# Blockchain System

#### 1 Definitions

**Definition 1.** Let **Elt** be the set of (concrete) elements. Let  $\emptyset$  be an empty set and  $\mathbf{e} \in \mathbf{Elt}$ . A set of elements is expressed as the following syntax:  $\mathbf{s} ::= \emptyset \mid \mathbf{e} \mid \mathbf{s} :: \mathbf{s}$ 

**Definition 2.** An account is a tuple  $\langle als, pak, puk, pkh \rangle$ , where als is the alias of the account, pak is its private key, puk is its public key and pkh is its public key hash.

**Definition 3.** An contract is a tuple  $\langle als, puh, code \rangle$ , where als is the alias of the contract, puh is its public hash, and code is the code of the contract.

**Definition 4.** A manager manages a single account. It is represented by a tuple  $\langle puk, pkh, bal, cou \rangle$ , where puk is the public key of an account, pkh is its public key hash, bal is its balance and cou is its counter whose form is a pair (n, b), where n is a natural number and b is a boolean value.

**Definition 5.** A contractor manages a smart contract. It is represented by a tuple  $\langle puh, bal, code, storage \rangle$ , where puh is the public key hash of the contract, bal is its current balance, code is its code, and storage is its current storage.

**Definition 6.** Operations are defined by the following grammar:

```
op ::= transfer \ n \ from \ pkh \ to \ pkh' \ arg \ s \ fee \ m
\mid originate \ contract \ id \ transferring \ n \ from \ pkh \ running \ code \ init \ s \ fee \ m
```

**Definition 7.** A query is defined by the following grammar:

**Definition 8.** The state of a node is a tuple N = [C, O, S] where C is a set of accounts, O a set of operations, and S a set of contracts.

When an operation is injected in a node, it enters a *pending pool* (and is called a *pending operation*).

**Definition 9.** A pending operation is a tuple  $\langle op, oph, t \rangle$ , where op is an operation, oph is the operation hash, and t is the time when the operation was injected.

After some time, a pending operation may be included in the blockchain as an accepted operation.

**Definition 10.** An accepted operation is a tuple  $\langle op, oph, t \rangle$ , where op is an operation, oph is the operation hash, and t is the time when it was included in the blockchain.

**Definition 11.** The state of a blockchain is a tuple [P, A, M, T, t] where P is a set of pending operations, A is a set of accepted operations, M is a set of managers, T is a set of contractors, and t is the current time.

**Definition 12.** A blockchain configuration is a pair  $N \parallel B$  where

- 1. N = [C, O, S] is the state of a node, and
- 2. B = [P, A, M, T, t] is the state of a blockchain such that  $\forall c \in C \implies \exists k \in M, k.pkh = c.pkh$  and  $\forall s \in S \implies \exists p \in T, s.puh = p.puh$ .

# 2 Rules

### 2.1 Transitions on Nodes

Each node has (nondeterministic) rules to propose an operation.

$$\frac{\text{Node-Transfer}}{\text{checkAcc}(\mathbf{puk}, \mathbf{C})} \qquad \mathbf{op} = \text{transfer } \mathbf{n} \text{ from } \mathbf{puk} \text{ to } \mathbf{puk'} \text{ arg } \mathbf{s} \text{ fee } \mathbf{m}}{[\mathbf{C}, \mathbf{O}, \mathbf{S}] \longrightarrow_N [\mathbf{C}, \mathbf{op} :: \mathbf{O}, \mathbf{S}]}$$

Node-Originate

$$\operatorname{checkAcc}(\mathbf{puk}, \mathbf{C}) \qquad \operatorname{checkId}(\mathbf{id}, \mathbf{S})$$

 $\mathbf{op} = \mathrm{originate}$  contract  $\mathbf{id}$  transferring  $\mathbf{n}$  from  $\mathbf{puk}$  running  $\mathbf{code}$  init  $\mathbf{s}$  fee  $\mathbf{m}$ 

$$[\mathbf{C}, \mathbf{O}, \mathbf{S}] \longrightarrow_N [\mathbf{C}, \mathbf{op} :: \mathbf{O}, \mathbf{S}]$$

$$\begin{array}{c} \text{Node-System} \\ \mathbf{N} \longrightarrow_N \mathbf{N'} \\ \mathbf{N} \| \mathbf{B} \longrightarrow \mathbf{N'} \| \mathbf{B} \end{array} \qquad \begin{array}{c} \text{Block-System} \\ \mathbf{B} \longrightarrow_B \mathbf{B'} \\ \hline \mathbf{N} \| \mathbf{B} \longrightarrow \mathbf{N} \| \mathbf{B'} \end{array}$$

#### 2.2 Transfers

Rule 2 [injected]:

$$\begin{split} \operatorname{checkBal}(\mathbf{M}, \mathbf{puk}, \mathbf{n}, \mathbf{m}) & \operatorname{checkCou}(\mathbf{M}, \mathbf{puk}) & \operatorname{checkPub}(\mathbf{M}, \mathbf{puk}') \\ \mathbf{op} &= \operatorname{transfer} \ \mathbf{n} \ \operatorname{from} \ \mathbf{puk} \ \operatorname{to} \ \mathbf{puk}' \ \operatorname{arg} \ () \ \operatorname{fee} \ \mathbf{m} \\ & \mathbf{oph} &= \operatorname{genOpHash}(\mathbf{puk}, \mathbf{puk}', \mathbf{n}, \mathbf{m}) \\ \hline & [\mathbf{C}, \mathbf{op} :: \mathbf{O}, \mathbf{S}] \| [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \longrightarrow \\ [\mathbf{C}, \mathbf{O}, \mathbf{S}] \| [\langle \mathbf{op}, \mathbf{oph}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \operatorname{updCount}(\mathbf{M}, \mathbf{puk}, \mathbf{True}), \mathbf{T}, \mathbf{t}] \end{split}$$

Rule 3 [rejected of counter]:

$$\frac{\neg \operatorname{checkCou}(\mathbf{M}, pkh)}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} pkh \operatorname{to} pkh' \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow} (1)$$
$$\langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 4 [rejected of balance]:

$$\frac{\neg \operatorname{checkBal}(\mathbf{M}, pkh, m, n)}{\langle [\mathbf{C}, (\operatorname{transfer} n \text{ from } pkh \text{ to } pkh' \text{ fee } m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow} (2)$$
$$\langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 5 [rejected of public key]:

$$\frac{\neg \operatorname{checkPub}(\mathbf{M}, pkh')}{\langle [\mathbf{C}, (\operatorname{transfer} n \text{ from } pkh \text{ to } pkh' \text{ fee } m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow} \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$
(3)

Rule 6 [included]:

BLOCK-ACCEPT

$$\frac{\mathbf{t'} - \mathbf{t} < 60}{[\langle \mathbf{op}, \mathbf{oph}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t'}] \longrightarrow_B [\mathbf{P}, \langle \mathbf{op}, \mathbf{oph}, \mathbf{t'} \rangle :: \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t'} + 1]}$$

Rule 7 [timeout]:

BLOCK-TIMEOUT

op = transfer n from puk to puk' arg () fee m 
$$\mathbf{t}' - \mathbf{t} \ge 60$$
  
 $[\langle \mathbf{op}, \mathbf{oph}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}'] \longrightarrow_B [\mathbf{P}, \mathbf{A}, \text{updCount}(\mathbf{M}, \mathbf{puk}, \mathbf{False}), \mathbf{T}, \mathbf{t}']$ 

#### 2.3 Smart Contracts

A. Originate

Rule 2 [injected]:

BLOCK-ORIGINATE

 $\frac{\text{checkBal}(\mathbf{M},\mathbf{puk},\mathbf{n},\mathbf{m}) \quad \text{checkCou}(\mathbf{M},\mathbf{puk}) \quad \text{checkPrg}(\mathbf{code},\mathbf{s})}{\mathbf{orig} = \text{originate contract } \mathbf{id} \text{ transferring } \mathbf{n} \text{ from } \mathbf{puk} \text{ running } \mathbf{code} \text{ init } \mathbf{s} \text{ fee } \mathbf{m}}}$ 

$$\langle [\mathbf{C}, \mathbf{orig} :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow \\ \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\langle \mathbf{orig}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathrm{updCount}(\mathbf{M}, \mathbf{puk}, \mathbf{True}), \mathbf{T}, \mathbf{t}] \rangle$$

Rule 3 [rejected of code]:

$$\frac{\neg \text{ checkPrg}(code, s)}{\langle [\mathbf{C}, \text{ (originate contract } id \text{ transferring } n \text{ from } pkh \text{ running } code \text{ init } s)}$$
 ::  $(\mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$ 

Rule 4 [rejected of counter]:

$$\frac{\neg \operatorname{checkCou}(\mathbf{M}, pkh)}{\langle [\mathbf{C}, (\operatorname{originate contract} id \operatorname{transferring} n \operatorname{from} pkh \operatorname{running} \operatorname{code} \operatorname{init} s))} (5) \\ :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 5 [rejected of balance]:

$$\frac{\neg \operatorname{checkBal}(\mathbf{M}, pkh, n, m)}{\langle [\mathbf{C}, (\operatorname{originate contract} id \operatorname{transferring} n \operatorname{from} pkh \operatorname{running} \operatorname{code} \operatorname{init} s)} \\ :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$
(6)

Rule 6 [included]:

BLOCK-ACCEPT

 $\mathbf{op} = \text{originate contract } \mathbf{id} \text{ transferring } \mathbf{n} \text{ from } \mathbf{puk} \text{ running } \mathbf{code} \text{ init } \mathbf{s} \text{ fee } \mathbf{m}$   $\mathbf{oph} = \text{genHash}(\mathbf{id}, \mathbf{code}, \mathbf{s}, \mathbf{t}') \qquad \mathbf{t}' - \mathbf{t} < 60$ 

$$\frac{\langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\langle \mathbf{op}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}'] \rangle \longrightarrow \langle [\mathbf{C}, \mathbf{O}, \langle \mathbf{id}, \mathbf{oph}, \mathbf{code} \rangle :: \mathbf{S}],}{[\mathbf{P}, \langle \mathbf{op}, \mathbf{t}' \rangle :: \mathbf{A}, \mathrm{updSucc}(\mathbf{M}, \mathbf{puk}, \mathbf{n}, \mathbf{m}), \langle \mathbf{oph}, \mathrm{getStorage} \ (\mathbf{code}, \mathbf{s}) \rangle :: \mathbf{T}, \mathbf{t}' + 1] \rangle}$$

Rule 7 [timeout]:

BLOCK-TIMEOUT

 ${\bf op}={\rm originate}$  contract  ${\bf id}$  transferring  ${\bf n}$  from  ${\bf puk}$  running  ${\bf code}$  init  ${\bf s}$  fee  ${\bf m}$   ${\bf t'}-{\bf t} \geq 60$ 

$$[\langle \mathbf{op}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}'] \longrightarrow_B [\mathbf{P}, \mathbf{A}, \text{updCount}(\mathbf{M}, \mathbf{puk}, \mathbf{False}), \mathbf{T}, \mathbf{t}']$$

#### B. Transfer

Rule 1 [proposal]:

$$\frac{\operatorname{checkAcc}(pkh, \mathbf{C})}{\langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle \to \langle [\mathbf{C}, (\operatorname{transfer} n \text{ from } pkh \text{ to } puh \text{ arg } s) | (7)}$$
fee  $m) :: \mathbf{O}, \mathbf{S}, [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$ 

Rule 2 [injected]:

$$\frac{\operatorname{checkBal}(\mathbf{M}, pkh, n, m) \wedge \operatorname{checkCou}(\mathbf{M}, pkh) \wedge \operatorname{checkPuh}(\mathbf{T}, puh) \wedge \operatorname{checkArg}(\mathbf{T}, puh, s)}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} pkh \operatorname{to} puh \operatorname{arg} s \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle} \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [(< (\operatorname{transfer} n \operatorname{from} pkh \operatorname{to} puh \operatorname{arg} s \operatorname{fee} m), \operatorname{generateOph}(pkh, puh, s, n, m, \mathbf{t}), \mathbf{t} >) :: \mathbf{P}, \mathbf{A}, \operatorname{updateCou}(\mathbf{M}, pkh, \operatorname{True}), \mathbf{T}, \mathbf{t}] \rangle$$

(8)

Rule 3 [rejected of counter]:

$$\frac{\neg \operatorname{checkCou}(\mathbf{M}, pkh)}{\langle [\mathbf{C}, (\operatorname{transfer} n \text{ from } pkh \text{ to } puh \text{ arg } s \text{ fee } m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle}$$
(9) 
$$\rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 4 [rejected of balance]:

$$\frac{\neg \operatorname{checkBal}(\mathbf{M}, pkh, n, m)}{\langle [\mathbf{C}, (\operatorname{transfer} n \text{ from } pkh \text{ to } puh \text{ arg } s \text{ fee } m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle^{(10)}} \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 5 [rejected of public hash]:

$$\frac{\neg \operatorname{checkPuh}(\mathbf{T}, \operatorname{puh})}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} \operatorname{pkh} \operatorname{to} \operatorname{puh} \operatorname{arg} s \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle}^{(11)} \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 6 [rejected of argument]:

$$\frac{\neg \operatorname{checkArg}(\mathbf{T}, puh, s)}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} pkh \operatorname{to} puh \operatorname{arg} s \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle}^{(12)}$$

$$\rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 7 [included]:

[
$$\langle \text{transfer } \mathbf{n} \text{ from } \mathbf{puk} \text{ to } \mathbf{puh} \text{ arg } \mathbf{s} \text{ fee } \mathbf{m}, \mathbf{oph}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}'] \rightarrow$$
[ $\mathbf{P}, \langle \text{transfer } \mathbf{n} \text{ from } \mathbf{puk} \text{ to } \mathbf{puh} \text{ arg } \mathbf{s} \text{ fee } \mathbf{m}, \mathbf{oph}, \mathbf{t}' \rangle :: \mathbf{A},$ 
updateSucc( $\mathbf{M}, \mathbf{puk}, ", \mathbf{n}, \mathbf{m}$ ), updateConstr( $\mathbf{T}, \mathbf{puh}, \mathbf{n}, \mathbf{s}$ ),  $\mathbf{t}' + 1$ ]

Rule 8 [timeout]:

$$\frac{\mathbf{t}' - \mathbf{t} \ge 60}{[\langle \text{transfer } \mathbf{n} \text{ from } \mathbf{puk} \text{ to } \mathbf{puh} \text{ arg } \mathbf{s} \text{ fee } \mathbf{m}, \mathbf{t} \rangle :: \mathbf{P}, \mathbf{A}, \mathbf{M}, \mathbf{T}, \mathbf{t}'] \to}$$
$$[\mathbf{P}, \mathbf{A}, \text{updCount}(\mathbf{M}, \mathbf{puk}, \mathbf{False}), \mathbf{T}, \mathbf{t}']$$
(14)

# 3 Functions

1. Function checkAcc(pkh, C) checks whether an account pkh exists in C

- 2. Function checkPub(K, pkh) checks whether the public key of the public key hash pkh is reveled to the blockchain.
- 3. Function checkBal(K, pkh, n, m) checks whether the balance of the account pkh is greater or equal to m+n
- 4. Function checkCou(K, pkh) checks whether the current counter of an account phk is unlocked (i.e., its flag is False)
- 5. Function updateSucc(K, pkh, pkh', n, m) updates the balance and the counter of the account phk and the balance of the account phk', where

```
- < puk, pkh, bal, (n, True) > =>
  < puk, pkh, bal - n - m, (n + 1, False) >
- < puk', pkh', bal', cou' > => < puk', pkh', bal' + n, cou' >
```

- 6. Function updateCou(K, puk, b') updates the counter lock of the account phk (True = lockeed, False = unlocked), where
  - < puk, pkh, bal, (n, b) > => < puk, pkh, bal, (n, b') >
- 7. Function checkId(id, S) checks whether a contract id does not already exist in S
- 8. Function checkPrg(code, s) checks whether the code code are well type and s is well type input
- 9. Function generateOph(pkh,pkh', n, m, t) generates a operation hash
- Function generateHash(S, id, puh, code, t) generates the public hash of a contract
- 11. Function getStorage(code, s) gets the storage for the code code and the input s

# 4 Some implementations

Function checkAcc(puh, C) checks whether an account exists and and checkPuk(puh, K) checks the revelation of its public key to the blockchain.

```
let rec checkAcc puh C =
  match C with
  | 0 -> false
  | < als, pak, puk, pkh' > :: C' ->
    if (puh = puh') then true
  else checkAcc (puh, C')

let rec checkPuk puh K =
  match C with
  | 0 -> false
  | < als, pak, puk, pkh' > :: K' ->
    if (puh = puh') and (puk =/= nil) then true
  else 5checkPuk (puh, K')
```

The following functions interact with M.

```
let rec checkBal K puk n m =
 match K with
  | 0 -> true
  | < puk', bal, cou > :: K' ->
    if (puk = puk') and (n + m) \le bal then true
    else checkBal (K', puk, n, m)
let rec checkPub K puk =
  match K with
  | 0 -> false
  | < puk', bal, cou > :: K' ->
    if (puk = puk') then true
    else checkExi (K', puk)
let rec checkCou K puk =
 match K with
  | 0 -> false
  | < puk', bal, cou > :: K' ->
    if (puk = puk') and (cou = T) then true
    else checkCou (K', puk)
let rec updateCou K puk =
 match K with
  1 0 -> 0
  | < puk', bal, cou > :: K' ->
    if (puk = puk') then < puk', bal, F > :: K'
    else < puk', bal, cou > :: updateCou (K', puk)
let rec updateSucc K puk puk' m n =
 match K with
  0 -> 0
  | < puk'', bal, cou > :: K' ->
    if (puk = puk'') then < puk'', bal - (n + m), T >
       :: updateSucc (K', puk, puk', n, m)
    else if (puk' = puk'') then < puk'', bal + n, cou > :: K'
         else < puk'', bal, cou >
               ::updateSucc (K', puk, puk', n, m)
```