

# **#** Competitive Security Assessment

# ParaSpace P2P Pair Staking

Jan 20th, 2023





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# **Summary**

This report is prepared for the project to identify vulnerabilities and issues in the smart contract source code. A group of NDA covered experienced security experts have participated in the Secure3's Audit Contest to find vulnerabilities and optimizations. Secure3 team has participated in the contest process as well to provide extra auditing coverage and scrutiny of the finding submissions.

The comprehensive examination and auditing scope includes:

- Cross checking contract implementation against functionalities described in the documents and white paper disclosed by the project owner.
- Contract Privilege Role Review to provide more clarity on smart contract roles and privilege.
- Using static analysis tools to analyze smart contracts against common known vulnerabilities patterns.
- Verify the code base is compliant with the most up-to-date industry standards and security best practices.
- Comprehensive line-by-line manual code review of the entire codebase by industry experts.

The security assessment resulted in findings that are categorized in four severity levels: Critical, Medium, Low, Informational. For each of the findings, the report has included recommendations of fix or mitigation for security and best practices.



# Overview

#### **Project Detail**

Project Name	ParaSpace P2P Pair Staking
Platform & Language	Solidity
Codebase	<ul> <li>https://github.com/para-space/paraspace-core</li> <li>audit commit - cf85f96d53b66eee72cdd2f168092d1d1a1aa167</li> <li>final commit - 03d0af3f145a43263755e3b6ea9996db88e96b0d</li> </ul>
Audit Methodology	<ul> <li>Audit Contest</li> <li>Business Logic and Code Review</li> <li>Privileged Roles Review</li> <li>Static Analysis</li> </ul>

#### **Code Vulnerability Review Summary**

Vulnerability Level	Total	Reported	Acknowledged	Fixed	Mitigated	Declined
Critical	1	0	1	0	0	0
Medium	1	0	0	1	0	0
Low	0	0	0	0	0	0
Informational	5	0	3	2	0	0

4

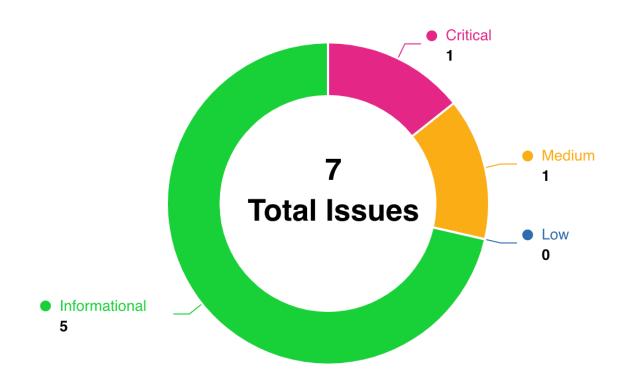


# **Audit Scope**

File	Commit Hash
contracts/interfaces/ICApe.sol	cf85f96d53b66eee72cdd2f168092d1d1a1aa167
contracts/interfaces/IP2PPairStaking.sol	cf85f96d53b66eee72cdd2f168092d1d1a1aa167
contracts/misc/P2PPairStaking.sol	cf85f96d53b66eee72cdd2f168092d1d1a1aa167



# **Code Assessment Findings**



ID	Name	Category	Severity	Status	Contributor
PSP-1	Centralization risk	Privilege Related	Informational	Acknowled ged	Hupixiong3
PSP-2	Fetch the length of array before the loop to save gas	Gas Optimization	Informational	Fixed	Hupixiong3, Xi_Zi
PSP-3	Missing Protection against Signature Replay Attacks in P2PPairStaking contract	Signature Forgery or Replay	Critical	Acknowled ged	thereksfour, Xi_Zi
PSP-4	NFT's owner can prevent other matchers from calling breakUpMatchedOrder	Logical	Medium	Fixed	thereksfour



PSP-5	The user's assets are at risk of being permanently locked in the contract	Logical	Informational	Acknowled ged	xfu
PSP-6	P2PPairStaking Gas Optimization by using custom errors	Gas Optimization	Informational	Acknowled ged	Xi_Zi
PSP-7	P2PPairStaking Gas Optimization for constant hashes	Gas Optimization	Informational	Fixed	Xi_Zi, xfu



## **PSP-1:Centralization risk**

Category	Severity	Code Reference	Status	Contributor
Privilege Related	Informational	code/contracts/misc/P2PPairStaki ng.sol#L606-L617	Acknowledged	Hupixiong3

#### Code

```
606: function claimCompoundFee(address receiver) external onlyOwner {
607:          this.claimCApeReward(receiver);
608: }
609:
610: function rescueERC20(
611:          address token,
612:          address to,
613:          uint256 amount
614: ) external onlyOwner {
615:          IERC20(token).safeTransfer(to, amount);
616:          emit RescueERC20(token, to, amount);
617: }
```

## **Description**

**Hupixiong3:** The owner can arbitrarily take the user's income CAPEcoin.

#### Recommendation

**Hupixiong3:** By merging claimCompoundFee() and resuceERC20(), and limiting the number of CAPEcoins that can be transferred by the resuceERC20() function.

Consider below fix in the rescueERC20() function



```
function rescueERC20(
   address token,
   address to,
   uint256 amount
) external onlyOwner {
    If(token==cApe) {
       this.claimCApeReward(to);
    }else{
       IERC20(token).safeTransfer(to, amount);
       emit RescueERC20(token, to, amount);
    }
}
```

# **Client Response**

We think it's Ok, we use an upgradable way to deploy P2P, it has much more centralization risk. And if we take your recommendation and user sends his cApe to P2Pcontract accidentally, we can't rescue for him.



# PSP-2:Fetch the length of array before the loop to save gas

Category	Severity	Code Reference	Status	Contributor
Gas Optimization	Informational	code/contracts/misc/P2PPairStaki ng.sol#L344	Fixed	Hupixiong3, Xi_Zi

#### Code

```
344: for (uint256 index = 0; index < orderHashes.length; index++) {
```

### **Description**

**Hupixiong3**: Cache array length into memory to reduce GAS consumption

**Xi\_Zi**: In the function claimForMatchedOrderAndCompound, when judging the range of i in the for loop, use i < tradeDetails.length; to proceed. In this way, every time the loop statement is executed, the length method of tradeDetails will be called, and the gas consumption will be large.

#### Recommendation

**Hupixiong3**: Cache array length into memory

Consider below fix in the claimForMatchedOrderAndCompound() function



Xi\_Zi: It is recommended to define a variable which uint256 length = orderHashes.length; Then in the for loop, i < length is used to determine. Sample code is as follows:

```
uint256 length = orderHashes.length;
for (uint256 i = 0; i < length; ) {
    ...
}</pre>
```

# **Client Response**

Fixed.



# PSP-3:Missing Protection against Signature Replay Attacks in P2PPairStaking contract

Category	Severity	Code Reference	Status	Contributor
Signature Forgery or Replay	Critical	code/contracts/misc/P2PPairStaki ng.sol#L493-L520	Acknowledged	thereksfour, Xi_Zi

#### Code

```
function _validateOrderBasicInfo(ListingOrder calldata listingOrder)
494:
            internal
495:
            view
496:
        {
497:
            require(
                listingOrder.startTime <= block.timestamp,</pre>
                "ape order not start"
500:
            require(listingOrder.endTime >= block.timestamp, "ape offer expired");
501:
502:
            bytes32 orderHash = getListingOrderHash(listingOrder);
            require(!isListingOrderCanceled[orderHash], "order already canceled");
            if (
                msg.sender != listingOrder.offerer && msg.sender != matchingOperator
507:
            ) {
509:
                 require(
                    _validateOrderSignature(
511:
                         listingOrder.offerer,
                         orderHash,
512:
                         listingOrder.v,
                         listingOrder.r,
                         listingOrder.s
517:
                     "invalid signature"
                );
519:
        }
520:
```



## **Description**

**thereksfour**: When a user matches orders and staking, the orders are checked and staking is performed in matchPairStakingList/matchBAKCPairStakingList.

```
function matchBAKCPairStakingList(
    ListingOrder calldata apeOrder,
    ListingOrder calldata bakcOrder,
    ListingOrder calldata apeCoinOrder
) external nonReentrant returns (bytes32 orderHash) {
    //1 validate all order
    _validateApeOrder(apeOrder);
    _validateBakcOrder(bakcOrder);
    _validateApeCoinOrder(apeCoinOrder);
```

When the order is checked in \_validate\*Order, the signature (v, r, s) needs to be provided if the caller is not the offerer of the order.

However, when the order passes the check, no changes are made to the order state, resulting in the signature being reusable. For BAYC/MAYC/BAKC, once the order is matched, the NFT is sent to the contract and since the \_validate\*Order requires owner == the offerer of the order, the ApeOrder/BakcOrder does not pass the check when the signature is reused.



However, for ApeCoinOrder, as long as the offerer of the order has enough ApeCoin and has approved P2PPairStaking, ApeCoinOrder can be matched multiple times by signature reuse.

```
function _validateApeCoinOrder(ListingOrder calldata apeCoinOrder)
    internal
    view
{
       _validateOrderBasicInfo(apeCoinOrder);
       require(apeCoinOrder.token == apeCoin, "ape coin order invalid token");
}
```

And once the matching order is successful, a malicious user can use another vulnerability that I submitted "NFT's owner can prevent other matchers from calling breakUpMatchedOrder" to prevent ApeCoin from being withdrawn

Xi\_Zi: Sometimes it is necessary to perform signature verification in smart contracts to achieve better usability. A secure implementation must protect against Signature Replay Attacks by, for example, keeping track of all processed message hashes and only allowing new message hashes. When the contract uses SignatureChecker.verify, there is no keeping track of all processed message hashes, it is necessary to increase the nonce or process the already used message hash to reduce the risk of signature replay.



```
function _validateOrderSignature(
        address signer,
        bytes32 orderHash,
        uint8 v,
        bytes32 r,
        bytes32 s
    ) internal view returns (bool) {
        return
            SignatureChecker.verify(
                orderHash,
                signer,
                ٧,
                r,
                s,
                DOMAIN_SEPARATOR
            );
    }
function verify(
       bytes32 hash,
        address signer,
        uint8 v,
        bytes32 r,
        bytes32 s,
        bytes32 domainSeparator
    ) internal view returns (bool) {
        bytes32 digest = keccak256(abi.encodePacked("\x19\x01", domainSeparator, hash));
        if (Address.isContract(signer)) {
            // 0x1626ba7e is the interfaceId for signature contracts (see IERC1271)
            return IERC1271(signer).isValidSignature(digest, abi.encodePacked(r, s, v)) ==
0x1626ba7e;
        } else {
            return recover(digest, v, r, s) == signer;
    }
```

#### Recommendation

**thereksfour**: Consider using a variable to record whether an ApeCoinOrder is matched or not, and the matched ApeCoinOrder cannot pass the order check. And add the order hash of the ApeCoinOrder to the MatchedOrder structure,



and when break up the matched order, set the match status of the ApeCoinOrder to false

**Xi\_Zi**: 1. Store every message hash that the smart contract has processed. When new messages are received, check against the already existing ones and only proceed with business logic if it's a new message hash. 2. Include nonce into signed message.

# **Client Response**

We intend to do this. This can allow user just list an order to match as many as possible. And user can cancel his order to invalid this order and break up his matched order freely.



# PSP-4:NFT's owner can prevent other matchers from calling breakUpMatchedOrder

Category	Severity	Code Reference	Status	Contributor
Logical	Medium	code/contracts/misc/P2PPairStaki ng.sol#L319-L334	Fixed	thereksfour

#### Code

```
319:
            IERC721(order.apeToken).safeTransferFrom(
320:
                address(this),
                order.apeOfferer,
321:
322:
                order.apeTokenId
            );
324:
            IERC20(apeCoin).safeTransfer(
                order.apeCoinOfferer,
                order.apePrincipleAmount
327:
            if (order.stakingType >= StakingType.BAYCPairStaking) {
                IERC721(bakc).safeTransferFrom(
329:
                    address(this),
                    order.bakcOfferer,
332:
                    order.bakcTokenId
                );
333:
            }
334:
```

## **Description**

**thereksfour:** When an order is matched, all matchers have permission to call the breakUpMatchedOrder function to break up the matched order.



```
function breakUpMatchedOrder(bytes32 orderHash) external nonReentrant {
    MatchedOrder memory order = matchedOrders[orderHash];

    //1 check owner
    require(
        msg.sender == matchingOperator ||
            msg.sender == order.apeOfferer ||
            msg.sender == order.bakcOfferer ||
            msg.sender == order.apeCoinOfferer,
        "no permission to break up"
    );
```

In the breakUpMatchedOrder function, BAYC/MAYC/BAKC/APECoin will be transferred to the corresponding matcher. However, when transferring BAYC/MAYC/BAKC, breakUpMatchedOrder calls the safeTransferFrom function,

```
IERC721(order.apeToken).safeTransferFrom(
    address(this),
    order.apeOfferer,
    order.apeTokenId
);
IERC20(apeCoin).safeTransfer(
    order.apeCoinOfferer,
    order.apePrincipleAmount
);
if (order.stakingType >= StakingType.BAYCPairStaking) {
    IERC721(bakc).safeTransferFrom(
        address(this),
        order.bakcOfferer,
        order.bakcTokenId
    );
}
```

which allows the recipient of BAYC/MAYC/BAKC to prevent the contract from sending BAYC/MAYC/BAKC to himself in the onERC721Received function, thus prevent other matchers from calling the breakUpMatchedOrder function

Consider a BAKC holder who sends a BAKC to a smart contract with the following code:



```
function setFlag(bool f) onlyOwner{
    flag = f;
}
function onERC721Received( op, from, tokenId, data) returns(bytes){
    if(flag) return this.onERC721Received.selector;
    else return "0x00";
}
```

The contract's owner can control whether the contract is allowed to receive NFTs sent via safeTransferFrom by setting the flag.

The holder of the BAKC is matched to a holder of BAYC and APECoin to stake. The shares are (BAYC:70 BAKC:15 APECoin: 15) The BAYC holder then finds a match with 80 shares and wants to call the breakUpMatchedOrder function to end the current matched order. However, since BAKC is currently set to not receive NFTs, the breakUpMatchedOrder call fails, i.e. the other matchers cannot break up the matched order

#### Recommendation

**thereksfour**: Consider wrapping the call to safeTransferFrom in the breakUpMatchedOrder function with a try catch statement. When the NFT send fails, set a map variable to allow the user to claim his NFT later

### **Client Response**

We do have this problem before, but since now we only support supplied NFT from Lending pool, this problem disappeared.



# PSP-5:The user's assets are at risk of being permanently locked in the contract

Category	Severity	Code Reference	Status	Contributor
Logical	Informational	code/contracts/misc/P2PPairStaki ng.sol#L283	Acknowledged	xfu

## Code

283•

\_claimForMatchedOrderAndCompound(orderHash);

# **Description**

xfu: Consider below POC contract



```
function breakUpMatchedOrder(bytes32 orderHash)                  external nonReentrant {
        //2 claim pending reward
        _claimForMatchedOrderAndCompound(orderHash);
    }
function _claimForMatchedOrderAndCompound(bytes32 orderHash) internal {
        . . .
        if (order.stakingType < StakingType.BAYCPairStaking) {</pre>
            uint256[] memory _nfts = new uint256[](1);
            _nfts[0] = order.apeTokenId;
            if (order.stakingType == StakingType.BAYCStaking) {
                apeCoinStaking.claimSelfBAYC(_nfts);
                apeCoinStaking.claimSelfMAYC(_nfts);
        } else {
            . . .
            if (order.stakingType == StakingType.BAYCPairStaking) {
                apeCoinStaking.claimSelfBAKC(_nfts, _otherPairs);
            } else {
                apeCoinStaking.claimSelfBAKC(_otherPairs, _nfts);
            }
        }
        uint256 shareBefore = ICApe(cApe).sharesOf(address(this));
        IAutoCompoundApe(cApe).deposit(address(this), rewardAmount);
        uint256 shareAfter = ICApe(cApe).sharesOf(address(this));
    }
```

The implementation of breakUpMatchedOrder depends on \_claimForMatchedOrderAndCompound, \_claimForMatchedOrderAndCompound depends on apeCoinStaking's claim implementation and IAutoCompoundApe's deposit implementation. The third-party implementation may have the risk of throwing an exception, causing the breakUpMatchedOrder function to fail to execute the subsequent asset withdrawal logic.



# Recommendation

**xfu**: **Add emergency withdrawal function** The emergency withdrawal function only realizes the withdrawal from ApeCoinStaking assets, and then returns the assets to the original users. The authority of the emergency withdrawal function should be executed by the contract owner.

# **Client Response**

We think it's ok, because cApe was used with an upgradable way to deploy and it is fully under our control.



# PSP-6: P2PPairStaking Gas Optimization by using custom errors

Category	Severity	Code Reference	Status	Contributor
Gas Optimization	Informational	<ul> <li>code/contracts/misc/P2PPairStaking.sol#L107</li> <li>code/contracts/misc/P2PPairStaking.sol#L109</li> <li>code/contracts/misc/P2PPairStaking.sol#L124</li> <li>code/contracts/misc/P2PPairStaking.sol#L128</li> <li>code/contracts/misc/P2PPairStaking.sol#L132</li> <li>code/contracts/misc/P2PPairStaking.sol#L132</li> <li>code/contracts/misc/P2PPairStaking.sol#L196</li> <li>code/contracts/misc/P2PPairStaking.sol#L200</li> </ul>	Acknowledged	Xi_Zi

#### Code

```
107: require(msg.sender == listingOrder.offerer, "not order offerer");
109: require(!isListingOrderCanceled[orderHash], "order already cancel");
124: require(
128: require(
132: require(
196: require(
200: require(
```

# **Description**



**Xi\_Zi**: When Solidity v0.8.4 introduced the ability to define custom errors, developers gained a better way to handle transactions that revert. As stated in Solidity's v0.8.4 release, the use of custom errors can reduce runtime and deployment costs. It is recommended to use custom errors instead of require to save gas.

```
function validateApeOrder(ListingOrder calldata apeOrder) internal view {
       _validateOrderBasicInfo(apeOrder);
       address expectedToken = bayc;
       if (
            apeOrder.stakingType == StakingType.MAYCStaking ||
           apeOrder.stakingType == StakingType.MAYCPairStaking
       ) {
           expectedToken = mayc;
       require(apeOrder.token == expectedToken, "ape order invalid token");
        require(
           IERC721(expectedToken).ownerOf(apeOrder.tokenId) ==
                apeOrder.offerer,
           "ape order invalid owner"
       );
   }
   function _validateBakcOrder(ListingOrder calldata bakcOrder) internal view {
       _validateOrderBasicInfo(bakcOrder);
       require(bakcOrder.token == bakc, "bakc order invalid token");
        require(
            IERC721(bakc).ownerOf(bakcOrder.tokenId) == bakcOrder.offerer,
           "bakc order invalid owner"
       );
   }
```

#### Recommendation

Xi\_Zi: It is recommended to use custom errors instead of require to save gas. Reference link: https://blog.openzeppelin.com/defining-industry-standards-for-custom-error-messages-to-improve-the-web3-developer-experience/

# **Client Response**

We think it's ok.



# PSP-7: P2PPairStaking Gas Optimization for constant hashes

Category	Severity	Code Reference	Status	Contributor
Gas Optimization	Informational	code/contracts/misc/P2PPairStaki ng.sol#L27-L39	Fixed	Xi_Zi, xfu

#### Code

```
27:
       bytes32 public constant LISTING_ORDER_HASH =
          keccak256(
               "ListingOrder(uint8 stakingType,address offerer,address token,uint256 tokenId,uint256
share,uint256 startTime,uint256 endTime)"
      bytes32 public constant MATCHED_ORDER_HASH =
          keccak256(
               "MatchedOrder(uint8 stakingType,address apeToken,address apeOfferer,uint32
apeTokenId,uint32 apeShare,address bakcOfferer,uint32 bakcTokenId,uint32 bakcShare,address
apeCoinOfferer,uint32 apeCoinShare,uint256 apePrincipleAmount)"
34:
       bytes32 internal constant EIP712_DOMAIN =
          keccak256(
37:
               "EIP712Domain(string name,string version,uint256 chainId,address verifyingContract)"
           );
```

## **Description**

**Xi\_Zi**: In Solidity, using bytes32 public constants to store hashed strings saves gas. This is because constants are prehashed at compile time and don't need to be hashed at runtime. And if the hash operation is performed at runtime, it will consume more gas.



xfu: Consider below POC contract



```
contract P2PPairStaking is
   Initializable,
   OwnableUpgradeable,
   ReentrancyGuardUpgradeable,
   IP2PPairStaking
{
   bytes32 public constant LISTING_ORDER_HASH =
        keccak256(
            "ListingOrder(uint8 stakingType,address offerer,address token,uint256 tokenId,uint256
share,uint256 startTime,uint256 endTime)"
        );
   bytes32 public constant MATCHED_ORDER_HASH =
        keccak256(
            "MatchedOrder(uint8 stakingType,address apeToken,address apeOfferer,uint32
apeTokenId,uint32 apeShare,address bakcOfferer,uint32 bakcTokenId,uint32 bakcShare,address
apeCoinOfferer,uint32 apeCoinShare,uint256 apePrincipleAmount)"
        );
   bytes32 internal constant EIP712_DOMAIN =
        keccak256(
            "EIP712Domain(string name, string version, uint256 chainId, address verifyingContract)"
        );
    function initialize() public initializer {
        . . .
        DOMAIN_SEPARATOR = keccak256(
            abi.encode(
                EIP712_DOMAIN,
                keccak256("ParaSpace"),
                keccak256(bytes("1")),
                block.chainid,
                address(this)
        );
    }
```



}

# Recommendation

**Xi\_Zi**: Calculate the hash of the string first, then use the constant to store it, and explain the string corresponding to the hash in the form of a comment.

**xfu**: Consider below fix in the function



```
contract P2PPairStaking is
   Initializable,
   OwnableUpgradeable,
   ReentrancyGuardUpgradeable,
    IP2PPairStaking
{
share,uint256 startTime,uint256 endTime)"
    bytes32 public constant LISTING_ORDER_HASH =
"0x227f9dd14259caacdbcf45411b33cf1c018f31bd3da27e613a66edf8ae45814f";
    bytes32 public constant MATCHED_ORDER_HASH =
"0xea1b65f1d4f5d13139950e2a2c8d6c55617bb881b2252e16928249b0c015d0fb";
    bytes32 internal constant EIP712 DOMAIN =
"0x8b73c3c69bb8fe3d512ecc4cf759cc79239f7b179b0ffacaa9a75d522b39400f";
    . . .
    function initialize() public initializer {
        . . .
        DOMAIN_SEPARATOR = keccak256(
            abi.encode(
                EIP712_DOMAIN,
                // keccak256("ParaSpace")
                "0x88d989289235fb06c18e3c2f7ea914f41f773e86fb0073d632539f566f4df353",
                "0xc89efdaa54c0f20c7adf612882df0950f5a951637e0307cdcb4c672f298b8bc6",
                block.chainid,
                address(this)
        );
```



]

# **Client Response**

Fixed.



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