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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Land Transport
Subject:	Proposal for a Regulation of the European Parliament and of the Council on clean corporate vehicles - Presentation by the Commission

Delegations will find, attached, the presentation given by the Commission services during the Land transport working party on 13 January 2026.

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Clean Corporate Vehicles

Proposal for a Regulation
and accompanying Impact Assessment

Land transport WP 13/1/2026

Context – the policy framework for road transport decarbonisation

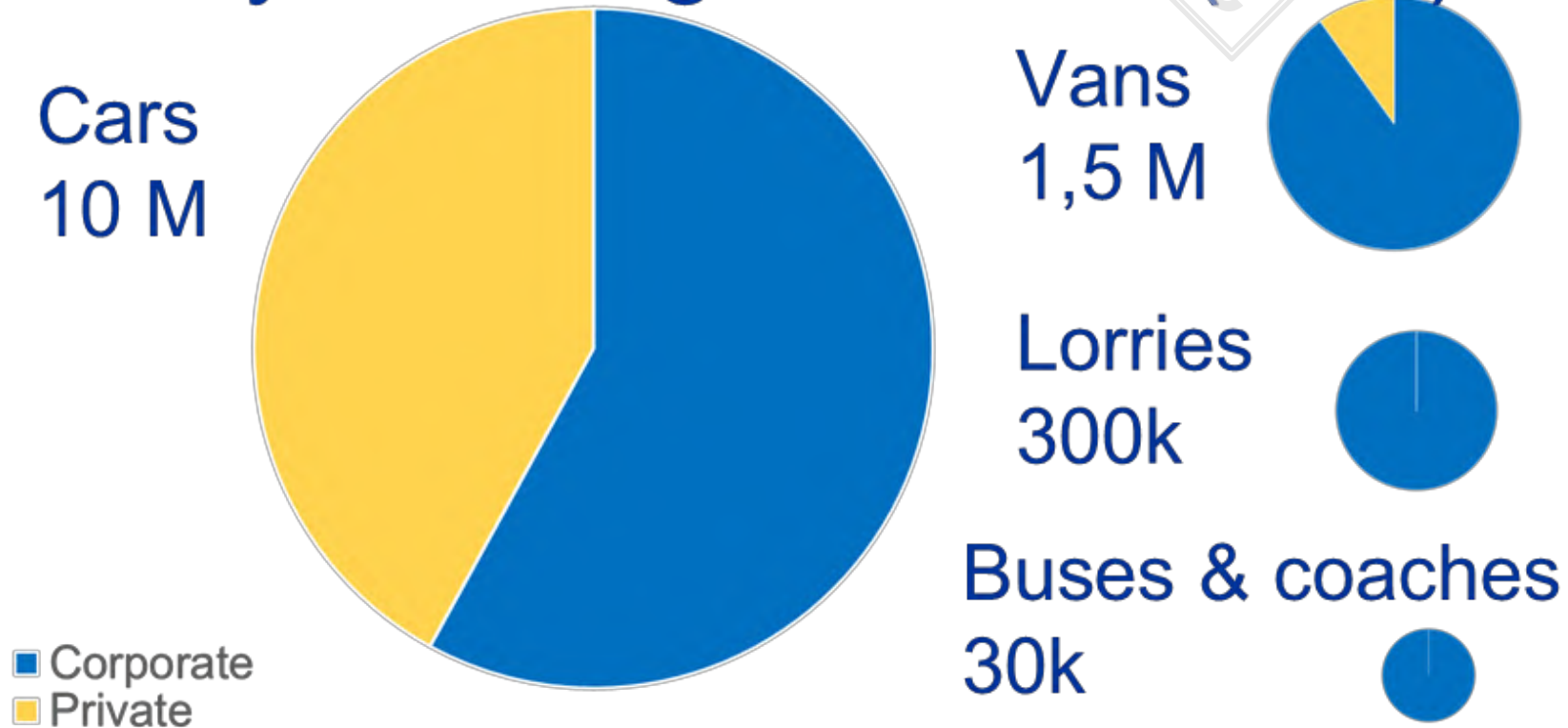
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- Vehicle supply-side measures: CO2 standards for LDVs & HDVs, proposal for revision
- Vehicle demand-side measure: Clean Vehicles Directive (public procurement only, LDVs, lorries, urban buses)
- Enabling conditions: AFIR (recharging and refuelling infrastructure), Eurovignette, ETS2
- Automotive Action Plan:
 - Announced proposal on corporate fleets
 - Accompanied by Communication “Decarbonise Corporate Fleets”, setting out measure that can be taken at national, regional and local level to increase share of ZEVs in corporate fleets



Share of corporate vehicles in new registrations

Yearly new registrations (total)



NB: share of corporate vehicles in new registrations is higher than their share in vehicle stock, due to the generally shorter duration of first ownership



Main benefits of higher shares of zero-emission corporate vehicles

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- **Higher real-world emission reductions:** corporate vehicles have significantly higher mileage than private ones, (up to 10x in some cases, e.g. taxis). A new ZEV on the market will result in much higher real-world emission reduction if it replaces a corporate ICE than if it replaced a private ICE.
- **Faster turnover to second-hand market:** corporate vehicles have significantly shorter first-ownership durations (e.g. rental cars are typically re-sold after less than a year). A new corporate ZEV will reach the second-hand market much faster than a new private ZEV, thus helping improve affordability of zero-emission solutions.



Types of corporate vehicles

- **Leasing:** vehicles made available through operational or financial lease to citizens and businesses. Fast turnover to 2nd hand (3-5 years), variable mileages. Concentrated market. Significant overlaps with other fleet types (e.g. many true fleets and company cars are leased rather than purchased)
- **Rental:** vehicles rented to citizens (mostly touristic) and business (logistics and mobility). Very fast turnover to 2nd hand (<1 year), high mileage. Concentrated market with few large actors controlling a significant share of the fleets.
- **Company cars:** vehicles provided to an employee as a benefit-in-kind, for both business and private use. Above-average mileage. Fast turnover to 2nd hand market. Very sensitive to fiscal treatment.
- **OEM self-registrations:** e.g. showroom & test vehicles. Very low mileage, very fast turnover to 2nd hand (<1 year).
- **True fleets:** vehicles used by companies for their commercial activity. Very high mileage, variable turnover to 2nd hand. Diverse uses, including among others:
 - Urban mobility on-demand service car fleets (taxis, ride-hailing, car-sharing)
 - Service cars and vans: the vehicles used by companies to transport staff and equipment, reach clients and perform services (e.g. engineering companies, plumbers, electricians, professionals)
 - Logistics fleets: vehicles used to distribute good (e.g. haulers, e-commerce, postal & delivery services)



Types of corporate vehicles as a % of new corporate registrations (2024)

Corporate vehicle category	Leasing and long-term rental	Company car	Manufacturers self-registrations	Rental	True Fleets (other)
Cars	41.4%	20.7%	19.7%	15.5%	2.7%
Vans	32.0%		10.9%	7.3%	49.7%
Lorries	5.1%		5.6%	4.8%	84.5%

NB: the share of in new registrations is not the same as the share in vehicle stock, due to variations in the duration of first ownership



Proposal for a Regulation – main elements

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- **Scope:** cars and vans registered by large undertakings
- **National targets:** MSs to ensure minimum share of zero- and low-emission vehicles in total new corporate registrations by large companies
- **Financial support for corporate vehicles:** MS shall only provide financial support to corporate vehicles that are zero- and low-emission and are made in the EU



Proposal for a Regulation – scope

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- **Corporate** – vehicles registered by a legal person
- **Light-duty vehicles** (cars and vans) – HDVs are out of the scope
- **Registered by large undertakings** (at least 250 employees and EUR 50 million turnover) – vehicles registered by SMEs or by private individuals are out of the scope
- **New vehicle registrations**, i.e. first registration in the Union



Proposal for a Regulation – targets

- Addressed to the Member States
- Targets for the combined share of zero- and low-emission vehicles (ZLEV) in the total number of new corporate vehicles registered by large undertakings in each Member State's territory
- Targets for the minimum share of zero-emission vehicles (ZEV) in the total number of new corporate vehicles registered by large undertakings in each Member State's territory
- **2030 EU-level:**
 - **Cars: 69% ZLEV, at least 45% ZEV;**
 - **Vans: 40% ZLEV, at least 36% ZEV**
- **2035 EU-level (capped at 95%):**
 - **Cars & vans: 95% ZLEV, 80% ZEV.**
- National targets modulated on the basis of GDP per capita with the following approach:
 - National GDP per capita $> 1.3x$ EU avg = $1.3x$ EU target
 - National GDP per capita between $1.1x$ and $1.3x$ EU avg = $1.2x$ EU target
 - National GDP per capita between $0.9x$ and $1.1x$ EU avg = EU target
 - National GDP per capita between $0.7x$ and $0.9x$ EU avg = $0.8x$ EU target
 - National GDP per capita $< 0.7x$ EU avg = $0.7x$ EU target



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%



Proposal for a Regulation – financial support

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- From 1 January 2028, Member States shall not provide financial support to corporate cars and vans other than ZLEV that are 'made in the EU'
- Commission to adopt Delegated Acts setting up a methodology for determining the criteria for a car or van to be considered 'made in the EU'
- Objective to ensure full consistency with relevant criteria under the upcoming Industrial Accelerator Act



Impact assessment

Accompanying the proposal for a Regulation

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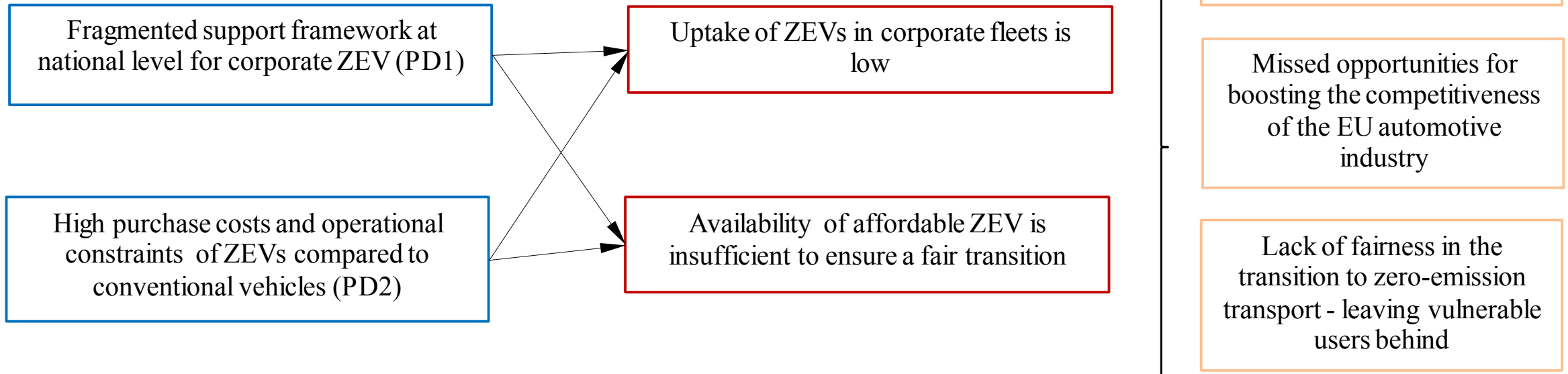


Problem definition

PROBLEM DRIVERS

PROBLEMS

IMPLICATIONS



Objectives

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PROBLEM DRIVERS

SPECIFIC OBJECTIVES

GENERAL OBJECTIVE

Fragmented support framework at national level for corporate ZEV (PD1)

High purchase costs and operational constraints of ZEVs compared to conventional vehicles (PD2)

Stimulate the demand for ZEVs in the corporate segment (SO1)

Reduce fossil fuels expenditures in the road transport sector (SO2)

Accelerate ZEV availability on the second-hand market (SO3)

Support the decarbonisation of the road transport sector, while safeguarding the competitiveness of the EU automotive industry and ensuring a fair transition



Discarded policy options

- Voluntary commitments by large shippers and fleet operators
- Commission Recommendations on fiscal treatment of corporate vehicles
- Harmonising the fiscal treatment of corporate vehicles to prevent Member States from providing financial incentives to corporate vehicles other than ZEVs
- National targets based on total stock of corporate vehicles in each MS's territory
- National targets on new corporate registrations in MSs, without modulation for cars and vans
- National targets on new corporate registrations in MSs, with modulation for lorries
- National targets on new corporate registrations in MSs, including for vehicles registered by SMEs
- Binding targets on share of ZEVs in individual corporate fleets of certain types
- Binding targets on share of ZEVs in individual corporate fleets above a certain size
- Binding targets on share of ZEVs in individual large companies' fleets' stock
- Prohibition to register new non-ZEV corporate vehicles
- Inclusion of buses and coaches
- Inclusion of requirements for V2G



Retained policy options

Option 1:

Target for MSs, % of ZEV in new corporate vehicle registered by large companies (cars, vans, trucks)

Cars* (EU), %	2029	2030	2035	2040	2045	2050
PO1A	35%	65%	100%	100%	100%	100%
PO1B	45%	70%	100%	100%	100%	100%
PO1C	50%	75%	100%	100%	100%	100%
Vans* (EU), %	2029	2030	2035	2040	2045	2050
PO1A	25%	55%	100%	100%	100%	100%
PO1B	35%	60%	100%	100%	100%	100%
PO1C	45%	65%	100%	100%	100%	100%
Trucks (EU), %	2029	2030	2035	2040	2045	2050
PO1A	10%	40%	65%	95%	95%	95%
PO1B	15%	45%	70%	95%	95%	95%
PO1C	20%	50%	75%	95%	95%	95%

Option 2:

Target for MSs, % of ZEV in new corporate cars and vans registered by large companies

Target for large companies on % of freight activity performed by ZEV lorries (own & subcontractors, including SMEs)

Cars* (EU), %	2029	2030	2035	2040	2045	2050
PO1A	35%	65%	100%	100%	100%	100%
PO1B	45%	70%	100%	100%	100%	100%
PO1C	50%	75%	100%	100%	100%	100%
Vans* (EU), %	2029	2030	2035	2040	2045	2050
PO1A	25%	55%	100%	100%	100%	100%
PO1B	35%	60%	100%	100%	100%	100%
PO1C	45%	65%	100%	100%	100%	100%
Trucks (EU), % of tonne-km	2029	2030	2035	2040	2045	2050
PO1A	3%	5%	14%	30%	50%	68%
PO1B	4%	6%	16%	32%	52%	70%
PO1C	5%	7%	18%	34%	54%	72%

* Modulated by MS

Policy Option 1 - Target for MSs, % of new corporate vehicle registrations by large companies

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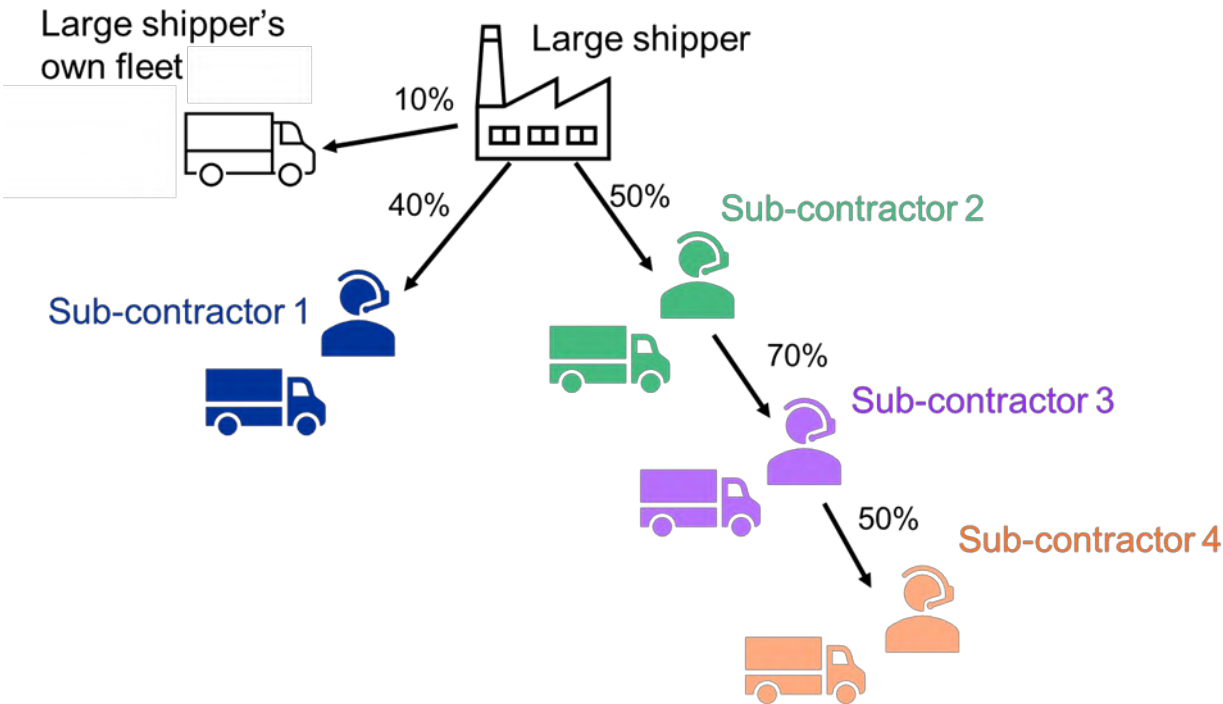
- Every MS is required to ensure a minimum % of ZEVs in yearly new corporate vehicle registrations by large companies (>250 employees, >50M € turnover).
- Targets for cars and vans and buses are modulated by MS (based on GDP/capita and 2024 EV market share) in five groups (1.3x, 1.2x, 1x, 0.8x, 0.7xEU target).
- Targets for trucks are the same across all MS, to avoid the risk of market distortion
- No direct obligation for individual fleets or companies.
- Member States are expected to meet the targets through a combination of fiscal and financial measures, improved operational conditions, and mandates.
- All corporate vehicles registered by large companies are in the scope.

Modulation example: PO1A, Cars & Vans 2029	EU target: 35%
AT, BE, DK, FI, IE, LU, MT, NL, SE	46%
DE, FR	42%
PT	35%
CY	28%
BG, CZ, EE, EL, ES, HR, HU, IT, LT, LV, PL, RO, SI, SK	25%

All MS targets are presented in Annex 8



Policy Option 2 (lorries) – Target on% of transport services by lorry performed on behalf of large companies



Large shippers typically perform a small share (0-20%) of their transport activities with their own fleet

Many sub-contractors of large shippers employ other sub-contractors to perform part of the activities for the large shipper; there can often be 3-4 layers of sub-contracting

80% of transport services under these sub-contracts are provided by SMEs

- The legal target is set on the large shipper.
- In order to meet it, the large shipper has to ensure that X% of the transport services performed on its behalf (i.e. total activity of its own fleet and sub-contractors 1 and 2) are performed with ZEVs.
- The shipper's contracts with sub-contractors 1 and 2 will have to contain clauses specifying the % of ZEV activity.
- Sub-contractor 2 has to ensure that sub-contractor 3 provides a sufficient share of ZEV activity to meet its contractual obligations; sub-contractor 3 has to do the same with sub-contractor 4.
- Sub-contractors 1, 2, 3, and 4 have to switch part of their fleet to ZEV in order to meet their contractual obligations.
- All daily activities of each sub-contractor's fleet have to be monitored and reported in terms of tkm and type of vehicle used.

Comparison of policy options (POs)

- All POs lead to an increase in the share of ZEVs in corporate fleets and in the overall stock, due to faster turnover to the second-hand market
- All POs have impacts on businesses in terms of adjustment costs and cost savings.
- In PO2, significant additional capital costs fall on SMEs. PO2 leads to significant one-off and recurrent administrative costs and recurrent enforcement costs for businesses (including SMEs, due to integrated value chains of large companies) and administrative costs for public authorities
- Assuming OEMs maintain the total share of new ZEVs to the level required by CO2 standards, all POs lead to reduced availability of new ZEVs for citizens and SMEs (more vehicles go to large companies); this is accompanied by a faster availability of ZEVs on the second-hand market



Comparison of policy options (POs)

- All options lead to external costs savings related to CO2 emissions, air pollution emissions and noise emissions
- All sub-options of PO1 (PO1A, PO1B, PO1C) lead to total net benefits from a societal perspective, while all sub-options of PO2 (PO2A, PO2B, PO2C) result in total net costs
- **Preferred option: PO1**; level of ambition (PO1A/PO1B/PO1C) left for decision at political level.



Costs & benefits estimates (net present value, bn €)

Table 33: Summary of costs and benefits of policy options - present value over 2029-2050 compared to the baseline (in billion EUR, 2023 prices)

	PO1A	PO1B	PO1C	PO2A	PO2B	PO2C
Businesses						
Administrative costs	0.00	0.00	0.00	41.36	41.35	41.35
Enforcement costs	0.00	0.00	0.00	0.004	0.004	0.004
Adjustment costs	24.5	32.7	40.8	36.6	47.9	61.7
Increase in tax expenditures	9.7	12.3	14.3	5.4	6.3	6.8
Adjustment costs savings	32.9	45.7	59.2	30.7	40.9	53.5
Reduction in tax expenditures	17.8	25.6	34.6	26.5	36.3	47.8
Citizens						
Adjustment costs	6.0	7.8	10.3	6.0	7.8	10.3
Increase in tax expenditures	3.8	4.3	4.7	3.8	4.3	4.7
Adjustment costs savings	2.2	4.0	7.0	2.2	4.0	7.0
Reduction in tax expenditures	0.6	2.1	4.6	0.6	2.1	4.6
National authorities						
Administrative costs	0.00	0.00	0.00	0.10	0.10	0.10
Losses in tax revenues	18.4	27.7	39.1	27.1	38.4	52.4
Additional tax revenues	13.5	16.6	18.9	9.2	10.6	11.5
European Environmental Agency						
Administrative costs	0.0005	0.0005	0.0005	0.0009	0.0009	0.0009
External costs savings						
External costs related to CO ₂ emissions	1.6	3.7	6.8	7.8	11.7	16.9
External costs related to air pollution emissions	0.2	0.5	0.8	0.2	0.5	1.0
External costs related to noise emissions	0.1	0.2	0.4	0.4	0.7	1.0
Total costs	62.3	84.8	109.2	120.3	146.1	177.4
Total benefits	68.8	98.3	132.2	77.6	106.8	143.2
Net benefits (+) or net costs (-)	6.5	13.6	23.0	-42.7	-39.4	-34.2
Benefits to costs ratio	1.10	1.16	1.21	0.65	0.73	0.81

Source: Ricardo (2025), Support study; PRIMES-TREMOVE transport model (E3-Modelling)



Local content criteria – sensitivity analysis

- The possible application of local content criteria in this initiative, consistently with IAA, is presented as a form of sensitivity analysis in the IA SWD, with the choice of whether to include them fully left for political decision
- The application of these criteria could be included in all retained POs, by requiring that only ZEVs that meet the IAA criteria are counted toward the targets.
- The costs presented in the IA represent the total costs of including local content requirements; their attribution between this initiative and the IAA will however depend on individual measures. The figures presented in the IA should therefore be understood as the maximum costs that could be attributed to this initiative



Thank you for your attention

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*Directorate General for Mobility and Transport
Unit B.4 Sustainable and Intelligent Transport*



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