THE **ARCOT** NETWORK

Protect Digital Payments.

The Arcot Network is a payment authentication network powered by 3-D Secure (3DS). Our network empowers financial institutions, merchants, and payment processors to reduce eCommerce fraud, increase payment approvals, and maintain compliance with government and scheme regulations.

THE CHALLENGE

[1]According to the MRC Global Fraud and Payments Report, 3.6% of eCommerce revenue is lost to payment fraud globally. In addition, [2]more than 2/3rds of card fraud losses come through the eCommerce channel and eCommerce transactions are nearly 4x more likely to be declined by the issuer than in-store transactions. To address this, governments in some locales have implemented regulations that require authentication for eCommerce purchases.

THE SOLUTION

The Arcot Network solves these problems for merchants, financial institutions, and payment processors. The network connects merchants and issuers to securely share additional data and authenticate the identity of the purchaser. The Arcot Network Fraud Score leverages our global consortium data to predict fraud on each transaction. The Arcot Network also facilitates the integration of client-defined, strong customer authentication (SCA) to drive low friction / no friction cardholder experiences in compliance with regulations.

ARCOT NETWORK STATS

We process transactions from **229 countries** around the globe

600M+ active device signatures captured and used by the Arcot Network

5000+ financial institutions across every region of the world use Arcot

FEATURE	FUNCTION	BENEFIT
Compliance		
EMV 3DS Server	Enables participation with the EMV protocol and compliance with scheme requirements.	Fraud prevention, liability shift to issuer, SCA/PSD2 compliance.
EMV Access Control Server (ACS)	Enables participation with the EMV protocol and compliance with scheme requirements.	Fraud prevention and SCA/PSD2 compliance.
Exemption Manager	Enables exemptions to be identified, applied to the transaction, and logged.	SCA/PSD2 compliance and higher frictionless approval rate.

SOURCES: [1]MRC Global Fraud and Payments Report, January 2022. [2]Nilson Report Card Fraud Worldwide, December 2021.

Arcot by Broadcom

Why Arcot?

- **Arcot Network and Data Science** - the scale of our consortium + the performance of our fraud score + our ongoing investment in data science enable us to stop more fraud.
- **Platform Flexibility and Control** - flexible configuration and customization options + superior technology and performance enable our platform to deliver better results.
- **Customer Focus** - assigned resources from a global team of compliance, fraud, and industry experts to maximize each customer's ROI.

Key Benefits

Compliance with government and scheme regulations.

Lower digital payment fraud.

Higher authorization approval rates.

[For Issuers] Access to digital data during fraud decisioning (i.e., device/geolocation).

[For Merchants] Access to the issuer perspective before authorization or 3DS challenge.

Integration of Arcot data to the issuer's authorization/case management system and/or Integration of Arcot data to merchant's payment/fraud platform.

Analytics and industry guidance from Arcot's customer success team.

FEATURE	FUNCTION	BENEFIT
Low Digital Payment Fraud		
Fraud Scoring	Evaluates payment data and metadata to determine likelihood of fraud and assign a score.	More effective decisioning: lower fraud losses, fewer challenges, higher transaction success.
Case Management	Facilitates fraud investigations, VIP list/hotlist activities, and marking of confirmed fraud transactions.	Improves cardholder experience, drives model learning and analytics to reduce fraud/false positives.
Data and Reporting	Makes Arcot reports and data streams available for consumption and integration to customer systems.	Drives lower fraud and more efficient operations.
High Authorization Approval Rates		
Rules Engine	Allows customer to define and modify rules at any time to achieve the desired outcomes for transaction success, authentication, and fraud.	Control/optimization of the payment experience.
Strong Customer Authentication	Integrates 3rd party or customer defined authentication experiences into the platform. Examples include delegated authentication and integration of third-party intelligence (i.e. ThreatMetrix, BioCatch).	Compliance with mandates and improved customer experience.
Arcot Network Data Exchange	Shares the issuer risk score perspective with the merchant before 3DS challenge. Shares merchant supplied additional data fields to issuer outside of the EMV 3DS rails.	Higher approval rates, improved customer experience.

HOW DOES IT WORK?

The merchant initiates the process by calling the Arcot API or sending a transaction to EMV 3DS via other means. Once Arcot receives the transaction request, we exchange data with the issuer of the payment card. After gathering the results of the issuer assessment, we respond back to the merchant with the information needed to continue the transaction. Both the merchant and the issuer receive significantly more information for their risk evaluation process.

LEARN **MORE**

Contact your Arcot Manager to learn more about the Arcot Network.

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For Arcot and product information, please visit our website: www.arcot.com

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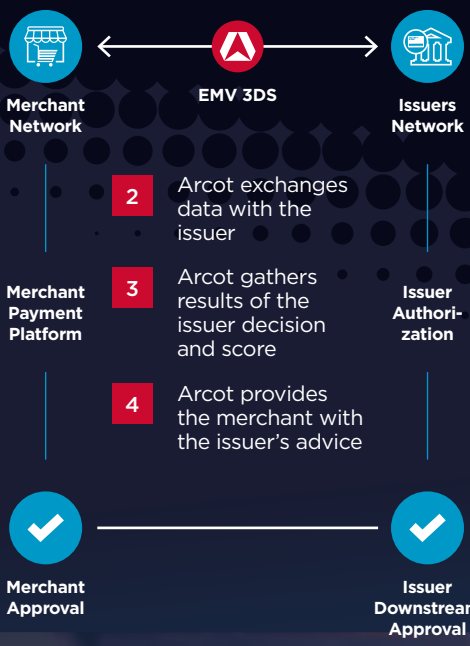
The Arcot Network

1 Arcot receives a merchant request via EMV 3DS or the Arcot API



5 Merchant evaluates and moves to next step: authorization, rejection, or 3DS challenge