

Provisional Agreement on the
**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL**
on clean corporate vehicles
(Text with EEA relevance)

2025/0421 (COD)
[Outcome of Trilogue on May 20, 2026]

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

Corporate vehicles have a significant potential to accelerate the uptake of zero-emission vehicles (ZEV), due to their high share in new vehicle registrations (around 60% for new registration of cars and around 90% for new registration of vans) and their specific characteristics in terms of vehicle operations. A higher share of zero-emission corporate vehicles can in turn boost the competitiveness of the EU's automotive industry, help accelerate transport emission reductions, and facilitate a fair transition by increasing the availability of ZEV in the second-hand market. That potential is currently underexploited. The Commission has already noted the key role of corporate fleets in the Decarbonise Corporate Fleets Communication¹ in which it concluded that further action in this sense would be decided after an impact assessment. The Commission further confirmed the need to accelerate the uptake of ZEV in corporate fleets during the Third Strategic Automotive Dialogue on 12 September 2025².

The proposal will address the low uptake and insufficient availability of zero- and low-emission vehicles in corporate fleets by ensuring a faster uptake of zero- and low-emission corporate cars and vans. This will in turn help increase the availability of zero- and low-emission vehicles on the second-hand market, given the fast turnover of corporate vehicles to the second-hand market, which can foster a swifter transition away from older combustion engine vehicles. This will thereby reduce fossil fuel consumption and expenditure in the road transport sector, thus contributing to the Union's energy security goals.

Demanding compliance of the vehicles in scope of this Regulation with targeted requirements to help strengthen domestic value chains for corporate fleet vehicles under the upcoming Industrial Accelerator Act will make it possible to reduce strategic dependencies, boost EU-based suppliers of components, help to attract new investments in EU production capacity in those sectors and more generally foster the competitiveness of the EU automotive ecosystem.

- **Consistency with existing policy provisions in the policy area**

The proposal ensures consistency with other aspects of EU legislation affecting corporate fleets, most notably the CO₂emission performance standards for road transport vehicles set

¹ [Communication: Decarbonise Corporate Fleets](#)

² [President von der Leyen chairs third Strategic Dialogue with the European Automotive Industry](#)

out in Regulation 2023/851³, Regulation (EU) 2024/1610⁴ and Directive 2009/33/EC⁵ (the Clean Vehicles Directive).

In particular, the proposal is coordinated with the proposed revision of the CO₂ emission performance standards for light-duty vehicles, in order to ensure a consistent framework to support the decarbonisation and competitiveness of road transport through a combination of flexibilities introduced on the supply side and stimulation of demand from corporate actors. It thus complements the demand-side measures for public procurement in the Clean Vehicles Directive, which address contracting authorities and entities and have their highest impacts on the urban buses market, of which public procurement represents over 70%.

The proposal acts in synergy with existing EU legislation that contributes to improving the business case and competitiveness of road transport decarbonisation solutions, in particular the EU Emissions Trading System for road transport (EU ETS2) established under Directive 2003/87/EC⁶, Directive 2003/87/EC on Energy Taxation⁷ and Directive 1999/62/EC on the charging of road vehicles for the use of road infrastructure⁸. The uptake of zero- and low-emission vehicles in corporate fleets is supported through the provisions on deployment of recharging and refuelling infrastructure under the Alternative Fuels Infrastructure Regulation (EU) 2023/1804⁹ (AFIR), which ensures the necessary enabling conditions for the switch to ZEV. Availability of recharging infrastructure is critical for this transition. To date, more than 1 million recharging points have been installed in the EU and these efforts continue. Most Member States are on track to meet the recharging requirements set under AFIR, which will be reviewed by end 2026, to account for developing market conditions. Furthermore, for some segments of the corporate car fleet market (e.g. rental companies), their operational conditions may require further support measures. In the coming months, the Commission will also consider the need for promoting dedicated measures, facilitating the

³ Regulation (EU) 2023/851 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2019/631 as regards strengthening the CO₂ emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition (OJ L 110, 25.4.2023, pp. 5, ELI: <http://data.europa.eu/eli/reg/2023/851/oj>

⁴ Regulation (EU) 2024/1610 of the European Parliament and of the Council of 14 May 2024 amending Regulation (EU) 2019/1242 as regards strengthening the CO₂ emission performance standards for new heavy-duty vehicles and integrating reporting obligations, amending Regulation (EU) 2018/858 and repealing Regulation (EU) 2018/956 (OJ L, 2024/1610, 6.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1610/oj>)

⁵ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles (OJ L 120, 15.5.2009, pp. 5 ELI: <http://data.europa.eu/eli/dir/2009/33/oj>)

⁶ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, pp. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>)

⁷ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, pp. 32 ELI: <http://data.europa.eu/eli/dir/2003/87/oj>)

⁸ Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures (OJ L 187, 20.7.1999, pp. 42 ELI: <http://data.europa.eu/eli/dir/1999/62/oj>)

⁹ Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure, and repealing Directive 2014/94/EU, (OJ L 234, 22.9.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/1804/oj>)

availability of (fast) recharging points at key locations, (e.g. railway stations and airports). The deployment of recharging infrastructure has been further supported through the Alternative Fuels Infrastructure Facility, as well as by Member States but more infrastructure is still needed, and some differences across Member States persist.

- **Consistency with other Union policies**

The proposal contributes to the road transport decarbonisation and industrial competitiveness objectives set out in the Industrial Action Plan for the European automotive sector¹⁰, the Clean Industrial Deal¹¹, the Sustainable and Smart Mobility Strategy¹² in accordance with the European Green Deal Communication¹³ and the Regulation (EU) 2021/1119 (European Climate Law)¹⁴. The Sustainable and Smart Mobility Strategy, in particular, recognises that meeting the EU's decarbonisation targets requires almost all road transport vehicles in the EU to be zero-emission by 2050 and introduces targeted actions to boost the uptake of ZEV in corporate and urban fleets.

The proposal further contributes to the industrial policy framework set out under the Clean Industrial Deal, and specifically in the Industrial Automotive Action Plan¹⁵, to help the automotive industry master the coming transition to sustainable and smart mobility, by stimulating demand for zero- and low-emission vehicles.

By increasing the availability of affordable zero- and low-emission vehicles this initiative will contribute to achieving the United Nations' Sustainable Development Goal (SDG) 7 ('Affordable and Clean Energy'). Through its potential to reduce emissions, this initiative will contribute to achieving Sustainable Development Goal (SDG) 13 ('Take urgent action to combat climate change and its impacts'). It will also indirectly support efforts to achieve Sustainable Development Goal (SDG) 3 ('Ensure healthy lives and promote well-being for all at all ages') and particularly SDG 3's target 3.9 ('substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination'), by reducing air pollutant emissions from road transport by reducing the share of fossil-fuel

¹⁰ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Industrial Action Plan for the European automotive sector, COM(2025) 95 final, 5.3.2025, CELEX: 52025DC0095

¹¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation, COM(2025) 85 final, 26.2.2025, CELEX: 52025DC0085

¹² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Sustainable and Smart Mobility Strategy – putting European transport on track for the future, COM(2020- 789 final, 9.12.2020

¹³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European Green Deal, COM/2019/640 final, 11.12.2019

¹⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (OJ L 243, 9.7.2021, pp. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>

¹⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Industrial Action Plan for the European automotive sector, COM (2025) 95 final.

use by newly registered corporate cars and vans. With the requirement to help strengthen domestic value chains for corporate fleet vehicles, this initiative will also indirectly contribute towards achieving Sustainable Development Goal (SDG) 8 ('Decent Work and Economic Growth').

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for this initiative is Article 192(1) of the Treaty on the Functioning of the European Union (TFEU), which enables the EU to set rules to contribute to the environmental objectives of the Union. Corporate fleets consist of vehicles with high mileage, which are responsible for a disproportionate share of fuel consumption and emissions, and can therefore contribute to the decarbonisation of the road transport sector faster than private vehicles by switching to -zero- and low-emission options. By accelerating the deployment of zero- and low-emission vehicles in this key segment, this initiative will contribute to the objectives of preserving, protecting and improving the quality of the environment, and of a prudent and rational utilisation of natural resources.

- **Subsidiarity (for non-exclusive competence)**

Current national measures alone cannot boost the required acceleration of zero- and low-emission vehicles in the EU sufficiently to also support the automotive industry in its twin transition. A coherent regulatory push with mandatory targets for Member States is therefore preferred.

The national targets for Member States will stimulate increased use of zero- and low-emission vehicles by corporate fleet operators, creating a demand signal for vehicle manufacturers and charging infrastructure providers, while providing certainty and thus promoting the competitiveness of the EU automotive industry. This demand signal across the single market will also support the objectives of the Industrial Automotive Action Plan by strengthening investment certainty, fostering innovation and scaling up zero- and low-emission value chains.

Existing EU-level supply-side measures (CO₂ emission performance standards for cars and vans) will be complemented more effectively by demand-side measures taken at the same level than by current national measures alone. EU-level action can also promote a faster impact on the market. This is important because there is an urgent need to safeguard the competitiveness of the EU's automotive industry and the need to accelerate the uptake of zero- and low- emission vehicles in second-hand markets throughout the EU.

- **Proportionality**

The proposal requires the EU to reach a certain share of new registrations of zero- and low-emission corporate cars and vans by large companies, starting from 2030. Corporate vehicles registered by SMEs are not included in the scope of the proposal.

National targets for Member States will encourage them to put in place measures to incentivise the use of corporate zero- and low-emission vehicles by large companies. The design of the measures is at the discretion of each Member State. The resulting increase in the share of new zero- and low-emission vehicles in corporate fleets can help reduce road transport emissions faster, while increasing the availability of zero- and low- emission vehicles for citizens and businesses that rely on second-hand vehicles.

These national targets are set at different levels of ambition for cars and vans in order to reflect the different levels of technology and market development, as well as the differences in targets for the respective vehicle categories under the CO₂ emission performance standards. They are also differentiated between Member States in order to take account of the specific situation and characteristics of different Member States, in relation to their economy's ability to address the higher initial capital costs of ZEV. In respect the principle of technological neutrality, and to leave sufficient flexibility to the Member States, the proposal should set national targets that can be met through the combined share of zero- and low-emission vehicles. At the same time, in order to provide a sufficiently clear market signal and adequately contribute to the achievement of the objective of decarbonising road transport, and in light of the emission reduction targets set in Regulation 2019/631, a specific sub-target for the share of ZEV should also be set.

This approach ensures full proportionality because action at EU level is limited to what is necessary to support the decarbonisation of the EU road transport sector. It also safeguards the competitiveness of the EU automotive industry and ensures a fair transition. The proposal leaves full flexibility for decisions by public authorities at national level as regards the measures to encourage the uptake of zero- and low-emission vehicles, while ensuring that the proposal's objectives are met.

- **Choice of the instrument**

Accelerating the uptake of zero- and low-emission vehicles in corporate fleets requires a common approach in order to trigger market action across the EU (particularly in view of supporting compliance with the 2030 and 2035 targets and supporting the objective to reduce transport greenhouse gas emissions by 90% by 2050, relative to 1990) by making affordable zero- and low-emission vehicles available to second-hand markets. Such an orientation to Member States and markets on vehicle uptake in corporate fleets is best achieved through a regulation. This is important in order to provide the necessary signals to the automotive industry, as well as for recharging and electricity providers at a critical time of strategic decisions concerning investments in new production chains and energy infrastructure while also creating certainty for large fleet operators of consistent market rules throughout the EU.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

N/A

- **Stakeholder consultations**

An Open Public Consultation¹⁶ (OPC) was carried out from 6 February 2024 to 8 July 2024 on the Commission's centralised 'Have your say' platform. It allowed the Commission to collect information and views on the state of play of the corporate fleet market and whether the current pace of ZEV take-up in corporate fleets is sufficient in the broader context of the transition to zero-emission mobility, as well as aspects related to the overall affordability of ZEV and competitiveness of EU market actors. 268 participants responded to the OPC and 111 provided written contributions and position papers.

A strategic dialogue took place on 17 July 2025, involving 15 participating stakeholders. It allowed representatives from the automotive industry associations, fleet operators, ride-hailing platforms, component suppliers, leasing companies and other relevant parties to exchange views with representatives from the Commission, and provide evidence on some aspects of the electrification of corporate fleets and the broader push towards the decarbonisation of road transport. The dialogue emphasised the need for a mix of intelligent policy measures, fiscal incentives, infrastructure investment, and other enabling measures, while expressing a general preference against binding legislative mandates for light-duty vehicles at fleet or company level.

A subsequent call for evidence¹⁷ was open between 25 July and 8 September 2025 on the Commission's centralised 'Have your say' platform. It aimed to collect information and views to support the preparation of the impact assessment accompanying this proposal. The Commission received 483 responses from 25¹⁸ EU Member States as well as the United Kingdom, United States, Norway, Switzerland, and Brazil. This was further supported by targeted stakeholder interviews, which were carried out between July and October 2025. These collected factual information and contextual data on current business practices and operational use-cases, and available data on vehicles and operations from the most-affected stakeholders. Across the different consultation activities, stakeholders broadly agreed that the uptake of ZEV in corporate fleets remains too limited to align with the current EU requirements for sustainable transport. They also confirmed that limited affordability and accessibility as well as versatility of ZEV hinder a fair and inclusive transition away from fossil fuels use. Many participants highlighted the point that the higher purchase price of ZEV, coupled with uncertain residual values and immature second-hand markets, keeps total ownership costs high, particularly for SMEs.

Stakeholders generally emphasised the point that firm EU signals would strengthen EU manufacturing and supply chains, support job creation, and sustain industrial leadership in zero-emission technologies. In the absence of effective EU-level demand-side measures and clear market signals, many stakeholders consider that these issues are likely to persist and

¹⁶ [Greening corporate fleets](#)

¹⁷ Clean corporate vehicles. The Call for evidence was published initially in English with all the other language translations published on 11 August 2025.

¹⁸ MT and LU did not provide feedback.

will continue to undermine and delay both the decarbonisation of transport fleets and the achievement of the EU's broader climate and industrial policy objectives.

Several stakeholders (including vehicle manufacturers and fleet operators) highlighted the fragmented and inconsistent support framework across Member States, noting that national policy levers (such as fiscal and non-fiscal incentives supporting fleet purchase decisions) are unevenly applied and often underused in many Member States. In their view, this results in inconsistent demand signals for zero- and low-emission vehicles, despite improvements in larger fleets and among leading companies. Several stakeholders also expressed caution about legal mandates and stressed the need to consider technological neutrality in any initiative to promote the decarbonisation of road transport.

- **Collection and use of expertise**

The impact assessment accompanying this proposal relies on an accompanying external support study carried out by a consultant. Furthermore, the Commission acquired access to detailed data on new vehicle registrations by category, which informed its analysis of the market and the modelling of the impacts of different policy options (including in the context of the external support study).

Stakeholders provided a significant amount of additional information in the context of the consultation activities. This included detailed information on the market structure and business practices in the different corporate fleet segments, which helped confirm available information from previous studies and inform the modelling assumptions and analysis. The information included aspects such as typical fleet composition, vehicle mileage and retention rates for different types of corporate fleets; use cases and operational requirements of different fleets; use of different vehicle types; interactions between own fleet and sub-contractors, and typical contractual arrangements and types of sub-contracting; and SME's share and role in different types of fleets and contractual arrangements. Overall, the sources used to draft the impact assessment report were numerous, largely exhaustive and representative of the various stakeholder groups.

- **Impact assessment**

The Impact Assessment screened a comprehensive list of possible policy measures and options, based on the likely effectiveness, efficiency and proportionality of the proposed measures in relation to the given objectives, as well as their legal and technical feasibility.

The option of setting mandatory targets for the minimum share of ZEV in all corporate fleets above a certain size was discarded because it was not considered proportionate due to the very high administrative costs and the risk of imposing stringent targets on fleets for specific use cases where the availability of ZEV is still limited. The setting of mandatory targets for the minimum share of ZEV in specific types of corporate fleets (such as leasing or taxis) was also discarded on the basis of insufficient internal consistency, due to the very high risk of unintended consequences and avoidance action (such as shifting from vehicle leasing to other financial solutions) and expected low effectiveness as a result of the limited scope.

Two main groups of policy options have been retained for further analysis. Each including three different levels of ambition for the uptake of zero-emission cars, vans and lorries.

The first group of options (PO1) sets targets for Member States, enabling clear market direction which will require Member States to activate key national policy levers (such as incentives for ZEV uptake in corporate fleets through differentiated vehicle and income taxation or e.g. favourable road charging regimes) if such measures are not in place already. Under this group of options, Member States retain full flexibility for the implementation pathway under the binding overall target. This ensures greater flexibility and minimises the risk of imposing strict targets on specific fleets whose operational requirements cannot yet be met with ZEV, but it also maintains a clear overall level of ambition across the Union.

The second group of options (PO2) follows the same approach for new registrations of zero-emission cars and vans, but requires the achievement of minimum shares of zero-emission lorries used in the overall transport activities of large companies. This would thus address certain large companies directly, which increases the certainty of the implementation pathway, but would still not directly set mandatory targets for the broader set of individual transport operators. This approach aims to provide predictability that large shippers will perform part of their freight transport services through zero-emission lorries. This demand from shippers will encourage transport hauliers to increase the share of zero-emission lorries in their fleets.

PO1 will require each Member State to ensure that, starting from 2029, a certain share of new registrations of corporate cars, vans and lorries by large companies in its territory during that year is zero-emission. Corporate vehicles registered by SMEs are therefore not included in the scope. Member States will have to put in place measures to increase the demand of corporate ZEV from large companies. The design of those measures will be at the discretion of each Member State.

Under PO1, the minimum national targets are set at different levels of ambition for cars, vans and lorries, in order to reflect the different levels of technology and market development, as well as the differences in targets for the respective vehicle categories under the CO₂ emission performance standards. The level of ambition set for the EU as a whole has been modulated across Member States. GDP per capita in 2024 is used for the modulation, with equal weight. However, setting differentiated national targets for lorries – which are significantly involved in international transport – would carry a significant risk of distorting the market, by encouraging the registration of new vehicles used for this purpose in Member States with lower levels of ambition. For these vehicles, therefore, this option foresees the same level of ambition across all Member States.

For lorries, it is also necessary to refer to the payload weighting factors under the CO₂ emission performance standards, so that different sub-groups are counted correctly for the purpose of meeting the targets. This is necessary in order to ensure that the proposal effectively contributes to transport emission reductions across the fleet. Monitoring and

reporting will be ensured directly by the Member States by extracting relevant data from their vehicle registries, with minimal administrative burden.

The three sub options of policy option 1 (PO1A, PO1B and PO1C) are only different in terms of the levels of ambition for the targets for cars, vans and lorries. All the other elements are the same.

For cars and vans, PO2 follows the same approach as PO1, with national targets set on Member States for the share of zero-emission cars and vans in yearly new corporate vehicles registrations by large companies in their territory. For lorries, however, PO2 targets apply directly to all large companies (companies with at least 250 employees and EUR 50 million turnover), irrespective of their economic field of activity (i.e. 54 219 large companies). Under this policy option, these large companies would be required to report yearly the total road freight transport activity performed on their behalf – both by their own lorries and by direct and indirect sub-contractors – in tonne-km and to ensure that a minimum share of that activity has been performed with zero-emission lorries.

Most large companies perform a relatively low share of their road freight transport activity through their own fleets and generally rely on subcontracting for the vast majority of their freight transport needs. In order to meet their target, large companies would therefore need to ensure a certain share of zero-emission lorries used in their own fleet, and that a certain share of the transport activity they procure – directly or indirectly – is performed by zero-emission lorries. To this end, they would effectively need to ensure that their direct and indirect sub-contractors (the vast majority of which are SMEs and microenterprises) have in their fleets the number of zero-emission lorries needed in order to comply with the targets for their transport activities. This option therefore impacts the whole road freight transport sector but only sets the legal obligation for large companies.

The three sub options of policy option 2 (PO2A, PO2B and PO2C) are only different in terms of the levels of ambition for the targets for cars, vans and lorries (as described below). All the other elements are the same.

The Impact Assessment shows that all policy options achieve their objectives without significantly affecting the overall level of ambition for the CO₂ emission standards for vehicles set for vehicle manufacturers, while leading to reduced emissions through increased registration and use of ZEV. For cars and vans, the impacts in terms of share of ZEV and emission reductions are the same for both PO1 and PO2, for sub options with comparable levels of ambition. For lorries, the uptake of ZEV in the stock is higher in PO2 than PO1 for all sub options due to the broader scope of the targets – including not only lorries registered by large companies but also all lorries used by their sub-contractors (including SMEs). PO1 will not create administrative burden for businesses because the reporting is required from Member States on the basis of existing national vehicle registers. However, PO2 will impose significant administrative costs on businesses, both one-off and recurrent, because these policy options imply a new reporting activity for lorries, on top of the reporting requirements for the Member States related to cars and vans. Importantly, in PO2, the targets for shippers

will indirectly affect far more companies (notably SMEs and micro-enterprises which represent the majority of operators providing freight transport services to large companies). To comply with the targets, shippers will need to require their sub-contractors to provide a share of their services using ZEV. SMEs that provide freight transport services to large companies will therefore face higher capital costs, that may be a serious barrier in terms of access to finance, alongside reductions in fuel and operational costs. In addition, the need to monitor and report activity in tonne-km for individual vehicles with sub-contracting arrangements may impose substantial administrative costs on affected SMEs and micro-enterprises.

Overall, the Impact Assessment concluded that PO1A, PO1B and PO1C would all result in net benefits compared with the baseline, while PO2A, PO2B and PO2C would result in net costs. The preferred policy option is therefore PO1 - leaving the choice between PO1A, PO1B and PO1C, which only differ in terms of the level of ambition of the national targets. The analysis shows that PO1C is the most effective in addressing the objectives, has the highest net benefits, shows the highest benefits-to-costs ratio and leads to the lowest indirect net costs for citizens among PO1A, PO1B and PO1C. However, it also leads to the highest indirect net costs for SMEs and highest losses in tax revenues for national authorities. PO1B also shows relatively high effectiveness and similar benefits to costs ratio with PO1C, leads to somewhat lower indirect net costs for SMEs and lower losses in tax revenues for national authorities and only somewhat higher indirect net costs for citizens. Finally, PO1A has the lowest net benefits and benefits to costs ratio out of PO1A, PO1B and PO1C, but it is still effective in addressing the objectives and comes with the lowest net costs for SMEs and lowest losses in tax revenues for national authorities while the net costs for citizens are relatively similar to those of PO1B. Nevertheless, besides costs and administrative burden, all scenarios present risks that companies may be facing operational difficulties. This may be the case if the required share of ZEVs for the new registration set for a Member State leads to national measures that unduly constrain the suitability and versatility of the large companies' fleets against their specific operational needs, while access to suitable charging infrastructure and low electricity prices remains limited in their areas of operation.

The climate consistency check has been performed. As shown in the impact assessment the preferred policy option is consistent with the environmental objectives of the European Green Deal and the European Climate Law.

On the basis of this analysis and taking account of the need to ensure full consistency with the proposal for a revision of the CO₂ emission performance standards for cars and vans, and of the risks mentioned above, the Commission has decided to set the level of ambition of the targets for cars and vans at the level indicated in the Annex. At the same time, taking account of the need to reduce administrative burden, the current situation of charging infrastructure for heavy-duty vehicles and the need to maintain long-term consistency in view of the upcoming revision of the CO₂ emission performance standards for heavy-duty vehicles, the Commission has decided not to include lorries within the scope of this proposal. Possible measures to increase the share of zero- and low-emission vehicles in corporate lorries will be

considered when the CO₂ standards for heavy-duty vehicles are revised. Such measures should account for the different profile of the freight transport services market which operate extensively cross-border, the necessity to increase the wide availability of recharging infrastructure along EU transport corridors, as well as increased demand for low emission transport services. This is why the upcoming review of AFIR and of the CO₂ standards for heavy-duty vehicles may provide a more appropriate framework to act.

In order to support decarbonisation in key industry sectors supplying the automotive industry and also promote clean technology products and the domestic production of technologies such as batteries for electric vehicles, the Commission has announced in the Clean Industrial Deal a proposal for an Industrial Accelerator Act. Since the transition towards zero-emission mobility in corporate fleets may be subject to public financial support in Member States, there is a potential for using public support to help strengthen domestic value chains in the automotive sector. ‘Made in the European Union’ requirements can contribute to the creation of a stable lead market for European suppliers, enhancing the competitiveness of EU industry, maintaining its workforce and helping attract new investments in EU production capacity in those sectors. In order to be in a position to align requirements on strengthening domestic value chains in the automotive sector with the upcoming Industrial Accelerator Act, the Commission will rely on delegated acts to set up a methodology for determining the criteria for a car or van to be considered ‘made in EU’. The financial and fiscal treatment of corporate vehicles plays a key role in steering the choice of operators and determining the speed of the transition to zero-emission mobility options. The effectiveness of such measures has been demonstrated by recent examples of Belgium, France and Germany. There is also very strong support among stakeholders for measures improving the competitiveness and availability of corporate ZEV through fiscal and financial measures. Member States should make use of this instrument by phasing out financial incentives provided to corporate vehicles other than zero- and low-emission vehicles; a provision in this sense has been included in the proposal.

In view of the need to stimulate the market for zero- and low-emission vehicles while also supporting the further deployment of alternative fuels and leaving appropriate flexibility to Member States and market actors, the Commission has decided to set national targets. The resulting acceleration of zero- and low- emission vehicles uptake in corporate fleets will substantially stimulate the second-hand market for private citizens and businesses, improving the availability and affordability of zero- and low- emission vehicles.

This proposal is accompanied by an impact assessment report, a draft of which was submitted to the Regulatory Scrutiny Board (RSB) on 3 December 2025. The RSB issued a positive opinion with reservations on 10 December 2025¹⁹. The impact assessment report was adjusted accordingly to address the RSB’s comments.

- **Regulatory fitness and simplification**

¹⁹ Ares(2025)10947680

While the initiative introduces targets for Member States in the form of the share of new zero- and low-emission vehicles for large companies, the additional administrative burden for public authorities is kept to a minimum. The proposal builds on existing vehicle datasets and modalities that Member States already operate for vehicle registration and statistics, including business and fiscal statistics. While all Member States already have the necessary systems in place to identify new registrations of corporate vehicles, for distinguishing vehicle registered by SMEs or large companies in place, one-off administrative costs are expected.

SMEs are excluded from the scope of the proposal, which only targets new corporate vehicles registered by large companies.

The proposal is expected to have a positive impact on the application of the ‘digital by default’ principle, as the reporting activities by Member States will be facilitated through the extension of the central register on CO₂ standards for vehicles, maintained by European Environment Agency.

- **Fundamental rights**

The proposal has no impact on fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal has no impact on the European Union budget.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The Commission services will monitor the implementation and effectiveness of this initiative through a number of actions and a set of core indicators that will measure progress towards achieving the objectives. Five years after the implementation date of the legislation, the Commission services should carry out an evaluation to verify to what extent the objectives of the initiative have been reached.

The monitoring of compliance with the national targets and increase in the share of zero- and low-emission vehicles in new corporate vehicle registrations by large companies will be based on the reporting of registration figures by Member States under this initiative, based on their vehicle registers. Further monitoring on the reduction of fossil fuels expenditures in the road transport sector will be done on the basis of Eurostat statistics regarding final energy consumption in road transport, which are well established and regularly reported.

After the adoption of the legal instrument the Commission will also initiate a specific study to analyse the progress per Member State in terms of availability of second-hand zero- and low-emission vehicles. Results of this assessment will be made available through the Commission’s European Alternative Fuels Observatory and hence enable a full access and comparability of the results of the assessment.

The Commission will make use of the Sustainable Transport Forum to support stakeholders and Member States in putting in place measures to meet the targets and to discuss follow up initiatives.

- **Detailed explanation of the specific provisions of the proposal**

The proposal sets up a new Regulation with the following structure:

Article 1 defines the subject matter of the Regulation;

Article 2 sets out a series of definitions, referring to relevant legal instruments to ensure consistency;

Article 3 sets national targets for the minimum share of zero- and low- emission vehicles in new corporate vehicle registrations by large companies in each Member State, and the methodology to calculate those shares for the purpose of demonstrating compliance with the targets;

Article 4 includes a provision on financial support for zero- and low-emissions corporate vehicles and empowers the Commission to adopt delegated acts to set out a methodology for determining the criteria for 'made in the European Union';

Article 5 sets out the conditions for exercising of the delegation;

Article 6 sets monitoring and reporting obligations;

Article 7 sets out best practices for voluntary social leasing mechanisms Member States can implement;

Article 8 sets a review clause

Article 9 sets the date of entry into force of the Regulation;

The Annex sets national targets for each Member State.

Provisional Agreement on the
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on clean corporate vehicles
(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN
UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee²⁰,

Having regard to the opinion of the
Committee of the Regions²¹,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Road transport is the dominant transport mode in the Union, accounting in 2023 for 52.6 % of total freight transport activity and 81.2 % of passenger transport activity, while being responsible for 22.6 % of the Union greenhouse gas emissions and 35 % of its NO_x emissions. Air pollution from road vehicles caused an estimated 48,000 premature deaths attributable to NO₂ exposure and 239,000 premature deaths attributable to fine particulate matter (PM_{2.5}) in the Union in 2022²². Road transport plays a vital role in the internal market; the transition to lower emissions shall therefore contribute to strengthening the Union's strategic autonomy, be technologically neutral and innovation driven, while supporting competitiveness and the development of clean technologies.

(2) The Communication of the Commission on 'The European Green Deal'²³ and Regulation (EU) 2021/1119 of the European Parliament and of the Council²⁴ set out

²⁰ OJ C , , p. .

²¹ OJ C , , p.

²² European Environment Agency, Harm to human health from air pollution in Europe: burden of disease status, 2024, EEA Briefing No 21/2024, Publications Office of the European Union, Luxembourg, 2024, ISBN 978-92-9480-695-6, doi: 10.2800/3950756, <https://www.eea.europa.eu/en/analysis/publications/harm-to-human-health-from-air-pollution-2024>

²³ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'The European Green Deal' of 11 December 2019, COM(2019) 640 final.

²⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>).

the steps towards climate-neutrality by 2050 and the need to reduce transport greenhouse gas emissions by 90% by 2050, relative to 1990. Such significant reductions are necessary as the transport sector remains the only major sector in the Union where greenhouse gas emissions have not decreased, like in other sectors, including power generation, industry and agriculture. The Industrial Action Plan for the European automotive sector²⁵ and the Clean Industrial Deal²⁶ underline the importance of the automotive sector for the Union's industrial competitiveness and the need to support employment across the automotive value chain, including through reskilling, upskilling and labour market transitions.

(3) Regulations (EU) 2019/631⁽²⁷⁾ and (EU) 2019/1242 of the European Parliament and of the Council⁽²⁸⁾ set CO₂ emissions performance requirements for new road transport vehicles, in order to contribute to achieving the Union's target of reducing its greenhouse gas emissions. Directive 2009/33/EC of the European Parliament and of the Council⁽²⁹⁾ sets national targets for the share of clean vehicles in public procurement on each Member State's territory, over two five-year periods. It applies to all procurement of vehicles by a contracting authority or contracting entity.

(4) Each year, around 10 million new cars and 1.5 million new vans are registered in the Union. Around 60% of cars, and around 90% of the vans, are corporate vehicles registered by legal entities. Those include various types of vehicles and use cases, among others: vehicles registered by leasing and rental companies; company cars provided as benefit-in-kind for company employees; vehicles used by hauliers, taxi, ride-hailing, and car-sharing companies to provide mobility and logistics services; vehicles used by companies for their internal business operations, such as management travel or goods distribution.

(5) Due to the high share of corporate vehicles in new vehicle registrations, and their specific characteristics in terms of vehicle operations, measures targeting corporate vehicles have significant potential to accelerate the uptake of zero- and low-emission vehicles and the reduction of road transport emissions in the Union. However, that potential is currently underexploited. Corporate vehicles are responsible for a comparatively higher share of emissions compared to private vehicles, due to their generally higher yearly mileage, as is the case for example for some corporate fleets such as taxi and ride-hailing. A higher share of zero- and low-emission vehicles in those high-mileage fleets would result in high real-world fuel savings and emission

²⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Industrial Action Plan for the European automotive sector, COM(2025) 95 final, 5.3.2025, CELEX: 52025DC0095

²⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation, COM/2025/85 final, 26.2.2025, CELEX: 52025DC0085.

²⁷ Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (OJ L 111, 25.4.2019, p. 13, ELI: <http://data.europa.eu/eli/reg/2019/631/oj>)

²⁸ Regulation (EU) 2019/1242 of the European Parliament and of the Council of 20 June 2019 setting CO₂ emission performance standards for new heavy-duty vehicles and amending Regulations (EC) No 595/2009 and (EU) 2018/956 of the European Parliament and of the Council and Council Directive 96/53/EC (OJ L 198, 25.7.2019, p. 202, ELI: <http://data.europa.eu/eli/reg/2019/1242/oj>).

²⁹ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean road transport vehicles in support of low-emission mobility (OJ L 120, 15.5.2009, p. 5, ELI: <http://data.europa.eu/eli/dir/2009/33/oj>).

reductions compared to current trends.

(6) Corporate vehicles also generally reach the second-hand market much faster than private vehicles; in particular, rental vehicles are often resold within a year, and leasing vehicles which are often resold after three to five years. A higher share of zero- and low-emission corporate vehicles would therefore significantly enhance their swift availability in the second-hand market. To guarantee that these vehicles remain within the Union and effectively benefit citizens, Member States are advised to follow a range of best practices provided for in Article 7.

(7) Several Member States have put in place incentives and support schemes to accelerate the transition to zero-emission vehicles in corporate fleets. Those good practices, in particular targeted reforms of company-car taxation, accelerated depreciation schemes for zero- and low-emission vehicles and local requirements for urban mobility services, provide useful guidance for the design and implementation of measures taken by Member States. A harmonised Union-level framework would allow those good practices to be scaled across the single market, creating the conditions for a deep and liquid market for zero- and low-emission corporate vehicles that benefits fleet operators, consumers and manufacturers alike. However, those measures are not sufficient and fragmented across Member States, while support for high-emission vehicles still continues to be provided in many instances across the Union. This situation does not ensure a level playing field nor support the necessary level of new zero- and low-emission vehicles registrations across the Union, hampering the single market integration in terms of both supply and use of zero- and low-emission vehicles. Furthermore, insufficiently coordinated national action risks hindering fleets operating across borders and limits the efficient allocation of zero- and low-emission vehicles in the internal market, increases information cost for key transport actors and hinders cost-effective implementation of fleet transitions towards zero emissions. A coherent measure to stimulate the uptake of zero- and low-emission vehicles at Union level is therefore necessary.

(8) A Union-level legal instrument to stimulate demand for zero- and low-emission vehicles in corporate markets should provide the necessary certainty for investments in increased production capacity in these technologies, contributing to the competitiveness of the Union automotive sector in the context of a rapidly evolving global market.

(9) Unlike cars and vans, heavy-duty vehicles are almost exclusively registered by legal entities, so that corporate registrations represent almost the totality of the market. In the cases of buses and coaches, public procurement plays a significant role on the market. Directive 2009/33/EC already provides a stimulus through mandatory targets for zero-emission buses. In order to maintain full long-term consistency with the relevant legal instruments, and in particular in view of the upcoming revision of the CO₂ emission performance standards for heavy-duty vehicles, only the new registrations of light-duty vehicles should be included in the scope of this Regulation. Possible measures to increase the share of zero- and low- emission vehicles in corporate fleets of lorries may be considered at the time of the revision of the CO₂ emission performance standards for heavy-duty vehicles. This would better account for the different operational profile of this market segment and the efforts to substantially increase recharging points availability along EU transport corridors.

(10) In light of the significant diversity of use cases, operational requirements, and economic performances across different types of corporate vehicles, setting mandatory zero-emission vehicle shares for individual companies would risk having disproportionate negative impacts on some of those companies and create a significant administrative burden for operators and public authorities. Such rules would also create significant risks of avoidance and other unintended consequences, such as shifts between vehicle leasing and ownership, or changes in the competitiveness of different types of logistics and mobility services. Therefore, mandatory targets should be set for Member States, rather than on individual companies.

(11) Given the higher barriers they often face to access finance, SMEs are generally disproportionately affected by the higher purchase costs of zero-emission vehicles. Therefore, the national targets should be based on the share of zero- and low-emission vehicles in total corporate registrations only by large undertakings; for the sake of consistency, the notion of large undertakings shall be clearly defined in this Regulation, according to the changes brought by Directive 2023/2775 (EU) of 17 October 2023 amending Directive 2013/34/EU³⁰.

(12) The Regulation should set targets per Member State for the share of zero- and low-emission vehicles in new corporate vehicles registrations by large undertakings in their territory. In order to meet the emission reduction targets set in Regulation 2019/631, those targets should ensure that a minimum share of new corporate cars and vans registered by large undertakings is zero-emission while allowing Member States, where appropriate and in line with technological neutrality. Collectively, the national targets would lead to a minimum Union share of 69% zero- and low-emission cars, of which at least 45% with a zero-emission, in 2030, and be consistent with Regulation 2019/631 for 2035; and of 40% zero- and low-emission vans, of which at least 36% zero-emission, in 2030, and be consistent with Regulation 2019/631 for 2035. These targets should be elaborated in such a way that avoids unjustified distortions of competition or fragmentation within the internal market, and guarantees a level playing field for undertakings across the Union.

(13) Cars and vans are primarily used within the Member State where they are registered, and the markets for vehicles and services are mostly segmented by Member State. The national targets for the cumulated share of zero- and low-emission vehicles in new registrations by large undertakings should be set at different levels for cars and vans, to reflect their different operational characteristics, including payload requirements and vehicle usage patterns, as well as the different level of technology and market development. For those vehicles, differences across Member States should be reflected in the level of the targets that respectively apply to them. Those national targets should be calculated starting from a level of ambition set for the whole Union taking account of the emission requirements set out for the respective vehicle categories in Regulation (EU) 2019/631, and modulated across Member States. The modulation should take account of each Member State's economic capacity, with the gross domestic product per capita used as proxy. To give considerations to other

³⁰ DIRECTIVE 2013/34/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182,29.6.2013)

factors, member states may submit reasoned requests for derogations from the targets on the basis of charging infrastructure deployment or adverse effects on employment.

(14) The successful decarbonisation of corporate fleets is fundamentally contingent upon the availability of a dense and reliable charging network. Infrastructure density constitutes the single most binding constraint for fleet electrification, as operational parameters—specifically range, charging time, and operational downtime—are decisive factors for the commercial viability of fleet operators. Regulation (EU) 2023/1804 on alternative fuels infrastructure provides support for Member States in the deployment of this infrastructure.

(15) Plug-in hybrid electric vehicles and range-extended electric vehicles could continue as transitional technologies to count towards the combined zero- and low-emission target for the purposes of this Regulation and shall be eligible for that purpose beyond 2035, where justified by technological developments and market conditions. The recognition of their contribution can support continued investments and innovation of such technologies.

(16) Member States should be allowed to apply any measure they deem necessary to reach the targets set out in this Regulation, including introducing more favourable road tolling; taxation favouring the uptake of zero- and low-emission vehicles or other State support measures subject to applicable State aid rules; introducing requirements in licensing for specific passenger transport services (such as taxis, ride-hailing); enabling conditions for the use of zero- and low-emission vehicles, such as availability of dedicated recharging points at specific locations or preferential access to parking. Member States should also be allowed to set targets for specific categories of companies or fleet operators. The availability of recharging infrastructure allowing to recharge easily and at accessible prices is a key enabling factor, which can be ensured by Member States taking into account the specific operational requirements of corporate fleets, also contributing to meeting their targets set in Regulation (EU) 2023/1804 of the European Parliament and of the Council³¹. The Communication "Decarbonising corporate fleets"³² provides several examples of good practices and effective measures that can be put in place at national level to increase the share of zero-emission vehicles in corporate fleets. Member States are encouraged to foster information and data exchange within and between regional authorities. Member States will make sure the transition towards green corporate fleets is widely and coherently adopted.

(17) Diffusion of low-emission vehicles based on electric traction will also increase demand for charging infrastructure, which will enhance the density of the charging network with benefits also for zero-emission vehicles.

(18) The decarbonisation of corporate fleets is expected to have significant impacts on employment across the automotive value chain. In particular, workers in activities linked to internal combustion engine technologies may face challenges related to professional reallocation, notably in a context where emerging industrial value chains remain limited in scope. In accordance with the objective of ensuring a just transition,

³¹ Regulation (EU) 2023/1804

³² Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'Decarbonising corporate fleets', COM(2025) 96

the Commission should take due account of the need for reskilling and upskilling of the workforce, facilitate labour market transitions, and mitigate adverse social impacts on the automotive industry and its value chain, in the present policy package and in the subsequent review of this Regulation.

(19) The way financial support measures are devised is often decisive for choosing which corporate vehicle to purchase. Without prejudice to national competences, Member States should make full use of this lever, by providing financial support for corporate vehicles in a manner that promotes the uptake of zero- and low-emission vehicles, while ensuring technological openness and a level playing field across the Union. Council conclusions have repeatedly emphasised the need to phase out as soon as possible fossil fuel subsidies.³³ Financial support that primarily benefits zero- and low-emission vehicles can support Union efforts to increase at an accelerated pace its energy security and move away from imports of fossil fuels. In order to support decarbonisation in key industry sectors supplying the automotive industry and also promote clean technology products and the domestic production of technologies such as batteries for electric vehicles and the development of critical automotive software the Commission has announced in the Clean Industrial Deal a proposal for an Industrial Accelerator Act. Since the transition towards zero-emission vehicles in corporate fleets may be subject to public financial support in Member States, there is a potential for using public support to help strengthen domestic value chains in the automotive sector. Cars and vans ‘made in the European Union’, in accordance with Article 4, can contribute to the creation of a stable lead market for European suppliers, enhancing the competitiveness of Union industry, maintaining its workforce and helping attract new investments in Union production capacity in those sectors, while ensuring fair competition within the internal market.

(20) In order to be in a position to align requirements on strengthening domestic value chains in the automotive sector with the Industrial Accelerator Act, as announced in the Clean Industrial Deal, the Commission should be empowered to adopt delegated acts to set up a methodology for determining the criteria for a car or van to be considered ‘made in the European Union’. Compliant vehicles can be issued with a certificate of conformity in accordance with Articles 36 and 37 of Regulation (EU) 2018/858.

(21) To allow the Commission to appropriately monitor and to follow the implementation of this Regulation, each Member State should submit to the Commission a national plan describing the measures it has in place and the measures it plans to implement to reach the national targets set out in the Annex. In order to demonstrate compliance with the new registration targets, each Member State should report to the Commission, on a yearly basis, the number of new vehicles registered by large undertakings on its territory, and the share of zero- and low-emission vehicles therein, by vehicle category, based on data extracted from their vehicle registries or any other relevant sources of information such as fiscal databases and registries. The Commission should review this Regulation in 2032 in line with Article 8 of this regulation. That review should also cover the interaction of this Regulation with other relevant Union legal acts, in particular with the revised Regulation (EU) 2019/631. The European Parliament and Council should be associated with the review process

³³ For example Council Conclusions on Green Diplomacy of 18 March 2024, st07865-en24.pdf.

through structured dialogue with the Commission on the findings and any proposed revisions. The Commission should make use of the Sustainable Transport Forum to collect information in view of the review, and to support stakeholders and Member States in putting in place measures to meet the targets and to discuss follow-up initiatives.

(22) Since the objectives of this Regulation, namely accelerating the uptake of zero- and low-emission vehicles in corporate fleets, while fostering the competitiveness of the Union's automotive sector, cannot be sufficiently achieved by the Member States alone in a way that ensures sufficient and clear market signals for fleet operators across the EU but can rather, by reason of consistency with EU-level legal instruments addressing vehicle manufacturers, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(23) Certain Member States and regions face structural challenges that may hinder the deployment and use of clean corporate vehicles as required under this Regulation. These conditions, of a geographic and climatic nature, are permanent in character, and cannot be remedied through market mechanisms alone. Due consideration should be given by the Commission, in its assessment and review of the implementation of this Regulation, to the specific situation of Member States and regions, with a view to ensuring proportionate and effective application of the measures in this Regulation.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes a framework for increasing the uptake of zero- and low-emission vehicles within the Union while strengthening the competitiveness of the European automotive sector, supporting a just transition across all regions as well as the progressive development of European value chains for clean mobility technologies in accordance with Article 4. It sets targets for the share of zero- and low-emission vehicles in new corporate cars and vans registered by large undertakings in each Member State. This Regulation does not prevent any Member State from setting more ambitious targets.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) ‘vehicle’ means a motor vehicle of Category M or N set out in Article 4 (1), points (a) and (b), of Regulation (EU) 2018/858 of the European Parliament and of the Council³⁴;
- (2) ‘new vehicle’ means a vehicle that is registered in the Union for the first time;
- (3) ‘car’ means a vehicle of Category M1 set out in Article 4(1), point (a)(i), of Regulation (EU) 2018/858;
- (4) ‘van’ means a vehicle of Category N1 set out in Article 4(1), point (b)(i), of Regulation (EU) 2018/858;
- (5) ‘corporate vehicle’ means a vehicle registered by a legal entity;
- (6) ‘zero-emission vehicle’ means a zero-emission vehicle as defined in Article 3(1)(n) of [Proposal for a revision of Regulation 2019/631];
- (7) ‘zero and low emission vehicle’ means a zero- and low-emission vehicle as defined in Article 3(1)(m) of Regulation 2019/631;
 - (a) The principle of technological neutrality used for the purpose of this Regulation shall concern technologies complying with the definition of ‘zero- and a low-emission vehicle’ set in Article 2(7);
- (8) ‘large undertaking’ means a large undertaking as defined in Article 3(4) of Directive 2023/2775 (EU) of 17 October 2023 amending Directive 2013/34/EU³⁵.

Article 3

Targets for the share of zero- and low-emission corporate vehicles

1. Member States shall ensure that from 1 January 2030:
 - (a) the combined share of zero- and low-emission cars and vans in the total number of new corporate vehicles registered by large undertakings in their territory in each calendar year is at least equal to the combined targets for zero- and low-emission vehicles set in tables 1 and 2 in the Annex.
 - (b) the share of zero-emission cars and vans in the total number of new corporate vehicles registered by large undertakings in their territory in each calendar year is at least equal to the minimum targets for zero-emission vehicles set in tables 1 and 2 in the Annex.
2. For the purposes of monitoring the uptake of zero- and low-emission vehicles within the Union and calculating compliance with the national targets for cars set in Table 1 of the Annex, and for vans set in Table 2 of the Annex, the following rules shall apply:
 - (a) the numerator for the targets for the combined shares of zero- and low-emission vehicles shall be the total combined number of new zero- and low-emission corporate

³⁴ Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.6.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/858/oj>).

³⁵ Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements

vehicles that are, respectively, cars and vans, and that are registered by large undertakings in the Member State during each calendar year;

- (b) the numerator for the minimum targets for zero-emission vehicles shall be the total number of new zero-emission corporate vehicles that are, respectively, cars and vans, and that are registered by large undertakings in the Member State during each calendar year;
- (c) the denominator for both targets shall be the total number of new corporate vehicles that are, respectively, cars and vans, and that are registered by large undertakings in the Member State during the same calendar year.

3. A Member State may submit to the Commission a reasoned request for authorisation to apply reduced targets pursuant to paragraph 1, by up to 10 percentage points, in the following cases, on grounds that these slow the pace of the transition to zero and low-emission corporate vehicles:

- (a) Where the deployment of charging infrastructure, measured as the number of publicly accessible charging points along the TEN-T comprehensive road network compliant with the required power output set in Article 3(4)(b)(ii) of Regulation (EU) 2023/1804 on Alternative Fuels Infrastructure relative to the total length of the TEN-T comprehensive road network as defined in Article 3(5)(a) of the same Regulation, has a significant and proven impact on the uptake of zero- and low-emission corporate vehicles as defined by Articles 2(5) and (7);
- (b) Where a Member State demonstrates, in its national plan submitted pursuant to Article 6, that the present Regulation has a significant and proven impact on employment in the national automotive sector.

4. The Commission shall, within six months of receipt of a reasoned request submitted pursuant to paragraph 3, adopt a decision granting or refusing the authorisation requested. The Commission shall notify its decision to the Member State concerned. Where a Member State benefits from a reduction under this Article, it shall include in its annual report under Article 6 a dedicated section setting out the measures taken to close the infrastructure gap and address adverse effects of the Regulation on employment, with a detailed timeline.

Article 4

Financial support for corporate vehicles

1. As from 1 January 2029, Member States shall not provide any financial support for the purchase, lease, rent, hire-purchase, or operation of corporate cars and vans other than zero- or low-emission vehicles.
2. Without prejudice to Article 107 and 108 of the Treaty, as from 1 January 2030 Member States shall provide financial support for the uptake of corporate cars and vans only if the cars and vans are ‘made in the European Union.’

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 5 to supplement this Regulation by setting up a methodology for determining the criteria for a car or van to be considered ‘made in the European Union’. The Industrial Accelerator Act serves as the main reference for the definition of a ‘made in the European Union’ vehicle.

4. To complement Member States supporting ‘made in the European Union’ clean corporate vehicles:

- (a) Within twelve months of the entry into force of this Regulation, the Commission shall identify existing Union's financial instruments capable of supporting Member States and undertakings in meeting the objectives of this Regulation;
- (b) The Commission shall provide technical assistance to Member States and undertakings in accessing the financial instruments referred to in point (a), with particular attention to administrative capacity constraints;
- (c) As part of the review referred to in Article 8, the Commission shall identify potential investment gaps hindering member state’s capacity to meet the national targets.

Article 5

Exercise of the delegation

1. The power to adopt delegated acts is conferred to the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 4(3) shall be conferred on the Commission for an indeterminate period of time from [*OP insert date = the date of entry into force of this Regulation*].

3. The delegation of power referred to in Article 4(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2026.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 4(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 6

Monitoring and reporting

1. By 28 February 2029, and every two years thereafter, each Member State shall submit to the Commission a national plan describing the measures it has in place and the measures that it plans to implement in order to achieve the national targets set out in the Annex of this Regulation.
2. By 28 February 2031, and every year thereafter, each Member State shall determine and transmit to the Commission the total number of new corporate vehicles registered by large undertakings in its territory during the preceding calendar year, split into cars and vans, and the share of zero- and low-emission vehicles in each of those categories. Member States shall fulfil this obligation exclusively on the basis of data already collected under their national vehicle registration systems, cross-referenced where necessary with national business or fiscal registries. No additional data collection obligation shall be imposed on large undertakings for the sole purpose of compliance with this Article.
3. The Commission shall make the data publicly available and transmit a summary report to the Council and the European Parliament by 30 June of each year, highlighting Member States' progress towards the national targets set out in the Annex.
4. The Commission shall assess the consistency and completeness of the data transmitted by Member States and may request clarification or additional information where data appears incomplete or inconsistent with other available sources, including vehicle registration databases maintained at Union level.
5. Member States shall take appropriate measures to ensure that zero- and low-emission vehicles originating from corporate fleets and benefiting from public financial support are effectively made available to the Union's internal second-hand market, in particular in Member States with lower levels of purchasing power. The Commission shall assess the impact of cross-border flows of second-hand zero- and low-emission vehicles on market accessibility and cohesion across Member States in the review referred to in Article 8.

Article 7

Voluntary social-leasing mechanism

1. With a view to mitigate distributional impacts generated by this Regulation, Member States are encouraged to facilitate affordable access to second-hand zero- and low-emission vehicles for lower-income households, workers dependent on personal vehicles for commuting, and large undertakings, including, where appropriate, a range of measures in particular constitute best practices;
 - (a) Social leasing schemes or equivalent support measures, in accordance with existing national schemes;

- (b) Measures promoting the resale or transfer of corporate fleet vehicles;
- 2. Where public investment measures are planned in the context of such best practices, those shall be subject to the usual limitations provided for under Article 108 of the Treaty on the Functioning of the European Union, subject to the De-Minimis rule provided for in Commission Regulation (EU) 2023/2831.

Article 8

Review

1. By 31 December 2032, the Commission shall review this Regulation and, where appropriate, submit a legislative proposal for its amendment, including for the setting of targets for the share of zero- and low-emission vehicles for the period after 2035, and revising the level of restrictions on financial support for corporate vehicles.
2. The review shall take into account socio-economic impacts, including:
 - (a) effects on job creation and displacement in automotive manufacturing and across the supply chain;
 - (b) effects on large undertakings with significant fleet activity including rental car companies and leasing companies;
 - (c) the adequacy of charging and refuelling infrastructure deployment relative to the targets set under Regulation (EU) 2023/1804 on alternative fuels infrastructure;
 - (d) effects on the competitiveness of the Union automotive manufacturing sector, including in relation to third-country competitors;
 - (e) the availability and affordability of zero- and low-emission vehicles across all market segments, specifically the second hand market;
 - (f) the interaction of this Regulation with the revised CO₂ emission performance standards for light-duty vehicles under Regulation (EU) 2019/631, including the appropriateness of maintaining, amending, or replacing the targets set out in the Annex in light of any revision to those standards;
 - (g) the contribution of this Regulation to improvements in air quality.

Article 9

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done in Paris,

For the European Parliament

The President

A stylized, handwritten signature in black ink, featuring a large, looped initial 'P' and a series of vertical strokes.

Polytimi Christina Papitsa

For the Council

The President

A stylized, handwritten signature in black ink, featuring a large, looped initial 'J' and a series of vertical strokes.

Jeanne Eymery



EUROPEAN
COMMISSION

Strasbourg, 16.12.2025
COM(2025) 994 final

ANNEX

ANNEX

to the

**Proposal for a Regulation of the European Parliament and of the Council
on clean corporate vehicles**

{SEC(2025) 994 final} - {SWD(2025) 1060 final} - {SWD(2025) 1061 final}

ANNEX

Table 1: Minimum targets for the share of zero emission vehicles and targets for the combined shares of zero- and low-emission vehicles in yearly new registrations of corporate cars by large undertakings

Member State	Target for the combined shares of zero- and low-emission vehicles, from 2030	Minimum target for the share of zero-emission vehicles, from 2030	Target for the combined shares of zero- and low-emission vehicles, from 2035	Minimum target for the share of zero-emission vehicles, from 2035
Austria	90%	58%	95%	95%
Belgium	90%	58%	95%	95%
Bulgaria	48%	31%	67%	56%
Croatia	48%	31%	67%	56%
Cyprus	55%	36%	76%	64%
Czechia	55%	36%	76%	64%
Denmark	90%	58%	95%	95%
Estonia	55%	36%	76%	64%
Finland	83%	54%	95%	95%
France	69%	45%	95%	80%
Germany	83%	54%	95%	95%
Greece	48%	31%	67%	56%
Hungary	48%	31%	67%	56%
Ireland	90%	58%	95%	95%
Italy	69%	45%	95%	80%
Latvia	48%	31%	67%	56%
Lithuania	48%	31%	67%	56%
Luxembourg	90%	58%	95%	95%
Malta	69%	45%	95%	80%
Netherlands	90%	58%	95%	95%
Poland	48%	31%	67%	56%
Portugal	48%	31%	67%	56%
Romania	48%	31%	67%	56%
Slovakia	48%	31%	67%	56%
Slovenia	55%	36%	76%	64%
Spain	55%	36%	76%	64%
Sweden	90%	58%	95%	95%

Table 2: Minimum targets for the share of zero emission vehicles and targets for the combined shares of zero- and low-emission vehicles in yearly new registrations of corporate vans by large undertakings

Member State	Target for the combined shares of zero- and low-emission vehicles, from 2030	Minimum target for the share of zero-emission vehicles, from 2030	Target for the combined shares of zero- and low-emission vehicles, from 2035	Minimum target for the share of zero-emission vehicles, from 2035
Austria	52%	47%	95%	95%
Belgium	52%	47%	95%	95%
Bulgaria	28%	25%	67%	56%
Croatia	28%	25%	67%	56%
Cyprus	32%	29%	76%	64%
Czechia	32%	29%	76%	64%
Denmark	52%	47%	95%	95%
Estonia	32%	29%	76%	64%
Finland	48%	43%	95%	95%
France	40%	36%	95%	80%
Germany	48%	43%	95%	95%
Greece	28%	25%	67%	56%
Hungary	28%	25%	67%	56%
Ireland	52%	47%	95%	95%
Italy	40%	36%	95%	80%
Latvia	28%	25%	67%	56%
Lithuania	28%	25%	67%	56%
Luxembourg	52%	47%	95%	95%
Malta	40%	36%	95%	80%
Netherlands	52%	47%	95%	95%
Poland	28%	25%	67%	56%
Portugal	28%	25%	67%	56%
Romania	28%	25%	67%	56%
Slovakia	28%	25%	67%	56%
Slovenia	32%	29%	76%	64%
Spain	32%	29%	76%	64%
Sweden	52%	47%	95%	95%