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Subject:	Proposal for a Regulation of the European Parliament and of the Council on clean corporate vehicle - Presidency steering paper

In view of the Land Transport Working Party on Tuesday 6 October, delegations can find in the annex a Presidency Steering Paper on Clean Corporate Vehicles.

Presidency Steering Paper on Clean Corporate Vehicles

Introduction

The Commission submitted a proposal for a Regulation on Clean Corporate Vehicles to the European Parliament and to the Council on 18 December 2025 as part of the Automotive Package. The proposal is intended to ensure a consistent framework for decarbonising the automotive sector by increasing the demand for zero and low emission vehicles in tandem with the supply-side measures set out in the CO2 Standards regulation. Through its Article 4 ‘Made in the European Union’ provisions the proposal is also intended to help strengthen EU value chains in the automotive sector and to contribute to the creation of stable lead markets for European suppliers, enhancing the competitiveness of EU industry, maintaining its workforce and helping to attract new investments in EU automotive production capacity.

Several working party discussions were held during the Cyprus Presidency to discuss the proposal, resulting in a Progress Report to Transport Council on 08 June 2026 as set out in document ST 8947/26. The Progress Report suggested that MS were generally supportive of the objective of accelerating the uptake of zero and low emission vehicles, including corporate vehicles, and strengthening the competitiveness of the Union’s automotive industry. At the same time, views diverged on the appropriate regulatory approach to achieving these objectives.

On 13 May 2026, a group of 9 Member States - Poland, Bulgaria, Czechia, Estonia, Hungary, Italy, Latvia, Slovakia and Romania – presented a non-paper outlining their concerns with the Commission proposal and instead calling for an ‘enabling EU framework based on guidelines, exchange of best practices, targeted incentives and technical support, rather than the proposed Regulation.’

This paper seeks to explore in greater detail the concerns raised by those MS and others during Working Party discussions and to explore possible amendments to the Commission proposal that might attract greater support among MS.

Issues for Further Discussion

Data Collection and Reporting

During the Cyprus Presidency, a number of MS expressed concern that they did not have access to or could not consolidate the required vehicle and company data to establish which vehicles and large undertakings would be in scope of MS targets under the proposed regulation. Consequently, numerous MS had difficulties in calculating their progress towards the proposed targets. Several MS were concerned at the potential administrative burden of such data collection and reporting. Two useful case studies were presented, by Belgium and Croatia, which helped to clarify likely data sources and reporting approaches.

Nonetheless, Member States underlined the need for further technical work on data collection methodologies and registry interlinkages in order to ensure a consistent and workable approach across Member States. The Presidency proposes to recommence this work, supported by the Commission, to explore how best to address MS concerns on administrative burden, data availability, reporting, and practical implementation.

Mandatory Targets

While delegations have shown general support for the objective of the Commission proposal to reduce the emissions from corporate fleets, a large number of delegations have reservations regarding the minimum targets for the share of zero and low-emission vehicles in the yearly new registration of corporate cars and vans by large undertakings.

In addition to the difficulties outlined previously relating to the ability of some MS to calculate their progress towards the proposed targets, further concerns relate to the targets potentially not accounting for enabling conditions (such as charging capacity), the timing of the 2030 targets, and reservations to any form of binding target on Member States. The Presidency would like to gauge the views of the Member States on possible alternative approaches to the mandatory targets.

On timing, an alternative phased approach could be considered in which the 2030 targets are indicative and non-binding and the 2035 targets are binding. The interim period between 2030 and 2035 would allow time for learning and sharing of best practices, for the production of Commission Guidelines, and a structured exchange among MS on how to further support the transition to zero and low emission vehicles in corporate fleets.

Regarding the level of the targets, the Commission proposal modulates the national targets using the economic capacity of Member States (measured by gross domestic product (GDP) per capita as a proxy). Member States have questioned the relevance of this approach arguing that it does not take into account national circumstances relevant to the zero-emission transition regarding grid readiness, charging network capacity, and connection availability. The Presidency is open to exploring ways in which to modulate the target further to reflect these national circumstances. For example, it might be possible to incorporate an element of the progress each MS is making towards meeting the targets under the Alternative Fuels Infrastructure Regulation to reflect differences in infrastructure deployment, alongside consideration of other enabling conditions.

Financial Support

The Commission proposal allows Member States to apply any measure they deem necessary to reach the targets including road tolling, taxation, or other support measures subject to State Aid rules. The Commission communication (COM/2025/96) details best practices from Belgium, Czechia, and Greece to support the uptake of zero-emission vehicles in corporate fleets.

While the financial support provisions set out in Article 4 are intended to support Member States in reaching their targets, delegations have expressed concerns particularly regarding perceived restrictions on their fiscal policy. The Council Legal Service has provided informal advice that the formulation in Article 4 does not impinge on MS fiscal sovereignty. In addition, MS may wish to be aware that similar provisions already exist in Union law in other sectors, specifically in the Energy Performance of Buildings Directive 2024/1275 which provides in Article 17 that:

‘15. From 1 January 2025, Member States shall not provide any financial incentives for the installation of stand-alone boilers powered by fossil fuels, with the exception of those selected for investment, before 2025, in accordance with Regulation (EU) 2021/241, Article 7(1), point (h)(i), third indent, of Regulation (EU) 2021/1058 and with Article 73 of Regulation (EU) 2021/2115 of the European Parliament and of the Council [\(32\)](#).

The Presidency invites MS to consider whether the above concept of ‘financial incentives’ might work better in the corporate vehicles’ context.

Some delegations expressed concern regarding the timing of the proposed prohibition on financial supports for non-zero or low emission vehicles. A possible alternative for delegations to consider could be to require that any financial support provided for corporate vehicles is *more favourable* for ZEVs and low emission vehicles than for other vehicle categories in a first phase (to be defined), and then later fully restricted to ZEVs and low emission vehicles. This would introduce preference in financial support for zero and low emission vehicles initially while allowing the phase out of existing schemes supporting other vehicle types.

Scope

Another aspect of the Commission's proposal that has raised concerns for some delegations is the potential for unintended spill-over effects of the targets on SMEs, microenterprises, and individuals who lease vehicles. Several MS pointed out that SMEs, microenterprises, and individuals may not have access to the required financial resources to purchase a vehicle and may rely on vehicle leasing from large undertakings who are in scope of the MS targets. The Presidency suggests further exploration of this issue and, if deemed necessary, drafting and reporting solutions that would remove these vehicles leased by SMEs, microenterprises, and individuals from the scope of obligation of large undertakings in MS targets.

The Presidency also notes that several delegations requested that Special Purpose Vehicles, such as ambulances, be excluded from the scope of the Regulation. The last compromise text presented during Cyprus Presidency in ST 8940/26 proposed as follows

- Recital

Due to their special nature and dedicated use, special purpose vehicles as defined under Regulation (EU) 2018/858 should be exempted from the application of this Regulation.

New text in Article 2 Subject Matter

This Regulation shall not apply to vehicles referred to in Article 2(2) and Article 2(3) of Regulation (EU) 2018/858 of the European Parliament and of the Council, and in points 5.2. to 5.5. and point 5.7. of Part A of Annex I to that Regulation.

The Presidency invites delegations to confirm their support for the above drafting solution.

Discussion and further work

Delegations are invited to consider the above elements and provide their views and direction for the Presidency on the possible evolution of the Commission proposal in a direction that would attract greater support among MS.
