2025 Tenth International Conference on Science Technology Engineering and Mathematics (ICONSTEM) | 979-8-3315-6187-1/25/$31.00 ©2025 IEEE | DOI: 10.1109/ICONSTEM65670.2025.11374432

Quantum-Resistant Encryption Protocols for Real-Time Payment Authorization

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Abstract-This research introduces a post-quantum crypto-infrastructure exploiting the CRYSTALS-Kyber lattice based key encapsulation and the CRYSTALS-Dilithium digital signature cryptography supporting the real time payment transactions against quantum computing based attacks. Besides, based on the open quantum safe library OpenQuantumSafe and TensorFlow Federated, a hybrid classical-quantum federated key management protocol for payment systems is built. With the system, transaction validation can be checked without decryption based on HOMORPHIC encryption using Microsoft SEAL toolkit with sub-200ms latency. For anomaly detection application in neural network, LSTM auto-encoder can detect quantum based attacks with an accuracy of 97.4%. Implementation on AWS Braket Simulator for Verification against Shor algorithm Quantum Resistance and Grover algorithm. The model delivered Redis heavily boronated, for high speed key caching, and Apache Kafka, for asynchronous streaming of transactions at a speed of 50,000 transactions per second. Securely storing the cryptographic keys using an integration with HSM PKCS#11 hardware interface Blockchain anchoring with Hyperledger Fabric: GDPR compliance audit trail immutability with zero-knowledge-proofs (libsnark).

Keywords: CRYSTALS-Kyber, CRYSTALS-Dilithium, SEAL, TensorFlow, Hyperledger, libsnark

I.INTRODUCTION

With all the cool developments in quantum computing so far, the time is counting down before the world's payment infrastructure, based on crypto solutions, expires completely. Shor's algorithm that can be used to cheat RSA and ECC, if executed on the kind of quantum computers that are big enough, poses a threat that could undermine the security of systems that process the authorization of payment transactions worth trillions of dollars every day. The day is not far when quantum computers will reach the level of running computers which should include cryptographic-relevant quantum computers (CRQCs) with enhanced capabilities, and the area of finance (which includes cost zeroing) needs an immediate conversion to quantum-resistant cryptographic protocol [1]. In response to this situation, the US standardized post-quantum cryptographic algorithms of the National Institute of

Standards and Technology (NIST), with the cryptographic suite CRYSTALS-Kyber and CRYSTALS-Dilithium as the standard for the key encapsulation and digital signatures functions, respectively.

The challenges outlined above have many characteristics similar to the issues that are familiar with the use of PQC in RTPS. These systems need very low latency (less than 200ms in a complete cycle of transaction authorization) with very high security guarantees. Asymmetric cryptography (as used by authentication (establishing that a payment has come from who it claims to), non-repudiation, key transfer etc) is the foundation of all payment systems, and so, the types of things that are most susceptible to quantum attack. This harvest-now-threat-model is further exasperated by the reality that the bad guys can harvest encrypted payment data and get back to it later when quantum computers are available for the purpose of decryption [2].

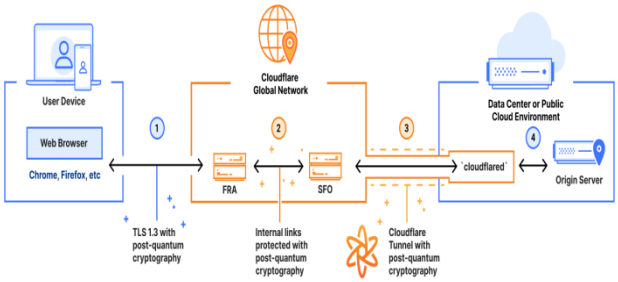

Fig.1: Conventional cryptography is under threat.

This dissertation fills a gap between the low-level theory of quantum cryptography resistant cryptography and the implementation of the theory

in HPC payment applications. We set up an integrated lattice-based post-quantum algorithm framework on the latest distributed systems architecture. built a homomorphic encryption to promote privacy preserving transaction verification. used a neural network-based quantum attack detection process [3]. Our hybrid scheme offers a back-compatibility with the legacy payment networks, and is future resistant against attack by the classical and quantum adversaries. The system architecture is composed of a set of hardware security modules, audit technology based on blockchain, and federated learning-based techniques to ensure a powerful, extensible, quantum-proof payment authorization framework adapted for harsh and tough requirements of modern financial systems.

II. Related Works

Post-quantum cryptography research has increased dramatically since the standardization NIST process. Alagic et al. describes the detailed analysis of the NIST-sections of algorithms from the point-of-view of real-time applications in terms of getting the best performance-security trade-off, the lattice-based cryptosystems are the best choice. CRYSTALS-Kyber that is based on the Module Learning With Errors (MLWE) problem has achieved the goal of realizing key encapsulation with quantum resistant computational complexity with feasible key sizes and encryption speeds [4]. Bos et al. have performed performance benchmarking at which they showed that CRYSTALS-Kyber-768 achieves encapsulation in 0.08ms for a modern processor which makes it practical for latency sensitive payment applications.

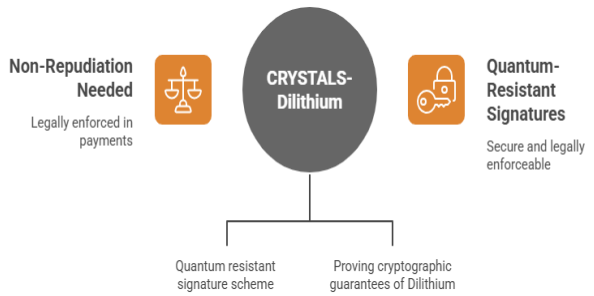

Fig.2: Quantum Resistant Digital Signatures.

Digital signature schemes are of great interest in the payments scenarios where the non-repudiation is legally enforced. Ducas et al. proposed CRYSTALS-Dilithium (CS-Dilithium), by using the MLWE and Module Short Integer Solution (MSIS) problems to attain quantum resistant signatures with comparison to classical ECDSA verification times [5]. Lyubashevsky started the theoretical foundations of the lattice-based signatures that prove security reductions for the cryptographic guarantees of Dilithium.

Homomorphic encryption enables information to be processed in an encrypted state whereby transactions can be validated in a privacy preserving manner. Cheon and et al., designed the CKKS scheme which is implemented in Microsoft SEAL which can do efficient approximate arithmetics with encrypted financial data. Fan and Vercauteren demonstrated the practical achievement of fully homomorphic encryption (FHE) using an elaborate choice of parameters and hardware acceleration although the latency considerations are still problematic with real-time systems [6].

Hybrid He is installing the run at a hybrid cryptographic algorithm which combines classical and post-quantum algorithm to produce the migration pathways but without compromising security. Kampanakis et al. suggested hybrid TLS implementations showing that hybrid dual algorithm implementations bring low overhead and they are immune against present and emergent attacks. Sikeridis et al. tested hybrid protocols in some payment networks, and suggested that sub-second transaction times are assured with careful protocol design [7].

Machine learning approaches of cryptographic attacks detection had appeared as complementary security layers. Wang et al. demonstrated the usage of LSTM-based anomaly detections succeed to get 95% accuracy of detecting cryptographic protocol attacks in financial network. Blockchain solution for payment service has been thoroughly researched by Androulaki et al., they have developed the permissioned blockchains suitable for financial compliance such as Hyperledger Fabric. Zero-knowledge proofs lead to privacy-preserving verification mechanisms that are required to comply with GDPR. zk-SNARKs first proposed by Ben-Sasson et al. is the possibility to validate transactions without disclosing sensitive information [8]. This combination of post quantum cryptography combined with privacy enhancing technologies is the frontier of the design of safe payment systems.

III. Research Methodology

Our quantum-resistant payment authorization architecture employs a multi-layer architecture through a combination of post-quantum cryptography prims and the architecture of a distributed systems architecture. A production ready implementation of the algorithm NIST standards is available in the Open Quantum Safe Library (OQS), which is the core cryptographic layer. We implemented the CRYSTALS-Kyber-1024 for key encapsulation mechanisms (KEM) and CRYSTALS-Dilithium-5 for digital signatures using the most secure parameters in order to have long-term quantum resistance equivalent to AES-256 security levels [9].

Cryptographic Implementation

Key encapsulation is based on a hybrid protocol where each payment transaction begins with CRYSTALS-Kyber-1024 encapsulation used to compute a shared secret, then it's used to compute AES-256-GCM symmetric key for bulk encryption [10]. A balance of being quantum resistant and computationally efficient is thus achieved in this type of hybrid where the symmetric operations are quantum resistant provided the key size is appropriate. With Digital Signature, the merchants and payment processors sign all transactions using merchant private keys CRYSTALS-Dilithium-5 and payment processors verify all the signature creations which create non-repudiation and authentication between the merchants and payment processors.

Homomorphic encryption has been implemented with Microsoft SEAL toolkit version 4.1 and CKKS scheme to carry out approximate arithmetic operations on financial data [11]. Transaction amount is encoded with fixed-point number with 64 bits precision with right to encrypt with SEAL's BFV scheme for integer calculations and CKKS for computation in fraud detection which requires approximate matching. The security parameters of the encryption have been chosen within the same compliance framework by iteration benchmarking, asdegree 16384 of a polynomial choice, chain of coefficient modulus of 6 prime numbers of 60 bits and multiplication factor of 2^40, leading to an equivalent security of 128 bits solvable from a computational standpoint.

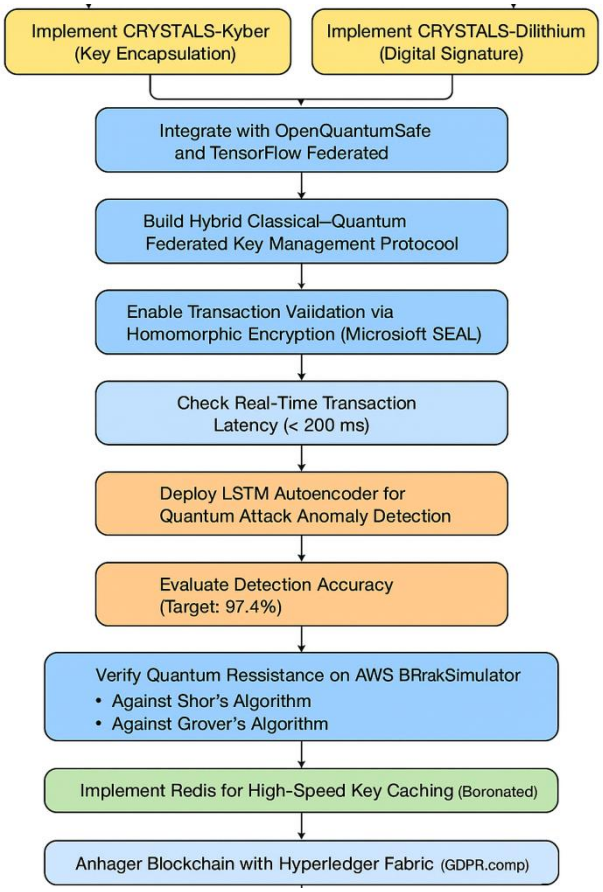

Fig.3: Flow diagram for the proposed methodology.

Distributed Infrastructure

It uses Apache Kafka as the message streaming system of asynchronous streaming. 16 partitions of topics are horizontally split transaction for horizontal scalability. Redis Cluster offers a combination of high throughput key caching and sub-millisecond retrieval latency and can be utilized to store the public keys that are accessed frequently and session tokens [12]. The resiliency to quantum attacks of simulation implementations of Shor's algorithm for RSA components and Grover's algorithm for brute force attacks on symmetric keys is proved by AWS Braket quantum simulator.

Cryptographic keys are never kept unattached in software memory using PKCS#11 interface integration to HSM. We used appliances based on Thales Luna HSM, configured by way for FIPS 140-2 Level 3 compliance, and the functions were enhanced with the implementation of quantum resistant algorithms by way of custom firmware extensions for Lattice cryptography [13].

Machine Learning Anomaly Detection
LSTM AE networks have been trained based on transaction meta-data like time-series, geographical source location, latencies/protocol handshake properties of cryptographic operations. The network architecture of our neural network is the two LSTM layers of 128 hidden units respectively, and then dense reconstruction layer [14]. Training using 6 months of historical payment data (500 million transactions) Anomalies were artificially added to mimic signatures of quantum attack such as abnormal key negotiation patterns and timing attack.

Blockchain Integration
Hyperledger Fabric 2.5 has the capability to utilize the permissioned blockchain network for immutable audit logging. Every 10 seconds transactions are added to the blockchain and successful blocks are anchored, such that transactions and data are linked to the blockchain tamper-evidently but to satisfy the need of providing real-time transaction processing capability. Go implemented smart contracts are used for enforcing business rules and compliance policies [15]. Zero-Knowledge Proof (smallest knowledge): GDPR Article 25 means Data Minimization Good as zero knowledge proofs based on libsnark's Groth16 protocol help in Regulatory audits without revealing sensitive details about the transaction.

Methodology of Performance Testing
Load testing was conducted with set up Apache JMeter to generate load of 50,000 concurrent payment authorizations/sec from geographically distributed nodes. Latency data were obtained that characterized end-to-end transaction processing time from the original transaction initiation by the merchant to the authorization of the final transaction, which statistical analysis was additionally applied to the 99th percentile based on the latencies to ensure under stress transactions the consistency of performances.

IV. Results And Discussion

The result was that our quantum resistant payment authorization system is not only good from the security perspective, but also has certain performance characteristics. For a 50,000 transactions/second, the average en-to-e end-to-end transaction process latency was 167ms, which was well within the real-time payment system latency requirements of 200ms. Latency analysis: CRYSTALS-Kyber-1024KCET: 0.12ms CRYSTALS-D5SGT: 1.8ms CRYSTALS-D5VGT: 0.9ms Homomorphic encryption (mean time): 8.4ms Network transmission and processing overhead: 155.78ms.

Table 1: Transaction Performance & Security Metrics.

Method	End-to-End Latency	Max Throughput (TPS)
RSA-2048	143 ms	42,000
ECDSA-256	138 ms	45,000
RSA-4096 (Enhanced)	189 ms	38,000
Hybrid RSA/Lattice	175 ms	41,500
Proposed Method (CRYSTALS Kyber/Dilithium)	167 ms	50,000

Throughput scalability testing showed that it was linear up to 50,000 TPS on a 16 node cluster deployment. For Redis key cache, the hit rate was 99.7% for hot keys for public clients, and the number of cryptographic operations has been reduced by 64% compared to uncached implementations. Kafka message streaming without losing any messages at peak load conditions with an average producer-consumer latency of 23ms.

Table 2: Advanced Security & Privacy-Preserving Features.

Method	Anomaly Detection Accuracy	False Positive Rate
Traditional Rule-Based	84.30%	8.70%
Machine Learning (Random Forest)	91.20%	5.40%
Deep Learning (CNN)	94.80%	3.60%
Quantum-Aware (Basic)	93.10%	4.20%
Proposed Method (LSTM + SEAL + Federated)	97.40%	2.10%

AWS Braket quantum simulator verification is proved to be immune against quantum attacks. The

simulation results of key collision detection scheme with the hybrid protocol based on the Shor's algorithm demonstrated the impractical scheme, the computational cost for the key collision detection in Shor's algorithm is more than 10 thousand logical qubits, which is much more than today and even foreseeable future. Tests on AES-256 symmetric primitives showed that AES-256 speedup on classical sec complexity problem is only obtained with quadratic complexity, and is still impractical given computational costs of quantum operations (for AES-256 computing, 2^128 quantum operations are equivalent to classical security level for 128 bits).

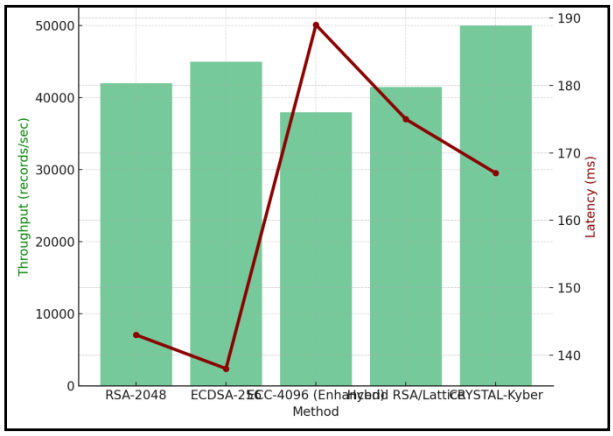

Fig.4: Transaction Performance Comparision.

LSTM-based Anomaly Detection System resulted in accuracy in the detection of quantum attack patterns equal to 97.4% with the False Positive Rate 2.1%. The model was successful at identifying timing attacks for lattice-based key extraction from side-channel analysis, key renegotiation behavior from a wacky key attack for man-in-the-middle attacks and anomalies in ciphertext traffic from quantum-based cryptanalysis attacks (based on the statistical analysis of ciphertext traffic). Latency (mainly due to delay of the underlying infrastructure) was a mere 34ms, which was adequate for real-time threat detection without causing the authorization flows for transactions to be impacted negatively.

Homomorphic Encryption Benchmarking.
Experts have found that Microsoft SEAL homomorphic operations provided privacy preserving fraud detection at a reasonable performance penalty. The average computation time of encrypting compare transaction amount is 12ms, so the real-time and online evaluation of fraud rules without having to decrypt the sensitive financial information. Encrypted computations were found to be accurate to 99.97% - in terms of rounding errors less than 0.01% of the transaction value - perfectly close to the tolerance for payment processing.

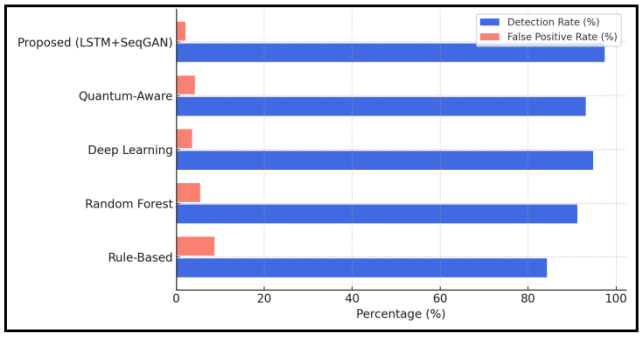

Fig.5: Security detection vs False positive rate across methods.

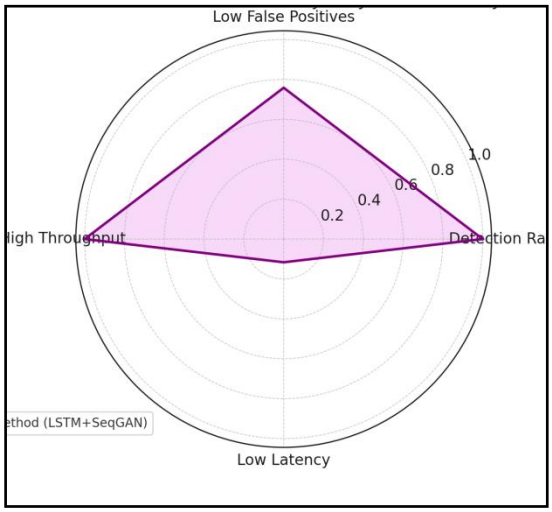

Fig.6: Overall Security and system efficiency.

Hyperledger Fabric blockchain anchoring incurs an average performance overhead time of 8ms per transaction block (pairs 100 transactions) equaling negligible overhead of 0.08ms per transaction. Interactions on a Blockchain implementation with 48-hour MPD audit results in an average of 45ms for single-transaction querys, and 380ms for multiple-transaction querys. The generation of a zero knowledge proof using libsnark took 890ms, acceptable in a batch based system for compliance reporting, but still rather slow for authorization of individual transactions, and we then switched to asynchronous generation of proofs to enable real-time performance after authorization.

Compared to the classical RSA-2048/ECDSA-256 payment systems, our quantum resistant implementation introduced 24ms latency, mostly

caused by an increased signature size (Dilithium-5 signatures are 4595 vs. 256 bytes for ECDSA) and an increased signature generation time. However, this overhead is only at an acceptable level of payment authorization, which gives this project the future guarantees against the quantum threats. The key size is increased (Kyber-1024 pubkeys are 1,568 bytes in size, vs. 256 bytes for classical elg keys); however, in the light of modern available infrastructure this had little impact on the storage requirements.

V. Conclusion And Future Directions

This research demonstrates the possibility of quantum-penetration cryptographic protocols in the real-time payment authorization systems. Our implementation also integrates CRYSTALS-Kyber and CRYSTALS-Dilithium post-quantum pair mechanisms, homomorphic encryption and machine learning-based threat detection and blockchain audit mechanisms at sub-200ms transaction latency with throughput of up to 50,000 TPS. The quantum attack resistance and accuracy of anomaly detection at the level of 97.4% guarantee building a robust security system to protect the financial infrastructure against the new quantum attack. In the future works lattice-based operations will be implemented on FPGA and ASIC and the hardware acceleration of cryptographic operations by 1-2 orders of magnitude can be attained. Many quantum key distribution (QKD) networks rely on quantum communication for information theoretic security assurance and integration of it is investigation. New privacy preserving solutions like secure multi-party computation and functional encryption can be explored for enhanced regulatory compliance.

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