

# Smart Contract Audit Report

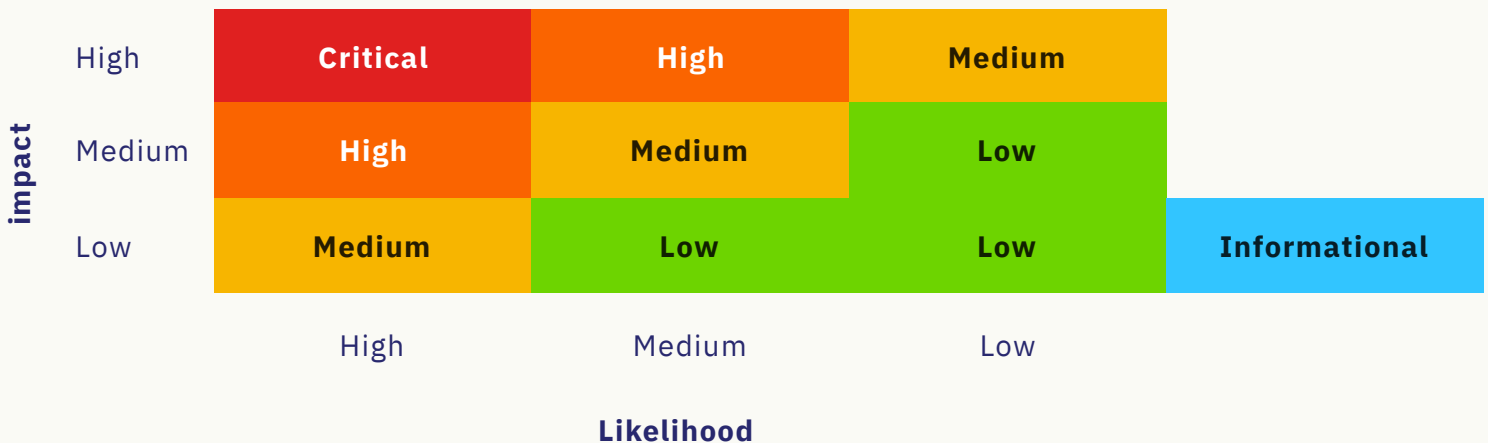
Conducted by PeckShield

As part of our due process, we retained PeckShield to audit our smart contracts prior to launching StarkEx, our scalability engine, on Ethereum Mainnet. We chose to work with PeckShield based on warm recommendations, their ongoing public analyses of vulnerabilities on Ethereum, and our interaction with them.




PeckShield has recently conducted their audit over a period of several weeks. Their audit has revealed some minor issues, and the relevant issues were resolved to their satisfaction.

We are happy to share the key findings below, followed by the full report.

## Vulnerability Severity Classification



## Summary

Severity	# of Findings
<b>Critical</b>	0
<b>High</b>	0
<b>Medium</b>	1 
<b>Low</b>	3 
<b>Informational</b>	8 
<b>Total</b>	<b>12</b>

## Key Findings

ID	Severity	Title	Status
PVE-001	Info.	Implicit Assumption of FullWithdrawalRequests	RESOLVED
PVE-002	Info.	Inconsistent Uses of SafeMath	CONFIRMED
PVE-003	Info.	Potential Integer Overflow in ApprovalChain	RESOLVED
PVE-004	Low	Possible Denial-of-Service in Registration	RESOLVED
PVE-005	Info.	Misleading Comments about MVerifiers	RESOLVED
PVE-006	Low	Business Logic Inconsistency in Committee	RESOLVED
PVE-007	Info.	starkKey, vaultId, tokenId Ordering	RESOLVED
PVE-008	Info.	Redundant Timestamp Checks	CONFIRMED
PVE-009	Low	Upgrades Depend on States of Old Versions in Proxy	RESOLVED
PVE-010	Info.	Optimization Suggestions to Proxy	RESOLVED
PVE-011	Info.	Optimization Suggestions to DexStatementVerifier	RESOLVED
PVE-012	Medium	Possible Integer Overflow in DexStatementVerifier	RESOLVED



SMART CONTRACT AUDIT REPORT  
for  
STARKWARE INDUSTRIES LTD.



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# 1 | Introduction

Given the opportunity to review the **StarkEx** design document and related smart contract source code, we in the report outline our systematic approach to evaluate potential security issues in the smart contract implementation, expose possible semantic inconsistencies between smart contract code and design document, and provide additional suggestions or recommendations for improvement. Our results show that the given version of smart contracts can be further improved due to the presence of several issues related to either security or performance. This document outlines our audit results.

## 1.1 About StarkEx

StarkEx is a zkSTARK-powered scalability engine, which makes essential use of cryptographic proofs to attest to the validity of a batch of ramp and trade transactions. The attestation allows for ensuring the state consistency between the scalable off-chain, transaction-processing exchange service and the on-chain DEX with transaction commitment (or finality). With that, StarkEx enables next-generation exchanges that provide non-custodial trading at an unprecedented scale with high liquidity and low costs.

The basic information of StarkEx is as follows:

Table 1.1: Basic Information of StarkEx

Item	Description
Issuer	StarkWare Industries Ltd.
Website	<a href="https://starkware.co/">https://starkware.co/</a>
Type	Ethereum Smart Contract
Platform	Solidity
Audit Method	Whitebox
Latest Audit Report	Feb. 26, 2020

In the following, we show the Git repository of reviewed files and the commit hash value used in this audit:

- <https://github.com/starkware-industries/starkex> (7a8d0da)
- <https://github.com/starkware-libs/starkex-contracts> (d6bde00)

## 1.2 About PeckShield

PeckShield Inc. [24] is a leading blockchain security company with the goal of elevating the security, privacy, and usability of current blockchain ecosystems by offering top-notch, industry-leading services and products (including the service of smart contract auditing). We are reachable at Telegram (<https://t.me/peckshield>), Twitter (<http://twitter.com/peckshield>), or Email ([contact@peckshield.com](mailto:contact@peckshield.com)).

Table 1.2: Vulnerability Severity Classification

Impact	High	Critical	High	Medium
	Medium	High	Medium	Low
	Low	Medium	Low	Low
		High	Medium	Low
		Likelihood		

## 1.3 Methodology

To standardize the evaluation, we define the following terminology based on OWASP Risk Rating Methodology [19]:

- Likelihood represents how likely a particular vulnerability is to be uncovered and exploited in the wild;
- Impact measures the technical loss and business damage of a successful attack;
- Severity demonstrates the overall criticality of the risk.

Likelihood and impact are categorized into three ratings: *H*, *M* and *L*, i.e., *high*, *medium* and *low* respectively. Severity is determined by likelihood and impact and can be classified into four categories accordingly, i.e., *Critical*, *High*, *Medium*, *Low* shown in Table 1.2.

To evaluate the risk, we go through a list of check items and each would be labeled with a severity category. For one check item, if our tool or analysis does not identify any issue, the



Table 1.3: The Full List of Check Items

Category	Check Item
<b>Basic Coding Bugs</b>	Constructor Mismatch
	Ownership Takeover
	Redundant Fallback Function
	Overflows & Underflows
	Reentrancy
	Money-Giving Bug
	Blackhole
	Unauthorized Self-Destruct
	Revert DoS
	Unchecked External Call
	Gasless Send
	Send Instead Of Transfer
	Costly Loop
	(Unsafe) Use Of Untrusted Libraries
	(Unsafe) Use Of Predictable Variables
	Transaction Ordering Dependence
Deprecated Uses	
<b>Semantic Consistency Checks</b>	Semantic Consistency Checks
<b>Advanced DeFi Scrutiny</b>	Business Logics Review
	Functionality Checks
	Authentication Management
	Access Control & Authorization
	Oracle Security
	Digital Asset Escrow
	Kill-Switch Mechanism
	Operation Trails & Event Generation
	ERC20 Idiosyncrasies Handling
	Frontend-Contract Integration
	Deployment Consistency
	Holistic Risk Management
<b>Additional Recommendations</b>	Avoiding Use of Variadic Byte Array
	Using Fixed Compiler Version
	Making Visibility Level Explicit
	Making Type Inference Explicit
	Adhering To Function Declaration Strictly
Following Other Best Practices	

contract is considered safe regarding the check item. For any discovered issue, we might further deploy contracts on our private testnet and run tests to confirm the findings. If necessary, we would additionally build a PoC to demonstrate the possibility of exploitation. The concrete list of check items is shown in Table 1.3.

In particular, we perform the audit according to the following procedure:

- Basic Coding Bugs: We first statically analyze given smart contracts with our proprietary static code analyzer for known coding bugs, and then manually verify (reject or confirm) all the issues found by our tool.
- Semantic Consistency Checks: We then manually check the logic of implemented smart contracts and compare with the description in the white paper.
- Advanced DeFi Scrutiny: We further review business logics, examine system operations, and place DeFi-related aspects under scrutiny to uncover possible pitfalls and/or bugs.
- Additional Recommendations: We also provide additional suggestions regarding the coding and development of smart contracts from the perspective of proven programming practices.

To better describe each issue we identified, we categorize the findings with Common Weakness Enumeration (CWE-699) [18], which is a community-developed list of software weakness types to better delineate and organize weaknesses around concepts frequently encountered in software development. Though some categories used in CWE-699 may not be relevant in smart contracts, we use the CWE categories in Table 1.4 to classify our findings.

## 1.4 Disclaimer

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Note that this audit does not give any warranties on finding all possible security issues of the given smart contract(s), i.e., the evaluation result does not guarantee the nonexistence of any further findings of security issues. As one audit cannot be considered comprehensive, we always recommend proceeding with several independent audits and a public bug bounty program to ensure the security of smart contract(s). Last but not least, this security audit should not be used as an investment advice.

Table 1.4: Common Weakness Enumeration (CWE) Classifications Used in This Audit

Category	Summary
<b>Configuration</b>	Weaknesses in this category are typically introduced during the configuration of the software.
<b>Data Processing Issues</b>	Weaknesses in this category are typically found in functionality that processes data.
<b>Numeric Errors</b>	Weaknesses in this category are related to improper calculation or conversion of numbers.
<b>Security Features</b>	Weaknesses in this category are concerned with topics like authentication, access control, confidentiality, cryptography, and privilege management. (Software security is not security software.)
<b>Time and State</b>	Weaknesses in this category are related to the improper management of time and state in an environment that supports simultaneous or near-simultaneous computation by multiple systems, processes, or threads.
<b>Error Conditions, Return Values, Status Codes</b>	Weaknesses in this category include weaknesses that occur if a function does not generate the correct return/status code, or if the application does not handle all possible return/status codes that could be generated by a function.
<b>Resource Management</b>	Weaknesses in this category are related to improper management of system resources.
<b>Behavioral Issues</b>	Weaknesses in this category are related to unexpected behaviors from code that an application uses.
<b>Business Logics</b>	Weaknesses in this category identify some of the underlying problems that commonly allow attackers to manipulate the business logic of an application. Errors in business logic can be devastating to an entire application.
<b>Initialization and Cleanup</b>	Weaknesses in this category occur in behaviors that are used for initialization and breakdown.
<b>Arguments and Parameters</b>	Weaknesses in this category are related to improper use of arguments or parameters within function calls.
<b>Expression Issues</b>	Weaknesses in this category are related to incorrectly written expressions within code.
<b>Coding Practices</b>	Weaknesses in this category are related to coding practices that are deemed unsafe and increase the chances that an exploitable vulnerability will be present in the application. They may not directly introduce a vulnerability, but indicate the product has not been carefully developed or maintained.

## 2 | Findings

### 2.1 Summary

Here is a summary of our findings after analyzing the StarkEx implementation. During the first phase of our audit, we studied the smart contract source code and ran our in-house static code analyzer through the codebase. The purpose here is to statically identify known coding bugs, and then manually verify (reject or confirm) issues reported by our tool. We further manually review business logics, examine system operations, and place DeFi-related aspects under scrutiny to uncover possible pitfalls and/or bugs.

Severity	# of Findings	
Critical	0	
High	0	
Medium	1	■
Low	3	■ ■ ■
Informational	8	■ ■ ■ ■ ■ ■ ■ ■
Total	12	

We have so far identified a list of potential issues: some of them involve subtle corner cases that might not be previously thought of, while others refer to unusual interactions among multiple contracts. For each uncovered issue, we have therefore developed test cases for reasoning, reproduction, and/or verification. After further analysis and internal discussion, we determined a few issues of varying severities need to be brought up and paid more attention to, which are categorized in the above table. All of the issues have been resolved, except the two inconsequential ones. More information can be found in the next subsection, and the detailed discussions of each of them are in Section 3.

## 2.2 Key Findings

Overall, these smart contracts are well-designed and engineered, though the implementation can be improved by resolving the identified issues (shown in Table 2.1), including 1 medium-severity vulnerability, 3 low-severity vulnerabilities, and 8 informational recommendations.

Table 2.1: Key Audit Findings

ID	Severity	Title	Category	Status
PVE-001	Info.	<a href="#">Implicit Assumption of FullWithdrawalRequests</a>	Arg.s and Parameters	Resolved
PVE-002	Info.	<a href="#">Inconsistent Uses of SafeMath</a>	Coding Practices	Confirmed
PVE-003	Info.	<a href="#">Potential Integer Overflow in ApprovalChain</a>	Numeric Errors	Resolved
PVE-004	Low	<a href="#">Possible Denial-of-Service in Registration</a>	Business Logic Errors	Resolved
PVE-005	Info.	<a href="#">Misleading Comments about MVerifiers</a>	Coding Practices	Resolved
PVE-006	Low	<a href="#">Business Logic Inconsistency in Committee</a>	Behavioral Issues	Resolved
PVE-007	Info.	<a href="#">starkKey, vaultId, tokenId Ordering</a>	Coding Practices	Resolved
PVE-008	Info.	<a href="#">Redundant Timestamp Checks</a>	Coding Practices	Confirmed
PVE-009	Low	<a href="#">Upgrades Depend on States of Old Versions in Proxy</a>	Data Integrity Issues	Resolved
PVE-010	Info.	<a href="#">Optimization Suggestions to Proxy</a>	Coding Practices	Resolved
PVE-011	Info.	<a href="#">Optimization Suggestions to DexStatementVerifier</a>	Coding Practices	Resolved
PVE-012	Medium	<a href="#">Possible Integer Overflow in DexStatementVerifier</a>	Numeric Errors	Resolved

Please refer to Section 3 for details.

## 3 | Detailed Results

### 3.1 Implicit Assumption of FullWithdrawalRequests

- ID: PVE-001
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Target: `interactions/UpdateState.sol`
- Category: Arg.s and Parameters [17]
- CWE subcategory: CWE-628 [10]

#### Description

The StarkEx contract keeps track of the execution state of the off-chain exchange service by storing Merkle roots of the vault state (off-chain account state) and the order state (including fully executed and partially fulfilled orders). It is achieved by the operator responsibly initiating a series of state-updating operations, i.e., `updateState`. However, the implementation has an implicit assumption that is not documented or evident from the codebase. This assumption, if non-present, could lead to unauthorized removal of legitimate full withdraw requests.

Specifically, when an operator performs `updateState`, this operation requires two parameters as its input: `publicInput` and `applicationData`. Note the first parameter is properly verified by both Integrity Verifiers and Availability Verifiers. But the second parameter is blindly trusted and may be misused for unintended uses, if the above-mentioned assumption is not present.

```
92     function performUpdateState(  
93         uint256 [] memory publicInput ,  
94         uint256 [] memory applicationData  
95     )  
96     internal  
97     {  
98         rootUpdate(  
99             publicInput[OFFSET_VAULT_INITIAL_ROOT] ,  
100             publicInput[OFFSET_VAULT_FINAL_ROOT] ,  
101             publicInput[OFFSET_ORDER_INITIAL_ROOT] ,  
102             publicInput[OFFSET_ORDER_FINAL_ROOT] ,  
103             publicInput[OFFSET_VAULT_TREE_HEIGHT] ,
```

```

104     publicInput [OFFSET_ORDER_TREE_HEIGHT]
105     );
106     sendModifications(publicInput, applicationData);
107 }

```

Listing 3.1: interactions /UpdateState.sol

In particular, the second parameter `applicationData` is directly passed to the `performUpdateState()` routine, and then further dribbled down to `sendModifications()`. In the following, we list the related code snippets.

```

124     for (uint256 i = 0; i < nModifications; i++) {
125         uint256 modificationOffset = OFFSET_MODIFICATION_DATA + i *
            N_WORDS_PER_MODIFICATION;
126         uint256 starkKey = publicInput[modificationOffset];
127         uint256 requestingKey = applicationData[i + 1];
128         uint256 tokenId = publicInput[modificationOffset + 1];
129
130         require(starkKey < K_MODULUS, "Stark key >= PRIME");
131         require(requestingKey < K_MODULUS, "Requesting key >= PRIME");
132         require(tokenId < K_MODULUS, "Token id >= PRIME");
133
134         uint256 actionParams = publicInput[modificationOffset + 2];
135         uint256 amountBefore = (actionParams >> 192) & ((1 << 63) - 1);
136         uint256 amountAfter = (actionParams >> 128) & ((1 << 63) - 1);
137         uint256 vaultId = (actionParams >> 96) & ((1 << 31) - 1);
138
139         if (requestingKey != 0) {
140             // This is a false full withdrawal.
141             require(
142                 starkKey != requestingKey,
143                 "False full withdrawal requesting_key should differ from the vault
                    owner key.");
144             require(amountBefore == amountAfter, "Amounts differ in false full
                    withdrawal.");
145             clearFullWithdrawalRequest(requestingKey, vaultId);
146             continue;
147         }

```

Listing 3.2: interactions /UpdateState.sol

Notice that `requestingKey` is directly derived from `applicationData` (line 127.): `requestingKey = applicationData[i + 1]`. Its validity needs to be properly checked before the sensitive function (line 145), i.e., `clearFullWithdrawalRequest(requestingKey, vaultId)`, is invoked. However, current implementation does not enforce strict verification. If a false full withdrawal might be crafted to bear the same `vaultId` with a legitimate full withdrawal request, the legitimate request can then be cleared. To block this, the system has an implicit assumption that at any given time there is a unique mapping from `vaultId` to `starkKey` and that  $\langle \text{vaultId}, \text{starkKey} \rangle$  pairs in the public input always correspond to the real mapping.

We highlight this particular assumption is essential and needs to be explicitly documented. If without this assumption, assuming the operator may be fully compromised, legitimate full withdrawal requests can always be cleared. Here is a possible attack scenario:

1. A normal user `Alice` submits a legitimate `fullWithdrawalRequest`, say  $R_{alice}$ , with  $vaultId_{Alice}$  as its `vaultId` argument. Internally, the contract records the request in the following data structure:  $fullWithdrawalRequests[starkKey_{Alice}][vaultId_{Alice}] = now$ .
2. The operator `Bob` observes  $R_{alice}$  and her goal here is to clear  $R_{alice}$ . Note that the contract is designed to prevent any unauthorized removal, even for a rogue operator. Otherwise, no normal user is able to perform `fullWithdrawalRequest`, and then `freezeRequest` (after `FREEZE_GRACE_PERIOD` without fulfillment from the operator) to freeze the contract. In the context of our scenario, by the intended design, `Bob` should not be able to clear `Alice`'s legitimate, non-false, `fullWithdrawalRequest`:  $R_{alice}$ . However, based on current implementation, we show `Bob` is able to clear  $R_{alice}$ , i.e.,  $fullWithdrawalRequests[starkKey_{Alice}][vaultId_{Alice}] = 0$ .

To achieve that, `Bob` asks an accomplice `Malice` to submit a false `fullWithdrawalRequest`, say  $R_{malice}$ , with  $vaultId_{malice}$  as its `vaultId` argument. Similarly, the contract internally records the request in  $fullWithdrawalRequests[starkKey_{Malice}][vaultId_{Malice}] = now$ . We emphasize  $R_{malice}$  is a false full withdrawal request, but is intentionally crafted with the same `vaultId` argument, i.e.,  $vaultId_{malice} = vaultId_{alice}$ . Note  $R_{alice}$  and  $R_{malice}$  are two different requests regarding two different vaults! These two vaults have different `starkKey` values, but share the same `vaultId` number. (Note this is impossible in reality because of the implicit assumption.)

3. Before  $R_{alice}$ 's `FREEZE_GRACE_PERIOD` (7 days) expires, `Bob` prepares a malicious state update. For the prepared `updateState`, it recognizes  $R_{malice}$  as the false full withdrawal, but crafted in the `applicationData` argument with  $requestingKey_{craft}$  occupying the corresponding modification slot that belongs to  $R_{malice}$ . As the modification slot belongs to  $R_{malice}$ , it naturally satisfies the requirement of `require(amountBefore == amountAfter)`. Moreover, as there is no validity check regarding `requestingKey`,  $requestingKey_{craft}$  can be arbitrarily chosen by the operator. In this scenario, `Bob` chooses `Alice`'s `starkKey`, i.e.,  $requestingKey_{craft} = starkKey_{Alice}$ .
4. After the preparation, `Bob` submits `updateState`. When encountering the  $R_{malice}$ 's modification slot, since  $requestingKey_{craft} \neq 0$ , the contract further verifies two specific requirements: `require(starkKey != requestingKey_{craft})` (Condition I) and `require(amountBefore == amountAfter)` (Condition II). Condition I is satisfied because  $starkKey = starkKey_{malice}$ , which is different from  $requestingKey_{craft} = starkKey_{Alice}$ . Condition II is also satisfied because this slot belongs to  $R_{malice}$  and it is a false full withdrawal request. Consequently, the contract is tricked to execute the sensitive function – `clearFullWithdrawalRequest(requestingKey, vaultId)`. Notice the arguments here:  $requestingKey = requestingKey_{craft} = starkKey_{Alice}$  and  $vaultId =$



$vaultId_{malice} = vaultId_{alice}$ . As a result,  $fullWithdrawalRequests[starkKey_{Alice}][vaultId_{Alice}] = 0$ , which means the operator Bob successfully clears the legitimate full withdrawal request  $R_{alice}$  from Alice.

**Recommendation** Make the implicit assumption explicit. This had been addressed in the patched `UpdateState.sol` by adding comments saying that the verified `publicInput` implies that the `vaultId` is currently owned by the `starkKey`.

## 3.2 Inconsistent Uses of SafeMath

- ID: PVE-002
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Target: `components/Tokens.sol`
- Category: Coding Practices [12]
- CWE subcategory: CWE-1076 [4]

### Description

Throughout the StarkEx codebase, many of the arithmetic operations follow the best practice of utilizing the `SafeMath`. However, there're some functions which do not follow the coding style but detect the overflow scenarios in their own ways, which makes the codebase slightly less consistent.

**Case I** Line 90-92 of `Deposits::deposit()`.

```
90 // Update the balance.
91 pendingDeposits[starkKey][tokenId][vaultId] += quantizedAmount;
92 require(pendingDeposits[starkKey][tokenId][vaultId] >= quantizedAmount,
    DEPOSIT_OVERFLOW);
```

Listing 3.3: `interactions/Deposits.sol`

**Case II** Line 109-111 of `Withdrawals::allowWithdrawal()`.

```
109 // Add accepted quantized amount.
110 withdrawal += quantizedAmount;
111 require(withdrawal >= quantizedAmount, WITHDRAWAL_OVERFLOW);
```

Listing 3.4: `interactions/Withdrawals.sol`

**Case III** Line 104-106 of `FullWithdrawals::freezeRequest()`.

```
104 // Verify timer on escape request.
105 uint256 freezeTime = requestTime + FREEZE_GRACE_PERIOD;
106 assert(freezeTime >= FREEZE_GRACE_PERIOD);
```

Listing 3.5: `interactions/FullWithdrawals.sol`

**Recommendation** Make consistent uses of `SafeMath` to detect and block various overflow scenarios.

### 3.3 Potential Integer Overflow in ApprovalChain

- ID: PVE-003
- Severity: Informational
- Likelihood: None
- Impact: Medium
- Target: `components/ApprovalChain.sol`
- Category: Numeric Errors [16]
- CWE subcategory: CWE-190 [7]

#### Description

The `ApprovalChain` uses a `unlockedForRemovalTime[]` array to store the removal time as well as the intention to remove an entry. However, while announcing the removal intention, the `announceRemovalIntent()` fails to check if the third parameter, `removalDelay`, makes the calculation overflow in line 58. If a caller of `announceRemovalIntent()` happens to pass in a large `removalDelay` that makes `now + removalDelay` overflow, the `removeEntry()` could not function properly. Fortunately, all the current callers throughout the `StarkEx` codebase invoke `announceRemovalIntent()` with a constant `removalDelay`. We suggest the `announceRemovalIntent()` itself checks the overflow instead of ensuring the correct functionality by the callers.

```

50     function announceRemovalIntent(
51         ApprovalChainData storage chain, address entry, uint256 removalDelay)
52         internal
53         onlyGovernance()
54         notFrozen()
55     {
56         safeFindEntry(chain.list, entry);
57         // solium-disable-next-line security/no-block-members
58         chain.unlockedForRemovalTime[entry] = now + removalDelay;
59     }

```

Listing 3.6: `components/ApprovalChain.sol`

**Recommendation** Ensure `now + removalDelay` would not overflow. This had been addressed in the patched `components/ApprovalChain.sol`.

```

50     function announceRemovalIntent(
51         ApprovalChainData storage chain, address entry, uint256 removalDelay)
52         internal
53         onlyGovernance()
54         notFrozen()
55     {
56         safeFindEntry(chain.list, entry);

```

```

57     require(now + removalDelay > now, "INVALID_REMOVALDELAY");
58     // solium-disable-next-line security/no-block-members
59     chain.unlockedForRemovalTime[entry] = now + removalDelay;
60 }

```

Listing 3.7: components/ApprovalChain.sol

### 3.4 Possible Denial-of-Service in Registration

- ID: PVE-004
- Severity: Low
- Likelihood: Low
- Impact: Low
- Target: components/Users.sol
- Category: Business Logic Errors[14]
- CWE subcategory: CWE-754 [11]

#### Description

Since users of Stark Exchange are identified within the exchange by their Stark Key, each user needs to invoke `register()` with a `starkKey` generated off-chain before any other user operation can take place. As shown in the following code snippets, when an user `register()` himself with a `starkKey`, the availability of the `starkKey` is checked in line 70 followed by the sanity checks which validate the `starkKey`. It means if Alice can somehow get `starkKeyBob` before Bob `register()` himself, she can occupy `etherKeys[starkKeyBob]` in line 76 and make Bob's registration fail in line 70. This could be done by front-running.

```

60     function register(
61         uint256 starkKey
62     )
63     external
64     {
65         // Validate keys and availability.
66         address etherKey = msg.sender;
67         require(etherKey != ZERO_ADDRESS, INVALID_ETHER_KEY);
68         require(starkKey != 0, INVALID_STARK_KEY);
69         require(starkKeys[etherKey] == 0, ETHER_KEY_UNAVAILABLE);
70         require(etherKeys[starkKey] == ZERO_ADDRESS, STARK_KEY_UNAVAILABLE);
71         require(starkKey < K_MODULUS, INVALID_STARK_KEY);
72         require(isOnCurve(starkKey), INVALID_STARK_KEY);
73
74         // Update state.
75         starkKeys[etherKey] = starkKey;
76         etherKeys[starkKey] = etherKey;
77
78         // Log new user.
79         emit LogUserRegistered(etherKey, starkKey);

```

80

}

Listing 3.8: components/Users.sol

Since an Ethereum transaction would stay in the mempool for a while before it is included in a block, Alice can always get Bob's valid starkKey before Bob's `register()` operation being included in a block and somehow `register()` in front of Bob (e.g., by assigning a higher gas price). In an extreme case, Alice can monitor the mempool and `register()` every starkKey she identifies, leading to denial-of-service attacks.

**Recommendation** Looks like there's no efficient way to solve this issue. One possible solution is raising the price of launching the attack by burning some gas in each `register()` operation. The patched `register()` has two input parameters, `starkKey` and `signature`, while the latter is used to validate the 3-tuple `(starkKey, etherKey, signature)` can't be fabricated. Besides, the permissions of the signer derived from the input `(starkKey, etherKey, signature)` is limited by the `userAdmins` mapping which can only be set by the `Governor`. This essentially removes the attack surface to trigger the DoS attack against the old implementation.

### 3.5 Misleading Comments about MVerifiers

- ID: PVE-005
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Target: AvailabilityVerifiers, Verifiers
- Category: Coding Practice [12]
- CWE subcategory: CWE-1116 [6]

#### Description

In StarkEx codebase, the convention of declaring the exported interfaces of a contract `xyz` is implementing another contract named `Mxyz`. For example, the `MApprovalChain` contract defines the interfaces such as `addEntry()`, `findEntry()`, etc and the `ApprovalChain` contract implements the real function logic. Based on the above convention, we identified an abnormal case — `MVerifiers`.

```

32  /*
33  Implements MVerifiers.
34  */
35  contract AvailabilityVerifiers is MainStorage, MApprovalChain, LibConstants {

```

Listing 3.9: AvailabilityVerifiers .sol

```

29  /*
30  Implements MVerifiers.
31  */

```

```
32 contract Verifiers is MainStorage, MApprovalChain, LibConstants {
```

Listing 3.10: Verifiers.sol

As shown in the above code snippets, `AvailabilityVerifiers` and `Verifiers` seem to implement `MVerifiers`. However, there's no `MVerifiers.sol` in the `interfaces` directory. Moreover, the usage of `AvailabilityVerifiers` and `Verifiers` are implemented as directly inherit those two contracts as follows.

```
20 contract StarkExchange is
21     LibErrors,
22     IVerifierActions,
23     MainGovernance,
24     ApprovalChain,
25     AvailabilityVerifiers,
26     Operator,
27     Freezable,
28     Tokens,
29     Users,
30     StateRoot,
31     Deposits,
32     Verifiers,
33     Withdrawals,
34     FullWithdrawals,
35     Escapes,
36     UpdateState
37 {
```

Listing 3.11: StarkExchange.sol

It seems `MVerifiers` is obsolete throughout the StarkEx codebase.

**Recommendation** Refine the comments in `AvailabilityVerifiers` and `Verifiers` contracts. This had been addressed in the patches.

## 3.6 Business Logic Inconsistency in Committee

- ID: PVE-006
- Severity: Low
- Likelihood: Low
- Impact: Low
- Target: Committee
- Category: Behavioral Issues [13]
- CWE subcategory: CWE-440 [8]

### Description

The `Committee` contract is constructed with a list of `committeeMembers` and `numSignaturesRequired` which is less than or equal to the number of `committeeMembers`. As stated in the function header comments of

`Committee::verifyAvailabilityProof()`, there should be at least `numSignaturesRequired` of valid signatures signed by `committeeMembers` to verify a specific `claimHash`. However, the `verifyAvailabilityProof()` is not implemented as how it is designed/documentated.

```

27     /// @dev Verifies the availability proof. Reverts if invalid.
28     /// An availability proof should have a form of a concatenation of ec-signatures by
    signatories.
29     /// Signatures should be sorted by signatory address ascendingly.
30     /// Signatures should be 65 bytes long. r(32) + s(32) + v(1).
31     /// There should be at least the number of required signatures as defined in this
    contract.
32     ///

```

Listing 3.12: Committee.sol

Specifically, the sanity check in line 45-47 makes a `availabilityProofs.length` greater than `signaturesRequired * SIGNATURE_LENGTH` always fail. For example, if there are 10 committee members who construct a committee with `numSignaturesRequired=3`, the case of 5 committee members verifying a `claimHash` would fail.

```

39     function verifyAvailabilityProof(
40         bytes32 claimHash,
41         bytes calldata availabilityProofs
42     )
43     external
44     {
45         require(
46             availabilityProofs.length == signaturesRequired * SIGNATURE_LENGTH,
47             "INVALID_AVAILABILITY_PROOF_LENGTH");

```

Listing 3.13: Committee.sol

In addition, the for-loop in line 51-66 requires all signatures are signed by one of the committee members. This violates the at least the number of required signatures design. Specifically, the `require()` call in line 63 rejects all non-committee signers.

```

49     uint256 offset = 0;
50     address prevRecoveredAddress = address(0);
51     for (uint256 proofIdx = 0; proofIdx < signaturesRequired; proofIdx++) {
52         bytes32 r = bytesToBytes32(availabilityProofs, offset);
53         bytes32 s = bytesToBytes32(availabilityProofs, offset + 32);
54         uint8 v = uint8(availabilityProofs[offset + 64]);
55         offset += SIGNATURE_LENGTH;
56         address recovered = ecrecover(
57             claimHash,
58             v,
59             r,
60             s
61         );
62         // Signatures should be sorted off-chain before submitting to enable cheap
    uniqueness check on-chain.

```

```
63     require(isMember[recovered], "AVAILABILITY_PROVER_NOT_IN_COMMITTEE");
```

Listing 3.14: Committee.sol

**Recommendation** Ensure how `verifyAvailabilityProof()` should be implemented. If it should verify at least the number of required signatures, the check against `availabilityProofs.length` should be modified. Also, the `require()` in line 63 should be removed. Instead, the number of valid signatures should be counted and checked in the end of the function.

```
39     function verifyAvailabilityProof(
40         bytes32 claimHash,
41         bytes calldata availabilityProofs
42     )
43     external
44     {
45         require(
46             availabilityProofs.length >= signaturesRequired * SIGNATURE_LENGTH,
47             "INVALID_AVAILABILITY_PROOF_LENGTH");

48
49         uint256 offset = 0;
50         uint256 validSignatures = 0;
51         address prevRecoveredAddress = address(0);
52         for (uint256 proofIdx = 0; proofIdx < (availabilityProofs.length /
53             SIGNATURE_LENGTH); proofIdx++) {
54             bytes32 r = bytesToBytes32(availabilityProofs, offset);
55             bytes32 s = bytesToBytes32(availabilityProofs, offset + 32);
56             uint8 v = uint8(availabilityProofs[offset + 64]);
57             offset += SIGNATURE_LENGTH;
58             address recovered = ecrecover(
59                 claimHash,
60                 v,
61                 r,
62                 s
63             );
64             if (isMember[recovered]) {
65                 validSignatures += 1;
66             }
67             // Signatures should be sorted off-chain before submitting to enable cheap
68             // uniqueness check on-chain.
69             require(recovered > prevRecoveredAddress, "NON_SORTED_SIGNATURES");
70             prevRecoveredAddress = recovered;
71         }
72         if ( validSignatures >= signaturesRequired ) {
73             verifiedFacts[claimHash] = true;
74         }
75     }
```

Listing 3.15: Committee.sol

If `verifyAvailabilityProof()` should verify exactly `signaturesRequired` signatures, the function header comments need to be fixed. This had been addressed in the patched `Committee.sol` by `validat-`

ing `availabilityProofs.length >= signaturesRequired * SIGNATURE_LENGTH` instead of `availabilityProofs.length == signaturesRequired * SIGNATURE_LENGTH`.

### 3.7 starkKey, vaultId, tokenId Ordering

- ID: PVE-007
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Targets: `Escapes.sol`
- Category: Coding Practices [12]
- CWE subcategory: CWE-1099 [5]

#### Description

Throughout the StarkEx codebase, there are lots of use cases of the combination of `(starkKey, vaultId, tokenId)` or any two of them. In most of the cases, the 3-tuple is passed into a function as the first three parameters where `starkKey` is the first parameter followed by `vaultId` and/or `tokenId`. However, we identified one case that the ordering is not consistent to others.

```
43     function escape(  
44         uint256 vaultId ,  
45         uint256 starkKey ,  
46         uint256 tokenId ,  
47         uint256 quantizedAmount  
48     )
```

Listing 3.16: `Escapes.sol`

As shown in the above code snippets, the `escape()` function uses the ordering of `(vaultId, starkKey, tokenId)`. Since all three parameters are `uint256`, it would be better to set one of the ordering as a convention to avoid people from passing wrong ordering of parameters.

**Recommendation** Make the parameters ordering of `escape()` same as others. As an advanced recommendation, since the 3-tuple, `(starkKey, vaultId, tokenId)`, is used in many places, it would be good to pack them into a `struct` to simplify the code and avoid the wrong ordering in both maintenance and operations. This had been addressed in the patched `Escapes.sol` by making the parameters ordering same as others (i.e., `(starkKey, vaultId, tokenId)`).



## 3.8 Redundant Timestamp Checks

- ID: PVE-008
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Target: Deposits.sol, FullWithdrawals.sol
- Category: Coding Practices [12]
- CWE subcategory: CWE-1041 [2]

### Description

In solidity, the keyword `now` is used as an alias of `block.timestamp` which returns the current block timestamp as seconds since unix epoch. As an extreme case, the timestamp at 9999-12-31T23:59:59+00:00 would be 253402300799 or `0x3afff4417f`. It means that the day a block is packed with a timestamp which is approaching to the maximum value of `uint` (i.e.,  $2^{256} - 1$ ) is not likely to happen. Based on that, we believe the following assertion checks against timestamp overflows are redundant.

Specifically, in line 143 of `Deposits::depositReclaim()`, `requestTime` is retrieved from `cancellationRequests[starkKey][tokenId][vaultId]` which was set as `now` in `Deposits::depositCancel()`. Then, in line 145, `requestTime` is added by `DEPOSIT_CANCEL_DELAY` which is equivalent to 86400. After that, an assertion check takes place in line 146 to ensure the arithmetic operation in line 145 does not have an integer overflow. As we mentioned earlier, the `assert()` call in line 146 is a redundant assertion.

```

132     function depositReclaim(uint256 tokenId, uint256 vaultId)
133         external
134         // No modifiers: This function can always be used, even when frozen.
135     {
136         require(vaultId <= MAX_VAULT_ID, OUT_OF_RANGE_VAULT_ID);

138         // Fetch user and key.
139         address user = msg.sender;
140         uint256 starkKey = getStarkKey(user);

142         // Make sure enough time has passed.
143         uint256 requestTime = cancellationRequests[starkKey][tokenId][vaultId];
144         require(requestTime != 0, DEPOSIT_NOT_CANCELED);
145         uint256 freeTime = requestTime + DEPOSIT_CANCEL_DELAY;
146         assert(freeTime >= DEPOSIT_CANCEL_DELAY);

```

Listing 3.17: Deposits.sol

There is another case in line 94-100 of `FullWithdrawals.sol`. In particular, the `requestTime` added by `FREEZE_GRACE_PERIOD` (21 days) would not cause an integer overflow such that the `assert()` call in line 100 is redundant.

```

81     function freezeRequest(
82         uint256 vaultId
83     )

```

```

84     external
85     notFrozen()
86     {
87         // Fetch user and key.
88         address user = msg.sender;
89         uint256 starkKey = getStarkKey(user);
90
91         // Verify vaultId in range.
92         require(vaultId <= MAX_VAULT_ID, OUT_OF_RANGE_VAULT_ID);
93
94         // Load request time.
95         uint256 requestTime = fullWithdrawalRequests[starkKey][vaultId];
96         require(requestTime != 0, FULL_WITHDRAWAL_UNREQUESTED);
97
98         // Verify timer on escape request.
99         uint256 freezeTime = requestTime + FREEZE_GRACE_PERIOD;
100        assert(freezeTime >= FREEZE_GRACE_PERIOD);

```

Listing 3.18: FullWithdrawals.sol

**Recommendation** Remove redundant assertions with additional benefits of saving gas usage.

### 3.9 Upgrades Depend on States of Old Versions in Proxy

- ID: PVE-009
- Severity: Low
- Likelihood: Low
- Impact: Low
- Targets: Proxy.sol
- Category: Data Integrity Issues [15]
- CWE subcategory: CWE-494 [9]

#### Description

The Proxy contract delegates calls to the implementation() contract. Moreover, it manages the implementation with a two-step approach: addImplementation() and upgradeTo(). However, we identify that the upgradeTo() function depends on the state of the old version of implementation, which could be a deadlock if the old version has some problems which need to be fixed by a replacement.

```

248     function upgradeTo(address newImplementation, bytes calldata data, bool finalize)
249     external payable onlyGovernance notFinalized notFrozen {
250         uint256 activation_time = enabledTime[newImplementation];
251
252         require(activation_time > 0, "ADDRESS_NOT_UPGRADE_CANDIDATE");
253         // solium-disable-next-line security/no-block-members
254         require(activation_time <= now, "UPGRADE_NOT_ENABLED_YET");
255
256         bytes32 init_vector_hash = initializationHash[newImplementation];

```

```

257     require(init_vector_hash == keccak256(abi.encode(data, finalize)), "
        CHANGED_INITIALIZER");
258     _setImplementation(newImplementation);
259     if (finalize == true) {
260         setFinalizedFlag();
261         emit FinalizedImplementation(newImplementation);
262     }

264     // solium-disable-next-line security/no-low-level-calls
265     (bool success, bytes memory returndata) = newImplementation.delegatecall(
266         abi.encodeWithSelector(this.initialize.selector, data));
267     require(success, string(returndata));

269     emit Upgraded(newImplementation);
270 }

```

Listing 3.19: Proxy.sol

Specifically, in line 249, the `upgradeTo()` can only be triggered by an effective governor (`onlyGovernance`) when the implementation is not finalized (`notFinalized` and the old implementation is not frozen `notFrozen`). Note that `notFinalized` checks a flag which is set in line 260. It means only a governor can make the call of finalizing an implementation. But, the `notFrozen` modifier is not the case.

```

113     modifier notFrozen()
114     {
115         require(implementationIsFrozen() == false, "STATE_IS_FROZEN");
116         _;
117     }

```

Listing 3.20: Proxy.sol

```

79     function implementationIsFrozen() private returns (bool) {
80         address _implementation = implementation();

82         // We can't call low level implementation before it's assigned. (i.e. ZERO).
83         if (implementation() == ZERO_ADDRESS) {
84             return false;
85         }
86         // solium-disable-next-line security/no-low-level-calls
87         (bool success, bytes memory returndata) = _implementation.delegatecall(
88             abi.encodeWithSignature("isFrozen()"));
89         require(success, string(returndata));
90         return abi.decode(returndata, (bool));
91     }

```

Listing 3.21: Proxy.sol

As shown in the above code snippets, the `notFrozen` is decided by the results of `isFrozen()` of the current implementation. When `isFrozen()` is not implemented correctly, the Proxy contract cannot fix the problem by a upgrade.

**Recommendation** Remove the `notFrozen()` modifier on `upgradeTo()`. If we want to prevent a frozen implementation from being upgraded, a governor can update the `activation_time` by `addImplementation()`. In the patches, a `delegatecall` to the `isFrozen()` of the new implementation is invoked after the initialization call to it. This ensures the `isFrozen()` function is correctly implemented and the state is `notFrozen`, which resolves this issue.

### 3.10 Optimization Suggestions to Proxy

- ID: PVE-010
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Targets: `Proxy.sol`
- Category: Coding Practices [12]
- CWE subcategory: CWE-1099 [5]

#### Description

In Proxy contract, the `_setImplementation()` is used to finalize the implementation by storing the `newImplementation` into the storage. Since a typical convention of using `_xyz()` is calling it in function `xyz()`, the existence of `_setImplementation()` looks a little bit weird here. As an example, in `ERC20.sol`, both `transfer()` and `transferFrom()` call `_transfer()` to do the real transferring tokens thing. We believe the naming of `_setImplementation()` is not compatible to others.

```

162     function _setImplementation(address newImplementation) private {
163         bytes32 slot = IMPLEMENTATION_SLOT;
164         // solium-disable-next-line security/no-inline-assembly
165         assembly {
166             sstore(slot, newImplementation)
167         }
168     }

```

Listing 3.22: `Proxy.sol`

**Recommendation** Modify `_setImplementation()` to `setImplementation()`. This had been addressed in the patched `Proxy.sol`.

There's another suggestion related to `addImplementation()` and `removeImplementation()`. Since the `newImplementation` and related book-keeping data (i.e., `enabledTime` and `initializationHash`) which are set/clear by those two functions are only used inside `upgrade()`, those two functions are useless when the implementation is finalized. Specifically, the `notFinalized` modifier could be added to `addImplementation()` and `removeImplementation()` to reduce gas consumption.

```

200     function addImplementation(address newImplementation, bytes calldata data, bool
        finalize)
201     external onlyGovernance {

```

```

202     require(isContract(newImplementation), "ADDRESS_NOT_CONTRACT");
204
205     bytes32 init_hash = keccak256(abi.encode(data, finalize));
206     initializationHash[newImplementation] = init_hash;
207
208     // solium-disable-next-line security/no-block-members
209     uint256 activation_time = now + UPGRADE_ACTIVATION_DELAY;
210
211     // First implementation should not have time-lock.
212     if (implementation() == ZERO_ADDRESS) {
213         // solium-disable-next-line security/no-block-members
214         activation_time = now;
215     }
216
217     enabledTime[newImplementation] = activation_time;
218     emit ImplementationAdded(newImplementation, data, finalize);
219 }

```

Listing 3.23: Proxy.sol

```

225     function removeImplementation(address newImplementation)
226         external onlyGovernance {
227
228         // If we have initializer, we set the hash of it.
229         uint256 activation_time = enabledTime[newImplementation];
230
231         require(activation_time > 0, "ADDRESS_NOT_UPGRADE_CANDIDATE");
232
233         enabledTime[newImplementation] = 0;
234
235         initializationHash[newImplementation] = 0;
236         emit ImplementationRemoved(newImplementation);
237     }

```

Listing 3.24: Proxy.sol

**Recommendation** Add `notFinalized` to `addImplementation()` and `removeImplementation()`.

### 3.11 Optimization Suggestions to DexStatementVerifier

- ID: PVE-011
- Severity: Informational
- Likelihood: N/A
- Impact: N/A
- Target: `FriStatementContract.sol`,  
`MerkleStatementContract.sol`
- Category: Coding Practices [12]
- CWE subcategory: CWE-1068 [3]

## Description

In `FriStatementContract::verifyFRI()`, the `friQueue` is used to store the input triplets of (`query_index`, `FRI_value`, `FRI_inverse_point`) such that the length of `friQueue` is checked in line 35 to ensure that it has  $3 * \text{friQueries} + 1$  elements. However, the case `friQueries == 0` is meaningless in `verifyFRI()`. We could simply optimize the function by requiring `friQueue.length >= 4` and filter out the no query to process case.

```

22     function verifyFRI(
23         uint256[] memory proof,
24         uint256[] memory friQueue,
25         uint256 evaluationPoint,
26         uint256 friStepSize,
27         uint256 expectedRoot) public {
28
29         require (friStepSize <= FRI_MAX_FRI_STEP, "FRI step size too large");
30         /*
31          The friQueue should have of 3*nQueries + 1 elements, beginning with nQueries
32          triplets
33          of the form (query_index, FRI_value, FRI_inverse_point), and ending with a
34          single buffer
35          cell set to 0, which is accessed and read during the computation of the FRI
36          layer.
37         */
38         require (
39             friQueue.length % 3 == 1,
40             "FRI Queue must be composed of triplets plus one delimiter cell");

```

Listing 3.25: `FriStatementContract.sol`

**Recommendation** Check the length of `friQueue` and ensure that there's at least one triplet to process. This had been addressed in the patched `FriStatementContract.sol`.

```

22     function verifyFRI(
23         uint256[] memory proof,
24         uint256[] memory friQueue,
25         uint256 evaluationPoint,
26         uint256 friStepSize,
27         uint256 expectedRoot) public {
28
29         require (friStepSize <= FRI_MAX_FRI_STEP, "FRI step size too large");
30         /*
31          The friQueue should have of 3*nQueries + 1 elements, beginning with nQueries
32          triplets
33          of the form (query_index, FRI_value, FRI_inverse_point), and ending with a
34          single buffer
35          cell set to 0, which is accessed and read during the computation of the FRI
36          layer.
37         */
38         require (friQueue.length >= 4, "No query to process");
39         require (

```

```

37     friQueue.length % 3 == 1,
38     "FRI Queue must be composed of triplets plus one delimiter cell");

```

Listing 3.26: FriStatementContract.sol

Besides, there's a typo in line 34 of `verifyMerkle()` where the word `function` is misspelled as `functin`.

```

13     function verifyMerkle(
14         uint256[] memory merkleView,
15         uint256[] memory initialMerkleQueue,
16         uint256 height,
17         uint256 expectedRoot
18     )
19     public
20     {
21         require(height < 200, "Height must be < 200.");
22
23         uint256 merkleQueuePtr;
24         uint256 channelPtr;
25         uint256 nQueries;
26         uint256 dataToHashPtr;
27         uint256 badInput = 0;
28
29         assembly {
30             // Skip 0x20 bytes length at the beginning of the merkleView.
31             let merkleViewPtr := add(merkleView, 0x20)
32             // Let channelPtr point to a free space.
33             channelPtr := mload(0x40) // freePtr.
34             // channelPtr will point to the merkleViewPtr because the functin 'verify'
                expects

```

Listing 3.27: MerkleStatementContract.sol

**Recommendation** Modify `functin` to `function`. This had been addressed in the patched `MerkleStatementContract.sol`.

## 3.12 Possible Integer Overflow in MerkleVerifier

- ID: PVE-012
- Severity: Medium
- Likelihood: Low
- Impact: High
- Target: MerkleVerifier.sol
- Category: Numeric Errors [16]
- CWE subcategory: CWE-190 [7]

## Description

In `MerkleVerifier::verify()`, `n` slots of leaf indices and leaf values are iterated through `queuePtr` for hash calculation. However, there's a possible integer overflow throughout this process such that a malicious batch of queries could have the same verification result as a legit batch of queries.

```

22     function verify(
23         uint256 channelPtr,
24         uint256 queuePtr,
25         bytes32 root,
26         uint256 n)
27     internal view
28     returns (bytes32 hash)
29     {
30         uint256 lhashMask = getHashMask();
31
32         assembly {
33             // queuePtr + i * 0x40 gives the i'th index in the queue.
34             // hashesPtr + i * 0x40 gives the i'th hash in the queue.
35             let hashesPtr := add(queuePtr, 0x20)
36             let queueSize := mul(n, 0x40)
37             let slotSize := 0x40

```

Listing 3.28: `MerkleVerifier.sol`

Specifically, in line 35, `queueSize` is set as `n*0x40`. When `n` is larger or equal to `0x0400...0000`, `n*0x40` would overflow. Say if a triplet of `(queuePtr, root, 1)` is verified. An attacker could use that fact to verify `(queuePtr, root, 0x0400...0001)` with bunch of malicious queries appended right after the first legit query due to the fact that `0x0400...0001*0x40 = 0x40`. Only the first legit query would be hashed. Fortunately, `verify()` is an internal function which is invoked by `verifyMerkle()` so that the bad actors cannot exploit this vulnerability directly.

```

13     function verifyMerkle(
14         uint256[] memory merkleView,
15         uint256[] memory initialMerkleQueue,
16         uint256 height,
17         uint256 expectedRoot
18     )
19     public
20     {
21         require(height < 200, "Height must be < 200.");
22
23         uint256 merkleQueuePtr;
24         uint256 channelPtr;
25         uint256 nQueries;
26         uint256 dataToHashPtr;
27         uint256 badInput = 0;
28
29         assembly {
30             // Skip 0x20 bytes length at the beginning of the merkleView.
31             let merkleViewPtr := add(merkleView, 0x20)

```



```

32     // Let channelPtr point to a free space.
33     channelPtr := mload(0x40) // freePtr.
34     // channelPtr will point to the merkleViewPtr because the function 'verify'
        expects
35     // a pointer to the proofPtr.
36     mstore(channelPtr, merkleViewPtr)
37     // Skip 0x20 bytes length at the beginning of the initialMerkleQueue.
38     merkleQueuePtr := add(initialMerkleQueue, 0x20)
39     // Get number of queries.
40     nQueries := div(mload(initialMerkleQueue), 0x2)

```

Listing 3.29: MerkleStatementContract.sol

However, as we look into the public function `verifyMerkle()`, the `nQueries` is derived from the user controllable data `initialMerkleQueue` in line 40. The attacker could craft the `initialMerkleQueue` to make `nQueries`  $\geq 0x0400 \dots 0000$ , which leads to the overflow mentioned above. To sum up, an attacker can trick the verifier by appending arbitrary nodes into an already verified merkle tree represented by `initialMerkleQueue`.

**Recommendation** Validate the number of queries. In the patches, this issue had be resolved by validating the number of queries with `MAX_N_MERKLE_VERIFIER_QUERIES` as shown in the following code snippets:

```

22     function verify(
23         uint256 channelPtr,
24         uint256 queuePtr,
25         bytes32 root,
26         uint256 n)
27         internal view
28         returns (bytes32 hash)
29     {
30         uint256 lhashMask = getHashMask();
31         require(n <= MAX_N_MERKLE_VERIFIER_QUERIES, "TOO_MANY_MERKLE_QUERIES");

```

Listing 3.30: MerkleVerifier .sol

```

13     function verifyMerkle(
14         uint256 [] memory merkleView,
15         uint256 [] memory initialMerkleQueue,
16         uint256 height,
17         uint256 expectedRoot
18     )
19     public
20     {
21         require(height < 200, "Height must be < 200.");
22         require(
23             initialMerkleQueue.length <= MAX_N_MERKLE_VERIFIER_QUERIES * 2,
24             "TOO_MANY_MERKLE_QUERIES");

```

Listing 3.31: MerkleStatementContract.sol

Some other places throughout the `evm-verifier` codebase have the potential integer overflow issues. All possible overflow cases had been guarded by sanity checks in the patches. We list them in the following:

`n` in line 23.

```
15  function verify(uint256 /*channelPtr*/, uint256 queuePtr, bytes32 root, uint256 n)
16    internal view
17    returns(bytes32) {
18      bytes32 statement;
19
20    assembly {
21      let dataToHashPtrStart := mload(0x40) // freePtr.
22      let dataToHashPtrCur := dataToHashPtrStart
23      let queEndPtr := add(queuePtr, mul(n, 0x40))
```

Listing 3.32: MerkleStatementVerifier.sol

`nCoefs` in line 22.

```
14  function hornerEval(uint256 coefsStart, uint256 point, uint256 nCoefs)
15    internal pure
16    returns (uint256) {
17      uint256 result = 0;
18      uint256 prime = PrimeFieldElement0.K_MODULUS;
19
20      require(nCoefs % 8 == 0, "Number of polynomial coefficients must be divisible by
21      8");
22      assembly {
23        let coefsPtr := add(coefsStart, mul(nCoefs, 0x20))
```

Listing 3.33: HornerEvaluator.sol

`nElements` in line 51.

```
41  function sendFieldElements(uint256 channelPtr, uint256 nElements, uint256 targetPtr)
42    internal pure
43    {
44      assembly {
45        let PRIME := 0
46          x80000000000001100000000000000000000000000000000000000000000000000000000001
47        let PRIME_MON_R_INV := 0
48          x400000000000011000000000000012100000000000000000000000000000000000000000
49        let PRIME_MASK := 0
50          x0ffffffffffffffffffffffffffffffffffffffffffffffffffffffffffffffffffff
51        let digestPtr := add(channelPtr, 0x20)
52        let counterPtr := add(channelPtr, 0x40)
53
54        let endPtr := add(targetPtr, mul(nElements, 0x20))
```

Listing 3.34: VerifierChannel.sol

`nColumns` in line 268.

```

260     function readQueriesResponsesAndDecommit(
261         uint256 [] memory ctx, uint256 nColumns, uint256 proofDataPtr, bytes32 merkleRoot
262     )
263         internal view {
264             uint256 nUniqueQueries = ctx[MM_N_UNIQUE_QUERIES];
265             uint256 channelPtr = getPtr(ctx, MM_CHANNEL);
266             uint256 friQueue = getPtr(ctx, MM_FRI_QUEUE);
267             uint256 friQueueEnd = friQueue + nUniqueQueries * 0x60;
268             uint256 merkleQueuePtr = getPtr(ctx, MM_MERKLE_QUEUE);
269             uint256 rowSize = 0x20 * nColumns;
270             uint256 lhashMask = getHashMask();

```

Listing 3.35: StarkVerifier.sol

offset in line 13.

```

6     function getPtr(uint256 [] memory ctx, uint256 offset)
7         internal pure
8         returns (uint256) {
9             uint256 ctxPtr;
10            assembly {
11                ctxPtr := add(ctx, 0x20)
12            }
13            return ctxPtr + offset * 0x20;
14        }

```

Listing 3.36: MemoryAccessUtils.sol

nModifications in line 214.

```

193     function computeBoundaryPeriodicColumn(
194         uint256 modificationsPtr, uint256 nModifications, uint256 nTransactions, uint256
195         point,
196         uint256 prime, uint256 gen, uint256 resultArrayPtr)
197         internal view {
198             bool sorted = true;
199             assembly {
200                 function expmod(base, exponent, modulus) -> res {
201                     let p := mload(0x40)
202                     mstore(p, 0x20) // Length of Base.
203                     mstore(add(p, 0x20), 0x20) // Length of Exponent.
204                     mstore(add(p, 0x40), 0x20) // Length of Modulus.
205                     mstore(add(p, 0x60), base) // Base.
206                     mstore(add(p, 0x80), exponent) // Exponent.
207                     mstore(add(p, 0xa0), modulus) // Modulus.
208                     // Call modexp precompile.
209                     if iszero(staticcall(not(0), 0x05, p, 0xc0, p, 0x20)) {
210                         revert(0, 0)
211                     }
212                     res := mload(p)
213                 }
214                 let lastOffset := mul(nModifications, 0x20)

```

Listing 3.37: DexVerifier.sol

### 3.13 Other Suggestions

---

Due to the fact that compiler upgrades might bring unexpected compatibility or inter-version consistencies, it is always suggested to use fixed compiler versions whenever possible. As an example, we highly encourage to explicitly indicate the Solidity compiler version, e.g., `pragma solidity 0.5.2;` instead of `pragma solidity ~0.5.2;`.

Moreover, we strongly suggest not to use experimental Solidity features or third-party unaudited libraries. If necessary, refactor current code base to only use stable features or trusted libraries. In case there is an absolute need of leveraging experimental features or integrating external libraries, make necessary contingency plans.



## 4 | Conclusion

In this audit, we thoroughly analyzed the StarkEx documentation and implementation. The audited system does involve various intricacies in both design and implementation. The current code base is well organized and those identified issues are promptly confirmed and fixed.

Meanwhile, we need to emphasize that smart contracts as a whole are still in an early, but exciting stage of development. To improve this report, we greatly appreciate any constructive feedbacks or suggestions, on our methodology, audit findings, or potential gaps in scope/coverage.



## 5 | Appendix

### 5.1 Basic Coding Bugs

---

#### 5.1.1 Constructor Mismatch

- Description: Whether the contract name and its constructor are not identical to each other.
- Result: Not found
- Severity: Critical

#### 5.1.2 Ownership Takeover

- Description: Whether the set owner function is not protected.
- Result: Not found
- Severity: Critical

#### 5.1.3 Redundant Fallback Function

- Description: Whether the contract has a redundant fallback function.
- Result: Not found
- Severity: Critical

#### 5.1.4 Overflows & Underflows

- Description: Whether the contract has general overflow or underflow vulnerabilities [20, 21, 22, 23, 25].
- Result: Not found
- Severity: Critical

### 5.1.5 Reentrancy

- Description: Reentrancy [26] is an issue when code can call back into your contract and change state, such as withdrawing ETHs.
- Result: Not found
- Severity: Critical

### 5.1.6 Money-Giving Bug

- Description: Whether the contract returns funds to an arbitrary address.
- Result: Not found
- Severity: High

### 5.1.7 Blackhole

- Description: Whether the contract locks ETH indefinitely: merely in without out.
- Result: Not found
- Severity: High

### 5.1.8 Unauthorized Self-Destruct

- Description: Whether the contract can be killed by any arbitrary address.
- Result: Not found
- Severity: Medium

### 5.1.9 Revert DoS

- Description: Whether the contract is vulnerable to DoS attack because of unexpected revert.
- Result: Not found
- Severity: Medium

#### 5.1.10 Unchecked External Call

- Description: Whether the contract has any external call without checking the return value.
- Result: Not found
- Severity: Medium

#### 5.1.11 Gasless Send

- Description: Whether the contract is vulnerable to gasless send.
- Result: Not found
- Severity: Medium

#### 5.1.12 Send Instead Of Transfer

- Description: Whether the contract uses send instead of transfer.
- Result: Not found
- Severity: Medium

#### 5.1.13 Costly Loop

- Description: Whether the contract has any costly loop which may lead to Out-Of-Gas exception.
- Result: Not found
- Severity: Medium

#### 5.1.14 (Unsafe) Use Of Untrusted Libraries

- Description: Whether the contract use any suspicious libraries.
- Result: Not found
- Severity: Medium



### 5.1.15 (Unsafe) Use Of Predictable Variables

- Description: Whether the contract contains any randomness variable, but its value can be predicated.
- Result: Not found
- Severity: Medium

### 5.1.16 Transaction Ordering Dependence

- Description: Whether the final state of the contract depends on the order of the transactions.
- Result: Not found
- Severity: Medium

### 5.1.17 Deprecated Uses

- Description: Whether the contract use the deprecated `tx.origin` to perform the authorization.
- Result: Not found
- Severity: Medium

## 5.2 Semantic Consistency Checks

---

- Description: Whether the semantic of the white paper is different from the implementation of the contract.
- Result: Not found
- Severity: Critical

## 5.3 Additional Recommendations

---

### 5.3.1 Avoid Use of Variadic Byte Array

- Description: Use fixed-size byte array is better than that of `byte[]`, as the latter is a waste of space.
- Result: Not found
- Severity: Low

### 5.3.2 Make Visibility Level Explicit

- Description: Assign explicit visibility specifiers for functions and state variables.
- Result: Not found
- Severity: Low

### 5.3.3 Make Type Inference Explicit

- Description: Do not use keyword `var` to specify the type, i.e., it asks the compiler to deduce the type, which is not safe especially in a loop.
- Result: Not found
- Severity: Low

### 5.3.4 Adhere To Function Declaration Strictly

- Description: Solidity compiler (version 0.4.23) enforces strict ABI length checks for return data from `calls()` [1], which may break the the execution if the function implementation does NOT follow its declaration (e.g., no return in implementing `transfer()` of ERC20 tokens).
- Result: Not found
- Severity: Low



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