

DART

Digital Assets Risk and Trustworthiness Assessment



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PROJECT INFORMATION

Starlay Finance

Project Category: DeFi Lending Protocol

Official Website: <https://starlay.finance/>

Blockchain/Platform: Astar Network (Polkadot Network).

Brief Description: Starlay Finance is a platform built on Astar Network that allows users to deposit and borrow assets with ease. By depositing, users can provide liquidity and earn interest as a steady passive income. For those looking to borrow, Starlay enables them to leverage their assets without having to sell them.

Prelude: This review presents the risk factors associated with the given project and provides an analysis and respective overall risk rating as per a prescribed methodology.



TEAM COMPOSITION

The Starlay Finance team is comprised of the following individuals:

There is no information about the Starlay Finance team members as observed in the project official website. It is challenging to ascertain/discuss the Starlay finance team members background and industry work experience without any concrete information.

TEAM

The Starlay Finance team structure

There was no mention of any notable project advisors and it is difficult to discuss the Starlay finance team structure.

The Starlay Finance supporters

Starlay Finance is backed by: Astar, ArthSwap, ASTARDEGENS, DIA, Next Web Capital, TRGC, DFG, AU21 CAPITAL, and Acala.

The Starlay Finance connections

The team appears to be part of DeCartel, which is comprised of four protocols: Starlay Finance, Kagla Finance, Arthswap, and Muuu.

Given the degree of anonymity, it cannot be ruled out that the team behind this project has members in the above mentioned projects or if it is the same team of any or all of the above.

The Starlay Finance concerns

There is no available information about the team members on the official website. The lack of transparency makes it difficult to assess their backgrounds, industry experience, or any involvement in notable projects. Without access to details about the team, it's also impossible to evaluate their professional track record or if they've been associated with any controversies.

There was a post identified on the Astar network forum where the community voiced their concerns regarding the team's transparency regarding their IDO and only one voice from what appears to be a team member was noted to have provided an explanation as well as forms to ameliorate any perceived negative impact incurred on the community.

GITHUB & CODE QUALITY

At the moment of writing this report, Starlay Finance's GitHub is public with 20 repositories, signaling an open-source approach that encourages transparency and collaboration. The project shows development activity with a healthy commit frequency, indicating that it's actively maintained and developed. A good number of contributors also suggests a team or community that's engaged in the project's evolution. The quality of the documentation stands out, making it easier for developers to understand the codebase, contribute effectively, or even build on top of the protocol. The use of widely accepted development languages like TypeScript, JavaScript, Rust, and Solidity shows that the project is employing industry-standard technologies suited to both blockchain and traditional software development.

SOCIAL MEDIA & COMMUNITY

Community size and activity

Starlay Finance has cultivated a moderately sized community across different platforms, though engagement levels vary. On X, the project boasts over 70K followers and more than 600 posts, yet the low interaction suggests that many followers may not be actively participating or that some of the follower base could be inorganic. In contrast, Medium, with only 1K followers, shows better engagement relative to its smaller size, indicating that its content resonates with a more focused audience. Discord is a more vibrant platform, hosting just over 37K members and featuring active discussions, though some users have expressed frustration with slow admin responses.

Quality of interactions

The quality of interactions within the Starlay Finance community is mixed across platforms. Discord serves as a hub of activity, with healthy user interactions, specialized country and language channels, and even a scam report feature, demonstrating a strong effort to maintain engagement and security. On Medium, followers appear more engaged with the content, although the platform hasn't seen updates since the beginning of the current year, which might limit ongoing interaction. On X, the large follower count contrasts sharply with the minimal engagement, which could indicate a less engaged audience or limitations in fostering meaningful dialogue. Telegram's muted status since 2022 has further limited interaction opportunities for its 8K members.

Red Flags and Risks

Several red flags emerge concerning the structure and transparency of Starlay Finance's community platforms. The muted state of its Telegram group, which has not been listed on the official website, raises concerns about unofficial and potentially fraudulent groups, particularly since it is promoted through external sources like CoinGecko. The absence of official Reddit and LinkedIn accounts creates additional risks, as it leaves the project vulnerable to impersonation, further eroding user trust. Combined with slow admin responses on Discord and limited updates on Medium, these issues could weaken the community's confidence in the project's reliability and long-term viability.

BUSINESS MODEL

Starlay Finance offers a solid value proposition with its core features of lending and borrowing on the Astar Network. By allowing users to earn passive income through deposited assets and offering a clear reward structure, it appeals to both liquidity providers and borrowers. The introduction of ITokens and their flexible redemption adds an efficient layer to asset management, while the interest rate model incentivizes additional deposits when liquidity is tight. The business model seems robust, especially with the inclusion of vote-escrow mechanisms like veLAY, which mirrors successful examples like Curve Finance. Locking LAY tokens for governance rewards and protocol fees ensures user engagement and long-term commitment, which could stabilize the token supply by reducing circulating liquidity.

Starlay's focus on offering a comprehensive lending protocol within DeFi on networks like Astar and Acala, paired with liquidity mining incentives, gives it a clear growth potential, especially as it integrates proven mechanisms like vote escrow, popular among other protocols. The detailed allocation of LAY tokens for different purposes—liquidity, community, team, and investors—shows thoughtful financial planning. However, managing inflationary pressures as unlocked LAY tokens enter circulation will be key. The project business model appears well-structured, with gradual token releases and revenue models in place. The treasury model accumulating fees and the potential for burning tokens also adds a deflationary mechanism that could increase LAY's value over time.

CONCLUSION AND SCORE

Conclusion

Based on the comprehensive review of Starlay Finance, the project presents several strengths alongside areas that require attention. Key positives include a well-structured business model focused on lending and borrowing, solid tokenomics, and an innovative approach through the integration of vote-escrow mechanisms. Additionally, the project's GitHub reflects moderate activity and transparent development practices.

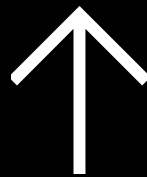
However, the lack of transparency surrounding the team is a significant concern. With no available information on the project's leadership, it's difficult to gauge the team's expertise, which raises questions about accountability and trustworthiness. Furthermore, the community engagement is mixed, with signs of inorganic growth on certain platforms and issues like unlisted Telegram channels and slow admin responses affecting user trust.

Score

Due to the aforementioned reasons, Starlay Finance has achieved three out of five stars. Starlay Finance has promising aspects, particularly in its business model and growth potential. However, the lack of team transparency and community concerns warrant caution. Potential investors or users should carefully monitor the project's developments and ensure thorough due diligence, particularly regarding team disclosures and enhanced community interaction.

CONTACT US

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TEAM