

PRESS RELEASE

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Circular economy: Council and Parliament strike deal on rules for vehicle circularity and management of end-of-life vehicles

The Council presidency and the European Parliament's representatives today reached a provisional agreement on the regulation concerning **circularity requirements for vehicle design and the management of end-of-life vehicles** (ELVs). The new rules will replace the two existing directives and set requirements to ensure that new vehicles are designed in a way that supports their re-use, recycling and recovery.

The new regulation is a cornerstone of the **European Green Deal** and the **circular economy action plan**, aiming to transition the automotive sector to a more circular model. It introduces measures across the entire life cycle of vehicles, from design and production to their end-of-life treatment, with the twofold goal of enhancing environmental protection and ensuring the proper functioning of the single market. A key focus is tackling the persistent problem of 'missing vehicles' through **enhanced traceability** and control measures.

This provisional agreement marks a significant step towards a circular economy for the European automotive sector. We have succeeded in agreeing on a robust framework that closes loopholes, ensures valuable materials are kept within the EU economy, and curbs the export of polluting, non-roadworthy vehicles to third countries. The new regulation will drive forward innovation in sustainable design and create a stronger, cleaner market for materials and components.

Magnus Heunicke, Minister for Environment of Denmark

Main elements of the agreement

Scope of the regulation

The new regulation significantly expands the scope of the previous directives to **cover more vehicle categories**, thereby capturing a larger share of the EU's vehicle fleet and components for circular economy requirements.

It continues to fully apply to passenger cars and light commercial vans, but the agreement extends the treatment requirements (collection, depollution, mandatory removal of parts) to include **all regular heavy-duty vehicles** (e.g. trucks), **motorcycles** and **special purpose vehicles** (both small and heavy-duty).

The co-legislators agreed to exempt small volume manufacturers of heavy-duty special purpose vehicles.

Circular design and recycled content

The co-legislators set out requirements to ensure that new vehicles are designed to facilitate the recycling, re-use and remanufacturing of parts and components. A core element of the agreement is the introduction of **mandatory targets for recycled content**, notably plastics, in new vehicles. These targets of recycled plastics will be phased in over ten years:

- 15% in 6 years

- 25% in 10 years

A minimum of **20%** of this recycled plastic must come from **closed-loop recycling** (that is, material recovered from end-of-life vehicles) to ensure valuable materials are retained within the EU's circular economy.

Based on a feasibility study to be finalised within one year after the entry into force of the regulation, the **Commission must introduce future targets for other materials** such as recycled steel, aluminium, magnesium, and critical raw materials by a delegated act. The focus remains on ensuring that these targets are met through the use of **post-consumer waste**.

End-of-life vehicle status and traceability

Around 3.5 million vehicles disappear without a trace from EU roads each year – and are exported, dismantled or disposed of illegally. To tackle the issue of 'missing vehicles' and illegal dismantling, the agreement introduces clearer rules on the **distinction between a used vehicle and an end-of-life vehicle (ELV)**.

A clear set of criteria is established to definitively determine when a vehicle is considered waste (i.e. an ELV). Once a vehicle meets these criteria, it must be treated by an authorised treatment facility (ATF) and cannot be legally exported or resold as a used vehicle.

The agreement also establishes a strict framework for **transfers of ownership** by economic operators. For transfers by private persons, a risk-based approach is adopted, requiring documentation in situations most likely to lead to vehicles going missing, such as when:

- the vehicle is declared an economic total loss by an insurance company
- the sale is concluded via an online platform, exclusively conducted without physical handover of the vehicle between the seller and buyer

Extended producer responsibility

The agreement significantly strengthens the principle of **extended producer responsibility (EPR)**, making producers financially and organisationally responsible for the entire lifecycle of their vehicles.

This responsibility covers promoting design for circularity and ensuring the free take-back and proper treatment of all end-of-life vehicles.

To ensure the system functions across the EU single market, the regulation establishes a **cross-border EPR mechanism**, making sure that producers remain financially responsible for the treatment of their vehicles regardless of the member state where the vehicle reaches its end of life.

Exports

The regulation **bans the export of used vehicles that are no longer roadworthy**, ensuring the EU complies with its commitments to not contribute to pollution in third countries and to retain valuable materials within its territory. The co-legislators agreed that the ban would start applying after 5 years following the entry into force of the regulation.

Next steps

The provisional agreement must now be endorsed by the Council and the Parliament before being formally adopted. The regulation will start applying **2 years** after its entry into force.

Background

Over 6 million ELVs (vehicles that reach the end of their life and are treated as waste) are generated in the EU every year. Inadequate management of ELVs creates pollution and loss of tonnes of materials. The automotive manufacturing industry is one of the most resource-intensive sectors in the EU and among the largest consumers of primary raw materials such as steel (over 7 million tonnes/year), aluminium (around 2 million tonnes/year), copper (6% of overall EU consumption, used for automotive parts) and plastics (6 million tonnes/year), but makes little use of recycled materials.

Existing rules have resulted in improved collection of ELVs and increased recycling of ELVs to around 85% of the materials that they contain. However, most of these materials are metal waste which is shredded and not sufficiently sorted and valorised and only 19% of plastics from ELVs is recycled. Plus, lorries, buses and motorbikes are not covered by existing legislation.

- [Council general approach on the end-of-life vehicles regulation](#)
- [Circular economy: Council adopts position on the recycling of vehicles at the end of their life \(press release, 17 June 2025\)](#)
- [Circular economy \(background information\)](#)

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