The approval of the spot bitcoin ETF in January of 2024 made it possible for a company to offer bitcoin very easily in an NQDC program. They can offer one of the ETFs as the notional fund, and then use a long position in the highly liquid spot ETF, such as IBIT (the one offered by BlackRock), to secure bitcoin's returns for the purpose of this program. The spot ETF, by requirement, delivers the exact returns of bitcoin after management fees are deducted, a price employees are presumably happy to pay for the exposure. A company can also hold bitcoin in their treasury without allocating it to any particular participant and just offset the program's "losses" from bitcoin's price going up with the unrealized gains from their bitcoin treasury. There are a number of ways that this can be done easily and quickly, and there's no reason why every company with an NQDC program wouldn't offer it.

9.3 Counterparty Credit Risk of Hedges

A final detail to consider is that the hedges backing an NQDC program are subject to counterparty credit risk. A total return swap with an investment bank will expose both parties to the default of the other. A company must consider the possibility that the investment bank they are partnering with might not make good on their end. In the case of bitcoin returns, this could amount to a significant amount of money lost. Counterparties of Bear Stearns in 2007 and Lehman