



How to Open a Coinbase Account for your Self-directed IRA LLC

<https://www.mysolo401k.net/>

1-800-489-7571



MySolo401kFinancial
Grow. Control. Direct.

“A to Z” Guide – Open Self-directed IRA LLC account at Coinbase

- ❖ What is Cryptocurrency
- ❖ Taxation Considerations
- ❖ How to Invest/Buy with Funds in an IRA LLC
 - Establishing & Funding IRA LLC
 - How to Open IRA LLC Account at Coinbase
 - Purchase
 - Storage
- ❖ Practical Tips
- ❖ ***Get more info***



What is Cryptocurrency?

- Per IRS Revenue Ruling 2019-24:
 - Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.
 - Cryptocurrency is a type of virtual currency that uses cryptography to secure transactions that are digitally recorded on a distributed ledger, such as a blockchain.
- Popular cryptocurrencies:
 - ❖ Bitcoin
 - ❖ Ethereum
 - ❖ Litecoin



IRS View on Taxation of Cryptocurrency

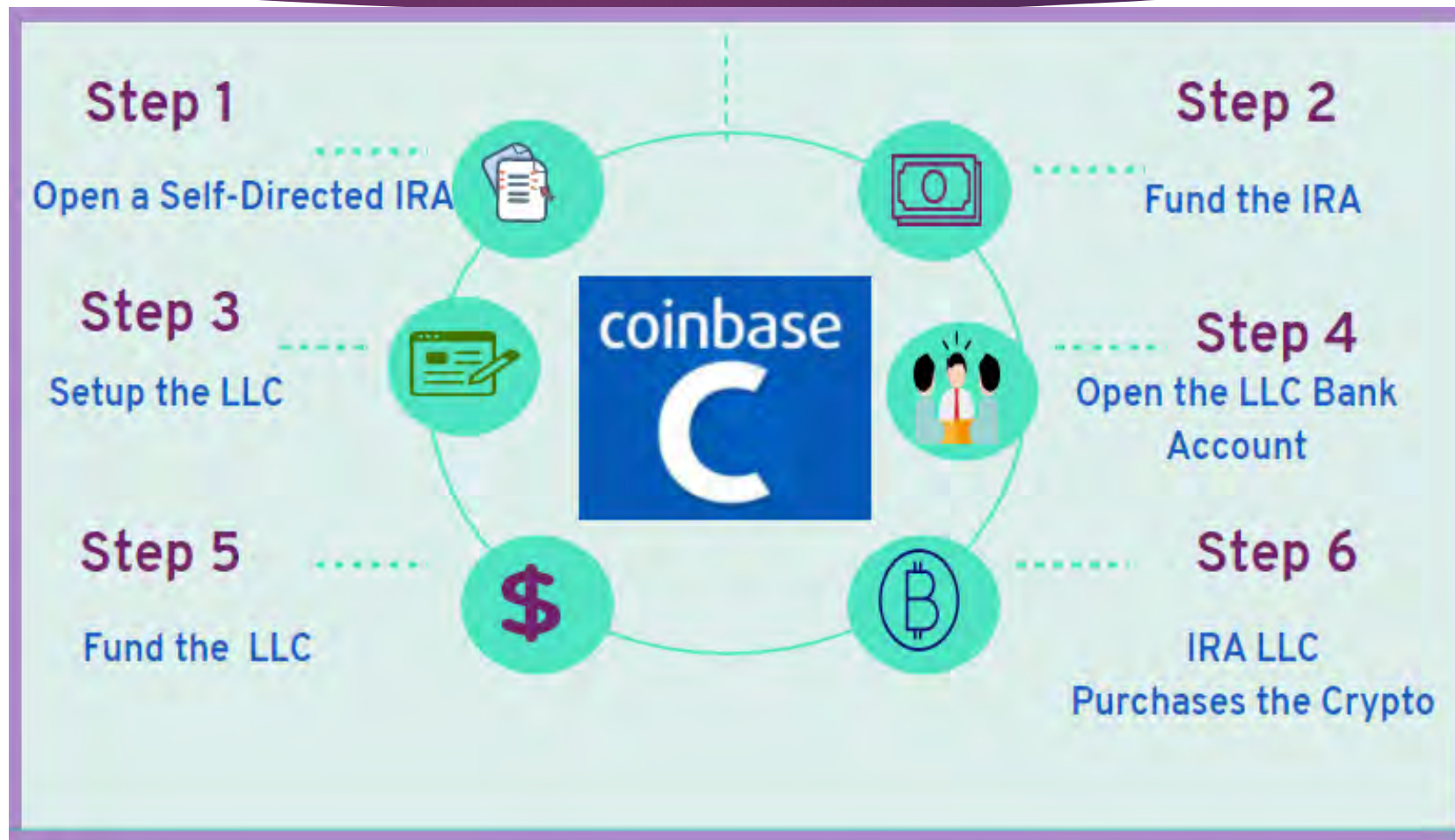
- The IRS has issued guidance that cryptocurrency will be treated as property for federal tax purposes (see e.g. IRS Notice 2014-21).
- ***Outside of a retirement account:*** the income or gains from the sale of cryptocurrency will be subject to capital gains tax rates (short-term or long-term as applicable).
- ***Inside a retirement account:*** the gains/income derived from a cryptocurrency investment are tax-deferred (or potentially tax-free in the case of a Roth IRA LLC account).
 - ❖ **Possible exception:** If you invest your IRA LLC funds in mining cryptocurrency, the income generated may be subject to unrelated business income tax (UBIT) if the mining is considered an active trade or business.

Steps to Invest Self-directed IRA LLC in Cryptocurrency

Investing a Self-Directed IRA LLC in Bitcoin

The cryptocurrency account is opened in
the name of the IRA owned LLC, NOT the
self-directed IRA.

6 Steps



The Steps Broken Down



1

Open a Self-Directed IRA

A Self-Directed IRA custodian such as Forge Trust offers a self-directed IRA that may be invested in an LLC.



2

Fund the IRA

A common method of funding the self-directed IRA is by transferring IRAs and/or former employer plans.



3

Setup the LLC

A company such as My Solo 401k Financial specializes in setting up LLCs for investing in alternative investments such as cryptocurrency.

The Steps Continued



4

Open the LLC Bank Account
Open the LLC bank account at your local bank.



5

Fund the LLC
The self-directed IRA funds are wired to the LLC bank account.



6

The IRA LLC Purchases the Cryptocurrency
The cryptocurrency account is opened and funded via the LLC NOT the self-directed IRA and use the EIN for the LLC.

Tidbits

IRA LLC Cryptocurrency Investment Tidbits



Use the EIN
for the LLC



Open in the
name of the
IRA
funded LLC



Store in a
separate wallet



Do not combine
with personal
funds

The IRA LLC Explained & Setup Process

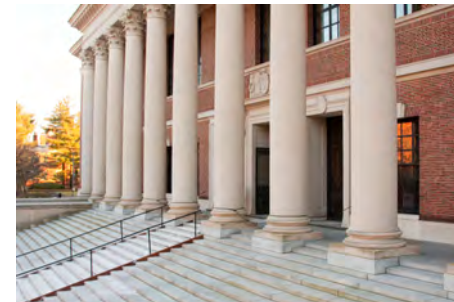
What is it?

- ▶ When an LLC is 100% owned by an IRA or combination of IRAs, it is commonly referred to as a Self-Directed IRA LLC.



Stems from Famous Court Case

- ▶ The tax court ruled in favor of a taxpayer in Swanson versus the Commissioner, 106 Tax Court 76, 1996, essentially ruling that the initial full investment in an entity by an IRA was not prohibited



Why an IRA LLC?

Alternative Investments



Once funded, investments are made through IRA LLC. Alternative investments include real estate, tax liens, precious metals, trust deeds, private company shares and Cryptocurrency, to name a few.

Checkbook Control



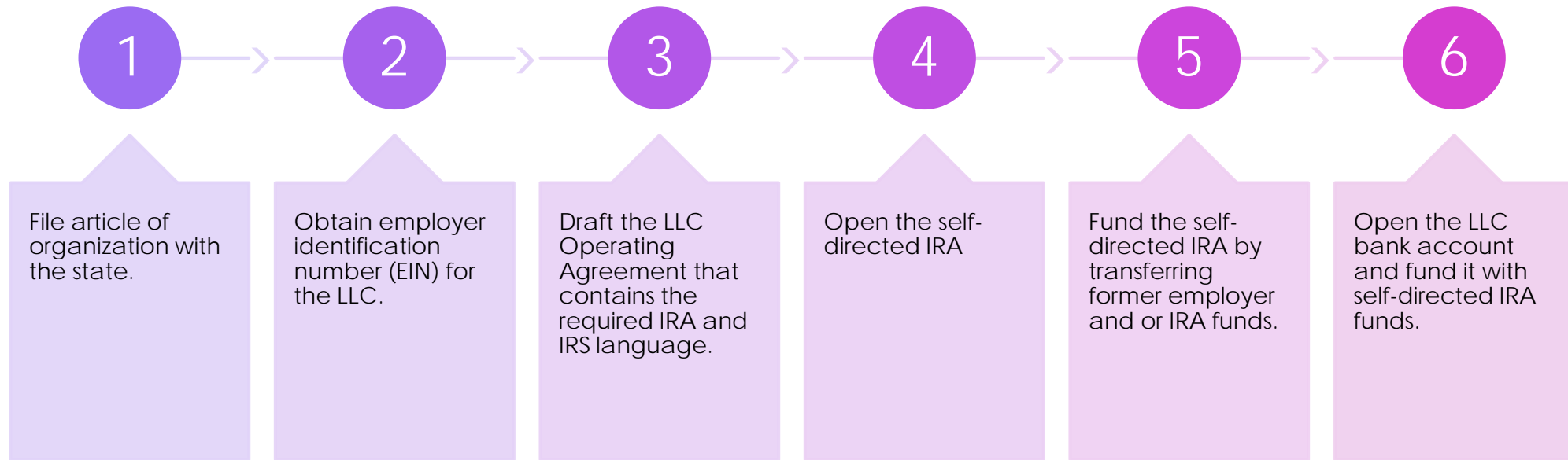
IRA LLC investments are made by wire or by writing a check from the LLC bank account. As the named LLC manager, you are in full control over placing the IRA LLC investments

Fees & Timely Investments



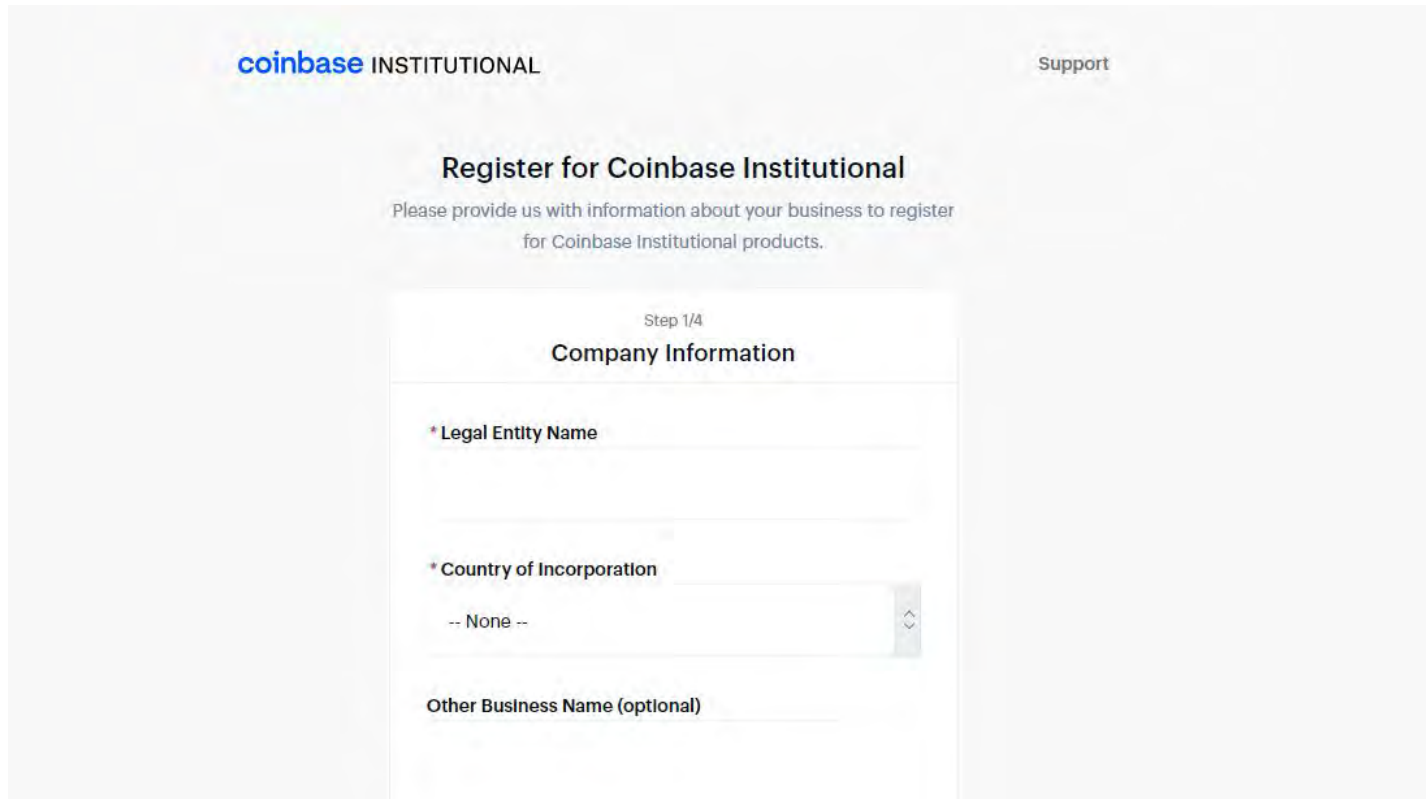
More IRA investors are opting for the Self-Directed IRA owned LLC to greatly reduce processing fees, holding fees and to process time-sensitive investment such as real estate and tax liens.

The IRA LLC Setup Process



Sample Cryptocurrency Account Setup – Coinbase

- ❖ **Getting Started:** Sign up for a Coinbase Institutional Account here:
 - <https://institutional.coinbase.com/institutional-interest/s/>



The screenshot shows the Coinbase Institutional registration interface. At the top, the 'coinbase INSTITUTIONAL' logo is on the left and a 'Support' link is on the right. The main heading is 'Register for Coinbase Institutional', followed by the instruction: 'Please provide us with information about your business to register for Coinbase Institutional products.' Below this, a white box contains the registration steps. 'Step 1/4' is indicated, followed by the title 'Company Information'. The form includes three fields: a text input for '* Legal Entity Name', a dropdown menu for '* Country of Incorporation' (currently showing '-- None --'), and a text input for 'Other Business Name (optional)'.

coinbase INSTITUTIONAL Support

Register for Coinbase Institutional

Please provide us with information about your business to register for Coinbase Institutional products.

Step 1/4

Company Information

* Legal Entity Name

* Country of Incorporation

Other Business Name (optional)

Home x +
https://institutional.coinbase.com/institutional-interest/s/

coinbase INSTITUTIONAL Support

Register for Coinbase Institutional

Please provide us with information about your business to register for Coinbase Institutional products.

Step 1/4
Company Information

* Legal Entity Name

* Country of Incorporation
United States

* State Of Incorporation
-- None --

Other Business Name (optional)

* Place of Business Operations
This is the physical location of your team, or for global teams, where the majority of your firm's decision makers are located. We use this to offer you a representative in your timezone.
-- None --

Enter name of LLC

Select "United States"

Select the state of organization of the LLC

SKIP

Home x +
https://institutional.coinbase.com/institutional-interest/s/

Select "Personal Investment Company"

SKIP

Enter "This is an IRA LLC investment account for investing in my own retirement funds in different assets including cryptocurrencies."

* Place of Business Operations
This is the physical location of your team, or for global teams, where the majority of your firm's decision makers are located. We use this to offer you a representative in your timezone.
United States

Select "United States"

* Place of Business State
-- None --

Select the state of organization of the LLC

* Type of Business
-- None --

* Global Number of Employees
-- None --

Select "1-10"

Company Website (optional)
https://www.

* Business Description
Please describe your business in 100 to 500 characters

Select "\$0-\$5M" unless you intend to invest more than \$5mm

* Fund Assets Under Management (USD)
-- None --

Then click "Next"

Home x +
https://institutional.coinbase.com/institutional-interest/s/

coinbase INSTITUTIONAL Support

Register for Coinbase Institutional

Please provide us with information about your business to register for Coinbase Institutional products.

Step 2/4
Product Interest

What products are you interested in using?
Please select products based on your requirements.

Coinbase Pro
Coinbase Pro provides industry-leading crypto trading and secure storage for both individuals and businesses.

Select

Coinbase Custody
Coinbase Custody is an institutional-grade cold storage security offering. Minimum balance is \$500,000. For balances below \$500,000 use Coinbase Pro.

☐ I certify that I meet the \$500,000 minimum balance requirement

Select

Next

Most choose "Coinbase Pro"

Then click "Next"

Home x +
https://institutional.coinbase.com/institutional-interest/s/

coinbase INSTITUTIONAL Support

Register for Coinbase Institutional

Please provide us with information about your business to register for Coinbase Institutional products.

Select "Exchange Trading"

Enter "The sole purpose of opening this account is to invest my own IRA funds in cryptocurrencies."

Step 3/4
Product Features

Coinbase Pro
Which features of Coinbase Pro do you plan to use?

☒ Exchange Trading
Trade through our API, web, or mobile application.

Expected monthly trading volume

Complete this field.

☐ OTC Trading
Execute large trades with minimal market impact using our agency over-the-counter (OTC) desk. The expert trading team will work closely with you to help you achieve your goals using a range of algorithmic and traditional trading methods. This is recommended for order sizes over \$100k.

* How do you plan on using our products?
Please share as much information as possible so we can better support you

Next

Select excepted monthly trading volume (e.g. \$0-100k or as applicable)

Then click "Next"

Home x +
https://institutional.coinbase.com/institutional-interest/s/

Please provide us with information about your business to register for Coinbase Institutional products.

Step 4/4
Contact Information

* First Name

* Last Name

* Email

* Phone Number
Please include your country code
Country
Select a country
Your phone number

* Your job title

LinkedIn URL (optional)
https://linkedin.com/in/

Other contact information (optional)
Please enter platform (Twitter, Telegram, WeChat) and username

Submit

Enter your Name, email address and phone number

Enter "LLC Manager"

Enter LinkedIn profile URL and other contact info (Optional)

Then click "Submit" & You should receive an email from Coinbase within a few business days, giving you a link to onboarding registration including "Invite Code".

Coinbase Client Onboarding: Register for an account

Coinbase Client Onboarding <clientonboarding@coinbase.com>

to me

coinbase

Hi

To move forward with your Coinbase Business Application, please register for an account with the following details:

Legal Entity Name:

Invite code:

Register

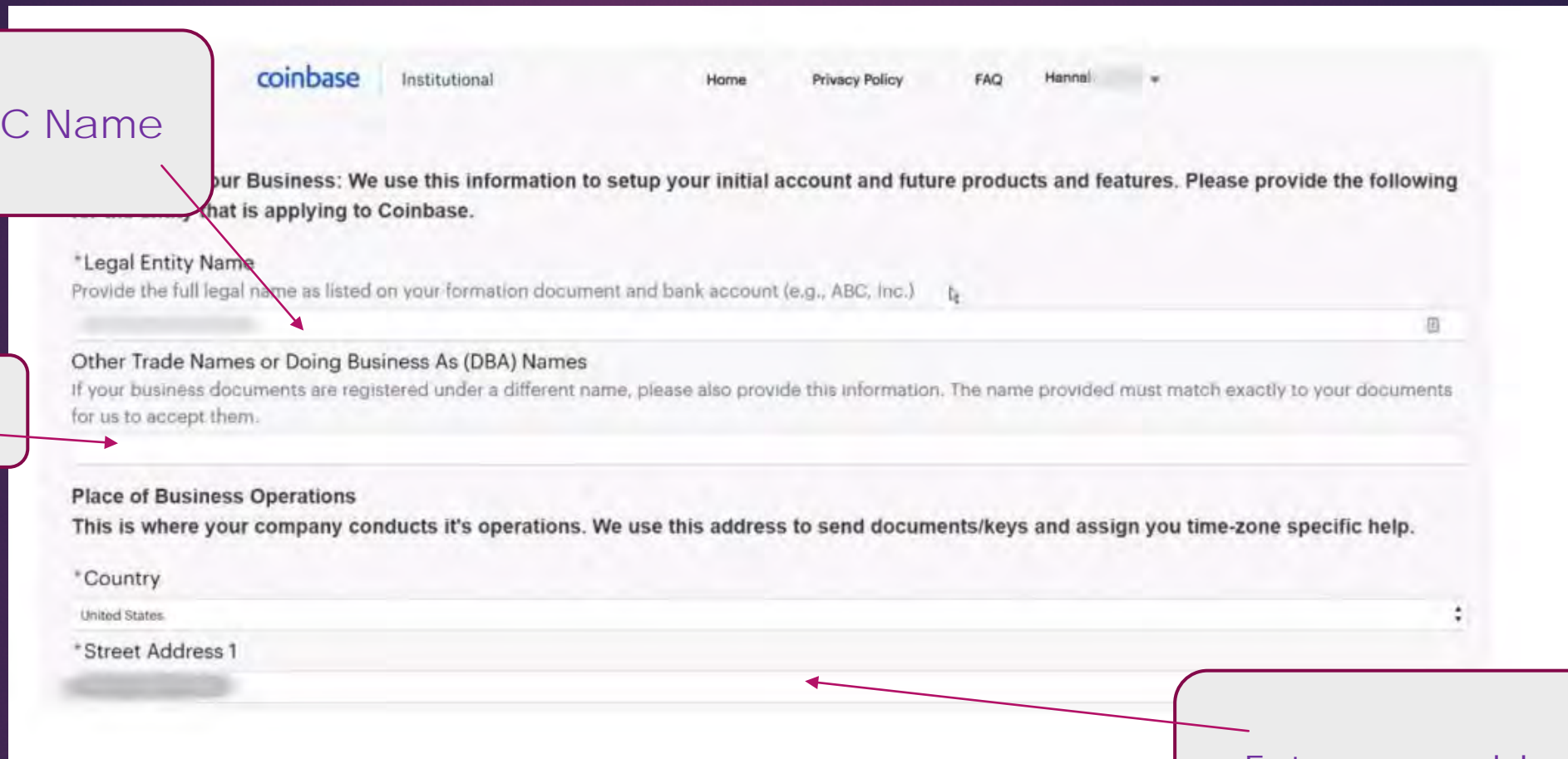
To receive more help on this issue, please contact our Support directly to this message.

Enter LLC Name
and Invite Code

Click "Register" to then
access the Business
Account Application
Center and access the
Onboarding Application

Enter LLC Name

SKIP



The image shows a screenshot of the Coinbase Institutional account setup page. The page has a dark purple header with the Coinbase logo and navigation links: Institutional, Home, Privacy Policy, FAQ, and a user profile dropdown. The main content area is white and contains a form for business information. The form is titled "Your Business: We use this information to setup your initial account and future products and features. Please provide the following information that is applying to Coinbase." The form has several sections: 1. "Legal Entity Name" with a text input field and a note: "Provide the full legal name as listed on your formation document and bank account (e.g., ABC, Inc.)". 2. "Other Trade Names or Doing Business As (DBA) Names" with a text input field and a note: "If your business documents are registered under a different name, please also provide this information. The name provided must match exactly to your documents for us to accept them." 3. "Place of Business Operations" with a note: "This is where your company conducts its operations. We use this address to send documents/keys and assign you time-zone specific help." This section includes a "Country" dropdown menu (currently showing "United States") and a "Street Address 1" text input field. Red arrows point from external callout boxes to the "Legal Entity Name" field, the "SKIP" button, and the "Street Address 1" field.

coinbase Institutional Home Privacy Policy FAQ Hannal

Your Business: We use this information to setup your initial account and future products and features. Please provide the following information that is applying to Coinbase.

*** Legal Entity Name**
Provide the full legal name as listed on your formation document and bank account (e.g., ABC, Inc.)

Other Trade Names or Doing Business As (DBA) Names
If your business documents are registered under a different name, please also provide this information. The name provided must match exactly to your documents for us to accept them.

Place of Business Operations
This is where your company conducts its operations. We use this address to send documents/keys and assign you time-zone specific help.

*** Country**
United States

*** Street Address 1**

Enter your address

Enter Date that
the LLC was
formed

Select
"United
States"

Select the State where
the LLC was formed

Select "Limited Liability
Company"

Select "Financial
Services (non-crypto)"

Select "Personal
Investment Company
(PIC)"

The image shows a screenshot of a web form for LLC formation. The form is titled "Incorporation Information" and contains several fields. Annotations with arrows point to specific fields: "Enter Date that the LLC was formed" points to the "Date of Incorporation / Formation" field; "Select 'United States'" points to the "Country of Incorporation" field; "Select the State where the LLC was formed" points to the "State of Incorporation" field; "Select 'Limited Liability Company'" points to the "Legal Entity Type" field; "Select 'Financial Services (non-crypto)'" points to the "Business type" field; and "Select 'Personal Investment Company (PIC)'" points to the "Client Type" field. The form also includes a "Business type" field with a dropdown menu and a "Client Type" field with a dropdown menu. The "Business type" field has a note: "Select the option you feel best describes your type of investing."

Incorporation Information

Date of Incorporation / Formation

Country of Incorporation
United States

* State of Incorporation

* Legal Entity Type

Client Type

* Industry

* Business type
Select the option you feel best describes your type of investing.

Page 2 of 4 - Coinbase Products: We use this information to setup your account

*Which Coinbase products are you applying for?

- ☒ Trading - Pro
☐ Custody

*What is the purpose of the account? (Select all that apply)

Proprietary trading / investing

*Source of funds

Select "Trading Pro"

Select "Proprietary
Trading/Investing"

Select "Private
Investors"

SKIP

Enter "This is an IRA LLC investment account for investing in my own retirement funds in different assets including cryptocurrencies."

Other Business Information

Website

https://

* Please provide a detailed description of your business that is relevant to the opening of accounts with Coinbase for this business.

* Fund assets under management (in USD)

\$0-5m

Select "\$0-\$5M" unless you intend to invest more than \$5mm

Related to Trading account

*For features on your Coinbase trading account, which Coinbase entity would you like to open your account under?

If you would like more features than is available to a single entity, please select Coinbase UK/PL and notify your sales representative. If your account is approved, we will customize your account after onboarding. For more information please see our [help article](#).

	Coinbase Inc (our US entity)	Coinbase UK & Coinbase Payments Limited (our European entities)
Order Book Base Currency	USD	EUR
Payment Methods	ACH and US Domestic Fedwires for USD SEN (available upon request)	SEPA and Wire for EUR
USDC Stablecoin	USDC order books Direct conversion from USDC to USD	
Please select one Coinbase Entity	<input type="radio"/>	<input type="radio"/>

* Monthly anticipated on-exchange trading volume in USD

\$0-100k

*If your application is approved, which email address would you like to be associated with your Coinbase trading account login? Upon approval, we will set up your account using this email address.

This email cannot be associated to an existing Coinbase individual or business account.

Select excepted
monthly trading
volume (e.g. \$0-100k
or as applicable)

Enter your email
address

Tax Information

* Tax ID Number (Employer Identification Number, Global Intermediate Tax Identification Number, or other local entity identification number). For businesses incorporated in the US, this can be 9 digits i.e. xx-xxxxxx. For other entities, this can be a mix of characters and numbers. **Enter the EIN of the LLC**

* W-9 Form. Upload a completed W-9 Form or download a W-9 Form from the link here, complete, and upload. [Click here](#) to download a W-9

Or drop files
☒ W-9 signed

Complete W-9
(see separate
instructions) & then
Upload

Upload the Articles
of Organization for
the IRA LLC

Provide the following on behalf of the entity applying for Coinbase

*Do you do business with individuals or entities in any of the following countries? Crimea, Cuba, Iran, North Korea, Sudan, Syria

No

*Are you engaged in any of the following activities or industries?

Adult entertainment or services, bail bonds, cannabis, check cashing or pay-day loans, crowdfunding, debt services or credit counseling, firearms or ammunitions, gambling, multi-level or affiliate marketing, payments aggregation, pharmaceuticals, pornography, prepaid or gift cards, ransomware services, tobacco products including vaping, toxic or radioactive materials

No

< Previous

Save & Continue >

Most clients enter
"No"

Most clients enter
"No"

- You will then be prompted to submit information regarding the Officer/Director (i.e. you) & upload your Government ID.
- Coinbase will email you when your application has been processed.

How to Open IRA LLC Account at Coinbase

Additional Documentation Needed:

✓ Signed W-9 Form

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.		Give Form to requester to send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. List Name of IRA LLC Here				
2 Business name/disregarded entity name, if different from above N/A				
Print or type. See Specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) See instructions. List address of IRA LLC Here			Requester's name and address (optional)
	6 City, state, and ZIP code			
	7 List account number(s) here (optional)			
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter. LIST IRA LLC EIN----->				
Part II Certification Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.				
Sign Here	Signature of U.S. person ▶	LLC MANAGER SIGN'S ENTER TODAY'S DATE		

General Instructions ▶ Form 1099-DIV (dividends, including those from stocks or mutual

Funding Cryptocurrency Account at Coinbase & Processing Times

- **Funding the account with Fiat Dollar?**
 - Yes – the account can be funded with US dollars
 - The name on the funding account must match the name of the LLC
- **Processing Time?** Approximately 2 weeks

Practical Tips: Investing IRA LLC funds in cryptocurrency

➤ Opening an Account at a Cryptocurrency Exchange

- Name and EIN of the LLC owned by your IRA (consider tax reporting by the exchange)

➤ Funding an Account at Cryptocurrency Exchange

- Confirm that the account can be funded with Fiat money
- Wire/ACH funds from a bank account in the name of the LLC owned by your IRA
- ***Do not fund from personal account per IRA LLC funding rules***

➤ Store Separate Physical Wallet in Safety Box associated with LLC Bank Account

➤ Private Transactions

- Confirm that the seller or buyer is not a disqualified person to ensure that you don't commit a prohibited transaction
- Do not combine or "tie" the transaction with non-retirement transactions

Solo 401K: Learn More!

- business@mysolo401k.net
- (800) 489-7571



MySolo401kFinancial
Grow. Control. Direct.