Anonymous Zether: Technical Report

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Abstract

We describe a cryptographic protocol for *anonymous Zether*, originally proposed in Bünz, Agrawal, Zamani, and Boneh [BAZB]. In particular, we elucidate a "double circulant" approach to anonymous transfers, and an efficient implementation based on the number-theoretic transform.

Introduction

Zether is a cryptographic protocol for confidential payment, described in a manuscript of Bünz, Agrawal, Zamani and Boneh [BAZB]. The Zether protocol attains many *private payment* desiderata, combining trustlessness and deniability (as in Monero) while avoiding UTXO accumulation (cf. Monero, as well as Zcash). Zether also introduces the *account-based* model to private cryptocurrencies. More details can be found in [BAZB]; see also Fauzi, Meiklejohn, Mercer and Orlandi [FMMO] for additional discussion.

The manuscript [BAZB] focuses on *basic Zether*, in which account balances and transfer amounts are concealed, but participants' identities are not. In contrast, Appendix D of [BAZB] sketches an *anonymous* extension of Zether, in which a transaction's sender may hide herself and the transaction's recipient in a larger group of parties. The manuscript [BAZB] does not provide an explicit proof protocol for this anonymous extension; we aim to supply one in this technical note.

We briefly sketch our approach. We use *one-out-of-many proofs* to facilitate the transmission of a pair of secret bitstrings, with the aid of which the verifier may extract the sender's and receiver's ciphertexts, respectively. After subjecting these ciphertexts to the basic Zether protocol, the verifier may then use these bitstrings as *bitmasks*, and in particular, *cicularly rotate* them so as to obtain the remaining ciphertexts (upon which sigma protocols may then be used). The ensuing multi-exponentiations by bitwise rotations in turn constitute exactly a pair of *circular convolutions*, and thus can be made fast (i.e., $\mathcal{O}(N \log N)$ instead of $\mathcal{O}(N^2)$) using ideas related to the fast Fourier transform. In particular, we adapt the *number-theoretic transform* to the setting of elliptic curve points, an innovation which may be of independent interest.

1 Overview

The manuscript of Bünz, Agrawal, Zamani, and Boneh sketches an anonymous transfer mechanism in Appendix D, and in particular provides a binary relation ([BAZB, (8)]). No cryptographic proof protocol for this relation is proposed, though its authors suggest using *one-out-of-many proofs*.

1.1 One-out-of-many proofs

The binary relation [BAZB, (8)] makes use of two secret bitstrings $(s_i, t_i)_{i=1}^N$, within each of which exactly one element is 1. One-out-of-many proofs (described in Groth and Kohlweiss [GK15] and in Bootle, Cerulli, Chaidos, Ghadafi, Groth, and Petit [BCC+15]) indeed serve to secretly convey bitstrings of this form; in a simple instantiation of these ideas, a multi-exponentiation of some sequence of ElGamal ciphertexts—in which (a blinded version of) such a bitstring resides in the exponent—yields, together with the aid of an accompanying "zeroth-order adjustment" term, a secondary re-encryption of a *single* among these ciphertexts, chosen by the prover. (This is the special case $m = 1$ of [BCC+15, Fig. 5].)

Using this technique, the prover may deliver to the verifier blinded versions of $(s_i)_{i=1}^N$ and $(t_i)_{i=1}^N$ (as in [BCC+15, Fig. 4]), and consequently secondary re-encryptions of those (C_i, D), $(C_{L,i}, C_{R,i})$, and (y_i, g) for which $s_i = 1$ or $t_i = 1$, respectively (see [BAZB, (8)]). These latter ciphertexts may then be directly fed into the original "Σ-Bullets" protocol of basic Zether [BAZB].

It is worth pausing to note the *separation* of the one-out-of-many proof from the basic Zether protocol. In essence, the prover need only deliver the sender's and receiver's ciphertexts to the verifier, while concealing these ciphertexts' indices in the original list; once the verifier has them, she may proceed as in basic Zether. The pair, of course, use the *re-encryptions* in all sigma protocols.

1.2 Even-order circular shifts

More challenging, on the other hand, is the demonstration in zero knowledge of the equalities $\left(C_i^{(1-s_i)\cdot(1-t_i)} = y_i^{(1-s_i)\cdot(1-t_i)\cdot r} \right)_{i=1}^N$. (These express that ciphertexts other than the sender's and receiver's encrypt zero.) In effect, the challenge is to isolate those C_i, y_i for which neither s_i nor t_i is true, without revealing the corresponding values i.

A naive remediation would commit to an N by N permutation *matrix*, whose status as such could be proven using a straightforward (two-dimensional) adaptation of [BCC+15, Fig. 4]. The first two rows would deliver secondary re-encryptions of those C_i, y_i for which s_i and t_i are true, respectively; the remaining rows would deliver the remaining elements.

We obviate this approach's concomitant quadratic-sized proof using a "double bit masking" technique. The idea is that, provided that we enforce that those respective i for which s_i and t_i are true have *opposite parity* (and that N is even), the *even*-order *circular shifts* of the bitstrings $(s_i)_{i=1}^N$ and $(t_i)_{i=1}^N$ collectively exhaust those length-N bitstrings containing only one 1. In other words, the blinded versions of these bitstrings—$(f_i)_{i=1}^N$ and $(g_i)_{i=1}^N$, let's say—serve to deliver re-encryptions of the sender's and recipient's (respectively) C_i and y_i; these vectors' circular shifts by nonzero even numbers, then, yield re-encryptions of the remaining C_i and y_i (upon which standard sigma protocols can finally be used). Of course, one still obtains quadratic growth in the number of possible sender–receiver pairs, even after restricting to pairs whose indices have opposite parity.

$$
M = \begin{bmatrix}
\underline{\qquad}\ (f_i)_{i=1}^N\ \underline{\qquad} \\
\underline{\qquad}\ (g_i)_{i=1}^N\ \underline{\qquad} \\
\underline{\quad}\ \underline{\quad}\ (f_i)_{i=1}^N\ \underline{\ } \\
\underline{\quad}\ \underline{\quad}\ (g_i)_{i=1}^N\ \underline{\ } \\
\vdots \\
\underline{\ }\ (f_i)_{i=1}^N\ \underline{\quad}\ \underline{\quad} \\
\underline{\ }\ (g_i)_{i=1}^N\ \underline{\quad}\ \underline{\quad}
\end{bmatrix}
$$

Figure 1: A depiction of the permutation matrix implicitly reconstructed by the verifier.

That the indices indeed have opposite parity can be proven using similar ideas. The Hadamard product of the respective *sums* of each blinded bitstring's even circular shifts contains components of at most degree one in the challenge variable x (see [BCC+15, Fig. 4]) if and only if those i for which s_i and t_i (respectively) are true have opposite parities. The verifier may simply check, therefore, whether a multi-exponentiation by this Hadamard product can be eliminated by low-order terms supplied pre-challenge by the prover.

In effect, the prover need only transmit the *first two rows* of some permutation matrix, whose remainder may be straightforwardly reconstructed by the verifier. The resulting proof is of size $\mathcal{O}(N)$.

1.3 Circular convolutions and the number-theoretic transform

The proving and verification *time* of the above protocol, however, remain quadratic, as each circular shift in turn must serve as the vector of exponents in some length-N multi-exponentiation.

Indeed, the process described above may be viewed as the "matrix multiplication" of a fixed vector of curve points by a matrix of field elements, in the latter of which each pair of rows is obtained as two-step rotation of the previous pair. The matrix thus resembles a "circulant matrix" (see Fig. 1), and the matrix multiplication resembles a pair of circular convolutions.

That Fourier-theoretic techniques may be brought to bear on convolutions of this sort was first noticed apparently by Pollard [Pol71], who introduced an analogue of the fast Fourier transform to finite fields (now often called the *number-theoretic transform*; see [Nus82, §8]). In this procedure, modular-multiplicative roots of unity replace complex roots of unity; as in the complex case, the $\mathcal{O}(N \log N)$-time *Cooley–Tukey* algorithm may be used (see [Nus82, §1.1] for historical notes).

More subtle perhaps is that only the *module* structure of a signal's domain—and not its ring structure—arises throughout its role in the number-theoretic transform. Viewing an elliptic curve $E(\mathbb{F}_p)$ of order q as a module over $\mathbb{F}_q$, then, we may thus number-theoretically transform any "signal" consisting of points on E—even, crucially, when these points' exponents with respect to some fixed generator $G \in E$ are not known (and "field multiplication" cannot be performed). Relatedly, "Hadamard" or "signal–signal" multiplication in the frequency domain (as in [Pol71, (4)]) may be replaced by multi-exponentiation of a frequency-domain *vector* of points by a frequency-domain *exponent* of field elements.

We may thus carry through Pollard's number-theoretic transform to the circular convolution of an elliptic curve point vector by a field vector, and so conduct it in $\mathcal{O}(N \log N)$ time. (We accordingly require that N be a power of 2.) Propitiously, the alt-bn128 curve used in Ethereum has an order q for which $\mathbb{F}_q$ admits unusually many 2-adic roots of unity; this is not a coincidence, and in fact the curve's creators had FFTs—though not of the module-theoretic variety—in mind [BSCG+13].

2 Specification

We now specify in detail a zero-knowledge proof protocol for the statement $\mathsf{st}_{\mathsf{AnonTransfer}}$ of [BAZB, (8)], following the *Bulletproofs* paper of Bünz, Bootle, Boneh, Poelstra, Wuille and Maxwell [BBB+] where applicable. We denote by n that integer for which $\mathsf{MAX} = 2^n - 1$. We stipulate the following functions:

- $\mathsf{Shift}(\mathbf{v}, i)$ circularly shifts the vector $\mathbf{v}$ of field elements (i.e., $\mathbb{F}_q$) by the integer i.

- $\mathsf{MultiExp}(\mathbf{V}, \mathbf{v})$ multi-exponentiates the vector $\mathbf{V}$ of curve points by the vector $\mathbf{v}$ of field elements.

- $\mathsf{Hadamard}(\mathbf{v_1}, \mathbf{v_2})$ returns the Hadamard (element-wise) product of two field vectors. Note that we do *not* use this term to refer to multi-exponentation.

We note that in our one-out-of-many proofs, we allow for input ElGamal ciphertexts encrypted under different public keys. We mark in bold-faced type those steps which do not appear in [BAZB] or [BBB+].

```
// Begin Bulletproof [BAZB]
```
1   $\mathcal{P}$ *computes:*
2     $\mathbf{a}_L \in \{0,1\}^{2 \cdot n}$ s.t. $\left\langle \mathbf{a}_{L\,[:n]}, \mathbf{2}^n \right\rangle = b^*, \left\langle \mathbf{a}_{L\,[n:]}, \mathbf{2}^n \right\rangle = b'$
3     $\mathbf{a}_R = \mathbf{a}_L - \mathbf{1}^n \in \mathbb{Z}_q^{2 \cdot n}$
4     $\alpha \leftarrow_\$ \mathbb{Z}_q$
5     $A = h^\alpha \mathbf{g}^{\mathbf{a}_L} \mathbf{h}^{\mathbf{a}_R} \in \mathbb{G}$
6     $\mathbf{s}_L, \mathbf{s}_R \leftarrow_\$ \mathbb{Z}_q^{2 \cdot n}$
7     $\beta \leftarrow_\$ \mathbb{Z}_q$
8     $S = h^\beta \mathbf{g}^{\mathbf{s}_L} \mathbf{h}^{\mathbf{s}_R}$
9   $\mathcal{P} \rightarrow \mathcal{V} : A, S$
10   $\mathcal{V} : y, z \leftarrow_\$ \mathbb{Z}_q$
11   $\mathcal{V} \rightarrow \mathcal{P} : y, z$

12 $\mathcal{P}$ *computes:*

13 $\quad l(X) = (\mathbf{a}_L - z \cdot \mathbf{1}^n) + \mathbf{s}_L \cdot X \in \mathbb{Z}_q^{2 \cdot n}[X]$

14 $\quad r(X) = \mathbf{y}^n \circ (\mathbf{a}_R + z \cdot \mathbf{1}^n + \mathbf{s}_R \cdot X) + z^2 \cdot (\mathbf{2}^n \parallel \mathbf{0}^n) + z^3 \cdot (\mathbf{0}^n \parallel \mathbf{2}^n) \in \mathbb{Z}_q^{2 \cdot n}[X]$

15 $\quad t(X) = \langle l(X), r(X) \rangle = t_0 + t_1 \cdot X + t_2 \cdot X^2 \in \mathbb{Z}_q[X]$

16 $\quad \tau_1, \tau_2 \leftarrow_\$ \mathbb{Z}_q$

17 $\quad T_i = g^{t_i} h^{\tau_i}, i \in \{1, 2\}$

18 $\mathcal{P} \to \mathcal{V} : T_1, T_2$

19 $\mathcal{V} : x \leftarrow_\$ \mathbb{Z}_q$

20 $\mathcal{V} \to \mathcal{P} : x$

21 $\mathcal{P}$ *sets...*

22 $\quad \mathbf{l} = l(x) = \mathbf{a}_L - z \cdot \mathbf{1}^{2 \cdot n} + \mathbf{s}_L \cdot x \in \mathbb{Z}_q^{2 \cdot n}$

23 $\quad \mathbf{r} = r(x) = \mathbf{y}^n \circ (\mathbf{a}_R + z \cdot \mathbf{1}^{2 \cdot n} + \mathbf{s}_R \cdot x) + z^2 \cdot (\mathbf{2}^n \parallel \mathbf{0}^n) + z^3 \cdot (\mathbf{0}^n \parallel \mathbf{2}^n) \in \mathbb{Z}_q^{2 \cdot n}$

24 $\quad \hat{t} = \langle \mathbf{l}, \mathbf{r} \rangle \in \mathbb{Z}_q$

25 $\quad \tau_x = \tau_2 \cdot x^2 + \tau_1 \cdot x \in \mathbb{Z}_q$ $\quad$ // Note the absence of $\sum_{j=1}^m z^{1+j} \cdot \gamma_j$, compared to Bulletproofs.

26 $\quad \mu = \alpha + \beta \cdot x \in \mathbb{Z}_q$

27 $\mathcal{P} \to \mathcal{V} : \hat{t}, \tau_x, \mu$

// Begin One-Out-of-Many Proof [BBB$^+$]

28 $\mathcal{P}$ *computes:*

29 $\quad r_A, r_B, r_C, r_D, \boldsymbol{\pi}, \boldsymbol{\rho}, \boldsymbol{\sigma} \leftarrow_\$ \mathbb{Z}_q$

30 $\quad a_{j,2}, \ldots, a_{j,N} \leftarrow_\$ \mathbb{Z}_q, a_{j,1} = -\sum_{i=2}^N a_{j,i}$ for $j \in \{1, 2\}$

31 $\quad$ Set $(b_{1,1}, \ldots, b_{2,N}) = (s_1, \ldots, s_N, t_1, \ldots, t_N)$

32 $\quad A = \mathrm{Com}(a_{1,1}, \ldots, a_{2,N}; r_A)$

33 $\quad B = \mathrm{Com}(b_{1,1}, \ldots, b_{2,N}; r_B)$

34 $\quad C = \mathrm{Com}(\{a_{j,i}(1 - 2b_{j,i})\}_{j,i=1}^{2,N}; r_C)$

35 $\quad D = \mathrm{Com}(-a_{1,1}^2, \ldots, -a_{2,N}^2; r_D)$

36 $\quad$ **for** $j \in \{1, 2\}$ **do** set $\mathsf{idx}_j \in \{1, \ldots, N\}$ s.t. $b_{j, \mathsf{idx}_j} = 1$

37 $\quad \boldsymbol{GC_{L,\text{new}}} = \mathsf{MultiExp}\left(\left\{ \left(\frac{C_{L,i}}{C_i} \right) \right\}_{i=1}^N, \boldsymbol{a_1} \right) \cdot (y_{\mathsf{idx}_0})^{\boldsymbol{\pi}}$

38 $\quad \boldsymbol{GC_{R,\text{new}}} = \mathsf{MultiExp}\left(\left\{ \left(\frac{C_{R,i}}{D} \right) \right\}_{i=1}^N, \boldsymbol{a_1} \right) \cdot \boldsymbol{g^{\pi}}$

39 $\quad \boldsymbol{GD} = \boldsymbol{g^{\rho}}$

40 $\quad \boldsymbol{Gg} = \boldsymbol{g^{\sigma}}$

41 $\quad$ **for** $j \in \{1, 2\}, i \in \{1, \ldots, \frac{N}{2}\}$ **do**

42 $\quad\quad \boldsymbol{GC_{j,i}} = \mathsf{MultiExp}\left(\{C_k\}_{k=1}^N, \mathsf{Shift}(\boldsymbol{a_j}, \boldsymbol{2 \cdot i}) \right) \cdot \left(y_{\mathsf{idx}_j - 2 \cdot i} \right)^{\boldsymbol{\rho}}$

43 $\quad\quad \boldsymbol{Gy_{j,i}} = \mathsf{MultiExp}\left(\{y_k\}_{k=1}^N, \mathsf{Shift}(\boldsymbol{a_j}, \boldsymbol{2 \cdot i}) \right) \cdot \left(y_{\mathsf{idx}_j - 2 \cdot i} \right)^{\boldsymbol{\sigma}}$

44 $\quad\quad \mathsf{cycle}_j \mathrel{+}= \mathsf{Shift}(\boldsymbol{a_j}, \boldsymbol{2 \cdot i})$

45 $\quad$ **end**

46 $\quad \boldsymbol{GP_0} = \mathsf{MultiExp}\left(\{y_i\}_{i=1}^N, \mathsf{Hadamard}(\mathsf{cycle}_0, \mathsf{cycle}_1) \right)$

47 $\quad \boldsymbol{GP_1} = \mathsf{MultiExp}\left(\{y_i\}_{i=1}^N, \{v_i\}_{i=1}^N \right),$ **where** $v_i := \mathsf{cycle}_{(i+\mathsf{idx}_1)\%2, i}$ for $i \in \{1, \ldots, N\}$

48 $\mathcal{P} \to \mathcal{V} : A, B, C, D, \boldsymbol{GC_{L,\text{new}}}, \boldsymbol{GC_{R,\text{new}}}, \boldsymbol{GD}, \boldsymbol{Gg}, \{\boldsymbol{GC_{j,i}}, \boldsymbol{Gy_{j,i}}\}_{j,i=1}^{2,N}, \boldsymbol{GP_0}, \boldsymbol{GP_1}$

Each bolded term sent by the prover constitutes a zeroth-order (or in the case of $\boldsymbol{GP_1}$, a first-order) adjustment term, with the aid of which the verifier will ultimately derive a secondary re-encryption. In particular, the terms $\boldsymbol{GP_0}$ and $\boldsymbol{GP_1}$ represent the "zeroth- and first-order parts" of the multi-exponentiation of $(y_i)_{i=1}^N$ by the *Hadamard product* of two particular vectors which the verifier will eventually compute; more precisely, these vectors are the sums of the even circular shifts of the vectors f_1 and f_2, respectively (see below). As explained in Section 1, this multi-exponentiation depends only linearly on w just when idx_1 and idx_2 have opposite parity. The remaining terms are straightforwardly named.

In practice, we compute the multi-exponentiations described above with the aid of a handful of module-theoretic Fourier transforms. For notational ease, we do not explicate this further.

49 $\mathcal{V} : w \leftarrow_\$ \mathbb{Z}_q$

50 $\mathcal{V} \to \mathcal{P} : w$

51 $\mathcal{P}$ *computes:*

52   **for** $j \in \{1,2\}, i \in \{1,\dots,N\}$ **do** $f_{j,i} = b_{j,i} \cdot w + a_{j,i}$

53     $z_A = r_B \cdot w + r_A$

54     $z_C = r_C \cdot w + r_D$

55 $\mathcal{P} \to \mathcal{V} : f_{j,2}, \dots, f_{j,N}$ **for** $j \in \{1,2\}, z_A, z_C$

56 $\mathcal{V}$:

57   set $f_{j,1} = w - \sum_{i=2}^{N} f_{j,i}$ **for** $j \in \{1,2\}$

58   **require** $B^w A = \mathrm{Com}(f_{1,1}, \dots, f_{2,N}; z_A)$

59   **require** $C^w D = \mathrm{Com}(\{f_{i,j}(w - f_{i,j})\}_{i,j=1}^{2,N}; z_C)$

60 $\mathcal{P}$ *computes:*   // Prover ''locally anticipates'' certain among the verifier's re-encryptions

61     $\overline{D} = D \cdot \left(g^{\rho w^{-1}}\right)^{-1}$

62     $\overline{C_{R,\mathsf{new}}} = \left(\frac{C_{R,\mathsf{idx}_0}}{D}\right) \cdot \left(g^{\pi w^{-1}}\right)^{-1}$

63   **for** $j \in \{1,2\}, i \in \{2,\dots,\frac{N}{2}\}$ **do** $\overline{y_{j,i}} = \left(y_{\mathsf{idx}_j - 2i}\right)^{1 - \sigma w^{-1}}$

64     $\overline{g} = g^{1 - \sigma w^{-1}}$

    // Begin sigma protocol proving

65     $k_r, k_{\mathsf{sk}} \leftarrow_{\$} \mathbb{Z}_q$

66     $A_y = \overline{g}^{k_{\mathsf{sk}}}$

67     $A_D = \overline{g}^{k_r}$

68     $A_u = g_{\mathsf{epoch}}^{k_{\mathsf{sk}}}$

69     $A_{\overline{y}} = \left(\overline{y}_{1,1} \cdot \overline{y}_{2,1}\right)^{k_r}$

70     $A_t = \left(\frac{\overline{C_{R,\mathsf{new}}}^{z^3}}{\overline{D}^{z^2}}\right)^{k_{\mathsf{sk}}}$

71   **for** $j \in \{1,2\}, i \in \left\{2,\dots,\frac{N}{2}\right\}$ **do** $A_{C_{j,i}} = \left(\overline{y_{j,i}}\right)^{k_r}$

72 $\mathcal{P} \to \mathcal{V} : A_y, A_D, A_u, A_{\overline{y}}, A_t, \left\{A_{C_{j,i}}\right\}_{j=1,i=2}^{2,\frac{N}{2}}$

73 $\mathcal{V}$:

74     $c \leftarrow_{\$} \mathbb{Z}_q$

75 $\mathcal{V} \to \mathcal{P} : c$

76 $\mathcal{P}$ *computes:*

77     $\overline{r} = \frac{r - \rho w^{-1}}{1 - \sigma w^{-1}}$ // This ''artificially constructed'' new randomness serves as the witness.

78     $s_{\mathsf{sk}} = k_{\mathsf{sk}} + c \cdot \mathsf{sk}$

79     $s_r = k_r + c \cdot \overline{r}$

80 $\mathcal{P} \to \mathcal{V} : s_{\mathsf{sk}}, s_r$

81 $\mathcal{V}$:

    // Begin opposite parity proof verification

82   **for** $j \in \{1,2\}, i \in \{1,\dots,N\}$ **do** $\mathbf{cycle}_j \mathrel{+}= \mathsf{Shift}(f_j, 2 \cdot i)$

83   **Require** $\mathsf{MultiExp}\left(\mathsf{Hadamard}(\mathbf{cycle}_0, \mathbf{cycle}_1)\right) \stackrel{?}{=} PG_1^w \cdot PG_0$

    // Begin computation of secondary re-encryptions

84     $\overline{C_{L,\mathsf{new}}} = \left[\mathsf{MultiExp}\left(\left\{\left(\frac{C_{L,i}}{C_i}\right)\right\}_{i=1}^{N}, f_1\right) \cdot (GC_{L,\mathsf{new}})^{-1}\right]^{w^{-1}}$

85     $\overline{C_{R,\mathsf{new}}} = \left[\mathsf{MultiExp}\left(\left\{\left(\frac{C_{R,i}}{D}\right)\right\}_{i=1}^{N}, f_1\right) \cdot (GC_{R,\mathsf{new}})^{-1}\right]^{w^{-1}}$

86     $\overline{D} = D \cdot \left(GD^{(w^{-1})}\right)^{-1}$

87   **for** $j \in \{1,2\}, i \in \left\{1,\dots,\frac{N}{2}\right\}$ **do**

88        $\overline{C_{j,i}} = \left[\mathsf{MultiExp}\left(\{C_k\}_{k=1}^{N}, \mathsf{Shift}(f_j, 2 \cdot i)\right) \cdot (GC_{j,i})^{-1}\right]^{w^{-1}}$

89        $\overline{y_{j,i}} = \left[\mathsf{MultiExp}\left(\{y_k\}_{k=1}^{N}, \mathsf{Shift}(f_j, 2 \cdot i)\right) \cdot (Gy_{j,i})^{-1}\right]^{w^{-1}}$

90   **end**

91     $\overline{g} = g \cdot \left(Gg^{(w^{-1})}\right)^{-1}$

92 $\mathcal{V}$:

// Begin sigma protocol verification

93 $\quad A_y \stackrel{?}{=} \overline{\boldsymbol{g}}^{s_{\mathsf{sk}}} \cdot \left(\overline{\boldsymbol{y_{1,1}}}\right)^{-c}$

94 $\quad A_D \stackrel{?}{=} \overline{\boldsymbol{g}}^{s_r} \cdot \overline{\boldsymbol{D}}^{-c}$

95 $\quad A_u \stackrel{?}{=} g_{\mathsf{epoch}}^{s_{\mathsf{sk}}} \cdot u^{-c}$

96 $\quad A_{\overline{y}} \stackrel{?}{=} \left(\overline{\boldsymbol{y_{1,1}}} \cdot \overline{\boldsymbol{y_{2,1}}}\right)^{s_r} \cdot \left(\overline{\boldsymbol{C_{1,1}}} \cdot \overline{\boldsymbol{C_{2,1}}}\right)^{-c}$

97 $\quad c_{\mathsf{commit}} = \left(\frac{\overline{C_{L,\mathsf{new}}}^c}{\overline{C_{R,\mathsf{new}}}^{s_{\mathsf{sk}}}}\right)^{z^3} \cdot \left(\frac{\overline{C_{1,1}}^c}{\overline{D}^{s_{\mathsf{sk}}}}\right)^{-z^2}$

98 $\quad \delta(y,z) = (z - z^2) \cdot \langle \mathbf{1}^{2 \cdot n}, \mathbf{y}^{2 \cdot n} \rangle - \left(z^2 \cdot \langle \mathbf{1}^n, \mathbf{2}^n \rangle + z^3 \cdot \langle \mathbf{1}^n, \mathbf{2}^n \rangle\right)$

99 $\quad A_t \stackrel{?}{=} g^{c(\hat{t} - \delta(y,z))} \cdot h^{c \cdot \tau_x} \cdot \left(c_{\mathsf{commit}}\right)^{-1} \cdot \left(T_1^x \cdot T_2^{x^2}\right)^{-c}$

100 $\quad \textbf{for } j \in \{1,2\}, i \in \left\{2, \dots, \frac{N}{2}\right\} \textbf{ do } A_{C_{j,i}} \stackrel{?}{=} \overline{y_{j,i}}^{s_r} \cdot \overline{C_{j,i}}^{-c}$

The sigma protocol presented here relies on the fact that $(\overline{C_{1,1}}, \overline{D})$ and $(\overline{C_{2,1}}, \overline{D})$ give secondary re-encryptions of (C_{idx_1}, D) and (C_{idx_2}, D) respectively, while $(\overline{C_{j,i}}, \overline{D})$ for $j \in \{1,2\}$ and $i \in \{2, \dots, \frac{N}{2}\}$ give re-encryptions of the remaining (C_i, D) (all with randomness $r - \rho/w$); similarly, $(\overline{y_{1,1}}, \overline{g})$ and $(\overline{y_{2,1}}, \overline{g})$ give secondary re-encryptions of (y_{idx_1}, g) and (y_{idx_2}, g) respectively, while $(\overline{y_{j,i}}, \overline{g})$ for $j \in \{1,2\}$ and $i \in \{2, \dots, \frac{N}{2}\}$ give re-encryptions of the remaining (y_i, g) (all with randomness $1 - \sigma/w$). The values of idx_1 and idx_2, of course, are not revealed.

// Complete inner product argument

101 $\mathbf{h}' = h^{(y^{-n})}$

102 $P = A \cdot S^x \cdot \mathbf{g}^{-z} \cdot \mathbf{h}'^{z \cdot \mathbf{y}^{2 \cdot n}} \cdot \mathbf{h}'^{z^2 \cdot (\mathbf{2}^n \| \mathbf{0}^n) + z^3 \cdot (\mathbf{0}^n \| \mathbf{2}^n)}$

103 $\mathcal{P}$ and $\mathcal{V}$ engage in Protocol 1 of [BAZB] on inputs $(\mathbf{g}, \mathbf{h}', Ph^{-\mu}, \hat{t}; \mathbf{l}, \mathbf{r})$

We note that the size of the array f could fairly easily be made logarithmic through the ideas of [BCC+15]. It is less clear, however, how to avoid the transmission of the linear-sized arrays of correction terms $GC_{j,i}$ and $Gy_{j,i}$. As [BAZB] point out, however, the size of the anonymous transfer *statement* is unavoidably linear in any case, and we have not expended significant effort in making our proofs logarithmically sized.

A further open question is the possibility of $\mathcal{O}(N)$-time proving and verification. We leave this open for future work; in any case, our practical performance is quite good (see below).

3 Performance

We have implemented the fully anonymous version of Zether in Solidity smart contracts. For proving, we use a Java service built on an extension of Benedikt Bünz's repository BulletProofLib. Verification takes place in Solidity contracts.

We report performance measurements below. We note that *gas used* includes not just verification itself, but also the relevant account maintenance associated with the Zether Smart Contract. The *verification time* we report reflects only the time taken by the local EVM in evaluating a read-only call to the verification contract. Proving time is self-explanatory. Each number next to *Transfer* indicates the size of the anonymity set used (including the actual sender and recipient). *Partial burns* are explained below.

	Prov. Time (ms)	Verif. Time (ms)	Prf. Size (bytes)	Gas Used
Partial Burn	601	65	1120	7,761,758
Transfer (2)	1,276	118	2,304	17,033,464
Transfer (4)	1,362	138	2,688	21,263,143
Transfer (8)	1,712	188	3,456	31,495,357
Transfer (16)	2,476	286	4,992	55,254,806
Transfer (32)	4,338	492	8,064	109,378,077
Transfer (64)	8,942	938	14,208	232,239,208
Transfer (128)	19,059	1,929	26,496	514,001,103

4 Miscellaneous

We describe further miscellaneous adjustments we have made to the Zether protocol.

4.1 Front-running and Ethereum account registration

As noted in [BAZB] (e.g. on page 7), various factors necessitate the use of separate identities across the Zether and Ethereum universes. This separation creates subtle issues; one important one is described below. More broadly, we take a different approach to managing this separation than that of Zether's authors, which we describe in this section.

Both descriptions of the *burn* function (pages 16 and 40 of [BAZB]) specify that funds be transferred to msg.sender after all checks and verifications are performed. This strategy exposes the user submitting the burn transaction to a "front-running" attack, in which an adversary intercepts the payload before it is mined and places it into a new transaction bearing her own signature. If the adversary's transaction is mined before the honest one is, its proof's verification will still succeed, and the adversary—as opposed to the prover—will be credited with the funds. An analogue of this attack is described in detail in [Dia18], where it was successfully exploited; for another example see [Wil18, §6.1].

A standard approach to this issue—and that taken by [Dia18] as well as [Wil18]—is to include the *prover*'s Ethereum address as part of transaction's statement, in such a way that if a different address is used verification necessarily fails; meanwhile, the verifying contract supplies msg.sender as the value for this component of the statement.

Motivated by a desire to keep intact the existing statement architecture, we take a different approach. We allow each Zether public key to permanently "register" itself against some particular Ethereum address; meanwhile, we direct the funds released after a successful burn transaction to the prover's registered Ethereum address on file (and not to msg.sender). The idea, in short, is that a prover must register her desired Ethereum address to her public key *in advance* of executing any burn transactions; she can check that this registration has been orchestrated successfully before proceeding with any burns.

To be sure, the registration transaction itself could be front-run, or preempted entirely by an adversary. Moves of this sort, however, would be detected by the honest prover in advance of her withdrawal; upon detecting them, she should simply transfer her funds to a new Zether account for which a registration to her Ethereum account has been properly performed.

To further reduce the burden on honest users, we can use client-side tools which, among other things, enforce that registration be performed immediately (that is, as soon as the Zether public key is generated) and which notify the user if this registration fails or is compromised. (This will not compromise privacy, as unrelated "throwaway" addresses can be used for all transfers.) Indeed, we include this feature in our client-side "wallet" utility.

4.2 Rollovers *on demand* in confidential / "basic" Zether

We conclude with remarks on *basic Zether*, in which the identities of transactors are not concealed (but cf. below). While both the *basic* and *anonymous* versions of [BAZB] employ a "synchronized", *epoch*-based paradigm, we suggest in basic Zether the elimination of epochs and the availability of rollovers "on demand".

Various factors make possible the elimination of epochs from basic Zether. Most importantly, as noted in [BAZB], in the basic setting asynchronous modifications to acc do not stand to jeopardize the in-progress transactions of other unwitting, honest provers. (This is what makes possible the immediate debit of transfers and withdrawals from acc, and hence the system's simpler replay protection mechanism. Deposits in basic Zether can also be credited immediately.) For identical reasons, asynchronous *rollovers* too don't stand to jeopardize others' transactions, and may be permitted freely.

A subtle question is whether on-demand (or *purely* on-demand) rollovers could leak information about users' private balances. In particular, given a client utility known to roll over just when its user's requested transfer amount exceeds her available (but not her *combined available and pending*) balance, the presence

of a rollover—followed immediately, say, by a transfer—could reveal precisely this information about the client's user's balance.

Of course, this information doesn't mean much, especially after sufficiently many transfers have taken place. We deem this possible information leakage sufficiently negligible so as to be outweighed by the convenience of on-demand rollovers. We include this feature in our implementation of basic Zether.

4.3 "Hybrid" Zether in the basic paradigm

We further observe that the various simplifications attending basic Zether—including, in particular, those described above—necessitate only that the *sender* of each transfer reveal herself. Accordingly, we propose a "hybrid" Zether protocol in which the sender, but not the recipient, of each transaction is public. We use a simplified "single bit-masking" technique to obscure the actual recipient's C_i and y_i, and to generate re-encryptions of the false recipients' such elements for use in proof-of-exponent sigma protocols. In particular, epochs can remain absent.

This hybrid version useful in cases in which the anonymity of the sender is *not* important, and maximal throughput is desired. It also performs well in practice; recipient-set sizes of up to 100 are well tolerated.

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