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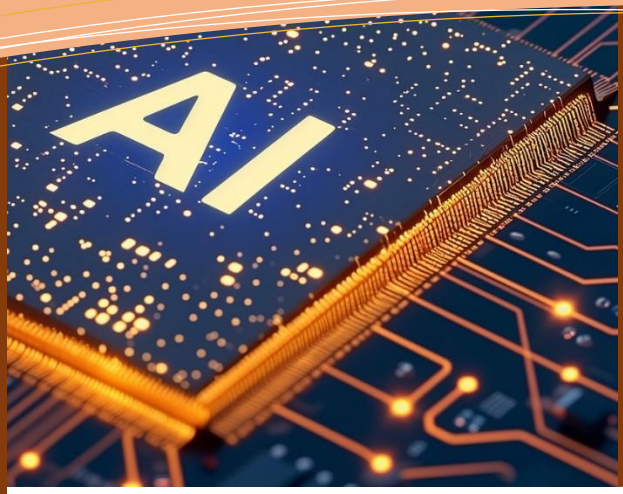
QUARTERLY NEWSLETTER
JEAN MONNET CENTRE OF EXCELLENCE
NEAPOLIS UNIVERSITY PAFOS

AI-2-TRACE-CRIME



this issue

Jean Monnet Center of Excellence

AI-2-TRACE-CRIME

The Jean Monnet Centre of Excellence AI-2-TRACE-CRIME, hosted by Neapolis University Pafos, is an interdisciplinary hub focused on advancing the responsible use of Artificial Intelligence (AI) in asset recovery, anti-money laundering (AML), and crime prevention. Led by Dr. Georgios Pavlidis, the Centre brings together experts from law, computer science, and international studies, supported by an Advisory Board of external experts.

This EU-funded initiative operates through three thematic streams. The first explores the development of legal frameworks for ethical and transparent AI use in AML and crime prevention, focusing on human rights, accountability, and data protection. The second investigates AI's technical dimensions, such as machine learning and natural language processing, to enhance tools for tracing illicit assets and detecting suspicious financial patterns. The third addresses AI's role in security, examining risks like AI-assisted cyberattacks and proposing strategies to counteract criminal misuse.

The EU Cyber Resilience Act enters into force

The Cyber Resilience Act (CRA) is a pioneering EU regulation that establishes mandatory cybersecurity requirements for products with digital elements, encompassing both hardware and software. Adopted by the Council of the EU on October 10, 2024, the CRA aims to enhance the security of digital products throughout their entire lifecycle, from design and development to maintenance and disposal.

A key aspect of the CRA is the increased responsibility placed on manufacturers. They are now obligated to ensure that their products meet stringent cybersecurity standards before being introduced to the EU market. This includes providing timely software updates to address security vulnerabilities and offering ongoing security support to consumers. Such measures are designed to reduce cyber threats and empower consumers to make informed choices regarding the security of digital products

To indicate compliance with the CRA, products will bear the CE marking, signifying adherence to the regulation's requirements. While the Act entered into force on December 10, 2024, the main obligations will become applicable from December 11, 2027, allowing manufacturers and other stakeholders time to align with the new standards

The CRA complements existing EU cybersecurity frameworks, such as the NIS2 Directive, by addressing gaps related to the security of digital products. It introduces a uniform legal framework across all EU member states, ensuring that hardware and software products are designed, developed, and maintained with robust cybersecurity measures throughout their lifecycle

By implementing the Cyber Resilience Act, the EU aims to create a safer digital environment for its citizens and businesses, mitigating risks associated with cyberattacks and fostering trust in digital products available within the internal market. This regulation represents a significant advancement in the EU's commitment to bolstering cybersecurity and protecting its digital infrastructure.

For more information, click **here**

Co-funded by the European Union

Deployment of AI Robots in Public Spaces

AI-powered robots are increasingly operating in public domains, performing tasks such as cleaning, conversing, and cooking. Enhanced by generative AI, these robots demonstrate potential but also face challenges in dexterity and navigation. The robotics sector has seen increased venture-capital investment, rising to $12.8 billion in 2024. Despite advancements, robots often struggle with tasks requiring intuitive understanding and adaptability, highlighting the need for further development in AI and robotics integration

For more information, click here

General-Purpose AI (GPAI) Code of Practice

The final Code of Practice is expected to be published and presented at a closing plenary in May 2025, ahead of the AI Act's application in August 2025

The European Union is developing a General-Purpose AI (GPAI) Code of Practice to ensure the safe and trustworthy deployment of AI models capable of performing a wide range of tasks. Facilitated by the European AI Office, this initiative involves nearly 1,000 stakeholders, including independent experts, industry organizations, civil society, and EU Member States representatives

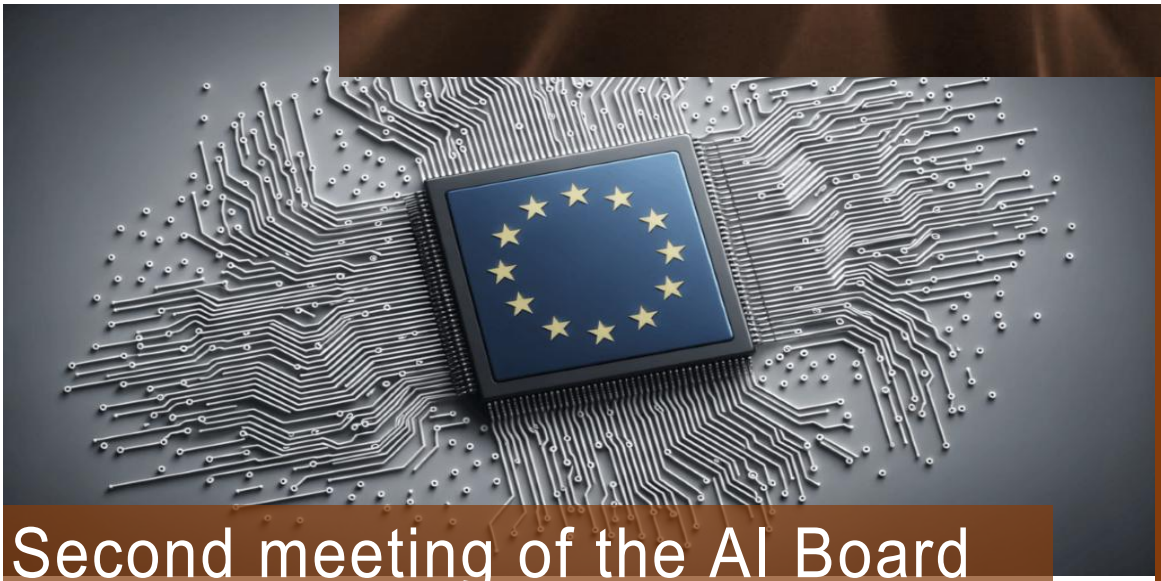
The AI Act, effective from August 2025, introduces rules for GPAI providers, emphasizing transparency, copyright compliance, and systemic risk assessment. The forthcoming Code of Practice aims to detail these requirements, serving as a central tool for providers to demonstrate compliance by incorporating state-of-the-art practices

The drafting process, initiated in August 2024, is structured into four thematic working groups, each led by appointed chairs and vice-chairs. Following the kick-off plenary on September 30, 2024, participants convene virtually for iterative drafting rounds, allowing for comprehensive discussions and written feedback. Dedicated workshops, such as the one held on October 23, 2024, engage GPAI model providers directly, ensuring their input shapes each iteration of the Code.

Transparency is a cornerstone of this process, with the AI Office coordinating discussions and documenting outcomes to maintain an open and collaborative environment. The involvement of the AI Board ensures close engagement with EU Member States, while international public bodies participate as observers, contributing to a globally informed perspective

The first draft of the Code was published in November 2024, marking a significant milestone in the iterative drafting process. This version serves as a foundation for further detailing and refinement, inviting feedback to help shape each iteration towards the final version

The final Code of Practice is expected to be published and presented at a closing plenary in May 2025, ahead of the AI Act's application in August 2025. This timeline allows providers sufficient time to align their practices with the new regulations, fostering the development and deployment of trustworthy and safe GPAI models within the EU



Second meeting of the AI Board

The European Artificial Intelligence Board (the "AI Board") is a key advisory body that was created by the AI Act, which took effect on 1 August 2024.

On 10 December the AI Board convened for a full-day meeting. The agenda included pivotal discussions and updates on AI governance, literacy, and international collaborations. Key highlights of the meeting included:

Updates from the AI Board subgroups and adoption of their Terms of Reference

Presentations by Austria and Norway on AI literacy and insights into national approaches to AI governance from Malta, Finland, and Slovenia

A strategic vision for AI in the next Commission mandate presented by Roberto Viola, Director-General of DG CNECT

Updates on international activities, including collaboration with Singapore, the OECD Global Partnership on AI Ministerial Summit, and the recently adopted risk management framework of the Council of Europe Committee on AI

Presentation of the progress on the Code of Practice for general-purpose AI by the (Vice-)Chairs of the Code of Practice Working Groups

The meeting concluded with a forward-looking discussion on guidelines for prohibited AI practices and system definitions, along with action points and planning for 2025. The meeting was chaired by the AI Board representative from Hungary, in line with the Hungarian Presidency of the EU.

You can read more information on the AI Board.

Q&A AI and Policing

Q: How can AI transform policing?

AI technology has the ability to completely transform policing; from advanced criminal analytics that reveal trends in vast amounts of data, to biometrics that allow the prompt and unique identification of criminals. With the AI and policing report, produced through the Observatory function of the Europol Innovation Lab, EUROPOL has provided insight into the present and future capabilities that AI offers, projecting a course for a more efficient, responsive and effective law enforcement model.

This EUROPOL report offers in-depth exploration of the applications and implications of AI in the field of law enforcement, underpinned by the European Union's regulatory framework. It also looks at concerns about data bias, fairness, and potential threats on privacy, accountability, human rights protection and discrimination which are particularly relevant in the background of the EU's Artificial Intelligence Act.

For more information clcick **here**

EYE ON AI

AI's Impact on Financial Markets

The financial sector is increasingly influenced by AI integration. In 2024, growth-focused mutual funds benefited from AI-driven investments, particularly in tech giants like Nvidia, Alphabet, Tesla, and Meta. Fund managers who anticipated economic conditions and focused on AI-related sectors achieved notable returns. Looking ahead, AI and weight-loss drugs are expected to remain major investment themes in 2025, shaping investment strategies and market dynamics.

AI Developments

Our Picks

DeepSeek-V3: Launched by a Chinese AI firm, DeepSeek-V3 is a large language model with 671 billion parameters. Trained over approximately 55 days at a cost of $5.58 million, it outperforms models like Llama 3.1 and Qwen 2.5, matching GPT-4o and Claude 3.5 Sonnet in benchmarks.

OpenAI's o1 Model: OpenAI released its first with reasoning abilities, marking a significant advancement in AI capabilities. It enhances the performance of AI systems in tasks requiring logical inference and problem-solving skills

Activities of our Center

- **Launch of Our Website**
  We are excited to announce the launch of the Center's website, a dedicated platform showcasing our research, activities, and contributions to the fields of AI, law, and policy. Explore our resources, events, and publications in one comprehensive space. Stay connected for updates on our work and collaborations.
- **Launch of Our Working Paper, Policy Briefs, and Best Practices Series**
  We are proud to introduce our new series featuring contributions from our study groups and researchers. The inaugural release includes 10 papers addressing critical themes at the intersection of law, AI, and policy. Access the call for papers **here**. We welcome submissions that push the boundaries of knowledge and practice
- **Visit by Agios Neophytos High School**

  On December 19, 2024, students from Agios Neophytos High School visited our University. The Center's Director delivered a talk on the challenges of the digital era, focusing on EU policies and initiatives in the fields of artificial intelligence and digital governance.

Other Initiatives

EU AI Factories

The European High Performance Computing Joint Undertaking (EuroHPC) has selected seven proposals to establish and operate the first AI Factories across Europe. This is a major milestone for Europe in building a thriving ecosystem to train advanced AI models and develop AI solutions. The EU is now one step closer to realising the commitment to setting up the first AI Factories. The first AI Factories will represent a €1.5 billion investment, combining national and EU funding. The selected AI Factories will be hosted at these leading research and technology hubs across Europe

For more information, click **here**