

Industry Groups File Suit to Block Conflict Minerals Rules and Resource Extraction Rules

Article By:

Public Companies Group

Late last month, the U.S. Chamber of Commerce and the National Association of Manufacturers filed suit in federal court requesting that the court either modify or set aside the SEC rules governing so-called conflict minerals. The petition, filed before the U.S. Court of Appeals for the District of Columbia Circuit, does not state a specific basis for the legal challenge, but in a joint statement, the groups stated that though well-intentioned, the rules are “not an effective approach to this complex issue” and characterized the rule as imposing “an unworkable, overly broad and burdensome system that will undermine jobs and growth and may not achieve Congress’s overall objectives.” This petition comes on the heels of the suit filed against the SEC early last month by a collection of industry groups asking a federal district court to block implementation of the resource extraction disclosure rules promulgated in late August. The plaintiff trade groups raised a number of claims, including a faulty cost-benefit analysis and deficiencies under the Administrative Procedures Act and Exchange Act. It is not clear at this time if the SEC will stay either of the controversial rules on a voluntary basis after negotiation with plaintiffs’ counsel. Should the SEC refuse to do so, the plaintiffs could petition the court for injunctive relief.

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