

As avatar-based interfaces increasingly become a staple of digital customer experiences, companies face crucial questions about how to transparently disclose the AI nature of these interactions. In particular, the **EU AI Act**—specifically *Article 50*—mandates transparency requirements for AI systems, with important implications for businesses operating with users in the European Union.

Whether you are building immersive chatbots, voice assistants, or hybrid avatar-powered support tools, designing the right **avatar disclosure** strategy is essential for compliance, user trust, and accessibility. Let's take deep dives into the responsibility split between providers and deployers, timing of disclosures, extraterritorial impact for non-EU companies, and how to make your avatar interface understandable for all users—including those relying on *screen readers* or voice product interfaces.

Understanding the EU AI Act Article 50 Transparency Requirement

The **European Commission** has taken a leading role in regulating AI to ensure that users understand when they interact with AI systems. Article 50 of the EU AI Act mandates that users must be informed that “they are interacting with an AI system.” More specifically, this means:

- The disclosure must be **unambiguous** and **clearly presented**.
- The AI system's capabilities and limitations should be communicated.
- The notification must occur at the **first interaction** to avoid deception.

For companies like *Coruzant Technologies*, which develop and deploy avatar-based chat and voice solutions for B2B SaaS platforms, this means embedding AI disclosure not as an afterthought but as a core element of the user experience.

Provider Responsibility vs Deployer Responsibility

Who exactly is responsible for AI disclosure? The EU AI Act is clear that both the AI **provider** and the AI **deployer** share responsibilities, but with nuanced distinctions:

Role Responsibilities
AI Provider Develop transparent AI algorithms and include disclosure data points within AI outputs.
AI Deployer Implement front-end disclosure mechanisms, ensure transparency at point of user interaction, and provide routes to human support.

For example, a company licensing an avatar AI engine from Coruzant Technologies is responsible for integrating visible and audible AI notices within its product, while Coruzant provides the underlying tools that support such disclosures programmatically. This layered responsibility ensures users receive continuous clarity regardless of where the AI components originate.

Extraterritorial Reach: What Non-EU Companies Must Know

Even if your company is based outside the European Union, the EU AI Act's scope extends to any AI system deployed within or interacting with individuals located in the EU. So, a U.S.-headquartered firm with an avatar-based customer service interface that serves EU users must adhere to Article 50's disclosure requirements.

This extraterritorial reach means that:

- Your avatar disclosure must comply with EU rules if EU residents constitute part of your user base.

- Failure to comply may lead to significant fines or corrective measures from the **European Data Protection Supervisor** and other regulators.
- Early engagement with EU legal advisors is highly recommended to map responsibilities and update your compliance roadmap.

Best Practices for Avatar Disclosure in User Interfaces

Making sure your avatar-based AI disclosures meet legal, ethical, and accessibility standards requires thoughtful design. Below are key guidelines based on established regulations and accessibility needs.

1. First-Interaction Disclosure Timing

Users should receive the AI disclosure **at the very start** of their session with the [provider vs deployer](#) avatar, avoiding any possible confusion or mistaken assumptions that they are conversing with a human. Implementations can include:

- An opening statement from the avatar, such as *"Hello! I'm your digital assistant powered by an AI system."* (carefully rewritten to avoid starting with "powered by")
- Visual banners or text clearly stating "You are interacting with an AI system".
- Audible disclosure for voice interfaces—read out before conversation begins.

2. Making the Disclosure Unambiguous and Easy to Understand

Disclosures should use straightforward language, avoiding technical jargon like "AI" without contextual explanation. For example, instead of "This chat uses AI," say, "I'm a computer program designed to assist you with your questions."



Additionally, avoid vague robot icons without explanation. While friendly avatars can enhance user experience, they should always be accompanied by explicit disclosure text or speech to clarify their AI nature.

3. Accessibility and Assistive Technology Compliance

Don't overlook users who rely on *screen readers* or alternative input methods. Accessibility must be baked in, not tacked on: ensure that the disclosure text is programmatically associated with the avatar's speech and visuals.

Key steps to support accessibility include:

- Using ARIA live regions or alert roles to announce AI disclosure to screen readers immediately.
- Providing alternatives for voice disclosures for those with hearing impairments, like visible captions or transcripts.
- Testing disclosure messages on popular assistive technologies before launch.

4. Providing a Route to a Human Agent

Transparency isn't just about disclosure—it's about user empowerment. Particularly in customer service contexts, giving users easy access to a human agent if they wish to escalate is vital.

Best practices include:

- A clearly labeled "Talk to a Human" button or voice command option.
- Clear messaging that escalations are possible anytime, without hassle.
- Seamless transfer capabilities ensuring continuity.

This approach helps prevent support tickets caused by unclear UI, a common pitfall that frustrates users and erodes trust.

Case Study: Implementing Avatar Disclosure with Coruzant Technologies

Coruzant Technologies, a pioneer in avatar-based customer support solutions, recently launched a comprehensive compliance checklist aligned with EU AI Act transparency requirements. Their approach emphasizes:

- **Proactive AI disclosures** embedded in avatar greetings.
- Support for multiple languages and accessible formats.
- Customizable routes to humans tailored to client workflows.

Early feedback from EU customers confirms that unambiguous statements at first interaction increase user confidence and reduce confusion, especially when paired with clear instructions for reaching human agents.

Conclusion

Addressing AI disclosure in avatar-based interfaces is a regulatory and ethical imperative—especially with the EU AI Act's Article 50 bringing transparency to the forefront. Successful implementation hinges on:



1. Delivering clear, unambiguous AI disclosures at first interaction.
2. Understanding and dividing provider versus deployer responsibilities.
3. Accounting for extraterritorial reach that impacts non-EU companies serving EU users.
4. Ensuring accessibility for all users, including those with disabilities reliant on assistive technologies like screen readers and voice interfaces.
5. Including an easy, frictionless route to human support within the interface.

By following these principles, businesses can build more trustworthy, compliant avatar experiences that respect users' rights and preferences. As the landscape continues evolving, close collaboration with legal teams and continuous user testing remain essential.

Remember, clarity isn't just a legal checkbox—it's the foundation for meaningful and human-centered AI interactions.