

# Review of climate-related financial disclosure regimes around the world

Please note that any capitalised terms that are undefined in the table are defined in the accompanying text further below.



Jurisdiction	Commencement Date(s)	Corporate Threshold	Scope 1+2	Scope 3	Standard	Assurance	Where to Report?	Regulator	Director Liability	Company Liability
Australia	01.01.2025 (Group 1) 01.07.2026 (Group 2) 01.07.2027 (Group 3)	The regime will eventually apply to all companies which meet at least two of the following conditions: (i) revenue >\$50 million; (ii) asset value >\$25 million; and (iii) employees >100. (Also funds with assets valued at \$5 million or more.)	✓	✓	AASB (aligned with IFRS S1 and S2) and AUASB standards (in line with IAASB standards).	01.01.2025 - 30.06.2030: limited assurance of scope 1 and 2 emissions. 01.07.2030 onwards: assurance to be set out in Australian assurance standards (developed by the AASB).	A new 'annual sustainability report' (to be part of the annual financial report).	ASIC	Standard penalties under the Corporations Act 2001, Australian Securities and Investment Commission Act 2001 and the Competition and Consumer Act 2010. Modified liability periods apply (see below.)	
Brazil	02.01.2023 ('comply or explain') 01.01.2024 (IFRS: voluntary) 01.01.2026 (IFRS: mandatory)	'Comply or explain': all publicly held companies. IFRS: voluntary: all publicly held companies, investment funds, investment, and securitisation companies. IFRS: mandatory: all publicly held companies.	?	?	IFRS S1 and S2.	Voluntary: "limited assurance". Mandatory: "reasonable assurance".	These requirements must be reported separately to an entity's other (financial, etc) statements.	CVM	Not yet confirmed.	
California	01.01.2024 (carbon reduction claims / offsets) 01.01.2026 (scope 1-2 and TCFD) 01.01.2027 (scope 1-3 and TCFD)	Carbon reduction claims / offsets: any businesses making these claims in connection with the enterprise, products, or services, or buying/selling offsets. TCFD: any company, public or private, that is "doing business in California" <sup>1</sup> with annual revenue in excess of \$500 million in the prior fiscal year. Emissions: as above, but with annual revenue in excess of \$1 billion in the prior fiscal year.	✓	✓	CO <sub>2</sub> claims / offsets: standards detailed in the legislation. Disclosures: TCFD or equivalent. Emissions: GGP.	Scope 1 and 2: limited assurance from 2026; reasonable assurance from 2027. Scope 3: limited assurance from 2030.	CO <sub>2</sub> claims/offsets: public website. Disclosures: report published biennially on the company's website. Emissions: reported annually to CARB database.	CO <sub>2</sub> claims / offsets: California AG. Disclosures / emissions: CARB, CA AG.	No specific liabilities for company directors.	CO <sub>2</sub> / offsets: USD \$2,500 per day capped at USD \$500,000. Disclosures: USD \$50,000 p.a. Emissions: USD \$500,000 p.a. (Limited penalties for Scope 3 up to 2030). AG and private plaintiffs: unfair competition and false advertising claims (up to USD \$2,500 per violation.)
Canada	01.01.2025 (CSDS) FY 2024/2025 (Guideline B-15)	CSDS: N/A (voluntary). Guideline B-15: federally regulated financial institutions, including D-SIB and IAIG.	✓	✓	CSDS (aligned with IFRS). Guideline B-15 (aligned with TCFD).	CSDS: not applicable. Guideline B-15: to be confirmed.	CSDS: Within the general-purpose financial reports. Guideline B-15: discretionary.	CSDS: CDSB. Guideline B-15: OFSI.	CSDS: misrepresentation (civil liability). Guideline B-15: misrepresentation (civil liability) and administrative sanctions.	
EU	2024 (CSRD: PIEs) 2025 (CSRD: large EU-based companies) 2026 (CSRD: SMEs) 2028 (CSRD: non-EU parent companies)	PIEs: with > 500 employees. Large, listed EU-based companies: with two of the following: (i) >250 employees; (ii) > €40 million in turnover; and (iii) > €20 million in assets. SMEs: those listed on the EU-regulated market which do not meet the large company criteria but are not micro-enterprises. Non-EU parent companies: with > €150 million in EU revenue and at least one EU subsidiary conducting significant business.	✓	✓	EFrag (in compliance with ESRS).	Limited assurance (with a long-term goal of shifting to reasonable assurance).	Management reports.	Member States.	The CSRD delegates power to the Member States to adopt and enforce penalties under domestic law which are "effective, proportionate and dissuasive".	
Hong Kong	01.01.2016 ('comply or explain') 01.01.2025 (Part D of Appendix 27: first phase) 01.01.2026 (Part D of Appendix 27: second phase)	'Comply or explain': listed companies. Part D of Appendix 27: first phase: (i) all listed companies (mandatory scope 1 and 2 reporting); and (ii) Main Board Issuers and LargeCap Issuers (scope 3 reporting on a 'comply or explain' basis). Part D of Appendix 27: second phase: all LargeCap issuers (mandatory scope 3 reporting).	✓	✓	'Comply or explain': voluntary. Part D of Appendix 27: (based on IFRS).	'comply or explain': independent assurance optional. Part D of Appendix 27: the GGP or the protocol required by the issuer's local legislation.	'Comply or explain': annual report / separate ESG reports / company website. Part D of Appendix 27: ESG reports or prospectus (IPO applicants).	HKEX	Potential fine or disqualification (and may become subject to orders of the Securities and Futures Commission).	Not yet confirmed.
Japan	31.01.2023 (TCFD) A company's financial year date which first falls after the publication by SSBJ of the new standards – expected to be published no later than 31.03.2025 (SSBJ: voluntary) TBC (SSBJ: mandatory)	TCFD: All listed companies (and any other companies required to submit an Annual Securities Report/Securities Registration Statement). Proposed standards: All companies (including foreign companies) listed on the Prime Market of the Tokyo Stock Exchange.	✓	✓	TCFD. Proposed standards: SSBJ in line with ISSB standards.	Currently no requirement, but being under discussion.	TCFD: Annual Securities Report and the Securities Registration Statement.	TCFD: FSA. Proposed standards: FSA.	TCFD: May be subject to liabilities under the Civil Code / Companies Act / Financial Instruments and Exchange Act. Proposed standards: Not yet confirmed.	TCFD: May be subject to penalties and fines under the Financial Instruments and Exchange Act. Proposed standards: Not yet confirmed.
New Zealand	01.01.2023	Various institutions including all registered banks, credit unions, building societies, registered investment schemes, and Crown Financial institutions with total assets of more than \$1 billion.	✓	✓	Aotearoa New Zealand Climate standards (issued by XRB).	"Limited assurance".	In an annual climate statement.	FMA	Knowingly failing to comply with the climate standards: imprisonment of up to 5 years and/or fine of up to NZD \$500,000.	If CRD records not kept in the prescribed manner: fine of up to NZD \$50,000. Knowingly failing to comply with the climate standards: fine of up to NZD \$2.5 million.
Singapore	2022-24 ('comply or explain') FY 2025 (IFRS: listed companies: scope 1-2) FY 2026 (IFRS: listed companies: scope 1-3) FY 2027 (IFRS: large, non-listed companies: scope 1-2) TBC (IFRS: large, non-listed companies: scope 1-3)	'comply or explain': all listed companies and slightly higher standard for listed firms in five industries. Proposed standards: listed companies and large, non-listed companies (with revenue > \$1 billion and assets > \$500 million), with a potential expansion to smaller non-listed companies.	✓	✓	'comply or explain': TCFD. Proposed standards: IFRS standards.	Current standards: N/A. Proposed standards: external limited assurance on Scope 1 + 2 disclosures after two years relief.	Current/proposed: sustainability reports.	SGX RegCo + Listing Disciplinary Committee.	SGX RegCo: can prohibit the appointment of a director; require a director or executive officer to resign; and refer breaches in directors' duties to the relevant authorities for criminal prosecution or for civil action.	SGX RegCo: can issue public reprimands and prohibit market access. Listing Disciplinary Committee: can impose more severe and pecuniary sanctions.
UK	30.09.2013 (emissions: quoted companies) 01.04.2019 (emissions: specified companies/LLPs) 01.01.2021 (TCFD: premium listing issuers) 01.01.2022 (TCFD: standard listing issuers) 06.04.2022 (TCFD: specified companies/LLPs) 31.07.2024 (SDR: UK Asset Managers)	Emissions: quoted companies, large unquoted companies, large LLPs. TCFD: > 500 employees and: either (i) transferable securities on a UK regulated market; or (ii) banking companies or insurance companies. Also, LLPs and companies, not included above, with > 500 employees and > £500m turnover. SDR: UK asset managers and distributors of investment products into the UK.	✓	?	Emissions: GGP. TCFD. SDR.	No statutory requirements to audit environmental information.	Emissions: Directors' Report. TCFD: Companies: Non-Financial and Sustainability Information Statement. TCFD: LLPs: Energy and Carbon Report or Strategic Report. SDR: Disclosures to investors.	Emissions/TFCD: FRC. SDR: FCA.	Potential liability for breach of s.172 Companies Act 2006 (duty to promote the success of the company). Potential derivative claims from shareholders under s. 260 Companies Act 2006.	FRC can apply to the court for a declaration that the entity's annual report and accounts do not comply. FCA can use its supervisory and enforcement powers against firms that do not comply, including suspension from undertaking regulated activities and/or financial penalties.
USA	2025 (LAFs) 2026/2027 (AFs and other registrants) (Currently stayed pending numerous lawsuits challenging rule)	Publicly traded companies.	✓	?	Partially aligned with TCFD and GGP with some divergences. <sup>2</sup>	LAFs: "limited assurance" and then "reasonable assurance" post-transitional period. AFs: "limited assurance" post-transitional period.	Registration statement and annual report.	US SEC	Standard penalties for fraud or misrepresentation in SEC filings.	Non-compliance may lead to the SEC imposing penalties and fines, and potentially bringing legal action. Public disclosures also likely to lead to private challenges from shareholders.

<sup>1</sup> The California Tax Code defines "doing business" as "actively engaging in any transaction for the purpose of financial or pecuniary gain or profit" (Cal. Code Regs. Tit. 18, § 23101).

<sup>2</sup> SEC, "The Enhancement and Standardization of Climate-Related Disclosures for Investors" March 2024, page 24.