# **HAECHI AUDIT**

# Cross Chain Bridge

Smart Contract Security Analysis Published on: Jan 28, 2022

Version v1.0





# **HAECHI AUDIT**

Smart Contract Audit Certificate



### Cross Chain Bridge

Security Report Published by HAECHI AUDIT v1.0 Jan 28, 2022

Auditor: Felix Kim

#### **Executive Summary**

Severity of Issues	Findings	Resolved	Unresolved	Acknowledged	Comment
Critical	1	-	-	-	-
Major	-	-	-	-	-
Minor	2	-	-	-	-
Tips	-	-	-	-	-

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3 Issues (1 Critical, 0 Major, 2 Minor) Found

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#### **FINDINGS**

Front running attack is possible using the CrossChainBridgeERC20V1#releaseNative() function. (Found - v1.0).

It is advised to define the wrappedNative() function of the router as a view function.

The parameter of the LiquidityRemoved event that occurs in the

<u>CrossChainBridgeERC20LiquidityManagerV1#\_withdrawLiquidityERC20() function may fail to return a normal value.</u>

#### **DISCLAIMER**

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**ABOUT US** 

HAECHI AUDIT believes in the power of cryptocurrency and the next paradigm it will bring.

We have the vision to *empower the next generation of finance*. By providing security and trust in the blockchain industry, we dream of a world where everyone has easy access to blockchain

technology.

HAECHI AUDIT is a flagship service of HAECHI LABS, the leader of the global blockchain

industry. HAECHI AUDIT provides specialized and professional smart contract security

auditing and development services.

We are a team of experts with years of experience in the blockchain field and have been

trusted by 300+ project groups. Our notable partners include Universe, 1 inch, Klaytn,

Badger, etc.

HAECHI AUDIT is the only blockchain technology company selected for the Samsung

Electronics Startup Incubation Program in recognition of our expertise. We have also

received technology grants from the Ethereum Foundation and Ethereum Community

Fund.

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### INTRODUCTION

This report was prepared to audit the security of the smart contract created by CrossChainBridge team. HAECHI AUDIT conducted the audit focusing on whether the smart contract created by CrossChainBridge team is soundly implemented and designed as specified in the published materials, in addition to the safety and security of the smart contract.

**CRITICAL	Critical issues must be resolved as critical flaws that can harm a wide range of users.
<b>△</b> MAJOR	Major issues require correction because they either have security problems or are implemented not as intended.
• MINOR	Minor issues can potentially cause problems and therefore require correction.
• TIPS	Tips issues can improve the code usability or efficiency when corrected.

HAECHI AUDIT recommends that CrossChainBridge team improve all issues discovered. The following issue explanation uses the format of {file name}#{line number}, {contract name}#{function/variable name} to specify the code. For instance, \*Sample.sol:20\* points to the 20th line of Sample.sol file, and \*Sample#fallback()\* means the fallback()\* function of the Sample contract.

Please refer to the Appendix to check all results of the tests conducted for this report.

### **SUMMARY**

The codes used in this Audit can be found at GitHub

(https://github.com/HAECHI-LABS/CrosschainBridge-audit/tree/de43c5b8e2c8fbf469 0f04a50b44fe02d73b8d6d). The last commit of the code used for this Audit is "de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d".

#### Issues

HAECHI AUDIT found 1 critical issue, 0 major issues, and 2 minor issues. There are 0 Tips issue explained that would improve the code's usability or efficiency upon modification

Severity	Issue	Status
<b>O</b> CRITICAL	Front running attack is possible using the CrossChainBridgeERC20V1#releaseNative() function.	(Found - v1.0)
MINOR	It is advised to define the wrappedNative() function of the router as a view function.	(Found - v1.0)
• MINOR	The parameter of the LiquidityRemoved event that occurs in the CrossChainBridgeERC20LiquidityManagerV1 #_withdrawLiquidityERC20() function may fail to return a normal value.	(Found - v1.0)

### **OVERVIEW**

#### Contracts subject to audit

- BridgeChefV1
- ❖ BuyBackAndBurn
- CrossChainBridgeERC20LiqudityManagerV1
- CrossChainBridgeERC20V1
- CrossChainBridgeERC721V!
- LiquidityMiningPoolsV1
- MultiSignatureOracleV1
- ❖ RewardPoolsV1
- ❖ RouterBSCPancakeV1
- ❖ RouterETHUniswapV1
- ❖ RouterPOLYSushiV1
- Bridge
- ❖ MintableERC20
- ❖ MintableERC721
- ❖ PoolsInterestBearingToken
- ❖ MyPausable
- ❖ MyPausableUpgradeable

### **FINDINGS**

#### **O CRITICAL**

Front running attack is possible using the CrossChainBridgeERC20V1#releaseNative() function. (Found - v.1.0)

```
/**
  * Anotice Releases native tokens in this network that were deposited in another
network
            (effectively completing a bridge transaction)
 * aparam sigV Array of recovery Ids for the signature
 * Oparam sigR Array of R values of the signatures
 * Oparam sigS Array of S values of the signatures
 * Oparam receiverAddress The account to receive the tokens
 * Oparam sourceNetworkTokenAddress the address of the ERC20 contract in the network
the deposit was made
 * Oparam amount The amount of tokens to be released
 * Oparam depositChainId chain ID of the network in which the deposit was made
  * Oparam depositNumber The identifier of the corresponding deposit
  * adev emits event TokensReleased after successful release
 function releaseNative(
  uint8[] memory sigV,
  bytes32[] memory sigR,
  bytes32[] memory sigS,
  address receiverAddress,
  address sourceNetworkTokenAddress,
  uint256 amount,
  uint256 depositChainId,
  uint256 depositNumber
 ) external nonReentrant {
  // release wrapped native (ERC20) tokens from bridge without transferring them
  // tokens will be swapped from ERC20 to native token in the following steps
  uint256 releaseAmountAfterFees = _releaseERC20(
    sigV,
    sigR,
    sigS,
    receiverAddress,
     sourceNetworkTokenAddress,
     amount,
```

```
depositChainId,
  depositNumber,
  true
);

// check native token balance before ERC20-to-native swap
uint256 contractBalance = address(this).balance;

// swap wrapped native ERC20 token back to native token
wrappedNative.withdraw(releaseAmountAfterFees);

// check if native token balance has increased by release amount
require(
  address(this).balance = contractBalance + releaseAmountAfterFees,
  'CrossChainBridgeERC20: error while unwrapping native tokens'
);

// send native token back to user
payable(_msgSender()).transfer(releaseAmountAfterFees);
}
```

[https://github.com/HAECHI-LABS/CrosschainBridge-audit/blob/de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d/contracts/CrossChainBridgeERC20V1.sol#L241-L293]

#### Issue

The *CrossChainBridgeERC20V1#releaseNative()* deposits the native token of network A in the network and then withdraws the native token in network B via the signature of multi oracle. However, the multi oracle signature contains the receiver address, it sends the native token of the current network to msg.sender when the signature is verified.

Thus, when a user who actually intends to move a native token between networks through the bridge sends the *CrossChainBridgeERC20V1#releaseNative()* function to txPool, another user can perform a front running attack by initiating the transaction first to obtain the native token.

#### Recommendation

We recommend changing the logic to send the native token of the current network to the receiver address included in the signature if the signature verification from multi oracle is completed.

#### MINOR

It is advised to define the wrappedNative() function of the router as a view function. (Found - v.1.0)

```
/**
 * @notice Returns the address of the wrapped native token that is used by the dex
 */
function wrappedNative() external override returns (address) {
   return pancakeRouter.WETH();
}
```

[https://github.com/HAECHI-LABS/CrosschainBridge-audit/blob/de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d/contracts/router/RouterBSCPancakeV1.sol#L78-L83]

```
/**
  * @notice Returns the address of the wrapped native token that is used by the dex
router
  */
function wrappedNative() external override returns (address) {
  return uniswapRouter.WETH();
}
```

[https://github.com/HAECHI-LABS/CrosschainBridge-audit/blob/de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d/contracts/router/RouterETHUniswapV1.sol#L78-L83]

```
/**
  * @notice Returns the address of the wrapped native token that is used by the dex
  */
function wrappedNative() external override returns (address) {
  return sushiSwapRouter.WETH();
}
```

[https://github.com/HAECHI-LABS/CrosschainBridge-audit/blob/de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d/contracts/router/RouterPOLySushiV1.sol#L78-L83]

#### Issue

The RouterBSCPancakeV1#wrappedNatvie(), RouterETHUniswapV1#wrappedNatvie(), and RouterPOLYSushiV1#wrappedNatvie() functions are external functions that return

the address of the wrapped native token in each network. However, because they are not declared as a view function, the return value cannot be obtained.

#### Recommendation

We advise adding a statement to request a claim to the connected pool even when the *DCBVault#withdraw()* function is called.

#### MINOR

The parameter of the LiquidityRemoved event that occurs in the CrossChainBridgeERC20LiquidityManagerV1#\_withdrawLiquidityERC20() function may fail to return a normal value.

(Found - v.1.0)

```
/**
  * anotice Removes ERC20 liquidity from a pool
           Private interface to this function which allows internal calls from
reentrancy guard protected functions
 * aparam token the token for which liquidity should be removed from this pool
  * aparam amount the amount of liquidity to be removed
  * adev emits event LiquidityRemoved
 function _withdrawLiquidityERC20(IERC20 token, uint256 amount)
   private
  whenNot Paused
  returns (uint256 withdrawalAmount)
  require(amount > 0, 'LiquidityManager: amount cannot be 0');
  // check if liquidity is sufficient for withdrawal
   require(token.balanceOf(address(bridgeERC20)) ≥ amount, 'LiquidityManager: not
enough liquidity in bridge');
  // determine the fee rate to be used for this transaction (usually default liquidity
withdrawal fee)
  uint256 liquidityWithdrawalFee = defaultLiquidityWithdrawalFee;
  // if a specific fee rate is stored for this particular release token then we use
this rate instead
  if (liquidityWithdrawalFees[address(token)] > 0) {
    liquidityWithdrawalFee = liquidityWithdrawalFees[address(token)];
   }
  // calculate the fee amounts (dividing by 1.000.000 since the fee rate is provided as
parts per million [ppm])
  // calculate the total fee amount for this transaction
  uint256 withdrawalFeeAmount = (amount * liquidityWithdrawalFee) / 1000000;
  // calculate the remaining amount that will be released to the user
  withdrawalAmount = amount - withdrawalFeeAmount;
  // transfer developer account fee, if applicable
   if (devAddr != address(0) & withdrawalFeeAmount > 0) {
     token.safeTransferFrom(address(bridgeERC20), devAddr, withdrawalFeeAmount);
   }
```

[https://github.com/HAECHI-LABS/CrosschainBridge-audit/blob/de43c5b8e2c8fbf4690f04a50b44fe02d73b8d6d/contractions and the complete of the co

#### Issue

The CrossChainBridgeERC20LiquidityManagerV1#\_withdrawLiquidityERC20() function is called from the functions

CrossChainBridgeERC20LiquidityManagerV1#withdrawLiquidityNative() and CrossChainBridgeERC20LiquidityManagerV1#withdrawLiquidityERC20(), and is also a function that withdraws some of the deposited tokens. In the case of a deposit, liquidity is added as much as the amount of the deposited token, and the amount parameter of the LiquidityRemoved event is also entered as the amount of the deposited token. However, for withdrawal, the amount excluding the fee from the withdrawal amount enters the parameter of the LiquidityRemoved event even though liquidity is removed by the amount of tokens to be withdrawn

#### Recommendation

We recommend modifying the event to occur with the amount including withdrawalFee in the amount parameter of the LiquidityRemoved event.

### **DISCLAIMER**

This report does not guarantee investment advice, the suitability of the business models, and codes that are secure without bugs. This report shall only be used to discuss known technical issues. Other than the issues described in this report, undiscovered issues may exist such as defects on Klaytn. In order to write secure smart contracts, correction of discovered problems and sufficient testing thereof are required.

### **Appendix A. Test Results**

The following results show the unit test results covering the key logic of the smart contract subject to the security audit. Parts marked in red are test cases that failed to pass the test due to existing issues.

### BridgeChefV1 #initialize() ✓ should fail if dev address is ZERO ADDRESS ✓ should fail if staking address is ZERO ADDRESS after initialization #add() ✓ should fail if contract is paused ✓ should fail if msg.sender does not have FARM\_ADMIN\_ROLE ✓ should fail if lpToken address is ZERO ADDRESS ✓ should fail lpToken is already used in farm valid case ✓ IpToken marked as used ✓ farm information update ✓ should emit FarmAdded event #updateFarmMultiplier() ✓ should fail if msg.sender does not have FARM\_ADMIN\_ROLE ✓ should fail if try to update non-existent farm valid case ✓ farm information update ✓ should emit FarmMultiplierChanged event #deposit() ✓ should fail if contract paused ✓ should fail if farmId >= farmInfo.length ✓ should fail if deposit amount is 0 ✓ should fail if msg.sender does not approve contract valid case ✓ IpToken move to chef contract ✓ user deposit information update ✓ should emit DepositAdded event #harvest() ✓ should fail if contract is paused ✓ should fail if invalid farm Id

✓ should fail if invalid amount

#### valid case

- ✓ user earn bridge token
- ✓ should emit RewardsHarvested event

#### #withdraw()

#### valid case

- ✓ user get deposited lpToken
- ✓ user earn bridge token
- ✓ should emit RewardsHarvested event
- ✓ should emit FundsWithdrawn event

#### setter function

- ✓ should fail if msg.sender does not have appropriate role (62ms)
- ✓ should fail if sanity check fail (41ms)

#### valid case

✓ parameter change properly

#### CrossChainBridgeERC20LiquidityManagerV1

#### #depositERC20()

- ✓ should fail if amount is zero
- ✓ should fail if invalid token address
- ✓ should fail if try to deposit more than user balance
- ✓ should fail if user does not approve buyback contract
- ✓ should fail if paused

#### valid case

- ✓ update collected information
- ✓ should emit TokensAdded event

#### #depositNativeToken()

- ✓ should fail if amount is zero
- ✓ should fail if msg.value does not match the amount
- ✓ should fail if paused

#### valid case

- ✓ receive function acts like depositNattiveToken
- ✓ update collected information
- ✓ should emit TokensAdded event

#### #buybackAndBurnNative()

- ✓ should fail if collected is zero (11278ms)
- ✓ should fail if paused

#### valid case

- ✓ token burned
- ✓ collected information clear
- ✓ should emit BoughtBackAndBurned

#### #buybackAndBurnERC20()

- ✓ should fail if collected is zero (3079ms)
- ✓ should fail if paused

#### valid case

- ✓ token burned
- ✓ collected information clear
- ✓ should emit BoughtBackAndBurned

#### setter function

- ✓ should fail if msg.sender does not have appropriate role (94ms)
- ✓ should fail if sanity check fail (64ms)

#### valid case

✓ parameter change properly

#### Cross Chain Bridge ERC 20 Liquidity Manager V1

#### #addLiquidityNative()

- ✓ should fail if msg.value does not match the amount
- ✓ should fail if paused (1421ms)

#### valid case

- ✓ deposit user get lpToken of wrappedNative
- ✓ should emit LiquidityAdded event
- ✓ should emit LiquidityPoolCreated event if bridgeERC20's lpToken does not exist #addLiquidityERC20()
  - ✓ should fail if deposit user does not approve manager contract
  - $\ensuremath{\checkmark}$  should fail if deposit user does not have enough token to deposit

#### valid case

- ✓ deposit user get lpToken of wrappedNative
- ✓ should emit LiquidityAdded event
- $\checkmark$  should emit LiquidityPoolCreated event if bridgeERC20's lpToken does not exist

#### #withdrawLiquidityNative()

- ✓ should fail if not enough liquidity
- ✓ should fail if deposit user does not approve lpToken to manager contract
- ✓ should fail if user try to withdraw more than deposit amount valid case

#### ✓ user get native token (636ms)

- ✓ if dev address set, withdrawal fee transfer to dev address
- 1) should emit LiquidityRemoved event

#### #withdrawLiquidityERC20()

- ✓ should fail if not enough liquidity
- ✓ should fail if deposit user does not approve lpToken to manager contract
- $\checkmark$  should fail if user try to withdraw more than deposit amount

valid case

- ✓ user get deposited token
- ✓ user lpToken burned
- ✓ if dev address set, withdrawal fee transfer to dev address
- 2) should emit LiquidityRemoved event

#### setter function

- ✓ should fail if msg.sender does not have appropriate role (94ms)
- ✓ should fail if sanity check fail (64ms)

valid case

✓ parameter change properly

#### CrossChainBridgeERC20V1

#### #depositNative()

- ✓ should fail if msg.value does not match the amount
- ✓ should fail if paused (875ms)

valid case

✓ should emit TokensDeposited event

#### #depositERC20()

- ✓ should fail if deposit user does not approve manager contract
- ✓ should fail if deposit user does not have enough token to deposit

valid case

✓ should emit TokensDeposited event

#### #releaseNative()

- ✓ should fail if released was already processed
- ✓ should fail if invalid parameter given
- ✓ should fail if invalid signature

valid case

#### 3) user get another network native coin

✓ fee transfer to buyBackAndBurn/ljugidityMiningPools/rewardPools (if fee set) (5343ms)

#### #releaseERC20()

- ✓ should fail if released was already processed
- ✓ should fail if invalid parameter given
- ✓ should fail if invalid signature

valid case

- ✓ user get another network token
- ✓ fee transfer to buyBackAndBurn/liuqidityMiningPools/rewardPools (if fee set)

#### setter function

- ✓ should fail if msg.sender does not have appropriate role (94ms)
- ✓ should fail if sanity check fail (64ms)

valid case

✓ parameter change properly

#### CrossChainBridgeERC20LiquidityManagerV1

#### #deposit()

- ✓ should fail collection address does not registered in official (only when target nft does not minted from bridge)
  - ✓ should fail if msg.sender is not the owner of nft
  - ✓ should fail if msg.sender does not approve bridgeERC721 contract (38ms)

#### valid case

✓ should emit TokenDeposited event

#### #release()

valid case

- ✓ nft move to receiver address
- ✓ releasedDeposites information marked
- ✓ should emit TokenReleased event

#### setter function

- ✓ should fail if msg.sender does not have appropriate role (94ms)
- ✓ should fail if sanity check fail (64ms)

#### valid case

✓ parameter change properly

#### LiquidityMiningPoolsV1

LiquidityMiningPoolsV1 scenario test

- ✓ create LiquidityMiningPool by CrossChainBridgeERC20V1
- ✓ after creating pools, user staking (52ms)
- ✓ by staking, user earn rewardToken (222ms)
- ✓ user exit from pool (248ms)
- ✓ user transfer PoolsInterestBearingToken

#### RewardsPoolsV1

RewardsPoolsV1 scenario test

- ✓ create RewardsPools by CrossChainBridgeERC20V1
- ✓ after creating pools, user staking
- ✓ by staking, user earn rewardToken (202ms)
- ✓ user exit from pool (224ms)
- ✓ user transfer PoolsInterestBearingToken

# **End of Document**