LIN LLC

Mobility Legal Updates

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LIN's Mobility Team monitors legal and regulatory trends in the automotive industry and periodically sends newsletters to our clients.

The automotive industry is undergoing a simultaneous transformation in both technological structure and regulatory environment, centered on electrification and autonomous driving. As institutional frameworks are being overhauled—not only for the vehicles *per se* but also for data, software, and operating entities—the scope of compliance required for related business operators is expanding.

Entering 2026, the Electric Vehicle (EV) Purchase Subsidy Scheme is being restructured to incentivize the transition from internal combustion engine (ICE) vehicles to EVs. Performance standards and requirements for business operators are also being incrementally strengthened. Meanwhile, at CES 2026, automotive companies presented a vision for the expansion of mobility centered on AI, robotics, and computing technologies, rather than showcasing new vehicle models.

Through this newsletter, Mobility Team at LIN LLC aims to examine the relevant regulatory shifts and industry trends by outlining: (i) the key details of the 2026 EV Purchase Subsidy Reform Plan; and (ii) the mobility technology trends identified at CES 2026.

2026 EV Purchase Subsidy Reform Plan

New Transition Subsidies, Expansion of Vehicle Categories, and Strengthening of Performance & Operator Requirements

The Ministry of Climate, Energy and Environment unveiled the 2026 EV Purchase Subsidy Reform Plan, initiating a 10-day public comment period that began on January 2, 2026. The total budget for 2026 is set at approximately KRW 1,595.4 billion. While maintaining the scale of support from the previous year, the system has been adjusted to accelerate the transition from ICE vehicles to EVs and to strengthen the industrial foundation of the EV sector.

The core of this reform lies in: (i) the introduction of 'Transition Subsidies' for replacing existing ICE vehicles with EVs; (ii) the expansion of subsidy eligibility to previously excluded vehicle categories; and (iii) the incremental tightening of performance/price criteria and requirements for participating in the distribution project. The key changes are summarized below:

[Summary of Key Changes]

Category	Details of 2026 Reform
Transition Subsidy	Additional support of up to KRW 1 million when purchasing an EV after scrapping or selling an ICE vehicle owned for 3+ years (excludes hybrids)
New Vehicle Categories	Commencement of subsidies for small passenger vans (11–15 seats, <7m), medium electric cargo vehicles (1.5–5t), and heavy electric cargo vehicles (5t or more)
Unit Subsidy	Unit subsidy amounts for passenger cars, passenger vans, and trucks remain at 2025 levels
Performance Criteria	Criteria for fast-charging capability, driving range per charge, and battery energy density have been raised

Price Criteria	New full-subsidy price threshold for small electric cargo vehicles; full-subsidy threshold for passenger cars to be tightened to KRW 50 million starting in 2027
Additional Support	Extra incentives for PnC (KRW 100k), V2L (KRW 100k), and vehicles equipped with wheelchair access (KRW 2 million)
Operator Requirements	Introduction of evaluations for manufacturers and importers regarding business plans, after-sales service, and industrial contribution (Scheduled to take effect in July 2026).
Safety Requirements	Establishment of a new subsidy requirement to obtain 'EV Fire Safety Insurance' (Effective from July 2026 onwards)

Moving beyond simple financial assistance for purchasers, this reform plan is strategically designed to drive vehicle transitions while concurrently raising performance criteria and strengthening operator accountability. Future subsidy calculations and local government announcements can be checked via the Integrated Zero-Emission Vehicle Website (ev.or.kr). Manufacturers, importers, and distributors should proactively review their compliance regarding participation requirements and evaluation criteria.

2026 CES Highlights

Automakers Foregoing Physical Vehicle Displays – Shifting from Transportation to AI and Robotics

CES (Consumer Electronics Show) 2026 was held in Las Vegas from January 6 to January 9, 2026. As seen in its name, CES was traditionally an electronics-centered exhibition; however, as the mobility industry merges with the ICT sector, mobility companies have now joined as active participants. At CES 2026, Mobility has solidified its status as the definitive destination for AI integration, transcending its previous role as a mere application field.

The biggest headline was undoubtedly humanoid robotics. In particular, the humanoid robot 'Atlas,' presented by Hyundai Motor Group via Boston Dynamics, garnered significant attention as it was presented not as a mere research demo, but with a concrete roadmap for actual deployment in industrial sites. Hyundai Motor Group emphasized that robots will transition from being a mere future technology into labor entities that work alongside humans across manufacturing, logistics, and services. This demonstrates that automakers are evolving beyond vehicle manufacturing into AI-based comprehensive mobility and robotics companies.

Exhibitions related to mobility at this CES focused on the technological architecture constituting autonomous driving and vehicular AI, rather than exterior vehicle designs or concepts. NVIDIA showcased its SoC for autonomous driving and automotive AI computing platforms, demonstrating how automakers and parts suppliers can implement specific functions based on these platforms. This suggests that the center of competition in autonomous driving is shifting from individual features to AI computational power and software ecosystems.

In summary, the mobility exhibitions at CES 2026 focused on explaining how AI, computing, and sensor technologies are being applied to transportation, rather than highlighting the vehicles themselves. Autonomous vehicles, robotaxis, and vehicular AI were presented as a single, integrated technological flow where AI makes decisions, moves, and provides services.

LIN LLC has extensive experience in providing advisory and litigation services in the mobility industry, particularly in areas such as administrative regulations, and patent and trade secret disputes related to motor vehicles. Our Mobility Team consists of attorneys and experts with a distinctive interest and passion for automobiles.

Should you wish to learn more about this newsletter or have any other inquiries, please do not hesitate to contact **LIN's Mobility Team**.

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