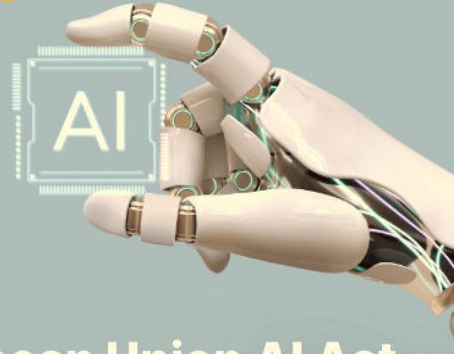# AI-2-TRACE-CRIME

European Union AI Act

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.

First rules of the Artificial Intelligence Act are now applicable

As of Sunday, 2 February, 2025, the first rules under the Artificial Intelligence Act (AI Act) have come into effect, marking a significant milestone in the EU's regulatory framework for AI.

Key provisions now applicable include the definition of an AI system, AI literacy requirements, and a limited set of prohibited AI use cases deemed to pose unacceptable risks to fundamental rights and safety within the EU.

To facilitate legal clarity and foster innovation, the European Commission will issue guidelines on the AI system definition to help businesses and developers determine whether a given software system falls under the scope of AI regulation. This is particularly crucial for start-ups and SMEs navigating compliance requirements.

In parallel, the Commission will establish a living repository of AI literacy practices, compiling insights from AI providers and deployers. This initiative aims to support skill development and knowledge-sharing, ensuring that users—whether individuals, businesses, or policymakers—can engage with AI technologies effectively and responsibly.

To further enhance compliance, the Commission will publish guidelines on prohibited AI practices, elaborating on the legal concepts and providing real-world examples to clarify the scope of these restrictions. These guidelines, while non-binding, will evolve based on stakeholder input and emerging technological developments.

In a broader push to promote AI innovation, the EU has launched multiple initiatives, including the AI Innovation Package, designed to support startups and SMEs, and the forthcoming AI Factories, which will offer access to the high-performance computing power essential for AI model development.

For more information, click **here**

Investing in AI: The $300 billion race of tech giants

Tech megacaps plan to spend more than $300 billion in 2025 as AI race intensifies

For more information, click here

2025 AI Action Summit in Paris

On 10 and 11 February 2025, France hosted the AI Action Summit in Paris, gathering numerous stakeholders from the public and the private sector

On 10 and 11 February 2025, France hosted the AI Action Summit, gathering at the Grand Palais, Heads of State and Government, leaders of international organizations, CEOs of small and large companies, representatives of academia, non-governmental organizations, artists and members of civil society.

The summit, held in Paris and co-hosted by French President Emmanuel Macron and Indian Prime Minister Narendra Modi, gathered representatives from over 100 countries to discuss global AI governance.

Discussions centered on balancing innovation with ethical considerations, addressing digital divides, and supporting AI development in developing nations. Macron called the summit a "wake-up call" for Europe's AI strategy.

The summit concluded with a nonbinding Pledge for a Trustworthy AI in the World of Work, outlining six priorities:

- Promoting AI accessibility to reduce digital divides
- Ensuring AI is open, inclusive, transparent, ethical, safe, secure and trustworthy, taking into account international frameworks for all
- Making AI innovation thrive by enabling conditions for its development and avoiding market concentration driving industrial recovery and development
- Encouraging AI deployment that positively shapes the future of work and labour markets and delivers opportunity for sustainable growth
- Making AI sustainable for people and the planet
- Reinforcing international cooperation to promote coordination in international governance

Sixty countries, including Canada, China, France, and India, signed the declaration, but the U.S. and U.K. did not.

The U.S. did not officially explain its decision not to sign the AI declaration. However, U.S. Vice President JD Vance, in his summit speech, expressed concerns that excessive regulation could stifle AI innovation. He warned that stringent rules might "kill a transformative industry" and criticized European regulatory approaches for imposing heavy compliance burdens on companies.

DeepSeek: The Chinese AI app that disrupts the AI sector

DeepSeek, a cutting-edge AI application developed in China, is rapidly emerging as a major disruptor in the global AI landscape. Positioned as a direct competitor to Western AI giants like OpenAI and Google, DeepSeek leverages advanced large language models (LLMs) and deep learning algorithms to offer high-performance AI services, including natural language processing, code generation, and content creation.

70 words One of DeepSeek's distinguishing features is its ability to process and generate text in multiple languages, with a particular emphasis on Mandarin, giving it a strategic advantage in the Chinese market. Moreover, its integration with domestic platforms ensures seamless adoption within China's tech ecosystem, bypassing restrictions imposed on foreign AI models.

However, DeepSeek's rise also raises concerns. Critics worry about the implications of AI tools developed under China's regulatory framework, particularly regarding censorship, data privacy, and state control over AI-generated content. Additionally, DeepSeek's expansion into international markets may face challenges due to geopolitical tensions and potential trade restrictions. Questions about the transparency of its algorithms and ethical AI practices also persist.

Q&A President Trump's Executive Order 14179

Q: Has the US policy on AI changed?

On January 23, 2025, President Trump signed an executive order (EO 14179) aimed at fostering AI growth by reducing regulatory barriers and reversing Biden-era policies on AI oversight. The administration is prioritizing innovation and U.S. leadership in artificial intelligence, rescinding a 2023 executive order that sought safeguards for AI development.

A newly appointed White House AI & Crypto Czar will guide policy, working closely with tech leaders. With the federal government stepping back from regulation, state legislators may intervene to address AI governance. While lacking specificity, Trump's Executive Order 14179 emphasizes positioning the U.S. as "the global leader in AI."

Other Initiatives

EU AI Pact

The EU AI Pact is a voluntary initiative by the European Commission aimed at encouraging organizations to align with the AI Act before it becomes fully enforceable. It consists of two main pillars: knowledge sharing, fostering collaboration on best practices, and voluntary commitments, where companies pledge to adopt responsible AI practices early. Over 130 organizations, including major corporations and SMEs, have joined the initiative. The AI Pact helps businesses prepare for compliance while shaping the responsible deployment of AI within the EU framework. It reflects the EU's commitment to ethical AI governance and regulatory readiness.

For more information, click **here**

Activities of our Center

- **European Security and Defence College (ESDC) event**
  On 5-6 February 2025 Dr G. Pavlidis delivered a presentation entitled 'Strategic Foresight and the EU's New AML/CFT Framework' as part of a very well-organized and interesting workshop, called "Pilot Course of Strategic Security Foresight", which was held in collaboration with the Security and Defence Academy of Ministry of Defence of Cyprus and the European Security and Defence College (ESDC) at the premises of NUP which co-hosted the event.

- **UNESCO event**
  On 19 February 2025 Dr G. Pavlidis delivered a presentation on the acticities of the UNESCO Chair 'Human Development, Human Security and the Fight Against Transnational Crime' at an event organized by the Cyprus National Committee of UNESCO, in Nicosia.

- **Call for Speakers for our upcoming Webinar**

  The Jean Monnet Center of Excellence AI-2-TRACE-CRIME at Neapolis University Pafos, Cyprus, and Universidad Carlos III de Madrid, Spain, invite you to submit your speaker proposal for our upcoming webinar 'Digital Rights in the Era of Artificial Intelligence' Submission Deadline: 31 March 2025

- **NEW publication in Journal of Money Laundering Control**

  A new study, entitled 'Transforming Asset Recovery Offices (AROs) to enhance their role in combating money laundering' drafted in the context of the research activities of the AI-2-TRACE-CRIME, has been accepted for publication in the prestigious and peer-reviewed Journal of Money Laundering Control.

- **Participation to EU open public consultation**

  The Jean Monnet Center of Excellence AI-2-TRACE-CRIME has participated to the Open public consultation "European Democracy Shield". The consultation will provide a strategic framework to better protect and promote democracy in the EU, underpinned by concrete initiatives, ensuring respect for democratic values and fundamental rights, including the EU's enduring commitment to preserving and promoting freedom of expression.

- **Open Debate (2025 Edition)**

  On Wednesday 5 March 2025, the Jean Monnet Center of Excellence AI-2-TRACE-CRIME at Neapolis University Pafos held the 2025 edition of its Open Debate series, titled "Criminal Investigations in the Era of New Technologies and AI." The event was open to the general public, took place in the Seminar Room of Neapolis University and brought together students, legal professionals, and other researchers to critically explore the evolving landscape of criminal investigations in light of AI tools, digital forensics, and algorithmic decision-making.

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