

# Universidad Rey Juan Carlos



### Juan Manuel Vara

I: Kybele Research Group | Universidad Rey Juan Carlos

Joint work with Cristian Gómez<sup>1</sup>, Francisco J. Pérez<sup>1</sup>, E. Marcos<sup>1</sup>













## 3 Bringing models to the rescue

(4) The road ahead







## THE BIGGEST INVENTION SINCE THE EMERGENCE OF THE INTERNET!!

@jmvara | @KybeleResearch

8

https://www.healthnewsreview.org/wp-content/uploads/2016/12/iStock-487078483.jpg



- What is a Blockchain?
  - A distributed DB + Encryption + Immutability + stored procedures (smart contracts)
    - A blockchain is a list (chain) of groups (blocks) of transactions
    - Like traditional DDBBs they can be used for anything a DB is used.
- How does it work?
  - Interested subjects add transactions to the pool
  - Nodes verify and add them to some block on the ledger
  - Ledger is replicated among distributed nodes
  - Eventual consistency
    - In the absence of centralized control, all nodes eventually achieve consensus about the content of the ledger
  - Append-only data structure
    - May add transactions Nearly imposible to change data







ZZ-METER

NOWII

нот *торіс* 

- Why so much hype?
  - New businesses and business models are expected to arise, but as yet there are not a lot of examples of significant use in production of blockchain systems within industry or government.
- Disintermediation
  - Direct VS Indirect interactions: less processing time and lower costs
- (Improved) Peer-to-peer systems
  - E.g.: music → inmaterial nature / low costs of data transfer





### Blockchain

**Ü** 

A tool for achieving and maintaining integrity in purely distributed peer-to-peer systems ...



#### ... that consists of an unknown number of peers with unknown reliability and <u>trustworthiness</u>.







The blockchain is a purely distributed peer-to-peer system of ledgers that utilizes a software unit that consist of an **algorithm**, which negotiates the informational content of <u>ordered</u> and <u>connected</u> blocks of data together with cryptographic and security technologies in order to achieve and maintain its <u>integrity</u>.

Drescher, D. Blockchain Basics (2017).





• General view of the blockchain









Hash functions are small computer programs that transform any kind of data into a number of fixed length (Bitcoin – sha256), regardless of the size of the input data.

- Hashing in the blockchain
  - Storing data in a change-sensitive manner
  - Incur computational costs for changing the data-structure



- Hash references are used to create an ordered list of blocks with hash references to previous block
- Knitting :)



- Adding a new block at the end of the blockchain-datastructure is easy, while changing data located somewhere in the chain is quite elaborate
- Each block stores the data into a *Merkle* tree



(Drescher, 2017)





### • Hash puzzles

- Akin to **combination locks** to be openned by trial an error:
  - A specific lock that requires a unique sequence of numbers in order for it to be opened.
  - Opening is based on sheer diligence and hard work.



Nonce	Text to Be Hashed	Output
0	Hello World! 0	4EE4B774
1	Hello World! 1	3345B9A3
2	Hello World! 2	72040842
3	Hello World! 3	02307D5F
613	Hello World! 613	E861901E
614	Hello World! 614	00068A3C
615	Hello World ! 615	5EB7483F

What data combined with Hello World! would yield a shortened hash value with **three leading zeros**?

Difficulty

#### The puzzle

Find the nonce that combined with Hello World! yields a shortened hash value that starts with three leading zeros





Making Adding Data Computationally Expensive



(Drescher, 2017)



### Blockchain Inmutability

- Inmutability
  - Making manipulations stand-out
  - Enforcing Rewriting the History for Embedding Changes



- Making Adding Data Computationally Expensive



(Drescher, 2017)

#### Manipulate existing T<sub>x</sub>

If solving a hash puzzle takes on average 10 minutes, 210 minutes are needed to embed a manipulation in a  $T_x$  that belongs to a block header located 20 blocks below the current head.

- 1. Rewrite the Merkle tree of manipulated  $T_x$
- 2. Rewrite block header of the rewritten tree
- 3. Rewrite all succeeding block headers up to the head of the blockchain data-structure



- Blockchain-algorithm allow all nodes of the system
  - To act as **supervisors** of their peers
  - Reward/punish them for adding valid and authorized transactions
- Every node is in one of two-steps algorithm
  - Evaluating a new block that was created by others
    - If a block is removed from the blockchain-data-structure, then the reward for adding it is withdrawn from the node that initially received it.
  - Trying hard to be the next node that creates a new block that has to be evaluated by all others
    - The node whose block was accepted will receive the **fees** for all transactions contained in the block as reward.







ALASTRIA

Public





- Any one can become a public node in the chain, which allow them to perform, validate and view transactions in that network.
- Semi-public or federated (Consortium):
  - The nodes must be identified before they can interact on that network (Private & Permissioned).
  - Recommended for private companies or governments that want transparency in their actions.
- Private (federated + central control):
  - Preset private nodes with privileges.
  - Federated ones, but an entity is in charge of controlling everything.



Bbitcoin

- Features of the Bitcoin network
  - Focused on providing an alternative to conventional currencies



- The cryptocurrency that operates on that network is Bitcoin(deflationary).
- Rewards for block validation

ethereum

- Features of the Ethereum network
  - Focused on Smart Contracts and dapp execution (EVM)
    - The cryptocurrency that operates on that network is Ether



- (inflationary)— Merely a way to facilitate and monetize the opetarion of Ethereum
- Rewards for block validation, transaction validation and Smart Contracts execution.



### Block Generation / Consensus







- The probability of mining a block is proportional to the amount of cryptocurrency available to the miner.
  - Highest priority for users who have more currency because they are the most interested in maintaining the ecosystem correctly



- Advantages:
  - Energy saving
    - Computational power is less necessary than in PoW in order to validate a block.





- Developers
  - Implement the protocol.



• Users Connect to the network to perform transactions

– Wallet – Public key Private key

- Miners
  - Responsible for validating the blocks where transactions are recorded in exchange of rewards.
  - Pools: Set of miners that come together to mine blocks in a blockchain network



 Academic credentials:
 MIT, Cyprus
 University of Cyprus

- Medical data register
  - MedRec.



- Supply chains:
  - Carrefour, Nestle.





 Sports betting exchange and lottery applications:

– Peerplays, Wagger





- Secure digital identity solutions:
  - Illinois state









2 Smart Contracts

## 3 Bringing models to the rescue

(4) The road ahead





- Computer programs
  - Hosted on <u>Ethereum</u>

Szabo, N. (1996). Smart contracts: building blocks for digital markets. *EXTROPY: The Journal of Transhumanist Thought*, (16), 18, 2.

- Executes autonomously the clauses collected in it when the conditions are satisfied
  - DTL as a DDBB
  - Smart Contracts as triggers or microservices where the business logic transacting with that data lives
- Blockchain technology "Sets in stone" the agreement
  - The contract inherits trust-less, immutability, transparency ...

www.kybele.es

 Conditions are programmed
 Implied parties sign the conditions (program)
 Contract is *placed* into a blockchain so no one could modify it VS CONVENTIONAL CONTRACTS

- A program does not leave space to different interpretations:
  - disambiguation
- No need of a trusted third-party  $\rightarrow$   $\not$ Transaction Costs
- Time-efficient
- Data Storage (future disputes)





## How does a Smart Contract work?

An instance of program code that runs in the blockchain

Program code | Storage file | Account balance



(Delmolino et al., 2016)

### SMART CONTRACT MODEL

- 1. User create the contract: transaction posting
  - a) Code cannot be changed
  - b) Storage file stored in the blockchain
- 2. Contract is executed upon message received (either users or contracts)
  - a. Read/write from its file
  - b. Recieve / Send money from its account balance from/to users (contracts) invoke the contract
- 3. Miners reach consensus on the output of the execution and update the blockchain accordingly



## How does a Smart Contract work?

An instance of program code that runs in the blockchain

Program code | Storage file | Account balance



(Delmolino et al., 2016)

### CONTRACT INVOCATION – $T_{\mathsf{X}}$ AS FUNCTION CALLS

- Contract code will be invoked whenever it receives a  $T_x$  from a user
- Multiple entry points of execution each one is defined as a function
   After processing the message, contract can return value back to the sender
- The content of the  $T_x$  will specify the entry point at which the contract's will be invoked

## GAS - DISCOURAGING OVER CONSUMPTION OR RESOURCES

- The user who creates a  $T_x$  must spend currency to purchase gas
- Each program instruction consumes gas
- If gas runs out before  $T_x$  reaching an ordinary point, exception raised



### Smart Contracts-based crowdlending



EthicHub





### Programming Smart Contracts





### Programming Smart Contracts





### Dealing with Smart Contracts - Issues

#### Learning Curve

• Alharby, M., Aldweesh, A., & van Moorsel, A. (2018). Blockchain-based smart contracts: A systematic mapping study of academic research (2018). In *Proceedings of the 2018 International Conference on Cloud Computing, Big Data and Blockchain.* 

#### Security Issues

 Mavridou, A., & Laszka, A. (2018, February). Designing secure ethereum smart contracts: A finite state machine based approach. In *International Conference on Financial Cryptography and Data Security* (pp. 523-540). Springer, Berlin, Heidelberg.

#### IT – Business Gap

- Mik, E. (2017). Smart contracts: terminology, technical limitations and real world complexity. *Law, Innovation and Technology*, *9*(2), 269–300.
- Bosu, A., Iqbal, A., Shahriyar, R., & Chakraborty, P. (2019). Understanding the motivations, challenges and needs of blockchain software developers: A survey. *Empirical Software Engineering*, 24(4), 2636-2673.

"In other words, they're code that does what it's been programmed to do.

If the **business rules** ... have been defined badly and/or the programmer doesn't do a good job, the result is going to be a mess, and, even if programmed correctly, a smart contract isn't smart – it just functions as **designed**."

What's a smart contract (and how does it work)? Computer World, Jul 29 (2019)



• [Formal] verification of Smart Contracts

Bhargavan, K., Delignat-Lavaud, A., Fournet, C., Gollamudi, A., Gonthier, G., Kobeissi, N., ... & Zanella-Béguelin, S. (2016, October). Formal verification of smart contracts: Short paper. In *Proceedings of the 2016 ACM Workshop on Programming Languages and Analysis for Security* (pp. 91-96). ACM. Bragagnolo, S., Rocha, H., Denker, M., & Ducasse, S. (2018, March). SmartInspect: solidity smart contract inspector. In 2018 International Workshop on Blockchain Oriented Software Engineering (IWBOSE) (pp. 9-18). IEEE.

- DSL-based
  - Legal principles-based DSL (Adico-Solidity).
  - Natural language-based (SmaCoNat)

Frantz, C. K., & Nowostawski, M. (2016, September). From institutions to code: Towards automated generation of smart contracts. In 2016 IEEE 1st International Workshops on Foundations and Applications of Self\* Systems (FAS\* W) (pp. 210-215). IEEE.

Regnath, E., & Steinhorst, S. (2018, September). SmaCoNat: Smart Contracts in Natural Language. In 2018 Forum on Specification & Design Languages (FDL) (pp. 5-16). IEEE.

 Templates for Smart Contracts

Clack, C. D., Bakshi, V. A., & Braine, L. (2016). Smart contract templates: foundations, design landscape and research directions. *arXiv preprint arXiv:1608.00771*.





### MDE-based

- Both use MDE to map the business process (BPMN) into a smart contract.
- Lorikeet need to extend the BPMN notation (2 elements)

López-Pintado, O., García-Bañuelos, L., Dumas, M., & Weber, I. (2017, September). Caterpillar: A Blockchain-Based Business Process Management System. In *BPM (Demos)*.

Tran, A. B., Lu, Q., & Weber, I. (2018). Lorikeet: A Model-Driven Engineering Tool for Blockchain-Based Business Process Execution and Asset Management. In *BPM* (*Dissertation/Demos/Industry*) (pp. 56-60).







2 Smart Contracts

3 Bringing models to the rescue





### Our proposal





- Define and enrich customized textual structures
  - E.g. gas control in loops to avoid
- Reduce the learning curve
  - Auto-completion
  - Syntactical validation
  - QuickFixes
  - Good practices
  - Auto-documentation ...
- Development of technological bridges
  - Close the gap between business professionals and developers



[Illustration by Bernhard Rumpe]

Cabot, J. Lightweight Model-Driven Engineeering. Les journées nationales du GDR GPL. Jun 15, 2017

- What is Xtext?
  - Framework for textual DSLs development
  - Xtend (Java-like) for the development of validations, quickfixes, etc.
  - Ecore metamodel automatically generated from the grammar.











- How to develop a textual language?
  - I. Write the grammar
    - a) Define the terminals.



#### b) Define the rules.









- How to develop a textual language?
  - 3. Generate language artifacts.

Q ▼ Q ▼ B 
 M ▼ B 
 M ▼ C ▼ C 
 T Generate SM2 (sm2) Language Infrastructure







- How to develop a textual language?
  - 4. Run the Generated Eclipse plug-in.







- How to develop a textual language?
  - 5. [Generate Code Generator Xtend]
  - 6. [Unit Testing]

### 7. [Creating Custom Validation Rules]





### Example: Safe Remote Purchase





@jmvara | @KybeleResearch

www.kybele.es











**Ü** 

• Business modeling notation

Gordijn, J., & Akkermans, H. (2001). Designing and evaluating e-business models. *IEEE intelligent Systems*, (4), 11-17.

 Focused on representing the value interchanges between the different actors involved in the provision of a service.





- Actors
  - An entity that carries out value activities that allow him/her/it to increase ... profit or utility



- Value Interface
  - Group the ports through which the actor is willing to make value interchanges
  - A form of representation of economic reciprocity of value between actors.





- Stimulus
  - Events caused by an actor, trigger come value exchange.
    - E.g.: Deliveroo's customer is hungry
  - Two types: Start stimulus y Stop stimulus.



- Value Ports
  - Used by an actor to request
     value objects to or from its environment (directional)



**.** 

- Value Transfer
  - Connect two value ports with each other in order to enable value objects exchange
- Value Object
  - Satisfies a particular need or is used to produce other value objects.





### Correspondences











### **Correspondences** Analysis

### Adress ⇔ Actors

#### pragma solidity >=0.4.22 <0.6.0; 3⊖ contract Purchase{ wint public val; address payable public seller; address payable public buyer; 9 enum State{Created,Locked,Inactive}; 10 State public state; 11 constructor()public{ 120 13 seller = msg.sender; 14 val = msg.value /2; 15 require((2 \* val) == msg.value,"Value has to be even."); 16 } 17 18⊝ modifier condition(bool condition){ 19 require(condition); 20 \_÷ 21 } 22

```
23Θ
        modifier onlyBuyer(){
24
            require(msg.sender == buyer,"Only buyer can call this.");
25
            _;
26
        3
27
280
        modifier onlySeller(){
29
            require(msg.sender == seller,"Only seller can call this.");
30
            _;
31
       }
32
330
        modifier inState(State _state){
34
            require(state == _state);
35
            _;
36
       }
37
38
        event Aborted();
39
        event PurchaseConfirmed();
40
        event ItemReceived();
41
42⊖
        function abort()public onlySeller inState(State.Created){
43
            emit Aborted();
44
            state = State.Inactive;
45
            seller.transfer(address(this).balance);
46
       }
47
        function confirmPurchase() public inState(State.Created) condition(msg.value == (2 * val)) {
48⊖
49
            emit PurchaseConfirmed();
50
            buyer = msg.sender;
51
            state = State.Locked;
52
       }
```

```
54<del>0</del>
        function confirmReceived() public onlyBuyer inState(State.Locked){
            emit ItemReceived();
            state = State.Inactive;
            buyer.transfer(val);
            seller.transfer(address(this).balance);
        }
```



53

55

56

57

58

59



### • Smart contract $\leftarrow$ Value Interface(s)

```
pragma solidity >=0.4.22 <0.6.0;
    contract Purchase{
 36
        uint public val;
        address payable public seller;
        address payable public buyer;
        enum State{Created,Locked,Inactive};
        State public state;
10
11
12⊝
        constructor()public{
            seller = msg.sender;
13
14
            val = msg.value /2;
15
            require((2 * val) == msg.value,"Value has to be even.");
16
        3
17
180
        modifier condition(bool condition){
19
            require(condition);
20
            _;
21
        3
22
230
        modifier onlyBuyer(){
24
            require(msg.sender == buyer,"Only buyer can call this.");
25
            _;
26
        }
27
28⊝
        modifier onlySeller(){
29
            require(msg.sender == seller,"Only seller can call this.");
30
            _;
31
       }
32
330
        modifier inState(State _state){
34
            require(state == _state);
35
            _;
36
        }
37
38
        event Aborted();
39
        event PurchaseConfirmed();
40
        event ItemReceived();
41
42⊝
        function abort()public onlySeller inState(State.Created){
43
            emit Aborted();
44
            state = State.Inactive;
45
            seller.transfer(address(this).balance);
46
       }
47
48⊝
        function confirmPurchase() public inState(State.Created) condition(msg.value == (2 * val)) {
49
            emit PurchaseConfirmed();
50
            buyer = msg.sender;
51
            state = State.Locked;
52
       }
53
54<del>0</del>
        function confirmReceived() public onlyBuyer inState(State.Locked){
55
            emit ItemReceived();
56
            state = State.Inactive;
57
            buyer.transfer(val);
58
            seller.transfer(address(this).balance);
59
```





### Correspondences Analysis

### Events ⇔ Start stimulus





### Functions ⇔ Value Ports & Value Transfer





### Correspondences Analysis

**u** 

### • Notifications, Badges, Permissions ... ⇔ Value Objects





### Visualization

<ul> <li>platform:/resource/SmaC/SmaC.model</li> <li>File</li> <li>Version</li> <li>Contract Purchase</li> <li>Enum State</li> <li>Property UInteger val</li> <li>Property Address seller</li> <li>Property Address buyer</li> <li>Constructor public payable</li> <li>Modifier onlyBuyer</li> <li>Modifier onlySeller</li> <li>Modifier inState</li> <li>Event Aborted</li> <li>Event PurchaseConfirmed</li> <li>Event ItemReceived</li> <li>Clause confirmPurchase</li> <li>Clause confirmReceived</li> </ul>	<ul> <li>platform:/resource/transformations.trace</li> <li>Trace Model</li> <li>Source Model SmaC</li> <li>Target Model e3valueModel</li> <li>Trace Link Address-Actor</li> <li>Trace Link Event-Start stimulus</li> <li>Trace Link Event-Start stimulus</li> <li>Trace Link Event-Start stimulus</li> <li>Trace Link Contract-Value Interface</li> <li>Trace Link Clause-Value Ports&amp;Valu</li> <li>Trace Link Clause-Value Ports&amp;Valu</li> <li>Trace Link Contract-ValueInterfaces</li> </ul>	Metamode Metamode Metachange Metachange Metachange	Resource Set         Image: Set
SmaC.model	trace.model		e3valueModel.e3value
🔲 Properties 🕱 💽 Problems 📸 Target Platform State			
Property	V	/alue	
Name 💷 Addr		Address-A	ctor
Operation Type	U	Transform	









2 Smart Contracts

3) Bringing models to the rescue





- Blockchain as a way to improve p2p systems
  - Hashing / Asymmetric Cryptography
  - Public ledger as a distributed DDBB
- More recent blockchain networks providing a computational infrastructure
  - Trust-less | Immutability | Transparency
  - Disambiguation + Disintermediation
- Smart Contracts as the way to explode such infrastructure
  - IT Strategy gap
  - Tooling needed



Raise the level of abstraction at which Smart Contracts are developed /designed







Raise the level of abstraction at which Smart Contracts are developed /designed







- SmaC validation
- Technological Bridges development
  - m2m & m2t transfos.
- Graphical concrete syntaxes development
- Extend e<sup>3</sup>Value with smart contract elements non directly matched
  - Modifiers.
- Enable automatic deploying mechanisms



### Credits

- Delmolino, K., Arnett, M., Kosba, A., Miller, A., & Shi, E. (2016, February). Step by step towards creating a safe smart contract: Lessons and insights from a cryptocurrency lab. In *International Conference on Financial Cryptography and Data Security* (pp. 79-94). Springer, Berlin, Heidelberg.
- Drescher, D. Blockchain Basics: A Non-technical Introduction in 25 Steps, 1<sup>st</sup> edn. Apress, Frankfurt am Main (2017).
- Escrow Service as a Smart Contract: The Business Logic. Jackson Ng. May 20, 2018. <u>https://jacksonng.org/Safe-Remote-Purchase-1</u>
- Gordijn, J., & Akkermans, H. (2001). Designing and evaluating e-business models. IEEE intelligent Systems, (4), 11-17.
- Xtext Documentation: <u>https://www.eclipse.org/Xtext/documentation/</u>
- Xu, X., Weber, I., & Staples, M. (2019). Architecture for blockchain applications (pp. 1-307). Berlin, Germany: Springer.