

ChilliSwap

ChilliFarm

Security Assessment

April 8th, 2021

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Project Summary

| Project Name | ChilliSwap - ChilliFarm |
|--------------|--|
| Description | An LP staking implementation based on SushiSwap. |
| Platform | Ethereum; Solidity, Yul |
| Codebase | GitHub Repository |
| Commits | 1. <u>301dde1383e1707634fce1727d4560c29dc26bea</u> 2. <u>97c9faa61c28a1937bfaebee869162ddaac975fa</u> |

Audit Summary

| Delivery Date | April 8th, 2021 |
|---------------------|--------------------------------|
| Method of Audit | Static Analysis, Manual Review |
| Consultants Engaged | 2 |
| Timeline | March 16th, 2021 |

Vulnerability Summary

| Total Issues | 11 |
|---------------------------------------|----|
| Total Critical | 0 |
| Total Major | 1 |
| Total Medium | 1 |
| Total Minor | 5 |
| Total Informational | 4 |

Executive Summary

We were tasked with auditing the ChilliSwap codebase, a fork of SushiSwap with a lockup period introduced.

Over the course of the audit we pinpointed 2 severe issues with the system's design as well as code implementation that we advise to be remediated as soon as possible to ensure the system's eligibility for a production deployment.

Additionally, we would like to state that the publicly accessible GitHub repository appears to reveal personally identifying information, including a BitBucket account used in the original development of the codebase as well as Infura API keys which we advise are removed from the repository. This section of the summary will be removed in the final version of the report.

System Analysis

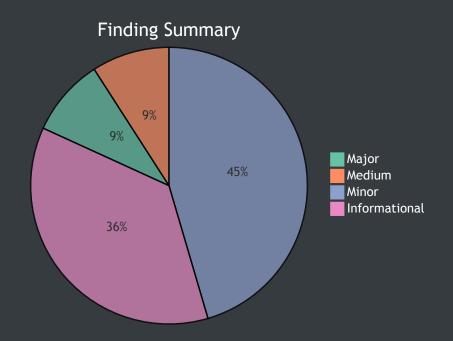
The codebase has introduced certain administrative functions to the original SushiSwap implementation that enable the adjustment of the newly introduced lockup period as well as the replacement of the reward token, in this case Chilli, the latter of which can only effect the rewards paid out and the normal operation of the token and does not inhibit the user's ability to extract their LP tokens from the system via emergencyWithdraw.



| ID | Contract | Location |
|-----|-----------------|---------------------------|
| CHI | CHILLIFarm.sol | contracts/CHILLIFarm.sol |
| CTN | ChilliToken.sol | contracts/ChilliToken.sol |









Manual Review Findings

| ID | Title | Туре | Severity | Resolved |
|----------------|---|---------------|---------------------------------|----------|
| <u>CHI-01M</u> | Permanently Lost Rewards | Logical Issue | Major | ✓ |
| <u>CHI-02M</u> | Indiscriminate Entry Timestamp | Logical Issue | Medium | ① |
| <u>CHI-03M</u> | Inexplicably Manually- Set Variables | Logical Issue | Minor | ~ |
| <u>CHI-04M</u> | Inefficient Evaluation of Duplicates | Logical Issue | Minor | ✓ |
| <u>CHI-05M</u> | Introduction of Race Condition | Logical Issue | Minor | ① |
| CHI-06M | Redundant Statements | Dead Code | Informational | ~ |



Static Analysis Findings

| ID | Title | Туре | Severity | Resolved |
|----------------|---|---------------|---------------------------------|----------|
| <u>CHI-01S</u> | Inapplicacy of Checks- Effects-Interactions Pattern | Logical Issue | Minor | ✓ |
| CHI-02S | Lack of Zero-Address Check | Logical Issue | Minor | ~ |
| CHI-03S | Redundant `constructor` Visibility | Coding Style | Informational | ~ |
| <u>CTN-01S</u> | Redundant Statements | Dead Code | Informational | ~ |
| <u>CTN-02S</u> | Long Numeric Literals | Coding Style | Informational | ~ |



CHI-01M: Permanently Lost Rewards

| Туре | Severity | Location |
|---------------|----------|---------------------------------|
| Logical Issue | Major | CHILLIFarm.sol L238, L273, L274 |

Description:

The system appears to contain a miswritten implementation of a system whereby rewards are accumulated in a pendingChillies mapping before being paid out by their own dedicated function. However, in its current state, pending rewards are stored in the pendingChillies mapping solely when a new deposit occurs and they can never be redeemed as the claim function they were intended to be utilized in is commented out. Thus, rewards are overwritten on each deposit.

Recommendation:

We advise the system is adjusted to properly pay out pending rewards, as the accumulation of rewards in the pendingChillies is done so to prevent early redemption of rewards before the lock up period.

Alleviation:

The system is still not performing as expected. The commented out line of L274 (now L266) was uncommented, however, it accumulates pending chillies to the mapping after paying them out which is not logical. Additionally, the pendingChillies mapping is never utilized in any payout and thus all chillies set to it i.e. via the deposit function will be permanently lost.

This issue was completely fixed in the latest iteration of the codebase, whereby accumulated rewards are properly zeroed out and added to when necessary. We should add that the Checks Effects Interactions pattern is not applied in the withdraw function of the contract whereby the pendingChillies entry is utilized in the transfer before it is zeroed out that could lead to a re-entrancy, however, the Chilli implementation in its current state does not permit a re-entrancy in a transfer and thus the Checks Effects Interactions can optionally be

| applied but does not pose a security threat to the system. |
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CHI-02M: Indiscriminate Entry Timestamp

| Туре | Severity | Location |
|---------------|----------|--------------------------------|
| Logical Issue | Medium | CHILLIFarm.sol L243, L260-L263 |

Description:

The entryTimestamp member of the UserInfo structure is meant to introduce a new feature to the SushiSwap code the project is based on whereby withdrawals are prohibited until a certain lock period has passed. In this implementation, the entryTimestamp variable is updated on each deposit regardless of the pool token being updated which can lead to misleading behaviour for the users.

Recommendation:

We advise the lock period to be enforced on a per-pool basis rather than on a per-account basis to ensure users can freely deposit into other pools as they are introduced without affecting their previous deposits.

Alleviation:

The ChilliSwap team stated that they do not intend to introduce a timestamp on a per-pool basis as that would require a different storage variable for each slot which would require a big overhaul of the system.



CHI-03M: Inexplicably Manually-Set Variables

| Туре | Severity | Location |
|---------------|-------------------------|---|
| Logical Issue | Minor | CHILLIFarm.sol L46, L69, L71, L327-L340 |

Description:

The three linked variables denote core components of the system and are entirely controlled by the developers of the project and can arbitrarily be changed.

Recommendation:

While the lockPeriod being adjusted is understandable, being able to swap the underlying chilli token is ill practice and we advise the setter to be removed and the token to be assigned during the constructor optimizably so to an immutable variable.

In regards to the feesAccumulated being adjustable, there is no clear purpose for this functionality as the variable is not utilized within the codebase and acts as a simple member of the contract that can be set at will and is not guaranteed to reflect reality.

Alleviation:

A new require check was introduced to the codebase that is meant to permit the setting of the chilli address only once, however, it achieves the opposite whereby the chilli address can never be set as the condition within the introduced require check should be inverted.

The require case was inverted in the latest version of the codebase thereby alleviating this issue.



CHI-04M: Inefficient Evaluation of Duplicates

| Туре | Severity | Location |
|---------------|-------------------------|--------------------------|
| Logical Issue | Minor | CHILLIFarm.sol L108-L113 |

Description:

The checkPoolDuplicate function evaluates whether a designated _lpToken has already been added to the ChilliSwap system to prevent it from being added twice. The implementation can become prohibitively expensive as more pools are added to the system because it iteratively loops over all entries and evaluates a require check within the loop.

Recommendation:

We advise a mapping to be utilized instead which links an _lpToken with a bool variable and is set to true whenever a new _lpToken is added to the system. This will result in significantly less gas to be utilized for the checkPoolDuplicate evaluation and permits the system to scale without an issue.

Alleviation:

A mapping was introduced to make the process more efficient, however, in doing so a new vulnerability was introduced whereby new pools cannot be created as the checkPoolDuplicate function evaluates whether supportedPools[_lpToken] is equal to true instead of evaluating that it is equal to false.

This issue was corrected in the latest commit of the project thereby alleviating this exhibit in full.



CHI-05M: Introduction of Race Condition

| Туре | Severity | Location |
|---------------|-------------------------|---------------------|
| Logical Issue | Minor | CHILLIFarm.sol L224 |

Description:

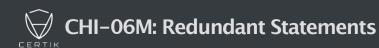
The system of ChilliSwap does not perpetually mint tokens and instead relies on a predefined supply of tokens that is allocated during the native token's creation. This indirectly introduces a race condition whereby users that have accumulated significant rewards towards the end of the remaining balance of the contract will conduct a "gas-war" to try and include their transaction in front of others to acquire the last rewards and cause the other transactions to fail.

Recommendation:

We advise this trait of the system to be thoroughly evaluated as it can lead to misbehavior that user's may not expect since the widely known functionality of such LP pools is that they can be idly farmed instead of actively.

Alleviation:

The ChilliSwap - ChilliFarm development team has acknowledged this exhibit but decided to not apply its remediation in the current version of the codebase due to time constraints.



| Туре | Severity | Location |
|-----------|---------------------------------|--|
| Dead Code | Informational | CHILLIFarm.sol L33-L37, L62-L63, L281-L298 |

Description:

The linked statements do not affect the functionality of the codebase and appear to be either leftovers from test code or older functionality.

Recommendation:

We advise that they are removed to better prepare the code for production environments.

Alleviation:

The redundant statements of the codebase as well as the commented out function were properly removed.



CHI-01S: Inapplicacy of Checks-Effects-Interactions Pattern

| Туре | Severity | Location |
|---------------|-------------------------|--------------------------|
| Logical Issue | Minor | CHILLIFarm.sol L302-L309 |

Description:

The emergencyWithdraw function does not conform to the Checks-Effects-Interactions pattern and utilizes input variables in an external call that are zeroed out after its conclusion.

Recommendation:

While the risk here is practically inexistent as the <code>lpToken</code> implementation of the pool does not contain logic that will inform the recipient of the transfer, it is still considered best practice to apply the <code>Checks-Effects-Interactions</code> on the codebase and we advise it to be done so by caching the <code>user.amount</code> and <code>zeroing</code> it from <code>storage</code> before the external <code>safeTransfer</code> call.

Alleviation:

The Checks-Effects-Interactions pattern was successfully applied by storing the user.amount in an intermediate variable, zeroing it out and then performing the external call.



CHI-02S: Lack of Zero-Address Check

| Туре | Severity | Location |
|---------------|-------------------------|---|
| Logical Issue | Minor | CHILLIFarm.sol L82, L88, L322-L325, L327-L330 |

Description:

The _devaddr constructor variable is not restricted to not be the zero-address, potentially leading to a misconfigured farm state.

Recommendation:

We advise that a zero address check is imposed in the constructor via a require check ensuring that _devaddr is different than the zero address.

Alleviation:

A zero-address check was introduced in the constructor of the contract ensuring that the _devaddr is not equal to the zero address.



CHI-03S: Redundant constructor Visibility

| Туре | Severity | Location |
|--------------|---------------------------------|--------------------|
| Coding Style | Informational | CHILLIFarm.sol L87 |

Description:

The visibility specifier for a constructor is ignored in the version of Solidity utilized by the project, 0.7.5.

Recommendation:

We advise the visibility specifier to be removed from the codebase.

Alleviation:

The constructor 's visibility specifier was properly removed from the codebase.

| Туре | Severity | Location |
|-----------|---------------------------------|--------------------|
| Dead Code | Informational | ChilliToken.sol L8 |

Description:

The linked statements do not affect the functionality of the codebase and appear to be either leftovers from test code or older functionality.

Recommendation:

We advise that they are removed to better prepare the code for production environments.

Alleviation:

The farmingContract variable was safely omitted from the codebase.

| Туре | Severity | Location |
|--------------|---------------------------------|-------------------------|
| Coding Style | Informational | ChilliToken.sol L19-L25 |

Description:

The linked statements contain numeric literals with more than 4 digits that can be hard to read, especially when they are similar like 2400000 and 24000000.

Recommendation:

We advise the inclusion of a separator, _ , between the thousand denominators to increase the legibility of the codebase. The _ character is ignored in numeric literals and can be safely used in the implementation. Additionally, we advise the 10 ** 18 variable to be stored as a contract-level constant further increasing legibility and allowing the contract to be maintained easily i.e. adjusting its decimals.

Alleviation:

The numeric literals were properly formatted to be more readable and a multiplier contract-level constant was declared that contains the token unit offset. We should note that it is more advisable to change the multiplier variable name to MULTIPLIER as per the official Solidity style guide.

Appendix

Finding Categories

Logical Issue

Logical Issue findings are exhibits that detail a fault in the logic of the linked code, such as an incorrect notion on how block.timestamp works.

Coding Style

Coding Style findings usually do not affect the generated byte-code and comment on how to make the codebase more legible and as a result easily maintainable.

Dead Code

Code that otherwise does not affect the functionality of the codebase and can be safely omitted.