

THE **ARCOT SMART RULESET** POWERS THE NEXT GENERATION OF 3DS INNOVATION

Fight Fraud with Precision. Effortlessly reduce friction, increase approval rates, and improve compliance across geographies with The Arcot Smart Ruleset.

Arcot is powering the next generation of 3DS innovation with the development of The Arcot Smart Ruleset. Using advanced machine learning, Arcot is transforming the protection of digital, card-not-present transactions with The Arcot Smart Ruleset – an intelligent, efficient, and automated approach to fraud detection and prevention.

The Arcot Smart Ruleset automates fraud detection and payment authentication decision-making, updates to reflect the latest regulatory requirements and continuously adapts from fraud feedback and recent transaction data to block current fraud trends.

The outcomes: Smarter, faster authentication that reduces fraud losses, delivering immediate return on investment for issuers and merchants.

THE CHALLENGE

The payments ecosystem must strike a delicate balance across demands:

1. Preventing losses from sophisticated fraud attacks.
2. Retaining customer loyalty through ease of use and frictionless payments.
3. Meeting all regulatory and scheme requirements globally.

Outdated rules are falling behind fast-evolving fraud and customer expectations, creating critical challenges:

- **Fraud Losses:** Outdated rules struggle to catch emerging fraud trends and AI powered fraud attacks.
- **Poor Cardholder Experience:** Rules that were effective 2 months ago may no longer be effective causing cardholder friction or declines.
- **Manual Work Effort and Time:** Analysis, Rule Writing, and Rule Maintenance requires significant time from subject matter experts.
- **Rule Stagnation:** Full rule refreshes may be rare or non-existent and rule updates can often be re-active rather than proactive.

THE SOLUTION

The Arcot Smart Ruleset is the first decision engine built on 25 years of 3DS expertise, designed to adapt where traditional rule sets fail. It delivers faster, smarter, and more effective fraud prevention with minimal manual intervention. It leverages the transaction data and reported fraud data from your portfolio to generate a custom ruleset designed to optimize fraud prevention and other performance metrics for your portfolio of cards.

The Arcot Smart Ruleset is powered by:

- Arcot's best-in-class machine learning models built on 27+ patents in advanced data science technology.
- The industry leading Arcot Issuer Fraud Score.
- The Arcot Network – the largest global 3-D Secure data consortium.
- The Arcot Smart Ruleset ensures smarter, faster decisions – optimizing fraud prevention while preserving the customer experience with unmatched accuracy. The system learns and adapts to changing fraud trends to drive down fraud losses and optimize for levels of friction to increase approvals and reduce false declines.



The Challenge

The payments ecosystem must strike a delicate balance across demands:



Preventing losses from sophisticated fraud attacks



Retaining customer loyalty through ease of use and frictionless payments



Meeting all regulatory and scheme requirements globally

The Solution

The Arcot Smart Ruleset:



Smarter, faster authentication



Reduced Fraud Losses



Immediate return on investment

KEY BENEFITS

- More effective rules reducing fraud losses and friction at the same time.
- Less time required for rule creation and maintenance.
- Leverage Arcot's large base of real-time fraud predictors and daily lists compiled on comprehensive fraud feedback.
- Regulatory updates ensure compliance with regional regulations and card schemes.
- Arcot-maintained regulatory rules to ensure compliance with current regional and card scheme regulations.
- Automated rule refreshes keeps your ruleset current based on the latest fraud data.
- Ultimate Issuer control: Smart ruleset is transparent and superseded by customer rules. Your business goals remain the highest priority.

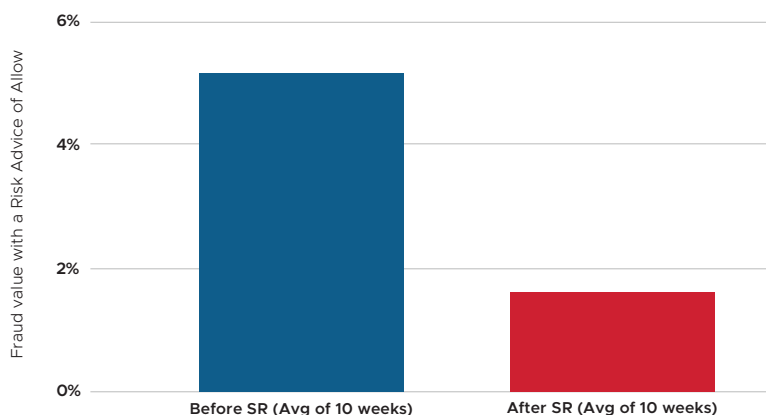
Results from an issuer who adopted the The Arcot Smart Ruleset, in addition to their existing rules, based on ten weeks of data post go-live.

Results following The Arcot Smart Ruleset Adoption:

- The value of Allow Fraud reduced by 77%
- The value of fraud detected is above 98% (up from 95%)
- The Challenge Rate increased by only 4%
- No material change to the Deny rate

Proportion of Fraud Value with a Risk Advice of Allow

Before & After Go-live of the Smart Ruleset



LEARN MORE



Contact your Customer Success Manager or sales.arcot@broadcom.com to learn more about **The Arcot Smart Ruleset** and how Arcot is delivering smarter payment authentication.

About Broadcom Inc.

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Why Arcot?



Sole focus on 3-D Secure: Pioneering security and customer experience.



Data science + fraud detection: Stop more fraud with less friction



Continuous tech and innovation: Investments to advance 3DS

Key Benefits

- Smarter Fraud Control
- Time Savings
- Proven Data Advantage
- Always Compliant
- Continuously Current
- Issuer Control