

DART

Digital Assets Risk and Trustworthiness Assessment

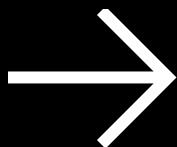


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PROJECT INFORMATION

Interlay

Project Category: DeFi protocol

Official Website: <https://www.interlay.io/>

Blockchain/Platform: Polkadot Network

Brief Description: Interlay is a decentralized platform that brings Bitcoin into different blockchain ecosystems like Polkadot and Ethereum, without needing centralized exchanges. Using Bitcoin-backed assets like InterBTC, which is fully collateralized and secured by smart contracts, Interlay enables users to move and use Bitcoin across various chains in a trustless way. This approach opens up Bitcoin's potential in decentralized finance (DeFi) while keeping its security and decentralization intact.

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 Interlay team is comprised of the following individuals:

Alexei Zamyatin, Co-Founder & CEO

Alexei has prior experience as an advisor at a business management consultancy in the field of digital assets and web3 governance. Prior to this, he held several research roles involving bitcoin, blockchain security, and interoperability. Other pertinent experience includes academic faculty roles associated with software engineering.

Dominik Harz, Co-Founder & CTO

Prior to co-founding Interlay alongside Alexei, Dominik held research roles focused on computation management systems, smart contracts, and blockchain trust. Other roles also include having been the software architect of a retail and big data company, as well as a cloud computing risk assurance consultant at a big4 firm.

Caroline Mascarin, Head of Operations

Prior to joining Interlay, Caroline was the head of operations at an eCommerce business. Before this, she held several roles which include studio manager, and an operations manager at an education administration organization.

Other team members:

The contributors to the project appear to be operating under an entity named Distributed Crafts. However, due to limited information, further assertions cannot be definitely made on which team members directly contribute to the project (other than the previously mentioned names).

TEAM

The Interlay team structure

The Interlay team has a focused structure led by Alexei Zamyatin (Co-Founder & CEO), Dominik Harz (Co-Founder & CTO), and Caroline Mascarin (Head of Operations). Alexei drives the strategic vision and partnerships, Dominik oversees technical development and security, and Caroline manages daily operations and resource allocation. This setup enables Interlay to balance technical innovation with efficient project execution, advancing its mission of Bitcoin interoperability within the Polkadot ecosystem. There is no project advisor mentioned as observed in the official website.

The Interlay supporters

IO5G ventures, DFG, Hypersphere, KR1, Launchub ventures, Nexo, Blockchain.com, CMS, Signum Capital, Zee Prime Capital, web3 Foundation, Substrate builders program, Acala network, and Interchain Foundation. In addition to the investors listed above, there were other investors which include Jihan Wu and Philip Liu (both are ex Bitmain).

The Interlay connections

The team members of the project appear to have a nexus to Distributed Crafts. And appears to be the umbrella company contributing to Interlay and Build On Bitcoin (BOB).

The Interlay concerns

There are currently no material and pressing concerns with the team.

However, while the team structure is partially verified through one of the project's Medium posts that mentions core members: Alexei Zamyatin (Co-Founder & CEO), Dominik Harz (Co-Founder & CTO), and Caroline Mascarin (Head of Operations), there is no additional information about their educational or professional backgrounds available on the project's official website. This presents itself as an area where the team can improve on to provide further transparency and trust. Moreover, Interlay does not list any project advisors, which could provide further support and external credibility.

GITHUB & CODE QUALITY

Interlay's Github is open source, with its repositories openly accessible and showcasing active development. The project github has over 110 followers and a healthy number of contributors, indicating community interest and collaboration. With 75 repositories and a steady commit frequency, Interlay's codebase is well-maintained, reflecting ongoing progress and regular updates. The documentation quality is good, making it easier for new contributors to understand and participate in development. The project uses multiple languages TypeScript, Rust, Jupyter, JavaScript, and Solidity showcasing a versatile tech stack. The Interlay github open-source approach supports transparency and promotes community engagement in the project.

The project has audits from Security Research Labs, Quarkslab, Informal Systems, and NCC Group. The audits from these companies were indeed verified via the project's "interbtc" repository, with the exception of NCC Group, with the team referencing that the report from this last company is not available.

SOCIAL MEDIA & COMMUNITY

Community size and activity

Interlay has a solid community presence, though engagement and activity levels vary across platforms. On X, the project has over 30K followers and more than 2K posts, with good engagement; however, activity seems to have stagnated since the account was recovered in July 2024. This period of limited updates has raised some concerns among users about team engagement. The Telegram group, with over 3K members, maintains steady interactions, though discussions sometimes reflect user concerns, particularly around X account inactivity, withdrawal issues via Ledger, and deleted questions. On Discord, with over 10K members, activity is consistent, and a scam report channel helps safeguard users.

Quality of interactions

Interactions within Interlay's community are generally active and closely monitored by the team. On Telegram, admins engage with users frequently, but the presence of FUD comments related to recent inactivity and development concerns suggests that communication on sensitive topics could be improved. Discord's support is responsive, with prompt actions on scam reports and open discussion spaces, similar to Telegram's engagement. Medium, where Interlay has over 400 followers, hosts project updates that resonate well with its audience, indicated by steady post claps, though recent activity levels reflect the same pause seen on X, starting in July.

Red Flags and Risks

Some red flags include user concerns about inactivity on X and statements from Telegram admins suggesting the project is in maintenance mode, sparking speculation about ongoing development. This sentiment is further compounded by FUD comments on withdrawal issues and deleted questions, which may weaken user trust. Additionally, the pause in activity across platforms like X and Medium raises questions about transparency and project momentum. While Discord and Telegram are actively managed, improved communication about project status and developer involvement could help alleviate community uncertainties.

BUSINESS MODEL

Interlay's business model presents a well-thought-out approach to bridging Bitcoin with decentralized finance (DeFi), leveraging Bitcoin's stability and reputation while addressing its limitations in programmability. The core value proposition is clear: enabling Bitcoin holders to participate in DeFi without relying on centralized intermediaries. By creating a decentralized, trustless bridge through the XCLAIM protocol and securing it as a Polkadot parachain, Interlay offers an alternative to the centralized models seen in wBTC, renBTC, and others. This decentralized structure not only appeals to the ethos of Bitcoin itself but also aligns with broader Web3 principles of trustless and open financial systems, positioning Interlay well in a market that increasingly values decentralization. The layered architecture is another strong point, supporting security, governance, and scalability through the Polkadot network. This framework gives Interlay both robustness and flexibility, allowing it to adapt to different networks and liquidity requirements while managing upgrades efficiently. The design also indicates that Interlay has a long-term strategy for maintaining decentralization and reducing risks associated with traditional centralized finance (CeFi) structures, which could make it more sustainable than other bridge solutions.

Interlay's focus on core DeFi tools: like lending, borrowing, and exchanges—addresses immediate user needs and establishes a fundamental service offering. The upcoming Interlay v2 update, which simplifies access for less-experienced users, reflects a clear focus on enhancing user experience and reducing friction. This focus on usability should help expand Interlay's user base, as it removes barriers that might otherwise deter non-experts from venturing into DeFi. As for growth potential, Interlay is entering a promising niche. The demand for decentralized financial services is growing, and bringing Bitcoin into this ecosystem offers substantial value. This means that, if executed well, Interlay could capture a significant segment of Bitcoin holders interested in DeFi but cautious of centralized models. Given the modular, scalable design and alignment with Polkadot's interoperability, Interlay does appear to have laid the groundwork for sustained growth and profitability.

CONCLUSION AND SCORE

Conclusion

Based on this comprehensive review, Interlay demonstrates significant strengths in its business model, with a robust and forward-thinking approach to integrating Bitcoin into decentralized finance. The platform's unique value proposition of enabling Bitcoin-based DeFi without relying on centralized entities appeals strongly to the Web3 community and aligns with a growing demand for decentralized financial systems. Interlay's architecture, layered structure, and strategic use of Polkadot's parachain network offer a high degree of scalability and interoperability, positioning it well for long-term sustainability and growth.

The team's reputation is moderately commendable, with key members publicly acknowledged for their technical expertise and leadership roles. However, the lack of detailed, easily accessible information on team backgrounds and the absence of advisors could impact potential users' trust and confidence in the project's credibility. Interlay's Github activity and documentation are adequate, though there is room to increase engagement to enhance transparency further. The project's Social media interactions were active up until July, yet the Discord and Telegram platforms appear to be used for communication, which has not been positive as per responses from the admin and occasional user complaints highlight areas where community engagement could improve.

Score

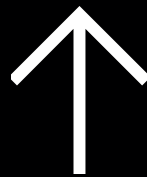
As per the reasons mentioned above, Interlay has achieved three out of five stars. While it shows substantial promise, particularly in its innovative business model and secure, decentralized approach, users and investors should monitor the project's progress, especially in community engagement, partnerships and team transparency. We encourage continued due diligence, and as always, staying updated with Interlay's official announcements and developments is advisable.

CONTACT US

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[Discord Community](#)



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TEAM