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JOINT INDUSTRY STATEMENT

Draft Guidelines on Transparency Obligations under Article 50 AI Act *and the Code of Practice on AI-Generated Content Marking and Labelling*

Brussels, 3 July 2026

Dear Ms Sioli,

The undersigned associations represent companies of all sizes operating in Europe and beyond across the entire AI value chain: from AI model developers to downstream providers and deployers of AI systems and models. Our members are driving transformative advances in AI technologies which will bring enormous benefits to the EU's economy and society.

We welcome the Commission's efforts to provide practical guidance on the transparency obligations under Article 50 of the AI Act. However, we have significant concerns about the draft Guidelines accompanying the Code of Practice, which in several respects go beyond the letter and spirit of the AI Act and risk creating disproportionate, unworkable obligations.

We call on the Commission and the AI Office to ensure the final Guidelines are firmly grounded in the **risk-based, proportionality-driven framework** that underpins the AI Act, and that they prioritise **innovation, clarity, workability and simplification**.

In particular, we wish to underline the following points:

1. Proportionality must be central to deep fake disclosure obligations

Blanket disclosure requirements cause information overload, degrade user experience and accelerate habituation, such as in creative and entertainment contexts or commercial advertisement where AI-assisted production is now the norm. The Guidelines place a disproportionate burden on companies irrespective of the context and actual risk level of their AI system and AI-generated content, and risk generating significant user fatigue.

- Disclosure obligations must be calibrated to actual deception risk, not applied uniformly across all formats and modalities.
- The interpretation of the definition of 'deep fake' should be substantially amended to focus on persons, objects, places, entities or events that *actually exist* to avoid over-labelling.
- Layered disclosure designs (icons, contextual menus, product detail sections) should be recognised as satisfying the "clear and distinguishable" requirement of Article 50(5).

2. Key definitional uncertainties must be resolved

Several operationally critical concepts remain insufficiently defined, generating legal uncertainty for providers across multiple Article 50 obligations:

- Art. 50(2): AI-assisted translations and summaries should not automatically trigger marking obligations; worked examples must be provided.
- Art. 50(4): Content produced with the authorisation of the person depicted should not qualify as a deep fake.
- Terms such as “very short text” and “sustained or emotionally sensitive” interactions must be defined with objective criteria, e.g. adding the definition of very short text from the Code of Practice
- To clarify the scope of the creative work exemption, references to the “*primarily informative or commercial purpose*” criterion should be removed from para. (114) and the reference to “*case-by-case assessment*” in para. (112) should be removed.

3. Technical implementation must be feasible and risk-differentiated

Combining multiple marking techniques is disproportionate for lower-risk outputs and technically premature given the immaturity of text watermarking.

- A single appropriate marking measure should suffice for lower-risk outputs, in line with the Code of Practice.
- In line with the Code of Practice that acknowledges lower reliability and robustness of text watermarking, providers require flexibility until marking techniques are mature.
- Flexibility is also crucial considering that providers building on third party models cannot implement text watermarking without inference-layers access, broadly affecting industry.
- Mandating multiple marking solutions will increase costs and complexity on businesses without meaningfully improving user protection.
- Clarification is needed when AI-modified content triggers marking obligations.

4. The provider-deployer accountability hierarchy must be respected

Encouraging deployers to apply marking obligations ahead of the December 2026 deadline, before providers have equipped systems with the necessary technical capabilities, deliberately distorts the accountability hierarchy established by the AI Act.

- The Code and final Guidelines must sequence obligations in strict alignment with the provider-deployer framework and applicable transitional deadlines.

5. The Code of Practice must remain genuinely voluntary

The draft Guidelines suggest to regulators treating the Code as their de facto compliance benchmark, which would effectively convert a voluntary instrument into a compliance floor against which all providers and deployers are measured. This would undermine the voluntary nature of the instrument described in the law.

- The Guidelines must not aim at converting a voluntary instrument into a general compliance floor.
- Compliance must by default be measured against what is clearly required by the legal text and must not build on suggestions that extended the statutory text.

We ask the AI Office to address these issues by making the final Guidelines simpler, less prescriptive and firmly in line with the AI Act. Without these changes, the Guidelines risk creating legal uncertainty and promote overregulation. These negative effects are even amplified if companies were to consider the Guidelines together with the Code of Practice. The Commission should also ensure implementation timelines allow companies sufficient time to comply.

We look forward to continuing working with the European Commission in support of these objectives.

Sincerely,

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