KISSLabs

Is your business compliant with the EU's new AI rules?

August 2026 – A major regulatory change in the European Union has officially come into effect, bringing new compliance requirements for New Zealand companies operating in or trading with Germany and the wider EU.

As of **Sunday, 2 August 2026**, **Article 50 of the EU Artificial Intelligence Act** is live. The legislation introduces mandatory transparency rules designed to ensure consumers know when they are interacting with AI-generated content or systems. Crucially, these rules apply to any business engaging European customers. This is regardless of whether the business itself is based outside the EU including New Zealand.

What does Article 50 require?

If your business uses artificial intelligence across customer service, website interactions, advertising or marketing targeting European audiences, the standards most likely to affect you are:

- **Chatbots and customer support:** Users must be explicitly informed whenever they are interacting with an AI system or automated assistant.
- **Photorealistic media:** Any AI-generated images, audio, or video that could reasonably be mistaken for a real photograph, recording or video must be clearly labelled.
- **Content marking:** AI-generated media also has to carry embedded, machine-readable markers. This obligation sits with the AI tool providers rather than

with you, so it's largely handled upstream, but it is worth knowing it exists, and worth choosing tools that do it properly.

Note on creative work: Standard marketing copy, stylised digital artwork, and basic illustrations generally fall outside the strict photorealism labeling rules.

Consequences of non-compliance

Operating in the European market without meeting these transparency standards carries significant financial, operational, and reputational risks:

- **Regulatory fines and penalties:** The EU AI Act enforces strict administrative fines for non-compliance with transparency obligations.
- **Operational disruption:** EU regulatory authorities can issue enforcement orders requiring non-compliant tools, chatbots, or AI marketing assets to be immediately taken down or disabled.
- **Loss of brand trust:** In European markets where data privacy and digital regulation are heavily scrutinised, failing to disclose AI interactions can damage customer trust and erode brand integrity.
- **Cross-border enforcement risk:** Because compliance is triggered by European customers interacting with your digital channels, NZ businesses cannot rely on geographic distance to avoid regulatory oversight.

Three immediate steps for NZ businesses

Content generated before 2 August 2026 doesn't need to be labelled retroactively. While specific technical standards for AI labeling continue to evolve, waiting to comply is not recommended. Businesses are advised to take proactive measures now:

1. **Audit your AI usage:** Identify every touchpoint across your website, apps, and marketing channels where AI interacts with users or generates media.
2. **Implement clear disclosures:** Update website copy, chatbot interface notices, and image captions to ensure transparency.
3. **Establish an internal brand AI policy:** Ensure both internal teams and external creative agencies adhere to standardised guidelines for AI usage.

Getting assistance

If you are unsure whether your website or marketing assets comply with the new EU standards, local GNZCC member **KISSLabs** can help you audit where AI appears in your brand and marketing, and build disclosure into your assets and guidelines. They can offer practical guidance and solutions to ensure your brand remains fully compliant without disrupting customer experience.

For full regulatory details, consult the official guidance on Article 50 of the EU AI Act.