JOINT STATEMENT

European Commission's proposal for a Clean Corporate Vehicles Regulation

A Call for an Effective, Incentive-Led Approach

Who We Are

The co-signatories represent the full chain of actors that make vehicle mobility possible across Europe, including for SMEs:

Leaseurope represents Europe's leasing and vehicle rental industries, which accounted for more than one in every two vehicles sold on the European market in 2024. Leaseurope members have driven BEV uptake in corporate fleets, representing 60% of all newly registered battery electric vehicles (BEVs) over the past three years. 70% of Leaseurope members' business customers (itself the majority of their total customers) are SMEs.

SMEunited represents the interests of small and medium-sized enterprises across Europe, including road transport and local service providers, logistics and delivery companies, fleet operators, construction contractors, cleaning and maintenance firms, and businesses providing essential services such as waste collection and facility management.

UETR (European Road Hauliers Association) represents the interests of Europe's micro, small and medium-sized road freight transport companies. UETR seeks to ensure that the needs of small hauliers, family-owned businesses and self-employed operators are reflected in policies and practices that foster a resilient, sustainable and competitive road transport sector.

Eurofinas representing consumer credit providers and financial institutions, including banks, captives and specialised lenders, finance access to vehicles for households, SMEs and businesses through consumer credit, leasing and other asset-finance structures. They are central to affordability, fleet renewal and the development of both new and second-hand zero-emission vehicles (ZEV) markets.

IRU (International Road Transport Union), the world road transport organisation, represents via its members more than 3.5 million companies operating in mobility and logistics services, including over 1 million companies in the EU. It advocates together with bus, coach, taxi, and truck operators, from independent owner-operators to large logistics fleets, to allow the road transport sector to thrive in the interest of communities and economies worldwide.

FIGIEFA, the European Federation of Automotive Aftermarket Distributors, represents independent parts distributors and wholesalers across the EU. These businesses, which include SMEs, operate extensive distribution and service fleets to ensure the rapid provision of spare parts for vehicle repair and the continuity of mobility services for European companies and consumers.

Our Shared Commitment to ZEV Transition

We fully support the transition to zero and low emission vehicles across all EU27 markets. At the same time, we underline that a successful transition requires a pragmatic and technology-open approach that supports decarbonisation while taking into account the diversity of operational needs, infrastructure readiness and investment capacities across Europe.

The leasing and rental sector has already demonstrated this commitment in practice: our members have been the primary driver of corporate BEV uptake across Europe. SMEs, despite facing greater operational and financial constraints than large enterprises, recognise the long-term opportunity a successful fleet transition represents.

Consumer finance providers play a central role in enabling households and SMEs to finance their transport needs in a gradual, affordable and socially sustainable manner. Around 70–80% of all new passenger cars in the EU are acquired through consumer credit or leasing, making these financing channels the principal route to vehicle access for European households. By virtue of the proposed Regulation's scope, however, the proposed framework extends far beyond large corporate fleets and may bring consumers directly within scope whenever they are financed. This approach could significantly impact consumer choice and affordability at a time when the enabling conditions for an effective household transition to electric vehicles remain uneven.

Road transport operators likewise support the decarbonisation of their fleets, provided that the necessary enabling conditions are in place, including the deployment of recharging infrastructure tailored to commercial light and heavy-duty vehicles.

The transition to clean corporate fleets must be an opportunity for all European businesses — not a constraint that limits their ability to operate, invest and grow. In its current form, however, the Commission's proposal risks undermining this objective. To avoid unintended repercussions for SMEs and constraints for businesses that weaken their competitiveness, it must therefore reflect the operational realities across the full diversity of European companies and use cases.

Why the current proposed approach will not support businesses across the value chain nor lower emissions

- *Binding national targets are not enablers*

The evidence is clear: the EU markets with the fastest BEV uptake have all achieved their results through strong incentive frameworks allied to sustained investment in enabling conditions, including fiscal incentives, charging infrastructure and stable regulatory environments — not through binding targets. Despite this overwhelming evidence, the European Commission has proposed mandatory national uptake targets calibrated to GDP *per capita* ratios — a metric that entirely ignores the actual barriers to ZEV adoption and which differ per country: Total Cost of Ownership/Usership, charging infrastructure gaps, grid capacity constraints, and residual value uncertainty. Moreover, by means of Article 4, there is a clear intention to directly intervene in how Member States build their fiscal regimes for the treatment of corporate vehicles. The current proposal would constitute a *de facto* full ZEV mandate as of 2028, moving far beyond the proposed binding targets, and well beyond an emission focused legal basis.

- *The unintended consequences will harm businesses of all shapes and sizes*

While the Commission's stated intention is to target only Europe's largest companies, the draft Regulation in practice limits financing and vehicle acquisition options for every company, large and small, as well as for individual consumers. These indirect impacts will fall heaviest on SMEs, for whom leasing and rental represent the primary route to accessing newer, cleaner vehicles. Many SMEs — particularly those operating in rural areas, in sectors requiring specific vehicle payload, relying on high-frequency and long-distance operations or in contexts where charging infrastructure is absent — face real operational barriers that binding targets will not resolve. This is particularly problematic where leasing, hire purchase, consumer credit or other financing structures mean that the legal owner or registered holder is a financial institution, while the vehicle is in substance selected, used and paid for by a private consumer or SME. In effect, the Regulation risks regulating consumer mobility indirectly, by constraining which vehicles can be financed for households.

The proposal does not propose any concrete measures to incentivize BEV uptake, ignores the reality of insufficient enabling conditions, and risks making an already difficult situation worse for manufacturers, fleet operators, and businesses alike. The impact could be particularly negative for commercial transport operators, considering that the EU currently counts around 35 million light commercial vehicles, many of which are operated by SMEs.

- *The decline of EV residual value requires urgent attention*

A well-functioning used ZEV market is indispensable for broadening ZEV access generally, especially for SMEs. SMEs are more likely to source used vehicles in the second-hand market than larger companies. Currently, falling residual values (RVs) are hindering uptake across the board. RVs are calculated at the point of vehicle acquisition and anticipate the value at which a vehicle will be re-sold after a fixed holding time duration. RVs for EVs across all EU markets have been in continual decline since the Spring of 2023. This impacts the cost of new vehicle purchases, leases and rentals since losses on past EV contracts need to be off-set. This drives up the cost of vehicle financing for all businesses, especially for SMEs who are most cost sensitive and proportionately more likely to depend on vehicle financing solutions.

The residual value development has been a persistent blind spot for policymakers. The proposed Regulation does nothing to address it. Yet without a robust, liquid used-ZEV market, SMEs will increasingly lose access to economically viable clean vehicle mobility solutions. A healthy used car market improves vehicles manufacturers' ability to sell vehicles at affordable scale, notably in segments like small and medium-sized vans that are often the lifeblood of many SME businesses and their operations in Europe.

What We Call For

We urge the co-legislators to adopt a more balanced and effective approach, and to replace the proposed binding targets with an **incentive-led framework** that supports Member States and local authorities in accelerating the uptake of zero- and low-emission vehicles in corporate fleets, while maintaining technology openness.

Such a framework should be built on six interconnected pillars:

- Accelerated investment in the enabling conditions, particularly in charging infrastructure across the TEN-T network, in industrial zones, urban areas and — critically — in rural areas where the infrastructure deficit is greatest, with a particular focus on depot charging. Streamlining permitting for grid capacity upgrades is equally essential.
- A technologically neutral approach to corporate fleets thus supporting the goal of securing Europe's energy and technological sovereignty.
- Dedicated support for SME-specific solutions including workplace charging, home-based charging and storage, as well as for bringing sufficient grid power to company locations and for publicly available commercial vehicle charging hubs.
- A comprehensive framework to build confidence in the used ZEV market, addressing falling residual values and high repair costs that are currently suppressing uptake. This should include ensuring the repairability of electric vehicles, guaranteeing access to

technical information and battery health data, and creating the conditions for a liquid, trustworthy used-ZEV market that serves both SMEs and private consumers.

- Guidance and coordination from the EU Commission, namely through developing guidelines and supporting the exchange of best practices across Member States. This should include establishing a dedicated one-stop shop for information on EU and national financing and support measures, particularly for SMEs.
- *Harmonised, SME-sensitive urban mobility policies.*

Co-signatories:

Leaseurope

sme united CRAFTS & SMEs IN EUROPE

UETR

eurofinas

IRU

FIGIEFA Automotive Aftermarket Distributors