Blockchain Security Issues

About myself

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Blockchain: Introduction

- A type of database, data stored in chronological order

- Characteristics :

  - Distributed

  - Peer to peer transfer

  - Immutable

June-August 2021 : BSV suffers 51% attack.

51% Attack

A 51% attack occurs when malicious miners take control of more than 50% of a proof-of-work blockchain.

The attackers can take advantage of block reorganization, i.e. a block is removed from the blockchain because a longer chain has been created, and take control of the blockchain network interrupting the recording of new blocks.

August 10 : Poly Network is HACKED !

Endpoint Issues

Endpoints are basically the platforms through which users interact with blockchain technology.

Various 3rd Party tools such as wallets to store the digital tokens are not properly tested or weakly linked to the platform.

Insufficient Testing

The unique features of blockchain makes the application a bit complex thus it is important that the applications are tested end-to-end before, during and after the launch.

These can include functional testing, performance testing, smart contract testing.

Unpredictable
Future of
Cryptocurrencies
in various
nations.

Regulatory Issues

Various fake sites are being hosted for users to invest in bitcoin and victims are unable to report them because of unclear roles of administrations and financial institutes.

Article 19 in Argentina gives the "Right to be Forgotten" to its citizens which comes directly in contradiction with the immutable property of the blockchain.

Scalability Issues

Study conducted by tata communications in 2018 – "Around 44% of the industries are deploying blockchain technology."

Thus, the load of transactions will increase. The capacity of the network to handle large volumes of transactions in short time duration is very limited and mining fees is high.

Thank you