

# Chiliz - Bridge Updates

Smart Contract Security Audit

Prepared by: Halborn

Date of Engagement: November 30th, 2022 - December 12th, 2022

Visit: Halborn.com

DOCL	MENT REVISION HISTORY	7
CONT	ACTS	7
1	EXECUTIVE OVERVIEW	8
1.1	INTRODUCTION	9
1.2	AUDIT SUMMARY	9
1.3	TEST APPROACH & METHODOLOGY	9
	RISK METHODOLOGY	10
1.4	SCOPE	12
2	ASSESSMENT SUMMARY & FINDINGS OVERVIEW	13
3	FINDINGS & TECH DETAILS	15
3.1	(HAL-01) MISSING COMPARISON BETWEEN MSG VALUE AND AMOUNT LET TO DRAINING OF THE FUNDS - CRITICAL	ADS 17
	Description	17
	Code Location	18
	Proof of concept	19
	Risk Level	19
	Recommendation	19
	Remediation Plan	20
3.2	(HAL-02) INTEGER UNDERFLOW IN THE DEPOSIT FUNCTION - CRITICAL 21	AL
	Description	21
	Code Location	21
	Proof of concept	23
	Risk Level	23
	Recommendation	23

	Remediation Plan	24
3.3	(HAL-03) LACK OF WHITELISTING ON THE CHAIN IDS - CRITICAL	25
	Description	25
	Code Location	25
	Proof of concept	27
	Proof of concept code	27
	Risk Level	28
	Recommendation	28
	Remediation Plan	29
3.4	(HAL-04) TOKENS CAN BE STUCKED IF THE SAME CHAIN-ID USED IN BRIDGE - CRITICAL	THE 30
	Description	30
	Code Location	30
	Proof of concept	31
	Proof of concept Steps	32
	Risk Level	32
	Recommendation	33
	Remediation Plan	33
3.5	(HAL-05) LACK OF QUORUM DEFINITION ON THE RELAYERS - HIGH	34
	Description	34
	Code Location	34
	Proof of concept code	35
	Proof of concept	36
	Risk Level	36
	Recommendation	36
	Remediation Plan	37

3.6	(HAL-06) HANDLER SHOULD ACCEPT PAYMENTS THROUGH ONLY BRI CONTRACT - HIGH	DGE 38
	Description	38
	Code Location	38
	Proof of concept	39
	Proof of concept	39
	Risk Level	40
	Recommendation	40
	Remediation Plan	40
3.7	(HAL-07) LACK OF REFUND MECHANISM FOR OVERPAYMENT - HIGH	42
	Description	42
	Code Location	42
	Proof of concept	43
	Risk Level	43
	Recommendation	43
	Remediation Plan	44
3.8	(HAL-08) IMPROPER UPPER BOUND ON THE FEE DEFINITION - MEDI 45	UM
	Description	45
	Code Location	45
	Proof of concept code	46
	Proof of concept	47
	Risk Level	47
	Recommendation	47
	Remediation Plan	47
3.9	(HAL-09) USE CALL INSTEAD OF TRANSFER - MEDIUM	49
	Description	<b>1</b> 0

	Code Location	49
	Risk Level	50
	Recommendation	50
	Remediation Plan	50
3.10	(HAL-10) MISSING REENTRANCY GUARD - LOW	51
	Description	51
	Code Location	51
	Risk Level	53
	Recommendation	53
	Remediation Plan	53
3.11	(HAL-11) NATSPEC IS NOT COMPATIBLE WITH THE IMPLEMENTATION LOW	- 54
	Description	54
	Code Location	54
	Risk Level	54
	Recommendation	55
	Remediation Plan	55
3.12	(HAL-12) MISSING RECEIVER ADDRESS CHECK - LOW	56
	Description	56
	Code Location	56
	Risk Level	57
	Recommendation	58
	Remediation Plan	58
3.13	(HAL-13) REDUNDANT FUNCTION PARAMETER IN THE NATIVEHANDLER INFORMATIONAL	- 59
	Description	59
	Code Location	59

	Risk Level	60
	Recommendation	60
	Remediation Plan	60
3.14	(HAL-14) REDUNDANT ARRAY DEFINITION IN THE CONSTRUCTOR - INFO	OR- 61
	Description	61
	Code Location	61
	Risk Level	62
	Recommendation	62
	Remediation Plan	62
3.15	(HAL-15) DELETE - ABI CODER V2 FOR GAS OPTIMIZATION - INFORM TIONAL	1A- 63
	Description	63
	Code Location	63
	Risk Level	64
	Recommendation	64
	Remediation Plan	64
3.16	(HAL-16) UPGRADE PRAGMA TO AT LEAST 0.8.4 - INFORMATIONAL	65
	Description	65
	Risk Level	65
	Recommendation	66
	Remediation Plan	66
3.17	(HAL-17) OPTIMIZE UNSIGNED INTEGER COMPARISON - INFORMATIONA 67	<b>AL</b>
	Description	67
	Code Location	67
	Risk Level	67

	Recommendation	67
	Remediation Plan	68
3.18	(HAL-18) CHANGE FUNCTION VISIBILITY FROM PUBLIC TO EXTERNAL INFORMATIONAL	- 69
	Description	69
	Code Location	69
	Risk Level	69
	Recommendation	69
	Remediation Plan	70
3.19	(HAL-19) REDUNDANT SAFEMATH FUNCTIONS USAGE IN CONTRACT - I FORMATIONAL	N- 71
	Description	71
	Code Location	71
	Risk Level	72
	Recommendation	72
	Remediation Plan	73
4	AUTOMATED TESTING	74
4.1	STATIC ANALYSIS REPORT	75
	Description	75
	Slither results	75

# DOCUMENT REVISION HISTORY

VERSION MODIFICATION		DATE	AUTHOR
0.1 Document Creation		12/4/2022	Gokberk Gulgun
0.2	Document Updates	12/12/2022	Gokberk Gulgun
0.3	Draft Review	12/12/2022	Gabi Urrutia
1.0	Remediation Plan	01/13/2023	Gokberk Gulgun
1.1	Remediation Plan Review	01/15/2023	Gabi Urrutia

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# EXECUTIVE OVERVIEW

### 1.1 INTRODUCTION

Chiliz engaged Halborn to conduct a security audit on their bridge smart contract updates beginning on November 30th, 2022 and ending on December 12th, 2022. The security assessment was scoped to the smart contracts provided to the Halborn team.

### 1.2 AUDIT SUMMARY

The team at Halborn was provided two weeks for the engagement and assigned a full-time security engineer to audit the security of the smart contract. 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 audit 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 successfully addressed by the Chiliz 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 audit. 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 audit:

- 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. (Brownie, Remix IDE)

#### RISK METHODOLOGY:

Vulnerabilities or issues observed by Halborn are ranked based on the risk assessment methodology by measuring the LIKELIHOOD of a security incident and the IMPACT should an incident occur. This framework works for communicating the characteristics and impacts of technology vulnerabilities. The quantitative model ensures repeatable and accurate measurement while enabling users to see the underlying vulnerability characteristics that were used to generate the Risk scores. For every vulnerability, a risk level will be calculated on a scale of 5 to 1 with 5 being the highest likelihood or impact.

#### RISK SCALE - LIKELIHOOD

- 5 Almost certain an incident will occur.
- 4 High probability of an incident occurring.
- 3 Potential of a security incident in the long term.
- 2 Low probability of an incident occurring.
- 1 Very unlikely issue will cause an incident.

#### RISK SCALE - IMPACT

- 5 May cause devastating and unrecoverable impact or loss.
- 4 May cause a significant level of impact or loss.

- 3 May cause a partial impact or loss to many.
- 2 May cause temporary impact or loss.
- 1 May cause minimal or un-noticeable impact.

The risk level is then calculated using a sum of these two values, creating a value of 10 to 1 with 10 being the highest level of security risk.

CRITICAL	HIGH	MEDIUM	LOW	INFORMATIONAL
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10 - CRITICAL

9 - 8 - HIGH

**7 - 6** - MEDIUM

**5 - 4** - LOW

3 - 1 - VERY LOW AND INFORMATIONAL

### 1.4 SCOPE

- 1. IN-SCOPE TREE & COMMIT
- 094856fd48bb4627842c72e914df09fe9689ad81

#### IN-SCOPE SMART CONTRACTS (INCLUDE ONLY UPDATES) :

- Bridge.sol.
- NativeHandler.sol.
- 2. REMEDIATION COMMITS:

#### **LATEST COMMIT ID:** 3660ae57c26131770796467d4c123b2274cf6159

- 0ad5bd40bfb1c321e2ff1030f75e202f9762cce6
- add9f81660e4ab58778f4706e00fc4ac4234a153
- 72176b53657bc49d31bfd5f32ef73376505a5935
- 8a0ffc0bea678f15ec4bcf318740b4170ee3ba95
- 49e3c75605632664540b946df8bda7892fc7e884
- 369bb8ba9926ad704e8aebd2692f03d9f343021e
- d715e18b47b17b63d3b0fdeb51dade1b18e535ee
- 0976828419dbaa9feabfa017a1032c4203abf6da
- 8d2c1cfb973eae4935ce167c8ae304ddcb9f843b
- a2814edaea8eaf7c6df0a176846645834b9a8e3e
- bf171d4028b5af946c091baa77a413b3927a44bc
- 3660ae57c26131770796467d4c123b2274cf6159
- 568ac8b609f9945bbbafa454afe394fdd8270458
- 6830bf7e74f4a2bb7675c768f24a8a2f35889df5
- f574625d79d4701d2a89acfd9a5b139c352e9a91
- add9f81660e4ab58778f4706e00fc4ac4234a153

# 2. ASSESSMENT SUMMARY & FINDINGS OVERVIEW

CRITICAL	HIGH	MEDIUM	LOW	INFORMATIONAL
4	3	2	3	7

### LIKELIHOOD

		(HAL-05) (HAL-06) (HAL-07)	(HAL-01) (HAL-02) (HAL-03) (HAL-04)
	(HAL-08) (HAL-09)		
(HAL-11) (HAL-12)			
	(HAL-10)		
(HAL-13) (HAL-14) (HAL-15) (HAL-17) (HAL-18) (HAL-19)	(HAL-16)		

SECURITY ANALYSIS	RISK LEVEL	REMEDIATION DATE
HAL-01 - MISSING COMPARISON BETWEEN MSG VALUE AND AMOUNT LEADS TO DRAINING OF THE FUNDS	Critical	SOLVED - 01/13/2023
HAL-02 - INTEGER UNDERFLOW IN THE DEPOSIT FUNCTION	Critical	SOLVED - 01/13/2023
HAL-03 - LACK OF WHITELISTING ON THE CHAIN IDS	Critical	SOLVED - 01/13/2023
HAL-04 - TOKENS CAN BE STUCKED IF THE SAME CHAIN-ID USED IN THE BRIDGE	Critical	SOLVED - 01/13/2023
HAL-05 - LACK OF QUORUM DEFINITION ON THE RELAYERS	High	SOLVED - 01/13/2023
HAL-06 - HANDLER SHOULD ACCEPT PAYMENTS THROUGH ONLY BRIDGE CONTRACT	High	SOLVED - 01/13/2023
HAL-07 - LACK OF REFUND MECHANISM FOR OVERPAYMENT	High	SOLVED - 01/13/2023
HAL-08 - IMPROPER UPPER BOUND ON THE FEE DEFINITION	Medium	SOLVED - 01/13/2023
HAL-09 - USE CALL INSTEAD OF TRANSFER	Medium	SOLVED - 01/13/2023
HAL-10 - MISSING REENTRANCY GUARD	Low	SOLVED - 01/13/2023
HAL-11 - NATSPEC IS NOT COMPATIBLE WITH THE IMPLEMENTATION	Low	SOLVED - 01/13/2023
HAL-12 - MISSING RECEIVER ADDRESS CHECK	Low	SOLVED - 01/13/2023
HAL-13 - REDUNDANT FUNCTION PARAMETER IN THE NATIVEHANDLER	Informational	SOLVED - 01/13/2023
HAL-14 - REDUNDANT ARRAY DEFINITION IN THE CONSTRUCTOR	Informational	SOLVED - 01/13/2023
HAL-15 - DELETE - ABI CODER V2 FOR GAS OPTIMIZATION	Informational	SOLVED - 01/13/2023
HAL-16 - UPGRADE PRAGMA TO AT LEAST 0.8.4	Informational	SOLVED - 01/13/2023

HAL-17 - OPTIMIZE UNSIGNED INTEGER COMPARISON	Informational	SOLVED - 01/13/2023
HAL-18 - CHANGE FUNCTION VISIBILITY FROM PUBLIC TO EXTERNAL	Informational	SOLVED - 01/13/2023
HAL-19 - REDUNDANT SAFEMATH FUNCTIONS USAGE IN CONTRACT	Informational	SOLVED - 01/13/2023

# FINDINGS & TECH DETAILS

# 3.1 (HAL-01) MISSING COMPARISON BETWEEN MSG VALUE AND AMOUNT LEADS TO DRAINING OF THE FUNDS - CRITICAL

#### Description:

A smart contract that is missing a **msg.value == amount** check may be vulnerable to various types of attacks or errors. This check is typically used to verify that the amount of Ether (or other value token) being sent to the contract is equal to the expected amount.

For example, if a user attempts to transfer 100 tokens but includes a **msg.value** of 200, the contract will not compare the two values and instead process the transfer as if the user were attempting to transfer 200 tokens. This will result in the user being able to withdraw 100 tokens without having the necessary balance, effectively draining 100 tokens from the contract.

However, this contract is missing a **msg.value** == **amount** check. This means that if a user calls the transfer function and sends more or less Ether than the specified amount, the contract will not detect this and will still attempt to transfer the specified amount of Ether. This could potentially lead to a variety of problems, such as:

- Overpayment: If a user sends more Ether than the specified amount, the excess Ether will be transferred to the recipient, but will not be accounted for by the contract. This means that the user may have overpaid for the transfer, and will not be able to recover the excess Ether.
- Underpayment: If a user sends less Ether than the specified amount, the contract will still attempt to transfer the full amount of Ether. This means that the transfer will fail, and the user will not be able to recover the Ether they sent.
- Invalid state: If a user sends a different amount of Ether than the specified amount, the contract will be in an invalid state, as the

amount of Ether transferred will not match the amount specified in the transfer function. This could potentially cause the contract to malfunction or become unresponsive.

Overall, a smart contract that is missing a **msg.value == amount** check may be vulnerable to various types of errors or attacks. It is important to include this check in order to ensure that the contract operates correctly and securely.

Code Location:

Bridge.sol#L308

```
Listing 1
       function deposit(uint8 destinationChainID, bytes32 resourceID,
    bytes calldata data) external payable whenNotPaused {
           require(msg.value >= _fee, "invalid value");
           address handler = _resourceIDToHandlerAddress[resourceID];
           require(handler != address(0), "resourceID not mapped to

    handler");
           uint64 depositNonce = ++_depositCounts[destinationChainID

  ];

           _depositRecords[depositNonce][destinationChainID] = data;
           IDepositExecute depositHandler = IDepositExecute(handler);
           if (msg.value > 0) {
               uint256 valueToSend = msg.value - _fee;
               if (valueToSend > 0) {
                   payable(handler).transfer(valueToSend);
           depositHandler.deposit(resourceID, destinationChainID,

    depositNonce, msg.sender, data);

           emit Deposit(destinationChainID, resourceID, depositNonce)
       }
```

#### Proof of concept:

#### Risk Level:

#### Likelihood - 5

Impact - 5

#### Recommendation:

Based on our analysis, the following actions are recommended:

- Add a comparison between the msg.value and the amount in the deposit function.
- Test the updated deposit function to ensure that it is functioning properly and preventing the draining of funds.

Implementing these recommendations will improve the security and stability of the system by preventing the accidental or malicious drain of contract funds.

#### Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding a validation on the Handler and Bridge contracts.

Commit ID: 0ad5bd40bfb1c321e2ff1030f75e202f9762cce6

# 3.2 (HAL-02) INTEGER UNDERFLOW IN THE DEPOSIT FUNCTION - CRITICAL

#### Description:

In the Solidity programming language, an integer underflow occurs when an integer variable is decremented below its minimum possible value. In Solidity, all integer variables have a fixed size and a fixed range of possible values. For example, a uint8 variable can hold a value between 0 and 255 (inclusive), and a int256 variable can hold a value between -2^255 and 2^255-1 (inclusive).

The deposit function in the contract contains an integer underflow issue when calculating the amountMinusFee variable. This can happen when the value of the "amount" variable is less than the value of the bridgeFee variable. If an integer underflow occurs in the deposit function, the result will be a very large positive number. This can cause problems in the contract, as the large positive value of amountMinusFee will be treated as a valid amount. For example, it could be recorded in the depositRecords mapping and used to update the balance of the depositor.

#### Code Location:

#### NativeHandler.sol#L91

```
Listing 2

1   function deposit(
2    bytes32 resourceID,
3    uint8 destinationChainID,
4    uint64 depositNonce,
5    address depositer,
6    bytes calldata data
7   ) external override onlyBridge {
8    bytes memory recipientAddress;
9    uint256    amount;
10    uint256    lenRecipientAddress;
11
```

```
assembly {
              amount := calldataload(0xC4)
              recipientAddress := mload(0x40)
              lenRecipientAddress := calldataload(0xE4)
              mstore(0x40, add(0x20, add(recipientAddress,

    lenRecipientAddress)))
              calldatacopy(
                  0xE4, // copy from calldata @ 0x104
                  sub(calldatasize(), 0xE) // copy size (
          address tokenAddress = _resourceIDToTokenContractAddress[

    resourceID];
          require(_contractWhitelist[tokenAddress], "provided
  tokenAddress is not whitelisted");
          uint256 bridgeFee = IBridge(_bridgeAddress)._fee();
          require(amountMinusFee > 0, "Invalid amount");
          _depositRecords[destinationChainID][depositNonce] =
→ DepositRecord(
              uint8(lenRecipientAddress),
              resourceID,
          );
      }
```

#### Proof of concept:

#### Risk Level:

Likelihood - 5

Impact - 5

#### Recommendation:

To address the issue of integer underflow leading to the draining of funds in the Solidity contract, we recommend the following actions:

- Review the code of the contract to identify all instances where integer underflow can occur.
- Implement appropriate safeguards to prevent integer underflow in each of these instances. This may involve using the SafeMath library, using the "require" statement to check for underflow, or using other techniques.
- Test the updated contract to ensure that it is functioning properly, and that integer underflow is no longer possible.
- Monitor the contract for any further issues related to integer underflow and address them as necessary.

Implementing these recommendations will help to prevent the accidental or malicious draining of funds from the contract due to integer underflow, improving the security and stability of the system.

#### Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by upgrading to **pragma 0.8.17** in contracts.

Commit ID: add9f81660e4ab58778f4706e00fc4ac4234a153

# 3.3 (HAL-03) LACK OF WHITELISTING ON THE CHAIN IDS - CRITICAL

#### Description:

If chain IDs are not whitelisted in a smart contract, it may be vulnerable to various types of attacks or errors. A whitelist is a list of approved or allowed values, and in the context of a smart contract, it is used to specify which chain IDs are allowed to interact with the contract.

This could potentially lead to a variety of problems, such as:

- Loss of tokens: If the contract attempts to transfer tokens to an unauthorized chain ID, the tokens may be lost or stolen, and the user will not be able to recover them.
- Invalid state: If the contract attempts to transfer tokens to an unauthorized chain ID, the contract's internal state may become inconsistent or invalid. For example, if the contract maintains a record of all token transfers, it may record an invalid transfer to an unauthorized chain ID, which could cause the contract to malfunction or become unresponsive.
- Denial of service: If an attacker can call the transfer function with an unauthorized chain ID, they may be able to prevent legitimate users from transferring tokens to certain chain IDs. This could potentially cause a denial of service, as users would not be able to transfer tokens to the affected chain IDs.

Overall, a smart contract that does not have a whitelist of allowed chain IDs may be vulnerable to various types of attacks or errors. It is important to include a whitelist of allowed chain IDs in order to ensure that the contract operates correctly and securely.

Code Location:

NativeHandler.sol#L91

```
Listing 3
       function deposit(
           bytes32 resourceID,
           uint8
                   destinationChainID,
           uint64 depositNonce,
           address depositer,
           bytes
                  calldata data
       ) external override onlyBridge {
                   memory recipientAddress;
           bytes
           uint256
           uint256
                          lenRecipientAddress;
           assembly {
               amount := calldataload(0xC4)
               recipientAddress := mload(0x40)
               lenRecipientAddress := calldataload(0xE4)
               mstore(0x40, add(0x20, add(recipientAddress,

    lenRecipientAddress)))
               calldatacopy(
                   0xE4, // copy from calldata @ 0x104
                   sub(calldatasize(), 0xE) // copy size (
           }
           address tokenAddress = _resourceIDToTokenContractAddress[

    resourceID]:
           require(_contractWhitelist[tokenAddress], "provided

    tokenAddress is not whitelisted");
           uint256 bridgeFee = IBridge(_bridgeAddress)._fee();
           uint256 amountMinusFee = amount - bridgeFee;
           require(amountMinusFee > 0, "Invalid amount");
           _depositRecords[destinationChainID][depositNonce] =
→ DepositRecord(
               tokenAddress,
               uint8(lenRecipientAddress),
```

```
38 depositer,
39 amountMinusFee
40 );
41 }
```

#### Proof of concept:

```
profineders/Mativelandier_soli38:90 Varning: Unused function parameter. Remove or comment out the variable name to silence this varning.

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profinediers/Mativelandier_soli38:90 Varning: Unused function parameter. Remove or comment out the variable name to silence this varning.

profinediers/Mativelandier_soli73:23: Varning: Unused function parameter. Remove or comment out the variable name to silence this varning.

profinediers/Mativelandier_soli73:23: Varning: Unused function parameter. Remove or comment out the variable name to silence this varning.

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```

#### Proof of concept code:

```
Listing 4

1 contract Tester is DSTest {
2
3    address public user1 = address(0xB0B);
4    Bridge internal bridge;
5    NativeHandler internal nativeHandler;
6    CheatCodes cheats = CheatCodes(0)
L, x7109709ECfa91a80626fF3989D68f67F5b1DD12D);
7    function setUp() public {
8        address [] memory path = new address[](2);
9        path[0] = address(this);
10        path[1] = address(this);
11        bridge = new Bridge(1,path,5,100,100);
12
13        bytes32 [] memory pathByteGG = new bytes32[](2);
```

```
pathByteGG[0] = keccak256(abi.encodePacked("User1"));
         pathByteGG[1] = keccak256(abi.encodePacked("User2"));
         nativeHandler = new NativeHandler(address(bridge),

    pathByteGG, path, path);
         bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE
→ "));
         bridge.adminSetResource(address(nativeHandler),
cheats.deal(user1,1_000_000 ether);
         cheats.deal(address(this), 1_000_000 ether);
     function testExploit() public {
         bytes memory test = "";
         bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE
bridge.deposit{value: 5e2}(anyChainId as uint8 Type,

    tokenResource, test);
     }
31 }
```

#### Risk Level:

Likelihood - 5 Impact - 5

#### Recommendation:

One potential recommendation for addressing the issue of lack of whitelisting on the chain IDs is to implement a whitelisting mechanism in the contract. This could involve adding a mapping or array that stores the approved chain IDs, and checking this whitelist before allowing any transactions to be processed on the corresponding chain.

For example, the contract could contain a chainIDWhitelist mapping, where each key is a chain ID and the corresponding value is a boolean indicating whether the chain ID is approved. The deposit function could then be

updated to check the chainIDWhitelist before processing any transactions.

#### Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding a whitelist on chain ids.

Commit ID: 72176b53657bc49d31bfd5f32ef73376505a5935

# 3.4 (HAL-04) TOKENS CAN BE STUCKED IF THE SAME CHAIN-ID USED IN THE BRIDGE - CRITICAL

#### Description:

In the current implementation of the token bridge, the chain-id is used to identify the source and destination chains when transferring tokens. If the same chain-id is used on both sides of the bridge, the system is unable to determine which chain the tokens are coming from and which chain they are going to, and the tokens become stuck.

#### Code Location:

#### NativeHandler.sol#L91

```
Listing 5
       function deposit(
           bytes32 resourceID,
           uint8 destinationChainID,
           uint64 depositNonce,
           address depositer,
           bytes calldata data
       ) external override onlyBridge {
           bytes memory recipientAddress;
           uint256
           uint256
                          lenRecipientAddress;
           assembly {
               amount := calldataload(0xC4)
               recipientAddress := mload(0x40)
               lenRecipientAddress := calldataload(0xE4)
               mstore(0x40, add(0x20, add(recipientAddress,

    lenRecipientAddress)))
               calldatacopy(
```

```
0xE4, // copy from calldata @ 0x104
                   sub(calldatasize(), 0xE) // copy size (
          address tokenAddress = _resourceIDToTokenContractAddress[

    resourceID];
          require(_contractWhitelist[tokenAddress], "provided

    tokenAddress is not whitelisted");
          uint256 bridgeFee = IBridge(_bridgeAddress)._fee();
          require(amountMinusFee > 0, "Invalid amount");
          _depositRecords[destinationChainID][depositNonce] =
→ DepositRecord(
               tokenAddress,
              uint8(lenRecipientAddress),
              destinationChainID,
               resourceID,
               recipientAddress,
              amountMinusFee
          );
```

Proof of concept:

```
Listing 6

1 contract Tester is DSTest {
2    address public user1 = address(0xB0B);
3    Bridge internal bridge;
4    NativeHandler internal nativeHandler;
5    CheatCodes cheats = CheatCodes(0
L, x7109709ECfa91a80626fF3989D68f67F5b1DD12D);
6    function setUp() public {
7        address [] memory path = new address[](2);
8        path[0] = address(this);
9        path[1] = address(this);
10        bridge = new Bridge(1,path,5,100,100);
11
```

```
bytes32 [] memory pathByteGG = new bytes32[](2);
          pathByteGG[0] = keccak256(abi.encodePacked("User1"));
          pathByteGG[1] = keccak256(abi.encodePacked("User2"));
          nativeHandler = new NativeHandler(address(bridge),

    pathByteGG, path, path);
          bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE
ן ( " ) );
          bridge.adminSetResource(address(nativeHandler),

    tokenResource , ∅ xEeeeeEeeeEeEeEeEeEEEEEEEEE;

          cheats.deal(user1,1_000_000 ether);
          cheats.deal(address(this), 1_000_000 ether);
     }
     function testExploit() public {
          bytes memory test = "";
          bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE
↳ "));
          ## Chain operates with chain ID as 1.
          bridge.deposit{value: 5e2}(1, tokenResource, test);
```

#### Proof of concept Steps:

- Set up a token bridge with the same chain-id on both sides of the bridge.
- Attempt to transfer tokens across the bridge.
- Observe that the tokens become stuck and are not transferred to the destination chain.

```
Risk Level:

Likelihood - 5

Impact - 5
```

#### Recommendation:

Based on our analysis, it is recommended the following actions:

- Update the implementation of the token bridge to prevent the use of the same chain-id on both sides of the bridge.
- Implement a validation step that checks the chain-id of the source and destination chains and ensures that they are different.
- Test the updated token bridge to ensure that it is functioning properly and preventing tokens from becoming stuck.

#### Remediation Plan:

SOLVED: The Chiliz team solved the issue by adding the chain id validation.

Commit ID: 72176b53657bc49d31bfd5f32ef73376505a5935

## 3.5 (HAL-05) LACK OF QUORUM <u>DEFINITION ON THE RELAYERS - HIGH</u>

#### Description:

The lack of a quorum definition on the relayer threshold in this system could potentially result in low participation and lack of consensus on important decisions. This is because without a minimum number of participants required to reach consensus, it is possible for some relayers to make decisions that do not reflect the views of the majority of relayers. This can hinder the effectiveness and efficiency of the system, and can lead to conflicts and disputes among relayers. It is important for the system to define a quorum for the relayer threshold to ensure that sufficient participation is achieved and that decisions are made with the support and consensus of the majority of relayers. This can help to promote collaboration and consensus among relayers and improve the functioning and reliability of the system.

#### Code Location:

#### Bridge.sol#L201

```
Listing 7

1    /**
2     @notice Modifies the number of votes required for a
L. proposal to be considered passed.
3     @notice Only callable by an address that currently has the
L. admin role.
4     @param newThreshold Value {_relayerThreshold} will be
L. changed to.
5     @notice Emits {RelayerThresholdChanged} event.
6     */
7     function adminChangeRelayerThreshold(uint newThreshold)
L. external onlyAdmin {
8          _relayerThreshold = newThreshold;
9          emit RelayerThresholdChanged(newThreshold);
10     }
11
```

Proof of concept code:

```
Listing 8
 1 contract Tester is DSTest {
        address public user1 = address(0xB0B);
        Bridge internal bridge;
        NativeHandler internal nativeHandler;
        CheatCodes cheats = CheatCodes(0
 function setUp() public {
           address [] memory path = new address[](2);
           path[0] = address(this);
           path[1] = address(this);
           bridge = new Bridge(1,path,5,100,100);
           bytes32 [] memory pathByteGG = new bytes32[](2);
           pathByteGG[0] = keccak256(abi.encodePacked("User1"));
           pathByteGG[1] = keccak256(abi.encodePacked("User2"));
           nativeHandler = new NativeHandler(address(bridge),

    pathByteGG, path, path);
           bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE
 ן (");
           bridge.adminSetResource(address(nativeHandler),

    tokenResource , ∅xEeeeeEeeeEeEeEeEeEEEEEEEEE;

           cheats.deal(user1,1_000_000 ether);
           cheats.deal(address(this), 1_000_000 ether);
      }
      function testAdminRelayerThreshold() public {
           bridge.adminChangeRelayerThreshold(0);
      }
30 }
```

## Proof of concept:

## Risk Level:

Likelihood - 3 Impact - 5

## Recommendation:

It is recommended that the system define a quorum for the relayer threshold to ensure that sufficient participation is achieved and that decisions are made with the support and consensus of the majority of relayers. This can be done by setting a specific minimum number of relayers required to reach consensus on key decisions, or by using a formula or algorithm to dynamically calculate the quorum based on factors such as the total number of active relayers or the value of the decision being made. By defining a quorum for the relayer threshold, the system can help to promote collaboration and consensus among relayers and improve the functioning and reliability of the system.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding the quorum relayer threshold definition.

Commit ID: 8a0ffc0bea678f15ec4bcf318740b4170ee3ba95

# 3.6 (HAL-06) HANDLER SHOULD ACCEPT PAYMENTS THROUGH ONLY BRIDGE CONTRACT - HIGH

## Description:

The ability of the handler to accept payments through any user using the receive() function in Solidity in this system could potentially result in loss of funds. To prevent sending funds through the receive() and fallback() functions in Solidity, you can implement checks and safeguards in your contract to ensure that only payments from specific approved contracts are accepted. This can be done by specifying a list of approved contracts that are allowed to send funds to your contract, and by implementing appropriate checks to verify that the sender of the payment is one of these approved contracts. For example, you can use the msg.sender variable in Solidity to check the sender of the payment, and only accept payments from the approved contracts. You can also use the require() function to enforce these checks and prevent payments from unauthorized contracts from being accepted. It is important to carefully review and test your contract to ensure that it properly implements these checks and safeguards.

Code Location:

NativeHandler.sol#L187

```
Listing 9

1 receive() external payable { }
```

## Proof of concept:

## Proof of concept:

```
Listing 10

1 contract Tester is DSTest {
2
3    address public user1 = address(0xB0B);
4    Bridge internal bridge;
5    NativeHandler internal nativeHandler;
6    CheatCodes cheats = CheatCodes(0)
L, x7109709ECfa91a80626fF3989D68f67F5b1DD12D);
7    function setUp() public {
8        address [] memory path = new address[](2);
9        path[0] = address(this);
10        path[1] = address(this);
11        bridge = new Bridge(1,path,5,100,100);
12
13        bytes32 [] memory pathByteGG = new bytes32[](2);
14        pathByteGG[0] = keccak256(abi.encodePacked("User1"));
15        pathByteGG[1] = keccak256(abi.encodePacked("User2"));
16
```

```
nativeHandler = new NativeHandler(address(bridge),
pathByteGG,path,path);

bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE"));

bridge.adminSetResource(address(nativeHandler),
tokenResource,0xEeeeeEeeEeEeEeEEEEEeeeEEEEE);

cheats.deal(user1,1_000_000 ether);
cheats.deal(address(this), 1_000_000 ether);

cheats.deal(address(this), 1_000_000 ether);

function testHandlerDepositDirectly() public {
    address(nativeHandler).transfer(5000 ether);
}
```

## Risk Level:

## Likelihood - 3 <u>Impact -</u> 5

## Recommendation:

It is recommended that the system implement checks and safeguards to restrict the handler to only accept payments through bridge contract using the receive() function in Solidity. This can be done by specifying a list of approved contracts that are allowed to send funds to the handler, and by implementing appropriate checks to verify that the sender of the payment is one of these approved contracts. For example, the contract can use the msg.sender variable in Solidity to check the sender of the payment, and only accept payments from the approved contracts.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding a necessary check in the handler.

## 3.7 (HAL-07) LACK OF REFUND MECHANISM FOR OVERPAYMENT - HIGH

## Description:

ERC20Handler contract handles ERC20 deposits and deposit executions. In the given code, the deposit function allows users to deposit native tokens, but it does not include any mechanism for refunding the user if they accidentally send more tokens than required when interacting with ERC20Handler. If a user accidentally sends more native tokens than required, they will lose their excess funds without any way to recover them. This can lead to user dissatisfaction and a loss of trust in the contract. Additionally, the contract may be at risk of attack from users who deliberately attempt to overpay in order to steal the excess funds.

## Code Location:

## Bridge.sol#L308

```
depositHandler.deposit(resourceID, destinationChainID,
    depositNonce, msg.sender, data);

emit Deposit(destinationChainID, resourceID, depositNonce)
;

20 }
21
```

Proof of concept:

Risk Level:

Likelihood - 3 Impact - 5

## Recommendation:

To address this issue, the deposit function should include a mechanism for refunding the user if they accidentally send more native tokens than required. This can be implemented by checking the amount of tokens received in the deposit function and refunding the excess amount to the user using the transfer function. This will ensure that users are protected from losing their funds due to overpayment, and will help to maintain trust in the contract.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding a refund mechanism in the related handler.

Commit ID: 369bb8ba9926ad704e8aebd2692f03d9f343021e

## 3.8 (HAL-08) IMPROPER UPPER BOUND ON THE FEE DEFINITION - MEDIUM

## Description:

The improper definition of an upper bound on fees in this system could potentially result in excessive fees and harm the user experience. This is because the upper bound is not adequately constrained, and it is possible for fees to be set at levels that are much higher than expected or reasonable. This can create a financial burden for users and discourage the use of the system. In addition, excessive fees can also lead to centralization and concentration of power in the hands of those who can afford to pay high fees, which can create additional security and integrity risks for the system. It is important for the system to properly define the upper bound on fees to ensure that fees are not set at excessive levels and to protect the user experience and the security of the system.

## Code Location:

## Bridge.sol#L298

```
Listing 13

1    /**
2     @notice Changes deposit fee.
3     @notice Only callable by admin.
4     @param newFee Value {_fee} will be updated to.
5     */
6     function adminChangeFee(uint newFee) external onlyAdmin {
7         require(_fee != newFee, "Current fee is equal to new fee")
L ;
8     __fee = newFee;
9  }
```

Proof of concept code:

## Listing 14 1 contract Tester is DSTest { address public user1 = address(0xB0B); CheatCodes cheats = CheatCodes(0 function setUp() public { address [] memory path = new address[](2); path[0] = address(this); path[1] = address(this); bridge = new Bridge(1, path, 5, 100, 100); bytes32 [] memory pathByteGG = new bytes32[](2); pathByteGG[0] = keccak256(abi.encodePacked("User1")); pathByteGG[1] = keccak256(abi.encodePacked("User2")); nativeHandler = new NativeHandler(address(bridge), pathByteGG, path, path); bytes32 tokenResource = keccak256(abi.encodePacked("NATIVE ↳ ")); bridge.adminSetResource(address(nativeHandler), tokenResource, ∅ xEeeeeEeeeEeEeEeEeEeEEEEEeeeeEEEEEE); cheats.deal(user1,1\_000\_000 ether); cheats.deal(address(this), 1\_000\_000 ether); function testFee() public { bridge.adminChangeFee(10000000000000000000000); 30 }

## Proof of concept:

```
Complete run muccessful
Strington (Additive the Context of Strington (Context of Strington)
Stringt
```

## Risk Level:

Likelihood - 2 Impact - 4

## Recommendation:

It is recommended that the system properly define the upper bound on fees to ensure that fees are not set at excessive levels and to protect the user experience. This can be done by setting a specific maximum limit on fees, or by using a formula or algorithm to dynamically calculate the maximum fee based on factors such as the current market conditions or the value of the transaction. By properly defining the upper bound on fees, the system can help to prevent excessive fees and improve the user experience.

### Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding an upper limit to the fee.

## 3.9 (HAL-09) USE CALL INSTEAD OF TRANSFER - MEDIUM

## Description:

The transfer function is not recommended for sending native token due to its, 2300 gas unit limit. Instead, call can be used to circumvent the gas limit.

## Code Location:

## Bridge.sol#L308

```
Listing 15
       function deposit(uint8 destinationChainID, bytes32 resourceID,
    bytes calldata data) external payable whenNotPaused {
           require(msg.value >= _fee, "invalid value");
           address handler = _resourceIDToHandlerAddress[resourceID];
           require(handler != address(0), "resourceID not mapped to

    handler");
           uint64 depositNonce = ++_depositCounts[destinationChainID

  ];

           _depositRecords[depositNonce][destinationChainID] = data;
           IDepositExecute depositHandler = IDepositExecute(handler);
           if (msg.value > 0) {
               uint256 valueToSend = msg.value - _fee;
               if (valueToSend > 0) {
                   payable(handler).transfer(valueToSend);
           }
           depositHandler.deposit(resourceID, destinationChainID,

    depositNonce, msg.sender, data);

           emit Deposit(destinationChainID, resourceID, depositNonce)
```

21

Risk Level:

Likelihood - 2

Impact - 4

Recommendation:

Use call instead of transfer for sending native token.

Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by changing the call transfer function.

Commit ID: 0976828419dbaa9feabfa017a1032c4203abf6da

## 3.10 (HAL-10) MISSING REENTRANCY GUARD - LOW

## Description:

To protect against cross-function re-entrancy attacks, it may be necessary to use a mutex. By using this lock, an attacker can no longer exploit the withdrawal function with a recursive call. OpenZeppelin has its own mutex implementation called ReentrancyGuard which provides a modifier to any function called nonReentrant that guards the function with a mutex against re-entrancy attacks.

## Code Location:

Bridge.sol#L308

```
Listing 16
       function deposit(uint8 destinationChainID, bytes32 resourceID,
    bytes calldata data) external payable whenNotPaused {
           require(msg.value >= _fee, "invalid value");
           address handler = _resourceIDToHandlerAddress[resourceID];
           require(handler != address(0), "resourceID not mapped to

    handler");
           uint64 depositNonce = ++_depositCounts[destinationChainID
 → ];
           _depositRecords[depositNonce][destinationChainID] = data;
           IDepositExecute depositHandler = IDepositExecute(handler);
           if (msg.value > 0) {
               uint256 valueToSend = msg.value - _fee;
               if (valueToSend > 0) {
                   payable(handler).transfer(valueToSend);
           }
           depositHandler.deposit(resourceID, destinationChainID,

    depositNonce, msg.sender, data);
```

```
emit Deposit(destinationChainID, resourceID, depositNonce)

;
20 }
21
```

## NativeHandler.sol#L91

```
Listing 17
       function deposit(
           bytes32 resourceID,
                   destinationChainID,
           uint64 depositNonce,
                   calldata data
           bytes
       ) external override onlyBridge {
           bytes
                   memory recipientAddress;
           uint256
           assembly {
               amount := calldataload(0xC4)
               recipientAddress := mload(0x40)
               lenRecipientAddress := calldataload(0xE4)
               mstore(0x40, add(0x20, add(recipientAddress,

    lenRecipientAddress)))
               calldatacopy(
                    recipientAddress, // copy to
                   0xE4, // copy from calldata @ 0x104
                   sub(calldatasize(), 0xE) // copy size (
               )
           address tokenAddress = _resourceIDToTokenContractAddress[

    resourceID];
           require(_contractWhitelist[tokenAddress], "provided

    tokenAddress is not whitelisted");
           uint256 bridgeFee = IBridge(_bridgeAddress)._fee();
```

```
require(amountMinusFee > 0, "Invalid amount");

republicationChainID][depositNonce] =

tokenAddress,

uint8(lenRecipientAddress),

destinationChainID,

resourceID,

recipientAddress,

depositer,

amountMinusFee

recipientAddress)
```

## Risk Level:

Likelihood - 2 Impact - 2

## Recommendation:

Functions in the code location section are missing nonReentrant modifiers. It is recommended to add the OpenZeppelin ReentrancyGuard library to the project and use the nonReentrant modifier to avoid introducing future re-entrancy vulnerabilities.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding a re-entrancy guard on the related functions.

Commit ID: 8d2c1cfb973eae4935ce167c8ae304ddcb9f843b

# 3.11 (HAL-11) NATSPEC IS NOT COMPATIBLE WITH THE IMPLEMENTATION - LOW

## Description:

In the contract, <code>NatSpec</code> is incompatible with the implementation, which could lead to confusion and misunderstandings among users and developers. This is because <code>NatSpec</code> is a standard for documenting and annotating smart contracts, and it is designed to provide clear and concise information about the functions and behavior of a contract. However, if <code>NatSpec</code> is incompatible with the implementation of the contract, this information may not accurately reflect the actual behavior of the contract, and users and developers may not be able to fully understand and use the contract. It is important for the system to ensure that <code>NatSpec</code> is compatible with the implementation of the contract, to provide clear and accurate information to users and developers and to improve the usability and reliability of the contract.

## Code Location:

## NativeHandler.sol#L89

```
Listing 18

1   /*
2     marked true in {_burnList}, deposited tokens will be
L burned, if not, they will be locked.
3   */
4
```

## Risk Level:

Likelihood - 1 Impact - 3

## Recommendation:

It is recommended that the system ensure that **NatSpec** is compatible with the implementation of the contract. This can be done by carefully reviewing and updating the NatSpec documentation for the contract to ensure that it accurately reflects the functions and behavior of the contract. This can help to provide clear and concise information to users and developers, and can improve the usability and reliability of the contract. It is also recommended to regularly review and update the **NatSpec** documentation as the implementation of the contract changes, to ensure that the **NatSpec** documentation remains accurate and up-to-date. By ensuring the compatibility of NatSpec with the implementation of the contract, the system can help to improve the user experience and trust in the contract.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by updating the natspec in the functions.

Commit ID: a2814edaea8eaf7c6df0a176846645834b9a8e3e

## 3.12 (HAL-12) MISSING RECEIVER ADDRESS CHECK - LOW

## Description:

In this system, the Solidity code does not include a check to prevent sending transactions to the zero address. The zero address is a special address that is reserved in Ethereum, and it represents the absence of an address. Sending a transaction to the zero address is equivalent to sending it to nowhere, and it will be lost and not executed. However, if the Solidity code does not check for the zero address, it is possible for a malicious actor to exploit this and send transactions to the zero address, potentially resulting in the loss of funds. It is important for the system to include a zero address check in the Solidity code, to prevent transactions from being sent to the zero address and to protect against potential loss of funds.

## Code Location:

## NativeHandler.sol#L104

```
Listing 19

1    function deposit(
2        bytes32 resourceID,
3        uint8 destinationChainID,
4        uint64 depositNonce,
5        address depositer,
6        bytes calldata data
7    ) external override onlyBridge {
8        bytes memory recipientAddress;
9        uint256 amount;
10        uint256 lenRecipientAddress;
11
12        assembly {
13            amount := calldataload(0xC4)
14            recipientAddress := mload(0x40)
15            lenRecipientAddress := calldataload(0xE4)
```

```
mstore(0x40, add(0x20, add(recipientAddress,

    lenRecipientAddress)))
              calldatacopy(
                  0xE4, // copy from calldata @ 0x104
                  sub(calldatasize(), 0xE) // copy size (
          address tokenAddress = _resourceIDToTokenContractAddress[

    resourceID];
          require(_contractWhitelist[tokenAddress], "provided
  tokenAddress is not whitelisted");
          uint256 bridgeFee = IBridge(_bridgeAddress)._fee();
          uint256 amountMinusFee = amount - bridgeFee;
          require(amountMinusFee > 0, "Invalid amount");
          _depositRecords[destinationChainID][depositNonce] =
→ DepositRecord(
              tokenAddress,
              uint8(lenRecipientAddress),
          );
      }
```

```
Risk Level:

Likelihood - 1

Impact - 3
```

## Recommendation:

It is recommended that the system include a zero address check in the Solidity code, to prevent transactions from being sent to the zero address. This can be done by implementing a check that verifies that the recipient address of a transaction is not the zero address. For example, the Solidity code can use the require() function to check if the recipient address is equal to the zero address, and if it is, the transaction can be rejected and an error message can be returned. By implementing this check, the system can help to prevent transactions from being sent to the zero address and to protect against potential loss of funds. It is important to carefully review and test the Solidity code to ensure that the zero address check is implemented correctly and is effective at preventing transactions from being sent to the zero address.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by adding receiver address check.

Commit ID: bf171d4028b5af946c091baa77a413b3927a44bc

## 3.13 (HAL-13) REDUNDANT FUNCTION PARAMETER IN THE NATIVEHANDLER - INFORMATIONAL

## Description:

In the bridge, the **NativeHandler** contract includes a **tokenAddress** function parameter that is not used by the function itself. This redundant parameter could potentially cause confusion and misunderstandings, as it may not be clear to users and developers why the parameter is included or what it is used for. In addition, the presence of this redundant parameter could also increase the complexity of the code and make it more difficult to maintain and update. It is important for the system to avoid using redundant function parameters, to improve the clarity and usability of the code and to reduce the complexity and maintenance costs of the system.

## Code Location:

## NativeHandler.sol#L180

```
Listing 20

1    /**
2     @notice Used to manually release native tokens from the
L    handler.
3     @param tokenAddress Address of token contract to release.
4     @param recipient Address to release tokens to.
5     @param amount The amount of native tokens to release.
6     */
7     function withdraw(address tokenAddress, address recipient,
L     uint amount) external override onlyBridge {
8         payable(recipient).transfer(amount);
9     }
10
```

Risk Level:

Likelihood - 1 Impact - 1

Recommendation:

It is recommended that the system remove the redundant function parameter from the NativeHandler contract. This can be done by carefully reviewing the function and identifying any unused parameters, and then removing those parameters from the function signature. By removing the redundant parameter, the system can help to improve the clarity and usability of the code, and it can also help to reduce the complexity and maintenance costs of the system. It is important to carefully review and test the code to ensure that the removal of the redundant parameter does not cause any unexpected behavior or errors.

Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by changing the logic in the related function.

Commit ID: 3660ae57c26131770796467d4c123b2274cf6159

# 3.14 (HAL-14) REDUNDANT ARRAY DEFINITION IN THE CONSTRUCTOR INFORMATIONAL

## Description:

The presence of a redundant array definition in the constructor could potentially lead to confusion and misunderstanding, and could also lead to unnecessary code complexity and maintenance costs.

Code Location:

NativeHandler.sol#L45

```
Listing 21
        constructor(
            address
            bytes32[] memory initialResourceIDs,
            address[] memory initialContractAddresses.
            address[] memory burnableContractAddresses
        ) public {
            require(initialResourceIDs.length ==

    initialContractAddresses.length,
                "initialResourceIDs and initialContractAddresses len

    mismatch");
            for (uint256 i = 0; i < initialResourceIDs.length; i++) {</pre>
                _setResource(initialResourceIDs[i],

    initialContractAddresses[i]);

            for (uint256 i = 0; i < burnableContractAddresses.length;</pre>
 \downarrow i++) {
                _setBurnable(burnableContractAddresses[i]);
```

## Risk Level:

Likelihood - 1 Impact - 1

## Recommendation:

It is recommended that the system remove the redundant array definition from the constructor. This can be done by carefully reviewing the constructor and identifying any unused array definitions, and then removing those definitions from the constructor. By removing the redundant array definition, the system can help to improve the clarity and usability of the code, and it can also help to reduce the complexity and maintenance costs of the system. It is important to carefully review and test the code to ensure that the removal of the redundant array definition does not cause any unexpected behavior or errors.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by deleting the redundant parameter in the constructor.

Commit ID: 568ac8b609f9945bbbafa454afe394fdd8270458

# 3.15 (HAL-15) DELETE - ABI CODER V2 FOR GAS OPTIMIZATION - INFORMATIONAL

## Description:

From **Pragma 0.8.0**, **ABI coder v2** is activated by default. The pragma abicoder v2 can be deleted from the repository. That will provide gas optimization.

Code Location:

Bridge.sol#L2

NativeHandler.sol#L2

```
Listing 23

1 pragma solidity 0.6.4;
2 pragma experimental ABIEncoderV2;
3
4 import "../interfaces/IDepositExecute.sol";
5 import "../interfaces/IBridge.sol";
6 import "./HandlerHelpers.sol";
7 import "../ERC20Safe.sol";
8 import "@openzeppelin/contracts/presets/ERC20PresetMinterPauser.
L, sol";
9
10 contract NativeHandler is IDepositExecute, HandlerHelpers,
L, ERC20Safe {}
```

## Risk Level:

Likelihood - 1

Impact - 1

## Recommendation:

Consider updating pragma to 0.8.17 and ABI coder v2 is activated by default. It is recommended to delete redundant codes. Solidity v0.8.0 Breaking Changes

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by updating pragma.

Commit ID: 6830bf7e74f4a2bb7675c768f24a8a2f35889df5

## 3.16 (HAL-16) UPGRADE PRAGMA TO AT LEAST 0.8.4 - INFORMATIONAL

## Description:

Using newer compiler versions and the optimizer gives gas optimizations and additional safety checks for free.

The advantages of versions =0.8.\*= over =<0.8.0= are:

- Safemath by default from 0.8.0 (can be more gas efficient than some library based safemath).
- Low level inliner from 0.8.2, leads to cheaper runtime gas. Especially relevant when the contract has small functions. For example, OpenZeppelin libraries typically have a lot of small helper functions and if they are not inlined, they cost an additional 20 to 40 gas because of 2 extra jump instructions and additional stack operations needed for function calls.
- Optimizer improvements in packed structs: Before 0.8.3, storing packed structs, in some cases, used an additional storage read operation. After EIP-2929, if the slot was already cold, this means unnecessary stack operations and extra deploy time costs. However, if the slot was already warm, this means additional cost of 100 gas alongside the same unnecessary stack operations and extra deploy time costs.
- Custom errors from 0.8.4, leads to cheaper deploy time cost and run time cost. Note: the run time cost is only relevant when the revert condition is met. In short, replace revert strings by custom errors.

### Risk Level:

Likelihood - 2 Impact - 1

## Recommendation:

Consider updating the pragma to minimum 0.8.4 version.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by updating pragma.

Commit ID: 6830bf7e74f4a2bb7675c768f24a8a2f35889df5

## 3.17 (HAL-17) OPTIMIZE UNSIGNED INTEGER COMPARISON - INFORMATIONAL

## Description:

The check != 0 costs less gas compared to > 0 for unsigned integers in require statements with the optimizer enabled. While it may seem that > 0 is cheaper than !=0, this is only true without the optimizer enabled and outside a require statement. If the optimizer is enabled at 10k, and it is in a require statement, that would be more gas efficient.

Code Location:

Bridge.sol#L302-L304

```
Interpose I
```

Risk Level:

Likelihood - 1 Impact - 1

Recommendation:

Change > 0 comparison with != 0.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by deleting the related code section in the contract.

Commit ID: 6830bf7e74f4a2bb7675c768f24a8a2f35889df5

# 3.18 (HAL-18) CHANGE FUNCTION VISIBILITY FROM PUBLIC TO EXTERNAL - INFORMATIONAL

## Description:

There is a function declared as public that is never called internally within the contract. It is best practice to mark such functions as external instead, as this saves gas (especially in the case where the function takes arguments, as external functions can read arguments directly from calldata instead of having to allocate memory).

## Code Location:

## Bridge.sol#L384

## Listing 25

function cancelProposal(uint8 chainID, uint64 depositNonce,
bytes32 dataHash) public onlyAdminOrRelayer

## Risk Level:

Likelihood - 1 Impact - 1

## Recommendation:

All the public functions in the contract are not called internally, so access can be changed to external to reduce gas.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by changing the visibility of the function.

Commit ID: f574625d79d4701d2a89acfd9a5b139c352e9a91

## 3.19 (HAL-19) REDUNDANT SAFEMATH FUNCTIONS USAGE IN CONTRACT - INFORMATIONAL

## Description:

In a Solidity contract, the developer has included multiple instances of the SafeMath library functions, even though only one instance is needed. Including redundant instances of the SafeMath library can lead to an increase in the size of the contract, which can negatively impact the contract's performance and gas usage.

## Code Location:

## Bridge.sol#L151

```
Listing 26

1 function add(uint256 a, uint256 b) internal pure returns (
L, uint256) {
2    uint256 c = a + b;
3    require(c >= a, "SafeMath: addition overflow");
4
5    return c;
6 }
7
8 /**
9    * @dev Returns the subtraction of two unsigned integers,
L, reverting on
10    * overflow (when the result is negative).
11    *
12    * Counterpart to Solidity's `-` operator.
13    *
14    * Requirements:
15    * - Subtraction cannot overflow.
16    */
17    function sub(uint256 a, uint256 b) internal pure returns (
L, uint256) {
18    return sub(a, b, "SafeMath: subtraction overflow");
```

## Risk Level:

## Likelihood - 1 Impact - 1

## Recommendation:

To avoid the impact of redundant SafeMath usage, the developer should remove any unnecessary instances of the SafeMath library from the contract. This can help to reduce the size of the contract and improve its performance and gas efficiency. Additionally, the developer should ensure that the SafeMath functions are used consistently throughout the contract to prevent any potential vulnerabilities related to arithmetic operations.

## Remediation Plan:

**SOLVED**: The Chiliz team solved the issue by upgrading **pragma 0.8.17** in contracts. Also, the SafeMath libraries are deleted from the contracts.

Commit ID: add9f81660e4ab58778f4706e00fc4ac4234a153

## AUTOMATED TESTING

## 4.1 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 repositories 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:

```
Reference into picture (content picture position) (content picture picture picture position) (content picture pic
```

No major issues were found by Slither.

THANK YOU FOR CHOOSING

