# Blockchain System

## 1 Definitions

**Definition 1 (Set).** 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 (Account).** 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 (Contract).** 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 (Manager).** 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 (Contractor).** 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 (Operation).** 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** (Query). Queries are defined by the following grammar:

**Definition 8 (State of a node).** 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 (Pending operation).** 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 (Accepted operation).** 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 (Blockchain).** The state of a blockchain is a tuple [P, A, K, T, t] where P is a set of pending operations, A is a set of accepted operations, K is a set of managers, T is a set of contractors, and t is the current time.

Definition 12 (Blockchain system). A blockchain system is a pair N || B where

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

Node-Transfer

$$checkAcc(\mathbf{puk}, \mathbf{C})$$

$$[C, O, S] \longrightarrow_N [C, (transfer n from puk to puk' arg () fee m) :: O, S]$$

Node-Originate

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

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

[C, (originate contract id transferring n from puk running code init s fee m) :: <math>C, C

$$\frac{\mathbf{N} \longrightarrow_{N} \mathbf{N}'}{\mathbf{N} \| \mathbf{B} \longrightarrow \mathbf{N}' \| \mathbf{B}}$$

#### 2.2 Transfers

Rule 2 [injected]:

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

Rule 3 [rejected of counter]:

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

Rule 4 [rejected of balance]:

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

Rule 5 [rejected of public key]:

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

Rule 6 [included]:

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

Rule 7 [timeout]:

#### 2.3 Smart Contracts

#### A. Originate

Rule 2 [injected]:

BLOCK-ORIGINATE

 $\begin{array}{ll} \operatorname{checkBal}(\mathbf{K},\mathbf{puk},\mathbf{n},\mathbf{m}) & \operatorname{checkCou}(\mathbf{K},\mathbf{puk}) & \operatorname{checkPrg}(\mathbf{code},\mathbf{s}) \\ \mathbf{orig} = \operatorname{originate\ contract\ id\ transferring\ } \mathbf{n} \ \operatorname{from\ } \mathbf{puk} \ \operatorname{running\ } \mathbf{code} \ \operatorname{init\ } \mathbf{s} \ \operatorname{fee\ } \mathbf{m} \end{array}$ 

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

Rule 3 [rejected of code]:

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

Rule 4 [rejected of counter]:

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

Rule 5 [rejected of balance]:

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

Rule 6 [included]:

```
\overline{\langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [< (\text{originate contract } id \text{ transferring } n \text{ from } pkh \text{ running}} 
code \text{ init } s), \mathbf{t} > :: \mathbf{P}, \mathbf{A}, \mathbf{K}, \mathbf{T}, \mathbf{t}'] \rangle \rightarrow \langle [\mathbf{C}, \mathbf{O}, (< id, \mathbf{generateHash}(id, code, s, \mathbf{t}'), code > :: \mathbf{S})], [\mathbf{P}, < (\text{originate contract } id \text{ transferring } n \text{ from } pkh \text{ running } code \text{ init } s), \mathbf{t}' > :: \mathbf{A}, \text{ updateSucc}(\mathbf{K}, puk, n, m), (< \text{ generateHash}(id, code, s, \mathbf{t}'), n, code, \text{ getStorage}(code, s) >) :: \mathbf{T}), \mathbf{t}' + 1] \rangle
```

Rule 7 [timeout]:

$$\frac{\mathbf{t'} - \mathbf{t} \ge 60}{[< \text{(originate contract } id \text{ transferring } n \text{ from } pkh \text{ running } code \text{ init } s)} > (8)$$
::  $\mathbf{P}, \mathbf{A}, \mathbf{K}, \mathbf{T}, \mathbf{t'}] \rightarrow [\mathbf{P}, \mathbf{A}, \text{ updateCou}(\mathbf{K}, puk, \text{False}), \mathbf{T}, \mathbf{t'}]$ 

#### B. Transfer

Rule 1 [proposal]:

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

Rule 2 [injected]:

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

$$(10)$$

Rule 3 [rejected of counter]:

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

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

Rule 4 [rejected of balance]:

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

Rule 5 [rejected of public hash]:

$$\frac{\neg \operatorname{checkPuh}(\mathbf{T}, \operatorname{\textit{puh}})}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} \operatorname{\textit{pkh}} \operatorname{to} \operatorname{\textit{puh}} \operatorname{arg} s \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{K}, \mathbf{T}, \mathbf{t}] \rangle} (13) \\ \rightarrow \langle [\mathbf{C}, \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{K}, \mathbf{T}, \mathbf{t}] \rangle$$

Rule 6 [rejected of argument]:

$$\frac{\neg \operatorname{checkArg}(\mathbf{T}, \operatorname{puh}, s)}{\langle [\mathbf{C}, (\operatorname{transfer} n \operatorname{from} \operatorname{pkh} \operatorname{to} \operatorname{puh} \operatorname{arg} s \operatorname{fee} m) :: \mathbf{O}, \mathbf{S}], [\mathbf{P}, \mathbf{A}, \mathbf{K}, \mathbf{T}, \mathbf{t}] \rangle} (14)$$

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

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{K}, \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{K}, \mathbf{puk}, ", \mathbf{n}, \mathbf{m}), updateConstr(\mathbf{T}, \mathbf{puh}, \mathbf{n}, \mathbf{s}), \mathbf{t}' + 1]
```

Rule 8 [timeout]:

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

$$[\mathbf{P}, \mathbf{A}, \text{updCount}(\mathbf{K}, \mathbf{puk}, \mathbf{False}), \mathbf{T}, \mathbf{t}']$$
(16)

# 3 Functions

- 1. Function checkAcc(pkh, C) checks whether an account pkh exists in  ${\bf C}$
- 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') >

- 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
- 10. 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 K.
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
  | 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)
```