

# Privacy-Preserving Multi-Party Bartering Secure Against Active Adversaries

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**Abstract**—A majority of electronic bartering transactions is carried out via online platforms. Typically, these platforms require users to disclose sensitive information about their trade capabilities which might restrict their room for negotiation. It is in this context that we propose a novel decentralized and privacy-preserving bartering protocol for multiple parties that offers the same privacy guarantees as provided by traditional bartering and by cash payments. The proposed protocol is even secure against an active attacker who controls a majority of colluding parties.

## I. INTRODUCTION

Bartering—the cashless act of exchanging goods and services—has been practiced since the early days of humanity. The traditional form of bartering requires a party to find another party such that their offers and demands align. Consider the following example from [10]: Alice demands a tool while Bob demands some medicine. For the case that each of them offers what the other party demands, both parties are lucky since they can barter. But for the case that Alice offers food instead of medicine, they have to find a larger trade cycle where more than two parties exchange their offered commodities in a cyclic fashion. So, Alice and Bob could try to find a third party, Carol, who is willing to exchange medicine for food. As this simple example already shows, the major drawback of traditional bartering is the inevitable need for coordination, i.e., a group of parties whose offers and demands align have to be in the same place at the same time [10]. In modern economies, this coordination issue was resolved by the introduction of currencies which serve as a mediator and thus eliminate the need for the explicit search of trade cycles.

Nevertheless, in recent years bartering became popular again. This is also due to the emerge of online bartering platforms such as *U-Exchange*, *BarterQuest*, or *TradeYa* which typically provide a variety of functionalities facilitating the bartering process (including the cumbersome search for trade partners) between individuals as well as businesses. However, an inherent requirement of these platforms is that a user has to disclose her offered and demanded commodities (along with the corresponding quantities) to at least the operator and oftentimes to all other users—even those who do not qualify as trade partners.

The goal of this paper is to devise a bartering process that offers the same privacy guarantees ideally provided by traditional bartering or traditional cash currencies. More precisely,

we require that a party only learns what it receives and what it has to send. In particular, a party does not learn anything about the capabilities and the activities of parties it does not directly trade with. Our solution does not require a (trusted) third party to observe or coordinate the bartering transactions.

One of the first steps in this direction was proposed in [17]. The authors devise a privacy-preserving multi-party bartering protocol which is based on *secure multi-party computation* (SMPC) techniques. However, this protocol only provides security in the semi-honest model, i.e., under the strict assumption that all parties follow the protocol specification but try to learn as much information as possible from participating in the protocol. We extend on the protocol from [17] and propose a privacy-preserving multi-party bartering protocol which provides security against malicious (i.e., active) adversaries. Analogously to [17], our novel bartering protocol allows a party to specify a quote indicating its offered and desired commodity as well as the corresponding quantity ranges at which the party is willing to trade. Given a set of parties along with their private quotes, our protocol automatically and securely determines the actual trade comprising the trade partner constellation (i.e., who trades with whom) as well as the commodities and quantities to be traded. A party’s quote remains private throughout the entire protocol execution. From participating in the bartering protocol, a party merely learns its local view consisting of its direct trade partners and the quantities of the commodities to be sent and received. Our protocol is able to incorporate any selection strategy for selecting the trade partner constellation as long as the strategy is a function of the considered trade partner constellations. Examples for a selection strategy one may choose include the maximization of the number of parties able to trade, the minimization of the length of the trade cycles in the actual trade, as well as a combination of both. Furthermore, our protocol includes a privacy-preserving mechanism to replace a manual negotiation of the final exchange rates. This mechanism is implemented by sampling (according to an arbitrary discrete distribution) the actual quantities out of private intervals where the boundaries of such an interval are determined from the negotiation ranges specified by the involved parties. Note that for the case that the negotiation of the quantities is left to the parties, a party which, e.g., has to make the first offer or which has the least bargaining experience may be discriminated. Our approach

motivates the parties to honestly specify their negotiation ranges.

To the best of our knowledge, to date there are no other privacy-preserving bartering approaches for more than two parties which provide security against malicious adversaries. For the two-party case, a privacy-preserving bartering protocol has been introduced in [18]. However, privacy-preserving bartering protocols for the two-party case cannot be used for the much more complicated bartering setting with more than two parties. This is due to the fact that these protocols are not capable of determining trade cycles between more than two parties. As detailed in [9], bartering transactions offer a richer structure of exchanges compared to transaction in the context of e-commerce (and auctions). Consequently, privacy-preserving protocols for e-commerce scenarios or auctions can not be directly applied for implementing a privacy-preserving bartering protocol.

*Contributions:* We propose the first privacy-preserving multi-party bartering protocol which provides security against malicious adversaries. Due to the special purpose design of the bartering protocol presented in [17], a straight-forward transformation to the malicious model is not possible. Instead, new design approaches, e.g., for restricting a party’s local view and for the integration of a negotiation mechanism, are required. At the core of our bartering protocol are two novel building blocks (secure in the malicious model). The first building block implements the *conditional random selection* (CRS) functionality which has been introduced in [14]. CRS allows to obviously select one random data record which satisfies a specified condition out of a private set of data records and can be used in the context of bartering for determining an actual trade [17]. The second building block allows for randomly sampling elements out of a private interval (given by encrypted interval boundaries only) w.r.t. an arbitrary discrete distribution. In the context of bartering, we use this protocol to have a flexible means for determining trade rates. These novel building blocks are of general interest beyond the context of bartering. While the complexity of the protocol from [17] linearly depends on the cardinality of the commodity space, the complexity of our novel design approach is independent of the number of supported commodities.

## II. PRELIMINARIES

In the following, we first recap general notation, the Paillier cryptosystem, as well as the definition of security we use throughout the paper. Then, we provide a brief overview of the SMPC framework from [2], [3] which we utilize to design protocols secure against malicious adversaries.

### A. Notation and Definitions

To indicate that  $a$  is drawn uniformly at random from  $A$ , we write  $a \leftarrow_{\$} A$ .  $\mathbb{N}_u$  refers to the set of natural numbers less than or equal to  $u \in \mathbb{N}$ . For some predicate  $B$ , let  $[B]$  denote the *Iverson bracket* where  $[B] = 1$  if  $B$  is true and

otherwise  $[B] = 0$ . Given an integer interval  $[\lambda, \mu]$  with  $\lambda, \mu \in \mathbb{N}$ , the width of an interval, written  $|[\lambda, \mu]|$  is defined as  $\mu - \lambda$ . We denote the index set of all parties  $P_1, \dots, P_\iota$  ( $\iota \in \mathbb{N}$ ) participating in a multi-party protocol as  $\mathcal{P} := \{1, \dots, \iota\}$ .

### B. Paillier Threshold Cryptosystem

The Paillier cryptosystem [11] is an additively homomorphic encryption scheme which provides semantic security. In order to design privacy-preserving protocols, we use the  $(\tau, \iota)$  threshold variant of Paillier introduced in [6] where the private decryption key is distributed amongst  $\iota$  parties such that  $\tau$  parties ( $\tau \leq \iota$ ) have to cooperate in order to decrypt a ciphertext. The key generation, the encryption function, and the homomorphic properties of this threshold variant of the Paillier cryptosystem are outlined in Figure 1. Note that for convenience we omit the public and private key from notation and write  $\llbracket m \rrbracket$  in order to refer to an encrypted plaintext, i.e.,  $\llbracket m \rrbracket := E(m)$ , in the remaining sections.

### C. Secure Multi-Party Computation

Secure multi-party computation allows a set of  $\iota$  parties to compute an  $\iota$ -input functionality  $\mathcal{F}$  such that each participating party learns nothing beyond its prescribed output and what can be deduced from it in combination with its private input. The security (i.e., privacy and correctness) of the computation is guaranteed even in the presence of an adversary controlling a fixed set of parties.

Let  $\bar{x} := (x_1, \dots, x_\iota)$  and let  $\mathcal{F} : (\{0, 1\}^*)^\iota \rightarrow (\{0, 1\}^*)^\iota$ ,  $\bar{x} \mapsto (\mathcal{F}_1(\bar{x}), \dots, \mathcal{F}_\iota(\bar{x}))$  be an  $\iota$ -input functionality where  $P_v$  ( $v \in \mathcal{P}$ ) provides its private input  $x_v \in \{0, 1\}^*$  and obtains its prescribed (private) output  $\mathcal{F}_v(\bar{x})$ . Let  $\pi$  be an  $\iota$ -party protocol implementing functionality  $\mathcal{F}$ . We write  $I_C = \{i_1, \dots, i_t\} \subset \mathcal{P}$  for the index set of  $t < \iota$  corrupted parties controlled by the adversary. We consider a malicious adversary which may instruct the corrupted parties to arbitrarily deviate from the protocol specification.

In the SMPC model from [1], security is stated in terms of the ideal world vs. the real world paradigm. The capabilities of an adversary  $\mathcal{A}$  in the *real world* execution of  $\pi$  are compared to the capabilities of an adversary  $\mathcal{S}$  interacting in the *ideal world* where the parties have access to a trusted third party which computes the target functionality  $\mathcal{F}$  and provides each party with its prescribed output. Consequently, the computation of  $\mathcal{F}$  in the ideal world achieves the highest level of security. In the real world, the parties do not have access to a trusted third party but have to execute protocol  $\pi$  in order to obtain their respective outputs. In the following, the ideal world (resp., real world) *view* of a party refers to the information (e.g., the received messages) it learns during the computation of  $\mathcal{F}$  (resp., execution of  $\pi$ ).

The random variable  $\text{IDEAL}_{\mathcal{F}, \mathcal{S}}(\bar{x}, I_C, k, a)$  denotes the  $\iota + 1$  tuple which includes the output of all  $\iota$  parties and the output of the adversary  $\mathcal{S}$  for input  $\bar{x}$ , the index set of corrupted parties  $I_C$ , security parameter  $k$ , and auxiliary input  $a \in \{0, 1\}^*$ . Functionality  $\mathcal{F}$  is computed in the ideal world under the attack of adversary  $\mathcal{S}$ . Analogously, the random

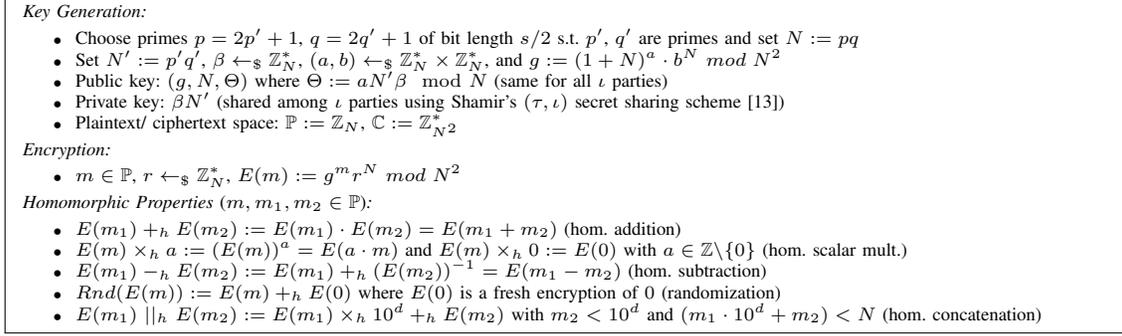


Fig. 1: Threshold variant of the Paillier cryptosystem [6].

variable  $\text{REAL}_{\pi, \mathfrak{A}}(\bar{x}, I_C, k, a)$  denotes the  $\iota + 1$  tuple which is comprised of the outputs where  $\pi$  is executed in the real world under the attack of adversary  $\mathfrak{A}$ .

**Definition 1.** (Security in the Malicious Model.) *Let  $\pi$  be a  $\iota$ -party protocol implementing the  $\iota$ -party functionality  $\mathcal{F}$ . Protocol  $\pi$  securely implements  $\mathcal{F}$  in the malicious model iff for any static real world adversary  $\mathfrak{A}$  which corrupts a subset  $I_C$  of  $t$  parties there exists an ideal world adversary  $\mathfrak{S}$  such that*

$$\text{IDEAL}_{\mathcal{F}, \mathfrak{S}} := \{ \text{IDEAL}_{\mathcal{F}, \mathfrak{S}}(\bar{x}, I_C, k, a) \}_{\bar{x}, I_C, k, a} \stackrel{c}{=} \{ \text{REAL}_{\pi, \mathfrak{A}}(\bar{x}, I_C, k, a) \}_{\bar{x}, I_C, k, a} =: \text{REAL}_{\pi, \mathfrak{A}}$$

where  $\stackrel{c}{=}$  denotes computational indistinguishability.

#### D. CDN Framework for Secure Computations

Our novel privacy-preserving bartering protocol is designed on top of the CDN framework [2], [3] which allows  $\iota$  parties to securely compute a protocol  $\pi$  (implementing functionality  $\mathcal{F}$ ) in the presence of a malicious adversary who controls at most a minority of  $\tau < \iota/2$  corrupted parties. Security is defined according to Definition 1 with the restriction that  $|I_C| < \lceil \iota/2 \rceil$ . Furthermore, each party is allowed to additionally receive a public input and output. Assuming an honest majority guarantees the termination of a protocol execution with the correct computation result. The CDN framework assumes a threshold homomorphic cryptosystem satisfying a set of specific properties. The threshold variant of the Paillier cryptosystem presented in Section II-B satisfies these properties and will be used in the remainder of the paper. In order to prevent a corrupted party from cheating, each party has to prove (by the means of zero knowledge proofs) that it follows the protocol. Once a party is found to deviate from the protocol specification it is excluded from the further execution of the protocol. For the sake of brevity, we will not explicitly address this case in the following sections.

At the core of the CDN framework there is a universal protocol  $\text{FuncEval}_{\mathcal{F}}$  which expects the description of an arithmetic circuit implementing functionality  $\mathcal{F}$ . The circuit has to be composed of some basic gates (see below). A gate  $\rho$  is a kind of black box protocol characterized by the fact that it obtains encrypted input, specifies how to compute some gate

functionality  $\mathcal{G}$  on that input, and returns the encrypted result of the computation.

Loosely speaking, the evaluation of protocol  $\text{FuncEval}_{\mathcal{F}}$  can be divided into the following three phases [18]:

- *Input Phase:* All parties encrypt their private inputs and broadcast the corresponding ciphertext(s). Additionally, for each broadcasted ciphertext a party proves in zero knowledge that it knows the corresponding plaintext.
- *Computation Phase:* All parties jointly evaluate the given circuit gate by gate. Each gate obtains an encrypted input and provides an encrypted output which in turn may constitute the input for another gate.
- *Output Phase:* All parties who are still participating in the protocol jointly execute a private decryption protocol providing each party with its prescribed output.

We write  $(\llbracket o \rrbracket) \leftarrow \mathcal{G}(\llbracket x \rrbracket)$  (resp.,  $(\llbracket o \rrbracket) \leftarrow \rho(\llbracket x \rrbracket)$ ) to indicate that all parties have common encrypted input  $\llbracket x \rrbracket$  and common encrypted output  $\llbracket o \rrbracket$ .

One of the basic gates proposed in [2], [3] is a multiplication gate  $(\llbracket a \cdot b \rrbracket) \leftarrow \rho_{\text{Mult}}(\llbracket a \rrbracket, \llbracket b \rrbracket)$  allowing to multiply two common ciphertexts  $\llbracket a \rrbracket$  and  $\llbracket b \rrbracket$  of plaintexts  $a, b \in \mathbb{P}$  such that each party obtains the result  $\llbracket a \cdot b \rrbracket$ . The broadcast complexity of  $\rho_{\text{Mult}}$  is in  $O(\iota s)$  for security parameter  $s$  while the round complexity is in  $O(1)$ .

**Theorem 1.** (cf. [3].) *The  $\text{FuncEval}_{\mathcal{F}}$  protocol securely evaluates  $\mathcal{F}$  in the presence of a malicious adversary controlling a minority of parties.*

*Generalizations:* In the literature, several generalizations have been proposed for the CDN framework: Although the original version of the CDN framework requires that  $\mathcal{F}$  is a deterministic functionality and assumes an honest majority, Theorem 1 is still valid for computing probabilistic functionalities and allowing all but one parties being controlled by an adversary [2], [12], [4]. In the former case, it has to be assured that the random bits influencing the protocol output are jointly computed and remain encrypted throughout the protocol execution. In case an adversary controls a majority of parties, protocol termination can not be guaranteed.

Furthermore, there exists a sophisticated technique to integrate new gates into the CDN framework. Strictly speaking, the integration of a new gate requires one to prove that the

simulated view of all parties is statistically indistinguishable from the real world view of all parties (given the encrypted input and output). However, Schoenmakers et al. argue that it suffices to show that a gate can be simulated in a statistically indistinguishable manner for inputs of a special form [12], [7], [8]. This technique exploits the modularity of the proof of Theorem 1 in [2] which is centered around an intermediary distribution  $\text{YAD}^b$  which is a function of an encrypted bit  $b$ . More precisely, the proof shows that

$$\text{IDEAL}_{\mathcal{F}, \mathcal{G}} \stackrel{p}{\equiv} \text{YAD}^0 \stackrel{c}{\equiv} \text{YAD}^1 \stackrel{s}{\equiv} \text{REAL}_{\pi, \mathfrak{A}},$$

where  $\stackrel{p}{\equiv}$  and  $\stackrel{s}{\equiv}$  refer to perfect and statistical indistinguishability, respectively. A distinguisher for distributions  $\text{IDEAL}_{\mathcal{F}, \mathcal{G}}$  and  $\text{REAL}_{\pi, \mathfrak{A}}$  yields a distinguisher for distributions  $\text{YAD}^0$  and  $\text{YAD}^1$ . Since the gap between  $\text{YAD}^0$  and  $\text{YAD}^1$  depends on the single encrypted bit  $b$ , the security of a protocol is reduced to the security of the underlying cryptosystem. Consequently, a gate obtaining input  $\llbracket x \rrbracket$  can be simulated for input  $\llbracket \tilde{x} \rrbracket = \llbracket (1-b)x^{(0)} + bx^{(1)} \rrbracket$  where  $x^{(0)}$  and  $x^{(1)}$  represent  $x$  in the  $\text{YAD}^0$  and  $\text{YAD}^1$  distributions, respectively. Note that the simulator is provided with  $x^{(0)}$ ,  $x^{(1)}$ , and  $\llbracket b \rrbracket$ . For more details on this proof technique see [12], [7], [8].

### III. OVERVIEW

#### A. Bartering Terminology

For a set of parties, a trade generically indicates which party receives (or sends) which quantity of which commodity from (or to) which other party. We allow each party to specify one offered and one desired commodity and focus on so-called (1 : 1) *trades* where each party either receives and sends nothing or receives some quantity of its desired commodity from exactly one party and sends some quantity of its offered commodity to exactly one party.

More specifically, we consider a set of  $\iota$  parties  $\{P_v : v \in \mathcal{P}\}$  with  $\mathcal{P} := \mathbb{N}_\iota$  and a publicly known finite set  $\mathcal{C} := \{c_1, \dots, c_{|\mathcal{C}|}\}$  of divisible commodities. Each party  $P_v$  specifies exactly one *quote*  $\mathbf{q}^{(v)} := (\mathbf{o}^{(v)}, \mathbf{d}^{(v)})$  where  $\mathbf{o}^{(v)}$  and  $\mathbf{d}^{(v)}$  are  $P_v$ 's *offer* and *demand*, respectively. We model  $\mathbf{o}^{(v)}$  as a 2-tuple  $\mathbf{o}^{(v)} := (c_o^{(v)}, \bar{q}_o^{(v)})$  where  $c_o^{(v)} \in \mathcal{C}$  specifies the commodity offered by  $P_v$  and  $\bar{q}_o^{(v)} \in \mathbb{N} \setminus \{0\}$  denotes the maximum quantity at which  $c_o^{(v)}$  is offered. Similarly, we model  $\mathbf{d}^{(v)} := (c_d^{(v)}, \underline{q}_d^{(v)})$  with  $c_d^{(v)} \in \mathcal{C}$  referring to  $P_v$ 's desired commodity and  $\underline{q}_d^{(v)} \in \mathbb{N} \setminus \{0\}$  indicating the minimum quantity at which this commodity is desired by  $P_v$ . With  $\mathbf{q}^{(v)}$  a party  $P_v$  indicates that it is *satisfied* with a trade if it receives at least  $\underline{q}_d^{(v)}$  units of commodity  $c_d^{(v)}$  and sends at most  $\bar{q}_o^{(v)}$  units of  $c_o^{(v)}$ . The *quantity ranges* of the offered and desired commodities of a party  $P_v$  are defined as  $Q_o^{(v)} := [1, \bar{q}_o^{(v)}]$  and  $Q_d^{(v)} := [\underline{q}_d^{(v)}, \infty]$ . We write  $q_{c_o^{(v)}}^{(v, v')}$  in order to indicate at which quantity  $P_{v'}$  will receive commodity  $c_o^{(v)}$  from  $P_v$  ( $v, v' \in \mathcal{P}$ ,  $v \neq v'$ ). To allow for an intuitive visualization, all further bartering terminology is defined in terms of graph theory. Figure 2 provides an example and shows how the terms build on each other.

For the set of quotes of all parties  $\mathbf{Q} := \{\mathbf{q}^{(1)}, \dots, \mathbf{q}^{(\iota)}\}$  a directed graph, referred to as *compatibility graph*  $G^C$ , can be constructed where each node is identified with a party index in  $\mathcal{P}$ . A directed edge  $(v, v')$  between two nodes  $v$  and  $v'$  indicates that condition  $(c_o^{(v)} = c_d^{(v')}) \wedge (\bar{q}_o^{(v)} \geq \underline{q}_d^{(v')})$  is satisfied, i.e., that  $P_v$  can satisfy the demand of  $P_{v'}$ . Formally, a compatibility graph is defined as follows:

**Definition 2.** (Compatibility Graph.) *For a given set of quotes  $\mathbf{Q} = \{\mathbf{q}^{(1)}, \dots, \mathbf{q}^{(\iota)}\}$  with  $\mathbf{q}^{(v)} = ((c_o^{(v)}, \bar{q}_o^{(v)}), (c_d^{(v)}, \underline{q}_d^{(v)}))$  with  $v \in \mathcal{P}$ , a compatibility graph  $G^C$  is a simple directed graph  $(V, E)$  with  $V := \{1, \dots, \iota\}$  and  $(v, v') \in E$  iff  $[(c_o^{(v)} = c_d^{(v')}) \wedge (\bar{q}_o^{(v)} \geq \underline{q}_d^{(v')})] = 1$  where  $v, v' \in \mathcal{P}$ ,  $v \neq v'$ .*

Let  $\text{deg}^+(v)$  ( $v \in V$ ) refer to the indegree of node  $v$  (resp., let  $\text{deg}^-(v)$  refer to the outdegree of node  $v$ ) and let  $\text{deg}(v) := \text{deg}^+(v) + \text{deg}^-(v)$ . Similarly as for a compatibility graph, the nodes of a *trade partner constellation graph*  $G^{\text{TPC}}$  are identified with the (same) party indices in  $\mathcal{P}$ . However, the edges of a trade partner constellation graph are generic as well as independent of any set of quotes  $\mathbf{Q}$  and for each node  $v$  it holds that it either has exactly one incoming and one outgoing edge (i.e.,  $\text{deg}^+(v) = \text{deg}^-(v) = 1$ ) or otherwise it is isolated (i.e.,  $\text{deg}(v) = 0$ ). Put differently, a trade partner constellation graph either indicates that a party  $P_v$  does not actively participate in the encoded constellation or specifies  $P_v$ 's trade partners. In the latter case,  $G^{\text{TPC}}$  determines exactly one party from which  $P_v$  receives some quantity of a commodity ( $P_v$ 's *offerer*) as well as exactly one party to which  $P_v$  has to send some quantity of a commodity ( $P_v$ 's *demand*). The definition of a trade partner constellation graph ensures that each party which sends some quantity of a commodity in turn receives some quantity of another commodity.

**Definition 3.** (Trade Partner Constellation Graph.) *A trade partner constellation graph  $G^{\text{TPC}}$  is a simple directed graph  $(V, E)$  with  $V := \{1, \dots, \iota\}$  and  $\forall v \in V : (\text{deg}^-(v) = 1 \wedge \text{deg}^+(v) = 1) \vee (\text{deg}(v) = 0)$ .*

An  $m$ -cycle in a compatibility graph or in a trade partner constellation graph is referred to as an *m-trade cycle*. To ensure that commodities can be traded according to the direction of the edges in a trade partner constellation graph, it has to be assured that the trade cycles are disjoint (also referred to as *simultaneously executable*). While a compatibility graph may contain multiple trade cycles of which some may not be simultaneously executable (e.g.,  $G^C$  in Figure 2 contains one 2-trade cycle and one 3-trade cycle but only one of them is executable at a time because  $P_1$  is involved in both cycles), a potential trade constellation graph corresponds to a subgraph of either one trade cycle or multiple simultaneously executable trade cycles (e.g.,  $G_1^{\text{PTPC}}$  and  $G_2^{\text{PTPC}}$  in Figure 2).

**Definition 4.** (Potential Trade Partner Constellation Graph.) *For a given set of quotes  $\mathbf{Q}$ , a trade partner constellation graph  $G^{\text{TPC}}$  is referred to as a potential trade partner constellation graph  $G^{\text{PTPC}}$  iff  $G^{\text{TPC}}$  is a subgraph of  $G^C$ , written*

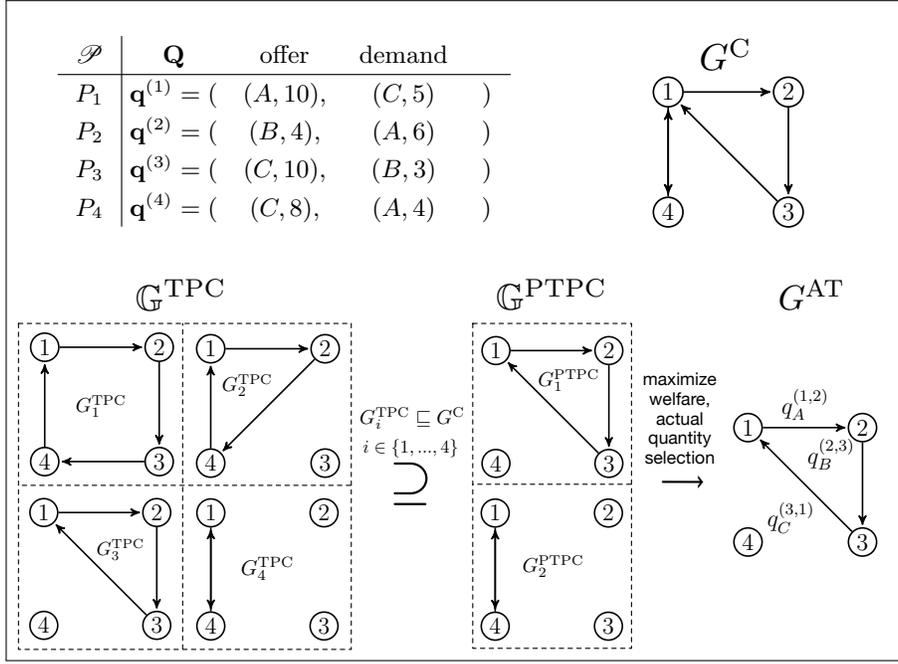


Fig. 2: Example for the bartering terms and their relations.

$$G^{TPC} \subseteq G^C.$$

We write  $\mathbb{G}^{TPC} := \{G_1^{TPC}, \dots, G_{|\mathbb{G}^{TPC}|}^{TPC}\}$  for a set of trade partner constellation graphs. For a given  $\mathbb{G}^{TPC}$  and  $G^C$ , the set of potential trade partner constellation graphs is denoted as  $\mathbb{G}^{PTPC}$ . According to Definition 4, it holds that  $\mathbb{G}^{PTPC} \subseteq \mathbb{G}^{TPC}$ .

**Definition 5.** (Welfare Function.) A welfare function  $\mathcal{W}(\cdot) : \mathbb{G}^{TPC} \rightarrow \mathbb{N} \cup \{0\}$  maps a trade partner constellation graph in  $\mathbb{G}^{TPC}$  to a welfare.

**Definition 6.** (Actual Trade Graph.) For a given set of quotes  $\mathbf{Q}$  and a welfare function  $\mathcal{W}$ , an actual trade graph  $G^{AT}$  corresponds to a potential trade partner constellation graph  $G^{PTPC}$  with maximum welfare drawn from  $\mathbb{G}^{PTPC}$ . Additionally, each edge  $(v, v')$  is associated with a weight  $q_{c_o^{(v)}}^{(v, v')}$  which specifies the actual quantity at which the actual commodity  $c_o^{(v)}$  is to be send from  $P_v$  to  $P_{v'}$ . We write  $G^{AT} \leftarrow_{\max_{\mathcal{W}}} \mathbb{G}^{PTPC}$  for the process of determining  $G^{AT}$  given  $\mathbb{G}^{PTPC}$ ,  $\mathcal{W}$ , and  $\mathbf{Q}$ .

For example, the welfare of a trade partner constellation graph  $G^{TPC} = (V, E)$  can be defined as the number of its edges  $\mathcal{W}(G^{TPC}) = |E|$  such that the selected actual trade graph maximizes the number of parties that can engage in the trade, i.e., exchange their commodities.

For matters of convenience, we define

$$N_o^{(v)}(G) := \begin{cases} u & \text{if } (u, v) \in E \\ 0 & \text{otherwise} \end{cases}$$

and

$$N_d^{(v)}(G) := \begin{cases} w & \text{if } (v, w) \in E \\ 0 & \text{otherwise} \end{cases}$$

where  $G = (V, E)$  is a potential trade partner constellation graph or an actual trade graph.  $N_o^{(v)}(G)$  (resp.,  $N_d^{(v)}(G)$ )

allows an easy access to the offerer (resp., demander) of  $P_v$ . Furthermore, we define

$$N_{o,d}^{(v)}(G) := (N_o^{(v)}(G), N_d^{(v)}(G)).$$

$N_{o,d}^{(v)}(G) = (0, 0)$  indicates that  $P_v$  is excluded from the underlying actual trade (or potential trade partner constellation). In Figure 2, for example,  $N_{o,d}^{(2)}(G_1^{PTPC}) = (1, 3)$  while  $N_{o,d}^{(4)}(G_1^{PTPC}) = (0, 0)$ . In the following, we write  $N_o^{(v)}$ ,  $N_d^{(v)}$ , and  $N_{o,d}^{(v)}$  whenever the corresponding graph  $G$  is apparent from the context.

## B. Intuition

In the following, we provide an intuition for our novel bartering protocol which allows the determining of an actual trade considering a publicly-known set of trade partner constellations in combination with a given set of parties and their private quotes while maximizing a welfare function that the parties agreed upon prior to executing the protocol. Upon the conclusion of the protocol, a party only learns its *local view* of the determined actual trade (and what can be derived from it in combination with its private input), i.e., its own trade partners and the actual commodities and quantities to be traded with them. Intuitively speaking, the novel bartering protocol (detailed in Section V) achieves this as follows: First, given their private quotes, the parties jointly determine an encrypted adjacency matrix representing the compatibility graph. Then, the parties jointly determine a corresponding encrypted matrix where an entry represents the quantity at which one of the respective parties would send the corresponding commodity to the other respective party based on the determined actual trade graph. Specifically, a quantity of zero indicates that the respective edge is not part of the actual trade graph, i.e., the

party does not send anything to the other party. In a third phase, the parties jointly determine an encrypted indicator vector where the  $j$ -th entry of the vector indicates whether the  $j$ -th trade partner constellation graph of the given publicly known set of trade partner constellation graphs is a subgraph of the private compatibility graph (defined by their private inputs) in an oblivious fashion. For a given trade partner constellation graph, this step can be implemented by having the parties obviously multiply together the respective entries of the adjacency matrix—where a resulting encryption of zero corresponds to the fact that this trade partner constellation graph is not a subgraph of the compatibility graph.<sup>1</sup> Subsequently, all parties then jointly generate one encrypted vector for each party. The  $j$ -th entry of such a vector encodes the trade partners of this party w.r.t. the  $j$ -th trade partner constellation graph as well as the corresponding quantities as determined earlier. In a final step, the protocol obviously selects an actual trade graph uniformly at random from amongst those trade constellation graphs that were previously determined to be a subgraph of the compatibility graph and each party (only) learns its local view of this actual trade.

#### IV. GATES

In this section, we review existing gates which have been integrated into the CDN framework (Section IV-A) and present new gates for privacy-preserving conditional random selection (Section IV-B) and for securely sampling random numbers from a private interval according to an arbitrary discrete distribution  $\mathcal{D}$  (Section IV-C). All these gates are used for the implementation of our novel bartering protocol. In the following, we first provide the gate functionality  $\mathcal{G}$  before presenting a gate  $\rho$  implementing  $\mathcal{G}$ . The broadcast and round complexities of the presented gates are provided in Table II. All protocols in this section provide security against malicious adversaries.

##### A. Existing Gates

**Definition 7.** ( $\mathcal{G}_{GT}$ : Secure Greater Than Comparison [7].) *Let all parties  $P_v$  ( $v \in \mathcal{P}$ ) hold  $\llbracket x_{bin} \rrbracket := (\llbracket x_0 \rrbracket, \dots, \llbracket x_m \rrbracket)$  and  $\llbracket y_{bin} \rrbracket := (\llbracket y_0 \rrbracket, \dots, \llbracket y_m \rrbracket)$  where  $x_{bin}$  with  $0 \leq x < 2^m$  (resp.,  $y_{bin}$ ) is the binary representation of  $x$  (resp.,  $y$ ). Then, gate functionality  $\mathcal{G}_{GT}$  is given by  $(\llbracket o \rrbracket) \leftarrow \mathcal{G}_{GT}((\llbracket x_{bin} \rrbracket, \llbracket y_{bin} \rrbracket))$ , where  $o = [x > y]$ .*

Given gate  $\rho_{GT}$ , it is straight-forward to derive the corresponding less than (LT), less than or equal (LTE), and greater than or equal (GTE) variants as well as a gate for private equality testing (EQ).

**Definition 8.** ( $\mathcal{G}_{RBVG}$ : Random Bitwise Value Generation [8].) *Let all parties  $P_v$  ( $v \in \mathcal{P}$ ) hold a public value  $a$  such that  $2^{l_a-1} < a \leq 2^{l_a}$ . Then, gate functionality  $\mathcal{G}_{RBVG}$  is given by  $(\llbracket r_0 \rrbracket, \dots, \llbracket r_{l_a-1} \rrbracket) \leftarrow \mathcal{G}_{RBVG}(a)$  where  $r_{bin} := (r_0, \dots, r_{l_a-1})$  is the bit representation of  $r$  with  $r \leftarrow_{\S} [0, a)$ .*

<sup>1</sup>To simplify the intuition, we defer the use of the welfare function to prioritize certain trade partner constellation graphs to Section V.

Gate	Broadcast Complexity	Round Complexity
$\rho_{Mult}$	$O(\iota s)$	$O(1)$
$\rho_{UFI-Mult}$	$O(n \iota s)$	$O(n)$
$\rho_{GT}$	$O(\iota s^2)$	$O(\log(s))$
$\rho_{RBVG}$	$O(\iota s l_a)$	$O(\iota)$
$\rho_{ES}$	$O(n \iota s)$	$O(n)$
$\rho_{CRS}^{i*}$	$O(n \iota s^2 + m n \iota s)$	$O(n(\iota + \log(s)) + mn)$
$\rho_{RSD}^{\omega_{\Delta}}$	$O(\omega_{\Delta} \iota s ( \mathcal{R}_{\omega_{\Delta}}  + \log( \mathcal{R}_{\omega_{\Delta}} )))$	$O(\omega_{\Delta}(\iota +  \mathcal{R}_{\omega_{\Delta}} ))$

TABLE II: Gate complexities.

**Definition 9.** ( $\mathcal{G}_{ES}$ : Element Selection [18].) *Let  $N = p \cdot q$  be the Paillier modulus and let all parties  $P_v$  ( $v \in \mathcal{P}$ ) hold encryptions  $\llbracket y_1 \rrbracket, \dots, \llbracket y_n \rrbracket$  and  $\llbracket w \rrbracket$  with  $n < \min(p, q)$  and  $w \in \mathbb{N}_n \subset \mathbb{P}$ . Then, gate functionality  $\mathcal{G}_{ES}$  is given by  $(\llbracket y_w \rrbracket) \leftarrow \mathcal{G}_{ES}((\llbracket y_1 \rrbracket, \dots, \llbracket y_n \rrbracket, \llbracket w \rrbracket))$ .*

Gates implementing  $\mathcal{G}_{GT}$  and  $\mathcal{G}_{RBVG}$  have been proposed in [7] and [8], respectively. We write  $\rho_{RBVG}^{int}$  to refer to the variant of gate  $\rho_{RBVG}$  which provides output  $\llbracket r \rrbracket$  instead of  $(\llbracket r_0 \rrbracket, \dots, \llbracket r_{l_a-1} \rrbracket)$  (cf. Definition 8). A gate implementing gate functionality  $\mathcal{G}_{ES}$  has been introduced recently in [18].

Analogously to [18], we define  $(\llbracket x_1 \cdot x_2 \cdot \dots \cdot x_n \rrbracket) \leftarrow \rho_{UFI-Mult}((\llbracket x_1 \rrbracket, \dots, \llbracket x_n \rrbracket))$  (Unbound Fan In Multiplication) by subsequently executing gate  $\rho_{Mult}$   $n - 1$  times (see Section II-D).

##### B. Privacy-Preserving Conditional Random Selection

The primitive of privacy-preserving conditional random selection has first been introduced in [14]. Given a private set of data records, CRS allows for the random selection of one of the data records that satisfies a specified condition without leaking any information on any data entry. Since the gates from [14] only provide security in the semi-honest model, we can not use them in the context of this paper. Consequently, we have to design a new gate implementing the primitive of conditional random selection with security in the malicious model.

As in [14], our CRS gate operates on encrypted value vectors and an associated encrypted indicator vector. The entries of these vectors at a specific index represent a data record; multiple data records constitute a data table. A binary indicator vector can be used to indicate whether or not the data records satisfy a specified condition. As discussed in [14], by using an integer valued indicator vector, CRS allows for a prioritization of data records. Accordingly, an indicator vector entry indicates whether the corresponding data record satisfies the specified condition (if greater than zero) and indicates its priority (the higher the value, the higher the priority of the data record).

**Definition 10.** ( $\mathcal{G}_{CRS}^{i*}$ : Conditional Random Selection). *Let  $P_v$  ( $\forall v \in \mathcal{P}$ ) hold  $m$  vectors  $\llbracket L_i \rrbracket := (\llbracket l_{i,1} \rrbracket, \dots, \llbracket l_{i,n} \rrbracket)$  of length  $n$  where  $i \in \mathbb{N}_m$ . Let  $\llbracket L_{i^*} \rrbracket$  ( $i^* \in \mathbb{N}_m$ ) be an encrypted indicator vector and  $\{\llbracket L_1 \rrbracket, \dots, \llbracket L_m \rrbracket\} \setminus \llbracket L_{i^*} \rrbracket$  be value vectors. Then, functionality  $\mathcal{G}_{CRS}^{i*}$  is given by  $(\llbracket l_1^* \rrbracket, \dots, \llbracket l_m^* \rrbracket) \leftarrow \mathcal{G}_{CRS}^{i*}((\llbracket L_1 \rrbracket, \dots, \llbracket L_m \rrbracket))$  with  $l_i^* := Rnd(\llbracket l_{i,j^*} \rrbracket)$  ( $\forall i \in \mathbb{N}_m$ ) where  $j^* \leftarrow_{\S} \{j \in \mathbb{N}_n : l_{i^*,j} = \max(l_{i^*,1}, \dots, l_{i^*,n})\}$ .*

$i$	$f(l; i) (\forall l \in [0, i])$	$\mathcal{R}_i$
0	$Pr[x=0] = 1$	$\mathcal{R}_0 = (0)$
1	$Pr[x=0] = Pr[x=1] = 1/2$	$\mathcal{R}_1 = (0, 1)$
2	$Pr[x=0] = Pr[x=2] = 1/4; Pr[x=1] = 1/2$	$\mathcal{R}_2 = (0, 1, 1, 2)$
3	$Pr[x=0] = Pr[x=3] = 1/8; Pr[x=1] = Pr[x=2] = 3/8$	$\mathcal{R}_3 = (0, 1, 1, 1, 2, 2, 2, 3)$
4	$Pr[x=0] = Pr[x=4] = 1/16; Pr[x=1] = Pr[x=3] = 1/4; Pr[x=2] = 3/8$	$\mathcal{R}_4 = (0, 1, 1, 1, 1, 2, 2, 2, 2, 2, 2, 3, 3, 3, 4)$

TABLE I: Construction of  $\mathcal{R}_i$  for  $\mathcal{D} := \mathcal{B}$  and  $\omega_\Delta = 4$  ( $i \in \mathbb{N}_{\omega_\Delta}^0$ ).

Due to space limitations, we outsource the implementation details along with the corresponding security proof of gate  $\rho_{CRS}^*$  to the extended version of this paper [16].

### C. Secure Random Sampling

Next, we devise a novel gate which allows the random sampling of values from a private positive integer interval  $I = [\lambda, \mu]$  with interval width  $\Delta := \mu - \lambda$  that are distributed according to a (arbitrary) given discrete probability distribution  $\mathcal{D}$  defined by a *probability mass function*  $f_{\mathcal{D}, I}(l; \Delta) = Pr(x = I[l+1])$  ( $l \in \mathbb{N}_\Delta^0$ ) where  $I[l+1]$  refers to the  $(l+1)$ -st smallest element in  $I$  w.r.t.  $\leq$ . Note that  $\mathcal{D}$  describes the distribution of the elements in  $I$  relatively to the interval bounds of  $I$ . In our bartering protocol this gate is used to enable the selection of the quantities of the commodities to be traded. Definition 11 captures the desired functionality.

**Definition 11.** ( $\mathcal{G}_{RSI-D}^{\omega_\Delta}$ : Random Sampling from a Private Interval According to Discrete Distribution  $\mathcal{D}$ ) *Let all parties  $P_v$  ( $v \in \mathcal{P}$ ) hold the encrypted interval bounds  $\llbracket \lambda \rrbracket, \llbracket \mu \rrbracket$  of an unknown integer interval  $[\lambda, \mu]$  with  $0 \leq \llbracket \lambda, \mu \rrbracket \leq \omega_\Delta$ . Then, functionality  $\mathcal{G}_{RSI-D}^{\omega_\Delta}$  is given by  $(\llbracket e \rrbracket) \leftarrow \mathcal{G}_{RSI-D}^{\omega_\Delta}(\llbracket \lambda \rrbracket, \llbracket \mu \rrbracket)$ , where  $\llbracket e \rrbracket$  is such that  $e \leftarrow_{\mathcal{D}} [\lambda, \mu]$  and  $\mathcal{D}, \omega_\Delta$  are publicly known.*

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Gate 1.  $\rho_{RSI-D}^{\omega_\Delta}$  for randomly sampling from a private interval according to distribution  $\mathcal{D}$  ( $v \in \mathcal{P}$ ).

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**Input:**  $P_v$  holds  $\llbracket \lambda \rrbracket, \llbracket \mu \rrbracket, \omega_\Delta, \llbracket \mathcal{R}_0 \rrbracket, \dots, \llbracket \mathcal{R}_{\omega_\Delta} \rrbracket$

**Output:**  $P_v$  outputs  $\llbracket e \rrbracket$

- 1  $\llbracket \Delta \rrbracket := \llbracket \mu \rrbracket -_h \llbracket \lambda \rrbracket$
  - 2 For  $i$  from 0 to  $\omega_\Delta$ :
    - 2.1  $(\llbracket x_i \rrbracket) \leftarrow \rho_{RBVG}^{\text{int}}(|\mathcal{R}_i|)$
    - 2.2  $(\llbracket y_i \rrbracket) \leftarrow \rho_{ES}(\llbracket r_{i,0} \rrbracket, \dots, \llbracket r_{i,|\mathcal{R}_i|-1} \rrbracket, \llbracket x_i \rrbracket)$
  - 3  $(\llbracket e_\Delta \rrbracket) \leftarrow \rho_{ES}(\llbracket y_0 \rrbracket, \dots, \llbracket y_{\omega_\Delta} \rrbracket, \llbracket \Delta \rrbracket)$
  - 4  $\llbracket e \rrbracket := \llbracket e_\Delta \rrbracket +_h \llbracket \lambda \rrbracket$
- 

Gate  $\rho_{RSI-D}^{\omega_\Delta}$  implementing  $\mathcal{G}_{RSI-D}^{\omega_\Delta}$  is presented in Gate 1. The problem of computing  $\llbracket e \rrbracket$  with  $e \leftarrow_{\mathcal{D}} [\lambda, \mu]$  is reduced to the problem of computing an element  $e_\Delta \leftarrow_{\mathcal{D}} [0, \Delta]$  with  $\Delta := \mu - \lambda$ . Then,  $\llbracket e \rrbracket$  is obtained by computing  $\llbracket e_\Delta \rrbracket +_h \llbracket \lambda \rrbracket$ . The key idea is to generate  $\omega_\Delta + 1$  encrypted lists  $\llbracket \mathcal{R}_0 \rrbracket, \dots, \llbracket \mathcal{R}_{\omega_\Delta} \rrbracket$  with

$$\begin{aligned} \llbracket \mathcal{R}_i \rrbracket &:= (\llbracket r_{i,0} \rrbracket, \llbracket r_{i,1} \rrbracket, \dots, \llbracket r_{i,|\mathcal{R}_i|-1} \rrbracket) \\ &= (\llbracket 0 \rrbracket, \overset{j_0}{\cdot}, \llbracket 0 \rrbracket, \llbracket 1 \rrbracket, \overset{j_1}{\cdot}, \llbracket 1 \rrbracket, \dots, \llbracket i \rrbracket, \overset{j_i}{\cdot}, \llbracket i \rrbracket), \end{aligned}$$

where  $i \in \mathbb{N}_{\omega_\Delta}^0$  and  $j_l, |\mathcal{R}_i|$  ( $l \in \mathbb{N}_i^0$ ) s.t.  $j_l/|\mathcal{R}_i| = f_{\mathcal{D}}(l; i)$ . For each of these encrypted lists the parties obliviously select

a single entry by calling  $(\llbracket x_i \rrbracket) \leftarrow \rho_{RBVG}^{\text{int}}(|\mathcal{R}_i|)$ . A subsequent call of  $\rho_{ES}$  on input  $(\llbracket r_{i,0} \rrbracket, \dots, \llbracket r_{i,|\mathcal{R}_i|-1} \rrbracket, \llbracket x_i \rrbracket)$  allows the parties to obviously obtain the encrypted  $x_i$ -th entry of  $\mathcal{R}_i$ . The resulting ciphertexts  $\llbracket y_0 \rrbracket, \dots, \llbracket y_{\omega_\Delta} \rrbracket$  are such that  $y_i \leftarrow_{\mathcal{S}} \mathcal{R}_i$  and thus  $y_i \leftarrow_{\mathcal{D}} [0, i]$ . Next, the parties jointly call gate  $\rho_{ES}$  on input  $(\llbracket y_0 \rrbracket, \dots, \llbracket y_{\omega_\Delta} \rrbracket, \llbracket \Delta \rrbracket)$  and obtain  $\llbracket e_\Delta \rrbracket$  where  $e_\Delta \leftarrow_{\mathcal{D}} [0, \Delta]$ . Finally, each party locally computes  $\llbracket e \rrbracket := \llbracket e_\Delta \rrbracket +_h \llbracket \lambda \rrbracket$  which constitutes the output of the gate.

Assuming that for a given gate the lists  $\mathcal{R}_0, \dots, \mathcal{R}_{\omega_\Delta}$  are fixed,  $\llbracket \mathcal{R}_0 \rrbracket, \dots, \llbracket \mathcal{R}_{\omega_\Delta} \rrbracket$  can be considered to be publicly known pre-computed gate input. In the following, we provide an example for gate  $\rho_{RSI-D}^{\omega_\Delta}$  with private input interval  $[3, 5]$  where  $\mathcal{D}$  is instantiated with the *binomial distribution*  $\mathcal{B}$ .

**Example 1.** Let  $I = [\lambda, \mu] = [3, 5]$  and let  $\omega_\Delta = 4$ . Furthermore, let  $\mathcal{D}$  be instantiated with the binomial distribution (with success probability 0.5) given by the *probability mass function*

$$f_{\mathcal{B}, I}(l; \Delta) = Pr[x = I[l+1]] = \binom{\Delta}{l} 0.5^l (1 - 0.5)^{\Delta-l}$$

with  $l \in \mathbb{N}_\Delta^0$ . Then,  $\mathcal{R}_0, \dots, \mathcal{R}_4$  with  $|\mathcal{R}_i| = 2^i$  ( $i \in \mathbb{N}_\Delta^0$ ) are as specified in Table I. After determining  $\llbracket \Delta \rrbracket := \llbracket 2 \rrbracket$ , in Step 2 of Gate 1,  $\llbracket y_0 \rrbracket, \dots, \llbracket y_4 \rrbracket$  are jointly computed where  $y_i \leftarrow_{\mathcal{B}} [0, i]$ . The probabilities for  $y_i = l$  ( $l \in \mathbb{N}_i^0$ ) are given in Table I. In Step 3, the parties obliviously compute  $\llbracket e_\Delta \rrbracket$  with  $e_\Delta := y_\Delta$ . Consequently, after locally computing  $\llbracket e \rrbracket := \llbracket e_\Delta \rrbracket +_h \llbracket \lambda \rrbracket$ , it holds that  $Pr[e=3] = Pr[e=5] = 1/4$  and  $Pr[e=4] = 1/2$ .

Due to the construction of  $\mathcal{R}_0, \dots, \mathcal{R}_{\omega_\Delta}$  and under the assumption that  $0 \leq \mu - \lambda \leq \omega_\Delta$ , it holds that gate output  $\llbracket e \rrbracket$  is selected as  $e \leftarrow_{\mathcal{D}} [\lambda, \mu]$ . The broadcast complexity of  $\rho_{RSI-D}^{\omega_\Delta}$  is in  $O(\omega_\Delta \iota_{\mathcal{S}}(|\mathcal{R}_{\omega_\Delta}| + \log(|\mathcal{R}_{\omega_\Delta}|)))$  and the round complexity is in  $O(\omega_\Delta (\iota + |\mathcal{R}_{\omega_\Delta}|))$ .

**Theorem 2.** Let  $\omega_\Delta, \mathcal{R}_0, \dots, \mathcal{R}_{\omega_\Delta}, \lambda^{(0)}, \lambda^{(1)}, \mu^{(0)}, \mu^{(1)}$ , and  $\llbracket b \rrbracket$  be given to the simulator. For input  $\llbracket \tilde{\lambda} \rrbracket := \llbracket (1-b)\lambda^{(0)} + b\lambda^{(1)} \rrbracket$  and  $\llbracket \tilde{\mu} \rrbracket := \llbracket (1-b)\mu^{(0)} + b\mu^{(1)} \rrbracket$ , gate  $\rho_{RSI-D}^{\omega_\Delta}$  can be simulated such that the simulated view is statistically indistinguishable from the real view.

*Proof.* First, the simulator computes  $\llbracket \tilde{\Delta} \rrbracket := \llbracket (1-b)\Delta^{(0)} + b\Delta^{(1)} \rrbracket$  with  $\Delta^{(0)} := \mu^{(0)} - \lambda^{(0)}$  and  $\Delta^{(1)} := \mu^{(1)} - \lambda^{(1)}$ . The  $\omega_\Delta + 1$  calls of  $\rho_{RBVG}^{\text{int}}$  and  $\rho_{ES}$  can be simulated by calling the simulator of  $\rho_{RBVG}^{\text{int}}$  on input  $\llbracket b \rrbracket, |\mathcal{R}_i|, x_i^{(0)}, x_i^{(1)}$  where  $x_i^{(0)}, x_i^{(1)} \leftarrow_{\mathcal{S}} [0, |\mathcal{R}_i|]$  and by calling the simulator of  $\rho_{ES}$  on input  $\llbracket b \rrbracket, x_i^{(0)}, x_i^{(1)}, \mathcal{R}_i = (r_{i,0}, r_{i,1}, \dots, r_{i,|\mathcal{R}_i|-1})$ . The output of  $\rho_{ES}$  is set to  $\llbracket \tilde{y}_i \rrbracket := \llbracket (1-b)y_i^{(0)} + by_i^{(1)} \rrbracket$  where  $y_i^{(0)} := r_{i, x_i^{(0)}}$  and  $y_i^{(1)} := r_{i, x_i^{(1)}}$ . Step 3 of Gate 1 can be

simulated by calling the simulator of  $\rho_{ES}$  on inputs  $\llbracket b \rrbracket, \Delta^{(0)}, \Delta^{(1)}, y_i^{(0)}, y_i^{(1)}$  ( $\forall i \in \mathbb{N}_{\omega_\Delta}^0$ ). The output of  $\rho_{ES}$  is computed as  $\llbracket \tilde{e}_\Delta \rrbracket := \llbracket (1-b)y_{\Delta^{(0)}}^{(0)} + by_{\Delta^{(1)}}^{(1)} \rrbracket$ . Finally, the simulator computes  $\llbracket \tilde{e} \rrbracket := \llbracket (1-b)(y_{\Delta^{(0)}}^{(0)} + \lambda^{(0)}) + b(y_{\Delta^{(1)}}^{(1)} + \lambda^{(1)}) \rrbracket$ . Since the simulated values are consistent with those of a real gate execution, the simulated view and the real view are statistically indistinguishable.  $\square$

## V. MULTI-PARTY BARTERING PROTOCOL

In the following, we introduce our novel privacy-preserving multi-party bartering protocol. In the extended version of this paper [16], we provide an example of how the bartering protocol works with four parties and their given quotes.

**Definition 12.** ( $\mathcal{F}_{MB}^{(\mathcal{W}, \mathcal{D})}$ : Multi-Party Bartering.) *Let party  $P_v$  hold its private input  $\mathbf{q}^{(v)}$  ( $\forall v \in \mathcal{P}$ ). Furthermore, let  $\mathbb{G}^{TPC}$  be a publicly known arbitrary non-empty set of trade partner constellations graphs for  $\iota$  parties, let  $\mathcal{D}$  be a publicly known arbitrary discrete distribution, and let  $\mathcal{W}(\cdot) : \mathbb{G}^{TPC} \rightarrow \mathbb{N} \cup \{0\}$  be a publicly known arbitrary welfare function. Then, functionality  $\mathcal{F}_{MB}^{(\mathcal{W}, \mathcal{D})}$  is defined as*

$$\left. \begin{array}{l} (o_1, \dots, o_\iota) \quad \text{if } \mathbb{G}^{PTPC} \neq \emptyset \\ (0) \quad \text{otherwise} \end{array} \right\} \leftarrow \mathcal{F}_{MB}^{(\mathcal{W}, \mathcal{D})}(\mathbf{q}^{(1)}, \dots, \mathbf{q}^{(\iota)}, \mathbb{G}^{TPC})$$

with

$$\begin{aligned} o_v &:= (N_{o,d}^{(v)}(G^{AT}), q_{c_o^{(N_o^{(v)})}}^{(N_o^{(v)}, v)}, q_{c_o^{(v)}}^{(v, N_d^{(v)})}), \\ G^{AT} &\leftarrow_{max_{\mathcal{W}}} \mathbb{G}^{PTPC} \subseteq \mathbb{G}^{TPC}, \text{ and} \\ q_{c_o^{(v)}}^{(v, N_d^{(v)})} &\leftarrow_{\mathcal{D}} Q_o^{(v)} \cap Q_d^{(N_d^{(v)})}. \end{aligned}$$

In an ideal world where a trusted third party exists, functionality  $\mathcal{F}_{MB}^{(\mathcal{W}, \mathcal{D})}$  can be computed as follows: Each party  $P_v$  ( $v \in \mathcal{P}$ ) sends its private input  $\mathbf{q}^{(v)}$  to the trusted third party which additionally is given the public set of trade partner constellation graphs  $\mathbb{G}^{TPC}$ , the public welfare function  $\mathcal{W}$ , and the public discrete distribution  $\mathcal{D}$ . With the knowledge of  $\mathbf{Q} = \{\mathbf{q}^{(1)}, \dots, \mathbf{q}^{(\iota)}\}$ , the trusted third party then locally computes  $\mathbb{G}^{PTPC} \subseteq \mathbb{G}^{TPC}$ . In case that  $\mathbb{G}^{PTPC} \neq \emptyset$ , the trusted third party selects a random potential trade partner constellation graph  $G^{PTPC} = (V, E)$  with maximum welfare, selects  $q_{c_o^{(v)}}^{(v, w)} \leftarrow_{\mathcal{D}} Q_o^{(v)} \cap Q_d^{(w)}$  for each pair of edges  $(u, v), (v, w) \in E$ , and sends  $(N_{o,d}^{(v)}(G^{AT}), q_{c_o^{(u)}}^{(u, v)}, q_{c_o^{(v)}}^{(v, w)})$  to party  $P_v$ . Otherwise, the trusted third party returns  $\emptyset$  to all parties.

In the real world, where no trusted party exists, protocol  $\pi_{MB}^{(\mathcal{W}, \mathcal{D})}$  (see Protocol 1) is executed in order to compute functionality  $\mathcal{F}_{MB}^{(\mathcal{W}, \mathcal{D})}$ . Following the intuition provided in Section III,  $\pi_{MB}^{(\mathcal{W}, \mathcal{D})}$  can be split up into the following phases:

*Input Phase:*  $P_v$  ( $\forall v \in \mathcal{P}$ ) holds private input  $\mathbf{q}^{(v)} = ((c_o^{(v)}, \bar{q}_o^{(v)}), (c_d^{(v)}, q_d^{(v)}))$ .  $\pi_{MB}^{(\mathcal{W}, \mathcal{D})}$  is composed of gates expecting encrypted integer inputs as well as of gates expecting encrypted binary inputs. In order to reduce the calls of the expensive  $\rho_{BR}$  gate, we require

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Protocol 1.  $\pi_{MB}^{(\mathcal{W}, \mathcal{D})}$  for obliviously selecting an actual trade.

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**Input:**  $P_v$  holds private input  $\mathbf{q}^{(v)}$  ( $v \in \mathcal{P}$ )

**Output:**  $P_v$  outputs

$$o_v := \begin{cases} (N_{o,d}^{(v)}(G^{AT}), q_{c_o^{(N_o^{(v)})}}^{(N_o^{(v)}, v)}, q_{c_o^{(v)}}^{(v, N_d^{(v)})}) & \text{if } \mathbb{G}^{PTPC} \neq \emptyset \\ 0 & \text{otherwise} \end{cases}$$

### 1 Input Phase

1.1  $((\llbracket \mathbf{q}^{(1)} \rrbracket), \llbracket \mathbf{q}_{bin}^{(1)} \rrbracket, \dots, \llbracket \mathbf{q}^{(\iota)} \rrbracket, \llbracket \mathbf{q}_{bin}^{(\iota)} \rrbracket)) \leftarrow \text{InputPhase}(\mathbf{q}^{(1)}, \dots, \mathbf{q}^{(\iota)})$

### 2 Construction Phase

2.1 For each  $P_v$  ( $v \in \mathcal{P}$ ):

2.1.1 For each  $P_{v'}$  ( $v' \in \mathcal{P} \setminus \{v\}$ ):

2.1.1.1  $(\llbracket b_1 \rrbracket) \leftarrow \rho_{EQ}(\llbracket (c_o^{(v)})_{bin} \rrbracket, \llbracket (c_d^{(v')})_{bin} \rrbracket)$

2.1.1.2  $(\llbracket b_2 \rrbracket) \leftarrow \rho_{GTE}(\llbracket (\bar{q}_o^{(v)})_{bin} \rrbracket, \llbracket (q_d^{(v')})_{bin} \rrbracket)$

2.1.1.3  $(\llbracket a_{v,v'} \rrbracket) \leftarrow \rho_{Mult}(\llbracket b_1 \rrbracket, \llbracket b_2 \rrbracket)$

### 3 Negotiation Phase

3.1 For each  $P_v$  ( $v \in \mathcal{P}$ ):

3.1.1 For each  $P_{v'}$  ( $v' \in \mathcal{P} \setminus \{v\}$ ):

3.1.1.1  $(\llbracket \bar{q}_o^{(v)} \rrbracket) \leftarrow \rho_{Mult}(\llbracket (\bar{q}_o^{(v)}) \rrbracket, \llbracket a_{v,v'} \rrbracket)$ ,

$(\llbracket q_d^{(v')} \rrbracket) \leftarrow \rho_{Mult}(\llbracket (q_d^{(v')}) \rrbracket, \llbracket a_{v,v'} \rrbracket)$

3.1.1.2  $\llbracket a'_{v,v'} \rrbracket := (\llbracket q_{c_o^{(v)}}^{(v, v')} \rrbracket) \leftarrow \rho_{RSI-D}^\omega(\llbracket \bar{q}_d^{(v')} \rrbracket, \llbracket \bar{q}_o^{(v)} \rrbracket)$

3.1.2  $\llbracket a'_{v,0} \rrbracket, \llbracket a'_{0,v} \rrbracket := \llbracket 0 \rrbracket$

### 4 Evaluation Phase

4.1 For each  $G_j^{TPC} = (V, E) \in \mathbb{G}^{TPC}$  with  $(v_i, v'_i) \in E$  and  $j \in \mathbb{N}_{|\mathbb{G}^{TPC}|}, i \in \mathbb{N}_{|E|}$ :

4.1.1  $(\llbracket e_j \rrbracket) \leftarrow \rho_{UFI-Mult}(\llbracket a_{v_1, v'_1} \rrbracket, \dots, \llbracket a_{v_{|E|}, v'_{|E|}} \rrbracket)$

4.2 Each party sets  $\llbracket L \rrbracket := (\llbracket e_1 \rrbracket, \dots, \llbracket e_{|\mathbb{G}^{TPC}|} \rrbracket)$

### 5 Prioritization Phase

5.1 Each party locally computes

$$\llbracket L_0 \rrbracket := (\llbracket e_1 \rrbracket \times_h \mathcal{W}(G_1^{TPC}), \dots, \llbracket e_{|\mathbb{G}^{TPC}|} \rrbracket \times_h \mathcal{W}(G_{|\mathbb{G}^{TPC}|}^{TPC}))$$

### 6 Mapping Phase

6.1 All parties jointly generate  $\llbracket L_1 \rrbracket, \dots, \llbracket L_\iota \rrbracket$  where

$$\llbracket L_1 \rrbracket := (\llbracket N_{o,d}^{(1)}(G_1^{TPC}) \rrbracket \parallel_h \llbracket a'_{N_o^{(1)}, 1} \rrbracket \parallel_h \llbracket a'_{1, N_d^{(1)}} \rrbracket,$$

$$\dots, \llbracket N_{o,d}^{(1)}(G_{|\mathbb{G}^{TPC}|}^{TPC}) \rrbracket \parallel_h \llbracket a'_{N_o^{(1)}, 1} \rrbracket \parallel_h \llbracket a'_{1, N_d^{(1)}} \rrbracket$$

⋮

$$\llbracket L_\iota \rrbracket := (\llbracket N_{o,d}^{(\iota)}(G_\iota^{TPC}) \rrbracket \parallel_h \llbracket a'_{N_o^{(\iota)}, \iota} \rrbracket \parallel_h \llbracket a'_{\iota, N_d^{(\iota)}} \rrbracket,$$

$$\dots, \llbracket N_{o,d}^{(\iota)}(G_{|\mathbb{G}^{TPC}|}^{TPC}) \rrbracket \parallel_h \llbracket a'_{N_o^{(\iota)}, \iota} \rrbracket \parallel_h \llbracket a'_{\iota, N_d^{(\iota)}} \rrbracket)$$

### 7 Selection Phase

7.1  $(\llbracket l_0^* \rrbracket, \llbracket l_1^* \rrbracket, \dots, \llbracket l_\iota^* \rrbracket) \leftarrow \rho_{CRS}^{i^* = 0}(\llbracket L_0 \rrbracket, \llbracket L_1 \rrbracket, \dots, \llbracket L_\iota \rrbracket)$

7.2  $(\llbracket b \rrbracket) \leftarrow \rho_{EQ}(\llbracket l_0^* \rrbracket, \llbracket 0 \rrbracket)$

7.3 For  $v$  from 1 to  $\iota$ :

7.3.1  $(\llbracket o_v \rrbracket) \leftarrow \rho_{Mult}(\llbracket [1-b] \rrbracket, \llbracket l_v^* \rrbracket)$

### 8 Output Phase

8.1  $(o_1, \dots, o_\iota) \leftarrow \text{OutputPhase}(\llbracket o_1 \rrbracket, \dots, \llbracket o_\iota \rrbracket)$

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that all parties commit their private input as encrypted integers  $\llbracket \mathbf{q}^{(v)} \rrbracket := ((\llbracket c_o^{(v)} \rrbracket, \llbracket \bar{q}_o^{(v)} \rrbracket), (\llbracket c_d^{(v)} \rrbracket, \llbracket q_d^{(v)} \rrbracket))$  as well as encrypted bit decompositions  $\llbracket \mathbf{q}_{bin}^{(v)} \rrbracket := ((\llbracket (c_o^{(v)})_{bin} \rrbracket, \llbracket (\bar{q}_o^{(v)})_{bin} \rrbracket), (\llbracket (c_d^{(v)})_{bin} \rrbracket, \llbracket (q_d^{(v)})_{bin} \rrbracket))$ . Thus, it is not sufficient that all parties just mutually prove plaintext knowledge of their committed input. Instead,  $P_v$  has to also prove the consistency of its committed input to guarantee the correctness of the protocol output. More precisely,  $P_v$  has to perform the following proofs which can be accomplished as

described in [18]:

- 1.)  $P_v$  has to prove that it knows the plaintexts of  $\llbracket c_o^{(v)} \rrbracket, \llbracket c_d^{(v)} \rrbracket, \llbracket \bar{q}_o^{(v)} \rrbracket, \llbracket \underline{q}_d^{(v)} \rrbracket$ .
- 2.)  $P_v$  has to prove that each  $\llbracket (c_o^{(v)})_{\text{bin}} \rrbracket, \llbracket (c_d^{(v)})_{\text{bin}} \rrbracket, \llbracket (\bar{q}_o^{(v)})_{\text{bin}} \rrbracket, \llbracket (\underline{q}_d^{(v)})_{\text{bin}} \rrbracket$  is a tuple of encrypted bits.
- 3.)  $P_v$  has to prove that  $\llbracket (c_o^{(v)})_{\text{bin}} \rrbracket, \llbracket (c_d^{(v)})_{\text{bin}} \rrbracket, \llbracket (\bar{q}_o^{(v)})_{\text{bin}} \rrbracket, \llbracket (\underline{q}_d^{(v)})_{\text{bin}} \rrbracket$  are in fact the encrypted bit decompositions of  $\llbracket c_o^{(v)} \rrbracket, \llbracket c_d^{(v)} \rrbracket, \llbracket \bar{q}_o^{(v)} \rrbracket, \llbracket \underline{q}_d^{(v)} \rrbracket$ , respectively.

*Construction Phase:* Based on their quotes, all parties jointly construct the encrypted adjacency matrix  $\llbracket A \rrbracket := (\llbracket a_{v,v'} \rrbracket)_{\iota \times \iota}$  of compatibility graph  $G^C$  with  $a_{v,v'} := [(c_o^{(v)} = c_d^{(v')}) \wedge (\bar{q}_o^{(v)} \geq \underline{q}_d^{(v')})]$  for  $v, v' \in \mathcal{P}$ , and  $v \neq v'$ . The ciphertext  $\llbracket [(c_o^{(v)} = c_d^{(v')}) \wedge (\bar{q}_o^{(v)} \geq \underline{q}_d^{(v')})] \rrbracket$  is computed in three steps (see Steps 2.1.1.1 - 2.1.1.3, Protocol 1).

*Negotiation Phase:* All parties jointly compute a second encrypted matrix  $\llbracket A' \rrbracket := (\llbracket a'_{v,v'} \rrbracket)_{\iota \times \iota}$  where  $a'_{v,v'}$  ( $v \neq v'$ ) corresponds to the quantity of commodity  $c_o^{(v)}$  which  $P_v$  has to send to  $P_{v'}$  provided that  $(v, v')$  is an edge in the selected actual trade graph  $G^{\text{AT}}$ . In order to determine a matrix entry  $\llbracket a'_{v,v'} \rrbracket$ , the parties jointly execute gate  $\rho_{\text{RSI-D}}^{\omega \Delta}$  on inputs  $\bar{q}_o^{(v)}$  and  $\underline{q}_d^{(v')}$  which are computed as  $\rho_{\text{Mult}}(\llbracket \bar{q}_o^{(v)} \rrbracket, \llbracket a_{v,v'} \rrbracket)$  and  $\rho_{\text{Mult}}(\llbracket \underline{q}_d^{(v')} \rrbracket, \llbracket a_{v,v'} \rrbracket)$ , respectively, in Step 3.1.1.1. The two joint calls of the multiplication gate are necessary in order to prevent that gate  $\rho_{\text{RSI-D}}^{\omega \Delta}$  is called on invalid input which occurs if  $\bar{q}_o^{(v)} < \underline{q}_d^{(v')}$ . In this case,  $\bar{q}_o^{(v)} = \underline{q}_d^{(v')} = 0$  and  $\rho_{\text{RSI-D}}^{\omega \Delta}$  returns a fresh encryption of zero. Note that due to the fact that it is necessary to hide the edges of  $G^C$ ,  $\rho_{\text{RSI-D}}^{\omega \Delta}$  has to be executed for each pair of parties. In order to cover the case where for a trade partner constellation graph  $G^{\text{TPC}}$  there are some parties  $P_v$  with  $N_{o,d}^{(v)}(G^{\text{TPC}}) = (0, 0)$ , the parties jointly generate dummy encryptions of zero (see Step 3.1.2) which can be used as a placeholder in the mapping phase. Eventually, these placeholders indicate that for a party without any trading partners there is nothing to exchange. Using gate  $\rho_{\text{RSI-D}}^{\omega \Delta}$  to determine the quantities of commodities that are to be exchanged w.r.t. the selected actual trade provides for a flexible solution for negotiation since the parties can jointly agree on  $\mathcal{D}$  before the protocol is executed. For example, by setting  $\mathcal{D}$  to the binomial distribution, the probability of selecting imbalanced quantities (i.e., a party makes a good deal at the expense of another party) can be reduced which can occur in the bartering protocols from [5] and [15] where the quantities are selected uniformly at random from the corresponding overlap intervals (for details see [18]).

*Evaluation Phase:* For each  $G_j^{\text{TPC}} = (V, E) \in \mathbb{G}^{\text{TPC}}$  ( $j \in \mathbb{N}_{\mathbb{G}^{\text{TPC}}}$ ), the parties obviously check whether or not  $G_j^{\text{TPC}} \subseteq G^C$  by calling  $\rho_{\text{UFI-Mult}}$  on input  $(\llbracket a_{v_1,v'_1} \rrbracket, \dots, \llbracket a_{v_{|E|},v'_{|E|}} \rrbracket)$  with  $(v_i, v'_i) \in E$  and  $i \in \mathbb{N}_{|E|}$ . Note that  $\llbracket a_{v_1,v'_1} \rrbracket, \dots, \llbracket a_{v_{|E|},v'_{|E|}} \rrbracket$  are taken from the jointly computed adjacency

matrix  $\llbracket A \rrbracket$  of  $G^C$ . At the end of the evaluation phase, each party holds vector  $\llbracket L \rrbracket := (\llbracket e_1 \rrbracket, \dots, \llbracket e_{|\mathbb{G}^{\text{TPC}}|} \rrbracket)$  where

$$e_j = \begin{cases} 1 & \text{if } G_j^{\text{TPC}} \subseteq G^C \\ 0 & \text{otherwise} \end{cases}.$$

The trade partner constellation graphs  $G_j^{\text{TPC}}$  with  $e_j = 1$  constitute the set of potential trade partner constellation graphs  $\mathbb{G}^{\text{PTPC}}$ .

*Prioritization Phase:* Function  $\mathcal{W}(\cdot) : \mathbb{G}^{\text{TPC}} \rightarrow \mathbb{N} \cup \{0\}$  maps each trade partner constellation graph to its welfare. Each party locally computes  $\llbracket e_j \rrbracket \times_h \mathcal{W}(G_j^{\text{TPC}})$  ( $\forall j \in \mathbb{N}_{\mathbb{G}^{\text{TPC}}}$ ) resulting in an encrypted vector  $\llbracket L_0 \rrbracket := (\llbracket e_1 \cdot \mathcal{W}(G_1^{\text{TPC}}) \rrbracket, \dots, \llbracket e_{|\mathbb{G}^{\text{TPC}}|} \cdot \mathcal{W}(G_{|\mathbb{G}^{\text{TPC}}|}^{\text{TPC}}) \rrbracket)$ . The prioritization phase ensures that in the selection phase, the potential trade partner constellation graph with the maximum welfare is selected for computing the actual trade graph (see below). Note that a corrupted party deviating from the prescribed computation of  $\llbracket L_0 \rrbracket$  is detected in the selection phase because the encrypted vector will differ from the encrypted vectors computed by other parties.

*Mapping Phase:* For each party  $P_v$ , an encrypted vector

$$\llbracket L_v \rrbracket = (\llbracket N_{o,d}^{(v)}(G_1^{\text{TPC}}) \rrbracket \parallel_h \llbracket a'_{N_o^{(v)},v} \rrbracket \parallel_h \llbracket a'_{v,N_d^{(v)}} \rrbracket, \dots, \llbracket N_{o,d}^{(v)}(G_{|\mathbb{G}^{\text{TPC}}|}^{\text{TPC}}) \rrbracket \parallel_h \llbracket a'_{N_o^{(v)},v} \rrbracket \parallel_h \llbracket a'_{v,N_d^{(v)}} \rrbracket)$$

is jointly computed. The  $j$ -th entry of a vector  $L_v$  contains the trade partners  $N_o^{(v)}(G_j^{\text{TPC}})$  and  $N_d^{(v)}(G_j^{\text{TPC}})$  of  $P_v$  as well as the quantities to be received and sent in case that  $G_j^{\text{TPC}}$  is selected as actual trade graph by protocol  $\pi_{\text{MB}}^{(W,D)}$ . The purpose of the mapping phase is to determine the parties' local views for each trade partner constellation graph.

*Selection Phase:* To this point, each  $G_j^{\text{TPC}}$  is associated with an encrypted vector  $(\llbracket l_{0,j} \rrbracket, \llbracket l_{1,j} \rrbracket, \dots, \llbracket l_{\iota,j} \rrbracket)$  where  $l_{0,j} = 0$  if  $G_j^{\text{TPC}} \not\subseteq G^C$  and  $l_{0,j} = \mathcal{W}(G_j^{\text{TPC}})$  otherwise. Furthermore,  $l_{v,j} = (N_{o,d}^{(v)}(G_j^{\text{TPC}}), a'_{N_o^{(v)},v}, a'_{v,N_d^{(v)}})$  contains  $P_v$ 's local view of  $G_j^{\text{TPC}}$  ( $\forall v \in \mathcal{P}$ ). The parties now jointly call  $\rho_{\text{CRS}}^{i^*=0}$  (see Section IV-B) on the common input  $(\llbracket L_0 \rrbracket, \dots, \llbracket L_{\iota} \rrbracket)$ . In case that  $\mathbb{G}^{\text{PTPC}} \neq \emptyset$  (there exists at least one  $j \in \mathbb{N}_{\mathbb{G}^{\text{TPC}}}$  such that  $l_{0,j} \neq 0$ ),  $\rho_{\text{CRS}}^{i^*=0}$  is used to obviously determine a random actual trade graph  $G^{\text{AT}}$  which maximizes the welfare function. The first entry of the encrypted output  $\llbracket l_0^* \rrbracket$  of  $\rho_{\text{CRS}}^{i^*=0}$  corresponds to the encrypted welfare of  $G^{\text{AT}}$ . The remaining encrypted entries  $\llbracket l_1^* \rrbracket, \dots, \llbracket l_{\iota}^* \rrbracket$  correspond to the parties' local views w.r.t.  $G^{\text{AT}}$ . Otherwise (i.e.,  $\mathbb{G}^{\text{PTPC}} = \emptyset$ ),  $\rho_{\text{CRS}}^{i^*=0}$  is used to select  $G^{\text{TPC}} \leftarrow_{\S} \mathbb{G}^{\text{TPC}}$  and  $l_0^* = 0$ . The remaining steps of the selection phase deal with latter case where  $\mathbb{G}^{\text{PTPC}} = \emptyset$ . First, the parties obviously check whether or not  $l_0^* = 0$  by jointly calling  $(\llbracket b \rrbracket) \leftarrow \rho_{\text{EQ}}(\llbracket l_0^* \rrbracket, \llbracket 0 \rrbracket)$  (Step 7.2, Protocol 1). Subsequently, the local view  $\llbracket l_v^* \rrbracket$  of each party  $P_v$  is multiplied with the encrypted result  $\llbracket b \rrbracket$  of the equality check by jointly calling

$(\llbracket o_v \rrbracket) \leftarrow \rho_{\text{Mult}}(\llbracket [1 - b], \llbracket l_v^* \rrbracket \rrbracket)$  such that all values  $l_v^*$  are obviously zeroed out for the case that no actual trade graph exists (Step 7.3, Protocol 1).

*Output Phase:* All parties jointly decrypt  $(\llbracket o_1 \rrbracket, \dots, \llbracket o_l \rrbracket)$  such that only  $P_v$  learns  $o_v$  ( $\forall v \in \mathcal{P}$ ). From  $o_v$  a party either learns its local view of the selected  $G^{\text{AT}}$  (for the case that  $\mathbb{G}^{\text{PTPC}} \neq \emptyset$ ) or otherwise that there does not exist a  $G^{\text{AT}}$  for the current set of parties in combination with their private input quotes and the given set of trade partner constellation graphs  $\mathbb{G}^{\text{TPC}}$ .

Let  $O(\rho)$  refer to the (broadcast, round) complexity of gate  $\rho$ . The broadcast and round complexities of  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  are dominated by the computations performed in the construction phase, in the negotiation phase, in the evaluation phase, and in the selection phase. The corresponding complexities are in  $O(\iota^2(O(\rho_{\text{EQ}}) + O(\rho_{\text{GTE}}) + O(\rho_{\text{Mult}})))$ ,  $O(\iota^2(O(\rho_{\text{Mult}}) + O(\rho_{\text{RSI-D}}^{\omega_{\Delta}})))$ ,  $O(|\mathbb{G}^{\text{TPC}}|O(\rho_{\text{UFI-Mult}}))$ , and  $O(O(\rho_{\text{CRS}}^{i^*=0}) + \iota O(\rho_{\text{Mult}}))$ .

In the following, we show the correctness of  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$ , i.e., that  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  always computes the correct output (if at least one party is honest), provided that the protocol is not prematurely aborted. In order to prove the correctness of the protocol, we have to show that (i) it suffices that each party performs proofs 1.) - 3.) as specified for the input phase and that (ii)  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  in fact computes a random actual trade graph which maximizes the welfare function based on the parties' input quotes and the publicly known set of trade partner constellation graphs iff the set of potential trade partner constellation graphs is not empty. In [18], (i) has already been proven for the two-party case and can be proven analogously for the multi-party case. Thus, in the following, we focus on showing (ii).

In case that  $\mathbb{G}^{\text{PTPC}} = \emptyset$ , the result of the evaluation phase is a vector  $\llbracket L \rrbracket := (\llbracket e_1 \rrbracket, \dots, \llbracket e_{|\mathbb{G}^{\text{TPC}}|} \rrbracket)$  with  $e_1 = \dots = e_{|\mathbb{G}^{\text{TPC}}|} = 0$  since there exists no  $G_j^{\text{TPC}} \in \mathbb{G}^{\text{TPC}}$  with  $G_j^{\text{TPC}} \subseteq G^{\text{C}}$ . Furthermore, the prioritization phase does not change any value  $e_j$  and thus  $\llbracket L_0 \rrbracket := \text{Rnd}(\llbracket L \rrbracket)$  ( $j \in \mathbb{N}_{|\mathbb{G}^{\text{TPC}}|}$ ). This implies that gate  $\rho_{\text{CRS}}^{i^*=0}$  returns an encrypted vector  $(\llbracket l_0^* \rrbracket, \llbracket l_1^* \rrbracket, \dots, \llbracket l_l^* \rrbracket)$  with  $l_0^* = 0$  in the selection phase and in the output phase each party  $P_v$  learns its output value  $o_v = 0$  which indicates that there exists no actual trade.

In case that  $\mathbb{G}^{\text{PTPC}} \neq \emptyset$ , the result of the evaluation phase is a vector  $\llbracket L \rrbracket$  such that  $L$  has *Hamming weight*  $\mathcal{H}(L) = |\mathbb{G}^{\text{PTPC}}|$ . The prioritization phase determines the encrypted vector  $\llbracket L_0 \rrbracket := (\llbracket l_{0,1} \rrbracket, \dots, \llbracket l_{0,|\mathbb{G}^{\text{TPC}}|} \rrbracket)$  where  $\llbracket l_{0,j} \rrbracket$  is associated with  $G_j^{\text{TPC}}$  and  $l_{0,j} = \mathcal{W}(G_j^{\text{TPC}})$  if  $G_j^{\text{TPC}} \subseteq G^{\text{C}}$  and  $l_{0,j} = 0$  otherwise. According to the definition of  $\mathcal{G}_{\text{CRS}}^{i^*=0}$ , gate  $\rho_{\text{CRS}}^{i^*=0}$  returns an encrypted vector  $(\llbracket l_0^* \rrbracket, \llbracket l_1^* \rrbracket, \dots, \llbracket l_l^* \rrbracket) := (\llbracket l_{0,j^*} \rrbracket, \llbracket l_{1,j^*} \rrbracket, \dots, \llbracket l_{l,j^*} \rrbracket)$  where  $j^* \leftarrow_{\$} \{j \in \mathbb{N}_{|\mathbb{G}^{\text{TPC}}|} : \mathcal{W}(G_j^{\text{TPC}}) = \max(\mathcal{W}(G_1^{\text{TPC}}), \dots, \mathcal{W}(G_{|\mathbb{G}^{\text{TPC}}|}^{\text{TPC}}))\}$ . Since in Step 7.2 (Protocol 1)  $b = 0$ ,  $\llbracket o_v \rrbracket := \llbracket l_v^* \rrbracket$  for all  $v \in \mathcal{P}$ . At the end of the output phase, each party  $P_v$  learns its local view of the selected actual trade.

The security of protocol  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  directly follows from Theorem 1 (Section II-D).

**Lemma 1.** *Protocol  $\pi_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  securely computes functionality  $\mathcal{F}_{\text{MB}}^{(\mathcal{W}, \mathcal{D})}$  in the malicious model.*

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