

DART

Digital Assets Risk and Trustworthiness Assessment

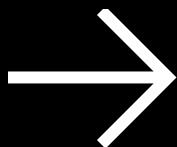


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PROJECT INFORMATION

Acala

Project Category: DeFi protocol

Official Website: <https://acala.network/>

Blockchain/Platform: Polkadot Network

Brief Description: Acala Network is a decentralised finance (DeFi) hub and stablecoin platform built on Polkadot. It offers a suite of interoperable financial applications, including the multi-collateralized aUSD stablecoin, staking derivatives, and a decentralised exchange (DEX). Acala combines EVM compatibility and Substrate's flexibility to empower developers and users.

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 Acala team is comprised of the following individuals:

Bette Chen, Co-Founder

Bette Chen is one of the co-founders of Acala Network as well as Chief Operating Officer at Laminar. She has a rich background in product management and technology innovation. Before Acala, she co-founded Flowingo and held key roles such as Product Manager at Centrality.ai and Digital Project Manager at CLAAS Harvest Centre. Her experience spans business analysis at Peugeot Finance, University of Canterbury, and Project Management at SAP. Bette's foundation in both technical and strategic domains comes from her early career as an Agile Software Engineer at First Data Corporation.

Ruitao Su, Co-Founder

Ruitao Su is a co-founder of Acala Network and Chief Executive Officer at Laminar, focusing on creating innovative blockchain solutions. Before these ventures, Ruitao founded Less Code Limited and led mobile development as Head of Mobile at The Diary Corporation.

Bryan Chen, Co-Founder & CTO

Bryan Chen serves as a co-founder and the Chief Technology Officer of Acala Network, bringing extensive expertise in blockchain and software engineering. He is also the CTO at Laminar and worked as a Product Architect and Senior Software Engineer at Centrality.ai. Bryan also gained valuable development experience at Moxion, Kami Incorporated, and Compac Sorting Equipment.

Other team members:

Due to the lack of clarity associated with the current team members and roles, it is difficult to determine with certainty other individuals who form part of the team. Some of these names include, but are not limited to:

Fuyao Jiang

TEAM

The Acala team structure

The Acala Network team consists of Bette Chen (Co-Founder & CEO) with expertise in product management and operations, Bryan Chen (Co-Founder & CTO) leading technical innovation and blockchain development, and Ruitao Su (Co-Founder) driving strategy and business growth with a focus on bridging technology and commerce. Their complementary skills ensure a balance of strategic, technical, and operational leadership.

The Acala supporters

Acala Network collaborates/partners with a wide range of ecosystem projects across categories such as Bridges, DeFi, Fintech, Gaming, Infrastructure, NFTs, Node Operators, Oracles, Parachains, Risk & Security, Tools, and Wallets within its ecosystem. Some of the project's investors and backers include: Republic, Coinbase Ventures, Polychain Capital, KR1, P2P Capital, Hashkey Capital, SNZ, web3 capital, Stake Zone, Goodmore Capital, Web3 Foundation grants program, Berkeley Blockchain Xcelerator, Digital Renaissance, P2P Validator, Hypersphere, 1 Confirmation, Arrington XRP Capital, Parafi Capital, Spartan, Altonomy, CMS, Divergence Ventures, CoinFund, Digital Currency Group, Zee Prime Capital, Dentons, Pantera, Illusionist, and TQ Ventures.

The Acala connections

There was no significant concentration of a single connection identified.

The Acala concerns

While the Acala network provides some level of transparency through partner/support project logos and links to the partner projects websites, the evidence supporting these partnerships is limited and often lacks robust documentation. The reliance on open source for team member information and the absence of a comprehensive team list or notable advisors further adds to the inconsistency. Additionally, while links to announcements and social media posts may validate certain collaborations, the verification process appears to be one-sided, primarily handled by Acala network, without robust external corroboration or detailed documentation.

Despite the above, it has been noted that some of the senior leadership team have had a track record in the past of speaking with the general community, which does add to the team's transparency.

GITHUB & CODE QUALITY

Acala Network's GitHub is open-source, featuring over 140 followers and just over 130 repositories, indicating a reasonable level of community interest and project activity. The repository shows good commit frequency, suggesting active development, and has a decent number of contributors, which is a positive sign of collaboration. The primary programming languages used are TypeScript, JavaScript, Rust, Python, and Solidity, reflecting a diverse tech stack for a DeFi platform. The quality of documentation is reported to be strong, ensuring that developers can easily understand and contribute to the project.

The project also possesses multiple audits from three companies: Trail of Bits, Security Research Labs, and SlowMist, and spans from 2020 to 2023. Having such audits provide goodwill in the eyes of investors and users alike.

SOCIAL MEDIA & COMMUNITY

Community size and activity

The Acala Network boasts a strong community presence across several platforms. On X, the project has over 250K followers, with moderate engagement and frequent posts, showcasing consistent activity. Telegram has 19K members but operates as a read-only channel, which limits member participation. LinkedIn has 11K followers, though its activity and interaction are minimal, with only a few posts. The Discord server stands out, with over 20K members actively participating and benefiting from multilingual support and responsive management.

Quality of interactions

Acala Network's Discord server sets a high standard for community interaction. It provides prompt responses from admins, active engagement from community managers, and robust support through dedicated channels, including an active scam-report channel. This level of support fosters healthy interactions and builds trust. On the other hand, Telegram's read-only format significantly reduces interaction opportunities, and LinkedIn's minimal activity offers little value for professional engagement.

Red Flags and Risks

Despite its strong Discord presence, Acala Network faces challenges on other platforms. Low engagement on Telegram and LinkedIn raises concerns about the project's ability to interact meaningfully outside Discord. The read-only nature of Telegram could frustrate users seeking urgent support or real-time dialogue, while LinkedIn's minimal presence might hinder outreach to institutional or professional stakeholders. These gaps suggest potential issues with engagement strategy and raise questions about the authenticity or effectiveness of its broader community management efforts.

BUSINESS MODEL

Acala's business model is robust, leveraging a clear focus on liquidity solutions and cross-chain interoperability to address significant gaps in the DeFi space. The integration of products like LDOT and Euphrates demonstrates a strong value proposition by enabling users to stake assets while maintaining liquidity and providing tools for developers to enhance protocol adoption. The capped supply of ACA, alongside token burns and emissions for ecosystem incentives, reflects thoughtful financial planning aimed at balancing the project's growth. The reliance on Polkadot's security ensures a stable foundation, while governance mechanisms like emergency shutdowns show a commitment to protecting users. The project's Growth potential is evident through innovative products like the Homa Protocol and a strong emphasis on liquidity distribution.

It is worth mentioning that there was an incident back in 2022, where the project suffered from an exploit pertaining to its iBTC/aUSD liquidity pool which allowed attackers to mint over a billion aUSD (Acala's stablecoin) without collateral which caused the stablecoin to depeg from \$1. However, the team reacted quickly and took actions such as freezing wallets, and collaborating with the community on governance proposals to fix this issue. After 2 years from this event, the team appears to have continued its endeavors and having learned from this issue is something that makes a team and business stronger since these are lessons that build experience in critical areas of risk in the web3 space.

CONCLUSION AND SCORE

Conclusion

Based on the above comprehensive review, Acala Network exhibits strong potential in its business model, demonstrating significant value to users through liquidity solutions and cross-chain interoperability. Its GitHub activity and documentation are good, reflecting a committed and capable development team. However, areas for improvement include team transparency, as a comprehensive and verifiable team member list is not available on the project official website, and inconsistencies in partnership validation. The Community engagement is moderate, with Discord being a more interactive platform, though low activity on Telegram and LinkedIn raises concerns about user interaction and organic growth.

Score

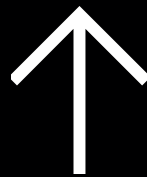
As per the reasons mentioned above, Acala has achieved four out of five stars. Potential investors or users are advised to monitor the project's developments closely, particularly in improving team visibility, partnership authenticity and enhancing community interaction across all platforms. As always, perform your own research and stay informed through the project's official communications to make well-rounded decisions.

CONTACT US

<https://polkadot.antiscam.team/>

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[Discord Community](#)



ANTI·SCAM
TEAM