HACKEN

SMART CONTRACT CODE REVIEW AND SECURITY ANALYSIS REPORT

Customer: DeRace
Date: June 9th, 2022

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Document

Name	Smart Contract Code Review and Security Analysis Report for DeRace.
Approved By	Evgeniy Bezuglyi | SC Department Head at Hacken OU
Type	Staking
Platform	EVM
Language	Solidity
Methods	Architecture Review, Functional Testing, Computer-Aided Verification, Manual Review
Website	https://derace.com/
Timeline	26.04.2022 - 09.06.2022
Changelog	29.04.2022 - Initial Review 17.05.2022 - Second Review

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Introduction

Hacken OÜ (Consultant) was contracted by DeRace (Customer) to conduct a Smart Contract Code Review and Security Analysis. This report presents the findings of the security assessment of the Customer's smart contracts.

Scope

The scope of the project is smart contracts in the repository:

Initial review scope

Repository:
https://github.com/Derace/staking-contract
Commit:
323b743e4bb60dd4ca8f4d6a18b5f7589354c6ab
Technical Documentation: No
JS tests: No
Deployed Contracts Addresses: No
Contracts:
File: ./StakeERC20ForERC721v2.sol

Second review scope

Repository:
https://github.com/Derace/staking-contract
Commit:
cf356561175dfe49a3d93ba85d553324107c4a0c
Technical Documentation: No
JS tests: Yes
Deployed Contracts Addresses: No
Contracts:
File: ./StakeERC20ForERC721v2.sol

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Severity Definitions

Risk Level	Description
Critical	Critical vulnerabilities are usually straightforward to exploit and can lead to assets loss or data manipulations.
High	High-level vulnerabilities are difficult to exploit; however, they also have a significant impact on smart contract execution, e.g., public access to crucial functions.
Medium	Medium-level vulnerabilities are important to fix; however, they cannot lead to assets loss or data manipulations.
Low	Low-level vulnerabilities are mostly related to outdated, unused, etc. code snippets that cannot have a significant impact on execution.

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Executive Summary

The score measurement details can be found in the corresponding section of the methodology.

Documentation quality

The Customer provided functional and technical requirements. The total Documentation Quality score is **10** out of **10**.

Code quality

The total CodeQuality score is **5** out of **10**. No unit tests were provided.

Architecture quality

The architecture quality score is **7** out of **10**. Configured development environment provided but missing readme how to use it.

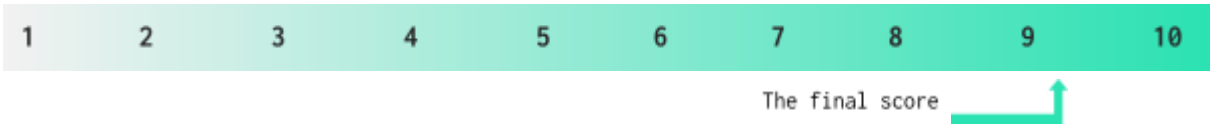
Security score

As a result of the audit, security engineers found **1** low severity issue. The security score is **10** out of **10**.

All found issues are displayed in the “Findings” section.

Summary

According to the assessment, the Customer's smart contract has the following score: **9.2**.



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Checked Items

We have audited provided smart contracts for commonly known and more specific vulnerabilities. Here are some of the items that are considered:

Item	Type	Description	Status
Default Visibility	SWC-100 SWC-108	Functions and state variables visibility should be set explicitly. Visibility levels should be specified consciously.	Passed
Integer Overflow and Underflow	SWC-101	If unchecked math is used, all math operations should be safe from overflows and underflows.	Not Relevant
Outdated Compiler Version	SWC-102	It is recommended to use a recent version of the Solidity compiler.	Passed
Floating Pragma	SWC-103	Contracts should be deployed with the same compiler version and flags that they have been tested thoroughly.	Passed
Unchecked Call Return Value	SWC-104	The return value of a message call should be checked.	Not Relevant
Access Control & Authorization	CWE-284	Ownership takeover should not be possible. All crucial functions should be protected. Users could not affect data that belongs to other users.	Passed
SELFDESTRUCT Instruction	SWC-106	The contract should not be destroyed until it has funds belonging to users.	Passed
Check-Effect-Interaction	SWC-107	Check-Effect-Interaction pattern should be followed if the code performs ANY external call.	Passed
Uninitialized Storage Pointer	SWC-109	Storage type should be set explicitly if the compiler version is < 0.5.0.	Not Relevant
Assert Violation	SWC-110	Properly functioning code should never reach a failing assert statement.	Not Relevant
Deprecated Solidity Functions	SWC-111	Deprecated built-in functions should never be used.	Passed
Delegatecall to Untrusted Callee	SWC-112	Delegatecalls should only be allowed to trusted addresses.	Not Relevant
DoS (Denial of Service)	SWC-113 SWC-128	Execution of the code should never be blocked by a specific contract state unless it is required.	Passed

Race Conditions	SWC-114	Race Conditions and Transactions Order Dependency should not be possible.	Passed
Authorization through tx.origin	SWC-115	tx.origin should not be used for authorization.	Passed
Block values as a proxy for time	SWC-116	Block numbers should not be used for time calculations.	Passed
Signature Unique Id	SWC-117 SWC-121 SWC-122	Signed messages should always have a unique id. A transaction hash should not be used as a unique id.	Passed
Shadowing State Variable	SWC-119	State variables should not be shadowed.	Passed
Weak Sources of Randomness	SWC-120	Random values should never be generated from Chain Attributes.	Not Relevant
Incorrect Inheritance Order	SWC-125	When inheriting multiple contracts, especially if they have identical functions, a developer should carefully specify inheritance in the correct order.	Passed
Calls Only to Trusted Addresses	EEA-Level-2 SWC-126	All external calls should be performed only to trusted addresses.	Passed
Presence of unused variables	SWC-131	The code should not contain unused variables if this is not justified by design.	Passed
EIP standards violation	EIP	EIP standards should not be violated.	Not Relevant
Assets integrity	**Custom**	Funds are protected and cannot be withdrawn without proper permissions.	Passed
User Balances manipulation	**Custom**	Contract owners or any other third party should not be able to access funds belonging to users.	Passed
Data Consistency	**Custom**	Smart contract data should be consistent all over the data flow.	Passed
Flashloan Attack	**Custom**	When working with exchange rates, they should be received from a trusted source and not be vulnerable to short-term rate changes that can be achieved by using flash loans. Oracles should be used.	Not Relevant
Token Supply manipulation	**Custom**	Tokens can be minted only according to rules specified in a whitepaper or any other documentation provided by the customer.	Not Relevant

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Gas Limit and Loops	**Custom**	Transaction execution costs should not depend dramatically on the amount of data stored on the contract. There should not be any cases when execution fails due to the block Gas limit.	Passed
Style guide violation	**Custom**	Style guides and best practices should be followed.	Passed
Requirements Compliance	**Custom**	The code should be compliant with the requirements provided by the Customer.	Passed
Repository Consistency	**Custom**	The repository should contain a configured development environment with a comprehensive description of how to compile, build and deploy the code.	Failed
Tests Coverage	**Custom**	The code should be covered with unit tests. Test coverage should be 100%, with both negative and positive cases covered. Usage of contracts by multiple users should be tested.	Failed

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System Overview

StakeERC20ForERC721v2 - is a staking system with the following contract:

- StakeERC20ForERC721v2 — simple staking contract for staking ERC20 tokens and accumulates a score based on the number of tokens staked and staking period. Afterward, users can redeem reward tokens based on accumulated score and reward token price.
  It has the following attributes:
  - Token: Token for staking.
  - Reward: Reward token for staking.
  - Price: Price of the reward token.
  - External score: external score source.

Privileged roles

- An account with the TREASURY_ROLE can withdraw, deposit a specified amount of reward tokens.
- An account with the TREASURY_ROLE can change the price of the reward token. As a result, the amount of reward tokens can be changed.

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Findings

Critical

No critical severity issues were found.

High

No high severity issues were found.

Medium

Missing validation.

Staking token and reward token addresses can be the same.

As a result, reward and staking balances will be merged and rewards can be payed using tokens that belongs to stakers.

Contracts: contract.sol

Function: constructor

Recommendation: ensure that staking token and reward addresses are different.

Status: Fixed

Low

Style guide violation.

The contract file name does not follow the Solidity code style guide.

Contracts: contract.sol

Recommendation: Follow the official Solidity code style guide.

https://docs.soliditylang.org/en/v0.8.13/style-guide.html

Status: New

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Disclaimers

Hacken Disclaimer

The smart contracts given for audit have been analyzed by the best industry practices at the date of this report, with cybersecurity vulnerabilities and issues in smart contract source code, the details of which are disclosed in this report (Source Code); the Source Code compilation, deployment, and functionality (performing the intended functions).

The audit makes no statements or warranties on the security of the code. It also cannot be considered a sufficient assessment regarding the utility and safety of the code, bug-free status, or any other contract statements. While we have done our best in conducting the analysis and producing this report, it is important to note that you should not rely on this report only – we recommend proceeding with several independent audits and a public bug bounty program to ensure the security of smart contracts.

Technical Disclaimer

Smart contracts are deployed and executed on a blockchain platform. The platform, its programming language, and other software related to the smart contract can have vulnerabilities that can lead to hacks. Thus, the audit cannot guarantee the explicit security of the audited smart contracts.