

December 7, 2023

CFTC Voluntary Carbon Credit Derivatives Proposal

CFTC Requests Comment on Proposed Guidance Addressing Listing Voluntary Carbon Credit Derivatives by Derivatives Exchanges

SUMMARY

On December 4, 2023, the Commodity Futures Trading Commission (“CFTC”) issued for public comment [proposed guidance](#) regarding the listing for trading, by designated contract markets (“DCMs”) (*i.e.*, CFTC-regulated derivatives exchanges), of voluntary carbon credit (“VCC”) derivative contracts (“Proposed Guidance”).¹ The Proposed Guidance outlines factors that DCMs should consider when addressing certain requirements under the Commodity Exchange Act (“CEA”) and CFTC regulations applicable to the listing of new contracts. Specifically, the Proposed Guidance would provide that a DCM must: (1) only list VCC derivative contracts that are not readily susceptible to manipulation; (2) monitor a VCC derivative contract’s terms and conditions as they relate to the underlying spot commodity market; and (3) satisfy the CFTC’s product submission requirements.

The Proposed Guidance reflects the CFTC’s interest in promoting the development of VCC derivative markets and in clarifying its role in connection with the underlying physical markets as well. As the CFTC notes in the Proposed Guidance, there are numerous VCC derivative contracts currently listed and trading. However, the CFTC has not previously issued comprehensive guidance on the standards for the listing of such products.

Comments on the Proposed Guidance are due by February 16, 2024.

BACKGROUND

The Proposed Guidance defines VCC to mean a tradeable intangible instrument that is issued by a carbon crediting program (“crediting program”).² Typically a VCC represents a greenhouse gas (“GHG”) emissions

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reduction to, or removal from, the atmosphere equivalent to one metric ton of carbon dioxide.³ VCC markets are distinct from mandatory markets, such as cap-and-trade programs, which are established and regulated by governments with some form of required participation.⁴ Voluntary markets have grown in popularity, and market participants have expressed greater interest in developing markets for credits as a means of reducing emissions, fulfilling environmental objectives and addressing the interests of shareholders and other stakeholders. As demand increases, some have forecasted that the VCC market could grow to \$250 billion by 2050,⁵ and VCC derivative markets are likely to expand alongside the growth of the physical (*i.e.*, cash) VCC market.⁶

The CFTC has anti-fraud and anti-manipulation authority with respect to spot markets in commodities, including VCC markets.⁷ With respect to commodity derivative markets, including VCC derivative contract markets, the CFTC has substantive regulatory oversight and rulemaking authority in addition to anti-fraud and anti-manipulation enforcement authority. As relevant here, the CEA and CFTC rules prescribe “core principles” (“DCM Core Principles”) that DCMs must adhere to, including with respect to the trading and listing of new products.⁸

The Proposed Guidance is not intended to modify or supersede existing requirements; instead, it “outlines particular matters that a DCM should consider, to help ensure compliance with existing requirements when listing a VCC derivative contract.”⁹ Ultimately, the CFTC believes that the standards described in the Proposed Guidance may help to advance the standardization of VCC derivatives in a manner that promotes transparency and liquidity in VCC derivative markets, which is needed since “[l]iquid and transparent markets in high-integrity VCCs may serve as a tool to facilitate emissions reductions efforts.”¹⁰

PROPOSED GUIDANCE

The Proposed Guidance reviews the applicability of, and manner of compliance with, primary DCM Core Principles that will need to be addressed in connection with a proposal to list VCC derivative contracts.

A. REQUIREMENT THAT A DCM MAY ONLY LIST DERIVATIVE CONTRACTS THAT ARE “NOT READILY SUSCEPTIBLE TO MANIPULATION”

DCM Core Principle 3 requires that DCMs list for trading only derivative contracts that are not readily susceptible to manipulation.¹¹ With respect to a physically-settled derivative contract, a DCM must provide that a contract’s terms and conditions “describe or define all of the economically significant characteristics or attributes of the commodity underlying the contract.” The attributes should take into account “the individual characteristics of the commodity.”¹²

The Proposed Guidance identifies three components of terms and conditions and the accompanying “VCC commodity characteristics” that the CFTC believes DCMs should consider when designing a VCC derivative contract:

1. Quality Standards

- **Transparency:** A VCC derivative contract's terms and conditions should "readily specif[y] the crediting program or programs ... from which VCCs that are eligible for delivery under the contract may be issued." A DCM should also consider whether "the crediting program for the underlying VCCs is making detailed information about the crediting program's policies and procedures and the projects or activities that it credits, such as relevant project documentation, publicly available in a searchable and comparable manner."¹³
- **Additionality:** A DCM should consider whether the VCCs underlying the derivative contract represent emission reductions or removals that are "additional"—that is, "whether the VCCs are credited only for projects or activities that result in GHG emission reductions or removals that would not have been developed and implemented in the absence of the added monetary incentive created by the revenue from the sale of carbon credits."¹⁴ A DCM should also consider whether a crediting program can demonstrate that it has procedures in place to assess or test for additionality, including to address the risk that the pricing of the contract may not accurately reflect the quality of deliverable VCCs because the cheapest-to-deliver VCC, that otherwise meets the contract's specifications, may not have additionality.¹⁵
- **Permanence and Risk of Reversal:** A DCM should further consider whether the VCC's crediting program can demonstrate that it has measures in place to address and account for the "risk of reversal," which is defined as "the risk that VCCs issued for a project or activity may have to be recalled or cancelled due to carbon removed by the project or activity being released back into the atmosphere, or due to a reevaluation of the amount of carbon reduced or removed from the atmosphere by the project or activity."¹⁶ The Proposed Guidance further provides that a DCM should consider whether a VCC crediting program can provide reasonable assurance that, in the event of a reversal, the VCC will be replaced by a comparably high quality VCC.¹⁷ In this regard, a DCM should take into consideration whether a crediting program maintains a "buffer reserve" of VCCs or other measures "that provide reasonable assurance that, in the event of a reversal, the VCCs intended to underlie the derivative contract would be replaced by VCCs of comparable high quality that meets the contemplated specifications of the contract."¹⁸
- **Robust Quantification:** A DCM should consider whether the crediting program for the underlying VCCs can demonstrate that the quantification methodology or protocol that it uses to calculate emission reductions or removals for the underlying VCCs is "robust, conservative, and transparent" such that the VCCs accurately reflect the level of emission reductions or removals.¹⁹ The CFTC notes that robust quantification is also important to provide the DCM with a reliable basis to form the deliverable supply estimate needed to inform the level at which the DCM sets its position limits.

2. Delivery Points and Facilities

The DCM Core Principles provide that the delivery procedures for a physically-settled derivative contract should, among other things, "seek to minimize or eliminate any impediments to making or taking delivery by both deliverers and takers of delivery, to help ensure convergence of cash and derivative contract prices at the expiration of the derivative contract."²⁰ In the context of a physically-settled VCC derivative contract, the Proposed Guidance provides that a DCM should consider the governance framework and tracking mechanisms of the crediting program for the underlying VCCs, as well as the crediting program's measures to prevent double counting.

- **Governance:** A DCM should consider whether the crediting program for the underlying VCCs can demonstrate that it has a governance framework that effectively supports the crediting program's "independence, transparency and accountability."²¹ Among other factors, the Proposed Guidance

states that a DCM should assess “the program’s decision-making procedures, including who is responsible for administration of the program and how the independence of key functions is ensured; reporting and disclosure procedures; public and stakeholder engagement processes; and risk management policies, such as financial resources/reserves, cyber-security, and anti-money laundering policies.”²²

- **Tracking:** A DCM should also consider whether the crediting program for the underlying VCCs can demonstrate that it has processes and procedures in place to help ensure “clarity and certainty with respect to the issuance, transfer, and retirement of VCCs.”²³ In particular, a DCM should consider whether the crediting program operates or makes use of a registry that has measures in place to effectively track the issuance, transfer, and retirement of VCCs, to identify who owns and retires a VCC, and to make sure that each VCC is uniquely and securely identified and associated with a single emission reduction or removal of one metric ton of carbon dioxide equivalent.
- **Double Counting:** The Proposed Guidance provides that a DCM should further consider whether the crediting program for the underlying VCCs can demonstrate that it has effective measures in place that provide reasonable assurance that credited emission reductions or removals are not double counted—that is, “that the VCCs representing the credited emission reductions or removals are issued to only one registry and cannot be used after retirement or cancelation.”²⁴

3. Inspection Provisions

A DCM should consider how the crediting program for the underlying VCCs requires validation and verification that credited mitigation projects or activities meet the crediting program’s rules and standards.²⁵

A DCM should also consider whether the crediting program has “up-to-date, robust and transparent” validation and verification procedures, including whether those procedures contemplate validation and verification by a reputable third party. In this regard, a DCM should also consider whether the crediting program employs “best practices” with respect to third-party validation and verification, which may include conducting reviews of the performance of validators, maintaining procedures for remediating performance issues, avoiding the use of the same third party validator to verify every project type or project category, and using a separate third party to conduct ongoing validation and verification from the third party that completed the initial validation and verification process.²⁶

B. REQUIREMENT THAT A DCM SHOULD MONITOR A DERIVATIVE CONTRACT’S TERMS AND CONDITIONS AS THEY RELATE TO THE UNDERLYING MARKET

DCM Core Principle 4 requires a DCM to prevent manipulation, price distortion, and disruptions of the physical delivery or cash-settlement process through market surveillance, compliance, and enforcement practices and procedures.²⁷ With respect to a physically-settled derivative contract, this includes an obligation to monitor the contract’s terms and conditions as they relate to the underlying commodity market, and to the convergence between the contract price and the price of the underlying commodity, and to monitor the supply of the underlying commodity in light of the contract’s delivery requirements.²⁸

The CFTC observes that VCC derivative contracts are a “comparatively new and evolving class of products.”²⁹ As such, the CFTC advises that the DCM’s monitoring of the terms and conditions of a physically-settled VCC derivative contract should cover “continual monitoring of the appropriateness of the

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contract's terms and conditions that includes . . . monitoring to ensure that the . . . underlying VCC [] conforms or, where appropriate, updates to reflect the latest certification standard(s) applicable for that VCC."³⁰ However, the Proposed Guidance does not address what steps a DCM should take if it determines that the standards of a VCC's crediting program or other facts and circumstances of a VCC have deteriorated such that the VCC no longer meets the DCM's contract terms and conditions.

Pursuant to DCM Core Principle 4, a DCM must also require that its market participants keep, and make available upon request, records of their trading, including records of their activity in the underlying commodity (including, as applicable, trading in VCC cash markets) and related derivative markets.³¹

C. DCM COMPLIANCE WITH THE CFTC'S PRODUCT SUBMISSION REQUIREMENTS

In order to list a new derivative contract for trading, a DCM must either self-certify to the CFTC that the contract complies with the CEA and the CFTC's regulations or seek prior CFTC approval to list the contract.³²

The Proposed Guidance highlights three submission requirements with respect to the listing of VCC derivative contracts as particularly important:

- an explanation and analysis of the contract and its compliance with applicable provisions of the CEA (including the DCM Core Principles and the CFTC's other regulations);
- documentation relied upon to determine compliance with law; and
- upon request from CFTC staff, additional evidence, information or data that demonstrates that the contract meets, initially or on a continuing basis, the requirements" of the CEA or the CFTC's regulations or policies thereunder.³³

The Proposed Guidance advised that, although all product submission requirements would apply, DCMs must be "complete and thorough" in these three categories in particular to aid the CFTC's analysis of the contract's compliance with applicable statutory and regulatory requirements, including the requirement that the contract not be readily susceptible to manipulation.³⁴

D. REQUEST FOR COMMENT

The CFTC requests comment on all aspects of the Proposed Guidance, including with respect to the 17 questions enumerated in the Appendix to this memorandum.

OBSERVATIONS AND IMPLICATIONS

The Proposed Guidance indicates the CFTC's continued, and perhaps increasing, focus on VCC cash and derivative markets. Earlier this year, the CFTC's Division of Enforcement [announced](#) the formation of an Environmental Fraud Task Force to "combat environmental fraud and misconduct in derivatives and relevant spot markets."³⁵ To date, the CFTC has not announced any enforcement actions brought by that

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Task Force. However, the Proposed Guidance may indicate a desire by the CFTC to advance its goals with respect to VCC derivative (and, indirectly, cash) markets through substantive regulation rather than just enforcement efforts. In this regard, we note that the Proposed Guidance addresses only certain DCM listing requirements; other areas of regulatory importance, including those related to clearing and margin, also will likely need to be addressed.

Regulatory and market interest in VCC cash and derivative markets, as well as other environmental commodity and derivative markets, is not limited to the CFTC.³⁶ For example, California recently adopted the [Voluntary Carbon Market Disclosures Act](#), which requires, among other things, website disclosures of detailed information regarding the relevant voluntary carbon offset projects by (1) entities marketing or selling “voluntary carbon offsets” within California and (2) entities operating in California that purchase or use “voluntary carbon offsets” sold within California and make certain claims within the state regarding carbon neutrality, reaching net zero emissions or making significant reductions to greenhouse gas emissions.³⁷ Also, the U.S. banking regulators’ [proposed amendments](#) to the regulatory capital rules applicable to large banking organizations, often referred to as “[Basel III Endgame](#),” would include a prescribed risk weight for “carbon trading” for purposes of market risk capital requirements.³⁸ The day before the release of the Proposed Guidance, the International Organization of Securities Commissions published a [consultation report](#) “to promote the integrity and orderly functioning of the Voluntary Carbon Markets.”³⁹

Other legislative and regulatory initiatives related to climate change, including those mandating climate disclosures, may also have an impact on VCC derivative and cash markets and market participants, and should be monitored closely. For example, California recently adopted [two statutes](#) that impose new and sweeping climate-related reporting obligations on public and private companies.⁴⁰ In addition, the Securities and Exchange Commission (the “SEC”) has proposed, and is in the process of finalizing, expansive [climate disclosure rules](#) for public companies and foreign private issuers.⁴¹ Under the SEC’s proposal, if, as part of its net emissions reduction strategy, a company uses carbon offsets or renewable energy credits or certificates (“RECs”), the company would be required to disclose the role that carbon offsets or RECs play in the company’s climate-related business strategy. Enhanced climate disclosures may accelerate the growth and standardization of the VCC spot and derivative markets as companies seek to demonstrate and quantify their GHG emission reduction efforts.

* * *

APPENDIX

The following are the specific issues on which the CFTC has requested comment in the Proposed Guidance:

General

1. In addition to the VCC commodity characteristics identified in this proposed guidance, are there other characteristics informing the integrity of carbon credits that are relevant to the listing of VCC derivative contracts? Are there VCC commodity characteristics identified in this proposed guidance that are not relevant to the listing of VCC derivative contracts, and if so, why not?
2. Are there standards for VCCs recognized by private sector or multilateral initiatives that a DCM should incorporate into the terms and conditions of a VCC derivative contract, to ensure the underlying VCCs meet or exceed certain attributes expected for a high-integrity carbon credit?
3. In addition to the criteria and factors discussed in this proposed guidance, are there particular criteria or factors that a DCM should consider in connection with monitoring the continual appropriateness of the terms and conditions of a VCC derivative contract?
4. In addition to the criteria and factors discussed in this proposed guidance, are there particular criteria or factors that a DCM should consider, which may inform its analysis of whether or not a VCC derivative contract would be readily susceptible to manipulation?
5. Should the VCC commodity characteristics that are identified in this proposed guidance as being relevant to the listing by a DCM of VCC derivative contracts, also be recognized as being relevant to submissions with respect to VCC derivative contracts made by a registered foreign board of trade under CFTC regulation 48.10?

Transparency

6. Is there particular information that DCMs should take into account when considering, and/or addressing in a VCC derivative contract's terms and conditions, whether a crediting program is providing sufficient access to information about the projects or activities that it credits? Are there particular criteria or factors that a DCM should take into account when considering, and/or addressing in a contract's terms and conditions, whether there is sufficient transparency about credited projects or activities?

Additionality

7. Are there particular criteria or factors that DCMs should take into account when considering, and/or addressing in a VCC derivative contract's terms and conditions, whether the procedures that a

crediting program has in place to assess or test for additionality provide a reasonable assurance that GHG emission reductions or removals will be credited only if they are additional?

8. In this proposed guidance, the Commission recognizes VCCs as additional where they are credited for projects or activities that would not have been developed and implemented in the absence of the added monetary incentive created by the revenue from carbon credits. Is this the appropriate way to characterize additionality for purposes of this guidance, or would another characterization be more appropriate? For example, should additionality be recognized as the reduction or removal of GHG emissions resulting from projects or activities that are not already required by law, regulation, or any other legally binding mandate applicable in the project's or activity's jurisdiction?

Risk Reversal

9. Are there particular criteria or factors that DCMs should take into account when considering, and/or addressing in a VCC derivative contract's terms and conditions, a crediting program's measures to avoid or mitigate the risk of reversal, particularly where the underlying VCC is sourced from nature-based projects or activities such as agriculture, forestry or other land use initiatives?
10. How should DCMs treat contracts where the underlying VCC relates to a project or activity whose underlying GHG emission reductions or removals are subject to reversal? Are there terms, conditions or other rules that a DCM should consider including in a VCC derivative contract in order to account for the risk of reversal?

Robust Quantification

11. Are there particular criteria or factors that a DCM should take into account when considering, and/or addressing in a contract's terms and conditions, whether a crediting program applies a quantification methodology or protocol for calculating the level of GHG reductions or removals associated with credited projects or activities that is robust, conservative and transparent?

Governance

12. In addition to a crediting program's decision-making, reporting, disclosure, public and stakeholder engagement, and risk management policies, are there other criteria or factors that a DCM should take into account when considering, and/or addressing in a VCC derivative contract's terms and conditions, whether the crediting program can demonstrate that it has a governance framework that effectively supports the program's transparency and accountability?

Tracking and No Double Counting

13. In addition to the factors identified in this proposed guidance, are there other factors that should be taken into account by a DCM when considering, and/or addressing in a VCC derivative contract's terms and conditions, whether the registry operated or utilized by a crediting program has

processes and procedures in place to help ensure clarity and certainty with respect to the issuance, transfer, and retirement of VCCs?

14. Are there particular criteria or factors that a DCM should take into account when considering, and/or addressing in a VCC derivative contract's terms and conditions, whether it can be demonstrated that the registry operated or utilized by a crediting program has in place measures that provide reasonable assurance that credited emission reductions or removals are not double-counted?

Inspection Provisions

15. Should the delivery procedures for a physically-settled VCC derivative contract describe the responsibilities of registries, crediting programs, or any other third-parties required to carry out the delivery process?

Sustainable Development Benefits and Safeguards

16. Certain private sector and multilateral initiatives recognize the implementation by a crediting program of measures to help ensure that credited mitigation projects or activities meet or exceed best practices on social and environmental safeguards, as a characteristic that helps to inform the integrity of VCCs issued by the crediting program. When designing a VCC derivative contract, should a DCM consider whether a crediting program has implemented such measures?
17. Certain private sector and multilateral initiatives recognize the implementation by a crediting program of measures to help ensure that credited mitigation projects or activities would avoid locking in levels of GHG emissions, technologies or carbon intensive practices that are incompatible with the objective of achieving net zero GHG emissions by 2050, as a characteristic that helps to inform the integrity of VCCs issued by the crediting program. When designing a VCC derivative contract, should a DCM consider whether a crediting program has implemented such measures?

ENDNOTES

- 1 *Commission Guidance Regarding the Listing of Voluntary Carbon Credit Derivative Contracts; Request for Comment*, available at <https://www.cftc.gov/PressRoom/PressReleases/8829-23> (hereinafter “Proposed Guidance”). While the Proposed Guidance is directed to DCMs, the CFTC noted that the advice would be relevant to a swap execution facility seeking to permit trading in swap contracts that settle to the price of a VCC or in physically-settled VCC swap contracts. *Id.* at 20.
- 2 Proposed Guidance, *supra* note 1 at 9. VCCs are typically issued by carbon crediting programs, the four largest of which are the American Carbon Registry, the Climate Action Reserve, the Gold Standard and the Verified Carbon Standard. *Id.* at 10 n.38.
- 3 *Id.* at 9.
- 4 *Id.* at 9.
- 5 CFTC Release No. 8723-23 (June 20, 2023), available at <https://www.cftc.gov/PressRoom/PressReleases/8723-23>.
- 6 The CFTC notes that derivatives contracts on mandatory emissions program instruments have been trading since 2005 and that, as of November 2023, 18 futures contracts on voluntary carbon market products have been submitted by DCMs to the CFTC for listing, with three currently having open interest. Proposed Guidance, *supra* note 1 at 14-15.
- 7 *See id.* at 17; 7 U.S.C. § 9(1).
- 8 7 U.S.C. § 7(d)(1)(A); 17 C.F.R. § 38.
- 9 Proposed Guidance, *supra* note 1 at 19. While the Proposed Guidance focuses primarily on the listing by DCMs of physically-settled VCC derivative contracts, the CFTC notes that similar considerations would likely be relevant for cash-settled derivative contracts. *Id.* at 19-20.
- 10 *Id.* at 1, 10.
- 11 7 U.S.C. § 7(d)(3).
- 12 Appendix C Guidance, ¶ (b)(2)(i)(A).
- 13 Proposed Guidance, *supra* note 1 at 24-25.
- 14 *Id.* at 25.
- 15 *Id.* at 26.
- 16 *Id.*
- 17 *Id.* at 27
- 18 *Id.* at 27-28.
- 19 *Id.* at 28.
- 20 *Id.* at 28-29.
- 21 *Id.* at 30.
- 22 *Id.* at 30-31.
- 23 *Id.* at 31.
- 24 *Id.* at 32.
- 25 *Id.* at 33.
- 26 *Id.*
- 27 7 U.S.C. § 7(d)(4); 17 C.F.R. §§ 38.250-258.

ENDNOTES (CONTINUED)

- 28 *Id.* §§ 38.252 (physically-settled derivative contracts); 38.253(a)(2) (cash-settled derivative contracts).
- 29 Proposed Guidance, *supra* note 1 at 34.
- 30 *Id.*
- 31 *Id.* at 35. In turn, those records are subject to CFTC inspection. *Id.*
- 32 7 U.S.C. § 7a-2(c)(1), (4)-(5); 17 C.F.R. §§ 40.2, 40.3.
- 33 Proposed Guidance, *supra* note 1 at 36-37.
- 34 *Id.* at 37.
- 35 CFTC Release No. 8736-23 (June 29, 2023), <https://www.cftc.gov/PressRoom/PressReleases/8736-23>.
- 36 See, e.g., *Principles for Net-Zero Financing & Investment*, U.S. Dep't of the Treas. (Sept. 2023), <https://home.treasury.gov/system/files/136/NetZeroPrinciples.pdf> (advising that “high-integrity [voluntary carbon markets] represent potentially important channels for unlocking significant capital to climate-impactful investments that can help limit the increase in the global average temperature”).
- 37 See generally *Voluntary Carbon Credits: Recent Legal Developments* (Nov. 2, 2023), available at https://www.sullcrom.com/SullivanCromwell/_Assets/PDFs/Memos/Voluntary-Carbon-Credits-Recent-Legal-Developments.pdf; see also *California Enacts Expansive Climate-Related Disclosure Laws* (Oct. 12, 2023), available at <https://www.sullcrom.com/insights/memo/2023/October/California-Enacts-Expansive-Climat-Related-Disclosure-Laws>. There have also been other market-driven developments in this area. See, e.g., Press Release, ISDA, ISDA Launches Standard Definitions for the Voluntary Carbon Market (Dec. 13, 2022), <https://www.isda.org/2022/12/13/isda-launches-standard-definitions-for-the-voluntary-carbon-market/> (explaining that ISDA has published definitions for “verified carbon credits” to help bring greater standardization to the market).
- 38 See *Regulatory Capital Rule: Large Banking Organizations and Banking Organizations With Significant Trading Activity*, Office of the Comptroller of the Currency, Federal Reserve System, and Federal Deposit Insurance Corporation (Sept. 18, 2023), available at <https://www.govinfo.gov/content/pkg/FR-2023-09-18/pdf/2023-19200.pdf>; see also *Basel III ‘Endgame’* (Aug. 1, 2023), available at https://www.sullcrom.com/SullivanCromwell/_Assets/PDFs/Memos/sc-publication-basel-iii-endgame.pdf.
- 39 IOSCO publishes a Consultation Report to promote the integrity and orderly functioning of the Voluntary Carbon Markets (VCMs), IOSCO (Dec. 3, 2023), available at <https://www.iosco.org/news/pdf/IOSCONEWS714.pdf>.
- 40 See *California Enacts Expansive Climate-Related Disclosure Laws* (Oct. 12, 2023), available at <https://www.sullcrom.com/insights/memo/2023/October/California-Enacts-Expansive-Climat-Related-Disclosure-Laws>.
- 41 *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, Release Nos. 33-11042 (Mar. 21, 2022), available at <https://www.sec.gov/files/rules/proposed/2022/33-11042.pdf>; see also *SEC Proposes Expansive Climate-Related Disclosure Rules* (Mar. 28, 2022), available at <https://www.sullcrom.com/insights/memo/2022/March/SEC-Proposes-Expansive-Climat-Related-Disclosure-Rules>; and *Proposed SEC Climate Disclosure Rules – Certain Key Implications for Financial Institutions* (Apr. 13, 2022), available at <https://www.sullcrom.com/insights/memo/2022/April/Proposed-SEC-Climat-Disclosure-RulesCertain-Key-Implications-for-Financial-Institutions>.

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