

SL(6)626 – The Vehicle Emissions Trading Schemes (Amendment) Order 2025

Background and Purpose

As part of the transition to zero emission vehicles (“ZEVs”), the Vehicle Emissions Trading Schemes Order 2023 (“the 2023 Order”) established four Great Britain wide trading schemes to limit both the numbers of new non-ZEVs which may be registered in Great Britain, and the CO₂ emissions from such vehicles.

This Order amends the 2023 Order and the Vehicle Emissions Trading Schemes (Amendment) Order 2024 (“the 2024 Order”).

The 2023 Order and the 2024 Order revoked and saved provisions in Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO₂ emission performance standards for new passenger cars and for new light commercial vehicles (“the Regulation”). Provisions for the Regulation may still be exercised for monitoring and compliance purposes for prior years.

The Regulation is assimilated law that sets annual specific CO₂ emissions targets for manufacturers registering new cars and light commercial vehicles in the UK. Targets are calculated on the mass of the manufacturer’s fleet of vehicles, in accordance with a three-part formula found in Annex I of the Regulation. If a manufacturer exceeds their target, they are liable to pay an excess emissions premium. Manufacturers’ specific CO₂ emissions targets from the Regulation inform the CO₂ baselines for the 2023 Order.

The Explanatory Memorandum (“the EM”) explains that this Order reconciles a discrepancy that has been identified in the approach of the Department for Transport (“DfT”) to use some EU values for the specific CO₂ emissions targets as the scope of the Regulation only permits UK values to be used when calculating the relevant targets, contrary to the policy intention and the interpretation put forward in guidance. This Order enables manufacturers to receive the higher specific CO₂ emissions target from either the EU-derived approach (as previously communicated by DfT) or a UK-derived approach (as strictly read from the Regulation).

Once monitoring and compliance is complete for 2021-2023 in the UK and 2024 in Northern Ireland, the Regulation as it regulates CO₂ emissions will no longer apply. This Order *“therefore delivers an interim measure to correct the discrepancy in target setting for the 2021-2023 and 2024 compliance years, before the CO₂-reduction obligations in Regulation (EU) 2019/631 are fully replaced from 2025 onwards”*.

Procedure

Negative.



This Order in Council was made by His Majesty before being laid before Senedd Cymru, the United Kingdom Parliament, the Scottish Parliament and the Northern Ireland Assembly.

The Senedd can annul the Order within 40 days (excluding any days when the Senedd is: (i) dissolved, or (ii) in recess for more than four days) of the date it was laid before the Senedd. The other three legislatures can also annul the Order, in accordance with the rules for annulment that apply to each of those legislatures.

Technical Scrutiny

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

1. Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh

The Order has been laid before Senedd Cymru, the United Kingdom Parliament, the Northern Ireland Assembly and the Scottish Parliament. The Order has been made in English only. The Welsh Government's Explanatory Memorandum states as follows (at paragraph 2.2):

"As this instrument will be subject to UK, Scottish and Northern Irish Parliamentary scrutiny, it is not considered reasonably practicable for this instrument to be made or laid bilingually."

Merits Scrutiny

The following point is identified for reporting under Standing Order 21.3 in respect of this instrument.

2. Standing Order 21.3(ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd.

We note the following extract from the Explanatory Memorandum (at paragraph 2.3):

"Alongside the consultation, the UK Government and Devolved Governments jointly commissioned the Climate Change Committee ("CCC") for advice on this instrument in accordance with section 48 of the Climate Change Act 2008. This advice was published by the CCC on their website. [Letter: Advice on zero-emissions vehicle \(ZEV\) mandate and carbon dioxide regulations for new cars - Climate Change Committee.](#)"

Welsh Government response

A Welsh Government response is not required.

Legal Advisers

Legislation, Justice and Constitution Committee

27 June 2025



Senedd Cymru
Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad
—
Welsh Parliament
Legislation, Justice and Constitution Committee