As the European Union advances its regulatory framework for artificial intelligence, SaaS providers—whether based inside or outside the EU—find themselves navigating a complex landscape shaped by the **EU AI Act**. One pivotal phrase gaining attention is "*output used in the EU,*" which carries crucial implications for provider responsibilities, transparency requirements, and user disclosures.

Understanding this term and its impact is essential for software companies like **Coruzant Technologies**, whose B2B platforms serve a global clientele including many European Union (EU) users. In this post, we'll break down what "output used in the EU" means under the AI Act, the interplay between provider and deployer responsibilities, extraterritorial reach for non-EU companies, and practical considerations around disclosure timing —especially relevant for voice product interfaces and screen readers.

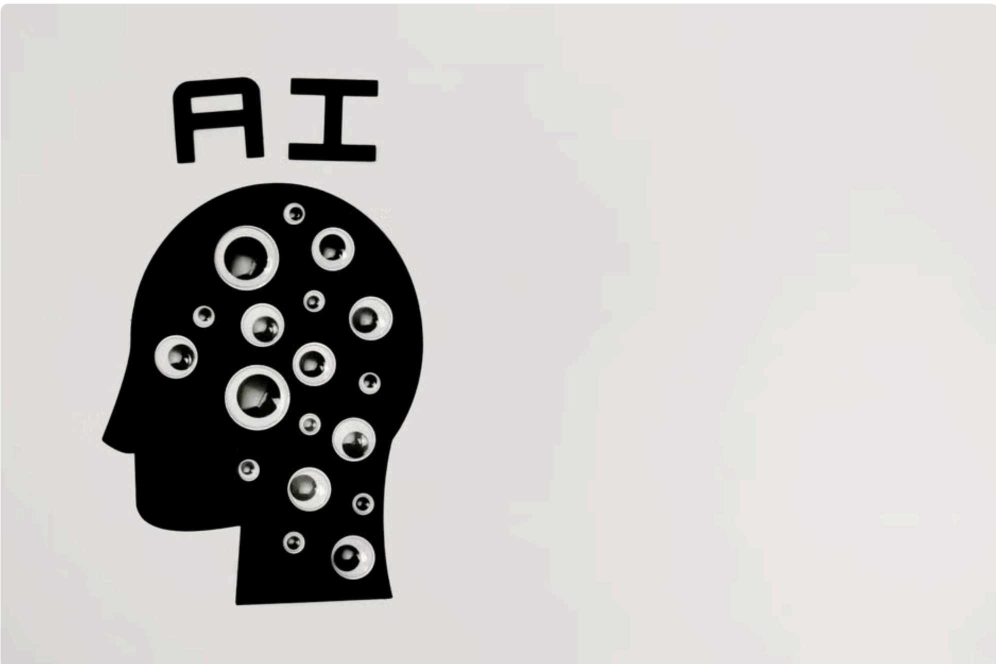
Background: The EU AI Act and Article 50 Transparency Requirements

The **European Commission** introduced the AI Act to set harmonized rules applying to AI systems deployed within the EU. Among its many provisions, **Article 50** stands out for imposing specific transparency obligations on providers and deployers of certain AI systems. In simple terms, when an AI system is interacting directly with a user or influencing decisions, transparency disclosures must be made upfront.

Article 50 requires that users be informed about:

- The fact they are interacting with an AI system
- Meaningful information about how the system operates
- Any potential risks or limitations

For businesses serving EU users, this transparency mandate affects design choices, user experience copy, and compliance workflows.



What Does "Output Used in the EU" Really Mean?

The phrase **"output used in the EU"** essentially speaks to the geographic and regulatory scope of Article 50's transparency requirements. But its intended meaning is nuanced. Simply put, if an AI system's result, prediction, or recommendation is consumed by a person physically located within the EU, then the output is "used in the EU."

This interpretation matters because:

1. It activates the provider's transparency obligations regardless of where the SaaS product is hosted or where the company is headquartered.
2. It emphasizes the *user's location* over the provider's location, introducing **extraterritorial reach** for non-EU companies.
3. It places importance on the timing and method of disclosures wherever the output is accessed or acted upon.

Example Scenario: A Non-EU SaaS Company Serving EU Users

Imagine **Coruzant Technologies** offers an AI-driven customer support chatbot headquartered in the US. If a user located in Germany interacts with the chatbot and receives suggestions or answers generated by the AI, this output is considered "used in the EU"—triggering Article 50's transparency requirements despite the provider's foreign base.

This scenario highlights **non-EU provider scope** as one of the AI Act's most far-reaching features.

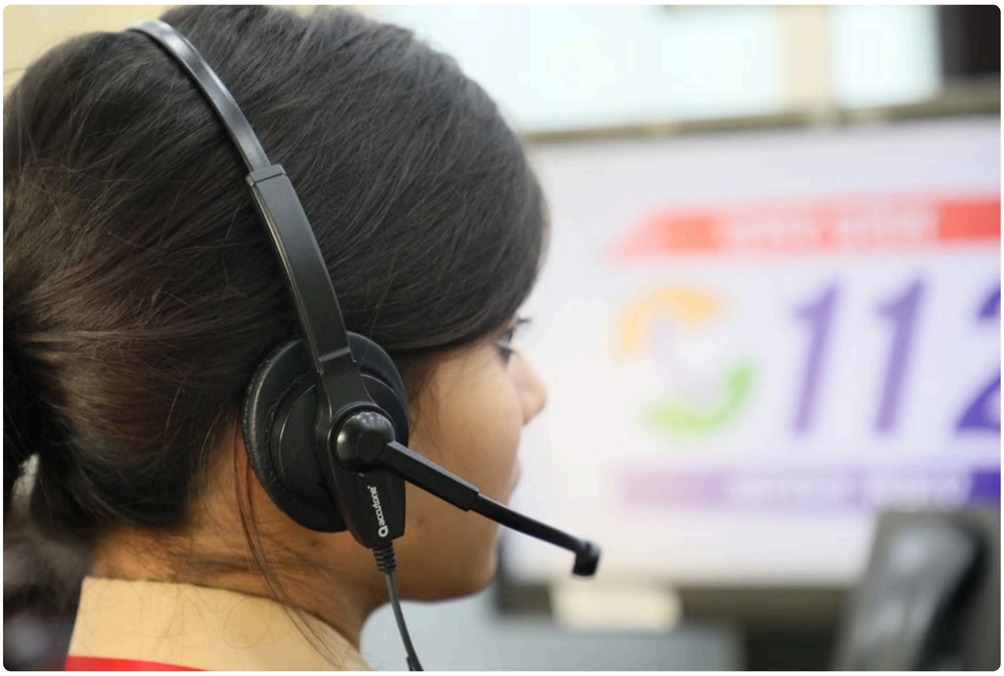
Provider Versus Deployer Responsibility: Who Does What?

In the AI Act's terminology, the **provider** is the entity that develops or supplies an AI system, while the **deployer** is the one who puts the system into operational use.

Both have responsibilities under Article 50, but with distinctions:

- **Provider Responsibilities**: Must ensure the AI system comes with adequate documentation, explains how it works, discloses known risks, and includes mechanisms to enable transparency.
- **Deployer Responsibilities**: Must implement necessary user-facing disclosures before or during the AI interaction and monitor the AI's use in context.

For SaaS companies offering AI products directly to enterprises, this division means that if Coruzant's chatbot is integrated by a deployer within the EU, both companies need to coordinate their compliance efforts carefully.



Extraterritorial Reach for Non-EU Companies: What SaaS Providers Should Know

The fact that the AI Act's territorial reach applies to *output used in the EU* means that providers outside EU borders—such as US or UK-based companies—cannot sidestep transparency obligations.

The **European Data Protection Supervisor** has emphasized that this extraterritorial effect ensures EU residents' rights and protections extend beyond their geographical borders, aligning with broader EU digital policy trends like the GDPR.

Therefore, SaaS providers must:

- Map where their users are physically located to identify EU users.
- Implement geolocation-based triggers that show transparency disclosures only when the output will be used in the EU.
- Create multilingual and accessible disclosures.

First-Interaction Disclosure: Why Timing Matters

One of the most significant procedural details in Article 50 is the timing of user disclosures. Providers and deployers must notify EU users *before or at the start of their interaction* with the AI system—not buried deep in terms of service or after the fact.

For SaaS products featuring **voice product interfaces** or integrations with **screen readers (assistive technology)**, this means that disclosures need to be accessible and understandable from the very first moment the AI engages the user.

- For voice assistants, this could translate to an introductory message like: "Hello, I'm an AI-powered assistant created to help you. I'll let you know if there's something important that you need to understand about how I work."
- For visual interfaces compatible with screen readers, clear labeling and concise alternative text must be provided upfront.

This early transparency helps build trust, reduces confusion, and prevents support tickets caused by unclear UI—something that product teams must consider seriously during UX writing and coruzant.com design.

Accessibility Considerations: Not an Afterthought

Because many EU users depend on **assistive technology** such as screen readers, SaaS companies should ensure transparency disclosures meet accessibility standards, including but not limited to:

- Semantic HTML markup for screen reader compatibility
- High-contrast visuals for users with impaired vision
- Clear, easy-to-understand language tailored for diverse audiences

We recommend collaborating with accessibility experts and legal compliance teams early in the product lifecycle to avoid last-minute redesigns.

Summary Table: Key Points to Remember About "Output Used in the EU"

Aspect Details Definition Output or result of AI consumed by a person physically located within the EU. Regulatory Scope Triggers Article 50 transparency rules regardless of the provider’s location. Provider Role Supply documentation, risk info, and enable transparency tools. Deployer Role Implement user-facing disclosures at or before first interaction. Extraterritorial Reach Includes non-EU providers serving EU users, e.g., US-based SaaS companies. Disclosure Timing At the start of user interaction with the AI system. Accessibility Disclosures must accommodate assistive technologies like screen readers.

Final Thoughts for SaaS Product Teams

The phrase "*output used in the EU*" is not just regulatory jargon—it’s a cornerstone concept that shapes how SaaS products must communicate transparency and compliance under the EU AI Act. Non-EU companies like Coruzant Technologies must take these requirements seriously to maintain trust with EU users and avoid regulatory pitfalls.

Remember that transparency is not a one-time checkbox but an ongoing collaboration between providers, deployers, UX writers, designers, legal, and accessibility teams. By prioritizing clear, accessible, and timely disclosures—especially in AI-powered chat and voice interfaces—you can create experiences that respect the rights and needs of EU users while adhering to the evolving regulations introduced by the European Commission and overseen by the European Data Protection Supervisor.