

DART

Digital Assets Risk and Trustworthiness Assessment



TABLE OF CONTENTS

01 / Project information

02 / Team

03 / Github & Code Quality

04 / Socials & Community

05 / Business model

06 / Conclusion and Score

PROJECT INFORMATION

Arthswap

Project Category: DeFi Protocol

Official Website: <https://app.arthswap.org/>

Blockchain/Platform: Astar Network (Polkadot)

Brief Description: ArthSwap is a decentralized exchange (DEX) on the Astar Network that offers fast, low-cost trading, staking, and yield farming. It is designed to make DeFi more accessible on Astar by supporting cross-chain assets and driving liquidity. ArthSwap aims to be a key platform for users to engage with DeFi, making the most of Astar's scalability and interoperability.

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 Arthswap team is comprised of the following individuals:

Daisuke Yamada, CEO

Daisuke appears to have spoken on Polkadot Decoded in mid 2023. However, there are no further documented details on his background and experience. No further details.

Kyo Nishikawa, COO

There were no details identified on this team member.

TEAM

The Arthswap team structure

Due to the lack of intelligence available on the team, no further assertions can be made on the team structure other than that of their purported titles.

The Arthswap supporters

ArthSwap is supported by Astar, Next Web Capital, Hypersphere Ventures, LongHash Ventures, Digital Finance Group, and nfr.

The Arthswap connections

ArthSwap was noted to have made investments into both Starlay Finance and Starfish Finance, both of which are also part of the Astar ecosystem.

The Arthswap concerns

When a project's team is anonymous or not easily accessible, it raises concerns for potential investors and users regarding accountability and trustworthiness. The inability to verify the team's background, industry experience, and potential involvement in previous projects whether positive or negative creates uncertainty. Investors and users typically rely on a project's team to assess its capability, expertise, and reputation. Without this transparency, it becomes difficult to gauge the level of professionalism and reliability behind ArthSwap. Furthermore, in the world of crypto and DeFi, there have been instances where anonymous or unverified teams have led to exit scams, or other forms of fraud.

GITHUB & CODE QUALITY

The Arthswap project on GitHub is public and open-source, but exhibits low activity, with few commits, many of which are up to two years old. It has 8 repositories and just over 20 followers, indicating some community interest but limited ongoing development. The primary development languages are Solidity, TypeScript, and JavaScript. But while the repositories contain moderately good documentation, the entire commit frequency is low, suggesting a decline in active development or maintenance. The project follows standard software development practices in terms of documentation and code structure, but the lack of recent activity may impact the project's growth and updates.

The project was also audited by Quantstamp in 2022 and had almost all issues resolved, and no issues were noted as having been high risk as per the report. In addition, the project was also reviewed by PeckShield, and the report indicates that the team has confirmed and addressed all pertinent issues. These instances of the project being subject to audits and resolving and addressing issues identified espouses a project's credibility in the eyes of users, the community, and investors alike.

SOCIAL MEDIA & COMMUNITY

Community size and activity

ArthSwap has a substantial following on X (around 90K followers) and Discord (about 79K members), yet engagement levels on both platforms are low. The discrepancy between the follower count and interaction on X posts suggests that much of the follower base may be inactive or inorganic. Similarly, Discord activity is minimal, with the latest announcement dating back to June 2024, indicating a lack of ongoing community engagement and communication from the team.

Quality of interactions

While direct interaction with the community is limited, ArthSwap demonstrates some level of care through its scam report channel on Discord and active removal of concerning links in its general channel. These measures help maintain a secure environment for users, though the scarcity of regular communication and interaction may make it harder to foster a genuinely engaged community. On Medium, ArthSwap's 2.9K followers show moderate interest through post claps, reflecting some authentic engagement.

Red Flags and Risks

The low activity levels on X and Discord, coupled with outdated communication, raise concerns about the vitality of ArthSwap's community and its support framework. The lack of consistent engagement suggests potential issues with community health and transparency. Without more regular updates and interaction, new users may find it difficult to connect with the project, which could impact the perceived reliability and sustainability of ArthSwap's community support.

BUSINESS MODEL

ArthSwap's business model, built around trading fees and staking rewards, seems robust at a glance. The 0.3% fee on all trades, with 0.25% going to liquidity providers and 0.05% to stakers, incentivizes both participation and liquidity. The high APY design is attractive to users seeking rewards through liquidity farming and staking, which helps drive early adoption. The project's value proposition is clear: being the main DEX on Astar Network with a focus on simplifying DeFi while offering multiple products (trading, staking, IDO launchpad). Its strong connection to Astar makes it well-positioned to grow within the ecosystem, similar to how other DEXs have flourished on their respective chains. However, sustainability could be a concern if tokenomics, particularly the large allocation (35%) to liquidity mining and airdrops, fails to maintain interest once rewards diminish. The tokenomics seem designed to ensure initial traction, but long-term profitability depends on continued platform use and real utility for the ARSW token beyond rewards.

CONCLUSION AND SCORE

Conclusion

Based on our comprehensive review, ArthSwap presents a promising business model centered on trading fees and staking rewards, establishing itself as a key decentralized exchange on the Astar Network. Its approach to DeFi, including high APY designs and liquidity farming, positions it favorably for early adoption within the ecosystem. However, the project faces significant challenges, particularly concerning the lack of transparency about its team, which raises concerns about accountability and trustworthiness. Additionally, while the community size appears large, engagement metrics indicate potential inactivity, and the project's code development appears stagnant.

Score

Due to the aforementioned reasons, Arthswap has achieved three out of five stars. Potential investors and users should proceed with caution, paying close attention to the project's efforts to enhance community engagement and improve the visibility of its team. We recommend conducting further due diligence and staying updated with ArthSwap's developments to better gauge its future viability and potential for sustained growth.

CONTACT US

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

contact@antiscam.team

[Discord Community](#)



ANTI·SCAM
TEAM