



Smart Contract Security

Smart Contracts

```
contract Wallet {  
    uint balance = 10;  
  
    function withdraw() {  
        if(balance > 0)  
            msg.sender.call.value(balance)();  
        balance = 0;  
    }  
}
```

Transfer \$\$\$
to the caller

- Small programs that **handle money** (ether)
- Executed on the Ethereum blockchain
- Written in high-level languages (e.g., Solidity)
- **No patching** after release

What can go wrong when programs handle billions of USD?

Funds Stolen From the DAO One Year Ago Would be Worth \$1.35bn Today

JP Buntinx June 18, 2017 Crypto, News



33



Etherdice is down for maintenance. We are having troubles with our smart contract and will probably need to invoke the fallback mechanism.

King of the Ether Throne

An Ethereum ÐApp (a "contract"), living on the blockchain, that will make you a King or Queen, might grant you riches, and will immortalize your name.



Important Notice

A SERIOUS ISSUE has been identified that can cause monarch compensation payments to not be sent.

DO NOT send payments to the contract previously referenced on this page, or attempt to claim the throne. Refunds will CERTAINLY NOT be made for any payments made after this issue was identified on 2016-02-07.

report

Security Bug #1: Reentrancy

User Contract

```
function moveBalance() {  
    wallet.withdraw();  
}  
...  
function () payable {  
    // log payment  
}
```

Wallet Contract

```
uint balance = 10;  
function withdraw() {  
    if (balance > 0) {  
        call.value(balance)();  
        balance = 0;  
    }  
}
```

withdraw()

10 ether

Later...

withdraw()

no transfer

calls the default
“payable” function

balance is zeroed
after ether transfer

Can the user contract withdraw more than 10 ether?

Security Bug #1: Reentrancy

User Contract

```
function moveBalance() {  
    wallet.withdraw();  
}  
...  
function () payable {  
    wallet.withdraw();  
}
```



Calls
withdraw() before
balance is set to 0

Wallet Contract

```
uint balance = 10;  
  
function withdraw() {  
    if (balance > 0)  
        msg.sender.call.value(balance)();  
    balance = 0;  
}
```

balance is zeroed
after ether transfer

An adversary stole 3.6M Ether !

Security Bug #2: Unprivileged write to storage



Wallet Contract

```
address owner = ...;

function initWallet(address _owner) {
    owner = _owner;
}

function withdraw(uint amount) {
    if (msg.sender == owner) {
        owner.send(amount);
    }
}
```

Any user may
change the
wallet's owner

Only owner can
send ether

An attacker used a similar bug to ***steal \$32M***

More security bugs



Unexpected ether flows



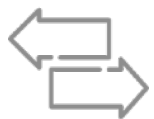
Insecure coding, such as unprivileged writes (*e.g., Multisig Parity bug*)



Use of unsafe inputs (*e.g., reflection, hashing, ...*)

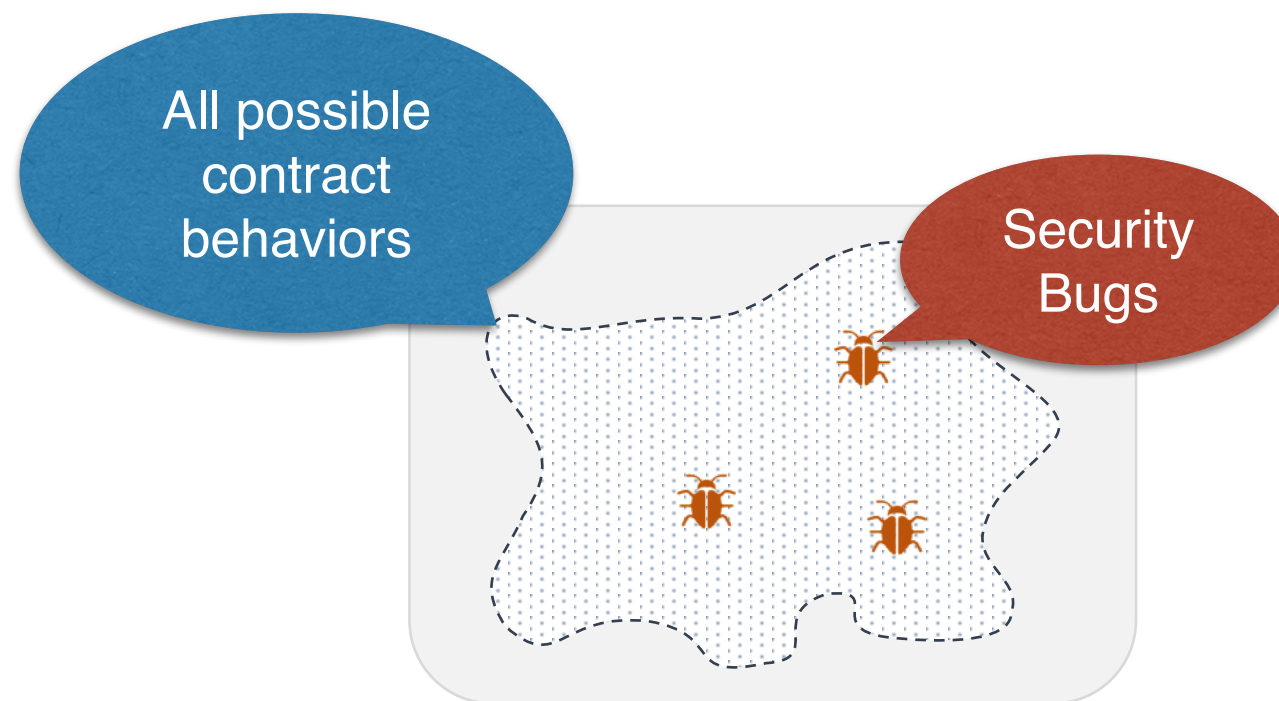


Reentrant method calls (*e.g., DAO bug*)



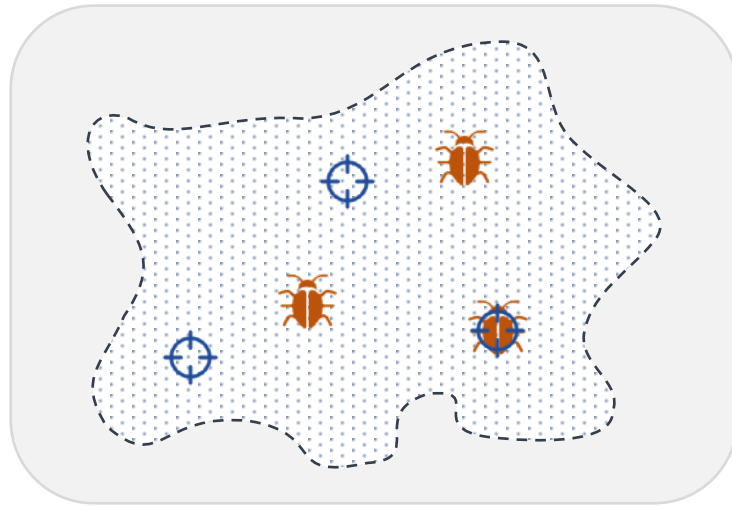
Transaction reordering

Automated Security Analysis



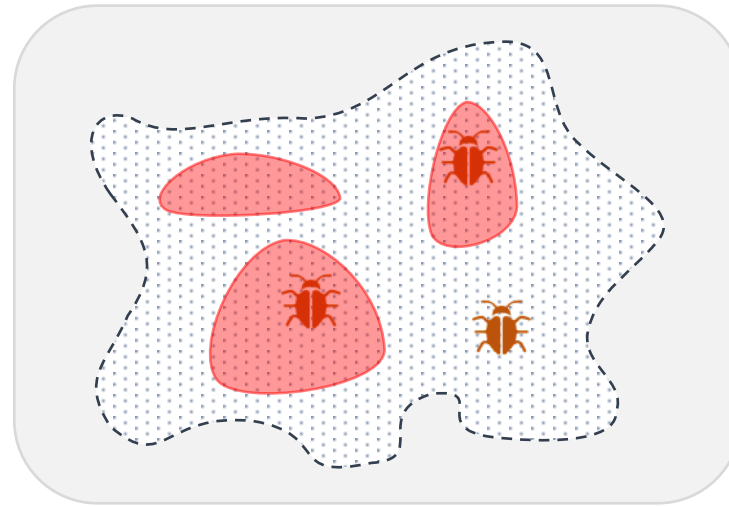
Problem: Cannot enumerate all possible contract behaviors...

Automated Security Analysis: Existing Solutions



- Testing

Very limited guarantees



- Dynamic analysis
- Symbolic execution

Better than testing, but
can still miss vulnerabilities



- Static analysis
- Formal verification

Strong guarantees