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SWD(2025) 1057 final

## COMMISSION STAFF WORKING DOCUMENT

### Subsidiarity Grid

#### *Accompanying the document*

#### **Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EU) 2019/631 as regards CO<sub>2</sub> emission performance standards for new light duty vehicles and vehicle labelling and repealing Directive 1999/94/EC**

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

## Subsidiarity Grid

<b>1. Can the Union act? What is the legal basis and competence of the Unions' intended action?</b>
<b>1.1 Which article(s) of the Treaty are used to support the legislative proposal or policy initiative?</b>
Article 192(1) of the Treaty on the Functioning of the European Union.
<b>1.2 Is the Union competence represented by this Treaty article exclusive, shared or supporting in nature?</b>
The competence established under Article 192(1) TFEU is a shared competence.
<i>Subsidiarity does not apply for policy areas where the Union has <b>exclusive</b> competence as defined in Article 3 TFEU<sup>1</sup>. It is the specific legal basis which determines whether the proposal falls under the subsidiarity control mechanism. Article 4 TFEU<sup>2</sup> sets out the areas where competence is shared between the Union and the Member States. Article 6 TFEU<sup>3</sup> sets out the areas for which the Unions has competence only to support the actions of the Member States.</i>
<b>2. Subsidiarity Principle: Why should the EU act?</b>
<b>2.1 Does the proposal fulfil the procedural requirements of Protocol No. 2<sup>4</sup>:</b>
<ul style="list-style-type: none"> <li>- Has there been a wide consultation before proposing the act?</li> <li>- Is there a detailed statement with qualitative and, where possible, quantitative indicators allowing an appraisal of whether the action can best be achieved at Union level?</li> </ul>
<p>The Commission identified several key stakeholder groups for consultation, including Member States (national and regional authorities), vehicle manufacturers, component and materials suppliers, fuel and energy suppliers, vehicle purchasers (private, businesses, fleet management companies), environmental, transport and consumer NGOs, and social partners.</p> <p>To gather feedback from these groups, the Commission launched a call for evidence and an online public consultation from 7 July to 10 October 2025. It also held meetings with industry associations representing vehicle and component manufacturers and energy suppliers, conducted bilateral meetings with Member State authorities, social partners, and NGOs, and invited stakeholders to submit position papers.</p>
<b>2.2 Does the explanatory memorandum (and any impact assessment) accompanying the Commission's proposal contain an adequate justification regarding the conformity with the principle of subsidiarity?</b>
This proposal complies with the proportionality principle because it does not go beyond what is necessary in order to achieve the Union's objectives of reducing greenhouse gas emissions in a cost-effective manner, while ensuring fairness and environmental integrity.

<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12008E003&from=EN>

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12008E004&from=EN>

<sup>3</sup> <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008E006:EN:HTML>

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12016E/PRO/02&from=EN>

**2.3 Based on the answers to the questions below, can the objectives of the proposed action be achieved sufficiently by the Member States acting alone (necessity for EU action)?**

It is not possible for Member States to address the issues without a proposal to amend the Regulation (EU) 2019/631. Therefore, it is not possible for the Member States acting alone to sufficiently achieve the proposed action.

(a) Are there significant/appreciable transnational/cross-border aspects to the problems being tackled? Have these been quantified?

The proposal concerns amendments of Regulation (EU) 2019/631 that will apply to manufacturers covered by the scope of Regulation (EU) 2019/631. It will also cover vehicle labelling requirements.

(b) Would national action or the absence of the EU level action conflict with core objectives of the Treaty<sup>5</sup> or significantly damage the interests of other Member States?

National action would not be adequate to achieve harmonised EU emission reductions and consistent consumer information, and the absence of EU-level action would risk undermining the Union's climate and internal market objectives.

(c) To what extent do Member States have the ability or possibility to enact appropriate measures?

MS do not have possibility to enact measures under the CO<sub>2</sub> standards.

(d) How does the problem and its causes (e.g. negative externalities, spill-over effects) vary across the national, regional and local levels of the EU?

CO<sub>2</sub> emissions and unharmonised consumer information create cross-border spill-overs that national measures alone cannot address, threatening EU-wide climate targets and internal market consistency. Therefore, Regulation (EU) 2019/631 needs to be amended.

(e) Is the problem widespread across the EU or limited to a few Member States?

The aspects covered by the proposal are widespread across the EU.

(f) Are Member States overstretched in achieving the objectives of the planned measure?

The proposal does not touch upon the monitoring and reporting obligations of the Member States under Regulation (EU) 2019/631.

(g) How do the views/preferred courses of action of national, regional and local authorities differ across the EU?

National, regional and local authorities are not impacted at all.

**2.4 Based on the answer to the questions below, can the objectives of the proposed action be better achieved at Union level by reason of scale or effects of that action (EU added value)?**

<sup>5</sup> [https://europa.eu/european-union/about-eu/eu-in-brief\\_en](https://europa.eu/european-union/about-eu/eu-in-brief_en)

Given the need to modify Regulation (EU) 2019/631, the objectives of this initiative cannot be achieved by the Member States themselves, and hence it needs to be tackled at Union level.
(a) Are there clear benefits from EU level action?
Yes, amendments to Regulation (EU) 2019/631 can only be set with EU-wide measure.
(b) Are there economies of scale? Can the objectives be met more efficiently at EU level (larger benefits per unit cost)? Will the functioning of the internal market be improved?
The objective of the initiative can only be met with EU level action.
(c) What are the benefits in replacing different national policies and rules with a more homogenous policy approach?
The proposal concerns an amendment to Regulation (EU) 2019/631 which may only be achieved from EU level action.
(d) Do the benefits of EU-level action outweigh the loss of competence of the Member States and the local and regional authorities (beyond the costs and benefits of acting at national, regional and local levels)?
An amendment of Regulation (EU) 2019/631 may only be achieved from EU level action.
(e) Will there be improved legal clarity for those having to implement the legislation?
The amendment does not improve the legal clarity.
<b>3. Proportionality: How the EU should act</b>
<b>3.1 Does the explanatory memorandum (and any impact assessment) accompanying the Commission's proposal contain an adequate justification regarding the proportionality of the proposal and a statement allowing appraisal of the compliance of the proposal with the principle of proportionality?</b>
The explanatory memorandum contains adequate justifications.
<b>3.2 Based on the answers to the questions below and information available from any impact assessment, the explanatory memorandum or other sources, is the proposed action an appropriate way to achieve the intended objectives?</b>
An amendment of Regulation (EU) 2019/631 may only be achieved from EU level action.
(a) Is the initiative limited to those aspects that Member States cannot achieve satisfactorily on their own, and where the Union can do better?
Yes
(b) Is the form of Union action (choice of instrument) justified, as simple as possible, and coherent with the satisfactory achievement of, and ensuring compliance with the objectives pursued (e.g. choice between regulation, (framework) directive, recommendation, or alternative regulatory methods such as co-legislation, etc.)?

Yes
(c) Does the Union action leave as much scope for national decision as possible while achieving satisfactorily the objectives set? (e.g. is it possible to limit the European action to minimum standards or use a less stringent policy instrument or approach?)
An amendment of Regulation (EU) 2019/631 may only be achieved from EU level action.
(d) Does the initiative create financial or administrative cost for the Union, national governments, regional or local authorities, economic operators or citizens? Are these costs commensurate with the objective to be achieved?
The proposal does not foresee any need for additional resources.
(e) While respecting the Union law, have special circumstances applying in individual Member States been taken into account?
The proposal to introduce amendments in the CO <sub>2</sub> standards and car labelling take into account Member States' specific circumstances, while fully respecting Union law.