T&E POSITION PAPER - *FEBRUARY 2026*

EU Regulation on Clean Corporate Vehicles

Summary

The European Commission proposes the right instrument

By finally addressing the demand side of the automotive market, the Clean Corporate Vehicles Regulation acknowledges that corporate fleets are the primary engine for Europe's transition to zero-emission mobility, representing 60% of new car registrations and a disproportionate amount of emissions due to their higher mileage.

Instead of imposing mandates, restrictions or penalties on individual companies, this Regulation establishes binding targets for Member States, granting national governments full flexibility to design the policies and (fiscal) incentives that best suit their markets. By focusing exclusively on large undertakings, the proposal ensures that small and medium-sized enterprises (SMEs) are shielded from any requirements.

But the ambition level falls short

The proposed targets fall below the Commission's own "Low Ambition" scenario and only ask large companies to follow average market trends, instead of leading on electrification. For Member States, this means either losing the momentum compared to current market growth or continuing 'business as usual'.

The proposal needs to be strengthened in key areas to meet the EU's climate and industrial goals.

1. **Increase ambition level:** T&E proposes to convert the current proposed ZLEV-target into a ZEV-only goal, from a minimum 45% to 69% ZEV share by 2030.
2. **Exclude Plug-in Hybrids:** Real-world PHEV emissions are currently roughly the same as conventional hybrids and combustion vehicles. While the planned 2027/2028 update to the utility factor aims to bring official values closer to reality, the regulation should proactively exclude PHEVs and only focus on zero-emission vehicles.
3. **Safeguard article 4 and phase out fossil fuel subsidies:** Abolishing the more than €42 billion in annual subsidies for petrol and diesel company cars is essential to boost corporate EV uptake.
4. **Safeguard article 4 and limit tax benefits for company cars to Made-in-EU vehicles only**. Targets proposed by the Commission would result in 1.2 million additional Made-in-EU EVs, while higher ZEV-targets as proposed by T&E could lead to an additional 700,000, reaching 1.9 million extra Made-in-EU EVs by 2030.

1. The Clean Corporate Vehicles Regulation explained

As part of the Automotive Package (December 2025), the European Commission proposed a Regulation on Clean Corporate Vehicles (CCVR). The goal of this new legislative initiative is to boost demand for electric cars by setting electrification targets for company cars.

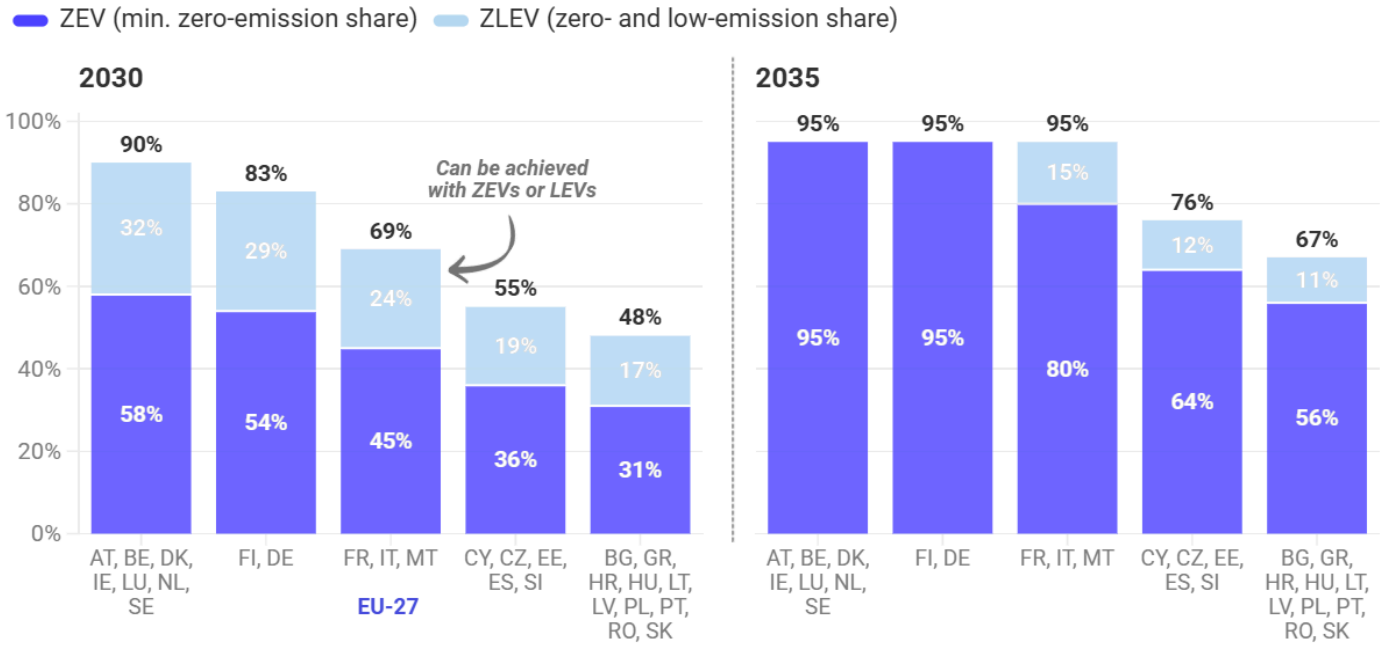
Design: This Regulation sets binding targets for Member States, not on companies. In 2030 and 2035, a minimum share of newly registered company cars need to be zero- and low-emission vehicles, with a sub-target for zero-emission cars only (*see figure below*). Low-emission cars are defined as cars with tailpipe emissions from 1 to 50 g CO_2/km, in accordance with Regulation (EU) 2019/631. Typically, low-emission vehicles are typically Plug-In Hybrid Vehicles (PHEVs).

Scope: Only vehicles registered by large undertakings fall under the scope (undertakings with at least two of the three following criteria: balance sheet total of €25M; net turnover of €50M; or >250 employees). While large undertakings make up only 0.16% of all companies, T&E estimates that they register around 37% of all new cars in the EU.

Target setting and ambition level: Member States have different targets based on GDP per capita, resulting in five different target groups. These targets are contributing to an overall EU share of 69% ZLEV in 2030, with a minimum 45% ZEV sub-target (see Annex I).

Full flexibility: There are no direct mandates on companies. Instead, the Regulation gives full flexibility to Member States to decide which policy measures they want to introduce (fiscal reforms, purchase subsidies etc.) to meet their targets.

Clean Corporate Vehicles Regulation: Member State targets for zero- and low-emission cars registered by large companies



Source: Proposal for a Regulation of the European Parliament and of the Council on Clean Corporate Vehicles

2. The proposed ZEV-targets: stagnation and business-as-usual

In its impact assessment, the Commission only included targets for zero-emission vehicles. In the 'low ambition' scenario, the overall EU-target for zero-emission company cars registered by large companies was set at 65% in 2030. **The proposed 2030 target in the CCVR (45% ZEV) falls even below the least ambitious scenario in the impact assessment.**

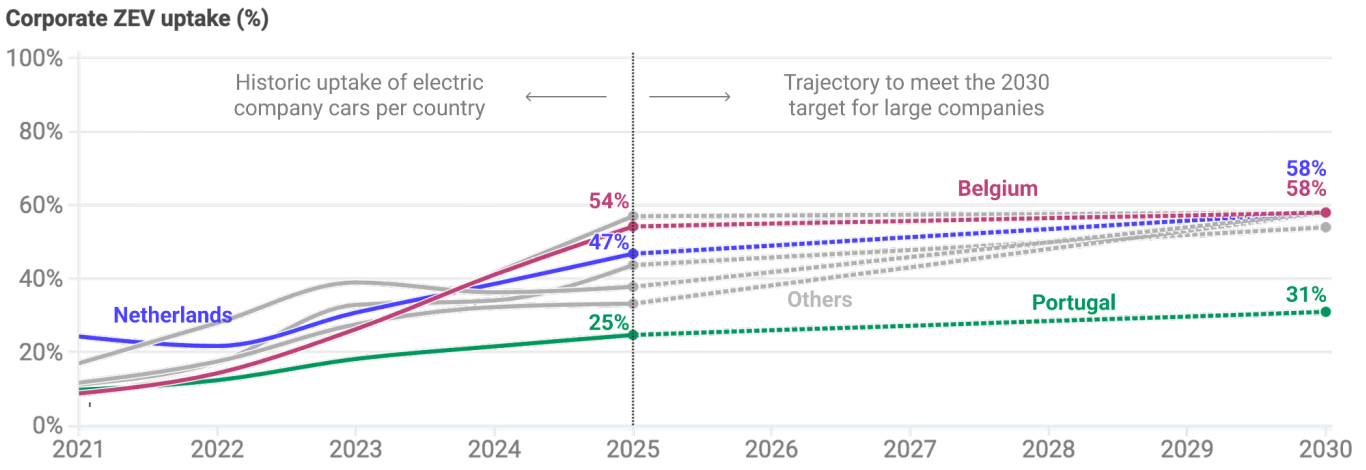
Large companies should be asked to lead the overall market on electrification. When companies buy or lease a car, they benefit from fiscal advantages that are not available to private buyers (VAT deductions, depreciation write-offs and Benefit-in-Kind). T&E analysis shows that **in 23 out of 27 Member States, companies receive more benefits than private consumers for owning an electric car**. The average EU corporate tax relief is €6,032 per EV over a four-year ownership period, versus €332 for private consumers.

The proposed targets in the CCVR are not transforming large companies into green leaders. Instead, Member States are asked to continue business-as-usual or to simply follow the market average. A detailed overview of the required growth for each Member State to meet its 2030 CCV target can be found in Annex II.

Member States can be divided into two groups:

1. For Member States **that have swiftly electrified their corporate market between 2021 and 2025** (Belgium, Denmark, Finland, Luxembourg, Netherlands, Portugal and Sweden), **the 2030 CCVR targets require a much slower growth rate** of the electric company car market compared to what they have achieved in the period before 2021-2025 (*see figure below*).

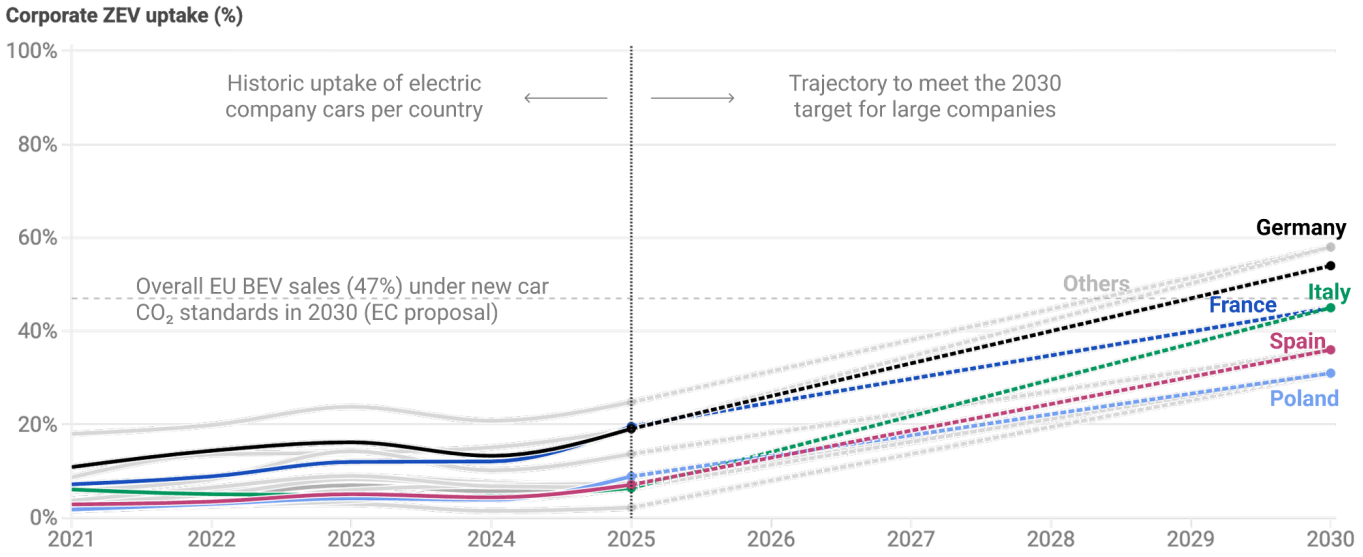
European Commission targets for electrifying large company fleets are well below market trends



Source: T&E analysis based on the Proposal for a Regulation of the European Parliament and of the Council on Clean Corporate Vehicles • Note: Historic corporate BEV uptake (all company size) between 2020 and 2025

2. **For the other 20 Member States, the 2030 CCV targets for large companies** will require some additional growth but **below or slightly higher (1-2 p.p.) than the average national market** (Annex II). Under the revised Regulation on CO_2 emission standards for cars, the average EV share of the overall EU market (i.e. private and corporate market) will be at 47% in 2030 (*see figure below*). For example, the target for large companies in France (45%) is below this 47% (see Annex I).

European Commission proposal asks large companies to follow the market, rather than lead on electrification



Source: T&E analysis based on the Proposal for a Regulation of the European Parliament and of the Council on Clean Corporate Vehicles • Note: Historic corporate BEV uptake (all company size) between 2020 and 2025

The targets in the Clean Corporate Vehicles Regulation are not leading to acceleration in lead markets nor asking large companies in other Member States to electrify faster than private households. **To truly accomplish the goal of this Regulation - boosting corporate ZEV-uptake ahead of the average market - a higher ambition level is required.**

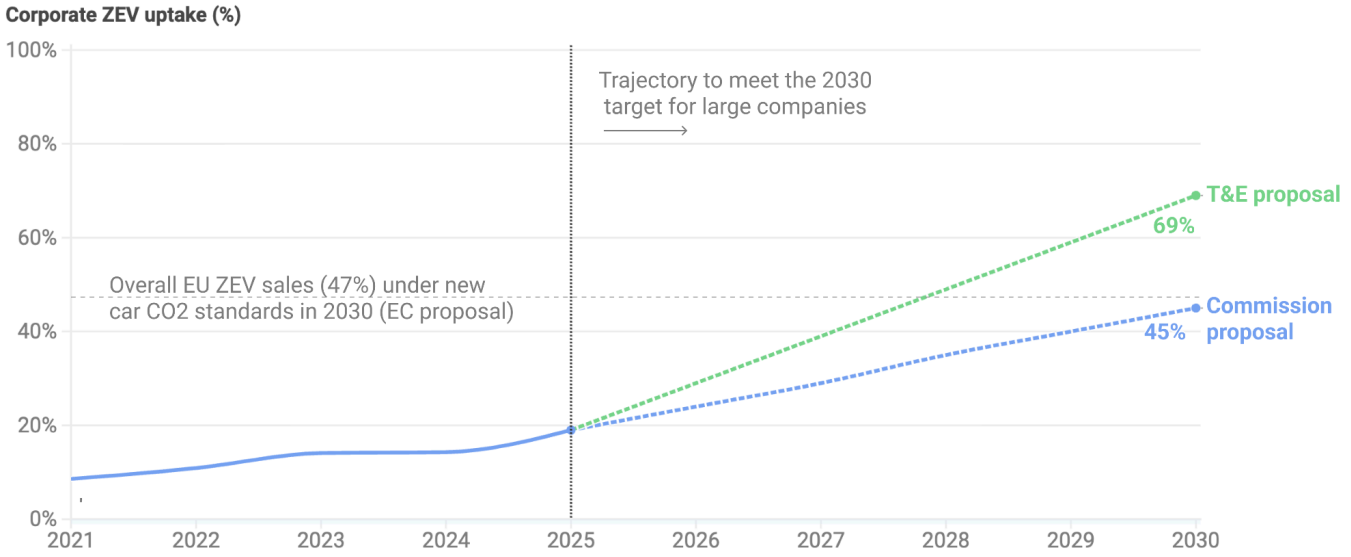
3. How the Regulation should be designed

In this section, we explain why higher ZEV-targets for cars registered by large companies are achievable and how - apart from the ambition level - this Regulation should be designed and improved.

3.1. Increase the ambition level

T&E proposes to **convert the overall ZLEV-target in the CCV Regulation into a ZEV-only target. This means changing a minimum 45% to a 69% ZEV-share by 2030.**

For the Clean Corporate Vehicles Regulation to be an effective demand-side instrument, targets must be more ambitious



Source: T&E analysis based on the Proposal for a Regulation of the European Parliament and of the Council on Clean Corporate Vehicles • Note: Historic corporate BEV uptake (all company size) between 2020 and 2025.

Annex III gives an overview of the new ZEV-target for each Member State and the required growth per country to meet this new goal. Based on the required growth rates, Member States can be divided into three groups:

1. For **Member States that have swiftly electrified their corporate car market (Belgium, Denmark, Finland and Portugal)**, T&E's proposed 2030 ZEV-targets mean continuing at the same or even a lower growth rate as previous years. For the Netherlands, Luxembourg and Sweden, T&E's proposal would require a slightly faster pace (3-6 percentage points (p.p.) on top of historic EV growth of their respective company car market).

2. For **the majority of Member States, including major markets like France, Spain and Poland,** the more ambitious targets proposed by T&E will require some acceleration of the company car market. However, the required growth for large companies is only 2-4 p.p. higher compared to the EV trajectory of the overall market in their respective countries (*see info box below*).

3. For **Member States like Germany, Italy, Austria and Ireland** the more ambitious targets mean that the required growth for large companies will be 7-8 p.p. higher than the trajectory of the rest of the market under the 2030 CO_2 emission standards in their respective countries. Fast growth of the electric company cars market is feasible (*see graph below*).

An example: France

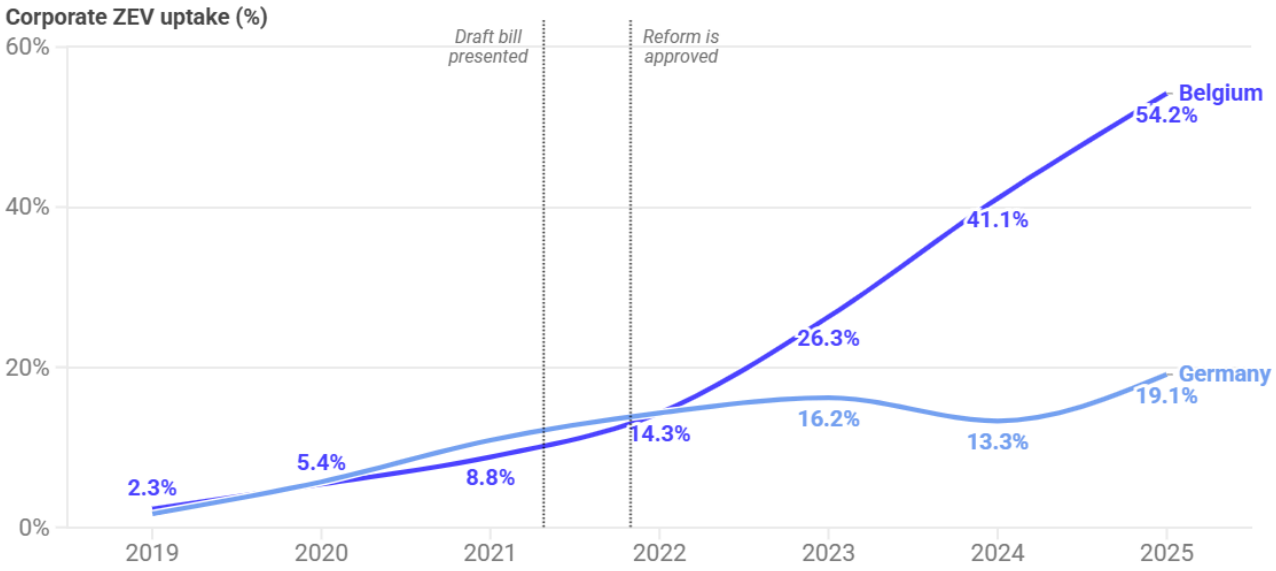
Under the more ambitious T&E target, France needs to achieve a ZEV-share of 69% in 2030 for cars registered by large companies (the current share of EVs in the company car market is 19.6%). This means that this market needs to grow on average by 10 p.p. per year.

However, under the newly proposed CO_2 emission standards, the average EV market in France is expected to be at 49% in 2030. This means that the overall market will grow by 6 p.p. per year (today 20.1% of new cars - overall market - are electric).

In conclusion - the required growth for large company fleets under T&E's more ambitious proposal will only require large companies to electrify 4 p.p. faster than the average market.

Best practices in Member States show that, with the right incentives, corporate ZEV-uptake can grow quickly. Belgium reformed their fiscality for company cars in 2021, phasing out depreciation write-offs for diesel, petrol and plug-in hybrid cars from 2026 onwards, with a first reduction already in 2025. This announcement has led to an EV boost with annual growth rates between 13 and 15 p.p. (*see figure below*). A similar growth rate can be observed in Denmark, where corporate ZEVs are fiscally heavily favored over fossil fuel cars. Here, annual growth rates in ZEV-uptake have been between 12 and 15 p.p. in the period 2022-2025. In France, which recently reformed its fiscal system for company cars, the EV-share of the company car market grew by 7 p.p. in just one year.

Best practices in taxation show that, with the right incentives, corporate ZEV-uptake can grow quickly



Source: T&E calculations based on Dataforce (2026)
Note: The Belgian depreciation reform was presented as a draft bill in May 2021, passed in November 2021 and came into force on 1 July 2023.

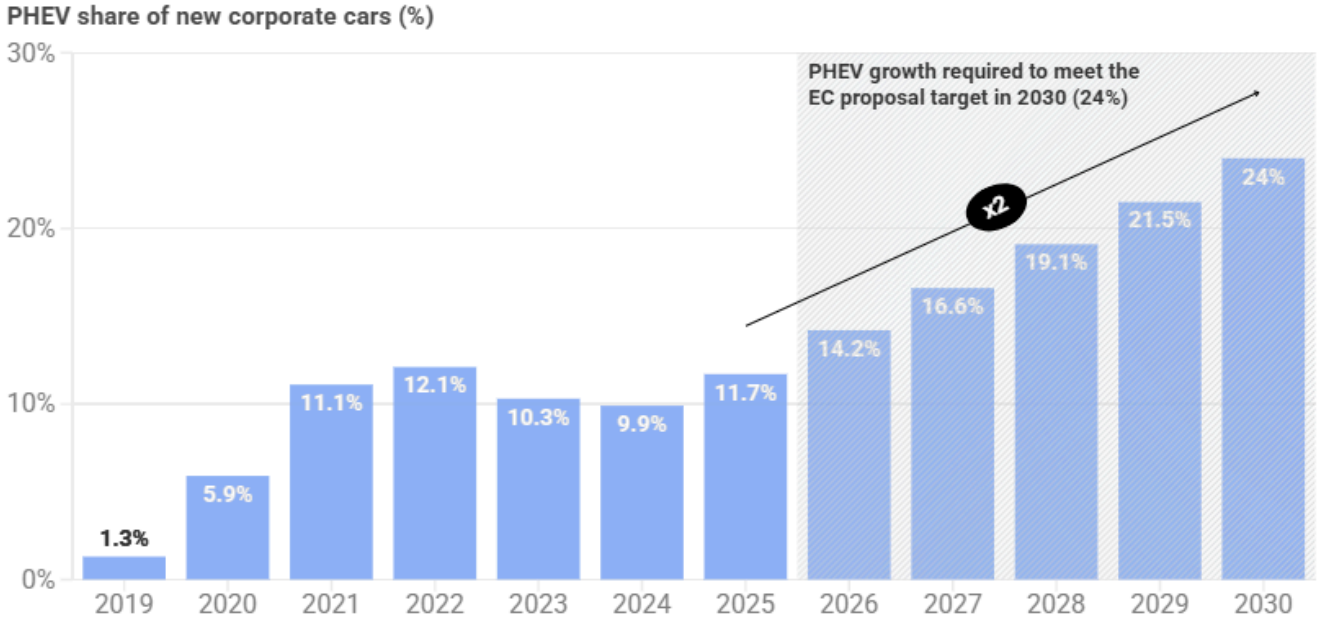
3.2. Exclude plug-in hybrids from the scope

T&E analysis of data from on-board fuel consumption meters (OBFCM) shows that real-world emissions of PHEVs are roughly the same as conventional hybrids and combustion vehicles. Their emissions are even higher for corporate cars as company car drivers receive fuel cards, which means they have less of an incentive to charge their vehicle.

While the planned 2027/2028 update of the utility factor aims to bring official values closer to reality by better reflecting actual driving patterns, the regulation should proactively exclude these vehicles now to avoid incentivising a technology that fundamentally relies on fossil fuel engines.

In the European corporate car market, PHEVs currently account for 11.7% of new registrations. The Commission proposal could further grow the PHEV market up to 24% of new cars in 2030.

The EC's proposal could double the share of PHEV registrations by 2030



Source: T&E calculations based on Dataforce (2026) and the proposal for a Regulation of the European Parliament and of the Council on Clean Corporate Vehicles.

3.3. Phase out fossil fuel subsidies and limit public money to Made-in-EU vehicles (Article 4)

In Article 4 of the CCVR, the European Commission proposes to end subsidies ('financial support') for fossil fuel company cars. T&E underscores the importance of this initiative: an earlier study commissioned by T&E revealed that **in the five biggest EU countries alone, subsidies for petrol and diesel company cars cost taxpayers €42 billion every year**.

In this same article, the Commission wants to make any form of financial support for company cars at national level strictly conditional to vehicles that are “Made in the European Union”.

T&E fully supports Article 4: no more public money should be spent on fossil fuel company cars, and **any financial benefit for corporate EVs should be tied to strong Made-in-EU criteria.** Sectors that benefit from public money should promote local production and job creation.

4. Higher ambition results in more industrial and social benefits

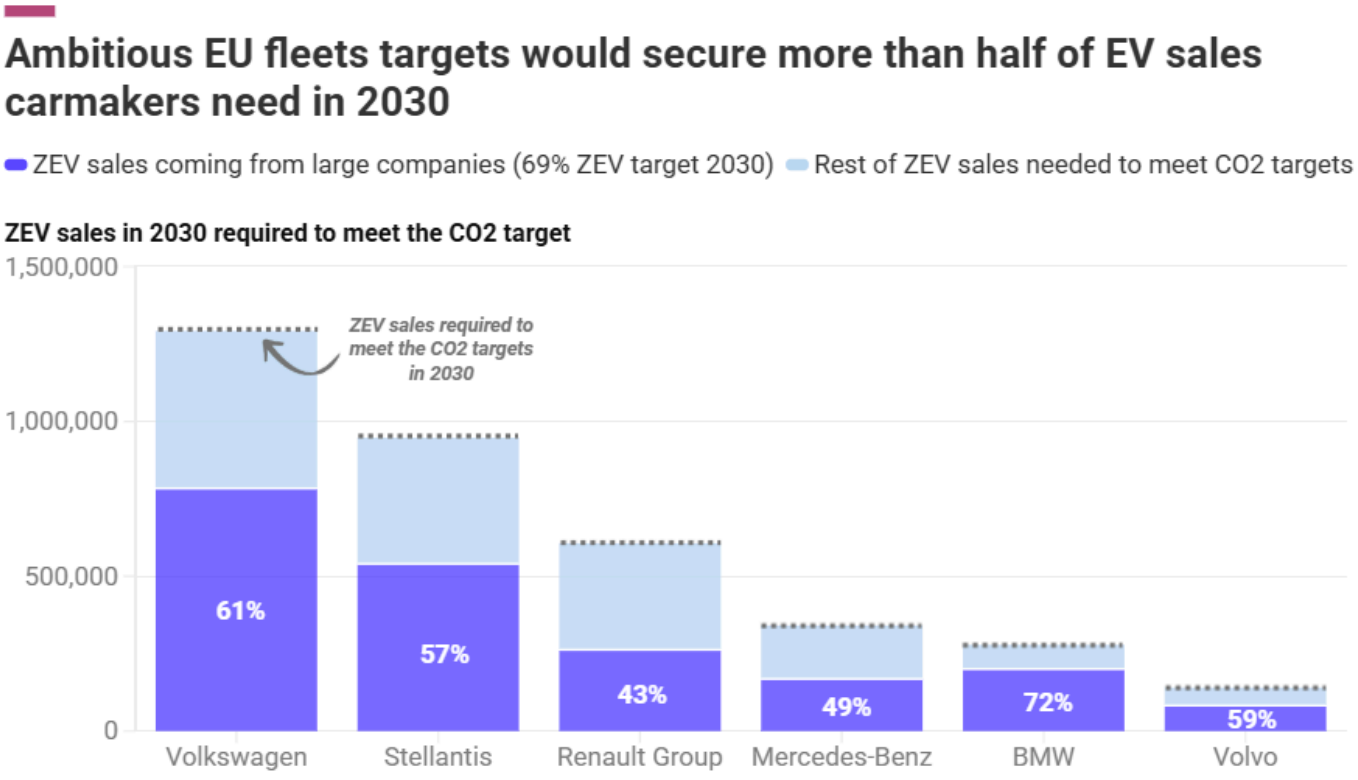
In this section, we explain how T&E’s more ambitious proposal leads to demand-creation for European carmakers, additional Made-in-EU electric vehicles, and contributes to making zero-emission mobility more accessible for European consumers.

4.1. Support European carmakers in meeting their CO_2 targets

Carmakers have repeatedly pointed to insufficient demand as a key barrier to scaling up zero-emission vehicle sales. Member State targets for large company fleets directly address this challenge by providing a clear demand-side signal. T&E analysis shows that under the Commission proposed targets, sales to large companies would account for 37% of the ZEV sales required for European carmakers to meet their 2030 CO_2 target. **The more ambitious T&E target would deliver 57% of the required ZEVs that carmakers need to sell to be compliant with their 2030 CO_2 target.**

Source: T&E analysis

Carmakers with a strong presence in Member States with higher ZEV-targets (i.e. Germany) and a large share of corporate sales, would benefit the most. A more ambitious target for large company fleets (i.e. 69% ZEV 2030 at EU level) would deliver up to 61% for Volkswagen and 72% for BMW of the zero-emission cars that they need to sell to meet their CO_2 targets.



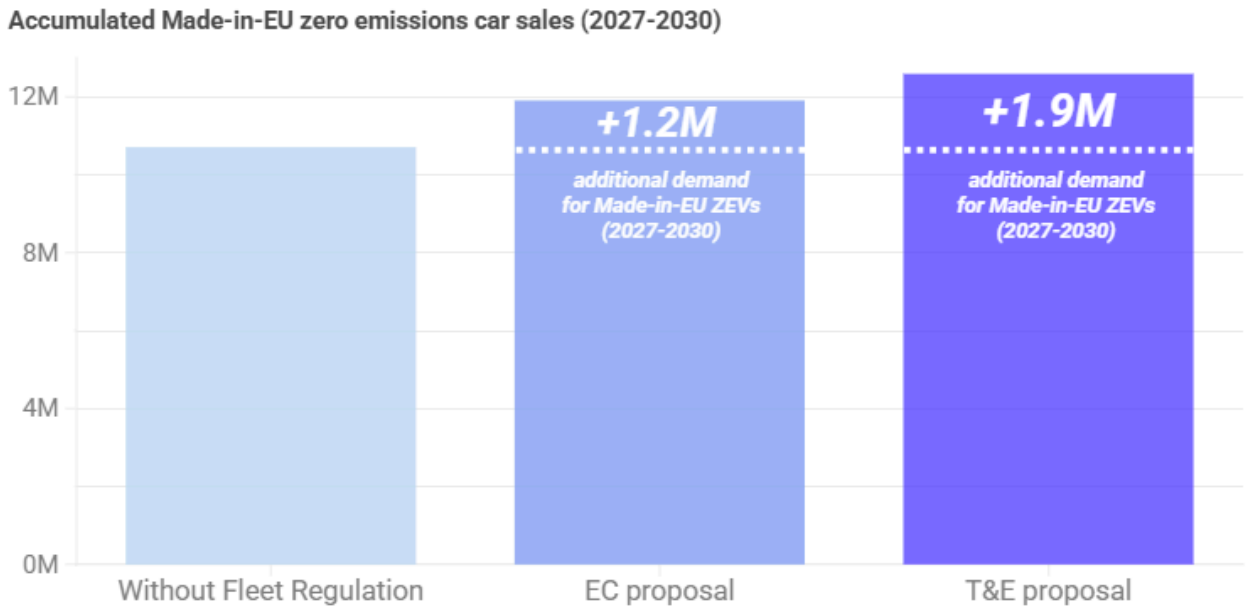
Source: T&E analysis of ZEV sales required for carmakers to meet their 2030 CO2 targets: 55% emissions reduction vs 2021, target averaging 2030-2032, supercredits for small Made-in-EU BEVs, expected improvements in ICE efficiency and hybrid sales, and no UF weakening.
Note: The share of new registrations of these large companies comes from NGC data in France and it is applied to the rest of Member States.

4.2. Boost demand for Made-in-EU electric vehicles

Making financial support for clean vehicles conditional upon meeting Made-in-EU criteria (Article 4), combined with ambitious fleet targets, provides a direct and predictable demand signal for European car manufacturers and their supply chains.

Under the Commission's current proposal, the demand for Made-in-EU electric cars would increase by 1.2 million. **Higher ZEV-targets as proposed by T&E could lead to an additional 700,000 Made-in-EU EVs on top of the Commission proposal, reaching 1.9 million extra Made-in-EU EVs,** almost 4 times the annual production of the Volkswagen plant in Wolfsburg (all fuel types).

Targets for electrifying large company fleets can boost demand for Made-in-EU electric cars by 2030



Source: T&E analysis
Note: We assume that, since financial support is limited to made-in-EU electric cars, all EVs registered by large companies will shift to EU-made models (from 74% in 2025). While the potential impact of Article 4 could extend to the rest of the corporate market, this effect has not been modelled, resulting in a more conservative estimate.

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4.3. Higher influx of electric cars to the used car market

Member State targets for large company fleets are key to democratise zero-emission mobility. **In the EU, nearly 8 in 10 citizens purchase their vehicles on the second-hand market.** Corporate fleets are the primary driver for this market, because they typically rotate their vehicles after a short first ownership period of 2-4 years.

The figure below highlights the significant social benefit of increasing ambition for the 2030 ZEV-target. The targets proposed by the Commission would not bring additional EVs on the second-hand market, given their low ambition level. T&E's proposal leads to 21.1 million EVs entering the second-hand market from the regulation period (2030 - 2035). This means **3.6 million additional used EVs compared to business-as-usual.**

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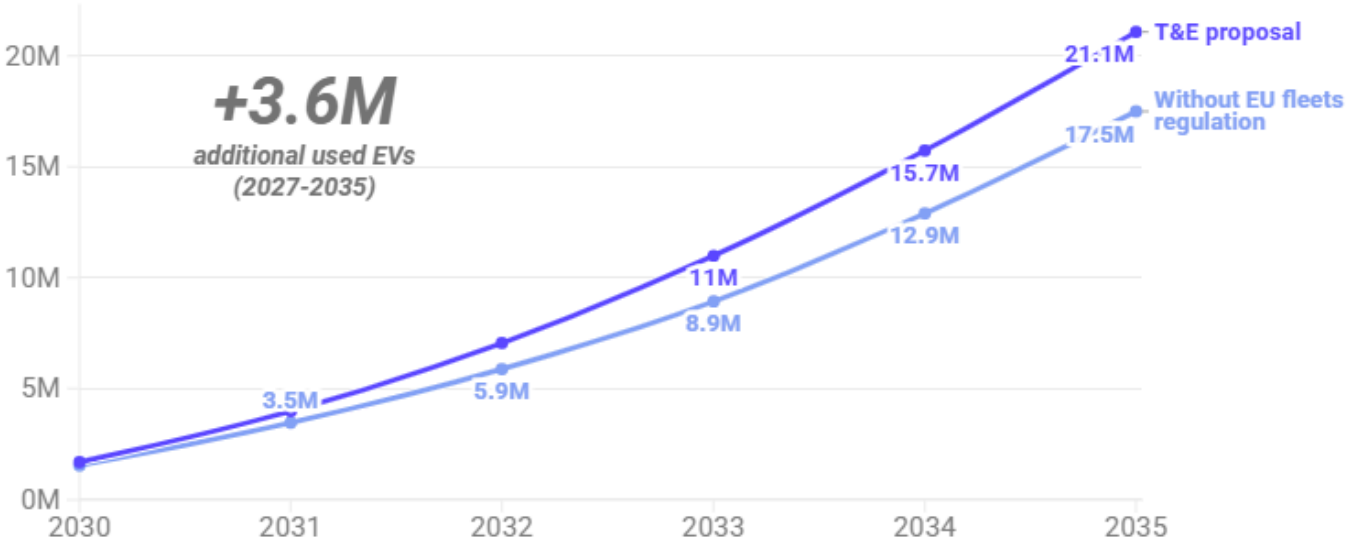
More ambitious targets for large fleets would boost number of more affordable used EVs by 2035

Accumulated used EVs entering the used car market since the Regulation comes into force



Source: T&E analysis
Note: A period of ownership of 3.5 years has been assumed for corporate cars and 10 years for private cars

Further information

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Annex I

***Table 1**. European Commission proposal: Minimum targets for the share of ZEVs and targets for the combined shares of ZEV+LEVs in yearly new registrations of corporate cars by large undertakings.*

Member State	ZEV target 2030	ZLEV target 2030	ZEV target 2035	ZLEV target 2035
EU-27	**45%**	**69%**	**-**	**-**
Austria	58%	90%	95%	95%
Belgium	58%	90%	95%	95%
Bulgaria	31%	48%	56%	67%
Croatia	31%	48%	56%	67%
Cyprus	36%	55%	64%	76%
Czechia	36%	55%	64%	76%
Denmark	58%	90%	95%	95%
Estonia	36%	55%	64%	76%
Finland	54%	83%	95%	95%
France	45%	69%	80%	95%
Germany	54%	83%	95%	95%
Greece	31%	48%	56%	67%
Hungary	31%	48%	56%	67%
Ireland	58%	90%	95%	95%
Italy	45%	69%	80%	95%
Latvia	31%	48%	56%	67%
Lithuania	31%	48%	56%	67%
Luxembourg	58%	90%	95%	95%
Malta	45%	69%	80%	95%
Netherlands	58%	90%	95%	95%
Poland	31%	48%	56%	67%
Portugal	31%	48%	56%	67%
Romania	31%	48%	56%	67%
Slovakia	31%	48%	56%	67%
Slovenia	36%	55%	64%	76%
Spain	36%	55%	64%	76%
Sweden	58%	90%	95%	95%

Annex II

***Table 2**. Required growth rates per Member State for meeting their ZEV targets (2030) **under the European Commission proposal** (45% ZEV at EU level with different targets per Member State)*

	2030 ZEV target for large companies (European Commission CCVR proposal)	Historic growth of electric company car market (average annual growth in percentage points (p.p.) 2021-2025)	Required yearly p.p. growth of electric company car market to meet national CCV targets (2025-2030)	Expected national ZEV share in 2030 under new car CO2 standards	Required yearly p.p. growth of electric company car market to meet CO2 targets (2025-2030)	What's the required extra corporate growth per year for the countries under the CCVR targets proposed by the European Commission?
Belgium	58%	11 pp	1 pp	65%	2 pp	*no extra growth needed compared to the past corporate growth*
Denmark	58%	12 pp	0 pp	100%	9 pp	*no extra growth needed compared to the past corporate growth*
Finland	54%	8 pp	2 pp	65%	4 pp	*no extra growth needed compared to the past corporate growth*
Luxembourg	58%	5 pp	5 pp	49%	3 pp	*no extra growth needed compared to the past corporate growth*
Netherlands	58%	6 pp	2 pp	49%	1 pp	*no extra growth needed compared to the past corporate growth*
Portugal	31%	4 pp	1 pp	49%	5 pp	*no extra growth needed compared to the past corporate growth*
Sweden	58%	5 pp	4 pp	65%	5 pp	*no extra growth needed compared to the past corporate growth*
Croatia	31%	0 pp	6 pp	35%	7 pp	*no extra growth needed compared to the CO2 stds*
Czechia	36%	1 pp	6 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*
Estonia	36%	1 pp	6 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*
France	45%	3 pp	5 pp	49%	6 pp	*no extra growth needed compared to the CO2 stds*
Greece	31%	1 pp	5 pp	36%	6 pp	*no extra growth needed compared to the CO2 stds*
Latvia	31%	1 pp	5 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*

Lithuania	31%	1 pp	5 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*
Poland	31%	2 pp	4 pp	35%	5 pp	*no extra growth needed compared to the CO2 stds*
Romania	31%	1 pp	5 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*
Slovakia	31%	1 pp	5 pp	35%	6 pp	*no extra growth needed compared to the CO2 stds*
Slovenia	36%	2 pp	4 pp	35%	4 pp	*no extra growth needed compared to the CO2 stds*
Spain	36%	1 pp	6 pp	36%	6 pp	*no extra growth needed compared to the CO2 stds*
Germany	54%	2 pp	7 pp	49%	6 pp	**+1 pp** compared to the CO2 stds
Italy	45%	0 pp	8 pp	36%	6 pp	**+2 pp** compared to the CO2 stds
Austria	58%	2 pp	7 pp	49%	5 pp	**+2 pp** compared to the CO2 stds
Ireland	58%	3 pp	8 pp	49%	6 pp	**+2 pp** compared to the CO2 stds

Annex III

Table 3**: Required growth rates per Member State for meeting their ZEV targets (2030) **under T&E proposal (69% ZEV at EU level with different targets per Member State)

	2030 ZEV target for large companies (T&E proposal)	Historic growth of electric company car market (average annual growth in percentage points (p.p) 2021-2025)	Required yearly p.p. growth of electric company car market to meet national CCV targets (2025-2030)	Expected national ZEV share in 2030 under new car CO2 standards	Required yearly p.p. growth of electric company car market to meet CO2 targets (2025-2030	What's the required extra corporate growth per year for the countries under the CCVR targets proposed by T&E?
Belgium	90%	11 pp	7 pp	65%	2 pp	*no extra growth needed compared to the past corporate growth*
Denmark	90%	12 pp	7 pp	100%	9 pp	*no extra growth needed compared to the past corporate growth*
Finland	83%	8 pp	8 pp	65%	4 pp	*no extra growth needed compared to the past corporate growth*
Portugal	48%	4 pp	5 pp	49%	5 pp	no extra growth needed compared to the CO2 stds
Croatia	48%	0 pp	9 pp	35%	7 pp	**+2 pp** compared to the CO2 stds
Greece	48%	1 pp	8 pp	36%	6 pp	**+2 pp** compared to the CO2 stds
Latvia	48%	1 pp	8 pp	35%	6 pp	**+2 pp** compared to the CO2 stds
Lithuania	48%	1 pp	8 pp	35%	6 pp	**+2 pp** compared to the CO2 stds
Romania	48%	1 pp	8 pp	35%	6 pp	**+2 pp** compared to the CO2 stds
Slovakia	48%	1 pp	8 pp	35%	6 pp	**+2 pp** compared to the CO2 stds
Netherlands	90%	6 pp	9 pp	49%	1 pp	**+3 pp** compared to the past growth
Poland	48%	2 pp	8 pp	35%	5 pp	**+3 pp** compared to the CO2 stds
Czechia	55%	1 pp	10 pp	35%	6 pp	**+4 pp** compared to the CO2 stds
Estonia	55%	1 pp	10 pp	35%	6 pp	**+4 pp** compared to the CO2 stds

France	69%	3 pp	10 pp	49%	6 pp	**+4 pp** compared to the CO2 stds
Slovenia	55%	2 pp	8 pp	35%	4 pp	**+4 pp** compared to the CO2 stds
Spain	55%	1 pp	10 pp	36%	6 pp	**+4 pp** compared to the CO2 stds
Sweden	90%	5 pp	10 pp	65%	5 pp	**+5 pp** compared to the past growth or CO2 stds
Luxembourg	90%	5 pp	11 pp	49%	3 pp	**+6 pp** compared to the past growth
Germany	83%	2 pp	13 pp	49%	6 pp	**+7 pp** compared to the CO2 stds
Italy	69%	0 pp	13 pp	36%	6 pp	**+7 pp** compared to the CO2 stds
Austria	90%	2 pp	13 pp	49%	5 pp	**+8 pp** compared to the CO2 stds
Ireland	90%	3 pp	14 pp	49%	6 pp	**+8 pp** compared to the CO2 stds