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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	7727/25
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/631 to include an additional flexibility as regards the calculation of manufacturers' compliance with CO ₂ emission performance standards for new passenger cars and new light commercial vehicles for the calendar years 2025 to 2027 - Mandate for negotiations with the European Parliament

1. On 2 April 2025, the Commission submitted a proposal for a targeted amendment of the Regulation on CO₂ standards for new passenger cars and vans¹. The proposal aims at providing car manufacturers with flexibility in meeting their specific emissions target for 2025.

The proposal provides that compliance with the car manufacturers specific emissions targets as regards the three years 2025, 2026 and 2027, will be assessed on the basis of an average of the performance of each manufacturer over these three years instead of annually.

The Commission has underlined that it is necessary to urgently adopt the proposal to provide car manufacturers with certainty as regards the 2025 target.

¹ ST 7727/25.

2. The European Parliament is expected to decide to use the urgent procedure set out in Rule 170 of its Rules of Procedure (plenary vote without written Committee report) and to vote its first reading position at the plenary session 5 - 8 May 2025.
3. Following a presentation by the Commission, the proposal was examined by the Working Party on the Environment on 9 April 2025. The Working Party reverted to the proposal on 29 April 2025.

At the Working Party there was broad agreement to proceed with the proposal swiftly and without delay.

During the discussions on the proposal, it was inter alia emphasised that:

- As set out in the Commission's Industrial Action Plan for the European automotive sector, the automotive sector is undergoing a structural transformation of unprecedented speed and magnitude and is confronted with serious competitiveness challenges. Moreover, demand for battery electric vehicles has been weaker recently than anticipated, resulting in a risk that the 2025 passenger vehicles emission targets may result in significant penalties, and that it was necessary to mitigate that risk with a one-off flexibility as proposed by the Commission.
- Since possible excess emissions premiums for operators in respect of 2025 emissions will only be determined the following year on the basis of the emissions over the entire year, the adoption of the proposal would not affect situations that have become fully definitive. Moreover, operators still need to achieve the specific emissions targets set out in Regulation (EU) 2019/631 for the combined years 2025 to 2027 and this Regulation only provides that these targets do not have to be met in each separate year, by allowing car manufacturers to compensate an exceedance of the target in one or two of these years by overachievements in the other year(s). The present regulation therefore takes into account the legitimate expectations of all operators.

4. In light of the above, the Permanent Representatives Committee is invited to agree on the text of the proposal of the Commission as set out in document 7727/25, subject to revision by the lawyer-linguists of both institutions.

Should the European Parliament adopt its position at first reading on the text of the proposal with no amendments as set out in document 7727/25, subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.
