Proposed Rescission of Climate-Related Disclosure Rules.

Call for feedback issued by The United States Securities and Exchange Commission (SEC)

Comments from ACCA to SEC

3 August 2026

REF: TECH-CDR-2364

About ACCA:

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we have long championed inclusion and today proudly support a diverse community of over 257,900 members and 530,100 future members in 180 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators, and other accountancy bodies, we are strengthening and building a profession that drives a sustainable future for all. Find out more at: www.accaglobal.com.

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General Comments

ACCA welcomes the opportunity to provide comment on The United States Securities and Exchange Commission's (SEC) proposed rescission of climate-related disclosure rules. We recognize the Commission's responsibility to ensure that disclosure requirements are legally sound and reflect its own policy objectives. We also acknowledge discussions regarding materiality, agreeing that disclosure requirements should remain focused on information that is decision-useful to investors. The same applies to their proportionality and relevance to the circumstances of individual registrants.

However, ACCA disagree that the 2024 rule regarding climate-related disclosures is inconsistent with a registrant-specific, materiality-based approach. Instead, we believe that a standardized, global framework still provides companies the opportunity to determine what is material, while also providing comparable, decision-useful information to investors. We believe that the SEC's concerns do not support rescinding the climate-related disclosures in their entirety.

Global research by ACCA has extensively studied and reviewed the impact of climate-related disclosures.[1] This includes their role in corporate decision-making and, similarly, the benefits of globally consistent reporting for investors and businesses. While acknowledging the factors identified by the SEC in support of its proposal, ACCA highlights three broader considerations that should inform the SEC's thinking. Those considerations include the overarching business case, global comparability and consistency, alongside corporate governance.

The Business Case

Climate disclosures play an important role in helping determine materiality. While SEC proposals assume that companies disclose climate-related risks when they are material, identifying and assessing these risks can itself be complex. This is the case when such considerations are not fully embedded into corporate governance, risk, or strategy. A clear regulatory framework therefore plays an important role in ensuring that climate-risks are considered. These include physical and transition risks that could impact a company's cash flow, profitability, asset values, and financing costs. However, to assess exposure and effectively allocate capital, investors need comparable and consistent information about how they are governed and managed. Be it negative terms of trade, inadequate financing, or withdrawal of capital, failure to do so can produce a host of negative consequences.

[1] ACCA policy and insights (2025), *Sustainability Reporting: Track your Progress,* available here.

ACCA research shows that sustainability information has value beyond external reporting. Organisations can utilise it to drive regulatory compliance, improve business strategy, inform key performance indicators (KPIs), and build organisational resilience.[2] At a macro level, it also supports mobilising private capital toward productive, innovative, and sustainable sectors.

Global Comparability and Consistency

ACCA has long advocated a global approach to the development and application of principles-based reporting standards. We support the role of the International Standards Sustainability Board (ISSB) in setting a consistent, comparable global baseline. It is worth noting that IFRS S2 does not require disclosure of every climate-related metric or issue.[3] As a global baseline, it presents a structured framework for identifying and disclosing material risks.

As research by ACCA showcases, sustainability reporting is an established component of corporate reporting. As of September 2025, around 40 jurisdictions had either adopted ISSB standards, incorporated them in some way, or were in the process of finalising steps towards their introduction.[4] Without alignment to a global baseline, entities risk facing fragmented disclosure requirements, increased administrative burdens, and reduced comparability. For many U.S. companies with international operations, reporting obligations will still remain.

Corporate Governance

When business leaders talk of about geopolitical disruption, the impact of extreme weather, and shifts in commodity prices, ACCA contends that (whether intentional or not) they are thinking about sustainability. Sustainability information can help boards understand risks and opportunities, connecting those considerations to strategy, governance, and long-term enterprise value. This is reflected in the proliferation of financial instruments that align with sustainability priorities. For example, in 2023 ACCA observed how 27 central banks or banking supervisors had either conducted or recently concluded scenario analysis.[5] We also detailed similar trends in classification frameworks and taxonomies. ACCA also connects disclosures to that of evolving business practices.

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[2] ACCA policy and insights (2025), *Sustainability Reporting: Track your Progress,* available here.
[3] International Financial Reporting Standards S2 Climate-related Disclosures
[4] ACCA policy and insights (2026), A*ccelerating jurisdictional implementation of sustainability disclosure and assurance standards,* available here.
[5] ACCA policy and insights (2023), *Green Finance,* available here.

International frameworks, such as that of ISSB, require boards to integrate climate risk into their overall risk management. The same applies to assessing their potential impact on strategic objectives. For ISSB sustainability reporting requirements, the inclusion of transition plans and climate resilience means companies have greater incentive to advance longer term organisational change. In contrast, SEC rules remain narrower and focused on material climate-related financial risks.

Investors are entitled to climate-related information, not merely because it is financially significant, but because investors benefit from consistent global disclosure. The protection of investors is a core element of the SEC's mission. To that end, consistent, comparable and decision-useful climate-related disclosures can help investors better assess risk, value securities and allocate capital. For these reasons, ACCA requests the SEC to withdraw its proposed rescission.