



Lelantus-MW

The ~~hybrid~~ symbiosis



Brief overview of MW

- UTXO as Pedersen commitment
 - $C = \alpha \cdot G + v \cdot H$
- Transactions:
 - No scripts, no transactions in the “classical” sense
 - Balance-to-zero principle
 - Merged non-interactively!
- Cut-through
 - Block is one big transaction
 - The whole blockchain history is one huge transaction
 - Spent outputs are removed

So far so good

- Great anonymity out-of-the-box
 - All transactions are confidential
 - Values are blinded (concealed)
 - No addresses, accounts, user tokens or etc.
 - Transaction graph is obfuscated not really...
- Great scalability
 - Spent outputs are completely erased
 - Only kernels remain (~100 bytes per tx)

What could be wrong with MW?

Linkability

- The Achilles heel of MW!
- Cut-through doesn't improve anonymity!
- Optimistically – up to ~1000 transactions in a block are mixed
 - But not all blocks are big!
- Transaction broadcast is non-trivial
- Not good enough against “active” attacker



Possible “laundry” solutions

- Current solution:
 - Modified Dandelion with transaction join during stem phase
 - Decoy inputs/outputs (UTXOs with zero value)
- Other poor man’s solutions:
 - Coinjoin
 - Trusted payment hubs
- Drastic solutions:
 - zk-SNARKs, zk-STARKs
 - Bulletproofs (for arbitrary circuit)



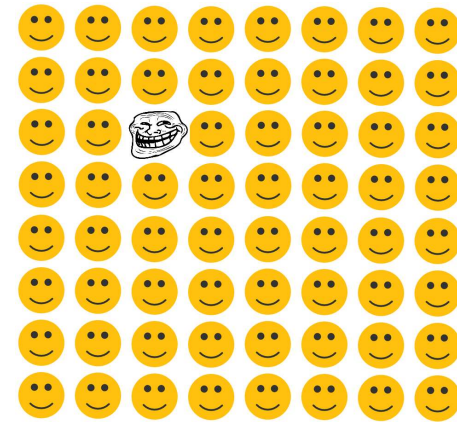
Lelantus

- Work of Aram Jivanyan, Zcoin's cryptographer
 - Disclaimer: Our design and implementation are based on the publicly-available Lelantus scientific paper. All our code was developed from scratch based on this paper alone.
- Natural ally:
 - Designed as an add-on (laundry) to any protocol
 - Same cryptographic assumptions (DLP, no trusted setup)
 - Similar constructs: Pedersen commitments, rangeproofs, vector commitments
 - Based on the One-out-of-many Sigma-protocol by Jens Groth



1-out-of N Sigma protocol

- Sophisticated “ring signature”
- Logarithmic size!
 - Practical for large anonymity sets
- Nearly linear verification time
 - Batch verification is possible
 - **1 sec** for anonymity set of 65536 elements
 - Only **15 msec** for each additional proof for the same anonymity set
 - Easily parallelized
 - Precomputations are effective, but dramatically inflate the storage size



Brief overview of Lelantus

- Lelantus UTXO
 - $C = \alpha \cdot G + v \cdot H + s \cdot J$
 - s – serial number, derived from pubkey Pk .
- Spend transaction
 - Pk is revealed, and the whole transaction is signed by appropriate secret key
 - $s \cdot J$ is subtracted (methodically) from the commitments in the pool
 - Modified Sigma-protocol in terms of G, H generators.
- The net value extracted from the shielded pool is revealed
 - Separate proof proves its correctness
 - For this original Sigma-protocol is significantly modified

Lelantus-MW

- Why not just use Lelantus as indented for Zcoin?
 - Values should not be revealed
 - Keep cut-through for the MW part
- Our (Beam) modified version
 - Reveal Pedersen commitments instead of values
 - Reveal commitment for each individual spent UTXO
 - Would be a bad idea if values were revealed
 - Separate spend proof can be omitted!
 - Keep balance-to-zero principle
 - Keep MW-style transactions!
 - MW/Lelantus inputs/outputs can come in any combination

Lelantus-MW primitives

- Input
 - Pedersen commitment
 - MW: must be in the current UTXO set
 - Lelantus: Spend proof is attached
- Output
 - Pedersen commitment
 - MW: Bulletproof (rangeproof)
 - Lelantus: double-blinded bulletproof
- Kernel
 - Pedersen commitment
 - MW: Schnorr's signature
 - Lelantus: generalized Schnorr's signature (in terms of G, J generators)

Spend proof

- Pedersen commitment
 - $C = \alpha' \cdot G + v \cdot H$
 - Value v is the same as of the spent UTXO
 - Blinding factor α' different
 - Generalized Schnorr's signature to prove the above
- s – serial number, derived from the revealed pubkey Pk
- $(C + s \cdot G)$ is subtracted (methodically) from the commitments in the shielded pool
- Original Sigma-protocol proves the knowledge of an element in the pool, in terms of G generator only.
 - The witness data is the blinding factor difference $\alpha - \alpha'$
- Separate balance proof is not needed!

Lelantus-MW implications

- Pros:
 - Linkability break!
 - One-side payments
- Cons
 - Obviously no cut-through for shielded pool
 - Verification time is dramatically higher
- Most of transactions should remain in MW
 - Better w.r.t. scalability
 - Better w.r.t. anonymity as well!
 - Lelantus should be used between “meaningful” entities
- Consensus rules must restrict the overall anonymity set referenced by a block and limit the number of spend proofs.
 - This should create a fee market

Conclusions

- So, problem solved? Not completely!
 - Dust attack is a threat
 - Proper strategy must separate “clean” UTXOs from others
- Compared to Zcash
 - Great technology, but NOT immune either!
 - Unlimited anonymity set is a big advantage, but:
 - Probability distribution is not uniform!
 - Recent outputs are more likely to be spent
 - Only hundreds of shielded outputs per day
 - Metadata leakage (correlated values, number of JoinSplits, etc.)
- Breaking linkability is HARD!
- ANY induced (stereotypic) behavior in an attack target!
 - Theoretically with enough experiments the attacker can reach arbitrary precision
 - The goal is to make such attacks infeasible in practice



Thank you!

