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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling and repealing Directive 1999/94/EC

{SEC(2025) 995 final} - {SWD(2025) 1057 final} - {SWD(2025) 1058 final} - {SWD(2025) 1059 final}

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The EU recognises climate change as an existential threat closely linked to global security, peace and sustainable development. Addressing climate change is an opportunity to enhance the EU's competitiveness and independence at the same time. The EU has committed to reduce its economy-wide net greenhouse gas (GHG) emissions by at least 55% by 2030 compared to 1990, and to reach climate neutrality by 2050. The Commission also proposed an amendment to the European Climate Law that enshrines the 2040 target of 90% reduction[1]. Both Council and the European Parliament have established their positions on the file, which is currently in co-decision.

Decarbonisation policies are a powerful driver of growth when they are well integrated with industrial, competition, economic and trade policies, as explained in the Competitiveness Compass[2] and the Clean Industrial Deal[3].

Cutting CO_2 emissions from road transport is indispensable to reach climate neutrality. In 2023 they represented about 30% of the EU's overall net CO_2 emissions (and 24% of GHG emissions) and are still higher than in 1990.

The Regulation setting CO_2 emission performance standards for new passenger cars and light commercial vehicles (vans)[4] is an essential element of the basket of EU measures aimed to achieve the decarbonisation of road transport. It steers a gradual transition towards zero-emission vehicles and provides long-term certainty and predictability for investors along the value chain, while allowing for sufficient lead time for a fair transition.

The EU automotive sector accounts for EUR 1 trillion of GDP and a third of private research and development investment in the EU. It provides direct and indirect manufacturing employment to three million Europeans. The sector is currently undergoing a global and structural transformation, related to the clean and digital transitions, and is confronted with serious competitiveness challenges.

In January 2025, the Commission set up a strategic dialogue with the sector to address those challenges and design concrete strategies and solutions to ensure this key industry has a solid future in Europe. This fed into the Industrial Action Plan for the European automotive sector[5], which sets out concrete measures to help secure global competitiveness of the EU automotive industry and maintain a strong European production base through action in five key areas: 1) innovation and digitalisation, 2) clean mobility, 3) competitiveness and supply chain resilience, 4) skills and social dimension, and 5) level playing field and business environment.

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1 Commission, Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality, COM(2025) 524 final, 2.7.2025.

2 European Commission, Communication: A Competitiveness Compass for the EU, COM(2025) 30 final, 29.1.2025;

3 European Commission, Communication: The Clean Industrial Deal — A joint roadmap for competitiveness and decarbonisation, COM(2025) 85 final, 26.2.2025

4 Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011, OJ L 111 25.4.2019, p. 13.

5 European Commission, Communication: Industrial Action Plan for the European automotive sector, COM(2025) 95 final, 5.3.2025.

To reach its objectives, the Action Plan introduces around 50 flagship actions. These include the review of the Regulation setting CO_2 emission standards for passenger cars and vans and the review of the Car Labelling Directive[6], to enhance consumer information and facilitate sustainable choices in line with the EU's climate and environmental objectives.

As the CO_2 emission targets set in the Regulation become stricter over time, compliance requires an increasing uptake of zero-emission vehicles as the other existing levers for reducing CO_2 emissions only have a limited impact and are by themselves not sufficient to reach current and future CO_2 targets. While it is essential that the targets continue to incentivise the transition towards zero-emission mobility and create certainty and predictability for investments, a lack of flexibility in the compliance cycle along with a significant changes in the global economic and regulatory situation may create a risk of non-compliance for vehicle manufacturers.

Technology neutrality needs to be enhanced, since the current legislative framework risks limiting continued innovation and development of technologies other than zero-emission powertrains, that can be useful for specific use cases and/or a transitional phase. Due to barriers for the deployment of zero-emission vans, which create lack of demand in the short-term, manufacturers of light commercial vehicles face particular challenges.To enhance the competitiveness and sustainability of the European automotive sector, it is appropriate to incentivise development of small electric cars made in the EU by providing dedicated incentives.

There is also a need to ensure that consumers receive clear and harmonised information on the environmental performance of new passenger cars, as well as cars sold on the second-hand market by retailers. This should cover labelling of all types of cars, including zero-emission vehicles, which would facilitate informed purchasing decisions and support the transition to zero-emission mobility.

In this context, the proposal aims to provide a more flexible and technology-neutral approach, taking into account technological and market developments, while staying the course on climate neutrality and maintaining predictability for manufacturers and investors in a fair transition towards zero-emission mobility. It provides for measures:

(1) introducing more flexibilities for manufacturers to meet their CO_2 targets;

(2) enhancing technology neutrality of the CO_2 emission standards;

(3) maintaining the contribution of the CO_2 standards towards the climate targets set in the EU Climate Law;

(4) maintaining certainty and predictability for manufacturers and investors in the zero-emission mobility value chain;

(5) better serving potential zero-emission vehicle buyers by providing them with adequate information, consequently supporting manufacturers' compliance with the CO_2 standards.

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[6] Directive 1999/94/EC of the European Parliament and of the Council of 13 December 1999 relating to the availability of consumer information on fuel economy and CO_2 emissions in respect of the marketing of new passenger cars, OJ L 12, 18.1.2000, p. 16.

- **Consistency with existing policy provisions in the policy area**

The proposal is consistent with the European Climate Law's objectives, as required by Article 6(4) of that Regulation. The proposal is aligned with other EU policies on climate, energy, and transport, including:

– Regulation (EU) 2023/1804, that ensures adequate alternative fuel infrastructure across the EU, supported by the Alternative Fuels Infrastructure Facility (AFIF) for recharging projects. The EU Action Plan for Grids and upcoming Grid modernisation legislation aim to integrate electromobility efficiently, while the Affordable Energy Action Plan seeks to reduce charging costs. A proposal on corporate fleet decarbonisation will increase demand for zero-emission vehicles.

– The Critical Raw Materials (CRM) Regulation that fosters a sustainable battery value chain, with strategic projects approved to secure material supply. The Net-Zero Industry Act enhances sustainability and resilience as well as EU manufacturing capacity of net-zero technologies, such as batteries. The development of the EU battery supply chain will be further supported by the Battery Booster. Upcoming legislation such as the Industrial Accelerator Act will aim at maintaining the European production of key vehicle components of electric vehicles sold in the EU, by making public support benefitting the automotive industry conditional on resilience and sustainability criteria. Such criteria are a powerful tool to support European automotive industry. The Industrial Accelerator Act is also expected to develop a label on the carbon intensity of industrial products, starting with steel, as well as parameters for "made in the EU ". This will be relevant to rely on these developments as appropriate, to ensure consistency of the methodologies. It is equally valid for the reference to "made in the EU " for small electric cars.

– ETS2 that enhances the transition to zero-emission vehicles through carbon pricing.

– Effort Sharing Regulation (ESR) that remains central to the EU's emissions-reduction strategy, with the 2030 target for non-ETS sectors set at a 40% reduction compared to 2005, and Member States continuing to adjust their national budgets and flexibilities as the Union tracks progress toward its climate goals.

- **Consistency with other Union policies**

Europe has set out an ambitious framework to become a climate neutral economy by 2050. The Clean Industrial Deal aims at securing the EU as a competitive and attractive location for manufacturing, including for energy intensive industries, and promoting clean tech and new circular business models, in order to meet its agreed decarbonisation objectives. Their implementation will also strengthen the EU's energy independence from imported fossil fuels.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis for this proposal is Article 192 of the Treaty of the Functioning of the European Union (TFEU). In accordance with Article 191 and 192(1) TFEU, the European Union shall contribute to the pursuit, inter alia, of the following objectives: preserving, protecting and improving the quality of the environment; promoting measures at international level to deal with regional or worldwide environmental problems, and in particular combating climate change. Based on Article 192 of the TFEU, the Union has already adopted policies to address CO_2 emissions from cars and light commercial vehicles through Regulation (EU) 2019/631, currently effective since 1 January 2020 and to provide consumers with information relating to the fuel economy and CO_2 emissions of new passenger cars offered for sale or lease through Directive 1999/94/EC.

• **Subsidiarity**

Climate change is a transboundary problem, where coordinated EU action can supplement and reinforce national, regional and local action effectively. EU action is justified on the grounds of subsidiarity, in line with Article 191 of the Lisbon Treaty.

As the CO_2 emission standards for vehicles and the car labelling requirements are set at EU level, the objectives of this initiative can only be achieved at Union level.

• **Proportionality**

This proposal complies with the proportionality principle because it does not go beyond what is necessary in order to achieve the Union's objectives of reducing greenhouse gas emissions in a cost-effective manner, while ensuring fairness and environmental integrity.

• **Choice of the instrument**

The proposal provides for an amendment to Regulation (EU) 2019/631 and a Regulation is therefore the only appropriate legal instrument.

As regards vehicle labelling, the proposal repeals and replaces Directive 1999/94/EC. Taking into account the findings of the Evaluation as well as the main changes required to the existing rules and the objective of improving the functioning of the internal market, a regulation constitutes the appropriate legal instrument to replace the Directive, as it provides clear, detailed and directly applicable provisions. Furthermore, it ensures that legal requirements are implemented simultaneously and in a harmonised manner across the Union.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• **Ex-post evaluations/fitness checks of existing legislation**

There is general agreement among stakeholders on the need to stay the course on the EU's decarbonisation efforts and that electrification will be central to the transition and the future of the EU's automotive competitiveness. However, some stakeholders argue that the current EU regulatory framework is too rigid, risking problems for vehicle manufacturers in the transition. It is therefore appropiate to mitigate these risks.

The evaluation of the Car Labelling Directive found that while it had at least to a certain extent achieved its initial objectives of informing consumers of the CO_2 emissions of new cars, several factors limit consumer choices and its potential impact. Its relevance will be further limited as the uptake of zero-emission vehicles increases, for which the information provided so far is very limited and inadequate, and as potential vehicle buyers are more and more relying on digital platforms for gathering information prior to purchase.

• **Stakeholder consultations**

The Commission identified several key stakeholder groups for consultation, including Member States (national and regional authorities), vehicle manufacturers, component and materials suppliers, fuel and energy suppliers, vehicle purchasers (private, businesses, fleet management companies), environmental, transport and consumer NGOs, and social partners.

To gather feedback from these groups, the Commission launched a call for evidence and an online public consultation from 7 July to 10 October 2025. It also held meetings with industry associations representing vehicle and component manufacturers and energy suppliers, conducted bilateral meetings with Member State authorities, social partners, and NGOs, and invited stakeholders to submit position papers.

The call for evidence for the revision of the Regulation setting CO_2 emission standards for cars and vans received 963 responses, while the separate call for evidence for the revision of the Car Labelling Directive[7] received 39 replies. The on-line public consultation, carried out on the EU Survey website[8], covered both the revision of the CO_2 standards Regulation for cars and vans and the revision of the Car Labelling Directive. The consultation received 1115 replies, of which 859 (77%) were from EU citizens, 120 (11%) were from a company or business, of which 57 (5%) from SMEs, 76 (7%) replies were from business associations, 14 (1%) from non-governmental organisations and the remaining from academic institutions, consumers organisation and trade unions.

In their replies to the public consultation, stakeholders expressed a wide range of opinions regarding the CO_2 target levels. Policy stability was identified as essential by some Member States, local authorities, environmental NGOs, academics and the electricity sector. By contrast, most other industry respondents, alongside feedback from a mobilised citizens' campaign, considered the 2035 targets unattainable due to slower uptake of zero-emission vehicles than anticipated. Industry representatives generally advocated for giving sustainable renewable fuels and off-vehicle charging hybrid electric vehicles (OVC-HEV) a role under the CO_2 standards Regulation, in order to increase flexibility and enhance technology neutrality, while NGOs and public authorities mostly expressed the opposite view. Industry stakeholders also sought greater flexibility in the use of fines, proposing that they serve as a support mechanism rather than a punitive measure. Citizens and NGOs generally advocated for using the revenues to support workers, development of charging infrastructure, and demand-side measures.

A clear majority of stakeholders supported the harmonisation and simplification of vehicle labelling as well as adding specific information for zero-emission vehicles to the label, but not other additional information not readily available such as total-cost-of-ownership. Most stakeholders consider it important to extend the label to cover also new vans. The consumer organisations called for extending the label's scope to second-hand cars.

- **Collection and use of expertise**

The quantitative assessment of the economic, social and environmental impacts of the policy options considered has built on a range of scenarios developed for the PRIMES model. This analysis was complemented by applying other modelling tools, such as GEM-E3 and E3ME and the JRC DIONE model.

Monitoring data on GHG emissions and other characteristics of the new light-duty vehicle fleet was sourced from the annual monitoring data as reported by Member States and collected by the European Environment Agency (EEA) under Regulation (EU) 2019/631.

Further information was gathered through service contracts commissioned from external contractors.

7 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14750-Revision-of-the-EU-rules-on-car-labelling_en

8 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14765-Revision-of-the-CO2-emission-standards-for-cars-and-vans_en

- **Impact assessment**

The Commission carried out an impact assessment, providing a detailed analysis. In the impact assessment, the Commission has assessed the consistency of the initiative with the European Climate Law's objectives, as required by Article 6(4) of that Regulation.

Various policy options were explored, grouped in three main categories: (i) CO_2 emission targets for cars and vans and various flexibilities facilitating compliance (sustainable renewable fuels, OVC-HEV, multiannual compliance, super-credits for small electric cars); (ii) financial support via use of fines; (iii) vehicle labelling.

A preferred combination of options concerning targets and flexibilities has been identified, which provides for more flexibility and technology neutrality, while maintaining a strong signal for investments in zero-emission mobility in the longer term. Regarding vehicle labelling, the option covering the broadest range of second-hand vehicles is preferred.

The preferred option regarding the CO_2 targets and flexibilities brings benefits for manufacturers in the period 2030-2034. Also, while maintaining the 2035 100% reduction targets, it enhances technology neutrality by recognising a role for OVC-HEV and a role for sustainable renewable fuels beyond 2035. This will stimulate continued investments in and development of technologies other than zero-emission powertrains, that can be useful for specific use cases and/or for a transitional phase, possibly also supporting the competitiveness of some European manufacturers in other markets. As shown in the assessment, the energy and climate impacts of the preferred option are limited, in particular due to the built-in safeguards. In view of this, the initiative is consistent with the EU 2050 climate neutrality objective and 2030 climate target and progress on adaptation.

The preferred option regarding the CO_2 targets and flexibilities brings some additional total system costs (capital, fuel and other operating costs), but does not show significant changes compared to the baseline.

The regulatory flexibility provided by the initiative is expected to enhance short-term competitiveness. The preferred option includes elements which aim to achieve the necessary balance between regulatory flexibility and enhanced technology neutrality on one side, and maintaining the predictability and stability of the long-term signal towards ZEV on the other side.

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The preferred vehicle labelling option will provide potential ZEV buyers with more adequate information and ensure that the harmonisation of the label design at EU level will effectively lead to simplification and cover all second-hand vehicles in an equal manner. The harmonisation removes the need for developing a national label design, which results in cost savings for national authorities.

- **Regulatory fitness and simplification**

In line with the Commission's commitment to Better Regulation, the proposal has been prepared inclusively, based on transparency and continuous engagement with stakeholders.

Compared to the current Regulation, the proposal is not expected to increase the administrative costs caused by the legislation. In addition, it is not increasing the complexity of the legal framework.

- **Fundamental rights**

The proposal respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union. In particular, it contributes to the objective of a high level of environmental protection in accordance with the principle of sustainable development as laid down in Article 37 of the Charter of Fundamental Rights of the European Union[9].

4. BUDGETARY IMPLICATIONS

The legislative financial statement setting out the implications for budgetary, human and administrative resources was attached to the proposal which led to the adoption of Regulation (EU) 2019/631 and its latest revision by Regulation (EU) 2023/851.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

This proposal does not change the substance of the rules, the implementation assessment remains the same as of the proposal which led to the adoption of Regulation (EU) 2019/631, as amended by Regulation (EU) 2023/851.

- **Detailed explanation of the specific provisions of the proposal**

Article 1 contains the following proposed amendments:

– Article 1(1) amends Article1, in order to lower the 2030 EU fleet-wide CO_2 emission target for vans from 50% to 40% reduction from the 2021 baseline and the 2035 EU fleet-wide CO_2 emission target for cars and vans from 100% to 90%. It also adds vehicle labelling to the subject matter of the Regulation.

– Article 1(2) amends Article 2(1)(b) to clarify that all ZEV N vehicles (including N1 and N2), whose mass without the mass of the battery is below 2840 kg, are actually accounted when assessing compliance against the CO_2 emissions targets set in this Regulation. It also extends the scope to include vehicle labelling.

– Article 1(3) amends Article 3 to clarify the definition of ‘test mass’, and to introduce definitions relevant to the vehicle labelling provisions.

– Article 1(4) amends Article 4 in order to introduce multiannual compliance. Article 1(7) amends Article 6 and Article1(9) amends Article 8 to introduce consequential changes

– Article 1(5) amends Article 5 to provide for super credits for small electric vehicles made in the EU .

– Article 1(6) introduces new provisions on the role of certain sustainable renewable fuels.

– Article 1(6) introduces new provisions on the role of low-carbon steel made in the EU .

– Article 1(10), (14) provide for new Articles 15a, 15b and a new Annex IIIa, that set the rules for the vehicles labelling.

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[9] OJ C 326, 26.10.2012, p. 391.

2025/0420 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling and repealing Directive 1999/94/EC

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[10],

Having regard to the opinion of the Committee of the Regions[11],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Through the adoption of Regulation (EU) 2021/1119 (Climate law), the Union has enshrined in legislation a binding objective of economy-wide climate neutrality by 2050, thus reducing emissions to net zero by that date, and the aim of achieving negative emissions thereafter, established a binding Union 2030 intermediate climate target and provisions for the determination of a Union-wide intermediate climate target for 2040.

(2) In order to achieve the climate neutrality objective, it is essential to, inter alia, ensure and provide support to the competitiveness and resilience of the European industry, ensure transition pathways based on best available cost-effective, safe and scalable technologies, set a greater focus on a just transition, ensure fair competition with international partners and decarbonise the energy system with all zero and low carbon energy solutions.

(3) With the Clean Industrial Deal and the Industrial Action Plan for the European automotive sector, the Union has put in place the conditions for a successful transition, focussing on both decarbonisation and industrial renewal, including support mechanisms for European industry, European content requirements on battery cells and components in EVs sold in the Union, better access to public and private finance, a global level playing field, and clear enabling conditions for the uptake and scaling of clean technologies, in order to strengthen industrial competitiveness and innovation in the Union.

[10] OJ C , , p. .
[11] OJ C , , p. .

(4) The automotive sector is a key pillar of the Union's economy, and it is at a critical turning point, facing fierce global competition and deep structural transformations in decarbonisation and digitalisation. The pathway towards zero-emission mobility requires an integrated approach combining CO_2 reduction, industrial competitiveness, social fairness and technological leadership. To ensure that this transformation strengthens the competitiveness of the Union's automotive ecosystem while upholding its environmental and social ambitions, the Commission adopted on 5 March 2025 the Industrial Action Plan for the European automotive sector.

(5) Light commercial vehicles are purchased and used in a professional context. For some specific use cases there may be short-term barriers to the deployment of zero-emission vehicles in that segment. It is therefore appropriate to adjust the 2030 CO_2 emissions target for those vehicles to support continued manufacturers' ability to invest, in particular in the transition towards zero-emission vehicles.

(6) Fostering the development and production of small electric cars made in the EU will ensure affordability and access to clean mobility for consumers and enhance the competitiveness and sustainability of the European automotive sector. It is therefore appropriate to incentivise development of small electric cars made in the EU by providing incentives in the form of CO_2 credits for manufacturers that place such vehicles on the Union market.

(7) While it is essential that the CO_2 emission targets continue to incentivise the transition towards zero-emission mobility and create certainty and predictability for such investments, a lack of regulatory flexibility may create difficulties for vehicle manufacturers where it limits their compliance options. It is therefore appropriate to support a technology-neutral approach by providing for regulatory flexibilities for non-zero-emission technologies.

(8) In order to provide additional flexibilities, during the period 2030 to 2032, manufacturers should ensure that the average specific emissions of CO_2 of their vehicles do not exceed an emissions target, calculated as the average of their annual specific emissions targets over the period. Compliance with the targets should be assessed at the end of the period for each individual manufacturer. The excess emission premiums should be calculated accordingly.

(9) The fleet-wide emissions reduction target as from 2035 is reduced from 100% to 90%, provided that the remaining emissions are compensated by the use of low-carbon steel credits or sustainable renewable fuel credits..

(10) The use of low-carbon steel credits and sustainable renewable fuel credits should be capped in order to preserve investments in the zero-emission value-chain. By allowing to compensate emissions up to 10% of the EU fleet-wide target of 2021 as from 2035, these credits, combined with the 90% emissions reduction target, support the overall climate neutrality objective.

(11) In 2035 and every five years thereafter, the Commission should assess the effectiveness of the Regulation, so as to maintain alignment with the 2050 climate neutrality binding objective laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council ('Climate Law').

(12) It is appropriate to allow for a recognition of emissions savings from sustainable renewable fuels in the CO_2 standards, to provide further flexibilities for manufacturers and support investments in the development of the sustainable renewable fuel value chain. Such fuels will continue to play a role in the decarbonisation of transport. In

order to support innovative technologies, the current framework under Directive (EU) 2018/2001 includes binding targets for advanced biofuels in transport. Progress in its implementation is made albeit slow. A review of the Directive (EU) 2018/2001 is planned for end 2026 assessing the progress made and the need for an update of the future bioeconomy framework.

(13) The promotion of low-carbon steel is essential to achieve the Union's climate objectives while strengthening its industrial competitiveness and strategic autonomy. As the automotive sector is a key user of steel, it is appropriate to incentivise the use of low-carbon steel in vehicle production to create a lead-market. Hence, to compensate, after 2035, the CO_2 emissions of their new vehicles, which have not already been compensated by the use of sustainable renewable fuels, manufacturers should be able to use made in the EU low-carbon steel credits.

(14) To provide more certainty to light commercial vehicle manufacturers, a technical adjustment should be provided to the formula that adjusts the specific emissions target of a manufacturer depending on the average test mass of the EU fleet.

(15) The evaluation of the Car Labelling Directive concluded that there is a lack of harmonisation of the label across Member States, that potential buyers of zero-and low-emission vehicles, vans and second-hand vehicles are not adequately informed under the current rules, and that consumers rely increasingly on digital tools whereas current rules focus on physical points of sale, with a guide and poster on paper. Directive 1999/94/EC needs therefore to be revised and updated.

(16) A vehicle label providing information that is relevant for zero-emission vehicles should be available to empower potential vehicle buyers to make informed purchase decisions. In addition, a vehicle label should be available not only for new passenger cars, but also for potential buyers of vans and second-hand vehicles, to ensure that potential buyers of those vehicles are also appropriately informed.

(17) The label for individual vehicles should include the most significant information from the certificate of conformity. It should also provide the opportunity to consumers to access additional information. In the future, as technical requirements, monitoring and reporting and available data evolve, additional information could for instance inform the customers about the performance of plug-in hybrid vehicles depending on behaviour of the user in terms of share of driving in electric mode.

(18) As vehicle buyers rely increasingly on digital tools, and to allow consumers to compare different vehicle models, including from different manufacturers, information on all vehicle models for which new vehicles are placed on the Union market should be made available in a product database.

(19) Vehicle labelling requirements should apply to vehicle manufacturers and dealers or any other natural or legal persons making available vehicles on the market in the course of a commercial activity, thereby excluding private persons occasionally selling a second-hand car.

(20) Vehicle labelling requirements should be incorporated into Regulation (EU) 2019/631 in order to safeguard its consistent and harmonised application across the Union.

(21) In order to set up methodologies for determining the criteria for a car to be considered 'made in the EU', for steel to be considered low carbon and amend the Annex related to vehicle labelling, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to take into account technological and legislative developments, as well

as developments relating to consumer information. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(22) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in relation to establishing the detailed rules and procedures for the monitoring and reporting by manufacturers of all the necessary data for the calculation of the low-carbon steel credits and the operational details of the product database for the vehicle labelling. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.

(23) Since the objectives of this Regulation to provide vehicles manufacturers with additional flexibilities for their compliance while maintaining the level of ambition of the CO_2 reduction targets, as well to harmonise and update vehicle labelling requirements, cannot be sufficiently achieved by the Member States, but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(24) Regulation (EU) 2019/631 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1
Amendments to Regulation (EU) 2019/631

Regulation (EU) 2019/631 is amended as follows:

(1) Article 1 is amended as follows:

(a) in paragraph 5, point (b) is replaced by the following:

"(b) for the average emissions of the new light commercial vehicles fleet, an EU fleet-wide target equal to a 40% reduction of the target in 2021 determined in accordance with point 6.1.2 of Part B of Annex I.";

(b) paragraph 5a is replaced by the following:

"From 1 January 2035, the following EU fleet-wide targets shall apply:

(a) for the average emissions of the new passenger car fleet, an EU fleet-wide target equal to a 90% reduction of the target in 2021 determined in accordance with Part A, point 6.1.3, of Annex I;

(b) for the average emissions of the new light commercial vehicles fleet, an EU fleet-wide target equal to a 90% reduction of the target in 2021 determined in accordance with Part B, point 6.1.3, of Annex I.";

(c) paragraph 7 is added as follows:

"7. This Regulation establishes the rules on vehicle labelling in order to ensure that relevant information relating to passenger cars and light commercial vehicles offered for sale or lease in the Union is made available to potential buyers.";

(2) Article 2 is amended as follows:

(a) in paragraph 1, point (b) the text after the semicolon is replaced by the following:

"in the case of zero-emission vehicles of category N they shall, from 1 January 2025, for the purposes of this Regulation and without prejudice to Regulation (EU) 2018/858 and Regulation (EC) No 715/2007, be counted as light commercial vehicles falling within the scope of this Regulation if the reference mass minus the mass of the energy storage system does not exceed 2840 kg.";

(b) the following paragraph 5 is added:

"5. Articles 15a and 15b of this Regulation shall apply to all vehicles of categories M1 and N1, as defined in Article 4 of Regulation (EU) 2018/858, offered for sale or lease in the Union, that are type-approved in accordance with the Worldwide harmonised Light vehicles Test Procedure set out in Commission Regulation (EU) 2017/1151."

(3) Article 3 is amended as follows:

(a) point (l) is replaced by the following:

"(l) 'test mass' or 'TM' means the test mass of a passenger car or light commercial vehicle as stated in the certificate of conformity and as defined in paragraph 3.2.25 of UN Regulation 154";

(b) the following points (n) to (r) are added:

"(n) 'zero-emission vehicle' means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO_2/km, as determined in accordance with the applicable EU type-approval procedure;

(o) 'vehicle label' means a graphic diagram in printed or electronic form that complies with the requirements set out in this Regulation;

(p) 'point of sale' means a location where vehicles are displayed or offered for sale or lease to potential customers, including trade fairs where vehicles are presented to the public;

(q) 'promotional material' means any form of information in printed or electronic form, offline or online, used for sale or lease of vehicles or in the marketing, advertising or promotion of vehicles offered for sale or lease to the general public or a potential customer;

(r) 'vehicle model' means a group of vehicles belonging to the same type, variant and version as specified in Part B of Annex I to Regulation (EU) 2018/858.";

(4) Article 4 is amended as follows:

(a) in paragraph 1 point (c), the following text is added:

"In addition, starting from 2035, the manufacturer shall also ensure that its average specific emissions of CO_2 do not exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in with Article 5b.";

(b) paragraph 1a is replaced by the following:

“1a. By way of derogation from paragraph 1, for the periods comprising the calendar years 2025 to 2027 and the calendar years 2030 to 2032, a manufacturer, including when it is a member of a pool, shall ensure that its average specific emissions of CO_2 over these periods do not exceed its specific emissions target over these periods.

Those average specific emissions of CO_2 shall be calculated as the average over the period concerned of the annual average specific emissions of CO_2 weighted according to the number of newly registered vehicles for the manufacturer in each calendar year.

The specific emissions target shall be calculated as the average over the period concerned of the annual specific emissions targets determined in accordance with point 6.3 of Part A or Part B of Annex I or, where a manufacturer is granted a derogation under Article 10, in accordance with that derogation, weighted according to the number of newly registered vehicles for the manufacturer in each calendar year.

For each calendar year in which a manufacturer was included in a pool, the annual average specific emissions of CO_2 and the annual specific emissions target to be used for those calculations shall be the values for that pool.”;

(5) Article 5 is replaced by the following:

“*Article 5*
Super credits for small zero-emission vehicles

1. Until 2034, for the purpose of calculating a manufacturer’s average specific emissions of CO_2, each new zero-emission vehicle of category M1 identified as small electric vehicle in line with point 2.4 of Part A of Annex I to Regulation (EU) 2018/858 and made in the EU shall be counted as 1.3 vehicles.

2. For each calendar year, each Member State shall record and transmit to the Commission, as part of its obligations in line with Article 7, for each new zero-emission vehicle of category M1 whether or not it is identified as small electric vehicle in line with point 2.4 of Part A of Annex I to Regulation (EU) 2018/858 and it is made in the EU as well as the value of the parameters determining such compliance.

3. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by setting up a methodology for determining the criteria for a car to be considered ‘made in the EU ’.

3. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.”;

(6) the following Articles 5a and 5b are inserted:

“Article 5a
Role of sustainable renewable fuels

1. Starting from 2035, the Commission shall calculate, for each manufacturer, fuel credits based on the greenhouse gas emission savings achieved by the use of the fuels referred to in paragraph 2, as determined in accordance with point 7 of Parts A and B of Annex I, to

compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year. These fuel credits shall be calculated taking into account the quantity of such fuels placed on the Union market for road transport and their greenhouse gas emissions intensity, as calculated according to Article 29a and 31 of Directive (EU) 2018/2001 and as reported in the Union Database established pursuant to Article 31a of that Directive, the share of road transport fuel used in passenger cars and light commercial vehicles, the average lifetime mileage of the vehicles, and the number of vehicles registered.

2. The eligible fuels shall be renewable fuels of non-biological origin (RFNBOs) as defined in Article 2(36) of Directive (EU) 2018/2001 and fulfilling the criteria set out in Article 29a of that Directive, biofuels, as defined in Article 2(33) of that Directive, and biogas, as defined in Article 2(28) of that Directive, both produced from feedstock listed in Annex IX to that Directive and fulfilling the criteria set out in Article 29 of that Directive.

3. The credits from all fuels referred to in paragraph 2 shall not reduce the average specific emissions of CO_2 of a manufacturer by more than 3% of the EU fleet-wide $target_{2021}$ as set out in point 6.0 of Annex I Parts A and B.

The credits from the quantities of biofuels and biogas produced from feedstock listed in Part B of Annex IX to Directive (EU) 2018/2001 shall not reduce the average specific emissions of CO_2 of a manufacturer by more than 1% of the EU fleet-wide $target_{2021}$ as set out in point 6.0 of Annex I Parts A and B.

4. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.

Article 5b
Role of low-carbon steel

1. Starting from 2035, a manufacturer shall obtain credits for low-carbon steel made in the EU (‘low-carbon steel credits’) to compensate emissions from new passenger cars and new light commercial vehicles registered in the calendar year.

2. Paragraph 1 shall not apply for those vehicles whose contribution to the average emissions is covered by Article 5a.

.

3. Low-carbon steel credits shall be calculated taking into account the quantity and the CO_2 emissions intensity, calculated according to the methodology as set out in accordance with paragraph 6, of the low-carbon steel made in the EU used in the manufacturer’s new passenger cars or new light commercial vehicles registered in the Union in the calendar year, the number of vehicles registered in the calendar year, and the lifetime mileage of the vehicles, in accordance with point 7 of Parts A and B of Annex I.

4. Low-carbon steel credits shall not decrease the average specific emissions of CO_2 of a manufacturer by more than 7% of the EU fleet-wide $target_{2021}$ as set out in point 6.0 of Annex I Parts A and B.

5. The Commission shall specify, by means of implementing acts, the detailed rules and procedures for the monitoring and reporting by manufacturers of all the necessary data for the calculation of the low-carbon steel credits. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(2).

6. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to supplement this Regulation by setting up a methodology for determining the

characteristics of the low carbon steel and the CO_2 emissions intensity of the steel and of the baseline steel as a reference point for the calculation for the low-carbon steel credits.

7. Paragraph 1 shall not apply to manufacturers that formed a pool, unless all the manufacturers included in the pool are part of the same group of connected manufacturers.";

(7) in Article 6, paragraph 2, last sentence is replaced by the following:

"By way of derogation from the first subparagraph, an agreement to form a pool covering the calendar year 2025 or 2026 may be entered into up to 31 December 2027, an agreement to form a pool covering the calendar year 2030 or 2031 may be entered into up to 31 December 2032.'

(8) Article 7 is amended as follows:

(a) In paragraph 5, the following sentence is inserted after the first sentence:

"Manufacturers responsible for fewer than 1 000 new passenger cars or for fewer than 1 000 new light commercial vehicles registered in the Union in the previous calendar year shall provide the Commission with complete information on any of their connected undertakings within the meaning of Article 3(2), unless they have previously notified such information and no changes have occurred since.";

(b) the following paragraph 6b is inserted:

"6b. Each manufacturer shall appoint a contact point for the purpose of any correspondence referred to in this Article.";

(9) Article 8 is amended as follows:

(a) in paragraph 1, the second subparagraph is replaced by the following:

"By way of derogation from the first subparagraph, with respect to the calendar years 2025 to 2027, and 2030 to 2032, the Commission shall impose an excess emissions premium on any manufacturer whose average specific emissions of CO_2 over the period exceed its specific emissions target over that period.";

(b) the following paragraph (5) is added:

"By way of derogation from paragraphs 1 and 2, for each calendar year starting from 2035, the Commission shall impose an excess emissions premium on a manufacturer or pool manager, as appropriate, where a manufacturer's average specific emissions of CO_2 exceed its specific emissions target or its average specific emissions of CO_2 exceed the sum of its fuel credits as referred to in Article 5a, and its low-carbon steel credits as referred to in Article 5b.

The excess emissions premium shall be calculated using the following formula:

(average specific emissions of CO_2 – (fuel credits + low-carbon steel credits)) × EUR 95) × number of newly registered vehicles.

In the above calculation the sum of fuel credits and low-carbon steel credits cannot exceed 10% of the EU_{2021} target";

(10) In Article 15, paragraph 1 is replaced by the following:

" 1. In 2035 and every five years thereafter, the Commission shall assess the effectiveness of the Regulation to achieve zero-emission mobility. The Commission shall also assess the impact, feasibility and appropriateness of including local content requirements, notably based on the implementation of relevant EU legislation. Taking into account market and technology developments, the Commission shall review and amend, as appropriate, this Regulation, in particular with regards to adjustments to the fleet-wide targets with a view to maintaining alignment with the 2050 climate neutrality binding objective laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council.”

(11) the following Articles 15a and 15b are inserted:

“Article 15a
Obligations of manufacturers and distributors regarding vehicle labelling

1. Distributors shall ensure that a vehicle label as set out in Annex IIIa, Part 2, is attached to or displayed, in a clearly visible manner and legible in its entirety, near each vehicle offered for sale or lease at their points of sale.

The vehicle label shall include the information elements mentioned in Annex IIIa, Part 2, corresponding to the vehicle to which it refers.

In addition to the vehicle label, the distributor shall inform the potential buyer of a second-hand zero-emission vehicle or off-vehicle charging hybrid electric vehicle, of the vehicle’s current 'traction battery state of health', based on the information available in the vehicle display in accordance with Annex VI to Regulation (EU) 2025/1707.

2. Manufacturers and distributors, as the case may be, shall ensure that any promotional material related to the sale or lease of individual vehicles shows the vehicle label, as set out in Annex IIIa, Part 2, for each vehicle, including for vehicles offered for sale or lease on the internet.

Where the promotional material concerns one or more vehicle models, the promotional material shall include the values of all the vehicles to which it refers or the range between the lowest and highest values of all the vehicles to which it refers, for all technical parameters mentioned in Annex IIIa, Part 2.

Where promotional material distributed by electronic means allows consumers to configure a specific vehicle, such as online car configurators, it shall clearly demonstrate to consumers how different specific equipment and optional extras affect the values of all technical parameters mentioned in Annex IIIa, Part 2.

3. At the latest 12 months after the entry into force of this Regulation, the Commission shall set up a product database that shall be publicly accessible and shall provide information in relation to the vehicle labelling for vehicle models placed on the market.

The Commission shall be empowered to specify, by means of implementing acts, the operational details of the product database. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(2).

4. Manufacturers shall enter into the product database, without undue delay, the information listed in Annex IIIa, Part 3, for each vehicle model for which new units are placed on the market.

Manufacturers shall ensure that the information entered into the product database is correct and accurate, and update it as necessary.

5. Manufacturers and distributors shall not provide or display labels that mimic the vehicle label provided for under this Regulation, nor provide or display vehicle labels, marks,

symbols or inscriptions that do not comply with this Regulation and that would be likely to mislead or confuse end-users with respect to the information elements set out in Annex IIIa.

6. Where a service provider as referred to in Article 6 of Regulation (EU) 2022/2065 allows the selling of vehicles through its internet site, that service provider shall enable the display of the vehicle label according to paragraph 2.

7. The Commission is empowered to adopt delegated acts in accordance with Article 17 in order to amend the data requirements and data parameters set out in Parts 2 and 3 of Annex IIIa to include additional information relevant for consumers into the product database, and to specify the methodology to determine the parameter 'made in the EU '.

Article 15b

Obligations of Member States regarding vehicle labelling

1. Member States shall designate a market surveillance authority in accordance with Regulation (EU) 2019/1020, responsible for ensuring compliance with the measures laid down in Article 15a. Market surveillance authorities may recover the costs of document inspection in cases of non-compliance with the relevant articles in this Regulation.

2. Member States shall lay down the rules on penalties and enforcement mechanisms applicable to infringements of the provisions on vehicle labelling and shall take all measures necessary to ensure that they are implemented. The penalties shall be effective, proportionate and dissuasive. Member States shall, by no later than 12 months after the entry into force of this Regulation, notify the Commission of those rules and measures, and shall notify it, without delay, of any subsequent amendment affecting them. "

(12) Article 17, paragraph 6 is replaced by the following:

"A delegated act adopted pursuant to Article 5a(5), Article 7(8), Article 7a(2), Article 10(8), Article 11(1), fourth subparagraph, Article 13(4), Article 14(2), Article 15(8) and (9), and Article 15a(7) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council."

(13) Annex I is amended in accordance with Annex I to this Regulation.

(14) Annex IIIa is inserted in accordance with Annex I to this Regulation.

Article 2

Repeal

Directive 1999/94/EC is repealed.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 1(5) shall apply from 1 January *[Office of Publications: Please insert the year following the date of application of the automotive Omnibus]*.

Article 1(11) and Article 2 shall apply from *[date 12 months after the entry into force of this Regulation]*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

For the European Parliament	*For the Council*
The President	*The President*

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 and repealing Directive 1999/94/EC

1.2. Policy area(s) concerned

Climate policy

1.3. Objective(s)

1.3.1. General objective(s)

The proposal aims to provide:

1) additional flexibilities for manufacturers to support the transition towards zero-emissions mobility;

2) harmonised up-to-date rules for CO_2 emissions labelling.

1.3.2. Specific objective(s)

The specific objectives of the proposal are:

(1) to provide more flexibility for manufacturers to meet their CO2 emission targets ;

(2) to enhance technology neutrality of the CO2 emission standards ;

(3) to maintain the contribution of the CO2 standards towards the climate targets set in the EU Climate Law;

(4) to maintain certainty and predictability for manufacturers and investors in the zero-emission mobility value chain;

(5) to introduce harmonised consumer information, including for zero-emission vehicles.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The preferred combined option regarding the CO_2 targets and flexibilities brings benefits for manufacturers in the period 2030-2034. Also, while maintaining the 2035 100% targets, it enhances technology neutrality by recognising a role for OVC-HEV, sustainable renewable fuels, and low-carbon steel beyond 2035. This will stimulate continued investments in and development of technologies other than zero-emission powertrains, that can be useful for specific use cases and/or for a transitional phase, possibly also supporting the competitiveness of some European manufacturers in other markets. As shown in the assessment, the energy and climate implications of the preferred option are limited, in particular due to the built-in safeguards. In view of this, the initiative is consistent with the EU 2050 climate neutrality objective and 2030 climate target and progress on adaptation.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

The following indicators have been identified: (impact assessment)

- The EU fleet average CO_2 emissions of new cars and vans will be monitored annually per vehicle, manufacturer and Member State;
- Cars and vans GHG emissions will be monitored through Member States' annual GHG emissions inventories;
- The number and share of newly registered zero- and low-emission vehicles will be monitored through the annual monitoring data submitted by Member States;
- The level of employment will be monitored on the basis of publicly available Eurostat statistics on sectoral employment data for the EU.

1.4. The proposal/initiative relates to:

☐ a new action

☐ a new action following a pilot project / preparatory action[12]

☒ the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The amending proposal aims at providing additional modalities for manufacturers as regards the compliance with CO_2 emissions’ reduction targets, while maintaining overall ambition on the CO_2 reduction targets enshrined in the EU law.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

Climate change is a trans-boundary problem, which cannot be solved by national or local action alone. Coordination of climate action must be taken at European level and EU action is justified on grounds of subsidiarity. Given the need to modify Regulation (EU) 2019/631 by providing additional modalities as regards the compliance with CO_2 emissions’ reduction targets, the objectives of this initiative cannot be achieved by the Member States themselves.

1.5.3. Lessons learned from similar experiences in the past

The proposal builds on existing legislation which has ensured continuous reductions in the CO_2 emissions of the EU fleet of new cars and light commercial vehicles over the past decade.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

No additional resources required.

[12] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.5.5. Assessment of the different available financing options, including scope for redeployment

No additional resources required.

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

– ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Method(s) of budget implementation planned

☒ **Direct management** by the Commission

– ☒ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☐ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

No change to the monitoring and reporting rules is introduced, since the current system also allows to monitor the application of the proposed additional modalities.

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

The proposal is not implementing a financial programme. Management mode, funding implementation mechanisms, payment modalities and control strategy in relation to error rates are not applicable.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

This proposal does not concern a spending programme. Efficient monitoring of vehicle registration data is essential for ensuring legal certainty in enforcing the legislation and for ensuring level playing field between different manufacturers.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

This initiative does not bring about new significant controls/risks that would not be covered be an existing internal control framework. No specific measures beyond the application of the Financial Regulation have been envisaged.

2.3. Measures to prevent fraud and irregularities

In addition to the application of the Financial Regulation to prevent fraud and irregularities, the modalities for compliance with the CO_2 reduction requirements provided for in this proposal will be accompanied by monitoring and reporting of different datasets as provided for in Regulation (EU) 2019/631.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

<u>In order</u> of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[13]	from EFTA countries[14]	from candidate countries and potential candidates[15]	From other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

- New budget lines requested

<u>In order</u> of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

[13] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
[14] EFTA: European Free Trade Association.
[15] Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☒ The proposal/initiative does not require the use of operational appropriations

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**

	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	Number	

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**

	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b +3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b +3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**

TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations Under Heading 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	'Administrative expenditure'

DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources	0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**

TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL appropriations under HEADINGS 1 to 7	Commitments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	Payments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.1.2. Appropriations from external assigned revenues

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

for DG <…….>	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					**0.000**
	Payments	(2a)					**0.000**
Budget line	Commitments	(1b)					**0.000**
	Payments	(2b)					**0.000**
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					**0.000**
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	Number	

DG: <…….>	Year	Year	Year	Year	**TOTAL MFF**

			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					0.000
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes							
Budget line		(3)					0.000
TOTAL appropriations for DG <…….>	Commitments	=1a+1b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=2a+2b+3	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**

TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under HEADING <….> of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.000	**0.000**
	Payments	(5)	0.000	0.000	0.000	0.000	**0.000**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations under Headings 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Heading of multiannual financial framework	**7**	‘Administrative expenditure’

EUR million (to three decimal places)

DG: <…….>		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

DG: <…….>		Year 2024	Year 2025	Year 2026	Year 2027	**TOTAL MFF 2021-2027**
• Human resources		0.000	0.000	0.000	0.000	**0.000**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**
TOTAL DG <…….>	Appropriations	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

EUR million (to three decimal places)

		Year 2024	Year 2025	Year 2026	Year 2027	**TOTAL MFF 2021-2027**
TOTAL appropriations under HEADINGS 1 to 7	Commitments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
of the multiannual financial framework	Payments	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2024**		Year **2025**		Year **2026**		Year **2027**		Enter as many years as necessary to show the duration of the impact (see Section1.6)						**TOTAL**	
	OUTPUTS																	
	Type[16]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost

16 Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

SPECIFIC OBJECTIVE No 1[17]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
TOTALS																		

[17] As described in Section 1.3.2. ‘Specific objective(s)’

3.2.3. Summary of estimated impact on administrative appropriations

– ☒ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.3.2. Appropriations from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.3.3. Total appropriations

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL 2021 - 2027
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	**0.000**

Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.4. Estimated requirements of human resources

- ☒ The proposal/initiative does not require the use of human resources
- ☐ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS		Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (inFTEs)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
TOTAL		**0**	**0**	**0**	**0**

3.2.4.2. Financed from external assigned revenues

EXTERNAL ASSIGNED REVENUES	Year **2024**	Year **2025**	Year **2026**	Year **2027**
• Establishment plan posts (officials and temporary staff)				
20 01 02 01 (Headquarters and Commission's Representation Offices)	0	0	0	0
20 01 02 03 (EU Delegations)	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0

Other budget lines (specify)	0	0	0	0
• **External staff (in full time equivalent units)**				
20 02 01 (AC, END from the 'global envelope')	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0
Admin. Support line [XX.01.YY.YY] - at Headquarters	0	0	0	0
Admin. Support line [XX.01.YY.YY] - in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

3.2.4.3. *Total requirements of human resources*

TOTAL VOTED APPROPRIATIONS + EXTERNAL ASSIGNED REVENUES	Year **2024**	Year **2025**	Year **2026**	Year **2027**
• **Establishment plan posts (officials and temporary staff)**				
20 01 02 01 (Headquarters and Commission's Representation Offices)	0	0	0	0
20 01 02 03 (EU Delegations)	0	0	0	0
01 01 01 01 (Indirect research)	0	0	0	0
01 01 01 11 (Direct research)	0	0	0	0
Other budget lines (specify)	0	0	0	0
• **External staff (in full time equivalent units)**				
20 02 01 (AC, END from the 'global envelope')	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)	0	0	0	0
Admin. Support line [XX.01.YY.YY] - at Headquarters	0	0	0	0
Admin. Support line [XX.01.YY.YY] - in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)	0	0	0	0
01 01 01 12 (AC, END - Direct research)	0	0	0	0
Other budget lines (specify) - Heading 7	0	0	0	0
Other budget lines (specify) - Outside Heading 7	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	**Exceptional additional staff***		
		To be financed under Heading 7 or Research	**To be financed from BA line**	**To be financed from fees**
Establishment plan posts			N/A	

External staff (CA, SNEs, INT)				

Description of tasks to be carried out by:

Officials and temporary staff	
External staff	

3.2.5. Overview of estimated impact on digital technology-related investments

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as "Policy IT expenditure on operational programmes". This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 "Digital dimensions".

TOTAL Digital and IT appropriations	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021 - 2027**
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

– ☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

No additional resources required. The current team will continue managing the initiative.

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

N/A

– ☐ requires a revision of the MFF

N/A

3.2.7. *Third-party contributions*

The proposal/initiative:

– ☒ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

3.3. Estimated impact on revenue

– ☒ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

  – ☐ on own resources

  – ☐ on other revenue

  – ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[18]			
		Year **2024**	Year **2025**	Year **2026**	Year **2027**
Article ………….					

For assigned revenue, specify the budget expenditure line(s) affected.

N/A

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

N/A

4. DIGITAL DIMENSIONS

The proposal does not include any digital dimension, except regarding the product database in relation to vehicle labelling.

[18] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

4.1. Requirements of digital relevance

This Regulation does not include additional requirements of digital relevance as regards the monitoring and reporting of CO_2 emissions. Provisions under Regulation (EU) 2019/631 apply. The proposal introduces a number of flexibilities to allow manufacturers to comply with the CO_2 emission targets, with no digital implications or implementation enhancement via digital tools.

As regards vehicle labelling, Article 15a(3) introduces a requirement of digital relevance with the establishment of a product database for vehicle labelling to provide the public with information in relation to the vehicle labelling for vehicle models placed on the market. This database is expected to be set up by the Commission, to include data made available by vehicle manufacturers on the vehicle models they put on the market, and to be available to the general public, replacing the current requirement for each Member State to put in place paper guides. This evolution involves management of registries, collection of data, notifications, and accessibility of the database for the general public.

4.2. Data

As regards the product database for vehicle labelling, the data to be entered in the database is expected to provide information on the climate and energy performance of vehicle models put on the market. Manufacturers are expected to provide data based on the official documentation of the vehicles they put on the market, in an aggregated manner (which reduces burden by aggregating individual vehicle information to the level of vehicle models) and only once for each vehicle model put on the market. This aggregated information provides additional information that is relevant for potential vehicle buyers, on the range of performance that can be expected within a certain vehicle model, and to compare information across models.

4.3. Digital solutions

The product database for vehicle labelling is expected to receive and store information, and to make it available to the general public, with functions allowing to search and compare vehicle models, in order to support informed purchase decisions. To establish the database, it would be possible to reuse certain functionalities from the European Product Registry for Energy Labelling (EPREL). There is no intention to make use of AI at this moment.

4.4. Interoperability assessment

N/A

4.5. Measures to support digital implementation

The proposal introduces a number of flexibilities to allow manufacturers to comply with the CO_2 emission targets. These entail no digital implications or implementation enhancement via digital tools.

The product database for vehicle labelling will need to be developed by the Commission, building on internal IT capacity or contractors where necessary, and reusing as much as possible existing experience, including from the development of the EPREL database. The proposal envisages that the database shall be made available at the latest 12 months after the entry into force of the Regulation, which should include a testing phase involving stakeholders (vehicle manufacturers). Once the database is made available, manufacturers will be expected to enter into the database the information required. The proposal also provides the possibility of establishing implementing acts to specify the operational details of the product database, in case this appears necessary.