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Yep, the SEC's Climate Rules Are Already (Temporarily) Stayed



On Friday, a three judge panel from the U.S. Court of Appeals for the Fifth Circuit granted a [motion](#) seeking an administrative stay of the SEC's new climate disclosure rules filed by two fracking companies.

Here are four things to know:

1. The Fifth Circuit's order is only one sentence – stating simply that the "motion for an administrative stay is granted" - in which the panel's reasoning is not disclosed. The stay is temporary – but we don't know how long it will last.
2. There are several other federal courts of appeals in which lawsuits against the SEC's rules have already been filed and more might be coming. According to this [Reuters article](#), these federal lawsuits will be consolidated soon and a venue will be picked via a lottery.
3. We all knew litigation against the SEC's climate rulemaking would be filed soon after the rules were adopted. So a temporary stay is not much of a surprise.
4. Given that other SEC rules have been adopted in the past – and survived (think conflict minerals) – it's wise to continue to assume the SEC's rules will survive a legal challenge until we learn otherwise given the breadth of the rulemaking and the resources and time necessary in order to comply with them once the phase-in compliance dates have arrived.

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