

CSA's climate disclosure rule on hold: an update on climate disclosure in Canada and the U.S.

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On April 23, 2025, the Canadian Securities Administrators (CSA) announced that it has [paused its efforts to develop a new mandatory climate-related disclosure rule](#) for Canadian issuers.

The CSA's decision comes shortly after the U.S. Securities and Exchange Commission (SEC) withdrew its defense of its own climate disclosure rules, adding further uncertainty to the sustainability disclosure landscape across North America. Against this backdrop, the CSA has decided to monitor developments both domestically and internationally before finalizing its climate-related disclosure requirements.

What you need to know

- **CSA pauses climate disclosure rule.** The CSA has paused its efforts to finalize a mandatory climate change disclosure rule for Canadian issuers, citing recent developments in the U.S. and globally. The CSA will monitor developments and may revisit the project in the future.
- **Proposed CBCA amendments.** Previously proposed amendments to the *Canada Business Corporations Act* (CBCA) by the Government of Canada contemplated mandatory climate-related financial disclosures for large, federally incorporated private corporations. However, the CSA's decision to pause its climate disclosure rule, coupled with the recent Canadian election and global political and economic uncertainty, suggests that these amendments may not be implemented in the near future.
- **Updated Guideline B-15 for FRFIs.** The Office of the Superintendent of Financial Institutions (OSFI) issued the final version of Guideline B-15 for federally regulated financial institutions (FRFIs). Key changes include extending the implementation date for disclosure of Scope 3 greenhouse gas (GHG) emissions to fiscal year-end 2028 to align with the phase-in period for the Canadian Sustainability Standards Board (CSSB) sustainability disclosure standards.
- **Legal uncertainty surrounding SEC climate disclosure rules.** The SEC's climate disclosure rules have faced significant legal challenges and regulatory uncertainty, which have been appealed to the U.S. Court of Appeals for the Eighth Circuit. On March 27, 2025, the SEC announced that it had voted to end its defense of its rules.

CSA mandatory climate-related disclosure rules

On October 18, 2021, the CSA issued a Notice and Request for Comment on proposed National Instrument 51-107 *Disclosure of Climate-related Matters* (NI 51-107) and its companion policy. As detailed in our October 2021 bulletin, "[Climate change disclosure coming soon for Canadian reporting issuers](#)", the rule would have introduced specific climate-related disclosure requirements based on recommendations from the Task Force on Climate-Related Financial Disclosures.

The rule remained in regulatory limbo as the CSA assessed the impact of several significant developments in the climate disclosure landscape, including the publication of the SEC's climate disclosure rule and CSSB standards. However, with the CSA's announcement on April 23, 2025, this initiative is now paused.

The decision reflects the CSA's recognition of the significant changes that have occurred in the global economic and geopolitical landscape in recent months, resulting in increased uncertainty and heightened competitiveness concerns for Canadian issuers. The CSA stated that the pause is intended to support Canadian markets and issuers as they adapt to these developments.

Moving forward, the CSA will prioritize initiatives aimed at improving the competitiveness, efficiency, and resilience of Canadian markets. It will also continue to monitor both domestic and international regulatory developments related to climate disclosures and expects to revisit this project in future years to finalize requirements for issuers.

Although the CSA's climate-related disclosure rule is on hold, issuers must remain attentive to existing continuous disclosure obligations. The CSA reminds issuers that "[c]limate-related risks are a mainstream business issue and securities legislation already requires issuers to disclose material climate-related risks affecting their business in the same way that issuers are required to disclose other types of material information"¹.

The CSA encouraged issuers to refer to the CSSB's *General Requirements for Disclosure of Sustainability-related Financial Information* (CSDS 1) and its *Climate-related Disclosure Standards* (CSDS 2) in preparing their sustainability and climate-related disclosures. As discussed in our January 2025 bulletin, "[Canadian and U.S. climate-change disclosure update: final CSSB standards and SEC rules](#)", both CSSB standards remain voluntary unless adopted by regulators, which appears unlikely in the foreseeable future.

Proposed CBCA amendments

On October 9, 2024, the Government of Canada announced its intention to [amend the CBCA to introduce mandatory climate-related financial disclosures](#) for large, federally incorporated private corporations. While the substance of these disclosure requirements and the size of the private corporations that would be subject to them have not been released, the federal government indicated that it would seek to harmonize its new regulations with climate disclosure requirements imposed on public corporations by Canadian securities regulators.

Although the Liberal Party of Canada has been re-elected to a fourth term, its election platform did not promise any new climate-related disclosure requirements. In light of the CSA's decision to pause the development of its mandatory climate change-related disclosure rule for Canadian issuers and the broader political and economic environment, we expect that the Government of Canada is unlikely to implement amendments to the CBCA to introduce mandatory climate-related financial disclosures in the near future.

Updated Guideline B-15

On February 20, 2025, the OSFI published a [Letter to Industry](#) announcing revisions to [Guideline B-15: Climate Risk Management](#) (Guideline B-15)². The final version of Guideline B-15 was published on March 7, 2025.

Guideline B-15 sets out OSFI's expectations for how FRFIs should manage and disclose climate-related risks. The guideline is effective as of fiscal year-end 2024 for domestic systemically important banks (D-SIBs) and internationally active insurance groups (IAIGs) headquartered in Canada, and fiscal year-end 2025 for all other in-scope FRFIs.

The following changes were made to Annex 2-2 of Guideline B-15:

- Extended the implementation date to disclose Scope 3 GHG emissions for all FRFIs to fiscal year-end 2028. Prior to the amendments, reporting on Scope 3 GHG emissions would have been required starting at fiscal year-end 2025 for D-SIBs and IAIGs headquartered in Canada, and at fiscal year-end 2026 for the remaining FRFIs.
- Clarified expectations for on-balance sheet and off-balance sheet assets under management.
- Set the implementation date to disclose Scope 3 GHG for the off-balance sheet component of assets under management to fiscal year-end 2029.

The amendments ensure that the expectations for FRFIs in Annex 2-2 of Guideline B-15 align with the final CSSB standards issued in December 2024.

Climate disclosure in the United States

The SEC's climate disclosure journey has been turbulent. On March 21, 2022, the SEC issued its proposed mandatory climate-related disclosure rules. After an extensive consultation process spanning nearly two years, the SEC's final rules on climate disclosure were adopted on March 6, 2024, triggering a rapid series of legal challenges from various stakeholders, including state attorneys general, trade associations, and business entities. These legal challenges were subsequently consolidated in the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC determined to exercise its discretion to stay the final rules pending completion of judicial review.

On February 11, 2025, Acting Chair of the SEC Mark Uyeda announced that he had requested the court to refrain from scheduling oral arguments to provide time for the SEC "to deliberate and determine the appropriate next steps in these cases"³. On March 27, the SEC voted to end its defense of the SEC's climate disclosure rules, stating that the SEC intended to cease its "involvement in the defense of the costly and unnecessarily intrusive climate change disclosure rules"⁴.

On April 4, 2025, 18 intervening states and the District of Columbia filed a motion to hold the case in abeyance "to maintain the status quo and preserve judicial resources while SEC evaluates its course of action" with respect to the climate disclosure rules. On April 24, 2025, the U.S. Court of Appeals for the Eighth Circuit granted the motion to hold the case in abeyance and directed the SEC to file a status report within 90 days, indicating whether it intends to review or reconsider the climate disclosure rules. It remains to be seen how the SEC will respond to this request; however, it seems unlikely that the U.S. climate disclosure rules will remain.

FOOTNOTES

To discuss these issues, please contact the author(s).

This publication is a general discussion of certain legal and related developments and should not be relied upon as legal advice. If you require legal advice, we would be pleased to discuss the issues in this publication with you, in the context of your particular circumstances.

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