Council of the European Union

Brussels, 22 May 2026
(OR. en)

8947/26

Interinstitutional File:
2025/0421 (COD)

TRANS 278
AVIATION 74
MAR 71
CLIMA 242
COMPET 529
ENV 460
ENER 226
ECOFIN 583
IND 313
CODEC 835

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. Cion doc.:	17016/1/25 REV 1; 17016/1/25 ADD 1 REV 1
Subject:	Proposal for a Regulation of the European Parliament and of the Council on clean corporate vehicles - Progress report

I. INTRODUCTION

1. The Commission submitted the above-mentioned proposal to the European Parliament and to the Council on 18 December 2025 as part of the Automotive Package.

2. The proposal intends to address the low uptake and insufficient availability of zero- and low-emission passenger cars and light-duty vans by introducing specific targets for zero- and low-emission cars and light-duty vans in corporate fleets, as these fleets have a high share in the new vehicle registrations and a faster renewal rate. Targetting corporate fleets should boost the competitivenss of the EU's automotive industry and would also have a spill-over effect to the second-hand market for these vehicles.

Additionally, it also proposes that financial support by Member States to further accelerate the uptake of these vehicles would, as from 2028, be limited to zero- and low-emission vehicles that are "made in the European Union" as it will be defined in the Industrial Accelarator Act.

II. WORK AT OTHER INSTITUTIONS

3. The European Parliament designated a joint committee Environment and Transport on this proposal with Mr. Tiemo Wölken (S&D, DE - ENV) and Mr. François Kalfon (S&D, FR – TRAN) as the rapporteurs. The European Parliament plans to adopt its position in its plenary session on 23 November 2026.

4. The European Economic and Social Committee adopted its opinion at the 604th plenary session, on 18 March 2026. The Committee of the Regions did not adopt its opinion yet.

III. PROGRESS WITHIN THE COUNCIL AND ITS PREPARATORY BODIES

5. The Working Party on Land Transport started its examination of the proposal on 13 January 2026 with a general presentation of the proposal and the accompanying impact assessment. The Working Party continued its work on 3 and 17 February, 3 and 17 March, 14 April and 19 May 2026.

6. Since the presentation of the proposal and the impact assessment, Member States have generally expressed support for the objective of accelerating the uptake of zero-emission vehicles and strengthening the competitiveness of the Union's automotive industry. At the same time, views diverge on the most appropriate regulatory approach to achieve these objectives.

7. Some Member States consider that complementing the supply-side approach of the CO_2 standards for cars and vans with demand-side measures targeting corporate fleets could contribute to accelerating the market uptake of zero- and low-emission vehicles and creating stable lead markets for the European automotive industry. Other Member States raise concerns regarding the mandatory nature and overall added value of the proposed targets, their proportionality in relation to the administrative burden generated, possible impacts on businesses and SMEs, and whether the proposal may be overly interventionist. These concerns were also reflected in a joint non-paper submitted by a significant group of Member States. One Member State expressed opposition to the proposal in its current form while supporting the objective of fleet electrification in principle. At the same time, several Member States, while maintaining reservations on elements of the proposal, expressed willingness to continue technical discussions with a view to identifying possible compromise solutions.

8. During the Cyprus Presidency, the Working Party carried out a first full article-by-article examination of the proposal. Discussions focused in particular on the scope and definitions, the level of ambition of the proposed targets, reporting obligations and administrative burden, as well as the interaction of the proposal with related legislative files, in particular the revision of the CO_2 standards for cars and vans and the Industrial Accelerator Act.

9. In order to facilitate discussions and advance technical work, the Presidency circulated a steering note and a first compromise proposal reflecting comments and drafting suggestions raised by delegations throughout discussions. The first compromise proposal was discussed at the Working Party on 19 May 2026 and was generally welcomed by delegations as a constructive basis for continuing technical discussions, while significant reservations on key political aspects of the proposal remained. The Presidency also facilitated exchanges on reporting feasibility and data collection methodologies, including presentations by Member States on existing registration and reporting practices. In this context, several 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.

10. Member States also raised questions concerning the “made in the European Union” requirement and its possible implications, including regarding the scope of the notion of “financial support” and its interaction with national support schemes. A few Member States also raised questions regarding the interaction of Article 4 with national fiscal competences. Discussions on these aspects evolved further following the publication of the proposal on the Industrial Accelerator

Act on 4 March 2026. At the same time, Member States underlined that further clarity regarding the practical meaning of the "made in the European Union" requirement would be necessary in order to assess the possible impact of limiting financial support to vehicles produced under this label. Further progress on these aspects will depend in part on the advancement of discussions in the relevant preparatory bodies examining the Industrial Accelerator Act.

11. The discussions held under the Cyprus Presidency allowed for useful technical clarifications and a better identification of the main political and horizontal issues requiring further work. At the same time, discussions confirmed the close interlinkages between the present proposal, the revision of the CO_2 standards for cars and vans and the Industrial Accelerator Act. Progress on these related files will therefore have an important bearing on further work on the proposal.

IV. CONCLUSION

12. Considering the above, Coreper and the Council (Transport, Telecommunications and Energy) are invited to take note of this progress report, at its meeting on 27 May and 8 June 2026, respectively.