

Transaction Encryption

Transaction encryption unlike contract state encryption has two parties who need data access. The scheme therefore makes use of the DH-key exchange as described in the previous section to generate a shared encryption key. This symmetric `tx_encryption_key` is unique for every transaction and can be used by both the network and the user to verify the completed transactions.

1. Generation of shared secret - user side

Using the Elliptic-Curve Diffie Hellman key exchange (ECDH) the user generates a shared secret from `consensus_io_exchange_pubkey` and `tx_sender_wallet_privkey`.

...

```
Copy tx_encryption_ikm=ecdh({ privkey:tx_sender_wallet_privkey, pubkey:consensus_io_exchange_pubkey,// from genesis.json });// 256 bits
```

...

1. Generate `tx_encryption_key`
2. user side

The user then generates a shared `tx_encryption_key` using HKDF-SHA256 and the `tx_encryption_ikm` generated in step 1. The pseudo-random HKDF is used to ensure deterministic consensus across all nodes.

The random component comes from a 256-bit nonce so that each transaction has its own encryption key, An AES-256-GCM encryption key is never used twice.

...

```
Copy nonce = true_random({ bytes: 32 });
```

```
tx_encryption_key = hkdf({ salt: hkdf_salt, ikm: concat(tx_encryption_ikm, nonce), }); // 256 bits
```

...

1. Encrypt transaction - user side

After initiating a transaction the user encrypts the input data with the shared transaction encryption key, using an AES-256-GCM authenticated encryption scheme.

The input (`msg`) to the contract is always prepended with the sha256 hash of the contract's code. This is meant to prevent replaying an encrypted input of a legitimate contract to a malicious contract, and asking the malicious contract to decrypt the input.

In this attack example the output will still be encrypted with `tx_encryption_key` that only the original sender knows, but the malicious contract can be written to save the decrypted input to its state, and then via a getter with no access control retrieve the encrypted input.

...

```
Copy ad = concat(nonce, tx_sender_wallet_pubkey);
```

```
codeHash = toHexString(sha256(contract_code));
```

```
encrypted_msg = aes_128_siv_encrypt({ key: tx_encryption_key, data: concat(codeHash, msg), ad: ad, });
```

```
tx_input = concat(ad, encrypted_msg);
```

...

1. Generate `tx_encryption_key`
2. network side

The enclave uses ECDH to derive the same `tx_encryption_ikm` from the `tx_sender_wallet_pubkey` and the `consensus_io_exchange_privkey`. The network then derives the `tx_encryption_key` from the publicly signed nonce and this shared secret using HKDF.

Within the trusted component the transaction input is decrypted to plaintext.

...

```
Copy nonce=tx_input.slice(0,32);// 32 bytes tx_sender_wallet_pubkey=tx_input.slice(32,32);// 32 bytes, compressed
curve25519 public key encrypted_msg=tx_input.slice(64);
```

```
tx_encryption_ikm=ecdh({ privkey:consensus_io_exchange_privkey, pubkey:tx_sender_wallet_pubkey, });// 256 bits
```

```
tx_encryption_key=hkdf({ salt:hkdf_salt, ikm:concat(tx_encryption_ikm,nonce), });// 256 bits
```

```
codeHashAndMsg=aes_128_siv_decrypt({ key:tx_encryption_key, data:encrypted_msg, });
```

```
codeHash=codeHashAndMsg.slice(0,64); assert(codeHash==toHexString(sha256(contract_code)));
```

```
msg=codeHashAndMsg.slice(64);
```

```
...
```

BREAK - Data output formatting

The output must be a valid JSON object, as it is passed to multiple mechanisms for final processing:

- Logs are treated as Tendermint events
- Messages can be callbacks to another contract call or contract init
- Messages can also instruct sending funds from the contract's wallet
- A data section which is free-form bytes to be interpreted by the client (or dApp)
- An error section
-

Here is an example output for an execution:

```
...
```

```
Copy { "ok": { "messages": [ { "type": "Send", "to": "...", "amount": "...", { "wasm": { "execute": { "msg": "
{\\\"banana\\\":1,\\\"papaya\\\":2}\"// need to encrypt this value "contract_addr":"aaa", "callback_code_hash":"bbb", "send":
{"amount":100,"denom":"uscr"} } } }, { "wasm": { "instantiate": { "msg": "{\\\"water\\\":1,\\\"fire\\\":2}\"// need to encrypt this value
"code_id":"123", "callback_code_hash":"ccc", "send":{"amount":0,"denom":"uscr"} } } }, "log": [ { "key": "action",// need to
encrypt this value "value": "transfer"// need to encrypt this value }, { "key": "sender",// need to encrypt this value
"value": "secret1v9tna8rkemndl7cd4ahru9t7ewa7kdq87c02m2"// need to encrypt this value }, { "key": "recipient",// need to
encrypt this value "value": "secret1f395p0gg67mmfd5zcqvnp9cxnu0hg6rjep44t"// need to encrypt this value } ], "data": "bla
bla"// need to encrypt this value } }
```

```
...
```

Please Note!

- on aContract
- message, themsg
- value should be the samemsg
- as in ourtx_input
- , so we need to prepend thenonce
- andtx_sender_wallet_pubkey
- just like we did on the tx sender above
- On aContract
- message, we also send acallback_signature
- , so we can verify the parameters sent to the enclave (read more here:)
-

```
...
```

```
Copy callback_signature = sha256(consensus_callback_secret | calling_contract_addr | encrypted_msg | funds_to_send)
```

```
...
```

- For the rest of the encrypted outputs we only need to send the ciphertext, as the tx sender can
getconsensus_io_exchange_pubkey
- fromgenesis.json
- andnonce
- from thetx_input
- that is attached to thetx_output
- with this info only they can decrypt the transaction details.
- Here is an example output with an error:
-

...

```
Copy { "err":{"\watermelon\":6,\coffee\":5}"} // need to encrypt this value }
```

...

- An example output for a query:
-

...

```
Copy { "ok":{"\answer\":42}"} // need to encrypt this value }
```

...

1. Writing output - network side

The output of the computation is encrypted using `tx_encryption_key`

...

```
Copy // already have from tx_input: // - tx_encryption_key // - nonce
```

```
if(typeofoutput["err"]=="string") {
```

```
  encrypted_err=aes_128_siv_encrypt({ key:tx_encryption_key, data:output["err"], });
```

```
  output["err"]=base64_encode(encrypted_err);// needs to be a JSON string }
```

```
elseif(typeofoutput["ok"]=="string") {
```

```
  // query // output["ok"] is handled the same way as output["err"]...
```

```
  encrypted_query_result=aes_128_siv_encrypt({ key:tx_encryption_key, data:output["ok"], });
```

```
  output["ok"]=base64_encode(encrypted_query_result);// needs to be a JSON string }
```

```
elseif(typeofoutput["ok"]=="object") {
```

```
  // init or execute // external query is the same, but happens mid-run and not as an output
```

```
  for(minoutput["ok"]["messages"]) { if(m["type"]=="Instantiate"||m["type"]=="Execute") {
```

```
    encrypted_msg=aes_128_siv_encrypt({ key:tx_encryption_key, data:concat(m["callback_code_hash"],m["msg"]), });
```

```
    // base64_encode because needs to be a string // also turns into a tx_input so we also need to prepend nonce and tx_sender_wallet_pubkey
```

```
    m["msg"]=base64_encode( concat(nonce,tx_sender_wallet_pubkey,encrypted_msg) ); } }
```

```
  for(linoutput["ok"]["log"]) { // l["key"] is handled the same way as output["err"]...
```

```
    encrypted_log_key_name=aes_128_siv_encrypt({ key:tx_encryption_key, data:l["key"], });
```

```
    l["key"]=base64_encode(encrypted_log_key_name);// needs to be a JSON string
```

```
    // l["value"] is handled the same way as output["err"]...
```

```
    encrypted_log_value=aes_128_siv_encrypt({ key:tx_encryption_key, data:l["value"], });
```

```
    l["value"]=base64_encode(encrypted_log_value);// needs to be a JSON string }
```

```
  // output["ok"]["data"] is handled the same way as output["err"]...
```

```
  encrypted_output_data=aes_128_siv_encrypt({ key:tx_encryption_key, data:output["ok"]["data"], });
```

```
  output["ok"]["data"]=base64_encode(encrypted_output_data);// needs to be a JSON string }
```

```
  returnoutput;
```

...

1. Receiving output - user side

The transaction output is written to the chain and only the wallet with the right tx_sender_wallet_privkey can derive tx_encryption_key . To everyone else but the tx signer the transaction data will be private.

Every encrypted value can be decrypted by the user following:

...

Copy // output["err"] // output["ok"]["data"] // output["ok"]["log"][i]["key"] // output["ok"]["log"][i]["value"] // output["ok"] if input is a query

encrypted_bytes=base64_encode(encrypted_output);

aes_128_siv_decrypt({ key:tx_encryption_key, data:encrypted_bytes, });

...

- For output["ok"]["messages"][i]["type"] == "Contract"
- , output["ok"]["messages"][i]["msg"]
- will be decrypted in by the consensus layer when it handles the contract callback
-

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