SOLIDProof

Bring trust into your projects

Blockchain Security | Smart Contract Audits | KYC

MADE IN GERMANY

Drachma Exchange

Audit

Security Assessment

06. August, 2022

For

DRACHMA

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Version	Date	Description
1.0	06. August, 2022	• Layout project • Automated- /Manual-Security Testing • Summary

Network
Solana (Rust)

Website
https://drachma.exchange/home

Telegram
https://t.me/Drachma_Exchange

Discord
https://discord.com/invite/eEF3WvZ6jE

GitHub
https://github.com/drachma11/stable-swap/

Description

StableSwap is important not only for pegged assets, but also to solve the fragmented liquidity problem due to the existence of multiple bridges. It is also the building block for enabling more synthetic assets and algo stablecoins. We believe that Platypus' unique design will make us a more compelling StableSwap DEX than our competitors.

Project Engagement

During the Date, **Drachma Exchange** engaged Solidproof.io to audit smart contracts that they created. The engagement was technical in nature and focused on identifying security flaws in the design and implementation of the contracts. They provided Solidproof.io with access to their code repository and whitepaper.

Logo

Contract Link

v1.0

- https://github.com/drachma11/stable-swap/
    - Commit: b2dfd47f8f22d86f98d74527610e964846f6dc78

Vulnerability & Risk Level

Risk represents the probability that a certain source-threat will exploit vulnerability, and the impact of that event on the organization or system. 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 executing the 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 evaluate the repository for security-related issues, code quality, and adherence to specification and best practices. To do so, reviewed line-by-line by our team of expert pentesters and smart contract developers, documenting any issues as there were discovered.

Methodology

The auditing process follows a routine series of steps:

1. Code review that includes the following:
    i) Review of the specifications, sources, and instructions provided to SolidProof to make sure we understand the size, scope, and functionality of the smart contract.
    ii) Manual review of code, which is the process of reading source code line-by-line in an attempt to identify potential vulnerabilities.
    iii) Comparison to specification, which is the process of checking whether the code does what the specifications, sources, and instructions provided to SolidProof describe.

2. Testing and automated analysis that includes the following:
    i) Test coverage analysis, which is the process of determining whether the test cases are actually covering the code and how much code is exercised when we run those test cases.

3. Best practices review, which is a review of the smart contracts to improve efficiency, effectiveness, clarify, maintainability, security, and control based on the established industry and academic practices, recommendations, and research.

4. Specific, itemized, actionable recommendations to help you take steps to secure your smart contracts.

Used Code from other Frameworks/Smart Contracts (direct imports)

Imported packages:

```
anchor_lang::prelude::*;
anchor_spl::associated_token::AssociatedToken;
anchor_spl::token::{self, *}
```

310 CRATE DEPENDENCIES

Tested Contract Files

This audit covered the following files listed below with a SHA-1 Hash.

A file with a different Hash has been modified, intentionally or otherwise, after the security review. A different Hash could be (but not necessarily) an indication of a changed condition or potential vulnerability that was not within the scope of this review.

v1.0

Filename	SHA-1 Hash
lib.rs	98a5cf2a4a198adf213593f4a38215f0598c5ec9

Scope of Work/Verify Claims

The above token Team provided us with the files that needs to be tested (Github, Bscscan, Etherscan, files, etc.). The scope of the audit is the main contract (usual the same name as team appended with .rs).

We will verify the following claims:

1. Missing signer checks
2. Missing ownership checks
3. Missing rent exemption checks
4. Signed invocation of unverified programs
5. Solana account confusions
6. Re-initiation with cross-instance confusion
7. Arithmetic overflow/underflows
8. Numerical precision errors
9. Loss of precision in calculation
10. Incorrect calculation
11. Casting truncation
12. Exponential complexity in calculation
13. Missing freeze authority checks
14. Insufficient SPL-Token account verification
15. Over/under payment of loans
16. Overall checkup (Smart Contract Security)

Overall checkup (Smart Contract Security)

Tested	Verified

Legend

Attribute	Symbol
Verfified / Checked	
Partly Verified	
Unverified / Not checked	
Not available	

Modifiers and public functions
v1.0

Modifiers

- N/A

Public functions

- initialize
- create_pool
- set_per_reward
- set_swap_rate
- deposit
- withdraw
- get_reward
- swap

Comments

- Please check if an OnlyOwner or similar restrictive modifier has been forgotten. Look into the Audit comments for more details.

Audit Results

Critical issues

No critical issues

High issues

No high issues

Medium issues

No medium issues

Low issues

Issue	File	Type	Category
#1	Main	Numerical precision errors, Loss of precision in calculation	set_swap_rate, swap_rate
#2	Main	Solana account confusions	PoolInfo, PoolItem, UserInfo, UserItem

Informational issues

No informational issues

Audit Comments

August 2022:

Contract was compiled on Ubuntu 18.04 x64 with actual Rust, Solana, NPM and Yarn packages.

Automated testing results:

- ✓ Compiler Optimization Passes
- ✓ Pointer Analysis
- ✓ Building Static Happens-Before Graph
- ✓ Detecting Vulnerabilities

No Vulnerabilities were found in the crate dependencies.
Not lint mistakes were found against 450 lint rules.

Comment

Always check the owner field of accounts that aren't supposed to be fully user-controlled. Ideally, you'd create a helper function that takes an untrusted account, checks the owner and returns an object of a different, trusted type. Your contract should only trust accounts owned by itself.

Always keep in mind that a user can supply arbitrary accounts as inputs. Even if an account is owned by the contract, you have to ensure that the account data has the type you expect it to have.

Keep in mind that swap_rate has limitations and loss of precision.

Recommendation

Since the smart contract does not check that config is owned by the correct entity, an attacker can supply a maliciously crafted config account with an arbitrary admin field. Now if the smart contract tries to verify that the given admin account is indeed the admin account stored in its config account, it will be fooled by the malicious config. The contract will then happily withdraw funds to the attacker-controlled admin account.

When you create a new account, you could set the TYPE field to a value that is unique to accounts of that type. Your deserialization function will also have to validate the TYPE and error out if the account does not have the type you're expecting.

When accounts call set_swap_rate, you would check its validation.

No unit tests were performed because no corresponding tests were supplied.

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