



Briefing:

The Automotive Omnibus proposal and  
the new vehicle subcategory for small  
electric cars (M1E)

March 2026

# Introduction

The European Union stands at a critical juncture in road safety. With 20,017 road deaths recorded in 2024, the EU is alarmingly off track to meet its 2030 target of halving road deaths.

In this context, the European Commission's "Small Affordable Cars" initiative, released on 16 December 2025 as part of the wider Automotive Omnibus package, represents a dangerous departure from evidence-based policymaking.<sup>1</sup>

Rather than being guided by a rigorous impact assessment or public consultation, the small cars initiative was rushed through as an "administrative simplification" to satisfy manufacturer lobbying.

- The ACEA blueprint: The Commission's own explanatory text explicitly cites a list provided by the European Automobile Manufacturers Association (ACEA) as a primary reference for this review.
- Bypassing established procedures: By skipping a detailed Impact Assessment, the Commission has ignored the long-term societal costs of collision injuries in favour of short-term savings for car manufacturers.

At the proposal's core is a 10-year freeze on safety requirements for the new M1E sub-category of small electric vehicles which threatens to institutionalise a two-tier safety system on European roads. This is particularly reckless given the recent and rapid "SUV-ization" of the EU fleet.

A future where small cars have weaker, obsolete safety requirements compared to larger ones is dangerous for two reasons.

Firstly, small, lightweight electric vehicles are at a severe structural disadvantage in multi-vehicle collisions with heavier, larger vehicles which now dominate our cities thanks to years of aggressive marketing by the car industry to change consumer tastes towards larger cars.

Secondly, these small cars are designed for city centres where 70% of deaths involve Vulnerable Road Users (VRUs). Freezing safety standards for a decade is a dereliction of duty toward those outside the vehicle.

ETSC cannot support a regulatory framework where "affordability" is achieved by locking in obsolete safety standards. A 10-year freeze could prevent the EU from mandating critical emerging fixes - such as accessible mechanical door overrides to prevent occupants from being trapped during EV power failures - or next-generation Automated Emergency Braking

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<sup>1</sup> EC (2025) Automotive Package <https://tinyurl.com/4hcb7vvn>

and Intelligent Speed Assistance (ISA).

The Automotive Omnibus proposal also proposes a weakening of safety standards for electric vans and suggests a delay to direct vision standards for lorries is being considered. ETSC rejects these proposals, and they are dealt with separately at the end of this briefing.

# Context: current EU vehicle safety standards must be updated to reflect the latest advances in safety technology

The EU holds exclusive competence over safety standards for all new vehicles sold on its market. Established under the General Safety Regulation (GSR)<sup>2</sup>, these standards were last updated in 2019 and are scheduled for review in 2027. Because raising vehicle standards is one of the few ways the EU can directly improve road safety, the proposal to introduce a new "small electric vehicle" sub-category is a critical juncture. Safety standards must be strengthened, not weakened.

In December 2025, the European Commission proposed a new "Small Electric Vehicle" (M1E) sub-category within the existing M1 passenger car classification. While these vehicles would technically remain subject to full EU safety requirements, including the General Safety Regulation (GSR), the EC plans to use this new definition to freeze safety standards for M1E vehicles for ten years. The automotive industry requested this freeze based on development costs; however, it fails to account for the risks inherent in urban operating environments where these vehicles primarily circulate.

ETSC strongly opposes any dilution of existing EU vehicle safety rules. Essential GSR technologies - including Automated Emergency Braking (AEB), Intelligent Speed Assistance (ISA) and protections for occupants and vulnerable road users - must continue to apply in full to this new category, and at the same time any future update should also apply in full. ETSC urges the Council and the European Parliament in the legislative process not to exempt M1E from any current vehicle safety requirements.

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<sup>2</sup> Regulation (EU) 2019/2144 on type-approval requirements for motor vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users, <https://tinyurl.com/79j47xhj>

# Existing requirements for passenger cars (M1 vehicles) under the EU General Safety Regulation (2019)

All passenger cars type-approved for sale today on the European Union market are required to be fitted with a range of safety features including: Automated Emergency Braking (AEB), Emergency Lane Keeping System, Intelligent Speed Assistance (ISA), reversing detection with camera or sensors, attention warning in case of driver drowsiness or distraction, Event Data Recorders (EDR) as well as an emergency stop signal.

The following standards have particular relevance for reducing risk in urban areas:

**Automated Emergency Braking (AEB)** with pedestrian and cyclist detection can prevent crashes or significantly reduce their severity. AEB systems use sensors and cameras to detect imminent collisions - including with vulnerable road users - and apply the brakes if the driver fails to respond. The UN rules for this technology were developed with urban driving specifically in mind, requiring a minimum operating speed range of between 10 and 60 km/h.

**Intelligent Speed Assistance (ISA)** helps drivers stay within speed limits, a fact that is particularly important in cities where many pedestrians and cyclists are present. A pedestrian or cyclist hit at 30 km/h has a five times higher chance of survival than if hit by a car at 50 km/h. This logic is behind the reduction of speed limits in many urban centres across Europe. ISA is a critical tool to help ensure drivers respect these safer limits.

**Advanced Driver Distraction Warning (ADDW)** systems play an important role in modern safety. ADDW uses sensors to monitor driver eye movements and facial orientation, providing an alert if the driver is not looking ahead. By keeping the driver's gaze on the street, these systems mitigate the risks of distraction by mobile phones in complex urban environments.

These technologies are not luxury add-ons. They are essential for protecting everyone on the road, especially in dense urban environments where interactions between cars, bikes and pedestrians are constant.

According to the impact assessment study carried out for the 2019 legislation by TRL, the mandatory fitment of these life-saving technologies are expected to save over 25,000 lives and prevent 140,000 serious injuries by 2038.<sup>3</sup>

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<sup>3</sup> EC (2019) GSR Impact Assessment <https://tinyurl.com/79j47xhj>

# Freezing EU safety standards at their 2019 level until 2036 puts lives at risk

The EC states in the explanatory memorandum to the proposal that it will endeavour to freeze new requirements for small electric cars (the new M1E category) for ten years, which implies excluding such vehicles from any new technologies mandated by updates to the EU General Safety Regulation until 2036.

Small electric vehicles are primarily intended for urban use, precisely where interactions with pedestrians and cyclists are most frequent and where the risk of severe injury or death is highest. Approximately 40% of all road deaths in the EU27 occur within urban areas, with vulnerable road users - pedestrians, cyclists, and powered two-wheelers - accounting for roughly 70% of these deaths.<sup>4</sup> Cyclists and pedestrians represent a larger share of road deaths today as past vehicle safety improvements have mainly benefited car occupants. Safety technologies such as Automated Emergency Braking (AEB) with pedestrian and cyclist detection are specifically designed to prevent deaths in these urban environments.

The General Safety Regulation that applies today was adopted in 2019 and is already obsolete compared to the state of the art. Modern AEB systems work better in a range of lighting and weather conditions and can detect and react to pedestrians and cyclists in a wider range of situations. Modern systems can also detect motorcycle and e-scooter riders – which can be invisible to systems that meet only today’s minimum standard.

The UNECE is currently in the process of updating the requirements that apply in the EU and other markets that follow UNECE regulations. Delaying the application of these forthcoming improved performance requirements to vehicles that are most likely to operate in dense urban settings would directly undermine the EU’s road safety objectives.

Rules are also being prepared for systems that warn and prevent occupants from opening their door in the path of a cyclist. This cyclist dooring prevention system is one of several new technologies that would improve urban road safety and which should be considered as a priority for the next revision of the GSR.

However, freezing safety standards at a level agreed in 2019 until ten years from now will effectively tie the regulator’s hands behind its back for a crucial category of urban vehicles.

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<sup>4</sup> ETSC (2019) PIN Report Safer Roads, Safer Cities: How to improve urban road safety in the EU (PIN Flash 37) <https://tinyurl.com/3k8fb75u>

# How small is a small car?

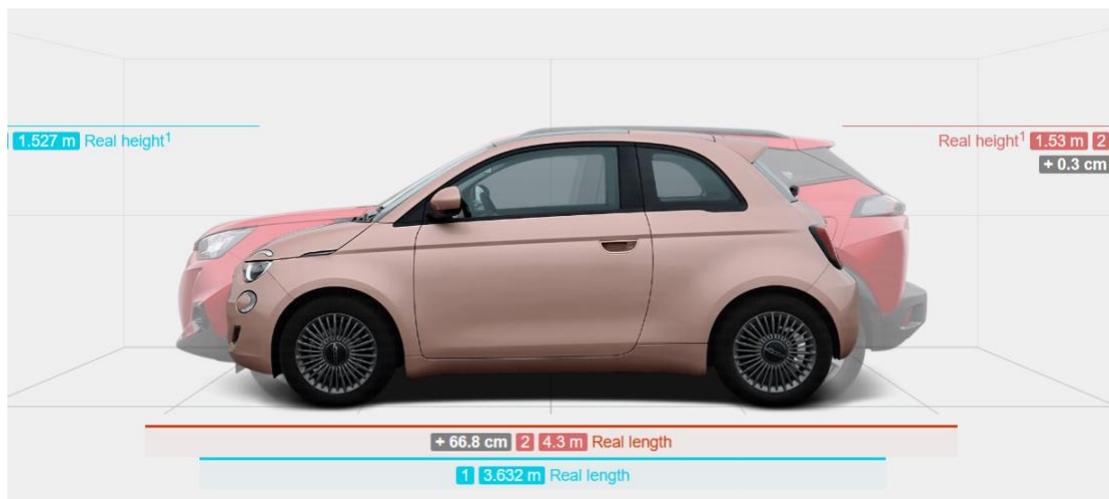
The proposal for a new category would cover a pure electric M1 vehicle with a length not exceeding 4.2 metres.<sup>5</sup>

Cars in all segments are getting wider, longer and heavier over time with negative safety implications.

A 'small' car category limited to 4.2m length would include some relatively compact cars such as the Renault Twingo Electric (3.62m), the Fiat Grande Panda Electric (4m), Citroen eC3 (4.02m) and Peugeot e-208 (4.10m).

ETSC is concerned that this limit already includes a substantial proportion of the new car market as it develops towards sales of 100% electric. ETSC understands that the car industry has also been putting pressure to allow even longer vehicles, up to 4.35m.

The figure shows a comparison between a genuine small car (by modern standards), the Fiat 500-e and an urban SUV, the Peugeot e2008, which, at 4.3m long, cannot be considered small.



Source: Carsize.com<sup>6</sup>

- ETSC would support a well-defined M1E category, with clear upper limits on mass (not more than 1.5t), length, width, as well as a defined safe bonnet height and a top speed limit of 120km/h. This could encourage the development of compact but safe electric vehicles. Engineering vehicles to these specifications would provide ample scope for cost-savings.
- ETSC cannot support a freeze on regulatory safety standards for any vehicle category.

<sup>5</sup>EC (2025) Automotive Package <https://tinyurl.com/4hcb7vvn>

<sup>6</sup> <https://www.carsized.com/en/cars/select/fiat-500-2020-3-door-hatchback-vs-peugeot-2008-2019-suv-e/?change=2>

# A red line: applying new regulatory requirements only to new vehicle types

The European Commission's staff working document notes that ACEA, representing European car manufacturers, has requested that new regulatory requirements should apply only to new types of vehicles, and not to those already type-approved, in order to avoid costs linked to the redevelopment or redesign of existing models.

ETSC strongly opposes this approach. Exempting already type-approved vehicles from new safety requirements would, in practice, allow manufacturers to circumvent forthcoming regulations. For example, ahead of a revision of the General Safety Regulation, manufacturers could rush to type-approve new vehicle models just before stronger safety standards enter into force, and then continue selling those vehicles for many years without the newly mandated or improved safety systems.

If adopted widely, this strategy would significantly delay the penetration of new safety technologies across the vehicle fleet, postponing their proven life-saving benefits.

This risk is far from hypothetical. The unusually high number of vehicles assessed by Euro NCAP in 2025, just ahead of the introduction of its new testing and rating regime in 2026, demonstrates how manufacturers respond strategically to changes in testing regimes. A similar dynamic at EU regulatory level would seriously undermine the effectiveness of future safety legislation.

ETSC recommendation

- **Keep the established system of giving manufacturers additional time, usually two years, to apply the standards to models already on the market, as it is a fair and balanced approach.**

# Europe should support technology leadership in vehicle safety

The “Automotive Omnibus” reflects sustained lobbying by car manufacturers (OEMs). ETSC considers that weakening safety obligations for this new vehicle sub-category M1E would disadvantage Europe’s high-tech vehicle safety supplier industry - one of the EU’s global strengths.

Strong and forward-looking safety standards enhance the international competitiveness of EU-based production through a first-mover advantage for European suppliers of safety technologies.<sup>7</sup> They also reinforce the safety reputation of EU vehicle brands, enable economies of scale that reduce unit costs for safety equipment, and allow the EU to set global benchmarks through regulation.

This global influence is already evident in ongoing work at UNECE to establish UN Regulations on emergency lane keeping systems, driver drowsiness and attention warning systems, and advanced driver distraction warning systems, all of which are based on EU requirements.

Updating the EU’s General Safety Regulation (GSR) for motor vehicles - scheduled for review in 2027 - therefore represents not only a major opportunity to improve road safety, but also a strategic lever to strengthen innovation and the global competitiveness of Europe’s automotive sector.

Regarding the passenger car category, ETSC has set the following priorities for the 2027 review of the General Safety Regulation:

- Setting a maximum size and weight for passenger cars
- Improving the accuracy and effectiveness of Intelligent Speed Assistance
- Addressing glare from headlights
- Improving Advanced Driver Distraction Monitoring (ADDW) Systems including rules for touchscreens and infotainment systems
- Improved Event Data Recorders
- Improved Automated Emergency Braking (AEB) systems, including better performance under adverse weather conditions and including motorcycle & e-scooter detection

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<sup>7</sup> More detail in ETSC’s Contribution to the Public Consultation on the Automotive Strategy <https://tinyurl.com/2t5s9aew>

- Cyclist dooring prevention systems
- More equitable occupant protection in vehicle crash tests: vehicle safety systems - such as airbags, seatbelts, and structural design - must protect a diverse population of occupants, not just the "average" male, to ensure equal injury risk reduction. Historically, crash testing has relied on 50<sup>th</sup> percentile male dummies, resulting in higher injury risks for females, older individuals, and different body shapes.
- Active safety for pedestrians and cyclists: deployable secondary safety systems that mitigate injuries in cases of collisions e.g. external airbags.
- Child presence detection in cars.

If subject to a proposed freeze, vehicles in this new sub-category would not be equipped with new safety innovations such as those mentioned above, unless manufacturers chose to install them voluntarily. Some of these technologies are already included in the Euro NCAP rating system, but relying on voluntary uptake would lead to uneven protection and much slower market penetration.

# Smarter ways of promoting uptake of small, safe cars

Rather than offering vehicles with lower safety standards to consumers, incentive schemes should be used to promote small, safe, clean vehicles.

To support the uptake of this new vehicle sub-category, the European Commission has announced a forthcoming Commission Recommendation outlining options for incentive schemes to promote zero-emission vehicles, as part of the Industrial Action Plan for the EU automotive sector.<sup>8</sup>

This initiative comes against the backdrop of rapidly rising electric car sales across the EU, which increased by around 30% last year. Growth has been driven in part by the arrival of more affordable models, as manufacturers seek to meet their 2025 regulatory targets, alongside the continued use of national incentive schemes.

While incentives are proving effective in accelerating electrification, they should also be used to promote higher levels of vehicle safety. The EU's Road Safety Key Performance Indicators include a target on vehicle safety, encouraging Member States to monitor the share of new passenger cars achieving at least a defined Euro NCAP safety rating. Some countries have already gone further, with Sweden setting a target for more than 90% of new passenger cars to meet or exceed this threshold by 2030.

ETSC has long advocated for incentive schemes that encourage the purchase of safer vehicles. As a minimum, any new sub-category of vehicles should fully comply with the General Safety Regulation's requirements on both active safety technologies and crashworthiness. In this context, ETSC welcomes the Commission's intention to issue guidance on incentive schemes.

The Commission has indicated that recommendations to Member States could include:

- fiscal measures, such as purchase subsidies, tax exemptions and road toll reductions
- non-fiscal measures, such as preferential parking arrangements, access privileges and dedicated charging infrastructure.

Such a framework could also support smarter approaches to social leasing, public procurement and urban access policies, enabling authorities to incentivise smaller, safer and more sustainable vehicle designs.

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<sup>8</sup> European Commission (2025) Industrial Action Plan for the EU automotive sector  
<https://tinyurl.com/mryzu8hk>

The forthcoming revision of the Public Procurement Directive also offers an opportunity to embed safety requirements more systematically in public purchasing and supply chains.

- **ETSC supports the introduction of subsidy schemes that promote the uptake of safe zero-emission vehicles, fully compliant with current and future vehicle safety requirements as they enter into force.**

# Other safety concerns in the Automotive Omnibus: electric van safety exemptions

The Automotive Omnibus proposal also includes two significant safety exemptions for electric vans. First, it would exempt certain N2 electric vans - with a maximum permissible mass between 3.5 and 4.25 tonnes - from the obligation to be equipped with a speed limitation device set at 90km/h. Second, it would allow Member States to exempt these vehicles, when used exclusively in domestic transport, from the requirement to install a smart tachograph.

ETSC strongly opposes both exemptions due to their clear negative safety implications.

## **Speed limiters**

Under existing EU law, vehicles in categories N2 and N3 must be equipped with a speed limitation device restricting their maximum speed to 90km/h. This requirement reflects the higher kinetic energy and collision risk associated with heavier vehicles and has long been a cornerstone of EU road safety policy.

The Commission argues that electric vans are often heavier than their diesel equivalents because of battery weight. As a result, some vehicles that perform similar functions to lighter vans are classified as N2 and therefore fall within the scope of the 90km/h limit. The Commission suggests that this may reduce their commercial attractiveness and slow electrification.

ETSC does not accept this reasoning. Safety requirements must be determined by vehicle mass and risk exposure, not by powertrain type. A heavier vehicle generates greater collision forces and poses increased risks to other road users, regardless of whether it is electric or combustion-powered. Exempting electric N2 vans up to 4.25 tonnes from speed limiters would weaken established safety standards and introduce unjustified regulatory inconsistency.

## **Tachographs and fatigue management**

The proposal would also allow Member States to exempt electric N2 vans below 4.25 tonnes engaged exclusively in domestic transport from the obligation to install smart tachographs.

Allowing exemptions for heavier electric vans would remove an essential tool for monitoring driving hours and preventing fatigue-related crashes. Electrification does not reduce the risks associated with long working hours, delivery pressures, or time-sensitive logistics.

## The wider safety context

The risks associated with vans are well documented. In 2018 alone, 2,630 people were killed in collisions involving light goods vehicles in the EU, accounting for 11 percent of all road deaths.<sup>9</sup> Van traffic has continued to grow rapidly, driven by the expansion of e-commerce and just-in-time delivery services, often under significant time pressure. These operational conditions increase the likelihood of speeding and fatigue, not reduce it.

ETSC's position is clear and consistent:

- Maintain the existing 90km/h speed limiter requirement for all N2 and N3 vehicles, regardless of powertrain.
- Do not introduce exemptions from tachograph obligations for electric vans.
- As a broader principle, electrification must not be used to dilute established safety protections.

Decarbonisation and road safety must advance together. Regulatory coherence requires that heavier vehicles - irrespective of propulsion system - remain subject to proportionate and effective safety rules.

## ETSC recommendation

- **Delete the proposed exemptions in Regulation (EU) 2019/2144 and Regulation (EC) 561/2006 relating to speed limiters and tachographs for N2 electric vans up to 4.25 tonnes. Maintain existing safety requirements without exceptions based on powertrain.**

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<sup>9</sup> ETSC (2020) PIN How to Improve the Safety of Goods Vehicles in the EU <https://tinyurl.com/36avv99k>

# Other safety concerns in the Automotive Omnibus: Direct Vision standards for lorries must not be delayed again

The European Commission's Staff Working Document also notes claims from vehicle manufacturers and component suppliers that Direct Vision requirements for lorries are costly and that "equivalent levels of safety" could be achieved through less burdensome technical solutions, such as driver assistance systems, without redesigning truck cabins. While the Commission acknowledges that simplifying the requirement "would have serious negative safety consequences", it nevertheless indicates it is considering delaying the mandatory application of next-generation Direct Vision standards developed in the UNECE context.

ETSC strongly rejects this approach.

Direct Vision requirements address a fundamental and well-documented safety problem: the extensive blind spots around heavy goods vehicles that place pedestrians and cyclists at extreme risk in urban environments. Improving the driver's direct line of sight through cab design is a systemic, passive safety measure that reduces collision risk at source. It does not rely on driver behaviour, software performance, sensor calibration or system activation, and remains effective in all weather and traffic conditions.

Driver assistance systems can complement Direct Vision improvements, but they cannot replace them. Technologies such as cameras, sensors and warnings are inherently subject to failure, misinterpretation, driver distraction and override. Treating them as substitutes for improved vehicle design risks creating a false sense of safety while leaving the underlying visibility problem unchanged.

Cost considerations cannot justify delaying or weakening a proven safety intervention, particularly when the Commission itself recognises that "simplification would have serious negative consequences for road safety".<sup>10</sup>

Delaying the implementation of next-generation Direct Vision requirements would postpone life-saving benefits for vulnerable road users and undermine the EU's commitment to a safe system approach. It would also send a damaging signal that core safety objectives are negotiable when industry raises cost concerns even after an already very generous regulatory

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<sup>10</sup> European Commission. Staff Working Document SWD (2025) 1056 accompanying the automotive omnibus proposal, p.36.

timeline has been agreed after a long democratic process.

ETSC also questions the due diligence exercised in the development of this policy, noting that the European Commission Staff Working Document<sup>11</sup> that accompanies the automotive omnibus proposal refers to a “star rating” scheme as part of the EU’s direct vision regulatory standard. No such star-rating scheme exists in the legislation or the relevant UNECE regulations. The description of the standard is, ETSC assumes, being confused with the Transport for London Lorry Direct Vision Standard.

- **ETSC calls for the timely and full implementation of strengthened Direct Vision requirements, as developed in the UNECE context, without dilution or delay. Assistance technologies should be introduced as additional protective layers, not as replacements for essential vehicle design standards.**

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<sup>11</sup> ibid.

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