Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO2 emissions from light-duty vehicles and amending Regulation (EC) No 715/2007 (recast)

(Text with EEA relevance)

{SWD(2017) 650 final} - {SWD(2017) 651 final}
1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The automotive sector is of particular importance for the EU, providing jobs for more than 12 million people in manufacturing, sales, maintenance and transport. The EU car industry as part of the global automotive sector is currently facing fundamental transformations. Digitalization and automation are altering traditional manufacturing processes. Innovation in electrified power trains, autonomous driving and connected vehicles constitute major challenges which may fundamentally transform the sector. In addition, the share of the EU car market in global sales has declined in the last decade from around a third to around 20%, putting additional pressure on EU industry to reach out to new markets.

Following the Paris Agreement\(^1\), the world has committed to move towards a low-carbon economy. Many countries are now implementing policies for low-carbon transport, including vehicle standards, often in combination with measures to improve air quality. Until now, the CO\(_2\) emission reduction standards for cars and vans in place in Europe have represented a fundamental tool to push for innovation and investments in low carbon technologies. But today, in the absence of tighter standards for the period beyond 2020, the EU risks losing its technological leadership in particular with respect to zero/low emission vehicles, with the US, Japan, South Korea and China moving ahead very quickly.

China has just introduced mandatory quotas for zero/low-emission vehicles for car manufacturers from 2019 on. In the US, California and nine other States have successfully established a regulatory instrument to enhance the uptake of zero/low-emission vehicles. The strategic importance of zero/low emission vehicles for car manufacturers is underpinned by numerous recent announcements that the share of electrified powertrains in their global sales will significantly increase in the coming years. The EU automotive industry must become a global leader in these new technologies, as is currently the case with conventional car technologies.

Consumers in the EU miss out on possible fuel savings under the current regulatory framework. According to the evaluation of the current CO\(_2\) Regulations, the fuel savings resulting from the CO\(_2\) standards significantly outweigh the additional purchase cost but lifetime fuel expenditure savings have been lower than anticipated, primarily because of the increasing divergence between test cycle and real world emissions performance. If the ‘emissions gap’ is reduced and technologies delivering fuel savings under real world conditions are fitted to new vehicles, consumers would benefit even more.

The Commission's European Strategy for Low-Emission mobility\(^2\), published in July 2016, sets the ambition that by 2050 greenhouse gas (GHG) emissions from transport will need to be at least 60 % lower than in 1990 and firmly on the path towards zero. Air pollutant emissions from transport need to be drastically reduced without delay. The Strategy also made clear that the deployment of low- and zero-emission vehicles would need to increase in order to gain significant market share by 2030 and set the EU firmly on the long-term trajectory towards zero-emission mobility.

The Strategy was, in a first step, implemented by the May 2017 Communication 'Europe on the Move: An agenda for a socially fair transition towards clean, competitive and connected

\(^1\) [http://unfccc.int/paris_agreement/items/9485.php](http://unfccc.int/paris_agreement/items/9485.php)
\(^2\) COM(2016) 501 final
mobility for all. The EU aims for the best low-emission, connected and automated mobility solutions, equipment and vehicles to be developed, offered and manufactured in Europe and to have in place the most modern infrastructure to support them. The Communication underlines that the EU must be a leader in shaping on-going changes in the automotive sector at a global level, building on the key progress already made.

The current CO₂ emission standards for cars and vans until 2020/21 have contributed to significantly reduce CO₂ emissions from light duty vehicles. However, with current implemented policies GHG emissions are not expected to sufficiently decrease to reach the 2030 EU target of at least 40% emission reduction compared to 1990. Road transport was responsible for 22% of EU GHG emissions in 2015 with a steady increase of this share since 1990. Cars and vans accounted for 73% of road transport GHG emissions in 2015.

While the transport sector has considerably reduced its emissions of air pollutants in the EU over the last decades, it remains the largest contributor to NOₓ emissions. Zero-emission vehicles do not only contribute to the reduction of CO₂ emissions from road transport, but also deliver benefits in terms of air pollutant emission free transport.

This proposal sets cost-effective CO₂ emission reduction targets for new light-duty vehicles up to 2030 combined with a dedicated incentive mechanism to increase the share of zero/low-emission vehicles. This will ensure that the EU automotive industry maintains its technological leadership, thus strengthening its competitiveness and stimulate employment. It will also reduce fuel consumption costs for consumers. It will at the same time contribute to the achievement of the EU's commitments under the Paris Agreement. The incentive mechanism to increase the share of zero/low-emission vehicles will in particular contribute to the reduction of air pollutants and in turn increase air quality with public health benefits. It complements on-going efforts to address air quality problems at urban, regional, and national level.

More specifically, it will provide a clear signal and predictability for industry to invest, stimulate employment, foster innovation and competitiveness. In addition, it will accelerate the deployment of zero/low-emission vehicles and the development of fuel efficient technologies in the EU and thus provide the basis for maintaining the EU automotive industry's success in global markets. Supported by the necessary flanking measures at EU and national levels, investments in charging infrastructures are expected to take place.

New dedicated governance mechanisms will ensure that CO₂ emission and fuel consumption values remain representative of the values experienced by consumers on the road. The proposal also ensures that efforts among the manufacturers are fairly distributed.

This proposal is part of a broader mobility package which includes demand-side actions supporting the supply-side measures of this proposal. Directive 2009/33/EC on the promotion of clean, energy-efficient road vehicles seeks to stimulate the market for clean, energy-efficient vehicles. The proposed amendment ensures that the Directive covers all relevant procurement practices, that it provides clear, long-term market signals and that its provisions are simplified and effective to use. It should improve the contribution from the transport sector to the reduction of CO₂ and air pollutant emissions and to competitiveness and growth of the sector.

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3 COM(2017) 283 final
The Alternative Fuels Infrastructure Directive addresses the provision of common standards on the internal market, requirements for appropriate minimum infrastructure, to be developed through national policy frameworks, and consumer information on the compatibility of fuels and vehicles. The Action Plan on Alternative Fuels Infrastructure outlines a set of recommendations to reinforce implementation of National Policy Frameworks (NPFs) under the Directive and improve planning and financing of inter-operable fuels infrastructure.

A battery initiative shall help to establish a complete value-chain for the development and manufacturing of batteries in the EU.

In addition, in the first half of 2018, the Commission plans to table CO₂ emission reduction targets for new heavy-duty vehicles.

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

This proposal will contribute to the Energy Union Framework Strategy⁵ goal to bring about the transition to a low-carbon, secure and competitive economy. It will help to meet the objectives set out in the EU 2030 framework for climate and energy, which includes targets of an at least 40% cut in domestic EU GHG emissions compared to 1990 levels. The GHG emission reductions in the non-ETS sectors, which include road transport, will have to amount to at least 30% by 2030 compared to 2005. The Commission has proposed 2030 GHG emission reduction targets for Member States under the Effort Sharing Regulation⁶ covering the non-ETS sectors. CO₂ standards for light-duty vehicles for the period after 2020 will help Member States to achieve those targets.

Moreover, the Emissions Trading System (ETS) as a cornerstone of the EU's climate policy contributes to decarbonise the power sector which will play an increasing role in road transport with a higher share of electrified vehicles.

FP7 and Horizon 2020 have provided a total funding of more than EUR 1.5 billion to support research and development of batteries, alternative fuels and all aspects of vehicle electrification.

The Commission's 2016 proposal for a revised Renewable Energy Directive (RED II)⁷ seeks to reduce GHG emissions in fuels through the introduction of an EU-level obligation for fuel suppliers to provide by 2030 a 6.8% minimum share of low-emission and renewable fuels including renewable electricity and advanced biofuels.

The proposed revision of the Eurovignette Directive foresees charges based on emissions performance which will make it possible to reward the most environmentally-friendly vehicles and incentivise the renewal of the vehicle fleet⁸.

**Consistency with other Union policies**

As highlighted in the recently adopted Renewed Industrial Policy Strategy⁹, a modern and competitive automotive industry is key for the EU economy. However, for the sector to

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⁵ COM(2015) 080 final
⁶ Proposal for a Regulation on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amending Regulation No 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change, COM(2016) 482 final
⁷ Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast), COM/2016/0767 final
⁹ COM(2017) 479 final
maintain its technological leadership and thrive in global markets, it will have to accelerate the transition towards more sustainable technologies and new business models. Only this will ensure that Europe will have the most competitive, innovative and sustainable industry for 2030 and beyond.

In addition, the Commission's Blueprint initiative for Sectoral Cooperation on Skills\textsuperscript{10} launched in May 2016 includes the automotive sector as one of the sectors targeted. It offers the possibility for project applications to bring together key stakeholders from the social partners to identify qualification and skills challenges combined with the roll-out of tailored strategies at national or regional level to address these challenges.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- Legal basis

The legal basis for this proposal is Article 192 TFEU. In accordance with Article 191 and 192(1) TFEU, the European Union shall contribute to the pursuit, \textit{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.

- Subsidiarity (for non-exclusive competence)

CO\textsubscript{2} emission standards for cars and vans have been in place at EU level since 2009 and 2011 respectively setting targets until 2020/21. Without further EU action in this field it is likely there would be little additional substantial CO\textsubscript{2} reduction from new light-duty vehicles, as seen in the EU in the period between 1995 and 2006 for cars. Some reduction in emissions would still be expected beyond 2021 due to the continuing renewal of the existing fleet with newer cars and vans meeting the 2020/21 CO\textsubscript{2} standards. However, with transport activity expected to further increase, the overall CO\textsubscript{2} reductions would not be sufficient to reach the 2030 GHG reduction target and the commitments under the Paris Agreement.

EU action is justified in view of both the cross-border impact of climate change and the need to safeguard single markets in vehicles. Without EU level action there would be a risk of a range of national schemes to reduce light duty vehicle CO\textsubscript{2} emissions. If this were to happen it would result in differing ambition levels and design parameters which would require a range of technology options and vehicle configurations, diminishing economies of scale. National and local initiatives alone are likely to be less effective as they risk being incoherent, thus fragmenting the internal market.

Since manufacturers hold differing shares of the vehicle market in different Member States they would therefore be differentially impacted by various national legislations potentially causing competitive distortions. This would raise compliance costs for manufacturers as well as weaken the incentive to design fuel efficient cars and vans because of the fragmentation of the European market.

The additional costs which would arise from the lack of common standards and common technical solutions would be incurred by both component suppliers and vehicle manufacturers. However, they ultimately would be passed on to consumers who would face higher vehicle costs for the same level of greenhouse gas reduction without coordinated EU action.

\textsuperscript{10} \url{http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8848}
• **Proportionality**

This proposal complies with the proportionality principle because it does not go beyond what is necessary in order to achieve the objectives set. The proposal sets new standards in a cost-effective manner in order to achieve the required CO₂ emissions reductions from cars and vans in line with the agreed EU 2030 climate and energy framework while at the same ensuring a fair distribution of efforts among manufacturers.

• **Choice of the instrument**

Since this proposal is a recast of two existing Regulations, a Regulation is the only appropriate instrument.

The recast technique allows in this case the merger of the two largely similar earlier Regulations into a single legislative text which makes the desired amendments, codifies those amendments with the unchanged provisions of the earlier acts, and repeals those acts. The proposed recast Regulation is in line with the Commission's commitment under the interinstitutional agreement on better law-making\(^\text{11}\).

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

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

An extensive evaluation of the existing regulations was carried out as part of the Regulatory Fitness Programme (REFIT). This was completed in April 2015 and the final report of the consultants has been published\(^\text{12}\).

The evaluation report assessed the regulations against the objectives set in the original legislation. It concluded that the regulations were still relevant, broadly coherent, and had generated significant emissions savings, while being more cost-effective than originally anticipated for meeting the targets set. They also generated significant EU added value that could not have been achieved to the same extent through national measures.

Key conclusions of the evaluation were as follows:

- The Regulations are still valid and will remain so for the period beyond 2020.
- The Regulations have been more successful in reducing CO₂ than previous voluntary agreements with industry.
- The passenger car CO₂ Regulation is likely to have accounted for 65-85% of the reductions in tailpipe emissions achieved following its introduction. For light commercial vehicles (LCVs), the Regulation had an important role in speeding up emissions reductions.
- Impacts on competitiveness and innovation appear generally positive with no signs of competitive distortion.
- The evaluation report highlighted the following weaknesses:

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• The NEDC test cycle does not adequately reflect real-world emissions and there is an increasing discrepancy between test cycle and real-world emissions performance which has eroded the benefits of the Regulations.

• The Regulations do not consider emissions due to the production of fuels or associated with vehicle production and disposal.

• Some design elements (modalities) of the Regulations are likely to have had an impact on the efficiency of the Regulations. In particular, the use of mass as the utility parameter penalises the mass reduction as an emissions abatement option.

• The Regulations have generated net economic benefits to society.

• Costs to manufacturers have been much lower than originally anticipated as emissions abatement technologies have, in general, proved less costly than expected.

• Lifetime fuel expenditure savings exceed upfront manufacturing costs, but have been lower than anticipated, primarily because of the increasing divergence between test cycle and real world emissions performance.

• The Regulations are largely coherent internally and with each other.

• Modalities potentially weakening the Regulations, albeit with limited impacts, are the derogation for niche manufacturers, super-credits and the phase-in period (cars).

• The harmonisation of the market is the most crucial aspect of EU added-value and it is unlikely that uncoordinated action would have been as efficient. The Regulations ensure common requirements, thus minimising costs for manufacturers, and provide regulatory certainty.

• **Stakeholder consultations**

  The Commission sought feedback from stakeholders through the following elements:

  • a public on-line consultation between 20 July and 28 October 2016
  • a stakeholder workshop (24 March 2017) to present the results of the public consultation;
  • a stakeholder workshop dedicated to jobs and skills (26 June 2017);
  • meetings with relevant industry associations representing car manufacturers, components and materials suppliers, fuel suppliers.
  • bilateral meetings with Member State authorities, vehicle manufacturers, suppliers, social partners and NGOs;
  • position papers submitted by stakeholders or Member States.

  A synopsis of the stakeholder consultation is provided in Annex 2 of the Impact Assessment for this proposal.

  The main outcomes of the stakeholder consultations can be summarised as follows. Concerning target levels, cars and vans manufacturers in general support less ambitious target levels for 2030 compared to environment and transport NGOs as well as consumer organisations that are in favour of more ambitious target levels for both 2025 and 2030. As regards the distribution of efforts, manufacturers support a limit value curve based on mass, whereas environment and transport NGOs as well as consumer organisations prefer footprint
as utility parameter. While the automotive industry is mostly against a LEV/ZEV mandate, battery and electricity producers, and infrastructure investors, many European cities facing air quality problems, as well as most environment and transport NGOs call for such an approach. Consumer organisations take a neutral position on LEV/ZEV incentives.

• **Collection and use of expertise**

The Impact Assessment draws on evidence from the evaluation of the existing Regulations\(^\text{13}\). For the quantitative assessment of the economic, social and environmental impacts, the Impact Assessment report relies on a dedicated set of cost curves, covering a broad range of up-to-date technologies for reducing CO\(_2\) emissions from cars and vans, and a suite of models. A range of scenarios was developed through the PRIMES-T REMOVE model, projecting the evolution of the road transport sector. This analysis was complemented by applying other modelling tools, such as GEM-E3 and E3ME (for the macro-economic impacts) and the JRC DIONE model, with newly developed features to assess impacts at manufacturer (category) level.

Data on greenhouse gas emissions and other characteristics of the new light-duty vehicle fleet was sourced from the annual monitoring data reported by Member States and collected by the European Environment Agency (EEA) under Regulations 443/2009 and 510/2011 on CO\(_2\) emissions from light-duty vehicles.

In addition to the stakeholder consultations, further information was gathered through several support studies commissioned from external contractors, in particular addressing the following issues:

• the available technologies that can be deployed in the relevant time period to reduce new LDV CO\(_2\) emissions, as well as their effectiveness and cost;
• elements potentially impacting industrial competitiveness and employment;
• growing gap between test and real driving emissions and the factors contributing to this;
• the impact of different regulatory approaches, regulatory metrics and possible design elements (modalities);
• impacts on GHG and pollutant emissions.

A list of studies is provided in Annex 1 of the Impact Assessment for this proposal.

• **Impact assessment**

The Impact Assessment accompanying this proposal has been prepared and developed in line with the applicable Better Regulation guidance, and the Regulatory Scrutiny Board has issued a positive opinion with reservations on 13 October 2017. Improvements as recommended by the Board have been incorporated in the final version. This concerns the following: (1) description of the links with other EU policy initiatives, in particular the broader mobility packages presented by the Commission; (2) explanation of the main bottlenecks hampering the uptake of zero- and low-emission vehicles and how the proposed Regulation would contribute to addressing them; (3) clarification of the competitiveness challenge for the EU industry, in particular in terms of the risk of losing

technological leadership and how the proposed Regulation can address it; (4) identification of the key trade-offs for the political decision; (5) assessment of the regulatory burden and the potential for simplification.

Policy options

The policy options considered in the impact assessment are grouped into five key elements which are to address the identified problems and achieve the policy objectives.

1) Targets (level, timing and metric)

Different target levels were assessed for the period until 2030, ranging from 10% to 40% reduction in 2030 compared to the 2021 EU fleet-average target for cars and the 2020 target for vans. Two options reflecting the target levels indicated by the European Parliament, which the Commission committed to assess during the 2014 negotiations, were also assessed.

Concerning the timing of the targets, the options considered included setting a target for 2030 only, setting targets for 2025 and 2030 as well as setting annual targets for each of the years 2022-2030. As for the metric for expressing the target, options considered included the current approach based on tailpipe emissions ("tank to wheel") as well as alternative options ("well to wheel", "embedded emissions", "mileage weighting").

The preferred option for the target levels is to set new EU fleet-wide CO₂ targets equal to a 30% reduction in 2030 compared to the 2021 targets, both for cars and for vans.

The preferred option for the emission target metric is to maintain the Tank-to-Wheel (TTW) approach with targets set in g CO₂/km for the sales-weighted average of the fleet because this approach is fully consistent with other policy instruments and changing the metric would not have delivered major benefits. The preferred option for the timing of the targets is to set new CO₂ targets for cars and vans applying from 2025 and stricter targets applying from 2030 on in order to ensure that required cumulative CO₂ emission reductions are achieved by 2030 to help meeting the targets set under the Effort Sharing Regulation. Such an approach will also provide a clear and early signal for the investment in low- and zero-emission vehicles.

2) Distribution of effort

Under the current Regulations, a limit value line is used to define the specific emission targets for individual manufacturers, starting from the EU-wide fleet targets. This linear curve defines the relation between the CO₂ emissions and the vehicle mass in running order.

Besides the current approach, the following options were considered in the impact assessment: changing the slope of the limit value line, using another utility parameter (e.g. footprint) or using no utility parameter (equal reduction or equal target for all manufacturers).

The preferred option for distributing the EU-wide fleet targets across individual manufacturers from 2025 on, is to use a limit value curve, with the manufacturer specific targets depending on the average WLTP test mass of the vehicles and with the slope(s) of the curve ensuring an equivalent reduction effort amongst manufacturers.

3) ZEV/LEV incentives (definitions and types of incentives)

Using different definitions for low-emission vehicles (LEV), the impact assessment considered two different types of specific incentives for ZEV/LEV:

- **Binding mandate**: The same ZEV/LEV share would be required from all manufacturers.
Crediting system: This incentive would take into account a manufacturer’s share of ZEV/LEV when setting its specific CO\(_2\) target. A manufacturer exceeding a certain benchmark level of ZEV/LEV would be rewarded by getting a less strict CO\(_2\) target.

For each of the two types different mandate/benchmark levels were considered.

The preferred option as regards the LEV/ZEV incentive mechanism is a crediting system.

4) Elements for cost-effective implementation

Different elements that allow for cost-effective implementation were assessed. These include measures already included in the current Regulations such as eco-innovations, pooling, and derogations. In addition, new elements were considered such as trading as well as banking and borrowing.

The preferred option is to maintain the eco-innovation provisions, while extending the scope to air-conditioning systems and allowing for a revision of the 7 g/km cap, to maintain the pooling provisions, while clarifying how manufacturers may form open pools, not to introduce the possibility for trading, nor for banking or borrowing of CO\(_2\) credits and to remove the possibility for car manufacturers to be granted a "niche" derogation.

5) Governance

The effectiveness of the targets in reducing CO\(_2\) emissions in reality depends on the one hand on the representativeness of the test procedure with respect to average real-world driving, and on the other hand on the extent to which the vehicles placed on the market conform to the reference vehicles tested at type approval. In this context, the European Parliament Recommendation following the inquiry into emission measurements in the automotive sector stressed that market surveillance mechanisms are critical for maintaining a reliable and trustworthy system.

Against that background and in line with the Recommendations of the Scientific Advice Mechanism (SAM), several options have been considered. A first one was the collection, publication, and monitoring of real world fuel consumption data based on an obligation for manufacturers to fit a standardized 'fuel consumption measurement devices' in new vehicles through type-approval legislation. A second one related to market surveillance measures are considered in relation to conformity of production and in service conformity checks.

The preferred option is to establish an empowerment for the Commission to allow (i) the collection, publication and monitoring of real world fuel consumption data and creating an obligation to report deviations linked to a correction mechanisms and (ii) to correct reported CO\(_2\) emission values in case of deviations detected through improved market surveillance.


Reference of the opinion of the Regulatory Scrutiny Board: SEC(2017)476

5) Regulatory fitness and simplification

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

The Impact Assessment has also analysed how to possibly simplify the legislation and reduce unnecessary administrative costs.
Manufacturers responsible for less than 1,000 newly registered vehicles per year, in many cases SMEs, remain exempt from meeting specific CO₂ emissions targets. De minimis exemptions reduce compliance and administrative costs for small manufacturers. It also facilitates the market entry of new manufacturers whilst having no significant impacts on the overall CO₂ reductions of the overall EU vehicles fleet.

Moreover, the proposal maintains several elements for cost-effective implementation such as pooling which reduce compliance costs for manufacturers.

The crediting system for zero- and low-emission vehicles would not create additional administrative burden. The deletion of the derogation for niche manufacturers will reduce administrative burden.

No changes in the compliance regime and in the level of fines are foreseen. The impacts of the options related to governance will depend on the concrete implementing measures.

• **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.

4. **BUDGETARY IMPLICATIONS**

The proposal does not require additional financial resources.

5. **OTHER ELEMENTS**

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

The proposal builds on the annual reporting and monitoring procedure that has been established under the current Regulations. In order to assess the compliance of manufacturers with their annual specific emissions targets, Member States report every year data for all newly registered cars and vans to the Commission. In addition to the type-approved CO₂ emission and mass values, a number of other relevant data entries are monitored, including fuel type and CO₂ emission savings from eco-innovations.

The Commission, supported by the European Environment Agency (EEA), publishes every year the monitoring data of the preceding calendar year including manufacturer specific CO₂ performance calculations. Manufacturers have the opportunity to notify errors in the provisional data, as submitted by Member States. This well-established monitoring system constitutes an important basis for monitoring the impacts of the legislation.

In order to strengthen the governance aspects of the monitoring system, the impact assessment considered the option to take into account, for the manufacturer compliance check, whether the emissions of vehicles in use are in conformity with the type approved CO₂ values.

In addition to the compliance assessment procedure, the impact assessment identified a list of core indicators to monitor the specific policy objectives to be achieved with this proposal. These are complemented by a set of operational objectives and indicators.

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

**Article 1- Subject matter and objectives**

This Article specifies the EU fleet wide CO₂ targets applicable to new passenger cars and new light commercial vehicles from 2020, 2025 and 2030. The Regulation is to apply from 2020 in order to ensure a coherent transition to a new target regime starting from 2025. It therefore
includes the already established EU fleet wide targets for 2020 of 95g/km (NEDC based) for passenger cars and 147g/km (NEDC based) for light commercial vehicles, as well as new targets for 2025 and 2030.

Starting from 2021, the specific emission targets will be based on the new emissions test procedure, the Worldwide Harmonised Light Vehicle Test Procedure (WLTP). Therefore, the 2025 and 2030 fleet wide targets, which are WLTP based, are expressed as percentage reductions compared to the average of the specific emission targets for 2021 determined for each manufacturer in accordance with section 4 of Annex I.

**Article 2 - Scope**

This Article defines the categories of vehicles that fall within the scope of this Regulation by reference to the type approval legislation. It also clarifies that the de minimis exemption applicable to manufacturers responsible for less than 1000 new registrations per year should not apply where a manufacturer eligible for such an exemption nevertheless applies for and is granted a derogation.

**Article 3 - Definitions**

New definitions have been added for "EU fleet-wide targets", "zero- and low-emission vehicles" and "test mass".

**Article 4 - Specific emission targets**

This Article sets out the general obligation for a manufacturer to ensure that the average CO₂ emissions of its fleet of newly registered vehicles in a calendar year do not exceed its annual specific emissions target. That target is manufacturer specific and is calculated as a function of the applicable EU fleet wide target, the limit value curve, the average mass of the manufacturer's fleet and the reference mass (M₀ or TM₀). The mass calculation is based on mass in running order until 2024 inclusive. From 2025 the vehicle's test mass, which is closer to the real mass of the finished vehicle, should be used instead. The formulae for the calculations of the specific emission targets for the period from 2020 to 2030 are set out in Parts A and B of Annex I. The target calculations applicable in 2020 to 2024 are those set out in existing legislation.

From 2025, the specific emissions target for a manufacturer should be calculated taking into account the share of zero- and low-emission vehicles in the manufacturer's fleet. For the calculation of that share, the zero- and low-emission vehicles should be counted based on a weighting of the emissions of each vehicle. Where the share exceeds the EU fleet-wide benchmark, the manufacturer benefits from a higher specific emissions target.

In the case of light commercial vehicles, a distinction is made in the distribution of the effort between manufacturers of light commercial vehicles with an average test mass exceeding the average reference mass (TM₀) and those with an average test mass lower than TM₀. For the first group, the slope of the limit value curve is kept constant over time, while in the latter case the same approach as for passenger cars is used, i.e. the slope is modified according to the EU fleet wide target.

**Article 5 - Super credits for the 95 g CO₂/km target for cars**

This provision is unchanged and applies until 2022 inclusive.

**Article 6 - Pooling**

The provisions on pooling for connected undertakings and independent manufacturers remain unchanged. However, an empowerment has been added for the Commission to clarify the
conditions for pooling arrangements between independent manufacturers, in particular with regard to competition rules.

**Article 7 - Monitoring and reporting**

The general provisions on the monitoring of CO₂ data from Member States remain unchanged. However, a strengthening of the obligation on Member States to ensure high quality data and cooperate with the Commission has been added.

A mechanism is added to take into account for the purpose of the monitoring deviations found in the CO₂ emissions of vehicles in use as compared to the type approval values. This mechanism builds on the proposal to introduce a procedure for in-service conformity checks of the CO₂ emission values in type approval legislation. Type approval authorities should report any deviations detected, and the Commission should take those into account when checking manufacturers’ compliance with their targets. The provision includes an empowerment for the Commission to provide the details for such a procedure by way of an implementing act.

**Article 8 - Excess emission premium**

This Article sets out the formula for calculating the financial penalties in case a manufacturer exceeds its target. The excess emission premium from the existing Regulations is maintained, i.e. 95 euro/g CO₂/km.

**Article 9 - Publication of performance of manufacturers**

The Article lists the data that the Commission shall publish with regard to manufacturers' annual target compliance (i.e. the annual monitoring decision). Test mass has been added as a data parameter to be published, in view of its use as utility parameter from 2025 onwards, as well as a vehicle's electric range.

**Article 10 - Derogation for certain manufacturers**

The possibility for small volume manufacturers (i.e. those responsible for 1,000 to 10,000 registrations for cars, and 1,000 to 22,000 registrations for vans) to apply for a derogation from their specific emissions targets is maintained.

However, for niche manufacturers of cars, i.e. those responsible for between 10,000 and 300,000 new registered vehicles, the possibility to benefit from a derogation from the 95g CO₂/km target remains. However, with effect from 2025 this group of manufacturers will have to meet the specific emission targets calculated in accordance with Annex I.

**Article 11 - Eco-innovations**

Manufacturers may continue to benefit from lower average emissions by fitting their vehicles with eco-innovations approved in accordance with this Article. In order to take into account the changes in eco-innovation savings that may occur as a result of the change in the regulatory test procedure, an empowerment for the Commission to adjust the 7 g CO₂/km cap set on the CO₂ savings that a manufacturer may take into account for reducing its average emissions has been added. This empowerment should apply from 2025 onwards.

The eligibility criteria for being considered an eco-innovation remain unchanged until 2024 inclusive. From 2025 the removal of the reference to the integrated approach measures will allow mobile air-conditioning equipment to be eligible as an eco-innovation.

**Article 12 - Real world CO₂ emissions and energy consumption**
This Article provides an empowerment for the Commission to monitor and assess the real
world representativeness the WLTP test procedure and to ensure that the public is informed of
how that representativeness evolves over time.

For that purpose, the Commission should have the power to request real world data to be
collected and reported by Member States and manufacturers.

**Article 13 - Adjustments of \( M_0 \) and \( T M_0 \)**

The \( CO_2 \) reduction effort is distributed among manufacturers on the basis of the average mass
of the vehicle fleet over a certain period. That reference value is expressed as \( M_0 \) or \( T M_0 \)
depending on whether mass in running order (M) or the vehicle test mass (TM) is used. The
provision clarifies the process for adjusting the reference mass value to ensure that the
specific emission targets continue to reflect the EU fleet wide target. With effect from 2025,
the frequency of those adjustments should increase from every three years to every second
year. A more frequent adjustment will allow changes in the average test mass and their effect
on the positioning of manufacturers on the limit value curve to be taken into account earlier.

**Article 14 - Review and report**

This Article includes a requirement for the Commission to provide a report on the
effectiveness of this Regulation, where appropriate accompanied by a proposal. The report is
proposed to be submitted in 2024 to align it with the review and reporting provisions
proposed under the Effort Sharing Regulation and the Emissions Trading Directive.

The Article also maintains provisions on the review of the type approval test procedure as
well as the empowerments for taking into account changes in the regulatory test procedure.

**Articles 15 and 16 - Comitology and delegation of powers**

These are standard provisions on the committee procedure and the delegation of powers.

**Article 17 - Amendment to Regulation (EC) No 715/2007**

This amendment aims to introduce a legal basis in Regulation (EC) No 715/2008 (Euro 5/6
emissions type approval regulation) for the Commission to set up an in-service conformity
procedure for verifying \( CO_2 \) emission. This procedure is essential for an effective market
surveillance of the type approval system and the \( CO_2 \) emission values used for target
compliance purposes.

**Article 18 and 19 - Repeal and entry into force**

Regulations (EC) No 443/2009 and (EU) No 510/2011 are repealed with effect from 1
January 2020. Entry into force should take place within 20 days of publication of the act.

**Annexes I to V**

**Annex I**: sets out the formulae for calculating the annual specific emissions targets that
should be achieved by the average emissions of the manufacturers' fleets of newly registered
vehicles. Part A covers passenger cars, while Part B covers light commercial vehicles.

**Annex II and III**: These Annexes set out the monitoring data parameters that are needed for
the calculation of the targets and for checking target compliance. Annex III – covering light
commercial vehicles – also makes reference to the need to consider the specificities of
vehicles that are type approved in multiple stages.

**Annex IV**: This Annex lists the legal acts covered by the recast, i.e. the two basic Regulations

**Annex V**: The correlation table
Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO2 emissions from light-duty vehicles and amending Regulation (EC) No 715/2007 (recast)

(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,
Having regard to the opinion of the Committee of the Regions,
Acting in accordance with the ordinary legislative procedure,
Whereas:

(1) Regulation (EC) No 443/2009 of the European Parliament and of the Council and Regulation (EU) No 510/2011 of the European Parliament and of the Council have been substantially amended several times. Since further amendments are to be made, those Regulations should be recast in the interests of clarity.

(2) This Regulation should apply from 1 January 2020 in order to provide a coherent and efficient transition following the recast and repeal of Regulations (EC) No 443/2009 and (EU) No 510/2011. However, it is appropriate to maintain the CO2 performance standards and the modalities for achieving them as set out in those Regulation without changes until 2024.


The objective of this Regulation is to set emission performance standards for new passenger cars registered in the Community, which forms part of the Community's integrated approach to reducing CO₂ emissions from light-duty vehicles while ensuring the proper functioning of the internal market.

The United Nations Framework Convention on Climate Change, which was approved on behalf of the European Community by Council Decision 94/69/EC (3), seeks to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. In order to meet this objective, the overall global annual mean surface temperature increase should not exceed 2 degrees Celsius above pre-industrial levels. The Intergovernmental Panel on Climate Change's (IPCC) fourth Assessment Report shows that in order to reach this objective, global emissions of greenhouse gases must peak by 2020. At its meeting of 8-9 March 2007, the European Council made a firm commitment to reduce the overall greenhouse gas emissions of the Community by at least 20% compared to 1990 levels by 2020 and by 30% provided that other developed countries commit themselves to comparable emission reductions and economically more advanced developing countries contribute according to their respective capabilities.

The European Strategy for Low-Emission Mobility\textsuperscript{16} sets a clear ambition: by mid-century, greenhouse gas emissions from transport will need to be at least 60% lower than in 1990 and be firmly on the path towards zero. Emissions of air pollutants from transport that harm our health need to be drastically reduced without delay. Emissions from conventional combustion engines will need to further reduce after 2020. Zero- and low-emission vehicles will need to be deployed and gain significant market share by 2030.

The Commission's Communications "Europe on the move"\textsuperscript{17} and "Delivering on the European Strategy for low-emission mobility: A European Union that protects the planet, empowers its consumers, and defends its industry and workers"\textsuperscript{18} highlight that the CO₂ emissions standards for passenger cars and light commercial vehicles are a strong driver for innovation and efficiency and will contribute to strengthening competitiveness of the automotive industry and pave the way for zero and low-emission vehicles in a technology-neutral way.

\textsuperscript{16} Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A European Strategy for Low-Emission Mobility (COM(2016)0501 final).

\textsuperscript{17} Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions EUROPE ON THE MOVE: An agenda for a socially fair transition towards clean, competitive and connected mobility for all (COM(2017)0283 final).

\textsuperscript{18} Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions [...]
This Regulation provides a clear pathway for CO₂ emissions reductions from the road transport sector and contributes to the binding target of at least a 40% domestic reduction in economy-wide greenhouse gas emissions by 2030 compared to 1990, as was endorsed in the Conclusions of the European Council of 23-24 October 2014, and approved as the Union Intended Nationally Determined Contribution under the Paris Agreement at the Environment Council meeting on 6 March 2015.

The European Council Conclusions of October 2014 endorsed a greenhouse gas emissions reduction of 30% by 2030 compared to 2005 for the sectors that are not part of the European Union emissions trading system. Road transport provides a major contribution to the emissions of those sectors, and its emissions remain significantly above 1990 levels. If the road transport emissions increase further, it will offset reductions made by other sectors to combat climate change.

The European Council Conclusions of October 2014 highlighted the importance of reducing greenhouse gas emissions and risks related to fossil fuel dependency in the transport sector through a comprehensive and technology neutral approach for the promotion of emissions reduction and energy efficiency in transport, for electric transportation and for renewable energy sources in transport also after 2020.

Energy efficiency contributing to moderation of demand is one of the five mutually-reinforcing and closely interrelated dimensions of the Energy Union Strategy adopted on 25 February 2015, to give consumers in the Union secure, sustainable, competitive and affordable energy. The Energy Union Strategy states that, while all economic sectors must take steps to increase the efficiency of their energy consumption, transport has a huge energy efficiency potential, which can be realised also with a continued focus on tightening CO₂ emission standards for passenger cars and light commercial vehicles in a 2030 perspective.

An evaluation of Regulations (EC) No 443/2009 and (EU) No 510/2011 in 2015 concluded that those Regulations have been relevant, broadly coherent, and have generated significant emissions savings, whilst being more cost-effective than originally anticipated. They have also generated significant added value for the Union that could not have been achieved to the same extent through national measures.

It is therefore appropriate to pursue the objectives of those Regulations by setting new Union fleet-wide CO₂ reduction targets for passenger cars and light commercial vehicles for the period up to 2030. In defining the reduction levels, account has been taken of their effectiveness in delivering a cost-effective contribution to reducing emissions of the sectors covered by the Effort Sharing Regulation [...] by 2030, of the resulting costs and savings for society, manufacturers and vehicle users, as well as of their direct and indirect implications for employment, competitiveness and innovation and the co-benefits generated in terms of reduced air pollution and energy security.


new test procedure will provide CO₂ emission and fuel consumption values that are
more representative of real world conditions. It is therefore appropriate that the new
CO₂ emission targets should be based on the CO₂ emissions determined on the basis
of that test procedure. Considering however that WLTP-based CO₂ emissions will be
available for target compliance purposes from 2021, it is appropriate that the new
emissions performance standards should be defined as reduction levels set in relation
to the 2021 average of the specific emissions targets applicable in that year.

\[\text{443/2009 recital 2 (adapted)}\]

The United Nations Framework Convention on Climate Change, which was approved on
behalf of the European Community by Council Decision 94/69/EC of 15 December 1993\(^\text{20}\),
requires all parties to formulate and implement national and, where appropriate, regional
programmes containing measures to mitigate climate change. In this respect, the Commission
proposed in January 2007 that, in the context of international negotiations, the European
Union should pursue the objective of a 30 % reduction of greenhouse gas emissions by
developed countries by 2020 (compared to 1990 levels) and that the Union itself should make
a firm independent commitment to achieve at least a 20 % reduction of greenhouse gas
emissions by 2020 (compared to 1990 levels), irrespective of reductions achieved by other
developed countries. This objective was endorsed by the European Parliament and the
Council.

\[\text{510/2011 recital 3}\]

Policies and measures should be implemented at Member State and Union level across all
sectors of the Union economy, and not only within the industrial and energy sectors, in order
to achieve the necessary emissions reductions. Decision No 406/2009/EC of the European
Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their
greenhouse gas emissions to meet the Community's greenhouse gas emission reduction
commitments up to 2020 (\(4\)) provides for an average reduction of 10 % compared to 2005
levels in the sectors not covered by the EU Emissions Trading Scheme, established by
establishing a scheme for greenhouse gas emission allowance trading within the Community.

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\[7.7.2017, p.1). \leq\]
\[\text{OJ L 33, 7.2.1994, p.11.}\]
Road transport is the second largest greenhouse gas emitting sector in the Union and its emissions, including those from light commercial vehicles, continue to rise. If road transport emissions continue to increase, it will significantly undermine efforts made by other sectors to combat climate change.

Community targets for new passenger cars provide manufacturers with more planning certainty and more flexibility to meet the CO₂ reduction requirements than would be provided by separate national reduction targets. In setting emission performance standards, it is important to take into account the implications for markets and for the competitiveness of manufacturers, the direct and indirect costs imposed on business and the benefits that accrue in terms of stimulating innovation and reducing energy consumption.

This Regulation builds on a well-established process of measuring and monitoring the CO₂ emissions of vehicles registered in the Community in accordance with Decision No 1753/2000/EC of the European Parliament and of the Council of 22 June 2000 establishing a scheme to monitor the average specific emissions of CO₂ from new passenger cars. It is important that the setting of CO₂ emissions reduction requirements continues to provide Community-wide predictability and planning security for vehicle manufacturers across their new car and light commercial vehicle fleets in the Community.

To enhance the competitiveness of the European automotive industry, incentive schemes such as the offsetting of eco-innovations and the award of super-credits should be used.

Reduction levels for the Union-wide fleets of new passenger cars and light commercial vehicles should therefore be set for 2025 and for 2030, taking into account the vehicle fleet renewal time and the need for the road transport sector to contribute to the 2030 climate and energy targets. This stepwise approach also provides a clear and early signal for the automotive industry not to delay the market introduction of energy efficient technologies and zero- and low-emission vehicles.

While the Union is among the world's major producers of motor vehicles and demonstrates technological leadership in this sector, competition is increasing and the global automotive sector is changing rapidly through new innovations in electrified powertrains, and cooperative, connected and automated mobility. In order to retain its global competitiveness and access to markets, the Union needs a regulatory framework, including a particular incentive in the area of zero- and low-emission vehicles.

vehicles, which creates a large home market and supports technological development and innovation.

(15) A dedicated incentive mechanism should be introduced to facilitate a smooth transition towards zero-emission mobility. This crediting mechanism should be designed so as to promote the deployment on the Union market of zero- and low-emission vehicles.

(16) Setting a benchmark for the share of zero- and low-emission vehicles in the Union fleet together with a well-designed mechanism for adjusting a manufacturer specific CO₂ target based on the share of zero- and low-emission vehicles in the manufacturer's own fleet should provide a strong and credible signal for the development and deployment of such vehicles while still allowing for the further improvement of the efficiency of the conventional internal combustion engines.

(17) In determining the credits for the zero- and low-emission vehicles, it is appropriate to account for the difference in CO₂ emissions between the vehicles. The adjustment mechanism should ensure that a manufacturer exceeding the benchmark level would benefit from a higher specific CO₂ target. In order to ensure a balanced approach, limits should be set to the level of adjustment possible within that mechanism. This will provide for incentives, promoting a timely roll-out of recharging and refuelling infrastructure and yielding high benefits for consumers, competitiveness, and the environment.

The Commission adopted a Community Strategy for reducing CO₂ emissions from cars in 1995. The strategy was based on three pillars: voluntary commitments from the car industry to cut emissions, improvements in consumer information and the promotion of fuel-efficient cars by means of fiscal measures.

In 1998, the European Automobile Manufacturers’ Association (ACEA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2008 and, in 1999, the Japanese Automobile Manufacturers’ Association (JAMA) and the Korean Automobile Manufacturers’ Association (KAMA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2009. These commitments were recognised by Commission Recommendation 1999/125/EC of 5 February 1999 on the reduction of CO₂ emissions from passenger cars (ACEA), Commission Recommendation 2000/303/EC of 13 April 2000 on the reduction of CO₂ emissions from passenger cars (KAMA) and Commission Recommendation 2000/304/EC of 13 April 2000 on the reduction of CO₂ emissions from passenger cars (JAMA).

22 OJ L 40, 13.2.1999, p. 49.
On 7 February 2007, the Commission adopted two parallel Communications: a Communication setting out the results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles and a Communication on a Competitive Automotive Regulatory Framework for the 21st Century (CARS21). The Communications underlined that progress had been made towards the target of 140 g CO₂/km by 2008/2009, but that the Community objective of 120 g CO₂/km would not be met by 2012 in the absence of additional measures.

The provisions implementing the objective concerning emissions from light commercial vehicles should be consistent with the legislative framework for implementing the objectives concerning emissions from the new passenger car fleet set out in Regulation (EC) No 443/2009 of the European Parliament and of the Council of 23 April 2009 setting emission performance standards for new passenger cars as part of the Community’s integrated approach to reduce CO₂ emissions from light-duty vehicles (1).

The Communications proposed an integrated approach with a view to reaching the Community target of 120 g CO₂/km by 2012 and announced that the Commission would propose a legislative framework to achieve the Community objective by focusing on mandatory reductions of emissions of CO₂ to reach an objective of 130 g CO₂/km for the average new car fleet by means of improvements in vehicle motor technology. Consistent with the approach under the voluntary commitments adopted by manufacturers, this covers those elements that are taken into account in the measurement of the CO₂ emissions of passenger cars in accordance with Regulation (EC) No 715/2007 of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information 25. A further reduction of 10 g CO₂/km, or equivalent if technically necessary, will be delivered by other technological improvements and by an increased use of sustainable biofuels.

The legislative framework for implementing the average new car and light commercial vehicle fleet target should ensure competitively neutral, socially equitable and sustainable reduction targets which take account of the diversity of European automobile manufacturers and avoid any unjustified distortion of competition between them. The legislative framework should be compatible with the overall objective of reaching the Community’s Kyoto targets and should be
complemented by other more use-related instruments such as differentiated car and energy taxes.

Appropriate funding should be ensured in the general budget of the European Union to promote the development of technologies intended to reduce radically CO₂ emissions from road vehicles.

(19) In order to maintain the diversity of the car market for passenger cars and light commercial vehicles and its ability to cater for different consumer needs, CO₂ targets for passenger cars should be defined according to the utility of the vehicles on a linear basis. Maintaining mass as the utility parameter is considered coherent with the existing regime. In order to better reflect the mass of vehicles used on the road, the parameter should be changed from mass in running order to the vehicle’s test mass as specified in Regulation (EU) 2017/1151 of 1 June 2017 with effect from 2025. Moreover, data on mass is readily available. Data on alternative utility parameters such as footprint (track width times wheelbase) should be collected in order to facilitate longer-term evaluations of the utility-based approach. The Commission should, by 2014, review the availability of data and, if appropriate, submit a proposal to the European Parliament and to the Council to adapt the utility parameter.

(20) It should be avoided that the Union fleet-wide targets are altered due to changes in the average mass of the fleet. Changes in the average mass should therefore be reflected without delay in the specific emission target calculations, and the adjustments of the average mass value that is used to this end should therefore take place every two years with effect from 2025.

(21) In order to distribute the emission reduction effort in a competitively neutral and fair way that reflects the diversity of the market for passenger cars and light commercial vehicles, and in view of the change in 2021 to WLTP-based specific emission targets, it is appropriate to determine the slope of the limit value curve on the basis of the specific emissions of all newly registered vehicles in that year, and to take into account the change in the Union fleet-wide targets between 2021, 2025 and 2030 with a view to ensuring an equal reduction effort of all manufacturers. With regard to light commercial vehicles, the same approach as that for car manufacturers should apply to manufacturers of lighter, car derived, vans, while for manufacturers of vehicles falling within the heavier segments, a higher and fixed slope should be set for the whole target period.
(22) The aim of this Regulation is to create incentives for the car automotive industry to invest in new technologies. This Regulation actively promotes eco-innovation and provides a mechanism that should be able to acknowledge takes into account future technological development. The development of innovative propulsion technologies should particularly be promoted, as they result in significantly lower emissions than traditional passenger cars. In this way, the long-term competitiveness of the European industry is promoted and more high-quality jobs are created. The Commission should consider the possibility of including eco-innovation measures in the review of test procedures pursuant to Article 14(3) of Regulation (EC) No 715/2007, taking into consideration the technical and economic impacts of such inclusion. Experience shows that eco-innovations have successfully contributed to the cost-effectiveness of Regulations (EC) No 443/2009 and (EU) No 510/2011 and to the reduction of real world CO2 emissions. This modality should therefore be maintained and the scope should be extended to incentivise efficiency improvements in air-conditioning systems.

(23) A balance should however be ensured between incentives given to eco-innovations and those technologies for which the emission reduction effect is demonstrated on the official test procedure. As a consequence, it is appropriate to maintain a cap on the eco-innovation savings that a manufacturer may take into account for target compliance purposes. The Commission should have the possibility to review the level of the cap, in particular, to take into account the effects of the change in the official test procedure. It is also appropriate to clarify how the savings should be calculated for target compliance purposes.
In recognition of the very high research and development and unit production costs of early generations of very low carbon vehicle technologies to be introduced into the marketplace following its entry into force, this Regulation seeks to accelerate and facilitate, on an interim basis, the process of introducing into the Community market ultra low carbon vehicles at their initial stages of commercialisation.

The use of certain alternative fuels can offer significant CO₂ reductions in well to wheel terms. This Regulation therefore incorporates specific provisions aimed at promoting further deployment of certain alternative-fuel vehicles in the Community market.

By 1 January 2012 at the latest and with a view to improving data gathering on and measurement of fuel consumption, the Commission should consider whether to amend the relevant legislation in order to include an obligation for manufacturers seeking type approval for vehicles of category N 1 as defined in Annex II to Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (1) to equip every vehicle with a fuel consumption meter.

To provide consistency with the approach adopted under the Commission’s CO₂ and cars strategy, in particular in relation to the voluntary commitments undertaken by the manufacturers associations, the target should be applied to new passenger cars which are registered in the Community for the first time and which, except for a limited period to avoid abuses, have not previously been registered outside the Community.

To ensure consistency with Regulation (EC) No 443/2009 and to avoid abuses, the target should be applied to new light commercial vehicles registered in the Union for the first time and that have not previously been registered outside the Union except for a limited period.
Directive 2007/46/EC of the European Parliament and of the Council establishes a harmonised framework containing the administrative provisions and general technical requirements for approval of all new vehicles within its scope. The entity responsible for complying with this Regulation should be the same as that responsible for all aspects of the type-approval process in accordance with that Directive and for ensuring conformity of production.

For the purposes of type-approval, specific requirements apply for special-purpose vehicles, as defined in Annex II of Directive 2007/46/EC, and they should therefore be excluded from the scope of this Regulation. Vehicles which are classified as category M1 before the entry into force of this Regulation, which are built specifically for commercial purposes to accommodate wheelchair use inside the vehicle and which meet the definition of special-purpose vehicle in Annex II of Directive 2007/46/EC should also be excluded from the scope of this Regulation in line with Community policy to help people with disabilities.

Manufacturers should have flexibility to decide how to meet their targets under this Regulation and should be allowed to average emissions over their new vehicle fleet rather than having to respect CO₂ targets for each individual vehicle. Manufacturers should therefore be required to ensure that the average specific emission for all the new light commercial vehicles registered in the Union for which they are responsible does not exceed the average of the emissions targets for those vehicles. This requirement should be phased in between 2014 and 2017 in order to facilitate its introduction. This is consistent with the lead times given and the duration of the phase-in period set in Regulation (EC) No 443/2009.

Manufacturers should have flexibility to decide how to meet their targets under this Regulation and should be allowed to average emissions over their new car fleet rather than having to respect CO2 targets for each individual car. Manufacturers should therefore be required to ensure that the average specific emission for all the new cars registered in the Community for which they are responsible does not exceed the average of the emissions targets for those cars. This requirement should be phased in between 2012 and 2015 in order to facilitate the transition.

In order to ensure that targets reflect the particularities of small and niche manufacturers and are consistent with the manufacturer's reduction potential, alternative emission reduction targets should be set for such manufacturers, taking into account the technological potential of a given manufacturer's vehicles to reduce their specific emissions of CO₂ and consistently with the characteristics of the market segments concerned. This derogation should be covered by the review of the specific emission targets in Annex I, to be completed by the beginning of 2013 at the latest.

It is not appropriate to use the same method to determine the emissions reduction targets for large-volume manufacturers as for small-volume manufacturers considered as independent on the basis of the criteria set out in this Regulation. Such small-volume manufacturers should have the possibility to apply for alternative emissions reduction targets relating to the technological potential of a given manufacturer's vehicles to reduce their specific emissions of CO₂ and consistent with the characteristics of the market segments concerned. This derogation should be covered by the review of the specific emissions targets in Annex I, to be completed by the beginning of 2013 at the latest.

In recognition of the disproportionate impact on the smallest manufacturers resulting from compliance with specific emissions targets defined on the basis of the utility of the vehicle, the high administrative burden of the derogation procedure, and the marginal resulting benefit in terms of CO₂ emissions reduction from the vehicles sold by those manufacturers, manufacturers responsible for fewer than 1 000 new passenger cars and new light commercial vehicles registered in the Union annually should be excluded from the scope of the specific emissions target and the excess emissions premium. However, where a manufacturer that is covered by an exemption nevertheless applies for and is granted a derogation, it is appropriate that the manufacturer should be required to comply with that derogation target. In order to ensure from the earliest point legal certainty for those manufacturers, it is essential that this derogation apply from 1 January 2012.

The procedure for granting derogations from the 95 g CO₂/km fleet target to niche car manufacturers should continue beyond 2020. However, in order to ensure that the reduction effort required by such manufacturers is consistent with that of large volume manufacturers with regard to that target, a target 45 % lower
than the average specific emissions of niche manufacturers in 2007 should therefore apply from 2020. However, experience shows that niche manufacturers have the same potential as large manufacturers to meet the CO₂ targets and with regard to the targets set from 2025 onwards it is not considered appropriate to distinguish between those two categories of manufacturers.

The Union strategy to reduce CO₂ emissions from passenger cars and light commercial vehicles established an integrated approach with a view to reaching the Union target of 120 g CO₂/km by 2012, while also presenting a longer term vision of further emission reductions. Regulation (EC) No 443/2009 substantiates this longer term view by setting a target of 95 g CO₂/km as average emissions for the new car fleet. In order to ensure consistency with that approach and to provide planning certainty for the industry, a long term target for the specific emissions of CO₂ of light commercial vehicles in 2020 should be set.

Niche manufacturers should be allowed to benefit from an alternative target which is 25% lower than their average specific emissions of CO₂ in 2007. An equivalent target should be determined where information on a manufacturer's average specific emissions does not exist for the year 2007. This derogation should be covered by the review of the specific emissions targets in Annex I, to be completed by the beginning of 2013 at the latest.

In determining the average specific emissions of CO₂ for all the new cars and new light commercial vehicles registered in the Community for which manufacturers are responsible, all cars and light commercial vehicles should be taken into account irrespective of their mass or other characteristics. Although Regulation (EC) No 715/2007 does not cover passenger cars and light commercial vehicles with a reference mass exceeding 2610 kg and to which type approval is not extended in accordance with Article 2(2) of Regulation (EC) No 715/2007, the emissions for these vehicles should be measured in accordance with the same measurement procedure as specified for passenger cars and light duty vehicles in Commission Regulation (EC) No 692/2008 and Regulations (EU) 2017/1151, (EU) 2017/1152 and (EU) 2017/1153. The resulting CO₂ emission...
values should be entered in the certificate of conformity of the vehicle in order to enable their inclusion in the monitoring scheme.

(30) The specific emissions of CO\(_2\) of completed light commercial vehicles should be allocated to the manufacturer of the base vehicle.

In order to ensure that the values of CO\(_2\) emissions and fuel efficiency of completed vehicles are representative, the Commission should come forward with a specific procedure and consider, where appropriate, reviewing the type approval legislation.

(31) Consideration should be given to the specific situation of manufacturers of light commercial vehicles producing incomplete vehicles that are type approved in multiple stages. While those manufacturers are responsible for meeting the CO\(_2\) emission targets, they should have the possibility to predict with reasonable certainty the CO\(_2\) emissions of the completed vehicles. The Commission should ensure that those needs are appropriately reflected in Regulation (EU) 2017/1151.

(32) In order to provide for flexibility for the purposes of meeting their targets under this Regulation, manufacturers may agree to form a pool on an open, transparent and non-discriminatory basis. An agreement to form a pool should not exceed five years but may be renewed. Where manufacturers form a pool, they should be deemed to have met their targets under this Regulation provided that the average emissions of the pool as a whole do not exceed the specific emissions target for the pool.

(33) The possibility for manufacturers to form pools has proven a cost-effective way to achieve compliance with the CO\(_2\) emissions targets, in particular facilitating compliance for those manufacturers that produce a limited range of vehicles. In order to improve the competitive neutrality, the Commission should have the powers to clarify the conditions on which independent manufacturers may form a pool in order to allow them to be placed in a position equivalent to connected undertakings.
(34) A robust compliance mechanism is necessary in order to ensure that the targets under this Regulation are met.

(35) It is also essential for achieving the CO₂ reductions required under this Regulation, that the emissions of vehicles in use are in conformity with the CO₂ values determined at type approval. It should therefore be possible for the Commission to take into account in the calculation of the average specific emissions of a manufacturer any systemic non-conformity found by type approval authorities with regard to the CO₂ emissions of vehicles in use.

(36) In order to be in position to take such measures the Commission should have the powers to prepare and implement a procedure for verifying the in-service conformity of the CO₂ emissions of light duty vehicles placed on the market. For that purpose Regulation (EC) No 715/2007 should be amended.

(37) The specific emissions of CO₂ from new passenger cars and light commercial vehicles are measured on a harmonised basis in the Community according to the methodology laid down in Regulation (EC) No 715/2007. To minimise the administrative burden of this Regulation, compliance should be measured by reference to data on registrations of new cars and light commercial vehicles in the Community collected by Member States and reported to the Commission. To ensure the consistency of the data used to assess compliance, the rules for the collection and reporting of this data should be harmonised as far as possible. The competent authorities' responsibility to provide correct and complete data should therefore be clearly stated as well as the need for an effective cooperation between those authorities and the Commission in addressing data quality issues.
(38) Manufacturers’ compliance with the targets under this Regulation should be assessed at Union level. Manufacturers whose average specific emissions of CO\textsubscript{2} exceed those permitted under this Regulation should pay an excess emissions premium with respect to each calendar year \textsubscript{2} from 1 January 2014. The premium should be modulated as a function of the extent to which manufacturers fail to comply with their target. In order to ensure consistency, the premium mechanism should be similar to the one set in Regulation (EC) No 443/2009. The amounts of the excess emissions premium should be considered as revenue for the general budget of the European Union.

(39) Any national measure that Member States may maintain or introduce in accordance with Article 193 of the Treaty of the Functioning of the European Union (TFEU) should not, in consideration of the purpose of and procedures established in this Regulation, impose additional or more stringent penalties on manufacturers who fail to meet their targets under this Regulation.

(40) This Regulation should be without prejudice to the full application of Union competition rules.

The Commission should consider new modalities for reaching the long-term target, in particular the slope of the curve, the utility parameter and the excess emissions premium scheme.

The speed of road vehicles has a strong influence on their fuel consumption and CO\textsubscript{2} emissions. In addition, in the absence of speed limitation for light commercial vehicles, it is possible that there is an element of competition as regards top speed which could lead to oversized powertrains and associated inefficiencies in slower operating conditions. It is therefore appropriate to investigate the feasibility of extending the scope of Council Directive 92/6/EEC of 10 February 1992 on the installation and use of speed limitation devices for certain categories of motor vehicles in the Community (1), with the aim of including light commercial vehicles covered in this Regulation.
The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.\(^{30}\)

(41) The effectiveness of the targets set out in this Regulation in reducing CO\(_2\) emissions in reality is strongly dependent on the representativeness of the official test procedure. In accordance with the Opinion of the Scientific Advice Mechanism (SAM)\(^{31}\) and the recommendation of the European Parliament, following its inquiry into emission measurements in the automotive sector\(^{32}\), a mechanism should be put in place to assess the real world representativeness of vehicle CO\(_2\) emissions and energy consumption values determined in accordance with Regulation (EU) 2017/1151. The Commission should have the powers to ensure the public availability of such data, and, where necessary, develop the procedures needed for identifying and collecting the data required for performing such assessments.

(42) In 2024 it is foreseen to review the progress achieved under the [Effort Sharing Regulation and Emissions Trading System Directive]. It is therefore appropriate to assess the effectiveness of this Regulation in that same year to allow a coordinated and coherent assessment of the measures implemented under all these instruments.

(43) Regulations (EC) No 443/2009 and (EU) No 510/2011 should be repealed with effect from 1 January 2020.

(44) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. These powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.\(^{33}\)

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\(^{30}\) OJ L 184, 17.7.1999, p. 23.

\(^{31}\) High Level Group of Scientific Advisors, Scientific Opinion 1/2016 "Closing the gap between light-duty vehicle real-world CO\(_2\) emissions and laboratory testing".

\(^{32}\) European Parliament recommendation of 4 April 2017 to the Council and the Commission following the inquiry into emission measurements in the automotive sector (2016/2908(RSP)).

The implementing powers relating to Articles 6(8), 7(7) and (8), 8(3), 11(2), 12(3) and 14(3) should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.

In particular, the Commission should be empowered to amend the monitoring and reporting requirements in the light of the experience of the application of this Regulation, to establish methods for the collection of excess emissions premiums, to adopt detailed provisions concerning the derogation for certain manufacturers, and to adapt Annex I to take account of the evolution of the mass of new passenger cars registered in the Community and to reflect any change in the regulatory test procedure for the measurement of specific emissions of CO₂. Since those measures are of general scope and are designed to amend or supplement non-essential elements of this Regulation, inter alia, by supplementing it with new non-essential elements, they must be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

In order to amend or supplement non-essential elements of the provisions of this Regulation, 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 in order to respect of amending Annexes II and III to Regulation (EC) No 443/2009, as regards data requirements and data parameters, supplementing the rules on the interpretation of the eligibility criteria for derogations from the specific emissions targets, on the content of applications for a derogation and on the content and assessment of programmes for the reduction of specific emissions of CO₂, adjusting the figure of M₀ and TM₀, referred to in Annex I to Regulation (EC) No 443/2009, Article 13, the 7g CO₂/km cap referred to in Article 11, and the adjustment of the formulae in Annex I referred to in Article 14(3) to the average mass of new passenger cars in the previous three calendar years, and adapt the formulae in Annex I to Regulation (EC) No 443/2009. 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. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council should receive all documents at the same time as Member States of the Committee's exercise of implementing powers (OJ L 55, 28.2.2011, p.13).
States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Decision No 1753/2000/EC should be repealed for reasons of simplification and legal clarity.

Since the objective of this Regulation, namely the establishment of CO₂ emissions performance requirements for new passenger cars and new light commercial vehicles, cannot be achieved by the Member States, and can therefore, by reason of its scale and effects, 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 that objective,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and objectives

1. This Regulation establishes CO₂ emissions performance requirements for new passenger cars and for new light commercial vehicles in order to ensure the proper functioning of the internal market, and to achieve the overall objective of the European Community of 120 g CO₂/km as average emissions for the new car fleet. This Regulation sets the average CO₂ emissions for new passenger cars at 130 g CO₂/km, by means of improvement in vehicle motor technology, as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures and innovative technologies.

Article 1

Subject matter and objectives

1. This Regulation establishes CO₂ emissions performance requirements for new light commercial vehicles. This Regulation sets the average CO₂ emissions for new light commercial vehicles at 175 g CO₂/km, by means of improvements in vehicle technology, as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures and innovative technologies.
From 2020 onwards, this Regulation sets a target of 95 g CO₂/km for the average emissions of the new car fleet as measured in accordance with Regulation (EC) No 715/2007 and Annex XII to Regulation (EC) No 692/2008 and its implementing measures and innovative technologies.

2. From 1 January 2020, this Regulation sets an EU fleet-wide target of 95 g CO₂/km for the average emissions of new passenger cars and an EU fleet-wide target of 147 g CO₂/km for the average emissions of new light commercial vehicles registered in the Union, as measured until 31 December 2020 in accordance with Regulation (EC) No 715/2007 692/2008 together with Implementing Regulations (EU) 2017/1152 and 2017/1153, and, from 1 January 2021 measured in accordance with Regulation (EU) 2017/1151 and its implementing measures, and innovative technologies.

3. This Regulation will until 31 December 2024 be complemented by additional measures corresponding to a reduction of 10 g CO₂/km as part of the Community Union’s integrated approach referred to in the 2007 Communication from the Commission to the Council and the European Parliament36.

4. From 1 January 2025 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 15% reduction of the average of the specific emissions targets in 2021 determined in accordance with point 6.1.1 of Part A of Annex I;

(b) for the average emissions of the new light commercial vehicles fleet, an EU fleet-wide target equal to a 15% reduction of the average of the specific emissions targets in 2021 determined in accordance with point 6.1.1 of Part B of Annex I;

5. From 1 January 2030 the following targets shall apply:

(a) for the average emissions of the new passenger car fleet, an EU fleet-wide target equal to a 30% reduction compared to the average of the specific emissions targets in 2021 determined in accordance with point 6.1.2 of Part A of Annex I;

(b) for the average emissions of the new light commercial vehicles fleet, an EU fleet-
wide target equal to a 30% reduction of the average of the specific emissions targets in
2021 determined in accordance with point 6.1.2 of Part B of Annex I.

443/2009 (adapted)

**Article 2**

**Scope**

1. This Regulation shall apply to the following motor vehicles:

   (a) category M₁ as defined in Annex II to Directive 2007/46/EC (‘passenger cars’) which are registered in the Community for the first time and which have not previously been registered outside the Community (‘new passenger cars’).

2. A previous registration outside the Community made less than three months before registration in the Community shall not be taken into account.

3. This Regulation does not apply to special purpose vehicles as defined in point 5 of Part A of Annex II to Directive 2007/46/EC.

333/2014 Art. 1.2 (adapted)

4. With effect from 1 January 2012, Article 4, Article 8(4)(b) and (c), Article 9 and Article 10(1)(a) and (c) shall not apply to a manufacturer which, together with all of its connected undertakings, is responsible for fewer than 1000 new passenger cars registered in the Union in the previous calendar year.

510/2011 (adapted)

**Article 2**

**Scope**

1. This Regulation shall apply to motor vehicles of category N₁ as defined in Annex II to Directive 2007/46/EC with a reference mass not exceeding 2610 kg and to vehicles of category N₁ to which type-approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007 (‘light commercial vehicles’) which are registered in the Union for the first time and which have not previously been registered outside the Union (‘new light commercial vehicles’).

2. A previous registration outside the Union made less than three months before registration in the Union shall not be taken into account.

3. This Regulation shall not apply to special purpose vehicles as defined in point 5 of Part A to Annex II to Directive 2007/46/EC.
4. Article 4, Article 7 (4)(b) and (c), Article 98 and Article 910(1)(a) and (c) shall not apply to a manufacturer which, together with all of its connected undertakings, is responsible for fewer than 1000 new passenger cars or for fewer than 1000 new light commercial vehicles registered in the Union in the previous calendar year, unless that manufacturer applies for and is granted a derogation in accordance with Article 10.

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**Article 3**

**Definitions**

1. For the purposes of this Regulation, the following definitions shall apply:

   (a) ‘average specific emissions of CO2’ means, in relation to a manufacturer, the average of the specific emissions of CO2 of all new passenger cars of which it is the manufacturer;

   (b) ‘certificate of conformity’ means the certificate referred to in Article 18 of Directive 2007/46/EC;

   (c) ‘manufacturer’ means the person or body responsible to the approval authority for all aspects of the EC type-approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production;

   (d) ‘mass’ means the mass of the car with bodywork in running order as stated in the certificate of conformity and defined in section 2.6 of Annex I to Directive 2007/46/EC;

   (e) ‘footprint’ means the track width multiplied by the wheelbase as stated in the certificate of conformity and defined in sections 2.1 and 2.3 of Annex I to Directive 2007/46/EC;

   (g) ‘specific emissions target’ means, in relation to a manufacturer, the average of the specific emissions of CO2 permitted in accordance with Annex I in respect of each new passenger car of which it is the manufacturer or, where the manufacturer is granted a derogation under Article 11, the specific emissions target determined in accordance with that derogation.

2. For the purposes of this Regulation ‘a group of connected manufacturers’ means a manufacturer and its connected undertakings. In relation to a manufacturer, ‘connected undertakings’ means:

   (a) undertakings in which the manufacturer has, directly or indirectly, the power to exercise more than half the voting rights, or
the power to appoint more than half the members of the supervisory board, board of management or bodies legally representing the undertaking; or

the right to manage the undertaking's affairs;

(b) undertakings which directly or indirectly have, over the manufacturer, the rights or powers listed in point (a);

(c) undertakings in which an undertaking referred to in point (b) has, directly or indirectly, the rights or powers listed in point (a);

(d) undertakings in which the manufacturer together with one or more of the undertakings referred to in points (a), (b) or (c), or in which two or more of the latter undertakings, jointly have the rights or powers listed in point (a);

(e) undertakings in which the rights or the powers listed in (a) are jointly held by the manufacturer or one or more of its connected undertakings referred to in points (a) to (d) and one or more third parties.

Article 3
Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

(a) ‘average specific emissions of CO₂’ means, in relation to a manufacturer, the average of the specific emissions of CO₂ of all new passenger cars or of all new light commercial vehicles of which it is the manufacturer;

(b) ‘certificate of conformity’ means the certificate referred to in Article 18 of Directive 2007/46/EC;

(c) ‘completed vehicle’ means a light commercial vehicle where type-approval is granted following completion of a process of multi-stage type-approval in accordance with Directive 2007/46/EC;

(d) ‘complete vehicle’ means any light commercial vehicle which does not need to be completed in order to meet the relevant technical requirements of Directive 2007/46/EC;

(e) ‘base vehicle’ means any light commercial vehicle which is used at the initial stage of a multi-stage type-approval process;

(f) ‘manufacturer’ means the person or body responsible to the approval authority for all aspects of the EC type-approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production;

(g) ‘mass in running order’ means the mass of the passenger car or light commercial vehicle with bodywork in running order as stated in the
(h) ‘specific emissions of CO₂’ means the emissions of a light commercial vehicle measured in accordance with Regulation (EC) No 715/2008 and specified as the CO₂ mass emission (combined) in the certificate of conformity of the complete or completed vehicle;

(j) ‘footprint’ means the average track width multiplied by the wheelbase as stated in the certificate of conformity and defined in Sections 2.1 and 2.3 of Annex I to Directive 2007/46/EC;

(j) ‘specific emissions target’ means, in relation to a manufacturer, the average of the indicative specific emissions of CO₂ the annual target determined in accordance with Annex I in respect of each new light commercial vehicle for which it is the manufacturer, or, if the manufacturer is granted a derogation in accordance with Article 10 the specific emissions target determined according to that derogation;

(k) ‘EU fleet-wide target’ means the average CO₂ emissions of all new passenger cars or all new light commercial vehicles to be achieved in a given period;

(l) ‘test mass’ means the test mass of a passenger car or light commercial vehicle as stated in the certificate of conformity and as defined in point 3.2.25 of Annex XXI to Regulation (EU) 2017/1151;
(m) ‘zero- and low-emission vehicle’ means a passenger car or a light commercial vehicle with tailpipe emissions from zero up to 50 g CO₂/km, as determined in accordance with Regulation (EU) 2017/1151.

(n) ‘payload’ means the difference between the technically permissible maximum laden mass pursuant to Annex II to Directive 2007/46/EC and the mass of the vehicle.

2. For the purposes of this Regulation ‘a group of connected manufacturers’ means a manufacturer and its connected undertakings. In relation to a manufacturer, ‘connected undertakings’ means:

(a) undertakings in which the manufacturer has, directly or indirectly:
   (i) the power to exercise more than half the voting rights; or
   (ii) the power to appoint more than half the members of the supervisory board, board of management or bodies legally representing the undertaking; or
   (iii) the right to manage the undertaking's affairs;

(b) undertakings which directly or indirectly have, over the manufacturer, the rights or powers listed in point (a);

(c) undertakings in which an undertaking referred to in point (b) has, directly or indirectly, the rights or powers listed in point (a);

(d) undertakings in which the manufacturer together with one or more of the undertakings referred to in points (a), (b) or (c), or in which two or more of the latter undertakings, jointly have the rights or powers listed in point (a);

(e) undertakings in which the rights or the powers listed in point (a) are jointly held by the manufacturer or one or more of its connected undertakings referred to in points (a) to (d) and one or more third parties.

Article 4
Specific emissions targets

1. The manufacturer shall ensure that its average specific emissions of CO₂ do not exceed the following specific emissions targets:

(a) for calendar year 2020, the specific emissions target determined in accordance with points 1 and 2 of Part A of Annex I in the case of passenger cars, or points 1 and 2 of Part B of Annex I in the case of light commercial vehicles, or where a manufacturer is granted a derogation under Article 10, in accordance with that derogation;
(b) For the calendar year commencing 1 January 2014 and each subsequent calendar year from 2021 until 2024, each manufacturer of light commercial vehicles shall ensure that its average specific emissions of CO₂ do not exceed its specific emissions target determined in accordance with points 3 and 4 of Parts A or B of Annex I as appropriate or, where a manufacturer is granted a derogation under Article 11, in accordance with that derogation and point 5 of Parts A or B of Annex I.

(c) For each calendar year, starting from 2025, the specific emissions targets determined in accordance with point 6.3 of Parts A or B of Annex I.

2. In the case of light commercial vehicles, where the specific emissions of the completed vehicle are not available, the manufacturer of the base vehicle shall use the specific emissions of the base vehicle for determining its average specific emissions of CO₂.

For the purpose of determining each manufacturer’s average specific emissions of CO₂, the following percentages of each manufacturer’s new light commercial vehicles registered in the relevant year shall be taken into account:

- 70% in 2014,
- 75% in 2015,
- 80% in 2016,
- 100% from 2017 onwards.

Article 4

Specific emissions targets

For the calendar year commencing 1 January 2012 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO₂ do not exceed its specific emissions target determined in accordance with Annex I or, where a manufacturer is granted a derogation under Article 11, in accordance with that derogation.
3. For the purposes of determining each manufacturer’s average specific emissions of CO2, the following percentages of each manufacturer’s new passenger cars registered in the relevant year shall be taken into account:

- 65% in 2012,
- 75% in 2013,
- 80% in 2014,
- 100% from 2015 to 2019,
- 95% in 2020,
- 100% by the end of 2020 from 2021 onwards.

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**Article 5**

**Super-credits**

In calculating the average specific emissions of CO2, each new passenger car with specific emissions of CO2 of less than 50 g CO2/km shall be counted as:

- 3.5 cars in 2012,
- 3.5 cars in 2013,
- 2.5 cars in 2014,
- 1.5 cars in 2015,
- 1 car from 2016.

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**Article 5**

**Super-credits**

In calculating the average specific emissions of CO2, each new light commercial vehicle with specific emissions of CO2 of less than 50 g CO2/km shall be counted as:

- 2.5 Light commercial vehicles in 2014,
- 2.5 Light commercial vehicles in 2015,
- 2.5 Light commercial vehicles in 2016,
- 1.5 Light commercial vehicles in 2017,
- 1 Light commercial vehicle from 2018.
For the duration of the super-credits scheme, the maximum number of new light commercial vehicles, with specific emissions of CO\textsubscript{2} of less than 50 g CO\textsubscript{2}/km, to be taken into account in the application of the multipliers set out in the first paragraph shall not exceed 25000 light commercial vehicles per manufacturer.

**Article 5a**

**Super-credits for 95 g CO\textsubscript{2}/km target**

In calculating the average specific emissions of CO\textsubscript{2}, each new passenger car with specific emissions of CO\textsubscript{2} of less than 50 g CO\textsubscript{2}/km shall be counted as:

- 2 passenger cars in 2020,
- 1.67 passenger cars in 2021,
- 1.33 passenger cars in 2022,
- 1 passenger car from 2023,

for the year in which it is registered in the period from 2020 to 2022, subject to a cap of 7.5 g CO\textsubscript{2}/km over that period for each manufacturer and subject to Article 5 of Implementing Regulation (EU) 2017/1153.

**Article 6**

**Specific emissions target for alternative-fuel vehicles**

For the purpose of determining compliance by a manufacturer with its specific emissions target referred to in Article 4, the specific emissions of CO\textsubscript{2} of each vehicle designed to be capable of running on a mixture of petrol with 85 % ethanol (‘E85’) which meets relevant Community legislation or European technical standards, shall be reduced by 5 % until 31 December 2015 in recognition of the greater technological and emissions reduction capability when running on biofuels. This reduction shall apply only where at least 30 % of the filling stations in the Member State in which the vehicle is registered provide this type of alternative fuel complying with the sustainability criteria for biofuels set out in relevant Community legislation.

**Article 6**

**Specific emissions target for alternative-fuel light commercial vehicles**

For the purpose of determining compliance by a manufacturer with its specific emissions target referred to in Article 4, the specific emissions of CO\textsubscript{2} of each light commercial vehicle
which is designed to be capable of running on a mixture of petrol with 85% bioethanol (‘E85’), and which complies with relevant Union legislation or European technical standards, shall be reduced by 5% by 31 December 2015 in recognition of the greater technological and emission reduction capability when running on biofuels. This reduction shall apply only where at least 30% of the filling stations in the Member State in which the light commercial vehicle is registered provide this type of alternative fuel complying with the sustainability criteria for biofuels set out in relevant Union legislation.

Article 6

Pooling

1. Manufacturers of new light commercial vehicles, other than manufacturers which have been granted a derogation under Article 10, may form a pool for the purposes of meeting their obligations under Article 4.

2. An agreement to form a pool may relate to one or more calendar years, provided that the overall duration of each agreement does not exceed five calendar years, and must be entered into on or before 31 December in the first calendar year for which emissions are to be pooled. Manufacturers which form a pool shall file the following information with the Commission:

(a) the manufacturers who will be included in the pool;

(b) the manufacturer nominated as the pool manager who will be the contact point for the pool and will be responsible for paying any excess emissions premium imposed on the pool in accordance with Article 8;

(c) evidence that the pool manager will be able to fulfil the obligations under point (b);

(d) the category of vehicles registered as M1 or N1, for which the pool shall apply.

3. Where the proposed pool manager fails to meet the requirement to pay any excess emissions premium imposed on the pool in accordance with Article 8, the Commission shall notify the manufacturers.

4. Manufacturers included in a pool shall jointly inform the Commission of any change of pool manager or of its financial status, in so far as this may affect its ability to meet the requirement to pay any excess emissions premium imposed on the pool in accordance with Article 8 and of any changes to the membership of the pool or the dissolution of the pool.

5. Manufacturers may enter into pooling arrangements provided that their agreements comply with Articles 101 and 102 TFEU and that they allow open, transparent and non-discriminatory participation on commercially reasonable terms by any manufacturer requesting membership of the pool. Without prejudice to the general applicability of Union competition rules to such pools, all members of a pool shall in
particular ensure that neither data sharing nor information exchange may occur in the
context of their pooling arrangement, except in respect of the following information:
(a) the average specific emissions of CO2;
(b) the specific emissions target;
(c) the total number of vehicles registered.

6. Paragraph 5 shall not apply where all the manufacturers included in the pool are part
of the same group of connected manufacturers.

7. Except where notification is given under paragraph 3, the manufacturers in a pool in
respect of which information is filed with the Commission shall be considered as one
manufacturer for the purposes of meeting their obligations under Article 4.
Monitoring and reporting information in respect of individual manufacturers as well
as any pools will be recorded, reported and made available in the central register
referred to in Article 8(4).

8. The Commission may specify the detailed conditions that shall apply for a pooling
arrangement set up pursuant to paragraph 5 by way of implementing acts to be
adopted in accordance with the examination procedure referred to in Article 15(2).

Article 7
Pooling

1. Manufacturers, other than manufacturers which have been granted a derogation under
Article 11, may form a pool for the purposes of meeting their obligations under Article 4.

2. An agreement to form a pool may relate to one or more calendar years, provided that
the overall duration of each agreement does not exceed five calendar years, and must be
entered into on or before 31 December in the first calendar year for which emissions are to be
pooled. Manufacturers which form a pool shall file the following information with the
Commission:
(a) the manufacturers who will be included in the pool;
(b) the manufacturer nominated as the pool manager who will be the contact point
for the pool and will be responsible for paying any excess emissions premium
imposed on the pool in accordance with Article 9; and
(c) evidence that the pool manager will be able to fulfil the obligations under point
(b).

3. Where the proposed pool manager fails to meet the requirement to pay any excess
emissions premium imposed on the pool in accordance with Article 9, the Commission shall
notify the manufacturers.
4. Manufacturers included in a pool shall jointly inform the Commission of any change of pool manager or its financial status, in so far as this may affect its ability to meet the requirement to pay any excess emissions premium imposed on the pool in accordance with Article 9 and of any changes to the membership of the pool or the dissolution of the pool.

5. Manufacturers may enter into pooling arrangements provided that their agreements are in compliance with Articles 81 and 82 of the Treaty and that they allow open, transparent and non-discriminatory participation on commercially reasonable terms by any manufacturer requesting membership of the pool. Without prejudice to the general applicability of Community competition rules to such pools, all members of a pool shall in particular ensure that neither data sharing nor information exchange may occur in the context of their pooling arrangement, except in respect of the following information:

(a) the average specific emissions of CO₂;
(b) the specific emissions target;
(c) the total number of vehicles registered.

6. Paragraph 5 shall not apply where all the manufacturers included in the pool are part of the same group of connected manufacturers.

7. Except where notification is given under paragraph 3, the manufacturers in a pool in respect of which information is filed with the Commission shall be considered as one manufacturer for the purposes of meeting their obligations under Article 4. Monitoring and reporting information in respect of individual manufacturers as well as any pools will be recorded, reported and available in the central register referred to in Article 8(4).

**Article 8**

**Monitoring and reporting of average emissions**

1. For the calendar year commencing 1 January 2010 and each subsequent calendar year, each Member State shall record information for each new passenger car and each new light commercial vehicle registered in its territory in accordance with Parts A of Annexes II and III. This information shall be made available to the manufacturers and their designated importers or representatives in each Member State. Member States shall make every effort to ensure that reporting bodies operate in a transparent manner. Each Member State shall ensure that the specific emissions of CO₂ of passenger cars which are not type-approved in accordance with Regulation (EC) No 715/2007 are measured and recorded in the certificate of conformity.

2. By 28 February of each year, commencing in 2011, each Member State shall determine and transmit to the Commission the information listed in Parts B, A of Annexes II and III in respect of the preceding calendar year. The data shall be transmitted in accordance with the format specified in Part B of Annex II and Part C of Annex III.

3. On request from the Commission, a Member State shall also transmit the full set of data collected pursuant to paragraph 1.

4. The Commission shall keep a central register of the data reported by Member States under this Article and by 30 June of each year, commencing in 2011, shall provisionally calculate the following for each manufacturer:

(a) the average specific emissions of CO₂ in the preceding calendar year;
(b) the specific emissions target in the preceding calendar year; and
(c) the difference between its average specific emissions of CO\textsubscript{2} in the preceding calendar year and its specific emissions target for that year.

The Commission shall notify each manufacturer of its provisional calculation for that manufacturer. The notification shall include data for each Member State on the number of new passenger cars and of new light commercial vehicles registered and their specific emissions of CO\textsubscript{2}.

The register shall be publicly available.

5. Manufacturers may, within three months of being notified of the provisional calculation under paragraph 4, notify the Commission of any errors in the data, specifying the Member State in which it considers that the error occurred.

The Commission shall consider any notifications from manufacturers and shall, by 31 October, either confirm or amend the provisional calculations under paragraph 4.

6. Where, on the basis of the calculations under paragraph 5, in relation to the calendar year 2010 or 2011, it appears to the Commission that a manufacturer’s average specific emissions of CO\textsubscript{2} in that year exceeded its specific emissions target for that year, the Commission shall notify the manufacturer.

7. Member States shall designate a competent authority for the collection and communication of the monitoring data in accordance with this Regulation and shall inform the Commission of the competent authority designated no later than 8 December 2009. The Commission shall subsequently inform the European Parliament and the Council thereof.

8. In each Member State, the competent authority for the collection and communication of the monitoring data in accordance with this Regulation shall be the one designated in accordance with Article 8(7) of Regulation (EC) No 443/2009.

The competent authorities shall ensure the correctness and completeness of the data transmitted to the Commission, and shall appoint a contact person that shall be available to respond quickly to requests from the Commission to address errors and omissions in the transmitted datasets.

8. For each calendar year in which Article 6 applies, Member States shall provide information to the Commission regarding the proportion of filling stations and the sustainability criteria in relation to E85 as referred to in that Article.
The Commission shall adopt detailed rules on the procedures for monitoring and reporting of data under paragraphs 1 to 7 and on the application of Annex II by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2), 15(2).

The Commission shall be empowered to adopt delegated acts in accordance with Article 16 in order to amend the data requirements and data parameters set out in Annex II and III.

Type approval authorities shall without delay report to the Commission deviations found in the CO₂ emissions of vehicles in service as compared to those values indicated in the certificates of conformity as a result of verifications performed in accordance with the procedure referred to in Article 11a of Regulation (EC) No 715/2007.

The Commission shall take those deviations into account for the purpose of calculating the average specific emissions of a manufacturer.

The Commission may adopt detailed rules on the procedures for reporting such deviations and for taking them into account in the calculation of the average specific emissions. Those procedures shall be adopted by way of implementing acts in accordance with the examination procedure referred to in Article 15(2).

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Article 8

**Monitoring and reporting of average emissions**

1. For the calendar year commencing 1 January 2012 and each subsequent calendar year, each Member State shall record information for each new light commercial vehicle registered in its territory in accordance with Part A of Annex II. This information shall be made available to the manufacturers and their designated importers or representatives in each Member State. Member States shall make every effort to ensure that reporting bodies operate in a transparent manner.

2. By 28 February of each year, commencing in 2013, each Member State shall determine and transmit to the Commission the information listed in Part B of Annex II in respect of the preceding calendar year. The data shall be transmitted in accordance with the format specified in Part C of Annex II.

3. On request from the Commission, a Member State shall also transmit the full set of data collected pursuant to paragraph 1.
4. The Commission shall keep a central register of the data reported by Member States under this Article and this register shall be publicly available. By 30 June 2013 and each subsequent year, the Commission shall provisionally calculate for each manufacturer:

(a) the average specific emissions of CO₂ in the preceding calendar year;
(b) the specific emissions target in the preceding calendar year;
(c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target for that year.

The Commission shall notify each manufacturer of its provisional calculation for that manufacturer. The notification shall include data per Member State on the number of new light commercial vehicles registered and their specific emissions of CO₂.

5. Manufacturers may, within three months of being notified of the provisional calculation under paragraph 4, notify the Commission of any errors in the data, specifying the Member State in which it considers that the error occurred.

6. The Commission shall consider any notifications from manufacturers and shall, by 31 October, either confirm or amend the provisional calculations under paragraph 4.

7. In relation to the calendar years 2012 and 2013 and on the basis of the calculations made pursuant to paragraph 5, the Commission shall notify a manufacturer where it appears to the Commission that the manufacturer's average specific emissions of CO₂ exceed its specific emissions target.

8. In each Member State, the competent authority for the collection and communication of the monitoring data in accordance with this Regulation shall be the one designated in accordance with Article 8(7) of Regulation (EC) No 443/2009.

9. The Commission shall adopt detailed rules for the monitoring and reporting of data under this Article and for the application of Annex II. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

In order to take account of experience gained from the application of this Regulation, the Commission may amend Annex II by means of delegated acts in accordance with Article 15, and subject to the conditions laid down in Articles 16 and 17.

10. Member States shall also collect and report data, in accordance with this Article, on registrations of vehicles in categories M₂ and N₂ as defined in Annex II to Directive 2007/46/EC with a reference mass not exceeding 2610 kg and vehicles to which type approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007.

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**Article 68**

**Excess emissions premium**

1. In respect of the period from 1 January to 31 December 2014 and every calendar year thereafter, the Commission shall impose an excess emissions premium on a manufacturer or pool manager, as appropriate, where a manufacturer's average specific emissions of CO₂ exceed its specific emissions target.
2. The excess emissions premium under paragraph 1 shall be calculated using the following formulae:

(a) from 2014 until 2018:
   (i) for excess emissions of more than 3 g CO₂/km:
   $$((\text{Excess emissions} - 3 \text{ g CO}_2/\text{km}) \times EUR \ 95 + EUR \ 45) \times \text{number of new light commercial vehicles};$$
   (ii) for excess emissions of more than 2 g CO₂/km but no more than 3 g CO₂/km:
   $$((\text{Excess emissions} - 2 \text{ g CO}_2/\text{km}) \times EUR \ 25 + EUR \ 20) \times \text{number of new light commercial vehicles};$$
   (iii) for excess emissions of more than 1 g CO₂/km but no more than 2 g CO₂/km:
   $$((\text{Excess emissions} - 1 \text{ g CO}_2/\text{km}) \times EUR \ 15 + EUR \ 5) \times \text{number of new light commercial vehicles};$$
   (iv) for excess emissions of no more than 1 g CO₂/km:
   $$((\text{Excess emissions} \times EUR \ 5) \times \text{number of new light commercial vehicles};$$

(b) from 2019:
   $$(\text{Excess emissions} \times EUR \ 95) \times \text{number of newly registered vehicles}.$$

For the purposes of this Article the following definitions shall apply:

- ‘excess emissions’ means the positive number of grams per kilometre by which a manufacturer's average specific emissions of CO₂, taking into account CO₂ emissions reductions due to innovative technologies approved in accordance with Article 1211, exceeded its specific emissions target in the calendar year or part thereof to which the obligation under Article 4 applies, rounded to the nearest three decimal places, and
- ‘number of newly registered vehicles’ means the number of new passenger cars or new light commercial vehicles counted separately of which it is the manufacturer and which were registered in that period according to the phase-in criteria as set out in Article 4(3).

3. The Commission shall adopt detailed arrangements for the collection of excess emissions premiums under paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).

4. The amounts of the excess emissions premium shall be considered as revenue for the general budget of the European Union.
1. In respect of each calendar year from 2012 onwards for which a manufacturer's average specific emissions of CO\(_2\) exceed its specific emissions target in that year, the Commission shall impose an excess emissions premium on the manufacturer or, in the case of a pool, the pool manager.

2. The excess emissions premium under paragraph 1 shall be calculated using the following formulae:

   (a) From 2012 until 2018:

   (i) Where the manufacturer's average specific emissions of CO\(_2\) exceed its specific emissions target by more than 3 g CO\(_2\)/km:

   \[ \text{Excess emissions} - 3 \times 95 + 1 \times 25 + 1 \times 15 + 1 \times 5 \times \text{number of new passenger cars} \]

   (ii) Where the manufacturer's average specific emissions of CO\(_2\) exceed its specific emissions target by more than 2 g CO\(_2\)/km but no more than 3 g CO\(_2\)/km:

   \[ \text{Excess emissions} - 2 \times 25 + 1 \times 15 + 1 \times 5 \times \text{number of new passenger cars} \]

   (iii) Where the manufacturer's average specific emissions of CO\(_2\) exceed its specific emissions target by more than 1 but no more than 2 g CO\(_2\)/km:

   \[ \text{Excess emissions} - 1 \times 15 + 1 \times 5 \times \text{number of new passenger cars} \]

   (iv) Where the manufacturer's average specific emissions of CO\(_2\) exceed its specific emissions target by no more than 1 g CO\(_2\)/km:

   \[ \text{Excess emissions} \times 5 \times \text{number of new passenger cars} \]

   (b) From 2019:

   \[ \text{Excess emissions} \times 95 \times \text{number of new passenger cars} \]

   For the purposes of this Article, ‘excess emissions’, determined as set out in Article 4, means the positive number of grams per kilometre by which the manufacturer's average specific emissions — taking into account CO\(_2\) emissions reductions due to approved innovative technologies — exceeded its specific emissions target in the calendar year rounded to the nearest three decimal places; and ‘number of new passenger cars’ means the number of new passenger cars of which it is the manufacturer and which were registered in that year according to the phase-in criteria set out in Article 4.

3. The Commission shall determine the means for collecting excess emissions premiums under paragraph 1 by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2).
4. The amounts of the excess emissions premium shall be considered as revenue for the general budget of the European Union.

**Article 10**

**Publication of performance of manufacturers**

1. By 31 October of each year, commencing in 2011, the Commission shall publish a list indicating for each manufacturer:

   (a) its specific emissions target for the preceding calendar year;
   (b) its average specific emissions of CO₂ in the preceding calendar year;
   (c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target in that year;
   (d) the average specific emissions of CO₂ for all new passenger cars in the Community in the previous calendar year; and
   (e) the average mass for all new passenger cars in the Community in the preceding calendar year.

2. From the 31 October 2013, the list published under paragraph 1 shall also indicate whether or not the manufacturer has complied with the requirements of Article 4 in respect of the preceding calendar year.

**Article 10**

**Publication of performance of manufacturers**

1. By 31 October 2013 and 31 October of each subsequent year, the Commission shall publish by means of implementing acts a list indicating for each manufacturer:

   (a) for each manufacturer, its specific emissions target for the preceding calendar year;
   (b) for each manufacturer, its average specific emissions of CO₂ in the preceding calendar year;
   (c) the difference between its manufacturer's average specific emissions of CO₂ in the preceding calendar year and its specific emissions target in that year;
   (d) the average specific emissions of CO₂ for all new passenger cars and new light commercial vehicles registered in the Union in the previous calendar year;
   (e) the average mass in running order for all new passenger cars and new light commercial vehicles registered in the Union in the preceding calendar year until 31 December 2020.

**Article 10**

**Publication of performance of manufacturers**

1. By 31 October 2013 and 31 October of each subsequent year, the Commission shall publish a list indicating for each manufacturer:

   (a) its specific emissions target for the preceding calendar year;
   (b) its average specific emissions of CO₂ in the preceding calendar year;
   (c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target in that year;
   (d) the average specific emissions of CO₂ for all new passenger cars in the Community in the previous calendar year; and
   (e) the average mass for all new passenger cars in the Community in the preceding calendar year.

2. From the 31 October 2013, the list published under paragraph 1 shall also indicate whether or not the manufacturer has complied with the requirements of Article 4 in respect of the preceding calendar year.
(f) the average test mass of all new passenger cars and new light commercial vehicles registered in the Union in the preceding calendar year.

2. **From 31 October 2015,** 
   The list published under paragraph 1 shall also indicate whether the manufacturer has complied with the requirements of Article 4 with respect to the preceding calendar year.

3. The list referred to in paragraph 1 shall, for the publication by 31 October 2022, indicate the following:
   (a) the 2025 and 2030 EU fleet-wide targets referred to in Article 1(4) and (5) calculated by the Commission in accordance with points 6.1.1 and 6.1.2 of Parts A and B of Annex I;
   (b) the values for $a_{2021}$, $a_{2025}$ and $a_{2030}$ calculated by the Commission in accordance with point 6.2 of Parts A and B of Annex I.

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**Article 1110**

**Derogations for certain manufacturers**

1. An application for a derogation from the specific emissions target calculated in accordance with Annex I may be made by a manufacturer of fewer than $10,000$ new passenger cars or $22,000$ new light commercial vehicles registered in the Union per calendar year, and which:
   (a) is not part of a group of connected manufacturers; or
   (b) is part of a group of connected manufacturers that is responsible in total for fewer than $10,000$ new passenger cars or $22,000$ new light commercial vehicles registered in the Union per calendar year; or
   (c) is part of a group of connected manufacturers but operates its own production facilities and design centre.

2. A derogation applied for under paragraph 1 may be granted for a maximum period of five calendar years. An application shall be made to the Commission and shall include:
   (a) the name of, and contact person for, the manufacturer;
   (b) evidence that the manufacturer is eligible for a derogation under paragraph 1;
(c) details of the passenger cars or light commercial vehicles which it manufactures including the test mass and specific emissions of CO₂ of those passenger cars or light commercial vehicles; and

(d) a specific emissions target consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂ and taking into account the characteristics of the market for the type of passenger car or light commercial vehicle manufactured.

3. Where the Commission considers that the manufacturer is eligible for a derogation applied for under paragraph 1 and is satisfied that the specific emissions target proposed by the manufacturer is consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂, and taking into account the characteristics of the market for the type of light commercial vehicle manufactured, the Commission shall grant a derogation to the manufacturer. The application shall be submitted at the latest by 31 October of the first year in which the derogation shall apply.

4. A manufacturer which is subject to derogation in accordance with this Article shall notify the Commission immediately of any change which affects or may affect its eligibility for a derogation.

5. Where the Commission considers, whether on the basis of a notification under paragraph 4 or otherwise, that a manufacturer is no longer eligible for the derogation, it shall revoke the derogation with effect from 1 January of the next calendar year and shall notify the manufacturer thereof.

6. Where the manufacturer does not attain its specific emissions target, the Commission shall impose the excess emissions premium on the manufacturer, as set out in Article 9.

7. The Commission shall adopt rules to supplement paragraphs 1 to 6 of this Article, inter alia, on the interpretation of the eligibility criteria for derogations, on the content of applications, and on the content and assessment of programmes for the reduction of specific emissions of CO₂, by means of delegated acts in accordance with Article 15, and subject to the conditions laid down in Articles 16 and 17.

8. Applications for a derogation, including the information supporting it, notifications under paragraph 4, revocations under paragraph 5 and any imposition of an excess emissions premium under paragraph 6 and acts adopted pursuant to paragraph 7, shall be made publicly available, subject to Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents.

Article 11

Derogations for certain manufacturers

1. An application for a derogation from the specific emissions target calculated in accordance with Annex I may be made by a manufacturer which is responsible for fewer than 10000 new passenger cars registered in the Community per calendar year and:

(a) is not part of a group of connected manufacturers; or
(b) is part of a group of connected manufacturers that is responsible in total for fewer than 10000 new passenger cars registered in the Community per calendar year; or
(c) is part of a group of connected manufacturers but operates its own production facilities and design centre.

2. A derogation applied for under paragraph 1 may be granted for a maximum period of five calendar years. An application shall be made to the Commission and shall include:

(a) the name of, and contact person for, the manufacturer;
(b) evidence that the manufacturer is eligible for a derogation under paragraph 1;
(c) details of the passenger cars which it manufactures including the mass and specific emissions of CO₂ of those passenger cars; and
(d) a specific emissions target consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂ and taking into account the characteristics of the market for the type of car manufactured.

3. Where the Commission considers that the manufacturer is eligible for a derogation applied for under paragraph 1 and is satisfied that the specific emissions target proposed by the manufacturer is consistent with its reduction potential, including the economic and technological potential to reduce its specific emissions of CO₂ and taking into account the characteristics of the market for the type of car manufactured, the Commission shall grant a derogation to the manufacturer.

4. An application for a derogation from the specific emissions target calculated in accordance with points 1 to 4 of Part A of Annex I may be made by a manufacturer which is responsible, together with all of its connected undertakings, for between 10000 and 300000 new passenger cars registered in the Union per calendar year.

Such application may be made by a manufacturer in respect of itself or in respect of itself together with any of its connected undertakings. An application shall be made to the Commission and shall include:

(a) all of the information referred to in paragraphs 2(a) and (c) including, where relevant, information about any connected undertakings.

(b) if the application is in relation to points (a) and (b) of point 1 of Annex I, a target which is a 25% reduction on the average specific emissions of CO₂ in 2007 or, where a single application is made in respect of a number of connected undertakings, a 25% reduction on the average of those undertakings’ average specific emissions of CO₂ in 2007.
(eb) if the application is in relation to point (e) of point 1 of Annex I, a target which is a 45 % reduction on the average specific emissions of CO₂ in 2007 or, where a single application is made in respect of a number of connected undertakings, a 45 % reduction on the average of those undertakings’ average specific emissions of CO₂ in 2007.

Where information on a manufacturer's average specific emissions of CO₂ does not exist for the year 2007, the Commission shall determine an equivalent reduction target based upon the best available CO₂ emissions reduction technologies deployed in passenger cars of comparable mass and taking into account the characteristics of the market for the type of car manufactured. This target shall be used by the applicant for the purposes of point (b).

The Commission shall grant a derogation to the manufacturer where it is demonstrated that the criteria for the derogation referred to in this paragraph have been met.

5. A manufacturer which is subject to a derogation in accordance with this Article shall notify the Commission immediately of any change which affects or may affect its eligibility for a derogation.

6. Where the Commission considers, whether on the basis of a notification under paragraph 5 or otherwise, that a manufacturer is no longer eligible for the derogation, it shall revoke the derogation with effect from 1 January of the next calendar year and shall notify the manufacturer thereof.

7. Where the manufacturer does not attain its specific emissions target, the Commission shall impose the excess emissions premium on the manufacturer, as set out in Article 8.

8. The Commission shall be empowered to adopt delegated acts in accordance with Article 16 laying down rules to supplement paragraphs 1 to 7 of this Article, as regards the interpretation of the eligibility criteria for derogations, the content of the applications, and the content and assessment of programmes for the reduction of specific emissions of CO₂.

9. Applications for a derogation, including the information supporting it, notifications under paragraph 5, revocations under paragraph 6 and any imposition of an excess emissions premium under paragraph 7 and measures adopted pursuant to paragraph 8, shall be made publicly available, subject to Regulation (EC) No 1049/2001 of the
European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents.\(^{38}\)

Article 211

Eco-innovation

1. Upon application by a supplier or a manufacturer, \(\text{CO}_2\) savings achieved through the use of innovative technologies or a combination of innovative technologies (‘innovative technology packages’) shall be considered. Such technologies shall be taken into consideration only if the methodology used to assess them is capable of producing verifiable, repeatable and comparable results. The total contribution of those technologies to reducing the average specific emissions target of a manufacturer may be up to 7 g \(\text{CO}_2\)/km.

The Commission may adjust the cap with effect from 2025 onwards. Those adjustments shall be performed by means of delegated acts in accordance with Article 16.

2. The Commission shall adopt, by means of implementing acts, detailed provisions for a procedure to approve the innovative technologies or innovative technology packages referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 15 (2) of this Regulation. Those detailed provisions shall be based on the following criteria for innovative technologies:

(a) the supplier or manufacturer must be accountable for the \(\text{CO}_2\) savings achieved through the use of the innovative technologies;

(b) the innovative technologies must make a verified contribution to \(\text{CO}_2\) reduction;

(c) the innovative technologies must not be covered by the standard test cycle \(\text{CO}_2\) measurement;

(d) or \( \Rightarrow \) the innovative technologies must not be covered by mandatory provisions due to complementary additional measures complying with the 10 g CO\(_2\)/km reduction referred to in Article 1 or be mandatory under other provisions of Union law. \( \Rightarrow \) With effect from 1 January 2025, this criterion shall not apply with regard to efficiency improvements for air conditioning systems. \( \Rightarrow \)

| 333/2014 Art. 1.9(c) |

3. A supplier or a manufacturer who applies for a measure to be approved as an innovative technology or innovative technology package shall submit a report, including a verification report undertaken by an independent and certified body, to the Commission. In the event of a possible interaction of the measure with another innovative technology or innovative technology package already approved, the report shall mention that interaction and the verification report shall evaluate to what extent that interaction modifies the reduction achieved by each measure.

| 443/2009 |

4. The Commission shall attest the reduction achieved on the basis of the criteria set out in paragraph 2.

| 510/2011 (adapted) |

Article 13

Eco-innovation

| 253/2014 Art. 1.4(a) (adapted) |

1. Upon application by a supplier or a manufacturer, CO\(_2\) savings achieved through the use of innovative technologies or a combination of innovative technologies (‘innovative technology packages’) shall be considered.

The total contribution of those technologies to reducing the specific emissions target of a manufacturer may be up to 7 g CO\(_2\)/km.

| 253/2014 Art. 1.4(b) (adapted) |

2. The Commission shall adopt by means of implementing acts detailed provisions for a procedure to approve the innovative technologies or innovative technology packages referred to in paragraph 1, by 31 December 2012. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14(2) of this Regulation. Those detailed provisions shall be in accordance with the provisions established under Article
12(2) of Regulation (EC) No 443/2009, and be based on the following criteria for innovative technologies:

(a) the supplier or manufacturer must be accountable for the CO2 savings achieved through the use of the innovative technologies;

(b) the innovative technologies must make a verified contribution to CO2 reduction;

(c) the innovative technologies must not be covered by the standard test cycle CO2 measurement or by mandatory provisions due to complementary additional measures complying with the 10 g CO2/km reduction referred to in Article 1 of Regulation (EC) No 443/2009 or be mandatory under other provisions of Union law.

3. A supplier or a manufacturer who applies for a measure to be approved as an innovative technology shall submit a report, including a verification report undertaken by an independent and certified body, to the Commission. In the event of a possible interaction of the measure with another innovative technology already approved, the report shall mention that interaction and the verification report shall evaluate to what extent that interaction modifies the reduction achieved by each measure.

4. The Commission shall attest the reduction achieved on the basis of the criteria set out in paragraph 2.

Article 12

Real world CO2 emissions and energy consumption

1. The Commission shall monitor and assess the real world representativeness of the CO2 emission and energy consumption values determined in accordance with Regulation (EU) 2017/1151. It shall ensure that the public is informed of how that representativeness evolves over time.

2. For that purpose, the Commission shall ensure the availability, from manufacturers or national authorities, as the case may be, of robust non-personal data on real world CO2 emissions and energy consumption of passenger cars and light commercial vehicles.

3. The Commission may adopt the measures referred to in this Article by means of implementing acts in accordance with the examination procedure referred to in Article 15(2).

Article 13

Review and report ☑ Adjustment of M₀ and TM₀ ☒
In 2010, the Commission shall submit a report to the European Parliament and to the Council reviewing the progress made towards implementation of the Community's integrated approach to reducing CO\textsubscript{2} emissions from light-duty vehicles.

1. The figures $M_0$ and $TM_0$ referred to in Parts A and B of Annex I shall be adjusted as follows:

(a) By 31 October 2014, and every three years thereafter, measures shall be adopted to amend Annex I to adjust the figure $M_0$, referred to therein, in points 1 to 5 of Part A of Annex I shall be adjusted to the average mass in running order of new passenger cars in the previous three calendar years, 2017, 2018, and 2019. That new $M_0$ value shall apply from 1 January 2022 until 31 December 2024;

(b) By 31 October 2022, the figure $M_0$ in points 1 to 5 of Part B of Annex I shall be adjusted to the average mass in running order of new light commercial vehicles in the previous three calendar years 2019, 2020 and 2021. That new $M_0$ shall apply in 2024;

(c) By 31 October 2022, the indicative $TM_0$ for 2025 shall be determined as the respective average test mass of new passenger cars and new light commercial vehicles in 2021;

(d) By 31 October 2024, and every second year thereafter, the figures $TM_0$ in Parts A and B of Annex I shall be adjusted to the respective average test mass of new passenger cars and new light commercial vehicles in the preceding two calendar years starting with 2022 and 2023. The new respective $TM_0$ shall apply from 1 January of the calendar year following the date of the adjustment.

Those measures shall take effect for the first time on 1 January 2016 and every three years thereafter.

The Commission shall, by means of delegated acts, adopt those measures referred to in paragraph 1 in accordance with Article 16.
Article 14

Review and report

1. The Commission shall in 2024 submit a report to the European Parliament and the Council on the effectiveness of this Regulation, where appropriate, accompanied by a proposal for amending the Regulation. This report will consider, inter alia, the real world representativeness of the CO₂ emission and energy consumption values determined in accordance with Regulation (EU) 2017/1151, the deployment on the Union market of zero- and low-emission vehicles and the roll-out of recharging and refuelling infrastructure reported under Directive 2014/94/EU of the European Parliament and of the Council.40

2. The Commission shall, if appropriate, submit a proposal to the European Parliament and the Council by 2014, to include in this Regulation vehicles in category N₂ and M₂ as defined in Annex II to Directive 2007/46/EC with a reference mass not exceeding 2610 kg and vehicles to which type approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007, with a view to achieving the long-term target from 2020.

3. The Commission shall by 2014, following an impact assessment, publish a report on the availability of data on footprint and payload and their use as utility parameters for determining specific emissions targets and, if appropriate, submit a proposal to the European Parliament and the Council on the extension of this Regulation to vehicles in categories N₂ and M₂ as defined in Annex II to Directive 2007/46/EC with a reference mass not exceeding 2610 kg and vehicles to which type approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007, with a view to achieving the long-term target from 2020.

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Parliament and to the Council to amend Annex I in accordance with the ordinary legislative procedure.

5. By 31 October 2016, and every three years thereafter, the Commission shall amend Annex I by means of delegated acts in accordance with Article 15, and subject to the conditions laid down in Articles 16 and 17, to adjust the figure $M_0$, referred to therein, to the average mass of new light commercial vehicles in the previous three calendar years. Those adjustments shall take effect for the first time on 1 January 2018 and every three years thereafter.

4. By 31 December 2011 the Commission shall set up a procedure to obtain representative values of CO$_2$ emissions, fuel efficiency and mass of completed vehicles while ensuring that the manufacturer of the base vehicle has timely access to the mass and to the specific emissions of CO$_2$ of the completed vehicle.

6. The Commission shall include light commercial vehicles in the review of the procedures for measuring CO$_2$ emissions in accordance with Article 13(3) of Regulation (EC) No 443/2009.


From 2012, the Commission shall take into account the assessments performed pursuant to Article 12 and may, where appropriate, carry out an impact assessment in order to review by 2014, as provided for in Article 14(2) of Regulation (EC) No 715/2007, the procedures for measuring CO$_2$ emissions as set out under Regulation (EC) No 715/2007. The Commission shall, in particular, make appropriate proposals to adapt those procedures to reflect adequately the real CO$_2$ emissions behaviour of cars and light commercial vehicles and to include the approved innovative technologies as defined in Article 12 that could be reflected in the test cycle. The Commission shall ensure that those procedures are subsequently reviewed on a regular basis.

By 2010, the Commission shall review Directive 2007/46/EC so that each type/variant/version corresponds to a unique set of innovative technologies.

By 31 December 2015, the Commission shall review the specific emissions targets and the modalities set out herein, as well as the other aspects of this Regulation, including whether a utility parameter is still needed and whether mass or footprint is the more sustainable utility parameter, in order to establish the CO$_2$ emissions targets for new passenger cars for the period beyond 2020. In that regard, the assessment of the necessary rate of reduction shall be in line with the Union’s long-term climate goals and the implications for the development of cost-effective CO$_2$-reducing technology for cars. The Commission shall submit a report to the
European Parliament and to the Council with the result of that review. That report shall include any appropriate proposals for amending this Regulation, including the possible setting of a realistic and achievable target, based on a comprehensive impact assessment that will consider the continued competitiveness of the car industry and its dependent industries. When developing such proposals, the Commission shall ensure they are as neutral as possible from the point of view of competition and are socially equitable and sustainable.

| 443/2009 (adapted) |

6. The Commission shall by 2014, following an impact assessment, publish a report on the availability of data on footprint and its use as a utility parameter for determining specific emissions targets and, if appropriate, submit a proposal to the European Parliament and to the Council to amend Annex I.

| 333/2014 Art. 1.10(d) (adapted) |

7. The Commission shall, by means of implementing acts, determine the correlation parameters necessary in order to reflect any change in the regulatory test procedure for the measurement of specific CO₂ emissions referred to in Regulation (EC) No 715/2007 and Regulation (EC) No 692/2008 and, where applicable, Regulation (EU) 2017/1151. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 15(2) of this Regulation.

The Commission shall be empowered to adopt delegated acts in accordance with Article 15 and subject to the conditions laid down in Articles 16 and 17 in order to adapt the formulae set out in Annex I, using the methodology adopted pursuant to the first subparagraph, while ensuring that reduction requirements of comparable stringency for manufacturers and vehicles of different utility are required under the old and new test procedures.

| 253/2014 Art. 1.5(b) |

The Commission shall, by means of implementing acts, determine the correlation parameters necessary in order to reflect any change in the regulatory test procedure for the measurement of specific CO₂ emissions referred to in Regulation (EC) No 715/2007 and Commission Regulation (EC) No 692/2008. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 15(2) of this Regulation.

The Commission shall be empowered to adopt delegated acts in accordance with Article 15 and subject to the conditions laid down in Articles 16 and 17 in order to adapt the formulae set out in Annex I, using the methodology adopted pursuant to the first subparagraph, while ensuring that reduction requirements of comparable stringency for manufacturers and vehicles of different utility are required under the old and new test procedures.

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Article 14 15
Committee procedure


2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

3. Where the Committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.

Article 14
Committee procedure

1. The Commission shall be assisted by the Climate Change Committee established by Article 9 of Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol. That committee is a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

2a. Where the Committee referred to in paragraph 1 delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.

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Article 14a

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2.1. The power to adopt delegated acts referred to in the second subparagraph of Article 7(7), Article 10(8), the fourth subparagraph of Article 11(1), the third subparagraph of Article 13(2) and the second subparagraph of Article 14(3) shall be conferred on the Commission for a period of five years from 8 April 2014.

2.2. The delegation of power referred to in the second subparagraph of Article 8(9), Article 10(8), the fourth subparagraph of Article 11(1), the third subparagraph of Article 13(2) and the second subparagraph of Article 14(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

3. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

4. A delegated act adopted pursuant to the second subparagraph of Article 8(9), Article 10(8), the fourth subparagraph of Article 11(1), the third subparagraph of Article 13(2) and the second subparagraph of Article 14(3) 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 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.


The power to adopt delegated acts referred to in the second subparagraph of Article 8(9), Article 11(7), Article 13(5) and the fourth subparagraph of Article 13(6), shall be conferred on the Commission for a period of five years from 3 June 2011. The Commission shall draw up a report in respect of the delegated power at the latest six months before the end of the five year period. The delegation of power shall be automatically extended for periods...
of an identical duration, unless the European Parliament or the Council revokes it in accordance with Article 16.

2. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

3. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in Articles 16 and 17.

Article 16

Revocation of the delegation

1. The delegation of power referred to in the second subparagraph of Article 8(9), Article 11(7), Article 13(5) and the fourth subparagraph of Article 13(6) may be revoked at any time by the European Parliament or the Council.

2. The institution which has commenced an internal procedure for deciding whether to revoke a delegation of power shall endeavour to inform the other institution and the Commission within a reasonable time before the final decision is taken, indicating the delegated power which could be subject to revocation and possible reasons for a revocation.

3. The decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the delegated acts already in force. It shall be published in the Official Journal of the European Union.

Article 17

Objections to delegated acts

1. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification.

At the initiative of the European Parliament or the Council that period shall be extended by two months.

2. If, on expiry of the period referred to in paragraph 1, neither the European Parliament nor the Council has objected to the delegated act, it shall be published in the Official Journal of the European Union and shall enter into force on the date stated therein.

The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

3. If either the European Parliament or the Council objects to the delegated act within the period referred to in paragraph 1, it shall not enter into force. The institution which objects shall state the reasons for objecting to the delegated act.

Article 14a

Exercise of the delegation

↓ 333/2014 Art. 1.12 (adapted)
1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adapt delegated acts referred to in the second subparagraph of Article 8(9), Article 11(8), the third subparagraph of Article 13(2) and the second subparagraph of Article 13(7) shall be conferred on the Commission for a period of five years from 8 April 2014. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in the second subparagraph of Article 8(9), Article 11(8), the third subparagraph of Article 13(2) and the second subparagraph of Article 13(7) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to the second subparagraph of Article 8(9), Article 11(8), the third subparagraph of Article 13(2) and the second subparagraph of Article 13(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 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.

* new

Article 17

Amendment to Regulation (EC) No 715/2007

The following Article 11a shall be inserted in Regulation (EC) No 715/2007:

"Article 11a

In-service conformity of CO₂ emissions and fuel consumption

1. Subject to the adoption and entry into force of the procedures referred to in paragraph 2, type approval authorities shall, on the basis of appropriate and representative samples, verify that vehicles that have entered into service and for which they granted type approval conform to the CO₂ emission and fuel consumption values recorded in the certificates of conformity.

2. The Commission shall adopt implementing acts in accordance with Article 15 in order to determine the procedures for verifying the in-service conformity of light duty vehicles in respect of the certified CO₂ and fuel consumption values."
Article 18

Repeal

Decision No 1753/2000/EC shall be repealed with effect from 1 January 2010. However, Articles 4, 9 and 10 of that Decision shall continue to apply until the Commission has submitted a report on monitoring data for the calendar year 2009 to the European Parliament.


References to the repealed Regulations shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex V.

Article 19

Entry into force

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

It shall apply from 1 January 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States. Done at Brussels,

For the European Parliament
The President

For the Council
The President
LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE

1. 1. NAME OF THE PROPOSAL:
Regulation of the European Parliament and the Council setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emissions from light-duty vehicles (recast).

2. 2. BUDGET LINES:
Chapter and Article: Budget Chapter 71 – Fines and Penalties, Budget Item 7191 – Other non-assigned fines and penalty payments
Amount budgeted for the year concerned: p. m. (see section 5)

3. 3. FINANCIAL IMPACT
☐ Proposal has no financial implications
☑ Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€ million to one decimal place)

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Revenue⁴⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Chapter 71 – Fines and Penalties, , Budget Item 7191 – Other non-assigned fines and penalty payments</td>
<td>p.m. (see section 5)</td>
</tr>
</tbody>
</table>

4. ANTI-FRAUD MEASURES
In addition to the application of the Financial Regulation to prevent fraud and irregularities, as part of the annual monitoring and reporting procedure quality control and verification of the submitted data will be carried out.

⁴⁴ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% of collection costs
4. 5. OTHER REMARKS

In accordance with Article 8 of the proposal, the Commission shall impose an excess emissions premium on the manufacturer or, in the case of a pool, the pool manager, where a manufacturer's average specific emissions of CO₂ exceed its specific emissions target. This procedure is in accordance with Article 9(1) of Regulation (EC) No 443/2009⁴⁵ and with Article 9(1) of Regulation (EU) No 510/2011⁴⁶ presently in force and to be merged and replaced by the new legislation. The methods for collecting the excess emissions premiums are established in Commission Decision 2012/100⁴⁷ and Commission Decision 2012/99⁴⁸.

Since revenue will only occur if a manufacturer exceeds its specific emissions target, it is not possible to anticipate whether there will be revenues and, if any, to determine their amount.