MBB
MALTA BUSINESS BUREAU

POLICY BRIEF
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Clean Corporate Vehicles Regulation

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Context

The **Clean Corporate Vehicles** proposal aims to increase the uptake of zero and low emission vehicles (ZEVs and LEVs) within the fleets of large companies. According to EU statistics, corporate vehicles account for roughly 60% of all new car registrations and a 90% of new vans across the EU. The Commission is therefore positioning this area as the fastest route to scale up zero and low emission mobility. By mandating a gradual shift for large companies, the Commission aims to stimulate demand within the European automotive industry and strengthen domestic supply chains. Furthermore, the Commission claims that greater demand for new ZEVs and LEVs will also lead to higher availability of second-hand ones, helping bring down prices. This brief will outline some of the key measures relevant for Maltese businesses.

Definitions

Zero-emission vehicle means a passenger car or a light commercial vehicle with tailpipe emissions of 0 g CO_2/km.

Zero- and low-emission vehicle means a passenger car or a light commercial vehicle with tailpipe emissions from zero up to 50 g CO 2 /km.

Large companies are those which on their balance sheet exceed at least two of the three following criteria:

- balance sheet total: EUR 20,000,000;
- net turnover: EUR 40,000,000;
- average number of employees during the financial year: 250.

Targets for the share of zero- and low- emission corporate vehicles

The Commission is proposing **mandatory national targets focused on the share of annual new car and van registrations by large companies** (defined above). These targets are specifically differentiated for cars and vans and vary across Member States to reflect diverse market conditions and local infrastructure readiness. This framework grants Member States the flexibility to design their own incentive structures, such as fiscal breaks or enhanced charging networks, to meet their objectives.

Each national goal consists of a **headline target for the combined share of ZEVs and LEVs,** alongside a **binding sub-target exclusively for pure ZEVs**, spread over 2030 and 2035. Crucially, the proposal explicitly exempts SMEs and heavy-duty vehicles from these requirements.

Malta Annual Registration Targets: Corporate Cars

2030		2035	
Combined Share of New ZEVs & LEVs	Minimum share of New ZEVs	Combined Share of New ZEVs & LEVs	Minimum share of New ZEVs
69%	45%	95%	80%

Malta Annual Registration Targets: Corporate Vans

2030		2035	
Combined Share of New ZEVs & LEVs	Minimum share of New ZEVs	Combined Share of New ZEVs & LEVs	Minimum share of New ZEVs
40%	36%	95%	80%

Financial support for corporate vehicles

To reinforce these mandatory targets, the Commission is proposing to phase out all public financial support (including subsidies for purchase, leasing, and operational costs) for corporate cars and vans that do not meet ZEV or LEV standards. Any remaining incentives will be strictly intended for vehicles that are '**made in the EU**'.

Exclusion of Heavy-Duty Vehicles (HDVs)

The Commission's proposal excludes HDVs (lorries) from its immediate scope, recognising the unique challenges of the freight sector, including its heavy reliance on cross-border operations and the current lack of high-capacity charging infrastructure along key EU transport corridors. Instead, the issue will be addressed through more appropriate frameworks in the future, specifically during the upcoming revisions of the CO_2 emission standards for heavy-duty vehicles and the Alternative Fuels Infrastructure Regulation (AFIR).

The Malta Case

The proposal for clean corporate vehicles presents a complex issue for Malta, where the high upfront cost of ZEV adoption remains a significant financial barrier for local businesses. While the exclusion of SMEs provides essential relief by exempting smaller companies from mandatory targets, larger Maltese companies still face unique geographical and infrastructural challenges.

Beyond the initial investment, the lack of adequate public charging infrastructure and the severe physical space constraints within many company premises make the installation of wide scale charging hubs difficult, especially for vehicles required for daily, uninterrupted use.

Positively, the decision to exclude HEVs from the current scope is particularly beneficial, given Malta's heavy reliance on transport and logistics operators who are already navigating high operational costs.

The full proposal can be found here.

Disclaimer: This is a policy brief to create awareness about the legislative proposal(s) and for information purposes. It is not an official position of the Malta Business Bureau.

For questions or more detailed information please contact Head of Projects & Sustainability Gabriel Cassar on infobrussels@mbb.org.mt

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