SOLIDProof
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Blockchain Security | Smart Contract Audits | KYC Development | Marketing

MADE IN GERMANY

CHLLGG

AUDIT

SECURITY ASSESSMENT

18. October, 2023

FOR

CHLL.GG

SOLIDProof

Introduction

SolidProof.io is a brand of the officially registered company MAKE Network GmbH, based in Germany. We're mainly focused on Blockchain Security such as Smart Contract Audits and KYC verification for project teams.

Solidproof.io assess potential security issues in the smart contracts implementations, review for potential inconsistencies between the code base and the whitepaper/documentation, and provide suggestions for improvement.

Disclaimer

SolidProof.io reports are not, nor should be considered, an "endorsement" or "disapproval" of any particular project or team. These reports are not, nor should be considered, an indication of the economics or value of any "product" or "asset" created by any team. SolidProof.io do not cover testing or auditing the integration with external contract or services (such as Unicrypt, Uniswap, PancakeSwap etc'…)

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SolidProof.io Reports represent an extensive auditing process intending to help our customers increase the quality of their code while reducing the high level of risk presented by cryptographic tokens and blockchain technology. Blockchain technology and cryptographic assets present a high level of ongoing risk. SolidProof's position is that each company and individual are responsible for their own due diligence and continuous security. SolidProof in no way claims any guarantee of the security or functionality of the technology we agree to analyze.

Project Overview

Summary

Project Name	CHLLGG
Website	https://chll.gg/
About the project	CHLL.GG is a casual esports protocol for players of popular WEB3 and WEB2 games. We're bringing a fresh competition format to casual esports by offering AI-protected challenges such as "Best average distance of headshots" or "Best healing per minute on support".
Chain	Polygon
Language	Solidity
Codebase	https://polygonscan.com/address/0x588af6760e7028ef9af67c6fd64d17c19372037b#code
Commit	N/A
Unit Tests	Not Provided

Social Medias

Telegram	https://t.me/chll_gg
Twitter	https://twitter.com/chll_gg
Facebook	N/A
Instagram	N/A
GitHub	N/A
Reddit	N/A
Medium	N/A
Discord	https://discord.com/invite/UNdmNPCgEH
YouTube	N/A
TikTok	N/A
LinkedIn	N/A

Audit Summary

Version	Delivery Date	Change Log
v1.0	03. October 2023	· Layout Project
		· Automated/ Manual-Security Testing
		· Summary
v1.2	18. October 2023	· Reaudit

Note - The following audit report presents a comprehensive security analysis of the smart contract utilized in the project. This analysis did not include functional testing (or unit testing) of the contract's logic. We cannot guarantee 100% logical correctness of the contract as it was not functionally tested by us.

File Overview

The Team provided us with the files that should be tested in the security assessment. This audit covered the following files listed below with an SHA-1 Hash.

File Name	SHA-1 Hash
contracts/ChallengerToken.sol	ec600c3db4d247c6ab8815a4a96c0bd393b3f7cb

Please note: Files with a different hash value than in this table have been modified after the security check, either intentionally or unintentionally. A different hash value may (but need not) be an indication of a changed state or potential vulnerability that was not the subject of this scan.

Imported packages.

Used code from other Frameworks/Smart Contracts.

Dependency / Import Path	Count
@openzeppelin/contracts-upgradeable/access/OwnableUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/interfaces/IERC1363ReceiverUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/interfaces/IERC1363SpenderUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/interfaces/IERC1363Upgradeable.sol	1
@openzeppelin/contracts-upgradeable/proxy/utils/Initializable.sol	1
@openzeppelin/contracts-upgradeable/proxy/utils/UUPSUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/security/PausableUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/token/ERC20/ERC20Upgradeable.sol	1
@openzeppelin/contracts-upgradeable/token/ERC20/extensions/ERC20BurnableUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/token/ERC20/extensions/ERC20PermitUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/token/ERC20/extensions/ERC20SnapshotUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/utils/AddressUpgradeable.sol	1
@openzeppelin/contracts-upgradeable/utils/introspection/ERC165Upgradeable.sol	1

Note for Investors: We only audited contracts mentioned in the scope above. All contracts related to the project apart from that are not a part of the audit, and we cannot comment on its security and are not responsible for it in any way.

External/Public functions

External/public functions are functions that can be called from outside of a contract, i.e., they can be accessed by other contracts or external accounts on the blockchain. These functions are specified using the function declaration's external or public visibility modifier.

State variables

State variables are variables that are stored on the blockchain as part of the contract'sstate. They are declared at the contract level and can be accessed and modified by any function within the contract. State variables can be needed within visibility modifier, such as public, private or internal, which determines the access level of the variable.

Components

📝 Contracts	📚 Libraries	🔍 Interfaces	🎨 Abstract
2	8	11	11

Exposed Functions

This section lists functions that are explicitly declared public or payable. Please note that getter methods for public stateVars are not included.

🌐 Public	💰 Payable
62	1

External	Internal	Private	Pure	View
26	221	11	48	54

StateVariables

Total	🌐 Public
38	0

Capabilities

Solidity Versions observed	🧪 Experimental Features	💰 Can Receive Funds	📇 Uses Assembly	🔵 Has Destroyable Contracts

`^0.8.1`
`^0.8.2`
`^0.8.0`
`^0.8.8`
`^0.8.12`
	----------	Yes	`yes`
			(20 asm blocks)
				---------- 	

📥 Transfers ETH	⚡ Low-Level Calls	👥 Delegate Call	🧮 Uses Hash Functions	💥 ECRecover	🌀 New/Create/Create2
Yes		Yes	Yes	Yes	

Inheritance Graph

An inheritance graph is a graphical representation of the inheritance hierarchy among contracts. In object-oriented programming, inheritance is a mechanism that allows one class (or contract, in the case of Solidity) to inherit properties and methodsfrom another class. It shows the relationships between different contracts and how they are related to each other through inheritance.

Audit Information

Vulnerability & Risk Level

Risk represents the probability that a certain source threat will exploit the vulnerability and the impact of that event on the organization or system. The risk level is computed based on CVSS version 3.0.

Level	Value	Vulnerability	Risk (Required Action)
Critical	9 - 10	A vulnerability that can disrupt the contract functioning in a number of scenarios, or creates a risk that the contract may be broken.	Immediate action to reduce risk level.
High	7 – 8.9	A vulnerability that affects the desired outcome when using a contract, or provides the opportunity to use a contract in an unintended way.	Implementation of corrective actions as soon aspossible.
Medium	4 – 6.9	A vulnerability that could affect the desired outcome of executingthe contract in a specific scenario.	Implementation of corrective actions in a certain period.
Low	2 – 3.9	A vulnerability that does not have a significant impact on possible scenarios for the use of the contract and is probably subjective.	Implementation of certain corrective actions or accepting the risk.
Informational	0 – 1.9	A vulnerability that have informational character but is not effecting any of the code.	An observation that does not determine a level of risk

Auditing Strategy and Techniques Applied

Throughout the review process, care was taken to check the repository for security-related issues, code quality, and compliance with specifications and best practices. To this end, our team of experienced pen-testers and smart contract developers reviewed the code line by line and documented any issues discovered.

We check every file manually. We use automated tools only so that they help us achieve faster and better results.

Methodology

The auditing process follows a routine series of steps:

1. Code review that includes the following:
   a. Reviewing the specifications, sources, and instructions provided to
      SolidProof to ensure we understand the size, scope, and functionality of the
      smart contract.
   b. Manual review of the code, i.e., reading the source code line by line to identify potential vulnerabilities.
   c. Comparison to the specification, i.e., verifying that the code does what is described in the specifications, sources, and instructions provided to SolidProof.

2. Testing and automated analysis that includes the following:
   a. Test coverage analysis determines whether test cases cover code and how much code is executed when those test cases are executed.
   b. Symbolic execution, which is analysing a program to determine what inputs cause each part of a program to execute.

3. Review best practices, i.e., review smart contracts to improve efficiency, effectiveness, clarity, maintainability, security, and control based on best practices, recommendations, and research from industry and academia.

4. Concrete, itemized and actionable recommendations to help you secure your smart contracts.

Overall Security
Upgradeability

Contract is an upgradable	❌ Deployer can update the contract with new functionalities.
Description	The deployer can replace the old contract with a new one with new features. Be aware of this, because the owner can add new features that may have a negative impact on your investments.
Comment	The contract contains the proxy upgradable functionality through which he can upgrade the contract after initial deployment which is not recommended. Explanation from the team: The contract is designed to be upgradable to ensure its long-term viability. As the market evolves, new functionalities may need to be added or existing ones modified. An upgradeable contract allows us to adapt to market needs, regulatory changes, or technological advancements without having to deploy a new contract and migrate users and assets.

File/Line(s): L3460-3474
Codebase:

```
ftrace | funcSig
function initialize(
    string memory name_,
    string memory symbol_,
    uint256 totalSupply_
) public initializer {
    __ERC20_init(name_, symbol_);
    __ERC20Burnable_init();
    __ERC20Snapshot_init();
    __Ownable_init();
    __Pausable_init();
    __ERC20Permit_init(name_);
    __UUPSUpgradeable_init();

    _mint(_msgSender(), totalSupply_ * 10 ** decimals());
}
```

Ownership

The ownership is not renounced	❌ The ownership is not renounced
Description	The owner has not renounced the ownership that means that the owner retains control over the contract's operations, including the ability to execute functions that may impact the contract's users or stakeholders. This can lead to several potential issues, including: • Centralizations • The owner has significant control over contract's operations.
Example	N/A
Comment	Explanation - Retaining ownership of the contract is crucial for several reasons. Primarily, it allows us to perform snapshots for various purposes such as airdrops or governance voting. Additionally, ownership is necessary for implementing upgrades, bug fixes, or changes in functionality that may be required over time. Renouncing ownership would make the contract rigid and unresponsive to future needs.

Note – *The contract cannot be considered as renounced till it is not deployed or having some functionality that can change the state of the contract.*

Ownership Privileges

These functions can be dangerous. Please note that abuse can lead to financial loss. We have a guide where you can learn more about these Functions.

Minting tokens

Minting tokens refer to the process of creating new tokens in a cryptocurrency or blockchain network. This process is typically performed by the project's owner or designated authority, who has the ability to add new tokens to the network's total supply.

Contract owner cannot mint new tokens.	✅ The owner cannot mint new tokens.
Description	The owner cannot mint new tokens after the initial deployment.
Comment	N/A

Burning tokens

Burning tokens is the process of permanently destroying a certain number of tokens, reducing the total supply of a cryptocurrency or token. This is usually done to increase the value of the remaining tokens, as the reduced supply can create scarcity and potentially drive up demand.

Contract owner cannot burn tokens	✅ The owner cannot burn tokens
Description	The owner is not able burn tokens without any allowances.
Comment	N/A

Blacklist addresses

Blacklisting addresses in smart contracts is the process of adding a certain address to a blacklist, effectively preventing them from accessing or participating in certain functionalities or transactions within the contract. This can be useful in preventing fraudulent or malicious activities, such as hacking attempts or money laundering.

Contract owner cannot blacklist addresses.	✅ The owner cannot blacklist wallets.
Description	The owner cannot blacklist addresses for transferring of tokens.
Comment	N/A

Fees and Tax

In some smart contracts, the owner or creator of the contract can set fees for certain actions or operations within the contract. These fees can be used to cover the cost of running the contract, such as paying for gas fees or compensating the contract's owner for their time and effort in developing and maintaining the contract.

Contract owner cannot set fees more than 25%.	✅ The owner cannot set any fees.
Description	The owner cannot set fees more than 25%.
Comment	There is no functionality present to set any fees in this contract.

Lock User Funds

In a smart contract, locking refers to the process of restricting access to certain tokens or assets for a specified period of time. When token or assets are locked in a smart contract, they cannot be transferred or used until the lock-up period has expired or certain conditions have been met.

Contract owner cannot lock functions.	❌ The owner can lock the contract.
Description	Locking the contract means that the owner is able to lock any funds of addresses that they are not able to transfer bought tokens anymore.
Comment	The owner can pause the token for an unlimited period of time which is not recommended. There must be a certain timestamp of the locking period so that the token functionality is not locked for an indefinite period of time.

File, Line/s: L3559-3561
Codebase:

```
ftrace | funcSig
function pause() public onlyOwner {
    _pause();
}
```

Centralization Privileges

Centralization can arise when one or more parties have privileged access or control over the contract's functionality, data, or decision-making. This can occur, for example, if the contract is controlled by a single entity or if certain participants have special permissions or abilities that others do not.

In the project, there are authorities that have access to the following functions:

File	Privileges
ChallengerToken.sol	➢ The owner can take snapshots. ➢ The owner can pause the token for an unlimited period of time.

Recommendations

To avoid potential hacking risks, it is advisable for the client to manage the private key of the privileged account with care. Additionally, we recommend enhancing the security practices of centralized privileges or roles in the protocol through a decentralized mechanism or smart-contract-based accounts, such as multi-signature wallets.

Here are some suggestions of what the client can do:

- Consider using multi-signature wallets: Multi-signature wallets require multiple parties to sign off on a transaction before it can be executed, providing an extra layer of security e.g. Gnosis Safe
- Use of a timelock at least with a latency of e.g. 48-72 hours for awareness of privileged operations
- Introduce a DAO/Governance/Voting module to increase transparency and user involvement
- Consider Renouncing the ownership so that the owner cannot modify any state variables of the contract anymore. Make sure to set up everything before renouncing.
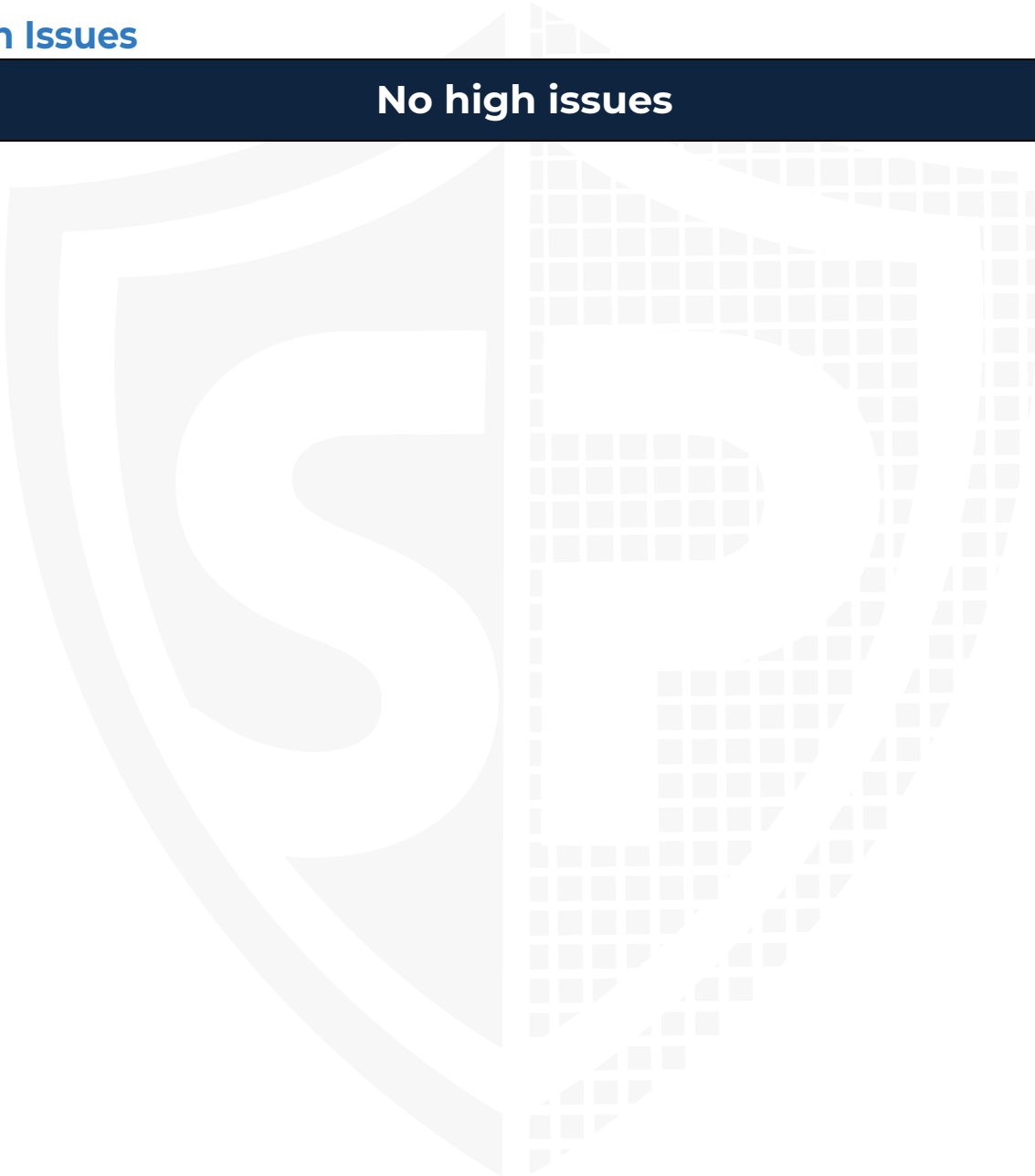
Audit Result

Critical Issues

No critical issues

High Issues

No high issues

Medium Issue

#1 | The owner can lock token.

File	Severity	Location	Status
ChallengerToken.sol	Medium	L3559-3561	ACK

Description – The owner can pause the token for an unlimited period of time which is not recommended.

Remediation – There must be a certain timestamp of the locking period so that the token functionality is not locked for an indefinite period of time.

Alleviation – The ability to pause or lock the contract is a safety measure designed to protect users and assets under certain conditions. For example, in the event of a detected vulnerability, the contract can be paused to prevent any malicious activities. It can also be paused during extreme market volatility to protect users from potential losses due to rapid price fluctuations. This feature provides an extra layer of security and flexibility, ensuring the contract can adapt to unforeseen circumstances.

Low Issue

#1 | Floating pragma solidity version.

File	Severity	Location	Status
ChallengerToken.sol	Low	L3444	ACK

Description – Adding the constant version of solidity is recommended, as this prevents the unintentional deployment of a contract with an outdated compiler that contains unresolved bugs.

Informational Issue

#1 | NatSpec Documentation missing.

File	Severity	Location	Status
ChallengerToken.sol	Informational	--	ACK

Description – If you started to comment on your code, also comment on all other functions, variables, etc.

Legend for the Issue Status

Attribute or Symbol	Meaning
Open	The issue is not fixed by the project team.
Fixed	The issue is fixed by the project team.
Acknowledged(ACK)	The issue has been acknowledged or declared as part of business logic.

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