

DeBridge - DLN External Call

Smart Contract Security Assessment

Prepared by: Halborn

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Visit: Halborn.com

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EXECUTIVE OVERVIEW

1.1 INTRODUCTION

DeBridge engaged Halborn to conduct a security assessment on their smart contracts beginning on July 3rd, 2023 and ending on July 21st, 2023. The security assessment was scoped to the smart contracts provided in the following GitHub repositories:

debridge-finance/dln-evm/.

1.2 ASSESSMENT SUMMARY

The team at Halborn was provided two weeks for the engagement and assigned a full-time security engineer to assessment the security of the smart contracts. The security engineer is a blockchain and smart-contract security expert with advanced penetration testing, smart-contract hacking, and deep knowledge of multiple blockchain protocols.

The purpose of this assessment is to:

- Ensure that smart contract functions operate as intended.
- Identify potential security issues with the smart contracts.

In summary, Halborn identified some security risks that were mostly addressed by the DeBridge team.

1.3 TEST APPROACH & METHODOLOGY

Halborn performed a combination of manual and automated security testing to balance efficiency, timeliness, practicality, and accuracy in regard to the scope of this assessment. While manual testing is recommended to uncover flaws in logic, process, and implementation; automated testing techniques help enhance coverage of the code and can quickly identify

items that do not follow the security best practices. The following phases and associated tools were used during the assessment:

- Research into architecture and purpose.
- Smart contract manual code review and walkthrough.
- Graphing out functionality and contract logic/connectivity/functions. (solgraph)
- Manual assessment of use and safety for the critical Solidity variables and functions in scope to identify any arithmetic related vulnerability classes.
- Manual testing by custom scripts.
- Scanning of solidity files for vulnerabilities, security hot-spots or bugs. (MythX)
- Static Analysis of security for scoped contract, and imported functions. (Slither)
- Testnet deployment. (Foundry)

2. RISK METHODOLOGY

Every vulnerability and issue observed by Halborn is ranked based on **two sets** of **Metrics** and a **Severity Coefficient**. This system is inspired by the industry standard Common Vulnerability Scoring System.

The two Metric sets are: Exploitability and Impact. Exploitability captures the ease and technical means by which vulnerabilities can be exploited and Impact describes the consequences of a successful exploit.

The **Severity Coefficients** is designed to further refine the accuracy of the ranking with two factors: **Reversibility** and **Scope**. These capture the impact of the vulnerability on the environment as well as the number of users and smart contracts affected.

The final score is a value between 0-10 rounded up to 1 decimal place and 10 corresponding to the highest security risk. This provides an objective and accurate rating of the severity of security vulnerabilities in smart contracts.

The system is designed to assist in identifying and prioritizing vulnerabilities based on their level of risk to address the most critical issues in a timely manner.

2.1 EXPLOITABILITY

Attack Origin (AO):

Captures whether the attack requires compromising a specific account.

Attack Cost (AC):

Captures the cost of exploiting the vulnerability incurred by the attacker relative to sending a single transaction on the relevant blockchain. Includes but is not limited to financial and computational cost.

Attack Complexity (AX):

Describes the conditions beyond the attacker's control that must exist in order to exploit the vulnerability. Includes but is not limited to macro situation, available third-party liquidity and regulatory challenges.

Metrics:

Exploitability Metric (m_E)	Metric Value	Numerical Value
Attack Origin (AO)	Arbitrary (AO:A)	1
Actack Origin (AO)	Specific (AO:S)	0.2
	Low (AC:L)	1
Attack Cost (AC)	Medium (AC:M)	0.67
	High (AC:H)	0.33
	Low (AX:L)	1
Attack Complexity (AX)	Medium (AX:M)	0.67
	High (AX:H)	0.33

Exploitability ${\it E}$ is calculated using the following formula:

$$E = \prod m_e$$

2.2 IMPACT

Confidentiality (C):

Measures the impact to the confidentiality of the information resources managed by the contract due to a successfully exploited vulnerability. Confidentiality refers to limiting access to authorized users only.

Integrity (I):

Measures the impact to integrity of a successfully exploited vulnerability. Integrity refers to the trustworthiness and veracity of data stored and/or processed on-chain. Integrity impact directly affecting Deposit or Yield records is excluded.

Availability (A):

Measures the impact to the availability of the impacted component resulting from a successfully exploited vulnerability. This metric refers to smart contract features and functionality, not state. Availability impact directly affecting Deposit or Yield is excluded.

Deposit (D):

Measures the impact to the deposits made to the contract by either users or owners.

Yield (Y):

Measures the impact to the yield generated by the contract for either users or owners.

Metrics:

Impact Metric (m_I)	Metric Value	Numerical Value
	None (I:N)	0
	Low (I:L)	0.25
Confidentiality (C)	Medium (I:M)	0.5
	High (I:H)	0.75
	Critical (I:C)	1
	None (I:N)	0
	Low (I:L)	0.25
Integrity (I)	Medium (I:M)	0.5
	High (I:H)	0.75
	Critical (I:C)	1
	None (A:N)	0
	Low (A:L)	0.25
Availability (A)	Medium (A:M)	0.5
	High (A:H)	0.75
	Critical	1
	None (D:N)	0
	Low (D:L)	0.25
Deposit (D)	Medium (D:M)	0.5
	High (D:H)	0.75
	Critical (D:C)	1
	None (Y:N)	0
	Low (Y:L)	0.25
Yield (Y)	Medium: (Y:M)	0.5
	High: (Y:H)	0.75
	Critical (Y:H)	1

Impact ${\it I}$ is calculated using the following formula:

$$I = max(m_I) + \frac{\sum m_I - max(m_I)}{4}$$

2.3 SEVERITY COEFFICIENT

Reversibility (R):

Describes the share of the exploited vulnerability effects that can be reversed. For upgradeable contracts, assume the contract private key is available.

Scope (S):

Captures whether a vulnerability in one vulnerable contract impacts resources in other contracts.

Coefficient (C)	Coefficient Value	Numerical Value
	None (R:N)	1
Reversibility (r)	Partial (R:P)	0.5
	Full (R:F)	0.25
Scope (a)	Changed (S:C)	1.25
Scope (s)	Unchanged (S:U)	1

Severity Coefficient C is obtained by the following product:

C = rs

The Vulnerability Severity Score ${\cal S}$ is obtained by:

S = min(10, EIC * 10)

The score is rounded up to 1 decimal places.

Severity	Score Value Range
Critical	9 - 10
High	7 - 8.9
Medium	4.5 - 6.9
Low	2 - 4.4
Informational	0 - 1.9

2.4 SCOPE

1. IN-SCOPE TREE & COMMIT:

The security assessment was scoped to the following PR:

PR: #82

GitHub repository: debridge-finance/dln-evm/

Verified Commit ID: 8dd63480e9caeea4de11e7ba8912398f5d119dec Fixed Commit ID: 5572654e906c95679f2b60f03796554d9d281335

Smart contracts in scope:

- DlnBase.sol
- DlnDestination.sol
- DlnSource.sol
- ExternalCallExecutor.sol
- DlnExternalCallAdapter.sol
- AAVECallExecutor.sol
- Executor.sol
- BytesLib.sol
- DlnExternalCallLib.sol
- DlnOrderLib.sol
- SafeCast.sol

3. ASSESSMENT SUMMARY & FINDINGS OVERVIEW

CRITICAL	HIGH	MEDIUM	LOW	INFORMATIONAL
0	0	0	2	0

SECURITY ANALYSIS	RISK LEVEL	REMEDIATION DATE
(HAL-01) INCREASEALLOWANCE SELECTOR IS MISSING IN PROHIBITED SELECTORS	Low (2.5)	SOLVED - 07/17/2023
(HAL-02) MISSING LOGIC TO DISTRIBUTE LIQUIDITY AMONG DIFFERENT WALLETS	Low (2.5)	FUTURE RELEASE

FINDINGS & TECH DETAILS

4.1 (HAL-01) INCREASEALLOWANCE SELECTOR IS MISSING IN PROHIBITED SELECTORS - LOW (2.5)

Commit IDs affected:

- 8dd63480e9caeea4de11e7ba8912398f5d119dec

Description:

In the ExternalCallExecutor contract, the function _isValideData() is used to validate that the callData passed in an external call does not include the following selectors:

Although, the increaseAllowance(address,uint256) selector, which is part of the ERC20 standard, is not present in the prohibitedSelectors array.

BVSS:

A0:A/AC:L/AX:L/C:N/I:L/A:N/D:N/Y:N/R:N/S:U (2.5)

Recommendation:

It is recommended to add the increaseAllowance(address,uint256) selector to the ExternalCallExecutor prohibitedSelectors array.

Remediation Plan:

SOLVED: The DeBridge team solved the issue by implementing the recommended solution.

Commit ID: 5572654e906c95679f2b60f03796554d9d281335.

4.2 (HAL-02) MISSING LOGIC TO DISTRIBUTE LIQUIDITY AMONG DIFFERENT WALLETS - LOW (2.5)

Commit IDs affected:

- 8dd63480e9caeea4de11e7ba8912398f5d119dec

Description:

One of the business requirements that should be met by the DLN External Call functionality is:

"As a DLN user, I want to be able to form an order, after fulfillment of which, my liquidity in the target chain would be, distributed among the wallets, a list of which I provide in the dln-extcall in a way I describe in the dln-extcall"

Although, the contracts do not implement anywhere this business requirement. The only way to achieve this currently is using some type of external Multisend contract.

BVSS:

AO:A/AC:L/AX:L/C:N/I:L/A:N/D:N/Y:N/R:N/S:U (2.5)

Recommendation:

Consider adding logic to allow DLN users to form an order that after fulfillment the liquidity in the target chain would be distributed in a concrete way among a list of wallets provided in the dln-extcall.

Remediation Plan:

PENDING: The DeBridge team states that they plan to develop an executor with multi-send logic.

RECOMMENDATIONS OVERVIEW

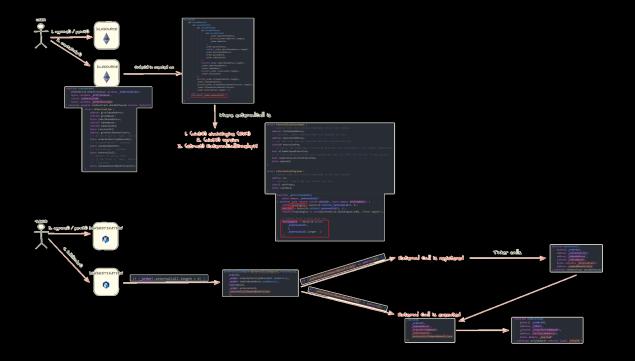
- 1. Add the increaseAllowance(address,uint256) selector to the ExternalCallExecutor prohibitedSelectors array.
- 2. Add logic to allow DLN users to form an order that after fulfillment the liquidity in the target chain would be distributed in a concrete way among a list of wallets provided in the dln-extcall.

MANUAL TESTING

A critical part of the manual testing was performed using code review and manual simulation of contract behavior. Particular focus was placed on five key areas:

- 1. The createOrder() function was tested thoroughly. The sequence of actions --- calling patchOrderTake() to incentivize takers to fulfill the order, front-running the taker transaction with a sendEvmOrderCancel() call plus attempting to create the same order through createOrder() --- was performed. Our tests confirmed that this exploit is prevented, as MasterNonce increases every time an order is created.
- 2. Recalling attempts of patchOrderTake() function with a lower _newSubtrahend were tested. Our review confirmed that such attempts are effectively prevented, as the code if (takePatches[orderId] >= _newSubtrahend)revert WrongArgument(); reliably throws an exception for this scenario, ensuring appropriate subtrahend handling.
- 3. All external functions, especially the payable onReceived() function, were tested for reentrancy. The line of code _result = _execute(executionData.to, msg.value, executionData.callData, executionData.safeTxGas); was checked to ensure that it could not be exploited to re-enter and fulfill another order, which could potentially drain the contract's balance. Tests confirmed that the nonReentrant modifier effectively prevents any reentrancy, thus safeguarding the contract's assets.
- 4. Tests were performed to confirm that approvals are always reset back to 0 after use, preventing possible Denial of Service scenarios, especially with tokens like USDT.
- 5. Order Id Hashing: abi.encodePacked usage was checked. This aimed to ascertain that it was impossible to brute-force the same orderId hash with different data. Our manual review revealed that no variable-length arguments were used together.

Below, the normal DLN External Call flow can be found:



AUTOMATED TESTING

7.1 STATIC ANALYSIS REPORT

Description:

Halborn used automated testing techniques to enhance the coverage of certain areas of the smart contracts in scope. Among the tools used was Slither, a Solidity static analysis framework. After Halborn verified the smart contracts in the repository and was able to compile them correctly into their ABIS and binary format, Slither was run against the contracts. This tool can statically verify mathematical relationships between Solidity variables to detect invalid or inconsistent usage of the contracts' APIs across the entire code-base.

Slither results:

```
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```

```
DlnSource.sol
```

```
ExternalCallExecutor.sol
DlnExternalCallAdapter.sol
```

```
AAVECallExecutor.sol

DROBetectors

Encils AVECallexetor, contracts (contracts /adapters/AVECallisecutor.sol89-41) is a strange setter. Nothing is set in constructor or set in a function without using function parameter Reference: https://github.com/pessiastic.io/sitherin/plab/master/docs/strange_setter.ad

DROBetectors

Function AVECallisecutor.onlyAdapter() (contracts/adapters/AVECallisecutor.sol82-35) is an unprotected initializer.

Function AVECallisecutor.onlyAdapter() (contracts/adapters/AVECallisecutor.sol82) allows oid versions

ROBOBetectors for transfer additional average and average according to the contracts/adapters/AVECallisecutor.sol82) allows oid versions

ROBOBetectors for tracenses interpretations for desciponent

Reference: https://github.com/cryst/sithuer/uki/Detector-occumentations/scorrect-versions-of-solidity

RoboBetectors for tracenses and tracenses and tracenses and tracenses and tracenses are allowed as a second contracts/adapters/AVECallisecutor-sol447) is not in missediase

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Parameter AVECallisecutor.call(tytes2)_address_uint256_address_uint256_bytes)_taken/sound(contracts/adapters/AVECallisecutor-sol449) is not in missediase

Parameter AVECallisecutor.callisecutor.dellogres23_address_uint256_address_uint256_bytes)_taken/sound/sound/solidisecutor-sol490) is not in missediase

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```

- The unprotected initialize and strange setter issues were checked individually are false positives.
- DLNExternalCallAdapter sends ether to an arbitrary destination, although this is intended and implemented correctly.
- No major issues found by Slither.

7.2 AUTOMATED SECURITY SCAN

Description:

Halborn used automated security scanners to assist with detection of well-known security issues and to identify low-hanging fruits on the targets for this engagement. Among the tools used was MythX, a security analysis service for Ethereum smart contracts. MythX performed a scan on the smart contracts and sent the compiled results to the analyzers to locate any vulnerabilities.

MythX results:

DlnDestination.sol

Line	SWC Title	Severity	Short Description
2	(SWC-103) Floating Pragma	Low	A floating pragma is set.

DlnSource.sol

Line	SWC Title	Severity	Short Description
2	(SWC-103) Floating Pragma	Low	A floating pragma is set.

ExternalCallExecutor.sol

Line	SWC Title	Severity	Short Description
2	(SWC-103) Floating Pragma	Low	A floating pragma is set.

DlnExternalCallAdapter.sol

Line	SWC Title	Severity	Short Description
2	(SWC-103) Floating Pragma	Low	A floating pragma is set.
16	(SWC-123) Requirement Violation	Low	Requirement violation.
327	(SWC-123) Requirement Violation	Low	Requirement violation.

AAVECallExecutor.sol

Line	SWC Title	Severity	Short Description
2	(SWC-103) Floating Pragma	Low	A floating pragma is set.

• No major issues were found by MythX.

THANK YOU FOR CHOOSING

