

# Clean corporate vehicles

2025/0421(COD) - 16/12/2025 - Legislative proposal

**PURPOSE:** to accelerate the uptake of zero- and low-emission vehicles in corporate fleets, while fostering the competitiveness of the Union's automotive sector.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** 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.

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 reductions compared to current trends.

**CONTENT:** the proposed regulation establishes a framework for increasing the uptake of zero- and low-emission vehicles within the Union. 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.

## *National targets*

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. These targets will encourage Member States 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.

The methodology to calculate those shares for the purpose of demonstrating compliance with the 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 (companies with at least 250 employees and EUR 50 million turnover), irrespective of their economic field of activity.

### ***‘Made in the EU’***

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’ 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. To qualify for public financial support, vehicles will in the future have to be zero- or low-emission and manufactured in the EU. 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’.