

14 July 2025, Brussels

## **The need to apply the Better Regulation principles and processes to the Greening of Corporate Fleets Initiative**

Dear President von der Leyen, dear Commissioners Tzitzikostas and Dombrovskis,

We are writing to you on behalf of Leaseurope, the Federation of the Leasing and Rental sectors in Europe. In 2024, approximately 54% of all vehicles registered in the European Union were purchased by Leaseurope members. Moreover, these companies together purchased 60% of all Battery Electric Vehicles sold in Europe in 2024. As such it is fair to say that our industries have led, and continue to lead the transition to zero-emissions mobility in Europe.

On 5 March 2025, the European Commission published a Communication on decarbonising corporate fleets<sup>1</sup>, announcing plans to table a legislative proposal on clean corporate fleets by year-end. The Commission announced its intention to conduct an Impact Assessment, as well as launch a high-level dialogue that will begin in practice on 17 July *which “with relevant stakeholders...to discuss relevant measures and options for action on corporate fleets, as well as market dynamics and needs. This will provide the possibility for further exchange and collaboration on activating all relevant actors at national and European level for an accelerated uptake of zero-emission vehicles in corporate fleets.”*<sup>2</sup>

We now understand that the Commission intends to adopt a legislative proposal by the end of the summer and that it could introduce binding electric vehicles targets on European corporate fleets (“Corporate Fleet Mandate”). We were also informed that the Commission is about to launch a Call of Evidence regarding this issue, where there is a reasonable likelihood the results of which would effectively be considered to constitute a ‘limited Impact Assessment’. We are particularly concerned that a Corporate Fleet Mandate is the chosen policy option before the evidence has been properly assembled, let alone rigorously tested.

Such a precipitous and contracted process – and the apparently pre-defined regulatory choice - would be in contradiction with both the Competitiveness Compass and with the requirements laid down by the President to each Commissioner in their Mission letters that *“[n]ew legislation must ensure that our rules are simpler, more accessible to citizens and more targeted. It must be ensured that the principles of proportionality, subsidiarity and Better Regulation are respected, including through wide consultations, impact assessments, a review by the independent Regulatory Scrutiny Board and a SME and competitiveness check. Proposals must be evidence-based and the Joint Research Centre can support you in that work”*.

A Corporate Fleet Mandate would be a highly complicated and damaging intervention into the market that:

- Runs counter to the lessons learned from the fastest ZEV uptake markets in the EU that all rely on strong incentive systems and investment in enabling conditions.
- Will, depending on the market, exacerbate the mismatch between customers’ needs taking into account vehicle affordability and utility and what can be offered.
- Will exacerbate the current residual value crisis for used BEVs in Europe that impacts heavily not just on Europe’s leasing and rental companies, but also the European vehicle manufacturers who are major vehicle resellers.
- Will extend vehicle hold times, slowing the replenishment rate of European vehicle parc, rather than accelerating it, depressing the demand for new European vehicles.
- Will heavily incentivise purchase of the “cheapest”, highest volume vehicle options, to the detriment of the European vehicle manufacturers.
- Create regulatory conflict with the EU prudential supervision framework and EU competition law as supply and pricing distortions take hold.
- Will not spare Europe’s SMEs since they overwhelmingly use financed options for their fleet needs and will be disproportionately exposed to market price distortions.

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<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: “Decarbonise Corporate Fleets”, Brussels, COM(2025) 96 final, 5.3.2025.


<sup>2</sup> *Op cit*, page 12.

Cumulatively, the effects of a Corporate Fleet Mandate will be to shrink new vehicle purchases from European vehicle manufacturers, diminish access to financing and mobility in Europe for the movement of people, goods and services, and raise costs for citizens and businesses. It will significantly harm the competitiveness of Europe's mobility service providers and its vehicle manufacturers. It will stop Leaseurope members from leading the transition from the front as they have done to date. Given the above, there is no justification for rushing legislative process that stands to massively impact the competitiveness of European businesses without having conducted a proper analysis that demonstrates the need for this initiative to begin with.


We respectfully request that the Commission diligently upholds its Better Regulation principles and procedures and that it assembles and follows the full evidence base, and tests the policy options for sustainability, competitiveness and SMEs impacts. If it does so, we believe it will find that a Corporate Fleet Mandate is not the best public policy approach to achieving the decarbonisation goals and that a focus on incentive systems, accelerated enabling conditions and demand-generation – all underpinned by EU funding - will achieve much better and more sustainable outcomes.

We stand ready to contribute fully to that process, beginning with the upcoming Strategic Dialogue on Corporate Fleets on 17 July 2025.

Yours sincerely,



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*President of Leaseurope*



Richard Knubben  
*Director General of Leaseurope*

*Copied to:* Executive Vice President Virkkunen, Executive Vice President Sejourné, Executive Vice President Fitto, Commissioner Hoekstra

#### **About us**

Leaseurope, the European Federation of Leasing Company Associations, is an umbrella body bringing together 46 national associations throughout Europe representing bank-owned, captives and independent lessors as well as long and short-term automotive rental companies. Visit the Leaseurope website at [www.leaseurope.org](http://www.leaseurope.org)