate-disclosure-requirements-for-public-companies/>.

^[4] See generally our [March 2025](#), [April 2025](#), [June 2025](#), and [August 2025](#) ESG Updates, which outline the history of the SEC's posture regarding the climate disclosure rules as well as developments domestically and abroad.

[5] See Securities and Exchange Commission, In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors (Order Issuing Stay), Release No. 33-11280 (Apr. 4, 2024), *available at* <https://www.sec.gov/files/rules/other/2024/33-11280.pdf>.

[6] See *Iowa v. SEC*, No. 24-1522 (8th Cir. Sept. 12, 2025).

[7] See Letter from the SEC to the Clerk of Court, U.S. Court of Appeals for the Eighth Circuit, *Iowa v. SEC*, No. 24-1522 (8th Cir. May 7, 2026). See *also* Securities Regulation and Corporate Governance Monitor blog posts: Long-Awaited SEC Rule Proposal on Climate Change Disclosure (March 22, 2022); Fifth Circuit Stay of the SEC's Climate Disclosure Rule Dissolved (March 22, 2024); Eighth Circuit Establishes Briefing Schedule for SEC Climate Disclosure Rules Litigation (May 24, 2024); SEC Signals Potential Strategy Shift in Climate Disclosure Rule Litigation (February 14, 2025).

[8] See Rescission of Climate-Related Disclosure Rules, 91 FR 33296 (proposed June 3, 2026), *available at* <https://www.federalregister.gov/documents/2026/06/03/2026-11091/rescission-of-climate-related-disclosure-rules>.

[9] See Proposal at 15.

[10] See Proposal at 43.

[11] See Proposal at 67.

[12] See, e.g., our alert outlining developments in various US and foreign jurisdictions regarding sustainability reporting and GHG emissions reporting, *available at* <https://www.gibsondunn.com/gibson-dunn-esg-monthly-update-april-2026>.

[13] See Proposal at 67.

[14] See *generally* Proposal, Request for Comment, Part IV.F for more specific questions.

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Gibson Dunn's lawyers are available to assist with any questions you may have regarding the SEC's proposal, or federal securities laws and regulations more generally. Please contact the Gibson Dunn lawyer with whom you usually work, the authors, or any member or leader of the firm's Securities Regulation & Corporate Governance practice group:

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