



Didn't see this coming. Last Thursday, the SEC issued this [stay order](#) for its new climate disclosure rules so that the Eight Circuit can evaluate the numerous petitions - I believe we are up to 10 petitions now - that have been [consolidated](#) there recently. Here are four questions to ponder:

1. **What does this mean?** - Not much in a practical sense. The SEC still stands behind its rules as the stay order notes that the SEC "believes that the Final Rules are consistent with applicable law and within the Commission's long-standing authority to require the disclosure of information important to investors in making investment and voting decisions. Thus, the Commission will continue vigorously defending the Final Rules' validity in court and looks forward to expeditious resolution of the litigation."

2. **Why did the SEC do this?** - The stay order states that the SEC did this to "facilitate the orderly judicial resolution of those challenges and allow the court of appeals to focus on deciding the merits. Further, a stay avoids potential regulatory uncertainty if registrants were to become subject to the Final Rules' requirements during the pendency of the challenges to their validity."
3. **Has the SEC ever done something like this before?** - At the end of the stay order, the SEC mentions that it has stayed its own rules at least twice before (in 2019 and 2010).
4. **What does this mean for you?** - The timing of the various compliance dates hasn't changed - so in my opinion, this means that it's not safe to assume that anything will be certain to be changing with either the timing of when companies need to comply with the rules nor that the SEC will ultimately lose this battle in court...

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