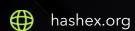
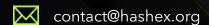


Chainspot

smart contracts final audit report

March 2023





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1. Disclaimer

This is a limited report on our findings based on our analysis, in accordance with good industry practice at the date of this report, in relation to cybersecurity vulnerabilities and issues in the framework and algorithms based on smart contracts, the details of which are set out in this report. In order to get a full view of our analysis, it is crucial for you to read the full report. While we have done our best in conducting our analysis and producing this report, it is important to note that you should not rely on this report and cannot claim against us on the basis of what it says or doesn't say, or how we produced it, and it is important for you to conduct your own independent investigations before making any decisions. We go into more detail on this in the disclaimer below – please make sure to read it in full.

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2. Overview

HashEx was commissioned by the **Chainspot** team to perform an audit of their smart contract. The audit was conducted between **2023-03-15** and **2023-03-19**.

The purpose of this audit was to achieve the following:

- Identify potential security issues with smart contracts
- Formally check the logic behind given smart contracts.

Information in this report should be used for understanding the risk exposure of smart contracts, and as a guide to improving the security posture of smart contracts by remediating the issues that were identified.

The code is available at <u>@Chainspot-router/contracts</u> GitHub repository and was audited after the commit <u>eb91ead</u>.

Update. Recheck was made after the commit <u>17fb73</u>.

2.1 Summary

Project name	Chainspot
URL	https://chainspot.io/
Platform	Ethereum
Language	Solidity

2.2 Contracts

Name	Address
ChainspotProxy	
ProxyFee	
ProxyWithdrawal	

3. Found issues



C1. ChainspotProxy

ID	Severity	Title	Status
C1-01	Critical	An attacker can steal users' tokens approved on the contract	
C1-02	Medium	Lack of msg.value check in proxyTokens function	
C1-03	Medium	Lack of reentrancy checks	
C1-04	Low	Excessive usage of low-level calls	
C1-05	Low	Gas optimizations	Partially fixed
C1-06	Low	Possible unspent allowance	
C1-07	Low	Result of ERC20 token transfer is not checked	
C1-08	Info	Lack of in-code documentation	
C1-09	Info	Typos	Partially fixed

C1-10	Info	Unclear purpose of the receive() function	Acknowledged

C2. ProxyFee

ID	Severity	Title	Status
C2-01	High	No fees constraints	
C2-02	Low	Lack of events	

4. Contracts

C1. ChainspotProxy

Overview

The main contract sends arbitrary messages on its behalf.

Issues

C1-01 An attacker can steal users' tokens approved on ● Critical ⊘ Resolved the contract

The contract allows sending arbitrary messages on its behalf with the metaProxy() function.

The function proxyTokens() assumes that users approve their ERC20 tokens for the ChainspotProxy contract to interact with it.

```
function proxyTokens(address tokenAddress, address approveTo, address callDataTo,
bytes memory data) internal {
   address selfAddress = address(this);
```

```
address fromAddress = msg.sender;

(bool success, bytes memory result) = tokenAddress.call(
    abi.encodeWithSignature("allowance(address,address)", fromAddress,
selfAddress)
);
    require(success, "Proxy: allowance request failed");
    uint amount = abi.decode(result, (uint));
    require(amount > 0, "Proxy: amount is to small");
    ...
}
```

In case some tokens are approved, an attacker can transfer all approved tokens to his wallet. To do this an attacker calls the metaProxy() function and passes the address of the token in the callDataTo parameter and forms the data parameter to call the token's transferFrom() function to transfer tokens from the user to the attacker.

Recommendation

Create a whitelist of the contracts that can be called. Check if these contracts don't have any privileged access for the router contract.

C1-02 Lack of msg.value check in proxyTokens • Medium • Resolved function

The function proxyTokens() doesn't check if the native currency value sent with the transaction is zero. The value accidentally sent with the call native currency will remain on the contract's balance. Only the contract owner can withdraw the native currency from the contract.

C1-03 Lack of reentrancy checks

Medium

Resolved

The contract calls external addresses and changes state after calls.

```
function proxyCoins(address to, bytes memory data) internal {
    ...
```

```
(success, ) = to.call{value: resultAmount}(data);
    require(success, "Proxy: transfer not sended");

    emit ProxyCoinsEvent(to, amount, resultAmount, feeAmount);
}

function proxyTokens(address tokenAddress, address approveTo, address callDataTo,
bytes memory data) internal {
    ...
    (success, ) = callDataTo.call(data);
    require(success, "Proxy: call data request failed");

    emit ProxyTokensEvent(tokenAddress, amount, routerAmount, feeAmount, approveTo,
callDataTo);
}
```

Recommendation

Use ReentrancyGuard from OpenZeppelin's library to avoid potential reentrancy attacks.

C1-04 Excessive usage of low-level calls

The contract uses low-level calls to interact with tokens.

An ERC20 interface could be used to simplify interactions with tokens.

Recommendation

Use the IERC20 interface to interact with ERC20 tokens.

C1-05 Gas optimizations





- 1. Use calldata instead of memory for function parameters where possible.
- 2. Fee is calculated twice in the calcAmount and calFee functions.
- 3. No need to check for token allowance in the proxyTokens() function.
- 4. Fees are transferred to the owner on every call. Pull payment can be used to save gas.

C1-06 Possible unspent allowance





The function proxyTokens() approves tokens for the approveTo address. If this allowance isn't spent in the transaction, the tokens remain on the contract, and the owner of the approveTo account will be able to transfer tokens to himself. This situation is possible in case wrong parameters are passed to the function, but it's always good to be fail-proof.

Recommendation

Check if the allowance given in the transaction is spent.

C1-07 Result of ERC20 token transfer is not checked





The ERC20 standard states that the transfer function should return true after a successful transfer. The code does not check if the returned value is false.

Recommendation

User OpenZeppelin's SafeERC20 library to handle token transfers.

Update

require statements were added to check if the token returned false on transfer. However, it's important to note that such checks will fail on successful transfers on tokens that do not fully comply with the ERC20 standard like USDT in Ethereum, and don't return any value.

C1-08 Lack of in-code documentation

■ Info
Ø Resolved

The contract has no Natspec documentation. We recommend adding documentation to at least all **public** and **external** functions.

C1-09 Typos

Info

Partially fixed

Typos reduce the code's readability.1) 'amount is to small' should be replaced with 'amount is too small'2) 'not sended' should be replaced with 'not sent'

Update

New typos were introduces with the update: 'refert' in a require message.

C1-10 Unclear purpose of the receive() function

Info

Acknowledged

The usage of the receive() function is unclear. It opens the possibility to send native currency to the contract. Only the owner of the contract can withdraw the contract's balance. The function has no documentation and its purpose is unclear.

C2. ProxyFee

Overview

A contract with fee calculation functions. Inherited by the ChainspotProxy contract.

Issues

C2-01 No fees constraints

There are no constraints on the amount of the fees. The contract owner can set arbitrary bit fees.

High

Resolved

```
function setFeeBase(uint _feeBase) public onlyOwner {
    require(_feeBase > 0, "Fee: feeBase must be valid");

    feeBase = _feeBase;
}

function setFeeMul(uint _feeMul) public onlyOwner {
    require(_feeMul > 0, "Fee: feeMul must be valid");

    feeMul = _feeMul;
}
```

Recommendation

Set a maximum percent for the fees, e.g. 10%, and do not allow setting fees that exceed the threshold.

C2-02 Lack of events

The function setFeeBase(), setFeeMul() don't emit events, which complicates the tracking of

important changes off-chain.

Resolved

Low

C3. ProxyWithdrawal

Overview

A helper contract with interfaces for allowing the contract owner to withdraw native currency and ERC20 tokens to specified addresses. Inherited by the ChainspotProxy contract.

5. Conclusion

1 critical, 1 high, 2 medium, 5 low severity issues were found during the audit. 1 critical, 1 high, 2 medium, 4 low issues were resolved in the update.

This audit includes recommendations on code improvement and the prevention of potential attacks.

Appendix A. Issues severity classification

• **Critical.** Issues that may cause an unlimited loss of funds or entirely break the contract workflow. Malicious code (including malicious modification of libraries) is also treated as a critical severity issue. These issues must be fixed before deployments or fixed in already running projects as soon as possible.

- **High.** Issues that may lead to a limited loss of funds, break interaction with users, or other contracts under specific conditions. Also, issues in a smart contract, that allow a privileged account the ability to steal or block other users' funds.
- Medium. Issues that do not lead to a loss of funds directly, but break the contract logic.
 May lead to failures in contracts operation.
- **Low.** Issues that are of a non-optimal code character, for instance, gas optimization tips, unused variables, errors in messages.
- **Info.** Issues that do not impact the contract operation. Usually, info severity issues are related to code best practices, e.g. style guide.

Appendix B. Issue status description

- ❷ Resolved. The issue has been completely fixed.
- **Partially fixed.** Parts of the issue have been fixed but the issue is not completely resolved.
- Acknowledged. The team has been notified of the issue, no action has been taken.
- ② Open. The issue remains unresolved.

Appendix C. List of examined issue types

- Business logic overview
- Functionality checks
- Following best practices
- Access control and authorization
- Reentrancy attacks
- Front-run attacks
- DoS with (unexpected) revert
- DoS with block gas limit
- Transaction-ordering dependence
- ERC/BEP and other standards violation
- Unchecked math
- Implicit visibility levels
- Excessive gas usage
- Timestamp dependence
- Forcibly sending ether to a contract
- Weak sources of randomness
- Shadowing state variables
- Usage of deprecated code

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