



Press Release

SEC Finalizes Mandatory Disclosures for Public Companies of Climate-change Risks

PAULINA ENCK | MARCH 7, 2024

The Securities and Exchange Commission (SEC) has acted to finalize a rule that will require public companies to provide climate-related risk data in their disclosures for the first time. In a new insight, Director of Financial Services Policy Thomas Kingsley walks through the SEC's proposed rule, considers its wide-ranging problems, and reviews the potential broader consequences.

Kingsley concludes:

In attempting to enhance and make comparable disclosure practices that in many cases already exist, the SEC's proposed rule raises serious questions ranging from constitutionality to even the basic necessity of a regulatory land-grab that seeks to tell businesses not only what they must do but also how they must address climate change. In what amounts to a desire to influence capital allocation decisions on the basis of political and social ends, the SEC arrogates a brand-new mission statement to itself – policing climate change – that it has neither the knowledge base nor likely the constitutional mandate to perform. This is hardly a convincing platform on which to construct a new disclosure regime that is already largely being adhered to voluntarily, would be extraordinarily costly, and most important, not be of sufficient quality to drive investor decisions for years to come.

[Read the analysis](#)