



# Veridise. Auditing Report

Hardening Blockchain Security with Formal Methods

FOR

Aqua



Veridise Inc.  
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From Feb. 20, 2024 to Feb. 28, 2024, Native-Org engaged Veridise to review the security of their Aqua [smart contracts](#). The review covered the contracts for an additional way to provide liquidity for RFQ providers (Traders). Traders can borrow swap tokens from Aqua against collateral and later settle the borrow positions. Veridise conducted the assessment over 18 person-days, with 2 engineers reviewing code over 9 days on commit `0x4333d53`. The auditing strategy involved a tool-assisted analysis of the source code performed by Veridise engineers as well as extensive manual auditing.

**Code assessment.** The Aqua developers provided the source code of the Aqua contracts for review. The source code for Aqua extends code for Compound V2 with minor modifications by the Aqua developers. It contains some documentation in the form of READMEs and documentation comments on functions and storage variables. The developers also provided us with the document which describes the endpoints of off-chain API.

The source code contained a test suite, which the Veridise auditors noted tests for settlement functions in AquaVault contract.

**Summary of issues detected.** The audit uncovered 11 issues, including 4 warnings and 2 informational finding were reported. The Aqua developers responded to all the issues.

Of the 11 issues, Native-Org has fixed 9 issues. The high severity issue [V-AQU-VUL-001](#) reports an unsafe type cast that may be exploited to steal funds. The medium issue [V-AQU-VUL-003](#) points to a possible accidental loss of admin rights and is easily fixable. Another medium issue refers to state not updated immediately before a view function is called, see [V-AQU-VUL-002](#) for more details. It was determined to be intended behaviour as state update was performed at other places in the call stack to the view function.

**Recommendations.** After auditing the protocol, the auditors had a few suggestions to improve Aqua. The auditors recommend expanding the test suite to further test other workflows in the protocol. The auditors recommend adding data validation during initialization of variables. Auditors recommend implementing consistent naming of variables across different components.

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**Table 2.1:** Application Summary.

Name	Version	Type	Platform
Aqua	0x4333d53	Solidity	Ethereum

**Table 2.2:** Engagement Summary.

Dates	Method	Consultants Engaged	Level of Effort
Feb. 20 - Feb. 28, 2024	Manual & Tools	2	18 person-days

**Table 2.3:** Vulnerability Summary.

Name	Number	Fixed	Acknowledged
Critical-Severity Issues	0	0	0
High-Severity Issues	1	1	1
Medium-Severity Issues	2	1	1
Low-Severity Issues	2	2	2
Warning-Severity Issues	4	3	3
Informational-Severity Issues	2	2	2
TOTAL	11	9	9

**Table 2.4:** Category Breakdown.

Name	Number
Maintainability	4
Data Validation	3
Logic Error	2
Access Control	2





### 3.1 Audit Goals

The engagement was scoped to provide a security assessment of Aqua's smart contracts. In our audit, we sought to answer questions such as:

- ▶ Is it possible for an attacker to bypass signature checks?
- ▶ Is it possible for an attacker to borrow funds without depositing collateral?
- ▶ Is it possible for an attacker to repay less funds than required?
- ▶ Is it possible for an attacker assuming the role of trader to steal from other pools?
- ▶ Is the interest calculation correct?
- ▶ Is the pricing for LP tokens correct?
- ▶ Are the upgradable contracts initialized correctly?

### 3.2 Audit Methodology & Scope

**Audit Methodology.** To address the questions above, our audit involved a combination of human experts and automated program analysis. In particular, we conducted our audit with the aid of the following technique:

- ▶ *Static analysis.* To identify potential common vulnerabilities, we leveraged our custom smart contract analysis tool Vanguard. These tools are designed to find instances of common smart contract vulnerabilities, such as reentrancy and uninitialized variables.

*Scope.* The scope of this audit is limited to the contracts/ folder of the source code provided by the Aqua developers, which contains the smart contract implementation of the Aqua. This audit covered the following files

- ▶ contracts/libraries/\*
- ▶ contracts/Aqua/\*
- ▶ contracts/Compound/\*

Aqua integrates in and interacts with with the rest of the Native-Org code base. Therefore, parts of following contracts that interact with Aqua are also included in the scope.

- ▶ contracts/NativeRouter.sol
- ▶ contracts/NativePool.sol
- ▶ contracts/NativeRfqPool.sol
- ▶ contracts/NativePoolFactory.sol

The protocol also has an off-chain component that calculates the parameters and a signature for those parameters to be provided to the external functions in contract. The off-chain component is out of scope of the audit and is considered as a black box implementation. We assume its implementation is correct unless explicitly stated.

*Methodology.* Veridise auditors reviewed the reports of previous audits for Aqua, inspected the provided tests, and read the Aqua documentation. They then began a manual audit of the code assisted by static analyzers. During the audit, the Veridise auditors stayed in contact with the Aqua developers to ask questions about the code.

### 3.3 Classification of Vulnerabilities

When Veridise auditors discover a possible security vulnerability, they must estimate its severity by weighing its potential impact against the likelihood that a problem will arise. Table 3.1 shows how our auditors weigh this information to estimate the severity of a given issue.

**Table 3.1:** Severity Breakdown.

	Somewhat Bad	Bad	Very Bad	Protocol Breaking
Not Likely	Info	Warning	Low	Medium
Likely	Warning	Low	Medium	High
Very Likely	Low	Medium	High	Critical

In this case, we judge the likelihood of a vulnerability as follows in Table 3.2:

**Table 3.2:** Likelihood Breakdown

Not Likely	A small set of users must make a specific mistake
Likely	Requires a complex series of steps by almost any user(s) - OR - Requires a small set of users to perform an action
Very Likely	Can be easily performed by almost anyone

In addition, we judge the impact of a vulnerability as follows in Table 3.3:

**Table 3.3:** Impact Breakdown

Somewhat Bad	Inconveniences a small number of users and can be fixed by the user
Bad	Affects a large number of people and can be fixed by the user - OR - Affects a very small number of people and requires aid to fix
Very Bad	Affects a large number of people and requires aid to fix - OR - Disrupts the intended behavior of the protocol for a small group of users through no fault of their own
Protocol Breaking	Disrupts the intended behavior of the protocol for a large group of users through no fault of their own

In this section, we describe the vulnerabilities found during our audit. For each issue found, we log the type of the issue, its severity, location in the code base, and its current status (i.e., acknowledged, fixed, etc.). Table 4.1 summarizes the issues discovered:

**Table 4.1:** Summary of Discovered Vulnerabilities.

ID	Description	Severity	Status
V-AQU-VUL-001	Unsafe type-cast	High	Fixed
V-AQU-VUL-002	getAccountSnapshot() returns stale values	Medium	Intended Behavior
V-AQU-VUL-003	Possible loss of admin access to the contract	Medium	Fixed
V-AQU-VUL-004	Duplicate variable declaration	Low	Fixed
V-AQU-VUL-005	Centralisation Risk	Low	Fixed
V-AQU-VUL-006	Missing non-zero checks	Warning	Fixed
V-AQU-VUL-007	Possible spurious reverts due to missing non-ze...	Warning	Fixed
V-AQU-VUL-008	Unused imports / errors	Warning	Fixed
V-AQU-VUL-009	Missing nonce in widget signatures	Warning	Intended Behavior
V-AQU-VUL-010	Unnecessary visibility modifier	Info	Fixed
V-AQU-VUL-011	Remove unused function	Info	Fixed

## 4.1 Detailed Description of Issues

### 4.1.1 V-AQU-VUL-001: Unsafe type-cast

<b>Severity</b>	High	<b>Commit</b>	4333d53
<b>Type</b>	Logic Error	<b>Status</b>	Fixed
<b>File(s)</b>	NativeRfqPool.sol		
<b>Location(s)</b>	tradeRFQT()		
<b>Confirmed Fix At</b>	N/A		

NativeRfqPool implements RFQ trades. An user calls `NativeRouter.tradeRFQT()` with signed quote received from Native off chain API. The router performs necessary validations, token transfers and calls `NativeRfqPool.tradeRFQT()`. This function verifies the signature of quote and calculates the tokens to be provided to the user and trader.

It then transfers the required tokens from treasury to the user and performs a callback to the Treasury by calling `INativeTreasuryV2(treasury).nativeTreasuryCallback()`

When calling the callback, the protocol casts `quote.effectiveSellerTokenAmount` and `buyerTokenAmount` from `uint256` to `int`.

This typecast is unsafe when

- ▶ `quote.effectiveSellerTokenAmount > int.max()` or,
- ▶ `buyerTokenAmount > int.max()`

Such typecasts will cause the values greater than `int.max()` to be wrapped around.

**Impact** In case of Aqua, this callback is used to update the borrow positions of the trader for `buyerToken` and `sellerToken`.

Carefully chosen values of these variables will cause inconsistencies in the borrow positions of the traders. The positions might change in opposite directions which might lead to traders borrow positions to be reduced without repaying for the borrowed positions. An attacker may utilise this to host a RFQ pool with Aqua liquidity, and request a swap. This will lead to tokens being transferred to attacker without increasing his borrow position.

**Recommendation** Though there might be mitigation off chain, they may be worked around. Implementing the following checks on chain reduces the attack surface of the protocol

Add the following checks

- ▶ `quote.effectiveSellerTokenAmount < int.max()` or,
- ▶ `buyerTokenAmount < int.max()`

**Developer Response** Developers fixed this issue

```
1 function tradeRFQT(RFQTQuote memory quote) external override onlyRouter {
2     /// Trust assumption: the Router has transferred sellerToken.
3     if (paused) {
4         revert TradePaused();
5     }
6
7     address originalBuyerToken = quote.buyerToken;
8
9     quote.buyerToken = quote.buyerToken == address(0) ? weth : quote.buyerToken;
10    quote.sellerToken = quote.sellerToken == address(0) ? weth : quote.sellerToken;
11
12    if (!verifySignature(quote)) {
13        revert InvalidSignature();
14    }
15
16    _updateNonce(quote.nonce);
17
18    uint256 buyerTokenAmount = quote.buyerTokenAmount;
19    if (quote.effectiveSellerTokenAmount < quote.sellerTokenAmount) {
20        buyerTokenAmount = (quote.effectiveSellerTokenAmount * quote.buyerTokenAmount
21    ) / quote.sellerTokenAmount;
22    }
23
24    emit RfqTrade(
25        quote.recipient,
26        quote.sellerToken,
27        quote.buyerToken,
28        quote.effectiveSellerTokenAmount,
29        buyerTokenAmount,
30        quote.quoteId,
31        quote.signer
32    );
33
34    _transferFromTreasury(originalBuyerToken, quote.recipient, buyerTokenAmount);
35
36    if (enableTreasuryCallback) {
37        INativeTreasuryV2(treasury).nativeTreasuryCallback(
38            quote.signer,
39            quote.sellerToken,
40            int(quote.effectiveSellerTokenAmount),
41            quote.buyerToken,
42            int(buyerTokenAmount)
43        );
44    }
```

**Snippet 4.1:** Snippet from tradeRFQT() in NativeRfqPool.sol:132

```
1 function swapCallback(  
2     address trader,  
3     address sellerToken,  
4     int256 amountIn,  
5     address buyerToken,  
6     int256 amountOut,  
7     mapping(address => AquaLpToken) storage lpTokens,  
8     mapping(address => mapping(address => int256)) storage positions  
9 ) external {  
10     lpTokens[sellerToken].updateNetBorrow(-amountIn);  
11     lpTokens[buyerToken].updateNetBorrow(amountOut);  
12     positions[trader][sellerToken] += amountIn;  
13     positions[trader][buyerToken] -= amountOut;  
14 }
```

**Snippet 4.2:** Snippet from swapCallback() in AquaVaultLogic.sol:43

### 4.1.2 V-AQU-VUL-002: `getAccountSnapshot()` returns stale values

<b>Severity</b>	Medium	<b>Commit</b>	4333d53
<b>Type</b>	Logic Error	<b>Status</b>	Intended Behavior
<b>File(s)</b>	contracts/Compound/CToken.sol		
<b>Location(s)</b>	<code>getAccountSnapshot()</code>		
<b>Confirmed Fix At</b>	N/A		

Current balance, `borrowBalance` and exchange rate for any account can be retrieved using `getAccountSnapshot()` shown below.

```

1 function getAccountSnapshot(address account) external view override returns (uint,
2   uint, uint, uint) {
3   return (NO_ERROR, accountTokens[account], borrowBalanceStoredInternal(account),
4     exchangeRateStoredInternal());
5 }

```

#### Snippet 4.3: Snippet from `getAccountSnapshot()` in `CToken.sol:144`

The returned borrow balance is calculated by calling `borrowBalanceStoredInternal()`.

```

1 function borrowBalanceStoredInternal(address account) internal view returns (uint) {
2   BorrowSnapshot storage borrowSnapshot = accountBorrows[account];
3   if (borrowSnapshot.principal == 0) {
4     return 0;
5   }
6   uint principalTimesIndex = borrowSnapshot.principal * borrowIndex;
7   return principalTimesIndex / borrowSnapshot.interestIndex;
8 }

```

#### Snippet 4.4: Snippet from `borrowBalanceStoredInternal()` in `CToken.sol:203`

`borrowBalanceStored()` calculates the users principal+interest according to

$$\frac{(principal \times borrowIndex)}{users\_borrow\_index}$$

The `borrowIndex` is updated only when interest is accrued.

`getAccountSnapshot()` calls `borrowBalanceStoredInternal()` without calling `accrueInterest()`, which leads to lesser than actual interest calculated for the user.

**Impact** `getAccountSnapshot()` is used in Comptroller to calculate the health of the an account while calculating liquidity and while exiting the market. Due to above mentioned issue, inflated liquidity of the user will be reported leading to loss of funds for the protocol.

The impact of this issue is proportional to the number of blocks passed since last accrual.

**Recommendation** Call `accrueInterest()` in `getAccountSnapshot()` before calling `borrowBalanceStored()`.

### Developer Response

We have some discussion and review. All the functions that would actually make state changes and that utilize this function `getAccountSnapshot`, calls `accrueInterest()` first. e.g. `mint`, `borrow`, `redeem`, `liquidateBorrow`. We agree that for the view functions, `mintAllowed`, `borrowAllowed`, etc, they might return stale data. But they are not meant to be directly called by users, but by the `cToken` contracts, where the `accrueInterest` has been called already. I guess the Consideration from Compound would be separating these functions as `view` and make the state changes in the actual operating on

One exception is `exitMarket`, it calls `getAccountSnapshot` and use the borrow amount, but it requires that `amountOwed` needs to be 0, and `accrueInterest` cannot make non-zero borrow amount become 0.



### 4.1.3 V-AQU-VUL-003: Possible loss of admin access to the contract

<b>Severity</b>	Medium	<b>Commit</b>	4333d53
<b>Type</b>	Data Validation	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Aqua/AquaVault.sol		
<b>Location(s)</b>	setAdmin()		
<b>Confirmed Fix At</b>	N/A		

The admin address is an privileged address in the AquaVault contract that controls many important parameters of the protocol like

- ▶ setting the address of the NativePool contract
- ▶ setting the aquaVaultSignatureCheck

The admin address is initialised in the initialiser and later can be updated by calling the setAdmin() function from the current admin address.

Note: setAdmin() is protected by the onlyAdmin modifier and can be only called by current admin.

```

1 | function setAdmin(address newAdmin) external onlyAdmin {
2 |     admin = newAdmin;
3 | }

```

**Snippet 4.5:** Snippet from setAdmin() in AquaVault.sol:105

**Impact** If the admin is set to zero address by mistake in configuration error, the developers will lose the admin rights on the AquaVault without having a way to recover it.

**Recommendation** Provide a non-zero check in the setAdmin()

**Developer Response** Developers informed us that they want the possibility of admin to be set to zero because they might eventually go for full decentralisation and relinquish admin rights.

**Veridise's Response** In that case we would recommend a two step process to update the admin address where one call is made to update the new admin and a second call finally makes the update. This way, it is still possible to relinquish admin rights but reduce the risk of it happening accidentally.

#### 4.1.4 V-AQU-VUL-004: Duplicate variable declaration

<b>Severity</b>	Low	<b>Commit</b>	4333d53
<b>Type</b>	Maintainability	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Aqua/AquaVault.sol		
<b>Location(s)</b>	AquaVault		
<b>Confirmed Fix At</b>	21b6db2		

The constant variable EPOCH\_UPDATE\_COOL\_DOWN\_SECONDS is declared in both the AquaVault smart contract and in AquaVaultLogic, a library imported by AquaVault.

```
1 | uint256 public constant EPOCH_UPDATE_COOL_DOWN_SECONDS = 8 hours;
```

**Snippet 4.6:** Snippet from AquaVault in AquaVault.sol:21

```
1 | uint256 public constant EPOCH_UPDATE_COOL_DOWN_SECONDS = 8 hours;
```

**Snippet 4.7:** Snippet from AquaVaultLogic in AquaVault.sol:22

This duplication may lead to maintenance issues, as outlined below.

**Impact** Maintaining both declarations of the EPOCH\_UPDATE\_COOL\_DOWN\_SECONDS variable might cause issues when updating its value. If its value is not changed in both places, inconsistencies may arise.

**Recommendation** Our recommendation is to declare EPOCH\_UPDATE\_COOL\_DOWN\_SECONDS in only one place, preferably within AquaVaultLogic alongside other constants.

**Developer Response** Developers fixed this issue

#### 4.1.5 V-AQU-VUL-005: Centralisation Risk

<b>Severity</b>	Low	<b>Commit</b>	4333d53
<b>Type</b>	Access Control	<b>Status</b>	Fixed
<b>File(s)</b>			Multiple files
<b>Location(s)</b>			See issue description
<b>Confirmed Fix At</b>			N/A

Similar to many projects, Native's `NativePoolFactory` and `NativeRouter` declare an administrator role that is given special permissions. In particular, these administrators are given the following abilities:

- ▶ The ability to transfer the tokens out of treasuries of all the pools
- ▶ The ability to upgrade the implementation of all the pools
- ▶ The ability to change the pricer registry
- ▶ The ability to pause the protocol
- ▶ The ability to update the widget signers

**Impact** If a private key were stolen, a hacker would have access to sensitive functionality that could compromise the project. For example, upgrading the implementation of the `NativePools` is a privileged operation and an attacker can upgrade the implementation to withdraw all tokens from the treasuries of all the pools.

**Recommendation** As these are all particularly sensitive operations, we would encourage the developers to utilize a decentralized governance or multi-sig contract as opposed to a single account, which introduces a single point of failure.

**Developer Response** The developers informed that they are already using multi-sig mechanism

#### 4.1.6 V-AQU-VUL-006: Missing non-zero checks

<b>Severity</b>	Warning	<b>Commit</b>	4333d53
<b>Type</b>	Data Validation	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Aqua/AquaVault.sol		
<b>Location(s)</b>	See issue description		
<b>Confirmed Fix At</b>	N/A		

Several parameters in protocol in initialised without non-zero checks. These locations are mentioned here

```
1 | aquaVaultSignatureCheck = AquaVaultSignatureCheck(aquaVaultSignatureCheck_);
```

**Snippet 4.8:** Snippet from initialize() in AquaVault.sol:40

```
1 | function setNativePool(address newNativePool) external onlyAdmin {
2 |     nativePool = newNativePool;
3 | }
```

**Snippet 4.9:** Snippet from setNativePool() in AquaVault.sol:111

```
1 | function setSignatureCheck(address newSignatureCheck) external onlyAdmin {
2 |     aquaVaultSignatureCheck = AquaVaultSignatureCheck(newSignatureCheck);
3 | }
```

**Snippet 4.10:** Snippet from setSignatureCheck() in AquaVault.sol:117

```
1 | function setAllowance(TokenAmountUint[] calldata tokens) external onlyAdmin {
2 |     AquaVaultLogic.setAllowance(tokens, nativePool);
3 | }
```

**Snippet 4.11:** Snippet from setAllowance() in AquaVault.sol:123

```
1 | function setSigner(address _signer) external onlyAdmin {
2 |     signer = _signer;
3 | }
```

**Snippet 4.12:** Snippet from setSigner() in AquaVault.sol:146

```
1 | function setEpochUpdater(address _epochUpdater) external onlyAdmin {
2 |     epochUpdater = _epochUpdater;
3 | }
```

**Snippet 4.13:** Snippet from setEpochUpdater() in AquaVault.sol:152

**Impact** Setting of zero values will not revert and the protocol will not be reported. But when these values are used, this will lead to spurious reverts.

**Recommendation** Add non-zero checks while setting these values.

```
1 function initialize(  
2     string memory _name,  
3     address _owner,  
4     address _signer,  
5     address _router,  
6     address _weth,  
7     address _treasury  
8 ) public initializer {  
9     if (_owner == address(0) || _router == address(0) || bytes(_name).length == 0 ||  
10        _weth == address(0)) {  
11         revert ZeroOrEmptyInput();  
12     }  
13     __EIP712__init("native pool", "1");  
14  
15     name = _name;  
16     owner = _owner;  
17     router = _router;  
18     weth = _weth;  
19     treasury = _treasury;  
20     poolFactory = msg.sender;  
21     isSigner[_signer] = true;  
22 }
```

**Snippet 4.14:** Snippet from `initialize()` in `NativeRfqPool.sol:52`. Missing non-zero check for treasury and signer

**Developer Response** Developers acknowledged the issue

### 4.1.7 V-AQU-VUL-007: Possible spurious reverts due to missing non-zero check

<b>Severity</b>	Warning	<b>Commit</b>	4333d53
<b>Type</b>	Data Validation	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Compound/BaseJumpRateModelV2.sol		
<b>Location(s)</b>	constructor		
<b>Confirmed Fix At</b>	<a href="https://github.com/Native-org/native-contracts/pull/70">https://github.com/Native-org/native-contracts/pull/70</a>		

In the original implementation of the Compound-v2 linked [here](#), `blocksPerYear` is a constant contract variable set to 2102400. In the adapted version of Compound v2 within the Native protocol, this variable is marked as `immutable` and its value is set within the constructor. Given that the value to be set is passed as an argument to the constructor, `blocksPerYear` could be accidentally set to 0, as there is no validation for its value. This lack of validation for `blocksPerYear`'s value, could lead to a division-by-0 vulnerability in the `updateJumpRateModelInternal`. The issue lies in the arithmetic expressions on lines 132-134. Same concern applies to `kink`.

**Impact** The contract creation will be reverted, as the call to `updateJumpRateModelInternal` will fail.

**Recommendation** Add data validation checks for `blocksPerYear` and `kink` within the constructor. For instance:

```

1 | ...
2 | require(blocksPerYear_ != 0 & kink_ != 0, "ERROR");
3 | ...

```

**Developer Response** Developers acknowledged the issue.

#### 4.1.8 V-AQU-VUL-008: Unused imports / errors

<b>Severity</b>	Warning	<b>Commit</b>	4333d53
<b>Type</b>	Maintainability	<b>Status</b>	Fixed
<b>File(s)</b>	Multiple locations		
<b>Location(s)</b>	See issue description		
<b>Confirmed Fix At</b>	69490e9		

In multiple smart contracts we have identified imports/ errors that are not used, as follows:

- ▶ In contracts/Aqua/AquaVault.sol → import {IERC20} from "@openzeppelin/contracts/token/ERC20/IERC20.sol";
- ▶ In contracts/storage/AquaVaultStorage.sol → import {PriceOracle} from "../Compound/PriceOracle.sol";
- ▶ In contracts/libraries/AquaVaultLogic.sol → error InvalidCreditChangeAfterSettlement(,;, error TokenNoOracle());

**Impact** Undesired increased bytecode size.

**Recommendation** Remove unused imports/ errors.

**Developer Response** Developers fixed this issue

### 4.1.9 V-AQU-VUL-009: Missing nonce in widget signatures

<b>Severity</b>	Warning	<b>Commit</b>	4333d53
<b>Type</b>	Maintainability	<b>Status</b>	Intended Behavior
<b>File(s)</b>	NativeRouter.sol		
<b>Location(s)</b>	verifyRfqWidgetFeeSignature()		
<b>Confirmed Fix At</b>	N/A		

For RFQ trades, a user calls `NativeRouter.tradeRFQT()` with parameters and two signatures procured from Native off-chain component

- ▶ A signature for Quote
- ▶ A signature for Quote.widgetFee

```

1 function verifyRfqWidgetFeeSignature(NativeRfqPool.RFQTQuote memory quote) private
2   view returns (bool) {
3     bytes32 quoteHash = keccak256(
4       abi.encode(
5         quote.pool,
6         quote.signer,
7         quote.recipient,
8         quote.sellerToken,
9         quote.buyerToken,
10        quote.sellerTokenAmount,
11        quote.buyerTokenAmount,
12        quote.deadlineTimestamp,
13        quote.nonce,
14        quote.multiHop,
15        quote.signature
16      )
17    );
18    bytes32 digest = _hashTypedDataV4(
19      keccak256(
20        abi.encode(
21          RFQ_QUOTE_WIDGET_SIGNATURE_HASH,
22          quoteHash,
23          quote.widgetFee.signer,
24          quote.widgetFee.feeRecipient,
25          quote.widgetFee.feeRate
26        )
27      )
28    );
29    address recoveredSigner = ECDSAUpgradeable.recover(digest, quote.
30      widgetFeeSignature);
31    return widgetFeeSigner == recoveredSigner;
32  }

```

**Snippet 4.15:** Snippet from `verifyRfqWidgetFeeSignature()` in `NativeRouter.sol:509`

The signature verification for the widgetFee is performed in `verifyRfqWidgetFeeSignature()`. This parameters used in signature for widgetFee does not have a nonce. Therefore, a signature replay attack is possible for widgetFee .



It is to be noted here that, a replay attack is mitigated here as the

- ▶ widgetFee is tightly coupled with quote because quote hash is a parameter in widget hash
- ▶ the nonce is used in quote hash
- ▶ The replay attack will fail when the Quote signature is verified.

**Impact** The protocol is protected against replay attacks due to tight coupling between quote signature and widgetFee signature. The protocol is upgradable and after upgrades the tight coupling may not exist. In such event, it is error prone if the nonce is not added to widgetFee signature and enable attackers to performs replay attacks on widgetFee signatures.

According discussions with Native developers, the widgetFee signature is critical as this signature is generated after the backed checks that traders using Aqua have enough collateral to borrow tokens to perform this trade.

**Recommendation** [If applicable]

**Developer Response** [If applicable]

#### 4.1.10 V-AQU-VUL-010: Unnecessary visibility modifier

<b>Severity</b>	Info	<b>Commit</b>	4333d53
<b>Type</b>	Access Control	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Compound/BaseJumpRateModelV2.sol		
<b>Location(s)</b>	constructor()		
<b>Confirmed Fix At</b>	1769b0b		

Since the BaseJumpRateModelV2 is an abstract contract, the visibility of the constructor (currently marked as internal) will be ignored. More details can be found on the Solidity's breaking changes page linked [here](#).

**Impact** NaN

**Recommendation** Remove the internal visibility modifier from the constructor's definition on L54.

**Developer Response** Developers fixed the issue

#### 4.1.11 V-AQU-VUL-011: Remove unused function

<b>Severity</b>	Info	<b>Commit</b>	4333d53
<b>Type</b>	Maintainability	<b>Status</b>	Fixed
<b>File(s)</b>	contracts/Compound/CToken.sol		
<b>Location(s)</b>	See issue description		
<b>Confirmed Fix At</b>	c9cd93a		

In the adapted version of Compound v2 within the Native protocol, the implementation of `borrowRatePerBlock` in the `CToken` contract has been removed. Given that there is no use of `borrowRatePerBlock` in `CToken`, there is no need to override it in `CToken` too.

**Impact** Undesirable increased bytecode size.

**Recommendation** Remove the `borrowRatePerBlock` function from `CToken` as it is already overridden in `AquaLpToken`.

**Developer Response** Developers fixed the issue



**smart contract** A self-executing contract with the terms directly written into code. Hosted on a blockchain, it automatically enforces and executes the terms of an agreement between buyer and seller. Smart contracts are transparent, tamper-proof, and eliminate the need for intermediaries, making transactions more efficient and secure.. 1