Server Design for Digital Payment System
Distributed System Lab Report

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January 26, 2021
Abstract

This is a report for my work in the course “Distributed System Lab”. In this lab I work on the project “Crypto money in real life” in a team of three under the mentoring of a supervisor. We designed and developed a payment system, including an App on Android, a back-end server with database and a web interface. Unlike traditional digital payment Apps, our system enables the conversion between digital currency and physical cash and support offline payments. This report will give a general overview of the project, and then focus on the server-side implementations in this project. I will also go through the details and thoughts in our development process.

1 Motivation

With the thrive of Bitcoin, digital currency came into in people’s sight. Nowadays, lots of cryptocurrencies emerged. Inspired by these digital currencies, the governments of many countries start to think about using Central Bank Digital Currency (CBDC) as well, though CBDC is still in the hypothetical stage at this moment [1].

Despite the popularity of digital currencies, there are still a large portion of people reluctant to use such kind of money, especially minority groups. One of the biggest concerns of these people is that digital currency is entirely “virtual”. Even though we know there are strict algorithms to ensure the security of digital currency, for people who are less familiar with information technologies, digital currency is all about several numbers in the cold machine, which makes them feel insecure. Unlike cash that people can hold it and the concept of cash has already prevailed for hundreds of years, digital currencies don’t have anything physical to prove their existence, and thus for people who don’t understand the theories behind it, it is natural for them to feel reluctant.

Besides the reluctance of certain groups of people, digital currencies also have many limitations. Though the internet is covering almost every corner, it’s very common for people to encounter situations that no available internet could be used, and thus cannot access their digital currencies.

All these situations motivated us to design a new payment system that could efficiently covert digital currency into physical forms, and vice versa. We also believe such system could make people feel more acceptable about digital currency, and allow more people to get involved.
2 Solution

Our system is token-based. Users could create tokens as they wish, as long as there is enough balance in their account. Each token contains a key pair for authentication, an address unique to the token, and its amount. Tokens could be created in three ways: QR code, NFC chip and half-half. Users can use QR codes and NFC chips just as cash. However, people who receive tokens still need to verify online. Besides the free tokens, users could also create “merchant-specific tokens”. If users know where they would like to spend the money, they could specify the receiver of the tokens they create. For merchant-specific tokens, receivers can verify these tokens offline. When designing our systems, we make a lot of simulation on scenarios that could happen in real life. We develop assistant functionalities to improve the convenience of our system, such as money request and changes. To ensure the safety of money, we always encrypt sensitive data if it is sent through online channels.

3 System Design

![Diagram of system design]

Figure 1: High level system design
3.1 High Level Architecture

Based on the nature of the project, we use the classical server-client model. A central server runs the server program, and clients have two-way communication with the server. We developed two types of client programs, one for Android and one for website. Both App program and server program are written with Java, while the website are developed with HTML5 and JSP.

3.2 Development

The development of this project could be divided into four stages. As all of us have little prior experience on mobile development, we divided the large project into smaller goals. After each small target is achieved, we verify the module and move to the next target.

Stage 1: Single App
We start the project with building a single APP prototype. We added some basic features to the App, such as the main interface, which contains a couple buttons. Clicking on the buttons will be redirected to other interfaces. In this stage the App is rather “static” that users could only see pre-configured contents.

Stage 2: Connecting to the database
Since we are developing a payment App, user account is an essential element. Then we realize that having the App only could not fulfill our requirement, because we need some sort of database to hold data regarding to users and transactions. Thus, we add a database (MySQL) into our system and set up a direct communication channel between our App and database. In this stage, the App directly connect to the database and manipulate the data.

Stage 3: Server-Client Model
Though users can register for accounts and log into their personal account, such direct communication is very insecure. Malicious users could attack the database easily, and cause severe problems. During the development of the project, we also notice that in most situations, verification is needed before the user App directly modifying the data in central database. Thus, we added a server into our system. The user Apps only communicate with the server, while the server will update the database accordingly. With one single central server, there is a risk of “one-point failure”, but we want to keep things simple so we only use one server. In the future, it should be easy to have backup servers to avoid service outage if we want to run the App on large scale. To begin with, we use a laptop as our central server.

Stage 4: Moving to the cloud
It is more convenient to deploy the server on cloud, so there is no need to keep the laptop running all the time. Since it’s difficult to develop and debug the server program with a VM, we move our server to the cloud after we finish all the development work and tested the functionalities are correct.

4 Implementation Details

4.1 Database

4.1.1 Tables

We have six tables in our database.

accountinfodb: Stores account related information including account ID, username, balance, email and cellphone. When registering account, a new entry will be added into this table.

logindb: Stores information needed for users to login into their account. There are seven keys in this table: ID, username, password, usertype, secret key, N and public key. ID is the primary key and it is also the foreign key for account ID in accountinfodb. The key usertype is to indicate if the account is a customer account or a merchant account, as they have different functionalities.

transactiondb: Stores normal account-to-account transaction information including transaction time, amount and accounts. Each new account-to-account transaction will create a new entry in this table.

cryptotransferdb: Stores information about free tokens including amount, address, public key and account ID which creates the token. When free tokens are created, the information about this token will be stored into this table.

merchant_token: Stores merchant-specific token information. This table is very similar to cryptotransferdb, but contains extra data including to which merchant is the token specified. Similarly, when merchant-specific tokens are created, their information will be stored into this table.

contract: This table is only used when requesting money. A contract will be created when a merchant or user start to request money.

contract_record: This table records the money received under contract. After a request is initiated, when user use tokens to fulfill the request, all the tokens received will be stored in this table. This table keeps track of
from whom the money is received, amount of tokens and contract id.

4.1.2 Procedures

We also defined common operations as database procedures. Database Procedures are subroutines that can contain one or more SQL statements that perform a specific task. They can be used for data validation, access control, or to reduce network traffic between clients and the DBMS servers. [2] In our project, procedures are used to reduce network traffic that server only sends parameters to the database instead of the whole query.

In the following paragraphs I enumerate some important procedures we use.

**login_check:** This procedure takes two parameters, username and password. It selects the entry from logindb with specified username and password combination. This procedure returns the whole entry is the username and password combination exists. Otherwise it will return 0, which indicates the combination does not exist.

**account_register:** This procedure is called when users register new accounts. It takes four parameters, username, password, email and cellphone. This subroutine first check if the username already exist. If so, the procedure will return 0 to indicate the username is repeated. Otherwise, the account is created successfully and a new entry is inserted into logindb as well as accountinfodb. If account registration is successful, the procedure will return 1.

**check_balance:** This procedure is widely used in many functions of the APP. It takes two parameters account id and target value. By selecting the balance of intended account and compare it with target value, the function will return 1 if balance is enough and return 0 on the other hand.

**exe_transaction:** This procedure is called by account-to-account transactions. It takes three parameters including to_account, from_account and amount. This subroutine first checks the validity of account numbers. If to_account is invalid, this procedure returns -1. Then, the subroutine also checks if to_account and from_account is the same. The procedure returns -2 if user transfers to himself. After ruling out invalid inputs, the procedure then check if from_account has enough balance. If not, 0 is returned. If balance is enough, the transaction could be executed, and the target amount will be transfered from from_account to to_account, which means two entries in accountinfodb with from_account and to_account will be updated. If the transaction is successful, the procedure returns 1 like other procedures.
**crypto_transfer:** This procedure is called when creating tokens. It takes five parameters of address, value, account_id, N (modulo) and public key. This subroutine checks the validity of address. If it is valid, the balance of the account_id will be updated to balance - value. In addition, a new entry with address, value, N, public key and crypto_time will be inserted into cryptotransferdb. The procedure returns 1 if successful and 0 if address is already existed.

### 4.1.3 Connection

As mentioned before, only the central server can connect to the database. We use JDBC driver to help establishing the connection. JDBC stands for Java Database Connector. It is a Java API to connect and execute the query with the database.[4]

With JDBC driver, to start the connection, we first register the driver class, and then create the connection object and statement object. After this point, we are able to execute queries with the statement object. In the end we close the connection after all operations are finished.[3]

### 4.2 App-Server Communication

The client App use POST method to send message to the server. POST is a request method supported by HTTP used by the World Wide Web. By design, the POST request method requests that a web server accepts the data enclosed in the body of the request message.  

The server uses HttpServlet class provided by Java to receive data sent by clients. A servlet is a Java programming language class that is used to extend the capabilities of servers that host applications accessed by means of a request-response programming model. The HttpServlet class provides methods, such as doGet and doPost, for handling HTTP-specific services.[5]

### 4.3 Server Implementations

The data sent out by clients is firstly received in the UserServlet class. The request message is in the form of "request=" + request name + "&parameter 1 name" + parameter 1 value + "&parameter 2 name" + parameter 2 value + ... + "&parameter N name" + parameter N value. After server receiving the request, this class first parse the request name from the message. Then the server program will jump to different cases depending on the request received. Though requests vary from one to the other, in general the program will parse and store the parameters into local objects. The program also creates an corresponding object of userService class and pass

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1https://en.wikipedia.org/wiki/POST_(HTTP)
Figure 2: Flow chart for login operation
the parameters. The userService serves as an intermediate class. It simply calls the corresponding function in userDAO and pass in the parameters. In userDAO the program will call procedures defined in database. In this class, the function will set parameters for procedure calls, and also process the results returned by database. After receiving return values from database, the program will create the response message to client in the form of "parameter 1 name" + parameter 1 value + "&parameter 2 name" + parameter 2 value + ... + "&parameter N name" + parameter N value.

Figure 2 shows an example of how functions of the App work in the system. When use try to login, after the login button in App is pressed, the underlying login activity of the App will be triggered and reads in the username and password user just typed. Then, the App will send a HTTP request to the server, containing the message request=login&username=xxx&password=xxx, where “xxx” are values from user input. The server will parse request message, call function login with parameters username and password. The function will finally call the login_check procedure in database. Details about this procedure is mentioned in Section 4.1.2. After getting the response from database, server will create the response message and send it back to client App. The app will then parse the message. If login is successful, the App will change to display the interface after login. If unsuccessful, the App will prompt a message to remind user that there’s something wrong with the username or password.

5 Experiments

After successfully developed the App, we conduct a series of performance tests and user tests to fully evaluate our system. We designed 5 different tasks that covers major functionalities of the App. In the performance tests, same person execute the 5 tasks on different devices. Each task is executed multiple times to reduce error. In user tests, we find 11 volunteers to execute the five tasks on the same device.

The details of the experiments will be covered by another team member’s paper and presentation, so I will not go deep in this part. In general, all tasks could be completed very fast - within a minute. There are a few outlier because users are unfamiliar with Android and NFC chips and have difficulty read and write. However even under such extreme cases, all tasks are completed within 3 minutes. Also, our App works well on different devices, and all have very good results.
6 Discussion

In this section, I would like to discuss some problems exists in the system and potential improvements. As we have limited time developing the whole system, there are still a lot of places we could work on.

Schema and procedure design in database
The tables in database could be better designed. Currently, the keys and tables are arranged arbitrarily, and the names for tables, keys, and procedures are also created without a rule. You may feel it in previous sections that the name of certain tables does not really match the real content stored in the table, and many procedure names are also very confusing. Since we don’t have a lot of data right now, we can manage all the data manually. However, if we would like to put our App into real production, it is important to have an optimal schema to organize data. Naming rules are also indispensable to ensure we can easily interpret the purpose of keys, tables and procedures.

Server implementation could be simplified
From section 4.3, it is already mentioned that when server received the message in UserServlet class, it pass the parameters into userService class, than userDAO, and lastly call the stored procedures in database. It seems unnecessary to have a middle layer, the userService class. Directly pass the parameters into userDAO class is sufficient. This problem exists because when building the server, we referred to online tutorials and used the im-

Figure 3: A snapshot of the App and a token created by the App
plementation method in the tutorial.

Other issues
There are a lot of space for improvement on both App and web interface. So far we mainly focus on the functionalities, but neglect aesthetic aspect. If we have more time, making the interface more attractive would be ideal. We also noticed a bug with the printer: it sometimes print redundant QR codes. More details about the App and website will be covered by other team members’ reports.

7 Conclusion
In this DSL project, I successfully designed and implemented a payment App with server and website in collaboration with two other students and a supervisor. Our payment App not only have basic functionalities of a general payment App, but also focus on the conversion between the digital and physical form of money. With our system, users could convert digital balance in their account into physical tokens, and also the other way round. Various experiments proved the performance of our system. This project gave me good practice on mobile development with JAVA, and also offered me many insights in digital currency field. By examine related articles and books, I have deeper understanding about the evolution of digital payment technology and how they impact the society.

References


