



/activate/ Developer
Conference
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Business Rules for Wallet Transactions

Wallet Transactions: Policies and Pending Approvals

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Hey, I'm a software engineer based out of Toronto. Outside of BitGo, I like to experiment with DeFi protocols, travel and make coffee!

Setup Prelude

Let's get Installing

Let's install some of the software in the background now before the intro.

Follow the Setup Guide Here:

<https://github.com/zahin-mohammad/bitgo-activate-policies-workshop>



What is a Policy?

What is a Policy?

A set of business rules on a wallet or enterprise

- Allows configurable rules that decide how to proceed with a transaction before it gets broadcasted
- It can be used as a tool to help prevent mistakes or bad actors

Example

- “I want my team lead to approve all outgoing transactions”
- “I only want to allow withdrawals to known addresses”
- “Do not allow more than 10 BTC to be withdrawn from this wallet in a 24 hour period”

Reference

- <https://developers.bitgo.com/api/v2.wallet.createpolicy>
- <https://developers.bitgo.com/api/v2.wallet.removepolicy>
- <https://developers.bitgo.com/api/v2.wallet.updatepolicy>

What Happens on a Policy Rule Violation?

It all depends on the action!

- Actions define what to do when a policy rule is violated
 - Ex. sending to to a non whitelisted address
- Options
 - ``deny`, `getApproval`, `getFinalApproval``
 - ``getApproval`` or ``getFinalApproval`` will create a pending approval
 - Deny will not create a pending approval and will deny the pending request from being processed

Pending Approval

- An object responsible for tracking approvals on entity changes
 - Ex: adding users, adding policy rules, triggering policy actions
- Enables admins to manually verify policy violations or entity changes
 - An admin can either reject or approve a pending approval

Reference

- <https://developers.bitgo.com/api/v2.approval.get>
- <https://developers.bitgo.com/api/v2.approval.update>

Policy Rules

Anatomy of a Policy



```
{  
  date: '2022-06-16T17:49:34.803Z',  
  id: '62ab6d2e7eeda000072123101257347a',  
  label: 'default',  
  rules: [Array],  
  version: 7,  
  latest: true  
}
```

Anatomy of a Policy Rule



```
{  
  id: 'my activate whitelist policy rule',  
  lockDate: '2022-10-21T16:19:07.226Z',  
  type: 'advancedWhitelist',  
  action: { type: 'deny', userIds: [] },  
  condition: { entries: [Array] }  
}
```

Whitelist Policy Rule Anatomy (Condition)



```
{  
  add: {  
    item: "2mL1GH2KAevXzCQ7qVZGeRUd1C1uzrmNvZ5AysK1WPJm",  
    type: "address",  
  },  
}
```

Reference

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Exercise time! Create a Wallet

yarn run manage-wallet

- Create a file called `scratchpad.txt`
 - Note down your enterprise ID
 - You can log into the webapp at app.bitgo-test.com to copy it
 - Email and Password of user 1
 - Email and Password of user 2
 - As the demo continues, any other useful Id's (wallets, pending approvals)
- Create a wallet using the `Create a New Wallet` command
 - Once a wallet is created, fund the "receive address" of the wallet with 1 SOL
- In a separate terminal window go through the `Accept a Wallet Invite` flow as user #2

Exercise time! Create a Transaction

yarn run manage-wallet

- Login in as user 1
- Select option "Send a Transaction"
- Copy the walletId into the prompt
- What happened?
- Note: "2mL1GH2KAevXzCQ7qVZGeRUd1C1uzrmNvZ5AysK1WPJm" as the destination (or another wallet)

Exercise time! Create a Whitelist Policy Rule

yarn run policy-exercise

- Implement the function `startWhitelistPolicyExercise`
 - View the code comments for hints and details
- Save and re-run
 - Select option “Create Whitelist Rule”
 - If all works out well, you should have a pending approval ID in your console! Note it down in your scratchpad
- Implement the function `approvePendingApproval`
 - View the code comments for hints and details
- Save and re-run in a new terminal window!!
 - Login as a different user!!
 - Select option “Approve Pending Approval”
- Ask a TA if you are running into any issues
 - Or view the “solution” branch to see the completed solution
 - git checkout solution

Exercise time! Whitelist Violation

yarn run manage-wallet

- Select option “Send a Transaction”
- Send to an address outside of what you whitelisted previously!
 - You can use
“GhrweBg5xzESfNv1v6fTtY7Lht6puoXZJEXjzL7AQnbP”
 - What happened?
- Repeat the above but send to you whitelisted address

Next Steps

- There are a few other tasks in `manage-policy.ts`
 - Try it yourself!
- With your forked repository, you can use this as a base to prototype your new product built with BitGo
- Refer back to <https://developers.bitgo.com/> if you ever get stuck
 - Or ask a TA

Questions?

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