



**SOLID**Proof  
*Bring trust into your projects*

**Blockchain Security | Smart Contract Audits | KYC  
Development | Marketing**

MADE IN GERMANY

**ZNS Connect**

**AUDIT**

SECURITY ASSESSMENT

**19. April, 2024**

FOR



[SolidProof.io](https://SolidProof.io)



[@solidproof\\_io](https://@solidproof_io)



Introduction	3
Disclaimer	3
Project Overview	4
Summary	4
Social Medias	4
Audit Summary	5
File Overview	6
Imported packages	6
Components	7
Exposed Functions	7
Capabilities	8
Inheritance Graph	9
Audit Information	10
Vulnerability & Risk Level	10
Auditing Strategy and Techniques Applied	11
Methodology	11
Overall Security	12
Upgradeability	12
Ownership	13
Ownership Privileges	14
Minting tokens	14
Burning tokens	15
Blacklist addresses	16
Fees and Tax	17
Lock User Funds	18
Centralization Privileges	19
Audit Results	20



## Introduction

SolidProof.io is a brand of the officially registered company MAKE Network GmbH, based in Germany. We're mainly focused on Blockchain Security such as Smart Contract Audits and KYC verification for project teams.

Solidproof.io assess potential security issues in the smart contracts implementations, review for potential inconsistencies between the code base and the whitepaper/documentation, and provide suggestions for improvement.

## Disclaimer

SolidProof.io reports are not, nor should be considered, an "endorsement" or "disapproval" of any particular project or team. These reports are not, nor should be considered, an indication of the economics or value of any "product" or "asset" created by any team. SolidProof.io do not cover testing or auditing the integration with external contract or services (such as Unicrypt, Uniswap, PancakeSwap etc'...)

**SolidProof.io Audits do not provide any warranty or guarantee regarding the absolute bug-free nature of the technology analyzed, nor do they provide any indication of the technology proprietors. SolidProof Audits should not be used in any way to make decisions around investment or involvement with any particular project. These reports in no way provide investment advice, nor should be leveraged as investment advice of any sort.**

SolidProof.io Reports represent an extensive auditing process intending to help our customers increase the quality of their code while reducing the high level of risk presented by cryptographic tokens and blockchain technology. Blockchain technology and cryptographic assets present a high level of ongoing risk. SolidProof's position is that each company and individual are responsible for their own due diligence and continuous security. SolidProof in no way claims any guarantee of the security or functionality of the technology we agree to analyze.



# Project Overview

## Summary

<b>Project Name</b>	ZNS Connect
<b>Website</b>	<a href="https://www.znsconnect.io/">https://www.znsconnect.io/</a>
<b>About the project</b>	ZNS Connect is a decentralized naming system built on the Polygon and Zetachain blockchain. Our mission is to simplify the Web3 experience by offering user-friendly and memorable domain names.
<b>Chain</b>	Oklink
<b>Language</b>	Solidity
<b>Codebase</b>	ZNSGiftCard: <a href="https://www.oklink.com/xlayer/address/0x7846766Fe7a1031E7E9211C9276445155ff9cD92/contract">https://www.oklink.com/xlayer/address/0x7846766Fe7a1031E7E9211C9276445155ff9cD92/contract</a> ZNSRegistry: <a href="https://www.oklink.com/xlayer/address/0x71709A5f1831bA48C414375Fb6a58662A40C01b5/contract">https://www.oklink.com/xlayer/address/0x71709A5f1831bA48C414375Fb6a58662A40C01b5/contract</a>
<b>Commit</b>	N/A
<b>Unit Tests</b>	Not Provided

## Social Medias

<b>Telegram</b>	<a href="https://t.me/znsconnect">https://t.me/znsconnect</a>
<b>Twitter</b>	<a href="https://twitter.com/ZNSConnect">https://twitter.com/ZNSConnect</a>
<b>Facebook</b>	N/A
<b>Instagram</b>	N/A
<b>GitHub</b>	N/A
<b>Reddit</b>	N/A
<b>Medium</b>	<a href="https://znsconnect.medium.com/">https://znsconnect.medium.com/</a>
<b>Discord</b>	<a href="https://discord.com/invite/skbA5Ucmc">https://discord.com/invite/skbA5Ucmc</a>
<b>YouTube</b>	N/A
<b>TikTok</b>	N/A
<b>LinkedIn</b>	N/A



## Audit Summary

Version	Delivery Date	Change Log
v1.0	12. April 2024	<ul style="list-style-type: none"><li>· Layout Project</li><li>· Automated/ Manual-Security Testing</li><li>· Summary</li></ul>
v1.1	17. April 2024	<ul style="list-style-type: none"><li>· Reaudit</li></ul>

**Note** – The following audit report presents a comprehensive security analysis of the smart contract utilized in the project that includes outside manipulation of the contract's functions in a malicious way. This analysis did not include functional testing (or unit testing) of the contract/s logic. We cannot guarantee 100% logical correctness of the contract as we did not functionally test it. This includes internal calculations in the formulae used in the contract.



## File Overview

The Team provided us with the files that should be tested in the security assessment. This audit covered the following files listed below with an SHA-1 Hash.

File Name	SHA-1 Hash
contracts/ZNSGiftCard.sol	88ec2522b166afbfc83504b5577c6c6046761d8e
contracts/ZNSRegistry.sol	953a3130ec55864c1c7a4e906958d2c6b9e767bc

*Please note: Files with a different hash value than in this table have been modified after the security check, either intentionally or unintentionally. A different hash value may (but need not) be an indication of a changed state or potential vulnerability that was not the subject of this scan.*

## Imported packages.

*Used code from other Frameworks/Smart Contracts.*

Dependency / Import Path	Count
@openzeppelin/contracts/access/AccessControl.sol	2
@openzeppelin/contracts/security/Pausable.sol	2
@openzeppelin/contracts/security/ReentrancyGuard.sol	2
@openzeppelin/contracts/token/ERC721/extensions/ERC721URIStorage.sol	2
@openzeppelin/contracts/utils/Base64.sol	1

**Note for Investors:** We only audited contracts mentioned in the scope above. All contracts related to the project apart from that are not a part of the audit, and we cannot comment on its security and are not responsible for it in any way.



## External/Public functions

*External/public functions are functions that can be called from outside of a contract, i.e., they can be accessed by other contracts or external accounts on the blockchain. These functions are specified using the function declaration's external or public visibility modifier.*

## State variables

*State variables are variables that are stored on the blockchain as part of the contract's state. They are declared at the contract level and can be accessed and modified by any function within the contract. State variables can be needed within visibility modifier, such as public, private or internal, which determines the access level of the variable.*

## Components

 Contracts	 Libraries	 Interfaces	 Abstract
2	0	0	0

## Exposed Functions

*This section lists functions that are explicitly declared public or payable. Please note that getter methods for public stateVars are not included.*

 Public	 Payable			
37	3			
External	Internal	Private	Pure	View
13	37	0	5	14

## StateVariables

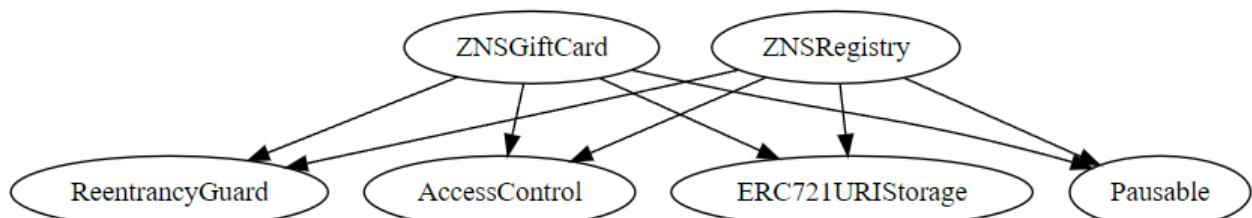
Total	 Public
24	13

## Capabilities

Solidity Versions observed	Experimental Features	Can Receive Funds	Uses Assembly	Has Destroyable Contracts	
0.8.21	-----	Yes		-----	
Transfer s ETH	Low-Level Calls	Delegate Call	Uses Hash Functions	ECRecover	New/Create/Create2
yes			yes		

## Inheritance Graph

An inheritance graph is a graphical representation of the inheritance hierarchy among contracts. In object-oriented programming, inheritance is a mechanism that allows one class (or contract, in the case of Solidity) to inherit properties and methods from another class. It shows the relationships between different contracts and how they are related to each other through inheritance.



# Audit Information

## Vulnerability & Risk Level

Risk represents the probability that a certain source threat will exploit the vulnerability and the impact of that event on the organization or system. The risk level is computed based on CVSS version 3.0.

Level	Value	Vulnerability	Risk (Required Action)
<b>Critical</b>	9 - 10	A vulnerability that can disrupt the contract functioning in a number of scenarios, or creates a risk that the contract may be broken.	Immediate action to reduce risk level.
<b>High</b>	7 - 8.9	A vulnerability that affects the desired outcome when using a contract, or provides the opportunity to use a contract in an unintended way.	Implementation of corrective actions as soon as possible.
<b>Medium</b>	4 - 6.9	A vulnerability that could affect the desired outcome of executing the contract in a specific scenario.	Implementation of corrective actions in a certain period.
<b>Low</b>	2 - 3.9	A vulnerability that does not have a significant impact on possible scenarios for the use of the contract and is probably subjective.	Implementation of certain corrective actions or accepting the risk.
<b>Informational</b>	0 - 1.9	A vulnerability that has informational character but is not affecting any of the code.	An observation that does not determine a level of risk



## Auditing Strategy and Techniques Applied

Throughout the review process, care was taken to check the repository for security-related issues, code quality, and compliance with specifications and best practices. To this end, our team of experienced pen-testers and smart contract developers reviewed the code line by line and documented any issues discovered.

We check every file manually. We use automated tools only so that they help us achieve faster and better results.

## Methodology

The auditing process follows a routine series of steps:

1. Code review that includes the following:
  - a. Reviewing the specifications, sources, and instructions provided to SolidProof to ensure we understand the size, scope, and functionality of the smart contract.
  - b. Manual review of the code, i.e., reading the source code line by line to identify potential vulnerabilities.
  - c. Comparison to the specification, i.e., verifying that the code does what is described in the specifications, sources, and instructions provided to SolidProof.
2. Testing and automated analysis that includes the following:
  - a. Test coverage analysis determines whether test cases cover code and how much code is executed when those test cases are executed.
  - b. Symbolic execution, which is analysing a program to determine what inputs cause each part of a program to execute.
3. Review best practices, i.e., review smart contracts to improve efficiency, effectiveness, clarity, maintainability, security, and control based on best practices, recommendations, and research from industry and academia.
4. Concrete, itemized and actionable recommendations to help you secure your smart contracts.



## Overall Security Upgradeability

### Contract is not an upgradable

 Deployer cannot update the contract with new functionalities.

Description	The contract is not an upgradeable contract. The Deployer is not able to change or add any functionalities to the contract after deploying.
Comment	N/A





## Ownership

**Contract ownership is not renounced.**

 The ownership is not renounced.

Description

The owner has not renounced the ownership that means that the owner retains control over the contract's operations, including the ability to execute functions that may impact the contract's users or stakeholders. This can lead to several potential issues, including:

- Centralizations
- The owner has significant control over contract's operations.

Comment

N/A

**Note** – *The contract cannot be considered as renounced till it is not deployed or having some functionality that can change the state of the contract.*



## Ownership Privileges

*These functions can be dangerous. Please note that abuse can lead to financial loss. We have a guide where you can learn more about these Functions.*

### Minting tokens

*Minting tokens refer to the process of creating new tokens in a cryptocurrency or blockchain network. This process is typically performed by the project's owner or designated authority, who has the ability to add new tokens to the network's total supply.*

**Contract owner cannot mint new tokens.**

 **The owner cannot mint new tokens.**

Description	The owner is not able to mint new tokens once the contract is deployed.
Comment	N/A



## Burning tokens

*Burning tokens is the process of permanently destroying a certain number of tokens, reducing the total supply of a cryptocurrency or token. This is usually done to increase the value of the remaining tokens, as the reduced supply can create scarcity and potentially drive up demand.*

Contract owner cannot burn tokens	 The owner cannot burn tokens.
Description	The owner is not able burn tokens without any allowances.
Comment	N/A



## Blacklist addresses

*Blacklisting addresses in smart contracts is the process of adding a certain address to a blacklist, effectively preventing them from accessing or participating in certain functionalities or transactions within the contract. This can be useful in preventing fraudulent or malicious activities, such as hacking attempts or money laundering.*

**Contract owner cannot blacklist addresses.**

 **The owner cannot blacklist wallets.**

Description	The owner cannot blacklist wallets from transferring of tokens.
Comment	N/A



## Fees and Tax

*In some smart contracts, the owner or creator of the contract can set fees for certain actions or operations within the contract. These fees can be used to cover the cost of running the contract, such as paying for gas fees or compensating the contract's owner for their time and effort in developing and maintaining the contract.*

**Contract owner cannot set fees more than 25%.**



**The owner cannot set fees more than 25%.**

Description	The owner cannot set fees of more than 25%.
Comment	N/A



## Lock User Funds

In a smart contract, locking refers to the process of restricting access to certain tokens or assets for a specified period of time. When token or assets are locked in a smart contract, they cannot be transferred or used until the lock-up period has expired or certain conditions have been met.

**Contract owner can lock function.**

**X** The owner can lock function.

Description	The admin can lock the functionality in the contract.
Comment	The contract contains pausable functionality which can pause the functions for an indefinite period of time. There must be a locking period so that the functionality of the contract should not be locked in an indefinite period of time.

**File/Line(s): L317-319**

**Codebase: ZNSRegistry.sol**

```
ftrace | funcSig
function pause() external onlyAdmin nonReentrant {
|   _pause();
}
```

## Centralization Privileges

Centralization can arise when one or more parties have privileged access or control over the contract's functionality, data, or decision-making. This can occur, for example, if the contract is controlled by a single entity or if certain participants have special permissions or abilities that others do not.

In the project, there are authorities that have access to the following functions:

File	Privileges
ZNSRegistry.sol	<ul style="list-style-type: none"><li>➤ The admin can update the partner referral to not more than 100%.</li><li>➤ The admin can update the partners and their percentage of profit in the contract.</li><li>➤ The admin can update the oracle contract address.</li><li>➤ The admin can update the gift card contract address.</li><li>➤ The admin can update the refer ticket count in the contract.</li><li>➤ The admin can update the domain pricing in the contract.</li><li>➤ The admin can renew pricing.</li><li>➤ The admin can withdraw balance from the contract.</li><li>➤ The admin can register domains in the contract.</li><li>➤ The admin can pause/un-pause the functionality of the token for an indefinite period of time.</li><li>➤ The admin can protect the domain from registering.</li><li>➤ The maintainer can burn the expired domains from the contract.</li></ul>
ZNSGiftCard.sol	<ul style="list-style-type: none"><li>➤ The admin can mint the gift card for any particular user.</li><li>➤ The admin can update the treasury wallet address.</li><li>➤ The admin can withdraw balance from the contract to his wallet.</li><li>➤ The admin can update the registry contract address.</li><li>➤ The maintainer can burn the credits from any particular wallet.</li><li>➤ The admin can update the token URI in the contract.</li><li>➤ The admin can update the oracle address.</li></ul>



## Recommendations

To avoid potential hacking risks, it is advisable for the client to manage the private key of the privileged account with care. Additionally, we recommend enhancing the security practices of centralized privileges or roles in the protocol through a decentralized mechanism or smart-contract-based accounts, such as multi-signature wallets.

Here are some suggestions of what the client can do:

- Consider using multi-signature wallets: Multi-signature wallets require multiple parties to sign off on a transaction before it can be executed, providing an extra layer of security e.g. Gnosis Safe
- Use of a timelock at least with a latency of e.g. 48-72 hours for awareness of privileged operations
- Introduce a DAO/Governance/Voting module to increase transparency and user involvement
- Consider Renouncing the ownership so that the owner cannot modify any state variables of the contract anymore. Make sure to set up everything before renouncing.



# Audit Result

## Critical Issues

No critical issues

## High Issues

No high issues

## Medium Issue

### #1 | The owner can pause token.

File	Severity	Location	Status
ZNSRegistry.sol	Medium	L317-319	ACK
ZNSGiftCard.sol	Medium	--	ACK

**Description** – The contract contains pausable functionality which can pause the functions for an indefinite period of time. There must be a locking period so that the functionality of the contract should not be locked in an indefinite period of time.

### #2 | Missing functionality to return excess tokens.

File	Severity	Location	Status
ZNSRegistry.sol	Medium	L347-406, L408-424	ACK

**Description** – The amount of tokens sent by the user should be equal to the price which is required to register and renew domains as this can stuck the ETH if the amount of tokens is more than the required price.

**Remediation** – Add functionality to return the excess amount of tokens sent by the user while registering or renewing the domain in the contract.



## Low Issue

---

### #1 | Missing events arithmetic.

File	Severity	Location	Status
ZNSRegistry.sol	Low	--	ACK
ZNSGiftCard.sol	Low	--	ACK

**Description** – Emit all the critical parameter changes.

## Informational Issue

---

### #1 | NatSpec Documentation missing.

File	Severity	Location	Status
All	Informational	--	ACK

**Description** – If you started to comment on your code, also comment on all other functions, variables, etc.

## Legend for the Issue Status

Attribute or Symbol	Meaning
<b>Open</b>	The issue is not fixed by the project team.
<b>Fixed</b>	The issue is fixed by the project team.
<b>Acknowledged(ACK)</b>	The issue has been acknowledged or declared as part of business logic.



**Blockchain Security | Smart Contract Audits | KYC  
Development | Marketing**

MADE IN GERMANY