

NATION STATE ADOPTION: HOW AND WHY COUNTRIES ARE GAINING EXPOSURE TO BITCOIN

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The Bitcoin Policy Institute (BPI) is a non-partisan, non-profit think tank. It is dedicated to educating policymakers and the public on Bitcoin and disruptive digital technologies, providing research-based insights to inform sound policy in the United States.



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EXECUTIVE SUMMARY

The Cycle of National Bitcoin Adoption

In its 17-year history, bitcoin has steadily gained credibility and value in cycles, each drawing in new groups of buyers. The first adopters were cypherpunks, followed by individual retail speculators, and eventually hedge funds. The last cycle saw corporations adopting bitcoin treasury strategies, as well as the first Nation State adopters — El Salvador and the Central African Republic.

Despite the Central African Republic reversing bitcoin's status as legal tender, and El Salvador complying with external pressure from the IMF and pairing back some of its bitcoin policies, the current bitcoin cycle has seen increasing national adoption by governments. What has changed, however, is the manner in which countries have gained exposure to bitcoin since the legal tender first movers.

America Pioneering Bitcoin Reserves

Previously, the largest sovereign bitcoin treasuries have been collected through seizure by their justice apparatus from individuals undertaking illicit activities. The striking change in this cycle is that countries have explicitly stated, or implied through their inaction, that they don't intend to sell their accumulated bitcoin. This was most evident in an executive order signed by U.S. President Donald Trump, which differentiated bitcoin from other cryptocurrencies and set a policy of retaining, rather than selling, bitcoin holdings.

That executive order is not the only pioneering effort underway in the U.S. Republican Senator Cynthia Lummis has introduced a bill that, if enacted, would mandate the U.S. purchase one million bitcoins as a strategic reserve. Interestingly, states have front run the federal adoption measure, with Arizona, New Hampshire, and Texas signing Strategic Bitcoin Reserves (SBRs) into law, and dozens more considering SBRs.

Other countries have taken notice of this growing momentum within the U.S. government, and are executing their own strategies for exposure. Sixteen nations have now proposed or enacted legislation for SBRs in a similar context to the U.S. In addition, multiple international provinces and cities—as well as several U.S. municipalities—have begun allowing residents to pay taxes in bitcoin



International Innovative Methods of Bitcoin Exposure

Many countries have established novel ways to gain national exposure to bitcoin that the U.S. has yet to match. For example, some nations have utilized their sovereign wealth funds (SWFs) as vehicles to acquire bitcoin for the sovereign balance sheet. This does not always require direct purchases; some countries have used abundant excess electricity to mine bitcoin. These deals are usually conducted through joint ventures with foreign companies, but provide profit sharing in the form of bitcoin accumulation to the sovereign's balance sheet.

In many countries, SWFs use cash reserves to gain exposure to bitcoin, ranging from direct purchases to spot bitcoin exchange-traded funds (ETFs), as well as indirect exposure through shares of bitcoin treasury companies such as MicroStrategy. In addition, some central banks and government-affiliated pension funds have made similar investments.

Exposure to What End

This paper examines Nation States that have gained exposure to bitcoin, and highlights the rapid acceleration of such exposure over the past year. It also analyzes the potential benefits that bitcoin holdings could offer to countries adopting this strategy.

The most immediate advantage is that bitcoin can complement gold—the world's longest-standing reserve asset on sovereign balance sheets. Often described as "digital gold," bitcoin fulfills many of the same monetary functions, and arguably improves upon them. In an era of increased geopolitical uncertainty, the possession of a neutral reserve asset with a global, liquid market is highly valuable. Bitcoin's digital portability—allowing transfers anywhere in the world within about ten minutes—further enhances this value, especially as U.S. Treasuries increasingly struggle to keep pace with dollar debasement.

Bitcoin's portability and independence from intermediaries also opens new possibilities beyond its role as a reserve asset. For example, bitcoin can serve as partial collateral for sovereign bonds. "Bit-Bonds" might attract greater institutional investor interest, thereby lowering borrowing costs for governments and their taxpayers. Bitcoin can also facilitate trade by bridging currency pairs between neighboring countries, reducing reliance on costly intermediaries and fees. Finally, countries that adopt bitcoin early often see the emergence of bitcoin-driven business ecosystems.

The Nation States Are Here

According to our research, 27 countries currently have some measure of exposure to bitcoin—approximately one in seven worldwide. Furthermore, 13 countries have proposed adoption measures through legislation or policy initiatives, most commonly in the form of establishing an SBR. Much of this activity has taken place within the last year, making it difficult to envision a scenario in which adoption ceases or reverses. Bitcoin has emerged as a new macroeconomic asset, the first of its kind in more than a century. Now that the most powerful and influential countries in North America, Europe, Asia, and the Middle East are engaging with bitcoin, a game-theoretic race for adoption has begun.

INTRODUCTION

Over the past decade, Bitcoin has evolved from a fringe innovation into a geopolitical asset of growing interest to sovereign actors. With its fixed supply, borderless infrastructure, and resistance to centralized control, bitcoin has captured the attention of policymakers, central banks, and public finance managers alike. As fiscal instability, inflation concerns, and global monetary shifts accelerate, governments are increasingly exploring bitcoin not only as a speculative investment but also as a strategic economic and political tool.

For years, the mainstream debate around bitcoin adoption has narrowly centered on whether citizens could use it to “buy a cup of coffee.” But defining national adoption solely through the lens of legal tender status misses the diversity of sovereign approaches emerging worldwide.

The most high-profile early adopter, El Salvador, became the first country to formally recognize bitcoin as legal tender in 2021.¹ Despite strong warnings from the IMF and other global institutions, President Nayib Bukele pushed the measure through the legislature, signaling a defiant stance against traditional financial governance. This move inspired a wave of speculation that El Salvador would be the first domino in a global shift toward bitcoin-based monetary systems. Following suit, the Central African Republic (CAR) adopted bitcoin as legal tender in 2022, though it reversed the policy less than a year later, citing the lack of infrastructure to support digital payments at scale.² El Salvador’s experiment has also faced challenges. By January 2025, the country had revised its law, eliminating the requirement that businesses must accept bitcoin as a form of payment.³

Yet, El Salvador’s adoption of bitcoin went beyond merchant acceptance. The country has also pursued sovereign bitcoin accumulation, treating the asset as a national reserve. Through direct purchases—made via dollar cost averaging, strategic dips, and programs like “Bitcoin for Citizenship”—El Salvador has amassed approximately 6,100 BTC.⁴ As of mid-2025, those holdings have appreciated by more than 130%, representing over 1% of the country’s GDP based on 2023 World Bank figures.⁵

The United States has since followed suit in an even more institutionalized way. Under Executive Order during the Trump administration, the federal government established a Strategic Bitcoin Reserve, citing the significant missed gains from previously liquidated bitcoin holdings.⁶ Former bitcoin holdings reportedly sold for \$400 million would now be worth over \$17 billion—an error the administration pledged not to repeat.⁷ The executive order also included language enabling further bitcoin accumulation through “budget-neutral means.”⁸

¹ Alfaro, L., Larangeira, C., & Costas, R. (2022). El Salvador: Launching Bitcoin as legal tender (Harvard Business School Case No. 322-055). Harvard Business School. <https://www.hbs.edu/faculty/Pages/item.aspx?num=62068>

² International Monetary Fund. (2023). El Salvador: 2023 Article IV consultation (IMF Country Report No. 23/2). <https://www.imf.org/-/media/Files/Publications/CR/2023/English/1CAFEA2023002.ashx>

³ Global Finance. (2022, November 22). El Salvador drops Bitcoin as legal tender. <https://gfmag.com/economics-policy-regulation/el-salvador-drops-bitcoin-legal-tender/>

⁴ Government of El Salvador. (n.d.). Bitcoin. Retrieved September 9, 2025, from <https://bitcoin.gob.sv/>

⁵ Calculation based on data from World Bank. (2025). GDP (current US\$) - El Salvador. The World Bank. <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=SV>

⁶ The White House. (2025, March). Establishment of the strategic bitcoin reserve and United States digital asset stockpile. <https://www.whitehouse.gov/presidential-actions/2025/03/establishment-of-the-strategic-bitcoin-reserve-and-united-states-digital-asset-stockpile/>

⁷ ABC News. (2025, March 18). White House crypto czar says public lost \$17 billion. <https://abcnews.go.com/Politics/white-house-crypto-czar-public-lost-17-billion/story?id=119568771>

⁸ The White House. (2025, March). Establishment of the strategic bitcoin reserve and United States digital asset stockpile. <https://www.whitehouse.gov/presidential-actions/2025/03/establishment-of-the-strategic-bitcoin-reserve-and-united-states-digital-asset-stockpile/>

As these examples show, legal tender status is not the only route for nation state adoption. Sovereign custody, institutional purchasing, and strategic program design may prove more durable paths to national adoption. This report seeks to clarify these paths, offering both quantitative analysis of global exposure events and qualitative insight into the motivations and implications driving them. In doing so, it presents the first comprehensive dataset and typology of nation-state exposure to bitcoin, defined as any official mechanism through which a government may own, earn, or materially benefit from bitcoin. This report aims to equip researchers, policymakers, and the public with a clear understanding of how—and why—governments are positioning themselves around bitcoin at this critical juncture in monetary history.

METHODS

As mentioned previously, there are many different paths countries may take to gain exposure to bitcoin. For data collection purposes, exposure was defined as any official path a government may take to own, earn, or generally benefit from bitcoin. To systematically document Nation States' exposure to bitcoin, multi-platform, keyword-driven searches were conducted using tools such as ChatGPT, Grok, Gemini, and conventional web and X (formerly Twitter) platforms. Keywords included terms such as "Bitcoin strategic reserve," "government bitcoin mining," "bitcoin sovereign wealth fund," and "bitcoin pension fund."

Information pertaining to the country, type of exposure method, date of the exposure announcement or commencement, status (active, proposed, or previously active), along with relevant documentation were recorded in Excel. Pivot tables were used for cross-tabulations, filtering, and analyses.

The main exposure modalities found were to be: establishment of a strategic bitcoin reserve, government-affiliated bitcoin mining through provision of electricity in return for profit sharing, passively holding seized bitcoin, accepting tax payments in bitcoin, holding bitcoin in a government pension or a sovereign wealth fund, and previously using bitcoin as legal tender. Other modalities found included donations to Ukraine, a government-backed crypto exchange being piloted by Russia, illicitly acquired bitcoin in North Korea, seizure to pay debt owed to the government in Japan, and being legally recognized as a unit of account in the special economic zone of Prospera, Honduras. Instances that were either rumored (such as Singapore's sovereign wealth fund holding bitcoin), or did not have reliable documentation (such as the Minister of the Economy in Latvia hinting at a Strategic Bitcoin Reserve or campaign promises without legislative authority), were excluded from analyses.

Importantly, this report treats subnational initiatives (e.g. municipal mining operations, state-level reserves in the U.S.) as valid instances of nation-state exposure, based on the logic that such local efforts may serve as scalable prototypes for broader national adoption. While only one instance per exposure type was counted for each country in the aggregated findings, all instances were retained for timeline analysis to capture the momentum of adoption.

Countries were classified as either (1) actively having exposure to bitcoin, or (2) as having proposed legislation or policies to gain such exposure. Only serious legislative proposals or proposals from other official government bodies were included in analyses. Political candidates who stated they would enact a strategic bitcoin reserve upon election, for example, were not included as they did not have the authority to enact such policies at the time of data collection.

This work also introduces a framework to distinguish between direct exposure—holding bitcoin directly, owning bitcoin ETFs, or mining bitcoin—and indirect exposure, such as equity positions in bitcoin-treasury companies like MicroStrategy (MSTR). Countries like Switzerland and Saudi Arabia, for example, appear on the exposure list due to significant MSTR holdings through their central banks.

In some instances, bitcoin exposure was limited to provinces, municipalities or cities, and not to the country as a whole. These instances are included in the broader category of nation-state exposure, as they are viewed as initial pilot programs that, upon demonstrating effectiveness, could catalyze broader, countrywide adoption.

Data collection concluded June 6, 2025. As collection ceased before the completion of the second quarter of 2025, timeline analysis of exposure events combined quarter one and the portion of quarter two that had transpired into one final time period (Q1+Q2 2025). This may have exaggerated the final uptick in events, but the authors felt it important to include all data points collected rather than terminate the timeline at quarter 1, 2025.

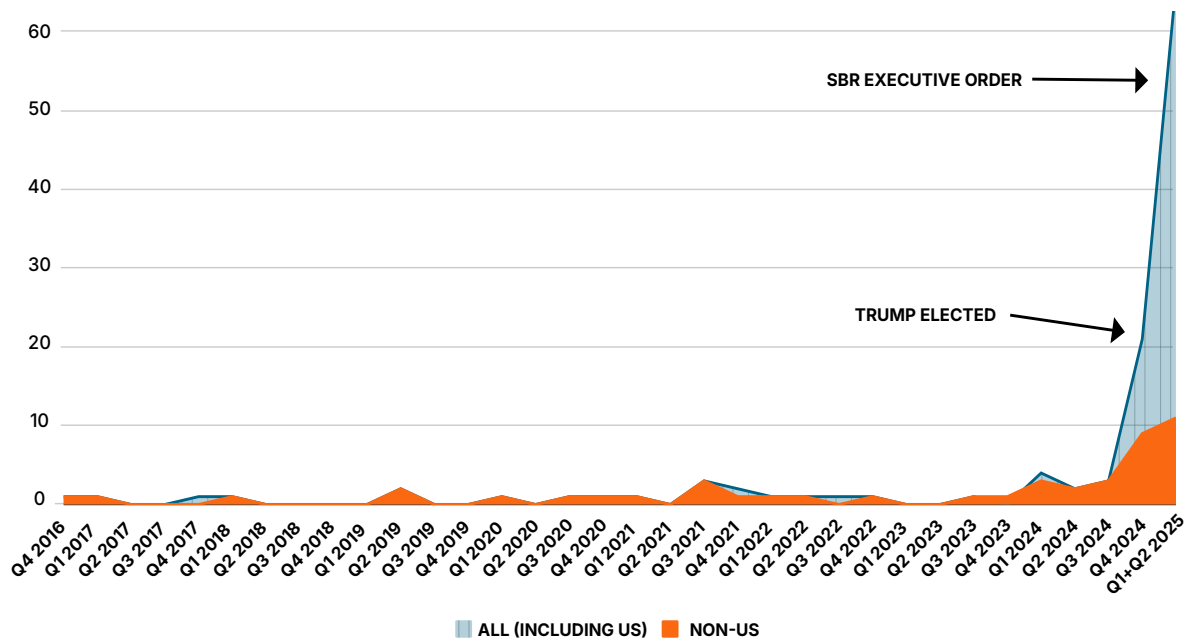
For more information and a visual representation of data found in this report, as well as future updates, please see: <https://www.bridgerbc.com/global-exposure>.

NATION STATE EXPOSURE

Increased Interest

Nation States' pursuit of exposure to bitcoin has increased rapidly over the last six months. From late 2016 through 2020, countries had sporadic interest in bitcoin, with isolated exposure events occurring mostly outside the US. However, the rate of exposure took off dramatically after the election of Donald Trump, and further accelerated upon President Trump's Executive Order to establish a Strategic Bitcoin Reserve. This surge in interest was seen both within the US on a state level, and abroad.

*Figure 1: Number of Bitcoin Exposure Events —Non-US and Total**



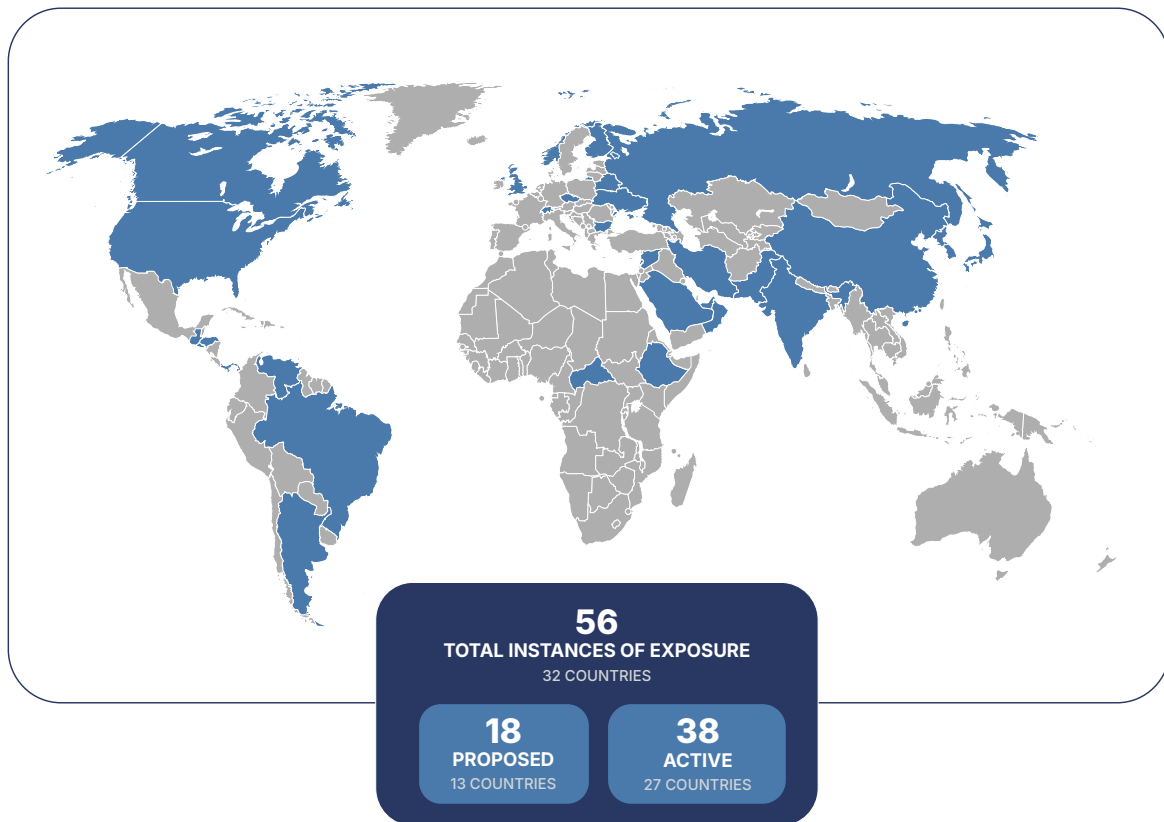
*Data collection ended before Q2 2025 was completed, thus Q1 and Q2 are combined for 2025

Exposure Findings

As of the end of May 2025, **32 countries—roughly one out of every six nations on Earth—either already had bitcoin exposure or was actively pursuing it through legislation or policy.** More specifically, 27 countries (about 1 in 7) had active exposure to bitcoin, and 13 countries had proposed legislation or policies to gain exposure.

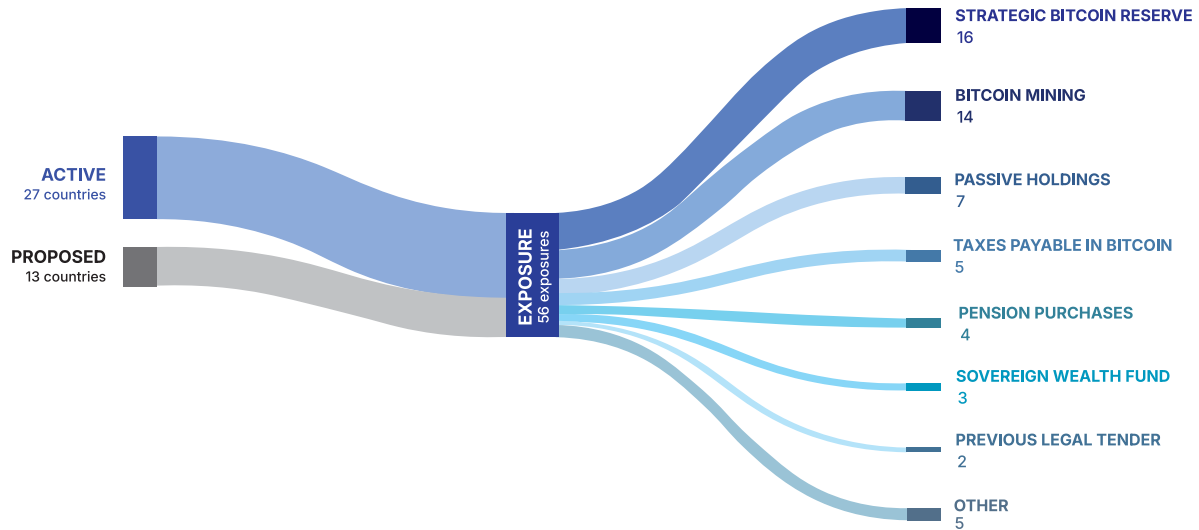
The number of countries with active and proposed exposure modalities is not mutually exclusive. For example, Argentina actively undertakes government-backed mining using flared gas, but has proposed legislation to enact a strategic bitcoin reserve. Further, countries might have more than one active or proposed exposure. The United Arab Emirates currently has three active exposure modalities: government-backed mining, purchases of bitcoin ETFs for its Mubadala Investment Company Sovereign Wealth Fund, and acceptance of tax payments via bitcoin.

Figure 2: Countries with active or proposed exposure to bitcoin



Modalities of bitcoin exposure are shown in Figure 3 below. When a country had multiple occurrences of the same exposure type—for example 26 US states proposing a strategic bitcoin reserve or 4 cantons and municipalities accepting tax payments in bitcoin in Switzerland—that country was only counted once in that exposure type. The US was only allocated three active exposure events (Strategic Bitcoin Reserve, taxes, and pension funds) and two proposed events (Strategic Bitcoin Reserve, and pension funds) regardless of how many states proposed or undertook initiatives.

Figure 3: Countries' Bitcoin Exposure as of May, 2025



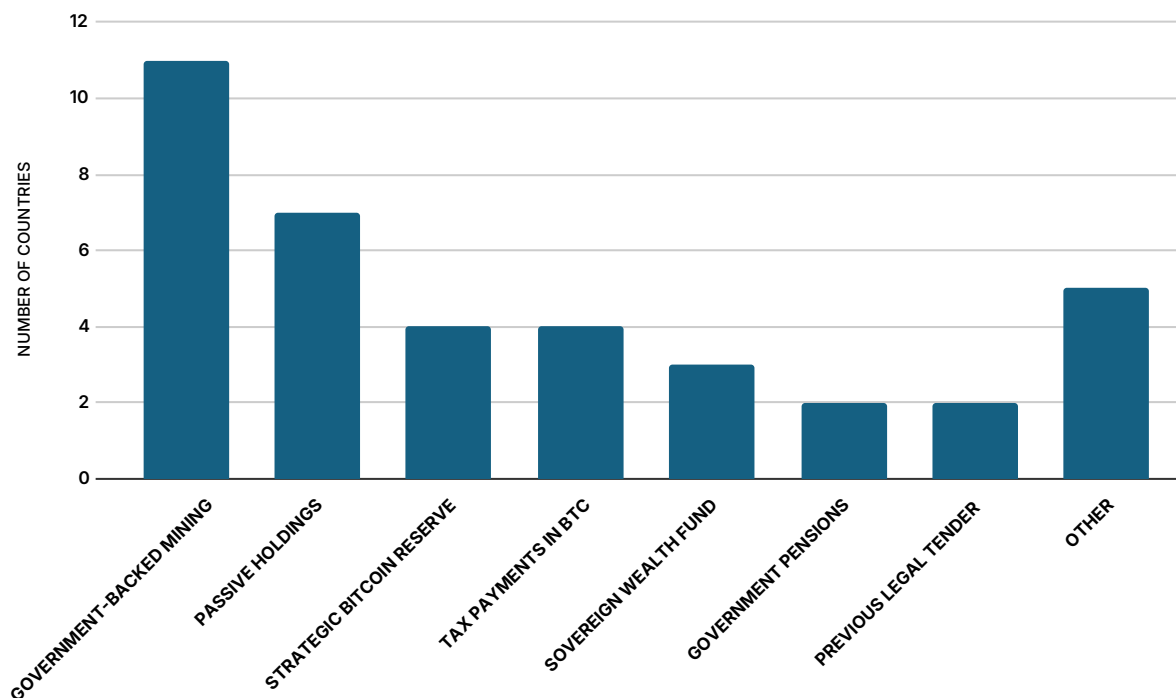
The most common method of exposure (including both active and proposed exposures) was through a Strategic Bitcoin Reserve (16 countries), followed by government-backed bitcoin mining (14 countries), passive holdings of bitcoin confiscated from illicit activities (7 countries), accepting tax payments in bitcoin (5 countries), government money managers such as pensions (4 countries) or sovereign wealth funds (3 countries) purchasing bitcoin either directly or indirectly through MSTR allocations, use of bitcoin previously as legal tender (2 countries), and five other country-specific cases such as the piloting of a government-backed crypto exchange in Russia.

Each of these modalities is outlined in more detail in the sections below.

ACTIVE VS. PROPOSED EXPOSURES

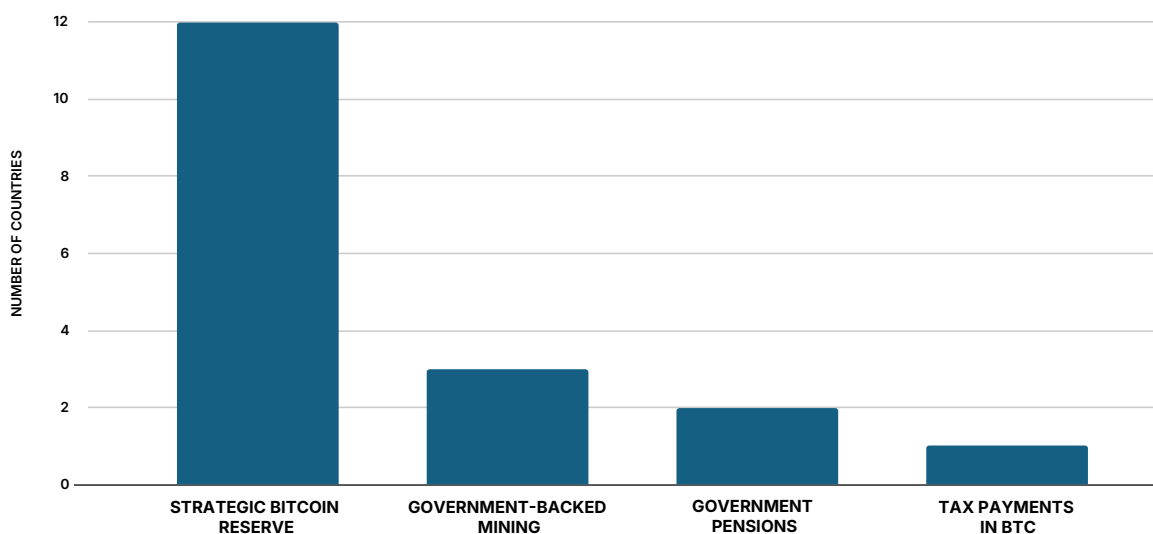
Twenty-seven countries were found to have active exposure to bitcoin. Government-backed mining was the most common exposure method with 11 countries actively mining, followed by passive holdings (7 countries), establishment of strategic bitcoin reserves (4 countries), tax payments in bitcoin (4 countries), and public money managers such as sovereign wealth funds (3 countries) or pension funds (2 countries) buying bitcoin or having exposure to bitcoin indirectly through high allocations in MSTR. Two countries that previously had exposure through bitcoin as legal tender were also considered, along with five country-specific instances which included donations to Ukraine for war efforts, the government-backed crypto exchange being piloted in Russia, the use of bitcoin as a unit of account in a special economic zone in Honduras, ill-gotten bitcoin from the Lazarus group in North Korea, and the seizure of bitcoin to pay government debts in Japan. As mentioned before, exposure methods are not mutually exclusive; a single country could be actively employing more than one method.

Figure 4: Active Bitcoin Exposure Methods by Number of Countries



Thirteen countries have proposed legislation or policies to gain exposure to bitcoin. Legislation to establish a strategic bitcoin reserve was the most commonly proposed method, with 12 of the 13 countries electing this route. Other proposals included government-backed mining (2 countries), purchases for government pension funds (2 countries), and receiving tax payments in bitcoin (1 country). Proposal methods are not mutually exclusive; a single country may have proposed more than one method.

Figure 5: Proposed Bitcoin Exposure Methods by Number of Countries



Strategic Bitcoin Reserves

Four countries were classified as having active strategic bitcoin reserves. The United States⁹ and El Salvador¹⁰ have more traditional reserves where the government is directly holding and/or accumulating bitcoin, whereas the central banks of Switzerland¹¹ and Saudi Arabia¹² hold large positions in MSTR, resulting in indirect bitcoin exposure.

An additional 12 countries have proposed legislation or similar processes to establish a strategic bitcoin reserve. While legislation did not pass in Japan¹³, reserves are still being proposed in Argentina,¹⁴ the Gelephu Mindfulness City Special Administration Region in Bhutan,¹⁵ Brazil,¹⁶ the city of Vancouver in Canada,¹⁷ Hong Kong, China,¹⁸ the Czech Republic,¹⁹ Pakistan,²⁰ Russia,²¹ Switzerland via formal petition filed with the Swiss Federal Chancellery,²² Ukraine,²³ and the United States via legislation introduced into both the House of Representatives²⁴ and the Senate.²⁵

⁹The White House. (2025, March). Establishment of the strategic bitcoin reserve and United States digital asset stockpile. <https://www.whitehouse.gov/presidential-actions/2025/03/establishment-of-the-strategic-bitcoin-reserve-and-united-states-digital-asset-stockpile/>

¹⁰Government of El Salvador. (n.d.). Bitcoin. Retrieved September 9, 2025, from <https://bitcoin.gob.sv/El-Salvador-in-English/>. (2025, April 5). El Salvador expands Bitcoin reserve to 6,137 units amid strategic investments. https://elsalvadorinenglish.com/2025/04/05/el-salvador-expands-bitcoin-reserve-to-6137-units-amid-strategic-investments/?utm_source=chatgpt.com

¹¹TradingView. (2025, January 29). Central banks of Norway and Switzerland disclose massive MicroStrategy holdings. <https://www.tradingview.com/news/u-today%3Abfe7f7916094b%3A0-central-banks-of-norway-and-switzerland-disclose-massive-microstrategy-mstr-holdings/>

¹²U.S. Securities and Exchange Commission. (2025). Form 13F, Infotable XML, Ark Investment Management. https://www.sec.gov/Archives/edgar/data/1918181/000094787125000524/xslForm13F_X02/infotable.xml

¹³House of Councillors, Japan. (2025). Parliamentary record: Session 216. Retrieved September 9, 2025, from <https://www.sangiin-go-jp.translate.goog/japanese/joho1/kousei/syuisyo/216/meisai/m216022.htm>

¹⁴CryptoNews. (2025, February). Argentinian lawmaker wants to let central bank buy and mine Bitcoin. <https://cryptonews.com/news/argentinian-lawmaker-wants-to-let-central-bank-buy-and-mine-bitcoin/>

¹⁵Cointelegraph. (2025). Bhutan Gelephu hub strategic reserve: Bitcoin, Ether, BNB. <https://cointelegraph.com/news/bhutan-gelephu-hub-strategic-reserve-bitcoin-ether-bnb>

¹⁶Correio Braziliense. (2024, November). Deputado do PL propõe reserva estratégica soberana de Bitcoins pelo governo. <https://www.correio braziliense.com.br/economia/2024/11/6996910-deputado-do-pl-propoe-reserva-estrategica-soberana-de-bitcoins-pelo-governo.html>

¹⁷Yahoo Finance. (2025, February). Vancouver just voted to become Bitcoin city. <https://finance.yahoo.com/news/vancouver-just-voted-become-bitcoin-185523797.html>

¹⁸Nasdaq. (2025, February). Hong Kong lawmaker proposes adding Bitcoin reserves. <https://www.nasdaq.com/articles/hong-kong-lawmaker-proposes-adding-bitcoin-reserves>

¹⁹Reuters. (2025, January 29). Czech central bank governor to present plan to hold reserves in Bitcoin. <https://www.reuters.com/technology/czech-central-bank-governor-present-plan-hold-reserves-bitcoin-ft-reports-2025-01-29/>

²⁰Bitcoin Magazine. (2025, February 3). The Head of the Pakistan Crypto Council announced a Strategic Bitcoin Reserve at the Bitcoin Conference. <https://x.com/bitcoinmagazine/status/1928040537291993128?s=42>

²¹RIA Novosti. (2024, December 9). Russia considers Bitcoin reserve. <https://ria.ru/20241209/rezerv-1988201715.html>

²²BitcoinNews. (2025). Swiss National Bank Bitcoin reserve. <https://bitcoinnews.com/adoption/swiss-national-bank-bitcoin-reserve/>

²³Incrypted. (2025). Ukraine announced preparations for potential creation of national Bitcoin reserve. <https://incrypted.com/en/ukraine-announced-preparations-potential-creation-national-bitcoin-reserve/>

²⁴U.S. Congress. (2025). H.R. 3032, 119th Congress: Bitcoin Strategic Reserve Act. <https://www.congress.gov/bills/119th-congress/house-bill/203>

²⁵Lummis, C. (2025). Bitcoin Act. <https://www.lummis.senate.gov/wp-content/uploads/BITCOIN-Act-FINAL.pdf>

Table 1: Status of Countries' Strategic Bitcoin Reserves

COUNTRIES	ACTIVE	PROPOSED	PROPOSED, LEGISLATION FAILED	TOTAL
Argentina		1		1
Bhutan		1		1
Brazil		1		1
Canada		1		1
China (Hong Kong)		1		1
Czech Republic		1		1
El Salvador	1			1
Japan			1	1
Pakistan		1		1
Russia		1		1
Saudi Arabia	1*			1*
Switzerland	1*	1		2
Ukraine		1		1
United States	1	1		2
Total	4	11	1	16

*Indirect exposure through high allocations in MSTR.

While not included in the analysis, it's worth noting The United States had 26 states introduce bills to establish a strategic bitcoin reserve²⁶, with Arizona²⁷, New Hampshire²⁸, and Texas²⁹ successfully codifying their reserves into law, along with the city of Roswell, New Mexico.³⁰ The Treasury of the State of North Carolina also has an indirect reserve through allocation in MSTR.³¹

²⁶Bitcoinlaws.io. (2025). State strategic Bitcoin reserves tracker. Retrieved September 9, 2025, from <https://bitcoinlaws.io>

²⁷Arizona State Legislature. (2025). Bill overview: HB302. Retrieved September 9, 2025, from <https://apps.azleg.gov/BillStatus/BillOverview/83210>

²⁸General Court of New Hampshire. (2025). HB302: An act related to state Bitcoin reserves. Retrieved September 9, 2025, from https://gc.nh.gov/bill_status/legacy/bs2016/bill_status.aspx?Isr=700&sy=2025&sortoption=&txtsessionyear=2025&txbillnumber=HB302

²⁹Texas Legislature. (2025). Senate Bill 21: Bitcoin reserves. Retrieved September 9, 2025, from <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=89R&Bill=SB21>

³⁰Yahoo Finance. (2025, March). UFO City makes history with tech and Bitcoin adoption. <https://finance.yahoo.com/news/ufo-city-makes-history-tech-130533123.html>

³¹Fintel. (2025). Treasurer of the State of North Carolina – Institutional holdings. <https://fintel.io/i/treasurer-of-the-state-of-north-carolina>

Government-Backed Bitcoin Mining

Fourteen countries have active or proposed exposure to bitcoin through government-backed bitcoin mining. Government-backed mining was defined as government-affiliated bitcoin mining through provision of electricity in return for profit sharing. Ten countries are actively mining: Argentina,³² Bhutan,³³ El Salvador,³⁴ Ethiopia,³⁵ a municipality in Guatemala,³⁶ Iran (through their requirement for miners to sell all bitcoin directly to the central bank),³⁷ North Korea,³⁸ Oman,³⁹ Russia (establishing mining in BRICS countries),⁴⁰ UAE,⁴¹ and Venezuela had a previously active government mining industry.⁴² Argentina has proposed expanding its mining,⁴³ and Belarus⁴⁴ and Pakistan⁴⁵ have both proposed implementing government back bitcoin mining.

Table 2: Status of Countries' Government-Backed Bitcoin Mining

COUNTRIES	ACTIVE	PREVIOUSLY ACTIVE	PROPOSED	TOTAL
Argentina	1		1	2
Belarus			1	1
Bhutan	1			1
El Salvador	1			1
Ethiopia	1			1
Guatemala	1			1
Iran	1			1
North Korea	1			1
Oman	1			1
Pakistan			1	1
Russia	1			1
UAE	1			1
Venezuela		1		1
Total	10	1	3	14

³²Bitcoin Magazine. (2025). Argentina to mine Bitcoin with stranded gas. <https://bitcoinmagazine.com/business/argentina-to-mine-bitcoin-with-stranded-gas>

³³Forbes. (2024, September 17). How Bhutan quietly built \$750 million in Bitcoin holdings. <https://www.forbes.com/sites/digital-assets/2024/09/17/how-bhutan-quietly-built-750-million-in-bitcoin-holdings/>

³⁴Reuters. (2024, May 14). El Salvador mined nearly 474 Bitcoins, adding to state crypto holding. <https://www.reuters.com/world/americas/el-salvador-mined-nearly-474-bitcoins-adding-state-crypto-holding-last-three-2024-05-14/>

³⁵Forbes. (2024, February 21). Ethiopia to become the first African country to start Bitcoin mining. <https://www.forbes.com/sites/digital-assets/2024/02/21/ethiopia-to-become-the-first-african-country-to-start-bitcoin-mining/>

³⁶CryptoNews. (2022). Bitcoin mining in Iran: New law requires selling directly to central bank. <https://cryptonews.net/es/news/mining/4233205/>

³⁷Asharq Al-Awsat. (2020, October). Iran's new crypto law requires selling Bitcoin directly to the central bank. <https://english.aawsat.com/home/article/2596686/iran-new-crypto-law-requires-selling-bitcoin-directly-central-bank-fund-imports>

³⁸Recorded Future. (2024). North Korea internet behavior. <https://www.recordedfuture.com/research/north-korea-internet-behavior>

³⁹Forbes. (2023, August 24). Oman's bold Bitcoin play: \$1.1 billion investment on mining infrastructure. <https://www.forbes.com/sites/irinaheaver/2023/08/24/omans-bold-bitcoin-play-11-billion-investment-on-bitcoin-mining-infrastructure/>

⁴⁰Hashrate Index. (2024). Bitcoin mining around the world: Oman. <http://hashrateindex.com/blog/bitcoin-mining-around-the-world-oman/>

⁴¹The Moscow Times. (2024, November 8). Russia to mine Bitcoin in BRICS countries. <https://www.themoscowtimes.com/2024/11/08/russia-to-mine-bitcoin-in-brics-countries-a86952>

⁴²Bitcoinist. (2025). Abu Dhabi wealth fund leads UAE's Bitcoin mining. <https://bitcoinist.com/abu-dhabi-wealth-fund-leads-uaes-bitcoin-mining/>

⁴³Wilson Center. (2024, April). Science, technology, and innovation policy report. https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/Report_STIP-april-2024.pdf

⁴⁴CryptoNews. (2025). Argentinian lawmaker proposes Bitcoin mining. <https://cryptonews.com/news/argentinian-lawmaker-wants-to-let-central-bank-buy-and-mine-bitcoin/>

⁴⁵Belta. (2025). Lukashenko instructs to develop Bitcoin mining in Belarus. <https://belta.by/president/view/lukashenko-poruchil-razvivat-v-belarusi-majning-700004-2025/>

⁴⁶Arab News. (2025). Pakistan explores Bitcoin. <https://www.arabnews.com/node/2594448/pakistan>

Passive Holdings

Seven countries were identified as passively holding bitcoin. Passive holdings are a result primarily of law enforcement seizing bitcoin from individuals undertaking illicit activities. However, governments have elected not to sell the bitcoin, and thus are believed to still be passively holding it. Countries with passive holdings include: Bulgaria,⁴⁶ China,⁴⁷ Finland who holds coins waiting for court rulings,⁴⁸ Georgia,⁴⁹ India,⁵⁰ the United Kingdom,⁵¹ and Venezuela.⁵²

It is likely that other countries have not publicly disclosed seizures and subsequent holdings. While accumulation through seizure is not a proactive strategy, the noteworthy aspect of passive holdings is that they have yet sold the bitcoin.

Figure 6: Countries With Passive Holdings



Tax Payments Through Bitcoin

Another emerging strategy for government-level bitcoin exposure is through the acceptance of tax payments in bitcoin. Some local and regional jurisdictions have identified this as a practical method to acquire and hold digital assets directly, bypassing the need for secondary market purchases. While still relatively niche, this mechanism could become more widespread if individual and corporate bitcoin adoption continues to grow.

To date, bitcoin-based tax payments remain limited to subnational jurisdictions rather than national policy. Nonetheless, developments in countries like Switzerland and the United States—where participation has expanded over time—suggest that broader national-level adoption may eventually follow. As such, these jurisdictions are included in the analysis.

⁴⁶WorldCoinIndex. (2025). Which countries own the most Bitcoin: U.S., China, and more. <https://www.worldcoinindex.com/news/which-countries-own-the-most-bitcoin-u-s-china-and-more-in-2025>

⁴⁷Crypto.news. (2025). What happened to the Chinese authorities' 190k Bitcoins? <https://crypto.news/what-happened-to-the-chinese-authorities-190k-bitcoins/>

⁴⁸The Straits Times. (2024). Finland liquidates seized Bitcoin stash amid crypto bust. <https://www.straitstimes.com/world/europe/finland-liquidates-seized-bitcoin-stash-amid-crypto-bust>

⁴⁹WorldCoinIndex. (2025, March 25). Which countries own the most Bitcoin: U.S., China, and more in 2025. Retrieved September 9, 2025, from <https://www.worldcoinindex.com/news/which-countries-own-the-most-bitcoin-u-s-china-and-more-in-2025>

⁵⁰Coinpedia. (2025). Government Bitcoin holdings in 2025: Who owns the most? <https://coinpedia.org/research-report/government-bitcoin-holdings-in-2025-who-owns-the-most/>

⁵¹Yahoo Finance. (2025). UK government Bitcoin crypto. <https://uk.finance.yahoo.com/news/uk-government-bitcoin-crypto-060009471.html>

⁵²BitcoinTreasuries.net. (2025). Venezuela Bitcoin holdings. Retrieved September 9, 2025, from <https://bitcointreasuries.net/entities/venezuela>

Thus far, four countries' jurisdictions accept tax payments in bitcoin: Panama City, Panama,⁵³ four different cantons or municipalities in Switzerland,^{54,55,56,57} Dubai in the United Arab Emirates,⁵⁸ and the state of Colorado⁵⁹ and city of Detroit, Michigan⁶⁰ in the US. In addition, the City of Vancouver, Canada has introduced a proposal to accept bitcoin for tax payments, signaling early legislative interest in expanding this approach.⁶¹

Pension Purchases

Holding bitcoin either directly or indirectly via MSTR in government pensions is another way countries can gain exposure to bitcoin. Three countries have explored this route—the US has both active and proposed direct and indirect exposures, while South Korea has indirect exposure, and Japan is exploring direct exposure.

In the US, the Michigan State Pension Fund invested directly in bitcoin,⁶² as did the Houston, Texas Firefighters' Pension Fund.⁶³ The State of Wisconsin Pension Fund formerly held bitcoin, but exited their position.⁶⁴ Seventeen other state pension funds have indirect exposure through allocations in MSTR and the Florida State pension fund has proposed directly holding bitcoin.^{65,66}

Internationally, the Japanese government pension fund—the world's largest public pension fund, is investigating investing in bitcoin,⁶⁷ while the South Korean government pension fund—the third largest public pension fund—has active exposure to bitcoin through a large allocation in MSTR.⁶⁸

Table 3: Government pension plan exposures to bitcoin

EXPOSURE METHOD	ACTIVE	PROPOSED
DIRECT	US	US, Japan
INDIRECT	US, South Korea	

⁵³Decrypt. (2021). Panama City accepts Bitcoin and Ethereum payments. <https://decrypt.co/315174/panama-city-accept-bitcoin-ethereum-payments>

⁵⁴Cointelegraph. (2021). Swiss town accepts Bitcoin for public services. <https://cointelegraph.com/news/swiss-town-accepts-bitcoin-for-public-services>

⁵⁵CCN. (2018). Swiss town will accept Bitcoin tax payments. <https://www.ccn.com/swiss-town-will-accept-bitcoin-tax-payments-2018/>

⁵⁶Cash Tech News. (2020, January 29). City of Zermatt, Switzerland, now accepts tax payments in Bitcoin. <https://www.cashtechnews.com/2020/01/29/city-of-zermatt-switzerland-now-accepts-tax-payments-in-bitcoin/>

⁵⁷SRF. (2022). Canton Zug accepts Bitcoin for taxes. <https://www.srf.ch/news/steuern-zahlen-mit-bitcoin-kanton-zug-akzeptiert-kryptowaehrungen-bei-steuern>

⁵⁸CoinDesk. (2025, May 13). Dubai government opens door to accepting crypto for service fees. <https://www.coindesk.com/policy/2025/05/13/dubai-government-opens-door-to-accepting-crypto-for-service-fees>

⁵⁹Axios. (2022, September 20). Colorado state tax bills in cryptocurrency. <https://www.axios.com/local/denver/2022/09/20/colorado-state-tax-bills-cryptocurrency>

⁶⁰Detroit News. (2024, November 7). Detroit to become largest US city to accept cryptocurrency payments. <https://www.detroitnews.com/story/news/local/detroit-city/2024/11/07/detroit-to-become-largest-us-city-to-accept-cryptocurrency-payments/76122256007/>

⁶¹<https://council.vancouver.ca/20241211/documents/cfscA3.pdf>

⁶²Reuters. (2024, July 26). Michigan state pension fund makes \$66 million Bitcoin ETF investment. <https://www.reuters.com/technology/michigan-state-pension-fund-makes-66-million-bitcoin-etf-investment-2024-07-26/>

⁶³Bloomberg. (2021, October 21). Houston pension buys crypto: "An asset we could not ignore." <https://www.bloomberg.com/news/articles/2021-10-21/houston-pension-buys-crypto-an-asset-we-could-not-ignore>

⁶⁴Yahoo Finance. (2024). Wisconsin pension fund sold iBit. <https://finance.yahoo.com/news/wisconsin-pension-fund-sold-ibit-233000827.html>

⁶⁵Please see the appendix for state pension fund indirect holding references.

⁶⁶Florida Politics. (2025). New bill would allow Florida to more easily invest in Bitcoin. <https://floridapolitics.com/archives/720247-new-bill-would-allow-florida-to-more-easily-invest-in-bitcoin/>

⁶⁷CNBC. (2024, March 19). Japan pension fund explores Bitcoin as an investment. <https://www.cnbc.com/2024/03/19/japan-pension-fund-explores-bitcoin-as-an-investment.html>

⁶⁸Cointelegraph. (2025). South Korea pension fund buys MicroStrategy shares. <https://cointelegraph.com/news/south-korea-pension-fund-nps-buys-microstrategy-shares>

Sovereign Wealth Funds

Three sovereign wealth funds have active exposure to bitcoin, either directly or indirectly. Bhutan's Druk Holding and Investments⁶⁹ and the United Arab Emirates' Mubadala Investment Company⁷⁰ both hold bitcoin directly, while Norway's sovereign wealth fund has a sizable allocation to MSTR,⁷¹ resulting in indirect exposure.

Table 4: Nation States' Sovereign Wealth Fund Exposure to Bitcoin

DIRECT EXPOSURE	INDIRECT EXPOSURE
Bhutan: Druk Holding and Investments	Norway: Government Pension Fund Global (GPF)
United Arab Emirates: Mubadala Investment Company	

Legal Tender and Other Exposure Methods

Two countries —El Salvador⁷² and the Central African Republic,⁷³ both enacted legislation to make bitcoin legal tender. While both countries have since rescinded such legislation, it can be argued that both countries gained meaningful exposure to bitcoin during the period in which the legislation was active.

Five other countries employed country-specific exposure methods. These include donations to Ukraine for war efforts,⁷⁴ the government-backed crypto exchange being piloted in Russia,⁷⁵ the use of bitcoin as a unit of account in a special economic zone in Honduras,⁷⁶ ill-gotten bitcoin from the Lazarus group in North Korea,⁷⁷ and the seizure of bitcoin to pay government debts in Japan.⁷⁸

⁶⁹Crypto Ninjas. (2025). Bhutan secretly mines \$1.3b in Bitcoin, nearly 40% of GDP in BTC. <https://www.cryptoninjas.net/news/bhutan-secretly-mines-1-3b-in-bitcoin-now-holds-nearly-40-of-gdp-in-btc/#>

⁷⁰Yahoo Finance. (2025). Abu Dhabi wealth fund reveals Bitcoin exposure. <https://finance.yahoo.com/news/abu-dhabi-wealth-fund-reveals-030527077.html>

⁷¹Investing.com. (2025). Norway's wealth fund grows Bitcoin exposure to 3,821 BTC. <https://uk.investing.com/news/stock-market-news/norways-wealth-fund-grows-bitcoin-exposure-to-3821-btc-93CH-3898894>

⁷²SSRN. (2021). Bitcoin as a reserve asset: Global adoption. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3944765

⁷³RFI. (2022). Central African Republic adopts Bitcoin as legal currency. <https://www.rfi.fr/en/central-african-republic-adopts-bitcoin-as-legal-currency>

⁷⁴Coinpedia. (2025). Government Bitcoin holdings in 2025: Who owns the most? <https://coinpedia.org/research-report/government-bitcoin-holdings-in-2025-who-owns-the-most/>

⁷⁵CoinMarketCap. (2024). Russia to launch cryptocurrency exchange trials for cross-border payments. https://coinmarketcap.com/academy/article/russia-to-launch-cryptocurrency-exchange-trials-for-cross-border-payments-starting-september-2024?utm_source=chatgpt.com

⁷⁶Binance. (2025). Bitcoin adoption update. <https://www.binance.com/en/square/post/2454008094730>

⁷⁷TheStreet. (2025). North Korea's Lazarus hacking group now holds more Bitcoin than these countries. <https://www.thestreet.com/crypto/markets/north-koreas-lazarus-hacking-group-now-holds-more-bitcoin-than-these-countries>

⁷⁸Asahi Shimbun. (2025). Japan explores Bitcoin treasury holdings. <https://www.asahi.com/ajw/articles/14797270>

BENEFITS OF NATIONAL BITCOIN EXPOSURE

An obvious and yet imperative question for heads of state, legislators, and federal treasury managers is “what do we get out of bitcoin exposure?” One answer is the incredible price appreciation of the asset. However, many economists would argue against that rationale for any investor, especially sovereign ones, despite the incredible 16-year track record of value increase. The prevailing justification is that risk and volatility outweigh any short-term gains in value. Bitcoin is frequently characterized as a “speculative asset,” a term often applied to the original cryptocurrency.

While describing bitcoin as volatile is accurate, much of that volatility has been on the upside, since all significant price appreciation is technically volatility. The ability to harness this volatility depends largely on time horizon. **Notably, bitcoin’s price has never been lower on a given date than it was exactly four years prior.**⁷⁹ Because Nation States typically adopt the longest investment outlook of any market participant, this trend suggests that volatility is likely to work in their favor.

Investment vs. Reserve Asset

Price appreciation is primarily a concern for managers of government pensions and sovereign wealth funds. A more pressing question is whether bitcoin can move beyond being a sovereign investment to become a universally recognized reserve asset, as implied by the concept of a “Strategic Bitcoin Reserve.” Central bank governors and finance ministers select reserve assets for reasons fundamentally different from those guiding national fund managers.

Throughout the past century, U.S. Treasuries have been the dominant reserve asset, while gold has served as the most enduring reserve asset across history. Since 1944, Treasuries functioned as a cornerstone of sovereign reserves because their value and yield were denominated in the world’s reserve currency (the U.S. dollar), making them universally accepted in exchange and as collateral.⁸⁰ Gold, in contrast, has been considered money for millennia, and since 1971 it has been regarded as the only sovereign hedge against dollar debasement. Yet globalization limited gold’s role to that of a safety net, allowing the U.S. to finance deficit spending by supplying the world with Treasuries.⁸¹

This trend began to change in 2008 when the percentage of foreign ownership of treasuries began to decrease for the first time. While nominal amounts of treasuries have increased among sovereigns at times, the foreign ownership of treasuries has gone from 50% in 2008 to 30% in 2023.⁸² The weaponization of the dollar financial system by the U.S. government and the poor performance of treasuries on a real basis are primarily to blame for that decrease.⁸³ Even so, the dollar is unlikely to be displaced as the reserve currency in the near term due to lack of a viable alternative, and universal acceptance will sustain Treasuries’ role, albeit in a diminished capacity, as long as no suitable replacement to the dollar is found.

⁷⁹https://www.rhinobitcoin.com/blog/bitcoin-spiral-clock&sa=D&source=docs&ust=1757620802955703&usg=AOvVaw1Or-9_LWx4wdlz4IUVGKcX

⁸⁰<https://www.investopedia.com/terms/r/reservecurrency.asp&sa=D&source=docs&ust=1757620802959488&usg=AOvVaw3AeYTKgblv-6fw8nS1Oh4>

⁸¹https://link.springer.com/chapter/10.1007/978-3-030-20688-8_9

⁸²Braun, B. (2025). Treasury holdings and Bitcoin reserves. <https://benjaminbraun.org/posts/treasury-holdings/>

⁸³https://www.piie.com/publications/working-papers/2023/decline-foreign-demand-us-treasury-securities-causes-and-consequences&sa=D&source=docs&ust=1757620802962089&usg=AOvVaw3eMR0mJMUir2Tko_hciGlo

During this period of declining reliance on treasuries, sovereigns have increasingly turned to gold as a reserve asset. Gold is traded in every country and against every currency, yet controlled by no single authority. This network effect, coupled with its sanctions resistance, has made the commodity very popular with central banks, especially in the last three years. Between 2010 and 2021, central banks purchased an average of 500 tons of gold annually, but each year from 2022 through 2024 saw purchases exceeding 1,000 tons.⁸⁴ This surge in demand has contributed to gold prices reaching near all-time highs as of mid-May, representing an increase of more than 40% over the past year.⁸⁵

Fear of Missing Out

Bitcoin does not yet possess the universal acceptance, and therefore sovereign network effect that gold enjoys. It does, however, share many similar attributes. Bitcoin markets operate in a wide range of countries and across multiple currencies. Like gold, it is sanctions-resistant, owing to its decentralized design. In addition, its programmatic scarcity, fungibility, and verifiability echo the qualities that have long elevated gold above other commodities as money.

That does not necessarily mean bitcoin will eventually achieve a reserve status. However, prominent nations indicating they believe it can do just that creates a feedback loop — a potential self-fulfilling prophecy. For national financial decision-makers, the calculus may shift from fearing the risks of early adoption to fearing the costs of adopting too late. Bitcoin creator Satoshi Nakamoto famously said “It might make sense just to get some in case it catches on.”⁸⁶ That logic may prove as relevant to nation-states as it has to individuals.

Trade

Even without universal adoption, regional acceptance of bitcoin could have a profound impact on trade. One area where bitcoin holds a clear advantage over gold is portability. While moving gold is costly, slow, and requires extensive security, billions of dollars’ worth of bitcoin can be transferred across borders within minutes.

The regions with the least amount of dollar reserves would be the most affected by this use of bitcoin. For one such nation to pay another today, they either have to utilize their scarce dollar reserves for payments, or exchange their currency into dollars, losing a great deal of value in the transaction. If both nations recognized the value of bitcoin, even as an investment, it could be viable for settling national payments directly. Such a shift could eliminate one of the greatest barriers to trade among developing economies: the inefficiency and expense of currency exchange.

⁸⁴Discovery Alert. (2025). Central banks buying gold at record numbers. <https://discoveryalert.com.au/news/central-banks-buying-gold-2025-record-numbers/>

⁸⁵<https://www.oanda.com/eu-en/blog/may-2025-gold-market-overview-prices-hit-all-time-highs-amidst-economic-uncertainty&sa=D&source=docs&ust=1757620802951908&usg=AOvVaw2WqIGZeDisi8K30enAtXDt>

⁸⁶U.Today. (2025). Satoshi Nakamoto’s legendary Bitcoin quote rings true after 16 years. <https://u.today/satoshi-nakamotos-legendary-bitcoin-quote-rings-true-after-16-years>



Bitcoin Backed Bonds

If nations continue the current trend of bitcoin adoption, the price will almost certainly rise given the programmatic supply constraints. Beyond asset appreciation, however, there will be additional advantages for countries that are early to embrace bitcoin adoption.

One such opportunity lies in the concept of partially bitcoin-backed bonds, or “Bit-Bonds.” Given the fervor for direct and indirect exposure to bitcoin among individuals, funds, corporations, and now countries, it would stand to reason that sovereign debt would become more attractive with bitcoin association. Countries can use these instruments to both improve their debt offerings and acquire bitcoin.

As first envisioned by Andrew Hohns and the Bitcoin Policy Institute, the model suggests allocating a portion of bond proceeds—such as 10%—to purchase bitcoin, with the remainder used for traditional purposes like infrastructure financing. At maturity, half of the bitcoin would be distributed to bondholders, while the other half would remain with the issuing country.⁸⁷

The bitcoin component could reduce the perceived risk profile of the bond or broaden investor interest beyond the nation’s typical debt market. Increased demand would allow the bond to be issued at a lower yield, reducing financing costs for the sovereign. Depending on maturity length and bitcoin’s price trajectory, Bit-Bonds could emerge as some of the best-performing sovereign debt instruments for both issuers and investors.

Bitcoin Ecosystems

Another advantage of early adoption is the economic activity that bitcoin attracts. According to Trammell Venture Partners, early-stage bitcoin native companies raised \$1.2 Billion from 2021 through 2024.⁸⁸ While some of that activity has come from bitcoin and crypto native capital funds, mainstream funds like Founders Fund, Ribbit Capital, Y Combinator and Valor Equity Partners all participated in funding rounds for those bitcoin native companies.

Notably, this funding is not just in the United States. Cultural nuances, differing regulatory environments, and different banking permeations have created conditions necessitating the founding of regional-specific corporations rather than relying solely on bitcoin tech pioneered by U.S. companies. For example, Fedi, a community custodial solution designed around African monetary norms, was founded by a Nigerian entrepreneur to address regional needs.⁸⁹

As global adoption of bitcoin increases, corresponding corporate activity will expand. While not every nation will develop a robust Bitcoin entrepreneurial ecosystem, regional first movers that adopt accommodative policies will attract developers, and the employment and boosted economic activity that comes with it.

⁸⁷ Hohns, A., & Pines, M. (2025). Bitcoin-Enhanced Treasury Bonds: An idea whose time has come. Bitcoin Policy Institute. https://cdn.prod.website-files.com/627aa615676bdd1d47ec97d4/67eb2832db7319595e75a43c_Bitbonds.pdf

⁸⁸ TVP Fund. (2025). Bitcoin venture capital research whitepaper. <https://tvp.fund/whitepapers/bitcoin-venture-capital-research/>

⁸⁹ Fedi, Inc. (2025). <https://www.fedi.xyz>

CONCLUSION

Nation-state engagement with bitcoin has shifted from isolated initiatives to a clear trend with significant geopolitical and economic implications. At least one in seven countries now has some form of bitcoin exposure, with many more actively pursuing legislative or policy measures to formalize it. This rapid acceleration reflects not only bitcoin's financial performance but also its unique attributes as a neutral, portable, and programmatically scarce asset.

For early adopters, the benefits are multi-faceted. Sovereigns gain a hedge against dollar debasement, a complement to gold reserves, and a tool for more efficient regional trade settlement. Instruments like bitcoin-backed sovereign bonds could reduce financing costs while simultaneously strengthening national balance sheets. Moreover, accommodative policies toward bitcoin can catalyze local entrepreneurship and investment, spurring employment and innovation.

While bitcoin does not yet have the universal acceptance of gold or U.S. Treasuries, the momentum of sovereign adoption suggests that it may be on a trajectory toward reserve asset status. Policymakers who dismiss bitcoin as speculative risk overlooking its strategic utility in an increasingly uncertain global order. For many governments, the calculus is no longer whether bitcoin carries risks, but whether the greater risk lies in adopting too late.

As the game-theoretic dynamics of adoption unfold, nations that act decisively stand to secure outsized strategic, economic, and financial advantages. Those that hesitate may find themselves adapting to a monetary landscape shaped by others.

APPENDIX: US STATE PENSION FUND HOLDINGS

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